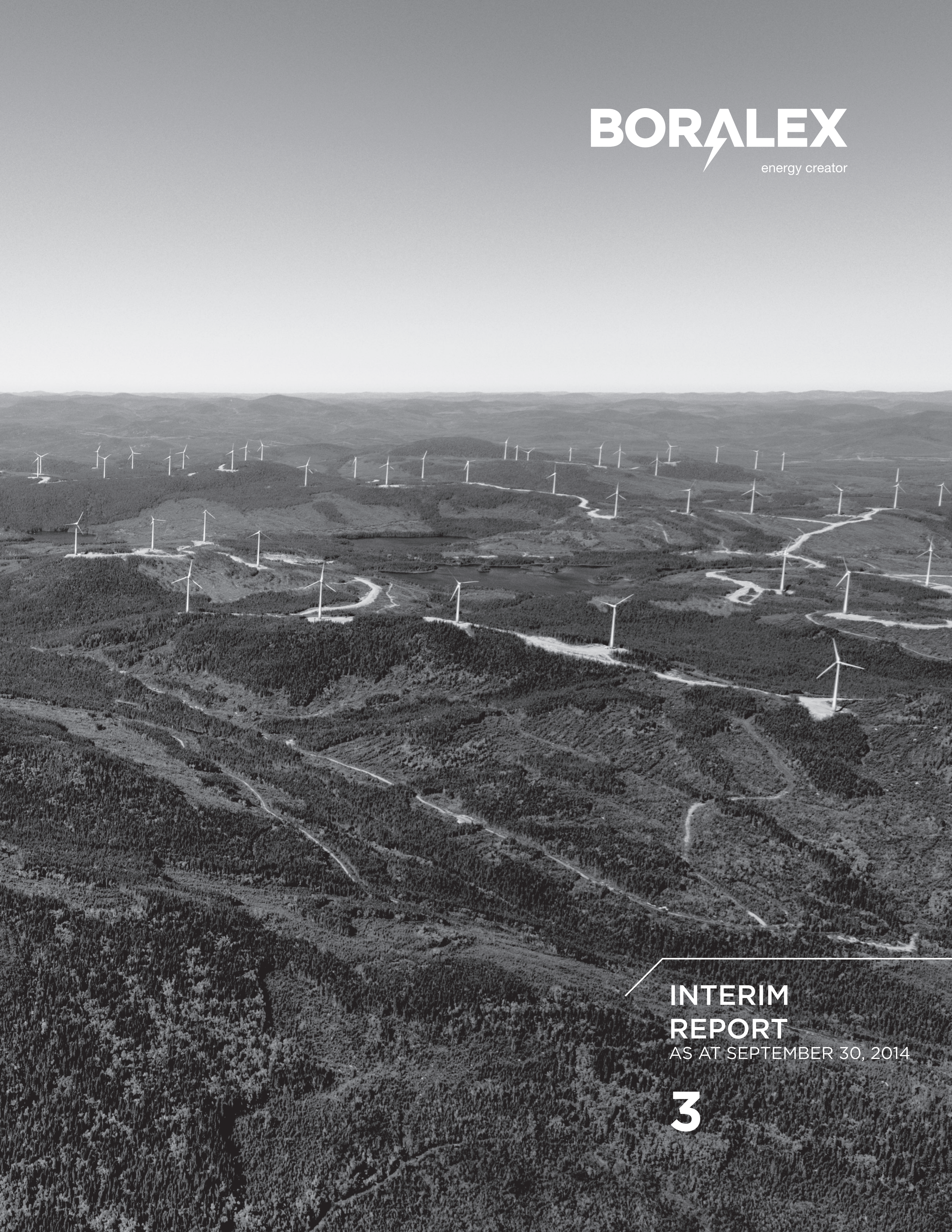

BORALEX

energy creator

INTERIM REPORT

AS AT SEPTEMBER 30, 2014

3

PROFILE

Boralex is a power producer whose core business is dedicated to the development and the operation of renewable energy power stations. Currently, the Corporation operates an asset base with an **installed capacity** of more than **650 MW** in Canada, France and the Northeastern United States. Boralex is also committed under power development projects, both independently and with Canadian and European partners, to **add** approximately **250 MW** of power that will be put in service by the end of 2015.
With more than 200 employees, Boralex is known for its diversified **expertise** and in-depth **experience** in four power generation types — wind, hydroelectric, thermal and solar. Boralex's shares and convertible debentures are listed on the Toronto Stock Exchange under the ticker symbols BLX and BLX.DB, respectively. More information is available at www.boralex.com or www.sedar.com.

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Interim Management's Discussion and Analysis 3

As at September 30, 2014

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Introductory Comments

General

This interim Management's Discussion and Analysis ("MD&A") reviews the operating results for the three- and nine-month periods ended September 30, 2014, compared with the corresponding periods of 2013, and cash flows for the three- and nine-month periods ended September 30, 2014 compared with the corresponding periods of 2013, as well as the Corporation's financial position as at September 30, 2014 compared with as at December 31, 2013. This MD&A 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 appearing in the most recent Annual Report for the year ended December 31, 2013.

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 November 4, 2014, the date on which the Board of Directors approved the 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 2013.

This MD&A also includes a section, *Proportionate Consolidation*, where the results of Seigneurie de Beaupré Wind Farms 2 and 3 ("Joint Venture Phase I") and Seigneurie de Beaupré Wind Farm 4 ("Joint Venture Phase II"), General Partnerships (the "Joint Ventures"), which are 50% owned by Boralex, were proportionately consolidated instead of being accounted for using the equity method as required by IFRS. 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 that is 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 November 4, 2014.

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 electricity, the Corporation's financing capacity, negative changes in general market conditions and regulations affecting the industry, as well as other factors described in *Outlook and Development Objectives* and *Risk Factors and Uncertainties* in the Corporation's Annual Report for the year ended December 31, 2013.

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

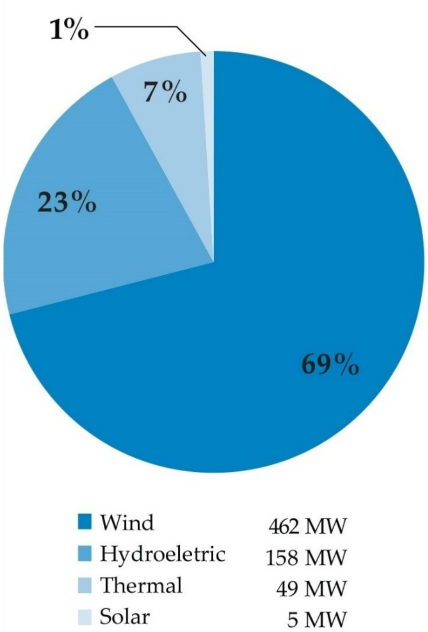
Boralex inc. (“Boralex” or the “Corporation”) is a power producer whose core business is dedicated to the development and the operation of renewable energy power stations. As at September 30, 2014, the Corporation operated an asset base with an installed capacity of more than 674 megawatts (“MW”) (Boralex’s share[(1)]) in Canada, France and the Northeastern United States. Boralex is also committed under power development projects, both independently and with Canadian and European partners, to add approximately 228 MW of power (Boralex’s share: 194 MW) that will be commissioned by the end of 2015. Nearly all of the Corporation’s operating assets as well as all the sites under development benefit from long-term energy sales contracts with fixed and indexed prices.

With more than 200 employees, Boralex is known for its diversified expertise and in-depth experience in four power generation types.

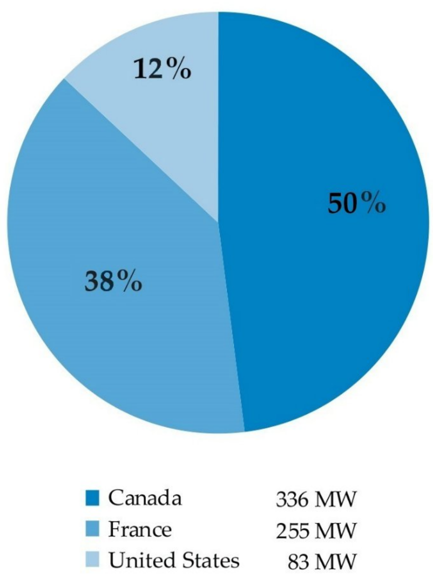
- Boralex currently operates a **462** MW **wind power** portfolio of assets in Canada and France. In recent years, Boralex has become one of the most experienced wind power producers in France, where it currently generates 236 MW of power with an additional 60 MW in total in development projects. Boralex also operates in the wind power market in Canada with an installed capacity of 362 MW (Boralex’s share: 226 MW) in Québec and Ontario. In Québec, the Corporation is working independently or with partners on the development of wind farms with an additional total installed capacity of 168 MW (Boralex’s share: 134 MW), slated for commissioning by the end of 2015.
- Boralex has nearly two decades of expertise in **hydroelectric power** generation. The Corporation operates **158** MW of hydro assets in the Northeastern United States, and Québec and British Columbia, Canada.
- Boralex owns two **thermal power** stations with a total installed capacity of **49** MW, comprising a 14 MW natural gas cogeneration power station in France and a 35 MW wood-residue power station in Québec, Canada.
- Boralex owns a **solar power** facility with an installed capacity of **5** MW located in France.

The following charts provide information about the makeup of the Corporation’s energy portfolio as at September 30, 2014[(1)]:

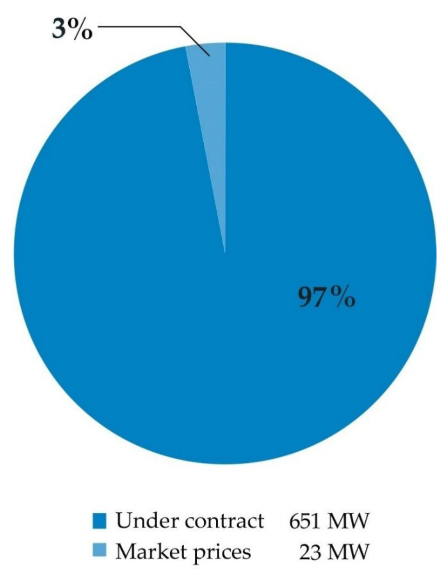
Capacity by sector



Capacity by country



Contracted capacity



TOTAL: 674 MW

(1) This data reflects Boralex’s share in various assets and, accordingly, excludes its partner’s share in the Seigneurie de Beaupré Wind Farm Phase I, in Québec, currently in operation.

Boralex’s shares, 34% of which are held by Cascades Inc. (“Cascades”), and convertible debentures are listed on the Toronto Stock Exchange under the ticker symbols BLX and BLX.DB, respectively.

Growth Strategy and Key Developments in Recent Fiscal Years

Over the past few years, Boralex has strived to lay the foundations of above-average, balanced and sustainable growth by pursuing its key goals of enhancing its asset base, securing steady and predictable revenue and cash flow streams, and lowering its business risk exposures. As a result, the Corporation has made the following strategic choices:

- Target the acquisition and development of renewable energy assets covered by long-term indexed fixed-price energy sales contracts;
- Prioritize renewable energy assets with above-average profit margins, particularly wind and hydroelectric power; and
- Focus development initiatives on Canada and France.

Key achievements under Boralex's growth and positioning strategy since fiscal 2009 are discussed below:

- The **wind power segment expanded significantly** with installed capacity growing to 462 MW as at September 30, 2014 from 108 MW in December 2008. These operating assets located in France (236 MW) and Canada (226 MW) are fully covered by long-term energy sales contracts. In addition, the Corporation is currently developing, independently or with partners, various wind power projects in which it holds a total share of 194 MW, comprising 60 MW in France and 134 MW in Canada, slated for commissioning in late 2014 and 2015. Backed by its significant financial resources, the Corporation is pursuing other acquisition and development targets in Canada and Europe;
- **Expansion in the hydroelectric power segment** driven by the November 2010 acquisition of all of the trust units of the Boralex Power Income Fund (which has mainly contributed excellent hydroelectric assets totalling an installed capacity of approximately 100 MW, all covered by long-term contracts) and by the May 2014 commissioning of a new 22 MW power station in British Columbia;
- Boralex **entered the solar power market** in June 2011 with the commissioning of its first solar power farm with an installed capacity of 5 MW located in Southwestern France. To date, this asset has met management expectations with its contribution while allowing Boralex to develop expertise in this segment; and
- The **relative weight of the thermal power segment and assets with non-contracted capacity in Boralex's energy portfolio** was scaled back, mainly following the sale in December 2011 of the U.S. wood-residue power stations with a total installed capacity of 186 MW, which were not covered by sales contracts and sold their electricity in the Northeastern United States open market. In line with Boralex's target positioning, the cash proceeds of approximately $81 million (net of taxes) from this sale were largely reinvested in the addition of assets in the wind and hydroelectric power segments. Also, in 2011 and 2012, two thermal power stations located in Québec discontinued their operations, namely the Dolbeau wood-residue power station and the Kingsey Falls natural gas power station.

Growth Path

674 MW in operation
$139 million EBITDA (LTM)

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

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

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

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

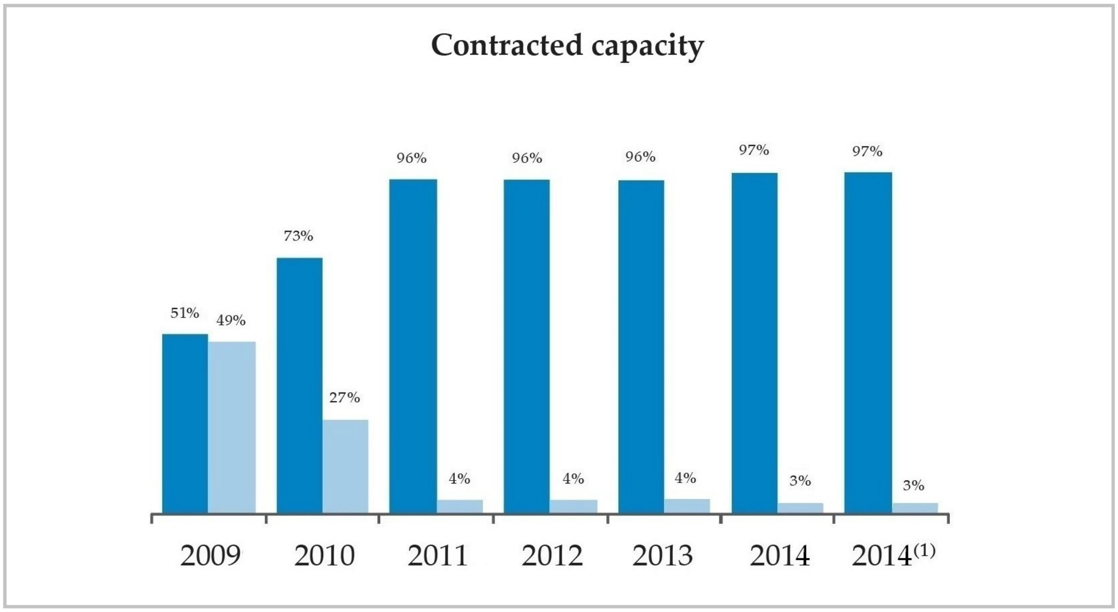
Impact of Recent Developments on the Makeup of Boralex's Energy Portfolio

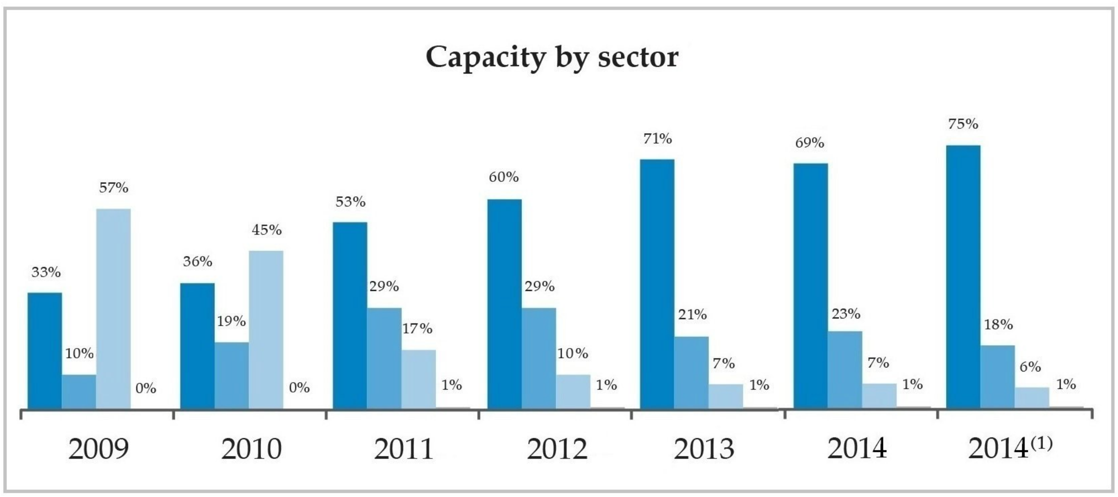
As the following charts show, Boralex's strategic decisions made in recent fiscal years have substantially transformed and enhanced its positioning. In **contractual** terms, between the end of fiscal 2009 and September 30, 2014, Boralex's long-term covered contracted portion of installed capacity in operation grew from 51% to 97%. In addition, all of its development projects are also covered by long-term contracts, ensuring higher, more predictable future profitability and cash flows.

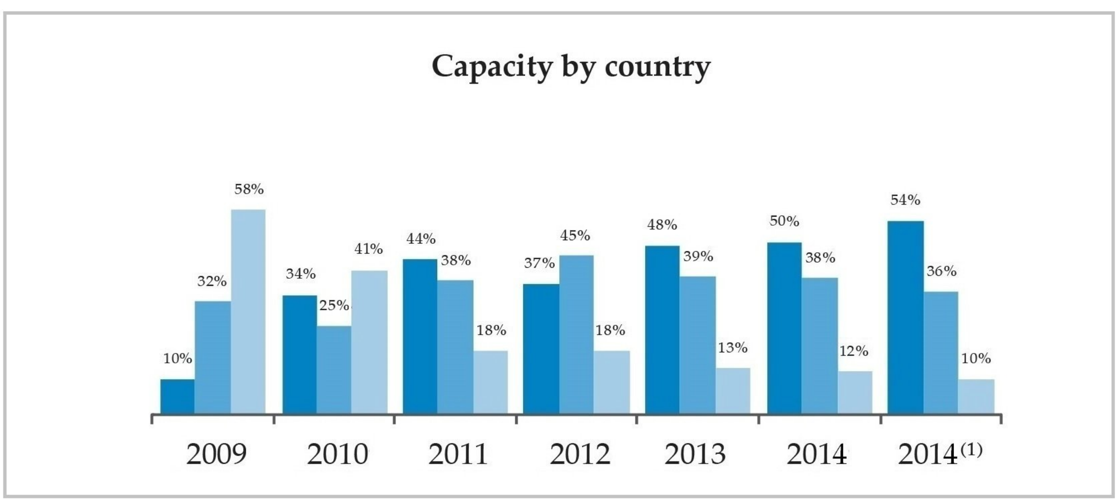
From a **segment** perspective, these developments mainly resulted in a higher relative weight of the wind and hydroelectric power segments, which generate higher profit margins than Boralex's thermal power segment. Together, the two segments now account for 92% of assets in operation and will reach 94% in 2015, more specifically after the wind power sites currently under development are commissioned, without reflecting other expansion projects that could be carried out by the Corporation in its target markets over the coming quarters and years. In contrast, the thermal power segment's share of Boralex's overall installed capacity has fallen to 7% from 57% since 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 Canada, where 50% of Boralex's capacity in operation is now located, compared with 10% in 2009. France and the United States account for 38% and 12%, respectively, of the Corporation's capacity in operation as at September 30, 2014. Accordingly, Boralex now enjoys greater geographic balance in its revenue streams as well as reduced exposure to currency fluctuations. As indicated in the above chart, the Canadian market share should reach 54% with the commissioning of projects under development, which does not reflect, however, potential expansion transactions that the Corporation could complete abroad.

These charts provide information about the makeup of the Corporation's energy portfolio as at September 30, 2014 and its changes compared with the end of previous fiscal years.







(1) Pro forma, including Boralex's interest of 194 MW in development projects as at September 30, 2014.

Outlook and Development Objectives

2014-2016 Outlook

Year to date, the Corporation has benefited from the full contribution of assets commissioned in 2013, in particular its share of Phase I of the Seigneurie de Beaupré Wind Farms. Boralex's management is satisfied with the results to date of this facility, which has been fully operational since December 2013, with production in the first nine-months of the current fiscal year showing promising signs for the future. During the second quarter of 2014, Boralex commissioned a 22 MW hydroelectric power station in British Columbia. By the end of 2014, the Corporation will commission wind power projects in Québec and France in which its share will total 82 MW. It will also pursue the finalization of additional projects totalling 112 MW (Boralex's share) to be commissioned in 2015.

To support execution of its various projects, and to compensate shareholders, Boralex has a solid statement of financial position with a total cash position amounting to nearly $138.1 million as at September 30, 2014, including its share of restricted cash and cash resources of the Joint Ventures Phases I and II. In light of the expertise it has demonstrated for many years in the development, financing, construction, commissioning and profitable operation of increasingly large-scale energy assets, Boralex is confident in its ability to successfully complete all of its projects currently under development.

2016 Objectives

Based on the Corporation's projects currently under development and considering the use of, to expand its asset base, a large part of the Corporation's cash resources, which could finance the equity portion of new projects representing the equivalent of 80 MW in wind power, Boralex estimates that at the end of 2016 it will have energy infrastructure able to generate an EBITDA of $200 million, on a proportionate consolidation basis.

Ultimately, its goal is to create increasing and sustainable economic value for its shareholders by positioning itself as a world-class company among the largest, most profitable, experienced and diversified green energy producers.

While keeping a close eye on international developments in green and renewable energy production, Boralex continues to seek acquisition projects, mainly in Canada and Europe. The Corporation is 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 Québec, Ontario, British Columbia and Europe;
- The hydroelectric segment, mainly in jurisdictions in which Boralex already operates power stations; and
- The solar power segment in Canada and France.

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 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 support its growth projects and maintain current and future ability to pursue its operations and development, Boralex will continue to strengthen its business model by:

- 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
- Assuring sound capital management and retaining sufficient financial flexibility to seize potential growth opportunities and ensure uninterrupted access to capital markets.

TO SUM UP,

Boralex has set a financial and strategic target of establishing an asset base of approximately 950 MW and reaching an EBITDA of $200 million (on a proportionate consolidation basis) by the end of 2016 without diluting the interest of current shareholders. In the short, mid and long terms, the Corporation intends to continue to set itself apart as one of the scant few Canadian and global producers devoted entirely to developing and operating renewable energies, particularly by its capacity to achieve high operational and earnings growth. To meet its growth goals, Boralex will remain a solid and innovative company, 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.

Wind Power Stations

Development Projects

As at the date of this MD&A, Boralex had entered into long-term energy sales contracts, independently or with partners, for wind power projects in which it holds a total share of 194 MW, comprising 134 MW in Québec, Canada, and 60 MW in France, slated for commissioning at the end of 2014 and in 2015. The following table shows Boralex's projects currently under development, independently or with partners:

WIND PROJECTS UNDER DEVELOPMENT

FRANCE			Québec (CANADA)			
2014	2015	2015	2014	2014	2015	2015
Fortel-Bonnières	St-François	Calmont	Seigneurie de Beaupré (phase II)	Témiscouata I (municipal)	Côte-de-Beaupré (municipal)	Témiscouata II
23 MW	23 MW	14 MW	68 MW	25 MW	25 MW	50 MW

Europe

1. Boralex is currently working on the development of two wind power stations of 23 MW each: **Fortel-Bonnières** and **St-François**, for which €65 million ($92 million) in financing repayable over a 15-year amortization period was announced on April 22, 2014. Construction on the two projects is underway. The Fortel-Bonnières power station was partially commissioned in October and will be fully operational by late November.

   The St-François site will be commissioned during the first quarter of 2015. The foundations have now been poured and the access roads constructed. Delivery of the various major wind turbine components began and will continue alongside assembly work. Construction of the collector system is underway and progressing well.

2. On July 30, 2014, Boralex announced the acquisition of the 14 MW **Calmont** wind project, in France, covered by a 15-year energy sales contract with EDF. Located in the Midi-Pyrénées region of France, this new power station will build on Boralex's strong existing presence and geographical diversification in France: a market particularly conducive to wind power development. In addition, Calmont is located a few kilometers from Boralex's Avignonet-Lauragais power station, offering attractive synergies and no need for additional resources. Construction will begin in the next few months with commissioning anticipated by the end of 2015. The Corporation is currently finalizing financing and supplier agreements.

In July 2014, Boralex entered into a joint venture agreement with Danish developer European Energy A/S. The joint venture's goal is to develop an offshore wind farm in Denmark. Boralex invested €1.8 million to acquire a 50% share of the joint venture and to finance development activities. This offshore project should be completed within three to five years. Management believes that Denmark welcomes and looks favourably upon this type of wind farm.

Boralex is currently working on a number of other expansion scenarios in Europe, from greenfield projects to the acquisition of assets in various phases of development or already in operation. These efforts target the development of wind power projects with potential commissioning dates beginning in 2016.

Moreover, 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.

Canada

1. Boralex and its partner Gaz Métro Limited Partnership are working together to implement a second phase in the **Seigneurie de Beaupré** wind farm with a 68 MW capacity (Boralex's share: 34 MW), covered by a 20-year energy sales contract with Hydro-Québec and scheduled for commissioning in December 2014. In May 2013, the partners formed a second joint venture, Joint Venture Phase II, with an ownership interest of 50% for Boralex, to continue the construction activities and subsequently to operate Phase II. Construction is underway on the project, which secured long-term financing of $166.1 million in October 2013, comprising a construction loan of $142.4 million which will be converted, following the commissioning of the power station, into a fixed-rate non-current debt amortized over 19.5 years, along with short-term bridge financing and a letter of credit facility totalling $23.7 million. Building on the expertise acquired during construction of the 272 MW Phase I and the logistical synergies it entails, Boralex has kept construction of Phase II on time and on budget. Boralex management is confident it will meet its scheduled deadline for commissioning.

   Furthermore on July 28, 2014, the Corporation met all of the prior conditions for the conversion of the construction loans into non-current debt of the Joint Venture Phase I to be amortized over an 18-year term maturing in 2031. As stipulated in the loan agreement, the $560 million initial debt amount was recalculated on the basis of current financial data and assumptions, and the authorized amount was reduced to $535 million. In August, the Corporation obtained reimbursement from Hydro-Québec for costs incurred during the transformer station and collector system construction. On August 20, 2014, the amount received was used to repay $51.6 million in bridge financing entered into to finance said costs during the construction period. It is worth noting that the Corporation met its forecasts in terms of costs, scheduling and performance.

2. Boralex is working on two projects in Québec's Témiscouata area. The first, **Témiscouata I**, is a 25 MW community wind power project being developed jointly with Témiscouata Regional County Municipality ("RCM"). This power station has a 20-year contract with Hydro-Québec and will be commissioned in December 2014. Construction began in September 2013 and is progressing as anticipated. The foundations have now been poured, and the first towers have been erected. Delivery of the various major wind turbine components began in August and will continue alongside assembly work. On June 26, 2014, Boralex announced that $64.1 million in financing has been arranged for this power station, comprising a $52.0 million construction loan, which will convert into a repayable term loan amortized over an 18-year period following commercial commissioning, as well as $12.1 million in short-term facilities.

3. Also located on the Seigneurie de Beaupré site, Boralex is currently pursuing a 25 MW community wind farm project developed jointly with **La Côte-de-Beaupré** RCM covered by a 20-year energy sales contracts with Hydro-Québec. This wind farm will be commissioned in December 2015. The environmental approval process is currently underway.

4. Adjacent to the Témiscouata I power station, the **Témiscouata II** project, solely owned by Boralex, will comprise an installed capacity of 50 MW under a 20-year contract already in place with Hydro-Québec. In January 2014, the Témiscouata II project was authorized by the Québec *Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques*. While commissioning is slated only for late 2015, Boralex began construction in the first half of 2014 to leverage logistical synergies with Témiscouata I. As a result, construction of the access roads, foundations and collector system is currently underway and progressing smoothly. The power transformer has been installed and work on the integration substation continues. On June 26, 2014, the Corporation announced that $142.7 million in financing has been arranged for Témiscouata II. The financing consists of a $127.0 million construction loan which will convert into a repayable term loan amortized over an 18-year period following commercial commissioning, together with $15.7 million in short-term facilities.

On June 10, 2014, at the 4th Québec Wind Energy Industry Gala, Boralex took home the highest honour in recognition of its outstanding achievements as a wind power developer and operator, particularly for its leadership role in occupational health and safety, its capacity to engage its employees and its commitment to forging long-lasting relationships with communities. The event also highlighted an increasingly diversified and solid wind power industry in Québec.

Moreover, the Corporation purchased the rights for wind power projects in Ontario and British Columbia, and is currently evaluating the potential for future requests for proposals.

Outlook

For fiscal 2014, notwithstanding the potential impact of external factors such as currency fluctuations and weather conditions, wind power segment financial growth will be driven by the full contribution of the power stations commissioned in 2013, namely the Corporation's La Vallée and Vron wind farms in France and the Seigneurie de Beaupré Phase I wind farm in Québec. In addition, as shown in the table on the preceding page, the commissioning of Joint Venture Phase II, French wind farm Fortel-Bonnières and Québec wind farm Témiscouata I before the end of 2014 will result in an increase of 82 MW, equal to 18% of Boralex's share of the wind power segment's installed capacity in operation. By the end of 2014, installed capacity in operation will thus total 544 MW, double its level as at December 31, 2012. In fiscal 2015, the Corporation will commission Québec wind farms Côte-de-Beaupré and Témiscouata II, and French wind farms St-François and Calmont, contributing an additional 112 MW (Boralex's share), not including the other expansion projects that could be completed in the interim.

Segment performance will continue to be supported, in the coming quarters, by unrelenting efforts to optimize wind turbine availability and performance, leveraging in particular the team's expertise in preventive and corrective maintenance and remote management of wind turbines.

Following the momentum of recent quarters, efforts in the wind power segment have been largely focused on developing new expansion opportunities, feeding its pipeline with long-term projects. Boralex currently has the financial resources to potentially fund the equity portion of wind power projects totalling approximately 80 MW of additional capacity (in addition to the projects already under development). The Corporation's expansion targets include acquisitions of facilities in operation or projects in advanced stages of development, but also certain greenfield projects in conducive markets for such developments, such as France, and in requests for proposals in Québec.

Europe

In Europe, Boralex is keeping a close eye on growth opportunities in countries with a positive bias toward wind power. The Corporation continues to focus a significant portion of its development efforts on the French market, due in particular to the solid market positioning and credibility that Boralex has built in that market over the past twelve years. Furthermore, France is committed to increasing the share of renewable energy in its domestic power output to 23% by 2020. In June 2014, the French Minister of Ecology, Sustainable Development and Energy signed a new rate decree maintaining the rate for purchasing electricity produced by on-shore wind turbines at its 2008 level, ensuring the same profitability conditions for wind power producers. This new ministerial rate decree is excellent news for Boralex and the wind power industry in France, ending a period of uncertainty that made launching and securing financing of wind power projects more difficult.

Boralex is currently developing various business opportunities that could significantly increase its installed capacity by the end of 2016.

Canada

In Canada, provincial governments have proved consistently supportive of this renewable energy source.

Boralex remains confident about the outlook for wind power development in Québec, especially given that the newly elected government recently reaffirmed its support for this renewable energy source. Also, in July 2014, the Québec Minister of Energy and Natural Resources announced the creation of a government-industry working group mandated to study the future of Québec's wind power industry. Boralex welcomes this initiative with great enthusiasm, as it shows the government's commitment to diversifying Québec's power asset base, focusing in particular on wind power.

Ranking as Canada's second largest wind power producing province after Ontario, with more than 2,000 MW of installed capacity, Québec issued a request for proposals ("RFP") in December 2013 for a total of 450 MW in additional wind power infrastructure. This RFP is aimed at development projects with 50% community involvement, such as certain projects currently under development by Boralex and its partners. On November 5, 2014, Boralex intends to submit bids on new projects for a significant portion of the capacity covered by this RFP and believes it is solidly positioned to capitalize on this opportunity.

The Ontario government recently launched an initial RFP for 300 MW of wind power for 2015 with a second 300 MW RFP launch planned for 2016. The Corporation submitted its qualification information and believes a positive response should be coming shortly. Following the success of its first facility in Ontario where it has been operating the 90 MW Thames River wind farm since 2009, Boralex believes it is well-positioned to pursue opportunities to strengthen its presence in this market through the RFP process.

The British Columbia government has also been amenable to developing wind power within the province, and Boralex has been closely analyzing potential opportunities in that province for some time.

Boralex's Competitive Environment and Positioning

The prevailing business conditions in which Boralex's wind power segment operates have significantly tightened over the past two years, due to several factors, including the growing trend for Canadian provincial governments to launch RFPs, thereby increasing price pressure. Despite these impediments, Boralex has several assets to leverage its development while continuing to meet its project performance targets. First, certain external factors favour the Corporation, including a relatively stable financial and interest-rate environment which it expects 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. Second, Boralex management believes that the quality of the wind power segment's medium- and long- term outlook is based on the Corporation's intrinsic strengths, such as:

- Its solid and flexible financial position;
- The scope and quality of its assets in operation and its projects under development, which are all covered by long-term energy sales contracts and enjoy strong geographical diversification in Québec, Ontario and several regions of France;
- 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 Power Stations

Projects under Development and Outlook

In May 2014, Boralex commissioned the new 22 MW Jamie Creek run-of-river hydroelectric power station, near Gold Bridge in British Colombia, Canada. The Jamie Creek facility is expected to generate approximately 70,000 MWh of power annually and is covered by a 40-year energy purchase agreement with BC Hydro. This is not only a perfect fit with Boralex's development strategy, but also expands its footprint in British Columbia, where the Corporation now aggregates an installed capacity of 37 MW of hydroelectric power. With its run-in period nearing completion, the new power station is expected to perform in line with management's expectations shortly.

By the end of 2015, Boralex will have completed work at its Buckingham power station in Québec, Canada, to comply with the *Dam Safety Act*. To meet this obligation, Boralex intends to invest approximately $4 million and $7 million in 2014 and 2015, respectively. Concurrently with this work, management is still reviewing various investment scenarios aimed at expanding the power station's current installed capacity up to 20 MW.

The Corporation is currently reviewing a number of acquisition opportunities to grow its hydroelectric segment, particularly in Ontario and France, as well as in markets in which it has an established presence, 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 movements. 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 power sales contracts, throughout the contract term.

Thermal Power Stations

Outlook

Since 2011, Boralex has considerably reduced the relative weight of the thermal power segment in its energy portfolio. 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 also interested in new green and renewable energy production technologies based on biomass. On August 22, 2014, the Corporation completed a $1.4 million investment to acquire a 27% interest in CelluFuel Inc., a company based in Halifax in the Canadian province of Nova Scotia that is developing a technology to produce synthetic, renewable diesel fuel from wood fibre.

Canada

Under a new agreement entered into with Hydro-Québec for the years 2014 to 2018 inclusively, the Senneterre power station will generate 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 recent years. As demonstrated by the performance reported in 2014 by this power station, the new agreement affords operating conditions conducive to stable and predictable profitability. In particular, this eight-month operating period, compared with six-month periods in 2012 and 2013, facilitates access to better quality and lower cost supply arrangements.

France

With the end of the Blendecques power station's initial energy sales contract with EDF, Boralex entered into a new contract effective November 1, 2013 and maturing on October 31, 2025. To honour this new agreement, the power station underwent modernization work, representing an investment of approximately €6 million, which started in spring 2014 and ended in October. As anticipated, the new equipment has been operational since November 1, 2014.

Solar Power Station

Outlook

Broadly speaking, Boralex expects its solar power station to generate an average of approximately 5,000 MWh of electricity for the first ten years, with an expected average EBITDA margin of 80%-85% over the period.

Solar power generation is a high-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 great potential, particularly as performance gradually improves through technological breakthroughs, thereby lowering the cost of equipment. In addition to the European market, more specifically France where Boralex has built a skilled solar project development team, the Corporation is particularly interested in the Ontario market. The Ontario government recently launched its initial RFP for 140 MW of solar energy for 2015 and will launch a second 140 MW RFP for 2016. The Corporation submitted its qualification information and believes a positive response should be coming shortly. This could offer attractive potential for Boralex to make inroads in this Canadian niche market.

Key Events Affecting Boralex's Results, Financial Position and Positioning

Commissioning of New Production Sites in Canada and in France

2013

During the final months of 2013, the Corporation commissioned the following wind power stations:

- On September 15, 2013, Boralex commissioned the 8 MW French wind farm Vron;
- Between November 28 and December 10, 2013, Joint Venture Phase I commissioned a total wind power capacity of 272 MW in Québec (Boralex's share: 136 MW); and
- From December 2 to December 23, 2013, the Corporation commissioned the 32 MW French wind farm La Vallée.

The commissioning of these facilities significantly affects operating results for fiscal 2014. During the first nine months of 2014, French wind farms Vron and La Vallée together contributed an additional $5.3 million to wind power segment EBITDA and Boralex's consolidated EBITDA compared with the same period in 2013. In addition, as described later in this MD&A, Boralex reported a $2.7 million favourable change in its share of the Joint Venture Phases I and II, owing to the commissioning and sound performance of Joint Venture Phase I. The significance of this favourable change was more marked on a proportionate consolidation basis, as discussed in the *Proportionate Consolidation* section of this MD&A.

2014

In May 2014, the Corporation commissioned its new 22 MW hydroelectric power station, Jamie Creek, in British Columbia.

Wind Power Sites Currently under Development in Canada and in France

2014

By the end of the current fiscal year, an additional 116 MW of wind power is also expected to be commissioned (Boralex's share: 82 MW), consisting of:

- 23 MW French wind power project Fortel-Bonnières;
- 68 MW wind farm (Boralex's share: 34 MW) developed by the Joint Venture Phase II on the Seigneurie de Beaupré site in Québec; and
- 25 MW Témiscouata I wind power project developed with Témiscouata RCM in Québec.

2015

In addition to the wind power projects described previously, Boralex is currently investing, independently or with partners, in the development of other energy assets totalling 112 MW to be commissioned in 2015. While these projects will not contribute to the Corporation's 2014 results, they will impact its cash flows and financial position in the current fiscal year. These projects are as follows:

- 23 MW French wind power project St-François;
- 14 MW French wind power project Calmont;
- 25 MW wind power project developed with La Côte-de-Beaupré RCM in Québec; and
- 50 MW Témiscouata II wind power project in Québec.

Projects under development are described in greater detail in the previous section of this MD&A, and in the section pertaining to the different operating segments.

Introduction of a Dividend Policy (February 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. Three further dividends in the same amount per share were declared on May 6, August 5, and November 4, 2014, the first two of which were paid out on June 16 and September 15, 2014, with the last to be paid out on December 15, 2014.

The introduction of a dividend policy is a reflection of Boralex's commitment to enhancing shareholder value. This decision is also a key step in the Corporation's development as it enjoys a strong cash position, supported by stable cash flows generated by quality assets under fixed-price and indexed long-term contracts. Generally, Boralex expects to pay common share dividends on an annual basis that will represent in the medium term a ratio of 40% to 60% of its discretionary cash flows defined as its cash flows from operations less capital investments required to maintain its production capacity and less repayments of related non-current debt.

TO SUM UP,

Boralex estimates that the financial returns from its development strategy, beginning as early as fiscal 2014, will be 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–combined with sound performance in these segments;
- A smoothing effect on the aforementioned segments' results from 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.

Seasonal Factors

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding)	Three-month periods ended December 31, 2013	March 31, 2014	June 30, 2014	September 30, 2014	Twelve-month period ended September 30, 2014
POWER PRODUCTION (MWh)					
Wind power stations	227,195	264,859	163,508	112,029	767,591
Hydroelectric power stations	142,912	123,587	223,702	139,938	630,139
Thermal power stations	31,448	71,116	18,521	45,909	166,994
Solar power station	980	1,185	2,042	1,952	6,159
	402,535	460,747	407,773	299,828	1,570,883
REVENUES FROM ENERGY SALES					
Wind power stations	29,305	35,356	21,296	14,133	100,090
Hydroelectric power stations	12,746	13,996	17,622	12,236	56,600
Thermal power stations	6,976	12,976	3,885	5,660	29,497
Solar power station	469	602	1,021	945	3,037
	49,496	62,930	43,824	32,974	189,224
EBITDA					
Wind power stations	24,279	32,211	16,610	9,567	82,667
Hydroelectric power stations	9,002	10,167	14,002	8,816	41,987
Thermal power stations	26	4,572	(1,101)	588	4,085
Solar power station	438	491	902	850	2,681
	33,745	47,441	30,413	19,821	131,420
Corporate and eliminations	(4,706)	(5,236)	(6,897)	(5,057)	(21,896)
	29,039	42,205	23,516	14,764	109,524
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	455	7,112	(5,044)	(9,506)	(6,983)
Discontinued operations	74	839	785	312	2,010
	529	7,951	(4,259)	(9,194)	(4,973)
NET EARNINGS (LOSS) PER SHARE - BASIC ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	$0.01	$0.19	($0.13)	($0.25)	($0.18)
Discontinued operations	—	$0.02	$0.02	$0.01	$0.05
	$0.01	$0.21	($0.11)	($0.24)	($0.13)
NET EARNINGS (LOSS) PER SHARE - DILUTED ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	$0.01	$0.18	($0.13)	($0.25)	($0.18)
Discontinued operations	—	$0.02	$0.02	$0.01	$0.05
	$0.01	$0.20	($0.11)	($0.24)	($0.13)
CASH FLOWS FROM OPERATIONS					
In dollars	15,322	29,326	7,739	2,633	55,020
Per share (basic)	$0.41	$0.77	$0.20	$0.07	$1.44
Weighted average number of shares outstanding (basic)	37,757,835	37,980,635	38,346,572	38,390,851	38,119,108

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding)	Three-month periods ended December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013	Twelve-month period ended September 30, 2013
POWER PRODUCTION (MWh)					
Wind power stations	210,838	191,028	166,992	96,921	665,779
Hydroelectric power stations	164,072	148,473	197,923	131,786	642,254
Thermal power stations	66,051	70,879	7,191	33,851	177,972
Solar power station	991	1,079	1,788	2,098	5,956
	441,952	411,459	373,894	264,656	1,491,961
REVENUES FROM ENERGY SALES					
Wind power stations	25,124	23,598	20,384	11,822	80,928
Hydroelectric power stations	13,860	14,113	15,691	11,206	54,870
Thermal power stations	12,654	12,546	3,268	4,657	33,125
Solar power station	425	479	798	966	2,668
	52,063	50,736	40,141	28,651	171,591
EBITDA					
Wind power stations	21,327	19,875	15,569	6,872	63,643
Hydroelectric power stations	9,541	11,284	12,532	7,595	40,952
Thermal power stations	2,601	4,668	(1,070)	(614)	5,585
Solar power station	324	382	706	853	2,265
	33,793	36,209	27,737	14,706	112,445
Corporate and eliminations	(3,910)	(2,956)	(4,544)	(2,054)	(13,464)
	29,883	33,253	23,193	12,652	98,981
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	542	4,007	(1,685)	(8,390)	(5,526)
Discontinued operations	696	161	622	917	2,396
	1,238	4,168	(1,063)	(7,473)	(3,130)
NET EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	$0.01	$0.11	($0.04)	($0.22)	($0.14)
Discontinued operations	$0.02	—	$0.02	$0.02	$0.06
	$0.03	$0.11	($0.02)	($0.20)	($0.08)
CASH FLOWS FROM OPERATIONS*					
In dollars	13,495	22,954	17,775	(5,135)	49,089
Per share (basic)	$0.36	$0.61	$0.47	($0.14)	$1.30
Weighted average number of shares outstanding (basic)	37,732,568	37,735,065	37,740,004	37,748,196	37,735,870

*In 2013, as the scheduled payment date of the $8.3 million interest on the convertible debentures was on June 30, a Sunday, the payment was made on the following business day on July 2, 2013.

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 3% of the Corporation's total installed capacity in operation, are not covered by long-term 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 462 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.

Following the development projects completed since 2009 and described previously, the wind power segment is now Boralex's largest segment in terms of installed capacity, revenues, EBITDA and cash flows. The segment is expected to account for an increasing share of the Corporation's energy portfolio in the coming years as wind farms that Boralex is developing independently or with partners in Canada and in France totalling 228 MW (Boralex's share: 194 MW) are gradually commissioned. The commissioning of these facilities will increase the installed capacity of wind power assets in operation fully owned by Boralex to 656 MW by the end of fiscal 2015, excluding opportunities to acquire further assets in operation or under development. 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.

Hydroelectricity

For Boralex's hydroelectric assets 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.

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, which currently accounts for under 15% of the hydroelectric power segment's total capacity as at the date of this MD&A, and 3% 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 49 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. With the end of the Blendecques power station's initial energy sales contract with EDF, a new contract 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. New equipment has been operational since November 1, 2014.

Solar

The Corporation's only solar power station, of 5 MW, currently in operation is located in Southwestern France. For this facility, which benefits from a long-term energy sales contract, 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 station will be generated in the second and third quarters.

TO SUM UP,

although seasonal and other cyclical factors have a certain impact on Boralex's performance for a fiscal year, this is mitigated by the fact that, following the main events in recent years, namely the significant expansion of the wind power segment, the acquisition of the Boralex Power Income Fund, the commissioning of a solar power station and the sale of the U.S. wood-residue power stations, nearly all of the Corporation's revenues are now generated by assets with indexed fixed-price sales contracts. 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 September 30 2014	2013	Nine-month periods ended September 30 2014	2013
POWER PRODUCTION (MWh)				
Wind power stations	112,029	96,921	540,396	454,941
Hydroelectric power stations	139,938	131,786	487,227	478,182
Thermal power stations	45,909	33,851	135,546	111,921
Solar power station	1,952	2,098	5,179	4,965
	299,828	264,656	1,168,348	1,050,009
REVENUES FROM ENERGY SALES				
Wind power stations	14,133	11,822	70,785	55,804
Hydroelectric power stations	12,236	11,206	43,854	41,010
Thermal power stations	5,660	4,657	22,521	20,471
Solar power station	945	966	2,568	2,243
	32,974	28,651	139,728	119,528
EBITDA				
Wind power stations	9,567	6,872	58,388	42,316
Hydroelectric power stations	8,816	7,595	32,985	31,411
Thermal power stations	588	(614)	4,059	2,984
Solar power station	850	853	2,243	1,941
	19,821	14,706	97,675	78,652
Corporate and eliminations	(5,057)	(2,054)	(17,190)	(9,554)
	14,764	12,652	80,485	69,098
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(9,506)	(8,390)	(7,438)	(6,068)
Discontinued operations	312	917	1,936	1,700
	(9,194)	(7,473)	(5,502)	(4,368)
NET EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	($0.25)	($0.22)	($0.19)	($0.16)
Discontinued operations	$0.01	$0.02	$0.05	$0.04
	($0.24)	($0.20)	($0.14)	($0.12)
CASH FLOWS FROM OPERATIONS*				
In dollars	2,633	(5,135)	39,698	35,594
Per share (basic)	$0.07	($0.14)	$1.04	$0.94
Weighted average number of shares outstanding (basic)	38,390,851	37,748,196	38,240,855	37,741,137

*In 2013, as the scheduled payment date of the $8.3 million interest on the convertible debentures was on June 30, a Sunday, the payment was made on the following business day on July 2, 2013.

Statement of Financial Position Data

(in thousands of dollars)	As at September 30, 2014	As at December 31, 2013
Total assets	1,460,766	1,422,727
Debt*	713,104	662,948
Convertible debentures	232,062	229,578
Total equity	355,677	386,134

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

Analysis of Operating Results for the Three-Month Period Ended September 30, 2014

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

	Net loss (in thousands of dollars)	Per share (in $, basic)
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2013	(8,390)	($0.22)
Change:		
EBITDA	2,112	$0.06
Amortization	(1,232)	($0.03)
Financing costs	(1,608)	($0.05)
Foreign exchange effect	(386)	($0.01)
Financial instruments	(744)	($0.02)
Other gains	393	$0.01
Income taxes	267	$0.01
Non-controlling shareholders	82	—
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	(9,506)	($0.25)

For the three-month period ended September 30, 2014, Boralex's continuing operations generated net loss attributable to shareholders of $9.5 million or $0.25 per share (basic and diluted), compared with a net loss of $8.4 million or $0.22 per share (basic and diluted) for the same period of 2013. Owing to the seasonal cycle as discussed in a preceding section, the third quarter is typically one of the weakest of the year for the Corporation's two core segments: wind and hydroelectric power.

The $1.1 million or $0.03 per share adverse change in net loss between the two comparative periods resulted in large part from the inclusion in EBITDA for the third quarter of 2013 of $1.6 million in non-recurring revenue on receipt of shares from Resolute Forest Products ("Resolute") in relation to the settlement of a claim brought by Boralex. Excluding that $1.1 million after-tax item, net loss for the third quarter of 2014 would have been the same as in the comparable period of 2013. EBITDA growth from Boralex energy production, coupled with other favourable items of lesser significance, offset the $2.8 million aggregate increase in amortization and financing costs owing to the recent expansion in the Corporation's hydroelectric and wind power asset base and the unfavourable foreign exchange effect, as well the increase in foreign exchange losses and net losses on financial instruments.

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

	Revenues from energy sales		EBITDA	
	(in thousands of dollars)	%	(in thousands of dollars)	%
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2013	28,651		12,652	
Power stations commissioned*	3,953	13.8%	2,814	22.2%
Pricing	(263)	(0.9)%	(263)	(2.1)%
Volume	(280)	(1.0)%	(606)	(4.8)%
Translation of self-sustaining subsidiaries (exchange rate effect)	837	2.9%	407	3.2%
Development - prospecting	—	—	(126)	(1.0)%
Share of Joint Ventures	—	—	666	5.3%
Closure in 2013 of a non-strategic unit (thermal)	—	—	76	0.6%
Other	76	0.3%	(856)	(6.8)%
Change	4,323	15.1%	2,112	16.7%
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	32,974		14,764	

* Commissioning of the Vron wind farm in France in September 2013, the La Vallée wind power facility in France in December 2013 and the Jamie Creek hydroelectric power station in Canada in May 2014.

Revenues from Energy Sales

For the three-month period ended September 30, 2014, revenues from energy sales totalled $33.0 million, up $4.3 million or 15.1% year over year. In addition to the $0.8 million favourable impact of the weakening of Canada's currency against the euro and the U.S. dollar, revenue growth was driven by the $4.0 million additional contribution from French wind farms Vron and La Vallée, commissioned in the third and fourth quarters of 2013, respectively, and the new Jamie Creek hydroelectric power station in Canada, started up in the middle of the second quarter of 2014.

Conversely, Boralex recorded a $0.5 million revenue shortfall due to the decline in production at existing assets, primarily in the hydroelectric power segment, as well as to the decline in average selling prices at U.S. hydroelectric power stations not covered by energy sales contracts.

Note that, in accordance with IFRS, those results exclude Boralex's $9.9 million share in the revenues generated by Joint Venture Phase I of the Seigneurie de Beaupré wind farms in Québec, commissioned in the last few weeks of 2013, the impact of which is discussed in the *Proportionate Consolidation* section of this MD&A.

In total, Boralex generated 299,828 MWh of electricity in the third quarter of 2014 (excluding its share of the production of Joint Venture Phase I, the impact of which is discussed in the *Proportionate Consolidation* section of this MD&A), up 13.3% from 264,656 MWh for the same period of 2013. This growth resulted from the addition of the new French wind farms and Canadian hydroelectric power station. Excluding these new assets, production at the Corporation's existing assets remained steady compared with the previous year.

EBITDA and EBITDA Margin

Consolidated EBITDA for the third quarter of 2014 amounted to $14.8 million compared with $12.7 million for the corresponding quarter of 2013, up $2.1 million or 16.7%, despite the $1.6 million favourable item recognized in the third quarter of 2013. Excluding said item, energy production would have climbed 33.1% owing to the following key items:

- A $2.8 million additional contribution from the new wind and hydroelectric power assets;
- A $0.7 million improvement in Boralex's share in the Joint Venture Phase I and Joint Venture Phase II; and
- A $0.4 million favourable foreign exchange effect.

These various factors significantly offset the unfavourable volume effects totalling $0.9 million in the hydroelectric power segment, as well as the increase in development and prospecting costs.

EBITDA margin as a percentage of revenues rose to 44.8% for the third quarter of 2014 from 44.2% in the previous year (38.7% on exclusion of the non-recurring revenues recognized on receipt of the shares of Resolute).

Moreover, the consolidated EBITDA item *Share in earnings (losses) of the Joint Ventures* includes items not related to the EBITDA of Joint Venture Phase I and Joint Venture Phase II, which totalled $8.6 million for the third quarter of 2014, consisting primarily of amortization expense and financing costs (see the *Proportionate Consolidation* section of this MD&A).

Amortization

Amortization expense for the third quarter of 2014 rose $1.2 million to $14.4 million year over year, due to the commissioning of the new Jamie Creek hydroelectric power station and the addition of two new French wind power stations, as well as the unfavourable impact of approximately $0.4 million of the Canadian dollar's weakening against the euro and the U.S. currency on the amortization of Boralex's foreign assets.

Other Gains

Other gains amounting to $0.5 million resulted mainly from the realization of a gain in favour of Boralex on the contract related to its agreement with its French partner CUBE.

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

Financing costs for the third quarter of 2014 climbed $1.6 million to $14.2 million, owing primarily to new debt contracted for the construction and start-up of the Jamie Creek power station, as well as for expansion in the wind power segment in France, as well as to the $0.2 million foreign exchange effect on financing costs incurred in France triggered by the euro's appreciation. These items were partly offset however by the decrease in debt related to existing power stations, particularly the Thames River wind farm in Canada, by the repayment of the $35 million Canadian note in July 2014 and the refinancing of U.S. debt completed in 2013.

Boralex recorded a $0.3 million foreign exchange loss compared with a $0.1 million foreign exchange gain for the same quarter of the previous year, and recognized a $0.7 million net loss on financial instruments for an adverse change totalling $1.1 million. Note that *Net loss (gain) on financial instruments* consists primarily of the ineffective portion of financial instruments and does not represent a cash outlay for the Corporation during that period. Although all of the financial instruments used by Boralex are highly effective, they always include a very small ineffective portion.

Net Earnings (Loss) from Continuing and Discontinued Operations

Boralex ended the third quarter of 2014 with a $10.4 million net loss from continuing operations compared with a $9.2 million net loss for the same period of 2013, as well as with $0.3 million in net earnings from discontinued operations compared with $0.9 million year over year. Earnings from discontinued operations were generated by the sale of Renewable Energy Certificates ("RECs") generated by the U.S. wood-residue power stations that Boralex sold at the end of 2011; under the conditions of the sale transaction, Boralex is entitled to 50% of sales of RECs of these power stations in excess of a defined threshold for 2012, 2013 and 2014 inclusively.

Net Loss Attributable to Shareholders of Boralex

Excluding the interest of non-controlling shareholders, Boralex finished the three-month period ended September 30, 2014 with a net loss attributable to shareholders of $9.2 million or $0.24 per share (basic and diluted), compared with a net loss of $7.5 million or $0.20 per share (basic and diluted) for the same quarter of 2013.

TO SUM UP,

although the third quarter is typically the year's least active due to the seasonal nature of Boralex's main operations, operating results for the three-month period ended September 30, 2014 confirm the expansion strategy in our wind and hydroelectric power segments.

Analysis of Operating Results for the Nine-Month Period Ended September 30, 2014

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

	Net loss (in thousands of dollars)	Per share (in $, basic)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013	(6,068)	($0.16)
Change:		
EBITDA	11,387	$0.30
Amortization	(4,677)	($0.12)
Impairment of property, plant and equipment	266	$0.01
Financing costs	(4,539)	($0.12)
Foreign exchange effect	(649)	($0.02)
Financial instruments	(2,829)	($0.07)
Other gains	884	$0.02
Income taxes	(755)	($0.02)
Non-controlling shareholders	(458)	($0.01)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	(7,438)	($0.19)

For the nine-month period ended September 30, 2014, Boralex's continuing operations generated a net loss attributable to shareholders of $7.5 million or $0.19 per share (basic and diluted), compared with a net loss of $6.1 million or $0.16 per share (basic and diluted) for the same period of 2013. As discussed in the previous section, this $1.4 million adverse change emanated in large part from the recognition and inclusion in EBITDA in the third quarter of 2013 of non-recurrent revenue totalling $1.6 million ($1.1 million net of income taxes). Excluding that item, there was only a slight unfavourable change in net loss. The substantial increase in EBITDA from energy production nearly completely offset the following main adverse changes:

- An aggregate increase of $9.2 million in amortization and financing costs (owing in part to a $3.5 million unfavourable foreign exchange effect originating from those items); and
- Adverse changes totalling $3.5 million in foreign exchange gains and losses and net gains and losses on financial instruments.

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

	Revenues from energy sales (in thousands of dollars)	%	EBITDA (in thousands of dollars)	%
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013	119,528		69,098	
Power stations commissioned*	10,784	9.0%	7,874	11.4%
Pricing	(113)	(0.1)%	(113)	(0.2)%
Volume	2,602	2.2%	2,553	3.7%
Translation of self-sustaining subsidiaries (exchange rate effect)	7,002	5.9%	4,273	6.2%
Raw material costs	—	—	888	1.3%
Maintenance	—	—	(353)	(0.5)%
Development - prospecting	—	—	(789)	(1.1)%
Share of Joint Ventures	—	—	2,650	3.8%
Closure in 2013 of a non-strategic unit (thermal)	—	—	(360)	(0.5)%
Other	(75)	(0.1)%	(5,236)	(7.6)%
Change	20,200	16.9%	11,387	16.5%
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	139,728		80,485	

* Commissioning of the Vron wind farm in France in September 2013, the La Vallée wind power facility in France in December 2013 and the Jamie Creek hydroelectric power station in Canada in May 2014.

Revenues from Energy Sales

For the nine-month period ended September 30, 2014, revenues from energy sales totalled $139.7 million, up $20.2 million or 17.0% from the same period of 2013. As shown in the previous table, over half of that growth–$10.8 million–was driven by the addition of new wind and hydroelectric power assets in the second quarter of 2014 and the second half of 2013. Furthermore, higher output from existing assets contributed an additional $2.6 million in revenues, which offset the slightly unfavourable price effect. Lastly, revenues got a boost from a $7.0 million favourable exchange effect prompted by the rise in the euro and U.S. dollar against Canada's currency.

Note that those results exclude Boralex's $32.5 million share in the revenues generated by the Joint Venture Phase I of the Seigneurie de Beaupré wind farms commissioned in December 2013 (see the *Proportionate Consolidation* section of this MD&A).

Year to date, Boralex has generated 1,168,348 MWh of electricity (excluding its share of the production of Joint Venture Phase I), up 11.3% from 1,050,009 MWh for the first three quarters of 2013. This growth resulted from the addition of the two new French wind farms and the Canadian hydroelectric power station, coupled with a 2.3% increase in production at the Corporation's existing power stations.

EBITDA and EBITDA Margin

Consolidated EBITDA for the first nine months of 2014 amounted to $80.5 million, up $11.4 million or 16.5% from $69.1 million for the corresponding period of 2013. Once the recognition of shares received from Resolute is excluded from EBITDA for fiscal 2013, year-to-date EBITDA margin as a percentage of revenues stood at 57.6% compared with 56.5% for the prior year. In addition to the $4.3 million favourable foreign exchange effect, EBITDA growth for the nine-month period stemmed from the following key favourable factors:

- A $7.9 million contribution from French wind farms Vron and La Vallée and the Jamie Creek hydroelectric power station;
- A $2.6 million volume effect, largely attributable to the existing wind power farms;
- A $2.7 million favourable change in the *Share in earnings (losses) of the Joint Ventures* despite the inclusion of items not related to the EBITDA of Joint Venture Phase I and Joint Venture Phase II, consisting primarily of amortization expense and financing costs, which totalled $26.9 million (see the *Proportionate Consolidation* section of this MD&A); and
- A $0.9 million decrease in raw material costs.

In the aggregate, these items more than offset the various unfavourable items totalling $6.9 million, consisting primarily of:

- The non-recurrence of certain favourable items recognized in 2013, including the recognition of $1.6 million on receipt of shares, a $1.6 million provision reversal and the receipt of insurance proceeds;
- A $0.8 million increase in development and prospecting costs;
- A $0.4 million shortfall triggered by the closure of a non-strategic unit in the thermal power segment in 2013;
- A $0.4 million increase in maintenance costs; and
- A slight $0.1 million unfavourable price effect.

Amortization

Amortization expense for the first nine months of 2014 rose $4.7 million to $44.6 million year over year, due to the commissioning of the Jamie Creek power station, the addition of the two new French wind farms and the $2.4 million unfavourable exchange effect related to the Canadian dollar's weakening against the euro and the U.S. dollar.

Other Gains

Other gains amounting to $1.1 million resulted mainly from the realization of gains under the contract entered into with its French partner CUBE.

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

Year-to-date financing costs climbed $4.5 million to $42.2 million, owing primarily to new debt contracted for the construction of Jamie Creek and expansion in the wind power segment in France, as well as to the $1.2 million impact of the euro's appreciation on financing costs incurred in France. However, these items were partly offset by the decrease in debt related to existing sites, particularly the repayment of the $35 million Canadian note, and the refinancing of the U.S. debt in 2013.

Boralex recorded a $0.4 million foreign exchange loss and a $2.2 million net loss on financial instruments, representing a total adverse change of $3.5 million compared with the foreign exchange gain and net gain on financial instruments recorded last year.

Net Earnings (Loss) from Continuing Operations and Discontinued Operations and Net Loss Attributable to Shareholders of Boralex

Boralex ended the first nine months of 2014 with a net loss from continuing operations of $7.4 million compared with $6.5 million for the same period of 2013, and net earnings from discontinued operations of $1.9 million compared with $1.7 million in 2013, from the sale of RECs. Excluding the interest of non-controlling shareholders, Boralex finished the nine-month period ended September 30, 2014 with a net loss attributable to shareholders of $5.5 million or $0.14 share (basic and diluted).

TO SUM UP,

apart from the fact that under IFRS, the significant positive contribution of the Joint Venture Phase I is reflected only partially and while the Corporation's net loss was affected by certain items beyond its control, including changes in foreign exchange rates, year-to-date revenue and EBITDA growth bore witness to the merits and strengths of Boralex's growth strategy.

Review of Operating Segments

Wind Power Stations

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

	Three-month periods ended				Nine-month periods ended			
	Revenues from energy sales		EBITDA		Revenues from energy sales		EBITDA	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
SEPTEMBER 30, 2013	11,822		6,872		55,804		42,316	
Power stations commissioned*	1,459	12.3%	847	12.3%	7,386	13.2%	5,323	12.6%
Pricing	60	0.5%	60	0.9%	302	0.5%	302	0.7%
Volume	404	3.4%	404	5.9%	3,597	6.4%	3,597	8.5%
Translation of self-sustaining subsidiaries (exchange	386	3.3%	231	3.4%	3,656	6.6%	2,827	6.7%
Maintenance	—	—	(241)	(3.5)%	—	—	(306)	(0.7)%
Share of Joint Ventures	—	—	1,141	16.6%	—	—	4,492	10.6%
Other	2	—	253	3.7%	40	0.1%	(163)	(0.4)%
Change	2,311	19.5%	2,695	39.2%	14,981	26.8%	16,072	38.0%
SEPTEMBER 30, 2014	14,133		9,567		70,785		58,388	

* Vron and La Vallée wind farms in France commissioned in September 2013 and December 2013, respectively.

Operating Results for the Three-Month Period

Year over year, wind power segment revenue and EBITDA growth for the third quarter of 2014 amounted to 19.5% and 39.2%, respectively, fuelled by expansion in Boralex's asset base in France over the past year and a good showing by Canadian power stations.

Production

For the three-month period ended September 30, 2014, wind power segment electricity production was up 15.6% from the same period a year earlier, totalling 112,029 MWh (excluding the contribution from Joint Venture Phase I, whose impact is discussed in the *Proportionate Consolidation* section of this MD&A). This growth was sparked by the commissioning of the French power stations Vron and La Vallée in the second half of 2013, coupled with a 13.3% rise in production at the Thames River wind farms in Ontario, Canada, spurred by generally favourable wind conditions and improved equipment availability compared with the third quarter of 2013. Despite enjoying very solid equipment availability rates, the existing French power stations reported a slight easing in quarterly production of 0.4%, owing to less favourable wind conditions than in the third quarter of last year.

Revenues

Excluding the contribution from Joint Venture Phase I, wind power segment revenues for the third quarter of 2014 totalled $14.1 million, up $2.3 million or 19.5% from the same period of 2013. As shown in the table, revenue growth was fuelled largely by an additional $1.5 million revenue contribution from the two new French power stations, combined with a $0.4 million favorable volume effect recorded by the Canadian assets, a $0.4 million favourable foreign exchange effect triggered by the euro's strengthening against the Canadian dollar, as well as a slightly favourable price effect.

Broken down geographically, excluding the foreign exchange effect, third-quarter revenues in euros at French power stations were up 16.4% year over year, due to the addition of the La Vallée and Vron facilities, as revenues from existing power stations were flat. At the Canadian power stations, revenues were up 13.5% (excluding Joint Venture Phase I).

EBITDA

Third-quarter wind power segment EBITDA grew $2.7 million or 39.2% year over year, with EBITDA margin rising to 67.7% from 58.1% for the same quarter of 2013. These encouraging results were fuelled by the following key factors:

- A $1.1 million improvement in Boralex's share of the results of Joint Venture Phase I and Joint Venture Phase II;
- The $0.8 million contribution from the new French wind farms Vron and La Vallée;
- Favourable volume and price effects totalling $0.5 million;
- A $0.2 million favourable foreign exchange effect; and
- In the aggregate, various other favourable items of lesser significance offset the $0.2 million increase in maintenance costs.

Allocated geographically, EBITDA from the French operations was up 16.3% in euros, that is, excluding the foreign exchange effect, owing in particular to contributions from new power stations. In Canada, EBITDA from the Thames River power stations was up 19.8% due mainly to the volume effect.

Note that owing to the seasonal cycle to which the wind power segment is exposed, and as discussed in the preceding Seasonal Factors section of this MD&A, the second and third quarters are typically weaker than the first and fourth quarters of the year.

Operating Results for the Nine-Month Period

Since the beginning of fiscal 2014, the wind power segment has continued to be Boralex's growth powerhouse, generating increases in production, revenues and EBITDA of 18.8%, 26.8 % and 38.0%, respectively, compared with the first nine months of 2013. EBITDA rose to $58.3 million without factoring in the full impact of Joint Venture Phase I (as discussed in the *Proportionate Consolidation* section of this MD&A).

The strong performance in the wind power segment was spurred by the 62% increase in its installed capacity in operation during the last few months of 2013 and favourable results by the existing power stations, particularly in France. Furthermore, nearly $168 million in additional funds have been invested year to date to develop the wind power segment, including $7.9 million to acquire the new Calmont power station under development in France, and $55.4 million by Joint Venture Phase I and Joint Venture Phase II.

Production

For the nine-month period ended September 30, 2014, the wind power segment produced 540,396 MWh (excluding the contribution from Joint Venture Phase I, whose impact is discussed in the *Proportionate Consolidation* section of this MD&A), compared with 454,941 MWh for the corresponding period of last year. The 18.8% increase stemmed from the contribution of the new Vron and La Vallée power stations in France commissioned in September and December 2013, respectively, coupled with a 6.1% increase in total production at the existing wind farms. Production at the existing wind power assets in France was up 9.6 % due to favourable wind conditions and equipment availability. Output for the nine-month period at the Thames River facilities in Canada held relatively steady year over year.

Note that geographic diversification in Boralex's wind power segment continues to have a beneficial smoothing effect, as changes in weather conditions impact operating areas differently.

Revenues

Wind power segment revenues for the first nine months of 2014 totalled $70.8 million, up $15.0 million from $55.8 million from the same period a year earlier. As shown in the preceding table, this increase was attributable to the following factors, listed in order of importance:

- A $7.4 million contribution from the two new French wind farms;
- A $3.7 million favourable foreign exchange effect prompted by the euro's rise against the Canadian dollar;
- Higher production at existing French power stations, adding $3.6 million to wind power segment revenues; and
- A $0.3 million favourable price effect resulting from contractual selling price indexation.

Breaking down results geographically, the French power stations posted revenue growth of 29.8% in euros (excluding the foreign exchange effect), including organic growth of 10.2%. Revenues from the Canadian Thames River facilities were relatively unchanged from the same period of 2013 (excluding Joint Venture Phase I).

EBITDA

For the nine-month period ended September 30, 2014, wind power segment EBITDA was up $16.1 million from the same period of 2013, while EBITDA margin climbed to 82.5% from 75.8% year over year. The additional contribution from the same four revenue growth drivers-the new power stations we commissioned, the volume effect, the foreign exchange effect and the price effect-added an aggregate $12.0 million to wind power segment EBITDA compared with the first nine months of 2013. In addition, the results of Joint Venture Phase I and Joint Venture Phase II, recorded under *Share of Joint Ventures*, boosted EBITDA by $4.5 million, despite the inclusion of items not related to EBITDA of Joint Ventures, consisting primarily of amortization expense and financing costs. The Boralex management team derives great satisfaction from the contribution of Joint Venture Phase I for its first nine months of operation and believes that its productivity bodes well for the future.

Broken down geographically, EBITDA at the French operations was up 31.2% in euros, that is, excluding the foreign exchange effect, driven by contributions from new power stations, favourable productivity at existing facilities and higher selling prices. These items readily offset the increase in certain costs, such as maintenance costs. In Canada (excluding the results of Joint Venture Phase I and Joint Venture Phase II), year-to-date EBITDA at the existing Thames River wind farms improved slightly on the results from the same period a year earlier.

Recent Significant Events

As discussed in greater detail in previous sections of this MD&A, the wind power segment significantly expanded its operating base in the third and fourth quarters of fiscal 2013, with the commissioning the French wind farms Vron and La Vallée totalling 40 MW and the 272 MW Joint Venture Phase I (Boralex's share: 136 MW) of the Seigneurie de Beaupré wind farms. Since Joint Venture Phase I is accounted for using the equity method under IFRS, its full contribution is discussed in the *Proportionate Consolidation* section later in this MD&A.

The above mentioned commissioning of power stations added 176 MW (Boralex's share) to the wind power segment's operating base, representing a 62% expansion. This will significantly impact Boralex's performance and financial position in 2014 and beyond, particularly since other large-scale projects will be commissioned late in 2014 and into 2015.

More recently, namely on July 30, 2014, Boralex continued its expansion with the acquisition, through its subsidiary Boralex Europe S.A., of 100% of the shares of an entity owning the 14 MW Calmont wind power project under development in the Midi-Pyrénées region of France. Covered by a 15-year energy sales contract with EDF, the Calmont wind power project is to be commissioned by the end of 2015.

Recent highlights regarding other wind power projects currently under development are as follows:

- Implementation of construction work of the 68 MW Joint Venture Phase II (Boralex's share: 34 MW) which is currently well on track;
- Launch of construction on the 25 MW Témiscouata I community wind power project in Québec, developed jointly with Témiscouata RCM, in Québec, and the completion of $64.1 million in financing for this project;
- Beginning of construction work at the 50 MW Témiscouata II wind farm, following approval by the *Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques* and completion of $142.7 million in financing for this project; and
- Completion of €65 million ($92 million) in financing for the Fortel-Bonnières and St-François power stations in France, which are currently under construction.

Hydroelectric Power Stations

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

	Three-month periods ended				Nine-month periods ended			
	Revenues from energy sales		EBITDA		Revenues from energy sales		EBITDA	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
SEPTEMBER 30, 2013	11,206		7,595		41,010		31,411	
Power station commissioned*	2,494	22.3%	1,967	25.9%	3,399	8.3%	2,551	8.1%
Pricing	(371)	(3.3)%	(371)	(4.9)%	(49)	(0.1)%	(49)	(0.2)%
Volume	(1,447)	(12.9)%	(1,447)	(19.1)%	(2,344)	(5.7)%	(2,344)	(7.5)%
Translation of self-sustaining subsidiaries (exchange rate effect)	278	2.5%	182	2.4%	1,680	4.1%	1,327	4.2%
Maintenance	—	—	484	6.4%	—	—	29	0.1%
Other	76	0.7%	406	5.3%	158	0.4%	60	0.2%
Change	1,030	9.2%	1,221	16.1%	2,844	6.9%	1,574	5.0%
SEPTEMBER 30, 2014	12,236		8,816		43,854		32,985	

* 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)	2014	2013
Three-month periods ended September 30:		
Actual	139,938	131,786
Historical average (1)	148,955	116,576
Nine-month periods ended September 30:		
Actual	487,227	478,182
Historical average (1)	511,202	459,678
Annual historical average (1)	623,292	623,490

(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, budgeted data were used to calculate the historical average.

The hydroelectric power segment performed well in the third quarter of 2014, reporting production, revenue and EBITDA growth of 6.2%, 9.2% and 16.1%, respectively, owing primarily to the commissioning of the Jamie Creek power station in British Columbia in May 2014. Apart from this commissioning, the existing power stations operated, in summer 2014, under water flow conditions typical for this period of the year, compared with exceptionally favourable conditions in summer 2013, which explains the decline in year over year results.

Operating Results for the Three-Month Period

Production

Hydroelectric power segment production totalled 139,938 MWh compared with 131,786 MWh for the same period of 2013. Although comparable to the historical average for this period of the year, the output of all existing power stations (excluding the contribution from Jamie Creek) decreased 12.9% compared with the third quarter of 2013, for the reason discussed previously. Breaking down results geographically, output declined by 13.6% and 11.6%, respectively at the U.S. power stations and existing Canadian facilities.

Revenues

Hydroelectric power segment revenues were up $1.0 million owing mainly to a $2.5 million contribution from the Jamie Creek power station combined with a $0.3 million favourable foreign exchange effect attributable to the U.S. dollar 's strength against Canada's currency. However, revenues were curbed by a $1.4 million unfavourable volume effect caused by lower production compared with particularly high levels in summer 2013 and a $0.4 million unfavourable price effect resulting in part from the decline in average selling electricity prices in the New York State open market compared with the same period last year but also from the fact that the Middle Falls contract expired in 2013. Note that electricity market prices, which are correlated to natural gas prices, can fluctuate significantly from period to period.

Breaking down results geographically, the Canadian power stations posted 44.8% growth in their revenues including Jamie Creek, but declined 7.9% excluding this power station. Revenues at U.S. power stations decreased 20.5% in U.S. dollars, that is, excluding the foreign exchange effect, due to the combined effect of lower output and the fall in their average selling price.

EBITDA
Hydroelectric power segment EBITDA was up $1.2 million, particularly due to U.S. power stations performing well over the period, but also to Jamie Creek's contribution and the favourable foreign exchange effect. Profitability at existing Canadian hydroelectric power stations was down approximately $0.5 million owing to a negative volume effect. Lastly, hydroelectric power segment EBITDA margin fell to 79.5% from 79.9% year over year. This slight decline was partly attributable to the run-in period at the new power station.

Operating Results for the Nine-Month Period
Despite water flow conditions generally less favourable than in 2013, Boralex's hydroelectric power segment maintained its role as a reliable source of earnings for the Corporation by generating year-to-date EBITDA of $33.0 million on revenues of $43.9 million, representing an EBITDA margin of 75.2%.

Production
Hydroelectric segment production totalled 487,227 MWh for the first nine months of 2014, compared with 478,182 MWh in 2013. Excluding the contribution from Jamie Creek, production fell a slight 5.7 % compared with the previous year, but was in line with historical averages. Output at U.S. power stations for the nine-month period was relatively stable compared with the historical average as well as the previous year. The strong second-quarter performance at those facilities offset the drop in production caused by poor water flow conditions in the first and third quarters, as well as major maintenance work at one of the units. Production at Canadian power stations was up 7.9% including Jamie Creek. Excluding Jamie Creek, production was down 12.8% year over year and 8.8% below the historical average, owing primarily to less favourable water flow conditions than in 2013.

Revenues
The hydroelectric segment generated revenues of $43.9 million for the first nine months of 2014, up $2.8 million or 6.9% from the same period of 2013, driven primarily by additional revenues of $3.4 million contributed by the Jamie Creek power station and a favourable exchange rate effect of $1.7 million, which more than offset the negative volume effect of $2.3 million.

Revenues at U.S. power stations declined 2.8% in U.S. dollars, owing to lower production volumes and average selling prices. Revenues generated in Canada were up 11.3%, including the contribution from the Jamie Creek power station, but declined 9.0%, excluding this contribution, due to less favourable weather conditions than in 2013.

EBITDA
Hydroelectric power segment EBITDA for the first nine months of 2014 rose $1.6 or 5.0% million to $33.0 million. However, EBITDA margin fell slightly from 76.6% in 2013 to 75.2% this year, resulting partly from the Jamie Creek power station's commissioning and run-in period.

Combined EBITDA at the U.S. power stations declined 4.2% in U.S. dollars, owing to the slightly lower production volume, decrease in average selling prices, increase in maintenance costs and the non-recurrence of certain favourable items recognized in 2013. EBIDTA at Canadian power stations rose 9.0%, including Jamie Creek, but declined 11.7% excluding this facility, primarily due to lower production volume at existing power stations.

Recent Significant Events
On May 16, 2014, Boralex commissioned its 22 MW Jamie Creek hydroelectric power station in British Columbia, Canada, which is expected to produce approximately 70,000 MWh per year. This power station is nearing the end of its run-in and adjustment period and should soon deliver its full operating potential.

At the end of June 2013, Boralex begun the work required at its Buckingham power station in Québec, Canada, to comply with the *Dam Safety Act*. Approximately $4 million will be invested in 2014, and the Corporation expects to invest an additional $7 million in 2015. Work was started in summer 2014 and is still ongoing.

Thermal Power Stations

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

	Three-month periods ended				Nine-month periods ended			
	Revenues from energy sales		EBITDA		Revenues from energy sales		EBITDA	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
SEPTEMBER 30, 2013	4,657		(614)		20,471		2,984	
Pricing	46	1.0%	46	7.5%	(373)	(1.8)%	(373)	(12.5)%
Volume	835	17.9%	509	82.9%	1,239	6.1%	1,190	39.9%
Translation of self-sustaining subsidiaries (exchange rate effect)	124	2.7%	(9)	(1.5)%	1,457	7.1%	220	7.4%
Capacity premiums	—	—	—	—	(268)	(1.3)%	(268)	(9.0)%
Raw material costs	—	—	519	84.5%	—	—	888	29.8%
Maintenance	—	—	62	10.1%	—	—	(35)	(1.2)%
Closure in 2013 of a non-strategic unit (thermal)	—	—	76	12.4%	—	—	(360)	(12.1)%
Other	(2)	—	(1)	(0.2)%	(5)	—	(187)	(6.3)%
Change	1,003	21.5%	1,202	195.8%	2,050	10.0%	1,075	36.0%
SEPTEMBER 30, 2014	5,660		588		22,521		4,059	

Operating Results for the Three-Month Period

Note that in light of the thermal power stations' operating patterns, as discussed in the *Seasonal Factors* section of this MD&A, the Senneterre, Québec facility produced electricity throughout the third quarter, compared with two months only during the same quarter of 2013. The Blendecques power station in France did not produce any electricity during the two comparative periods. (Note that this facility continues nevertheless to supply its industrial client with steam during the seasonal shutdown of power production.) Accordingly, most of the changes commented below resulted from this additional month of production at the Senneterre power station.

Production

The thermal power segment produced 45,909 MWh of electricity in the third quarter of 2014 compared with 33,851 MWh for the same period of 2013, owing to the additional month of production at the Senneterre power station. Steam production at the Blendecques power station was slightly higher than in the third quarter last year.

Revenues

Thermal power segment revenues for the third quarter of 2014 were up $1.0 million or 21.5% year over year to $5.7 million, due to the fact that the Senneterre power station operated for one extra month and, to a lesser extent, to the favourable foreign exchange effect of the euro's appreciation against the Canadian dollar and a slight favourable price effect.

EBITDA

Thermal power segment reported positive EBITDA of $0.6 million compared with negative EBITDA of $0.6 million for the same quarter in 2013. Apart from the favourable volume effect of $0.5 million attributable to the additional month of production at the Senneterre power station, the $1.2 million improvement in segment EBITDA stemmed from the $0.5 million reduction in costs of raw materials used by the two power stations, including a decrease of over $0.4 million in the cost of wood residue consumed by the Senneterre power station. As management had anticipated, the new agreement with Hydro-Québec under which the Senneterre power station generates electricity during eight months per year for fiscal years 2014 to 2018 inclusively (instead of six months per year only according to the agreement effective in 2012 and 2013) provides the power station with wood-residue supplies of better quality at a lower cost. Thermal segment profitability in the third quarter also benefited from lower maintenance costs and savings generated from the closure of a non-strategic unit in 2013.

Operating Results for the Nine-Month Period

During the nine-month period ended September 30, 2014, and owing to the thermal power stations' operating patterns discussed in the *Seasonal Factors* section of this MD&A, the Senneterre and Blendecques power stations produced electricity for seven- and three-month periods, respectively, compared with five- and four-month periods, respectively, in 2013.

Production

The thermal power segment generated 135,546 MWh of electricity during the first nine months of 2014, up 21.1% from 111,921 MWh in 2013. Production at the Senneterre, Québec power station was up 38.3% year over year owing to two extra months of operations and to the station's overall strong performance. However, the Blendecques power station's production declined 29.6%, primarily as a result of an extra month of production in 2013. Its steam production was relatively unchanged from the first nine months of 2013.

Revenues

Thermal power segment revenues rose $2.1 million or 10.0% to $22.5 million for the first nine months of 2014, driven by the Senneterre power station whose revenues grew $2.4 million or 31.0% due to higher production volume and capacity premiums combined with its selling price indexation. Despite a favourable exchange effect of $1.5 million, revenues at the Blendecques power station declined marginally, owing to lower volume and capacity premiums, and the lower average electricity selling price under its new power sales contract with EDF.

Note that, although less favourable than the previous contract in certain respects, the new 12-year contract with EDF provides Boralex with the opportunity to generate attractive returns on the €6 million investment earmarked this year for the power station's modernization. This work began in spring 2014 and was completed in October 2014. The new equipment was commissioned as scheduled on November 1, 2014.

EBITDA

The segment's EBITDA for the nine-month period ended September 30, 2014 stood at $4.1 million, compared with $3.0 million in 2013. The $1.1 million or 36.0% increase is attributable to the Senneterre power station whose EBITDA rose $2.2 million, driven by higher output, capacity premiums and selling prices coupled with the lower raw material costs as discussed previously. These items more than offset the increase in certain costs, including maintenance costs. The Blendecques power station reported a $0.7 million decrease in its EBITDA owing to the same factors that affected its revenues, which were however mitigated by the $0.2 million favourable exchange rate effect and nearly $0.4 million in savings related to raw material and maintenance costs.

Solar Power Station

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

	Three-month periods ended				Nine-month periods ended			
	Revenues from energy sales		EBITDA		Revenues from energy sales		EBITDA	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
SEPTEMBER 30, 2013	966		853		2,243		1,941	
Pricing	2	0.2%	2	0.2%	8	0.4%	8	0.4%
Volume	(72)	(7.5)%	(72)	(8.4)%	109	4.9%	109	5.6%
Translation of self-sustaining subsidiaries (exchange rate effect)	48	5.0%	43	5.0%	209	9.3%	179	9.2%
Maintenance	—	—	45	5.3%	—	—	100	5.2%
Other	1	0.1%	(21)	(2.5)%	(1)	—	(94)	(4.8)%
Change	(21)	(2.2)%	(3)	(0.4)%	325	14.5%	302	15.6%
SEPTEMBER 30, 2014	945		850		2,568		2,243	

Operating Results for the Three-Month Period

Boralex's sole solar power station currently in operation generated 1,952 MWh for the three-month period ended September 30, 2014, down from 2,098 MWh in 2013, owing to a slightly lower rate of irradiation. Despite the marginal decline in productivity, solar power revenues and EBITDA were both comparable to 2013 levels, due to the favourable exchange rate effect, reaching $0.9 million and $0.9 million, respectively, representing an EBITDA margin of 89.9%.

Operating Results for the Nine-Month Period

For the nine-month period ended September 30, 2014, the solar power station generated 5,179 MWh of electricity, up 4.3% from 4,965 MWh in 2013. Revenues and EBITDA both rose by $0.3 million to $2.6 million and $2.2 million, respectively, representing an EBITDA margin of 87.3%, driven by higher volume resulting from sunlight conditions generally more favourable than in 2013, coupled with the favourable foreign exchange effect.

Since the mid-June 2011 commissioning, productivity and profitability at Boralex's first solar power station have met management's expectations. Note however that a gradual decline in solar equipment productivity is a normal phenomenon in the life cycle of this type of production facility. While the facility's contribution to the Corporation's consolidated results remains marginal, Boralex's management believes that its strong performance reflects the intrinsic quality of this first solar project with regard to choice of technology, location and contractual benefits, as well as the growing expertise of the Boralex team.

Cash Flows

(in thousands of dollars)	Three-month periods ended September 30 2014	2013	Nine-month periods ended September 30 2014	2013
Cash flows from operations	2,633	(5,135)	39,698	35,594
Change in non-cash items related to operating activities	8,143	6,941	8,759	20,959
Net cash flows related to operating activities	10,776	1,806	48,457	56,553
Net cash flows related to investing activities	(88,680)	(56,325)	(129,602)	(115,292)
Net cash flows related to financing activities	47,765	68,114	51,766	83,602
Cash from discontinued operations	352	904	2,279	1,970
Translation adjustment on cash and cash equivalents	686	(646)	255	2,096
NET CHANGE IN CASH AND CASH EQUIVALENTS	(29,101)	13,853	(26,845)	28,929
CASH AND CASH EQUIVALENTS - END OF PERIOD	98,097	136,067	98,097	136,067

Analysis of Cash Flows for the Three-Month Period

Operating Activities

During the three-month period ended September 30, 2014, Boralex reported $2.6 million or $0.07 per share (basic) in cash flows from operations compared with negative cash flows from operations of $5.1 million or $0.14 per share for the same quarter in 2013. Excluding the $8.3 million interest payment on convertible debentures made in July 2013 instead of in June, cash flows from operations would have amounted to $3.1 million or $0.08 per share for the third quarter of 2013. Excluding non-cash items from net loss for both comparative periods, the $0.5 million decrease in adjusted cash flows from operations resulted primarily from higher payments related to financing costs, partially offset by improved EBITDA in 2014.

The change in non-cash items related to operating activities freed up an additional $8.2 million in cash (compared with $6.9 million for 2013). In the third quarter of 2014, cash was generated primarily by the decrease in *Trade and other receivables* resulting from the seasonal cycle and the receipt of taxes receivable as at June 30, 2014 for the Témiscouata II project. The decrease was partly offset by the payment of trade payables related to the Témiscouata II project.

In light of the foregoing, operating activities generated net cash flows totalling $10.8 million in the third quarter of 2014 compared with $1.8 million for the same quarter in the previous year.

Investing Activities

The third quarter of 2014 saw investments of $88.7 million, net of cash of $2.7 million drawn from restricted cash, in particular for the payment of construction work at Jamie Creek.

An amount of $78.5 million was earmarked for additions to property, plant and equipment, including $75.6 million for ongoing development projects and $2.9 million for the maintenance of existing infrastructure. More specifically, Boralex incurred the following expenditures for development projects:

- $72.4 million for developing the wind power segment (excluding $22.3 million for Boralex's share of investments earmarked for the Joint Ventures Phases I and II) including $52.6 million for the Témiscouata I and II projects in Québec, and $19.3 million for the Fortel-Bonnières and St-François projects in France;
- $2.1 million for upgrading the Blendecques natural gas power station in France; and
- $1.1 million for developing the Jamie Creek hydroelectric power station in British Columbia, Canada.

The other investments required an amount of $12.9 million, mainly:

- $7.9 million to acquire the Calmont wind power farm under development in France;
- $2.7 million to acquire Boralex's interest in the Joint Venture in Denmark;
- $1.4 million to acquire 27% of the share capital of CelluFuel Inc., a Canadian company specializing in the development of a new technology for producing synthetic renewable diesel fuel from wood fibre; and
- $0.6 million for various development projects of the Corporation.

Financing Activities

During the third quarter of 2014, financing activities generated total net cash inflows of $47.8 million. Excluding the $4.2 million drawdown on its revolving credit facility, Boralex contracted further non-current debt in the amount of $66.6 million (net of financing costs), primarily for the construction of the Fortel-Bonnières and St-François wind farms in France and the Témiscouata I wind farm in Canada. Conversely, the Corporation repaid $18.8 million in non-current debt in the normal course of its operations.

Boralex also paid a dividend of $5.0 million or $0.13 per share to its shareholders, under the new policy of quarterly dividends introduced in February 2014. Last, Boralex also received $0.6 million in the form of a capital injection by Côte-de-Beaupré RCM, its partner in the Témiscouata I wind power project in Québec.

Analysis of Cash Flows for the Nine-Month Period

Operating Activities

During the nine-month period ended September 30, 2014, Boralex reported $39.7 million or $1.04 per share (basic) in cash flows from operations compared with $35.6 million or $0.94 per share for the same period in 2013. Excluding non-cash items from net loss for both comparative periods, the $4.1 million increase in cash flows from operations resulted primarily from improved EBITDA and other gains, partially offset by higher payments related to financing costs.

The change in non-cash items related to operating activities generated cash of $8.8 million (compared with $21.0 million in 2013). For the nine-month period ended September 30, 2014, cash was generated primarily by the decrease in *Trade and other receivables* resulting from the seasonal cycle, partly offset by higher prepaid expenses and lower *Trade and other payables.*

In light of the foregoing, operating activities generated cash flows totalling $48.5 million in the first nine months of 2014 compared with $56.6 million for the same period in the previous year.

Investing Activities

Investing activities since the beginning of fiscal 2014 resulted in cash outflows of $129.6 million, net of $12.4 million in restricted cash drawdowns, particularly for the construction of the Jamie Creek power station and the La Vallée wind farm. Investments comprised primarily of an amount of $120.1 million earmarked for the acquisition of property, plant and equipment, including $115.3 million for ongoing development projects of the Corporation and $4.8 million for the maintenance and upgrading of existing infrastructure. The main investments in development projects are detailed as follows:

- $97.5 million for developing the wind power segment (excluding $55.3 million for Boralex's share of investments earmarked for the Joint Ventures Phases I and II) including $57.4 million for the Témiscouata I and II projects in Québec, and $39.5 million for the La Vallée, Fortel-Bonnières and St-François projects in France;
- $11.5 million for the construction of the Jamie Creek hydroelectric power station in British Columbia, Canada; and
- $6.3 million for upgrading the Blendecques natural gas power station in France.

The other investments required an amount of $21.9 million, mainly:

- $7.9 million to acquire the Calmont wind power farm in France;
- $6.1 million to increase Boralex's share in the Joint Ventures, comprising $3.4 million for Joint Venture Phase II and $2.7 million for the Joint Venture in Denmark;
- $1.4 million to acquire 27% of the share capital of CelluFuel Inc.; and
- $5.6 million for various development projects of the Corporation, primarily the Témiscouata II wind power project in Québec.

Financing Activities

For the nine-month period ended September 30, 2014, financing activities generated net cash flows totalling $51.8 million.

On June 27, 2014, Boralex announced the closing of refinancing of its revolving credit facility in the amount of $130.0 million, replacing its $60.0 million revolving credit facility expiring on June 30, 2014. The increase in its revolving credit facility provides the Corporation with greater financial flexibility to further support its development. The new revolving credit facility with an initial term of four years and renewable annually thereafter is secured by the assets of Boralex Inc., its power stations located in Québec, and the investments in its U.S. operations.

In parallel with this refinancing, Boralex temporarily drew an amount of $33.3 million from its revolving credit facility, particularly for the repayment of the $35.0 million Canadian note that matured in July 2014. In addition to this note, the Corporation also repaid an additional amount of $44.8 million on non-current debt in the normal course of its operations since the beginning of fiscal 2014, bringing total repayments for the period to $79.8 million. During the period, the Corporation also disbursed a total amount of $14.9 million to pay three quarterly dividends to its shareholders of $0.13 per share each.

During the same period, excluding the $33.3 million drawdown on its revolving credit facility, Boralex contracted further non-current debt in the amount of $103.8 million (net of financing costs), essentially for the construction of the Fortel-Bonnières and St-François wind farms in France and Témiscouata I wind farm in Canada.

Also, on June 26, 2014, the Corporation announced the closing of two long-term financing arrangements, in the amounts of $52.0 million and $127.0 million, respectively, for the Témiscouata I and Témiscouata II wind farms, both secured by the assets of the respective wind farms and repayable over an 18-year period following the start of their commercial operations.

Also, Boralex received $9.4 million in cash from its financing activities during the first nine months of 2014, including a $4.7 million capital injection by Témiscouata and La Côte-de-Beaupré RCMs, Boralex's partners in two wind power projects currently under development in Québec and an amount of $4.7 million from the exercise of stock options held by senior executives.

Discontinued Operations

For the nine-month period ended September 30, 2014, discontinued operations generated $2.3 million in cash, primarily from the sale of RECs at the Corporation's former U.S. wood-residue power stations, compared with $2.0 million for the corresponding period in 2013.

Net Change in Cash and Cash Equivalents

Total cash movements for the nine-month period resulted in a $26.8 million decrease in cash and cash equivalents to $98.1 million as at September 30, 2014 compared with $124.9 million as at December 31, 2013.

TO SUM UP,

In line with the trend in several previous quarters, cash flows for the nine-month period ended September 30, 2014 highlighted Boralex's solid capacity to generate cash flows from operations, owing to its growing focus on operations covered by energy sales contracts offering fixed and indexed pricing, and superior profit margins. Furthermore, they demonstrate the Corporation's intention to increase shareholder value, particularly by paying dividends in the amount of nearly $15 million since the beginning of the year and, above all, by using its significant financial resources to develop and optimize its energy asset base. Since the beginning of fiscal 2014, the Corporation has invested nearly $168 million in property, plant and equipment, business acquisitions, its interest in the Joint Ventures and development costs. Management expects the Corporation to increase its contracted installed capacity by 16% by December 31, 2014, compared with December 2013.

Financial Position

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

(in thousands of dollars)	As at September 30, 2014	As at December 31, 2013
ASSETS		
Cash and cash equivalents	98,097	124,942
Restricted cash	6,943	19,366
Other current assets	39,740	49,072
CURRENT ASSETS	144,780	193,380
Property, plant and equipment	882,937	799,213
Other intangible assets	252,559	257,058
Miscellaneous non-current assets	180,490	173,076
NON-CURRENT ASSETS	1,315,986	1,229,347
TOTAL ASSETS	1,460,766	1,422,727
LIABILITIES		
CURRENT LIABILITIES	138,535	158,785
Non-current debt	658,754	578,914
Other non-current liabilities	307,800	298,894
NON-CURRENT LIABILITIES	966,554	877,808
TOTAL LIABILITIES	1,105,089	1,036,593
EQUITY		
TOTAL EQUITY	355,677	386,134
TOTAL LIABILITIES AND EQUITY	1,460,766	1,422,727

Summary of Significant Changes

Excluding the foreign exchange rate effect and the seasonal nature of its operations, Boralex's change in financial position between December 31, 2013 and September 30, 2014 primarily reflects investments and financing in furtherance of the Corporation's wind and hydroelectric power development projects and dividend payments to shareholders under its first dividend policy.

Assets

Boralex's total assets increased $38.0 million or 2.7% to $1,460.8 million as at September 30, 2014 from $1,422.7 million as at December 31, 2013. *Non-current assets* in particular grew by $86.6 million, driven mainly by investments earmarked for expanding the Corporation's operating base in the wind power and hydroelectric segments, which contributed in particular to increasing the value of *Property, plant and equipment* by $83.7 million (net of current period amortization). Total current assets decreased by $48.6 million following a $26.8 million decline in cash and cash equivalents as discussed in the previous section, a net drawdown of $12.4 million from restricted cash for various projects of the Corporation and the $11.3 million decrease in *Trade and other receivables*, resulting primarily from the Corporation's seasonal business cycle.

As at September 30, 2014, Boralex reported working capital of $6.2 million, with a ratio of 1.05:1 compared with working capital of $34.6 million and a ratio of 1.22:1 as at December 31, 2013.

Total Debt and Equity

The Corporation's total debt, consisting of Non-current debt, including the current portion of *Non-current debt* and the liability component of *Convertible debentures*, amounted to $945.2 million as at September 30, 2014 compared with $892.5 million as at December 31, 2013. Breaking down geographically the Corporation's non-current debt as at September 30, 2014, 42% was in Canada, 46% in France and 12% in the United States, compared with 40%, 46% and 14%, respectively as at December 31, 2013.

As at September 30, 2014, for the projects under construction, Boralex had $170.5 million in debt contracted but not yet drawn.

Net debt, as defined under *Non-IFRS Measures*, amounted to $623.5 million as at September 30, 2014 compared with $529.4 million as at December 31, 2013. Excluding non-current debt drawn down for projects under development, net debt stood at $545.8 million as at September 30, 2014, compared with $492.2 million as at December 31, 2013.

Also, total equity declined $30.5 million to $355.7 million as at September 30, 2014 from $386.1 million as at December 31, 2013. As a result, the net debt ratio, as defined under *Non-IFRS Measures*, rose to 51.6% as at September 30, 2014 from 46.2% as at December 31, 2013. Excluding non-current debt drawn down for projects under development, the net debt ratio increased to 48.2% as at September 30, 2014 from 44.4% as at December 31, 2013.

Information about the Corporation's Equity Securities

As at September 30, 2014, Boralex's capital stock consisted of 38,404,085 Class A shares issued and outstanding (37,767,855 as at December 31, 2013) while stock options outstanding numbered 1,578,171, of which 1,180,643 were exercisable. During the nine-month period ended September 30, 2014, 17,073 shares were issued in connection with the conversion of 2,087 debentures and 619,157 shares were issued on exercise of stock options held by senior executives. As at September 30, 2014, Boralex had 2,444,458 issued and outstanding convertible debentures (2,446,545 as at December 31, 2013). Since their issuance in 2010, a cumulative amount of 7,042 debentures have been converted into 56,713 shares.

From October 1, 2014 to November 4, 2014, no new shares were issued on exercise of stock options nor in connection with the conversion of debentures.

Normal Course Issuer Bid

On November 14, 2013, Boralex announced its intention to carry out a normal course issuer bid (the "Bid"). Under the twelve-month Bid from November 18, 2013 to November 17, 2014, Boralex may buy back up to 250,000 Class A shares, or approximately 0.66% of the 37,750,791 issued and outstanding Class A shares of Boralex as at October 31, 2013. All buybacks will be carried out through the Toronto Stock Exchange, and the repurchased shares will be cancelled. As at November 4, 2014, Boralex had not repurchased any Class A shares under the Bid.

Related Party Transactions

The Corporation has entered into a management agreement with R.S.P. Hydro inc, an entity controlled by Bernard Lemaire, a director of Cascades, a corporation exercising significant influence over the Corporation. For the nine-month period ended September 30, 2014, revenues derived from the agreement amounted to $0.4 million ($0.4 million for the corresponding period of 2013).

The Corporation has entered into a four-year consulting agreement with Bernard Lemaire, a director 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 nine-month period ended September 30, 2014, these services amounted to $0.5 million ($0.8 million for the corresponding period of 2013).

Transactions with Joint Ventures

Seigneurie de Beaupré: Phase I

For the nine-month period ended September 30, 2014, the net results of the Joint Venture Phase I represented earnings of $5.5 million (Boralex's share: $2.8 million). In addition, amortization of the unrealized loss on financial instruments generated an expense of $2.0 million. Accordingly, for the nine-month period ended September 30, 2014, the Corporation's *Share in earnings (losses) of the Joint Ventures* represented earnings of $0.8 million.

Also, for the nine-month period ended September 30, 2014, Boralex charged back $0.9 million in salaries, management fees and other costs to this joint venture in connection with operation of the wind farm.

Seigneurie de Beaupré: Phase II

For the nine-month period ended September 30, 2014, the net results of the Joint Venture Phase II represented earnings of $0.2 million (Boralex's share: $0.1 million). Boralex charged back $1.1 million in salaries and management fees to this joint venture in connection with construction of the wind farm.

TO SUM UP,

despite investments of more than $140 million year-to-date in property, plant and equipment, business acquisition, increasing its interest in the Joint Ventures and various development projects, and the payment of dividends totalling nearly $15 million, the Corporation ended the period with a cash position of $105 million as at September 30, 2014 (including restricted cash). Boralex has maintained significant financial resources with its strategy implemented in 2009 to support significant and steady cash flows from operating activities. The Corporation intends to continue leveraging its financial resources, primarily to accelerate growth, strengthen its positioning, and generate superior economic value over the long term.

Interests in the Joint Ventures

In June 2011 and May 2013, Boralex and its equal partner in the development of the first two 272 MW and 68 MW phases of the Seigneurie de Beaupré Wind Farms in Québec, created the Joint Ventures Phases I and II in which each partner has a 50% interest. Under IFRS, the Corporation's investment in the 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 the 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 Loss. At the beginning of 2013, this item essentially comprised the Corporation's share of costs related to site development and gains and losses on derivative financial instruments. However, starting in the fourth quarter of 2013, following the commissioning of the 272 MW Phase I of the Seigneurie de Beaupré Wind Farms, the item also includes the share of income generated from the operation of these assets.

Given the strategic nature and scale of these assets and the significant results that these wind farms are expected to generate, Boralex's management has considered it relevant to include a new section, *Proportionate Consolidation*, in this MD&A, where the results of the Joint Ventures Phases I and II are proportionately consolidated. 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 European Energy A/S, a Danish developer completed in July 2014 by Boralex represents an interest in a joint venture. Currently, the development project is reported in the Consolidated Statement of Financial Position under *Interests in the Joint Ventures* (IFRS) and under *Other non-current assets* (proportionate consolidation). Upon completion, the project will be included in the proportionate consolidation section.

These amounts are clearly identified as "proportionate consolidation" and are reconciled in the *Non-IFRS Measures* and the *Reconciliations between IFRS and Proportionate Consolidation* sections.

Seasonal Factors

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding)	Three-month periods ended December 31, 2013	March 31, 2014	June 30, 2014	September 30, 2014	Twelve-month period ended September 30, 2014
POWER PRODUCTION (MWh)					
Wind power stations	249,276	381,389	255,728	203,769	1,090,162
Hydroelectric power stations	142,912	123,587	223,702	139,938	630,139
Thermal power stations	31,448	71,116	18,521	45,909	166,994
Solar power station	980	1,185	2,042	1,952	6,159
	424,616	577,277	499,993	391,568	1,893,454
REVENUES FROM ENERGY SALES					
Wind power stations	31,676	47,948	31,264	24,042	134,930
Hydroelectric power stations	12,746	13,996	17,622	12,236	56,600
Thermal power stations	6,976	12,976	3,885	5,660	29,497
Solar power station	469	602	1,021	945	3,037
	51,867	75,522	53,792	42,883	224,064
EBITDA					
Wind power stations	26,136	41,161	24,626	17,466	109,389
Hydroelectric power stations	9,002	10,167	14,002	8,816	41,987
Thermal power stations	26	4,572	(1,101)	588	4,085
Solar power station	438	491	902	850	2,681
	35,602	56,391	38,429	27,720	158,142
Corporate and eliminations	(4,226)	(4,634)	(6,252)	(4,439)	(19,551)
	31,376	51,757	32,177	23,281	138,591
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	394	7,048	(5,069)	(9,551)	(7,178)
Discontinued operations	74	839	785	312	2,010
	468	7,887	(4,284)	(9,239)	(5,168)
NET EARNINGS (LOSS) PER SHARE - BASIC ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	$0.01	$0.19	($0.13)	($0.25)	($0.19)
Discontinued operations	—	$0.02	$0.02	$0.01	$0.05
	$0.01	$0.21	($0.11)	($0.24)	($0.14)
NET EARNINGS (LOSS) PER SHARE - DILUTED ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	$0.01	$0.17	($0.13)	($0.25)	($0.19)
Discontinued operations	—	$0.02	$0.02	$0.01	$0.05
	$0.01	$0.19	($0.11)	($0.24)	($0.14)
CASH FLOWS FROM OPERATIONS					
In dollars	16,086	36,568	12,200	7,577	72,431
Per share (basic)	$0.43	$0.96	$0.32	$0.20	$1.90
Weighted average number of shares outstanding (basic)	37,757,835	37,980,635	38,346,572	38,390,851	38,119,108

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding)	Three-month periods ended December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013	Twelve-month period ended September 30, 2013
POWER PRODUCTION (MWh)					
Wind power stations	210,838	191,028	166,992	96,921	665,779
Hydroelectric power stations	164,072	148,473	197,923	131,786	642,254
Thermal power stations	66,051	70,879	7,191	33,851	177,972
Solar power station	991	1,079	1,788	2,098	5,956
	441,952	411,459	373,894	264,656	1,491,961
REVENUES FROM ENERGY SALES					
Wind power stations	25,124	23,598	20,384	11,822	80,928
Hydroelectric power stations	13,860	14,113	15,691	11,206	54,870
Thermal power stations	12,654	12,546	3,268	4,657	33,125
Solar power station	425	479	798	966	2,668
	52,063	50,736	40,141	28,651	171,591
EBITDA					
Wind power stations	21,321	20,035	16,439	7,347	65,142
Hydroelectric power stations	9,541	11,284	12,532	7,595	40,952
Thermal power stations	2,601	4,668	(1,070)	(614)	5,585
Solar power station	324	382	706	853	2,265
	33,787	36,369	28,607	15,181	113,944
Corporate and eliminations	(3,910)	(3,054)	(4,642)	(2,001)	(13,607)
	29,877	33,315	23,965	13,180	100,337
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	542	3,909	(1,783)	(8,489)	(5,821)
Discontinued operations	696	161	622	917	2,396
	1,238	4,070	(1,161)	(7,572)	(3,425)
NET EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	$0.01	$0.10	($0.05)	($0.22)	($0.15)
Discontinued operations	$0.02	$0.01	$0.02	$0.02	$0.06
	$0.03	$0.11	($0.03)	($0.20)	($0.09)
CASH FLOWS FROM OPERATIONS*					
In dollars	13,481	22,806	17,624	(5,333)	48,578
Per share (basic)	$0.36	$0.60	$0.47	($0.14)	$1.29
Weighted average number of shares outstanding (basic)	37,732,568	37,735,065	37,740,004	37,748,196	37,735,870

*In 2013, as the scheduled payment date of the $8.3 million interest on the convertible debentures was on June 30, a Sunday, the payment was made on the following business day on July 2, 2013.

Financial Highlights

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding)	Three-month periods ended September 30		Nine-month periods ended September 30	
	2014	2013	2014	2013
POWER PRODUCTION (MWh)				
Wind power stations	203,769	96,921	840,886	454,941
Hydroelectric power stations	139,938	131,786	487,227	478,182
Thermal power stations	45,909	33,851	135,546	111,921
Solar power station	1,952	2,098	5,179	4,965
	391,568	264,656	1,468,838	1,050,009
REVENUES FROM ENERGY SALES				
Wind power stations	24,042	11,822	103,255	55,804
Hydroelectric power stations	12,236	11,206	43,854	41,010
Thermal power stations	5,660	4,657	22,521	20,471
Solar power station	945	966	2,568	2,243
	42,883	28,651	172,198	119,528
EBITDA				
Wind power stations	17,466	7,347	83,250	43,821
Hydroelectric power stations	8,816	7,595	32,985	31,411
Thermal power stations	588	(614)	4,059	2,984
Solar power station	850	853	2,243	1,941
	27,720	15,181	122,537	80,157
Corporate and eliminations	(4,439)	(2,001)	(15,322)	(9,697)
	23,281	13,180	107,215	70,460
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(9,551)	(8,489)	(7,571)	(6,363)
Discontinued operations	312	917	1,936	1,700
	(9,239)	(7,572)	(5,635)	(4,663)
NET EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	($0.25)	($0.22)	($0.20)	($0.16)
Discontinued operations	$0.01	$0.02	$0.05	$0.04
	($0.24)	($0.20)	($0.15)	($0.12)
CASH FLOWS FROM OPERATIONS*				
In dollars	7,577	(5,333)	56,345	35,097
Per share (basic)	$0.20	($0.14)	$1.47	$0.93
Weighted average number of shares outstanding (basic)	38,390,851	37,748,196	38,240,855	37,741,137

*In 2013, as the scheduled payment date of the $8.3 million interest on the convertible debentures was on June 30, a Sunday, the payment was made on the following business day on July 2, 2013.

Statement of Financial Position Data

(in thousands of dollars)	As at September 30, 2014	As at December 31, 2013
Total assets	1,846,480	1,791,440
Debt*	1,027,707	977,993
Convertible debentures	232,062	229,578
Total equity	355,190	385,780

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

Analysis of Operating Results for the Three- and Nine-Month Periods Ended September 30, 2014

Consolidated Results

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

	Three-month periods ended				Nine-month periods ended			
	Revenues from energy sales		EBITDA		Revenues from energy sales		EBITDA	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
SEPTEMBER 30, 2013	28,651		13,180		119,528		70,460	
Power stations commissioned*	13,864	48.4%	11,366	86.2%	43,255	36.2%	35,732	50.7%
Pricing	(263)	(0.9)%	(263)	(2.0)%	(113)	(0.1)%	(113)	(0.2)%
Volume	(280)	(1.0)%	(606)	(4.6)%	2,602	2.2%	2,553	3.6%
Capacity premiums	61	0.2%	61	0.5%	(115)	(0.1)%	(115)	(0.2)%
Translation of self-sustaining subsidiaries (exchange rate effect)	837	2.9%	407	3.1%	7,002	5.9%	4,273	6.1%
Raw material costs	—	—	519	3.9%	—	—	888	1.3%
Maintenance	—	—	313	2.4%	—	—	(353)	(0.5)%
Development - prospecting	—	—	(133)	(1.0)%	—	—	(796)	(1.1)%
Other	13	—	(1,563)	(11.9)%	39	—	(5,314)	(7.5)%
Change	14,232	49.7%	10,101	76.6%	52,670	44.1%	36,755	52.2%
SEPTEMBER 30, 2014	42,883		23,281		172,198		107,215	

* Commissioning of the Jamie Creek hydroelectric power station in May 2014, the Vron wind farm in France in September 2013, the La Vallée wind power facility in France in December 2013 and the Joint Venture Phase I in Canada in November and December 2013.

Operating Results for the Three-Month Period

At the consolidated level, the proportionate consolidation of the results of Joint Venture Phase I for the third quarter of fiscal 2014 mainly affects production volume, revenues and EBITDA, as the accompanying tables show, and has virtually no impact on net results compared with the IFRS equity method. Proportionate consolidation of the expenses related to Joint Venture Phase II has only a minor impact on results under IFRS.

Production

Including Boralex's share of 91,741 MW in Phase I of the Seigneurie de Beaupré wind farms production represents an additional 30.6% contribution to Boralex's total quarterly output, calculated using the IFRS equity method. Including Joint Venture Phase I, the Corporation's consolidated quarterly production increased 48.0% compared with the same period in fiscal 2013 (compared with 13.3% growth using the IFRS equity method).

Revenues

In the third quarter of fiscal 2014, Boralex's $9.9 million share in the revenues generated by Joint Venture Phase I represents an additional 30.1% contribution compared with the consolidated revenues accounted for under IFRS. Including Joint Venture Phase I, consolidated revenues recorded a 49.7% increase over the same period in 2013 (compared with 15.1% growth using the IFRS equity method).

Note also that due to seasonal cycles of Boralex's various segments, as discussed under *Seasonal Factors* in this MD&A, seasonal characteristics of the wind power segment intensified following the inclusion of Joint Venture Phase I, such that a larger portion of the Corporation's revenues are now generated in first and fourth quarters.

EBITDA

(in thousands of dollars)	Three-month periods ended September 30 2014	2013	Nine-month periods ended September 30 2014	2013
EBITDA (IFRS)	14,764	12,652	80,485	69,098
Less: Share in earnings (losses) of the Joint Ventures Phases I and II	(43)	(673)	856	(1,787)
Plus: EBITDA - of the Joint Ventures Phases I and II	8,519	(46)	27,719	(130)
Elimination of management fees against property, plant and equipment	(45)	(99)	(133)	(295)
EBITDA (Proportionate Consolidation)	23,281	13,180	107,215	70,460

As shown in the table, proportionate consolidation had a net favourable impact of $8.5 million or 57.7% on consolidated EBITDA in the third quarter of 2014 compared with IFRS, due mainly to the elimination of the *Share in earnings (losses) of the Joint Ventures* Phases I and II item, which comprises non-EBITDA items of Joint Ventures including amortization and financing costs, and the addition of the EBITDA of Joint Ventures. Under proportionate consolidation, consolidated EBITDA recorded a 76.6% increase over the same period in fiscal 2013, which is more representative of the actual performance of Boralex's assets (compared with 16.7% growth using the IFRS equity method).

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 significant impact on net loss attributable to shareholders and no impact at all on net loss per share.

Cash Flows

For the third quarter of 2014, the main impacts of proportionate consolidation compared with the IFRS equity method are:

- A $33.2 million increase in cash flows related to operating activities resulting primarily from the change in non-cash items related to operating activities. This change stemmed mainly from the receipt of an amount of $25.8 million from Hydro-Québec as reimbursement for the costs incurred in the construction of the transformer station and collector system of Joint Venture Phase I;
- A total net increase of $11.6 million in cash used for investing activities, including an additional investment $22.3 million in property, plant and equipment, net of an additional drawdown of $10.8 million from restricted cash for Joint Ventures Phases I and II; and
- $28.8 million decrease in cash generated by financing activities, compared with IFRS, due to larger payments made on non-current debt.

Operating Results for the Nine-Month Period

For the first nine months of fiscal 2014, proportionate consolidation of the results of Joint Venture Phase I had the following impacts:

Production

Boralex's share in Phase I of the Seigneurie de Beaupré wind farm production amounted to 300,490 MW, representing an additional contribution of 25.7% compared with output for the nine-month period in 2014 calculated under IFRS. Including Joint Venture Phase I, the Corporation's consolidated production for the nine-month period increased 39.9% compared with the same period in fiscal 2013 (compared with 11.2% growth under IFRS).

Revenues

Since the beginning of fiscal 2014, Boralex's $32.5 million share in the revenues generated by Joint Venture Phase I represents an additional 23.2% contribution compared with the consolidated revenues from energy sales accounted for under IFRS. Including Joint Venture Phase I, consolidated revenues recorded a 44.1% increase over the same period in fiscal 2013 (compared with 16.9% growth under IFRS).

EBITDA

As shown in the table on the previous page, proportionate consolidation had a net favourable impact of $26.7 million or 33.2% on consolidated EBITDA in the first nine months of 2014 compared with IFRS, due mainly to the elimination of the *Share in earnings (losses) of the Joint Ventures* Phases I and II item and the addition of the actual EBITDA of Joint Ventures Phases I and II, as discussed previously. Under proportionate consolidation, consolidated EBITDA recorded a 52.2% increase over the same period in fiscal 2013 (compared with 16.5% growth under IFRS).

Net Loss

The proportionate consolidation of results of Joint Ventures Phases I and II had a slightly unfavourable effect of $0.1 million or $0.01 per share on net loss attributable to shareholders.

Cash Flows

Since the beginning of fiscal 2014, the main impacts of proportionate consolidation compared with the IFRS equity method are:

- A total increase of $44.4 million in cash flows related to operating activities, including a $16.6 million increase in cash flows from operations resulting primarily from the inclusion of the EBITDA of the Joint Ventures Phases I and II, net of payments related to the financing costs of the Joint Ventures, combined with a $27.7 million increase in cash generated by the change in non-cash items related to operating activities. This increase stemmed mainly from the receipt of an amount of $25.8 million from Hydro-Québec as reimbursement for the costs incurred in the construction of the transformer station and collector system of Joint Venture Phase I;
- A $38.7 million increase in the funds required by investing activities, owing mainly to an additional amount of $42.1 million for the acquisition of additions to property, plant and equipment, net of the drawdown from restricted cash for this purpose;
- A $2.8 million decrease in cash generated by financing activities, compared with IFRS.

In the aggregate, proportionate consolidation resulted in adding $5.5 million to cash and cash equivalents as at September 30, 2014.

Financial Position as at September 30, 2014

The main changes in the balance sheet resulting from proportionate consolidation are as follows:

- A $425.7 million or 48.2% increase in the carrying amount of property, plant and equipment;
- A $45.0 million or 31.1% increase in total current assets, of which $33.0 million is related to the sum of restricted cash and cash and cash equivalents and $11.7 million to the *Trade and other receivables* item; and
- A $314.6 million or 44.1% increase in non-current debt (including the current portion).

Accordingly, under proportionate consolidation, short-term cash resources (including cash and cash equivalents and restricted cash) totalled $138.1 million as at September 30, 2014, compared with $105.0 million under IFRS.

Wind Power Stations

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

	Three-month periods ended				Nine-month periods ended			
	Revenues from energy sales		EBITDA		Revenues from energy sales		EBITDA	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
SEPTEMBER 30, 2013	11,822		7,347		55,804		43,821	
Power stations commissioned*	11,370	96.2%	9,399	127.9%	39,857	71.4%	33,181	75.7%
Pricing	60	0.5%	60	0.8%	302	0.5%	302	0.7%
Volume	404	3.4%	404	5.5%	3,597	6.4%	3,597	8.2%
Translation of self-sustaining subsidiaries (exchange rate effect)	386	3.3%	231	3.1%	3,656	6.6%	2,827	6.5%
Maintenance	—	—	(241)	(3.3)%	—	—	(306)	(0.7)%
Other	—	—	266	3.6%	39	0.1%	(172)	(0.4)%
Change	12,220	103.4%	10,119	137.7%	47,451	85.0%	39,429	90.0%
SEPTEMBER 30, 2014	24,042		17,466		103,255		83,250	

* Commissioning of the Vron wind farm in France in September 2013, the La Vallée wind power facility in France in December 2013 and the Joint Venture Phase I in Canada in November and December 2013.

Operating Results for the Three-Month Period

For the wind power segment, the proportionate consolidation of the results of the Joint Ventures Phases I and II, and Phase I in particular, for the three-month period ended September 30, 2014 mainly impacted the *Power stations commissioned* item, as it also includes 50% of production, revenues and EBITDA generated by the Joint Venture Phase I assets commissioned between November 28 and December 10, 2013, in addition to the additional contribution from the new Vron and La Vallée facilities in France.

Production

During the third quarter of fiscal 2014, Boralex's share in this large-scale wind farm's production amounted to an additional 91,741 MW, which represents a 81.9% increase over the quarterly segment output under the IFRS equity method. Including Joint Venture Phase I, quarterly production in the wind power segment rose 110.2% compared with the same period in fiscal 2013 (compared with a 15.6% decline under IFRS).

Revenues

Boralex's share in revenues generated by Joint Venture Phase I amounted to $9.9 million, which represents an additional contribution of 70.1% compared with wind power segment revenues reported in the third quarter under IFRS. Including Joint Venture Phase I, segment revenues recorded a 103.4% increase over the same period in fiscal 2013 (compared with 19.5% growth under IFRS).

EBITDA

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in thousands of dollars)	2014	2013	2014	2013
EBITDA (IFRS)	9,567	6,872	58,388	42,316
Less: Share in earnings (losses) of the Joint Ventures Phases I and II	620	(521)	2,857	(1,635)
Plus: EBITDA - of the Joint Ventures Phases I and II	8,519	(46)	27,719	(130)
EBITDA (Proportionate Consolidation)	17,466	7,347	83,250	43,821

As shown in the table above, proportionate consolidation had a net favourable impact of $7.9 million or 82.6% on EBITDA in the third quarter of fiscal 2014, compared with IFRS. This significant difference arises from the fact that the addition of EBITDA in the amount of $8.5 million to the *Power stations commissioned* item under the proportionate consolidation method is much higher than the amount of $0.6 million reported under *Share in earnings (losses) of the Joint Ventures* Phases I and I using the equity method, which includes items not related to EBITDA, mainly financing costs and amortization.

Under proportionate consolidation, segment EBITDA recorded a 137.7% increase over the same period in fiscal 2013 (compared with 39.2% growth under IFRS).

Operating Results for the Nine-Month Period

For the nine-month period ended September 30, 2014, the *Power stations commissioned* item includes the additional contribution of the new Vron and La Vallée sites in France as well as 50% of production, revenues and EBITDA generated by Joint Venture Phase I.

Production

During the first nine months of fiscal 2014, this wind farm generated an additional 300,490 MW (Boralex's share), which represents a 55.6% increase over the IFRS equity method. Including Joint Venture Phase I, production in the wind power segment increased by 84.8% over the same nine-month period in fiscal 2013 (compared with 18.8% growth under IFRS).

Revenues

Boralex's share in revenues generated by this facility amounted to $32.5 million, which represents an additional contribution of 45.9% compared with wind power segment revenues recognized in the first nine months of 2014 under IFRS. Including Joint Venture Phase I, segment revenues recorded an 85.0% increase over the same period in fiscal 2013 (compared with 26.8% growth under IFRS).

EBITDA

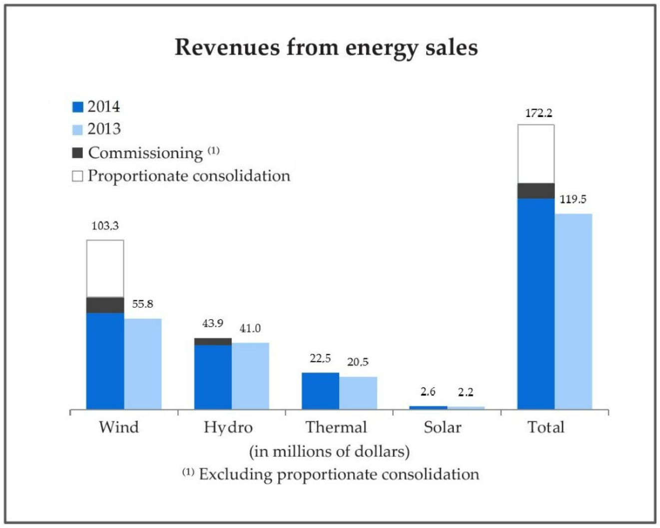
As shown in the table on the previous page, proportionate consolidation had a net favourable impact of $24.9 million or 42.6% on EBITDA in the first nine months of fiscal 2014, compared with IFRS, for the same reason mentioned previously.

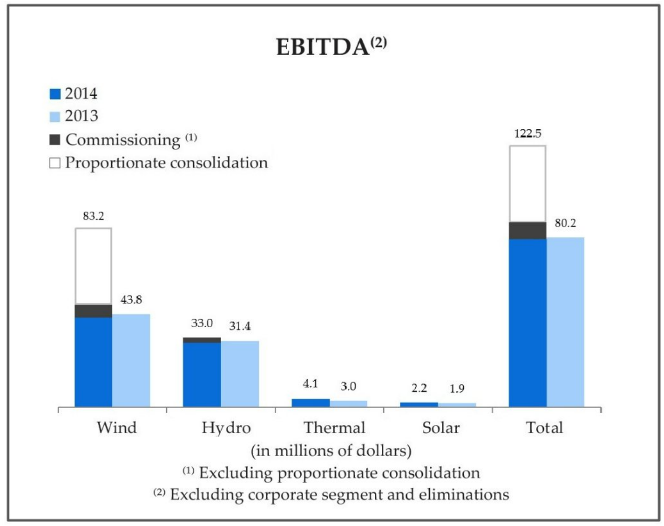
Including Joint Venture Phase I, segment EBITDA recorded a 90.0% increase over the same period in fiscal 2013 (compared with 38.0% growth under IFRS).

Boralex's management is satisfied with the results of the first year of operation of this large-scale facility, whose productivity augurs well for the future.

Segment and Geographic Breakdown of Results of Continuing Operations for the Nine-Month Periods Ended September 30, 2014 and 2013

Segment breakdown





The following is a discussion of changes in segment breakdown of revenues and EBITDA for the nine-month period ended September 30, 2014 compared with the same period of 2013.

Wind

For the first nine months of fiscal 2014, revenues in the wind power segment grew 85.0% from the same period of the previous year, boosting its share of consolidated revenues to 60.0% in 2014 from 46.7% in 2013. The strong growth in segment revenues stems largely from the commissioning of an additional 176 MW at the end of 2013 from Phase I of the Seigneurie de Beaupré site and the Vron and La Vallée facilities in France, combined with 18.0% growth in revenues generated by the segment's existing assets.

For the first nine months of 2014, wind power EBITDA rose 90.0%, compared with the corresponding period in 2013, accounting for 68.0% of consolidated EBITDA (before the corporate segment and eliminations) in 2014, compared with 54.6% in 2013, thereby confirming the segment's position as Boralex's most significant source of EBITDA. The segment's EBITDA margin is also higher than the average for Boralex's total energy asset portfolio, amounting to approximately 80.6% in 2014 (78.5% in 2013). With Boralex's share of wind power projects under development set to add 194 MW to its net contracted capacity and the ongoing initiatives to continue expanding its operating assets, the segment's top contribution to operating profitability stands to grow in the coming quarters and years, enhancing the Corporation's average profit margin.

Hydroelectric

Revenues in the hydroelectric segment rose 7.1% between the two nine-month periods. However, its share of consolidated revenues fell from 34.3% in 2013 to 25.5% in 2014, given the significant expansion in the wind power segment. Hydroelectric segment EBITDA rose 5.0% compared with the first nine months of 2013, amounting to 26.9% of consolidated EBITDA (before the corporate segment and eliminations), compared with 39.2% in 2013, due primarily to the higher relative weight of the wind power segment. As a percentage of revenues, the segment's EBITDA was relatively stable at 75.2% in 2014 compared with 76.6% in 2013.

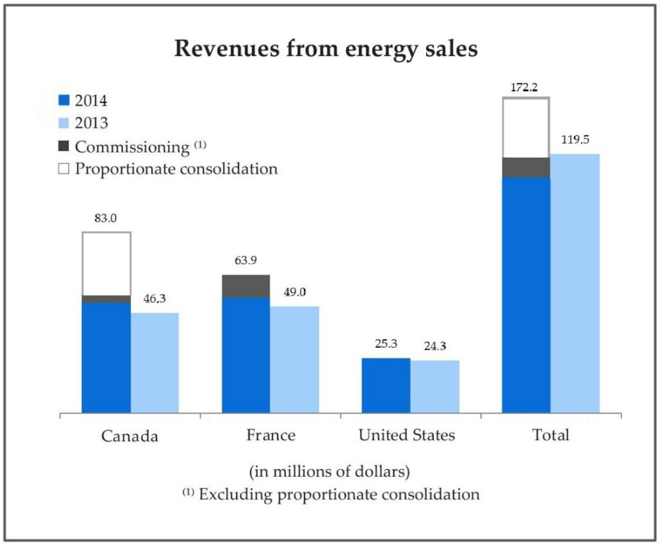
Thermal

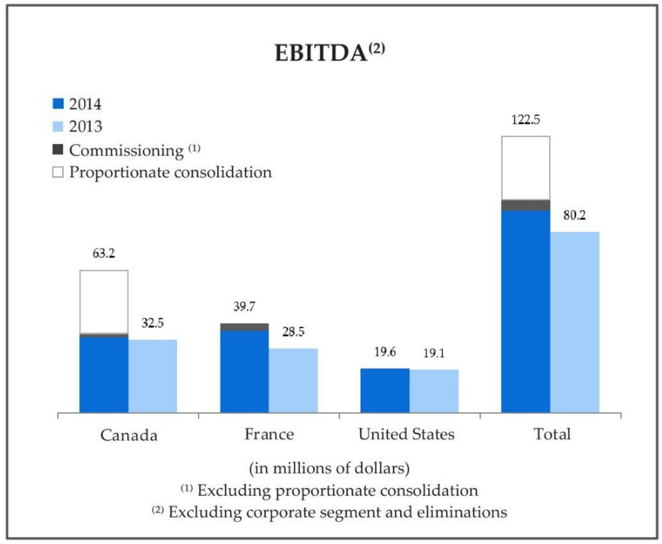
Revenues in the thermal segment rose 10.0% between the two nine-month periods. The segment accounted for 13.1% of consolidated revenues in the first nine months of 2014, compared with 17.2% in 2013, due mainly to expansion in the wind power segment. Segment EBITDA rose 36.0% compared with the first nine months of 2013. The thermal segment's share of consolidated EBITDA (before the corporate segment and eliminations) stood at 3.3% compared with 3.7% for the previous year. EBITDA margin rose to 18.2% in 2014 from 14.6% in 2013.

Solar

Boralex's only solar power station generated EBITDA of $2.2 million on revenues of $2.6 million for the first nine months of 2014, representing an EBITDA margin of 84.6%. In the same period of 2013, EBITDA and revenues totalled $1.9 million and $2.2 million, respectively, with a margin of 86.4%. The solar power segment, which currently accounts for only a marginal share of Boralex's energy portfolio, generated 1.5% of revenues and 1.8% of consolidated EBITDA (before the corporate segment and eliminations) in the first nine months of 2014.

Geographic breakdown





Geographically, Boralex's revenues from energy sales for the nine-month period ended September 30, 2014 were broken down as follows:

- 48.2% in Canada compared with 38.7% in 2013;
- 37.1% in France, compared with 41.0% in 2013; and
- 14.7% in the United States compared with 20.3% in 2013.

The significant increase in the Canadian assets' relative share of revenues resulted from the commissioning of Joint Venture Phase I. The decline in the relative weight of the European market, despite the commissioning of the Vron and La Vallée sites and the sound performance of existing sites in France, resulted from the significant expansion in Canadian assets. The decline in the relative weight of U.S. revenues stemmed from the Canadian market's higher weight and less favourable water flow conditions in 2014 compared with 2013.

Non-IFRS Measures

In order to assess the performance of its assets and reporting segments, Boralex uses EBITDA, cash flows from operations and the ratio of net debt as performance measures. 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 proportionately consolidated EBITDA, cash flows from operations and net debt ratio where the results of Joint Venture Phase I and Joint Venture Phase 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. Moreover, tables reconciling IFRS data with data presented on a proportionate consolidation basis are provided.

EBITDA

EBITDA does not have a standardized meaning under IFRS; accordingly, it may not be comparable to that of similarly named measures used by other companies. Investors should not view EBITDA as an alternative measure to, for example, net earnings (loss), or as a measure of operating results, which are IFRS measures.

EBITDA is reconciled to the most comparable IFRS measure, namely, net loss, in the following table:

IFRS

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in thousands of dollars)	2014	2013	2014	2013
Net loss	(10,132)	(8,329)	(5,428)	(4,752)
Net earnings from discontinued operations	(312)	(917)	(1,936)	(1,700)
Income tax recovery	(3,907)	(3,640)	(331)	(1,086)
Net loss (gain) on financial instruments	744	—	2,156	(673)
Foreign exchange loss (gain)	274	(112)	391	(258)
Financing costs	14,221	12,613	42,171	37,632
Impairment of property, plant and equipment	—	—	—	266
Other gains	(543)	(150)	(1,116)	(232)
Amortization	14,419	13,187	44,578	39,901
EBITDA	14,764	12,652	80,485	69,098

Proportionate Consolidation

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in thousands of dollars)	2014	2013	2014	2013
Net loss	(10,177)	(8,428)	(5,561)	(5,047)
Net earnings from discontinued operations	(312)	(917)	(1,936)	(1,700)
Income tax recovery	(3,907)	(3,640)	(331)	(1,086)
Net loss (gain) on financial instruments	576	423	2,254	757
Foreign exchange loss (gain)	274	(59)	393	(179)
Financing costs	18,858	12,764	56,812	37,780
Impairment of property, plant and equipment	—	—	—	266
Other gains	(861)	(150)	(2,080)	(232)
Amortization	18,830	13,187	57,664	39,901
EBITDA	23,281	13,180	107,215	70,460

Cash Flows from Operations

Cash flows from operations 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

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in thousands of dollars)	2014	2013	2014	2013
Net cash flows related to operating activities	10,776	1,806	48,457	56,553
Change in non-cash items related to operating activities	8,143	6,941	8,759	20,959
CASH FLOWS FROM OPERATIONS*	2,633	(5,135)	39,698	35,594

* In 2013, as the scheduled payment date of the $8.3 million interest on the convertible debentures was on June 30, a Sunday, the payment was made on the following business day, on July 2, 2013. Excluding the payment of interest on convertible debentures, cash flows from operations would have been $3.1 million for the three-month period ended September 30, 2013.

Proportionate Consolidation

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in thousands of dollars)	2014	2013	2014	2013
Net cash flows related to operating activities	43,962	(4,549)	92,811	42,747
Change in non-cash items related to operating activities	36,385	784	36,466	7,650
CASH FLOWS FROM OPERATIONS*	7,577	(5,333)	56,345	35,097

* In 2013, as the scheduled payment date of the $8.3 million interest on the convertible debentures was on June 30, a Sunday, the payment was made on the following business day, on July 2, 2013. Excluding the payment of interest on convertible debentures, cash flows from operations would have been $2.9 million for the three-month period ended September 30, 2013.

Net Debt Ratio

The Corporation defines net debt as follows:

	IFRS		Proportionate Consolidation	
(in thousands of dollars)	As at September 30, 2014	As at December 31, 2013	As at September 30, 2014	As at December 31, 2013
Non-current debt	658,754	578,914	960,192	855,484
Current portion of debt	54,350	84,034	67,515	122,509
Borrowing costs, net of accumulated amortization	15,451	10,737	33,765	30,714
Less:				
Cash and cash equivalents	98,097	124,942	103,624	127,541
Restricted cash	6,943	19,366	34,434	60,126
Net debt	623,515	529,377	923,414	821,040
Net debt excluding non-current debt drawn for projects under development	545,813	492,166	792,555	771,891

The Corporation defines total book capitalization as follows:

	IFRS		Proportionate Consolidation	
(in thousands of dollars)	As at September 30, **2014**	As at December 31, **2013**	As at September 30, **2014**	As at December 31, **2013**
Total equity	355,677	386,134	355,190	385,780
Net debt	623,515	529,377	923,414	821,040
Convertible debentures	232,062	229,578	232,062	229,578
Convertible debenture issuance costs, net of accumulated amortization	2,979	3,522	2,979	3,522
Deferred taxes on convertible debentures	5,158	5,158	5,158	5,158
Imputed interest calculated on convertible debentures	(10,131)	(7,982)	(10,131)	(7,982)
Total book capitalization	1,209,260	1,145,787	1,508,672	1,437,096

The Corporation computes the ratio of net debt as follows:

	IFRS		Proportionate Consolidation	
(in thousands of dollars)	As at September 30, **2014**	As at December 31, **2013**	As at September 30, **2014**	As at December 31, **2013**
Net debt	623,515	529,377	923,414	821,040
Total book capitalization	1,209,260	1,145,787	1,508,672	1,437,096
NET DEBT RATIO	51.6%	46.2%	61.2%	57.1%
NET DEBT RATIO, excluding non-current debt drawn for projects under development	48.2%	44.4%	57.5%	55.6%

Financial Instruments

Foreign Exchange Risk

Generally, as regards operating cash flows generated by foreign subsidiaries, the Corporation is not significantly exposed to currency fluctuations, as its subsidiaries are self-sustaining foreign operations and typically keep liquid assets in their country of origin to pursue their development. The Corporation does not anticipate any short-term capital expenditures to expand its U.S. asset base. In light of the foregoing and due to excess cash generated by its U.S. subsidiaries, the Corporation is currently studying a number of medium-term hedging strategies and intends to implement the selected strategy over the next few quarters.

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 invested equity 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 September 30, 2014, 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 3% of Boralex's installed capacity is exposed to price risk.

Interest Rate Risk

Under IFRS, as at September 30, 2014, approximately 41% 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 10% of total debt under IFRS and 8% under proportionate consolidation.

IFRS

As at September 30, 2014	Currency	Current notional (currency of origin)	Current notional (C$)	Fair value (currency of origin)	Fair value (C$)
Financial swaps - interest rates	EUR	172,717	244,325	(19,728)	(27,908)
Financial swaps - interest rates	CAD	142,514	142,514	(27,711)	(27,711)
			386,839		(55,619)

Proportionate Consolidation

As at September 30, 2014	Currency	Current notional (currency of origin)	Current notional (C$)	Fair value (currency of origin)	Fair value (C$)
Financial swaps - interest rates	EUR	172,717	244,325	(19,728)	(27,908)
Financial swaps - interest rates	CAD	388,086	388,086	(38,234)	(38,234)
			632,411		(66,142)

The Corporation does not plan to sell these instruments, since they were entered into to reduce the Corporation's risk related to interest 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 have fallen and has no bearing on the effectiveness of the instrument as part of the Corporation's risk management strategy. All of these contracts qualify for hedge accounting.

A significant portion of interest rate financial swaps in Canadian currency, with a notional value of $142.5 million and a negative fair value of $27.7 million were designated for contingent projects from the Québec government RFP. Currently, the Corporation rates the completion of contingent projects as highly likely. However, if these are not carried out, management will have to either redesignate these swaps to other contingent projects evaluated as highly likely or repay the swaps at fair value.

Commitments

The commitments are discussed in Boralex's Annual Report for the fiscal year ended December 31, 2013. During the nine-month period ended September 30, 2014, the Corporation entered into the following new commitments:

Energy Sales Contracts

The Corporation has a 15-year energy sales contract for the 14 MW **Calmont** wind power project under development. This contract will begin when the wind farm is commissioned, and the selling price will be indexed annually on the total price.

Construction Contract

For the **Témiscouata II** wind farm, the Corporation has entered into a wind turbine construction and installation contract. Expenditures will be made according to the percentage of completion. As at September 30, 2014, the Corporation had net commitments totalling $101.2 million under this contract.

For the **Buckingham** hydroelectric power station, the Corporation has entered into a contract for repair work at the facility to comply with the *Dam Safety Act*. Expenditures will be made according to the percentage of completion. As at September 30, 2014, the Corporation had a net commitment of $1.4 million under this contract.

Maintenance Contract

The Corporation has entered into a 15-year wind turbine maintenance contract expiring in 2029 with Enercon for the **Témiscouata I** community wind power project developed jointly with Témiscouata RCM. The contract includes a cancellation option at the Corporation's discretion after five years. As at September 30, 2014, the Corporation had net commitments of $2.2 million under this contract, reflecting the first five years of the contract, of which $0.3 million is payable in 2014.

For the **Témiscouata II** wind power project, the Corporation has entered into a 15-year turbine maintenance contract with Enercon expiring in 2030. The contract includes a cancellation option at the Corporation's discretion after seven years. As at September 30, 2014, the Corporation had net commitments of $8.8 million under this contract, reflecting the first seven years of the contract.

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 Report for the year ended December 31, 2013.

Main Sources of Uncertainty Relating to Management's Key Estimates and 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, assets and liabilities, and the information reported in the unaudited interim condensed 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 estimation 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 Report for the year ended December 31, 2013.

Accounting Policies

Significant Accounting Policies

Changes in Accounting Policies

IFRIC 21, *Levies*

In May 2013, the IASB issued IFRIC 21, *Levies*, which is an interpretation of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, on the accounting of levies imposed by governments. IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014 and must be applied retrospectively. On January 1, 2014, the Corporation adopted this new standard, and this change had no material impact on the Corporation's consolidated financial statements.

IFRS 2, *Share-based Payment*

In December 2013, the IASB amended IFRS 2 to clarify the definition of "vesting conditions" by setting out separate definitions of the terms "performance conditions" and "service conditions." On June 1, 2014, the Corporation adopted this amended standard, and this change had no impact on the Corporation's consolidated financial statements.

IFRS 3, *Business Combinations*

In December 2013, the IASB amended IFRS 3 to clarify that contingent consideration in a business combination must be classified as a financial liability or an equity instrument and that a consideration not classified as equity must be subsequently measured at fair value. On June 1, 2014, the Corporation adopted this amended standard, and this change had no impact on the Corporation's consolidated financial statements.

IFRS 13, *Fair Value Measurement*

In December 2013, the IASB amended IFRS 13 to clarify that an entity is not required to recognize short-term receivables and payables with no stated interest rate at an amount lower than the stated invoice amount when the impact of not discounting is immaterial.

The IASB also amended this standard to clarify that the exception for portfolios applies to all contracts that fall within the scope of IAS 39, *Financial Instruments: Recognition and Measurement*, or IFRS 9, *Financial Instruments*, whether or not these contracts meet the definition of a financial asset or liability pursuant to IAS 32, *Financial Instruments: Presentation*.

On June 1, 2014, the Corporation adopted this amended standard, and this change had no impact on the Corporation's consolidated financial statements.

Future 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 will early adopt the standards as of January 1, 2015. Currently, energy sales contracts for the South Glens Falls and Hudson Falls hydroelectric power stations in the United Stated are amortized using a method based on revenues until the end of contractual fixed prices set out in their contracts, in 2025 and 2026, respectively. To comply with the amended standards, the aforementioned energy sales contacts will be amortized on a straight-line basis over the remaining terms of the power sales contracts, 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 2025 of $0.2 million (US$0.2 million) and an increase in amortization expense from 2026 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 2026 of $0.5 million (US$0.4 million) and an increase in amortization expense from 2027 to 2035 of $0.6 million (US$0.6 million).

Internal Controls and Procedures

In accordance with National Instrument 52-109, *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, 2013, 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 third quarter ended September 30, 2014, no changes were made to internal control over financial reporting or disclosure controls and procedures that have materially affected, or are reasonably likely to materially affect, internal controls and procedures.

Consolidated Statements of Financial Position

(in thousands of dollars)	As at September 30, 2014	As at December 31, 2013
ASSETS		
Cash and cash equivalents	103,624	127,541
Restricted cash	34,434	60,126
Trade and other receivables	42,061	72,758
Inventories	4,461	4,502
Prepaid expenses	5,241	2,945
CURRENT ASSETS	189,821	267,872
Property, plant and equipment	1,308,618	1,179,653
Other intangible assets	252,559	257,058
Goodwill	49,550	49,890
Deferred income tax asset	9,585	—
Other non-current financial assets	—	1,262
Other non-current assets	36,347	35,705
NON-CURRENT ASSETS	1,656,659	1,523,568
TOTAL ASSETS	1,846,480	1,791,440
LIABILITIES		
Trade and other payables	83,905	81,607
Current portion of debt	67,515	122,509
Current income tax liability	1,606	1,516
Other current financial liabilities	27,711	15,243
CURRENT LIABILITIES	180,737	220,875
Non-current debt	960,192	855,484
Convertible debentures	232,062	229,578
Deferred income tax liability	34,219	37,493
Decommissioning liability	9,059	8,160
Other non-current financial liabilities	38,431	19,704
Other non-current liabilities	36,590	34,366
NON-CURRENT LIABILITIES	1,310,553	1,184,785
TOTAL LIABILITIES	1,491,290	1,405,660
EQUITY		
Equity attributable to shareholders	321,125	356,094
Non-controlling shareholders	34,065	29,686
TOTAL EQUITY	355,190	385,780
TOTAL LIABILITIES AND EQUITY	1,846,480	1,791,440

Consolidated Statements of Loss

(in thousands of dollars, except per share amounts)	Three-month periods ended September 30		Nine-month periods ended September 30	
	2014	2013	2014	2013
REVENUES				
Revenues from energy sales	42,883	28,651	172,198	119,528
Other income	256	1,826	830	2,382
	43,139	30,477	173,028	121,910
COSTS AND OTHER EXPENSES				
Operating	15,778	13,558	51,591	38,405
Administrative	3,003	2,784	10,368	10,083
Development	1,114	955	3,862	2,962
Amortization	18,830	13,187	57,664	39,901
Other gains	(861)	(150)	(2,080)	(232)
Impairment of property, plant and equipment	—	—	—	266
	37,864	30,334	121,405	91,385
OPERATING INCOME	5,275	143	51,623	30,525
Financing costs	18,858	12,764	56,812	37,780
Foreign exchange loss (gain)	274	(59)	393	(179)
Net loss on financial instruments	576	423	2,254	757
Other	(37)	—	(8)	—
LOSS BEFORE INCOME TAXES	(14,396)	(12,985)	(7,828)	(7,833)
Income tax recovery	(3,907)	(3,640)	(331)	(1,086)
NET LOSS FROM CONTINUING OPERATIONS	(10,489)	(9,345)	(7,497)	(6,747)
Net earnings from discontinued operations	312	917	1,936	1,700
NET LOSS	(10,177)	(8,428)	(5,561)	(5,047)
NET EARNINGS (LOSS) ATTRIBUTABLE TO:				
Shareholders of Boralex	(9,239)	(7,572)	(5,635)	(4,663)
Non-controlling shareholders	(938)	(856)	74	(384)
NET LOSS	(10,177)	(8,428)	(5,561)	(5,047)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(9,551)	(8,489)	(7,571)	(6,363)
Discontinued operations	312	917	1,936	1,700
	(9,239)	(7,572)	(5,635)	(4,663)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	($0.25)	($0.22)	($0.20)	($0.16)
Discontinued operations	$0.01	$0.02	$0.05	$0.04
	($0.24)	($0.20)	($0.15)	($0.12)

Consolidated Statements of Cash Flows

(in thousands of dollars)	Three-month periods ended September 30		Nine-month periods ended September 30	
	2014	**2013**	**2014**	**2013**
Net loss	(10,177)	(8,428)	(5,561)	(5,047)
Less: Net earnings from discontinued operations	312	917	1,936	1,700
Net loss from continuing operations	(10,489)	(9,345)	(7,497)	(6,747)
Financing costs	18,858	12,764	56,812	37,780
Interest paid	(14,843)	(18,372)	(49,603)	(34,618)
Income tax recovery	(3,907)	(3,640)	(331)	(1,086)
Income taxes paid	(1,518)	(1,273)	(2,876)	(2,725)
Non-cash items in loss:				
Net loss on financial instruments	576	423	2,254	757
Amortization	18,830	13,187	57,664	39,901
Impairment of property, plant and equipment	—	—	—	266
Other gains	(318)	(150)	(964)	(232)
Other	388	1,073	886	1,801
	7,577	(5,333)	56,345	35,097
Change in non-cash items related to operating activities	36,385	784	36,466	7,650
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	43,962	(4,549)	92,811	42,747
Business acquisition	(7,931)	—	(7,931)	—
Additions to property, plant and equipment	(100,847)	(137,824)	(175,416)	(240,473)
Change in restricted cash	13,512	(10,406)	25,692	(6,142)
Increase in non-current assets	(4,006)	—	(4,006)	—
Change in reserve funds	(542)	(13,103)	(573)	(13,979)
Development Projects	(608)	(874)	(5,602)	(7,489)
Proceeds from sale of assets	105	374	105	374
Other	54	(197)	(536)	(216)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(100,263)	(162,030)	(168,267)	(267,925)
Net increase in non-current debt	72,215	261,674	172,141	347,559
Repayments on non-current debt	(48,948)	(83,391)	(117,598)	(97,374)
Contribution of non-controlling shareholders	637	411	4,696	737
Dividends paid to shareholders of Boralex	(4,992)	—	(14,903)	—
Options exercised	85	18	4,709	48
Other	—	(109)	(40)	(109)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	18,997	178,603	49,005	250,861
Cash from discontinued operations	352	904	2,279	1,970
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	686	(646)	255	2,096
NET CHANGE IN CASH AND CASH EQUIVALENTS	(36,266)	12,282	(23,917)	29,749
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	139,890	124,605	127,541	107,138
CASH AND CASH EQUIVALENTS - END OF PERIOD	103,624	136,887	103,624	136,887

Information by Operating Segment

(in thousands of dollars, except MWh)	Three-month periods ended September 30		Nine-month periods ended September 30	
	2014	2013	2014	2013
POWER PRODUCTION (MWh)				
Wind power stations	203,769	96,921	840,886	454,941
Hydroelectric power stations	139,938	131,786	487,227	478,182
Thermal power stations	45,909	33,851	135,546	111,921
Solar power station	1,952	2,098	5,179	4,965
	391,568	264,656	1,468,838	1,050,009
REVENUES FROM ENERGY SALES				
Wind power stations	24,042	11,822	103,255	55,804
Hydroelectric power stations	12,236	11,206	43,854	41,010
Thermal power stations	5,660	4,657	22,521	20,471
Solar power station	945	966	2,568	2,243
	42,883	28,651	172,198	119,528
EBITDA				
Wind power stations	17,466	7,347	83,250	43,821
Hydroelectric power stations	8,816	7,595	32,985	31,411
Thermal power stations	588	(614)	4,059	2,984
Solar power station	850	853	2,243	1,941
Corporate and eliminations	(4,439)	(2,001)	(15,322)	(9,697)
	23,281	13,180	107,215	70,460

Information by Geographic Segment

(in thousands of dollars, except MWh)	Three-month periods ended September 30		Nine-month periods ended September 30	
	2014	2013	2014	2013
POWER PRODUCTION (MWh)				
Canada	239,122	112,921	770,094	423,851
France	84,125	72,676	402,554	325,088
United States	68,321	79,059	296,190	301,070
	391,568	264,656	1,468,838	1,050,009
REVENUES FROM ENERGY SALES				
Canada	23,663	10,337	83,049	46,252
France	13,833	11,841	63,887	48,970
United States	5,387	6,473	25,262	24,306
	42,883	28,651	172,198	119,528
EBITDA				
Canada	14,048	4,092	51,524	25,787
France	5,898	4,661	36,610	25,958
United States	3,335	4,427	19,081	18,715
	23,281	13,180	107,215	70,460

Consolidated Statements of Financial Position

(in thousands of dollars)	As at September 30, 2014 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
ASSETS			
Cash and cash equivalents	98,097	5,527	103,624
Restricted cash	6,943	27,491	34,434
Trade and other receivables	30,326	11,735	42,061
Inventories	4,450	11	4,461
Prepaid expenses	4,964	277	5,241
CURRENT ASSETS	144,780	45,041	189,821
Property, plant and equipment	882,937	425,681	1,308,618
Other intangible assets	252,559	—	252,559
Goodwill	49,550	—	49,550
Interests in the Joint Ventures	87,621	(87,621)	—
Deferred income tax asset	9,585	—	9,585
Other non-current assets	33,734	2,613	36,347
NON-CURRENT ASSETS	1,315,986	340,673	1,656,659
TOTAL ASSETS	1,460,766	385,714	1,846,480
LIABILITIES			
Trade and other payables	54,868	29,037	83,905
Current portion of debt	54,350	13,165	67,515
Current income tax liability	1,606	—	1,606
Other current financial liabilities	27,711	—	27,711
CURRENT LIABILITIES	138,535	42,202	180,737
Non-current debt	658,754	301,438	960,192
Convertible debentures	232,062	—	232,062
Deferred income tax liability	34,219	—	34,219
Decommissioning liability	7,927	1,132	9,059
Other non-current financial liabilities	27,908	10,523	38,431
Other non-current liabilities	5,684	30,906	36,590
NON-CURRENT LIABILITIES	966,554	343,999	1,310,553
TOTAL LIABILITIES	1,105,089	386,201	1,491,290
EQUITY			
Equity attributable to shareholders	321,612	(487)	321,125
Non-controlling shareholders	34,065	—	34,065
TOTAL EQUITY	355,677	(487)	355,190
TOTAL LIABILITIES AND EQUITY	1,460,766	385,714	1,846,480

Consolidated Statements of Financial Position

	As at December 31,		2013
(in thousands of dollars)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
ASSETS			
Cash and cash equivalents	124,942	2,599	127,541
Restricted cash	19,366	40,760	60,126
Trade and other receivables	41,625	31,133	72,758
Inventories	4,502	—	4,502
Prepaid expenses	2,945	—	2,945
CURRENT ASSETS	193,380	74,492	267,872
Property, plant and equipment	799,213	380,440	1,179,653
Other intangible assets	257,058	—	257,058
Goodwill	49,890	—	49,890
Interests in the Joint Ventures	90,880	(90,880)	—
Other non-current financial assets	289	973	1,262
Other non-current assets	32,017	3,688	35,705
NON-CURRENT ASSETS	1,229,347	294,221	1,523,568
TOTAL ASSETS	1,422,727	368,713	1,791,440
LIABILITIES			
Trade and other payables	57,992	23,615	81,607
Current portion of debt	84,034	38,475	122,509
Current income tax liability	1,516	—	1,516
Other current financial liabilities	15,243	—	15,243
CURRENT LIABILITIES	158,785	62,090	220,875
Non-current debt	578,914	276,570	855,484
Convertible debentures	229,578	—	229,578
Deferred income tax liability	37,493	—	37,493
Decommissioning liability	7,198	962	8,160
Other non-current financial liabilities	19,704	—	19,704
Other non-current liabilities	4,921	29,445	34,366
NON-CURRENT LIABILITIES	877,808	306,977	1,184,785
TOTAL LIABILITIES	1,036,593	369,067	1,405,660
EQUITY			
Equity attributable to shareholders	356,448	(354)	356,094
Non-controlling shareholders	29,686	—	29,686
TOTAL EQUITY	386,134	(354)	385,780
TOTAL LIABILITIES AND EQUITY	1,422,727	368,713	1,791,440

Consolidated Statements of Loss

	Three-month period ended September 30		
	2014		
(in thousands of dollars, except per share amounts)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	32,974	9,909	42,883
Other income	407	(151)	256
	33,381	9,758	43,139
COSTS AND OTHER EXPENSES			
Operating	14,498	1,280	15,778
Administrative	3,007	(4)	3,003
Development	1,106	8	1,114
Amortization	14,419	4,411	18,830
Other gains	(543)	(318)	(861)
	32,487	5,377	37,864
OPERATING INCOME	894	4,381	5,275
Financing costs	14,221	4,637	18,858
Foreign exchange loss (gain)	274	—	274
Net loss (gain) on financial instruments	744	(168)	576
Share in earnings (losses) of the Joint Ventures	(43)	43	—
Other	(37)	—	(37)
LOSS BEFORE INCOME TAXES	(14,351)	(45)	(14,396)
Income tax recovery	(3,907)	—	(3,907)
NET LOSS FROM CONTINUING OPERATIONS	(10,444)	(45)	(10,489)
Net earnings from discontinued operations	312	—	312
NET LOSS	(10,132)	(45)	(10,177)
NET LOSS ATTRIBUTABLE TO:			
Shareholders of Boralex	(9,194)	(45)	(9,239)
Non-controlling shareholders	(938)	—	(938)
NET LOSS	(10,132)	(45)	(10,177)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	(9,506)	(45)	(9,551)
Discontinued operations	312	—	312
	(9,194)	(45)	(9,239)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	($0.25)	—	($0.25)
Discontinued operations	$0.01	—	$0.01
	($0.24)	—	($0.24)

Consolidated Statements of Loss

	Three-month period ended September 30		
	2013		
(in thousands of dollars, except per share amounts)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	28,651	—	28,651
Other income	1,925	(99)	1,826
	30,576	(99)	30,477
COSTS AND OTHER EXPENSES			
Operating	13,558	—	13,558
Administrative	2,738	46	2,784
Development	955	—	955
Amortization	13,187	—	13,187
Other gains	(150)	—	(150)
	30,288	46	30,334
OPERATING INCOME	288	(145)	143
Financing costs	12,613	151	12,764
Foreign exchange loss (gain)	(112)	53	(59)
Net loss on financial instruments	—	423	423
Share in earnings (losses) of the Joint Ventures	(673)	673	—
LOSS BEFORE INCOME TAXES	(12,886)	(99)	(12,985)
Income tax recovery	(3,640)	—	(3,640)
NET LOSS FROM CONTINUING OPERATIONS	(9,246)	(99)	(9,345)
Net earnings from discontinued operations	917	—	917
NET LOSS	(8,329)	(99)	(8,428)
NET LOSS ATTRIBUTABLE TO:			
Shareholders of Boralex	(7,473)	(99)	(7,572)
Non-controlling shareholders	(856)	—	(856)
NET LOSS	(8,329)	(99)	(8,428)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	(8,390)	(99)	(8,489)
Discontinued operations	917	—	917
	(7,473)	(99)	(7,572)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	($0.22)	—	($0.22)
Discontinued operations	$0.02	—	$0.02
	($0.20)	—	($0.20)

Consolidated Statements of Loss

(in thousands of dollars, except per share amounts)	Nine-month period ended September 30 2014 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	139,728	32,470	172,198
Other income	1,282	(452)	830
	141,010	32,018	173,028
COSTS AND OTHER EXPENSES			
Operating	47,251	4,340	51,591
Administrative	10,284	84	10,368
Development	3,854	8	3,862
Amortization	44,578	13,086	57,664
Other gains	(1,116)	(964)	(2,080)
	104,851	16,554	121,405
OPERATING INCOME	36,159	15,464	51,623
Financing costs	42,171	14,641	56,812
Foreign exchange loss	391	2	393
Net loss on financial instruments	2,156	98	2,254
Share in earnings (losses) of the Joint Ventures	856	(856)	—
Other	(8)	—	(8)
LOSS BEFORE INCOME TAXES	(7,695)	(133)	(7,828)
Income tax recovery	(331)	—	(331)
NET LOSS FROM CONTINUING OPERATIONS	(7,364)	(133)	(7,497)
Net earnings from discontinued operations	1,936	—	1,936
NET LOSS	(5,428)	(133)	(5,561)
NET EARNINGS (LOSS) ATTRIBUTABLE TO:			
Shareholders of Boralex	(5,502)	(133)	(5,635)
Non-controlling shareholders	74	—	74
NET LOSS	(5,428)	(133)	(5,561)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	(7,438)	(133)	(7,571)
Discontinued operations	1,936	—	1,936
	(5,502)	(133)	(5,635)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	($0.19)	($0.01)	($0.20)
Discontinued operations	$0.05	—	$0.05
	($0.14)	($0.01)	($0.15)

Consolidated Statements of Loss

	Nine-month period ended September 30		
	2013		
(in thousands of dollars, except per share amounts)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	119,528	—	119,528
Other income	2,677	(295)	2,382
	122,205	(295)	121,910
COSTS AND OTHER EXPENSES			
Operating	38,405	—	38,405
Administrative	9,951	132	10,083
Development	2,964	(2)	2,962
Amortization	39,901	—	39,901
Other gains	(232)	—	(232)
Impairment of property, plant and equipment	266	—	266
	91,255	130	91,385
OPERATING INCOME	30,950	(425)	30,525
Financing costs	37,632	148	37,780
Foreign exchange loss (gain)	(258)	79	(179)
Net loss (gain) on financial instruments	(673)	1,430	757
Share in earnings (losses) of the Joint Ventures	(1,787)	1,787	—
LOSS BEFORE INCOME TAXES	(7,538)	(295)	(7,833)
Income tax recovery	(1,086)	—	(1,086)
NET LOSS FROM CONTINUING OPERATIONS	(6,452)	(295)	(6,747)
Net earnings from discontinued operations	1,700	—	1,700
NET LOSS	(4,752)	(295)	(5,047)
NET LOSS ATTRIBUTABLE TO:			
Shareholders of Boralex	(4,368)	(295)	(4,663)
Non-controlling shareholders	(384)	—	(384)
NET LOSS	(4,752)	(295)	(5,047)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	(6,068)	(295)	(6,363)
Discontinued operations	1,700	—	1,700
	(4,368)	(295)	(4,663)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	($0.16)	—	($0.16)
Discontinued operations	$0.04	—	$0.04
	($0.12)	—	($0.12)

Consolidated Statements of Cash Flows

	Three-month period ended September 30		
	2014		
(in thousands of dollars)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net loss	(10,132)	(45)	(10,177)
Less: Net earnings from discontinued operations	312	—	312
Net loss from continuing operations	(10,444)	(45)	(10,489)
Financing costs	14,221	4,637	18,858
Interest paid	(11,313)	(3,530)	(14,843)
Income tax recovery	(3,907)	—	(3,907)
Income taxes paid	(1,518)	—	(1,518)
Non-cash items in loss:			
Net loss (gain) on financial instruments	744	(168)	576
Share in results of the Joint Ventures	43	(43)	—
Amortization	14,419	4,411	18,830
Other gains	—	(318)	(318)
Other	388	—	388
	2,633	4,944	7,577
Change in non-cash items related to operating activities	8,143	28,242	36,385
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	10,776	33,186	43,962
Business acquisition	(7,931)	—	(7,931)
Additions to property, plant and equipment	(78,513)	(22,334)	(100,847)
Change in restricted cash	2,711	10,801	13,512
Increase in interest in Joint Ventures	(2,656)	2,656	—
Increase in non-current assets	(1,350)	(2,656)	(4,006)
Change in reserve funds	(542)	—	(542)
Development projects	(608)	—	(608)
Proceeds from sale of assets	105	—	105
Other	104	(50)	54
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(88,680)	(11,583)	(100,263)
Net increase in non-current debt	70,836	1,379	72,215
Repayments on non-current debt	(18,801)	(30,147)	(48,948)
Contribution of non-controlling shareholders	637	—	637
Dividends paid to shareholders of Boralex	(4,992)	—	(4,992)
Options exercised	85	—	85
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	47,765	(28,768)	18,997
Cash from discontinued operations	352	—	352
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	686	—	686
NET CHANGE IN CASH AND CASH EQUIVALENTS	(29,101)	(7,165)	(36,266)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	127,198	12,692	139,890
CASH AND CASH EQUIVALENTS - END OF PERIOD	98,097	5,527	103,624

Consolidated Statements of Cash Flows

(in thousands of dollars)	Three-month period ended September 30 2013 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net loss	(8,329)	(99)	(8,428)
Less: Net earnings from discontinued operations	917	—	917
Net loss from continuing operations	(9,246)	(99)	(9,345)
Financing costs	12,613	151	12,764
Interest paid	(18,372)	—	(18,372)
Income tax recovery	(3,640)	—	(3,640)
Income taxes paid	(1,273)	—	(1,273)
Non-cash items in loss:			
Net loss on financial instruments	—	423	423
Share in results of the Joint Ventures	673	(673)	—
Amortization	13,187	—	13,187
Other gains	(150)	—	(150)
Other	1,073	—	1,073
	(5,135)	(198)	(5,333)
Change in non-cash items related to operating activities	6,941	(6,157)	784
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	1,806	(6,355)	(4,549)
Additions to property, plant and equipment	(30,391)	(107,433)	(137,824)
Change in restricted cash	(9,418)	(988)	(10,406)
Increase in interest in Joint Ventures	(2,716)	2,716	—
Change in reserve funds	(13,103)	—	(13,103)
Development projects	(874)	—	(874)
Proceeds from sale of assets	374	—	374
Other	(197)	—	(197)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(56,325)	(105,705)	(162,030)
Net increase in non-current debt	151,185	110,489	261,674
Repayments on non-current debt	(83,391)	—	(83,391)
Contribution of non-controlling shareholders	411	—	411
Options exercised	18	—	18
Other	(109)	—	(109)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	68,114	110,489	178,603
Cash from discontinued operations	904	—	904
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	(646)	—	(646)
NET CHANGE IN CASH AND CASH EQUIVALENTS	13,853	(1,571)	12,282
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	122,214	2,391	124,605
CASH AND CASH EQUIVALENTS - END OF PERIOD	136,067	820	136,887

Consolidated Statements of Cash Flows

	Nine-month period ended September 30		
	2014		
(in thousands of dollars)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net loss	(5,428)	(133)	(5,561)
Less: Net earnings from discontinued operations	1,936	—	1,936
Net loss from continuing operations	(7,364)	(133)	(7,497)
Financing costs	42,171	14,641	56,812
Interest paid	(38,666)	(10,937)	(49,603)
Income tax recovery	(331)	—	(331)
Income taxes paid	(2,876)	—	(2,876)
Non-cash items in loss:			
Net loss (gain) on financial instruments	2,156	98	2,254
Share in results of the Joint Ventures	(856)	856	—
Amortization	44,578	13,086	57,664
Other gains	—	(964)	(964)
Other	886	—	886
	39,698	16,647	56,345
Change in non-cash items related to operating activities	8,759	27,707	36,466
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	48,457	44,354	92,811
Business acquisition	(7,931)	—	(7,931)
Additions to property, plant and equipment	(120,066)	(55,350)	(175,416)
Change in restricted cash	12,423	13,269	25,692
Increase in interest in Joint Ventures	(6,072)	6,072	—
Increase in non-current assets	(1,350)	(2,656)	(4,006)
Change in reserve funds	(573)	—	(573)
Development projects	(5,602)	—	(5,602)
Proceeds from sale of assets	105	—	105
Other	(536)	—	(536)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(129,602)	(38,665)	(168,267)
Net increase in non-current debt	137,125	35,016	172,141
Repayments on non-current debt	(79,821)	(37,777)	(117,598)
Contribution of non-controlling shareholders	4,696	—	4,696
Dividends paid to shareholders of Boralex	(14,903)	—	(14,903)
Options exercised	4,709	—	4,709
Other	(40)	—	(40)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	51,766	(2,761)	49,005
Cash from discontinued operations	2,279	—	2,279
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	255	—	255
NET CHANGE IN CASH AND CASH EQUIVALENTS	(26,845)	2,928	(23,917)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	124,942	2,599	127,541
CASH AND CASH EQUIVALENTS - END OF PERIOD	98,097	5,527	103,624

Consolidated Statements of Cash Flows

	Nine-month period ended September 30		
	2013		
(in thousands of dollars)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net loss	(4,752)	(295)	(5,047)
Less: Net earnings from discontinued operations	1,700	—	1,700
Net loss from continuing operations	(6,452)	(295)	(6,747)
Financing costs	37,632	148	37,780
Interest paid	(34,625)	7	(34,618)
Income tax recovery	(1,086)	—	(1,086)
Income taxes paid	(2,725)	—	(2,725)
Non-cash items in loss:			
Net loss (gain) on financial instruments	(673)	1,430	757
Share in results of the Joint Ventures	1,787	(1,787)	—
Amortization	39,901	—	39,901
Impairment of property, plant and equipment	266	—	266
Other gains	(232)	—	(232)
Other	1,801	—	1,801
	35,594	(497)	35,097
Change in non-cash items related to operating activities	20,959	(13,309)	7,650
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	56,553	(13,806)	42,747
Additions to property, plant and equipment	(79,084)	(161,389)	(240,473)
Change in restricted cash	(9,361)	3,219	(6,142)
Increase in interest in Joint Ventures	(5,537)	5,537	—
Change in reserve funds	(13,979)	—	(13,979)
Development Projects	(7,489)	—	(7,489)
Proceeds from sale of assets	374	—	374
Other	(216)	—	(216)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(115,292)	(152,633)	(267,925)
Net increase in non-current debt	180,300	167,259	347,559
Repayments on non-current debt	(97,374)	—	(97,374)
Contribution of non-controlling shareholders	737	—	737
Options exercised	48	—	48
Other	(109)	—	(109)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	83,602	167,259	250,861
Cash from discontinued operations	1,970	—	1,970
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	2,096	—	2,096
NET CHANGE IN CASH AND CASH EQUIVALENTS	28,929	820	29,749
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	107,138	—	107,138
CASH AND CASH EQUIVALENTS - END OF PERIOD	136,067	820	136,887

Information by Operating Segment

	Three-month period ended September 30		
	2014		
(in thousands of dollars, except MWh)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	112,029	91,740	203,769
Hydroelectric power stations	139,938	—	139,938
Thermal power stations	45,909	—	45,909
Solar power station	1,952	—	1,952
	299,828	91,740	391,568
REVENUES FROM ENERGY SALES			
Wind power stations	14,133	9,909	24,042
Hydroelectric power stations	12,236	—	12,236
Thermal power stations	5,660	—	5,660
Solar power station	945	—	945
	32,974	9,909	42,883
EBITDA			
Wind power stations	9,567	7,899	17,466
Hydroelectric power stations	8,816	—	8,816
Thermal power stations	588	—	588
Solar power station	850	—	850
	19,821	7,899	27,720
Corporate and eliminations	(5,057)	618	(4,439)
	14,764	8,517	23,281

	Three-month period ended September 30		
	2013		
(in thousands of dollars, except MWh)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	96,921	—	96,921
Hydroelectric power stations	131,786	—	131,786
Thermal power stations	33,851	—	33,851
Solar power station	2,098	—	2,098
	264,656	—	264,656
REVENUES FROM ENERGY SALES			
Wind power stations	11,822	—	11,822
Hydroelectric power stations	11,206	—	11,206
Thermal power stations	4,657	—	4,657
Solar power station	966	—	966
	28,651	—	28,651
EBITDA			
Wind power stations	6,872	475	7,347
Hydroelectric power stations	7,595	—	7,595
Thermal power stations	(614)	—	(614)
Solar power station	853	—	853
	14,706	475	15,181
Corporate and eliminations	(2,054)	53	(2,001)
	12,652	528	13,180

Information by Operating Segment

(in thousands of dollars, except MWh)	Nine-month period ended September 30 2014 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	540,396	300,490	840,886
Hydroelectric power stations	487,227	—	487,227
Thermal power stations	135,546	—	135,546
Solar power station	5,179	—	5,179
	1,168,348	300,490	1,468,838
REVENUES FROM ENERGY SALES			
Wind power stations	70,785	32,470	103,255
Hydroelectric power stations	43,854	—	43,854
Thermal power stations	22,521	—	22,521
Solar power station	2,568	—	2,568
	139,728	32,470	172,198
EBITDA			
Wind power stations	58,388	24,862	83,250
Hydroelectric power stations	32,985	—	32,985
Thermal power stations	4,059	—	4,059
Solar power station	2,243	—	2,243
	97,675	24,862	122,537
Corporate and eliminations	(17,190)	1,868	(15,322)
	80,485	26,730	107,215

(in thousands of dollars, except MWh)	Nine-month period ended September 30 2013 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	454,941	—	454,941
Hydroelectric power stations	478,182	—	478,182
Thermal power stations	111,921	—	111,921
Solar power station	4,965	—	4,965
	1,050,009	—	1,050,009
REVENUES FROM ENERGY SALES			
Wind power stations	55,804	—	55,804
Hydroelectric power stations	41,010	—	41,010
Thermal power stations	20,471	—	20,471
Solar power station	2,243	—	2,243
	119,528	—	119,528
EBITDA			
Wind power stations	42,316	1,505	43,821
Hydroelectric power stations	31,411	—	31,411
Thermal power stations	2,984	—	2,984
Solar power station	1,941	—	1,941
	78,652	1,505	80,157
Corporate and eliminations	(9,554)	(143)	(9,697)
	69,098	1,362	70,460

Information by Geographic Segment

	Three-month period ended September 30		
	2014		
(in thousands of dollars, except MWh)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Canada	147,382	91,740	239,122
France	84,125	—	84,125
United States	68,321	—	68,321
	299,828	91,740	391,568
REVENUES FROM ENERGY SALES			
Canada	13,754	9,909	23,663
France	13,833	—	13,833
United States	5,387	—	5,387
	32,974	9,909	42,883
EBITDA			
Canada	5,531	8,517	14,048
France	5,898	—	5,898
United States	3,335	—	3,335
	14,764	8,517	23,281

	Three-month period ended September 30		
	2013		
(in thousands of dollars, except MWh)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Canada	112,921	—	112,921
France	72,676	—	72,676
United States	79,059	—	79,059
	264,656	—	264,656
REVENUES FROM ENERGY SALES			
Canada	10,337	—	10,337
France	11,841	—	11,841
United States	6,473	—	6,473
	28,651	—	28,651
EBITDA			
Canada	3,564	528	4,092
France	4,661	—	4,661
United States	4,427	—	4,427
	12,652	528	13,180

Information by Geographic Segment

(in thousands of dollars, except MWh)	Nine-month period ended September 30 2014 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Canada	469,604	300,490	770,094
France	402,554	—	402,554
United States	296,190	—	296,190
	1,168,348	300,490	1,468,838
REVENUES FROM ENERGY SALES			
Canada	50,579	32,470	83,049
France	63,887	—	63,887
United States	25,262	—	25,262
	139,728	32,470	172,198
EBITDA			
Canada	24,794	26,730	51,524
France	36,610	—	36,610
United States	19,081	—	19,081
	80,485	26,730	107,215

(in thousands of dollars, except MWh)	Nine-month period ended September 30 2013 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Canada	423,851	—	423,851
France	325,088	—	325,088
United States	301,070	—	301,070
	1,050,009	—	1,050,009
REVENUES FROM ENERGY SALES			
Canada	46,252	—	46,252
France	48,970	—	48,970
United States	24,306	—	24,306
	119,528	—	119,528
EBITDA			
Canada	24,425	1,362	25,787
France	25,958	—	25,958
United States	18,715	—	18,715
	69,098	1,362	70,460

Consolidated Financial Statements

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Consolidated Statements of Financial Position

(in thousands of Canadian dollars) (unaudited)	Note	As at September 30, 2014	As at December 31, 2013
ASSETS			
Cash and cash equivalents		98,097	124,942
Restricted cash		6,943	19,366
Trade and other receivables		30,326	41,625
Inventories		4,450	4,502
Prepaid expenses		4,964	2,945
CURRENT ASSETS		144,780	193,380
Property, plant and equipment		882,937	799,213
Other intangible assets		252,559	257,058
Goodwill		49,550	49,890
Interests in the Joint Ventures	5	87,621	90,880
Deferred income tax asset		9,585	—
Other non-current financial assets	10	—	289
Other non-current assets		33,734	32,017
NON-CURRENT ASSETS		1,315,986	1,229,347
TOTAL ASSETS		1,460,766	1,422,727
LIABILITIES			
Trade and other payables		54,868	57,992
Current portion of debt	6	54,350	84,034
Current income tax liability		1,606	1,516
Other current financial liabilities	10	27,711	15,243
CURRENT LIABILITIES		138,535	158,785
Non-current debt	6	658,754	578,914
Convertible debentures		232,062	229,578
Deferred income tax liability		34,219	37,493
Decommissioning liability		7,927	7,198
Other non-current financial liabilities	10	27,908	19,704
Other non-current liabilities		5,684	4,921
NON-CURRENT LIABILITIES		966,554	877,808
TOTAL LIABILITIES		1,105,089	1,036,593
EQUITY			
Equity attributable to shareholders		321,612	356,448
Non-controlling shareholders		34,065	29,686
TOTAL EQUITY		355,677	386,134
TOTAL LIABILITIES AND EQUITY		1,460,766	1,422,727

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

Consolidated Statements of Loss

(in thousands of Canadian dollars, except per share amounts) (unaudited)	Note	Three-month periods ended September 30 2014	2013	Nine-month periods ended September 30 2014	2013
REVENUES					
Revenues from energy sales		32,974	28,651	139,728	119,528
Other income		407	1,925	1,282	2,677
		33,381	30,576	141,010	122,205
COSTS AND OTHER EXPENSES					
Operating		14,498	13,558	47,251	38,405
Administrative		3,007	2,738	10,284	9,951
Development		1,106	955	3,854	2,964
Amortization		14,419	13,187	44,578	39,901
Other gains		(543)	(150)	(1,116)	(232)
Impairment of property, plant and equipment		—	—	—	266
		32,487	30,288	104,851	91,255
OPERATING INCOME		894	288	36,159	30,950
Financing costs		14,221	12,613	42,171	37,632
Foreign exchange loss (gain)		274	(112)	391	(258)
Net loss (gain) on financial instruments		744	—	2,156	(673)
Share in earnings (losses) of the Joint Ventures	5	(43)	(673)	856	(1,787)
Other		(37)	—	(8)	—
LOSS BEFORE INCOME TAXES		(14,351)	(12,886)	(7,695)	(7,538)
Income tax recovery		(3,907)	(3,640)	(331)	(1,086)
NET LOSS FROM CONTINUING OPERATIONS		(10,444)	(9,246)	(7,364)	(6,452)
Net earnings from discontinued operations	8	312	917	1,936	1,700
NET LOSS		(10,132)	(8,329)	(5,428)	(4,752)
NET EARNINGS (LOSS) ATTRIBUTABLE TO:					
Shareholders of Boralex		(9,194)	(7,473)	(5,502)	(4,368)
Non-controlling shareholders		(938)	(856)	74	(384)
NET LOSS		(10,132)	(8,329)	(5,428)	(4,752)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations		(9,506)	(8,390)	(7,438)	(6,068)
Discontinued operations	8	312	917	1,936	1,700
		(9,194)	(7,473)	(5,502)	(4,368)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations		($0.25)	($0.22)	($0.19)	($0.16)
Discontinued operations		$0.01	$0.02	$0.05	$0.04
	9	($0.24)	($0.20)	($0.14)	($0.12)

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

Statements of Comprehensive Income (Loss)

(in thousands of Canadian dollars) (unaudited)	Three-month periods ended September 30 2014	2013	Nine-month periods ended September 30 2014	2013
NET LOSS	(10,132)	(8,329)	(5,428)	(4,752)
Other comprehensive income (loss) to be subsequently reclassified to net loss when certain conditions are met				
Translation adjustments:				
Unrealized foreign exchange gain (loss) on translation of financial statements of self-sustaining foreign operations	(292)	277	(237)	9,910
Cash flow hedges:				
Change in fair value of financial instruments	(6,488)	(1,033)	(27,538)	8,016
Hedging items realized and recognized in net loss	2,849	2,042	8,766	5,820
Income taxes	1,126	(282)	5,614	(4,087)
Cash flow hedges - Joint Ventures:				
Change in fair value of financial instruments	(2,040)	1,561	(12,187)	16,503
Income taxes	496	(513)	3,137	(4,382)
Available-for-sale financial asset:				
Change in fair value of an available-for-sale financial asset	—	58	—	858
Items realized and recognized in net loss	—	(58)	—	(149)
Total other comprehensive income (loss)	(4,349)	2,052	(22,445)	32,489
COMPREHENSIVE INCOME (LOSS)	(14,481)	(6,277)	(27,873)	27,737
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of Boralex	(12,186)	(6,005)	(25,243)	25,303
Non-controlling shareholders	(2,295)	(272)	(2,630)	2,434
COMPREHENSIVE INCOME (LOSS)	(14,481)	(6,277)	(27,873)	27,737
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(12,498)	(6,922)	(27,179)	23,603
Discontinued operations	312	917	1,936	1,700
	(12,186)	(6,005)	(25,243)	25,303

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

Consolidated Statements of Changes in Equity

(in thousands of Canadian dollars) (unaudited)	Equity attributable to shareholders							Nine-month period ended September 30 2014
	Capital stock	Equity component of convertible debentures	Contributed surplus	Retained earnings	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 (loss)	—	—	—	(5,502)	—	(5,502)	74	(5,428)
Other comprehensive loss	—	—	—	—	(19,741)	(19,741)	(2,704)	(22,445)
COMPREHENSIVE LOSS	—	—	—	(5,502)	(19,741)	(25,243)	(2,630)	(27,873)
Dividends (note 9)	—	—	—	(14,903)	—	(14,903)	—	(14,903)
Conversion of convertible debentures	209	—	—	—	—	209	—	209
Options exercised (note 9)	4,709	—	—	—	—	4,709	—	4,709
Stock option expense	—	—	397	—	—	397	—	397
Excess of proceeds on repurchase of non-controlling shareholders	—	—	—	(5)	—	(5)	(2)	(7)
Contribution of non-controlling shareholders (note 7)	—	—	—	—	—	—	7,011	7,011
BALANCE AS AT SEPTEMBER 30, 2014	227,997	14,379	8,127	120,165	(49,056)	321,612	34,065	355,677

(in thousands of Canadian dollars) (unaudited)	Equity attributable to shareholders							Nine-month period ended September 30 2013
	Capital stock	Equity component of convertible debentures	Contributed surplus	Retained earnings	Other comprehensive income (loss)	Total	Non-controlling shareholders	Total equity
BALANCE AS AT JANUARY 1, 2013	222,870	14,379	6,945	144,492	(68,818)	319,868	22,501	342,369
Net loss	—	—	—	(4,368)	—	(4,368)	(384)	(4,752)
Other comprehensive income	—	—	—	—	29,671	29,671	2,818	32,489
COMPREHENSIVE INCOME (LOSS)	—	—	—	(4,368)	29,671	25,303	2,434	27,737
Conversion of convertible debentures	65	—	—	—	—	65	—	65
Options exercised (note 9)	48	—	—	—	—	48	—	48
Stock option expense	—	—	575	—	—	575	—	575
Excess of proceeds on repurchase of non-controlling shareholders	—	—	—	(79)	—	(79)	(26)	(105)
Contribution of non-controlling shareholders (note 7)	—	—	—	—	—	—	737	737
BALANCE AS AT SEPTEMBER 30, 2013	222,983	14,379	7,520	140,045	(39,147)	345,780	25,646	371,426

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 September 30 2014	2013	Nine-month periods ended September 30 2014	2013
Net loss		(10,132)	(8,329)	(5,428)	(4,752)
Less: Net earnings from discontinued operations	8	312	917	1,936	1,700
Net loss from continuing operations		(10,444)	(9,246)	(7,364)	(6,452)
Financing costs		14,221	12,613	42,171	37,632
Interest paid		(11,313)	(18,372)	(38,666)	(34,625)
Income tax recovery		(3,907)	(3,640)	(331)	(1,086)
Income taxes paid		(1,518)	(1,273)	(2,876)	(2,725)
Non-cash items in loss:					
Net loss (gain) on financial instruments		744	—	2,156	(673)
Share in results of the Joint Ventures	5	43	673	(856)	1,787
Amortization		14,419	13,187	44,578	39,901
Impairment of property, plant and equipment		—	—	—	266
Other gains		—	(150)	—	(232)
Other		388	1,073	886	1,801
		2,633	(5,135)	39,698	35,594
Change in non-cash items related to operating activities		8,143	6,941	8,759	20,959
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES		10,776	1,806	48,457	56,553
Business acquisition	4	(7,931)	—	(7,931)	—
Additions to property, plant and equipment		(78,513)	(30,391)	(120,066)	(79,084)
Change in restricted cash		2,711	(9,418)	12,423	(9,361)
Increase in interest in Joint Ventures	5	(2,656)	(2,716)	(6,072)	(5,537)
Increase in non-current assets		(1,350)	—	(1,350)	—
Change in reserve funds		(542)	(13,103)	(573)	(13,979)
Development projects		(608)	(874)	(5,602)	(7,489)
Proceeds from sale of assets		105	374	105	374
Other		104	(197)	(536)	(216)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES		(88,680)	(56,325)	(129,602)	(115,292)
Net increase in non-current debt		70,836	151,185	137,125	180,300
Repayments on non-current debt		(18,801)	(83,391)	(79,821)	(97,374)
Contribution of non-controlling shareholders	7	637	411	4,696	737
Dividends paid to shareholders of Boralex	9	(4,992)	—	(14,903)	—
Options exercised	9	85	18	4,709	48
Other		—	(109)	(40)	(109)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES		47,765	68,114	51,766	83,602
Cash from discontinued operations		352	904	2,279	1,970
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS		686	(646)	255	2,096
NET CHANGE IN CASH AND CASH EQUIVALENTS		(29,101)	13,853	(26,845)	28,929
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD		127,198	122,214	124,942	107,138
CASH AND CASH EQUIVALENTS - END OF PERIOD		98,097	136,067	98,097	136,067

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

Notes to Consolidated Financial Statements

As at September 30, 2014

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

Note 1.

Incorporation and Nature of Business

Boralex Inc. and its subsidiaries ("Boralex" or the "Corporation") operate mainly as a private producer of energy. The Corporation has interests in 25 wind power stations, 15 hydroelectric power stations, two thermal power stations and a solar power facility for a total capacity of 674 megawatts ("MW"). Boralex is also committed under power development projects, both independently and with partners, to add 228 MW of power (Boralex's share is 194 MW). The Corporation also operates two hydroelectric power stations on behalf of R.S.P. Hydro inc., a holding company controlled by a director of Cascades Inc., a corporation exercising significant influence over the Corporation. The generated power is sold mainly in Canada, France and the United States. In addition, Boralex operates Seigneurie de Beaupré Wind Farms Phases I and II, as defined in note 5, in which it holds a 50% interest.

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, 4, 5, 11, 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, 2013, 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. 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, 2013.

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, 2013.

The Board of Directors approved these unaudited interim condensed consolidated financial statements on November 4, 2014.

Note 3.

Significant Accounting Policies

Changes in Accounting Policies

IFRIC 21, *Levies*

In May 2013, the IASB issued IFRIC 21, *Levies*, which is an interpretation of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, on the accounting of levies imposed by governments. IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014 and must be applied retrospectively. On January 1, 2014, the Corporation adopted this new standard, and this change had no material impact on the Corporation's consolidated financial statements.

IFRS 2, *Share-based Payment*

In December 2013, the IASB amended IFRS 2 to clarify the definition of "vesting conditions" by setting out separate definitions of the terms "performance conditions" and "service conditions." On June 1, 2014, the Corporation adopted this amended standard, and this change had no impact on the Corporation's consolidated financial statements.

IFRS 3, *Business Combinations*

In December 2013, the IASB amended IFRS 3 to clarify that contingent consideration in a business combination must be classified as a financial liability or an equity instrument and that a consideration not classified as equity must be subsequently measured at fair value. On June 1, 2014, the Corporation adopted this amended standard, and this change had no impact on the Corporation's consolidated financial statements.

IFRS 13, *Fair Value Measurement*

In December 2013, the IASB amended IFRS 13 to clarify that an entity is not required to recognize short-term receivables and payables with no stated interest rate at an amount lower than the stated invoice amount when the impact of not discounting is immaterial.

The IASB also amended this standard to clarify that the exception for portfolios applies to all contracts that fall within the scope of IAS 39, *Financial Instruments: Recognition and Measurement*, or IFRS 9, *Financial Instruments*, whether or not these contracts meet the definition of a financial asset or liability pursuant to IAS 32, *Financial Instruments: Presentation*.

On June 1, 2014, the Corporation adopted this amended standard, and this change had no impact on the Corporation's consolidated financial statements.

Future 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 the fiscal years beginning on or after July 1, 2016, with earlier adoption permitted. The Corporation assessed their impact and will early adopt the standards as of January 1, 2015. Currently, energy sales contracts for the South Glens Falls and Hudson Falls hydroelectric power stations in the United States are amortized using a method based on contract revenues until the end of contractual fixed prices set out in their contracts, in 2025 and 2026, respectively. To comply with the amended standards, the aforementioned energy sales contacts will be amortized on a straight-line basis over the remaining terms of the power sales contracts, 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 2025 of $230,000 (US$210,000) and an increase in amortization expense from 2026 to 2034 of $280,000 (US$255,000). The annual impact of this change for Hudson Falls is a decrease in amortization expense for the years 2015 to 2026 of $460,000 (US$420,000) and an increase in amortization expense from 2027 to 2035 of $615,000 (US$560,000).

Note 4.
Business Combination
Calmont Acquisition

On July 30, 2014, 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 14 MW wind power project under development in France (the "Calmont" wind power project) for a total cash consideration of €5,500,000. The payment was made in two instalments, consisting of $4,840,000 (€3,315,000) in July and $3,091,000 (€2,185,000) in September 2014. 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 acquisition are consolidated as of July 30, 2014.

The following table shows the preliminary purchase price allocation:

	Preliminary allocation	
	(in thousands of $)	(in thousands of €)
Current assets	13	9
Property, plant and equipment	517	354
Energy sale contract	8,004	5,482
Current liabilities	(504)	(345)
Net assets	8,030	5,500

The preliminary purchase price allocation was based on the fair value as at the acquisition date and the exchange rate in effect at that date. Following the final purchase price allocation, the *Energy sale contract* item is likely to be adjusted.

Since the acquisition date, the acquired entity has contributed a nil amount to revenues from energy sales and generated a 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 Phase I and Phase II

In June 2011 and in May 2013, in connection with Phase I and Phase II of Seigneurie de Beaupré Wind Farms, respectively, 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.

Joint Venture in Denmark

In July 2014, Boralex entered into a joint venture agreement with Danish developer European Energy A/S. The joint venture's goal is to develop an offshore wind farm in Denmark. Boralex invested €1,818,000 ($2,656,000) to acquire a 50% share in the joint venture and to finance development activities.

Interests in the Joint Ventures

	Nine-month period ended September 30 2014				Twelve-month period ended December 31 2013		
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Total
Balance - beginning of period	75,442	15,438	—	90,880	58,994	—	58,994
Cash contribution	3,416	—	2,656	6,072	—	8,318	8,318
Capital contribution	—	—	—	—	—	6,382	6,382
Share in net earnings (loss)	2,751	105	—	2,856	(1,412)	(12)	(1,424)
Share in comprehensive income (loss)	(11,404)	(783)	—	(12,187)	17,860	795	18,655
Other	—	—	—	—	—	(45)	(45)
Balance - end of period	70,205	14,760	2,656	87,621	75,442	15,438	90,880

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

	As at September 30, 2014			As at December 31, 2013		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Cash and cash equivalents	7,899	3,157	11,056	552	4,646	5,198
Restricted cash	19,036	35,945	54,981	35,279	46,241	81,520
Other current assets	10,299	13,746	24,045	61,306	960	62,266
Non-current financial assets	—	—	—	1,947	—	1,947
Non-current assets	685,544	166,794	852,338	707,082	61,969	769,051
TOTAL ASSETS	722,778	219,642	942,420	806,166	113,816	919,982
Current portion of debt	20,967	5,363	26,330	76,951	—	76,951
Other current liabilities	22,767	35,314	58,081	42,861	4,370	47,231
Non-current debt	466,457	136,414	602,871	482,248	70,890	553,138
Non-current financial liabilities	21,046	—	21,046	—	—	—
Other non-current liabilities	51,132	12,945	64,077	53,224	7,589	60,813
TOTAL LIABILITIES	582,369	190,036	772,405	655,284	82,849	738,133
NET ASSETS	140,409	29,606	170,015	150,882	30,967	181,849

	Three-month period ended September 30 2014			Three-month period ended September 30 2013		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Revenues from energy sales	19,821	—	19,821	—	—	—
Operating	2,775	—	2,775	—	—	—
Administrative	(10)	8	(2)	48	46	94
Development	—	14	14	—	—	—
Amortization	8,821	—	8,821	—	—	—
Other gains	(635)	—	(635)	—	—	—
OPERATING INCOME (LOSS)	8,870	(22)	8,848	(48)	(46)	(94)
Financing costs (interest income)	7,984	(39)	7,945	—	—	—
Foreign exchange loss	1	1	2	106	—	106
Net loss (gain) on financial instruments	(336)	—	(336)	845	—	845
NET EARNINGS (LOSS)	1,221	16	1,237	(999)	(46)	(1,045)
Other comprehensive income (loss)	(3,364)	(718)	(4,082)	3,122	—	3,122
COMPREHENSIVE INCOME (LOSS)	(2,143)	(702)	(2,845)	2,123	(46)	2,077

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

	Nine-month period ended September 30 2014			Nine-month period ended September 30 2013		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Revenues from energy sales	64,941	—	64,941	—	—	—
Operating	9,317	—	9,317	1	—	1
Administrative	125	47	172	217	46	263
Development	—	14	14	—	—	—
Amortization	26,170	—	26,170	—	—	—
Other gains	(1,926)	—	(1,926)	—	—	—
OPERATING INCOME (LOSS)	31,255	(61)	31,194	(218)	(46)	(264)
Financing costs (interest income)	25,565	(282)	25,283	(8)	—	(8)
Foreign exchange loss	2	3	5	157	—	157
Net loss on financial instruments	185	10	195	2,860	—	2,860
NET EARNINGS (LOSS)	5,503	208	5,711	(3,227)	(46)	(3,273)
Other comprehensive income (loss)	(22,808)	(1,568)	(24,376)	33,005	—	33,005
COMPREHENSIVE INCOME (LOSS)	(17,305)	(1,360)	(18,665)	29,778	(46)	29,732

Share in Earnings (Losses) of the Joint Ventures

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

	Three-month period ended September 30 2014			Three-month period ended September 30 2013		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Share in results	611	9	620	(498)	(23)	(521)
Other [(1)]	(670)	7	(663)	(152)	—	(152)
Share in earnings (losses) of the Joint Ventures	(59)	16	(43)	(650)	(23)	(673)

	Nine-month period ended September 30 2014			Nine-month period ended September 30 2013		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Share in results	2,751	105	2,856	(1,612)	(23)	(1,635)
Other [(1)]	(1,991)	(9)	(2,000)	(152)	—	(152)
Share in earnings (losses) of the Joint Ventures	760	96	856	(1,764)	(23)	(1,787)

[(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 *Other comprehensive income (loss)* upon termination of the hedging relationships, are accounted for in net loss over the life of the Joint Venture's debt financing.

Share in Comprehensive Income (Loss) of the Joint Ventures

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

	Three-month period ended September 30 2014			Three-month period ended September 30 2013		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Share in comprehensive income (loss)	(1,682)	(358)	(2,040)	1,561	—	1,561

	Nine-month period ended September 30 2014			Nine-month period ended September 30 2013		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Share in comprehensive income (loss)	(11,404)	(783)	(12,187)	16,503	—	16,503

Commitments

Commitments are discussed in Boralex's Annual Report for the fiscal year ended December 31, 2013.

Financing

Joint Venture Phase I

On July 28, 2014, the Corporation met all conditions required for the conversion of construction loans into non-current debt that will be amortized over an 18-year period maturing in 2031. As per the credit agreement, the initial debt amount of $560,000,000 was recalculated based on current financial data and assumptions and the authorized amount was revised downward to $535,000,000.

The term loan contains certain covenants typical for this type of financing and, as September 30, 2014, the Joint Venture was in compliance with all these commitments.

In August, Boralex was repaid by Hydro-Québec for the costs incurred by the Corporation in the construction of the transformer station and collector system. The amount was used to repay on August 20, 2014 the $51,639,000 bridge financing facility that it had entered into to finance said costs during the construction period.

As at September 30, 2014, the balance of the repayable term loan stood at $520,418,000, and letters of credit amounting to $54,772,000 had been issued.

Note 6.
Non-current Debt

	Note	Maturity	Rate [1]	As at September 30, 2014	As at December 31, 2013
Finance leases (France)		2014-2015	5.05	855	2,088
Term loan payable – Nibas wind farm		2016	5.00	3,249	4,406
Master agreement wind farms (France)		2017-2025	4.70	143,909	164,788
Term loan payable – Ocean Falls power station		2024	6.55	9,019	9,514
Term loan payable – St-Patrick wind farm		2025	4.96	45,447	49,500
Term loan payable – Lauragais solar power station		2025-2028	4.00	15,508	16,961
U.S. senior secured note		2026	3.51	90,011	95,724
Term loan payable - La Vallée wind farm		2028	4.42	45,554	48,673
Term loan payable – Fortel-Bonnières and St-François wind farms	(a)	2029	3.50	61,494	—
Term loan payable – Vron wind farm		2030	3.34	15,551	19,130
Term loan payable – Thames River wind farms		2031	7.05	161,853	166,974
Term loan payable – Témiscouata I wind farm	(b)	2032	3.46	39,257	—
Term loan payable – Jamie Creek power station		2054	5.42	55,250	55,250
Canadian senior secured note	(c)	—	—	—	35,450
Revolving credit facility	(d)	—	—	33,250	—
Other debt		—	—	8,348	5,227
			4.94	728,555	673,685
Current portion of debt				(54,350)	(84,034)
Borrowing cost, net of accumulated amortization				(15,451)	(10,737)
				658,754	578,914

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

(a) On April 22, 2014, the Corporation announced the closing of long-term financing for the **Fortel-Bonnières and St-François Wind Farms**. This loan payable, secured by the assets of these wind farms in Europe, consists of €48,980,000 ($69,287,000) over 14 years, €12,239,000 ($17,313,000) over 15 years and €4,000,000 ($5,658,000) drawn down under a revolving VAT financing facility. The Corporation will make quarterly repayments of principal and interest. The initial quarterly repayment will be made on March 31, 2015. The interest rate for the €48,980,000 facility is fixed at 3.65% for a 10-year term and will then be revised as of the 11th year. The interest rate for the €12,239,000 facility is variable and based on EURIBOR, plus a margin; however, the Corporation used interest rate swaps to reduce its exposure to rate fluctuations on 100% of this facility, over its full term.

(b) On June 26, 2014, the Corporation announced the closing of long-term financing for the **Témiscouata I Wind Farm**. The loan, secured by the wind farm's assets, consists of a $51,997,000 construction loan that will convert into a repayable term loan amortized over an 18-year period following commercial commissioning planned for December 2014. The interest rate is fixed at 5.41% on approximately 90% of the total debt following commercial commissioning. During the construction phase, the interest rate is variable and is based on CDOR plus a margin slightly over 2%. The credit facilities also include amounts available for the issuance of the required letters of credit, as well as a bridge financing facility to finance certain costs that are repayable by Hydro-Québec.

(c) The Canadian note, which matured on July 9, 2014, was repaid on June 26, 2014.

On June 26, 2014, the Corporation also announced the closing of long-term financing for the **Témiscouata II Wind Farm**. The loan, secured by the wind farm's assets, consists of a $127,031,000 construction loan that will convert into a repayable term loan amortized over an 18-year period following commercial commissioning planned for December 2015. The interest rate is fixed at 5.72% on approximately 90% of the total debt following commercial commissioning. During the construction phase, the interest rate is variable and based on CDOR plus a margin. This loan was undrawn as at September 30, 2014. The credit facilities also include amounts available for the issuance of the required letters of credit, as well as a bridge financing facility to finance certain costs that are repayable by Hydro-Québec.

Revolving credit facility

(d) On June 27, 2014, Boralex entered into a new $130,000,000 revolving credit facility with an initial four-year term renewable annually thereafter. For drawdowns in U.S. dollars, the interest rate is based on LIBOR or the U.S. prime rate plus a margin while interest on Canadian dollar drawdowns is calculated using the Canadian bankers' acceptance rates or the 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 September 30, 2014, $33,250,000 in cash had been drawn down under this credit facility and an amount totalling $14,362,000 was issued under letters of credit. The authorized amount could be increased by $45,000,000 under certain conditions.

Note 7.
Non-controlling Shareholders
La Côte-de-Beaupré Wind Power Project
In 2014, 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 $940,000 ($470,000 in 2013).

Témiscouata I Wind Power Project
In 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 ($267,000 in 2013).

Boralex Europe S.A.
In 2014, our European partner, which holds a 25.33% interest in the European operations of our Luxembourg-based subsidiary Boralex Europe S.A., made a cash contribution of $2,315,000 (€1,520,000).

Note 8.
Discontinued Operations
Net earnings from discontinued operations are detailed as follows:

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2014	2013	2014	2013
Revenues from energy sales - RECs	473	1,431	3,066	2,651
Pre-tax operating income from discontinued operations	473	1,431	3,066	2,651
Income tax expense	161	514	1,130	951
Net earnings from discontinued operations	312	917	1,936	1,700

Cash flows related to discontinued operations are related to operating activities.

Note 9.
Net Loss per Share
(a) Net Loss per Share - Basic and Diluted

(in thousands of dollars, except per share amounts and number of shares)	Three-month periods ended September 30		Nine-month periods ended September 30	
	2014	2013	2014	2013
Net loss attributable to shareholders of Boralex	(9,194)	(7,473)	(5,502)	(4,368)
Less:				
Net earnings from discontinued operations	312	917	1,936	1,700
Net loss (basic and diluted) from continuing operations attributable to shareholders of Boralex	(9,506)	(8,390)	(7,438)	(6,068)
Weighted average number of shares (basic and diluted)	38,390,851	37,748,196	38,240,855	37,741,137
Net loss per share (basic and diluted) from continuing operations attributable to shareholders of Boralex	($0.25)	($0.22)	($0.19)	($0.16)
Net earnings per share (basic and diluted) from discontinued operations	$0.01	$0.02	$0.05	$0.04
Net loss per share (basic and diluted) attributable to shareholders of Boralex	($0.24)	($0.20)	($0.14)	($0.12)

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 loss per common share due to their anti-dilutive effect:

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2014	2013	2014	2013
Convertible debentures excluded due to their anti-dilutive effect	19,992,528	19,574,762	19,803,889	19,577,709
Stock options excluded due to their anti-dilutive effect	1,578,171	2,100,272	1,578,171	2,100,272

(b) Dividends Paid

On February 19, 2014, the Corporation authorized and declared the first quarterly dividend of $0.13 per Class A common share. On March 17, June 15 and September 16, 2014, the Corporation paid dividends totalling $14,903,000. On November 4, 2014, an additional dividend of $0.13 per common share was declared and will be paid out on December 15, 2014.

In accordance with the trust indenture, each debenture is convertible into Class A common shares of Boralex at the option of the holder at the initial conversion price of $12.50 per common share. The trust indenture provides that the conversion rate must be reduced by the current yield of the declared dividend. Following the September 2014 dividend pay-out, the debenture can now be converted at a price of $12.13 per common share.

(c) Options Exercised

During the nine-month period ended September 30, 2014, 619,157 stock options held by current and past senior executives were exercised and a total amount of $4,709,000 was paid to the Corporation (10,424 stock options exercised totalling $48,000 in 2013).

Note 10.
Financial Instruments

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

	As at September 30, 2014		As at December 31, 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
OTHER LIABILITIES				
Non-current debt	713,104	766,055	662,948	674,442
Convertible debentures (including equity portion)	246,441	279,279	243,957	261,169

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

	As at September 30, 2014	As at December 31, 2013
OTHER NON-CURRENT FINANCIAL ASSETS		
Financial swaps - interest rates	—	289
OTHER CURRENT FINANCIAL LIABILITIES		
Financial swaps - interest rates	27,711	15,243
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Financial swaps - interest rates	27,908	19,704

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

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

The fair value of non-current debt is essentially based on the calculation of discounted cash flows. Discount rates ranging, from 1.87% to 5.82%, 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 September 30, 2014.

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 interest rate swaps as at September 30, 2014:

As at September 30, 2014	Currency	Fixed-rate payer	Floating-rate receiver	Maturity	Current notional (in C$)	Fair value (in C$)
Financial swaps - interest rates	EUR	1.640%–5.155%	6-month Euribor	2015-2030	244,325	(27,908)
Financial swaps - interest rates	CAD	5.40%–5.78%	3-month CDOR	2033-2035	142,514	(27,711)

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.

Note 10. Financial Instruments (cont'd)

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 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 and financial swaps - interest rates, the Corporation classified the fair value measurements as Level 2, as they are based mainly on observable market data, namely government bond yields and interest rates.

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

	Fair value hierarchy levels			
	As at September 30, 2014	Level 1	Level 2	Level 3
OTHER LIABILITIES				
Non-current debt	766,055	—	766,055	—
Convertible debentures	279,279	279,279	—	—
	1,045,334	279,279	766,055	—
FINANCIAL LIABILITIES				
Financial swaps - interest rates	55,619	—	55,619	—

	Fair value hierarchy levels			
	As at December 31, 2013	Level 1	Level 2	Level 3
FINANCIAL ASSETS				
Financial swaps - interest rates	289	—	289	—
OTHER LIABILITIES				
Non-current debt	674,442	—	674,442	—
Convertible debentures	261,169	261,169	—	—
	935,611	261,169	674,442	—
FINANCIAL LIABILITIES				
Financial swaps - interest rates	34,947	—	34,947	—

Note 11.

Commitments

The commitments are discussed in Boralex's Annual Report for the fiscal year ended December 31, 2013. During the nine-month period ended September 30, 2014, the Corporation entered into the following new commitments:

Power Sales Contracts

The Corporation has a 15-year energy sales contract for the 14 MW **Calmont** wind power project under development. This contract will begin when the wind farm is commissioned and the selling price will be indexed annually on the total price.

Construction Contract

For the **Témiscouata II** Wind Farm, the Corporation has entered into a wind turbine construction and installation contract. Expenditures will be made according to the percentage of completion. As at September 30, 2014, the Corporation had net commitments totalling $101,180,000 under this contract.

For the **Buckingham** hydroelectric power station, the Corporation has entered into a contract for repair work at the facility to comply with the *Dam Safety Act*. Expenditures will be made according to the percentage of completion. As at September 30, 2014, the Corporation had a net commitment of $1,371,000 under this contract.

Maintenance Contract

The Corporation has entered into a 15-year wind turbine maintenance contract expiring in 2029 with Enercon for the **Témiscouata I** community wind power project developed jointly with Témiscouata RMC. The contract includes a cancellation option at the Corporation's discretion after five years. As at September 30, 2014, the Corporation had net commitments of $2,153,000 under this contract, reflecting the first five years of the contract, of which $310,000 is payable in 2014.

For the **Témiscouata II** wind power project, the Corporation has entered into a 15-year turbine maintenance contract with Enercon expiring in 2030. The contract includes a cancellation option at the Corporation's discretion after seven years. As at September 30, 2014, the Corporation had net commitments of $8,765,000 under this contract, reflecting the first seven years of the contract.

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 3% of the Corporation's total installed capacity in operation, are not covered by long-term 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 462 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 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 49 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. With the end of the Blendecques power station's initial energy sales contract with French government corporation Électricité de France ("EDF"), a new contract 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. New equipment has been operational since November 1, 2014.

Solar

The Corporation's only solar power station, of 5 MW, currently in operation is located in Southwestern France. For this facility, which benefits from a long-term energy sales contract, 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 station will be generated in the second and third quarters.

In short, while Boralex's performance remains partially exposed to seasonal cycles and other cyclical factors, substantially all of its revenues are now derived from assets covered by fixed-price and price-indexed contracts, thereby mitigating their effect. The Corporation also capitalizes on solid diversification in its power generation sources and favourable geographic positioning.

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.

EBITDA 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 as an alternative measure to, for example, net earnings (loss), or as a measure of operating results, which are IFRS measures.

EBITDA is reconciled to the most comparable IFRS measure, namely, net loss, in the following table:

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2014	**2013**	**2014**	**2013**
Net loss	(10,132)	(8,329)	(5,428)	(4,752)
Net earnings from discontinued operations	(312)	(917)	(1,936)	(1,700)
Income tax recovery	(3,907)	(3,640)	(331)	(1,086)
Net loss (gain) on financial instruments	744	—	2,156	(673)
Foreign exchange loss (gain)	274	(112)	391	(258)
Financing costs	14,221	12,613	42,171	37,632
Impairment of property, plant and equipment	—	—	—	266
Other gains	(543)	(150)	(1,116)	(232)
Amortization	14,419	13,187	44,578	39,901
EBITDA	14,764	12,652	80,485	69,098

Note 13. Segmented Information (cont'd)

Information by Operating Segment

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2014	2013	2014	2013
Power production (MWh)				
Wind power stations	112,029	96,921	540,396	454,941
Hydroelectric power stations	139,938	131,786	487,227	478,182
Thermal power stations	45,909	33,851	135,546	111,921
Solar power station	1,952	2,098	5,179	4,965
	299,828	264,656	1,168,348	1,050,009
Revenues from energy sales				
Wind power stations	14,133	11,822	70,785	55,804
Hydroelectric power stations	12,236	11,206	43,854	41,010
Thermal power stations	5,660	4,657	22,521	20,471
Solar power station	945	966	2,568	2,243
	32,974	28,651	139,728	119,528
EBITDA				
Wind power stations	9,567	6,872	58,388	42,316
Hydroelectric power stations	8,816	7,595	32,985	31,411
Thermal power stations	588	(614)	4,059	2,984
Solar power station	850	853	2,243	1,941
Corporate and eliminations	(5,057)	(2,054)	(17,190)	(9,554)
	14,764	12,652	80,485	69,098
Additions to property, plant and equipment				
Wind power stations	72,955	19,953	98,369	52,588
Hydroelectric power stations	3,174	9,393	14,253	22,562
Thermal power stations	2,258	471	6,991	744
Solar power station	—	—	—	527
Corporate and eliminations	126	574	453	2,663
	78,513	30,391	120,066	79,084

	As at September 30, 2014	As at December 31, 2013
Total assets		
Wind power stations	858,997	783,729
Hydroelectric power stations	438,695	472,045
Thermal power stations	37,642	45,685
Solar power station	20,745	21,433
Corporate	104,687	99,835
	1,460,766	1,422,727
Total liabilities		
Wind power stations	609,539	531,269
Hydroelectric power stations	180,177	224,801
Thermal power stations	9,581	12,066
Solar power station	16,464	17,332
Corporate	289,328	251,125
	1,105,089	1,036,593

Note 13. Segmented Information (cont'd)

Information by Geographic Segment

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2014	**2013**	**2014**	**2013**
Power production (MWh)				
Canada	147,382	112,921	469,604	423,851
France	84,125	72,676	402,554	325,088
United States	68,321	79,059	296,190	301,070
	299,828	264,656	1,168,348	1,050,009
Revenues from energy sales				
Canada	13,754	10,337	50,579	46,252
France	13,833	11,841	63,887	48,970
United States	5,387	6,473	25,262	24,306
	32,974	28,651	139,728	119,528
EBITDA				
Canada	5,531	3,564	24,794	24,425
France	5,898	4,661	36,610	25,958
United States	3,335	4,427	19,081	18,715
	14,764	12,652	80,485	69,098
Additions to property, plant and equipment				
Canada	55,338	11,081	71,937	26,567
France	22,206	19,310	46,989	52,307
United States	969	—	1,140	210
	78,513	30,391	120,066	79,084

	As at September 30, **2014**	As at December 31, **2013**
Total assets		
Canada	742,290	716,118
France	515,313	501,884
United States	203,163	204,725
	1,460,766	1,422,727
Non-current assets, excluding *Interests in the Joint Ventures* and *Deferred income tax asset*		
Canada	595,802	523,993
France	462,501	457,104
United States	160,477	157,370
	1,218,780	1,138,467
Total liabilities		
Canada	587,156	538,310
France	385,566	377,765
United States	132,367	120,518
	1,105,089	1,036,593


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