INTERIM REPORT
AS AT JUNE 30, 2015

2

BORALEX
energy creator

Contact us

Head Office

Boralex Inc.
36 Lajeunesse Street
Kingsey Falls, Québec
Canada J0A 1B0
Telephone: 819 363-6363
Fax: 819 363-6399
info@boralex.com

Business Offices

Canada

772 Sherbrooke Street West
Office 200
Montréal, Québec
Canada H3A 1G1
Telephone: 514 284-9890
Fax: 514 284-9895

606-1155 Robson Street
Vancouver,
British Columbia
Canada V6E 1B5
Telephone: 1 855 604-6403

201-174 Mill Street
Milton, Ontario
Canada L9T 1S2
Telephone: 819 363-6430 / 1 844 363-6430

France

71, rue Jean-Jaurès
62 575 **Blendecques**
France
Telephone: 33 (0)3 21 88 07 27
Fax: 33 (0)3 21 88 93 92

8, rue Anatole
59 000 **Lille**
France
Telephone: 33 (0)3 28 36 54 95
Fax: 33 (0)3 28 36 54 96

20, rue de la Villette
69 328 **Lyon**
France
Telephone: 33 (0)4 78 92 68 70
Fax: 33 (0)4 78 42 03 44

25, rue de la République
13 002 **Marseille**
France
Telephone: 33 (0)4 91 01 64 40
Fax: 33 (0)4 91 01 64 46

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 land-based 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, BLX.DB and BLX.DBA, respectively.

Management's Discussion and Analysis 2

As at June 30, 2015

Table of Contents

Introductory Comments

General

This Interim Management's Discussion and Analysis ("MD&A") reviews the operating results for the three- and six-month periods ended June 30, 2015, compared with the corresponding periods of 2014, and the cash flows for the three- and six-month periods ended June 30, 2015 compared with the corresponding periods of 2014, as well as the Corporation's financial position as at June 30, 2015 compared with as at December 31, 2014. This report should be read in conjunction with the unaudited interim condensed 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 Annual Report for the fiscal year ended December 31, 2014.

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 August 4, 2015, the date on which the Board of Directors approved this interim MD&A and the unaudited interim condensed 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 condensed 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 2014.

This MD&A includes a section, *Proportionate Consolidation*, where the results of Seigneurie de Beaupré 2 and 3 Wind Farms ("Joint Venture Phase I") and Seigneurie de Beaupré Wind Farm 4 ("Joint Venture Phase II") (collectively, "the Joint Ventures" or "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 the proportionate consolidation method, which is no longer permitted under the IFRS, the *Interests in the Joint Ventures* and *Share in earnings (loss) of the Joint Ventures* items are eliminated and replaced by Boralex's share (50%) in all items in the financial statements (revenues, expenses, assets and liabilities). Since the information that Boralex uses to perform internal analyses and make strategic and operating decisions is compiled on a proportionate consolidation basis, management has considered it relevant to integrate this *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 August 4, 2015. 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, raw material price increases and availability, currency fluctuations, volatility in the selling price of energy, the Corporation's financing capacity, negative changes in general market conditions and regulations affecting the industry, 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, 2014.

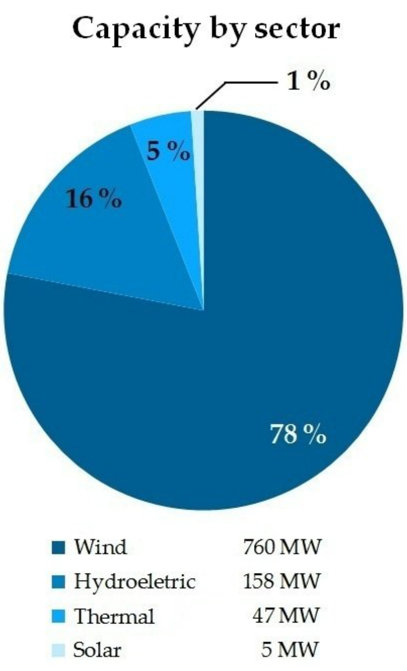
Unless otherwise specified by the Corporation, the forward-looking statements do not take into account the possible impact on its activities, transactions, non-recurring items or other exceptional items announced or occurring after the statements are made. There can be no assurance as to the materialization 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.

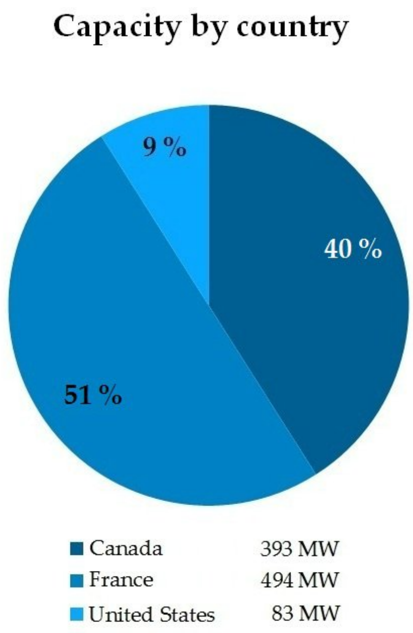
Description of Business

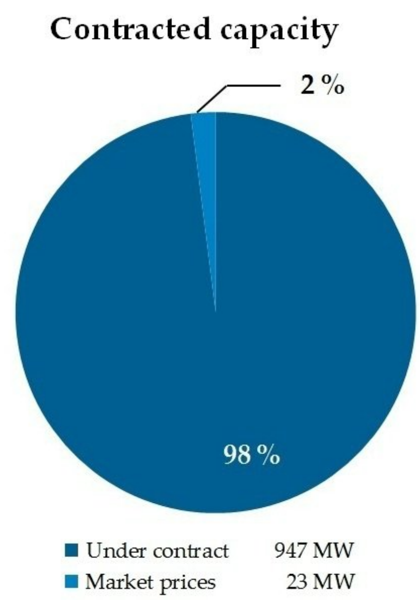
Boralex Inc. ("Boralex" or the "Corporation") is a Canadian power producer that develops, constructs and operates renewable energy power stations. As at June 30, 2015, the Corporation had approximately 250 employees and operated an asset base with an installed capacity of **1,140 megawatts** ("MW"), of which 970 MW[(1)] were under its control, consisting of 393 MW in Canada, 494 MW in France and 83 MW in the Northeastern United States. At the same date, Boralex had new production sites under development representing an additional 153 MW, most of which will be commissioned by the end of 2015.

- As at June 30, 2015, Boralex operated a **760 MW[(1)] wind power** portfolio of assets in France and Canada. In recent years, Boralex has become France's leading independent land-based wind power producer with 477 MW currently in operation and an additional 28 MW to be commissioned by 2016. 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 454 MW (with 283 MW under its control) in Ontario and Québec. In Québec, the Corporation is currently developing various wind power projects for an additional 99 MW to be commissioned by the end of 2015, and has the option to acquire 25% of 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.
- 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 a **solar power** facility with a **5 MW** installed capacity in the south of France, where it will commission a 10 MW second solar power facility in summer 2015.

The following charts[(1)] provide information about the makeup of the Corporation's energy portfolio in operation as at June 30, 2015. As they show, one of Boralex's driving forces is its geographic and segment diversification. The cornerstone of Boralex's strategy: substantially all of its assets in operation are covered by long-term indexed, fixed-price energy sales contracts. That is also the case for 100% of its sites under development.







TOTAL: 970 MW

Average remaining contractual term: 16 years

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

Boralex's shares, 27% of which are held by Cascades Inc. ("Cascades"), and convertible debentures are listed on the Toronto Stock Exchange under the ticker symbols BLX, BLX.DB and BLX.DB.A, respectively.

Executive Summary

Financial Highlights

For the three-month periods ended June 30, 2015 and 2014

(in thousands of dollars, except production, EBITDA(A) margin and per share amounts)	IFRS 2015	IFRS 2014	IFRS Change	Proportionate Consolidation [1] 2015	Proportionate Consolidation [1] 2014	Proportionate Consolidation [1] Change
Production (MWh)	524,670	407,773	+ 29%	662,548	499,993	+ 33%
Revenues from energy sales	58,194	43,824	+ 33%	72,986	53,792	+ 36%
EBITDA(A) [2]	35,947	23,516	+ 53%	46,644	32,177	+ 45%
EBITDA(A) margin (%)	62%	54%		64%	60%	
Net loss	(4,485)	(4,679)		(4,485)	(4,704)	
Net loss attributable to shareholders of Boralex	(4,978)	(4,259)		(4,978)	(4,284)	
Per share (basic)	($0.10)	($0.11)		($0.10)	($0.11)	
Net cash flows related to operating activities	13,057	3,913		26,790	8,331	
Cash flows from operations [2]	19,266	7,739	+ 149%	27,499	12,200	+ 125%
Per share (basic)	$0.40	$0.20		$0.57	$0.32	

Financial Highlights

For the six-month periods ended June 30, 2015 and 2014

(in thousands of dollars, except production, EBITDA(A) margin and per share amounts)	IFRS 2015	IFRS 2014	IFRS Change	Proportionate Consolidation [1] 2015	Proportionate Consolidation [1] 2014	Proportionate Consolidation [1] Change
Production (MWh)	1,084,345	868,520	+ 25%	1,396,088	1,077,270	+ 30%
Revenues from energy sales	130,711	106,754	+ 22%	164,159	129,315	+ 27%
EBITDA(A) [2]	87,701	65,721	+ 33%	108,958	83,934	+ 30%
EBITDA(A) margin (%)	67%	62%		66%	65%	
Net earnings	3,568	4,704		3,568	4,616	
Net earnings attributable to shareholders of Boralex	1,628	3,692		1,628	3,604	
Per share (basic)	$0.03	$0.09		$0.03	$0.09	
Net cash flows related to operating activities	62,124	37,681		73,670	48,849	
Cash flows from operations [2]	59,467	37,065	+ 60%	70,251	48,768	+ 44%
Per share (basic)	$1.24	$0.97		$1.47	$1.28	

[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

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 the wind and hydroelectric power segments; and
- Focus development initiatives on Canada and France.

Dynamic and orderly execution of this strategy has mainly resulted in a surge in Boralex's wind power segment development, lifting installed capacity to 760 MW as at June 30, 2015, from 251 MW in December 2011. The hydroelectric power segment has also reported strong expansion, with installed capacity up nearly fourfold over the past five fiscal years. Boralex also made its first foray into solar energy production, thereby deepening its solar expertise since 2011, and will be operating two sites by 2015.

At the same time, the Corporation has divested most of its assets not covered by long-term energy sales contracts and considerably reduced the weight of its thermal power segment in its energy portfolio. Proceeds from the sale of assets have been reinvested in the development of its wind and hydroelectric power segments.

In addition, every single energy asset acquired or developed by Boralex since 2009 has been covered by long-term indexed, fixed-price energy sales contracts.

Recent Developments Affecting Boralex's Results and Financial Position in 2015

Acquisition of Enel Green Power France S.A.S.

On December 18, 2014, Boralex completed the acquisition of this wholly owned subsidiary of Enel Green Power International B.V., renamed "Boralex Énergie Verte" ("BEV"), for a consideration of €280 million ($400 million), with €132 million ($189 million) in cash. This acquisition made Boralex France's leading independent producer of land-based wind power and grew total installed capacity by 25%. More specifically, the BEV acquisition bolstered Boralex's portfolio with added high-quality assets offering strong geographic diversification, consisting of 13 wind farms in operation totalling 196 MW. The assets acquired are all covered by long-term energy sales contracts with Électricité de France ("EDF") with an average remaining term of 11 years. Moreover, the BEV acquisition afforded Boralex a significant portfolio of wind power projects at various stages of development, including several that could be commissioned from 2016 to 2018.

This acquisition delivers significant financial and strategic advantages. In particular, the Corporation expects the new assets to generate approximately €30 million ($41 million) in annual EBITDA(A) (before development costs), given existing synergies. They will generate an immediate and substantial increase in cash flows, improving the Corporation's liquidity and providing additional flexibility to fund future development and achieve its dividend policy objectives. In addition, Boralex's expanded critical mass in the French wind power market will generate certain operating synergies and step up its purchasing power for the acquisition of wind turbines and replacement parts, and result in lower management fees. In terms of strategic positioning, the acquisition has increased Boralex's geographic diversification and substantially strengthened its competitive position and long-term growth potential in France, a particularly favourable market for Boralex, given its leadership role and that developing the wind power industry is a clear and ambitious government policy objective.

Financing the Acquisition of Boralex Énergie Verte

The BEV acquisition was financed as follows:

- Cash on hand;
- A €180 million ($251 million) borrowing facility with a 15-year term at an annual interest rate of approximately 3%. This facility provides for an additional €25 million tranche to be drawn down for the purpose of financing a distribution to Boralex once certain conditions are met;
- A $45 million increase in the existing revolving credit facility bringing its limit to $175 million; and
- A $100 million bridge facility, repaid in the first quarter of 2015, out of the $124 million in gross proceeds from the public placement of 8,430,000 common shares of Boralex at a price of $13.05 per share, followed by an issue, as of January 30, of 1,075,000 additional shares at a price of $13.05 per share on exercise of 85% of the over-allotment option held by the syndicate of underwriters.

Accordingly, Boralex enjoys a sound and flexible cash position and capital structure with a view to pursuing its development objectives.

Commissioning of New Production Sites in Canada and in France

2014

During fiscal 2014, the Corporation commissioned the following power stations, which will make a full-year contribution to 2015 results compared with a partial contribution in 2014:

- The **Jamie Creek** hydroelectric power station (22 MW) in British Columbia in May 2014. Covered by a 40-year energy sales contract with BC Hydro with a 20-year renewal period, this new power station has served to strengthen Boralex's presence in British Columbia, where the Corporation now aggregates 37 MW of hydroelectric installed capacity. Performance at the new power station has been in line with its potential and should generate EBITDA(A) of approximately $5 million on an annual basis.
- French wind farm **Fortel-Bonnières** (23 MW), covered by a 15-year energy sales contract with EDF, in October and November 2014. Management estimates that this power station will contribute approximately $6 million to the Corporation's EBITDA(A) annually.
- **Joint Venture Phase II's** Seigneurie de Beaupré Wind Farm 4 in Québec was commissioned on December 1, 2014, totalling 68 MW (including Boralex's 34 MW share) covered by a 20-year energy sales contract with Hydro-Québec. This power station, which offers logistical synergies with the Joint Venture Phase I already in operation, was delivered within the capital investment budget and was commissioned slightly ahead of its deadline. To date, its performance has more than satisfied management's expectations and estimates are that it will contribute approximately $9 million to the Corporation's annual EBITDA(A) (Boralex's share).
- Also on December 1, 2014, the 23.5 MW **Témiscouata I** community wind farm developed jointly with Témiscouata Regional County Municipality ("RCM") in Québec. This power station is covered by a 20-year contract with Hydro-Québec. Management estimates it will contribute approximately $8 million to the Corporation's EBITDA(A) annually.

2015

Since the beginning of fiscal 2015, the Corporation has commissioned the following power stations, on budget and on schedule:

- On March 9 (first quarter) and April 13 (second quarter) of 2015, the 23 MW **St-François** wind farm in France was commissioned. Covered by a 15-year energy sales contract with EDF, the power station should generate EBITDA(A) of approximately $5 million on an annual basis.
- On April 13, 2015, the 10 MW **Comes de l'Arce** wind power project in France was commissioned, which was part of the BEV acquisition. This project is also covered by a 15-year contract with EDF and its annual contribution to EBITDA(A) is estimated at approximately $2 million.

In combination with BEV's power stations in operation, the aforementioned commissioned facilities have a significant impact on fiscal 2015 operating results.

Furthermore, other assets totalling 123 MW will be commissioned during 2015, namely wind power facilities **Calmont**, in France, and **Côte-de-Beaupré**, **Témiscouata II** and **Frampton** in Québec, as well as the **Montfort-Peyruis** solar power station in the south of France. These projects are described later in this MD&A.

Lastly, Boralex is currently investing in the development of the **Touvent** wind farm in France and the **Yellow Falls** hydroelectric power station in Canada, a further 30 MW of energy assets which will be commissioned in 2016 and 2017. Further, the Corporation recently acquired the option for 25% of the 230 MW **Niagara Region Wind Farm** project in Ontario, which will be commissioned before the end of 2016. While these projects will not make a contribution to 2015 results, they will have an impact on the Corporation's cash flows and financial position during the current fiscal year.

Other Acquisitions Within the Last 12 Months

- On July 30, 2014, Boralex announced the acquisition of the 14 MW **Calmont** wind power project, in France, covered by a 15-year energy sales contract with EDF. Located in the Midi-Pyrénées region, Calmont is only a few kilometers from Boralex's Avignonet-Lauragais power station, which offers attractive synergies. Commissioning of the power station, currently under construction, will take place before the end of 2015. Agreements have been signed with most suppliers and financing was completed on April 3. Management expects Calmont to generate EBITDA(A) of approximately $3 million per year.
- On January 12, 2015, Boralex announced the acquisition of an interest in the 24 MW capacity **Frampton** community wind power project. Held 33% by the Municipality of Frampton and 67% by Boralex, the project is located on private lands in the Municipality of Frampton, in Québec's Chaudières-Appalaches region. It is covered by a 20-year energy sales contract with Hydro-Québec. Project financing was signed August 4, 2015 (see *Subsequent Events* section) and construction is underway, with commissioning slated for December 2015. This power station will generate annual EBITDA(A) estimated at $9 million.
- On February 3, 2015, Boralex acquired the 13.8 MW **Touvent** wind power project in France, covered by a 15-year contract with EDF. Management expects Touvent to generate EBITDA(A) of approximately $3 million per year. Agreements have been signed with suppliers and the site construction began with commissioning slated for the third quarter of 2016.

- On June 8, 2015, Boralex announced the signature of a buy option (the "Option") for a 25% economic interest in the 230 MW **Niagara Region Wind Farm** project in which wind turbine maker Enercon is the majority owner. Located in the Regional Municipality of Niagara, the Niagara Region Wind Farm project will comprise 77 Enercon wind turbines of 3 MW and is slated for commissioning by the end of 2016. Boralex has agreed to pay Enercon an initial consideration of $5.0 million to purchase 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 the project construction, which began in June 2015, and the operation and management of the future site following the exercise of the Option.

Repurchase of European Partner Cube's Interest

On February 27, 2015, Boralex announced the closing of a financial settlement whereby Cube Energy SCA ("Cube") agreed to exchange its entire 25% equity interest in Boralex Europe S.A. for term loans. Under the settlement, in consideration for the Corporation acquiring 100% control of Boralex Europe, Cube will receive a payment of €16 million, bearing interest at 6.5%, payable by the end of 2015, and the shares held by Cube will be exchanged for two term loans totalling €40 million issued by two European subsidiaries of the Corporation and bearing interest at a fixed rate of 6.5%, with no repayment prior to maturity in January 2019.

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. With it, the Corporation will enjoy greater leverage to implement its growth strategy in Europe.

Offering of convertible debentures for total gross proceeds of $143.8 million and arrangement of a new $75 million term credit facility

On June 22, 2015, the Corporation closed its bought deal financing of convertible unsecured subordinated debentures with a syndicate of underwriters for an amount of $125 million ("2015 Debentures"). On June 26, 2015, Boralex announced the exercising of the over-allotment for this investment in an amount of $18.8 million. The total value of 2015 Debentures is therefore $143.8 million ($137.3 million net of transaction costs).

These debentures bear interest at an annual rate of 4.50% payable semi-annually, in arrears, on June 30 and December 31 of each year, starting December 31, 2015. In accordance with the trust indenture, each debenture is convertible into Class A common shares of Boralex at the option of the holder at any time prior to the close of business on the earlier of the business day immediately preceding the maturity date and the business day immediately preceding the date fixed for early redemption of the debentures at the initial conversion price of $19.60 per common share, subject to adjustments.

These debentures may be early redeemed by Boralex after June 30, 2018. From June 30, 2018 to June 30, 2019, Boralex may, under certain circumstances, such as if Boralex's share price is trading at 125% of the conversion price, redeem these debentures at their principal amount plus accrued and unpaid interest. As of June 30, 2019, Boralex may redeem these debentures, without restrictions, at their principal amount plus accrued and unpaid interest.

The Corporation has determined the fair value of the conversion option at $5.4 million. The fair value of debentures was determined by discounting the cash flows related to these debentures at a rate of 5.30%, which is the interest rate that the Corporation would have expected to pay if the debentures did not have a conversion option, representing the excess of the fair value of debentures and their nominal value. The Corporation also incurred transaction costs in the amount of $6.4 million. The initial fair value of these debentures is therefore $132 million.

In parallel with this investment, Boralex announced it had entered into a $75 million term credit facility that will be available until March 31, 2016. If Boralex makes use of this facility, it will expire on June 27, 2018.

With the amounts received from this issuance, the entire $104 million revolving credit facility was repaid. The balance of the offering proceeds, coupled with the funds available under this revolving credit facility and the above mentioned new term credit facility, could be used by Boralex to finance acquisition projects, development projects, and/or general Corporation's business. The latter could include, if the Corporation elects to do so, the early redemption of the Corporation's existing 6.75% convertible unsecured subordinated debentures, which will become redeemable at par starting on September 30, 2015, to the extent that such debentures have not been converted into common shares prior to their redemption date.

Management estimates that this new debenture financing, entered into at a favourable rate, combined with the new revolving term credit facility, will provide the Corporation with greater leverage in its financial management and in pursuing development projects.

Continuation of the Dividend Policy Introduced in 2014

On February 19, 2014, Boralex's Board of Directors authorized and declared the Corporation's first-ever dividend, namely a quarterly dividend of $0.13 per outstanding common share. The first dividend pay-out occurred on March 17, 2014. Since then, dividends in the same amount have been authorized, declared and paid each quarter.

The introduction of a dividend policy is a reflection of Boralex's commitment to enhancing shareholder value. This decision is also 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.

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, under IFRS (as defined under *Non-IFRS Measures*) less capital investments required to maintain its production capacity and less project-related non-current debt payments.

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

As the charts on the following page show, Boralex's strategic decisions made in recent years have substantially transformed and enhanced its positioning.

In **contractual** terms, Boralex's long-term covered portion of installed capacity in operation grew to 98% in 2015 from 51% in 2009. In addition, all of its development projects are also covered by long-term contracts, ensuring higher, more predictable future profitability and cash flows.

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. As at June 30, 2015, the combined share of assets in operation in those two segments totalled 95%. In contrast, the thermal power segment's share of Boralex's overall installed capacity has fallen to 5% in 2015 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 and potential scarcity of fuel used in the thermal power stations, namely natural gas and wood residue.

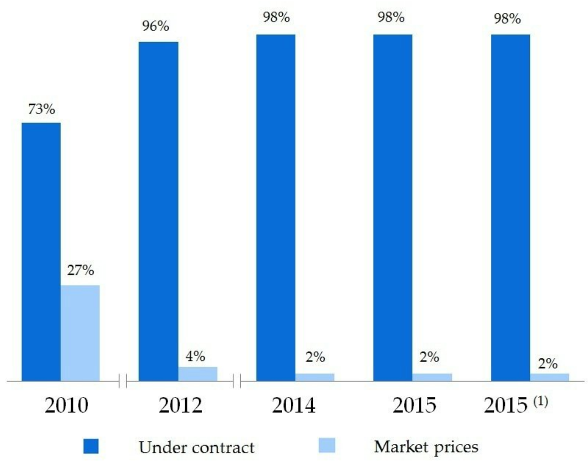
Developments over recent fiscal years have strengthened the Corporation's **geographic** positioning in its two strategic areas, Canada and France, where 40% and 51%, respectively, of Boralex's capacity in operation is now located, compared with 10% and 29% respectively, in 2009. The United States accounted for 9% of the Corporation's capacity in operation as at June 30, 2015.

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

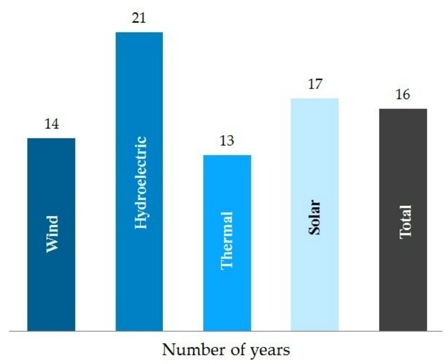
- Growth in the Corporation's operating profit margin resulting from the increased weighting of more profitable segments in its energy portfolio-wind and hydroelectric power;
- A stabilizing impact on results by these sectors, due to the geographic diversification of their assets; and
- In spite of the scale of recent and planned investments, in addition to the introduction of a dividend policy, maintaining a solid cash position and reasonable debt through significant and steady fund inflows from operations.

These charts provide information about the makeup of the Corporation's energy portfolio as at June 30, 2015 and its changes compared with the end of previous fiscal years.

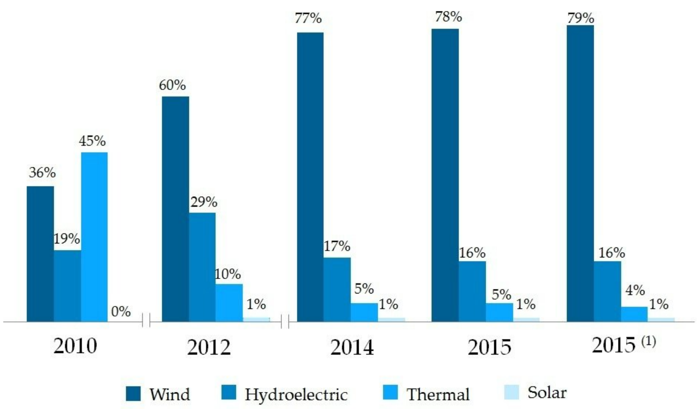
Contracted capacity



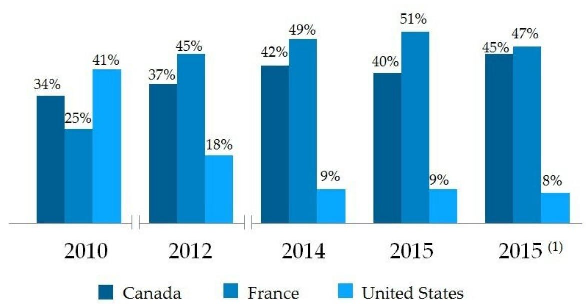
Average remaining contractual term(2)



Capacity by sector



Capacity by country

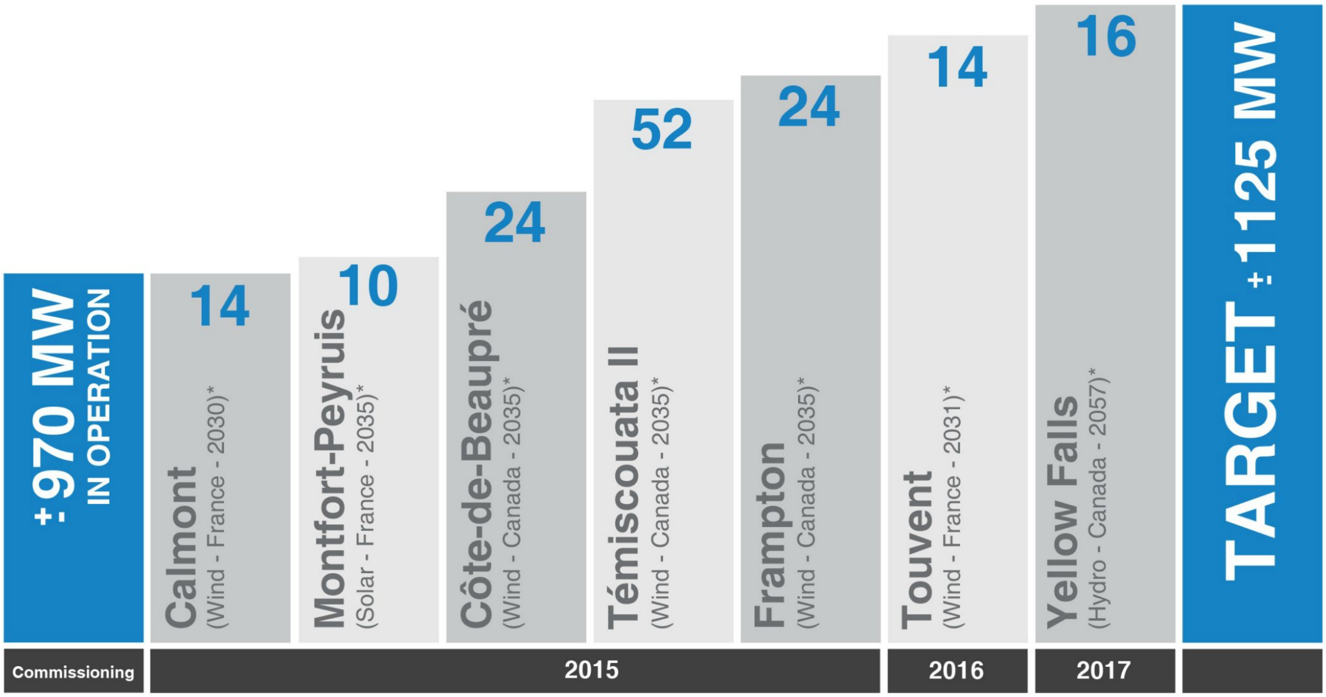


(1) Pro forma, including Boralex's interest of 153 MW in development projects as at June 30, 2015.

(2) Based on annual production in MWh.

Outlook and Development Objectives

Growth Path as at June 30, 2015



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

Wind

Accounting for 78% of Boralex's total installed capacity as at June 30, 2015, this segment has been Boralex's top growth driver over the last five years and will remain so over the short and medium terms. Wind power will account for nearly 80% of the Corporation's energy portfolio by early 2016. 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: France and Canada. This strategy 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 leeway to adjust to its differently evolving target markets.

2015-2017 Outlook

Boralex anticipates the installed capacity of its wind power segment to grow 18% to nearly 900 MW by late 2017. As shown by the *Growth Path* table and *Financial Target* chart in this section, this growth will stem from the following sources:

- Immediate contributions from the **BEV** power stations in operation acquired on December 18, 2014, coupled with the synergies generated by this acquisition to be achieved gradually over the next few quarters. The process of integrating this new operating base is underway and its performance to date is in line with management's expectations;
- The full contribution from wind farms totalling 80 MW (Boralex's share) commissioned during 2014 as discussed above, consisting of French wind farm **Fortel-Bonnières**, as well as **Phase II of the Seigneurie de Beaupré Wind Farms** and **Témiscouata I**; and
- Contributions from wind power stations totalling 160 MW which have been or will be commissioned through 2015 to 2016, not including the other expansion projects that could materialize in the meantime.

France

An additional 61 MW in 2015 and 2016, covered by 15-year energy sales contracts with EDF

- The 23 MW **St-François** power station commissioned in March and April 2015;
- The 10 MW **Comes de l'Arce** power station commissioned in April 2015;
- The 14 MW **Calmont** wind power project which will be commissioned late in 2015; and
- The 14 MW **Touvent** wind power project which is slated for commissioning in the third quarter of 2016.

These four projects are discussed in detail in the previous section.

Canada

An additional 99 MW in 2015, covered by 20-year energy sales contracts with Hydro-Québec

- The 23.5 MW **Côte-de-Beaupré** community wind farm, developed jointly with La Côte-de-Beaupré RCM. This wind farm located on Seigneurie de Beaupré lands, will thereby benefit from logistical synergies with the existing wind farms operated by Boralex, totalling 340 MW. It will be commissioned in December 2015 and its financing will be completed in the next few weeks. Management estimates its future contribution to annual EBITDA(A) will be approximately $8.5 million.
- Abutting the Témiscouata I wind farm, the **Témiscouata II** project, wholly owned by Boralex, will aggregate an installed capacity of 52 MW. This power station is covered by a 20-year contract with Hydro-Québec. Boralex began construction in 2014 to leverage logistical synergies with Témiscouata I. On June 26, 2014, the Corporation also announced that $142.7 million in financing had been arranged for Témiscouata II. Management estimates this future power station will contribute approximately $15.7 million to annual EBITDA(A).
- The 24 MW **Frampton** community project, which will be commissioned in December 2015 (see the previous section).

Longer-Term Outlook

Despite intense competition in the global wind power market, certain external factors are conducive to development in this energy niche, including a relatively stable financial and interest-rate environment that is expected to remain so in the foreseeable future, and technological breakthroughs in wind turbines that, by enhancing equipment productivity, allow 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 S.A.S.

Boralex's wind power segment is bolstered by its presence in two separate geographic markets, which allows the Corporation to fine-tune its strategy in response to the specific trends of its target markets.

Europe

France currently offers the highest concentration of development opportunities for Boralex's wind power segment. It is firmly committed to the development of wind power, having set the clear objective of increasing to 30% by 2030 the share of renewable energy in French national electricity production. Furthermore, Boralex has become France's largest private land-based wind power producer and holds the rights to a sizable portfolio of projects totalling approximately 500 MW, primarily in wind power, through BEV. A number of those projects are in relatively advanced stages of development and could be commissioned between 2016 and 2018.

Back in 2012, Boralex entered into a five-year agreement with InnoVent, in France, to secure options to acquire 130 MW in additional wind power projects currently under development by InnoVent.

In July 2014, Boralex and a Danish developer entered into an equally owned joint venture to develop an offshore 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.

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 Québec's current electricity surplus, the overall weakness of the economy and especially, a growing trend by provincial governments to rely on requests for proposals, stepping up 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 the solid positioning the Corporation has already built. In the shorter term, development in Canada will focus in particular on finding opportunities to acquire wind power projects at various stages of development that are covered by energy sales contracts. Boralex recently acquired a buy option for a 25% economic interest in a 230 MW wind farm project in Ontario. The Corporation has also 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 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 two 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 and for structuring the required financing, as well as in the construction and operation of wind farms, based on rigorous financial management and proactive and disciplined operational management; and
- Its growing reputation in world financial markets as a credible, highly efficient developer and operator of increasingly large-scale wind power facilities.

Hydroelectric

Boralex's hydroelectric power segment will get a boost from a full-year contribution from the **Jamie Creek** power station in fiscal 2015 compared with 7.5 months in 2014, including the run-in period.

On April 13, 2015, Boralex announced the start of construction on the new 16 MW **Yellow Falls** hydroelectric power station in Ontario, Canada. This is Boralex's first hydroelectric power station in Ontario and its commissioning is slated for the first quarter of 2017. The power station's annual production is estimated at 67 GWh and will generate annual EBITDA(A) of approximately $7 million. Yellow Falls 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. Financing for the project is planned for the third quarter of 2015.

Moreover, by the end of 2015, Boralex expects to have completed most of the work at its **Buckingham** power station in Québec, Canada, to comply with the *Dam Safety Act*. Building on a $2.8 million investment in 2014, the Corporation expects to invest approximately $8 million in 2015 and approximately $2 million in 2016, and entered into an agreement to that end in April 2015. Concurrently with this work, management is still reviewing various investment scenarios aimed at expanding the power station's installed capacity to 20 MW from its current 10 MW.

Further, Boralex has submitted 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 - as Boralex's position is rate continuity - 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 decision is reached in the other cases. 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. On one hand, revenues from these two power stations are not significant from the point of view of the Corporation's consolidated revenues and, on the other hand, the two power stations in question carry no debt through external financing. As of the date of this MD&A, management is unable to determine if and when the arbitration proceedings will commence, or what the results of a final decision in these cases might be.

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 twenty 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. To that effect, in 2014, the Corporation acquired for a $1.4 million consideration a 27% 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 years 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 the new agreement came into effect, this agreement affords operating conditions conducive to stable and predictable profitability.

Blendecques Power Station - France

In 2013, a new energy sales contract with EDF was entered into for an additional 12-year term ending on October 31, 2025. To honour this new agreement, the power station underwent modernization work in 2014, representing an investment of approximately €6 million. New equipment has been operational since November 1, 2014 and performing according to expectation.

Solar

Boralex's only solar power station in operation has performed to management's expectations since its commissioning in June 2011. The Corporation expects an average electricity production of approximately 5,000 MWh for the first ten years, with an expected average EBITDA(A) margin of 80%-85% over the period, as supported by the favourable results to date.

On May 5, 2015, Boralex announced the beginning of construction of a second solar power station, rated 10 MW, the **Montfort-Peyruis** solar power station in Southern France. With a 20-year contract in place with EDF, the new facility will be commissioned in the third quarter of 2015. Project financing was completed on July 10, 2015. Management estimates this power facility will make an annual contribution to the Corporation's EBITDA(A) of approximately $1 million.

The Corporation began construction on a 0.5 MW solar power project in Ontario. This project will require a $1.6 million investment. This solar rooftop project is covered by a 20-year energy sales contract with the Ontario Power Authority.

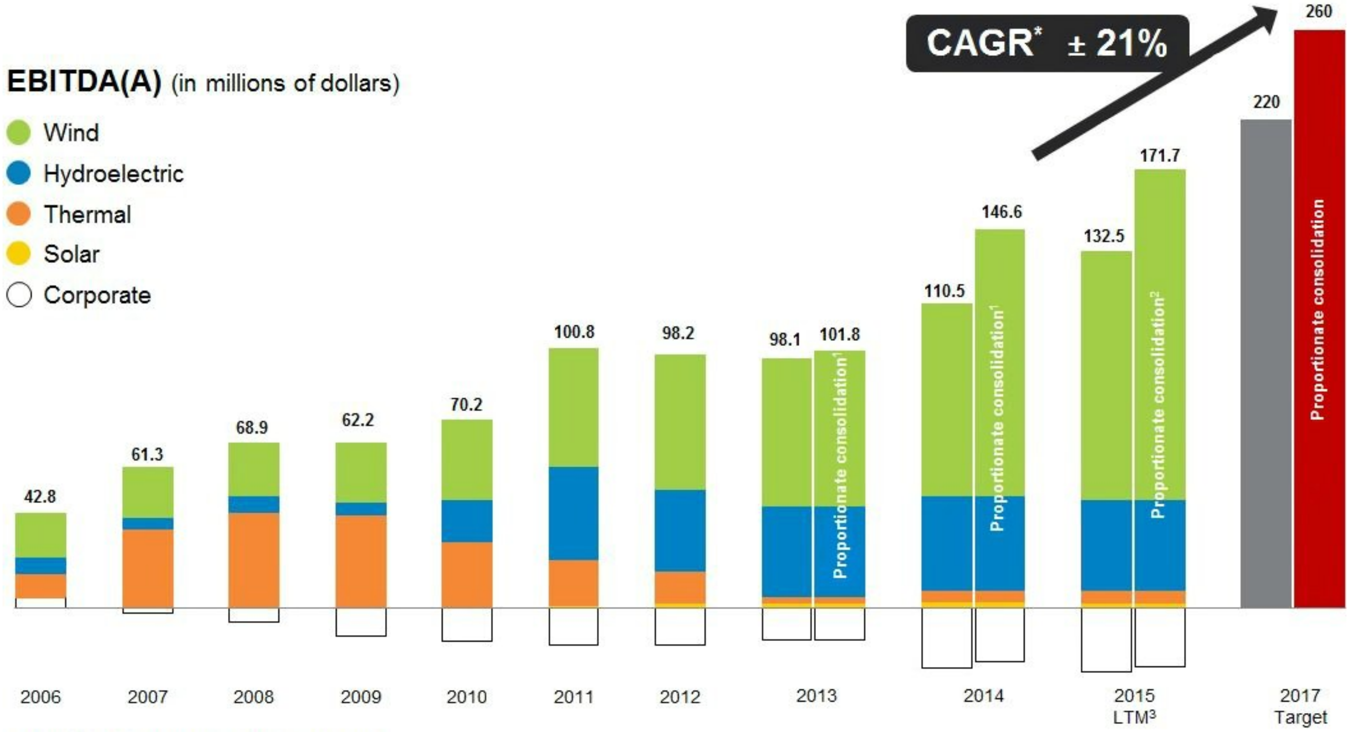
Solar power generation is a growth industry with market rules and government positions to be worked out in the years to come. Boralex believes this clean and abundant source of renewable energy has potential, particularly as technological breakthroughs gradually push down equipment costs, thereby making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

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

Boralex Inc.: Taking Growth to the Next Level

As shown in the graph below, Boralex's short- and medium-term growth 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. In fact, the BEV acquisition has taken Boralex to a new level of growth and will soon make it one of Canada's top-five independent renewable energy producers.

Financial Target



* Compounded annual growth rate 2014-2017
[1] EBITDA(A) according to proportionate consolidation basis (see Reconciliations between IFRS and Proportionate consolidation of the 2014 Annual Report)
[2] EBITDA(A) under IFRS and proportionate consolidation basis, respectively. (see Seasonal Factors of the MD&A). In proportionate consolidation, adjustments of $39.2 million were accounted for the Joint Ventures Phases I and II.
[3] LTM represents the twelve-month period ended June 30, 2015

2015-2017 Outlook

Given the recent expansion of its operating base and potential for development, Boralex has set itself the new financial target of establishing an asset base in operation capable of generating an EBITDA(A) of $220 million ($260 million on a proportionate consolidation basis) by the end of 2017.

In early 2014, the Corporation disclosed the following objectives to its shareholders: aggregate energy assets totalling 950 MW by the end of 2016, to generate $200 million in EBITDA(A) on a proportionate consolidation basis. In fact, that objective was achieved one year ahead of time, owing primarily to the BEV acquisition in France. Boralex's installed capacity stood at 970 MW and will exceed the 1,000 MW mark over the course of 2015.

Furthermore, Boralex is currently working on building a pipeline of projects consisting of over 150 MW for the upcoming years, as reflected by the growth path discussed in this section.

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

- The integration of the power stations in operation acquired from **BEV**;
- The full-year contribution from assets totalling 102 MW commissioned in 2014, including three wind farms and one hydroelectric power station;
- The **St-François** and **Comes de l'Arce** wind power stations totalling 33 MW, recently commissioned in France;
- The other wind power stations totalling 127 MW to be commissioned between 2015 and 2016;
- Commissioning of the new 10 MW **Montfort-Peyruis** solar power station in 2015;
- Commissioning of the new 16 MW **Yellow Falls** hydroelectric power station in 2017;

- Development and commissioning of greenfield development projects in France totalling approximately 250 MW to 300 MW by 2020; and
- All without taking into account any additional expansion projects that could arise in the interim.

Boralex's project execution and shareholder dividends are buttressed by a solid statement of financial position with a cash position, including restricted cash, of $132.2 million as at June 30, 2015 under IFRS ($153.2 million on a proportionate consolidation basis). Given its expertise acquired over many years in the development, financing, construction, 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: Create 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, and in turn market value, while supporting its dividend policy.

The Corporation intends to become one of the five largest, most experienced and best diversified Canadian independent renewable energy producers. What's more, Boralex is dedicated to offering competitive shareholder returns, by delivering on its current project pipeline and tapping into its strong future development potential, particularly in France and Canada. Boralex expects annual compound growth in its installed capacity to reach approximately 10% at the outset of 2020.

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 France 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 Canada and France.

At the same time, the Corporation will closely monitor new international developments in green and renewable energy production.

Boralex believes that along with its solid presence in these 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.

Boralex's objective is to achieve annual compound growth in its installed capacity of approximately 10% by 2020.

Seasonal Factors

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding)	Three-month periods ended September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	Twelve-month period ended June 30, 2015
POWER PRODUCTION (MWh)					
Wind power stations	112,029	245,601	385,895	301,334	1,044,859
Hydroelectric power stations	139,938	154,752	113,587	205,678	613,955
Thermal power stations	45,909	34,092	59,155	15,628	154,784
Solar power station	1,952	1,080	1,038	2,030	6,100
	299,828	435,525	559,675	524,670	1,819,698
REVENUES FROM ENERGY SALES					
Wind power stations	14,133	31,278	48,712	37,016	131,139
Hydroelectric power stations	12,236	14,312	12,584	16,785	55,917
Thermal power stations	5,660	7,569	10,736	3,467	27,432
Solar power station	945	514	485	926	2,870
	32,974	53,673	72,517	58,194	217,358
EBITDA(A)					
Wind power stations	9,567	28,123	44,586	30,094	112,370
Hydroelectric power stations	8,816	9,730	9,247	12,741	40,534
Thermal power stations	588	1,188	4,525	(654)	5,647
Solar power station	850	391	404	837	2,482
	19,821	39,432	58,762	43,018	161,033
Corporate and eliminations	(5,057)	(9,374)	(7,008)	(7,071)	(28,510)
	14,764	30,058	51,754	35,947	132,523
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	(9,506)	(6,981)	6,606	(4,978)	(14,859)
Discontinued operations	312	716	—	—	1,028
	(9,194)	(6,265)	6,606	(4,978)	(13,831)
NET EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	($0.25)	($0.18)	$0.14	($0.10)	($0.34)
Discontinued operations	$0.01	$0.02	—	—	$0.02
	($0.24)	($0.16)	$0.14	($0.10)	($0.32)
CASH FLOWS FROM OPERATIONS					
In dollars	2,633	13,983	40,201	19,266	76,083
Per share (basic)	$0.07	$0.36	$0.84	$0.40	$1.77
Weighted average number of shares outstanding (basic)	38,390,851	38,411,980	47,759,276	47,951,885	43,089,909

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding)	Three-month periods ended September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2015	Twelve-month period ended June 30, 2015
POWER PRODUCTION (MWh)					
Wind power stations	96,921	227,195	264,859	163,508	752,483
Hydroelectric power stations	131,786	142,912	123,587	223,702	621,987
Thermal power stations	33,851	31,448	71,116	18,521	154,936
Solar power station	2,098	980	1,185	2,042	6,305
	264,656	402,535	460,747	407,773	1,535,711
REVENUES FROM ENERGY SALES					
Wind power stations	11,822	29,305	35,356	21,296	97,779
Hydroelectric power stations	11,206	12,746	13,996	17,622	55,570
Thermal power stations	4,657	6,976	12,976	3,885	28,494
Solar power station	966	469	602	1,021	3,058
	28,651	49,496	62,930	43,824	184,901
EBITDA(A)					
Wind power stations	6,872	24,279	32,211	16,610	79,972
Hydroelectric power stations	7,595	9,002	10,167	14,002	40,766
Thermal power stations	(614)	26	4,572	(1,101)	2,883
Solar power station	853	438	491	902	2,684
	14,706	33,745	47,441	30,413	126,305
Corporate and eliminations	(2,054)	(4,706)	(5,236)	(6,897)	(18,893)
	12,652	29,039	42,205	23,516	107,412
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	(8,390)	455	7,112	(5,044)	(5,867)
Discontinued operations	917	74	839	785	2,615
	(7,473)	529	7,951	(4,259)	(3,252)
NET EARNINGS (LOSS) PER SHARE - BASIC ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	($0.22)	$0.01	$0.19	($0.13)	($0.15)
Discontinued operations	$0.02	—	$0.02	$0.02	$0.06
	($0.20)	$0.01	$0.21	($0.11)	($0.09)
NET EARNINGS (LOSS) PER SHARE - DILUTED ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	($0.22)	$0.01	$0.18	($0.13)	($0.15)
Discontinued operations	$0.02	—	$0.02	$0.02	$0.06
	($0.20)	$0.01	$0.20	($0.11)	($0.09)
CASH FLOWS FROM OPERATIONS					
In dollars	(5,135)	15,322	29,326	7,739	47,252
Per share (basic)	($0.14)	$0.41	$0.77	$0.20	$1.24
Weighted average number of shares outstanding (basic)	37,748,196	37,757,835	37,980,635	38,346,572	37,957,123

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, are not covered by long-term energy sales contracts.

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 760 MW as at the date of this MD&A, 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 78% of Boralex's aggregate installed capacity and represents by far the Corporation's key driver of revenues, EBITDA(A) and cash flows, particularly with full-year contributions from the assets recently acquired in France as of 2015. This segment will account for an even larger share of the Corporation's energy portfolio in upcoming years, as 127 MW of wind farms under development in Canada and France are progressively commissioned, boosting Boralex's wind power asset capacity to 888 MW by the outset of 2016, and the Corporation taps further into its substantial project pipeline. In particular, this expansion will intensify the impact of the seasonality 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 power in the New York State open market. These facilities have an installed capacity of 23 MW and will account for approximately 13% of the hydroelectric power segment's total capacity following the commissioning of the Yellow Falls power station currently under construction, and just under 2% of Boralex'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 highly volatile, has a significant 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 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, this power station operates its cogeneration equipment 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

Both the Corporation's 5 MW solar power station, currently in operation, and the 10 MW facility under construction are located in the south of France. For these facilities, which benefit from long-term energy sales contracts, sunlight conditions 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 performance in a given fiscal year remains partially exposed to seasonal cycles and other cyclical factors, substantially all of its revenues are now derived from assets covered by 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 MWh, per share amounts and number of shares outstanding)	Three-month periods ended June 30 2015	2014	Six-month periods ended June 30 2015	2014
POWER PRODUCTION (MWh)				
Wind power stations	301,334	163,508	687,229	428,367
Hydroelectric power stations	205,678	223,702	319,265	347,289
Thermal power stations	15,628	18,521	74,783	89,637
Solar power station	2,030	2,042	3,068	3,227
	524,670	407,773	1,084,345	868,520
REVENUES FROM ENERGY SALES				
Wind power stations	37,016	21,296	85,728	56,652
Hydroelectric power stations	16,785	17,622	29,369	31,618
Thermal power stations	3,467	3,885	14,203	16,861
Solar power station	926	1,021	1,411	1,623
	58,194	43,824	130,711	106,754
EBITDA(A)				
Wind power stations	30,094	16,610	74,680	48,821
Hydroelectric power stations	12,741	14,002	21,988	24,169
Thermal power stations	(654)	(1,101)	3,871	3,471
Solar power station	837	902	1,241	1,393
	43,018	30,413	101,780	77,854
Corporate and eliminations	(7,071)	(6,897)	(14,079)	(12,133)
	35,947	23,516	87,701	65,721
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(4,978)	(5,044)	1,628	2,068
Discontinued operations	—	785	—	1,624
	(4,978)	(4,259)	1,628	3,692
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	($0.10)	($0.13)	$0.03	$0.05
Discontinued operations	—	$0.02	—	$0.04
	($0.10)	($0.11)	$0.03	$0.09
CASH FLOWS FROM OPERATIONS				
In dollars	19,266	7,739	59,467	37,065
Per share (basic)	$0.40	$0.20	$1.24	$0.97
Average capacity in operation (MW)	968	663	954	663
Weighted average number of shares outstanding (basic)	47,951,885	38,346,572	47,856,113	38,164,614

Statement of Financial Position Data

(in thousands of dollars)	As at June 30, 2015	As at December 31, 2014
Total assets	2,074,096	1,917,959
Debt*	1,085,817	1,161,131
Convertible debentures	366,764	232,977
Total liabilities	1,681,155	1,581,640
Total equity	392,941	336,319

* Including non-current debt and current portion of debt.

Analysis of Operating Results for the Three-Month Period Ended June 30, 2015

Consolidated

Boralex's operating results improved significantly in the second quarter of 2015, including a 52.9% rise in EBITDA(A) driven primarily by the wind power segment's strong expansion over the previous quarters.

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

	Net loss (in thousands of $)	Per share (in $, basic)
THREE-MONTH PERIOD ENDED JUNE 30, 2014	(4,259)	($0.11)
Change:		
EBITDA(A)	12,431	$0.12
Amortization	(9,703)	($0.07)
Other gains	77	—
Financing costs	(4,473)	($0.04)
Foreign exchange effect	1,879	$0.02
Financial instruments	252	—
Income taxes	516	—
Discontinued operations	(785)	($0.01)
Non-controlling shareholders	(913)	($0.01)
THREE-MONTH PERIOD ENDED JUNE 30, 2015	(4,978)	($0.10)

For the three-month period ended June 30, 2015, Boralex's recognized a net loss attributable to shareholders of $5.0 million or $0.10 per share (basic), compared with a net loss of $4.3 million or $0.11 per share (basic) for the same quarter of 2014.

Note that as a result of the seasonal cycle of the Boralex's two core segments, wind and hydroelectric power, the second quarter typically contributes a less significant portion to the annual revenues.

The $0.7 million decline in the Corporation's net loss from the corresponding quarter of 2014 resulted primarily from a combined increase of $14.2 million in amortization expense and financing costs resulting from the substantial expansion in its asset base over the past year. Given that those fixed costs did not mirror the seasonal curve of EBITDA(A) contributions, the increase was not fully offset by the $12.4 million in growth in EBITDA(A) and the other favourable changes, such as the foreign exchange effect.

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

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED JUNE 30, 2014	43,824		23,516	
Power stations commissioned*	15,761	36.0%	10,919	46.4%
Pricing	(854)	(1.9)%	(854)	(3.6)%
Volume	(385)	(0.9)%	(202)	(0.9)%
Foreign exchange effect	(262)	(0.6)%	242	1.0%
Share of Joint Ventures	—	—	2,356	10.0%
Other	110	0.2%	(30)	—
Change	14,370	32.8%	12,431	52.9%
THREE-MONTH PERIOD ENDED JUNE 30, 2015	58,194		35,947	

* Commissioning of the Jamie Creek hydroelectric power station in Canada in May 2014, Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I wind power facility in Canada in December 2014, St-François wind power facility in France in March and April 2015, and Comes de l'Arce wind power facility in France in April 2015 and acquisition of 12 wind farms in operation in France on December 18, 2014, with capacity of 186 MW.

Revenues from Energy Sales

For the three-month period ended June 30, 2015, revenues from energy sales totalled $58.2 million, up $14.4 million or 32.8%. Growth was driven by additional revenues of $15.8 million generated by the expansion achieved in recent quarters, including BEV's operating sites acquired in December 2014 and the facilities commissioned as listed in the note to the above table. The additional revenues largely offset the following adverse factors of lesser significance:

- A $0.9 million unfavourable price effect related mainly to the U.S. hydroelectric power stations and the French thermal power station;
- A $0.4 million shortfall resulting from lower production volumes at existing facilities, particularly hydroelectric power stations in the United States; and
- A $0.3 million unfavourable foreign exchange effect stemming from the weakening of the euro against the Canadian dollar.

Note that, in accordance with IFRS, those results exclude Boralex's $14.8 million share in the revenues generated by Joint Ventures Phases I and II, commissioned in December 2013 and December 2014, respectively (compared with a share of $10.0 million in the second quarter of 2014). The impact of the commissioning of these facilities is discussed in the *Proportionate Consolidation* section of this MD&A.

In total, Boralex generated 524,670 MWh of electricity in the second quarter of 2015 (excluding its share of the production of Joint Ventures Phases I and II, the impact of which is discussed in the *Proportionate Consolidation* section of this MD&A), up 28.7% from 407,773 MWh for the same period of 2014. This growth resulted from the addition of 16 new wind power facilities acquired and commissioned in recent quarters, as well as the commissioning of the Canadian hydroelectric power station in May 2014. Excluding these new assets, production at the Corporation's existing facilities declined 3.2% from the previous year, owing mainly to less favourable water flow conditions in the Northeastern United States compared with the same period of 2014.

EBITDA(A) and EBITDA(A) Margin

Consolidated EBITDA(A) amounted to $35.9 million for the quarter, up $12.4 million or 52.9% from $23.5 million for the same period last year. As a result, quarterly EBITDA(A) margin, as a percentage of revenues, grew to 61.8% in 2015 from 53.7% in 2014.

EBITDA(A) and EBITDA(A) margin growth stemmed essentially from the expansion achieved in recent quarters; more specifically, this was driven by BEV and the various other facilities commissioned in 2014 and 2015, which contributed additional EBITDA(A) totalling $10.9 million, as well as by the in $2.4 million increase in Boralex's share in the earnings of Joint Ventures Phases I and II. In other words, the assets added to Boralex's portfolio of facilities in operation since about one year made an additional total contribution of $13.3 million to consolidated EBITDA(A) compared with the second quarter of 2014. Coupled with the favourable foreign exchange effect, those new profit streams readily offset the aforementioned unfavourable pricing and volume effects of $0.9 million and $0.2 million, respectively.

Amortization

Amortization expense for the second quarter of 2015 rose $9.7 million to $24.7 million owing primarily to the BEV acquisition and commissioned facilities discussed earlier. The impact of the addition of these new assets was however mitigated by the end of amortization for certain components, the downward adjustment to the amortization of certain energy sales contracts at certain hydroelectric power stations and the favourable impact of the weakening of the euro on the amortization of assets located in France.

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

Financing costs for the second quarter of 2015 climbed $4.5 million to $18.7 million year over year, owing primarily to the loans contracted in connection with the commissioning of new sites and the BEV acquisition. However, the impact of these new financing arrangements was offset by the decrease in debt related to existing sites, repayment of the $35 million Canadian note in July 2014, the favourable foreign exchange effect and certain other items of lesser importance.

Boralex recognized a $1.4 million foreign exchange gain compared with a $0.5 million foreign exchange loss in the same quarter of the previous year, representing a favourable change of $1.9 million. The Corporation also recorded a net loss of $0.2 million on financial instruments for the quarter (net loss of $0.5 million for the same period of 2014).

Net Loss

Boralex ended the second quarter of 2015 with a $4.5 million net loss from continuing operations compared with a $5.5 million net loss for the same period of 2014. Furthermore, $0.8 million in net earnings from discontinued operations were generated during the second quarter of 2015 by the sale of Renewable Energy Certificates ("RECs") produced by the U.S. wood-residue power stations that Boralex sold at the end of 2011. Under the sale transaction, Boralex retained entitlement to 50% of the RECs sales of these power stations in excess of a defined threshold for 2012, 2013 and 2014 inclusively. As this agreement expired in December 2014, a similar gain was not recorded in the second quarter of 2015.

Accordingly, Boralex ended the second quarter of 2015 with a net loss of $4.5 million ($4.7 million for the same period of 2014) and a net loss attributable to shareholders of $5.0 million or $0.10 per share (basic) (compared with $4.3 million or $0.11 for the same period of 2014).

Analysis of Operating Results for the Six-Month Period Ended June 30, 2015

Consolidated

Boralex reported a marked improvement in operating results for the first half of 2015, including a 33.4% rise in EBITDA(A) driven primarily by the wind power segment's strong expansion in prior quarters. Excluding certain specific items recorded during the first quarter, as described below, the Corporation also generated a significant increase in its net earnings.

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

	Net earnings (in thousands of $)	Per share (in $, basic)
SIX-MONTH PERIOD ENDED JUNE 30, 2014	3,692	$0.09
Change:		
EBITDA(A)	21,980	$0.60
Amortization	(13,345)	($0.36)
Other gains	(419)	($0.01)
Financing costs	(8,306)	($0.23)
Foreign exchange effect	532	$0.01
Financial instruments	(3,205)	($0.09)
Income taxes	3,251	$0.09
Discontinued operations	(1,624)	($0.04)
Non-controlling shareholders	(928)	($0.03)
SIX-MONTH PERIOD ENDED JUNE 30, 2015	1,628	$0.03

For the six-month period ended June 30, 2015, Boralex's recognized net earnings attributable to shareholders of $1.6 million or $0.03 per share (basic), compared with $3.7 million or $0.09 per share (basic) for the same period of 2014. This slight decline resulted in large part from a $3.2 million unfavourable change in the losses on financial instruments. The Corporation also recorded a net loss of $4.4 million on financial instruments in the first quarter ($3.0 million net of taxes), resulting primarily from fair value remeasurement adjustments to certain financial instruments. Certain interest rate swaps, previously designated as hedges of potential projects in Canada, were no longer designated under hedge accounting up to January 21, 2015. As at that date, these swaps were designated for two new development projects: Yellow Falls and Frampton. Therefore, the $4.3 million change during the 21-day period was recognized in net earnings. In addition, the results for the first half of 2015 include acquisition costs of $0.3 million, net of taxes.

Excluding these two specific items from the results for the first six months of 2015, Boralex would have reported net earnings of $5.0 million or $0.10 per share, up $1.3 million or 34.9% year over year. More specifically, the Corporation reported a $22.0 million increase in EBITDA(A), which more than offset the increase in amortization in financial costs arising from strong expansion in its operating base in prior quarters.

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 $)	%
SIX-MONTH PERIOD ENDED JUNE 30, 2014	106,754		65,721	
Power stations commissioned*	36,552	34.2%	25,385	38.7%
Pricing	(2,733)	(2.6)%	(2,733)	(4.2)%
Volume	(7,774)	(7.3)%	(6,704)	(10.2)%
Foreign exchange effect	(1,511)	(1.4)%	(431)	(0.7)%
Raw material costs	—	—	668	1.0%
Development - prospecting	—	—	(578)	(0.9)%
Share of Joint Ventures	—	—	6,914	10.5%
Other	(577)	(0.5)%	(541)	(0.8)%
Change	23,957	22.4%	21,980	33.4%
SIX-MONTH PERIOD ENDED JUNE 30, 2015	130,711		87,701	

* Commissioning of the Jamie Creek hydroelectric power station in Canada in May 2014, Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I wind power facility in Canada in December 2014, St-François wind power facility in France in March and April 2015, and Comes de l'Arce wind power facility in France in April 2015 and acquisition of 12 wind farms in operation in France on December 18, 2014, with capacity of 186 MW.

Revenues from Energy Sales

For the six-month period ended June 30, 2015, revenues from energy sales totalled $130.7 million, up $24.0 million or 22.4% compared with the same period of 2014 (excluding Boralex's $33.4 million share in the revenues generated by the Joint Ventures; see the *Proportionate Consolidation* section of this MD&A). As shown in the previous table, revenue growth was driven by expansion in Boralex's asset base, including $36.6 million in additional revenues generated by commissioning the facilities listed in the footnotes to the previous table and by the BEV wind power facilities acquired on November 18, 2014.

The additional revenues were more than sufficient to offset the following unfavourable changes:

- A $7.8 million shortfall resulting from lower production volume at existing facilities, particularly the wind power facilities in France and the hydroelectric power stations in the United States;
- A $2.7 million unfavourable price effect related mainly to the U.S. hydroelectric power stations and the French thermal power station;
- A $1.5 million unfavourable foreign exchange effect stemming from the weakening of the euro against the Canadian dollar; and
- Various other items totalling $0.6 million, including lower capacity premiums.

Boralex generated 1,084,345 MWh of electricity in the first half of 2015 (excluding its share of the production of the Joint Ventures), up 24.8% from 868,520 MWh in the same period of 2014. This was driven by the addition of the new assets described above. Excluding these new assets, production for the six-month period at the Corporation's existing facilities was down 11.8% year over year, owing primarily to less favourable water flow conditions in the Northeastern United States compared with the same period of 2014, and less favourable wind conditions in France and Ontario in the first quarter of 2015.

EBITDA(A) and EBITDA(A) Margin

Consolidated EBITDA(A) for the first half of 2015 amounted to $87.7 million compared with $65.7 million for the same period of 2014. EBITDA(A) margin as a percentage of revenues amounted to 67.1% for the six-month period compared with 61.6% for the same period of 2014.

In addition to a $0.7 million decline in raw material costs, owing in particular to the natural gas consumed by the Blendecques, France cogeneration power station, growth in EBITDA(A) was driven primarily by the recent expansion at Boralex, namely:

- A $25.4 million contribution from the 12 facilities acquired from BEV and the new facilities commissioned in 2014 and 2015; and
- A $6.9 million increase in Boralex's share of the results of Joint Ventures.

Conversely, the Corporation's improvements in operating profitability were dampened by certain unfavourable items, consisting primarily of the following:

- A $6.7 million unfavourable volume effect stemming in large part from the hydroelectric power segment;
- A $2.7 million unfavourable price effect related to the U.S. hydroelectric power stations and the Blendecques thermal power station;
- A $0.6 million net increase in development costs, primarily related to the BEV acquisition;
- A $0.4 million unfavourable foreign exchange effect owing to a decline in the euro; and
- Various unfavourable items totalling $0.5 million.

Amortization

Amortization expense for the six-month period ended June 30, 2015 rose $13.3 million to $43.5 million, owing primarily to the aforementioned expansion in the wind and hydroelectric power asset base. These items were partly offset however by favourable adjustments related to the amortization of a number of other assets.

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

Financial costs for the first half of 2015 climbed $8.3 million to $36.3 million from the same period of 2014, resulting primarily from new loans contracted for the BEV acquisition and to commission new facilities over the past year. However, these items were partly offset by the decrease in debt related to existing facilities, the repayment of the $35 million Canadian note in July 2014 and the favourable foreign exchange effect for the period.

Boralex recognized a $0.4 million foreign exchange gain for the six-month period compared with a $0.1 million foreign exchange loss in the same period of 2014, representing a favourable change of $0.5 million.

The Corporation also recorded a net loss of $4.6 million on financial instruments for the first half of 2015 (compared with a net loss of $1.4 million for the same period of 2014), resulting primarily from fair value remeasurement adjustments on certain financial instruments. Certain interest rate swaps, previously designated as hedges of potential projects in Canada, were no longer designated under hedge accounting up to January 21, 2015. As at that date, these swaps were designated for two new development projects: Yellow Falls and Frampton. Therefore, the $4.3 million change during the 21-day period was recognized in net earnings. Note however that this loss on financial instruments had no impact on cash flows for the first half of fiscal 2015 and the Corporation's cash position as at June 30, 2015.

Net loss on financial instruments also includes 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 very small ineffective portion.

Net Earnings

Boralex ended the first six months of 2015 with net earnings from continuing operations of $3.6 million compared with $3.1 million for the same period of 2014. As a result of the expiration of the agreement entered into 2011 in connection with the sale of the U.S. former thermal power stations, the Corporation did not receive any gains on the sale of RECs in 2015, whereas it recorded a $1.6 million gain from this source in the first half of 2014.

In light of the foregoing, net earnings for the six-month period totalled $3.6 million (compared with $4.7 million for the same period of 2014), of which $1.6 million was attributable to shareholders (compared with $3.7 million year over year).

Review of Operating Segments

Wind

The wind power segment, Boralex's main driver of growth, generated strong operating and financial results for the second quarter and the first six months of fiscal 2015, fuelled by the recent expansion in Boralex's asset base in France and Canada which resulted in a 265 MW increase in installed capacity in operation between June 30, 2014 and June 30, 2015. For Boralex's management, the significant growth in the leading performance indicators for this segment (as detailed in this section), is all the more satisfying since IFRS does not take into account the full contribution of the Joint Ventures.

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

	Three-month periods ended				Six-month periods ended			
	Revenues from energy sales		EBITDA(A)		Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
JUNE 30, 2014	21,296		16,610		56,652		48,821	
Power station commissioned*	15,564	73.1%	11,177	67.3%	35,927	63.4%	26,428	54.1%
Pricing	109	0.5%	109	0.6%	225	0.4%	225	0.5%
Volume	1,379	6.5%	1,379	8.3%	(3,981)	(7.0)%	(3,981)	(8.2)%
Foreign exchange effect	(1,310)	(6.2)%	(950)	(5.7)%	(3,060)	(5.4)%	(2,384)	(4.9)%
Maintenance	—	—	(419)	(2.5)%	—	—	(656)	(1.3)%
Share of Joint Ventures	—	—	2,341	14.1%	—	—	6,834	14.0%
Other	(22)	(0.1)%	(153)	(0.9)%	(35)	(0.1)%	(607)	(1.2)%
Change	15,720	73.8%	13,484	81.2%	29,076	51.3%	25,859	53.0%
JUNE 30, 2015	37,016		30,094		85,728		74,680	

* Commissioning of the Fortel-Bonnières wind power facility in France in October and November 2014, the Témiscouata I wind power facility in Canada in December 2014, the St-François wind farm in France in March and April 2015 and the Comes de l'Arce wind power facility in France in April 2015 and acquisition of 12 wind farms in operation in France on December 18, 2014, with capacity of 186 MW.

Operating Results for the Three-Month Period

Production

For the three-month period ended June 30, 2015, the wind power segment produced 301,334 MWh, up 84.3% from 163,508 MWh for the same quarter of 2014 (excluding the 137,878 MWh contribution from Joint Ventures Phases I and II as discussed in the *Proportionate Consolidation* section of this MD&A). This significant increase stemmed largely from the acquisition of 12 BEV sites in operation in France, as well as the commissioning of the Témiscouata I wind power facility in Canada in December 2014, the Fortel-Bonnières wind power facility in France in October and November 2014, the St-François site in France in March and April 2015 and the Comes de l'Arce site in April 2015. Excluding these new sites, the production of existing assets rose 6.2% owing to more favourable wind conditions than in the previous year in France and excellent equipment availability in both Ontario and France.

Broken down geographically, production from Boralex's wind power asset base in France more than doubled through the addition of 15 new sites discussed above and an 8.9% increase in production volume at existing sites. Wind power production in Canada rose 41.5% with the commissioning of Témiscouata I in Québec, whose performance to date has exceeded the Corporation's expectations. Excluding this new facility, the production of existing sites, namely Thames River in Ontario, was slightly higher than for the second quarter of 2014.

Revenues

Excluding Joint Ventures Phases I and II, wind power segment revenues for the second quarter of 2015 totalled $37.0 million, up $15.7 million or 73.8% from the same period of 2014. As shown in the table, revenue growth was fuelled largely by a total additional $15.6 million contribution from the newly acquired BEV and the commissioning of new sites. Furthermore, combined with selling price indexation, the higher production volume at existing sites, particularly in France, contributed additional revenues of $1.5 million. On the downside, the weakening of the euro against the Canadian dollar reduced revenues by $1.3 million compared with the same quarter of 2014.

Broken down geographically, excluding the foreign exchange effect, revenues in euros at French power stations were up 111.3% while revenues at the Canadian sites grew 38.3% (excluding the Joint Ventures), driven primarily by the contributions of new sites in both countries.

EBITDA(A)

The wind power segment reported EBITDA(A) of $30.1 million for the quarter, up $13.5 million or 81.2% from 2014, the result of Boralex's expansion and value creation strategy based on adding high-quality assets covered by long-term contracts (note also that this growth does not fully represent the contribution of Joint Ventures Phases I and II, the actual impact of which is discussed in the *Proportionate Consolidation* section of this MD&A).

More specifically, growth in wind power segment EBITDA(A) was driven by the following main items:

- A $11.2 million contribution from BEV's 12 wind power stations in operation and the contribution from the three wind power facilities commissioned in the fourth quarter of 2014 and the first six months of 2015;
- A $2.3 million increase in Boralex's share in the results of Joint Ventures;
- A $1.4 million favourable volume effect; and
- A $0.1 million favourable price effect.

These items more than offset the unfavourable foreign exchange effect of nearly $1.0 million, the $0.4 million increase in maintenance costs due to normal and foreseeable causes, as well as various other less significant unfavourable items totalling $0.2 million.

Broken down geographically, EBITDA(A) of the French operations was up 107.4% in euros, that is, excluding the unfavourable foreign exchange effect, owing primarily to the addition of 15 new sites. In Canada, EBITDA(A) was up 70.1% due, largely, to the increase in Boralex's share in the results of the Joint Ventures, and the commissioning of Témiscouata I. As a result, EBITDA(A) margin of the wind power segment rose to 81.3% in 2015 from 78.0% in 2014.

Operating Results for the Six-Month Period

Production

For the six-month period ended June 30, 2015, the wind power segment produced 687,229 MWh compared with 428,367 MWh for the same period of 2014 (excluding the 311,743 MWh contribution from Joint Ventures Phases I and II). This increase was driven by the acquisition of 12 BEV sites in operation in France and the commissioning of four other sites in Canada and in France. Meanwhile, production at existing sites declined 7.2% owing to less favourable wind conditions in France and Ontario during the first quarter of 2015, compared with the same period of 2014.

Broken down geographically, production from Boralex's wind power asset base in France grew 75.1% through the addition of 15 new sites. Excluding these new facilities, the production of existing sites in France declined 6.3%, which was due primarily to weather related factors since a high rate of equipment availability was maintained. Boralex's wind power production in Canada rose 27.9% with the commissioning of Témiscouata I in Québec. Excluding this new site, less favourable wind conditions in Ontario compared with 2014 during the first quarter of 2015 led to a 9.2% decline in production at existing Thames River facilities, despite maintaining excellent equipment availability.

Revenues

Excluding Joint Ventures Phases I and II, wind power segment revenues for the first six months of 2015 totalled $85.7 million, up $29.1 million or 51.3% from the same period of 2014. As shown in the table, revenue growth was fuelled by an additional $35.9 million contribution in total from the 16 newly acquired or commissioned sites over the past quarters. On the downside, the decline in production volume at existing sites and fluctuations in the exchange rate between the euro and the Canadian dollar resulted in a shortfall of $7.0 million in revenues compared with the previous year.

Broken down geographically, excluding the foreign exchange effect, revenues in euros at French power stations were up 78.2% while revenues at the Canadian sites grew 25.0% (excluding the Joint Ventures), driven by the contribution from new sites.

EBITDA(A)

The wind power segment reported EBITDA(A) of $74.7 million for the first six months of fiscal 2015, up $25.9 million or 53.0% from 2014 (this growth does not fully represent the contribution from Joint Ventures Phases I and II, the actual impact of which is discussed in the *Proportionate Consolidation* section of this MD&A).

The higher EBITDA(A) of the wind power segment was driven by selling price indexation and the expansion in its assets base, more specifically:

- A $26.4 million contribution from the BEV wind power stations and the three wind power facilities commissioned in 2015 and late 2014; and
- A $6.8 million increase in Boralex's share in the results of Joint Ventures.

On the downside, growth in quarterly EBITDA(A) was reined in by a combination of unfavourable items totalling $7.6 million, mainly a $4.0 million volume effect and a $2.4 million foreign exchange effect and a $0.7 million increase in maintenance costs.

Broken down geographically, the EBITDA(A) of French operations rose 65.0% in euros while the Canadian operations generated a 54.8% increase in EBITDA(A). EBITDA(A) margin of the wind power segment for the first half of 2015 rose to 87.1% from 86.2% in 2014.

Hydroelectric

Boralex's second largest segment, the hydroelectric power segment, maintained its role as a major and reliable source of earnings and cash flows for the Corporation by contributing $12.7 million and $22.0 million to consolidated EBITDA(A) during the second quarter and the first half of 2015, respectively. However, its performance was affected by unfavourable water flow conditions in Northeastern United States and, to a lesser extent, by weak market prices for electricity sold by U.S. power stations not benefiting from long-term indexed, fixed-price energy sales contracts.

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

	Three-month periods ended				Six-month periods ended			
	Revenues from energy sales		EBITDA(A)		Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
JUNE 30, 2014	17,622		14,002		31,618		24,169	
Power station commissioned*	197	1.1%	55	0.4%	626	2.0%	84	0.3%
Pricing	(420)	(2.3)%	(420)	(3.0)%	(1,841)	(5.8)%	(1,841)	(7.6)%
Volume	(1,940)	(11.0)%	(1,940)	(13.8)%	(3,523)	(11.2)%	(3,523)	(14.6)%
Foreign exchange effect	1,379	7.8%	1,148	8.2%	2,458	7.8%	1,966	8.2%
Maintenance	—	—	(80)	(0.6)%	—	—	260	1.1%
Other	(53)	(0.3)%	(24)	(0.2)%	31	0.1%	873	3.6%
Change	(837)	(4.7)%	(1,261)	(9.0)%	(2,249)	(7.1)%	(2,181)	(9.0)%
JUNE 30, 2015	16,785		12,741		29,369		21,988	

* Commissioning of the Jamie Creek hydroelectric power station in Canada in May 2014.

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

HYDROELECTRIC PRODUCTION (MWh)	**2015**	**2014**	Change
Three-month periods ended June 30:			
Actual			
Canada	96,911	79,519	**+ 21.9%**
United States	108,767	144,183	**- 24.6%**
	205,678	223,702	**- 8.1%**
Historical average [(1)]			
Canada	97,567	71,263	**+ 36.9%**
United States	117,641	116,286	**+ 1.2%**
	215,208	187,549	**+ 14.7%**
Six-month periods ended June 30:			
Actual			
Canada	141,576	119,420	**+ 18.6%**
United States	177,689	227,869	**- 22.0%**
	319,265	347,289	**- 8.1%**
Historical average [(1)]			
Canada	142,745	115,271	**+ 23.8%**
United States	227,913	227,987	—
	370,658	343,258	**+ 8.0%**
Annual historical average [(1)]	682,330	623,292	**+ 9.5%**

(1) Historical averages are calculated using all production data available for each power station up to the end of Boralex's previous fiscal year. As historical data were unavailable for the Jamie Creek power station, estimated long-term production data were used to calculate the historical averages for 2015.

Operating Results for the Three-Month Period

Production

Hydroelectric power segment production totalled 205,678 MWh for the second quarter of fiscal 2015, down 8.1% from 223,702 MWh for the same quarter of 2014. Excluding the full contribution from the Jamie Creek power station in Canada for the second quarter of 2015, compared with about two months in 2014, production at existing site declined 14.8% from the previous year and was 4.3% below the historical average for the quarter.

These declines are attributable to the U.S. power stations which reported a 24.6% drop in production owing primarily to less favourable weather conditions than in spring 2014 and some mechanical shutdowns. For the same reasons, production at these power stations fell short of their historical average by 7.5%. Productivity at existing Canadian power stations (that is, excluding Jamie Creek) was sound, with production increasing 5.8% over 2014 and slightly exceeding the historical average.

Revenues

The hydroelectric power segment reported revenues of $16.8 million for the second quarter of 2015, down $0.8 million or 4.7% from $17.6 million from the same quarter of 2014. As shown in the table, this decline resulted from a $1.9 million unfavourable volume effect coupled with a $0.4 million unfavourable price effect, both of which were more specifically attributable to the U.S. power stations. The U.S. operations were adversely affected by lower production and by the decline, compared with the same period in 2014, in average selling prices of electricity sold in the New York State market by the five power stations without energy sales contracts. However, these adverse factors were mitigated by the $1.4 million favourable foreign exchange effect stemming from the weakening of the Canadian dollar against the U.S. currency. Furthermore, lower revenues at U.S. power stations were partly offset by the solid performance of Canadian power stations, whose revenues grew 18.6% fuelled by higher production at existing power stations and the contribution from the Jamie Creek power station over the entire period.

EBITDA(A)

Hydroelectric power segment EBITDA(A) declined $1.3 million or 9.0% due to the same factors that affected its revenues, namely a $1.9 million volume effect and a $0.4 million price effect combined with an increase in maintenance and certain other costs. These unfavourable items were partly offset by the $1.1 million favourable foreign exchange effect and the additional contribution from the Jamie Creek power station.

Broken down geographically, the combined EBITDA(A) of U.S. power stations declined 33.5% in U.S. dollars while EBITDA(A) of Canadian power stations rose 20.5%.

Operating Results for the Six-Month Period

Production

Hydroelectric power segment production totalled 319,265 MWh for the first six months fiscal 2015, down 8.1% from 347,289 MWh in 2014. Excluding the full contribution from the Jamie Creek power station compared with about five months in 2014, production at existing power stations was 13.0% and 14.8%, respectively, below output for the first half of 2014 and the historical average for this period of the year.

The U.S. power stations in particular recorded a 22.0% decline in their production, owing primarily to extreme weather conditions during the 2014-2015 winter, more specifically ice drifts, followed by less favourable water flow conditions in spring 2015 compared with 2014, and some equipment failures. Production at these power stations fell short of their historical average by 22.0%. The Canadian power stations (excluding Jamie Creek) were less affected by the harsh winter and benefited from favourable water flow conditions during spring, with production exceeding the 2014 level by 5.9%, although in line with the historical average.

Revenues

The hydroelectric power segment reported revenues of $29.4 million for the first half of 2015, down $2.2 million or 7.1%, owing to a $3.5 million unfavourable volume effect coupled with a $1.8 million unfavourable price effect attributable to the U.S. power stations. These items were however mitigated by the $2.5 million favourable foreign exchange effect, the sound performance of existing Canadian power stations and the additional contribution from Jamie Creek.

EBITDA(A)

Hydroelectric power segment EBITDA(A) declined $2.2 million or 9.0% over the first half of the fiscal year, weighed down by a $3.5 million volume effect and a $1.8 million price effect. These factors were partly offset by a $2.0 million favourable foreign exchange effect, a $0.3 million decrease in maintenance costs for all the power stations, a $0.1 million additional contribution from the Jamie Creek power station and certain other favourable items totalling $0.9 million. Moreover, subsequent to a settlement entered into at the end of February 2015, in relation to a lawsuit filed on December 20, 1996 against one of the Corporation's subsidiaries for charges claimed under the *Watercourses Act*, it was agreed that the net amount payable would be approximately $1.0 million instead of the $1.4 million provisioned; the favourable net impact of $0.4 million was recognized in the first quarter of 2015. The other items relate to decreases in certain costs and higher capacity premiums for Canadian power stations.

Broken down geographically, the combined EBITDA(A) of U.S. power stations declined 35.1% in U.S. dollars while EBITDA(A) of Canadian power stations rose 25.9%.

Thermal

As discussed in the *Seasonal Factors* section of this MD&A, the Senneterre power station in Québec was in operation only during the month of June, in both 2014 and 2015. Although the Blendecques facility in France did not operate its cogeneration equipment during the two comparative periods it continued to supply its industrial client with steam. These two power stations made positive contributions to Boralex's profitability since the beginning of fiscal 2015.

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

	Three-month periods ended				Six-month periods ended			
	Revenues from energy sales		EBITDA(A)		Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
JUNE 30, 2014	3,885		(1,101)		16,861		3,471	
Pricing	(544)	(14.0)%	(544)	49.4%	(1,119)	(6.7)%	(1,119)	(32.2)%
Volume	182	4.7%	365	(33.1)%	(197)	(1.2)%	874	25.2%
Capacity premiums	185	4.7%	185	(16.8)%	(576)	(3.4)%	(576)	(16.6)%
Foreign exchange effect	(241)	(6.2)%	21	(1.9)%	(766)	(4.5)%	(55)	(1.6)%
Raw material costs	—	—	297	(27.0)%	—	—	668	19.2%
Maintenance	—	—	351	(31.9)%	—	—	619	17.8%
Other	—	—	(228)	20.7%	—	—	(11)	(0.3)%
Change	(418)	(10.8)%	447	(40.6)%	(2,658)	(15.8)%	400	11.5%
JUNE 30, 2015	3,467		(654)		14,203		3,871	

Operating Results for the Three-Month Period

Production

The Senneterre power station's production decreased to 15,628 MWh of electricity in June 2015 from 18,521 MWh in June 2014 since the launch of operations this year was delayed by a few days compared with the past year. As mentioned above, the Blendecques power station did not generate electricity in the second quarters of 2015 and 2014 but increased its steam production by 18.1%.

Revenues

Thermal power segment revenues totalled $3.5 million compared with $3.9 million last year. In addition to the lower electricity production volume of the Senneterre power station, this $0.4 million or 10.8% decline in segment revenues stemmed from a $0.5 million unfavourable price effect due to the fall in the selling price of steam produced by the Blendecques power station and a $0.2 million unfavourable foreign exchange effect resulting from the weaker euro. These factors were partly offset by the higher production of steam at the Blendecques power station and capacity premiums awarded to this facility, which generated a total net favourable volume effect of $0.4 million.

EBITDA(A)

The thermal segment recorded negative EBITDA(A) of $0.7 million for the second quarter of 2015 compared with negative EBITDA(A) of $1.1 million last year. Note that it is normal for this segment to post losses for the second quarter given the operating patterns of its power stations. That said, the $0.4 million or 40.6% improvement in operating profitability stemmed from a combination of favourable factors, including the Blendecques power station's higher steam production volume and higher capacity premiums, which together resulted in a $0.6 million additional contribution, a $0.3 million decrease in the cost of natural gas consumed by this power station and a $0.4 million decline in maintenance costs at the Senneterre power station owing primarily to the recognition on non-recurring expenses in 2014.

These positive factors offset the $0.5 million unfavourable price effect resulting from the fall in the price of steam and certain other unfavourable items of lesser importance totalling $0.2 million.

Operating Results for the Six-Month Period

Production

Boralex's thermal power segment produced 74,783 MWh of electricity in the first half of 2015, down 16.6% from 89,637 MWh during the same period of 2014, for both power stations. The Senneterre facility's production declined 14.4% owing to equipment failures and the high humidity level in wood bark used during the first quarter and the previously mentioned slight delay in the launch of operations in the second quarter. Electricity production at the Blendecques power station decreased 24.2% due to a week-long shutdown of the gas turbine, which was however offset by a 19.6% increase in steam production for the entire six-month period.

Revenues

Thermal power segment revenues totalled $14.2 million, down $2.7 million or 15.8% from $16.9 million last year, owing primarily to a $1.1 million unfavourable price effect resulting from the lower steam selling price. Furthermore, the weakening of the euro had a $0.8 million unfavourable impact on the Blendecques power station's revenues in Canadian dollars. Last, the change in revenues was affected by a $0.2 million unfavourable volume effect, mostly attributable to the Senneterre power station, and a $0.6 million decrease in capacity premiums awarded to the two power stations.

EBITDA(A)

For the first half of 2015, thermal power segment EBITDA(A) totalled $3.9 million compared with $3.5 million in 2014. This $0.4 million or 11.5% improvement is attributable to the Blendecques power station since the EBITDA(A) of the Senneterre power station remained stable. For the Senneterre facility, the unfavourable volume effect, lower capacity premiums and higher cost of raw materials were offset by the decrease in its maintenance costs and certain other expenses compared with 2014 as well as selling price indexation. The Blendecques power station's profitability was bolstered above all by higher steam production and the fall in the price of its raw material, natural gas. These two factors more than offset the lower average selling price for steam and certain other unfavourable items of lesser importance.

Note that steam prices in the market served by the Blendecques power station are correlated to natural gas prices, which declined from their 2014 level. As a result, the power station is protected to some extent against price fluctuations since any decline in its selling price is accompanied by a corresponding decline in the cost of its raw material and vice-versa.

Solar

Boralex's first solar power station, located in Southwestern France, continues to meet management expectations in terms of productivity and profitability, since its commissioning in June 2011. While the facility's contribution to the Corporation's consolidated results is marginal, Boralex's management believes that its strong performance reflects the intrinsic quality of this first solar power project with regard to choice of technology, location and contractual benefits, and that it helps grow the expertise of the Boralex team.

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

	Three-month periods ended				Six-month periods ended			
	Revenues from energy sales		EBITDA(A)		Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
JUNE 30, 2014	1,021		902		1,623		1,393	
Pricing	2	0.2%	2	0.2%	3	0.2%	3	0.2%
Volume	(7)	(0.7)%	(7)	(0.8)%	(73)	(4.5)%	(73)	(5.2)%
Foreign exchange effect	(90)	(8.8)%	(81)	(9.0)%	(142)	(8.8)%	(124)	(8.9)%
Other	—	—	21	2.3%	—	—	42	3.0%
Change	(95)	(9.3)%	(65)	(7.3)%	(212)	(13.1)%	(152)	(10.9)%
JUNE 30, 2015	926		837		1,411		1,241	

Operating Results for the Three-Month Period

For the quarter ended June 30, 2015, production of the Avignonet-Lauragais solar power station amounted to 2,030 MWh, a level comparable with the same period of 2014. Revenues stood at $0.9 million compared with $1.0 million last year, owing to the weakening of the euro. Essentially due to the same reason, EBITDA(A) of the solar power station amounted to $0.8 million, down slightly by $0.1 million from $0.9 million in 2014. However, given the sharper decline in costs than in revenues, EBITDA(A) margin improved to 90.4% for the second quarter of 2015 from 88.3% for the same quarter of 2014.

Operating Results for the Six-Month Period

Boralex's only solar power station currently in operation generated 3,068 MWh for the first six months of 2015 compared with 3,227 MWh last year, owing primarily to a lower rate of irradiation. A gradual decline in solar equipment productivity of approximately 0.5% per year is to be expected as this is a normal phenomenon in the life cycle of this type of production facility. This volume factor, combined with an unfavourable foreign exchange effect, resulted in the $0.2 million decline in revenues to $1.4 million. For the same reasons, the solar power station EBITDA(A) decreased by $0.2 million to $1.2 million, despite a reduction in certain expenses, including maintenance costs. As a result, the EBITDA(A) margin improved to 88.0% for the first half of 2015 from 85.8% for the same period of 2014.

Cash Flows

Besides the net proceeds totalling $256 million from the issuance of common shares and the offering of convertible debentures in 2015 which were used to reduce the Corporation's debt, cash flows for the six-month period ended June 30, 2015 once again confirmed Boralex's solid capacity to generate cash flows from operations, owing to its tight focus on operations covered by energy sales contracts offering fixed and indexed pricing, and superior profit margins. Cash flows also demonstrate Boralex's intention to support the creation of shareholder value by the payment of dividends totalling $12.5 million during the first half of the year and by maintaining a dynamic and orderly growth strategy. Boralex has made further investments of more than $105 million to develop and optimize its energy asset base since the beginning of 2015, including the acquisition of fixed assets and businesses, ongoing work on development projects and other investments.

	Three-month periods ended June 30		Six-month periods ended June 30	
(in thousands of dollars)	**2015**	**2014**	**2015**	**2014**
Cash flows from operations*	19,266	7,739	59,467	37,065
Change in non-cash items related to operating activities	(6,209)	(3,826)	2,657	616
Net cash flows related to operating activities	13,057	3,913	62,124	37,681
Net cash flows related to investing activities	(58,018)	(30,304)	(105,545)	(40,922)
Net cash flows related to financing activities	90,760	18,612	92,591	4,001
Cash from discontinued operations	—	712	—	1,927
Translation adjustment on cash and cash equivalents	821	(2,566)	1,491	(431)
NET CHANGE IN CASH AND CASH EQUIVALENTS	46,620	(9,633)	50,661	2,256
CASH AND CASH EQUIVALENTS - END OF PERIOD	126,055	127,198	126,055	127,198

* See the *Non-IFRS Measures* section.

Analysis of Cash Flows for the Three-Month Period

Operating Activities

During the three-month period ended June 30, 2015, Boralex's cash flows from operations increased nearly 150% to $19.3 million or $0.40 per share (basic) from $7.7 million or $0.20 per share for the same quarter of 2014. Excluding non-cash items from net loss for both periods, this increase in cash flows from operations resulted primarily from the previously discussed increase in EBITDA(A). This item more than offset the increase in payments related to financing costs.

The change in non-cash items related to operating activities used $6.2 million in cash (compared with cash outflows of $3.8 million in 2014). The cash outflows for the second quarter of 2015 stems primarily from lower accounts payable between March 31 and June 30, 2015.

In light of the foregoing, operating activities generated net cash flows totalling $13.1 million for the second quarter of fiscal 2015, compared with $3.9 million for the same quarter of the previous year.

Investing Activities

Investing activities during the quarter ended June 30, 2015 required cash flows of $58.0 million, net of $1.5 million in cash from cash restricted for this purpose.

The Corporation invested $57.9 million in various additions to property, plant and equipment as follows:

- $52.1 million for the wind power segment (excluding Boralex's share of investments earmarked for the Joint Ventures) including $49.0 million for development projects in Québec (mainly Témiscouata II, Frampton and Côte-de-Beaupré) and $2.9 million for development projects in France (essentially Calmont, St-François and Comes de l'Arce);
- $2.4 million to develop the Montfort-Peyruis solar power station in France;
- $3.0 million to improve infrastructure in the hydroelectric and thermal power segments, primarily the Buckingham (Québec) and Jamie Creek (British Columbia) power stations; and
- $0.4 million for the corporate segment.

In addition, the Corporation invested $1.6 million in development projects, primarily for the future Yellow Falls hydroelectric power station.

Financing Activities

During the second quarter of fiscal 2015, financing activities generated total net cash flows of $90.8 million, detailed below.

New Financing Arrangements and Repayments on Existing Debt

As discussed previously, on June 26, 2015, the Corporation completed its offering of unsecured convertible debentures for total gross proceeds of $143.8 million (net proceeds of $137.3 million) (see the *Recent Developments Affecting Boralex's Results and Financial Position in 2015* section at the beginning of this MD&A). This cash inflow was mainly used to repay $104.2 million on the Corporation existing revolving credit facility.

During the second quarter, the Corporation also contracted new non-current debt of $69.0 million for the development of wind power projects (including $48.1 million in Québec and the balance in France) and repaid $10.9 million on various current and non-current debt (in addition to the $104.2 million repayment on the revolving credit facility).

Dividends and Other

During the second quarter of 2015, the Corporation disbursed an amount of $6.2 million to pay a quarterly dividend of $0.13 per share to its shareholders. The Corporation also received $5.6 million in the form of capital injections by its partners in the Frampton and Côte-de-Beaupré wind power projects in Québec.

Discontinued Operations

Given that the agreement entered into on the sale of the U.S. thermal power stations in 2011 expired on December 31, 2014, for the three-month period ended June 30, 2015, the Corporation did not record any cash flows from discontinued operations compared with cash inflows of $0.7 million in 2014.

Net Change in Cash and Cash Equivalents

Total cash movements for the three-month period ended June 30, 2015 resulted in a $46.6 million increase in cash and cash equivalents.

Analysis of Cash Flows for the Six-Month Period

Operating Activities

During the six-month period ended June 30, 2015, Boralex reported $59.5 million or $1.24 per share (basic) in cash flows from operations compared with $37.1 million or $0.97 per share for the same period of 2014. Excluding non-cash items from net earnings for both periods, the $22.4 million or 60.4% increase in cash flows from operations resulted primarily from the previously discussed increase in EBITDA(A) and the first distribution of funds from Joint Venture Phase I in the amount of $9.6 million during the first quarter. These items more than offset the increase in payments related to financing costs.

The change in non-cash items related to operating activities generated cash of $2.7 million (compared with $0.6 million in 2014). Cash flows generated during the first half of 2015 were driven primarily by a $9.4 million decrease in trade receivables and a $5.4 million decrease in trade payables related to operations.

In light of the foregoing, operating activities generated cash flows totalling $62.1 million during the first half of 2015, up $24.4 million from $37.7 million in the previous year.

Investing Activities

Investing activities during the six-month period ended June 30, 2015 required cash flows of $105.5 million, net of $4.4 million in cash from restricted cash.

The main investments for the period were as follows:

- $89.2 million for additions to property, plant and equipment, including $82.1 million for the wind power segment (excluding Boralex's share of investments allocated to the Joint Ventures). Of this amount, $56.7 million was invested in Québec (mainly for the development of the Témiscouata II, Frampton and Côte-de-Beaupré sites) and the balance in France (primarily for the development of the Comes de l'Arce, St-François and Calmont projects). An amount of $2.4 million was also earmarked for the development of the Montfort-Peyruis solar power station. The other assets acquired during the first half of the year were used for the maintenance of existing equipment of the hydroelectric, thermal and corporate segments;
- $16.1 million to acquire the Frampton project in Québec and the Touvent project in France;
- $2.9 million for development projects, particularly the Yellow Falls hydroelectric power station; and
- $1.5 million for other investing activities.

Financing Activities

Financing activities for the first six months of fiscal 2015 generated total net cash inflows of $92.6 million as detailed below.

New Financing Arrangements and Repayments on Existing Debt

On January 12, 2015, Boralex received gross proceeds of $110 million from the offering of 8,430,000 common shares of Boralex through an underwriting agreement at a price of $13.05 per share. On January 30, 2015, the syndicate of underwriters purchased an additional 1,075,000 shares at a price of $13.05 per share for gross proceeds of $14.0 million by exercising 85% of its over-allotment option. These share issuances generated total gross proceeds of $124.0 million and net proceeds of $118.4 million (net of issuance costs paid). As planned, the net issuance proceeds were mostly used to repay the $100 million bridge facility contracted in December 2014 at the time of the BEV acquisition.

On June 26, 2015, as described in the *Recent Developments Affecting Boralex's Results and Financial Position in 2015* section, the Corporation completed the offering of unsecured convertible debentures for total gross proceeds of $143.8 million (net proceeds of $137.3 million), which were mainly used to repay an amount of $110.6 million on the Corporation's existing revolving credit facility.

Non-current debt increased by $83.7 million (net of financing costs) during the first half of 2015 and more than half of this amount was used to develop the Témiscouata II site in Québec with the balance amount for various other wind power projects of the Corporation in Québec and in France. During the same period, in addition to the previously mentioned bridge facility and the revolving credit facility for a total amount of $210.6 million, the Corporation repaid current and non-current debt in the amount of $31.7 million.

Dividends and Other

During the first six months of 2015, the Corporation disbursed an amount of $12.5 million to pay two quarterly dividends of $0.13 per share to its shareholders. The Corporation also received $7.7 million in the form of capital injections by its partners in the Frampton and Côte-de-Beaupré wind power projects in Québec.

Discontinued Operations

For the six-month period ended June 30, 2015, the Corporation did not record any cash flows from discontinued operations compared with cash inflows of $1.9 million in 2014, primarily from the sale of RECs.

Net Change in Cash and Cash Equivalents

Total cash movements for the first six months of fiscal 2015 resulted in a $50.7 million increase in cash and cash equivalents to $126.1 million as at June 30, 2015 from $75.4 million as at December 31, 2014.

Financial Position

The changes in Boralex's statement of financial position between December 31, 2014 and June 30, 2015 mainly relate to non-current debt, convertible debentures and equity. Apart from ongoing investments in Boralex's development projects, these changes resulted essentially from the issuance of shares in January 2015 and the offering of convertible debentures in June 2015 (the net proceeds of which were mainly used to repay part of the debt as discussed in the previous section) and the impact of the repurchase of Cube's interest in Boralex's European subsidiary.

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

(in thousands of dollars)	As at June 30, 2015	As at December 31, 2014
ASSETS		
Cash and cash equivalents	126,055	75,394
Restricted cash	6,190	12,459
Miscellaneous current assets	64,166	71,345
CURRENT ASSETS	196,411	159,198
Property, plant and equipment	1,310,311	1,215,411
Intangible assets	253,627	254,007
Goodwill	150,592	134,044
Miscellaneous non-current assets	163,155	155,299
NON-CURRENT ASSETS	1,877,685	1,758,761
TOTAL ASSETS	2,074,096	1,917,959
LIABILITIES		
CURRENT LIABILITIES	241,726	265,377
Non-current debt	977,626	989,087
Convertible debentures	366,764	232,977
Miscellaneous non-current liabilities	95,039	94,199
NON-CURRENT LIABILITIES	1,439,429	1,316,263
TOTAL LIABILITIES	1,681,155	1,581,640
EQUITY		
TOTAL EQUITY	392,941	336,319
TOTAL LIABILITIES AND EQUITY	2,074,096	1,917,959

Repurchase of European Partner Cube's Interest

On February 27, 2015, Boralex announced the closing of a financial settlement whereby Cube Energy SCA ("Cube") agreed to exchange its entire 25% equity interest in Boralex Europe S.A. for term loans. Under the settlement, in consideration, Cube will receive a payment of €16 million, payable by the end of 2015, and the shares held by Cube will be exchanged for two term loans totalling €40 million issued by two European subsidiaries of the Corporation and bearing interest at a fixed rate of 6.5%, with no repayments prior to maturity in January 2019.

The impact of this agreement on Boralex's financial position can be summarized as follows:

- Under liabilities, inclusion of an amount of €56 million ($78,0 million) in *Non-current debt* and *Current portion of debt*; and
- Under equity, a $25.3 million decrease in *Non-controlling shareholders*, reflecting the carrying amount of Cube's interest repurchased by Boralex and a $51.6 million decrease in *Retained earnings*, reflecting the difference between the price paid for Cube's interest and its carrying amount.

Assets

Boralex's total assets increased $156.1 million since December 31, 2014, to $2,074.1 million as at June 30, 2015.

The total amount of *Current assets* increased by $37.2 million, driven mainly by a $50.7 million increase in cash and cash equivalents following in particular the issuance of convertible debentures. Meanwhile, *Trade and other receivables* decreased by $9.4 million.

Non-current assets rose $118.9 million, owing essentially to a $94.9 million increase in property, plant and equipment (net of amortization for the period) following the commissioning of new sites since the beginning of the year as well as a $16.5 million increase in goodwill resulting from the acquisition of the Frampton and Touvent wind power projects in Québec and France, respectively, and a smaller increase in various other non-current assets related to the Frampton and BEV projects. Note that the BEV purchase price allocation will be finalized by the end of fiscal 2015.

As at June 30, 2015, the Corporation had a working capital deficit of $45.3 million with a ratio of 0.81:1 compared with a working capital deficit of $106.2 million and a ratio of 0.60:1 as at December 31, 2014. The deficit as at June 30, 2015 resulted in large part from a net amount of $32.9 million in *Other current financial assets and liabilities* consisting primarily of the fair value of financial instruments, which had no impact on the Corporation's current liquidity. Excluding those items, the working capital ratio as at June 30, 2015 stood at nearly 1:1.

Total Debt and Equity

The Corporation's total debt, consisting of *Non-current debt*, including the *Current portion of debt* and the liability component of *Convertible debentures*, amounted to $1,452.6 million as at June 30, 2015 compared with $1,394.1 million as at December 31, 2014. The impact of repaying the $100 million bridge facility out of the proceeds from the January 2015 share issuance and the repayment of the $110.6 million revolving credit facility was partially offset by the new debt contracted in conjunction with the repurchase of Cube's interest and the Corporation's various development projects. Breaking down the Corporation's non-current debt geographically as at June 30, 2015, 31% originated in Canada, 61% in France and 8% in the United States, compared with 37%, 54% and 9%, respectively, as at December 31, 2014 (excluding the bridge facility).

In addition, Boralex had $141.9 million in debt contracted but not yet drawn as at June 30, 2015 for projects under construction.

Net debt, as defined under *Non-IFRS Measures*, amounted to $974.7 million as at June 30, 2015 compared with $995.0 million as at December 31, 2014. Excluding non-current debt drawn down for projects under construction, net debt stood at $922.9 million as at June 30, 2015, compared with $956.3 million as at December 31, 2014.

Total equity rose $56.6 million during the first half of fiscal 2015 to $392.9 million as at June 30 2015 from $336.3 million as at December 31, 2014. Net proceeds from the January 2015 share issuances resulted, in particular, in a $119.6 million increase in value of the Corporation's share capital. Conversely, despite net earnings for the period, retained earnings were down $62.4 million owing primarily to the repurchase of Cube's interest in our European subsidiary and, to a lesser extent, to dividend payouts.

As a result of the changes described above, the net debt ratio, as defined under *Non-IFRS Measures*, declined to 56.1% as at June 30, 2015 from 59.9% as at December 31, 2014. Excluding non-current debt drawn down for projects under construction, the net debt ratio decreased to 54.8% as at June 30, 2015 from 58.9% as at December 31, 2014.

Information About the Corporation's Equity Securities

As at June 30, 2015, Boralex's capital stock consisted of 47,958,993 Class A shares issued and outstanding (38,424,430 as at December 31, 2014) owing to the following share issues:

- 9,505,000 new shares issued in connection with a public offering conducted in January in parallel with the BEV acquisition, as previously discussed;
- 15,635 shares issued in the second quarter of fiscal 2015 on conversion of 1,857 debentures; and
- 13,928 shares issued on exercise of stock options held by senior executives.

There were 1,636,879 outstanding stock options as at June 30, 2015, of which 1,322,673 were exercisable.

As at June 30, 2015, Boralex had 2,441,510 and 1,437,500 issued and outstanding 2010 and 2015 convertible debentures, respectively (2,443,367 - 2010 Debentures as at December 31, 2014). Since their issuance in 2010, a cumulative amount of 9,990 debentures have been converted into 81,393 shares.

From July 1 to August 4, 2015, no new shares were issued on exercise of stock options and 855 new shares were issued in connection with the conversion of 101 debentures.

Related Party Transactions

The Corporation has entered into a management agreement with R.S.P. Hydro Inc., an entity in which Richard and Patrick Lemaire, directors of the Corporation, are two of three shareholders. For the six-month period ended June 30, 2015, revenues derived from the agreement amounted to $0.3 million ($0.3 million for the corresponding period of 2014).

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 six-month period ended June 30, 2015, these services amounted to $0.2 million ($0.3 million for the corresponding period of 2014).

Transactions with the Joint Ventures

Joint Venture Phase I

For the six-month period ended June 30, 2015, the Joint Venture Phase I reported net earnings of $16.1 million ($4.3 million in 2014) with Boralex's share amounting to $8.1 million ($2.1 million in 2014).Amortization of the unrealized loss on financial instruments generated an expense of $1.3 million ($1.3 million in 2014). Accordingly, for the six-month period ended June 30, 2015, the Corporation's *Share in earnings (loss) of the Joint Ventures* represented earnings of $6.7 million (earnings of $0.8 million in 2014).

Also, for the six-month period ended June 30, 2015, Boralex charged back $0.4 million in salaries, management fees and other costs to this joint venture in connection with operation of the wind farm ($0.7 million in 2014).

Joint Venture Phase II

For the six-month period ended June 30, 2015, the Joint Venture Phase II reported net earnings of $2.0 million ($0.2 million in 2014) with Boralex's share amounting $1.0 million ($0.1 million in 2014). Boralex charged back $0.3 million in salaries and management fees to this joint venture in connection with the operation of the wind farm ($0.6 million in 2014).

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 Joint Ventures Phases I and II in which each partner has a 50% interest. Under IFRS, the Corporation's investment in Joint Ventures Phases I and II is reported under *Interests in the Joint Ventures* in the Consolidated Statement of Financial Position and the Corporation's share in results of Joint Ventures Phases I and II is accounted for using the equity method and reported separately under *Share in earnings (losses) of the Joint Ventures* in Boralex's Consolidated Statement of Earnings (Loss).

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 Joint Ventures Phases I and II are proportionately consolidated instead of being accounted for using the equity method as required by IFRS. Under proportionate consolidation, which is no longer permitted under IFRS, *Interests in the Joint Ventures* and *Share in earnings (loss) of the Joint Ventures* have been eliminated and replaced by Boralex's share (50%) in all of the financial statement items (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)	Three-month periods ended September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	Twelve-month period ended June 30, 2015
POWER PRODUCTION (MWh)					
Wind power stations	203,769	370,742	559,760	439,212	1,573,483
Hydroelectric power stations	139,938	154,752	113,587	205,678	613,955
Thermal power stations	45,909	34,092	59,155	15,628	154,784
Solar power station	1,952	1,080	1,038	2,030	6,100
	391,568	560,666	733,540	662,548	2,348,322
REVENUES FROM ENERGY SALES					
Wind power stations	24,042	44,913	67,369	51,808	188,132
Hydroelectric power stations	12,236	14,312	12,584	16,785	55,917
Thermal power stations	5,660	7,569	10,736	3,467	27,432
Solar power station	945	514	485	926	2,870
	42,883	67,308	91,174	72,986	274,351
EBITDA(A)					
Wind power stations	17,466	36,846	54,494	40,136	148,942
Hydroelectric power stations	8,816	9,730	9,247	12,741	40,534
Thermal power stations	588	1,188	4,525	(654)	5,647
Solar power station	850	391	404	837	2,482
	27,720	48,155	68,670	53,060	197,605
Corporate and eliminations	(4,439)	(8,731)	(6,355)	(6,416)	(25,941)
	23,281	39,424	62,315	46,644	171,664
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	(9,551)	(7,011)	6,606	(4,978)	(14,934)
Discontinued operations	312	716	—	—	1,028
	(9,239)	(6,295)	6,606	(4,978)	(13,906)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	($0.25)	($0.18)	$0.14	($0.10)	($0.35)
Discontinued operations	$0.01	$0.02	—	—	$0.03
	($0.24)	($0.16)	$0.14	($0.10)	($0.32)
CASH FLOWS FROM OPERATIONS					
In dollars	7,577	22,008	42,753	27,499	99,837
Per share (basic)	$0.20	$0.57	$0.90	$0.57	$2.32
Weighted average number of shares outstanding (basic)	38,390,851	38,411,980	47,759,276	47,951,885	43,089,909

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding)	Three-month periods ended September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2015	Twelve-month period ended June 30, 2015
POWER PRODUCTION (MWh)					
Wind power stations	96,921	249,276	381,389	255,728	983,314
Hydroelectric power stations	131,786	142,912	123,587	223,702	621,987
Thermal power stations	33,851	31,448	71,116	18,521	154,936
Solar power station	2,098	980	1,185	2,042	6,305
	264,656	424,616	577,277	499,993	1,766,542
REVENUES FROM ENERGY SALES					
Wind power stations	11,822	31,676	47,948	31,264	122,710
Hydroelectric power stations	11,206	12,746	13,996	17,622	55,570
Thermal power stations	4,657	6,976	12,976	3,885	28,494
Solar power station	966	469	602	1,021	3,058
	28,651	51,867	75,522	53,792	209,832
EBITDA(A)					
Wind power stations	7,347	26,136	41,161	24,626	99,270
Hydroelectric power stations	7,595	9,002	10,167	14,002	40,766
Thermal power stations	(614)	26	4,572	(1,101)	2,883
Solar power station	853	438	491	902	2,684
	15,181	35,602	56,391	38,429	145,603
Corporate and eliminations	(2,001)	(4,226)	(4,634)	(6,252)	(17,113)
	13,180	31,376	51,757	32,177	128,490
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	(8,489)	394	7,048	(5,069)	(6,116)
Discontinued operations	917	74	839	785	2,615
	(7,572)	468	7,887	(4,284)	(3,501)
NET EARNINGS (LOSS) PER SHARE (BASIC) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	($0.22)	$0.01	$0.19	($0.13)	($0.15)
Discontinued operations	$0.02	—	$0.02	$0.02	$0.06
	($0.20)	$0.01	$0.21	($0.11)	($0.09)
NET EARNINGS (LOSS) PER SHARE (DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	($0.22)	$0.01	$0.17	($0.13)	($0.15)
Discontinued operations	$0.02	—	$0.02	$0.02	$0.06
	($0.20)	$0.01	$0.19	($0.11)	($0.09)
CASH FLOWS FROM OPERATIONS					
In dollars	(5,333)	16,086	36,568	12,200	59,521
Per share (basic)	($0.14)	$0.43	$0.96	$0.32	$1.57
Weighted average number of shares outstanding (basic)	37,748,196	37,757,835	37,980,635	38,346,572	37,957,123

Financial Highlights

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding)	Three-month periods ended June 30 2015	2014	Six-month periods ended June 30 2015	2014
POWER PRODUCTION (MWh)				
Wind power stations	439,212	255,728	998,972	637,117
Hydroelectric power stations	205,678	223,702	319,265	347,289
Thermal power stations	15,628	18,521	74,783	89,637
Solar power station	2,030	2,042	3,068	3,227
	662,548	499,993	1,396,088	1,077,270
REVENUES FROM ENERGY SALES				
Wind power stations	51,808	31,264	119,176	79,213
Hydroelectric power stations	16,785	17,622	29,369	31,618
Thermal power stations	3,467	3,885	14,203	16,861
Solar power station	926	1,021	1,411	1,623
	72,986	53,792	164,159	129,315
EBITDA(A)				
Wind power stations	40,136	24,626	94,630	65,787
Hydroelectric power stations	12,741	14,002	21,988	24,169
Thermal power stations	(654)	(1,101)	3,871	3,471
Solar power station	837	902	1,241	1,393
	53,060	38,429	121,730	94,820
Corporate and eliminations	(6,416)	(6,252)	(12,772)	(10,886)
	46,644	32,177	108,958	83,934
NET EARNINGS ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(4,978)	(5,069)	1,628	1,980
Discontinued operations	—	785	—	1,624
	(4,978)	(4,284)	1,628	3,604
NET EARNINGS PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	($0.10)	($0.13)	$0.03	$0.05
Discontinued operations	—	$0.02	—	$0.04
	($0.10)	($0.11)	$0.03	$0.09
CASH FLOWS FROM OPERATIONS				
In dollars	27,499	12,200	70,251	48,768
Per share (basic)	$0.57	$0.32	$1.47	$1.28
Average capacity in operation (MW)	968	663	954	663
Weighted average number of shares outstanding (basic)	47,951,885	38,346,572	47,856,113	38,164,614

Statement of Financial Position Data

(in thousands of dollars)	As at June 30, 2015	As at December 31, 2014
Total assets	2,437,755	2,288,750
Debt*	1,395,726	1,477,020
Convertible debentures	366,764	232,977
Total liabilities	2,045,331	1,952,948
Total equity	392,424	335,802

* Including non-current debt and current portion of debt.

Analysis of Operating Results for the Three-Month Period Ended June 30, 2015

Consolidated

Both for the second quarter and first six months of fiscal 2015, the proportionate consolidation of the results of Joint Ventures Phases I and II mainly affected Boralex's production volume, revenues, EBITDA(A) and cash flows from operations, and had no effect on net loss and net loss 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 June 30, 2015, proportionate consolidation primarily affected the *Power Stations Commissioned* and *Volume* items.

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED JUNE 30, 2014	53,792		32,177	
Power stations commissioned*	18,589	34.6%	13,281	41.3%
Pricing	(816)	(1.5)%	(816)	(2.5)%
Volume	1,571	2.9%	1,754	5.4%
Capacity premiums	129	0.2%	129	0.4%
Foreign exchange effect	(262)	(0.5)%	242	0.8%
Raw material costs	—	—	297	0.9%
Maintenance	—	—	(133)	(0.4)%
Other	(17)	—	(287)	(0.9)%
Change	19,194	35.7%	14,467	45.0%
THREE-MONTH PERIOD ENDED JUNE 30, 2015	72,986		46,644	

* Commissioning of the Jamie Creek hydroelectric power station in Canada in May 2014, Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I and Joint Venture Phase II wind power facilities in Canada in December 2014, St-François wind power facility in France in March and April 2015 and Comes de l'Arce wind power facility in France in April 2015 and acquisition of 12 wind farms in operation in France on December 18, 2014, with capacity of 186 MW.

Operating Results for the Three-Month Period

The favourable difference from proportionately consolidating the results of the Joint Ventures was twofold: a significantly higher production from Joint Venture Phase I, in operation since the end of 2013, and the contribution from Joint Venture Phase II, commissioned in early December 2014.

Production

For the second quarter of 2015, Boralex's 50% share in the production of Joint Ventures Phases I and II amounted to 137,878 MWh, compared with its share in the production of Joint Venture Phase I of 92,220 MWh in the second quarter of 2014. As a result, in addition to the additional contribution from Phase II, Phase I recorded 19.5% in organic production growth, thereby confirming the exceptional quality of the Seigneurie de Beaupré facilities and the expertise of the Boralex teams in charge of operating this large-scale site.

For the second quarter of 2015, proportionate consolidation of the production of Joint Ventures resulted in an additional contribution of 26.3% compared with the total production of Boralex based on the IFRS equity method. Including its share in the Joint Ventures, the Corporation's total production for the second quarter of 2015 increased by 32.5% compared with the same quarter of 2014 (compared with 28.7% growth under IFRS).

Revenues

Boralex's share in the revenues of Joint Ventures increased to $14.8 million for the second quarter of 2015 from $10.0 million for the same period of 2014. Apart from the additional revenues generated by the commissioning of Joint Venture Phase II, this increase was driven by a $2.0 million favourable volume effect attributable to Joint Venture Phase I.

The proportionate consolidation of the results of Joint Ventures represents a 25.4% increase in Boralex's quarterly revenues compared with IFRS. Including its share of the Joint Ventures, the Corporation's total revenues for the second quarter of 2015 climbed 35.7% from the same quarter of 2014 (compared with 32.8% growth under IFRS).

EBITDA(A)

(in thousands of dollars)	Three-month periods ended June 30 2015	2014
EBITDA(A) (IFRS)	35,947	23,516
Less: Share in earnings (losses) of Joint Ventures Phases I and II	1,901	(456)
Plus: EBITDA(A) of Joint Ventures Phases I and II	12,598	8,230
Other	—	(25)
EBITDA(A) (Proportionate Consolidation)	46,644	32,177

In the second quarter of 2015, Boralex's share in the EBITDA(A) of the Joint Ventures amounted to $12.6 million, up 53.1% from $8.2 million in the same period of 2014, due to the commissioning of Joint Venture Phase II and the increase in productivity of Joint Venture Phase I. As shown in the above table, proportionate consolidation had a net favourable impact of $10.7 million or 29.8 % on consolidated EBITDA(A) in the second quarter of 2015, compared with IFRS. This impact stemmed mainly from the elimination of the *Share in earnings (loss) of Joint Ventures Phases I and II*, which comprises non-EBITDA(A) items of the Joint Ventures such as amortization and financing costs, and the addition of the EBITDA(A) of the Joint Ventures.

Under proportionate consolidation, consolidated EBITDA(A) for the second quarter grew $14.5 million or 45.0% from the same period in 2014 (compared with growth of $12.4 million or 52.9% under IFRS).

Net Loss

Given the amortization, financing costs, other items and income tax, proportionate consolidation of results of Joint Ventures Phases I and II had no impact on net loss attributable to shareholders and on net loss per share.

Wind

For the wind power segment, in both the second quarter and the first six months of fiscal 2015, the impact of proportionate consolidation was reflected in production volume, revenues and EBITDA(A). The impact is reflected in part through *Volume*, which shows the boon to segment results from the increase in first-quarter production at Joint Venture Phase I in 2015 compared with the same period of 2014, and in part through *Power stations commissioned* which, in addition to the additional contribution from French wind farms Fortel-Bonnières and St-François, as well as from the Québec wind farm Témiscouata I, includes 50% of the production, revenues and EBITDA(A) generated by the December 2014 commissioning of Joint Venture Phase II.

The following table shows major changes in revenues from energy sales and EBITDA(A) for the three-month period ended June 30, 2015:

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED JUNE 30, 2014	31,264		24,626	
Power stations commissioned*	18,392	58.8%	13,539	55.0%
Pricing	146	0.5%	146	0.6%
Volume	3,337	10.7%	3,337	13.6%
Foreign exchange effect	(1,310)	(4.2)%	(950)	(3.9)%
Maintenance	—	—	(423)	(1.7)%
Other	(21)	(0.1)%	(139)	(0.6)%
Change	20,544	65.7%	15,510	63.0%
THREE-MONTH PERIOD ENDED JUNE 30, 2015	51,808		40,136	

* Commissioning of the Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I and Joint Venture Phase II wind power facilities in Canada in December 2014, St-François wind power facility in France in March and April 2015 and Comes de l'Arce wind power facility in April 2015 and acquisition of 12 wind farms in operation in France on December 18, 2014, with capacity of 186 MW.

Operating Results for the Three-Month Period

Production

For the second quarter of 2015, the addition of Boralex's share of 137,878 MWh in the production of Joint Ventures Phases I and II (92,220 MWh in the same quarter of 2014) represented an additional contribution of 45.8% compared with wind power production calculated under IFRS. Including the interest in the Joint Ventures, the wind power segment reported growth in production of 71.7% from the same period in 2014 (compared with growth of 84.3% under IFRS).

Revenues

On the same basis of comparison, including Boralex's $14.8 million share in revenues of the Joint Ventures for the second quarter of 2015 ($10.0 million for the same period of 2014), proportionate consolidation resulted in a 40.0% increase in quarterly wind power revenues compared with IFRS. Under proportionate consolidation, the wind power segment reported revenue growth of 65.7% from the same period in 2014 (compared with growth of 73.8% under IFRS).

EBITDA(A)

	Three-month periods ended June 30	
(in thousands of dollars)	**2015**	**2014**
EBITDA(A) (IFRS)	30,094	16,610
Less: Share in earnings (losses) of Joint Ventures Phases I and II	2,555	214
Plus: EBITDA(A) of Joint Ventures Phases I and II	12,597	8,230
EBITDA(A) (Proportionate Consolidation)	40,136	24,626

As shown in the above table, segment EBITDA(A) for the second quarter of 2015 was $10.0 million or 33.4% higher under proportionate consolidation than under IFRS. This impact stemmed mainly from the elimination of the *Share in earnings (losses) of Joint Ventures Phases I and II*, which comprises non-EBITDA(A) items of the Joint Ventures such as amortization and financing costs, and the addition of the EBITDA(A) of the Joint Ventures.

In the second quarter of 2015, Boralex's $12.6 million share in EBITDA(A) of the Joint Ventures ($8.2 million for the same period of 2014) resulted in a $15.5 million or 63.0% increase in EBITDA(A) for the segment from the same period of 2014 under proportionate consolidation (compared with a $13.5 million or 81.2% increase under IFRS).

Analysis of Operating Results for the Six-month Period Ended June 30, 2015

Consolidated

The following table shows the major changes in revenues from energy sales and EBITDA(A) for the six-month period ended June 30, 2015:

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
SIX-MONTH PERIOD ENDED JUNE 30, 2014	129,315		83,934	
Power stations commissioned*	42,781	33.1%	30,726	36.6%
Pricing	(2,646)	(2.0)%	(2,646)	(3.2)%
Volume	(3,200)	(2.5)%	(2,129)	(2.5)%
Capacity premiums	(543)	(0.4)%	(543)	(0.6)%
Foreign exchange effect	(1,511)	(1.2)%	(431)	(0.5)%
Raw material costs	—	—	668	0.8%
Development - prospecting	—	—	(578)	(0.7)%
Other	(37)	(0.1)%	(43)	(0.1)%
Change	34,844	26.9%	25,024	29.8%
SIX-MONTH PERIOD ENDED JUNE 30, 2015	164,159		108,958	

* Commissioning of the Jamie Creek hydroelectric power station in Canada in May 2014, Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I and Joint Venture Phase II wind power facilities in Canada in December 2014, St-François wind power facility in France in March and April 2015 and Comes de l'Arce wind power facility in April 2015 and acquisition of 12 wind farms in operation in France on December 18, 2014, with capacity of 186 MW.

Operating Results for the Six-month Period

Production

For the first half of 2015, Boralex's 50% share in the production of Joint Ventures Phases I and II represented 311,743 MWh (208,750 MWh in the same period of 2014), for an additional contribution of 28.7% compared with Boralex's total production calculated under IFRS. In addition to the additional contribution from Joint Venture Phase II, Joint Venture Phase I recorded 20.2% in organic production growth. For the first half of 2015, the Corporation's total production climbed 29.6% year over year under proportionate consolidation (compared with 24.8% growth under IFRS).

Revenues

Boralex's share in the revenues of Joint Ventures increased to $33.4 million for the first half of 2015 from $22.6 million for the same period of 2014. In addition to the additional revenues generated by commissioning Joint Venture Phase II, this increase was driven by a $4.7 million favourable volume effect attributable to Joint Venture Phase I.

Reporting the results of Joint Ventures under proportionate consolidation added 25.6% to Boralex's quarterly revenues compared to reporting under IFRS. Including its share of the Joint Ventures, the Corporation's total revenues for the first six months of 2015 grew 26.9% from the same period of 2014 (compared with growth of 22.4% growth under IFRS).

EBITDA(A)

	Six-month periods ended June 30	
(in thousands of dollars)	**2015**	**2014**
EBITDA(A) (IFRS)	87,701	65,721
Less: Share in earnings (losses) of Joint Ventures Phases I and II	7,764	899
Plus: EBITDA(A) of Joint Ventures Phases I and II	29,021	19,200
Other	—	(88)
EBITDA(A) (Proportionate Consolidation)	108,958	83,934

During the six-month period ended June 30, 2015, Boralex's share in the EBITDA(A) of the Joint Ventures totalled $29.0 million, up from $19.2 million a year earlier, due to the commissioning of Joint Venture Phase II and a $4.7 million favourable volume effect from Joint Venture Phase I.

As shown in the EBITDA(A) table, consolidated EBITDA(A) for 2015 reported under proportionate consolidation was $21.3 million or 24.2% higher on a net basis than under IFRS. Under proportionate consolidation, consolidated EBITDA(A) for the first half of 2015 was $25.0 million or 29.8% higher than in the same period of 2014 (compared with growth of $22.0 million or 33.4% under IFRS).

Net Earnings

Reporting the results of Joint Ventures Phases I and II under proportionate consolidation resulted in no change in net earnings attributable to shareholders.

Wind

The following table shows the major changes in revenues from energy sales and EBITDA(A) for the six-month period ended June 30, 2015:

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
SIX-MONTH PERIOD ENDED JUNE 30, 2014	79,213		65,787	
Power stations commissioned*	42,155	53.3%	31,770	48.2%
Pricing	311	0.4%	311	0.5%
Volume	593	0.7%	593	0.9%
Foreign exchange effect	(3,060)	(3.9)%	(2,384)	(3.6)%
Maintenance	—	—	(843)	(1.3)%
Development - prospecting	—	—	(131)	(0.2)%
Other	(36)	—	(473)	(0.7)%
Change	39,963	50.5%	28,843	43.8%
SIX-MONTH PERIOD ENDED JUNE 30, 2015	119,176		94,630	

* Commissioning of the Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I and Joint Venture Phase II wind power facilities in Canada in December 2014, St-François wind power facility in France in March and April 2015 and Comes de l'Arce wind power facility in April 2015 and acquisition of 12 wind farms in operation in France on December 18, 2014, with capacity of 186 MW.

Operating Results for the Six-Month Period

Production

For the wind power segment, proportionate consolidation of Boralex's share of the production of Joint Ventures Phases I and II for the six-month period ended June 30, 2015 totalled 311,743 MWh (208,750 MWh for the same period of 2014), representing an additional contribution of 45.4% compared with IFRS. Including its share of the Joint Ventures, the wind power segment's total production the first half of 2015 grew 56.8% year over year (compared with growth of 60.4% under IFRS).

Revenues

Boralex's share in the revenues of the Joint Ventures reported under proportionate consolidation for the first half of 2015 amounted to $33.4 million ($22.6 in the same period of 2014), which was 39.0% higher than wind power segment revenues for the half-year period calculated under IFRS. On a proportionate consolidation basis, the wind power segment's total revenues for the six-month period ended June 30, 2015 were up 50.5% from a year earlier (compared with growth of 51.3% under IFRS).

EBITDA(A)

	Six-month periods ended June 30	
(in thousands of dollars)	2015	2014
EBITDA(A) (IFRS)	74,680	48,821
Less: Share in earnings (losses) of Joint Ventures Phases I and II	9,071	2,234
Plus: EBITDA(A) of Joint Ventures Phases I and II	29,021	19,200
EBITDA(A) (Proportionate Consolidation)	94,630	65,787

For the six-month period ended June 30, 2015, the proportionate consolidation of Boralex's share in the EBITDA(A) of the Joint Ventures of $29.0 million ($19.2 million for the same period of 2014) increased wind power segment EBITDA(A) by $20.0 million or 26.7% on a net basis compared with IFRS. Under proportionate consolidation, wind power segment EBITDA(A) was up $28.8 million or 43.8% from a year earlier (compared with growth of $25.9 million or 53.0% under IFRS).

Boralex's management is satisfied with the results to date of these large-scale facilities, whose productivity augurs well for the future.

Cash Flows

Three-Month Period

Under proportionate consolidation, cash flows from operations for the three-month period ended June 30, 2015 was $8.2 million higher than under the IFRS equity method, owing primarily to the addition of the EBITDA(A) of Joint Ventures Phases I and II. In addition, cash generated by the change in non-cash items related to operating activities was $5.5 million higher under proportionate consolidation than under IFRS. In total, cash flows generated by operating activities were $13.7 million higher under proportionate consolidation than under IFRS.

Cash used in investing activities reflected a slight increase of $0.1 million under proportionate consolidation. Lastly, total net cash flows generated by financing activities were $6.5 million lower than under IFRS, owing primarily to payments on non-current debt of the Joint Ventures.

In the aggregate, under proportionate consolidation, cash and cash equivalents as at June 30, 2015 were up $53.8 million from December 31, 2014, which is $7.1 million higher on a net basis than the growth of $46.6 million recorded under IFRS.

Six-Month Period

Under proportionate consolidation, cash flows from operations for the six-month period ended June 30, 2015 amounted to $70.3 million (compared with $59.5 million under IFRS). The additional $10.8 million resulted in large part from recognizing the contribution to EBITDA(A) from Joint Ventures Phases I and II, which was higher than the $9.6 million they distributed to Boralex in the first quarter. In addition, the cash generated by the change in non-cash items related to operating activities for the first half of the year was $0.8 million higher under proportionate consolidation than under IFRS. As a result, cash generated by operating activities for the first six months of 2015 was $11.5 million higher under proportionate consolidation than under IFRS.

Cash used in investing activities for the sixth-month period under proportionate consolidation reflected a slight improvement of $0.8 million, owing primarily to an additional $2.5 million amount earmarked for additions to property, plant and equipment, net of $1.7 million in restricted cash used for such additions. Cash flows generated by financing activities for the first half of the fiscal year were $6.9 million lower under proportionate consolidation than under IFRS, owing primarily to payments on non-current debt of Joint Ventures Phases I and II.

As a result, under proportionate consolidation, cash and cash equivalents as at June 30, 2015 were up $54.5 million from December 31, 2014 compared with growth of $50.7 million under IFRS, which is $3.8 million higher on a net basis.

Financial Position as at June 30, 2015

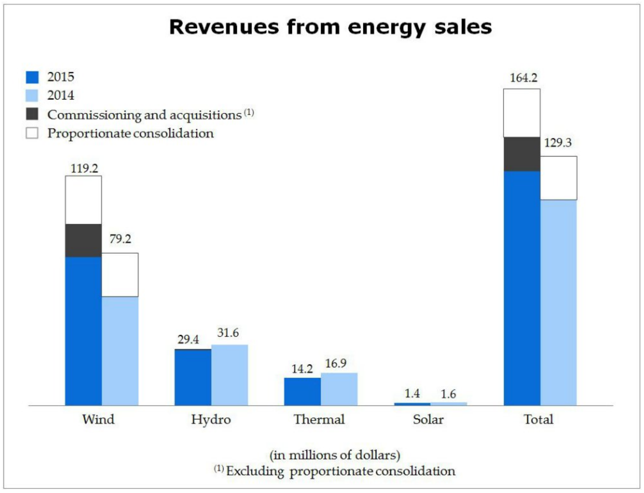
The main changes in the statement of financial position owing to proportionate consolidation are as follows:

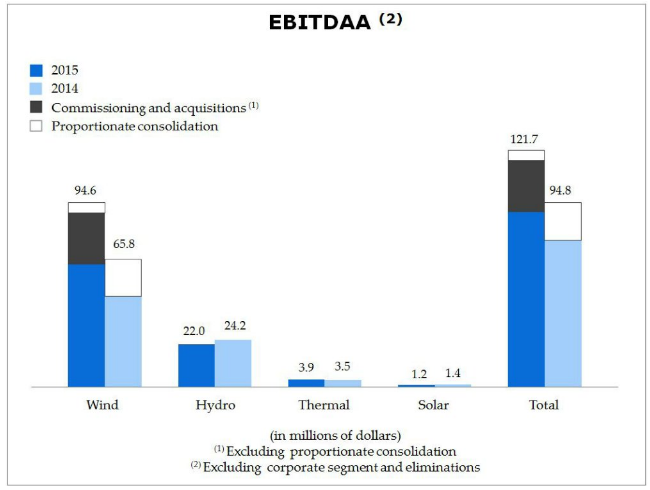
- A $32.0 million increase in total current assets, including a $20.9 million increase in the sum of restricted cash and cash and cash equivalents and a $10.3 million increase in *Trade and other receivables*;
- A $331.7 million increase in total non-current assets, driven primarily by a $418.2 million increase in the value of property, plant and equipment, partly offset by the elimination of the *Interests in the Joint Ventures* item amounting to $88.8 million;
- A $24.5 million increase in total current liabilities, mainly in the current portion of debt; and
- A $339.7 million increase in total non-current liabilities, consisting mainly of a $289.6 million increase in non-current debt, an $18.9 million increase in other non-current financial liabilities and a $30.0 million increase in deferred revenues.

Accordingly, cash and cash equivalents and restricted cash as at June 30, 2015 totalled $153.2 million under proportionate consolidation (compared with $132.2 million under IFRS).

Segment and Geographic Breakdown of Results of Continuing Operations for the Six-month Periods Ended June 30, 2015 and 2014

Segment breakdown





The following is a discussion of changes in segment breakdown of revenues and EBITDA(A) for the six-month period ended June 30, 2015 compared with the same period of 2014 under proportionate consolidation (see the *Non-IFRS Measures* and *Reconciliations between IFRS* and *Proportionate Consolidation sections*).

Wind

For the first six months fiscal 2015, revenues in the wind power segment grew 50.5% from the same period of the previous year, boosting its share of first-quarter consolidated revenues to 72.6% in 2015 from 61.3% in 2014. The strong growth in segment revenues was driven primarily by the expansion in its asset base, including:

- Commissioning of an additional 113 MW in total (Boralex's net share) during the fourth quarter of 2014 (Fortel-Bonnières wind farm in France and the Joint Venture Phase II and Témiscouata I wind farms in Canada) and the first half of 2015 (St-François and Comes de l'Arce sites in France); and
- The acquisition of 12 wind farms in operation in France from BEV on December 18, 2014, with total capacity of 186 MW.

In the wind power segment, EBITDA(A) for the first half of 2015 rose 43.8% from the same period of 2014, increasing its share of quarterly consolidated EBITDA(A) (before the corporate segment and eliminations) to 77.3% in 2015 from 69.4% in 2014, 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 79.9% for the first half of 2015 (83.1% in 2014). Considering the impact starting in 2015 of the BEV acquisition, the 113 MW in recently commissioned assets, the wind power projects under development representing a total additional contracted capacity of 127 MW and the large pool of potential wind power projects available to Boralex, this segment's dominant contribution to the Corporation's profitability is expected to increase in the coming quarters and years, underpinning the strength of its average profit margin.

Hydroelectric

Hydroelectric power segment revenues were down 7.0% in the first half of 2015 compared with the same period of 2014, owing primarily to more difficult weather conditions and weak market selling prices in the Northeastern United States. Accordingly, and due as well to significant expansion in the wind power segment, its share of quarterly consolidated revenues fell to 17.9% in 2015 from 24.4% in 2014. Due to same factors discussed above, half-yearly EBITDA(A) in the hydroelectric power segment was down 9.1% in 2015 from the same period of 2014, accounting for 18.0% of consolidated EBITDA(A) (before the corporate segment and eliminations) compared with 25.5% in the prior year. As a percentage of revenues, the hydroelectric power segment's EBITDA(A) margin remained high at 74.8% in 2015 (76.6% in 2014).

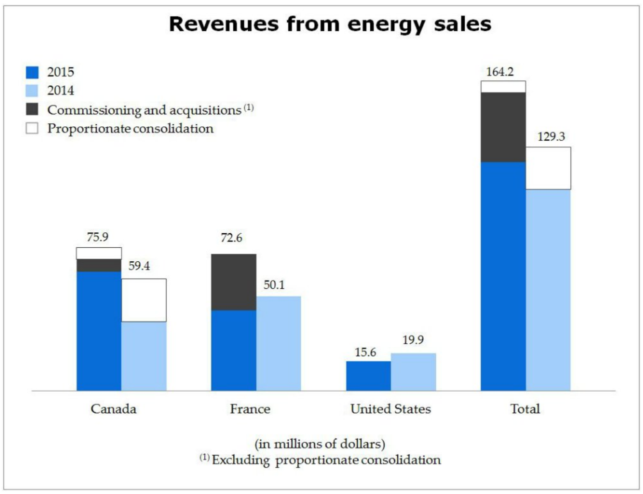
Thermal

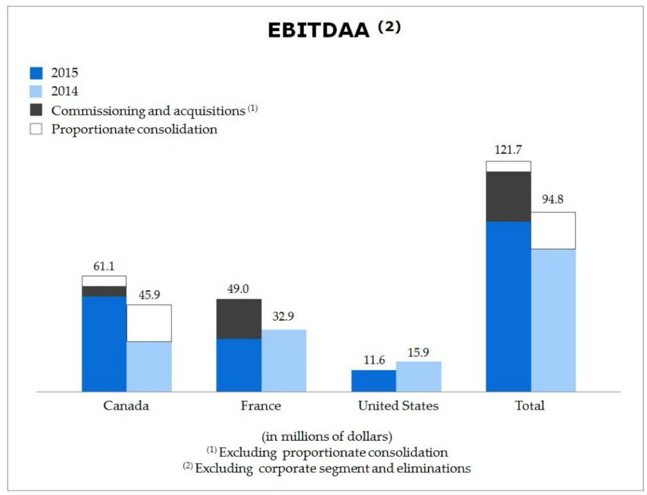
Thermal power segment revenues were down 16.0% in the first half of 2015 compared with 2014, due primarily to the weakening of the euro, a lower average selling price and a decline in electricity production volume. The segment accounted for 8.6% of consolidated revenues in the first six months of 2015, compared with 13.1% in 2014. However, thermal power segment EBITDA(A) rose 11.4 % from the first half of 2014. The segment's share of quarterly consolidated EBITDA(A) (before the corporate segment and eliminations) stood at 3.2% compared with 3.7% in the prior year. Segment EBITDA(A) margin rose to 27.5% in 2015 from 20.7% in 2014, due in part to lower natural gas costs in France.

Solar

Boralex's only solar power station currently in operation generated EBITDA(A) of $1.2 million on revenues of $1.4 million for the first six months of 2015, representing an EBITDA(A) margin of 85.7%. For the same period of 2014, EBITDA(A) and revenues totalled $1.4 million and $1.6 million, respectively, with a margin of 87.5%. The solar power segment, which for the time being accounts for only a marginal share of Boralex's energy portfolio, generated less than 1.0% each of consolidated revenues and EBITDA(A) (before the corporate segment and eliminations) for the first half of fiscal 2015. The share of this segment will increase slightly following the upcoming commissioning of the 10 MW Montfort-Peyruis site slated for summer 2015.

Geographic breakdown





Geographically, Boralex's revenues from energy sales for the six-month period ended June 30, 2015 were broken down as follows:

- 46,3% in Canada compared with 46.0% in the same period of 2014;
- 44,2 % in France, compared with 38,7% in the same period of 2014; and
- 9,5% in the United States compared with 15,3% in the same period of 2014.

The relative weight of our French operations logged the highest growth due primarily to the acquisition of BEV in December 2014. The growth in our Canadian assets' relative share of revenues resulted in particular from the commissioning of Joint Venture Phase II and Témiscouata I in December 2014, coupled with the favourable performance of Joint Venture Phase I. 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. The lower relative share of revenues the U.S. assets stemmed from the higher weights of the French and Canadian markets and drops in production and average selling prices at U.S. hydroelectric power stations.

Non-IFRS Measures

In order to assess the performance of its assets and reporting segments, Boralex uses EBITDA(A), cash flows from operations and the ratio of net debt 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 condensed 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 porportionate consolidation, where the results of Joint Ventures Phases I and II 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 (loss), or as a measure of operating results, which are IFRS measures.

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

IFRS

	Three-month periods ended June 30		Six-month periods ended June 30	
(in thousands of dollars)	2015	2014	2015	2014
Net earnings (loss)	(4,485)	(4,679)	3,568	4,704
Income tax expense (recovery)	(1,786)	(1,270)	325	3,576
Financial costs	18,730	14,257	36,256	27,950
Amortization	24,745	15,042	43,504	30,159
EBITDA	37,204	23,350	83,653	66,389
Adjustments:				
Net earnings from discontinued operations	—	(785)	—	(1,624)
Net loss on financial instruments	241	493	4,617	1,412
Foreign exchange loss (gain)	(1,421)	458	(415)	117
Other gains	(77)	—	(154)	(573)
EBITDA(A)	35,947	23,516	87,701	65,721

Proportionate Consolidation

	Three-month periods ended June 30		Six-month periods ended June 30	
(in thousands of dollars)	2015	2014	2015	2014
Net earnings (loss)	(4,485)	(4,704)	3,568	4,616
Income tax expense (recovery)	(1,786)	(1,270)	325	3,576
Financial costs	24,296	19,304	47,254	37,954
Amortization	30,278	19,467	54,569	38,834
EBITDA	48,303	32,797	105,716	84,980
Adjustments:				
Net earnings from discontinued operations	—	(785)	—	(1,624)
Net loss on financial instruments	241	30	4,617	1,678
Foreign exchange loss (gain)	(1,421)	458	(416)	119
Other gains	(479)	(323)	(959)	(1,219)
EBITDA(A)	46,644	32,177	108,958	83,934

(in thousands of dollars)	Three-month periods ended June 30 2015	Three-month periods ended June 30 2014	Six-month periods ended June 30 2015	Six-month periods ended June 30 2014
EBITDA(A) (IFRS)	35,947	23,516	87,701	65,721
Less: Share in earnings (losses) of Joint Ventures Phases I and II	1,901	(456)	7,764	899
Plus: EBITDA(A) of Joint Ventures Phases I and II	12,598	8,230	29,021	19,200
Other	—	(25)	—	(88)
EBITDA(A) (Proportionate Consolidation)	46,644	32,177	108,958	83,934

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 related to operating activities. 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)	Three-month periods ended June 30 2015	Three-month periods ended June 30 2014	Six-month periods ended June 30 2015	Six-month periods ended June 30 2014
Net cash flows related to operating activities	13,057	3,913	62,124	37,681
Change in non-cash items related to operating activities	(6,209)	(3,826)	2,657	616
CASH FLOWS FROM OPERATIONS	19,266	7,739	59,467	37,065

Proportionate Consolidation

(in thousands of dollars)	Three-month periods ended June 30 2015	Three-month periods ended June 30 2014	Six-month periods ended June 30 2015	Six-month periods ended June 30 2014
Net cash flows related to operating activities	26,790	8,331	73,670	48,849
Change in non-cash items related to operating activities	(709)	(3,869)	3,419	81
CASH FLOWS FROM OPERATIONS	27,499	12,200	70,251	48,768

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)	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Non-current debt	977,626	989,087	1,267,227	1,285,258
Current portion of debt	108,191	172,044	128,499	191,762
Borrowing costs, net of accumulated amortization	21,081	21,713	37,704	39,252
Less:				
Bridge financing facility*	—	100,000	—	100,000
Cash and cash equivalents	126,055	75,394	141,350	86,845
Restricted cash	6,190	12,459	11,822	19,814
Net debt	974,653	994,991	1,280,258	1,309,613
Net debt excluding non-current debt drawn for projects under construction	922,931	956,311	1,228,536	1,270,933

* The bridge facility was excluded from net debt as at December 31, 2014 as it related to temporary financing.

The Corporation defines total book capitalization as follows:

	IFRS		Proportionate Consolidation	
(in thousands of dollars)	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Total equity	392,941	336,319	392,424	335,802
Bridge financing facility	—	100,000	—	100,000
Net debt	974,653	994,991	1,280,258	1,309,613
Convertible debentures	366,764	232,977	366,764	232,977
Convertible debenture issuance costs, net of accumulated amortization	8,755	2,765	8,755	2,765
Deferred taxes on convertible debentures	6,584	5,158	6,584	5,158
Imputed interest calculated on convertible debentures	(12,521)	(10,942)	(12,521)	(10,942)
Total book capitalization	1,737,176	1,661,268	2,042,264	1,975,373

The Corporation computes the net debt ratio as follows:

	IFRS		Proportionate Consolidation	
(in thousands of dollars)	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Net debt	974,653	994,991	1,280,258	1,309,613
Total book capitalization	1,737,176	1,661,268	2,042,264	1,975,373
NET DEBT RATIO	56.1%	59.9%	62.7%	66.3%
NET DEBT RATIO, excluding non-current debt drawn for projects under construction*	54.8%	58.9%	61.7%	65.6%

* Given the significant growth in recent years with the addition of long-term contracted capacity and fixed-rate debt, the portion of non-current debt drawn for projects under development was excluded.

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 to a minimum, 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. Given those conditions and in light of the major BEV acquisition carried out in December 2014, Boralex entered into a series of long-term foreign exchange forward contracts for a portion of approximately 75% of the euros it expects to translate into dollars through January 2025. In addition, the Corporation fixed the exchange rate on an additional amount of €25.0 million to be issued on European project debt once the conditions precedent have been met.

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. 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 electricity prices. Electricity 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 June 30, 2015, 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 June 30, 2015, approximately 39% 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 exposure to interest rate fluctuations is reduced to only 11% of total debt under IFRS and 9% under proportionate consolidation.

IFRS

As at June 30, 2015	Currency	Current notional (currency of origin)	Current notional (CAD)	Fair value (currency of origin)	Fair value (CAD)
Financial swaps - interest rates	EUR	234,996	327,256	(17,549)	(24,438)
Financial swaps - interest rates	CAD	98,447	98,447	(35,361)	(35,361)
Foreign exchange forward contracts	EUR	124,000	172,682	6,550	6,550
			598,385		(53,249)

Proportionate Consolidation

As at June 30, 2015	Currency	Current notional (currency of origin)	Current notional (CAD)	Fair value (currency of origin)	Fair value (CAD)
Financial swaps - interest rates	EUR	234,996	327,256	(17,549)	(24,438)
Financial swaps - interest rates	CAD	339,600	339,600	(54,295)	(54,295)
Foreign exchange forward contracts	EUR	124,000	172,682	6,550	6,550
			839,538		(72,183)

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.

On January 21, 2015, the Canadian dollar interest rate swaps that were not designated as hedges were designated for two new development projects: Yellow Falls and Frampton. All contracts qualify for hedge accounting as at June 30, 2015.

Commitments

The commitments are discussed in Boralex's Annual Report for the fiscal year ended December, 31 2014. During the six-month period ended June 30, 2015, the Corporation entered into the following new commitments:

Canada

Ontario Solar Power Project

In June 2015, the Corporation entered into an agreement for the purchase of solar panels in the total amount of $1.1 million for a solar power project in Ontario. Expenditures will be made according to the percentage of completion.

Frampton Wind Power Project

In March 2015, the Corporation entered into a 15-year wind turbine maintenance contract expiring in 2030 for the Frampton wind power project. The contract includes a cancellation option at the Corporation's discretion after seven years. The Corporation's net commitment under this contract amounts to $5.6 million, taking into account only the first seven years of the contract.

In 2015, the Corporation entered into a wind turbine manufacturing and installation contract and a contract for the construction of the transformer substation and control building for the Frampton wind power project. The Corporation's net commitments under those contracts amounted to $38.7 million as at June 30, 2015. Expenditures will be made according to the percentage of completion.

Yellow Falls Hydroelectric Power Project

In 2015, the Corporation has entered into an engineering contract for the Yellow Falls hydroelectric power project. The Corporation's net commitment under this contract amounted to $1.1 million as at June 30, 2015. Expenditures will be made according to the percentage of completion.

Niagara Region Wind Farm Project

On June 8, 2015, the Corporation announced the signature of a conditional buy option for a 25% economic interest in the 230 MW Niagara Region Wind Farm project in which Enercon is the majority owner (the "Option"). Boralex will have the obligation to exercise the Option if certain financial conditions are met at the time of signature of a project financing agreement. If unexercised at that time, Boralex will be entitled to exercise the Option at its discretion following commercial commissioning of the project. The Corporation expects that $60.0 million in equity will be needed to exercise the Option. Boralex will be the project operator following exercise of the Option. The initial consideration paid by Boralex for the purchase of the Option will be approximately $5.0 million, which primarily represents a deposit payable to Enercon.

The total investment planned for this major undertaking is between $900 and $950 million and Boralex is coordinating the project construction phase in partnership with Enercon. The Niagara Region Wind Farm project, located in the Regional Municipality of Niagara, will comprise 77 Enercon wind turbines of 3 MW and its construction began in June.

France

Calmont Wind Power Project

In 2015, the Corporation entered into contracts for the construction of foundations and the connection grid for the Calmont wind power project. The Corporation's net commitment under those contracts amounted to $1.9 million (€1.3 million) as at June 30, 2015. Expenditures will be made according to the percentage of completion.

Montfort-Peyruis Solar Power Project

In April 2015, the Corporation entered into contracts for the construction of the Montfort-Peyruis solar power facility. The Corporation's net commitment under those contracts amounted to $10.5 million (€7.5 million). Expenditures will be made according to the percentage of completion.

Touvent Wind Power Project

At the time of acquisition of the Touvent wind power project on February 5, 2015, the Corporation took over a wind turbine manufacturing and installation contract. The Corporation's net commitments under those contracts amounted to $19.7 million (€14.1 million) as at June 30, 2015. Expenditures will be made according to the percentage of completion.

Subsequent Events

France

Montfort-Peyruis Solar Power Project

On July 10, 2015, the Corporation closed the long-term financing for the Montfort-Peyruis solar power station in France. This loan payable, secured by the assets of this solar power station, consists of an amount of €9.7 million ($13.5 million) and a revolving financing facility for an amount of €2.3 million ($3.2 million). The €9.7 million loan will be fully amortized in quarterly payments over a 17.5-year period. The first quarterly repayment is due three months after the commissioning slated for the third quarter of 2015. The variable interest rate for the €9.7 million facility is based on EURIBOR, plus a margin. To reduce its exposure to rate fluctuations, Boralex entered into interest rate financial swaps with a notional amount of €8.7 million ($12.1 million) at a rate of 1.48% over the full term of the loan. With these swaps, the rate is fixed for 90% of total debt.

In July 2015, the Corporation signed land lease contracts with 30-year terms for the Montfort-Peyruis solar power station. These leases may be renewed once at the option of the Corporation for the same term. Royalties under these leases are due annually and are indexed each year, based on the CPI and the Construction Cost Index published by the National Institute of Statistics and Economic Studies. The Corporation's net commitment under those contracts amounted to €2.1 million ($2.9 million) as at June 30, 2015.

Canada

Frampton

On August 4, 2015, the Corporation announced the completion of the long-term financing arrangements for the Frampton wind farm. The loan, secured by the wind farm's assets, consists of a $73.5 million construction loan, which will convert into a term loan repayable over an 19.5-year amortization period after a certain period following commissioning slated for December 2015. The interest rate is fixed at 4.20% on approximately 90% of the total debt as of January 1, 2016. As of the construction phase through to that date, the construction loan's interest rate is variable and is based on CDOR plus slightly less than a 2% margin. The credit facilities include available amounts for the issuance of the necessary letters of credit, as well as bridge financing for certain amounts repayable by Hydro-Québec for a total amount of $7.9 million. Note that the Frampton project is 67% owned by Boralex and 33% owned by the Municipality of Frampton.

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, 2014.

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 recognized amounts of 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, 2014.

Accounting Policies

Changes in Accounting Policies

IAS 16, *Property, plant and equipment*, and IAS 38, *Intangible assets*

In May 2014, the IASB amended IAS 16, *Property, Plant and Equipment*, and IAS 38, *Intangible Assets*, to provide clarification of the acceptable methods of amortization under those standards. The use of revenue-based amortization is prohibited for property, plant and equipment. However, the use of this method remains acceptable for intangible assets, but is significantly limited. The amended standards must be applied prospectively for fiscal years beginning on or after January 1, 2016, with earlier adoption permitted. The Corporation assessed their impact and early adopted the standards as of January 1, 2015. Energy sales contracts for the South Glens Falls and Hudson Falls hydroelectric power stations in the United States were amortized using a revenue-based method. To comply with the amended standards, the aforementioned contracts are amortized prospectively as of January 1, 2015 on a straight-line basis over their remaining terms, namely 20 and 21 years or until 2034 and 2035, respectively. The annual impact of this change for South Glens Falls is a decrease in amortization expense for the years 2015 to 2024 of $0.3 million (US$0.3 million) and an increase in amortization expense from 2025 to 2034 of $0.3 million (US$0.3 million). The annual impact of this change for Hudson Falls is a decrease in amortization expense for the years 2015 to 2025 of $0.6 million (US$0.5 million) and an increase in amortization expense from 2026 to 2035 of $0.7 million (US$0.6 million).

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, 2014, 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 June 30, 2015, 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.

Limitation on Scope of Design of Disclosure Controls and Procedures and Internal Control over Financial Reporting

The scope and design of the Corporation's disclosure controls and procedures and internal control over financial reporting ("DC&P" and "ICFR") as at June 30, 2015, did not cover the controls and procedures of the activities of Enel Green Power France S.A.S., renamed BEV, acquired on December 18, 2014, and which are included in the consolidated financial statements of June 30, 2015. The Corporation has elected to apply section 3.3(1)(b) of Regulation 52-109, which allows this acquisition to be excluded from the evaluation of the design and effectiveness of DC&P and ICFR for a maximum of 365 days from the acquisition date.

Consolidated Statements of Financial Position[1]

(in thousands of dollars) (unaudited)	As at June 30, 2015	As at December 31, 2014
ASSETS		
Cash and cash equivalents	141,350	86,845
Restricted cash	11,822	19,814
Trade and other receivables	60,099	71,338
Inventories	6,069	5,631
Other current financial assets	2,450	1,213
Prepaid expenses	6,586	5,358
CURRENT ASSETS	228,376	190,199
Property, plant and equipment	1,728,492	1,644,313
Intangible assets	253,627	254,007
Goodwill	150,592	134,044
Deferred income tax asset	15,130	13,141
Other non-current financial assets	4,602	3,230
Other non-current assets	56,936	49,816
NON-CURRENT ASSETS	2,209,379	2,098,551
TOTAL ASSETS	2,437,755	2,288,750
LIABILITIES		
Trade and other payables	100,653	64,698
Current portion of debt	128,499	191,762
Current income tax liability	1,699	1,601
Other current financial liabilities	35,361	34,116
CURRENT LIABILITIES	266,212	292,177
Non-current debt	1,267,227	1,285,258
Convertible debentures	366,764	232,977
Deferred income tax liability	34,992	30,780
Decommissioning liability	12,686	11,936
Other non-current financial liabilities	43,875	50,374
Other non-current liabilities	53,575	49,446
NON-CURRENT LIABILITIES	1,779,119	1,660,771
TOTAL LIABILITIES	2,045,331	1,952,948
EQUITY		
Equity attributable to shareholders	374,773	302,674
Non-controlling shareholders	17,651	33,128
TOTAL EQUITY	392,424	335,802
TOTAL LIABILITIES AND EQUITY	2,437,755	2,288,750

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

Consolidated Statements of Earnings (Loss)[1]

(in thousands of dollars, except per share amounts) (unaudited)	Three-month periods ended June 30 2015	2014	Six-month periods ended June 30 2015	2014
REVENUES				
Revenues from energy sales	72,986	53,792	164,159	129,315
Other income	323	298	645	574
	73,309	54,090	164,804	129,889
COSTS AND OTHER EXPENSES				
Operating	20,105	16,371	42,415	35,813
Administrative	4,697	3,806	9,232	7,365
Development	1,965	1,736	4,203	2,748
Amortization	30,278	19,467	54,569	38,834
Other gains	(479)	(323)	(959)	(1,219)
	56,566	41,057	109,460	83,541
OPERATING INCOME	16,743	13,033	55,344	46,348
Financing costs	24,296	19,304	47,254	37,954
Foreign exchange loss (gain)	(1,421)	458	(416)	119
Net loss on financial instruments	241	30	4,617	1,678
Other	(102)	—	(4)	29
EARNINGS (LOSS) BEFORE INCOME TAXES	(6,271)	(6,759)	3,893	6,568
Income tax expense (recovery)	(1,786)	(1,270)	325	3,576
NET EARNINGS (LOSS) FROM CONTINUING OPERATIONS	(4,485)	(5,489)	3,568	2,992
Net earnings from discontinued operations	—	785	—	1,624
NET EARNINGS (LOSS)	(4,485)	(4,704)	3,568	4,616
NET EARNINGS (LOSS) ATTRIBUTABLE TO:				
Shareholders of Boralex	(4,978)	(4,284)	1,628	3,604
Non-controlling shareholders	493	(420)	1,940	1,012
NET EARNINGS (LOSS)	(4,485)	(4,704)	3,568	4,616
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(4,978)	(5,069)	1,628	1,980
Discontinued operations	—	785	—	1,624
	(4,978)	(4,284)	1,628	3,604
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	($0.10)	($0.13)	$0.03	$0.05
Discontinued operations	—	$0.02	—	$0.04
	($0.10)	($0.11)	$0.03	$0.09

[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 June 30 2015	Three-month periods ended June 30 2014	Six-month periods ended June 30 2015	Six-month periods ended June 30 2014
Net earnings (loss)	(4,485)	(4,704)	3,568	4,616
Less: Net earnings from discontinued operations	—	785	—	1,624
Net earnings (loss) from continuing operations	(4,485)	(5,489)	3,568	2,992
Financing costs	24,296	19,304	47,254	37,954
Interest paid	(20,968)	(19,304)	(39,369)	(34,760)
Income tax expense (recovery)	(1,786)	(1,270)	325	3,576
Income taxes paid	(477)	(502)	(926)	(1,358)
Non-cash items in earnings (loss):				
Net loss on financial instruments	241	30	4,617	1,678
Amortization	30,278	19,467	54,569	38,834
Other	400	(36)	213	(148)
Change in non-cash items related to operating activities	(709)	(3,869)	3,419	81
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	26,790	8,331	73,670	48,849
Business acquisitions, net of cash acquired	—	—	(16,128)	—
Additions to property, plant and equipment	(58,057)	(49,680)	(91,746)	(74,569)
Change in restricted cash	1,640	30,902	6,126	12,180
Change in reserve funds	—	(3)	(175)	(31)
Development projects	(1,649)	(3,483)	(2,897)	(4,994)
Other	(21)	(85)	(1,531)	(590)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(58,087)	(22,349)	(106,351)	(68,004)
Net increase in non-current debt	68,992	64,688	83,670	99,926
Repayments on current and non-current debt	(121,676)	(52,201)	(249,139)	(68,650)
Convertible debenture issuance proceeds, net of transaction costs	137,972	—	137,972	—
Contribution of non-controlling shareholders	5,616	2,537	7,674	4,059
Dividends paid to shareholders of Boralex	(6,234)	(4,988)	(12,466)	(9,911)
Share issuance proceeds, net of transaction costs	(281)	—	118,146	—
Options exercised	22	418	107	4,624
Other	(179)	—	(269)	(40)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	84,232	10,454	85,695	30,008
Cash from discontinued operations	—	712	—	1,927
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	821	(2,566)	1,491	(431)
NET CHANGE IN CASH AND CASH EQUIVALENTS	53,756	(5,418)	54,505	12,349
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	87,594	145,308	86,845	127,541
CASH AND CASH EQUIVALENTS - END OF PERIOD	141,350	139,890	141,350	139,890

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

Information by Operating Segment[1]

(in thousands of dollars, except MWh)	Three-month periods ended June 30 2015	Three-month periods ended June 30 2014	Six-month periods ended June 30 2015	Six-month periods ended June 30 2014
POWER PRODUCTION (MWh)				
Wind power stations	439,212	255,728	998,972	637,117
Hydroelectric power stations	205,678	223,702	319,265	347,289
Thermal power stations	15,628	18,521	74,783	89,637
Solar power station	2,030	2,042	3,068	3,227
	662,548	499,993	1,396,088	1,077,270
REVENUES FROM ENERGY SALES				
Wind power stations	51,808	31,264	119,176	79,213
Hydroelectric power stations	16,785	17,622	29,369	31,618
Thermal power stations	3,467	3,885	14,203	16,861
Solar power station	926	1,021	1,411	1,623
	72,986	53,792	164,159	129,315
EBITDA(A)				
Wind power stations	40,136	24,626	94,630	65,787
Hydroelectric power stations	12,741	14,002	21,988	24,169
Thermal power stations	(654)	(1,101)	3,871	3,471
Solar power station	837	902	1,241	1,393
Corporate and eliminations	(6,416)	(6,252)	(12,772)	(10,886)
	46,644	32,177	108,958	83,934

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

Information by Geographic Segment[1]

(in thousands of dollars, except MWh)	Three-month periods ended June 30 2015	Three-month periods ended June 30 2014	Six-month periods ended June 30 2015	Six-month periods ended June 30 2014
POWER PRODUCTION (MWh)				
Canada	325,768	243,459	683,224	530,972
France	228,013	112,351	535,175	318,429
United States	108,767	144,183	177,689	227,869
	662,548	499,993	1,396,088	1,077,270
REVENUES FROM ENERGY SALES				
Canada	33,603	24,958	75,931	59,386
France	30,535	17,907	72,636	50,054
United States	8,848	10,927	15,592	19,875
	72,986	53,792	164,159	129,315
EBITDA(A)				
Canada	21,402	13,533	51,846	37,476
France	18,365	9,629	45,536	30,712
United States	6,877	9,015	11,576	15,746
	46,644	32,177	108,958	83,934

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

Consolidated Statements of Financial Position

	As at June 30, 2015		
(in thousands of dollars) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
ASSETS			
Cash and cash equivalents	126,055	15,295	141,350
Restricted cash	6,190	5,632	11,822
Trade and other receivables	49,802	10,297	60,099
Inventories	6,058	11	6,069
Other current financial assets	2,450	—	2,450
Prepaid expenses	5,856	730	6,586
CURRENT ASSETS	196,411	31,965	228,376
Property, plant and equipment	1,310,311	418,181	1,728,492
Intangible assets	253,627	—	253,627
Goodwill	150,592	—	150,592
Interests in the Joint Ventures	88,761	(88,761)	—
Deferred income tax asset	15,130	—	15,130
Other non-current financial assets	4,602	—	4,602
Other non-current assets	54,662	2,274	56,936
NON-CURRENT ASSETS	1,877,685	331,694	2,209,379
TOTAL ASSETS	2,074,096	363,659	2,437,755
LIABILITIES			
Trade and other payables	96,475	4,178	100,653
Current portion of debt	108,191	20,308	128,499
Current income tax liability	1,699	—	1,699
Other current financial liabilities	35,361	—	35,361
CURRENT LIABILITIES	241,726	24,486	266,212
Non-current debt	977,626	289,601	1,267,227
Convertible debentures	366,764	—	366,764
Deferred income tax liability	34,992	—	34,992
Decommissioning liability	11,457	1,229	12,686
Other non-current financial liabilities	24,940	18,935	43,875
Other non-current liabilities	23,650	29,925	53,575
NON-CURRENT LIABILITIES	1,439,429	339,690	1,779,119
TOTAL LIABILITIES	1,681,155	364,176	2,045,331
EQUITY			
Equity attributable to shareholders	375,290	(517)	374,773
Non-controlling shareholders	17,651	—	17,651
TOTAL EQUITY	392,941	(517)	392,424
TOTAL LIABILITIES AND EQUITY	2,074,096	363,659	2,437,755

Consolidated Statements of Financial Position

	As at December 31, 2014		
(in thousands of dollars) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
ASSETS			
Cash and cash equivalents	75,394	11,451	86,845
Restricted cash	12,459	7,355	19,814
Trade and other receivables	59,154	12,184	71,338
Inventories	5,620	11	5,631
Other current financial assets	1,213	—	1,213
Prepaid expenses	5,358	—	5,358
CURRENT ASSETS	159,198	31,001	190,199
Property, plant and equipment	1,215,411	428,902	1,644,313
Intangible assets	254,007	—	254,007
Goodwill	134,044	—	134,044
Interests in the Joint Ventures	91,483	(91,483)	—
Deferred income tax asset	13,141	—	13,141
Other non-current financial assets	3,230	—	3,230
Other non-current assets	47,445	2,371	49,816
NON-CURRENT ASSETS	1,758,761	339,790	2,098,551
TOTAL ASSETS	1,917,959	370,791	2,288,750
LIABILITIES			
Trade and other payables	57,616	7,082	64,698
Current portion of debt	172,044	19,718	191,762
Current income tax liability	1,601	—	1,601
Other current financial liabilities	34,116	—	34,116
CURRENT LIABILITIES	265,377	26,800	292,177
Non-current debt	989,087	296,171	1,285,258
Convertible debentures	232,977	—	232,977
Deferred income tax liability	30,780	—	30,780
Decommissioning liability	10,773	1,163	11,936
Other non-current financial liabilities	33,622	16,752	50,374
Other non-current liabilities	19,024	30,422	49,446
NON-CURRENT LIABILITIES	1,316,263	344,508	1,660,771
TOTAL LIABILITIES	1,581,640	371,308	1,952,948
EQUITY			
Equity attributable to shareholders	303,191	(517)	302,674
Non-controlling shareholders	33,128	—	33,128
TOTAL EQUITY	336,319	(517)	335,802
TOTAL LIABILITIES AND EQUITY	1,917,959	370,791	2,288,750

Consolidated Statements of Earnings (Loss)

	Three-month period ended June 30		
	2015		
(in thousands of dollars, except per share amounts) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	58,194	14,792	72,986
Other income	476	(153)	323
	58,670	14,639	73,309
COSTS AND OTHER EXPENSES			
Operating	18,098	2,007	20,105
Administrative	4,663	34	4,697
Development	1,965	—	1,965
Amortization	24,745	5,533	30,278
Other gains	(77)	(402)	(479)
	49,394	7,172	56,566
OPERATING INCOME	9,276	7,467	16,743
Financing costs	18,730	5,566	24,296
Foreign exchange loss (gain)	(1,421)	—	(1,421)
Net loss on financial instruments	241	—	241
Share in earnings (loss) of the Joint Ventures	1,900	(1,900)	—
Other	(103)	1	(102)
LOSS BEFORE INCOME TAXES	(6,271)	—	(6,271)
Income tax expense (recovery)	(1,786)	—	(1,786)
NET LOSS FROM CONTINUING OPERATIONS	(4,485)	—	(4,485)
Net earnings from discontinued operations	—	—	—
NET LOSS	(4,485)	—	(4,485)
NET EARNINGS (LOSS) ATTRIBUTABLE TO:			
Shareholders of Boralex	(4,978)	—	(4,978)
Non-controlling shareholders	493	—	493
NET LOSS	(4,485)	—	(4,485)
NET LOSS ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	(4,978)	—	(4,978)
Discontinued operations	—	—	—
	(4,978)	—	(4,978)
NET LOSS PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	($0.10)	—	($0.10)
Discontinued operations	—	—	—
	($0.10)	—	($0.10)

Consolidated Statements of Earnings (Loss)

	Three-month period ended June 30		
	2014		
(in thousands of dollars, except per share amounts) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	43,824	9,968	53,792
Other income	429	(131)	298
	44,253	9,837	54,090
COSTS AND OTHER EXPENSES			
Operating	14,805	1,566	16,371
Administrative	3,740	66	3,806
Development	1,736	—	1,736
Amortization	15,042	4,425	19,467
Other gains	—	(323)	(323)
	35,323	5,734	41,057
OPERATING INCOME	8,930	4,103	13,033
Financing costs	14,257	5,047	19,304
Foreign exchange loss (gain)	458	—	458
Net loss on financial instruments	493	(463)	30
Share in earnings (loss) of the Joint Ventures	(456)	456	—
LOSS BEFORE INCOME TAXES	(6,734)	(25)	(6,759)
Income tax expense (recovery)	(1,270)	—	(1,270)
NET LOSS FROM CONTINUING OPERATIONS	(5,464)	(25)	(5,489)
Net earnings from discontinued operations	785	—	785
NET LOSS	(4,679)	(25)	(4,704)
NET LOSS ATTRIBUTABLE TO:			
Shareholders of Boralex	(4,259)	(25)	(4,284)
Non-controlling shareholders	(420)	—	(420)
NET LOSS	(4,679)	(25)	(4,704)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	(5,044)	(25)	(5,069)
Discontinued operations	785	—	785
	(4,259)	(25)	(4,284)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	($0.13)	—	($0.13)
Discontinued operations	$0.02	—	$0.02
	($0.11)	—	($0.11)

Consolidated Statements of Earnings (Loss)

	Six-month period ended June 30		
	2015		
(in thousands of dollars, except per share amounts) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	130,711	33,448	164,159
Other income	953	(308)	645
	131,664	33,140	164,804
COSTS AND OTHER EXPENSES			
Operating	38,354	4,061	42,415
Administrative	9,174	58	9,232
Development	4,203	—	4,203
Amortization	43,504	11,065	54,569
Other gains	(154)	(805)	(959)
	95,081	14,379	109,460
OPERATING INCOME	36,583	18,761	55,344
Financing costs	36,256	10,998	47,254
Foreign exchange loss (gain)	(415)	(1)	(416)
Net loss on financial instruments	4,617	—	4,617
Share in earnings (loss) of the Joint Ventures	7,762	(7,762)	—
Other	(6)	2	(4)
EARNINGS BEFORE INCOME TAXES	3,893	—	3,893
Income tax expense (recovery)	325	—	325
NET EARNINGS FROM CONTINUING OPERATIONS	3,568	—	3,568
Net earnings from discontinued operations	—	—	—
NET EARNINGS	3,568	—	3,568
NET EARNINGS ATTRIBUTABLE TO:			
Shareholders of Boralex	1,628	—	1,628
Non-controlling shareholders	1,940	—	1,940
NET EARNINGS	3,568	—	3,568
NET EARNINGS ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	1,628	—	1,628
Discontinued operations	—	—	—
	1,628	—	1,628
NET EARNINGS PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	$0.03	—	$0.03
Discontinued operations	—	—	—
	$0.03	—	$0.03

Consolidated Statements of Earnings (Loss)

	Six-month period ended June 30		
	2014		
(in thousands of dollars, except per share amounts) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	106,754	22,561	129,315
Other income	875	(301)	574
	107,629	22,260	129,889
COSTS AND OTHER EXPENSES			
Operating	32,753	3,060	35,813
Administrative	7,277	88	7,365
Development	2,748	—	2,748
Amortization	30,159	8,675	38,834
Other gains	(573)	(646)	(1,219)
	72,364	11,177	83,541
OPERATING INCOME	35,265	11,083	46,348
Financing costs	27,950	10,004	37,954
Foreign exchange loss (gain)	117	2	119
Net loss on financial instruments	1,412	266	1,678
Share in earnings (loss) of the Joint Ventures	899	(899)	—
Other	29	—	29
EARNINGS (LOSS) BEFORE INCOME TAXES	6,656	(88)	6,568
Income tax expense (recovery)	3,576	—	3,576
NET EARNINGS (LOSS) FROM CONTINUING OPERATIONS	3,080	(88)	2,992
Net earnings from discontinued operations	1,624	—	1,624
NET EARNINGS (LOSS)	4,704	(88)	4,616
NET EARNINGS (LOSS) ATTRIBUTABLE TO:			
Shareholders of Boralex	3,692	(88)	3,604
Non-controlling shareholders	1,012	—	1,012
NET EARNINGS (LOSS)	4,704	(88)	4,616
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	2,068	(88)	1,980
Discontinued operations	1,624	—	1,624
	3,692	(88)	3,604
NET EARNINGS PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	$0.05	—	$0.05
Discontinued operations	$0.04	—	$0.04
	$0.09	—	$0.09

Consolidated Statements of Cash Flows

	Three-month period ended June 30		
	2015		
(in thousands of dollars) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net loss	(4,485)	—	(4,485)
Financing costs	18,730	5,566	24,296
Interest paid	(16,588)	(4,380)	(20,968)
Income tax expense (recovery)	(1,786)	—	(1,786)
Income taxes paid	(477)	—	(477)
Non-cash items in loss:			
Net loss on financial instruments	241	—	241
Share in results of the Joint Ventures	(1,900)	1,900	—
Amortization	24,745	5,533	30,278
Other	786	(386)	400
Change in non-cash items related to operating activities	(6,209)	5,500	(709)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	13,057	13,733	26,790
Additions to property, plant and equipment	(57,889)	(168)	(58,057)
Change in restricted cash	1,541	99	1,640
Development projects	(1,649)	—	(1,649)
Other	(21)	—	(21)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(58,018)	(69)	(58,087)
Net increase in non-current debt	68,992	—	68,992
Repayments on current and non-current debt	(115,148)	(6,528)	(121,676)
Convertible debenture issuance proceeds, net of transaction costs	137,972	—	137,972
Contribution of non-controlling shareholders	5,616	—	5,616
Dividends paid to shareholders of Boralex	(6,234)	—	(6,234)
Share issuance proceeds, net of transaction costs	(281)	—	(281)
Options exercised	22	—	22
Other	(179)	—	(179)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	90,760	(6,528)	84,232
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	821	—	821
NET CHANGE IN CASH AND CASH EQUIVALENTS	46,620	7,136	53,756
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	79,435	8,159	87,594
CASH AND CASH EQUIVALENTS - END OF PERIOD	126,055	15,295	141,350

Consolidated Statements of Cash Flows

	Three-month period ended June 30		
	2014		
(in thousands of dollars) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net loss	(4,679)	(25)	(4,704)
Less: Net earnings from discontinued operations	785	—	785
Net loss from continuing operations	(5,464)	(25)	(5,489)
Financing costs	14,257	5,047	19,304
Interest paid	(15,560)	(3,744)	(19,304)
Income tax expense (recovery)	(1,270)	—	(1,270)
Income taxes paid	(502)	—	(502)
Non-cash items in loss:			
Net loss on financial instruments	493	(463)	30
Share in results of the Joint Ventures	456	(456)	—
Amortization	15,042	4,425	19,467
Other	287	(323)	(36)
Change in non-cash items related to operating activities	(3,826)	(43)	(3,869)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	3,913	4,418	8,331
Additions to property, plant and equipment	(31,527)	(18,153)	(49,680)
Change in restricted cash	8,260	22,642	30,902
Increase in interest in Joint Ventures	(3,416)	3,416	—
Change in reserve funds	(3)	—	(3)
Development projects	(3,483)	—	(3,483)
Other	(135)	50	(85)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(30,304)	7,955	(22,349)
Net increase in non-current debt	65,216	(528)	64,688
Repayments on current and non-current debt	(44,571)	(7,630)	(52,201)
Contribution of non-controlling shareholders	2,537	—	2,537
Dividends paid to shareholders of Boralex	(4,988)	—	(4,988)
Options exercised	418	—	418
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	18,612	(8,158)	10,454
Cash from discontinued operations	712	—	712
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	(2,566)	—	(2,566)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(9,633)	4,215	(5,418)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	136,831	8,477	145,308
CASH AND CASH EQUIVALENTS - END OF PERIOD	127,198	12,692	139,890

Consolidated Statements of Cash Flows

(in thousands of dollars) (unaudited)	Six-month period ended June 30 2015 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net earnings	3,568	—	3,568
Distributions received from a Joint Venture	9,550	(9,550)	—
Financing costs	36,256	10,998	47,254
Interest paid	(30,645)	(8,724)	(39,369)
Income tax expense (recovery)	325	—	325
Income taxes paid	(926)	—	(926)
Non-cash items in earnings:			
Net loss on financial instruments	4,617	—	4,617
Share in results of the Joint Ventures	(7,762)	7,762	—
Amortization	43,504	11,065	54,569
Other	980	(767)	213
Change in non-cash items related to operating activities	2,657	762	3,419
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	62,124	11,546	73,670
Business acquisition, net of cash acquired	(16,128)	—	(16,128)
Additions to property, plant and equipment	(89,217)	(2,529)	(91,746)
Change in restricted cash	4,403	1,723	6,126
Change in reserve funds	(175)	—	(175)
Development projects	(2,897)	—	(2,897)
Other	(1,531)	—	(1,531)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(105,545)	(806)	(106,351)
Net increase in non-current debt	83,670	—	83,670
Repayments on current and non-current debt	(242,243)	(6,896)	(249,139)
Convertible debenture issuance proceeds, net of transaction costs	137,972	—	137,972
Contribution of non-controlling shareholders	7,674	—	7,674
Dividends paid to shareholders of Boralex	(12,466)	—	(12,466)
Share issuance proceeds, net of transaction costs	118,146	—	118,146
Options exercised	107	—	107
Other	(269)	—	(269)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	92,591	(6,896)	85,695
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	1,491	—	1,491
NET CHANGE IN CASH AND CASH EQUIVALENTS	50,661	3,844	54,505
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	75,394	11,451	86,845
CASH AND CASH EQUIVALENTS - END OF PERIOD	126,055	15,295	141,350

Consolidated Statements of Cash Flows

	Six-month period ended June 30		
	2014		
(in thousands of dollars) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net earnings (loss)	4,704	(88)	4,616
Less: Net earnings from discontinued operations	1,624	—	1,624
Net earnings (loss) from continuing operations	3,080	(88)	2,992
Financing costs	27,950	10,004	37,954
Interest paid	(27,353)	(7,407)	(34,760)
Income tax expense (recovery)	3,576	—	3,576
Income taxes paid	(1,358)	—	(1,358)
Non-cash items in earnings (loss):			
Net loss on financial instruments	1,412	266	1,678
Share in results of the Joint Ventures	(899)	899	—
Amortization	30,159	8,675	38,834
Other	498	(646)	(148)
Change in non-cash items related to operating activities	616	(535)	81
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	37,681	11,168	48,849
Additions to property, plant and equipment	(41,553)	(33,016)	(74,569)
Change in restricted cash	9,712	2,468	12,180
Increase in interest in the Joint Ventures	(3,416)	3,416	—
Change in reserve funds	(31)	—	(31)
Development projects	(4,994)	—	(4,994)
Other	(640)	50	(590)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(40,922)	(27,082)	(68,004)
Net increase in non-current debt	66,289	33,637	99,926
Repayments on current and non-current debt	(61,020)	(7,630)	(68,650)
Contribution of non-controlling shareholders	4,059	—	4,059
Dividends paid to shareholders of Boralex	(9,911)	—	(9,911)
Options exercised	4,624	—	4,624
Other	(40)	—	(40)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	4,001	26,007	30,008
Cash from discontinued operations	1,927	—	1,927
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	(431)	—	(431)
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,256	10,093	12,349
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	124,942	2,599	127,541
CASH AND CASH EQUIVALENTS - END OF PERIOD	127,198	12,692	139,890

Information by Operating Segment

(in thousands of dollars, except MWh) (unaudited)	Three-month period ended June 30 2015 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	301,334	137,878	439,212
Hydroelectric power stations	205,678	—	205,678
Thermal power stations	15,628	—	15,628
Solar power station	2,030	—	2,030
	524,670	137,878	662,548
REVENUES FROM ENERGY SALES			
Wind power stations	37,016	14,792	51,808
Hydroelectric power stations	16,785	—	16,785
Thermal power stations	3,467	—	3,467
Solar power station	926	—	926
	58,194	14,792	72,986
EBITDA(A)			
Wind power stations	30,094	10,042	40,136
Hydroelectric power stations	12,741	—	12,741
Thermal power stations	(654)	—	(654)
Solar power station	837	—	837
	43,018	10,042	53,060
Corporate and eliminations	(7,071)	655	(6,416)
	35,947	10,697	46,644

(in thousands of dollars, except MWh) (unaudited)	Three-month period ended June 30 2014 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	163,508	92,220	255,728
Hydroelectric power stations	223,702	—	223,702
Thermal power stations	18,521	—	18,521
Solar power station	2,042	—	2,042
	407,773	92,220	499,993
REVENUES FROM ENERGY SALES			
Wind power stations	21,296	9,968	31,264
Hydroelectric power stations	17,622	—	17,622
Thermal power stations	3,885	—	3,885
Solar power station	1,021	—	1,021
	43,824	9,968	53,792
EBITDA(A)			
Wind power stations	16,610	8,016	24,626
Hydroelectric power stations	14,002	—	14,002
Thermal power stations	(1,101)	—	(1,101)
Solar power station	902	—	902
	30,413	8,016	38,429
Corporate and eliminations	(6,897)	645	(6,252)
	23,516	8,661	32,177

Information by Operating Segment

	Six-month period ended June 30		
	2015		
(in thousands of dollars, except MWh) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	687,229	311,743	998,972
Hydroelectric power stations	319,265	—	319,265
Thermal power stations	74,783	—	74,783
Solar power station	3,068	—	3,068
	1,084,345	311,743	1,396,088
REVENUES FROM ENERGY SALES			
Wind power stations	85,728	33,448	119,176
Hydroelectric power stations	29,369	—	29,369
Thermal power stations	14,203	—	14,203
Solar power station	1,411	—	1,411
	130,711	33,448	164,159
EBITDA(A)			
Wind power stations	74,680	19,950	94,630
Hydroelectric power stations	21,988	—	21,988
Thermal power stations	3,871	—	3,871
Solar power station	1,241	—	1,241
	101,780	19,950	121,730
Corporate and eliminations	(14,079)	1,307	(12,772)
	87,701	21,257	108,958

	Six-month period ended June 30		
	2014		
(in thousands of dollars, except MWh) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	428,367	208,750	637,117
Hydroelectric power stations	347,289	—	347,289
Thermal power stations	89,637	—	89,637
Solar power station	3,227	—	3,227
	868,520	208,750	1,077,270
REVENUES FROM ENERGY SALES			
Wind power stations	56,652	22,561	79,213
Hydroelectric power stations	31,618	—	31,618
Thermal power stations	16,861	—	16,861
Solar power station	1,623	—	1,623
	106,754	22,561	129,315
EBITDA(A)			
Wind power stations	48,821	16,966	65,787
Hydroelectric power stations	24,169	—	24,169
Thermal power stations	3,471	—	3,471
Solar power station	1,393	—	1,393
	77,854	16,966	94,820
Corporate and eliminations	(12,133)	1,247	(10,886)
	65,721	18,213	83,934

Information by Geographic Segment

(in thousands of dollars, except MWh) (unaudited)	Three-month period ended June 30 2015 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Canada	187,890	137,878	325,768
France	228,013	—	228,013
United States	108,767	—	108,767
	524,670	137,878	662,548
REVENUES FROM ENERGY SALES			
Canada	18,811	14,792	33,603
France	30,535	—	30,535
United States	8,848	—	8,848
	58,194	14,792	72,986
EBITDA(A)			
Canada	10,705	10,697	21,402
France	18,365	—	18,365
United States	6,877	—	6,877
	35,947	10,697	46,644

(in thousands of dollars, except MWh) (unaudited)	Three-month period ended June 30 2014 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Canada	151,239	92,220	243,459
France	112,351	—	112,351
United States	144,183	—	144,183
	407,773	92,220	499,993
REVENUES FROM ENERGY SALES			
Canada	14,990	9,968	24,958
France	17,907	—	17,907
United States	10,927	—	10,927
	43,824	9,968	53,792
EBITDA(A)			
Canada	4,872	8,661	13,533
France	9,629	—	9,629
United States	9,015	—	9,015
	23,516	8,661	32,177

Information by Geographic Segment

(in thousands of dollars, except MWh) (unaudited)	Six-month period ended June 30 2015 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Canada	371,481	311,743	683,224
France	535,175	—	535,175
United States	177,689	—	177,689
	1,084,345	311,743	1,396,088
REVENUES FROM ENERGY SALES			
Canada	42,483	33,448	75,931
France	72,636	—	72,636
United States	15,592	—	15,592
	130,711	33,448	164,159
EBITDA(A)			
Canada	30,589	21,257	51,846
France	45,536	—	45,536
United States	11,576	—	11,576
	87,701	21,257	108,958

(in thousands of dollars, except MWh) (unaudited)	Six-month period ended June 30 2014 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Canada	322,222	208,750	530,972
France	318,429	—	318,429
United States	227,869	—	227,869
	868,520	208,750	1,077,270
REVENUES FROM ENERGY SALES			
Canada	36,825	22,561	59,386
France	50,054	—	50,054
United States	19,875	—	19,875
	106,754	22,561	129,315
EBITDA(A)			
Canada	19,263	18,213	37,476
France	30,712	—	30,712
United States	15,746	—	15,746
	65,721	18,213	83,934

Consolidated Financial Statements

Unaudited Interim Condensed

Table of Contents

Consolidated Statements of Financial Position

(in thousands of Canadian dollars) (unaudited)	Note	As at June 30, 2015	As at December 31, 2014
ASSETS			
Cash and cash equivalents		126,055	75,394
Restricted cash		6,190	12,459
Trade and other receivables		49,802	59,154
Inventories		6,058	5,620
Other current financial assets	10	2,450	1,213
Prepaid expenses		5,856	5,358
CURRENT ASSETS		196,411	159,198
Property, plant and equipment		1,310,311	1,215,411
Intangible assets		253,627	254,007
Goodwill		150,592	134,044
Interests in the Joint Ventures	5	88,761	91,483
Deferred income tax asset		15,130	13,141
Other non-current financial assets	10	4,602	3,230
Other non-current assets		54,662	47,445
NON-CURRENT ASSETS		1,877,685	1,758,761
TOTAL ASSETS		2,074,096	1,917,959
LIABILITIES			
Trade and other payables		96,475	57,616
Current portion of debt	6	108,191	172,044
Current income tax liability		1,699	1,601
Other current financial liabilities	10	35,361	34,116
CURRENT LIABILITIES		241,726	265,377
Non-current debt	6	977,626	989,087
Convertible debentures	7	366,764	232,977
Deferred income tax liability		34,992	30,780
Decommissioning liability		11,457	10,773
Other non-current financial liabilities	10	24,940	33,622
Other non-current liabilities		23,650	19,024
NON-CURRENT LIABILITIES		1,439,429	1,316,263
TOTAL LIABILITIES		1,681,155	1,581,640
EQUITY			
Equity attributable to shareholders		375,290	303,191
Non-controlling shareholders		17,651	33,128
TOTAL EQUITY		392,941	336,319
TOTAL LIABILITIES AND EQUITY		2,074,096	1,917,959

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

Consolidated Statements of Earnings (Loss)

(in thousands of Canadian dollars, except per share amounts) (unaudited)	Note	Three-month periods ended June 30 2015	Three-month periods ended June 30 2014	Six-month periods ended June 30 2015	Six-month periods ended June 30 2014
REVENUES					
Revenues from energy sales		58,194	43,824	130,711	106,754
Other income		476	429	953	875
		58,670	44,253	131,664	107,629
COSTS AND OTHER EXPENSES					
Operating		18,098	14,805	38,354	32,753
Administrative		4,663	3,740	9,174	7,277
Development		1,965	1,736	4,203	2,748
Amortization		24,745	15,042	43,504	30,159
Other gains		(77)	—	(154)	(573)
		49,394	35,323	95,081	72,364
OPERATING INCOME		9,276	8,930	36,583	35,265
Financing costs		18,730	14,257	36,256	27,950
Foreign exchange loss (gain)		(1,421)	458	(415)	117
Net loss on financial instruments		241	493	4,617	1,412
Share in earnings (loss) of the Joint Ventures	5	1,900	(456)	7,762	899
Other		(103)	—	(6)	29
EARNINGS (LOSS) BEFORE INCOME TAXES		(6,271)	(6,734)	3,893	6,656
Income tax expense (recovery)		(1,786)	(1,270)	325	3,576
NET EARNINGS (LOSS) FROM CONTINUING OPERATIONS		(4,485)	(5,464)	3,568	3,080
Net earnings from discontinued operations		—	785	—	1,624
NET EARNINGS (LOSS)		(4,485)	(4,679)	3,568	4,704
NET EARNINGS (LOSS) ATTRIBUTABLE TO:					
Shareholders of Boralex		(4,978)	(4,259)	1,628	3,692
Non-controlling shareholders		493	(420)	1,940	1,012
NET EARNINGS (LOSS)		(4,485)	(4,679)	3,568	4,704
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations		(4,978)	(5,044)	1,628	2,068
Discontinued operations		—	785	—	1,624
		(4,978)	(4,259)	1,628	3,692
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations		($0.10)	($0.13)	$0.03	$0.05
Discontinued operations		—	$0.02	—	$0.04
	9	($0.10)	($0.11)	$0.03	$0.09

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 June 30		Six-month periods ended June 30	
	2015	2014	2015	2014
NET EARNINGS (LOSS)	(4,485)	(4,679)	3,568	4,704
Other comprehensive income (loss) to be subsequently reclassified to net earnings (loss) when certain conditions are met				
Translation adjustments:				
Unrealized foreign exchange gain (loss) on translation of financial statements of self-sustaining foreign operations	3,217	(7,717)	621	55
Hedge of net investment:				
Change in fair value	(2,040)	—	4,931	—
Income taxes	271	—	(655)	—
Cash flow hedges:				
Change in fair value	10,517	(9,222)	4,752	(21,050)
Hedging items realized and recognized in net earnings (loss)	3,083	2,921	6,106	5,917
Income taxes	(4,163)	1,920	(3,318)	4,488
Cash flow hedges - Joint Ventures:				
Change in fair value	6,792	(4,913)	(2,241)	(10,147)
Income taxes	(1,829)	1,141	569	2,641
Total other comprehensive income (loss)	15,848	(15,870)	10,765	(18,096)
COMPREHENSIVE INCOME (LOSS)	11,363	(20,549)	14,333	(13,392)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of Boralex	10,866	(18,160)	12,188	(13,057)
Non-controlling shareholders	497	(2,389)	2,145	(335)
COMPREHENSIVE INCOME (LOSS)	11,363	(20,549)	14,333	(13,392)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	10,866	(18,945)	12,188	(14,681)
Discontinued operations	—	785	—	1,624
	10,866	(18,160)	12,188	(13,057)

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

Consolidated Statements of Changes in Equity

	Six-month period ended June 30 2015							
	Equity attributable to shareholders							
(in thousands of Canadian dollars) (unaudited)	Capital stock	Equity component of convertible debentures	Contributed surplus	Retained earnings (loss)	Accumulated other comprehensive income (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	—	—	—	1,628	—	1,628	1,940	3,568
Other comprehensive income	—	—	—	—	10,560	10,560	205	10,765
COMPREHENSIVE INCOME	—	—	—	1,628	10,560	12,188	2,145	14,333
Dividends (note 9)	—	—	—	(12,466)	—	(12,466)	—	(12,466)
Shares issuances (note 9)	119,562	—	—	—	—	119,562	—	119,562
Equity component of convertible debentures issued, net of taxes of $1,427	—	3,939	—	—	—	3,939	—	3,939
Conversion of convertible debentures	186	—	—	—	—	186	—	186
Options exercised	98	—	—	—	—	98	—	98
Stock option expense	—	—	159	—	—	159	—	159
Excess of proceeds on repurchase of non-controlling shareholders (note 8)	—	—	—	(51,567)	—	(51,567)	(25,296)	(76,863)
Contribution of non-controlling shareholders (note 8)	—	—	—	—	—	—	7,674	7,674
BALANCE AS AT JUNE 30, 2015	348,103	18,318	8,425	46,502	(46,058)	375,290	17,651	392,941

	Six-month period ended June 30 2014							
	Equity attributable to shareholders							
(in thousands of Canadian dollars) (unaudited)	Capital stock	Equity component of convertible debentures	Contributed surplus	Retained earnings (loss)	Accumulated other comprehensive loss	Total	Non-controlling shareholders	Total equity
BALANCE AS AT JANUARY 1, 2014	223,079	14,379	7,730	140,575	(29,315)	356,448	29,686	386,134
Net earnings	—	—	—	3,692	—	3,692	1,012	4,704
Other comprehensive loss	—	—	—	—	(16,749)	(16,749)	(1,347)	(18,096)
COMPREHENSIVE INCOME (LOSS)	—	—	—	3,692	(16,749)	(13,057)	(335)	(13,392)
Dividends (note 9)	—	—	—	(9,911)	—	(9,911)	—	(9,911)
Conversion of convertible debentures	34	—	—	—	—	34	—	34
Options exercised	4,624	—	—	—	—	4,624	—	4,624
Stock option expense	—	—	259	—	—	259	—	259
Excess of proceeds on repurchase of non-controlling shareholders	—	—	—	(5)	—	(5)	(2)	(7)
Contribution of non-controlling shareholders (note 8)	—	—	—	—	—	—	6,374	6,374
BALANCE AS AT JUNE 30, 2014	227,737	14,379	7,989	134,351	(46,064)	338,392	35,723	374,115

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 June 30 2015	Three-month periods ended June 30 2014	Six-month periods ended June 30 2015	Six-month periods ended June 30 2014
Net earnings (loss)		(4,485)	(4,679)	3,568	4,704
Less: Net earnings from discontinued operations		—	785	—	1,624
Net earnings (loss) from continuing operations		(4,485)	(5,464)	3,568	3,080
Distributions received from a Joint Venture	5	—	—	9,550	—
Financing costs		18,730	14,257	36,256	27,950
Interest paid		(16,588)	(15,560)	(30,645)	(27,353)
Income tax expense (recovery)		(1,786)	(1,270)	325	3,576
Income taxes paid		(477)	(502)	(926)	(1,358)
Non-cash items in earnings (loss):					
Net loss on financial instruments		241	493	4,617	1,412
Share in results of the Joint Ventures	5	(1,900)	456	(7,762)	(899)
Amortization		24,745	15,042	43,504	30,159
Other		786	287	980	498
Change in non-cash items related to operating activities		(6,209)	(3,826)	2,657	616
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES		13,057	3,913	62,124	37,681
Business acquisitions, net of cash acquired	4	—	—	(16,128)	—
Additions to property, plant and equipment		(57,889)	(31,527)	(89,217)	(41,553)
Change in restricted cash		1,541	8,260	4,403	9,712
Increase in interest in the Joint Ventures	5	—	(3,416)	—	(3,416)
Change in reserve funds		—	(3)	(175)	(31)
Development projects		(1,649)	(3,483)	(2,897)	(4,994)
Other		(21)	(135)	(1,531)	(640)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES		(58,018)	(30,304)	(105,545)	(40,922)
Net increase in non-current debt		68,992	65,216	83,670	66,289
Repayments on current and non-current debt		(115,148)	(44,571)	(242,243)	(61,020)
Convertible debenture issuance proceeds, net of transaction costs	7	137,972	—	137,972	—
Contribution of non-controlling shareholders	8	5,616	2,537	7,674	4,059
Dividends paid to shareholders of Boralex	9	(6,234)	(4,988)	(12,466)	(9,911)
Share issuance proceeds, net of transaction costs	9	(281)	—	118,146	—
Options exercised		22	418	107	4,624
Other		(179)	—	(269)	(40)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES		90,760	18,612	92,591	4,001
Cash from discontinued operations		—	712	—	1,927
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS		821	(2,566)	1,491	(431)
NET CHANGE IN CASH AND CASH EQUIVALENTS		46,620	(9,633)	50,661	2,256
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD		79,435	136,831	75,394	124,942
CASH AND CASH EQUIVALENTS - END OF PERIOD		126,055	127,198	126,055	127,198

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

Notes to Consolidated Financial Statements

As at June 30, 2015

(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. The Corporation has interests in 41 wind power stations, 15 hydroelectric power stations, two thermal power stations and a solar power facility representing an asset base with a total installed capacity of 1,140 megawatts ("MW") of which 970 MW are under its control. Boralex is also committed under power development projects, both independently and with partners, to add 153 MW of power. The Corporation also operates two hydroelectric power stations on behalf of R.S.P. Hydro Inc., an entity of which two of the three shareholders, Richard Lemaire 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, 12 and 13 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 IFRS Interpretations Committee ("IFRS IC") 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, 2014, 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 standard 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, 2014.

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 consolidated financial statements of the Corporation for the year ended December 31, 2014.

The Board of Directors approved these unaudited interim condensed consolidated financial statements on August 4, 2015.

Note 3. Change in Accounting Policies

IAS 16, Property, plant and equipment, and IAS 38, Intangible assets

In May 2014, the IASB amended IAS 16, *Property, Plant and Equipment*, and IAS 38, *Intangible Assets*, to provide clarification of the acceptable methods of amortization under those standards. The use of revenue-based amortization is prohibited for property, plant and equipment. However, the use of this method remains acceptable for intangible assets, but is significantly limited. The amended standards must be applied prospectively for fiscal years beginning on or after January 1, 2016, with earlier adoption permitted. The Corporation assessed their impact and early adopted the standards as of January 1, 2015. Energy sales contracts for the South Glens Falls and Hudson Falls hydroelectric power stations in the United States were amortized using a revenue-based method. To comply with the amended standards, the aforementioned contracts are amortized prospectively as of January 1, 2015 on a straight-line basis over their remaining terms, namely 20 and 21 years or until 2034 and 2035, respectively. The annual impact of this change for South Glens Falls is a decrease in amortization expense for the years 2015 to 2024 of $290,000 (US$250,000) and an increase in amortization expense from 2025 to 2034 of $290,000 (US$250,000). The annual impact of this change for Hudson Falls is a decrease in amortization expense for the years 2015 to 2025 of $600,000 (US$520,000) and an increase in amortization expense from 2026 to 2035 of $660,000 (US$570,000).

Note 4. Business Combinations

Frampton Acquisition

On January 12, 2015, Boralex acquired an interest in the 24 MW Frampton community wind power project for a total amount of $12,097,000 in cash. The payment was made in two instalments, $11,097,000 in February 2015 and $1,000,000 in December 2014. Boralex has a 67% interest and the Municipality of Frampton a 33% interest in the project, which is covered by a 20-year energy sales contract with Hydro-Québec. Construction on the project began in the first quarter of 2015 with commissioning anticipated within the next 12 months.

This transaction gave rise to acquisition costs of $226,000, which were expensed. This entity was acquired under Boralex's growth strategy through acquisitions aimed at expanding its market share in the Québec wind power market. The acquisition was accounted for by the Corporation using the acquisition method set out in IFRS 3, *Business Combinations*. The statement of financial position and the results of this acquired entity are consolidated as of January 12, 2015.

The following table shows the preliminary purchase price allocation:

	Preliminary allocation (in thousands of $)
Cash	4
Tax receivables	15
Property, plant and equipment under construction	592
Goodwill	11,493
Non-controlling shareholders	(3)
Net assets	12,101
Less:	
Cash at acquisition	4
Total consideration paid for the acquisition	12,097

The preliminary purchase price allocation was based on the fair value at the acquisition date. Following the final purchase price allocation, the *Energy sales contracts*, *Goodwill* and *Deferred income tax liability* are the items likely to be adjusted.

Since the acquisition date, the acquired entity has contributed a nil amount to revenues from energy sales and generated non-significant net loss attributable to the shareholders of Boralex as the project is under construction and the costs are capitalized.

Touvent Acquisition

On February 5, 2015, Boralex announced the closing of a transaction through which it acquired, through its subsidiary, Boralex Europe S.A., 100% of the shares of an entity owning a 13.8 MW wind power project under development in France (the "Touvent" wind power project), which is covered by a 15-year energy sales contract with EDF, for a total cash consideration paid of $5,031,000 (€3,546,000). This transaction gave rise to non-significant acquisition costs, which were expensed. This entity was acquired under Boralex's growth strategy through acquisitions aimed at expanding its market share in the French wind power market.

The acquisition was accounted for by the Corporation using the acquisition method set out in IFRS 3, *Business Combinations*. The statement of financial position and the results of this acquired entity are consolidated as of February 5, 2015.

The following table shows the preliminary purchase price allocation:

	Preliminary allocation	
	(in thousands of $)	(in thousands of €)
Tax receivables	26	18
Property, plant and equipment	111	78
Development project	497	351
Goodwill	4,400	3,102
Current liabilities	(3)	(3)
Total consideration paid for the acquisition	5,031	3,546

The preliminary purchase price allocation was based on the fair value at the acquisition date and the exchange rate in effect at that date. Following the final purchase price allocation, the *Energy sales contracts*, *Goodwill* and *Deferred income tax liability* are the items likely to be adjusted.

Since the acquisition date, the acquired entity has contributed a nil amount to revenues from energy sales and generated non-significant net loss attributable to the shareholders of Boralex as the project is under construction and the costs are capitalized.

Note 5. 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 2 and 3 Wind Farms General Partnership (“Joint Venture Phase I”) and Seigneurie de Beaupré 4 Wind Farm 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. The Phase II wind farm was commissioned on December 1, 2014.

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 an offshore wind farm 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, the net loss attributable to shareholders of Boralex is not material.

Interests in the Joint Ventures

	Six-month period ended June 30 2015				Twelve-month period ended December 31 2014			
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Denmark	Total
Balance - beginning of period	67,287	21,627	2,569	91,483	75,442	15,438	—	90,880
Cash contribution	—	—	—	—	3,416	7,181	2,656	13,253
Share in net earnings (loss)	8,056	1,015	(2)	9,069	6,147	(45)	(3)	6,099
Share in other comprehensive loss	(2,144)	(1)	(96)	(2,241)	(17,718)	(794)	(84)	(18,596)
Distributions	(9,550)	—	—	(9,550)	—	—	—	—
Other	—	—	—	—	—	(153)	—	(153)
Balance - end of period	63,649	22,641	2,471	88,761	67,287	21,627	2,569	91,483

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

	As at June 30, 2015			As at December 31, 2014		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Cash and cash equivalents	23,975	6,616	30,591	21,534	1,367	22,901
Restricted cash	4	11,259	11,263	970	13,741	14,711
Other current assets	7,369	14,867	22,236	8,571	16,514	25,085
Non-current assets	659,141	178,254	837,395	676,785	182,050	858,835
TOTAL ASSETS	690,489	210,996	901,485	707,860	213,672	921,532
Current portion of debt	24,111	16,505	40,616	23,156	16,280	39,436
Other current liabilities	6,408	2,107	8,515	9,197	5,646	14,843
Non-current debt	445,554	133,649	579,203	456,914	135,430	592,344
Non-current financial liabilities	37,868	—	37,868	33,504	—	33,504
Other non-current liabilities	49,250	13,058	62,308	50,516	12,652	63,168
TOTAL LIABILITIES	563,191	165,319	728,510	573,287	170,008	743,295
NET ASSETS	127,298	45,677	172,975	134,573	43,664	178,237

Note 5. Interests in the Joint Ventures (cont'd)

	Three-month period ended June 30 2015			Three-month period ended June 30 2014		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Revenues from energy sales	23,926	5,656	29,582	19,936	—	19,936
Operating expenses	3,379	940	4,319	3,344	—	3,344
Administrative	43	26	69	97	33	130
Amortization	8,818	2,248	11,066	8,850	—	8,850
Other gains	(643)	(161)	(804)	(646)	—	(646)
OPERATING INCOME (LOSS)	12,329	2,603	14,932	8,291	(33)	8,258
Financing costs (Interest income)	7,513	2,308	9,821	8,895	(141)	8,754
Net loss (gain) on financial instruments	—	—	—	(938)	13	(925)
NET EARNINGS	4,816	295	5,111	334	95	429
Total other comprehensive income (loss)	13,733	—	13,733	(7,366)	(2,460)	(9,826)
COMPREHENSIVE INCOME (LOSS)	18,549	295	18,844	(7,032)	(2,365)	(9,397)

	Six-month period ended June 30 2015			Six-month period ended June 30 2014		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Revenues from energy sales	54,441	12,454	66,895	45,120	—	45,120
Operating expenses	6,966	1,770	8,736	6,542	—	6,542
Administrative	79	39	118	135	39	174
Amortization	17,635	4,495	22,130	17,349	—	17,349
Other gains	(1,285)	(325)	(1,610)	(1,291)	—	(1,291)
OPERATING INCOME (LOSS)	31,046	6,475	37,521	22,385	(39)	22,346
Financing costs (Interest income)	14,933	4,448	19,381	17,581	(243)	17,338
Foreign exchange loss (gain)	—	(2)	(2)	1	2	3
Net loss on financial instruments	—	—	—	521	10	531
NET EARNINGS	16,113	2,029	18,142	4,282	192	4,474
Total other comprehensive loss	(4,289)	(1)	(4,290)	(19,444)	(850)	(20,294)
COMPREHENSIVE INCOME (LOSS)	11,824	2,028	13,852	(15,162)	(658)	(15,820)

Share in Earnings (Loss) 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 (loss) of Boralex:

	Three-month period ended June 30				Three-month period ended June 30		
	2015				2014		
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Total
Share in results	2,407	148	(1)	2,554	167	48	215
Other [1]	(655)	1	—	(654)	(663)	(8)	(671)
Share in earnings (loss) of the Joint Ventures	1,752	149	(1)	1,900	(496)	40	(456)

	Six-month period ended June 30				Six-month period ended June 30		
	2015				2014		
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Total
Share in results	8,056	1,015	(2)	9,069	2,141	96	2,237
Other [1]	(1,309)	2	—	(1,307)	(1,322)	(16)	(1,338)
Share in earnings (loss) of the Joint Ventures	6,747	1,017	(2)	7,762	819	80	899

[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 income (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 (loss) of Boralex:

	Three-month period ended June 30				Three-month period ended June 30		
	2015				2014		
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Total
Share in comprehensive income (loss)	6,867	—	(75)	6,792	(3,683)	(1,230)	(4,913)

	Six-month period ended June 30				Six-month period ended June 30		
	2015				2014		
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Total
Share in comprehensive loss	(2,144)	(1)	(96)	(2,241)	(9,722)	(425)	(10,147)

Note 6. Non-current Debt

	Note	Maturity	Rate (1)	Currency of origin	As at June 30, 2015	As at December 31, 2014
Bridge financing facility	(a)	—	—		—	100,000
Revolving credit facility	(b)	2018	—		—	110,561
Term loan payable – Ocean Falls power station		2024	6.55		8,498	8,848
Term loan payable – Thames River wind farms		2031	7.05		156,541	160,094
Term loan payable – Témiscouata I wind farm		2032	3.29		53,394	49,639
Term loan payable – Témiscouata II wind farm		2033	3.20		59,355	10,533
Term loan payable – Jamie Creek power station		2054	5.42		55,250	55,250
Other debt		—	—		6,420	6,776
CANADA					339,458	501,701
Master agreement - wind farms (France)		2017-2025	4.60	96,376	134,214	142,811
Term loan payable - Cube	(c)	2015-2019	6.50	56,000	77,986	—
Term loan payable – St-Patrick wind farm		2025	4.87	29,437	40,996	43,778
Term loan payable – Lauragais solar power station		2025-2028	4.00	10,352	14,415	15,105
Term loan payable – La Vallée wind farm		2028	4.42	30,965	43,121	45,207
Term loan payable – Fortel-Bonnières and St-François wind farms		2028-2029	3.67	61,125	85,122	77,848
Term loan payable – Vron wind farm		2030	3.35	10,498	14,620	15,189
Term loan payable – Boralex Énergie Verte (BEV) wind farms		2030	2.29	180,000	250,668	238,646
Term loan payable – Calmont wind farm	(d)	2030	1.39	3,560	4,958	—
Other debt		—	—	5,564	7,923	9,325
FRANCE				483,877	674,023	587,909
U.S. senior secured note		2026	3.51	74,794	93,417	93,234
UNITED STATES				74,794	93,417	93,234
			4.27		1,106,898	1,182,844
Current portion of debt					(108,191)	(172,044)
Borrowing cost, net of accumulated amortization					(21,081)	(21,713)
					977,626	989,087

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

(a) To finance a portion of the **BEV** purchase price, on December 18, 2014, the Corporation entered into a $100,000,000 bridge facility with variable interest based on the prime rate plus 2.25%. This loan was repaid on January 12, 2015 using the proceeds from the sale of Class A common shares of Boralex (note 9(c)).

(b) The revolving credit facility was repaid in June 2015 using the proceeds from the issuance of debentures (note 7).

(c) On February 27, 2015, the Corporation announced the closing of a financial settlement (the "Settlement") whereby its partner **Cube** agreed to exchange its entire 25% equity interest in Boralex Europe for term loans. Under the Settlement, in consideration, Cube will receive a payment of €16,000,000, bearing interest at 6.5%, payable to Cube by the end of 2015, and two term loans totalling €40,000,000 issued by two European subsidiaries of the Corporation and bearing interest at a fixed rate of 6.5%, with no repayments prior to maturity in January 2019.

(d) On April 3, 2015, the Corporation announced the closing of long-term financing for the **Calmont** wind farm in France. The loan payable, secured by the assets of this wind farm, consists of an amount of €21,000,000 ($29,245,000) and a revolving financing facility for an amount of €3,500,000 ($4,874,000). The €21,000,000 loan is fully amortized over a 15-year period with quarterly payments. The first quarterly repayment is due three months after the commissioning slated for the end of 2015. The variable interest rate for the €21,000,000 facility is based on EURIBOR, plus a margin. To reduce its exposure to rate fluctuations, on July 10, 2015, Boralex entered into interest rate financial swaps with a notional amount of €16,800,000 ($23,396,000) at a rate of 1.33% over the full term of the loan. With these swaps, the rate is fixed for 80% of total debt.

On June 22, 2015, Boralex entered into a $75,000,000 term credit agreement that will be available until March 31, 2016 and if the Corporation makes use of this facility, it will expire on June 27, 2018. The interest rate is based on Canadian bankers' acceptance rates or prime rate plus their respective margins. This facility is secured by the assets of Boralex Inc., its power stations in Québec and its investments in its U.S. operations. As at June 30, 2015, this term credit facility was undrawn.

Note 7. Convertible Debentures

	Note	Effective rate	Maturity	Initial nominal value	Nominal value as at June 30, 2015	As at June 30, 2015	As at December 31, 2014
2010 Debentures	(a)	8.50%	June 2017	245,150	244,151	234,770	232,977
2015 Debentures	(b)	6.36%	June 2020	143,750	143,750	131,994	—
						366,764	232,977

2010 Debentures

(a) These debentures bear interest at an annual rate of 6.75% payable semi-annually, in arrears, on June 30 and December 31 each year. In accordance with the trust indenture, each debenture is convertible into Class A common shares of Boralex at the option of the holder at any time prior to the close of business on the earlier of the final maturity date and the business day immediately preceding the date fixed for redemption of the debentures at the conversion price per common share, subject to adjustments. The trust indenture provides that the conversion rate must be reduced by the current yield of the declared dividend. As at June 30, 2015, the debenture conversion rate was $11.79 per common share.

As of September 30, 2015, Boralex may redeem these debentures at their principal amount.

2015 Debentures

(b) On June 22, 2015, the Corporation closed its bought deal financing of convertible unsecured subordinated debentures with a syndicate of underwriters for an amount of $125,000,000 ("2015 Debentures"). On June 26, 2015, Boralex announced the exercising of the over-allotment option for this investment in an amount of $18,750,000. The total value of 2015 Debentures is therefore $143,750,000 ($137,319,000 net of transaction costs).

These debentures bear interest at an annual rate of 4.50% payable semi-annually, in arrears, on June 30 and December 31 each year, starting December 31, 2015. In accordance with the trust indenture, each debenture is convertible into Class A common shares of Boralex at the option of the holder at any time prior to the close of business on the earlier of the business day immediately preceding the maturity date and the business day immediately preceding the date fixed for early redemption of the debentures at the initial conversion price of $19.60 per common share, subject to adjustments.

These debentures may be early redeemed by Boralex after June 30, 2018. From June 30, 2018 to June 30, 2019, Boralex may, under certain circumstances, particularly if Boralex stock is trading at 125% of the conversion price, redeem these debentures at their principal amount plus accrued and unpaid interest. As of June 30, 2019, Boralex may redeem these debentures, without restrictions, at their principal amount plus accrued and unpaid interest.

The Corporation has determined the fair value of the conversion option at $5,366,000. The fair value of debentures was determined by discounting the cash flows related to these debentures at a rate of 5.30%, which is the interest rate that the Corporation would have expected to pay had the debentures not had a conversion option, representing the excess of the fair value of debentures over their nominal value. The Corporation also incurred transaction costs in the amount of $6,431,000. The initial fair value of these debentures is therefore $131,953,000.

The effective rate is 6.36%, taking into account the amortization of transaction costs.

Note 8. Non-controlling Shareholders

Boralex Europe S.A.

On February 27, 2015, the Corporation announced the closing of a financial settlement (the "Settlement") whereby its partner Cube agreed to exchange its entire 25% equity interest in Boralex Europe for term loans as discussed in note 6. The excess of proceeds on the repurchase of non-controlling shareholders, amounting to $51,567,000, was recorded in *Retained earnings (loss)*.

Note that a $2,315,000 (€1,520,000) advance received from our European partner in 2013 was converted into an interest in our European operations in 2014.

Côte-de-Beaupré Wind Power Project

As at June 30, 2015, our partner Côte-de-Beaupré RCM, which holds a 49% interest in the wind power project currently under development in Québec, made a cash contribution of $3,208,000 ($303,000 in 2014).

Frampton Wind Power Project

As at June 30, 2015, the Municipality of Frampton, which holds a 33% interest in the wind power project currently under development in Québec, made a cash contribution of $4,466,000.

Témiscouata I Wind Power Project

As at June 30, 2014, our partner Témiscouata RCM, which holds a 49% interest in the wind power project currently under development in Québec, made a cash contribution of $3,756,000.

Note 9. Net Earnings (Loss) per Share

(a) Net Earnings (Loss) per Share (Basic and Diluted)

	Three-month periods ended June 30		Six-month periods ended June 30	
(in thousands of dollars, except per share amounts and number of shares)	2015	2014	2015	2014
Net earnings (loss) attributable to shareholders of Boralex	(4,978)	(4,259)	1,628	3,692
Less:				
Net earnings from discontinued operations	—	785	—	1,624
Net earnings (loss) (basic and diluted) from continuing operations attributable to shareholders of Boralex	(4,978)	(5,044)	1,628	2,068
Weighted average number of shares (basic and diluted)	47,951,885	38,346,572	47,856,113	38,164,614
Net earnings (loss) per share (basic and diluted) from continuing operations attributable to shareholders of Boralex	($0.10)	($0.13)	$0.03	$0.05
Net earnings per share (basic and diluted) from discontinued operations	—	$0.02	—	$0.04
Net earnings (loss) per share (basic and diluted) attributable to shareholders of Boralex	($0.10)	($0.11)	$0.03	$0.09

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

	Three-month periods ended June 30		Six-month periods ended June 30	
	2015	2014	2015	2014
Convertible debentures excluded due to their anti-dilutive effect	28,042,485	19,968,991	28,042,485	19,968,991
Stock options excluded due to their anti-dilutive effect	1,636,879	1,590,581	224,126	281,795

(b) Dividends Paid

On March 16, and June 15, 2015, the Corporation paid a dividend of $0.13 per common share for a total amount of $12,466,000 ($9,911,000 in 2014). An additional dividend of $0.13 per common share was declared on August 4, 2015 and will be paid on September 16, 2015.

(c) Shares Issued

On January 12, 2015, Boralex announced the closing of the offering via an underwriting agreement of Class A common shares of Boralex for gross proceeds of $110,011,000. The offering was carried out by a syndicate of underwriters who purchased an aggregate of 8,430,000 common shares of the Corporation at a price of $13.05 per share. The common shares were offered under a simplified prospectus dated January 5, 2015 in all Canadian provinces. The offering proceeds were used to fully repay the $100,000,000 bridge facility (note 6).

On January 30, 2015, Boralex announced that the over-allotment option in the aforementioned public offering had been 85% exercised. The syndicate of underwriters purchased 1,075,000 shares at a price of $13.05 per share for gross proceeds to Boralex of $14,029,000.

These capital increases generated gross proceeds of $124,040,000 and net proceeds of $119,562,000 (net of issuance costs and related taxes).

Note 10. Financial Instruments

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

	As at June 30, 2015		As at December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
OTHER LIABILITIES				
Non-current debt	1,085,817	1,170,705	1,161,131	1,234,873
Convertible debentures (including equity portion)	385,082	421,884	247,356	272,264

The fair value of the derivative financial instruments designated as cash flow hedges is as follows:

	As at June 30, 2015	As at December 31, 2014
OTHER CURRENT FINANCIAL ASSETS		
Foreign exchange forward contracts	2,450	1,213
OTHER NON-CURRENT FINANCIAL ASSETS		
Foreign exchange forward contracts	4,602	3,230
OTHER CURRENT FINANCIAL LIABILITIES		
Financial swaps - interest rates	35,361	34,116
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Financial swaps - interest rates	24,438	31,254
Foreign exchange forward contracts	502	2,368
	24,940	33,622

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 0.92% to 4.90%, 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 whereas their fair values are based on the prices as at June 30, 2015.

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 financial swaps - interest as at June 30, 2015:

As at June 30, 2015	Currency	Fixed-rate payer	Floating-rate receiver	Maturity	Current notional (in CAD)	Fair value (in CAD)
Financial swaps - interest rates	EUR	0.93%–5.16%	6-month Euribor	2015-2030	327,256	(24,438)
Financial swaps - interest rates	CAD	5.40%–5.78%	3-month CDOR	2033-2055	98,447	(35,361)

Financial swaps - interest rates denominated in Canadian dollars contain an early termination clause that is mandatory in 2015. 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 June 30, 2015	Exchange rate	Maturity	Current notional (in CAD)	Fair value (in CAD)
Foreign exchange forward contracts (EUR for CAD)	1.4510-1.5475	2015-2025	172,682	6,550

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 June 30, 2015	Level 1	Level 2	Level 3
FINANCIAL ASSETS				
Foreign exchange forward contracts	7,052	—	7,052	—
OTHER LIABILITIES				
Non-current debt	1,170,705	—	1,170,705	—
Convertible debentures	421,884	421,884	—	—
	1,592,589	421,884	1,170,705	—
FINANCIAL LIABILITIES				
Financial swaps - interest rates	59,799	—	59,799	—
Foreign exchange forward contracts	502	—	502	—
	60,301	—	60,301	—

		Fair value hierarchy levels		
	As at December 31, 2014	Level 1	Level 2	Level 3
FINANCIAL ASSETS				
Foreign exchange forward contracts	4,443	—	4,443	—
OTHER LIABILITIES				
Non-current debt	1,234,873	—	1,234,873	—
Convertible debentures	272,264	272,264	—	—
	1,507,137	272,264	1,234,873	—
FINANCIAL LIABILITIES				
Financial swaps - interest rates	65,370	—	65,370	—
Foreign exchange forward contracts	2,368	—	2,368	—
	67,738	—	67,738	—

Note 11. Commitments

The commitments are discussed in Boralex's Annual Report for the fiscal year ended December, 31 2014. During the six-month period ended June 30, 2015, the Corporation entered into the following new commitments:

Canada

Ontario Solar Power Project

In June 2015, the Corporation entered into an agreement for the purchase of solar panels in the total amount of $1,118,000 for a solar power project in Ontario. Expenditures will be made according to the percentage of completion.

Frampton Wind Power Project

In March 2015, the Corporation entered into a 15-year wind turbine maintenance contract expiring in 2030 for the Frampton wind power project. The contract includes a cancellation option at the Corporation’s discretion after seven years. The Corporation’s net commitment under this contract amounts to $5,602,000, taking into account only the first seven years of the contract.

In 2015, the Corporation entered into a wind turbine manufacturing and installation contract and a contract for the construction of the transformer substation and control building for the Frampton wind power project. The Corporation's net commitments under those contracts amounted to $38,690,000 as at June 30, 2015. Expenditures will be made according to the percentage of completion.

Yellow Falls Hydroelectric Power Project

In 2015, the Corporation has entered into an engineering contract for the Yellow Falls hydroelectric power project. The Corporation’s net commitment under this contract amounted to $1,067,000 as at June 30, 2015. Expenditures will be made according to the percentage of completion.

Niagara Region Wind Farm Project

On June 8, 2015, the Corporation announced the signature of a conditional buy option for a 25% economic interest in the 230 MW Niagara Region Wind Farm project in which Enercon is the majority owner (the “Option”). Boralex will have the obligation to exercise the Option if certain financial conditions are met at the time of signature of a project financing agreement. If unexercised at that time, Boralex will be entitled to exercise the Option at its discretion following commercial commissioning of the project. The Corporation expects that $60,000,000 in equity will be needed to exercise the Option. Boralex will be the project operator following exercise of the Option. The initial consideration paid by Boralex for the purchase of the Option will be approximately $5,000,000, which primarily represents a deposit payable to Enercon.

The total investment planned for this major undertaking is between $900,000,000 and $950,000,000 and Boralex is coordinating the project construction phase in partnership with Enercon. The Niagara Region Wind Farm project, located in the Regional Municipality of Niagara, will comprise 77 Enercon wind turbines of 3 MW and its construction began in June.

France

Calmont Wind Power Project

In 2015, the Corporation entered into contracts for the construction of foundations and the connection grid for the Calmont wind power project. The Corporation’s net commitment under those contracts amounted to $1,870,000 (€1,340,000) as at June 30, 2015. Expenditures will be made according to the percentage of completion.

Montfort-Peyruis Solar Power Project

In April 2015, the Corporation entered into contracts for the construction of the Montfort-Peyruis solar power facility. The Corporation's net commitment under those contracts amounted to $10,468,000 (€7,517,000) as at June 30, 2015. Expenditures will be made according to the percentage of completion.

Touvent Wind Power Project

At the time of acquisition of the Touvent wind power project on February 5, 2015, the Corporation took over a wind turbine manufacturing and installation contract. The Corporation's net commitments under those contracts amounted to $19,676,000 (€14,129,000) as at June 30, 2015. Expenditures will be made according to the percentage of completion.

Note 12. 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, are not covered by long-term energy sales contracts.

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 760 MW, wind conditions are usually more favourable in 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, respectively. 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 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, this power station operates its cogeneration equipment 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

Both the Corporation's 5 MW solar power station, currently in operation, and the 10 MW facility under construction are located in the south of France. For these facilities, which benefit from long-term energy sales contracts, sunlight conditions 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 performance in a given fiscal year remains partially exposed to seasonal cycles and other cyclical factors, substantially all of its revenues are now derived from assets covered by 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 13. 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 (loss), or as a measure of operating results, which are IFRS measures.

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

	Three-month periods ended June 30		Six-month periods ended June 30	
	2015	**2014**	**2015**	**2014**
Net earnings (loss)	(4,485)	(4,679)	3,568	4,704
Income tax expense (recovery)	(1,786)	(1,270)	325	3,576
Financing costs	18,730	14,257	36,256	27,950
Amortization	24,745	15,042	43,504	30,159
EBITDA	37,204	23,350	83,653	66,389
Adjustments:				
Net earnings from discontinued activities	—	(785)	—	(1,624)
Net loss on financial instruments	241	493	4,617	1,412
Foreign exchange loss (gain)	(1,421)	458	(415)	117
Other gains	(77)	—	(154)	(573)
EBITDA(A)	35,947	23,516	87,701	65,721

Information by Operating Segment

	Three-month periods ended June 30		Six-month periods ended June 30	
	2015	2014	2015	2014
Power production (MWh)				
Wind power stations	301,334	163,508	687,229	428,367
Hydroelectric power stations	205,678	223,702	319,265	347,289
Thermal power stations	15,628	18,521	74,783	89,637
Solar power station	2,030	2,042	3,068	3,227
	524,670	407,773	1,084,345	868,520
Revenues from energy sales				
Wind power stations	37,016	21,296	85,728	56,652
Hydroelectric power stations	16,785	17,622	29,369	31,618
Thermal power stations	3,467	3,885	14,203	16,861
Solar power station	926	1,021	1,411	1,623
	58,194	43,824	130,711	106,754
EBITDA(A)				
Wind power stations	30,094	16,610	74,680	48,821
Hydroelectric power stations	12,741	14,002	21,988	24,169
Thermal power stations	(654)	(1,101)	3,871	3,471
Solar power station	837	902	1,241	1,393
Corporate and eliminations	(7,071)	(6,897)	(14,079)	(12,133)
	35,947	23,516	87,701	65,721
Additions to property, plant and equipment				
Wind power stations	52,137	22,297	82,118	25,414
Hydroelectric power stations	1,625	6,537	2,127	11,079
Thermal power stations	1,392	2,539	1,787	4,733
Solar power station	2,396	—	2,412	—
Corporate and eliminations	339	154	773	327
	57,889	31,527	89,217	41,553

	As at June 30, 2015	As at December 31, 2014
Total assets		
Wind power stations	1,425,044	1,326,133
Hydroelectric power stations	465,511	458,540
Thermal power stations	36,963	40,332
Solar power station	24,736	20,139
Corporate	121,842	72,815
	2,074,096	1,917,959
Total liabilities		
Wind power stations	991,344	896,996
Hydroelectric power stations	192,166	183,782
Thermal power stations	12,660	14,466
Solar power station	18,467	16,175
Corporate	466,518	470,221
	1,681,155	1,581,640

Note 13. Segmented Information (cont'd)

Information by Geographic Segment

	Three-month periods ended June 30		Six-month periods ended June 30	
	2015	**2014**	**2015**	**2014**
Power production (MWh)				
Canada	187,890	151,239	371,481	322,222
France	228,013	112,351	535,175	318,429
United States	108,767	144,183	177,689	227,869
	524,670	407,773	1,084,345	868,520
Revenues from energy sales				
Canada	18,811	14,990	42,483	36,825
France	30,535	17,907	72,636	50,054
United States	8,848	10,927	15,592	19,875
	58,194	43,824	130,711	106,754
EBITDA(A)				
Canada	10,705	4,872	30,589	19,263
France	18,365	9,629	45,536	30,712
United States	6,877	9,015	11,576	15,746
	35,947	23,516	87,701	65,721
Additions to property, plant and equipment				
Canada	51,330	10,464	59,822	16,599
France	6,464	20,954	29,273	24,783
United States	95	109	122	171
	57,889	31,527	89,217	41,553

	As at June 30, **2015**	As at December 31, **2014**
Total assets		
Canada	934,338	778,165
France	942,891	952,148
United States	196,867	187,646
	2,074,096	1,917,959
Non-current assets, excluding *Interests in the Joint Ventures* and *Deferred income tax asset*		
Canada	729,114	622,064
France	872,301	866,986
United States	172,379	165,087
	1,773,794	1,654,137
Total liabilities		
Canada	804,582	765,528
France	735,820	677,994
United States	140,753	138,118
	1,681,155	1,581,640

Note 14. Subsequent Events

France

Montfort-Peyruis Solar Power Project

On July 10, 2015, the Corporation closed the long-term financing for the Montfort-Peyruis solar power station in France. This loan payable, secured by the assets of this solar power station, consists of an amount of €9,662,000 ($13,455,000) and a revolving financing facility for an amount of €2,325,000 ($3,238,000). The €9,662,000 loan will be fully amortized in quarterly payments over a 17.5-year period. The first quarterly repayment is due three months after the commissioning slated for the third quarter of 2015. The variable interest rate for the €9,662,000 facility is based on EURIBOR, plus a margin. To reduce its exposure to rate fluctuations, Boralex entered into interest rate financial swaps with a notional amount of €8,696,000 ($12,110,000) at a rate of 1.48% over the full term of the loan. With these swaps, the rate is fixed for 90% of total debt.

In July 2015, the Corporation signed land lease contracts with 30-year terms for the Montfort-Peyruis solar power station. These leases may be renewed once at the option of the Corporation for the same term. Royalties under these leases are due annually and are indexed each year, based on the CPI and the Construction Cost Index published by the National Institute of Statistics and Economic Studies. The Corporation's net commitment under those contracts amounted to €2,098,000 ($2,922,000) as at June 30, 2015.

Canada

Frampton

On August 4, 2015, the Corporation announced the completion of the long-term financing arrangements for the Frampton wind farm. The loan, secured by the wind farm's assets, consists of a $73,480,000 construction loan, which will convert into a term loan repayable over an 19.5-year amortization period after a certain period following commissioning slated for December 2015. The interest rate is fixed at 4.20% on approximately 90% of the total debt as of January 1, 2016. As of the construction phase through to that date, the construction loan's interest rate is variable and is based on CDOR plus slightly less than a 2% margin. The credit facilities include available amounts for the issuance of the necessary letters of credit, as well as bridge financing for certain amounts repayable by Hydro-Québec for a total amount of $7,931,000. Note that the Frampton project is 67% owned by Boralex and 33% owned by the Municipality of Frampton.

New York State Dam - Hydroelectric 11.5 MW // United States
Avignonet-Lauragais - Wind 12.6 MW, Solar 5 MW // France