INTERIM REPORT

AS AT SEPTEMBRE 30, 2015

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BORALEX

energy creator

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Profile

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

Management's Discussion and Analysis 3

As at September 30, 2015

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Introductory Comments

General

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

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

In this MD&A, Boralex or the Corporation means, as applicable, either Boralex and its subsidiaries and divisions or Boralex or one of its subsidiaries or divisions. The information contained in this MD&A reflects all material events up to November 4, 2015, the date on which the Board of Directors approved this interim MD&A and the unaudited interim condensed consolidated financial statements. Unless otherwise indicated, the financial information presented in this MD&A, including tabular amounts, is prepared in accordance with International Financial Reporting Standards ("IFRS") which constitute Canadian generally accepted accounting principles ("GAAP") under Part I of the *CPA Canada Handbook*. The unaudited interim condensed consolidated financial statements included in this interim MD&A have been prepared according to IFRS applicable to the preparation of interim financial statements, IAS 34, *Interim Financial Reporting*, and contain comparative figures for 2014.

This MD&A includes a section, *Proportionate Consolidation*, where the results of Seigneurie de Beaupré 2 and 3 Wind Farms ("Joint Venture Phase I") and Seigneurie de Beaupré Wind Farm 4 ("Joint Venture Phase II") (collectively, "the Joint Ventures" or "Joint Ventures Phases I and II") owned at 50% by Boralex, were proportionately consolidated instead of being accounted for using the equity method as required by IFRS. Under the proportionate consolidation method, which is no longer permitted under IFRS, the *Interests in the Joint Ventures* and *Share in earnings (loss) of the Joint Ventures* items are eliminated and replaced by Boralex's share (50%) in all items in the financial statements (revenues, expenses, assets and liabilities). Since the information that Boralex uses to perform internal analyses and make strategic and operating decisions is compiled on a proportionate consolidation basis, management has considered it relevant to integrate this *Proportionate Consolidation* section into the MD&A to help investors understand the concrete impacts of decisions made by the Corporation. Moreover, tables reconciling IFRS data with data presented on a proportionate consolidation basis are included in the MD&A.

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

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

Notice Concerning Forward-Looking Statements

The purpose of this MD&A is to help the reader understand the nature and importance of changes and trends as well as the risks and uncertainties that may affect Boralex's operating results and financial position. Accordingly, some of the statements contained in this analysis, including those regarding future results and performance, are forward-looking statements based on current expectations, within the meaning of securities legislation. These statements are characterized by the use of positive or negative verbs, such as plan, anticipate, evaluate, estimate, believe and other related expressions. They are based on Boralex management's expectations, estimates and assumptions as at November 4, 2015. Boralex would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results or the measures it adopts could differ materially from those indicated by or underlying these statements, or could have an impact on the degree of realization of a particular projection. The main factors that could lead to a material difference between the Corporation's actual results and the projections or expectations set forth in the forward-looking statements include, but are not limited to, the general impact of economic conditions, raw material price increases and availability, currency fluctuations, volatility in the selling price of energy, the Corporation's financing capacity, negative changes in general market conditions and regulations affecting the industry, as well as other factors described later in *Outlook and Development Objectives* and *Risk Factors and Uncertainties* in the Corporation's Annual Report for the year ended December 31, 2014.

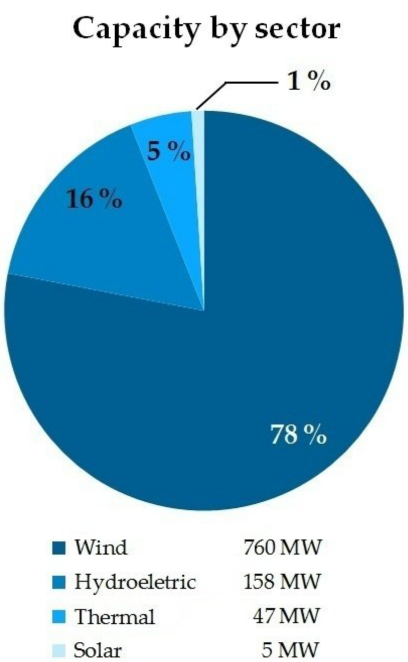
Unless otherwise specified by the Corporation, the forward-looking statements do not take into account the possible impact on its activities, transactions, non-recurring items or other exceptional items announced or occurring after the statements are made. There can be no assurance as to the materialization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

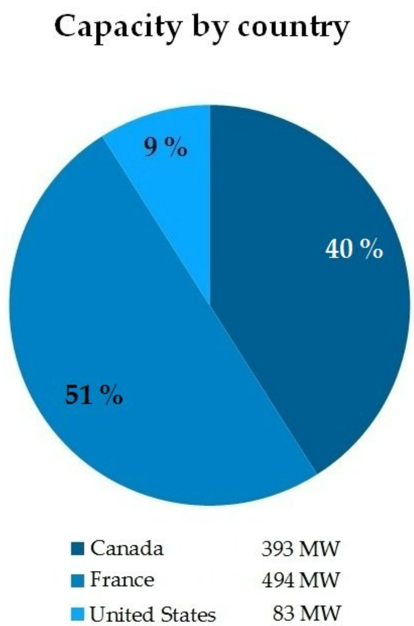
Description of Business

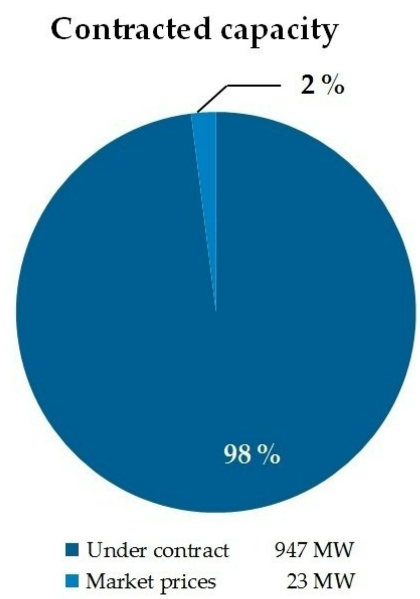
Boralex Inc. ("Boralex" or the "Corporation") is a Canadian power producer that develops, constructs and operates renewable energy power stations. As at September 30, 2015, the Corporation had approximately 300 employees and operated an asset base with an installed capacity of 1,140 megawatts ("MW"), of which 970 MW[(1)] were under its control, consisting of 393 MW in Canada, 494 MW in France and 83 MW in the Northeastern United States. In addition, Boralex had new production sites under development representing an additional 166 MW, most of which will be commissioned by the end of 2015.

- Boralex operates a **760 MW[(1)] wind power** portfolio of assets in France and Canada. In recent years, Boralex has become France's leading independent land-based wind power producer with 477 MW currently in operation and an additional 40 MW to be commissioned by the end of 2016. In addition, Boralex owns the rights to a large portfolio of wind power projects in France in various phases of development. Boralex is also a well-established wind power operator in Canada with an installed capacity of 454 MW (with 283 MW under its control) in Ontario and Québec. In Québec, the Corporation is currently developing various wind power projects for an additional 99 MW to be commissioned before the end of 2015, and has the option to acquire 25% of a 230 MW wind power project in Ontario, to be commissioned by the end of 2016.
- Boralex has been a **hydroelectric power** producer for over two decades, operating **158 MW** in Québec and British Columbia, Canada, and in the Northeastern United States. The Corporation also has a 16 MW hydroelectric power station currently under development in Ontario, Canada.
- Boralex owns two **thermal power** stations with a total installed capacity of **47 MW**, consisting of a 35 MW wood-residue power station in Québec and a 12 MW natural gas cogeneration power station in France.
- Boralex operates a **solar power** facility with a **5 MW** installed capacity in the south of France. On October 2 and 16, 2015, the Corporation commissioned two new solar power facilities of 10 MW and 0.4 MW in France and Canada, respectively.

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







TOTAL: 970 MW

Average remaining contractual term: 16 years

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

Boralex's shares, 20% of which are held by Cascades Inc. ("Cascades"), and convertible debentures are listed on the Toronto Stock Exchange under the ticker symbols BLX and BLX.DB.A, respectively.

Executive Summary

Financial Highlights

For the three-month periods ended September 30

(in thousands of dollars, except production, EBITDA(A) margin and per share amounts)	IFRS			Proportionate Consolidation [1]		
	2015	2014	Change	2015	2014	Change
Production (MWh)	458,402	299,828	+ 53%	563,341	391,568	+ 44%
Revenues from energy sales	53,884	32,974	+ 63%	65,139	42,883	+ 52%
EBITDA(A) [2]	27,749	14,764	+ 88%	38,380	23,281	+ 65%
EBITDA(A) margin (%)	51%	45%		59%	54%	
Net loss	(13,593)	(10,132)		(13,593)	(10,177)	
Net loss attributable to shareholders of Boralex	(14,115)	(9,194)		(14,115)	(9,239)	
Per share (basic)	($0.29)	($0.24)		($0.29)	($0.24)	
Net cash flows related to operating activities	22,187	10,776		7,792	43,962	
Cash flows from operations [2] [3]	31,826	2,633	+ 1,109%	17,155	7,577	+ 126%

Financial Highlights

For the nine-month periods ended September 30

(in thousands of dollars, except production, EBITDA(A) margin and per share amounts)	IFRS			Proportionate Consolidation [1]		
	2015	2014	Change	2015	2014	Change
Production (MWh)	1,542,747	1,168,348	+ 32%	1,959,428	1,468,838	+ 33%
Revenues from energy sales	184,595	139,728	+ 32%	229,298	172,198	+ 33%
EBITDA(A) [2]	115,450	80,485	+ 43%	147,339	107,215	+ 37%
EBITDA(A) margin (%)	63%	58%		64%	62%	
Net loss	(10,025)	(5,428)		(10,025)	(5,561)	
Net loss attributable to shareholders of Boralex	(12,487)	(5,502)		(12,487)	(5,635)	
Per share (basic)	($0.26)	($0.14)		($0.26)	($0.15)	
Net cash flows related to operating activities	84,312	48,457		81,463	92,811	
Cash flows from operations [2] [3]	91,293	39,698	+ 130%	87,406	56,345	+ 55%

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

(2) See the *Non-IFRS Measures* section.

(3) Under IFRS, includes $19.6 million and $29.1 million in distributions received from Joint Ventures Phases I and II for the three- and nine-month periods ended September 30, 2015, respectively.

Growth Strategy and Recent Developments

Strategy

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

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

Dynamic and orderly execution of this strategy has mainly resulted in a surge in Boralex's wind power segment development, tripling installed capacity to 760 MW as at September 30, 2015, from 251 MW in December 2011. The hydroelectric power segment has also reported strong expansion, with installed capacity up nearly fourfold over the past five fiscal years. Boralex also made its first foray into solar energy production, an industry sector in which it currently operates two power stations in France totalling 15 MW.

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

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

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

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

On December 18, 2014, Boralex completed the acquisition of this wholly owned subsidiary of Enel Green Power International B.V., renamed “Boralex Énergie Verte” (“BEV”), for a consideration of €280 million ($400 million), with €132 million ($189 million) in cash. This acquisition made Boralex the leading independent producer of land-based wind power in France and grew total installed capacity by 25%. More specifically, the BEV acquisition bolstered Boralex's portfolio with added high-quality assets offering strong geographic diversification, consisting of 11 wind farms in operation totalling 186 MW and a 10 MW wind farm commissioned in 2015. The assets acquired are all covered by long-term energy sales contracts with Électricité de France (“EDF”) with an average remaining term of 12 years at the time of acquisition. Moreover, the BEV acquisition afforded Boralex a significant portfolio of wind power projects at various stages of development, including several that could be commissioned from 2016 to 2018.

This acquisition delivers significant financial and strategic advantages. In particular, the Corporation expects the new assets to generate approximately €30 million ($45 million) in annual EBITDA(A) (before development costs), given existing synergies. The substantial cash flows generated by these assets since their date of acquisition also contribute to improving the Corporation's liquidity, thereby providing additional flexibility to fund future development and achieve its dividend policy objectives. In addition, Boralex's expanded critical mass in the French wind power market generates certain operating synergies and will step up its purchasing power for the acquisition of wind turbines and replacement parts. In terms of strategic positioning, the acquisition has increased Boralex's geographic diversification and substantially strengthened its competitive position and long-term growth potential in France, a particularly favourable market for Boralex, given its leadership role and that developing the wind power industry is a clear and ambitious government policy objective.

Financing the Acquisition of Boralex Énergie Verte

The BEV acquisition was financed as follows:

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

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

Commissioning of New Production Sites in Canada and in France

2014

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

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

2015

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

- On March 9 (first quarter) and April 13 (second quarter) of 2015, the 23 MW **St-François** wind farm in France was commissioned. Covered by a 15-year energy sales contract with EDF, the power station should generate EBITDA(A) of approximately $5 million on an annual basis.
- On April 13, 2015, the 10 MW **Cômes de l'Arce** wind power project in France was commissioned, which was part of the BEV acquisition. This project is also covered by a 15-year contract with EDF and its annual contribution to EBITDA(A) is estimated at approximately $2 million. Another facility under development acquired from BEV, the 12 MW **Quinssaines** power station, is currently under construction and will be commissioned before the end of 2016.
- A second solar power station, the 10 MW **Les Cigalettes** power station in southern France, covered by a 20-year contract with EDF, was commissioned on October 2, 2015. Project financing was completed on July 10, 2015. Management estimates this power facility will make an annual contribution to the Corporation's EBITDA(A) of $1.5 million.

In combination with BEV's power stations in operation, the aforementioned facilities commissioned in 2014 and 2015 have a significant impact on fiscal 2015 operating results compared with 2014.

Furthermore, other assets totalling 113 MW will be commissioned before the end of 2015, namely the wind power facility **Calmont**, in France, as well as the three wind power facilities **Côte-de-Beaupré**, **Témiscouata II** and **Frampton** in Québec. These projects are discussed later in this MD&A.

Lastly, Boralex is currently investing in the development of the **Touvent** and **Quinssaines** wind farms in France and the **Yellow Falls** hydroelectric power station in Canada, a further 42 MW of energy assets which will be commissioned in 2016 and 2017. While these projects will not make a contribution to 2015 results, they will have an impact on the Corporation's cash flows and financial position during the current fiscal year.

Other Acquisitions Within the Last Two Fiscal Years

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

- On February 3, 2015, Boralex acquired the 13.8 MW **Touvent** wind power project in France, covered by a 15-year contract with EDF. Project financing will be finalized shortly. Management expects Touvent to generate EBITDA(A) of approximately $3 million per year. Site construction is underway with commissioning slated for the third quarter of 2016.
- On June 8, 2015, Boralex announced the signature of a buy option (the "Option") for a 25% economic interest in the 230 MW **Niagara Region Wind Farm** project in which wind turbine maker Enercon is the majority owner. Located in the Regional Municipality of Niagara, the Niagara Region Wind Farm project will comprise 77 Enercon wind turbines of 3 MW and is slated for commissioning by the end of 2016. Boralex has agreed to pay Enercon an initial consideration of $5.0 million to purchase the Option. The total investment planned for this major undertaking ranges from $900 million to $950 million. Under its partnership agreement with Enercon, Boralex is responsible for the coordination of the project construction, which began in June 2015, and the operation and management of the future site following the exercise of the Option.

Repurchase of European Partner Cube's Interest

On February 27, 2015, Boralex announced the closing of a financial settlement whereby Cube Energy SCA ("Cube") agreed to exchange its entire 25% equity interest in Boralex Europe S.A. for term loans. Under the settlement, in consideration for the Corporation acquiring 100% control of Boralex Europe, Cube will receive a payment of €16 million ($23.9 million), bearing interest at 6.5%, payable by the end of 2015, and the shares held by Cube will be exchanged for two term loans totalling €40 million ($59.7 million) issued by two European subsidiaries of the Corporation and bearing interest at a fixed rate of 6.5%, with no repayment prior to maturity in January 2019.

The transaction demonstrates management's intention to strengthen Boralex's leadership position in the French market, which it considers to be the most promising market for wind power development in Europe. With it, the Corporation will enjoy greater leverage to implement its growth strategy in Europe.

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

On June 22, 2015, the Corporation closed its bought deal financing of convertible unsecured subordinated debentures for an amount of $125 million ("2015 Debentures"). On June 26, 2015, Boralex announced the exercising of the over-allotment for this investment in an amount of $18.8 million. The total value of the 2015 Debentures is therefore $143.8 million ($137.4 million net of transaction costs).

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

The 2015 Debentures may be early redeemed by Boralex after June 30, 2018. From July 1, 2018 to June 30, 2019, Boralex may, under certain circumstances, such as if Boralex's share price is trading at 125% of the conversion price, redeem these debentures at their principal amount plus accrued and unpaid interest. As of July 1, 2019, Boralex may redeem these debentures, without restrictions, at their principal amount plus accrued and unpaid interest.

The Corporation has determined the fair value of the conversion option at $5.4 million. The fair value of debentures was determined by discounting the cash flows related to these debentures at a rate of 5.30%, which is the interest rate that the Corporation would have expected to pay if the debentures did not have a conversion option, representing the excess of the fair value of debentures and their nominal value. The Corporation also incurred transaction costs in the amount of $6.3 million. The initial fair value of these debentures is therefore $132 million.

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

With the amounts received from the issuance of the 2015 Debentures, the entire $110 million revolving credit facility was repaid. The balance of the offering net proceeds, coupled with the funds available under this revolving credit facility and the above mentioned new term credit facility, was earmarked by Boralex to finance acquisition projects, development projects, and/or general Corporation's business.

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

Conversion and Early Redemption of All Convertible Unsecured Subordinated Debentures issued in 2010

On August 31, 2015, Boralex committed to make a cash redemption on September 30, 2015 of a $150 million principal amount (out of a $244.1 million total principal amount) of its 2010 6.75% convertible unsecured subordinated debentures, which had not been converted as of the redemption date. Holders of the 2010 debentures were entitled to convert their debentures, at their option, into Class A shares of Boralex at a conversion price of $11.68 per share, representing a conversion rate of 8.56 Boralex shares per $100 debenture principal amount.

Between August 31, 2015 and September 29, 2015, debentures totalling a principal amount of $197 million had been converted into 16,864,000 Class A shares of Boralex. The $47.1 million balance of the debenture principal amount was redeemed by the Corporation plus accrued and unpaid interest thereon up to September 29, 2015. The total redemption price amounted to $47.9 million.

On September 30, 2015, following the redemption, Boralex had 64,829,112 outstanding Class A shares. The 2010 debentures were delisted from the Toronto Stock Exchange at the close of business on September 30, 2015.

Boralex management is of the opinion that the high rate of conversion of debentures into shares of the Corporation is a gauge of trust from holders, a significant number of whom opted to continue participating financially in the Corporation's development.

Normal Course Issuer Bid

On September 2, 2015, Boralex announced the launch of a normal course issuer bid in relation to its Class A shares. The repurchase period under the normal course issuer bid runs from September 4, 2015 to September 3, 2016. Repurchased shares will then be cancelled. Boralex may repurchase up to 500,000 Class A shares. Over the past 12 months, no Class A shares have been repurchased by Boralex under a normal course issuer bid. All repurchases will be carried out through the Toronto Stock Exchange in accordance with its requirements.

Boralex is of the view that this normal course issuer bid will serve in part to offset the dilution arising from the issuance of Class A shares under the stock option plan. In addition, Boralex further believes that with a Class A share price still not reflecting its intrinsic value, these repurchases will offer an opportunity to enhance shareholder value.

Continuation of the Dividend Policy Introduced in 2014

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

The introduction of a dividend policy is a reflection of Boralex's commitment to enhancing shareholder value. This decision is also a milestone in the Corporation's development as it enjoys a strong cash position, supported by stable cash flows generated by quality assets under long-term indexed, fixed-price energy sales contracts.

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

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

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

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

From a **segment** perspective, these developments mainly resulted in a higher relative weight of the wind and hydroelectric power segments, which generate higher profit margins than Boralex's thermal power segment. As at September 30, 2015, the combined share of assets in operation in those two segments totalled close to 95%. In contrast, the thermal power segment's share of Boralex's overall installed capacity has fallen to 5% in 2015 from 57% in 2009. One of the main benefits of this trend is that the Corporation's results will become more stable and predictable by reducing its exposure to fluctuations in the cost and potential scarcity of fuel used in the thermal power stations, namely natural gas and wood residue.

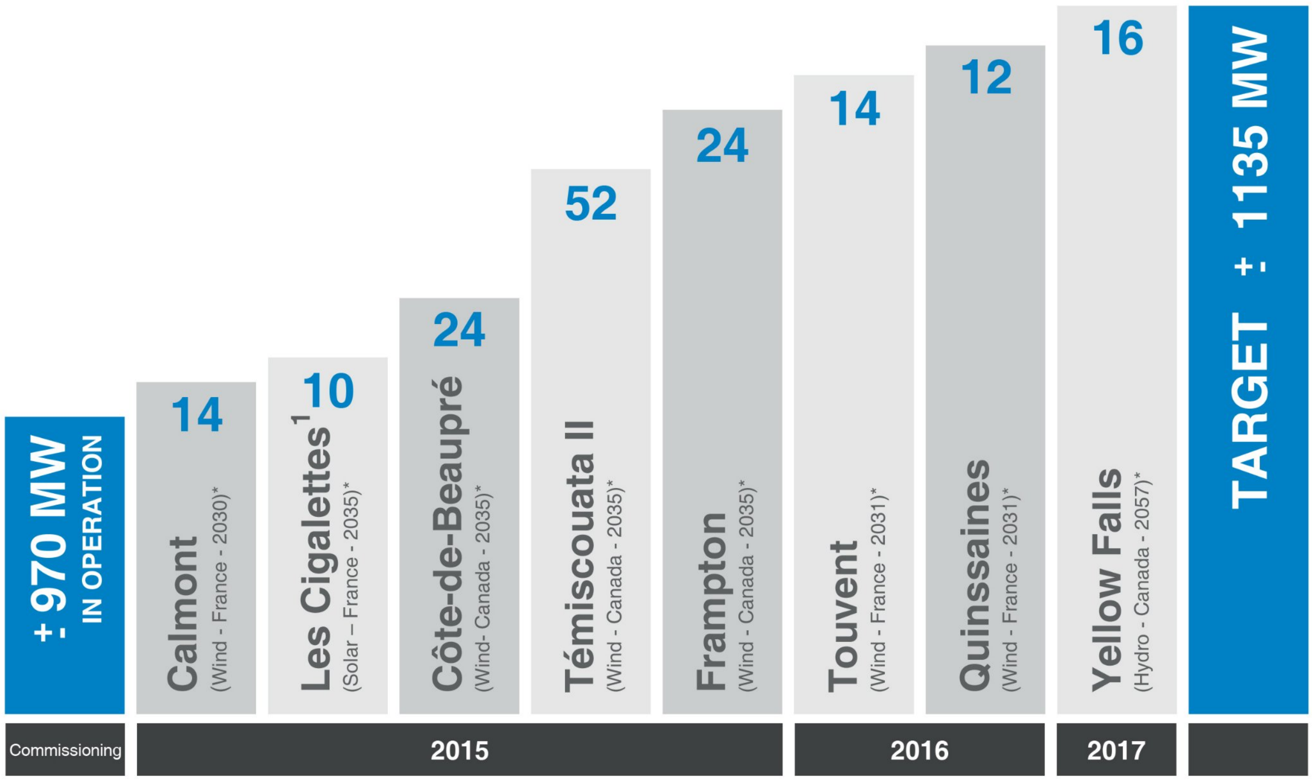
Developments over recent fiscal years have strengthened the Corporation's **geographic** positioning in its two strategic areas, Canada and France, where 40% and 51%, respectively, of Boralex's capacity in operation is now located, compared with 10% and 29% respectively, in 2009. The United States now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

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

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

Outlook and Development Objectives

Growth Path
as at September 30, 2015



* Represent, in order, the segment, the country and the contract end-date.
[1] Commissioning on October 2, 2015

Wind

Accounting for 78% of Boralex's total installed capacity, this segment has been Boralex's top growth driver over the last five years and will remain so over the short and medium terms. Wind power will account for nearly 80% of the Corporation's energy portfolio by early 2016. In addition to the team's expertise and skills in identifying, financing, developing and operating high-quality wind farms, some of which are very large in scale, Boralex has a unique development strategy based on two geographic areas: France and Canada. This strategy affords it geographic and climate diversification that has a smoothing effect on its results, but also gives it access to a wider range of growth opportunities and the latitude to adjust to its differently evolving target markets.

2015-2017 Outlook

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

- Immediate contributions from the **BEV** power stations in operation acquired on December 18, 2014, coupled with the synergies generated by this acquisition to be achieved gradually over the next few quarters. The process of integrating this new operating base is underway and its performance to date is in line with management's expectations;
- The full contribution from wind farms totalling 80 MW (Boralex's share) commissioned during 2014 as discussed above, consisting of French wind farm **Fortel-Bonnières**, as well as **Phase II of the Seigneurie de Beaupré Wind Farms** and the **Témiscouata I** project; and
- Contributions from wind power stations totalling 172 MW which have been or will be commissioned in 2015 and 2016, not including other expansion projects that could materialize in the meantime.

France

An additional 73 MW in 2015 and 2016, covered by 15-year energy sales contracts with EDF

- The 23 MW **St-François** power station commissioned in March and April 2015;
- The 10 MW **Cômes de l'Arce** power station commissioned in April 2015;
- The 14 MW **Calmont** wind power project which will be commissioned before the end of 2015;
- The 14 MW **Touvent** wind power project which is slated for commissioning in the third quarter of 2016; and
- The 12 MW **Quinssaines** wind power project which will be commissioned in the fourth quarter of 2016.

These projects are discussed in detail in the previous section.

Canada

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

- The 23.5 MW **Côte-de-Beaupré** community wind power project, developed jointly with La Côte-de-Beaupré RCM. This wind farm located on Seigneurie de Beaupré lands, will thereby benefit from logistical synergies with the existing wind farms operated by Boralex, totalling 340 MW. Project financing was completed on August 11, 2015, with commissioning slated for December 2015. Management estimates its future contribution to annual consolidated EBITDA(A) will be approximately $8.5 million.
- Abutting the Témiscouata I wind farm, the **Témiscouata II** project, wholly owned by Boralex, will aggregate an installed capacity of 52 MW. This power station is covered by a 20-year contract with Hydro-Québec. On June 26, 2014, the Corporation announced that $142.7 million in financing had been arranged for Témiscouata II. Management estimates this future power station will contribute approximately $16 million to annual EBITDA(A) and commissioning is slated for early in the fourth quarter of 2015.
- The 24 MW **Frampton** community project, which will be commissioned in December 2015 (see the previous section).

Longer-Term Outlook

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

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

Boralex's wind power segment is bolstered by its presence in two separate geographic markets, which allows the Corporation to fine-tune its strategy in response to the specific trends of its target markets. Boralex continues to evaluate the potential of new geographic markets using its profitability criteria and a sound assessment of the risks they represent.

Europe

Europe is fertile ground for Boralex as it seeks both opportunities to acquire power stations in operation or under development and undertake greenfield projects. The Corporation's view is that France currently offers the highest concentration of development opportunities for Boralex's wind power segment. France is firmly committed to the development of wind power, having set the clear objective of increasing to 30% by 2030 the share of renewable energy in its national electricity production. Furthermore, Boralex has become France's largest private land-based wind power producer and holds the rights to a sizable portfolio of projects totalling approximately 500 MW in wind power, through BEV. A number of those projects are in relatively advanced stages of development and could be commissioned between 2016 and 2018.

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

In July 2014, Boralex and a Danish developer entered into an equally owned joint venture to develop a nearshore wind power project in Denmark over a three- to five-year horizon. Management sees Denmark as a welcoming and favourable market for this type of project. In addition, with its European partners, Boralex has pre-qualified for the nearshore RFP, submitting a non-binding bid covering 350 MW on October 20, 2015. If qualified for the next stage, Boralex and its partners will submit a binding bid by April 2016.

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

Canada

In Canada, although provincial governments have offered some support for wind power, the business environment has significantly hardened over the past few years owing to a number of factors including Québec's current electricity surplus, the overall weakness of the economy and especially, a growing trend by provincial governments to rely on requests for proposals, stepping up pressure on prices.

Nevertheless, Boralex remains confident in the medium- and long-term outlook for its wind power segment in Canada, particularly in light of a potential economic recovery that could trigger higher demand and the solid positioning the Corporation has already built. In the shorter term, development in Canada will focus in particular on finding opportunities to acquire wind power projects at various stages of development that are covered by energy sales contracts. Boralex recently acquired a buy option for a 25% economic interest in a 230 MW wind power project in Ontario. The Corporation has also acquired the rights to wind power projects in Ontario and British Columbia, whose potential is currently under review. Finally, Boralex has submitted a 50 MW project in connection with an RFP for 300 MW recently issued in Ontario. The results of this RFP are expected to be known in late 2015.

Competitive Advantages of Boralex's Wind Power Segment

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

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

Hydroelectric

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

On April 13, 2015, Boralex announced the start of construction on its first hydroelectric power station in Ontario, Canada, namely the 16 MW **Yellow Falls** power station. The power station's annual production is estimated at 67 GWh and will generate annual EBITDA(A) of approximately $7 million. Yellow Falls is covered by an initial 20-year energy sales contract with four renewal options, each for a five-year period, at the Corporation's discretion. Although planned for November 2015, financing could be delayed by a few weeks following the recent discovery of artifacts on an archaeological site. Commissioning is still slated for the first quarter of 2017.

Moreover, until the end of 2015, Boralex will continue the work at its **Buckingham** power station in Québec, Canada, to comply with the *Dam Safety Act*. Building on a $2.8 million investment in 2014, the Corporation expects to invest approximately $4 million in 2015 and approximately $6 million in 2016. Concurrently with this work, management is still reviewing various investment scenarios aimed at expanding the power station's installed capacity to 20 MW from its current 10 MW.

Further, Boralex has submitted sales contract renewal requests to Hydro-Québec for two of its hydroelectric power stations in Québec, namely the **Beauport** and **Forestville** power stations. Unable to reach an agreement on a rate for the renewal period, Boralex has begun arbitration proceedings to resolve this issue. Given that some producers have already entered into similar proceedings, Boralex and Hydro-Québec have agreed to suspend their proceedings until a final decision is reached in the other cases. In any event, Boralex's management considers that the risk related to the renewal period rate for its agreements with Hydro-Québec is relatively low. On one hand, revenues from these two power stations are not significant from the point of view of the Corporation's consolidated revenues and, on the other hand, the two power stations in question carry no direct debt through external financing. As of the date of this MD&A, management is unable to determine if and when the arbitration proceedings will commence, or what the results of a final decision in these cases might be.

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

Thermal

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

The Corporation is interested in new green and renewable energy production technologies based on forest biomass. To that effect, in 2014, the Corporation acquired for a $1.4 million consideration a 27% interest in a young Nova Scotia, Canada company that is developing a technology to produce renewable synthetic diesel fuel from wood fibre.

Senneterre Power Station - Canada

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

Blendecques Power Station - France

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

Solar

Boralex's first photovoltaic solar power facility in operation, the 5 MW **Avignonet-Lauragais** power station, has performed to management's expectations since its commissioning in June 2011. The Corporation expects an average electricity production of approximately 5,000 MWh for the first ten years, with an expected average EBITDA(A) margin of 80%-85% over the period. In the last twelve months ended September 30, 2015, this power facility has generated EBITDA(A) of $2.5 million.

On October 2, 2015, Boralex inaugurated its second photovoltaic solar power facility, the 10 MW **Les Cigalettes** power station located in Montfort Peyruis. Also located in the south of France, this power facility is covered by a 20-year contract with EDF. Management estimates this power facility will make an annual contribution to the Corporation's EBITDA(A) of $1.5 million. Rates in the solar energy market have declined substantially over the last few years, reflecting the significant decrease in the costs related to this technology. Consequently, Boralex's management expects to achieve an attractive return on this second wind power project.

On October 16, 2015, the Corporation commissioned a 0.4 MW solar power project in Ontario, which required an investment of $1.6 million. This solar rooftop project is covered by a 20-year energy sales contract with Ontario Power Authority. While marginal in terms of installed capacity and expected returns, this project represents Boralex's first foray into Canada's solar power market.

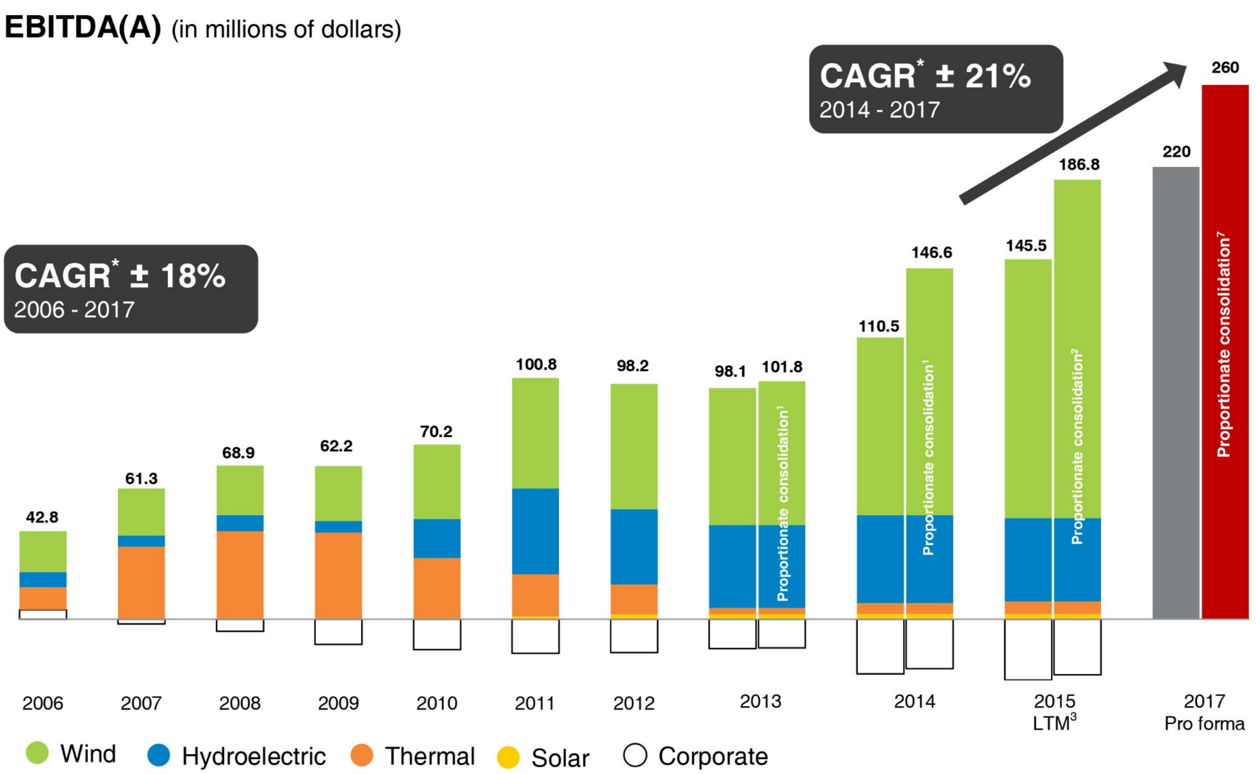
In France, Boralex draws on a skilled solar power project development team and holds the rights to a number of projects under development.

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

Boralex Inc.: Taking Growth to the Next Level

As shown in the graph below, Boralex's short- and medium-term growth outlook is closely linked to prospects in the wind power industry, given its dominant position in the Corporation's current energy portfolio and the strong growth potential of its project pipeline and business environment, particularly in France. In fact, the BEV acquisition has taken Boralex to a new level of growth and will soon make it one of Canada's top-five independent renewable energy producers.

Financial Target



* Compounded annual growth rate
[1] EBITDA(A) according to proportionate consolidation basis (see Reconciliations between IFRS and Proportionate consolidation of the 2014 Annual Report)
[2] EBITDA(A) under IFRS and proportionate consolidation basis, respectively. (see Seasonal Factors of the MD&A). In proportionate consolidation, adjustments of $41.3 million were accounted for the Joint Ventures Phases I and II.
[3] LTM represents the twelve-month period ended September 30, 2015.

2015-2017 Outlook

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

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

Furthermore, Boralex is currently working on building projects consisting of over 150 MW by 2017, as reflected by the growth path discussed in this section.

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

- Integration of the power stations in operation acquired from **BEV** and the growing synergies that will result from it;
- The full-year contribution from assets totalling 102 MW commissioned in 2014, including three wind farms and one hydroelectric power station;

- The **St-François** and **Cômes de l'Arce** wind farms as well as the **Les Cigalettes** solar power facility totalling 43 MW, recently commissioned in France;
- The other wind farms totalling 139 MW to be commissioned between 2015 and 2016;
- Commissioning of the new 16 MW **Yellow Falls** hydroelectric power station in 2017;
- Development and commissioning of greenfield development projects in France totalling approximately 250 MW to 300 MW by 2020; and
- All without taking into account any additional expansion projects that could arise in the interim.

Boralex's project execution and shareholder dividends are buttressed by a solid statement of financial position with a cash position, including restricted cash, of $104.3 million as at September 30, 2015 under IFRS ($110.5 million on a proportionate consolidation basis). Given its expertise acquired over many years in the development, financing, construction, commissioning and profitable operation of increasingly large-scale energy assets, Boralex is confident its full slate of projects under development and construction will be delivered successfully.

Priority Objective: Create Value

For Boralex, the ultimate goal is to create growing and sustainable economic value for its shareholders through the right mix of strategic, operating and financial conditions to increase profits and cash flows, and in turn market value, while supporting its dividend policy.

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

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

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

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

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

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

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

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

Seasonal Factors

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding)	Three-month periods ended December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015	Twelve-month period ended September 30, 2015
POWER PRODUCTION (MWh)					
Wind power stations	245,601	385,895	301,334	258,592	1,191,422
Hydroelectric power stations	154,752	113,587	205,678	149,051	623,068
Thermal power stations	34,092	59,155	15,628	48,787	157,662
Solar power station	1,080	1,038	2,030	1,972	6,120
	435,525	559,675	524,670	458,402	1,978,272
REVENUES FROM ENERGY SALES					
Wind power stations	31,278	48,712	37,016	33,369	150,375
Hydroelectric power stations	14,312	12,584	16,785	13,799	57,480
Thermal power stations	7,569	10,736	3,467	5,753	27,525
Solar power station	514	485	926	963	2,888
	53,673	72,517	58,194	53,884	238,268
EBITDA(A)					
Wind power stations	28,123	44,586	30,094	23,016	125,819
Hydroelectric power stations	9,730	9,247	12,741	8,911	40,629
Thermal power stations	1,188	4,525	(654)	1,121	6,180
Solar power station	391	404	837	851	2,483
	39,432	58,762	43,018	33,899	175,111
Corporate and eliminations	(9,374)	(7,008)	(7,071)	(6,150)	(29,603)
	30,058	51,754	35,947	27,749	145,508
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	(6,981)	6,606	(4,978)	(14,115)	(19,468)
Discontinued operations	716	—	—	—	716
	(6,265)	6,606	(4,978)	(14,115)	(18,752)
NET EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	($0.18)	$0.14	($0.10)	($0.29)	($0.43)
Discontinued operations	$0.02	—	—	—	$0.02
	($0.16)	$0.14	($0.10)	($0.29)	($0.41)
CASH FLOWS FROM OPERATIONS					
In dollars	13,983	40,201	19,266	31,826	105,276
Weighted average number of shares outstanding (basic)	38,411,980	47,759,276	47,951,885	48,770,481	45,706,145

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(A)					
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
Weighted average number of shares outstanding (basic)	37,757,835	37,980,635	38,346,572	38,390,851	38,119,108

The Corporation's operations and results are partly subject to seasonal cycles and other cyclical factors that vary by segment. Since nearly all of Boralex facilities have long-term indexed fixed-price energy sales contracts, seasonal cycles mainly affect the total volume of power generated by the Corporation. Only five hydroelectric power stations in the United States, accounting for 2% of the Corporation's total installed capacity in operation, are not covered by long-term energy sales contracts.

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

Wind

For the wind power assets currently in operation in which Boralex's share totals 760 MW as at the date of this MD&A, wind conditions are usually more favourable in the winter, which falls during Boralex's first and fourth quarters, both in France and Canada. However, in winter there is a greater risk of lower production caused by weather conditions, such as icing. In general, management estimates that approximately 60% of annual production in its wind power segment is generated in the first and fourth quarters and 40% in the second and third quarters.

The wind power segment now accounts for 78% of Boralex's aggregate installed capacity and represents by far the Corporation's key driver of revenues, EBITDA(A) and cash flows, particularly with full-year contributions from the assets recently acquired in France as of 2015. This segment will account for an even larger share of the Corporation's energy portfolio in upcoming years, as 139 MW of wind farms under development in Canada and France are progressively commissioned, boosting Boralex's wind power asset capacity to 900 MW by the end of 2016, and the Corporation taps further into its substantial project pipeline. In particular, this expansion will intensify the impact of the seasonality of this type of power generation on Boralex's overall performance, such that an increasing proportion of the Corporation's revenues will be generated in the first and fourth quarters.

Hydroelectric

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

As previously discussed, five U.S. power stations sell their power in the New York State open market. These facilities have an installed capacity of 23 MW and will account for approximately 13% of the hydroelectric power segment's total capacity following the commissioning of the Yellow Falls power station currently under construction, and just under 2% of Boralex's total installed capacity. These power stations have greater exposure to seasonal fluctuations which, in addition to influencing power production volumes, also impact the selling prices they obtain. They are partly influenced by seasonal demand, which is traditionally higher during winter and summer. Historically, power stations obtain generally higher average prices during these periods. Moreover, the price of natural gas, which is highly volatile, has a significant influence on New York State electricity selling prices.

Thermal

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

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

Solar

The 5-MW solar power facility in operation by the Corporation since 2011 and the 10-MW solar power facility commissioned on October 2, 2015, both located in Southern France, are covered by long-term energy sales contracts. They benefit from sunlight conditions that are usually more favourable in the spring and summer, which fall during Boralex's second and third quarters. In view of these weather conditions, management estimates that approximately 65% of the annual production at its solar power stations will be generated in the second and third quarters.

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

Financial Highlights

(in thousands of dollars, except MW, MWh, per share amounts and number of shares outstanding)	Three-month periods ended September 30		Nine-month periods ended September 30	
	2015	2014	2015	2014
POWER PRODUCTION (MWh)				
Wind power stations	258,592	112,029	945,821	540,396
Hydroelectric power stations	149,051	139,938	468,316	487,227
Thermal power stations	48,787	45,909	123,570	135,546
Solar power station	1,972	1,952	5,040	5,179
	458,402	299,828	1,542,747	1,168,348
REVENUES FROM ENERGY SALES				
Wind power stations	33,369	14,133	119,097	70,785
Hydroelectric power stations	13,799	12,236	43,168	43,854
Thermal power stations	5,753	5,660	19,956	22,521
Solar power station	963	945	2,374	2,568
	53,884	32,974	184,595	139,728
EBITDA(A)				
Wind power stations	23,016	9,567	98,279	58,388
Hydroelectric power stations	8,911	8,816	30,899	32,985
Thermal power stations	1,121	588	4,993	4,059
Solar power station	851	850	2,091	2,243
	33,899	19,821	136,262	97,675
Corporate and eliminations	(6,150)	(5,057)	(20,812)	(17,190)
	27,749	14,764	115,450	80,485
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(14,115)	(9,506)	(12,487)	(7,438)
Discontinued operations	—	312	—	1,936
	(14,115)	(9,194)	(12,487)	(5,502)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	($0.29)	($0.25)	($0.26)	($0.19)
Discontinued operations	—	$0.01	—	$0.05
	($0.29)	($0.24)	($0.26)	($0.14)
CASH FLOWS FROM OPERATIONS				
In dollars	31,826	2,633	91,293	39,698
Average capacity in operation (MW)	970	674	954	663
Weighted average number of shares outstanding (basic)	48,770,481	38,390,851	48,164,252	38,240,855

Statement of Financial Position Data

(in thousands of dollars)	As at September 30, 2015	As at December 31, 2014
Total assets	2,257,493	1,917,959
Debt*	1,291,507	1,161,131
Convertible debentures	132,573	232,977
Total liabilities	1,698,868	1,581,640
Total equity	558,625	336,319

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

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

Consolidated

Owing to the seasonal cycle to which Boralex's operations are exposed, the third quarter, which corresponds to summer is historically one of the least productive quarters of the year for the Corporation's two core segments: wind and hydroelectric. Accordingly, since the revenues generated may not be sufficient to absorb all the fixed costs, the third quarter generally shows a net loss, as was the case in 2015 and 2014. Nonetheless, Boralex's operating results for the third quarter of 2015 are up sharply, including an 88% increase in EBIDTA(A) driven by the recent expansion in its wind power segment and the solid performance of its existing operational base.

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

	Net loss (in thousands of $)	Per share (in $, basic)
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	(9,194)	($0.24)
Change:		
EBITDA(A)	12,985	$0.12
Amortization	(7,349)	($0.07)
Other gains	(466)	—
Financing costs	(6,283)	($0.06)
Foreign exchange effect	2,494	$0.02
Financial instruments	(1,977)	($0.02)
Income taxes	206	—
Loss on redemption of convertible debentures	(2,759)	($0.03)
Discontinued operations	(312)	—
Non-controlling shareholders	(1,460)	($0.01)
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015	(14,115)	($0.29)

For the three-month period ended September 30, 2015, Boralex recognized a net loss attributable to shareholders of $14.1 million or $0.29 per share (basic), compared with a net loss of $9.2 million or $0.24 per share (basic) for the same quarter of 2014.

The $4.9 million increase in the Corporation's net loss from the corresponding quarter of 2014 resulted partly from a combined increase of $13.6 million in amortization expense and financing costs owing to the substantial expansion in its asset base over the past year. Given that those fixed costs did not mirror the seasonal curve of EBITDA(A) contributions as discussed previously, the increase was not fully offset by the $13.0 million in EBITDA(A) growth. Also, during the third quarter, Boralex assumed the total amount of financing costs related to both the 2010 and 2015 convertible debentures. This will not be the case in the future as the 2010 debenture was converted in part and the balance redeemed in full at the very end of the third quarter, generating quarterly savings of $3 million in financing costs starting in the fourth quarter.

Meanwhile, the favourable foreign exchange effect of $2.5 million partly offset the $2.0 million loss on financial instruments, the $0.5 million net decrease in other gains and certain other unfavourable items. Also, the Corporation recorded a loss on redemption of the 2010 convertible debentures of $2.8 million during the third quarter of 2015.

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

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	32,974		14,764	
Power stations commissioned and acquired*	16,047	48.7%	11,066	75.0%
Pricing	(742)	(2.3)%	(742)	(5.0)%
Volume	4,512	13.7%	4,533	30.7%
Foreign exchange effect	1,185	3.6%	696	4.7%
Maintenance	—	—	(679)	(4.6)%
Share of Joint Ventures	—	—	(1,447)	(9.8)%
Other	(92)	(0.3)%	(442)	(3.0)%
Change	20,910	63.4%	12,985	88.0%
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015	53,884		27,749	

* Commissioning of the Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I wind power facility in Canada in December 2014, St-François wind power facility in France in March and April 2015, and Cômes de l'Arce wind power facility in France in April 2015 and acquisition of 11 wind farms in operation in France from BEV on December 18, 2014, with capacity of 186 MW.

Revenues from Energy Sales

For the three-month period ended September 30, 2015, revenues from energy sales totalled $53.9 million, up $20.9 million or 63.4%. This solid growth was driven by additional revenues of $16.0 million generated by the wind power segment's expansion in recent quarters, including BEV's operating sites acquired in December 2014 and the facilities commissioned as listed in the note to the above table. Another factor underlying the growth in revenues between the two comparative periods was a favourable volume effect of $4.5 million attributable to wind farms in France and to a lesser extent, to the Canadian hydroelectric power stations.

Combined with a favourable foreign exchange effect of $1.2 million, mainly attributable to the weakening of the Canadian dollar against the U.S. currency, the expansion of the Corporation's asset base and the sound performance of its existing assets largely offset the unfavourable price effect of $0.7 million resulting largely from the decline in the price of steam produced by the Blendecques thermal power station in France and certain other less important items.

Note that, in accordance with IFRS, those results exclude Boralex's $11.3 million share in the revenues generated by Joint Ventures Phases I and II, commissioned in December 2013 and December 2014, respectively (compared with a share of $9.9 million in the third quarter of 2014). The impact of the commissioning of these facilities is discussed in the *Proportionate Consolidation* section of this MD&A.

In total, Boralex generated 458,402 MWh of electricity in the third quarter of 2015 (excluding its share of the production of Joint Ventures Phases I and II), up 52.9% from 299,828 MWh for the same period of 2014. This growth resulted from the addition of 15 new wind farms acquired and commissioned over the past twelve months combined with an overall increase of 11.5% in the production of existing sites.

EBITDA(A) and EBITDA(A) Margin

Consolidated EBITDA(A) amounted to $27.7 million for the quarter, up $13.0 million or 88.0% from $14.8 million for the same period last year. Quarterly EBITDA(A) margin, as a percentage of revenues, grew to 51.5% in 2015 from 44.8% in 2014.

The significant growth in EBITDA(A) and EBITDA(A) margin was driven by the following main items:

- $11.1 million in total additional EBITDA(A) generated by the BEV acquisition and the commissioning of facilities listed under the previous table;
- A $4.5 million favourable volume effect; and
- A $0.7 million favourable foreign exchange effect.

Conversely, growth in consolidated EBITDA(A) for the quarter was reined in by certain unfavourable items, including in particular a $1.4 million decrease in the Boralex's share in the results of Joint Ventures Phases I and II. This decline stems partly from less favourable wind conditions than in summer 2014 for Joint Venture Phase I. Note that the consolidated EBITDA(A) item *Share in earnings (losses) of the Joint Ventures* includes items not related to the EBITDA(A) of Joint Ventures Phases I and II, including amortization expense, financing costs and losses on financial instruments. These items not related to the EBITDA(A) totalled $10.6 million for the third quarter of 2015 compared with $8.6 million in 2014 (see the *Reconciliations between IFRS and Proportionate Consolidation* section of this MD&A).

The other unfavourable items of the period include the $0.7 million price effect mentioned previously, a $0.7 million increase in maintenance costs mainly attributable to the wind power and hydroelectric segment and a total net adverse change of $0.4 million related to various other items, including an increase in development and prospecting costs.

Amortization

Amortization expense for the third quarter of 2015 rose $7.3 million to $21.8 million owing primarily to the BEV acquisition and the facilities commissioned in 2014 and 2015. The impact of the addition of these new assets was however mitigated by the end of amortization for certain components.

Other Gains

The other gains realized by Boralex decreased by $0.5 million between the two comparative periods, owing to the inclusion of a $0.5 million gain realized on the contract related to the agreement with Cube in the 2014 results.

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

Financing costs for the third quarter of 2015 climbed $6.3 million to $20.5 million. Besides the loans contracted for commissioning the new sites and the BEV acquisition, the higher financing costs resulted from the new debt contracted from Cube and the new 2015 convertible debenture issued in the second quarter. However, these items were partly offset by the decrease in debt related to existing facilities and certain other items. Note also that the financing costs in the coming quarters will be reduced by approximately $3 million per quarter following the conversion and redemption of all the 2010 debentures on September 29, 2015.

Boralex recognized a $2.2 million foreign exchange gain compared with a $0.3 million foreign exchange loss in the same quarter of the previous year. This favourable change of $2.5 million offset the higher net loss on financial instruments of $2.7 million for the third quarter of 2015 compared with $0.7 million in 2014. Note that the *Net loss on financial instruments* mainly includes the amounts related to the ineffective portion of financial instruments and the changes in the values of two undesignated interest rate swaps. Although all of the financial instruments used by Boralex are highly effective, they always include a very small ineffective portion.

Loss on redemption

The Corporation recorded a $2.8 million loss on redemption of 2010 debentures.

Net Loss

Boralex ended the third quarter of 2015 with an $13.6 million net loss from continuing operations compared with a $10.4 million net loss for the same period of 2014. Note that $0.3 million in net earnings from discontinued operations was generated during the third quarter of 2014 by the sale of Renewable Energy Certificates ("RECs") produced by the U.S. wood-residue power stations that Boralex sold at the end of 2011. Under the sale transaction, Boralex retained entitlement to 50% of the RECs sales of these power stations in excess of a defined threshold for 2012, 2013 and 2014 inclusively. As this agreement expired in December 2014, a similar gain was not recorded in 2015.

Accordingly, Boralex ended the third quarter of 2015 with a net loss of $13.6 million ($10.1 million for the same period of 2014) and a net loss attributable to shareholders of $14.1 million or $0.29 per share (basic), compared with $9.2 million or $0.24 for the same period of 2014.

Analysis of Operating Results for the Nine-Month Period Ended September 30, 2015

Consolidated

Boralex reported a marked improvement in operating results for the first nine months of 2015, including a 43.4% rise in EBITDA(A) driven primarily by the wind power segment's strong expansion in prior quarters. However, its net profitability was affected by certain specific items discussed below, including a loss on undesignated financial instruments, a loss on redemption of convertible debentures and the fact that both 2010 and 2015 convertible debentures were outstanding during a three-month period.

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

	Net loss (in thousands of $)	Per share (in $, basic)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	(5,502)	($0.14)
Change:		
EBITDA(A)	34,965	$0.57
Amortization	(20,694)	($0.34)
Other gains	(885)	($0.01)
Financing costs	(14,589)	($0.24)
Foreign exchange effect	3,026	$0.05
Financial instruments	(5,182)	($0.09)
Income taxes	3,457	$0.06
Loss on redemption of convertible debentures	(2,759)	($0.05)
Discontinued operations	(1,936)	($0.03)
Non-controlling shareholders	(2,388)	($0.04)
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015	(12,487)	($0.26)

For the nine-month period ended September 30, 2015, Boralex generated a net loss attributable to shareholders of $12.5 million or $0.26 per share (basic), compared with a net loss of $5.5 million or $0.14 per share (basic) for the same period of 2014. This decline resulted in large part from a $5.2 million unfavourable change in the losses on financial instruments. During the first and third quarters, as further described below in this section, the Corporation recorded in particular a net loss of $5.7 million on financial instruments ($4.0 million net of taxes), resulting primarily from fair value remeasurement adjustments to certain financial instruments. Moreover, the results for the first nine months of 2015 include specific costs of $0.3 million (net of taxes) related to the BEV acquisition, a loss on redemption of convertible debentures of $2.8 million ($2.3 million net of taxes) and financing costs of $2.1 million related to the new debentures ($1.5 million net of taxes)

Excluding these specific items, Boralex would have reported a net loss of $4.4 million or $0.09 per share for the first nine months of 2015.

The Corporation reported a $35.0 million increase in EBITDA(A), which nearly offset the increases in amortization expense and financing costs totalling $35.3 million arising from the strong expansion in its operating base in prior quarters.

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

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	139,728		80,485	
Power stations commissioned and acquired*	52,601	37.6%	36,451	45.3%
Pricing	(3,475)	(2.5)%	(3,475)	(4.3)%
Volume	(3,263)	(2.3)%	(2,171)	(2.7)%
Foreign exchange effect	(326)	(0.2)%	265	0.3%
Raw material costs	—	—	918	1.1%
Maintenance	—	—	(437)	(0.5)%
Development - prospecting	—	—	(1,287)	(1.6)%
Share of Joint Ventures	—	—	5,442	6.7%
Other	(670)	(0.5)%	(741)	(0.9)%
Change	44,867	32.1%	34,965	43.4%
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015	184,595		115,450	

* Commissioning of the Jamie Creek hydroelectric power station in Canada in May 2014, Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I wind power facility in Canada in December 2014, St-François wind power facility in France in March and April 2015, and Cômes de l'Arce wind power facility in France in April 2015 and acquisition of 11 wind farms in operation in France from BEV on December 18, 2014, with capacity of 186 MW.

Revenues from Energy Sales

For the nine-month period ended September 30, 2015, revenues from energy sales totalled $184.6 million, up $44.9 million or 32.1% compared with the same period of 2014 (excluding Boralex's share in the revenues generated by the Joint Ventures; see the *Proportionate Consolidation* section of this MD&A). As shown in the previous table, revenue growth was driven by the $52.6 million in additional revenues generated by commissioning the facilities listed in the footnote to the previous table and by the BEV wind farms acquired on December 18, 2014.

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

- A $3.5 million unfavourable price effect related mainly to the U.S. hydroelectric power stations and the French thermal power station;
- A $3.3 million shortfall resulting from lower production volume at existing facilities, particularly the hydroelectric power stations in the United States and the wind power facilities in France during the first half of the year;
- A $0.3 million unfavourable foreign exchange effect stemming from the weakening of the euro against the Canadian dollar; and
- $0.7 million in total relating to various other items.

Boralex generated 1,542,747 MWh of electricity (excluding its share of the production of the Joint Ventures), up 32.0% from 1,168,348 MWh in the same period of 2014. This was driven by the addition of the new assets described above. Excluding these new assets, production for the nine-month period at the Corporation's existing facilities was down 4.7% year over year, owing primarily to less favourable water flow conditions in the Northeastern United States compared with the same period of 2014, and less favourable wind conditions in France and Ontario, particularly in the first quarter of 2015.

EBITDA(A) and EBITDA(A) Margin

Consolidated EBITDA(A) for the first nine months of 2015 amounted to $115.5 million, up $35.0 million or 43.4% from $80.5 million in 2014. EBITDA(A) margin as a percentage of revenues rose to 62.5% from 57.6% for the previous year.

Apart from a slight favourable foreign exchange effect and a $0.9 million decline in raw material costs, owing in particular to the natural gas consumed by the Blendecques cogeneration power station in France, growth in EBITDA(A) was driven primarily by the recent expansion at Boralex, namely:

- A $36.5 million contribution from the 11 facilities acquired from BEV and the five new facilities commissioned in 2014 and 2015; and
- A $5.4 million increase in Boralex's share of the results of Joint Ventures for the entire period.

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

- A $3.5 million unfavourable price effect related to the U.S. hydroelectric power stations and the Blendecques thermal power station;
- A $2.2 million unfavourable volume effect stemming in large part from the hydroelectric power segment;
- A net $1.3 million increase in development and prospecting costs, owing partly to the development of the Greenfield pipeline in France as as well as the recording of a provision for the purchase price adjustment related to Jamie Creek in the hydroelectric power segment;
- A $0.4 million increase in maintenance costs; and
- Various other less important unfavourable items totalling approximately $0.7 million.

Amortization

Amortization expense for the nine-month period ended September 30, 2015 rose $20.7 million to $65.3 million, owing primarily to the aforementioned expansion in the asset base. These items were however mitigated by the favourable adjustments related to amortization of various other assets and the favourable impact of the weakening of the euro on the amortization of assets located in France.

Other Gains

The other gains realized by Boralex decreased by $0.9 million between the two comparative periods, owing mainly to the inclusion of a gain on the contract related to the agreement with Cube in the 2014 results.

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

Financing costs for the first nine months of 2015 climbed $14.6 million to $56.8 million. This increase was driven by the following key favourable items:

- The new loans contracted for the BEV acquisition and to commission new facilities over the past year.
- The debt contracted from Cube when its interest was repurchased; and
- The issuance of the new 2015 convertible debentures at the end of the second quarter while the 2010 debentures were converted and redeemed only at the end of the third quarter. Note that the elimination of these 2010 debentures will generate quarterly savings in financing costs of approximately $3.0 million starting in the fourth quarter of 2015.

Conversely, this increase in financing costs was partly offset by the decrease in debt related to existing facilities and the repayment of the $35 million Canadian note in July 2014.

Boralex recognized a $2.6 million foreign exchange gain in 2015 compared with a $0.4 million foreign exchange loss in 2014, representing a favourable change of $3.0 million.

The Corporation also recorded a net loss of $7.3 million on financial instruments (compared with a net loss of $2.2 million for the same period of 2014), resulting primarily from fair value remeasurement adjustments on certain financial instruments. Certain interest rate swaps, previously designated as hedges of potential projects in Canada, were not designated under hedge accounting up to January 21, 2015. As of that date, these swaps were designated for two new development projects: Yellow Falls and Frampton. Therefore, the $4.3 million change during the 21-day period was recognized in the net loss of the first quarter. In addition, a similar expense of $1.4 million was recorded in the third quarter. Note however that these losses on financial instruments had no impact on cash flows for fiscal 2015 and consequently on the Corporation's cash position as at September 30, 2015.

Loss on Redemption

The Corporation recorded a $2.8 million loss on redemption of 2010 debentures.

Net Loss

Boralex ended the first nine months of 2015 with a $10.0 million net loss from continuing operations compared with a $7.4 million net loss for the same period of 2014. As a result of the expiration of the agreement entered into in 2011 in connection with the sale of the former U.S. thermal power stations, the Corporation did not receive any gains on the sale of RECs in 2015, whereas it recorded a $1.9 million gain from this source in 2014. Accordingly, Boralex reported a net loss of $10.0 million ($5.4 million for the same period of 2014) and a net loss attributable to shareholders of $12.5 million or $0.26 per share (basic), compared with $5.5 million or $0.14 for the same period of 2014.

Review of Operating Segments

Wind

The wind power segment, Boralex's main driver of growth, continued to generate strong operating and financial results in the third quarter and the first nine months of fiscal 2015, fuelled by the recent expansion in Boralex's asset base in France and Canada which resulted in a 265 MW or 81% increase in installed capacity in operation between September 30, 2014 and September 30, 2015. For Boralex's management, the significant growth in the leading performance indicators for this segment (as detailed in this section) is all the more satisfying since the full contribution of the Joint Ventures is not reflected under IFRS.

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

	Three-month periods ended				Nine-month periods ended			
	Revenues from energy sales		EBITDA(A)		Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
SEPTEMBER 30, 2014	14,133		9,567		70,785		58,388	
Power station commissioned and acquired*	16,047	113.5%	11,814	123.5%	51,975	73.5%	38,683	66.2%
Pricing	83	0.6%	83	0.9%	308	0.4%	308	0.5%
Volume	3,047	21.6%	3,047	31.8%	(934)	(1.3)%	(934)	(1.6)%
Foreign exchange effect	62	0.4%	22	0.2%	(2,998)	(4.2)%	(2,362)	(4.0)%
Maintenance	—	—	(387)	(4.0)%	—	—	(1,043)	(1.8)%
Share of Joint Ventures	—	—	(1,407)	(14.7)%	—	—	5,427	9.3%
Other	(3)	—	277	2.9%	(39)	(0.1)%	(188)	(0.3)%
Change	19,236	136.1%	13,449	140.6%	48,312	68.3%	39,891	68.3%
SEPTEMBER 30, 2015	33,369		23,016		119,097		98,279	

* Commissioning of the Fortel-Bonnières wind power facility in France in October and November 2014, the Témiscouata I wind power facility in Canada in December 2014, the St-François wind farm in France in March and April 2015 and the Cômes de l'Arce wind power facility in France in April 2015 and acquisition of 11 wind farms in operation in France from BEV on December 18, 2014, with capacity of 186 MW.

Operating Results for the Three-Month Period

Production

For the three-month period ended September 30, 2015, the wind power segment produced 258,592 MWh, up 130.8% from 112,029 MWh for the same quarter of 2014 (excluding the 104,939 MWh and 91,740 MWh contributions in 2015 and 2014, respectively, from Joint Ventures Phases I and II as discussed in the *Proportionate Consolidation* section of this MD&A). This significant increase in wind power segment output stemmed largely from the acquisition of 11 BEV sites in operation in France, as well as the commissioning of the Témiscouata I wind power facility in Canada in December 2014, the Fortel-Bonnières wind power facility in France in October and November 2014, the St-François site in France in March and April 2015 and the Cômes de l'Arce site in April 2015. Excluding these 15 new sites, the production of existing assets rose 20.1% owing to much more favourable wind conditions than in the previous year in France, although slightly less favourable in Canada, and excellent equipment availability in both Canada and France.

Broken down geographically, production from Boralex's wind power asset base in France surged 158.6% through the addition of 14 new sites discussed above and a 29.3% increase in production volume at existing sites. Wind power production in Canada rose 54.3% with the commissioning of Témiscouata I in Québec, the performance of which continues to exceed the Corporation's expectations. Excluding this new site, less favourable wind conditions compared with the same quarter of 2014 led to a 5.2% decline in production at existing sites, namely the Thames River facilities in Ontario.

Note that due to the seasonal cycle to which the wind power segment is exposed, as further discussed in a previous section of this MD&A, wind conditions are generally below typical annualized levels during summer which corresponds to Boralex's third quarter. The Corporation's wind power segment generates 60% or more of its production and revenues in the fourth and first quarters.

Revenues

Excluding Joint Ventures Phases I and II, wind power segment revenues for the third quarter of 2015 totalled $33.4 million, up $19.2 million or 136.1% from the same period of 2014. As shown in the table, revenue growth was fuelled largely by a total additional $16.0 million contribution from the newly acquired BEV facilities and the commissioning of new sites combined with a favourable volume effect of $3.0 million attributable to the existing wind power sites in France. To a lesser extent, the increase in revenues was driven by slightly favourable price and foreign exchange effects.

Broken down geographically, excluding the foreign exchange effect, revenues in euros at French power stations nearly tripled while revenues at the Canadian sites grew 49.5% (excluding the Joint Ventures).

EBITDA(A)

The wind power segment reported EBITDA(A) of $23.0 million for the quarter, up $13.4 million or 140.6% from 2014, the result of Boralex's expansion and value creation strategy based on adding high-quality assets covered by long-term contracts (note also that this growth does not fully represent the contribution of Joint Ventures Phases I and II, the impact of which is discussed in the *Proportionate Consolidation* section of this MD&A). Wind power segment EBITDA(A) margin was at 69.0% in the third quarter of 2015 compared with 67.7% in the same period of 2014.

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

- An $11.8 million contribution from BEV's 11 wind farms in operation and the contribution from the four wind farms commissioned in the fourth quarter of 2014 and the first six months of 2015;
- A $3.0 million favourable volume effect; and
- A $0.4 million total favourable change in various other items, including the non-recurrence of certain expenses incurred in 2014 and selling price indexation.

Conversely, Boralex's share in the results of Joint Ventures Phases I and II declined by $1.4 million. This adverse change stemmed partly from a decline in the results of Joint Venture Phase I, which benefited from more favourable than expected wind conditions in summer 2014. In addition, the increase in amortization expense and higher financing costs attributable to the commissioning of Joint Venture Phase II was not fully absorbed by the operating results due to their seasonal nature. Last, maintenance costs increased by $0.4 million owing primarily to customary contractual clauses.

Broken down geographically, EBITDA(A) of the French operations more than tripled in euros, that is, excluding the slight favourable foreign exchange effect, owing primarily to the addition of 14 new sites. In Canada, EBITDA(A) was comparable to the previous year level since the contribution of the new Témiscouata I site offset the lower volume at Thames River sites and Boralex's share in the results of the Joint Ventures.

Operating Results for the Nine-Month Period

Production

For the nine-month period ended September 30, 2015, the wind power segment produced 945,821 MWh compared with 540,396 MWh for the same period of 2014 (excluding the 416,681 MWh and 300,490 MWh contributions in 2015 and 2014, respectively, from Joint Ventures Phases I and II). This increase was driven by the acquisition of 11 BEV sites in operation in France and the commissioning of four other sites in Canada and in France. Meanwhile, production at existing sites declined slightly by 1.6% owing to less favourable wind conditions in Ontario compared with the same period of 2014 and particularly difficult conditions in France during the first quarter of 2015. However, existing sites maintained excellent equipment availability rates throughout the period, in both Ontario and France.

Broken down geographically, production from Boralex's wind power asset base in France nearly doubled through the addition of 14 new sites. Boralex's wind power production in Canada rose 32.7% with the commissioning of Témiscouata I in Québec. Excluding this new site, less favourable wind conditions than in 2014 in Ontario led to a 12.4% decline in production at existing Thames River facilities, despite maintaining excellent equipment availability.

Revenues

Excluding Joint Ventures Phases I and II, wind power segment revenues for the first nine months of 2015 totalled $119.1 million, up $48.3 million or 68.3% from the same period of 2014. As shown in the table, revenue growth was fuelled by an additional $52.0 million contribution in total from the 15 newly acquired or commissioned sites over the past quarters, combined with selling price indexation at existing sites. On the downside, fluctuations in the exchange rate between the euro and the Canadian dollar and the decline in production volume at existing sites resulted in a shortfall of $3.9 million in revenues compared with the previous year.

Broken down geographically, excluding the foreign exchange effect, revenues in euros at French power stations were up 97.4% while revenues at the Canadian sites grew 29.5% (excluding the Joint Ventures), driven by the contribution from new sites.

EBITDA(A)

The wind power segment reported EBITDA(A) of $98.3 million for the first nine months of fiscal 2015, up $39.9 million or 68.3% from 2014 (this growth does not fully represent the contribution from Joint Ventures Phases I and II, the actual impact of which is discussed in the *Proportionate Consolidation* section of this MD&A).

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

- A $38.7 million contribution from the BEV wind power stations and the four wind power facilities commissioned in 2015 and late 2014; and
- A $5.4 million increase in Boralex's share in the results of the Joint Ventures.

On the downside, growth in quarterly EBITDA(A) was reined in by a combination of unfavourable items totalling $4.5 million, mainly a $2.4 million foreign exchange effect, $0.9 million volume effect and a $1.0 million increase in maintenance costs largely due to contractual clauses.

Broken down geographically, the EBITDA(A) of French operations rose 93.0% in euros while the Canadian operations generated a 45.5% increase in EBITDA(A). Wind power segment EBITDA(A) margin for the first nine months of 2015 stood at 82.5%, a level comparable to the prior year.

Hydroelectric

Year after year, Boralex's second largest segment, the hydroelectric power segment, has maintained its role as a major and reliable source of earnings and cash flows for the Corporation. During the third quarter and first nine months of fiscal 2015, the segment contributed $8.9 million and $30.9 million, respectively, to the Corporation's consolidated EBITDA(A), despite less favourable conditions than in 2014 for the power stations in the Northeastern United States.

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

	Three-month periods ended				Nine-month periods ended			
	Revenues from energy sales		EBITDA(A)		Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
SEPTEMBER 30, 2014	12,236		8,816		43,854		32,985	
Power station commissioned*	—	—	—	—	626	1.4%	84	0.2%
Pricing	(252)	(2.0)%	(252)	(2.9)%	(2,093)	(4.8)%	(2,093)	(6.3)%
Volume	812	6.6%	812	9.3%	(2,712)	(6.2)%	(2,712)	(8.2)%
Foreign exchange effect	1,086	8.9%	734	8.3%	3,544	8.1%	2,700	8.2%
Maintenance	—	—	(209)	(2.4)%	—	—	51	0.2%
Development - prospection	—	—	(555)	(6.3)%	—	—	(557)	(1.7)%
Other	(83)	(0.7)%	(435)	(4.9)%	(51)	(0.1)%	441	1.3%
Change	1,563	12.8%	95	1.1%	(686)	(1.6)%	(2,086)	(6.3)%
SEPTEMBER 30, 2015	13,799		8,911		43,168		30,899	

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

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

HYDROELECTRIC PRODUCTION (MWh)	**2015**	**2014**	Change
Three-month periods ended September 30:			
Actual			
Canada	86,715	71,618	**+ 21.1%**
United States	62,336	68,320	**- 8.8%**
	149,051	139,938	**+ 6.5%**
Historical average [1]			
Canada	85,706	85,826	**- 0.1%**
United States	63,349	63,129	**+ 0.3%**
	149,055	148,955	**+ 0.1%**
Nine-month periods ended September 30:			
Actual			
Canada	228,291	191,038	**+ 19.5%**
United States	240,025	296,189	**- 19.0%**
	468,316	487,227	**- 3.9%**
Historical average [1]			
Canada	228,448	220,086	**+ 3.8%**
United States	291,262	291,116	**+ 0.1 %**
	519,710	511,202	**+ 1.7%**
Annual historical average [1]	682,330	623,292	**+ 9.5%**

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

Operating Results for the Three-Month Period

Production

During the third quarter of fiscal 2015, the hydroelectric power segment's total production was in line with the historical average for this period of the year, although growing by 6.5% to 149,051 MWh from 139,938 MWh for the previous year. Note that water flow conditions were weaker than normal in the summer of 2014.

The higher total production is attributable to the power stations located in Canada (including the Jamie Creek facility which participated fully in the results of the two comparative periods). The Canadian power stations' production volume was slightly higher than the historical average and up 21.1% over the previous year. Meanwhile, the U.S. power stations continued to deal with more difficult weather conditions and their production declined 8.8% compared with 2014, remaining 1.6% below their historical average.

Revenues

The hydroelectric power segment reported total revenues of $13.8 million for the third quarter of 2015, up $1.6 million or 12.8% from $12.2 million from the same quarter of 2014. As shown in the table, this increase is largely attributable to a $1.1 million favourable foreign exchange effect resulting from the weakening of the Canadian currency against the U.S. dollar. At constant exchange rates, quarterly revenues grew 3.9% driven mainly by net volume effect of $0.8 million stemming from the solid performance of Canadian power stations.

Broken down geographically, revenues of Canadian power stations rose 16.6% while those of U.S. power stations declined 12.2% in U.S. dollars (i.e., excluding the foreign exchange effect) owing to the combined effect of lower production and an unfavourable price effect resulting from the decrease in the average selling prices of electricity sold in the New York State market by the five power stations without energy sales contracts.

EBITDA(A)

Hydroelectric power segment EBITDA(A) was up slightly by $0.1 million or 1.1%. The previously mentioned favourable foreign exchange and volume effects totalling $1.5 million were nearly offset by the $0.3 million unfavourable price effect, the $0.2 million increase in maintenance costs and a number of other unfavourable items totalling nearly $1.0 million. One such item was the $0.6 million expense recorded under *Development - prospection* consisting of an upward adjustment to the provision payable to the seller of Jamie Creek, the final settlement of which is currently under negotiation. The other unfavourable items for the period comprise legal fees and the non-recurrence of certain revenues received in 2014.

Broken down geographically, the combined EBITDA(A) of Canadian power stations was up 1.3% while EBITDA(A) of U.S. power stations was stable in Canadian dollar terms but down 15.6% at constant exchange rates.

Operating Results for the Nine-Month Period

Production

Hydroelectric power segment production totalled 468,316 MWh for the first nine months of fiscal 2015, down 3.9% from 487,227 MWh in 2014, and 9.9% below the historical average for this period. The most difficult weather conditions were experienced in the United States such that the combined production of U.S power stations declined by 19.0% compared with 2014 and fell 17.6% below the historical average. These power stations had to deal with extreme weather conditions during the 2015 winter, more specifically ice drifts, followed by less favourable water flow conditions in spring 2015 compared with 2014 and some equipment failures. Production at the Canadian power stations was in line with the historical average while exceeding output in the same period of 2014 by 19.5%. This performance was driven primarily by high productivity at existing power stations, despite the harsh winter, combined with the additional contribution of the Jamie Creek power station which participated in the results during the entire nine-month period of 2015 compared with less than five months in 2014.

Revenues

The hydroelectric power segment reported revenues of $43.2 million for the first nine months of 2015, down $0.7 million or 1.6%, owing to a $2.7 million unfavourable volume effect coupled with a $2.1 million unfavourable price effect attributable to the U.S. power stations. These items were however mitigated by the $3.5 million favourable foreign exchange effect, the sound performance of existing Canadian power stations and the additional contribution from Jamie Creek.

Broken down geographically, revenues at Canadian power stations grew 17.0% fuelled by the solid performance of existing power stations and the contribution from the Jamie Creek power station over the entire period. Revenues at U.S. power stations declined 15.3% in Canadian dollars and 25.9% in U.S. dollars due to their lower production volume coupled with the selling prices of facilities that trade in the open market.

EBITDA(A)

Hydroelectric power segment EBITDA(A) declined by $2.1 million or 6.3% over the nine-month period in 2015 due to a $2.7 million negative volume effect, a $2.1 million price effect and the $0.6 million provision recorded in the third quarter and discussed in the previous section. These factors were partly offset by a $2.7 million favourable foreign exchange effect, a $0.1 million additional contribution from the Jamie Creek power station, a slight decline in maintenance costs and certain other items with a total net favourable amount of $0.4 million. Moreover, subsequent to a settlement entered into at the end of February 2015, in relation to a lawsuit filed on December 20, 1996 against one of the Corporation's subsidiaries for charges claimed under the *Watercourses Act*, it was agreed that the net amount payable would be approximately $1.0 million instead of the $1.4 million provisioned; the favourable net impact of $0.4 million was recognized in the first quarter of 2015.

Broken down geographically, the combined EBITDA(A) of U.S. power stations declined 31.4% in U.S. dollars while EBITDA(A) of Canadian power stations rose 16.4%.

Thermal

As discussed in the *Seasonal Factors* section of this MD&A, the Senneterre power station in Québec was in operation during the entire third quarter and for a total of seven months since the beginning of the year, in both 2015 and 2014. Although the Blendecques facility in France did not operate its cogeneration equipment during the third quarters of fiscal 2014 and 2015, it continued to supply its industrial client with steam. The facility was in operation for a total of three months since the beginning of fiscal 2015, the same length of time as in 2014. These two power stations made positive contributions to Boralex's profitability since the beginning of fiscal 2015.

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

	Three-month periods ended				Nine-month periods ended			
	Revenues from energy sales		EBITDA(A)		Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
SEPTEMBER 30, 2014	5,660		588		22,521		4,059	
Pricing	(574)	(10.2)%	(574)	(97.6)%	(1,693)	(7.5)%	(1,693)	(41.7)%
Volume	645	11.4%	666	113.3%	448	2.0%	1,539	37.9%
Capacity premiums	—	—	—	—	(576)	(2.6)%	(576)	(14.2)%
Foreign exchange effect	—	—	—	—	(740)	(3.3)%	(55)	(1.3)%
Raw material costs	—	—	250	42.5%	—	—	918	22.6%
Maintenance	—	—	(38)	(6.5)%	—	—	581	14.3%
Other	22	0.4%	229	38.9%	(4)	—	220	5.4%
Change	93	1.6%	533	90.6%	(2,565)	(11.4)%	934	23.0%
SEPTEMBER 30, 2015	5,753		1,121		19,956		4,993	

Operating Results for the Three-Month Period

Production

The Senneterre power station recorded high productivity in the third quarter of fiscal 2015, generating 48,787 MWh of electricity, up 6.3% from 45,909 MWh for the same quarter of 2014. Although it did not produce any electricity during this period, the Blendecques cogeneration power facility in France increased its steam production by 21.3%, partly attributable to the equipment upgrade during the previous fiscal year.

Revenues

Thermal power segment revenues totalled $5.8 million compared with $5.7 million last year. This slight increase stemmed from a $0.6 million favourable volume effect due to increases in electricity production at the Senneterre power station and steam production at the Blendecques power station, which offset the unfavourable price effect of $0.6 million resulting from lower selling prices for its steam.

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

EBITDA(A)

Thermal power segment EBITDA(A) for the third quarter of 2015 nearly doubled to $1.1 million from $0.6 million for the previous year. This improvement was driven primarily by a $0.7 million favourable volume effect which, combined with the lower natural gas cost in France as well as the non-recurrence of certain expenses incurred in 2014, more than offset the $0.6 million unfavourable price effect discussed previously. These two power stations made positive contributions to segment profitability.

Operating Results for the Nine-Month Period

Production

Boralex's thermal power segment produced 123,570 MWh of electricity since the beginning of 2015, down 8.8% from 135,546 MWh during the same period of 2014, for both power stations. The Senneterre facility's production declined 6.2% owing to equipment failures and the high humidity level in wood bark used during the first quarter and a slight delay in the launch of operations in the second quarter. These factors were offset by the power station's solid performance in the third quarter.

Electricity production at the Blendecques power station decreased 24.2% due to a week-long shutdown of the gas turbine during the first quarter, which was however offset by a 20.1% increase in steam production for the entire nine-month period.

Revenues

Thermal power segment revenues totalled $20.0 million for the nine-month period ended September 30, 2015, down $2.6 million or 11.4% from $22.5 million last year, owing primarily to a $1.7 million unfavourable price effect resulting from the lower steam selling price. Furthermore, the weakening of the euro had a $0.7 million unfavourable impact on the Blendecques power station's revenues in Canadian dollars. Last, the change in revenues was affected by a $0.6 million decrease in capacity premiums awarded to the two power stations. All these negative factors were offset by a favourable volume effect of $0.4 million resulting from higher production of steam at the Blendecques power station.

EBITDA(A)

For the first nine months of 2015, thermal power segment EBITDA(A) totalled $5.0 million compared with $4.1 million in 2014. This $0.9 million or 23.0% improvement is attributable to the two thermal power stations. The Blendecques power station's improved performance was driven by a significant volume effect stemming from the sharp rise in its steam production as well as its protection against price fluctuations which ensured that the lower steam selling price was largely offset by the cost of its raw material, namely natural gas. Besides selling price indexation, the Senneterre power station benefited above all from a significant decline in its maintenance costs and the non-recurrence of certain expenses incurred in 2014. These items more than offset the unfavourable volume effect, lower capacity premiums and higher cost of raw materials.

Solar

The Avignonet-Lauragais solar power facility, located in Southwestern France, continues to meet management expectations in terms of productivity and profitability, since its commissioning in June 2011.

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

	Three-month periods ended				Nine-month periods ended			
	Revenues from energy sales		EBITDA(A)		Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%	(in thousands of $)	%
SEPTEMBER 30, 2014	945		850		2,568		2,243	
Volume	8	0.8%	8	0.9%	(65)	(2.5)%	(65)	(2.9)%
Foreign exchange effect	9	1.0%	9	1.1%	(133)	(5.2)%	(115)	(5.1)%
Maintenance	—	—	(20)	(2.4)%	—	—	(9)	(0.4)%
Other	1	0.1%	4	0.5%	4	0.1%	37	1.6%
Change	18	1.9%	1	0.1%	(194)	(7.6)%	(152)	(6.8)%
SEPTEMBER 30, 2015	963		851		2,374		2,091	

Operating Results for the Three-Month Period

For the quarter ended September 30, 2015, production, revenues and EBITDA(A) of the Avignonet-Lauragais solar power facility amounted to 1,972 MWh, $1.0 million and $0.9 million, respectively, all comparable with results for the same period of 2014. However, since costs outpaced revenues, EBITDA(A) margin stood at 88.4% for the third quarter of 2015 compared with 89.9% for the same quarter of 2014.

Operating Results for the Nine-Month Period

The solar power facility generated 5,040 MWh for the first nine months of 2015 compared with 5,179 MWh last year, owing primarily to a lower rate of irradiation. A gradual decline in solar equipment productivity of approximately 0.5% per year is to be expected as this is a normal phenomenon in the life cycle of this type of production facility. The lower volume, combined with an unfavourable foreign exchange effect, resulted in the $0.2 million or 7.6% decline in cumulative revenues to $2.4 million. For the same reasons, the solar power facility EBITDA(A) decreased by $0.1 million or 6.8% to $2.1 million, despite a reduction in certain expenses. As a result, the EBITDA(A) margin improved to 88.1% in 2015 from 87.3% for the same period of 2014.

Boralex's management believes that its strong performance reflects the intrinsic quality of this first solar project with regard to choice of technology and location. On October 2, 2015, the Corporation commissioned the 10 MW Les Cigalettes facility. Although this new site will not benefit from the same contractual advantages as the first solar power facility due to recent market changes, management is confident that it will make a positive contribution with the facility's excellent location and the growing expertise of the Boralex team.

Cash Flows

Cash flows for the nine-month period ended September 30, 2015 were affected by net proceeds totalling $256 million from the issuances of common shares and convertible debentures in 2015, which were mainly used to reduce the Corporation's debt and redeem a portion of convertible debentures issued in 2010. The changes in cash flows since the beginning of 2015 demonstrate once again Boralex's solid capacity to generate cash flows from operations, owing to its tight focus on operations covered by indexed, fixed-price energy sales contracts and superior profit margins. They also demonstrate Boralex's intention to support the creation of shareholder value by the payment of dividends totalling $18.7 million and by maintaining a dynamic and orderly growth strategy. Boralex has made further investments of nearly $260 million to develop and optimize its energy asset base since the beginning of 2015, including the acquisition of fixed assets and businesses, ongoing work on development projects and other investments.

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in thousands of dollars)	2015	2014	2015	2014
Cash flows from operations*	31,826	2,633	91,293	39,698
Change in non-cash items related to operating activities	(9,639)	8,143	(6,981)	8,759
Net cash flows related to operating activities	22,187	10,776	84,312	48,457
Net cash flows related to investing activities	(153,486)	(88,680)	(259,031)	(129,602)
Net cash flows related to financing activities	93,333	47,765	185,923	51,766
Cash from discontinued operations	—	352	—	2,279
Translation adjustment on cash and cash equivalents	2,928	686	4,419	255
NET CHANGE IN CASH AND CASH EQUIVALENTS	(35,038)	(29,101)	15,623	(26,845)
CASH AND CASH EQUIVALENTS - END OF PERIOD	91,017	98,097	91,017	98,097

* See the *Non-IFRS Measures* section.

Analysis of Cash Flows for the Three-Month Period

Operating Activities

During the three-month period ended September 30, 2015, Boralex reported $31.8 million in cash flows from operations compared with $2.6 million for the same quarter in 2014. Excluding non-cash items from net loss for both periods, the increase in cash flows from operations resulted primarily from the previously discussed 88.0% increase in EBITDA(A) and the distributions received from the Joint Ventures in the amount of $19.6 million during the third quarter. These items more than offset the increase in payments related to financing costs.

The change in non-cash items related to operating activities used $9.6 million in cash (compared with cash inflows of $8.1 million in 2014). Cash outflows during the third quarter of 2015 resulted mainly from payments made to our suppliers at our construction sites and, to a lesser extent, an increase in trade and other receivables due to the seasonal nature of sales and power stations commissioned.

In light of the foregoing, operating activities generated net cash flows totalling $22.2 million for the third quarter of fiscal 2015, compared with $10.8 million for the same quarter of the previous year.

Investing Activities

For the three-month period ended September 30, 2015, investing activities used cash flows of $153.5 million, of which nearly the full amount or $145.8 million was allocated to the acquisition of new property, plant and equipment as follows:

- $123.5 million for the construction of new wind farms, including $109.4 million in Québec (mainly the Témiscouata II, Frampton and Côte-de-Beaupré sites) and $14.1 million in France (primarily the Calmont site and to a lesser extent, the St-François, Touvent and Cômes de l'Arce sites);
- $10.0 million for the construction of the Yellow Falls hydroelectric power station in Ontario, Canada;
- $9.2 million to complete the construction of Les Cigalettes solar power facility in France;
- $2.1 million to improve existing power generation facilities, including approximately half the amount to upgrade the Buckingham power station in Québec; and
- $1.0 million for the corporate segment.

Also, the Corporation injected an additional amount of $7.1 million into its restricted cash, essentially for the Les Cigalettes solar power facility, and invested $0.6 million in development projects, particularly the Yellow Falls power station.

Financing Activities

Financing activities for the third quarter of fiscal 2015 generated total net cash inflows of $93.3 million as detailed below.

Redemption of Convertible Debentures Issued in 2010

As further described in the *Growth Strategy and Recent Developments* section (under *Recent Developments Affecting Boralex's Results and Financial Position in 2015*) at the beginning of this MD&A, on September 30, 2015, the Corporation redeemed the balance amount of $47.1 million (out of an initial total principal amount of $244.1 million) of the 2010 6.75% convertible unsecured subordinated debentures yet to be converted by the holders of Boralex's Class A shares. Having announced on August 31, 2015 its intention to redeem up to $150 million in the principal amount of 2010 debentures not yet converted, Boralex considers very satisfactory the high conversion rate of debentures into common shares by their holders, which demonstrates their confidence in Boralex and has also allowed the Corporation to maintain its very strong cash position. Note also that the conversion and redemption of all the 2010 debentures will generate quarterly savings of approximately $3 million in financing costs starting in the fourth quarter of 2015.

New Financing Arrangements and Repayments on Existing Debt

During the third quarter, the Corporation drew down $35.0 million from its revolving credit facility and contracted new non-current debt of $149.0 million (net of financing costs) for the development of various wind power projects (essentially in Québec) and for the Les Cigalettes solar power project in France. Conversely, the Corporation repaid $32.2 million on various current and non-current debt.

Dividends and Other

During the third quarter of 2015, the Corporation disbursed an amount of $6.2 million to pay a quarterly dividend of $0.13 per share to its shareholders. Following the financing, the Corporation also made a special distribution of $3.9 million to the non-controlling shareholder in the Frampton wind power project to repay the excess amount of equity it had invested.

Discontinued Operations

Given that the agreement entered into on the sale of the U.S. thermal power stations in 2011 expired on December 31, 2014, for the three-month period ended September 30, 2015, the Corporation did not record any cash flows from discontinued operations compared with cash inflows of $0.4 million in 2014.

Net Change in Cash and Cash Equivalents

Total cash movements for the three-month period ended September 30, 2015 resulted in a $35.0 million decrease in cash and cash equivalents.

Analysis of Cash Flows for the Nine-Month Period

Operating Activities

During the nine-month period ended September 30, 2015, Boralex reported $91.3 million in cash flows from operations compared with $39.7 million for the same period of 2014. Excluding non-cash items from net loss for both periods, the $51.6 million or 130.0% increase in cash flows from operations resulted primarily from the previously discussed 43.4% increase in EBITDA(A) and the distribution of funds from the Joint Ventures in the total amount of $29.1 million during the first and third quarters. These items more than offset the increase in payments related to financing costs.

The change in non-cash items related to operating activities used $7.0 million in cash (compared with cash inflows of $8.8 million in 2014). Cash outflows for the first nine months of 2015 resulted primarily from increased payments to our suppliers at our construction sites, partially offset by lower trade and other receivables due to the seasonal nature of sales.

In light of the foregoing, operating activities generated net cash flows totalling $84.3 million during the first nine months of 2015, up $35.8 million from $48.5 million in the previous year.

Investing Activities

For the nine-month period ended September 30, 2015, investing activities used $259.0 million in cash flows, including $235.0 million for the acquisition of new property, plant and equipment as follows:

- $205.0 million for the construction of new wind farms, including $165.9 million in Québec (the Témiscouata II, Frampton, Côte-de-Beaupré and Témiscouata I sites) and $39.1 million in France (primarily the Cômes de l'Arce, Calmont and St-François sites);
- $10.0 million for the construction on the Yellow Falls hydroelectric power station in Ontario, Canada;
- $11.6 million for the construction of the Les Cigalettes solar power facility in France;

- $6.5 million to improve existing power generation facilities, particularly in the hydroelectric power segment; and
- $1.8 million for the corporate segment.

The Corporation also made the following investments:

- $16.1 million to acquire the Frampton wind power project in Québec and the Touvent wind power project in France;
- $2.7 million into restricted cash, primarily for the Les Cigalettes wind power project in France and the Témiscouata II wind power site in Québec;
- $3.5 million for development projects, particularly the Yellow Falls hydroelectric power station; and
- $1.5 million for other investing activities.

Financing Activities

Financing activities for the first nine months of fiscal 2015 generated total net cash inflows of $185.9 million as detailed below.

New Financing Arrangements, Repayments on Existing Debt and Redemption of 2010 Debentures

In January 2015, Boralex received net proceeds of $124.0 million (including the exercise of the over-allotment option held by the syndicate of underwriters) following the issuance of a total of 9,505,000 common shares of Boralex at a price of $13.05 per share. As planned, the net issuance proceeds in the amount of $118.1 million (net of issuance costs paid) were mostly used to repay the $100 million bridge facility contracted in December 2014 at the time of the BEV acquisition.

On June 26, 2015, as further described in the *Growth Strategy and Recent Developments* section (under *Recent Developments Affecting Boralex's Results and Financial Position in 2015*), the Corporation completed the offering of convertible unsecured debentures ("2015 Debentures") for total gross proceeds of $143.8 million (net proceeds of $137.5 million), which were mainly used to repay an amount of $110.6 million on the Corporation's existing revolving credit facility.

On September 29, 2015, as described previously, the Corporation redeemed the balance amount of $47.1 million of 2010 debentures yet to be converted by the holders of Boralex's Class A shares.

Also, non-current debt increased by $267.6 million (net of financing costs) during the first nine months of 2015 and this amount was used to develop the Corporation's wind power projects in Québec and France and the new solar power facility in France, while the revolving credit facility was drawn down by $35 million to redeem 2010 debentures.

During the same period, in addition to the previously mentioned repayments on the bridge facility and the revolving credit facility, the Corporation repaid current and non-current debt in the amount of $64.0 million.

Dividends and Other

During the first nine months of 2015, the Corporation disbursed an amount of $18.7 million to pay three quarterly dividends of $0.13 per share to its shareholders. The Corporation also distributed $3.9 million to the non-controlling shareholder in the Frampton wind power project and received $7.1 million in the form of capital injections by its partners in the Frampton and Côte-de-Beaupré wind power projects in Québec.

Discontinued Operations

For the nine-month period ended September 30, 2015, the Corporation did not record any cash flows from discontinued operations compared with cash inflows of $2.3 million in 2014, primarily from the sale of RECs.

Net Change in Cash and Cash Equivalents

Total cash flows for the first nine months of fiscal 2015 resulted in a $15.6 million increase in cash and cash equivalents to $91.0 million as at September 30, 2015 from $75.4 million as at December 31, 2014.

Financial Position

The changes in Boralex's statement of financial position between December 31, 2014 and September 30, 2015 mainly relate to property, plant and equipment, non-current debt, convertible debentures, and equity. Apart from ongoing investments in Boralex's development projects, these changes resulted essentially from:

- The issuance of shares in January 2015 and the issuance of convertible debentures in June 2015 (the net proceeds of which were used in particular to repay over $200 million in debt);
- The conversion of Class A shares and redemption of all of the 2010 convertible debentures in September 2015; and
- The repurchase of Cube's interest in Boralex's European subsidiary.

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

(in thousands of dollars)	As at September 30, **2015**	As at December 31, **2014**
ASSETS		
Cash and cash equivalents	91,017	75,394
Restricted cash	13,332	12,459
Miscellaneous current assets	81,010	71,345
CURRENT ASSETS	185,359	159,198
Property, plant and equipment	1,513,643	1,215,411
Intangible assets	252,516	254,007
Goodwill	157,419	134,044
Miscellaneous non-current assets	148,556	155,299
NON-CURRENT ASSETS	2,072,134	1,758,761
TOTAL ASSETS	2,257,493	1,917,959
LIABILITIES		
CURRENT LIABILITIES	278,981	265,377
Non-current debt	1,172,584	989,087
Convertible debentures	132,573	232,977
Miscellaneous non-current liabilities	114,730	94,199
NON-CURRENT LIABILITIES	1,419,887	1,316,263
TOTAL LIABILITIES	1,698,868	1,581,640
EQUITY		
TOTAL EQUITY	558,625	336,319
TOTAL LIABILITIES AND EQUITY	2,257,493	1,917,959

Assets

Boralex's total assets have increased $340.0 million since December 31, 2014, to $2,257.5 million as at September 30, 2015. This growth mainly involved *Non-current Assets*, which rose $313.4 million, owing primarily to a $298.2 million increase in value of property, plant and equipment (net of amortization for the period) due to the construction of new facilities year to date. In addition, goodwill was up $23.4 million as a result of the acquisition of the Frampton, Québec and Touvent, France wind power projects. Note that the BEV purchase price allocation will be finalized by the end of fiscal 2015.

The total amount of *Current assets* climbed $26.2 million, owing primarily to a $15.6 million increase in cash and cash equivalents. This was mainly due to the significance of the Corporation's cash flows from operations, including a second distribution of funds by the Joint Ventures. The proceeds from the June 26, 2015 issuance of convertible debentures were mainly used to pay down the Corporation's debt, but also for a partial redemption of the 2010 convertible debentures.

As at September 30, 2015, the Corporation had a working capital deficit of $93.6 million with a ratio of 0.66:1 compared with a working capital deficit of $106.2 million and a ratio of 0.60:1 as at December 31, 2014. The deficit as at September 30, 2015 resulted in large part from a net amount of $41.6 million in *Other current financial assets and liabilities* consisting primarily of the fair value of financial instruments and thus had no impact on the Corporation's current liquidity. Excluding that item, the working capital ratio as at September 30, 2015 stood at 0.78:1.

Liabilities and Equity

The slight increase in non-current liabilities resulted from the fact that new debt was contracted in connection with the repurchase of Cube's interest and that various development projects of the Corporation partially offset the combined favourable effect of the repayment of the $100 million bridge facility out of the proceeds of the January 2015 share issuance, the repayment of the $110.6 million revolving credit facility out of the proceeds of the June 2015 issuance of new convertible debentures, as well as the $234.2 million total net decline in the "liability" component of the *Convertible debentures* upon the September 30, 2015 conversion and redemption of the 2010 convertible debentures.

Breaking down the Corporation's non-current debt geographically as at September 30, 2015, 38% originated in Canada, 55% in France and 7% in the United States, compared with 37%, 54% and 9%, respectively, as at December 31, 2014 (excluding the bridge facility).

As at September 30, 2015, Boralex held contracted but undrawn debt for its projects under construction totalling $149 million, as well $104.2 million under the revolving credit facility and $75 million under a term credit facility which it could draw down under certain conditions.

Net debt, as defined under *Non-IFRS Measures*, amounted to $1,211.1 million as at September 30, 2015 compared with $995.0 million as at December 31, 2014. Excluding non-current debt drawn down for projects under construction, net debt stood at $1,016.8 million as at September 30, 2015, compared with $956.3 million as at December 31, 2014.

Total equity attributable to shareholders (market capitalization) rose $332.8 million during the first nine months of fiscal 2015 to $826.6 million as at September 30, 2015 from $493.8 million as at December 31, 2014.

Therefore, the net debt to market capitalization ratio, as defined under *Non-IFRS Measures*, increased to 55.3% as at September 30, 2015 from 53.7% as at December 31, 2014. Excluding non-current debt drawn down for projects under construction, the net debt to market capitalization ratio decreased to 50.9% as at September 30, 2015 from 52.7% as at December 31, 2014.

Repurchase of European Partner Cube's Interest

On February 27, 2015, Boralex announced the closing of a financial settlement whereby Cube Energy SCA ("Cube") agreed to exchange its entire 25% equity interest in Boralex Europe S.A. for term loans. Under the settlement, in consideration, Cube will receive a payment of €16 million ($23.9 million), payable by the end of 2015, and the shares held by Cube will be exchanged for two term loans totalling €40 million ($59.7 million) issued by two European subsidiaries of the Corporation and bearing interest at a fixed rate of 6.5%, with no repayments prior to maturity in January 2019.

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

- Under liabilities, inclusion of an amount of €56 million ($83.5 million) in *Non-current debt* and *Current portion of debt*; and
- Under equity, a $25.3 million decrease in *Non-controlling shareholders*, reflecting the carrying amount of Cube's interest repurchased by Boralex and a $51.6 million decrease in *Retained earnings (loss)*, reflecting the difference between the price paid for Cube's interest and its carrying amount.

Information About the Corporation's Equity Securities

As at September 30, 2015, Boralex's capital stock consisted of 64,829,112 Class A shares issued and outstanding (38,424,430 as at December 31, 2014) owing to the following share issues:

- 9,505,000 new shares issued in connection with a public offering conducted in January 2015 in parallel with the BEV acquisition, as previously discussed;
- 16,864,024 shares issued in September 2015 upon conversion of a $197.0 million principal amount of the 2010 convertible debentures;
- 21,730 shares issued from the beginning of fiscal 2015 to August 31, 2015 upon conversion of 2,576 debentures ("2010 series"); and
- 13,928 shares issued year to date on exercise of stock options held by senior executives.

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

As at September 30, 2015, Boralex had 1,437,500 of the 2015 convertible debentures.

From October 1, 2014 to November 4, 2015, no new shares were issued on exercise of stock options or in connection with the conversion of debentures.

Normal Course Issuer Bid

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

Related Party Transactions

The Corporation has entered into a management agreement with R.S.P. Energie Inc., an entity in which Richard and Patrick Lemaire, directors of the Corporation, are two of three shareholders. For the nine-month period ended September 30, 2015, revenues derived from the agreement amounted to $0.4 million ($0.4 million for the corresponding period of 2014).

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

Cascades provides the Corporation with various IT, engineering, transportation, maintenance and building repair services. For the nine-month period ended September 30, 2015, these services amounted to $0.2 million ($0.5 million for the corresponding period of 2014).

Transactions with the Joint Ventures

Joint Venture Phase I

For the nine-month period ended September 30, 2015, Joint Venture Phase I reported net earnings of $15.4 million ($5.5 million in 2014), with Boralex's share amounting to $7.7 million ($2.8 million in the 2014 period). Amortization of the unrealized loss on financial instruments generated an expense of $2.0 million ($2.0 million in 2014). Accordingly, for the nine-month period ended September 30, 2015, the Corporation's *Share in earnings (loss) of the Joint Ventures* represented earnings of $5.7 million (earnings of $0.8 million in the 2014 period).

Also, for the nine-month period ended September 30, 2015, Boralex charged back $0.7 million in salaries, management fees and other costs to this joint venture in connection with the operation of the wind farm ($0.9 million in 2014).

Joint Venture Phase II

For the nine-month period ended September 30, 2015, Joint Venture Phase II reported net earnings of $1.1 million ($0.2 million in 2014), with Boralex's share amounting to $0.6 million ($0.1 million in 2014). Boralex charged back $0.4 million in salaries and management fees to this joint venture in connection with the operation of the wind farm ($1.1 million in 2014).

Interests in the Joint Ventures

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

Given the strategic nature and scale of these assets and the significant results that these wind farms generate, Boralex's management has considered it relevant to include a section, *Proportionate Consolidation*, in this MD&A, where the results of Joint Ventures Phases I and II are proportionately consolidated instead of being accounted for using the equity method as required by IFRS. Under proportionate consolidation, which is no longer permitted under IFRS, *Interests in the Joint Ventures* and *Share in earnings (loss) of the Joint Ventures* have been eliminated and replaced by Boralex's share (50%) in all of the financial statement items (revenues, expenses, assets and liabilities). This section is added to make it easier for investors to understand the concrete impacts of strategic and operating decisions made by the Corporation.

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

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

Seasonal Factors

(in thousands of dollars, except MWh, per share amounts and number of shares outstanding)	Three-month periods ended December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015	Twelve-month period ended September 30, 2015
POWER PRODUCTION (MWh)					
Wind power stations	370,742	559,760	439,212	363,531	1,733,245
Hydroelectric power stations	154,752	113,587	205,678	149,051	623,068
Thermal power stations	34,092	59,155	15,628	48,787	157,662
Solar power station	1,080	1,038	2,030	1,972	6,120
	560,666	733,540	662,548	563,341	2,520,095
REVENUES FROM ENERGY SALES					
Wind power stations	44,913	67,369	51,808	44,624	208,714
Hydroelectric power stations	14,312	12,584	16,785	13,799	57,480
Thermal power stations	7,569	10,736	3,467	5,753	27,525
Solar power station	514	485	926	963	2,888
	67,308	91,174	72,986	65,139	296,607
EBITDA(A)					
Wind power stations	36,846	54,494	40,136	32,986	164,462
Hydroelectric power stations	9,730	9,247	12,741	8,911	40,629
Thermal power stations	1,188	4,525	(654)	1,121	6,180
Solar power station	391	404	837	851	2,483
	48,155	68,670	53,060	43,869	213,754
Corporate and eliminations	(8,731)	(6,355)	(6,416)	(5,489)	(26,991)
	39,424	62,315	46,644	38,380	186,763
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	(7,011)	6,606	(4,978)	(14,115)	(19,498)
Discontinued operations	716	—	—	—	716
	(6,295)	6,606	(4,978)	(14,115)	(18,782)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations	($0.18)	$0.14	($0.10)	($0.29)	($0.43)
Discontinued operations	$0.02	—	—	—	$0.02
	($0.16)	$0.14	($0.10)	($0.29)	($0.41)
CASH FLOWS FROM OPERATIONS					
In dollars	22,008	42,753	27,499	17,155	109,415
Weighted average number of shares outstanding (basic)	38,411,980	47,759,276	47,951,885	48,770,481	45,706,145

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(A)					
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
Weighted average number of shares outstanding (basic)	37,757,835	37,980,635	38,346,572	38,390,851	38,119,108

Financial Highlights

(in thousands of dollars, except MW, MWh, per share amounts and number of shares outstanding)	Three-month periods ended September 30 2015	2014	Nine-month periods ended September 30 2015	2014
POWER PRODUCTION (MWh)				
Wind power stations	363,531	203,769	1,362,502	840,886
Hydroelectric power stations	149,051	139,938	468,316	487,227
Thermal power stations	48,787	45,909	123,570	135,546
Solar power station	1,972	1,952	5,040	5,179
	563,341	391,568	1,959,428	1,468,838
REVENUES FROM ENERGY SALES				
Wind power stations	44,624	24,042	163,800	103,255
Hydroelectric power stations	13,799	12,236	43,168	43,854
Thermal power stations	5,753	5,660	19,956	22,521
Solar power station	963	945	2,374	2,568
	65,139	42,883	229,298	172,198
EBITDA(A)				
Wind power stations	32,986	17,466	128,200	83,250
Hydroelectric power stations	8,911	8,816	30,899	32,985
Thermal power stations	1,121	588	4,993	4,059
Solar power station	851	850	2,091	2,243
	43,869	27,720	166,183	122,537
Corporate and eliminations	(5,489)	(4,439)	(18,844)	(15,322)
	38,380	23,281	147,339	107,215
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(14,115)	(9,551)	(12,487)	(7,571)
Discontinued operations	—	312	—	1,936
	(14,115)	(9,239)	(12,487)	(5,635)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	($0.29)	($0.25)	($0.26)	($0.20)
Discontinued operations	—	$0.01	—	$0.05
	($0.29)	($0.24)	($0.26)	($0.15)
CASH FLOWS FROM OPERATIONS				
In dollars	17,155	7,577	87,406	56,345
Average capacity in operation (MW)	970	674	954	663
Weighted average number of shares outstanding (basic)	48,770,481	38,390,851	48,164,252	38,240,855

Statement of Financial Position Data

(in thousands of dollars)	As at September 30, 2015	As at December 31, 2014
Total assets	2,627,184	2,288,750
Debt*	1,601,496	1,477,020
Convertible debentures	132,573	232,977
Total liabilities	2,069,076	1,952,948
Total equity	558,108	335,802

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

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

Consolidated

Both for the third quarter and first nine months of fiscal 2015, the proportionate consolidation of the results of Joint Ventures Phases I and II mainly affected Boralex's production volume, revenues, EBITDA(A) and cash flows from operations, and had no effect on net loss and net loss per share compared with the IFRS equity method.

In the table below, which shows the major changes in revenues from energy sales and EBITDA(A) for the three-month period ended September 30, 2015, proportionate consolidation primarily affected the *Power stations commissioned and acquired* and *Volume* items.

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	42,883		23,281	
Power stations commissioned and acquired*	18,244	42.5%	12,821	55.0%
Pricing	(704)	(1.6)%	(704)	(3.0)%
Volume	3,623	8.4%	3,644	15.6%
Foreign exchange effect	1,185	2.8%	696	3.0%
Raw material costs	—	—	250	1.1%
Maintenance	—	—	(911)	(3.9)%
Development - prospecting	—	—	(709)	(3.0)%
Other	(92)	(0.2)%	12	0.1%
Change	22,256	51.9%	15,099	64.9%
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015	65,139		38,380	

* Commissioning of the Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I and Joint Venture Phase II wind power facilities in Canada in December 2014, St-François wind power facility in France in March and April 2015 and Cômes de l'Arce wind power facility in France in April 2015 and acquisition of 11 wind farms in operation in France from BEV on December 18, 2014, with capacity of 186 MW.

Operating Results for the Three-Month Period

Production

For the third quarter of 2015, Boralex's 50% share in the production of Joint Ventures Phases I and II amounted to 104,939 MWh, compared with its share in the production of Joint Venture Phase I of 91,740 MWh in the same quarter of 2014. The increase between the two comparative quarters resulted primarily from the additional contribution from Phase II, as Phase I production was down 9.0%. As discussed in the previous section of this MD&A, this decline was due to the occurrence of better-than-expected wind conditions in summer 2014 whereas they were closer to long-term forecasts in 2015.

For the third quarter of 2015, proportionate consolidation of the production of the Joint Ventures reflected an additional contribution of 22.9% compared with the total production of Boralex based on the IFRS equity method.

Revenues

Boralex's share in the revenues of the Joint Ventures increased to $11.3 million for the third quarter of 2015 from $9.9 million for the same period of 2014. The additional contribution generated by commissioning Phase II was partially offset by a $0.9 million unfavourable volume effect related to Joint Venture Phase I.

The proportionate consolidation of the results of Joint Ventures represents a 20.9% increase in Boralex's quarterly revenues compared with IFRS.

EBITDA(A)

(in thousands of dollars)	Three-month periods ended September 30 2015	 2014
EBITDA(A) (IFRS)	27,749	14,764
Less: Share in earnings (losses) of Joint Ventures Phases I and II	(1,451)	(43)
Plus: EBITDA(A) of Joint Ventures Phases I and II	9,180	8,519
Other	—	(45)
EBITDA(A) (Proportionate Consolidation)	38,380	23,281

In the third quarter of 2015, Boralex's share in the EBITDA(A) of the Joint Ventures under proportionate consolidation amounted to $9.2 million, compared with $8.5 million in 2014, due to the commissioning of Joint Venture Phase II, which offset the decline in results from Joint Venture Phase I.

As shown in the above table, proportionate consolidation had a net favourable impact of $10.6 million or 38.3% on consolidated EBITDA(A) in the third quarter of 2015, compared with IFRS.

This impact stemmed mainly from the elimination of the *Share in earnings (losses) of Joint Ventures Phases I and II*, which comprises non-EBITDA(A) items of the Joint Ventures such as a loss on financial instruments plus amortization and financing costs, and the addition of the EBITDA(A) of the Joint Ventures.

Net loss

Proportionate consolidation of the results of Joint Ventures Phases I and II had no impact on net loss attributable to shareholders and on net loss per share.

Wind

For the wind power segment, reporting under proportionate consolidation has an impact on production volume, revenues and EBITDA(A). For the third quarter, it is reflected primarily through *Power stations commissioned and acquired* which, with the additional contribution from French wind farms Fortel-Bonnières and St-François, as well as from Québec wind farm Témiscouata I, includes 50% of the production, revenues and EBITDA(A) generated by the December 2014 commissioning of Joint Venture Phase II. For the nine-month period as a whole, in addition to *Power stations commissioned and acquired*, the impact of proportionate consolidation was also seen in Volume, reflecting the beneficial effect on segment results of the year-to-date increase in production by Joint Venture Phase I.

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

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	24,042		17,466	
Power stations commissioned and acquired*	18,244	75.9%	13,569	77.7%
Pricing	121	0.5%	121	0.7%
Volume	2,158	9.0%	2,158	12.4%
Foreign exchange effect	62	0.2%	22	0.1%
Maintenance	—	—	(619)	(3.5)%
Other	(3)	—	269	1.5%
Change	20,582	85.6%	15,520	88.9%
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015	44,624		32,986	

* Commissioning of the Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I and Joint Venture Phase II wind power facilities in Canada in December 2014, St-François wind power facility in France in March and April 2015 and Cômes de l'Arce wind power facility in April 2015 and acquisition of 11 wind farms in operation in France from BEV on December 18, 2014, with capacity of 186 MW.

Operating Results for the Three-Month Period

Production

For the third quarter of 2015, the addition of Boralex's share of 104,939 MWh in the production of Joint Ventures Phases I and II (91,740 MWh in the same quarter of 2014) represented an additional contribution of 40.6% compared with wind power production calculated under IFRS.

Revenues

On the same basis of comparison, including Boralex's $11.3 million share in revenues of the Joint Ventures for the third quarter of 2015 ($9.9 million for the same period of 2014), proportionate consolidation resulted in a 33.7% increase in quarterly wind power segment revenues compared with IFRS.

EBITDA(A)

	Three-month periods ended September 30	
(in thousands of dollars)	**2015**	**2014**
EBITDA(A) (IFRS)	23,016	9,567
Less: Share in earnings (losses) of Joint Ventures Phases I and II	(788)	620
Plus: EBITDA(A) of Joint Ventures Phases I and II	9,182	8,519
EBITDA(A) (Proportionate Consolidation)	32,986	17,466

As shown in the above table, segment EBITDA(A) for the third quarter of 2015 was $10.0 million or 43.3% higher under proportionate consolidation than under IFRS.

Analysis of Operating Results for the Nine-month Period Ended September 30, 2015

Consolidated

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

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	172,198		107,215	
Power stations commissioned and acquired*	61,024	35.4%	43,547	40.6%
Pricing	(3,351)	(1.9)%	(3,351)	(3.1)%
Volume	423	0.2%	1,514	1.4%
Capacity premiums	(593)	(0.3)%	(593)	(0.6)%
Foreign exchange effect	(326)	(0.2)%	265	0.2%
Raw material costs	—	—	918	0.9%
Maintenance	—	—	(856)	(0.8)%
Development - prospecting	—	—	(799)	(0.7)%
Development - acquisition costs	—	—	(488)	(0.5)%
Other	(77)	—	(33)	—
Change	57,100	33.2%	40,124	37.4%
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015	229,298		147,339	

* Commissioning of the Jamie Creek hydroelectric power station in Canada in May 2014, Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I and Joint Venture Phase II wind power facilities in Canada in December 2014, St-François wind power facility in France in March and April 2015 and Cômes de l'Arce wind power facility in April 2015 and acquisition of 11 wind farms in operation in France from BEV on December 18, 2014, with capacity of 186 MW.

Operating Results for the Nine-month Period

For the nine-month period ended September 30, 2015, the impact of proportionately consolidating the results of the Joint Ventures was twofold: a significantly higher production volume from Joint Venture Phase I, in operation since the end of 2013, and the contribution from Joint Venture Phase II, commissioned in early December 2014.

Production

For the first nine months of 2015, Boralex's 50% share in the production of Joint Ventures Phases I and II represented 416,681 MWh (300,490 MWh in the same period of 2014), for an additional contribution of 27.0% compared with Boralex's total production calculated under IFRS. As a result, with the additional contribution from Joint Venture Phase II, Joint Venture Phase I recorded 11.3% in organic production growth despite generally less favourable conditions than in 2014, thereby confirming the exceptional quality of the Seigneurie de Beaupré facilities and the expertise of the Boralex teams in charge of operating this large-scale operation.

Revenues

Boralex's share in the revenues of the Joint Ventures totalled $44.7 million year to date, compared with $32.5 million for the same period of 2014. Apart from the additional revenues generated by the commissioning of Joint Venture Phase II, this increase was driven by a $3.7 million favourable volume effect attributable to Joint Venture Phase I.

The proportionate consolidation of the results of the Joint Ventures represents a 24.2% increase in revenues year to date compared with IFRS.

EBITDA(A)

	Nine-month periods ended September 30	
(in thousands of dollars)	**2015**	**2014**
EBITDA(A) (IFRS)	115,450	80,485
Less: Share in earnings (losses) of Joint Ventures Phases I and II	6,311	856
Plus: EBITDA(A) of Joint Ventures Phases I and II	38,200	27,719
Other	—	(133)
EBITDA(A) (Proportionate Consolidation)	147,339	107,215

During the nine-month period ended September 30, 2015, Boralex's share in the EBITDA(A) of the Joint Ventures totalled $38.2 million, compared with $27.9 million in 2014, due to the commissioning of Joint Venture Phase II and the increase in production volume of Joint Venture Phase I.

As shown in the EBITDA(A) table, consolidated EBITDA(A) for 2015 reported under proportionate consolidation was $31.9 million or 27.6% higher on a net basis than under IFRS. Note that this impact stemmed mainly from the elimination of the *Share in earnings (losses) of Joint Ventures Phases I and II*, which comprises non-EBITDA(A) items of the Joint Ventures such as a amortization and financing costs, and losses on financial instruments, and the addition of the EBITDA(A) of the Joint Ventures.

Net loss

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

Wind

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

	Revenues from energy sales		EBITDA(A)	
	(in thousands of $)	%	(in thousands of $)	%
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014	103,255		83,250	
Power stations commissioned and acquired*	60,398	58.4%	45,779	55.0%
Pricing	432	0.4%	432	0.5%
Volume	2,751	2.7%	2,751	3.3%
Foreign exchange effect	(2,998)	(2.9)%	(2,362)	(2.8)%
Maintenance	—	—	(1,462)	(1.8)%
Other	(38)	—	(188)	(0.2)%
Change	60,545	58.6%	44,950	54.0%
NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015	163,800		128,200	

* Commissioning of the Fortel-Bonnières wind power facility in France in October and November 2014, Témiscouata I and Joint Venture Phase II wind power facilities in Canada in December 2014, St-François wind power facility in France in March and April 2015 and Cômes de l'Arce wind power facility in April 2015 and acquisition of 11 wind farms in operation in France from BEV on December 18, 2014, with capacity of 186 MW.

Operating Results for the Nine-Month Period

Production

For the wind power segment, proportionate consolidation of Boralex's share of the production of Joint Ventures Phases I and II for the nine-month period ended September 30, 2015 totalled 416,681 MWh (300,490 MWh for the same period of 2014), representing an additional contribution of 44.1% compared with IFRS.

Revenues

Reported under proportionate consolidation, Boralex's share in the revenues of the Joint Ventures since the beginning of fiscal 2015 amounted to $44.7 million ($32.5 million in 2014), which was 37.5% higher than year-to-date wind power segment revenues calculated under IFRS.

EBITDA(A)

	Nine-month periods ended September 30	
(in thousands of dollars)	2015	2014
EBITDA(A) (IFRS)	98,279	58,388
Less: Share in earnings (losses) of Joint Ventures Phases I and II	8,283	2,856
Plus: EBITDA(A) of Joint Ventures Phases I and II	38,204	27,718
EBITDA(A) (Proportionate Consolidation)	128,200	83,250

For the nine-month period ended September 30, 2015, the proportionate consolidation of Boralex's share in the EBITDA(A) of the Joint Ventures of $38.2 million ($27.7 million for the same period of 2014) increased year-to-date wind power segment EBITDA(A) by $29.9 million or 30.4% on a net basis compared with IFRS.

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

Cash Flows

Three-Month Period

Under proportionate consolidation, cash flows from operations for the three-month period ended September 30, 2015 was $14.7 million lower than under the IFRS equity method, due to the mismatch between the distributions received from the Joint Ventures under IFRS and the generated cash flows under proportionate consolidation. Cash resources used by the change in non-cash items related to operating activities were $0.3 million lower under proportionate consolidation than under IFRS, which meant that in the aggregate, cash flows generated by operating activities were $14.4 million lower under proportionate consolidation than under IFRS.

Cash required by investing activities was $5.6 million lower under proportionate consolidation than under IFRS, as a result of a lower utilization of restricted cash.

Lastly, total net cash flows generated by financing activities were slightly lower under proportionate consolidation than under IFRS, owing primarily to a $0.3 million increase in repayments on non-current debt of the Joint Ventures.

In the aggregate, under proportionate consolidation, the change in cash and cash equivalents as at September 30, 2015 reflected a $44.2 million decline from June 30, 2015, compared with $35.0 million decrease under IFRS, for a net difference of $9.2 million.

Nine-Month Period

Under proportionate consolidation, cash flows from operations for the nine-month period ended September 30, 2015 amounted to $87.4 million (compared with $91.3 million under IFRS). The $3.9 million difference resulted in large part to the mismatch between the distributions received from the Joint Ventures under IFRS and the generated cash flows under proportionate consolidation. However, cash used by the change in non-cash items related to operating activities was $1.0 million lower under proportionate consolidation than under IFRS. As a result, cash generated by operating activities for the first nine months of 2015 was slightly lower under proportionate consolidation than under IFRS, for a difference of $2.8 million.

Cash required by investing activities was down $4.8 million under proportionate consolidation, owing primarily to a lower utilization of restricted cash.

Cash flows generated by financing activities were $7.3 million lower under proportionate consolidation than under IFRS, owing primarily to repayments on non-current debt of Joint Ventures Phases I and II.

As a result, under proportionate consolidation, the change in cash and cash equivalents as at September 30, 2015 reflected a $10.3 million increase from December 31, 2014, compared with a $15.6 million increase under IFRS, for a net difference of $5.3 million.

Financial Position as at September 30, 2015

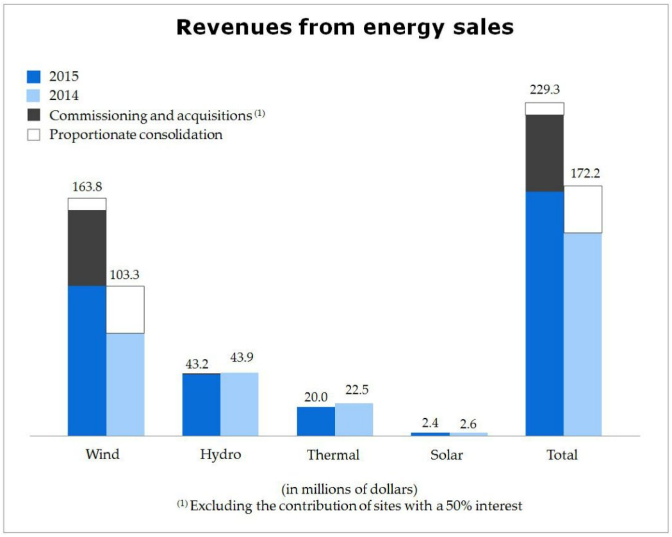
The main changes in the statement of financial position owing to proportionate consolidation are as follows:

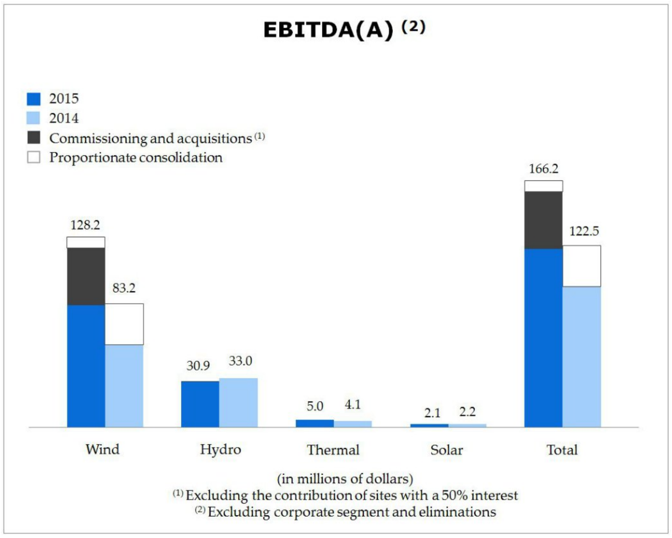
- An $18.1 million increase in total current assets, including a $6.1 million increase in cash and cash equivalents and an $11.6 million increase in *Trade and other receivables*;
- A $351.6 million increase in total non-current assets, driven primarily by a $412.7 million increase in the total net value of property, plant and equipment, partly offset by the elimination of *Interests in the Joint Ventures*, in the amount of $63.4 million;
- A $25.8 million increase in total current liabilities, including a $20.3 million increase in the current portion of non-current debt and a $5.4 million increase in *Trade and other payables*; and
- A $344.4 million increase in total non-current liabilities, consisting mainly of a $289.6 million increase in non-current debt, a $24.0 million increase in other non-current financial liabilities and a $29.5 million increase in deferred revenues.

Accordingly, cash and cash equivalents and restricted cash as at September 30, 2015 totalled $110.5 million under proportionate consolidation, compared with $104.3 million under IFRS.

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

Segment breakdown





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

Wind

For the first nine months fiscal 2015, revenues in the wind power segment grew 58.6% from the same period of the previous year, boosting its share of consolidated revenues to 71.4% in 2015 from 60.0% in 2014. The strong growth in segment revenues was driven by the expansion in its asset base, including:

- Commissioning of an additional 113 MW in total during the fourth quarter of 2014 (Fortel-Bonnières wind farm in France and the Joint Venture Phase II (Boralex's share is 50%) and Témiscouata I wind farms in Canada) and the first half of 2015 (St-François and Cômes de l'Arce sites in France); and
- The acquisition of the 11 BEV wind farms in operation in France on December 18, 2014, with a total capacity of 186 MW.

In the wind power segment, EBITDA(A) for the first nine months of 2015 rose 54.1% from the same period of 2014, increasing its share of quarterly consolidated EBITDA(A) (before the corporate segment and eliminations) to 77.1% in 2015 from 67.9% in 2014, strengthening its position as Boralex's most significant source of EBITDA(A). The segment's EBITDA(A) margin is also higher than the average for Boralex's energy asset portfolio, at approximately 78.3% year to date (80.5% in 2014). Considering the impact of the BEV acquisition, the 113 MW in recently commissioned assets, the wind power projects under development representing a total additional contracted capacity of 139 MW and the large pool of potential wind power projects available to Boralex, this segment's dominant contribution to the Corporation's profitability is expected to increase in the coming quarters and years, underpinning the strength of its average profit margin.

Hydroelectric

Hydroelectric power segment revenues were down 1.6% in the first nine months of 2015 compared with the same period of 2014, owing primarily to more difficult weather conditions and weak market selling prices in the Northeastern United States, which were largely offset however, by favourable performance at the Canadian power stations. Accordingly, and due as well to significant expansion in the wind power segment, its share of consolidated revenues fell to 18.8% in 2015 from 25.5% in 2014. Due to the same factors discussed above, year-to-date EBITDA(A) in the hydroelectric power segment was down 6.4% in 2015 from the same period of 2014, accounting for 18.6% of consolidated EBITDA(A) (before the corporate segment and eliminations) compared with 26.9% in the prior year. As a percentage of revenues, the hydroelectric power segment's EBITDA(A) margin remained high at 71.5% in 2015 (75.2% in 2014).

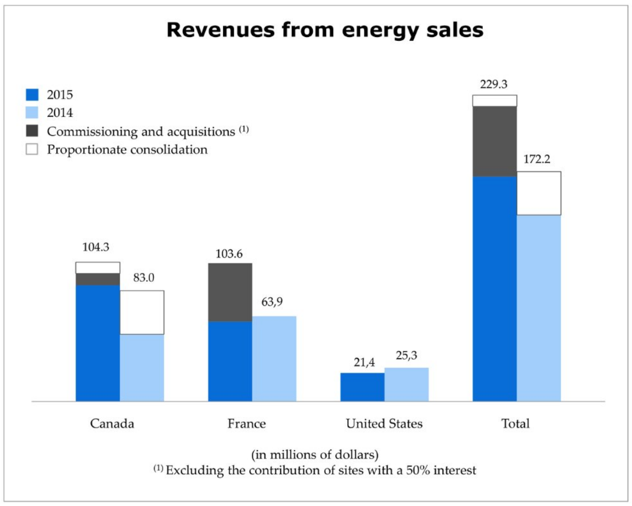
Thermal

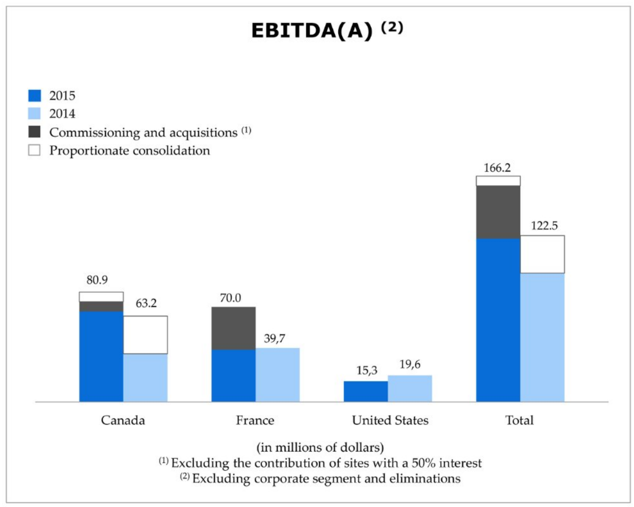
Revenues in the thermal segment fell 11.1% between the two nine-month periods. The segment accounted for 8.7% of consolidated revenues in the first nine months of 2015, compared with 13.1% in 2014. However, thermal power segment EBITDA rose 22.0% compared with the first nine months of 2014. The segment's share of consolidated EBITDA(A) (before the corporate segment and eliminations) stood at 3.0% compared with 3.3% in the prior year. EBITDA margin rose to 25.0% in 2015 from 18.2% in 2014.

Solar

For the nine-month period ended September 30, 2015, Boralex's only solar power facility then in operation generated EBITDA(A) of $2.1 million on revenues of $2.4 million, representing an EBITDA(A) margin of 87,5%, compared with EBITDA(A) and revenues totalling respectively $2.2 million and $2.6 million for the same period of 2014, or a margin of 84,6%. The solar power segment, which for the time being accounts for only a marginal share of Boralex's energy portfolio, generated less than 1.0% and 1.3% of consolidated revenues and EBITDA(A), respectively, (before the corporate segment and eliminations) for the nine-month period of fiscal 2015. The share of this segment will increase slightly in upcoming quarters due to the October 2, 2015 commissioning of our 10 MW Les Cigalettes facility.

Geographic breakdown





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

- 45,5% in Canada compared with 48,2% in the same period of 2014;
- 45,2 % in France, compared with 37,1% in the same period of 2014; and
- 9,3% in the United States compared with 14,7% in the same period of 2014.

The relative weight of our French operations logged the highest growth due primarily to the acquisition of BEV in December 2014. The relative weights of the Canadian and European operations are now balanced, which further strengthens the advantages garnered by the geographic diversification of Boralex's asset base with regard to weather conditions and growth opportunities. The lower relative share of revenues from our U.S. assets stemmed from the higher weight of the French market and drops in production and average selling prices at our U.S. hydroelectric power stations.

Non-IFRS Measures

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

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

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

EBITDA(A)

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

EBITDA and EBITDA(A) are 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)	2015	2014	2015	2014
Net loss	(13,593)	(10,132)	(10,025)	(5,428)
Income tax recovery	(4,113)	(3,907)	(3,788)	(331)
Financial costs	20,504	14,221	56,760	42,171
Amortization	21,768	14,419	65,272	44,578
EBITDA	24,566	14,601	108,219	80,990
Adjustments:				
Net earnings from discontinued operations	—	(312)	—	(1,936)
Net loss on financial instruments	2,721	744	7,338	2,156
Foreign exchange loss (gain)	(2,220)	274	(2,635)	391
Loss on redemption of convertible debentures	2,759	—	2,759	—
Other gains	(77)	(543)	(231)	(1,116)
EBITDA(A)	27,749	14,764	115,450	80,485

Proportionate Consolidation

(in thousands of dollars)	Three-month periods ended September 30 2015	2014	Nine-month periods ended September 30 2015	2014
Net loss	(13,593)	(10,177)	(10,025)	(5,561)
Income tax recovery	(4,113)	(3,907)	(3,788)	(331)
Financial costs	26,003	18,858	73,257	56,812
Amortization	27,302	18,830	81,871	57,664
EBITDA	35,599	23,604	141,315	108,584
Adjustments:				
Net earnings from discontinued operations	—	(312)	—	(1,936)
Net loss on financial instruments	2,721	576	7,338	2,254
Foreign exchange loss (gain)	(2,220)	274	(2,635)	393
Loss on redemption of convertible debentures	2,759	—	2,759	—
Other gains	(479)	(861)	(1,438)	(2,080)
EBITDA(A)	38,380	23,281	147,339	107,215

Reconciliations between IFRS and Proportionate Consolidation

(in thousands of dollars)	Three-month periods ended September 30 2015	2014	Nine-month periods ended September 30 2015	2014
EBITDA(A) (IFRS)	27,749	14,764	115,450	80,485
Less: Share in earnings (losses) of Joint Ventures Phases I and II	(1,451)	(43)	6,311	856
Plus: EBITDA(A) of Joint Ventures Phases I and II	9,180	8,519	38,200	27,719
Other	—	(45)	—	(133)
EBITDA(A) (Proportionate Consolidation)	38,380	23,281	147,339	107,215

Cash Flows from Operations

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

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

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

IFRS

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in thousands of dollars)	2015	2014	2015	2014
Net cash flows related to operating activities*	22,187	10,776	84,312	48,457
Change in non-cash items related to operating activities	(9,639)	8,143	(6,981)	8,759
CASH FLOWS FROM OPERATIONS	31,826	2,633	91,293	39,698

* Includes $19.6 million and $29.1 million in distributions received from Joint Ventures Phases I and II for the three- and nine-month periods ended September 30, 2015, respectively.

Proportionate Consolidation

	Three-month periods ended September 30		Nine-month periods ended September 30	
(in thousands of dollars)	2015	2014	2015	2014
Net cash flows related to operating activities	7,792	43,962	81,463	92,811
Change in non-cash items related to operating activities	(9,363)	36,385	(5,943)	36,466
CASH FLOWS FROM OPERATIONS	17,155	7,577	87,406	56,345

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

Net Debt Ratio

The Corporation defines net debt as follows:

	IFRS		Proportionate Consolidation	
(in thousands of dollars)	As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
Non-current debt	1,172,584	989,087	1,462,225	1,285,258
Current portion of debt	118,923	172,044	139,271	191,762
Borrowing costs, net of accumulated amortization	23,988	21,713	40,200	39,252
Less:				
Bridge financing facility*	—	100,000	—	100,000
Cash and cash equivalents	91,017	75,394	97,156	86,845
Restricted cash	13,332	12,459	13,332	19,814
Net debt	1,211,146	994,991	1,531,208	1,309,613
Net debt excluding non-current debt drawn for projects under construction	1,016,754	956,311	1,336,816	1,270,933

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

The Corporation defines total market capitalization as follows:

	IFRS		Proportionate Consolidation	
(in thousands of dollars, except for the number of outstanding shares)	As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
Number of shares outstanding as at September 30 (in thousands)	64,829	38,424	64,829	38,424
Share market price as at September 30	$12.75	$12.85	$12.75	$12.85
Equity attributable to shareholders (market capitalization)	826,571	493,754	826,571	493,754
Share of non-controlling shareholders	13,730	33,128	13,730	33,128
Bridge financing facility	—	100,000	—	100,000
Net debt	1,211,146	994,991	1,531,208	1,309,613
Convertible debentures	132,573	232,977	132,573	232,977
Convertible debenture issuance costs, net of accumulated amortization	6,044	2,765	6,044	2,765
Deferred taxes on convertible debentures	1,426	5,158	1,426	5,158
Imputed interest calculated on convertible debentures	(233)	(10,942)	(233)	(10,942)
Total market capitalization	2,191,257	1,851,831	2,511,319	2,166,453

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

	IFRS		Proportionate Consolidation	
(in thousands of dollars)	As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
Net debt	1,211,146	994,991	1,531,208	1,309,613
Total market capitalization	2,191,257	1,851,831	2,511,319	2,166,453
NET DEBT RATIO (market capitalization)	55.3%	53.7%	61.0%	60.4%
NET DEBT RATIO (market capitalization), excluding non-current debt drawn for projects*	50.9%	52.7%	57.7%	59.7%

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

Financial Instruments

Foreign Exchange Risk

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

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

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

In connection with Canadian project development, certain future expenditures may be in foreign currencies. Where applicable, the Corporation's objective is to protect its anticipated return on its investment by entering into hedging instruments to eliminate volatility in expected expenditures and, in turn, stabilize significant costs such as turbines.

Price Risk

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

As at September 30, 2015, the power stations in France and Canada, as well as those in Hudson Falls and South Glens Falls in the United States, have long-term energy sales contracts, the vast majority of which are subject to partial or full indexation clauses tied to inflation. Consequently, only 23 MW or 2% of Boralex's installed capacity is exposed to price risk.

Interest Rate Risk

Under IFRS, as at September 30, 2015, approximately 44% 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 14% of total debt under IFRS and 12% under proportionate consolidation.

IFRS

As at September 30, 2015	Currency	Current notional (currency of origin)	Current notional (CAD)	Fair value (currency of origin)	Fair value (CAD)
Financial swaps - interest rates	EUR	251,877	375,650	(19,457)	(29,019)
Financial swaps - interest rates	CAD	212,947	212,947	(45,330)	(45,330)
Foreign exchange forward contracts	EUR	140,423	209,426	(3,960)	(3,960)
			798,023		(78,309)

Proportionate Consolidation

As at September 30, 2015	Currency	Current notional (currency of origin)	Current notional (CAD)	Fair value (currency of origin)	Fair value (CAD)
Financial swaps - interest rates	EUR	251,877	375,650	(19,457)	(29,019)
Financial swaps - interest rates	CAD	448,620	448,620	(69,364)	(69,364)
Foreign exchange forward contracts	EUR	140,423	209,426	(3,960)	(3,960)
			1,033,696		(102,343)

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

On January 21, 2015, the Canadian dollar interest rate swaps that were not designated as hedges were designated for two new development projects: Yellow Falls and Frampton. During the third quarter of 2015, two Canadian dollar interest rate swaps designated as hedges for the Côte-de-Beaupré RCM and Frampton projects ceased upon financing being entered into for each project. As at September 30, 2015, these two instruments had not yet been redesignated for other projects but will be shortly. In the meantime, changes in the value of these instruments have been recognized under the *Net loss on financial instruments*.

Commitments

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

Canada

Frampton Wind Power Project

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

In 2015, the Corporation entered into a wind turbine manufacturing and installation contract and a transformer substation and control building contract for the **Frampton** wind power project. The Corporation's net commitments under those contracts amounted to $7.7 million as at September 30, 2015. Expenditures will be made according to the percentage of completion.

Yellow Falls Hydroelectric Power Project

In 2015, the Corporation entered into turbine purchase and construction contracts for the **Yellow Falls** hydroelectric power project. As at September 30, 2015, the Corporation had net commitments under those contracts totalling $57.0 million . Expenditures will be made according to the percentage of completion.

Niagara Region Wind Farm Project

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

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

France

Les Cigalettes Solar Power Project

In 2015, the Corporation entered into contracts for the construction of the **Les Cigalettes** solar power project. Net commitment under those contracts amounted to $1.5 million (€1.0 million).

In July 2015, the Corporation signed land lease contracts with 30-year terms for the **Les Cigalettes** solar power facility. These leases may be renewed once at the option of the Corporation for the same term. Royalties under these leases are due annually and are indexed each year, based on the CPI and the Construction Cost Index published by the National Institute of Statistics and Economic Studies. The Corporation's net commitment under those lease contracts amounted to €2.1 million ($3.1 million) as at September 30, 2015.

Touvent Wind Power Project

At the time of acquisition of the **Touvent** wind power project on February 5, 2015, the Corporation took over a connection agreement and a wind turbine construction and installation contract. Net commitments under those contracts amounted to $23.2 million (€15.6 million) as at September 30, 2015. Expenditures will be made according to the percentage of completion.

Quinssaines Wind Power Project

In 2015, the Corporation entered into a connection agreement for the **Quinssaines** wind power project. The net commitment under this agreement totalled $1.3 million (€0.9 million) as at September 30, 2015. Expenditures will be made according to the percentage of completion.

Wind farms in Operation

In September 2015, the Corporation renegotiated five maintenance contracts for wind farms in operation. The five-year wind turbine maintenance contracts expire in 2020 and 2021. The Corporation's net commitment under those contracts is $7.3 million (€4.9 million).

Risk Factors and Uncertainties

Risk Factors

Boralex has not observed any significant changes regarding the risks to which it is subject, and which are discussed under *Risk Factors and Uncertainties* in Boralex's annual MD&A for the year ended December 31, 2014.

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

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

Items in question are presented under *Risk Factors and Uncertainties* in Boralex's annual MD&A for the year ended December 31, 2014.

Accounting Policies

Changes in Accounting Policies

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

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

Internal Controls and Procedures

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

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of Boralex's disclosure controls and procedures as of December 31, 2014, as well as the effectiveness of Boralex's internal control over financial reporting as of the same date, and have concluded that they are effective.

During the three-month period ended September 30, 2015, no changes were made to internal control over financial reporting or disclosure controls and procedures that have materially affected, or are reasonably likely to materially affect, internal controls and procedures.

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

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

Consolidated Statements of Financial Position[1]

(in thousands of dollars) (unaudited)	As at September 30, 2015	As at December 31, 2014
ASSETS		
Cash and cash equivalents	97,156	86,845
Restricted cash	13,332	19,814
Trade and other receivables	79,447	71,338
Inventories	6,620	5,631
Other current financial assets	827	1,213
Prepaid expenses	6,042	5,358
CURRENT ASSETS	203,424	190,199
Property, plant and equipment	1,926,332	1,644,313
Intangible assets	252,516	254,007
Goodwill	157,419	134,044
Deferred income tax asset	24,131	13,141
Other non-current financial assets	370	3,230
Other non-current assets	62,992	49,816
NON-CURRENT ASSETS	2,423,760	2,098,551
TOTAL ASSETS	2,627,184	2,288,750
LIABILITIES		
Trade and other payables	121,864	64,698
Current portion of debt	139,271	191,762
Current income tax liability	1,159	1,601
Other current financial liabilities	42,450	34,116
CURRENT LIABILITIES	304,744	292,177
Non-current debt	1,462,225	1,285,258
Convertible debentures	132,573	232,977
Deferred income tax liability	36,006	30,780
Decommissioning liability	15,301	11,936
Other non-current financial liabilities	61,090	50,374
Other non-current liabilities	57,137	49,446
NON-CURRENT LIABILITIES	1,764,332	1,660,771
TOTAL LIABILITIES	2,069,076	1,952,948
EQUITY		
Equity attributable to shareholders	544,378	302,674
Non-controlling shareholders	13,730	33,128
TOTAL EQUITY	558,108	335,802
TOTAL LIABILITIES AND EQUITY	2,627,184	2,288,750

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

Consolidated Statements of Loss[1]

(in thousands of dollars, except per share amounts) (unaudited)	Three-month periods ended September 30 2015	2014	Nine-month periods ended September 30 2015	2014
REVENUES				
Revenues from energy sales	65,139	42,883	229,298	172,198
Other income	284	256	929	830
	65,423	43,139	230,227	173,028
COSTS AND OTHER EXPENSES				
Operating	20,531	15,778	62,945	51,591
Administrative	3,887	3,003	13,119	10,368
Development	2,485	1,114	6,688	3,862
Amortization	27,302	18,830	81,871	57,664
Other gains	(479)	(861)	(1,438)	(2,080)
	53,726	37,864	163,185	121,405
OPERATING INCOME	11,697	5,275	67,042	51,623
Financing costs	26,003	18,858	73,257	56,812
Foreign exchange loss (gain)	(2,220)	274	(2,635)	393
Net loss on financial instruments	2,721	576	7,338	2,254
Loss on redemption of convertible debentures	2,759	—	2,759	—
Other	140	(37)	136	(8)
LOSS BEFORE INCOME TAXES	(17,706)	(14,396)	(13,813)	(7,828)
Income tax recovery	(4,113)	(3,907)	(3,788)	(331)
LOSS FROM CONTINUING OPERATIONS	(13,593)	(10,489)	(10,025)	(7,497)
Net earnings from discontinued operations	—	312	—	1,936
NET LOSS	(13,593)	(10,177)	(10,025)	(5,561)
NET EARNINGS (LOSS) ATTRIBUTABLE TO:				
Shareholders of Boralex	(14,115)	(9,239)	(12,487)	(5,635)
Non-controlling shareholders	522	(938)	2,462	74
NET LOSS	(13,593)	(10,177)	(10,025)	(5,561)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(14,115)	(9,551)	(12,487)	(7,571)
Discontinued operations	—	312	—	1,936
	(14,115)	(9,239)	(12,487)	(5,635)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	($0.29)	($0.25)	($0.26)	($0.20)
Discontinued operations	—	$0.01	—	$0.05
	($0.29)	($0.24)	($0.26)	($0.15)

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

Consolidated Statements of Cash Flows[1]

(in thousands of dollars) (unaudited)	Three-month periods ended September 30 2015	Three-month periods ended September 30 2014	Nine-month periods ended September 30 2015	Nine-month periods ended September 30 2014
Net loss	(13,593)	(10,177)	(10,025)	(5,561)
Less: Net earnings from discontinued operations	—	312	—	1,936
Net loss from continuing operations	(13,593)	(10,489)	(10,025)	(7,497)
Financing costs	26,003	18,858	73,257	56,812
Interest paid	(23,697)	(14,843)	(63,066)	(49,603)
Income tax recovery	(4,113)	(3,907)	(3,788)	(331)
Income taxes paid	(237)	(1,518)	(1,163)	(2,876)
Non-cash items in loss:				
Net loss on financial instruments	2,721	576	7,338	2,254
Amortization	27,302	18,830	81,871	57,664
Loss on redemption of convertible debentures	2,759	—	2,759	—
Other	10	70	223	(78)
Change in non-cash items related to operating activities	(9,363)	36,385	(5,943)	36,466
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	7,792	43,962	81,463	92,811
Business acquisitions, net of cash acquired	—	(7,931)	(16,128)	(7,931)
Additions to property, plant and equipment	(145,790)	(100,847)	(237,536)	(175,416)
Change in restricted cash	(1,510)	13,512	4,616	25,692
Increase in non-current assets	—	(4,006)	—	(4,006)
Change in reserve funds	(7)	(542)	(182)	(573)
Development projects	(613)	(608)	(3,510)	(5,602)
Other	32	159	(1,499)	(431)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(147,888)	(100,263)	(254,239)	(168,267)
Net increase in non-current debt	183,948	72,215	267,618	172,141
Repayments on current and non-current debt	(32,657)	(48,948)	(281,796)	(117,598)
Convertible debenture issuance proceeds, net of transaction costs	(513)	—	137,459	—
Convertible debentures redeemed	(47,107)	—	(47,107)	—
Net contribution of non-controlling shareholders	(592)	637	7,082	4,696
Distributions paid to a non-controlling shareholder	(3,867)	—	(3,867)	—
Dividends paid to shareholders of Boralex	(6,235)	(4,992)	(18,701)	(14,903)
Share issuance proceeds, net of transaction costs	—	—	118,146	—
Options exercised	—	85	104	4,709
Other	(3)	—	(270)	(40)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	92,974	18,997	178,668	49,005
Cash from discontinued operations	—	352	—	2,279
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	2,928	686	4,419	255
NET CHANGE IN CASH AND CASH EQUIVALENTS	(44,194)	(36,266)	10,311	(23,917)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	141,350	139,890	86,845	127,541
CASH AND CASH EQUIVALENTS - END OF PERIOD	97,156	103,624	97,156	103,624

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

Information by Operating Segment[1]

(in thousands of dollars, except MWh) (unaudited)	Three-month periods ended September 30 2015	2014	Nine-month periods ended September 30 2015	2014
POWER PRODUCTION (MWh)				
Wind power stations	363,531	203,769	1,362,502	840,886
Hydroelectric power stations	149,051	139,938	468,316	487,227
Thermal power stations	48,787	45,909	123,570	135,546
Solar power station	1,972	1,952	5,040	5,179
	563,341	391,568	1,959,428	1,468,838
REVENUES FROM ENERGY SALES				
Wind power stations	44,624	24,042	163,800	103,255
Hydroelectric power stations	13,799	12,236	43,168	43,854
Thermal power stations	5,753	5,660	19,956	22,521
Solar power station	963	945	2,374	2,568
	65,139	42,883	229,298	172,198
EBITDA(A)				
Wind power stations	32,986	17,466	128,200	83,250
Hydroelectric power stations	8,911	8,816	30,899	32,985
Thermal power stations	1,121	588	4,993	4,059
Solar power station	851	850	2,091	2,243
Corporate and eliminations	(5,489)	(4,439)	(18,844)	(15,322)
	38,380	23,281	147,339	107,215

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

Information by Geographic Segment[1]

(in thousands of dollars, except MWh) (unaudited)	Three-month periods ended September 30 2015	2014	Nine-month periods ended September 30 2015	2014
POWER PRODUCTION (MWh)				
Canada	286,496	239,122	969,719	770,094
France	214,509	84,125	749,684	402,554
United States	62,336	68,321	240,025	296,190
	563,341	391,568	1,959,428	1,468,838
REVENUES FROM ENERGY SALES				
Canada	28,399	23,663	104,330	83,049
France	30,927	13,833	103,563	63,887
United States	5,813	5,387	21,405	25,262
	65,139	42,883	229,298	172,198
EBITDA(A)				
Canada	16,244	14,048	68,090	51,524
France	18,581	5,898	64,118	36,610
United States	3,555	3,335	15,131	19,081
	38,380	23,281	147,339	107,215

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

Consolidated Statements of Financial Position

	As at September 30, 2015		
(in thousands of dollars) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
ASSETS			
Cash and cash equivalents	91,017	6,139	97,156
Restricted cash	13,332	—	13,332
Trade and other receivables	67,869	11,578	79,447
Inventories	6,609	11	6,620
Other current financial assets	827	—	827
Prepaid expenses	5,705	337	6,042
CURRENT ASSETS	185,359	18,065	203,424
Property, plant and equipment	1,513,643	412,689	1,926,332
Intangible assets	252,516	—	252,516
Goodwill	157,419	—	157,419
Interests in the Joint Ventures	63,391	(63,391)	—
Deferred income tax asset	24,131	—	24,131
Other non-current financial assets	370	—	370
Other non-current assets	60,664	2,328	62,992
NON-CURRENT ASSETS	2,072,134	351,626	2,423,760
TOTAL ASSETS	2,257,493	369,691	2,627,184
LIABILITIES			
Trade and other payables	116,449	5,415	121,864
Current portion of debt	118,923	20,348	139,271
Current income tax liability	1,159	—	1,159
Other current financial liabilities	42,450	—	42,450
CURRENT LIABILITIES	278,981	25,763	304,744
Non-current debt	1,172,584	289,641	1,462,225
Convertible debentures	132,573	—	132,573
Deferred income tax liability	36,006	—	36,006
Decommissioning liability	14,055	1,246	15,301
Other non-current financial liabilities	37,056	24,034	61,090
Other non-current liabilities	27,613	29,524	57,137
NON-CURRENT LIABILITIES	1,419,887	344,445	1,764,332
TOTAL LIABILITIES	1,698,868	370,208	2,069,076
EQUITY			
Equity attributable to shareholders	544,895	(517)	544,378
Non-controlling shareholders	13,730	—	13,730
TOTAL EQUITY	558,625	(517)	558,108
TOTAL LIABILITIES AND EQUITY	2,257,493	369,691	2,627,184

Consolidated Statements of Financial Position

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

Consolidated Statements of Loss

	Three-month period ended September 30		
	2015		
(in thousands of dollars, except per share amounts) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	53,884	11,255	65,139
Other income	438	(154)	284
	54,322	11,101	65,423
COSTS AND OTHER EXPENSES			
Operating	18,625	1,906	20,531
Administrative	3,874	13	3,887
Development	2,485	—	2,485
Amortization	21,768	5,534	27,302
Other gains	(77)	(402)	(479)
	46,675	7,051	53,726
OPERATING INCOME	7,647	4,050	11,697
Financing costs	20,504	5,499	26,003
Foreign exchange loss (gain)	(2,220)	—	(2,220)
Net loss on financial instruments	2,721	—	2,721
Share in earnings (loss) of the Joint Ventures	(1,451)	1,451	—
Loss on redemption of convertible debentures	2,759	—	2,759
Other	138	2	140
LOSS BEFORE INCOME TAXES	(17,706)	—	(17,706)
Income tax recovery	(4,113)	—	(4,113)
LOSS FROM CONTINUING OPERATIONS	(13,593)	—	(13,593)
Net earnings from discontinued operations	—	—	—
NET LOSS	(13,593)	—	(13,593)
NET EARNINGS (LOSS) ATTRIBUTABLE TO:			
Shareholders of Boralex	(14,115)	—	(14,115)
Non-controlling shareholders	522	—	522
NET LOSS	(13,593)	—	(13,593)
NET LOSS ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	(14,115)	—	(14,115)
Discontinued operations	—	—	—
	(14,115)	—	(14,115)
NET LOSS PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	($0.29)	—	($0.29)
Discontinued operations	—	—	—
	($0.29)	—	($0.29)

Consolidated Statements of Loss

(in thousands of dollars, except per share amounts) (unaudited)	Three-month period ended September 30 2014 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 on financial instruments	744	(168)	576
Share in earnings (loss) 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)
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

(in thousands of dollars, except per share amounts) (unaudited)	Nine-month period ended September 30 2015 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
REVENUES			
Revenues from energy sales	184,595	44,703	229,298
Other income	1,391	(462)	929
	185,986	44,241	230,227
COSTS AND OTHER EXPENSES			
Operating	56,979	5,966	62,945
Administrative	13,048	71	13,119
Development	6,688	—	6,688
Amortization	65,272	16,599	81,871
Other gains	(231)	(1,207)	(1,438)
	141,756	21,429	163,185
OPERATING INCOME	44,230	22,812	67,042
Financing costs	56,760	16,497	73,257
Foreign exchange loss (gain)	(2,635)	—	(2,635)
Net loss on financial instruments	7,338	—	7,338
Share in earnings (loss) of the Joint Ventures	6,311	(6,311)	—
Loss on redemption of convertible debentures	2,759	—	2,759
Other	132	4	136
LOSS BEFORE INCOME TAXES	(13,813)	—	(13,813)
Income tax recovery	(3,788)	—	(3,788)
LOSS FROM CONTINUING OPERATIONS	(10,025)	—	(10,025)
Net earnings from discontinued operations	—	—	—
NET LOSS	(10,025)	—	(10,025)
NET EARNINGS (LOSS) ATTRIBUTABLE TO:			
Shareholders of Boralex	(12,487)	—	(12,487)
Non-controlling shareholders	2,462	—	2,462
NET LOSS	(10,025)	—	(10,025)
NET LOSS ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	(12,487)	—	(12,487)
Discontinued operations	—	—	—
	(12,487)	—	(12,487)
NET LOSS PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX			
Continuing operations	($0.26)	—	($0.26)
Discontinued operations	—	—	—
	($0.26)	—	($0.26)

Consolidated Statements of Loss

	Nine-month period ended September 30		
	2014		
(in thousands of dollars, except per share amounts) (unaudited)	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 (gain)	391	2	393
Net loss on financial instruments	2,156	98	2,254
Share in earnings (loss) of the Joint Ventures	856	(856)	—
Other	(8)	—	(8)
LOSS BEFORE INCOME TAXES	(7,695)	(133)	(7,828)
Income tax recovery	(331)	—	(331)
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 Cash Flows

	Three-month period ended September 30		
	2015		
(in thousands of dollars) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net loss	(13,593)	—	(13,593)
Less: Net earnings from discontinued operations	—	—	—
Net loss from continuing operations	(13,593)	—	(13,593)
Distributions received from Joint Ventures	19,550	(19,550)	—
Financing costs	20,504	5,499	26,003
Interest paid	(19,378)	(4,319)	(23,697)
Income tax recovery	(4,113)	—	(4,113)
Income taxes paid	(237)	—	(237)
Non-cash items in loss:			
Net loss on financial instruments	2,721	—	2,721
Share in results of the Joint Ventures	1,451	(1,451)	—
Amortization	21,768	5,534	27,302
Loss on redemption of convertible debentures	2,759	—	2,759
Other	394	(384)	10
Change in non-cash items related to operating activities	(9,639)	276	(9,363)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	22,187	(14,395)	7,792
Additions to property, plant and equipment	(145,756)	(34)	(145,790)
Change in restricted cash	(7,142)	5,632	(1,510)
Change in reserve funds	(7)	—	(7)
Development projects	(613)	—	(613)
Other	32	—	32
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(153,486)	5,598	(147,888)
Net increase in non-current debt	183,975	(27)	183,948
Repayments on current and non-current debt	(32,325)	(332)	(32,657)
Convertible debenture issuance proceeds, net of transaction costs	(513)	—	(513)
Convertible debentures redeemed	(47,107)	—	(47,107)
Net contribution of non-controlling shareholders	(592)	—	(592)
Distributions paid to a non-controlling shareholder	(3,867)	—	(3,867)
Dividends paid to shareholders of Boralex	(6,235)	—	(6,235)
Other	(3)	—	(3)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	93,333	(359)	92,974
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	2,928	—	2,928
NET CHANGE IN CASH AND CASH EQUIVALENTS	(35,038)	(9,156)	(44,194)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	126,055	15,295	141,350
CASH AND CASH EQUIVALENTS - END OF PERIOD	91,017	6,139	97,156

Consolidated Statements of Cash Flows

	Three-month period ended September 30		
	2014		
(in thousands of dollars) (unaudited)	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 on financial instruments	744	(168)	576
Share in results of the Joint Ventures	43	(43)	—
Amortization	14,419	4,411	18,830
Other	388	(318)	70
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 acquisitions, net of cash acquired	(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)
Other	209	(50)	159
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 current and non-current debt	(18,801)	(30,147)	(48,948)
Net 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

	Nine-month period ended September 30		
	2015		
(in thousands of dollars) (unaudited)	IFRS	Adjustments Joint Ventures	Proportionate Consolidation
Net loss	(10,025)	—	(10,025)
Less: Net earnings from discontinued operations	—	—	—
Net loss from continuing operations	(10,025)	—	(10,025)
Distributions received from Joint Ventures	29,100	(29,100)	—
Financing costs	56,760	16,497	73,257
Interest paid	(50,023)	(13,043)	(63,066)
Income tax recovery	(3,788)	—	(3,788)
Income taxes paid	(1,163)	—	(1,163)
Non-cash items in loss:			
Net loss on financial instruments	7,338	—	7,338
Share in results of the Joint Ventures	(6,311)	6,311	—
Amortization	65,272	16,599	81,871
Loss on redemption of convertible debentures	2,759	—	2,759
Other	1,374	(1,151)	223
Change in non-cash items related to operating activities	(6,981)	1,038	(5,943)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	84,312	(2,849)	81,463
Business acquisition, net of cash acquired	(16,128)	—	(16,128)
Additions to property, plant and equipment	(234,973)	(2,563)	(237,536)
Change in restricted cash	(2,739)	7,355	4,616
Change in reserve funds	(182)	—	(182)
Development projects	(3,510)	—	(3,510)
Other	(1,499)	—	(1,499)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES	(259,031)	4,792	(254,239)
Net increase in non-current debt	267,645	(27)	267,618
Repayments on current and non-current debt	(274,568)	(7,228)	(281,796)
Convertible debenture issuance proceeds, net of transaction costs	137,459	—	137,459
Convertible debentures redeemed	(47,107)	—	(47,107)
Net contribution of non-controlling shareholders	7,082	—	7,082
Distributions paid to a non-controlling shareholder	(3,867)	—	(3,867)
Dividends paid to shareholders of Boralex	(18,701)	—	(18,701)
Share issuance proceeds, net of transaction costs	118,146	—	118,146
Options exercised	104	—	104
Other	(270)	—	(270)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	185,923	(7,255)	178,668
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS	4,419	—	4,419
NET CHANGE IN CASH AND CASH EQUIVALENTS	15,623	(5,312)	10,311
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	75,394	11,451	86,845
CASH AND CASH EQUIVALENTS - END OF PERIOD	91,017	6,139	97,156

Consolidated Statements of Cash Flows

	Nine-month period ended September 30		
	2014		
(in thousands of dollars) (unaudited)	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 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	886	(964)	(78)
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 acquisitions, net of cash acquired	(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 the 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)
Other	(431)	—	(431)
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 current and non-current debt	(79,821)	(37,777)	(117,598)
Net 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

Information by Operating Segment

(in thousands of dollars, except MWh) (unaudited)	Three-month period ended September 30 2015 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	258,592	104,939	363,531
Hydroelectric power stations	149,051	—	149,051
Thermal power stations	48,787	—	48,787
Solar power station	1,972	—	1,972
	458,402	104,939	563,341
REVENUES FROM ENERGY SALES			
Wind power stations	33,369	11,255	44,624
Hydroelectric power stations	13,799	—	13,799
Thermal power stations	5,753	—	5,753
Solar power station	963	—	963
	53,884	11,255	65,139
EBITDA(A)			
Wind power stations	23,016	9,970	32,986
Hydroelectric power stations	8,911	—	8,911
Thermal power stations	1,121	—	1,121
Solar power station	851	—	851
	33,899	9,970	43,869
Corporate and eliminations	(6,150)	661	(5,489)
	27,749	10,631	38,380

(in thousands of dollars, except MWh) (unaudited)	Three-month period ended September 30 2014 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(A)			
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

Information by Operating Segment

(in thousands of dollars, except MWh) (unaudited)	Nine-month period ended September 30 2015 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Wind power stations	945,821	416,681	1,362,502
Hydroelectric power stations	468,316	—	468,316
Thermal power stations	123,570	—	123,570
Solar power station	5,040	—	5,040
	1,542,747	416,681	1,959,428
REVENUES FROM ENERGY SALES			
Wind power stations	119,097	44,703	163,800
Hydroelectric power stations	43,168	—	43,168
Thermal power stations	19,956	—	19,956
Solar power station	2,374	—	2,374
	184,595	44,703	229,298
EBITDA(A)			
Wind power stations	98,279	29,921	128,200
Hydroelectric power stations	30,899	—	30,899
Thermal power stations	4,993	—	4,993
Solar power station	2,091	—	2,091
	136,262	29,921	166,183
Corporate and eliminations	(20,812)	1,968	(18,844)
	115,450	31,889	147,339

(in thousands of dollars, except MWh) (unaudited)	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(A)			
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

Information by Geographic Segment

	Three-month period ended September 30		
	2015		
(in thousands of dollars, except MWh) (unaudited)	**IFRS**	**Adjustments Joint Ventures**	**Proportionate Consolidation**
POWER PRODUCTION (MWh)			
Canada	181,557	104,939	286,496
France	214,509	—	214,509
United States	62,336	—	62,336
	458,402	104,939	563,341
REVENUES FROM ENERGY SALES			
Canada	17,144	11,255	28,399
France	30,927	—	30,927
United States	5,813	—	5,813
	53,884	11,255	65,139
EBITDA(A)			
Canada	5,613	10,631	16,244
France	18,581	—	18,581
United States	3,555	—	3,555
	27,749	10,631	38,380

	Three-month period ended September 30		
	2014		
(in thousands of dollars, except MWh) (unaudited)	**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(A)			
Canada	5,531	8,517	14,048
France	5,898	—	5,898
United States	3,335	—	3,335
	14,764	8,517	23,281

Information by Geographic Segment

(in thousands of dollars, except MWh) (unaudited)	Nine-month period ended September 30 2015 IFRS	Adjustments Joint Ventures	Proportionate Consolidation
POWER PRODUCTION (MWh)			
Canada	553,038	416,681	969,719
France	749,684	—	749,684
United States	240,025	—	240,025
	1,542,747	416,681	1,959,428
REVENUES FROM ENERGY SALES			
Canada	59,627	44,703	104,330
France	103,563	—	103,563
United States	21,405	—	21,405
	184,595	44,703	229,298
EBITDA(A)			
Canada	36,201	31,889	68,090
France	64,118	—	64,118
United States	15,131	—	15,131
	115,450	31,889	147,339

(in thousands of dollars, except MWh) (unaudited)	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(A)			
Canada	24,794	26,730	51,524
France	36,610	—	36,610
United States	19,081	—	19,081
	80,485	26,730	107,215

Consolidated Financial Statements
Unaudited Interim Condensed

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Consolidated Statements of Financial Position

(in thousands of Canadian dollars) (unaudited)	Note	As at September 30, 2015	As at December 31, 2014
ASSETS			
Cash and cash equivalents		91,017	75,394
Restricted cash		13,332	12,459
Trade and other receivables		67,869	59,154
Inventories		6,609	5,620
Other current financial assets	10	827	1,213
Prepaid expenses		5,705	5,358
CURRENT ASSETS		185,359	159,198
Property, plant and equipment		1,513,643	1,215,411
Intangible assets		252,516	254,007
Goodwill		157,419	134,044
Interests in the Joint Ventures	5	63,391	91,483
Deferred income tax asset		24,131	13,141
Other non-current financial assets	10	370	3,230
Other non-current assets		60,664	47,445
NON-CURRENT ASSETS		2,072,134	1,758,761
TOTAL ASSETS		2,257,493	1,917,959
LIABILITIES			
Trade and other payables		116,449	57,616
Current portion of debt	6	118,923	172,044
Current income tax liability		1,159	1,601
Other current financial liabilities	10	42,450	34,116
CURRENT LIABILITIES		278,981	265,377
Non-current debt	6	1,172,584	989,087
Convertible debentures	7	132,573	232,977
Deferred income tax liability		36,006	30,780
Decommissioning liability		14,055	10,773
Other non-current financial liabilities	10	37,056	33,622
Other non-current liabilities		27,613	19,024
NON-CURRENT LIABILITIES		1,419,887	1,316,263
TOTAL LIABILITIES		1,698,868	1,581,640
EQUITY			
Equity attributable to shareholders		544,895	303,191
Non-controlling shareholders		13,730	33,128
TOTAL EQUITY		558,625	336,319
TOTAL LIABILITIES AND EQUITY		2,257,493	1,917,959

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 2015	2014	Nine-month periods ended September 30 2015	2014
REVENUES					
Revenues from energy sales		53,884	32,974	184,595	139,728
Other income		438	407	1,391	1,282
		54,322	33,381	185,986	141,010
COSTS AND OTHER EXPENSES					
Operating		18,625	14,498	56,979	47,251
Administrative		3,874	3,007	13,048	10,284
Development		2,485	1,106	6,688	3,854
Amortization		21,768	14,419	65,272	44,578
Other gains		(77)	(543)	(231)	(1,116)
		46,675	32,487	141,756	104,851
OPERATING INCOME		7,647	894	44,230	36,159
Financing costs		20,504	14,221	56,760	42,171
Foreign exchange loss (gain)		(2,220)	274	(2,635)	391
Net loss on financial instruments		2,721	744	7,338	2,156
Share in earnings (loss) of the Joint Ventures	5	(1,451)	(43)	6,311	856
Loss on redemption of convertible debentures	7	2,759	—	2,759	—
Other		138	(37)	132	(8)
LOSS BEFORE INCOME TAXES		(17,706)	(14,351)	(13,813)	(7,695)
Income tax recovery		(4,113)	(3,907)	(3,788)	(331)
LOSS FROM CONTINUING OPERATIONS		(13,593)	(10,444)	(10,025)	(7,364)
Net earnings from discontinued operations		—	312	—	1,936
NET LOSS		(13,593)	(10,132)	(10,025)	(5,428)
NET EARNINGS (LOSS) ATTRIBUTABLE TO:					
Shareholders of Boralex		(14,115)	(9,194)	(12,487)	(5,502)
Non-controlling shareholders		522	(938)	2,462	74
NET LOSS		(13,593)	(10,132)	(10,025)	(5,428)
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations		(14,115)	(9,506)	(12,487)	(7,438)
Discontinued operations		—	312	—	1,936
		(14,115)	(9,194)	(12,487)	(5,502)
NET EARNINGS (LOSS) PER SHARE (BASIC AND DILUTED) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX					
Continuing operations		($0.29)	($0.25)	($0.26)	($0.19)
Discontinued operations		—	$0.01	—	$0.05
	9	($0.29)	($0.24)	($0.26)	($0.14)

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

Consolidated Statements of Comprehensive Loss

(in thousands of Canadian dollars) (unaudited)	Three-month periods ended September 30 2015	Three-month periods ended September 30 2014	Nine-month periods ended September 30 2015	Nine-month periods ended September 30 2014
NET LOSS	(13,593)	(10,132)	(10,025)	(5,428)
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	17,134	(292)	17,755	(237)
Hedge of net investment:				
Change in fair value	(10,512)	—	(5,581)	—
Income taxes	797	—	142	—
Cash flow hedges:				
Change in fair value	(13,201)	(6,488)	(8,449)	(27,538)
Hedging items realized and recognized in net loss	3,817	2,849	9,923	8,766
Income taxes	2,325	1,126	(993)	5,614
Cash flow hedges - Joint Ventures:				
Change in fair value	(5,030)	(2,040)	(7,271)	(12,187)
Income taxes	1,355	496	1,924	3,137
Total other comprehensive income (loss)	(3,315)	(4,349)	7,450	(22,445)
COMPREHENSIVE LOSS	(16,908)	(14,481)	(2,575)	(27,873)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of Boralex	(17,446)	(12,186)	(5,258)	(25,243)
Non-controlling shareholders	538	(2,295)	2,683	(2,630)
COMPREHENSIVE LOSS	(16,908)	(14,481)	(2,575)	(27,873)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(17,446)	(12,498)	(5,258)	(27,179)
Discontinued operations	—	312	—	1,936
	(17,446)	(12,186)	(5,258)	(25,243)

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

Consolidated Statements of Changes in Equity

Nine-month period ended September 30

2015

(in thousands of Canadian dollars) (unaudited)	Equity attributable to shareholders: Capital stock	Equity component of convertible debentures	Contributed surplus	Retained earnings (loss)	Accumulated other comprehensive income (loss)	Total	Non-controlling shareholders	Total equity
BALANCE AS AT JANUARY 1, 2015	228,257	14,379	8,266	108,907	(56,618)	303,191	33,128	336,319
Net earnings (loss)	—	—	—	(12,487)	—	(12,487)	2,462	(10,025)
Other comprehensive income	—	—	—	—	7,229	7,229	221	7,450
COMPREHENSIVE INCOME (LOSS)	—	—	—	(12,487)	7,229	(5,258)	2,683	(2,575)
Dividends (note 9)	—	—	—	(18,701)	—	(18,701)	—	(18,701)
Share issuances (note 9)	119,542	—	—	—	—	119,542	—	119,542
Issuance of 2015 convertible debentures	—	3,940	—	—	—	3,940	—	3,940
Conversion and redemption of 2010 convertible debentures (note 7)	207,774	(14,379)	—	—	—	193,395	—	193,395
Options exercised	104	—	—	—	—	104	—	104
Stock option expense	—	—	249	—	—	249	—	249
Excess of proceeds on repurchase of non-controlling shareholders (note 8)	—	—	—	(51,567)	—	(51,567)	(25,296)	(76,863)
Net contribution of non-controlling shareholders (note 8)	—	—	—	—	—	—	7,082	7,082
Distributions paid to a non-controlling shareholder	—	—	—	—	—	—	(3,867)	(3,867)
BALANCE AS AT SEPTEMBER 30, 2015	555,677	3,940	8,515	26,152	(49,389)	544,895	13,730	558,625

Nine-month period ended September 30

2014

(in thousands of Canadian dollars) (unaudited)	Equity attributable to shareholders: Capital stock	Equity component of convertible debentures	Contributed surplus	Retained earnings (loss)	Accumulated other comprehensive loss	Total	Non-controlling shareholders	Total equity
BALANCE AS AT JANUARY 1, 2014	223,079	14,379	7,730	140,575	(29,315)	356,448	29,686	386,134
Net earnings (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	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 8)	—	—	—	—	—	—	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

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 2015	2014	Nine-month periods ended September 30 2015	2014
Net loss		(13,593)	(10,132)	(10,025)	(5,428)
Less: Net earnings from discontinued operations		—	312	—	1,936
Net loss from continuing operations		(13,593)	(10,444)	(10,025)	(7,364)
Distributions received from Joint Ventures	5	19,550	—	29,100	—
Financing costs		20,504	14,221	56,760	42,171
Interest paid		(19,378)	(11,313)	(50,023)	(38,666)
Income tax recovery		(4,113)	(3,907)	(3,788)	(331)
Income taxes paid		(237)	(1,518)	(1,163)	(2,876)
Non-cash items in loss:					
Net loss on financial instruments		2,721	744	7,338	2,156
Share in results of the Joint Ventures	5	1,451	43	(6,311)	(856)
Amortization		21,768	14,419	65,272	44,578
Loss on redemption of convertible debentures	7	2,759	—	2,759	—
Other		394	388	1,374	886
Change in non-cash items related to operating activities		(9,639)	8,143	(6,981)	8,759
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES		22,187	10,776	84,312	48,457
Business acquisitions, net of cash acquired	4	—	(7,931)	(16,128)	(7,931)
Additions to property, plant and equipment		(145,756)	(78,513)	(234,973)	(120,066)
Change in restricted cash		(7,142)	2,711	(2,739)	12,423
Increase in interest in the Joint Ventures	5	—	(2,656)	—	(6,072)
Increase in non-current assets		—	(1,350)	—	(1,350)
Change in reserve funds		(7)	(542)	(182)	(573)
Development projects		(613)	(608)	(3,510)	(5,602)
Other		32	209	(1,499)	(431)
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES		(153,486)	(88,680)	(259,031)	(129,602)
Net increase in non-current debt		183,975	70,836	267,645	137,125
Repayments on current and non-current debt		(32,325)	(18,801)	(274,568)	(79,821)
Convertible debenture issuance proceeds, net of transaction costs	7	(513)	—	137,459	—
Convertible debentures redeemed		(47,107)	—	(47,107)	—
Net contribution of non-controlling shareholders	8	(592)	637	7,082	4,696
Distributions paid to a non-controlling shareholder	8	(3,867)	—	(3,867)	—
Dividends paid to shareholders of Boralex	9	(6,235)	(4,992)	(18,701)	(14,903)
Share issuance proceeds, net of transaction costs	9	—	—	118,146	—
Options exercised		—	85	104	4,709
Other		(3)	—	(270)	(40)
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES		93,333	47,765	185,923	51,766
Cash from discontinued operations		—	352	—	2,279
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS		2,928	686	4,419	255
NET CHANGE IN CASH AND CASH EQUIVALENTS		(35,038)	(29,101)	15,623	(26,845)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD		126,055	127,198	75,394	124,942
CASH AND CASH EQUIVALENTS - END OF PERIOD		91,017	98,097	91,017	98,097

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

Notes to Consolidated Financial Statements

As at September 30, 2015

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

Note 1. Incorporation and Nature of Business

Boralex Inc., its subsidiaries and its joint ventures ("Boralex" or the "Corporation") are dedicated to the development, construction and operation of renewable energy power facilities. As at September 30, 2015, the Corporation had interests in 42 wind power stations, 15 hydroelectric power stations, two thermal power stations and a solar power facility representing an asset base with a total installed capacity of 1,140 megawatts ("MW") of which 970 MW are under its control. Boralex is also committed under power development projects, both independently and with partners, to add 166 MW of power. The Corporation also operates two hydroelectric power stations on behalf of R.S.P. Énergie Inc., an entity of which two of the three shareholders, Richard Lemaire and Patrick Lemaire, are directors of the Corporation. The generated power is sold mainly in Canada, France and the United States.

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

(The data expressed in MW and MWh contained in notes 1, 12 and 13 have not been reviewed by the auditors.)

Note 2. Basis of Presentation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board ("IASB"), and set out in the *CPA Canada Handbook*, including International Accounting Standards ("IAS") and the interpretations of the IFRS Interpretations Committee ("IFRS IC") applicable to the preparation of interim financial statements, IAS 34, *Interim Financial Reporting*. The accounting policies followed in these unaudited interim condensed consolidated financial statements are the same as those applied in the audited annual consolidated financial statements of the Corporation for the year ended December 31, 2014, except for income taxes for the interim periods, which were calculated using the tax rate that would be applicable to expected annual earnings for each jurisdiction. The Corporation has consistently applied the same accounting policies for all of the periods presented, except for the new standard adopted at the beginning of the year (note 3). As permitted under IAS 34, these interim financial statements do not constitute a complete set of financial statements, as the Corporation does not present all the notes included in its annual report. To avoid repetition of previously reported information, the Corporation deemed it unnecessary to include such information and, therefore, advises readers that these financial statements constitute a condensed set of financial statements under IAS 34. These unaudited interim condensed consolidated financial statements are intended to provide an update on the latest complete set of annual financial statements and should therefore be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended December 31, 2014.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. These areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the audited consolidated financial statements of the Corporation for the year ended December 31, 2014.

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

Note 3. Change in Accounting Policies

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

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

Note 4. Business Combinations

Frampton Acquisition

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

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

The following table shows the preliminary purchase price allocation:

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

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

Since the acquisition date, the acquired entity has not contributed to revenues from energy sales and generated non-significant net loss attributable to the shareholders of Boralex as the project is under construction and the costs are mainly capitalized.

Touvent Acquisition

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

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

The following table shows the preliminary purchase price allocation:

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

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

Since the acquisition date, the acquired entity has not contributed to revenues from energy sales and generated non-significant net loss attributable to the shareholders of Boralex as the project is under construction and the costs are mainly capitalized.

Note 5. Interests in the Joint Ventures

Joint Ventures Phases I and II

The Corporation entered into partnership agreements with a subsidiary of Gaz Métro L.P. and Valener Inc. and created Seigneurie de Beaupré 2 and 3 Wind Farms General Partnership ("Joint Venture Phase I") and Seigneurie de Beaupré 4 Wind Farm General Partnership ("Joint Venture Phase II") located in Canada, of which each party owns 50%. Under these agreements, all expenditures are made jointly and all earnings, costs, expenses, liabilities, obligations and risks resulting from the joint ventures are shared jointly but not severally. The Corporation's interest in these joint ventures is accounted for using the equity method. The year-end date of these joint ventures is December 31. The Phase II wind farm was commissioned on December 1, 2014.

Joint Venture in Denmark

In July 2014, Boralex entered into a joint venture agreement with a Danish developer. The joint venture's goal is to develop a nearshore wind farm in Denmark. In 2014, Boralex invested €1,818,000 ($2,656,000) to acquire a 50% share in the joint venture and to finance development activities. To date, the net loss attributable to shareholders of Boralex is not material.

Interests in the Joint Ventures

	Nine-month period ended September 30 2015				Twelve-month period ended December 31 2014			
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Denmark	Total
Balance - beginning of period	67,287	21,627	2,569	91,483	75,442	15,438	—	90,880
Cash contribution	—	—	—	—	3,416	7,181	2,656	13,253
Share in net earnings (loss)	7,716	567	(4)	8,279	6,147	(45)	(3)	6,099
Share in other comprehensive loss	(7,231)	—	(40)	(7,271)	(17,718)	(794)	(84)	(18,596)
Distributions	(20,300)	(8,800)	—	(29,100)	—	—	—	—
Other	—	—	—	—	—	(153)	—	(153)
Balance - end of period	47,472	13,394	2,525	63,391	67,287	21,627	2,569	91,483

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

	As at September 30, 2015			As at December 31, 2014		
	Phase I	Phase II	Total	Phase I	Phase II	Total
Cash and cash equivalents	10,948	1,328	12,276	21,534	1,367	22,901
Restricted cash	—	—	—	970	13,741	14,711
Other current assets	8,962	15,096	24,058	8,571	16,514	25,085
Non-current assets	650,356	176,057	826,413	676,785	182,050	858,835
TOTAL ASSETS	670,266	192,481	862,747	707,860	213,672	921,532
Current portion of debt	24,111	16,585	40,696	23,156	16,280	39,436
Other current liabilities	8,184	2,849	11,033	9,197	5,646	14,843
Non-current debt	446,321	132,962	579,283	456,914	135,430	592,344
Non-current financial liabilities	48,069	—	48,069	33,504	—	33,504
Other non-current liabilities	48,636	12,904	61,540	50,516	12,652	63,168
TOTAL LIABILITIES	575,321	165,300	740,621	573,287	170,008	743,295
NET ASSETS	94,945	27,181	122,126	134,573	43,664	178,237

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

	Three-month period ended September 30 **2015**			Three-month period ended September 30 **2014**		
	Phase I	**Phase II**	**Total**	**Phase I**	**Phase II**	**Total**
Revenues from energy sales	18,119	4,392	22,511	19,821	—	19,821
Operating expenses	3,223	897	4,120	2,775	—	2,775
Administrative	19	6	25	(10)	8	(2)
Development	—	—	—	—	14	14
Amortization	8,819	2,250	11,069	8,821	—	8,821
Other gains	(642)	(161)	(803)	(635)	—	(635)
OPERATING INCOME (LOSS)	6,700	1,400	8,100	8,870	(22)	8,848
Financing costs (Interest income)	7,381	2,293	9,674	7,984	(39)	7,945
Foreign exchange loss	—	2	2	1	1	2
Net gain on financial instruments	—	—	—	(336)	—	(336)
NET EARNINGS (LOSS)	(681)	(895)	(1,576)	1,221	16	1,237
Total other comprehensive loss	(10,171)	—	(10,171)	(3,364)	(718)	(4,082)
COMPREHENSIVE LOSS	(10,852)	(895)	(11,747)	(2,143)	(702)	(2,845)

	Nine-month period ended September 30 **2015**			Nine-month period ended September 30 **2014**		
	Phase I	**Phase II**	**Total**	**Phase I**	**Phase II**	**Total**
Revenues from energy sales	72,560	16,846	89,406	64,941	—	64,941
Operating expenses	10,189	2,667	12,856	9,317	—	9,317
Administrative	98	45	143	125	47	172
Development	—	—	—	—	14	14
Amortization	26,454	6,745	33,199	26,170	—	26,170
Other gains	(1,927)	(486)	(2,413)	(1,926)	—	(1,926)
OPERATING INCOME (LOSS)	37,746	7,875	45,621	31,255	(61)	31,194
Financing costs (Interest income)	22,314	6,741	29,055	25,565	(282)	25,283
Foreign exchange loss	—	—	—	2	3	5
Net loss on financial instruments	—	—	—	185	10	195
NET EARNINGS	15,432	1,134	16,566	5,503	208	5,711
Total other comprehensive loss	(14,460)	(1)	(14,461)	(22,808)	(1,568)	(24,376)
COMPREHENSIVE INCOME (LOSS)	972	1,133	2,105	(17,305)	(1,360)	(18,665)

Share in Earnings (Loss) of the Joint Ventures

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

	Three-month period ended September 30				Three-month period ended September 30		
	2015				**2014**		
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Total
Share in results	(340)	(448)	(2)	(790)	611	9	620
Other [1]	(661)	—	—	(661)	(670)	7	(663)
Share in earnings (loss) of the Joint Ventures	(1,001)	(448)	(2)	(1,451)	(59)	16	(43)

	Nine-month period ended September 30				Nine-month period ended September 30		
	2015				**2014**		
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Total
Share in results	7,716	567	(4)	8,279	2,751	105	2,856
Other [1]	(1,970)	2	—	(1,968)	(1,991)	(9)	(2,000)
Share in earnings (loss) of the Joint Ventures	5,746	569	(4)	6,311	760	96	856

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

Share in Comprehensive Income (Loss) of the Joint Ventures

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

	Three-month period ended September 30				Three-month period ended September 30		
	2015				**2014**		
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Total
Share in comprehensive income (loss)	(5,087)	1	56	(5,030)	(1,682)	(358)	(2,040)

	Nine-month period ended September 30				Nine-month period ended September 30		
	2015				**2014**		
	Phase I	Phase II	Denmark	Total	Phase I	Phase II	Total
Share in comprehensive loss	(7,231)	—	(40)	(7,271)	(11,404)	(783)	(12,187)

Note 6. Non-current Debt

	Note	Maturity	Rate (1)	Currency of origin	As at September 30, 2015	As at December 31, 2014
Bridge financing facility	(a)	—	—		—	100,000
Revolving credit facility	(b)	2018	—		35,000	110,561
Term loan payable – Ocean Falls power station		2024	6.55		8,319	8,848
Term loan payable – Thames River wind farms		2031	7.05		154,748	160,094
Term loan payable – Témiscouata I wind farm		2032	4.92		57,266	49,639
Term loan payable – Témiscouata II wind farm		2033	5.31		110,861	10,533
Term loan payable – Frampton wind farm	(c)	2035	4.04		39,278	—
Term loan payable – Côte-de-Beaupré wind farm	(d)	2035	4.07		30,239	—
Term loan payable – Jamie Creek power station		2054	5.42		55,250	55,250
Other debt		—	—		6,287	6,776
CANADA					497,248	501,701
Master agreement - wind farms (France)		2017-2025	4.91	90,696	135,265	142,811
Term loan payable - Cube	(e)	2015-2019	6.50	56,000	83,518	—
Term loan payable – St-Patrick wind farm		2025	4.88	29,437	43,904	43,778
Term loan payable – Lauragais solar power station		2025-2028	4.00	10,149	15,133	15,105
Term loan payable – La Vallée wind farm		2028	4.42	30,547	45,556	45,207
Term loan payable – Fortel-Bonnières and St-François wind farms		2028-2029	3.66	58,231	86,844	77,848
Term loan payable – Vron wind farm		2030	3.35	10,337	15,417	15,189
Term loan payable – Boralex Énergie Verte (BEV) wind farms		2030	2.29	173,202	258,314	238,646
Term loan payable – Calmont wind farm	(f)	2030	2.46	11,490	17,137	—
Term loan payable – Les Cigalettes solar power station	(g)	2033	2.92	10,530	15,706	—
Other debt		—	—	5,210	7,765	9,325
FRANCE				485,829	724,559	587,909
U.S. senior secured note		2026	3.51	70,205	93,688	93,234
UNITED STATES				70,205	93,688	93,234
			4.31		1,315,495	1,182,844
Current portion of debt					(118,923)	(172,044)
Borrowing cost, net of accumulated amortization					(23,988)	(21,713)
					1,172,584	989,087

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

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

(b) The 2014 balance of this revolving credit facility was repaid in June 2015 out of the proceeds from the 2015 issuance of debentures (note 7(b)). As at September 30, 2015, Boralex had drawn down $35,000,000 from this facility ahead of the redemption of the 2010 debentures (note 7(a)).

(c) On August 4, 2015, the Corporation announced the completion of long-term financing for the **Frampton** wind farm. The loan, secured by the wind farm's assets, consists of a $73,480,000 construction loan, which will convert into a term loan repayable over a 19.5-year amortization period following commissioning slated for December 2015. The interest rate on financing is variable and based on CDOR plus slightly less than a 2% margin. To reduce its exposure to rate changes, interest rate swaps were entered into on August 4, 2015 for a nominal amount of $65,500,000 at a rate of 2.38%, excluding the margin. With these swaps, the rate is fixed at 4.20% for nearly 90% of the debt as of January 1, 2016. The Corporation also has credit facilities for the issuance of the necessary letters of credit, as well as bridge financing for certain amounts repayable by Hydro-Québec for a total amount of $7,931,000. Note that the Frampton project is 67% owned by Boralex and 33% owned by the Municipality of Frampton.

(d) On August 11, 2015, the Corporation announced the completion of long-term financing for the **Côte-de-Beaupré** wind farm. The loan, secured by the wind farm's assets, consists of a $54,786,000 construction loan, which will convert into a term loan repayable over a 19.5-year amortization period following commissioning slated for December 2015. The interest rate on financing is variable and based on CDOR plus slightly less than a 2% margin. To reduce its exposure to rate changes, interest rate swaps were entered into on August 11, 2015 for a nominal amount of $49,000,000 at a rate of 2.45%, excluding the margin. With these swaps, the rate is fixed at 4.28% for nearly 90% of the debt as of January 1, 2016. The Corporation also has credit facilities include available amounts for the issuance of the necessary letters of credit, as well as bridge financing for certain amounts repayable by Hydro-Québec for a total amount of $9,665,000.

(e) On February 27, 2015, the Corporation announced the closing of a financial settlement (the "Settlement") whereby its partner **Cube** agreed to exchange its entire 25% equity interest in Boralex Europe for term loans. Under the Settlement, in consideration, Cube will receive a payment of €16,000,000 ($23,862,000), bearing interest at 6.5%, payable to Cube by the end of 2015, and two term loans totalling €40,000,000 ($59,656,000) issued by two European subsidiaries of the Corporation and bearing interest at a fixed rate of 6.5%, with no repayments prior to maturity in January 2019.

(f) On April 3, 2015, the Corporation completed the closing of long-term financing for the **Calmont** wind farm. The loan payable, secured by the assets of this wind farm, consists of an amount of €21,000,000 ($31,319,000) and a bridge financing facility for an amount of €3,500,000 ($5,220,000). The €21,000,000 loan is fully amortized over a 15-year period with quarterly payments. The first quarterly repayment is due three months after the commissioning slated for the end of 2015. The variable interest rate for the €21,000,000 facility is based on EURIBOR, plus a margin. To reduce its exposure to rate fluctuations, on July 10, 2015, Boralex entered into interest rate financial swaps with a notional amount of €16,800,000 ($25,056,000) at a rate of 1.33%, excluding the margin. With these swaps, the rate is fixed at 2.73% for 80% of the €21,000,000 debt.

(g) On July 10, 2015, the Corporation completed the closing of the long-term financing for the **Les Cigalettes** solar power station. The loan payable, secured by the assets of this solar power station, consists of an amount of €9,662,000 ($14,410,000) and a bridge financing facility for an amount of €2,325,000 ($3,468,000). The €9,662,000 loan will be fully amortized in quarterly payments over a 17.5-year period. The first quarterly repayment is due three months after the commissioning, which took place October 2, 2015. The variable interest rate for the €9,662,000 facility is based on EURIBOR, plus a margin. To reduce its exposure to rate fluctuations, Boralex entered into interest rate financial swaps with a notional amount of €8,696,000 ($12,969,000) at a rate of 1.48%, excluding the margin. With these swaps, the rate is fixed at 3.08% for 90% of the €9,662,000 debt.

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

Note 7. Convertible Debentures

	Note	Effective rate	Maturity	Initial nominal value	Nominal value as at September 30, 2015	As at September 30, 2015	As at December 31, 2014
2010 Debentures	(a)	8.50%	June 2017	245,150	—	—	232,977
2015 Debentures	(b)	6.36%	June 2020	143,750	143,750	132,573	—
						132,573	232,977

2010 Debentures

(a) On August 31, 2015, the Corporation committed itself to redeem on September 30, 2015 a $150,000,000 principal amount of convertible debentures bearing interest at an annual rate of 6.75% out of nominal value of $244,079,000 as at that date. In accordance with the conversion option offered to holders of the debentures, the Corporation received conversion requests for a nominal amount of $196,972,000, which resulted in the issuance of 16,864,000 new Class A shares. The equity component of the converted debentures, representing an amount of $14,379,000, was reclassified to capital stock.

The Corporation redeemed the full non-converted principal amount with a nominal value of $47,107,000 on September 30, 2015 and recognized a loss of $2,759,000 ($2,315,000 net of taxes).

2015 Debentures

(b) On June 22, 2015, the Corporation closed its bought deal financing of convertible unsecured subordinated debentures with a syndicate of underwriters for an amount of $125,000,000 ("2015 Debentures"). On June 26, 2015, Boralex announced the exercising of the over-allotment option for this investment in an amount of $18,750,000. The total value of 2015 Debentures was therefore $143,750,000 ($137,418,000 net of transaction costs).

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

These debentures may be early redeemed by Boralex after June 30, 2018. From July 1, 2018 to June 30, 2019, Boralex may, under certain circumstances, such as if Boralex's share price is trading at 125% of the conversion price, redeem these debentures at their principal amount plus accrued and unpaid interest. As of July 1, 2019, Boralex may redeem these debentures, without restrictions, at their principal amount plus accrued and unpaid interest.

The Corporation has determined the fair value of the conversion option at $5,366,000. The fair value of debentures was determined by discounting the cash flows related to these debentures at a rate of 5.30%, which is the interest rate that the Corporation would have expected to pay if the debentures did not have a conversion option, representing the excess of the fair value of debentures and their nominal value. The Corporation also incurred transaction costs in the amount of $6,332,000. The initial fair value of these debentures is therefore $132,052,000.

Note 8. Non-controlling Shareholders

Boralex Europe S.A.

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

Côte-de-Beaupré Wind Power Project

As at September 30, 2015, our partner Côte-de-Beaupré RCM, which holds a 49% interest in the wind power project currently under development in Québec, made a cash contribution of $2,616,000 ($940,000 in 2014).

Frampton Wind Power Project

As at September 30, 2015, the Municipality of Frampton, which holds a 33% interest in the wind power project currently under development in Québec, made a cash contribution of $4,466,000. Following the financing, the Corporation also made a special distribution of $3,867,000 to the non-controlling shareholder in this project to repay the excess amount of equity it had invested.

Témiscouata I Wind Power Project

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

Note 9. Net 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 2015	Three-month periods ended September 30 2014	Nine-month periods ended September 30 2015	Nine-month periods ended September 30 2014
Net loss attributable to shareholders of Boralex	(14,115)	(9,194)	(12,487)	(5,502)
Less:				
Net earnings from discontinued operations	—	312	—	1,936
Net loss (basic and diluted) from continuing operations attributable to shareholders of Boralex	(14,115)	(9,506)	(12,487)	(7,438)
Weighted average number of shares (basic and diluted)	48,770,481	38,390,851	48,164,252	38,240,855
Net loss per share (basic and diluted) from continuing operations attributable to shareholders of Boralex	($0.29)	($0.25)	($0.26)	($0.19)
Net earnings per share (basic and diluted) from discontinued operations	—	$0.01	—	$0.05
Net loss per share (basic and diluted) attributable to shareholders of Boralex	($0.29)	($0.24)	($0.26)	($0.14)

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

	Three-month periods ended September 30 2015	Three-month periods ended September 30 2014	Nine-month periods ended September 30 2015	Nine-month periods ended September 30 2014
Convertible debentures excluded due to their anti-dilutive effect	7,334,183	19,992,528	7,334,183	19,803,889
Stock options excluded due to their anti-dilutive effect	1,636,879	1,578,171	1,636,879	1,578,171

(b) Dividends Paid

On March 16, June 15, 2015 and September 16, 2015, the Corporation paid a dividend of $0.13 per common share for a total amount of $18,701,000 ($14,903,000 in 2014). An additional dividend of $0.13 per common share was declared on November 4, 2015 and will be paid on December 15, 2015 for holders of record at the close of business on November 30, 2015.

(c) Shares Issued

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

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

These capital increases generated gross proceeds of $124,040,000 and net proceeds of $119,542,000 (net of issuance costs and related taxes).

Note 10. Financial Instruments

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

	As at September 30, 2015		As at December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
OTHER LIABILITIES				
Non-current debt	1,291,507	1,401,730	1,161,131	1,234,873
Convertible debentures (including equity portion)	136,513	145,188	247,356	272,264

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

	As at September 30, 2015	As at December 31, 2014
OTHER CURRENT FINANCIAL ASSETS		
Foreign exchange forward contracts	827	1,213
OTHER NON-CURRENT FINANCIAL ASSETS		
Foreign exchange forward contracts	370	3,230
OTHER CURRENT FINANCIAL LIABILITIES		
Foreign exchange forward contracts	1,318	—
Financial swaps - interest rates	41,132	34,116
	42,450	34,116
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Foreign exchange forward contracts	3,839	2,368
Financial swaps - interest rates	33,217	31,254
	37,056	33,622

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

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

The fair value of non-current debt is essentially based on the calculation of discounted cash flows. Discount rates, ranging from 0.92% to 4.90%, were determined based on local government bond yields adjusted for the risks specific to each of the borrowings and for credit market liquidity conditions. The convertible debentures are traded on the stock exchange, and their fair value is based on the prices as at September 30, 2015.

Financial Swaps - Interest Rates

Cash flows are discounted using a curve that reflects the credit risk of the Corporation or the counterparty, as applicable. The following table summarizes the Corporation's commitments under financial swaps - interest as at September 30, 2015:

As at September 30, 2015	Currency	Fixed-rate payer	Floating-rate receiver	Maturity	Current notional (in CAD)	Fair value (in CAD)
Financial swaps - interest rates	EUR	0.93%–5.16%	6-month Euribor	2016-2030	375,650	(29,019)
Financial swaps - interest rates	CAD	2.38%–5.78%	3-month CDOR	2033-2055	212,947	(45,330)

Financial swaps - interest rates denominated in Canadian dollars contain an early termination clause that is mandatory in 2015. As a result, they are presented as current financial liabilities.

Foreign Exchange Forward Contracts

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

As at September 30, **2015**	Exchange rate	Maturity	Current notional (in CAD)	Fair value (in CAD)
Foreign exchange forward contracts (EUR for CAD)	1.4428-1.5475	2015-2025	209,426	(3,960)

Hierarchy of Financial Assets and Liabilities Measured at Fair Value

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

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

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

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

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

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

		Fair value hierarchy levels		
	As at September 30, **2015**	Level 1	Level 2	Level 3
DERIVATIVE FINANCIAL ASSETS				
Foreign exchange forward contracts	1,197	—	1,197	—
OTHER FINANCIAL LIABILITIES				
Non-current debt	1,401,730	—	1,401,730	—
Convertible debentures	145,188	145,188	—	—
	1,546,918	145,188	1,401,730	—
DERIVATIVE FINANCIAL LIABILITIES				
Foreign exchange forward contracts	5,157	—	5,157	—
Financial swaps - interest rates	74,349	—	74,349	—
	79,506	—	79,506	—

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

Note 11. Commitments

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

Canada

Frampton Wind Power Project

In March 2015, the Corporation entered into a 15-year wind turbine maintenance contract expiring in 2030 for the **Frampton** wind power project. The contract includes a cancellation option at the Corporation's discretion after seven years. The Corporation's net commitment under this contract amounts to $5,562,000, factoring in only the first seven years of the contract.

In 2015, the Corporation entered into a wind turbine manufacturing and installation contract and a transformer substation and control building contract for the **Frampton** wind power project. The Corporation's net commitments under those contracts amounted to $7,650,000 as at September 30, 2015. Expenditures will be made according to the percentage of completion.

Yellow Falls Hydroelectric Power Project

In 2015, the Corporation entered into turbine purchase and construction contracts for the **Yellow Falls** hydroelectric power project. As at September 30, 2015, the Corporation had net commitments under those contracts totalling $57,026,000. Expenditures will be made according to the percentage of completion.

Niagara Region Wind Farm Project

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

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

France

Les Cigalettes Solar Power Project

In 2015, the Corporation entered into contracts for the construction of the **Les Cigalettes** solar power project. Net commitment under those contracts amounted to $1,506,000 (€1,010,000) as at September 30, 2015.

In July 2015, the Corporation signed land lease contracts with 30-year terms for the **Les Cigalettes** solar power facility. These leases may be renewed once at the option of the Corporation for the same term. Royalties under these leases are due annually and are indexed each year, based on the CPI and the Construction Cost Index published by the National Institute of Statistics and Economic Studies. The Corporation's net commitment under those lease contracts amounted to €2,094,000 ($3,124,000) as at September 30, 2015.

Touvent Wind Power Project

At the time of acquisition of the **Touvent** wind power project on February 5, 2015, the Corporation took over a connection agreement and a wind turbine construction and installation contract. Net commitments under those contracts amounted to $23,246,000 (€15,587,000) as at September 30, 2015. Expenditures will be made according to the percentage of completion.

Quinssaines Wind Power Project

In 2015, the Corporation entered into a connection agreement for the **Quinssaines** wind power project. The net commitment under this agreement totalled $1,346,000 (€903,000) as at September 30, 2015. Expenditures will be made according to the percentage of completion.

Wind farms in Operation

In September 2015, the Corporation renegotiated five maintenance contracts for wind farms in operation. The five-year wind turbine maintenance contracts expire in 2020 and 2021. The Corporation's net commitment under those contracts is $7,330,000 (€4,915,000).

Note 12. Seasonal and Other Cyclical Factors

The Corporation's operations and results are partly subject to seasonal cycles and other cyclical factors that vary by segment. Since nearly all of Boralex facilities have long-term indexed fixed-price energy sales contracts, seasonal cycles mainly affect the total volume of power generated by the Corporation. Only five hydroelectric power stations in the United States, accounting for 2% of the Corporation's total installed capacity in operation, are not covered by long-term energy sales contracts.

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

Wind

For the wind power assets currently in operation in which Boralex's share totals 760 MW, wind conditions are usually more favourable in winter, which falls during Boralex's first and fourth quarters, both in France and Canada. However, in winter there is a greater risk of lower production caused by weather conditions, such as icing. In general, management estimates that approximately 60% of annual production in its wind power segment is generated in the first and fourth quarters and 40% in the second and third quarters.

Hydroelectric

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

Thermal

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

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

Solar

The 5-MW solar power facility in operation by the Corporation since 2011 and the 10-MW solar power facility commissioned on October 2, 2015, both located in the south of France, are covered by long-term energy sales contracts. They benefit from sunlight conditions that are usually more favourable in the spring and summer, which fall during Boralex's second and third quarters. In view of these weather conditions, management estimates that approximately 65% of the annual production at its solar power facilities will be generated in the second and third quarters.

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

Note 13. Segmented Information

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

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

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

EBITDA and EBITDA(A) are 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	
	2015	**2014**	**2015**	**2014**
Net loss	(13,593)	(10,132)	(10,025)	(5,428)
Income tax recovery	(4,113)	(3,907)	(3,788)	(331)
Financing costs	20,504	14,221	56,760	42,171
Amortization	21,768	14,419	65,272	44,578
EBITDA	24,566	14,601	108,219	80,990
Adjustments:				
Net earnings from discontinued activities	—	(312)	—	(1,936)
Net loss on financial instruments	2,721	744	7,338	2,156
Foreign exchange loss (gain)	(2,220)	274	(2,635)	391
Loss on redemption of convertible debentures	2,759	—	2,759	—
Other gains	(77)	(543)	(231)	(1,116)
EBITDA(A)	27,749	14,764	115,450	80,485

Information by Operating Segment

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2015	2014	2015	2014
Power production (MWh)				
Wind power stations	258,592	112,029	945,821	540,396
Hydroelectric power stations	149,051	139,938	468,316	487,227
Thermal power stations	48,787	45,909	123,570	135,546
Solar power station	1,972	1,952	5,040	5,179
	458,402	299,828	1,542,747	1,168,348
Revenues from energy sales				
Wind power stations	33,369	14,133	119,097	70,785
Hydroelectric power stations	13,799	12,236	43,168	43,854
Thermal power stations	5,753	5,660	19,956	22,521
Solar power station	963	945	2,374	2,568
	53,884	32,974	184,595	139,728
EBITDA(A)				
Wind power stations	23,016	9,567	98,279	58,388
Hydroelectric power stations	8,911	8,816	30,899	32,985
Thermal power stations	1,121	588	4,993	4,059
Solar power station	851	850	2,091	2,243
Corporate and eliminations	(6,150)	(5,057)	(20,812)	(17,190)
	27,749	14,764	115,450	80,485
Additions to property, plant and equipment				
Wind power stations	133,481	72,955	215,599	98,369
Hydroelectric power stations	1,948	3,174	4,075	14,253
Thermal power stations	57	2,258	1,844	6,991
Solar power station	9,224	—	11,636	—
Corporate and eliminations	1,046	126	1,819	453
	145,756	78,513	234,973	120,066

	As at September 30, 2015	As at December 31, 2014
Total assets		
Wind power stations	1,560,656	1,326,133
Hydroelectric power stations	478,632	458,540
Thermal power stations	38,958	40,332
Solar power station	42,254	20,139
Corporate	136,993	72,815
	2,257,493	1,917,959
Total liabilities		
Wind power stations	1,243,405	896,996
Hydroelectric power stations	198,611	183,782
Thermal power stations	12,464	14,466
Solar power station	34,055	16,175
Corporate	210,333	470,221
	1,698,868	1,581,640

Information by Geographic Segment

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2015	2014	2015	2014
Power production (MWh)				
Canada	181,557	147,382	553,038	469,604
France	214,509	84,125	749,684	402,554
United States	62,336	68,321	240,025	296,190
	458,402	299,828	1,542,747	1,168,348
Revenues from energy sales				
Canada	17,144	13,754	59,627	50,579
France	30,927	13,833	103,563	63,887
United States	5,813	5,387	21,405	25,262
	53,884	32,974	184,595	139,728
EBITDA(A)				
Canada	5,613	5,531	36,201	24,794
France	18,581	5,898	64,118	36,610
United States	3,555	3,335	15,131	19,081
	27,749	14,764	115,450	80,485
Additions to property, plant and equipment				
Canada	121,813	55,338	181,635	71,937
France	23,423	22,206	52,696	46,989
United States	520	969	642	1,140
	145,756	78,513	234,973	120,066

	As at September 30, 2015	As at December 31, 2014
Total assets		
Canada	1,042,745	778,165
France	1,011,416	952,148
United States	203,332	187,646
	2,257,493	1,917,959
Non-current assets, excluding *Interests in the Joint Ventures* and *Deferred income tax asset*		
Canada	860,185	622,064
France	942,670	866,986
United States	181,757	165,087
	1,984,612	1,654,137
Total liabilities		
Canada	774,664	765,528
France	781,523	677,994
United States	142,681	138,118
	1,698,868	1,581,640

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

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