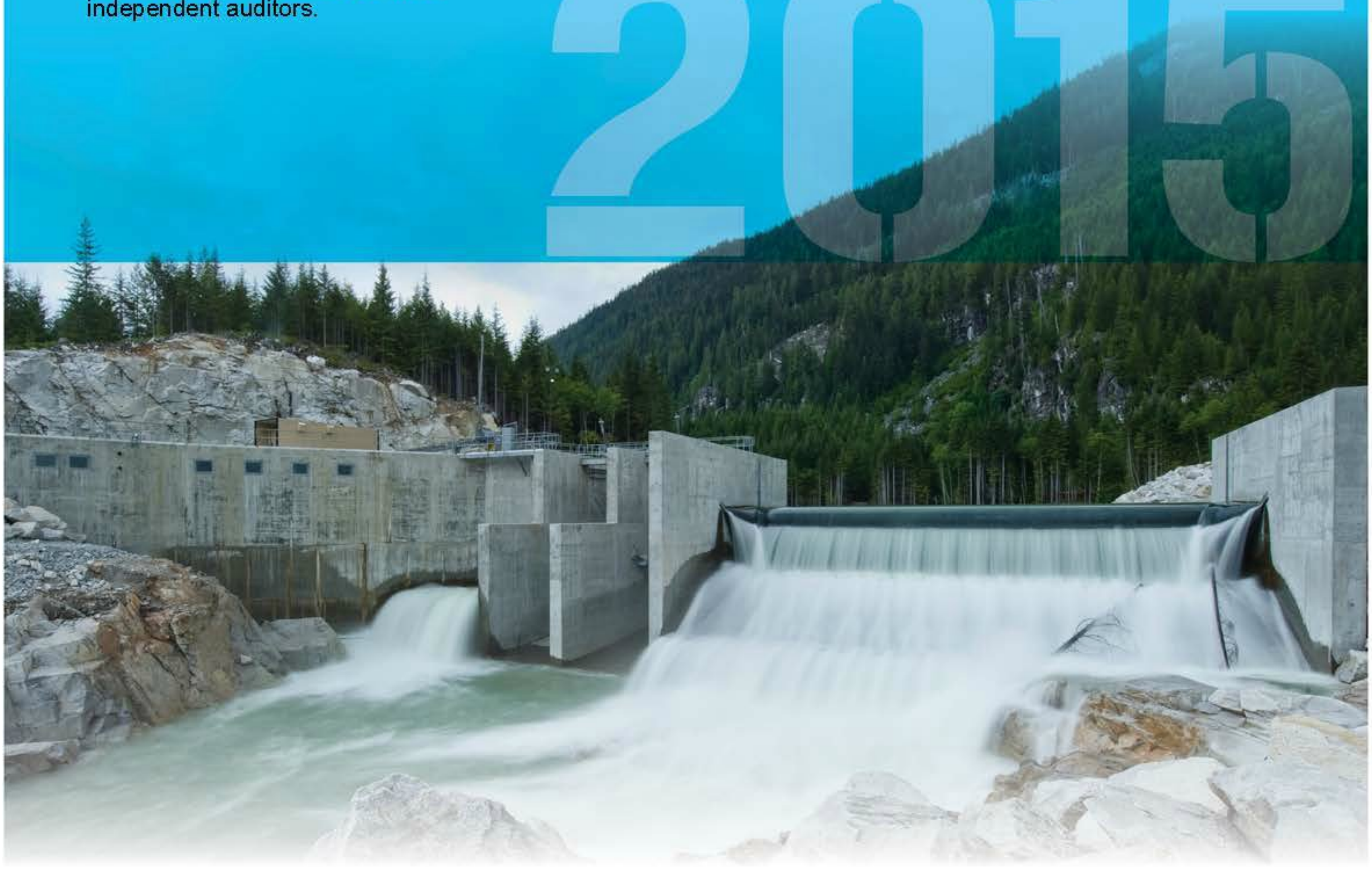
INNERGEX

Renewable Energy.
Sustainable Development.

QUARTERLY REPORT 2015

FOR THE PERIOD ENDED **MARCH 31, 2015**

These condensed consolidated financial statements have neither been audited nor reviewed by the Corporation's independent auditors.



Innergex Renewable Energy Inc. is a leading Canadian independent renewable power producer. Active since 1990, the Corporation develops, owns and operates run-of-river hydroelectric facilities, wind farms and solar photovoltaic farms and carries out its operations in Quebec, Ontario and British Columbia and in Idaho, USA. The Corporation's shares are listed on the Toronto Stock Exchange under the symbols INE, INE.PR.A and INE.PR.C and its convertible debentures under the symbol INE.DB.

Innergex's mission is to increase its production of renewable energy by developing and operating high-quality facilities while respecting the environment and balancing the best interests of the host communities, its partners and its investors.

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is a discussion of the operating results, cash flows and financial position of Innergex Renewable Energy Inc. ("Innergex" or the "Corporation") for the three-month period ended March 31, 2015, and reflects all material events up to May 13, 2015, the date on which this MD&A was approved by the Corporation's Board of Directors.

The MD&A should be read in conjunction with the unaudited condensed consolidated financial statements and the accompanying notes for the three-month period ended March 31, 2015, and with the Corporation's *Financial Review* at December 31, 2014. Additional information relating to Innergex, including its *Annual Information Form*, can be found on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com or on the Corporation's website at www.innergex.com.

The unaudited condensed consolidated financial statements attached to this MD&A and the accompanying notes for the three-month period ended March 31, 2015, along with the 2014 comparative figures, have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Some amounts included in this MD&A have been rounded to make reading easier, which may affect some calculations.

Q1 2015 HIGHLIGHTS

- Production was 121% of long-term average ("LTA")
- Revenues rose 54% to $57.7 million compared with the same period last year
- Adjusted EBITDA rose 70% to $43.0 million compared with the same period last year
- A $491.6M fixed-rate, non-recourse debt financing was closed for the 25.3 MW Boulder Creek and the 81.4 MW Upper Lillooet River hydroelectric projects
- The normal course issuer bid for up to 1 million common shares was renewed and remains in effect until March 2016

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ESTABLISHMENT AND MAINTENANCE OF DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The President and Chief Executive Officer and the Chief Financial Officer of the Corporation have designed, or caused to be designed, under their supervision:

- Disclosure controls and procedures ("DC&P") to provide reasonable assurance that: (i) material information relating to the Corporation is accumulated and communicated by others to the President and Chief Executive Officer and the Chief Financial Officer in a timely manner, particularly during the period in which the interim and annual filings are being prepared; and (ii) the information required to be disclosed by the Corporation in its annual filings, interim filings and other reports filed or submitted by it under applicable securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.
- Internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS applicable to the Corporation.

In accordance with *Regulation 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings*, the President and Chief Executive Officer and the Chief Financial Officer of the Corporation have certified that there were no material weaknesses relating to the DC&P and ICFR for the three-month period ended March 31, 2015. During the three-month period ended March 31, 2015, there was no change to the ICFR that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

FORWARD-LOOKING INFORMATION

To inform readers of the Corporation's future prospects, this MD&A contains forward-looking information within the meaning of applicable securities laws ("Forward-Looking Information"). Forward-Looking Information can generally be identified by the use of words such as "approximately", "may", "will", "could", "believes", "expects", "intends", "should", "plans", "potential", "project", "anticipates", "estimates", "scheduled" or "forecasts", or other comparable terminology that state that certain events will or will not occur. It represents the projections and expectations of the Corporation relating to future events or results as of the date of this MD&A.

Future-oriented financial information: Forward-Looking Information includes future-oriented financial information or financial outlook within the meaning of securities laws, such as expected production, projected revenues, projected Adjusted EBITDA , projected Free Cash Flow, estimated project costs and expected project financing, to inform readers of the potential financial impact of expected results, of the expected commissioning of Development Projects, of the Corporation's ability to sustain current dividends and dividend increases and of its ability to fund its growth. Such information may not be appropriate for other purposes.

Assumptions: Forward-Looking Information is based on certain key assumptions made by the Corporation, including those concerning hydrology, wind regimes and solar irradiation, performance of operating facilities, financial market conditions and the Corporation's success in developing new facilities.

Risks and uncertainties: Forward-Looking Information involves risks and uncertainties that may cause actual results or performance to be materially different from those expressed, implied or presented by the Forward-Looking Information. These are referred to in the Corporation's *Annual Information Form* in the "Risk Factors" section and include, without limitation: the ability of the Corporation to execute its strategy for building shareholder value; its ability to raise additional capital and the state of capital markets; liquidity risks related to derivative financial instruments; variability in hydrology, wind regimes and solar irradiation; delays and cost overruns in the design and construction of projects; health, safety and environmental risks; uncertainties surrounding the development of new facilities; obtainment of permits; variability of installation performance and related penalties; equipment failure or unexpected operations and maintenance activity; interest rate fluctuations and refinancing risk; financial leverage and restrictive covenants governing current and future indebtedness; the possibility that the Corporation may not declare or pay a dividend; the ability to secure new power purchase agreements or to renew any power purchase agreement; changes in governmental support to increase electricity to be generated from renewable sources by independent power producers; the ability to attract new talent or to retain officers or key employees; litigation; performance of major counterparties; social acceptance of renewable energy projects; relationships with stakeholders; equipment supply; changes in general economic conditions; regulatory and political risks; the ability to secure appropriate land; reliance on power purchase agreements; availability and reliability of transmission systems; increases in water rental cost or changes to regulations applicable to water use; assessment of water, wind and sun resources and associated electricity production; dam failure; natural disasters and *force majeure*; foreign exchange fluctuations; sufficiency of insurance coverage limits and exclusions; a credit rating that may not reflect actual performance of the Corporation or a lowering (downgrade) of the credit rating; potential undisclosed liabilities associated with acquisitions; integration of the facilities and projects acquired and to be acquired; failure to realize the anticipated benefits of acquisitions; reliance on shared transmission and interconnection infrastructure; and the fact that revenues from the Miller Creek facility will vary based on the spot price of electricity.

Although the Corporation believes that the expectations and assumptions on which Forward-Looking Information is based are reasonable under the current circumstances, readers are cautioned not to rely unduly on this Forward-Looking Information as no assurance can be given that it will prove to be correct. Forward-Looking Information contained herein is made as at the date of this MD&A and the Corporation does not undertake any obligation to update or revise any Forward-Looking Information, whether as a result of events or circumstances occurring after the date hereof, unless so required by law.

Forward-Looking Information in this MD&A

The following table outlines the Forward-Looking Information contained in this MD&A, which the Corporation considers important to better inform readers about its potential financial performance, together with the principal assumptions used to derive this information and the principal risks and uncertainties that could cause actual results to differ materially from this information.

Principal Assumptions	Principal Risks and Uncertainties
Expected production For each facility, the Corporation determines a long-term average annual level of electricity production ("LTA") over the expected life of the facility, based on engineers' studies that take into consideration a number of important factors: for hydroelectricity, the historically observed flows of the river, the operating head, the technology employed and the reserved aesthetic and ecological flows; for wind energy, the historical wind and meteorological conditions and turbine technology; and for solar energy, the historical solar irradiation conditions, panel technology and expected solar panel degradation. Other factors taken into account include, without limitation, site topography, installed capacity, energy losses, operational features and maintenance. Although production will fluctuate from year to year, over an extended period it should approach the estimated long-term average. On a consolidated basis, the Corporation estimates the LTA by adding together the expected LTA of all the facilities in operation that it consolidates (excludes Umbata Falls and Viger-Denonville, which are accounted for using the equity method).	Improper assessment of water, wind and sun resources and associated electricity production Variability in hydrology, wind regimes and solar irradiation Equipment failure or unexpected operations and maintenance activity
Projected revenues For each facility, expected annual revenues are estimated by multiplying the LTA by a price for electricity stipulated in the power purchase agreement secured with a public utility or other creditworthy counterparty. These agreements stipulate a base price and, in some cases, a price adjustment depending on the month, day and hour of delivery, except for the Miller Creek hydroelectric facility, which receives a price based on a formula using the Platts Mid-C pricing indices, and the Horseshoe Bend hydroelectric facility, for which 85% of the price is fixed and 15% is adjusted annually as determined by the Idaho Public Utility Commission. In most cases, power purchase agreements also contain an annual inflation adjustment based on a portion of the Consumer Price Index. On a consolidated basis, the Corporation estimates annual revenues by adding together the projected revenues of all the facilities in operation that it consolidates (excludes Umbata Falls and Viger-Denonville, which are accounted for using the equity method).	Production levels below the LTA caused mainly by the risks and uncertainties mentioned above Unexpected seasonal variability in the production and delivery of electricity Lower-than-expected inflation rate
Projected Adjusted EBITDA For each facility, the Corporation estimates annual operating earnings by subtracting from the estimated revenues the budgeted annual operating costs, which consist primarily of operators' salaries, insurance premiums, operations and maintenance expenditures, property taxes and royalties; these are predictable and relatively fixed, varying mainly with inflation (except for maintenance expenditures). On a consolidated basis, the Company estimates annual Adjusted EBITDA by adding together the projected operating earnings of all the facilities in operation that it consolidates*, from which it subtracts budgeted general and administrative expenses, comprised essentially of salaries and office expenses, and budgeted prospective project expenses, which are determined based on the number of prospective projects the Corporation chooses to develop and the resources required to do so. *Excludes Umbata Falls and Viger-Denonville, which are accounted for using the equity method.	Variability of facility performance and related penalties Changes to water and land rental expenses Unexpected maintenance expenditures Changes in the purchase price of electricity upon renewal of a PPA
Estimated project costs, expected obtainment of permits, start of construction, work conducted and start of commercial operation for Development Projects or Prospective Projects For each development project, the Corporation provides an estimate of project costs based on its extensive experience as a developer, directly related incremental internal costs, site acquisition costs and financing costs, which are eventually adjusted for the projected costs provided by the engineering, procurement and construction ("EPC") contractor retained for the project. The Corporation provides indications regarding scheduling and construction progress for its Development Projects and indications regarding its Prospective Projects, based on its extensive experience as a developer.	Performance of counterparties, such as the EPC contractors Delays and cost overruns in the design and construction of projects Obtainment of permits Equipment supply Interest rate fluctuations and financing risk Relationships with stakeholders Regulatory and political risks Higher-than-expected inflation

Principal Assumptions	Principal Risks and Uncertainties
Projected Free Cash Flow The Corporation estimates Free Cash Flow as projected cash flow from operations before changes in non-cash operating working capital items, less estimated maintenance capital expenditures net of proceeds from disposals, scheduled debt principal payments, preferred share dividends and the portion of Free Cash Flow attributed to non-controlling interests, plus cash receipts by the Harrison Hydro L.P. for the wheeling services to be provided to other facilities owned by the Corporation over the course of their power purchase agreement. It also adjusts for other elements, which represent cash inflows or outflows that are not representative of the Corporation's long-term cash generating capacity, such as adding back transaction costs related to realized acquisitions (which are financed at the time of the acquisition) and adding back realized losses or subtracting realized gains on derivative financial instruments used to fix the interest rate on project-level debt.	Adjusted EBITDA below expectations caused mainly by the risks and uncertainties mentioned above and by higher prospective project expenses Projects costs above expectations caused mainly by the performance of counterparties and delays and cost overruns in the design and construction of projects Regulatory and political risk Interest rate fluctuations and financing risk Financial leverage and restrictive covenants governing current and future indebtedness Unexpected maintenance capital expenditures
Expected project financing or refinancing of Operating Facilities The Corporation provides indications of its intention to secure non-recourse project-level debt financing for its Development Projects and to refinance its Operating Facilities when the term of the existing project-level debt ends, based on the expected costs and revenues of each project, the expected remaining PPA term, an initial leverage ratio of approximately 75%-85% and the Corporation's extensive experience in project financing and knowledge of capital markets.	Interest rate fluctuations and financing risk Financial leverage and restrictive covenants governing current and future indebtedness
Intention to submit projects under requests for proposals The Corporation provides indications of its intention to submit projects under requests for proposals based on the state of readiness of some of its Prospective Projects and their compatibility with the announced terms of these requests for proposals.	Regulatory and political risks Ability of the Corporation to execute its strategy for building shareholder value Ability to secure new PPAs
Intention to gain a foothold in target markets internationally The Corporation provides indications of its intention to establish a presence in target markets internationally in the coming years, based on its growth strategy.	Regulatory and political risks Ability of the Corporation to execute its strategy for building shareholder value Ability to secure new PPAs Foreign exchange fluctuations

NON IFRS MEASURES

This MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"). However, some measures referred to in this MD&A are not recognized measures under IFRS and therefore may not be comparable to those presented by other issuers. Innergex believes that these indicators are important, as they provide management and the reader with additional information about the Corporation's production and cash generation capabilities, its ability to sustain current dividends and dividend increases and its ability to fund its growth. These indicators also facilitate the comparison of results over different periods. Adjusted EBITDA, Free Cash Flow and Payout Ratio are not measures recognized by IFRS and have no standardized meaning prescribed by IFRS. References in this document to "Adjusted EBITDA" are to revenues less operating expenses, general and administrative expenses and prospective project expenses. References to "Free Cash Flow" are to cash flows from operating activities before changes in non-cash operating working capital items, less maintenance capital expenditures net of proceeds from disposals, scheduled debt principal payments, preferred share dividends declared and the portion of Free Cash Flow attributed to non-controlling interests, plus cash receipts by the Harrison Hydro Limited Partnership for the wheeling services to be provided to other facilities owned by the Corporation over the course of their PPA, plus or minus other elements that are not representative of the Corporation's long-term cash generating capacity, such as transaction costs related to realized acquisitions (which are financed at the time of the acquisition) and realized losses or gains on derivative financial instruments used to hedge the interest rate on project-level debt. References to "Payout Ratio" are to dividends declared on common shares divided by Free Cash Flow. Readers are cautioned that Adjusted EBITDA should not be construed as an alternative to net earnings and Free Cash Flow should not be construed as an alternative to cash flows from operating activities, as determined in accordance with IFRS.

ADDITIONAL INFORMATION AND UPDATES

Additional and updated information on the Corporation is available through its regular press releases, quarterly financial statements and *Annual Information Form*, which can be found on the Corporation's website at www.innergex.com and on the SEDAR website at www.sedar.com. Information contained in or otherwise accessible through our website does not form part of this MD&A and is not incorporated into the MD&A by reference.

(in thousands of Canadian dollars, except as noted, and amounts per share)

OVERVIEW

The Corporation is a developer, owner and operator of renewable power-generating facilities with a focus on hydroelectric, wind power and solar photovoltaic ("PV") projects that benefit from low operating and management costs and simple, proven technologies.

Portfolio of Assets

As at the date of this MD&A, the Corporation owns interests in three groups of power-generating projects:

- 33 facilities in commercial operation (the "Operating Facilities"). Commissioned between November 1994 and January 2014, the facilities have a weighted average age of approximately 7.4 years. They sell the generated power under long-term Power Purchase Agreements ("PPA") that have a weighted average remaining life of 18.5 years (based on gross long-term average production);
- Five projects scheduled to begin commercial operation between 2015 and 2016 (the "Development Projects"). Construction is ongoing at four of the projects; and
- Numerous projects that have secured land rights, for which an investigative permit application has been filed or for which a proposal has either been or could be submitted under a Request for Proposal or a Standing Offer Program (collectively the "Prospective Projects"). These projects are at various stages of development.

The following chart diagrams the Corporation's direct and indirect interests in the Operating Facilities, Development Projects and Prospective Projects.

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	Operating Facilities	Development Projects	Prospective Projects
Hydro			
Gross capacity:	547.0 MW	168.5 MW	1,020.0 MW
Net capacity[1]:	417.7 MW	132.9 MW	970.0 MW
Wind			
Gross capacity:	614.1 MW	150.0 MW	2,270.0 MW
Net capacity[1]:	236.3 MW	75.0 MW	2,180.0 MW
Solar			
Gross capacity:	33.2 MW	-	40.0 MW
Net capacity[1]:	33.2 MW	-	40.0 MW
Total			
Gross capacity:	1,194.3 MW	318.5 MW	3,330.0 MW
Net capacity[1]:	687.2 MW	207.9 MW	3,190.0 MW

1. Net capacity represents the proportional share of the total capacity attributable to Innergex, based on its ownership interest in these facilities and projects. The remaining capacity is attributable to the partners' ownership share.

(in thousands of Canadian dollars, except as noted, and amounts per share)

BUSINESS STRATEGY

The Corporation's strategy for building shareholder value is to develop or acquire high-quality renewable power production facilities that generate sustainable cash flows and provide an attractive risk-adjusted return on invested capital and to distribute a stable dividend.

Dividend Policy

The Corporation intends to distribute an annual dividend of $0.62 per common share, payable quarterly.

The Corporation’s dividend policy is determined by its Board of Directors and is based on the Corporation’s operating results, cash flows, financial condition, debt covenants, long-term growth prospects, solvency tests imposed under corporate law for the declaration of dividends and other relevant factors.

Use Key Performance Indicators

The Corporation measures its performance using key performance indicators that include or could include comparing power generated in megawatt-hours (“MWh”) and gigawatt-hours (“GWh”) with a long-term average, Adjusted EBITDA and Adjusted EBITDA Margin, Free Cash Flow and Payout Ratio. These indicators are not recognized measures under IFRS, have no standardized meaning prescribed by IFRS and therefore may not be comparable with those presented by other issuers. The Corporation believes that these indicators are important, as they provide management and the reader with additional information about the Corporation's production and cash generating capabilities, its ability to sustain current dividends and dividend increases and its ability to fund its growth. These indicators also facilitate the comparison of results over different periods. Please refer to the "Non-IFRS Measures" section for more information.

Maintain Diversification of Energy Sources

The amount of electricity generated by the Operating Facilities is generally dependent on the availability of water flows, wind regimes and solar irradiation. Lower-than-expected water flows, wind regimes or solar irradiation in any given year could have an impact on the Corporation's revenues and hence on its profitability. Innergex owns interests in 26 hydroelectric facilities, which draw on 23 watersheds, six wind farms and one solar farm, providing significant diversification in terms of operating revenue sources. Furthermore, the nature of hydroelectric, wind and solar power generation partially offsets any seasonal variations, as illustrated in the following table and charts:

Consolidated long-term average production[1]									
In GWh and %	Q1		Q2		Q3		Q4		Total
HYDRO	321.9	14%	815.9	35%	724.3	31%	472.8	20%	2,334.9
WIND	213.6	32%	142.8	21%	112.8	17%	207.3	31%	676.5
SOLAR[2]	7.3	19%	12.5	33%	12.6	33%	5.8	15%	38.2
Total	542.8	18%	971.2	32%	849.7	28%	685.8	22%	3,049.5

1. Annualized long-term average production ("LTA") for the facilities in operation at May 13, 2015. The LTA is presented in accordance with revenue recognition accounting rules under IFRS and excludes production from facilities that are accounted for using the equity method, which is presented in the "Investments in Joint Ventures" section.
2. Solar farm LTA diminishes over time due to expected solar panel degradation.

(in thousands of Canadian dollars, except as noted, and amounts per share)

FIRST QUARTER UPDATE

Summary of operating and financial performance

	Three months ended March 31	
	2015	2014
Power generated (MWh)	658,427	417,209
LTA (MWh)	542,769	498,964
Production as percentage of LTA	121%	84%
Revenues	57,727	37,599
Adjusted EBITDA	42,955	25,329
Adjusted EBITDA Margin	74.4%	67.4%
Net loss	(37,810)	(38,105)
Dividend declared per Class A Preferred Share	0.3125	0.3125
Dividend declared per Class C Preferred Share	0.359375	0.359375
Dividend declared per common share	0.155	0.150

For the three-month period ended March 31, 2015, production was 121% of the LTA, due mainly to above-average water flows in British Columbia. Production increased 58%, revenues increased 54% and Adjusted EBITDA increased 70% compared with the same period last year. These increases are attributable mainly to production well above the long-term average during the quarter, compared with production well below the long-term average for the same period last year as well as to the contribution of the SM-1 hydroelectric facility acquired in June 2014.

The recognition of a net loss for the three-month period ended March 31, 2015, is attributable mainly to a $68.0 million realized loss on derivative financial instruments resulting from the settlement of the Boulder Creek and Upper Lillooet River bond forward contracts upon closing of the financing for these projects at the end of the quarter, partly offset by an unrealized net gain resulting from the reversal of the unrealized loss accrued to December 31, 2014, upon settlement of these bond forward contracts. This loss is a result of a decrease in benchmark interest rates between the date the bond forwards were entered into (between September and December 2013) and the settlement date (March 17, 2015); it will be compensated by a low weighted average fixed interest rate of 4.36% for the 25- to 40-year term loans, compared with a weighted average interest rate of approximately 5.66% that was set at the time of the hedge. In addition, this loss was funded with proceeds from the project financing. The recognition of a $38.1 million net loss for the same period last year is attributable to a $36.0 million unrealized net loss on derivative financial instruments resulting from an decrease in benchmark interest rates.

Excluding the realized loss on derivative financial instruments and the unrealized net loss or gain on derivative financial instruments and the related income taxes, the net earnings for the three-month period ended March 31, 2015, would have been $6.2 million, compared with net loss of $10.5 million in 2014. The higher earnings would be due mainly to the increase in production and the lower finance costs.

Impact on net loss of the realized loss and the unrealized net (gain) loss on derivative financial instruments	Three months ended March 31	
	2015	2014
Net loss	(37,810)	(38,105)
Add (Subtract):		
Unrealized net (gain) loss on derivative financial instruments	(11,985)	36,030
Realized loss on derivative financial instruments	68,047	—
Income tax recovery related to above items	(13,583)	(9,548)
Share of unrealized net loss on derivative financial instruments of joint ventures, net of related income tax recovery	1,499	1,101
	6,168	(10,522)

(in thousands of Canadian dollars, except as noted, and amounts per share)

Payout Ratio

	Trailing 12 months ended March 31	
	2015	2014
Free Cash Flow[1]	82,212	49,790
Payout Ratio[1]	74%	112%

1. For more information on the calculation and explanation of the Corporation's Free Cash Flow and Payout Ratio, please refer to the "Free Cash Flow and Payout Ratio" section.

For the trailing 12-month period ended March 31, 2015, the dividends on common shares declared by the Corporation corresponded to 74% of Free Cash Flow, compared with 112% for the corresponding prior 12-month period. The positive variation is due mainly to the increase in Free Cash Flow, resulting from greater cash flows from operating activities before changes in non-cash operating working capital items and realized losses on derivative financial instruments, partly offset by greater scheduled debt principal payments and the increase in dividends resulting from the higher number of common shares outstanding by virtue of the Dividend Reinvestment Plan, the issuance of 4,027,051 common shares of the Corporation in June 2014 to pay for the acquisition of the SM-1 hydroelectric facility and the conversion of a portion of the convertible debentures.

Closing of the Project Financing for the Boulder Creek and Upper Lillooet River Projects

On March 17, 2015, the Corporation announced the closing of a $491.6 million non-recourse construction and term project financing for the Boulder Creek and Upper Lillooet River run-of-river hydroelectric projects located in British Columbia. The loan comprises three facilities or tranches:

- A $191.6 million construction loan carrying a fixed interest rate of 4.22%; following the start of the facilities' commercial operations, it will convert into a 25-year term loan and the principal will be amortized over a 20-year period starting in the sixth year;
- A $250 million construction loan carrying a fixed interest rate of 4.46%; following the start of the facilities' commercial operations, it will convert into a 40-year term loan and the principal will begin to be amortized after the 25-year term loan's maturity;
- A $50 million construction loan carrying a fixed interest rate of 4.46%; following the start of the facilities' commercial operations, it will convert into a 40-year term loan and its principal will be reimbursed at maturity.

The financing was arranged by The Manufacturers Life Insurance Company as agent and lead lender with the Caisse de Dépôt et placement du Québec and The Canada Life Assurance Company as lenders.

Concurrent with the closing of the financing, the Corporation settled the bond forward contracts used to hedge the interest rate prior to the closing of the financing in order to protect the expected returns on the projects, giving rise to a $68.0 million realized loss on derivative financial instruments. This is equivalent to a fixed interest rate of approximately 5.66% on the loans and well within the parameters of the economic model for this project. Please refer to the "Financial Position" section for more information.

Renewal of Normal Course Issuer Bid

On March 19, 2015, the Corporation announced it was renewing its normal course issuer bid ("NCIB"), which will enable it to purchase for cancellation up to 1 million (or approximately 1.0%) of its issued and outstanding common shares between March 24, 2015, and March 23, 2016. As as the date of this MD&A, the Corporation has not purchased any shares for cancellation under this NCIB.

PROSPECTIVE PROJECTS

With a combined potential net installed capacity of 3,190 MW (gross 3,330 MW), all the Prospective Projects are in the preliminary development stage. Some Prospective Projects are targeted toward specific future requests for proposals, such as the current request for proposals for new wind and solar energy in Ontario, or Standing Offer Programs, such as the one in British Columbia. Other Prospective Projects will be available for future requests for proposals yet to be announced or are targeted toward negotiated power purchase agreements with public utilities or other creditworthy counterparties. There is no certainty that any Prospective Project will be realized.

(in thousands of Canadian dollars, except as noted, and amounts per share)

DEVELOPMENT PROJECTS

PROJECTS UNDER CONSTRUCTION	Ownership %	Gross installed capacity (MW)	Expected COD[1]	Gross estimated LTA[2, 3] (GWh)	PPA term (years)	Total project costs		Expected year-one	
						Estimated[2] ($M)	As at Mar. 31 ($M)	Revenues[2] ($M)	Adjusted EBITDA[2] ($M)
HYDRO (British Columbia)									
Tretheway Creek	100.0	21.2	2015	81.0	40	111.5	82.6	9.0	7.5
Upper Lillooet River	66.7	81.4	2016	334.0	40	315.0 [4]	148.3 [4]	33.0 [4]	27.5 [4]
Boulder Creek	66.7	25.3	2016	92.5	40	119.2 [4]	40.7 [4]	9.0 [4]	7.5 [4]
Big Silver Creek	100.0	40.6	2016	139.8	40	216.0	119.2	18.0	15.0
WIND (Quebec)									
Mesgi'g Ugju's'n	50.0	150.0	2016	515.0	20	340.0 [4]	10.2 [4]	55.0 [4]	48.0 [4]
		318.5		647.8		1,101.7	401.0	124.0	105.5

1. Commercial operation date.
2. This information is intended to inform readers of the projects' potential impact on the Corporation's results. Actual results may vary. There have been no changes to these estimates since December 31, 2014.
3. Upon commissioning, LTA figures may be updated to reflect design optimization or constraints or selection of different turbines. Please refer to the “Forward-Looking Information” section for more information.
4. Corresponding to 100% of this facility.

Tretheway Creek

The construction of this hydroelectric facility began in October 2013. As at the date of this MD&A, construction of the intake and installation of the penstock were almost complete, with gates and intake screens being installed; the powerhouse superstructure installation was also complete, with turbine and generator components being delivered and installation underway; installation of the transmission line structures was almost complete, with conductor stringing operations ongoing. On September 30, 2014, the Corporation closed a $92.9 million non-recourse construction and term project financing for the project. Commercial operation of the facility is expected to begin before the end of 2015.

Upper Lillooet River and Boulder Creek (the "Upper Lillooet Hydro Project")

The construction of the Upper Lillooet River and Boulder Creek hydroelectric facilities began in October 2013. As planned, with the exception of work on the transmission line, construction activities were halted for the winter period and resumed in early April 2015. As at the date of this MD&A, clearing for the joint transmission line and pole installation were in progress; construction of both powerhouses was also progressing; and excavation and consolidation of both tunnels were ongoing. On March 17, 2015, the Corporation announced the closing of $491.6 million non-recourse construction and term project financing for both these projects.

Big Silver Creek

Construction of this hydroelectric facility began in June 2014. As of the date of this MD&A, excavation of the tunnel had been completed and penstock installation was almost complete; construction of the powerhouse was progressing; design and procurement of electrical equipment was ongoing; and procurement of the turbines was in progress. In April 2015, a term sheet and commitment letter were signed for the project financing, which the Corporation expects to close during the second quarter. In January 2014, a hedging program had for all intents and purposes been completed to fix the interest rate for this project's financing through the use of derivative financial instruments until the closing of the project-level financing. This effectively eliminated the project's exposure to interest rate fluctuations.

Mesgi'g Ugju's'n

As at the date of this MD&A, pre-construction activities such as tree clearing have been completed. Parc éolien Mesgi'g Ugju's'n (MU) S.E.C.recently selected Borea Construction ULC as the engineering, procurement and construction contractor for this project and construction activities should begin in May. Furthermore, the long-term financing for this project is expected to close during the third quarter. In April 2014, a hedging program had for all intents and purposes been completed to fix the interest rate for this project's financing through the use of derivative financial instruments until the closing of the project-level financing. This effectively eliminated the project's exposure to interest rate fluctuations. The euro portion of the turbine supply contract had been hedged with a foreign exchange forward contract.

(in thousands of Canadian dollars, except as noted, and amounts per share)

OPERATING RESULTS

Production of electricity for the first quarter was 121% of the long-term average due mainly to above-average water flows in British Columbia.

Production increased 58%, revenues increased 54% and Adjusted EBITDA increased 70% for the first quarter of 2015. These increases are attributable mainly to the above-average water flows in British Columbia, compared with below-average water flows for the same period last year, as well as the contribution of the SM-1 hydroelectric facility acquired in June 2014.

The Corporation's operating results for three-month period ended March 31, 2015, are compared with the operating results for the same period in 2014.

Electricity Production

When evaluating its operating results, a key performance indicator for the Corporation is to compare actual electricity generation with a long-term average ("LTA") for each hydroelectric facility, wind farm and solar farm. These long-term averages are determined to allow long-term forecasting of the expected power generation for each of the Corporation's facilities.

Three months ended March 31	2015				2014			
	Production (MWh)[1]	LTA (MWh)	Production as a % of LTA	Average price ($/MWh)[2]	Production (MWh)[1]	LTA (MWh)	Production as a % of LTA	Average price ($/MWh)[2]
HYDRO								
Quebec	119,140	124,170	96%	89.23	74,163	80,313	92%	97.74
Ontario	18,957	24,294	78%	70.05	25,065	24,294	103%	70.37
British Columbia	291,584	165,489	176%	86.22	81,036	165,489	49%	90.24
United States	8,610	7,927	109%	77.35	6,305	7,927	80%	62.43
Subtotal	438,291	321,880	136%	86.16	186,569	278,023	67%	89.61
WIND								
Quebec	213,303	213,605	100%	80.13	223,226	213,605	105%	79.59
SOLAR								
Ontario	6,833	7,284	94%	420.00	7,414	7,336	101%	420.00
Total	658,427	542,769	121%	87.67	417,209	498,964	84%	90.12

1. The Umbata Falls hydroelectric facility and the Viger-Denonville wind farm are treated as joint ventures and accounted for using the equity method; their revenues are not included in the Corporation's consolidated revenues and, for the sake of consistency, their electricity production figures have been excluded from the production table. For more information on the Corporation's joint ventures, please refer to the "Investments in Joint Ventures" section.
2. Including all payment adjustments related to the month, day and hour of delivery, to environmental attributes and to the ecoENERGY Initiative, as applicable.

During the three-month period ended March 31, 2015, the Corporation's facilities produced 658 GWh of electricity or 121% of the LTA of 543 GWh. Overall, the hydroelectric facilities produced 136% of their LTA, due mainly to above-average water flows in British Columbia, which more than offset below-average water flows in Quebec and Ontario. Overall, the wind farms produced 100% of their LTA, due mainly to average wind regimes during the quarter. The Stardale solar farm produced 94% of its LTA, due mainly to below-average solar regimes and to the presence of snow on the panels at times. For more information on operating segment results, please refer to the "Segment Information" section.

The production increase of 58% compared with the same period last year is attributable mainly to above-average water flows in British Columbia compared with below-average water flows for the same period last year as well as the contribution of the SM-1 hydroelectric facility acquired in June 2014.

The overall performance of the Corporation's facilities for the three-month period ended March 31, 2015, demonstrates the benefits of geographic diversification and the complementarity of hydroelectric, wind and solar power generation.

(in thousands of Canadian dollars, except as noted, and amounts per share)

Financial Results

	Three months ended March 31			
	2015		2014	
Revenues	57,727	100.0%	37,599	100.0%
Operating expenses	9,247	16.0%	7,645	20.3%
General and administrative expenses	4,172	7.2%	3,554	9.5%
Prospective project expenses	1,353	2.3%	1,071	2.8%
Adjusted EBITDA	42,955	74.4%	25,329	67.4%
Finance costs	16,417		19,664	
Other net expenses (revenues)	68,414		(173)	
Depreciation and amortization	18,797		18,847	
Share of loss of joint ventures[1]	1,144		996	
Unrealized net (gain) loss on derivative financial instruments	(11,985)		36,030	
Recovery of income tax	(12,022)		(11,930)	
Net loss	(37,810)		(38,105)	
Net loss attributable to:				
Owners of the parent	(29,144)		(27,419)	
Non-controlling interests	(8,666)		(10,686)	
	(37,810)		(38,105)	
Basic net loss per share	(0.31)		(0.30)	

1. The Umbata Falls hydroelectric facility and Viger Denonville wind farm are treated as joint ventures and the Corporation's interests in these facilities are required to be accounted for using the equity method. For more information on the Corporation's joint ventures, please refer to the "Investments in Joint Ventures" section.

Revenues

For the three-month period ended March 31, 2015, the Corporation recorded revenues of $57.7 million, compared with $37.6 million in 2014. This 54% increase is attributable mainly to production well above the long-term average during the quarter, compared with production well below the long-term average for the same period last year as well as to the contribution of the SM-1 hydroelectric facility acquired in June 2014.

Expenses

Operating expenses consist primarily of the operators' salaries, insurance premiums, expenditures related to operation and maintenance, property taxes and royalties. For the three-month period ended March 31, 2015, the Corporation recorded operating expenses of $9.2 million ($7.6 million in 2014). This 21% increase is due mainly to variable costs associated with the greater levels of production in British Columbia as well as the addition of the SM-1 hydroelectric facility.

General and administrative expenses consist primarily of salaries, professional fees and office expenses. For the three-month period ended March 31, 2015, general and administrative expenses totalled $4.2 million ($3.6 million in 2014). This 17% increase reflects the Corporation's larger number of facilities in operation, larger number of employees and normal salary increases.

Prospective project expenses include the costs incurred for the development of Prospective Projects. They result from the number of Prospective Projects that the Corporation chooses to advance and the resources required to do so. For the three-month period ended March 31, 2015, prospective project expenses totalled $1.4 million ($1.1 million in 2014). This 26% increase is related mainly to the advancement of a number of prospective projects, to pursuing opportunities in new international markets and to the current request for proposals in Ontario.

Adjusted EBITDA

When evaluating its financial results, a key performance indicator for the Corporation is to measure Adjusted EBITDA, which is defined as revenues less operating expenses, general and administrative expenses and prospective project expenses. For the three-month period ended March 31, 2015, the Corporation recorded Adjusted EBITDA of $43.0 million, compared with $25.3 million for the same period last year. This 70% increase is due mainly to production levels well above the LTA during the quarter, compared with production levels well below the LTA for the same period last year, as well as to the contribution of the SM-1 hydroelectric facility acquired in June 2014. As a result, the Adjusted EBITDA Margin rose from 67.4% to 74.4%.

Finance Costs

Finance costs include interest on long-term debt and convertible debentures, inflation compensation interest, amortization of financing fees, amortization of the revaluation of long-term debt and convertible debentures, accretion expenses on other liabilities, and other finance costs. For the three-month period ended March 31, 2015, finance costs totalled $16.4 million ($19.7 million in 2014). This decrease is due mainly to negative inflation compensation interest on the real-return bonds of $3.6 million due to deflation during the period (positive inflation compensation interest of $0.2 million in 2014), which more than offset the increase in interest expenses resulting from higher levels of debt.

As at March 31, 2015, 95% of the Corporation's outstanding debt, including convertible debentures, was fixed or hedged against interest rate movements (95% as at March 31, 2014). The effective all-in interest rate on the Corporation's debt and convertible debentures was 5.21% as at March 31, 2015 (5.41% as at March 31, 2014). The decrease stems mainly from a lower interest rate on the real return bonds from negative inflation compensation interest, the addition of the SM-1 project debt, which bears a fixed interest rate of 3.30% following its adjustment to fair market value upon consolidation, the addition of the Tretheway Creek project debt, which bears a fixed interest rate of 4.99%, and the addition of the Boulder Creek and Upper Lillooet River project debts, which bear a weighted average fixed interest rate of 4.36%. These items were partly offset by the addition of the debenture on the SM-1 facility, which bears a fixed interest rate of 8.00%.

Other Net Expenses (Revenues)

Other net expenses or revenues include transaction costs, realized losses on derivative financial instruments, realized losses on foreign exchange, and other net revenues. For the three-month period ended March 31, 2015, the Corporation recorded other net expenses of $68.4 million (other net revenues of $0.2 million in 2014). The change stems mainly from the realized loss on derivative financial instruments of $68.0 million related to the settlement of the Boulder Creek and Upper Lillooet River bond forward contracts concurrently with the closing of the long-term financing for these projects. This loss is a result of a decrease in benchmark interest rates between the date the bond forwards were entered into (between September and December 2013) and the settlement date (March 17, 2015) and will be compensated for by a lower-than-expected weighted average fixed interest rate of 4.36% for the 25- to 40-year term loans. In addition, this loss was funded with proceeds from the project financing.

Depreciation and Amortization

For the three-month period ended March 31, 2015, depreciation and amortization expenses totalled $18.8 million ($18.8 million in 2014).

Share of Loss of Joint Ventures

For the three-month period ended March 31, 2015, the Corporation recorded a share of loss of joint ventures of $1.1 million ($1.0 million in 2014). Please refer to the "Investments in Joint Ventures" section for more information.

Derivative Financial Instruments

The Corporation uses derivative financial instruments to manage its exposure to the risk of rising interest rates on its existing and upcoming debt financing and its exposure to the risk of rising foreign currencies on its equipment purchases (“Derivatives”), thereby protecting the economic value of its projects. Innergex also has derivative financial instruments embedded in some of its PPAs (the minimum 3% inflation clause applied to the selling price). The Corporation does not own or issue financial instruments for speculative purposes. Since bond forwards are linked to long-term bonds and interest rate swaps are entered into for a term equal in length to the underlying debt amortization schedule, which can reach 30 years, a Derivative's fair market value can be very sensitive to quarter-to-quarter changes in long-term interest rates.

Since October 2014, the Corporation has used hedge accounting in the treatment of new derivative financial instruments in order to reduce the fluctuations in net earnings or losses resulting from unrealized gains or losses on these derivative financial instruments during a given period. Under hedge accounting, most of the unrealized gains or losses on Derivatives that arise from a decrease or increase in the benchmark interest rate will be recorded in other comprehensive income, while only the portion of the unrealized gain or loss related to the "ineffectiveness" of the Derivate will be recorded in net earnings.

For the three-month period ended March 31, 2015, the Corporation recognized an unrealized net gain on derivative financial instruments of $12.0 million due mainly to the reversal of the unrealized loss accrued to December 31, 2014 upon settlement of the bond forward contracts concurrently with the closing of the Boulder Creek and Upper Lillooet River project financing in March, which more than offset unrealized losses on derivative financial instruments resulting from the decrease in benchmark interest rates during the three-month period. For the corresponding period last year, Innergex recognized an unrealized net loss on derivative financial instruments of $36.0 million, due mainly to the decrease in benchmark interest rates since December 31, 2013.

For the three-month period ended March 31, 2015, the Corporation recognized a $3.7 million unrealized net loss on foreign exchange forward contracts, which are used to secure the exchange rate on planned equipment purchases for the Mesgi'g Ugju's'n wind project. These contracts will expire during 2015, which will result in a realized gain or loss on derivative financial instruments; this gain or loss will serve to offset higher or lower equipment costs for the project. The Corporation also has foreign exchange forward contracts embedded in the turbine supply agreement for an amount equivalent to offset the foreign exchange forward contracts.

In March 2015, the Corporation announced the closing of a $491.6 million financing and concurrently settled the corresponding bond forward contracts for the Boulder Creek and Upper Lillooet River hydroelectric projects. As at the date of this MD&A, the Corporation had entered into derivative financial instruments totalling $300.0 million; upon the closing of the remaining fixed-rate or interest-swapped long-term financings for the Big Silver Creek and Mesgi'g Ugju's'n projects, the Corporation will settle the corresponding derivative financial instruments, which will result in a realized gain or loss on derivative financial instruments. These gains or losses will serve to offset a higher or lower interest rate on the project-level debt. In the case of the Boulder Creek and Upper Lillooet River project debts, the realized net loss of $68.0 million will be offset by the lower weighted average fixed interest rate of 4.36% on the project debts. As at March 31, 2015, the Derivatives to be settled upon the closing of financing had a negative market value of $63.2 million.

Income Tax Expense

For the three-month period ended March 31, 2015, the Corporation recorded a current income tax expense of $0.8 million ($0.8 million in 2014) and a deferred income tax recovery of $12.8 million ($12.7 million in 2014). The deferred income tax recovery is due mainly to a $68.0 million realized loss on derivative financial instruments resulting from the settlement of the Boulder Creek and Upper Lillooet River bond forward contracts upon closing of the financing for these projects at the end of the quarter, partly offset by an unrealized net gain resulting from the reversal of the unrealized loss upon settlement of the Boulder Creek and Upper Lillooet River bond forward contracts. The deferred tax recovery for the same period last year is due mainly to an unrealized net loss on derivative financial instruments resulting from an decrease in benchmark interest rates.

Net Loss

For the three-month period ended March 31, 2015, the Corporation recorded a net loss of $37.8 million (basic and diluted net loss of $0.31 per share), compared with a net loss of $38.1 million (basic and diluted net loss of $0.30 per share) in 2014. It is attributable mainly to the $68.0 million realized loss on derivative financial instruments resulting from the settlement of the Boulder Creek and Upper Lillooet River bond forward contracts upon closing of the financing for these projects at the end of the quarter, partly offset by an unrealized net gain resulting from the reversal of the unrealized loss accrued to December 31, 2014, upon settlement of these bond forward contracts. The realized loss is a result of a decrease in benchmark interest rates between the date the bond forwards were entered into (between September and December 2013) and the settlement date (March 17, 2015); it will be compensated by a low weighted average fixed interest rate of 4.36% for the 25- to 40-year term loans, compared with a weighted average interest rate of approximately 5.66% that was set at the time of the hedge. In addition, this loss was funded with proceeds from the project financing. The recognition of a $38.1 million net loss for the same period last year is attributable to a $36.0 million unrealized net loss on derivative financial instruments resulting from an decrease in benchmark interest rates.

Main items contributing to the net loss for the three-month period ended March 31, 2015, compared with the net loss for the corresponding period in 2014		
Main items – Positive impact	Change	Explanation
Revenues	20,128	Due mainly to the increase in production resulting from above-average water flows in British Columbia and the contribution of the SM-1 hydroelectric facility acquired in June 2014.
Unrealized net gain on derivative financial instruments	48,015	Due mainly to the reversal of an unrealized loss upon the settlement of the Boulder Creek and Upper Lillooet River bond forward contracts, partly offset by unrealized net losses on derivative financial instruments resulting from a decrease in benchmark interest rates during the quarter, compared with an unrealized net loss on derivative financial instruments resulting from an decrease in benchmark interest rates for the same period last year.
Main items – Negative impact	Change	Explanation
Other net expenses (revenues)	68,587	Due mainly to a realized net loss on Derivatives of $68.0 million resulting from the settlement of the Boulder Creek and Upper Lillooet River bond forwards upon closing of the project financing during the first quarter of 2015.

Non-controlling Interests

Non-controlling interests are related to the six hydroelectric facilities of the Harrison Hydro Limited Partnership, the Creek Power Inc. subsidiaries, the Kwoiek Creek Resources Limited Partnership, the Mesgi'g Ugju's'n (MU) Wind Farm, L.P., the Magpie Limited Partnership, the Innergex Sainte-Marguerite S.E.C. entity and their respective general partners. For the three-month period ended March 31, 2015, the Corporation allocated loss of $8.7 million to non-controlling interests (loss of $10.7 million in 2014). Please refer to the "Non-Wholly Owned Subsidiaries" section for more information.

Number of Shares Outstanding

Weighted average number of common shares outstanding (000s)	Three months ended March 31	
	2015	2014
Weighted average number of common shares	100,905	95,827
Effect of dilutive elements on common shares[1]	1,110	163
Diluted weighted average number of common shares	102,015	95,990

1. For the three-month period ended March 31, 2015, none of the 3,425,684 stock options (1,243,000 of 3,073,684 in 2014) and none of the 7,472,113 shares that can be issued on conversion of convertible debentures (7,558,684 in 2014) were excluded from the calculation of the diluted weighted average number of shares outstanding as the exercise price was above the common shares' average market price.

As at March 31, 2015, the Corporation had a total of 101,061,184 common shares, 79,578 convertible debentures, 3,400,000 Series A Preferred Shares, 2,000,000 Series C Preferred Shares and 3,425,684 stock options outstanding. As at March 31, 2014, it had 95,860,979 common shares, 80,500 convertible debentures, 3,400,000 Series A Preferred Shares, 2,000,000 Series C Preferred Shares and 3,073,684 stock options outstanding. The increase in the number of common shares since March 31, 2014, is attributable mainly to the issuance of 4,027,051 shares following the SM-1 acquisition in June 2014, to the Dividend Reinvestment Plan ("DRIP"), and to the conversion of a portion of convertible debentures during the first quarter of 2015. The decrease in the number of convertible debentures during the quarter is due to the conversion of a portion of debentures at the request of holders.

As at the date of this MD&A, the Corporation had a total of 101,268,879 common shares, 79,578 convertible debentures, 3,400,000 Series A Preferred Shares, 2,000,000 Series C Preferred Shares and 3,425,684 stock options outstanding. The increase in the number of common shares since March 31, 2015, is attributable to the DRIP.

(in thousands of Canadian dollars, except as noted, and amounts per share)

LIQUIDITY AND CAPITAL RESOURCES

For the three-month period ended March 31, 2015, the Corporation used cash flows from operating activities of $47.4 million, compared with $5.3 million for the same period last year. During this period, the Corporation generated funds from financing activities of $145.1 million and used funds for investing activities of $98.6 million, mainly to pay for the construction of its Development Projects. As at March 31, 2015, the Corporation had cash and cash equivalents amounting to $53.9 million, compared with $54.6 million as at December 31, 2014.

Cash Flows from Operating Activities

For the three-month period ended March 31, 2015, cash flows used by operating activities totalled $47.4 million ($5.3 million in 2014). The change is attributable mainly to the $68.0 million realized loss on derivative financial instruments, which more than offset the increase in revenues.

Cash Flows from Financing Activities

For the three-month period ended March 31, 2015, cash flows generated by financing activities totalled $145.1 million ($9.6 million generated in 2014). The change is attributable mainly to a $164.0 million net increase in long-term debt, resulting mainly from the addition of the Boulder Creek and Upper Lillooet River project-level debts, partly offset by a $145.3 million refund on the revolving term credit facility using a portion of proceeds from these projects' debts.

Use of Financing Proceeds	Three months ended March 31	
	2015	2014
Proceeds from issuance of long-term debt	324,101	34,316
Repayment of long-term debt	(154,561)	(11,004)
Payment of deferred financing costs	(5,573)	(52)
Proceeds from exercise of share options	394	—
Generation of financing proceeds	164,361	23,260
Payment of other liabilities	—	(112)
(Increase) decrease in restricted cash and short-term investments	(41,156)	21,275
Net funds (invested into) withdrawn from the reserve accounts	(2,892)	738
Additions to property, plant and equipment	(53,428)	(25,449)
Additions to project development costs	(780)	(11,420)
Additions to other long-term assets	(367)	(625)
Net use of financing proceeds	(98,623)	(15,593)
Increase in working capital	65,738	7,667

In the three-month period ended March 31, 2015, the Corporation borrowed $324.1 million mainly to pay for construction of the Upper Lillooet River, Boulder Creek, and Big Silver Creek projects, the pre-construction development of the Mesgi'g Ugju's'n project and the $68.0 million realized loss on derivative financial instruments resulting from the settlement of the Boulder Creek and Upper Lillooet River bond forward contracts. It also increased restricted cash by $41.2 million, as the use of cash to pay for construction costs related to the Tretheway Creek, Boulder Creek and Upper Lillooet projects was more than offset by the addition of $73.4 million corresponding to the unused portion of proceeds of $259.1 million received to date from the Boulder Creek and Upper Lillooet project debts. During the corresponding period of 2014, the Corporation borrowed $34.3 million to pay for the construction of the Tretheway Creek, Boulder Creek and Upper Lillooet River projects and the pre-construction development of the Big Silver Creek and Mesgi'g Ugju's'n projects, and used $21.3 million in restricted cash mainly to pay accounts payable related to the Kwoiek Creek and Northwest Stave River facilities.

(in thousands of Canadian dollars, except as noted, and amounts per share)

Cash Flows from Investing Activities

For the three-month period ended March 31, 2015, cash flows used by investing activities amounted to $98.6 million ($15.5 million in 2014). During this period, additions to property, plant and equipment accounted for a $53.4 million outflow ($25.4 million outflow in 2014), an increase in restricted cash and short-term investments accounted for a $41.2 million outflow ($21.3 million inflow in 2014), investments in reserve accounts accounted for a $2.9 million outflow ($0.7 million inflow in 2014), and additions to project development costs accounted for a $0.8 million outflow ($11.4 million outflow in 2014).

Cash and Cash Equivalents

For the three-month period ended March 31, 2015, cash and cash equivalents decreased by $0.8 million (decreased by $11.1 million in 2014) as a net result of its operating, financing and investing activities. As at March 31, 2015, the Corporation had cash and cash equivalents amounting to $53.9 million ($54.6 million as at December 31, 2014).

DIVIDENDS

The following dividends were declared by the Corporation:

	Three months ended March 31	
	2015	2014
Dividends declared on common shares[1]	15,664	14,379
Dividends declared on common shares ($/share)[1]	0.1550	0.1500
Dividends declared on Series A Preferred Shares	1,063	1,063
Dividends declared on Series A Preferred Shares ($/share)	0.3125	0.3125
Dividends declared on Series C Preferred Shares	718	718
Dividends declared on Series C Preferred Shares ($/share)	0.359375	0.359375

1. On February 24, 2015, the Board of Directors increased the annual dividend from $0.60 to $0.62 per common share, payable quarterly. On June 20, 2014, the Corporation issued 4,027,051 new common shares to pay for the acquisition of the SM-1 hydroelectric facility.

The following dividends will be paid by the Corporation on July 15, 2015:

Date of announcement	Record date	Payment date	Dividend per common share ($)	Dividend per Series A Preferred Share ($)	Dividend per Series C Preferred Share ($)
05/13/2015	6/30/2015	7/15/2015	0.1550	0.3125	0.359375

FINANCIAL POSITION

As at March 31, 2015, the Corporation had $2,808 million in total assets, $2,304 million in total liabilities, including $1,807 million in long-term debt, and $505 million in shareholders' equity.

Also as at March 31, 2015, the Corporation had a working capital ratio of 1.21:1.00 (0.91:1.00 as at December 31, 2014). In addition to cash and cash equivalents amounting to $53.9 million, the Corporation had restricted cash and short-term investments of $127.0 million and reserve accounts of $44.3 million.

The explanations below highlight the most significant changes in statement of financial position items during the three-month period ended March 31, 2015.

Assets

Highlights of significant changes in total assets during the three-month period ended March 31, 2015

- A $40.4 million net increase in cash and cash equivalents and restricted cash and short-term investments, due mainly to the addition of a portion of the financing received from the Boulder Creek and Upper Lillooet River project-level debts, which more than offset the amounts drawn to pay for construction of the Tretheway Creek, Boulder Creek and Upper Lillooet River projects, as well as the Kwoiek Creek and Northwest Stave River facilities;
- A $1.3 million decrease in accounts receivable, as explained in the "Working Capital Items" section below;
- A $42.0 million increase in property, plant and equipment, due mainly to construction of the Tretheway Creek, Boulder Creek, Upper Lillooet River and Big Silver Creek projects, partly offset by depreciation and by a $6.6 million subsequent adjustment pertaining to purchase price allocation for the SM-1 hydroelectric facility out of property, plant and equipment and into intangible assets; and
- A $1.2 million increase in intangible assets, due mainly to a $6.6 million subsequent adjustment pertaining to purchase price allocation for the SM-1 hydroelectric facility into intangible assets from property, plant and equipment, partly offset by amortization.

Working Capital Items

As at March 31, 2015, working capital was positive at $39.6 million with a working capital ratio of 1.21:1.00. As at December 31, 2014, working capital was negative at $17.4 million with a working capital ratio of 0.91:1.00. The increase in the working capital ratio over this period is due to a $41.2 million increase in restricted cash and short-term investments and a $21.5 million decrease in the current liability portion of derivative financial instruments, which are explained separately below. These items were partly offset by a $9.1 million increase in accounts payable, also explained separately below.

The Corporation considers its current level of working capital to be sufficient to meet its needs. The Corporation can also use its $475.0 million revolving term credit facility if necessary. As at March 31, 2015, the Corporation had drawn $241.6 million and US$13.9 million as cash advances, while $40.8 million had been used for issuing letters of credit.

Restricted cash and short-term investments amounted to $127.0 million as at March 31, 2015, of which $5.9 million was related to the Harrison Hydro L.P., $2.2 million to the Kwoiek Creek loan, $0.7 million to the Northwest Stave River loan, $38.8 million to the Tretheway Creek loan and $79.3 million to the Boulder Creek and Upper Lillooet River loan (compared with $85.8 million as at December 31, 2014, of which $6.7 million was related to the Harrison Hydro L.P., $23.5 million to the Kwoiek Creek loan, $6.5 million to the Northwest Stave River loan and $49.1 million to the Tretheway Creek loan). The increase stems mainly from the addition of a portion of the financing from the Boulder Creek and Upper Lillooet River loans, which more than offset amounts drawn to pay for construction of the Tretheway Creek, Boulder Creek and Upper Lillooet River projects. The remainder of the Boulder Creek and Upper Lillooet River loans will be received in monthly installments.

Accounts receivable decreased from $35.3 million as at December 31, 2014, to $34.0 million as at March 31, 2015.

Accounts payable and other payables increased from $45.6 million as at December 31, 2014, to $54.7 million as at March 31, 2015, due mainly to construction activities related to the Tretheway Creek project as well as the Boulder Creek and Upper Lillooet River projects.

Derivative financial instruments included in current liabilities decreased from $104.1 million as at December 31, 2014, to $82.6 million as at March 31, 2015, due mainly to the decrease in bond forward contracts entered into to hedge the interest rate on future project-level financing for the Development Projects following the close of the Boulder Creek and Upper Lillooet River project financing, partly offset by the decrease in benchmark interest rates during the quarter. These short-term Derivatives will be financed upon closing of the long-term project-level debt for the Big Silver Creek and the Mesgi'g Ugju's'n projects in the coming months.

Reserve Accounts

Reserve accounts consist of a hydrology/wind reserve, established at the start of commercial operation at a facility to compensate for the variability of cash flows related to fluctuations in hydrology or wind regime and to other unpredictable events, and a major maintenance reserve, established in order to prefund any major plant repairs that may be required to maintain the Corporation's generating capacity. The Corporation had $43.6 million in long-term reserve accounts as at March 31, 2015, compared with $40.7 million as at December 31, 2014. The increase stems mainly from the reserves for the Kwoiek Creek facility put in place during the quarter.

The availability of funds in the hydrology/wind and major maintenance reserve accounts may be restricted by credit agreements.

Property, Plant and Equipment

Property, plant and equipment are comprised mainly of hydroelectric facilities, wind farms and a solar farm that are either in operation or under construction. They are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. The Corporation had $1,938 million in property, plant and equipment as at March 31, 2015, compared with $1,896 million as at December 31, 2014. The increase stems mainly from construction of the Tretheway Creek, Boulder Creek, Upper Lillooet River and Big Silver Creek projects, partly offset by depreciation and by a $6.6 million subsequent adjustment pertaining to purchase price allocation for the SM-1 hydroelectric facility out of property, plant and equipment into intangible assets.

Intangible Assets

Intangible assets consist of various power purchase agreements, permits and licenses. They also include the extended warranty for the Montagne Sèche and Gros-Morne wind farm turbines. The Corporation had $488.5 million in intangible assets as at March 31, 2015, compared with $487.3 million as at December 31, 2014. The increase is due mainly to a $6.6 million subsequent adjustment pertaining to purchase price allocation for the SM-1 hydroelectric facility into intangible assets from property, plant and equipment, partly offset by amortization.

Project Development Costs

Project development costs are the costs to acquire and develop Development Projects and to acquire Prospective Projects. Depending on their nature, these costs are transferred either to property, plant and equipment or to intangible assets once the project reaches the construction phase. The Corporation had $61.7 million in project development costs as at March 31, 2015, compared with $61.0 million as at December 31, 2014. The increase stems from pre-construction activities of the Mesgi'g Ugju's'n wind project.

Investments in Joint Ventures

Investments in joint ventures represent the Corporation's ownership portion of joint ventures, which are accounted for using the equity method. As at March 31, 2015, the Corporation had $12.4 million in investments in joint ventures, compared with $14.5 million as at December 31, 2014. This $2.1 million decrease reflects the recognition of $1.1 million in net losses and a $1.0 million distribution made at the joint venture level during the quarter. Please refer to the "Investments in Joint Ventures" section for more information.

Liabilities and Shareholders' Equity

Derivative Financial Instruments and Risk Management

The Corporation uses derivative financial instruments to manage its exposure to the risk of increasing interest rates on its debt financing and its exposure to the risk of rising foreign currencies on its equipment purchases. The Corporation does not own or issue any Derivatives for speculation purposes. Since October 2014, the Corporation has used hedge accounting in the treatment of new derivative financial instruments to reduce fluctuations in net earnings or losses resulting from unrealized gains or losses on these derivative financial instruments during a given period. Under hedge accounting, most of the unrealized gains or losses on Derivatives that arise from a decrease or increase in the benchmark interest rate will be recorded in other comprehensive income, while only the portion of the unrealized gain or loss related to the "ineffectiveness" of the Derivative will be recorded in net earnings.

Interest rate swap contracts allow the Corporation to eliminate the risk of interest rate increases in actual floating-rate debts. These totalled $507.4 million as at March 31, 2015. Consequently, as at March 31, 2015, interest rate swaps related to outstanding debts combined with the $1,161 million in existing fixed-rate debts and $79.2 million in convertible debentures mean that 95% of outstanding debts are protected from interest rate increases.

Bond forward contracts allow the Corporation to eliminate the risk of interest rate increases in planned long-term debt that it will need to secure for its Development Projects. As at the date of this MD&A, the Corporation had entered into bond forward contracts totalling $300.0 million ($535.0 million as at December 31, 2014) for the Big Silver Creek and Mesgi'g Ugju's'n Development Projects. Upon closing each fixed-rate or interest-swapped long-term financing, the Corporation will settle the corresponding derivative financial instruments, which will result in a realized gain or loss on derivative financial instruments. These gains or losses will serve to offset a higher or lower interest rate on the project-level debt. In March 2015, the Corporation closed a $491.6 million financing for the Boulder Creek and Upper Lillooet River hydroelectric projects. The concurrent settlement of the Boulder Creek and Upper Lillooet River bond forward contracts gave rise to an $68.0 million realized loss on derivative financial instruments. This loss is a result of a decrease in benchmark interest rates between the date the bond forwards were entered into (between September and December 2013) and the settlement date (March 17, 2015) and will be compensated by the low weighted average fixed interest rate of 4.36% for these 25- to 40-year term loans. As at March 31, 2015, the Derivatives to be settled upon closing of the project financings had a negative market value of $63.2 million.

Foreign exchange forward contracts allow the Corporation to eliminate the risk of foreign exchange increases in planned equipment purchases for its Development Projects in currencies other than the Canadian dollar. As at the date of this MD&A, the Corporation had entered into euro foreign exchange forward contracts totalling $78.4 million ($78.4 million at December 31, 2014) to eliminate the risk of a euro appreciation versus the Canadian dollar on equipment purchases for the Mesgi'g Ugju's'n project. These contracts will mature in 2015, resulting in a realized gain or loss on derivative financial instruments that will serve to offset higher or lower equipment costs for the project. As at March 31, 2015, the foreign exchange contracts to be settled upon closing of the equipment purchases had a negative market value of $4.9 million.

Overall, Derivatives had a net negative value of $135.7 million at March 31, 2015 (negative $145.8 million at December 31, 2014). The decrease is due mainly to the settlement of the Boulder Creek and Upper Lillooet River bond forward contracts, partly offset by a decrease in benchmark interest rates since the end of 2014. These figures exclude the impact of Derivatives used to hedge loans of the Corporation's joint ventures. For information on the impact of derivative financial instruments used in the Corporation's joint ventures, please refer to the "Investments in Joint Ventures" section.

Accrual for Acquisition of Long-Term Assets

Accrual for acquisition of long-term assets consists of long-term debt commitments that have been secured and will be drawn to finance the Corporation's projects currently under construction or under development. As at March 31, 2015, accrual for acquisition of long-term assets totalled $26.0 million ($25.3 million as at December 31, 2014). The $0.7 million increase results mainly from expenses accruing for the Big Silver Creek project currently under construction.

Long-Term Debt

As at March 31, 2015, long-term debt totalled $1,807 million ($1,645 million as at December 31, 2014). The $162.2 million increase results mainly from the addition of the Boulder Creek and Upper Lillooet River debts in the amount of $259.1 million, out of the $491.6 million project financing closed on March 17 and from drawings under the revolving term credit facility to fund construction costs of the Big Silver Creek project and pre-construction development costs of the Mesgi'g Ugju's'n project until the project-level financing for each of these projects is secured and the revolving term credit facility can be paid down. This increase was partly offset by the scheduled repayment of project-level debts and the reduction of drawings under the revolving term credit facility using a portion of the proceeds of the Boulder Creek and Upper Lillooet River financing, to reimburse the excess equity invested in the projects by the Corporation.

Since the beginning of the 2015 fiscal year, the Corporation and its subsidiaries have met all the financial and non-financial conditions related to their credit agreements, trust indentures and PPAs. Were they not met, certain financial and non-financial covenants included in the credit agreements or trust indentures entered into by various subsidiaries of the Corporation could limit the capacity of these subsidiaries to transfer funds to the Corporation. These restrictions could have a negative impact on the Corporation's ability to meet its obligations.

Shareholders' Equity

As at March 31, 2015, the Corporation's shareholders' equity totalled $504.6 million, including $33.5 million of non-controlling interests, compared with $562.2 million, including $47.4 million of non-controlling interests, as at December 31, 2014. This $57.6 million decrease in total shareholders' equity is attributable mainly to the recognition of a $37.8 million net loss and to dividends declared on preferred and common shares of $17.4 million.

Off-Balance-Sheet Arrangements

As at March 31, 2015, the Corporation had issued letters of credit totalling $53.0 million to meet its obligations under its various PPAs and other agreements. Of this amount, $40.8 million was issued under its revolving term credit facility, for the most part on a temporary basis during the construction of the Development Projects, and the remainder was issued under the projects' non-recourse credit facilities. As at that date, Innergex had also issued a total of $11.0 million in corporate guarantees used mainly to support the performance of the Brown Lake hydroelectric facility.

(in thousands of Canadian dollars, except as noted, and amounts per share)

FREE CASH FLOW AND PAYOUT RATIO

Free Cash Flow

When evaluating its operating results, a key performance indicator for the Corporation is the cash flows available for distribution to common shareholders and for reinvestment to fund the Corporation's growth. Free Cash Flow is a non-IFRS measure that the Corporation calculates as cash flows from operating activities before changes in non-cash operating working capital items, less maintenance capital expenditures net of proceeds from disposals, scheduled debt principal payments and preferred share dividends declared. It also subtracts the portion of Free Cash Flow attributed to non-controlling interests regardless of whether an actual distribution to non-controlling interests is made in order to reflect the fact that such distribution may not occur in the period the Free Cash Flow is generated, and adds back cash receipts by the Harrison Hydro L.P. for the wheeling services to be provided to other facilities owned by the Corporation over the course of their PPAs. The Corporation also adjusts for other elements that represent cash inflows or outflows that are not representative of the Corporation's long-term cash generating capacity. Such adjustments include adding back transaction costs related to realized acquisitions (which are financed at the time of the acquisition) and adding back realized losses or subtracting realized gains on derivative financial instruments used to hedge the interest rate on project-level debt prior to securing such debt.

Free Cash Flow and Payout Ratio calculation	Trailing 12 months ended March 31		
	2015	2014	2013
Cash flows from operating activities	45,580	104,817	78,873
Add (Subtract) the following items:			
Changes in non-cash operating working capital items	7,058	(21,709)	(8,308)
Maintenance capital expenditures net of proceeds from disposals	(2,871)	(2,676)	(2,788)
Scheduled debt principal payments	(30,294)	(26,995)	(21,526)
Free Cash Flow attributed to non-controlling interests[1]	(9,162)	(5,195)	(5,160)
Dividends declared on Preferred shares	(7,125)	(7,126)	(5,235)
Cash receipt for wheeling services to be provided by the Harrison Hydro L.P. to other facilities[2]	2,092	4,916	—
Adjust for the following elements:			
Transaction costs related to realized acquisitions	521	499	2,275
Realized losses on derivative financial instruments	76,413	3,259	14,127
Free Cash Flow	82,212	49,790	52,258
Dividends declared on common shares	60,834	55,721	52,532
Payout Ratio - before the impact of the DRIP	74%	112%	101%
Dividends declared on common shares and paid in cash[3]	49,689	38,526	46,576
Payout Ratio - after the impact of the DRIP	60%	77%	89%

1. The portion of Free Cash Flow attributed to non-controlling interests is subtracted, regardless of whether or not an actual distribution to non-controlling interests is made, in order to reflect the fact that such distributions may not occur in the period they are generated.
2. The $2.1 million and $4.9 million represent cash receipts by the Harrison Hydro L.P. for the wheeling services to be provided to the Tretheway Creek and Northwest Stave River facilities respectively, 49.99% of which was included in the Free Cash Flow attributed to non-controlling interests.
3. Represents dividends declared on common shares outstanding that were not registered in the DRIP at the time of the declaration; the dividends declared on common shares registered in the DRIP were paid in common shares.

For the trailing 12 months ended March 31, 2015, the Corporation generated Free Cash Flow of $82.2 million, compared with $49.8 million for the same period last year. This increase is due mainly to greater cash flows from operating activities before changes in non-cash operating working capital items and realized losses on derivative financial instruments, partly offset by greater scheduled debt principal payments.

Payout Ratio

The Payout Ratio represents the dividends declared on common shares divided by Free Cash Flow. The Corporation believes it is a measure of its ability to sustain current dividends and dividend increases as well as its ability to fund its growth.

For the trailing 12 months ended March 31, 2015, the dividends on common shares declared by the Corporation corresponded to 74% of Free Cash Flow, compared with 112% for the corresponding prior 12-month period. This positive change is due mainly to the increase in Free Cash Flow explained above, which more than offset the increase in dividends resulting from the higher number of common shares outstanding by virtue of the DRIP, the issuance of 4,027,051 common shares of the Corporation in June 2014 to pay for the acquisition of the SM-1 hydroelectric facility and the conversion of a portion of convertible debentures.

The Payout Ratio reflects the Corporation's decision to invest each year in advancing the development of its Prospective Projects, which investments must be expensed as incurred. The Corporation considers such investments essential to its long-term growth and success, as it believes that the greenfield development of renewable energy projects offers the greatest potential internal rates of return and represents the most efficient use of management's expertise and value-added skills. For the trailing 12 months ended March 31, 2015, the Corporation incurred prospective project expenses of $6.0 million, compared with $4.4 million for the corresponding prior period. This 34% increase is attributable mainly to the recent request for proposals in Quebec and the current request for proposals in Ontario, to the advancement of a number of prospective projects and to pursuing opportunities in new international markets. Excluding these discretionary expenses, the Corporation's Payout Ratio would be approximately five percentage points lower for the trailing 12 months ended March 31, 2015, and approximately nine percentage points lower for the corresponding prior period.

Furthermore, the Corporation does not expect to require additional equity in order to complete its current five Development Projects, given the anticipated increase in cash flows from operations once these projects have been commissioned, the project-level financing that the Corporation intends to secure for these projects and the additional equity provided by the DRIP.

SEGMENT INFORMATION

Geographic Segments

As at March 31, 2015, the Corporation had interests in 25 hydroelectric facilities, six wind farms and one solar farm in Canada and one hydroelectric facility in the United States. For the three-month period ended March 31, 2015, the revenues generated by the Horseshoe Bend hydroelectric facility in the United States totalled $0.7 million ($0.4 million in 2014), corresponding to a contribution of 1.2% (1.0% in 2014) to the Corporation's consolidated revenues for this period. The increase is due mainly to improved water flows and higher selling prices expressed in Canadian dollars, compared with the same period last year.

Operating Segments

As at March 31, 2015, the Corporation had four operating segments: hydroelectric generation, wind power generation, solar power generation and site development.

Through its hydroelectric, wind power and solar power generation segments, the Corporation sells electricity produced by its hydroelectric, wind and solar facilities to publicly owned utilities or other creditworthy counterparties. Through its site development segment, Innergex analyzes potential sites and develops hydroelectric, wind and solar facilities up to the commissioning stage.

The accounting policies for these segments are the same as those described in the “Significant Accounting Policies” section of the Corporation's audited consolidated financial statements for the year ended December 31, 2014. The Corporation evaluates performance based on Adjusted EBITDA and accounts for inter-segment and management sales at cost. Any transfers of assets from the site development segment to the hydroelectric, wind or solar power generation segments are accounted for at cost.

The operations of the Corporation's operating segments are conducted by different teams, as each segment has different skill requirements.

(in thousands of Canadian dollars, except as noted, and amounts per share)

SUMMARY OPERATING RESULTS Three months ended March 31, 2015	Hydroelectric Generation	Wind Power Generation	Solar Power Generation	Site Development	Total
Power generated (MWh)	438,291	213,303	6,833	—	658,427
Revenues	37,764	17,093	2,870	—	57,727
Expenses:					
Operating expenses	6,799	2,235	213	—	9,247
General and administrative expenses	2,398	934	43	797	4,172
Prospective project expenses	—	—	—	1,353	1,353
Adjusted EBITDA	28,567	13,924	2,614	(2,150)	42,955
Three months ended March 31, 2014					
Power generated (MWh)	186,569	223,226	7,414	—	417,209
Revenues	16,718	17,767	3,114	—	37,599
Expenses:					
Operating expenses	5,060	2,270	315	—	7,645
General and administrative expenses	2,155	881	83	435	3,554
Prospective project expenses	—	—	—	1,071	1,071
Adjusted EBITDA	9,503	14,616	2,716	(1,506)	25,329

SUMMARY BALANCE SHEET As at March 31, 2015	Hydroelectric Generation	Wind Power Generation	Solar Power Generation	Site Development	Total
Goodwill	8,269	—	—	—	8,269
Total assets	1,715,955	351,011	119,689	621,832	2,808,487
Total liabilities	1,231,663	232,695	113,416	726,114	2,303,888
Acquisition of property, plant and equipment during the period	509	118	—	60,744	61,371
As at December 31, 2014					
Goodwill	8,269	—	—	—	8,269
Total assets	1,752,495	352,723	120,957	489,840	2,716,015
Total liabilities	1,241,530	238,450	111,814	561,996	2,153,790
Acquisition of property, plant and equipment during the year	123,185	549	161	223,405	347,300

Hydroelectric Generation Segment

For the three-month period ended March 31, 2015, this segment produced 136% of the LTA and generated revenues of $37.8 million, compared with production at 67% of the LTA and revenues of $16.7 million for the same period last year. The production increase is due to above-average water flows in British Columbia, which more than offset below-average water flows in Quebec and Ontario. The revenue increase of 126% stems mainly from production exceeding the LTA and from the contribution of the SM-1 facility acquired in June 2014, compared with production below the LTA for the same period last year.

The decrease in total assets since December 31, 2014, is attributable mainly to depreciation of property, plant and equipment and amortization of intangible assets.

The decrease in total liabilities since December 31, 2014, is attributable mainly to the scheduled repayment of long-term debt.

Wind Power Generation Segment

For the three-month period ended March 31, 2015, this segment produced 100% of the LTA and generated revenues of $17.1 million, compared with production at 105% of the LTA and revenues of $17.8 million for the same period last year. This level of production stems mainly from wind regimes in line with the average. The relatively stable revenues stems mainly from production levels and prices that were similar to those for the same period last year.

The decrease in total assets since December 31, 2014, is attributable mainly to depreciation of property, plant and equipment and amortization of intangible assets.

The decrease in total liabilities since December 31, 2014, is attributable mainly to the scheduled repayment of long-term debt.

Solar Power Generation Segment

For the three-month period ended March 31, 2015, this segment produced 94% of the LTA and generated revenues of $2.9 million, compared with production at 101% of the LTA and revenues of $3.1 million for the same period last year. This production level stems from below-average solar regimes during the first quarter as well as snow accumulation on the panels at times. The decrease in revenues stem mainly from lower production levels than for the same period last year.

The decrease in total assets since December 31, 2014, results mainly from depreciation of property, plant and equipment and from amortization of intangible assets.

The increase in total liabilities since December 31, 2014, results mainly from the increase in derivative financial instrument liabilities attributable to a decrease in benchmark interest rates during the period.

Site Development Segment

For the three-month period ended March 31, 2015, site development expenses were $2.2 million, compared with $1.5 million in 2014. The increase is due mainly to prospective project expenses incurred for the advancement of a number of prospective projects and the current request for proposals in Ontario and to pursuing opportunities in new international markets.

The increase in total assets since December 31, 2014, is attributable mainly to payments made for costs incurred for the construction of the Upper Lillooet River, Boulder Creek, Tretheway Creek and Big Silver Creek projects and pre-construction activities of the Mesgi'g Ugju's'n project and to the increase in restricted cash from the addition of a portion of the financing received from the Boulder Creek and Upper Lillooet River project-level debts.

The increase in total liabilities since December 31, 2014, is attributable mainly to the addition of a portion of the Boulder Creek and Upper Lillooet River project financing and to drawings on the revolving term credit facility to pay for construction activities on the Big Silver Creek project, partly offset by refunds on the revolving term credit facility using a portion of the proceeds of the Boulder Creek and Upper Lillooet River project-level debts, to reimburse the excess equity invested in the projects by the Corporation.

QUARTERLY FINANCIAL INFORMATION

	Three months ended			
(in millions of dollars, unless otherwise stated)	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014
Power generated (MWh)	658,427	819,903	826,617	898,722
Revenues	57.7	68.2	66.4	69.6
Adjusted EBITDA	43.0	48.7	51.7	53.8
Unrealized net gain (loss) on derivative financial instruments	12.0	(49.6)	(6.9)	(29.1)
Net loss	(37.8)	(27.6)	(4.5)	(14.2)
Net loss attributable to owners of the parent	(29.1)	(18.9)	(0.7)	(7.8)
Net loss attributable to owners of the parent ($ per share – basic and diluted)	(0.31)	(0.21)	(0.02)	(0.10)
Dividends declared on preferred shares	1.8	1.8	1.8	1.8
Dividends declared on common shares	15.7	15.1	15.1	15.0
Dividends declared on common shares, $ per share	0.155	0.150	0.150	0.150

	Three months ended			
(in millions of dollars, unless otherwise stated)	Mar. 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013
Power generated (MWh)	417,209	496,613	706,495	792,541
Revenues	37.6	41.4	58.0	63.2
Adjusted EBITDA	25.3	25.6	46.7	51.3
Unrealized net (loss) gain on derivative financial instruments	(36.0)	11.7	2.4	27.3
Net (loss) earnings	(38.1)	3.4	11.1	31.0
Net (loss) earnings attributable to owners of the parent	(27.4)	6.3	10.8	28.3
Net (loss) earnings attributable to owners of the parent ($ per share – basic and diluted)	(0.30)	0.05	0.09	0.28
Dividends declared on preferred shares	1.8	1.8	1.8	1.8
Dividends declared on common shares	14.4	13.9	13.8	13.7
Dividends declared on common shares, $ per share	0.150	0.145	0.145	0.145

Comparing the results for the most recent quarters illustrates the seasonality that is characteristic of the Corporation's production and the variability of power generated, revenues and Adjusted EBITDA from quarter to quarter. As the Corporation's annualized consolidated LTA is 77% hydroelectric, this seasonality can be explained by water flows that are normally at their highest in the second quarter due to the snow melt season and at their lowest in the first quarter due to the cold temperatures, which limit precipitation in the form of rain. However, premiums for the electricity generated during the coldest months of the year included in some PPAs of the Corporation's hydroelectric facilities attenuate this seasonality. Wind regimes are generally best in the first quarter, while solar irradiation is at its highest during the summer months and at its lowest during the winter months.

Readers may expect the net earnings or losses to reflect this seasonality characteristic of run-of-river hydroelectric facilities, wind farms and solar farms. However, other factors also influence these figures, some of which have a relatively stable quarter-to-quarter impact while others are more variable. For the Corporation, the factor responsible for the largest fluctuations in net earnings (loss) is the change in the market value of derivative financial instruments. Historical analysis of net earnings (loss) should therefore take this factor into account. It is important to bear in mind that changes in the market value of derivative financial instruments result from interest rate fluctuations and do not have an impact on the Corporation's Adjusted EBITDA, finance costs, cash flows from operating activities, Free Cash Flow and Payout Ratio.

(in thousands of Canadian dollars, except as noted, and amounts per share)

INVESTMENTS IN JOINT VENTURES

The Corporation's material joint ventures at the end of the reporting period were Umbata Falls Limited Partnership ("Umbata Falls, L.P.") (49% interest) and Parc éolien communautaire Viger-Denonville, s.e.c. (Viger-Denonville, L.P.) (50% interest). A summary of the electricity production and financial information for the Corporation's material joint ventures is presented below. The summarized financial information corresponds to amounts shown in the joint ventures' financial statements prepared in accordance with IFRS.

Electricity Production

Three months ended March 31	2015				2014			
	Production (MWh)[1]	LTA (MWh)[1]	Production as a % of LTA	Average price ($/MWh)[2]	Production (MWh)[1]	LTA (MWh)[1]	Production as a % of LTA	Average price ($/MWh)[2]
Umbata Falls	22,102	16,927	131%	84.77	18,773	16,927	111%	83.77
Viger-Denonville	25,451	20,300	125%	149.13	23,285	20,300	115%	148.55

1. Corresponds to 100% of the facility's electricity production and LTA.
2. Including payments received from the ecoENERGY Initiative for Umbata Falls.

Umbata Falls, L.P.

Summary Statements of Earnings and Comprehensive Income – Umbata Falls, L.P.

	Three months ended March 31 2015	2014
Revenues	1,873	1,573
Operating and general and administrative expenses	175	191
Adjusted EBITDA	1,698	1,382
Finance costs	593	611
Other net revenues	(8)	(12)
Depreciation and amortization	1,008	1,003
Unrealized net loss on derivative financial instruments	1,999	1,500
Net loss and comprehensive loss	(1,894)	(1,720)

For the three-month period ended March 31, 2015, production was 131% of the LTA. The net loss for both periods is attributable to an unrealized net loss on derivative financial instruments resulting from the decrease in benchmark interest rates during each period.

Summary Statements of Financial Position – Umbata Falls, L.P.

As at	March 31, 2015	December 31, 2014
Current assets	5,058	4,229
Non-current assets	71,125	72,116
Current liabilities	3,011	46,824
Non-current liabilities	51,294	5,749
Partners' equity	21,878	23,772

The reduction in partners' equity stems from the net loss generated for the three-month period. The decrease in current liabilities and corresponding increase in non-current liabilities result from the successful refinancing of the facility on March 30, 2015, with a $46.0 million term loan maturing in 2020 and amortized over an 18-year period ending in 2033. The loan bears interest at the bankers' acceptance rate plus an applicable credit margin. As at March 31, 2015, the loan beared interest at an effective rate of 5.5%. Umbata Falls, L.P. uses a derivative financial instrument to manage its exposure to the risk of increasing interest rates on its debt financing and does not own or issue any Derivatives for speculation purposes. An interest-rate swap totalling $45.2 million used to hedge the interest rate on the Umbata Falls loan had a net negative value of $8.9 million at March 31, 2015 (negative $6.9 million at December 31, 2014).

(in thousands of Canadian dollars, except as noted, and amounts per share)

Viger-Denonville, L.P.

Summary Statements of Earnings and Comprehensive Income – Viger-Denonville, L.P.

	Three months ended March 31	
	2015	2014
Revenues	3,796	3,459
Operating and general and administrative expenses	489	541
Adjusted EBITDA	3,307	2,918
Finance costs	921	839
Other net revenues	(18)	(6)
Depreciation and amortization	730	835
Unrealized net loss on derivative financial instruments	2,107	1,557
Net loss and comprehensive loss	(433)	(307)

For the three-month period ended March 31, 2015, production was 125% of the LTA. The net loss for both periods is attributable to an unrealized net loss on derivative financial instruments resulting from the decrease in benchmark interest rates during each period.

Summary Statements of Financial Position – Viger-Denonville, L.P.

As at	March 31, 2015	December 31, 2014
Current assets	5,629	5,960
Non-current assets	61,550	62,452
Current liabilities	6,854	4,002
Non-current liabilities	56,936	58,588
Partners' equity	3,389	5,822

The reduction in partners' equity stems mainly from a distribution of $2.0 million and the recognition of a net loss during the three-month period. In addition, Viger-Denonville, L.P. uses a derivative financial instrument to manage its exposure to the risk of increasing interest rates on its debt financing and does not own or issue any Derivatives for speculation purposes. An interest-rate swap totalling $55.7 million used to hedge the interest rate of the Viger-Denonville loan had a net negative value of $6.8 million at March 31, 2015 (negative $4.7 million at December 31, 2014).

(in thousands of Canadian dollars, except as noted, and amounts per share)

NON-WHOLLY OWNED SUBSIDIARIES

Summarized financial information regarding each of the Corporation's subsidiaries that has material non-controlling interests is set out below. Amounts are shown before intragroup eliminations.

Harrison Hydro Limited Partnership ("Harrison Hydro L.P.") and Its Subsidiaries

The Corporation owns a 50.01% interest in Harrison Hydro Limited Partnership, which has interests in six hydroelectric facilities: Douglas Creek, Fire Creek, Lamont Creek, Stokke Creek, Tipella Creek and Upper Stave River.

Summary Statements of Earnings and Comprehensive Income – Harrison Hydro L.P.

	Three months ended March 31	
	2015	2014
Revenues	13,318	4,398
Adjusted EBITDA	10,906	2,204
Net earnings (loss) and comprehensive income (loss)	4,735	(8,572)
Net earnings (loss) and comprehensive income (loss) attributable to:		
Owners of the parent	2,225	(4,428)
Non-controlling interests	2,510	(4,144)
	4,735	(8,572)

For the three-month period ended March 31, 2015, the increase in revenues, Adjusted EBITDA and net earnings is due mainly to production levels that were higher than for the same period last year and also higher than the LTA , compared with production below the LTA last year. The net earnings generated are also attributable to negative inflation compensation interest on the real return bonds of $3.6 million for the three-month period (compared with positive inflation compensation interest of $0.2 million in 2014) as a result of deflation.

Summary Statements of Financial Position – Harrison Hydro L.P.

As at	March 31, 2015	December 31, 2014
Current assets	18,056	31,079
Non-current assets	642,977	646,421
Current liabilities	13,544	19,582
Non-current liabilities	457,944	462,609
Equity attributable to owners	115,300	118,325
Non-controlling interests	74,245	76,984

The decrease in equity attributable to owners is due mainly to a distribution to the Corporation and its partners of $10.5 million, partly offset by the recognition of net earnings during the three-month period.

(in thousands of Canadian dollars, except as noted, and amounts per share)

Creek Power Inc. and Its Subsidiaries

The Corporation owns a 66 2/3% interest in Creek Power Inc., which has interests in the Fitzsimmons Creek hydroelectric facility and the Upper Lillooet River and Boulder Creek Development Projects. For more information on these projects, please refer to the "Development Projects" sections.

Summary Statements of Earnings and Comprehensive Income – Creek Power Inc.

	Three months ended March 31	
	2015	2014
Revenues	604	3
Adjusted EBITDA	187	(489)
Net loss and comprehensive loss	(15,768)	(13,498)
Net loss and comprehensive loss attributable to:		
Owners of the parent	(10,517)	(8,994)
Non-controlling interest	(5,251)	(4,504)
	(15,768)	(13,498)

For the three-month period ended March 31, 2015, the net loss is due mainly to a realized loss on derivative financial instruments resulting from the settlement of the Boulder Creek and Upper Lillooet River bond forward contracts upon closing of these projects' financing on March 17, partly offset by an unrealized gain on derivative financial instruments resulting from the reversal of unrealized losses accumulated at December 31, 2014, upon settlement of these bond forward contracts. For the same period last year, the net loss was due mainly to an unrealized net loss on derivative financial instruments resulting from an decrease in benchmark interest rates.

Summary Statements of Financial Position – Creek Power Inc.

As at	March 31, 2015	December 31, 2014
Current assets	82,297	8,707
Non-current assets	239,722	218,832
Current liabilities	19,173	78,882
Non-current liabilities	374,341	204,384
Deficit attributable to owners	(51,448)	(40,931)
Non-controlling interest (deficit)	(20,047)	(14,796)

The increase in non-current assets is due mainly to construction spending for the Upper Lillooet River and Boulder Creek projects. The increase in current assets is due mainly to the increase in restricted cash from the unused proceeds of the project financing closed on March 17. The decrease in current liabilities is due to the settlement of the bond forward contracts explained below. The greater deficit attributable to owners and negative value of non-controlling interest are due mainly to the recognition of a net loss for the three-month period.

On March 17, 2015, the Corporation announced the closing of a $491.6 million non-recourse construction and term project financing, comprising three tranches and carrying interest rates of 4.22% and 4.46% (weighted average fixed rate of 4.36%). Concurrent with the closing of the financing, the Corporation settled the bond forward contracts used to hedge the interest rate prior to the close of the financing in order to protect the expected returns on the projects, giving rise to a $68.0 million realized loss on derivative financial instruments. This is equivalent to a fixed interest rate of approximately 5.66% on the loans and well within the parameters of the economic model for these projects. As at March 31, 2015, proceeds of $259.1 million out of the $491.6 million project financing had been received.

(in thousands of Canadian dollars, except as noted, and amounts per share)

Kwoiek Creek Resources Limited Partnership

The Corporation owns a 50.0% interest in Kwoiek Creek Resources Limited Partnership, which owns the Kwoiek Creek hydroelectric facility.

Summary Statements of Earnings and Comprehensive Income – Kwoiek Creek Resources Limited Partnership

	Three months ended March 31	
	2015	2014
Revenues	1,862	376
Adjusted EBITDA	1,092	(153)
Net loss and comprehensive loss	(3,295)	(3,924)
Net loss and comprehensive loss attributable to:		
Owners of the parent	(1,594)	(1,894)
Non-controlling interest	(1,702)	(2,030)
	(3,296)	(3,924)

For the three-month period ended March 31, 2015, the increase in revenues and Adjusted EBITDA is due mainly to production levels that were higher than for the same period last year and also higher than the LTA , compared with production below the LTA last year. The net loss is attributable mainly to the recording as an expense of the distributions on the preferred units held by the Corporation and the interest on the subordinated term loans held by the Corporation's partner.

Summary Statements of Financial Position – Kwoiek Creek Resources Limited Partnership

As at	March 31, 2015	December 31, 2014
Current assets	23,927	28,098
Non-current assets	179,790	177,749
Current liabilities	9,540	8,362
Non-current liabilities	213,386	213,399
Deficit attributable to owners	(9,521)	(7,928)
Non-controlling interests deficit	(9,688)	(7,986)

The greater deficit attributable to owners and non-controlling interests deficit are due mainly to the recognition of a net loss for the three-month period.

(in thousands of Canadian dollars, except as noted, and amounts per share)

Mesgi'g Ugju's'n (MU) Wind Farm, L.P. ("Mesgi'g Ugju's'n")

The Corporation owns a 50% interest in Mesgi'g Ugju's'n (MU) Wind Farm, L.P., which owns the Mesgi'g Ugju's'n wind project. For more information on this project, please refer to the "Development Projects" section. The Mesgi'g Ugju's'n subsidiary began operating on March 21, 2014.

Summary Statement of Earnings and Comprehensive Income – Mesgi'g Ugju's'n

	Three months ended March 31	
	2015	(since March 21) 2014
Revenues	—	—
Adjusted EBITDA	(1)	—
Net (loss) earnings and comprehensive (loss) income	(11,631)	121
Net (loss) earnings and comprehensive (loss) income attributable to:		
Owners of the parent	(7,346)	121
Non-controlling interest	(4,285)	—
	(11,631)	121

For the three-month period ended March 31, 2015, the recognition of a net loss is due mainly to an unrealized net loss on derivative financial instruments resulting from the decrease in benchmark interest rates since the beginning of the period. Derivative financial instruments in the form of bond forward contracts are used to fix the interest rate on the Mesgi'g Ugju's'n project-level financing until closing of this financing.

Summary Statement of Financial Position – Mesgi'g Ugju's'n

As at	March 31, 2015	December 31, 2014
Current assets	7,600	4,907
Non-current assets	12,775	11,807
Current liabilities	36,762	21,688
Non-current liabilities	1,358	1,140
Deficit attributable to owners	(8,201)	(855)
Non-controlling interest deficit	(9,544)	(5,259)

Current liabilities reflect the derivative financial instruments entered into to fix the interest rate on the Mesgi'g Ugju's'n project-level financing until closing of this financing. The greater deficit attributable to owners and non-controlling interest deficit are due to the recognition of a net loss during the three-month period.

(in thousands of Canadian dollars, except as noted, and amounts per share)

Innergex Sainte-Marguerite, S.E.C. ("SM-1 L.P.")

Since June 20, 2014, the Corporation owns 50.01% of the common units and all of the preferred units of SM-1 L.P., which owns the SM-1 hydroelectric facility.

Summary Statements of Earnings and Comprehensive Income – SM-1 L.P.

	Three months ended March 31	
	2015	2014
Revenues	3,868	—
Adjusted EBITDA	3,128	—
Net earnings and comprehensive income	124	—
Net earnings and comprehensive income attributable to:		
Owners of the parent	62	—
Non-controlling interest	62	—
	124	—

For the three-month period ended March 31, 2015, revenues and Adjusted EBITDA reflect the operations of the SM-1 hydroelectric facility acquired in June 2014.

Summary Statements of Financial Position – SM-1 L.P.

As at	March 31, 2015	December 31, 2014
Current assets	2,537	2,286
Non-current assets	137,534	138,217
Current liabilities	5,739	6,283
Non-current liabilities	120,473	120,485
Equity attributable to owners	15,173	15,111
Non-controlling interests deficit	(1,314)	(1,376)

ACCOUNTING CHANGES

New and revised IFRS issued but not yet effective

IAS 1 - Presentation of Financial Statements

The IASB issued Disclosure Initiative (Amendments to IAS 1), which addressed concerns expressed about some of the existing presentation and disclosure requirements in IAS 1 and ensured that entities are able to use judgement when applying those requirements. In addition, the amendments clarified the requirements in other comprehensive income. Those amendments must be applied for annual periods beginning on or after January 1, 2016 with early adoption permitted. The Corporation is currently assessing the impact of those amendments on its consolidated financial statements.

IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation and amortization

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue;

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016. The Corporation is currently assessing the impact of those amendments on its consolidated financial statements.

SUBSEQUENT EVENTS

Signing of 50-50 Partnership With The Saik'uz First Nation

On April 17, 2015, the Corporation and the Saik'uz First Nation signed an agreement for a 50-50 partnership to jointly develop a wind energy project at Nulki Hills near Vanderhoof, British Columbia. This prospective wind project of up to 210 MW is currently undergoing a BC Environmental Assessment. The partners have agreed to work together to obtain an Environmental Assessment Certificate from the province and an electricity purchase agreement from BC Hydro for the project.

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

		Three months ended March 31	
		2015	2014
	Notes		
Revenues		57,727	37,599
Expenses			
Operating	4	9,247	7,645
General and administrative		4,172	3,554
Prospective projects		1,353	1,071
Earnings before finance costs, income taxes, depreciation, amortization, other net expenses (revenues), share of loss of joint ventures and unrealized net (gain) loss on derivative financial instruments		42,955	25,329
Finance costs	5	16,417	19,664
Other net expenses (revenues)	6	68,414	(173)
Earnings (loss) before income taxes, depreciation, amortization, share of loss of joint ventures and unrealized net (gain) loss on derivative financial instruments		(41,876)	5,838
Depreciation	4, 10	13,257	13,659
Amortization	4	5,540	5,188
Share of loss of joint ventures		1,144	996
Unrealized net (gain) loss on derivative financial instruments		(11,985)	36,030
Loss before income taxes		(49,832)	(50,035)
Recovery of income tax			
Current		751	751
Deferred		(12,773)	(12,681)
		(12,022)	(11,930)
Net loss		(37,810)	(38,105)
Net loss attributable to:			
Owners of the parent		(29,144)	(27,419)
Non-controlling interests		(8,666)	(10,686)
		(37,810)	(38,105)
Weighted average number of common shares outstanding (in 000s)	9	100,905	95,827
Basic net loss per share ($)	9	(0.31)	(0.30)
Diluted weighted average number of common shares outstanding (in 000s)	9	102,015	95,990
Diluted net loss per share ($)	9	(0.31)	(0.30)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

		Three months ended March 31	
		2015	2014
	Notes		
Net loss		(37,810)	(38,105)
Items of comprehensive income (loss) that will be subsequently reclassified to earnings:	13		
Foreign exchange gain on translation of self-sustaining foreign subsidiaries		738	241
Related deferred tax		(97)	(32)
Foreign exchange loss on the designated portion of the US dollar denominated debt used as hedge on the investment in self-sustaining foreign subsidiaries		(753)	(244)
Related deferred tax		99	32
Change in fair value of hedging instruments		(1,795)	—
Related deferred tax		473	—
Other comprehensive loss		(1,335)	(3)
Total comprehensive loss		(39,145)	(38,108)
Total comprehensive loss attributable to:			
Owners of the parent		(30,479)	(27,422)
Non-controlling interests		(8,666)	(10,686)
		(39,145)	(38,108)

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

As at	Notes	March 31, 2015	December 31, 2014
Assets			
Current assets			
Cash and cash equivalents		53,850	54,609
Restricted cash and short-term investments	8	126,963	85,807
Accounts receivable		33,987	35,271
Reserve accounts		719	651
Income tax receivable		104	93
Derivative financial instruments		6,566	2,948
Prepaid and others		6,031	5,269
		228,220	184,648
Reserve accounts		43,574	40,684
Property, plant and equipment	10	1,937,753	1,895,789
Intangible assets		488,490	487,312
Project development costs		61,659	61,020
Investments in joint ventures	7	12,393	14,536
Derivative financial instruments		3,671	3,968
Deferred tax assets		18,326	14,025
Goodwill		8,269	8,269
Other long-term assets		6,132	5,764
		2,808,487	2,716,015

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

As at	Notes	March 31, 2015	December 31, 2014
Liabilities			
Current liabilities			
Dividends payable to shareholders		17,446	16,882
Accounts payable and other payables		54,704	45,607
Income tax liabilities		1,176	1,408
Derivative financial instruments		82,599	104,095
Current portion of long-term debt		32,436	33,799
Current portion of other liabilities		305	244
		188,666	202,035
Construction holdbacks		4,359	10,818
Derivative financial instruments		63,296	48,669
Accrual for acquisition of long-term assets		26,006	25,339
Long-term debt	11	1,774,378	1,610,800
Other liabilities		14,766	13,808
Liability portion of convertible debentures	12	79,165	80,018
Deferred tax liabilities		153,252	162,303
		2,303,888	2,153,790
Shareholders' equity			
Common share capital	12	66,473	62,224
Contributed surplus from reduction of capital on common shares		784,482	784,482
Preferred shares		131,069	131,069
Share-based payment		2,035	2,050
Equity portion of convertible debentures		1,319	1,340
Deficit		(512,925)	(466,336)
Accumulated other comprehensive (loss) income	13	(1,350)	(15)
Equity attributable to owners		471,103	514,814
Non-controlling interests		33,496	47,411
Total shareholders' equity		504,599	562,225
		2,808,487	2,716,015

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

	Equity attributable to owners										
For the three-month period ended March 31, 2015	Number of common shares (In 000s)	Common shares capital account	Contributed surplus from reduction of capital on common shares	Preferred shares	Share-based payment	Equity portion of convertible debentures	Deficit	Accumulated other comprehensive (loss) income	Total	Non-controlling interests	Total shareholders' equity
Balance January 1, 2015	100,672	62,224	784,482	131,069	2,050	1,340	(466,336)	(15)	514,814	47,411	562,225
Net loss							(29,144)		(29,144)	(8,666)	(37,810)
Other items of comprehensive loss								(1,335)	(1,335)		(1,335)
Total comprehensive loss	—	—	—	—	—	—	(29,144)	(1,335)	(30,479)	(8,666)	(39,145)
Common shares issued through dividend reinvestment plan	258	2,865							2,865		2,865
Share-based payment					53				53		53
Share options exercised	45	462			(68)				394		394
Convertible debentures converted into common shares	86	922				(21)			901		901
Distributions to non-controlling interests									—	(5,249)	(5,249)
Dividends declared on common shares							(15,664)		(15,664)		(15,664)
Dividends declared on preferred shares							(1,781)		(1,781)		(1,781)
Balance March 31, 2015	101,061	66,473	784,482	131,069	2,035	1,319	(512,925)	(1,350)	471,103	33,496	504,599

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

	Equity attributable to owners										
For the three-month period ended March 31, 2014	Number of common shares (In 000s)	Common shares capital account	Contributed surplus from reduction of capital on common shares	Preferred shares	Share-based payment	Equity portion of convertible debentures	Deficit	Accumulated other comprehensive income	Total	Non-controlling interests	Total shareholders' equity
Balance January 1, 2014	95,655	10,374	784,482	131,069	1,806	1,340	(344,809)	244	584,506	81,429	665,935
Net loss							(27,419)		(27,419)	(10,686)	(38,105)
Other items of comprehensive loss								(3)	(3)		(3)
Total comprehensive loss	—	—	—	—	—	—	(27,419)	(3)	(27,422)	(10,686)	(38,108)
Common shares issued through dividend reinvestment plan	206	2,141							2,141		2,141
Share-based payment					66				66		66
Distributions to non-controlling interests									—	(6,798)	(6,798)
Dividends declared on common shares							(14,379)		(14,379)		(14,379)
Dividends declared on preferred shares							(1,781)		(1,781)		(1,781)
Balance March 31, 2014	95,861	12,515	784,482	131,069	1,872	1,340	(388,388)	241	543,131	63,945	607,076

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

		Three months ended March 31	
		2015	2014
	Notes		
Operating activities			
Net loss		(37,810)	(38,105)
Items not affecting cash:			
Depreciation	10	13,257	13,659
Amortization		5,540	5,188
Share of loss of joint ventures		1,144	996
Unrealized net (gain) loss on derivative financial instruments		(11,985)	36,030
Inflation compensation interest	5	(3,642)	232
Amortization of financing fees	5	191	256
Amortization of revaluation of long-term debt and convertible debentures	5	131	394
Accretion expenses on other liabilities	5	159	155
Share-based payment		53	66
Deferred income taxes		(12,773)	(12,681)
Effect of exchange rate fluctuations		600	236
Others		—	(166)
Interest on long-term debt and convertible debentures	5	19,402	18,428
Interest paid		(18,233)	(18,637)
Distributions received from joint ventures		1,000	—
Current income tax expense		751	751
Net income taxes paid		(1,036)	(1,808)
		(43,251)	4,994
Changes in non-cash operating working capital items	14	(4,131)	(10,291)
		(47,382)	(5,297)
Financing activities			
Dividends paid on common shares		(12,236)	(11,729)
Dividends paid on preferred shares		(1,781)	(1,781)
Distributions to non controlling interest		(5,249)	—
Increase of long-term debt		324,101	34,316
Repayment of long-term debt		(154,561)	(11,004)
Payment of deferred financing costs		(5,573)	(52)
Payment of other liabilities		—	(112)
Proceeds from exercise of share options		394	—
		145,095	9,638

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

		Three months ended March 31	
		2015	2014
	Notes		
Investing activities			
(Increase) decrease of restricted cash and short-term investments		(41,156)	21,275
Net funds (invested into) withdrawn from the reserve accounts		(2,892)	738
Additions to property, plant and equipment		(53,428)	(25,449)
Additions to project development costs		(780)	(11,420)
Additions to other long-term assets		(367)	(625)
Proceeds from disposal of property, plant and equipment		—	3
		(98,623)	(15,478)
Effects of exchange rate changes on cash and cash equivalents		151	36
Net decrease in cash and cash equivalents		(759)	(11,101)
Cash and cash equivalents, beginning of period		54,609	34,267
Cash and cash equivalents, end of period		53,850	23,166
Cash and cash equivalents is comprised of:			
Cash		37,049	14,302
Short-term investments		16,801	8,864
		53,850	23,166

Additional information is presented in Note 14.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

DESCRIPTION OF BUSINESS

Innergex Renewable Energy Inc. (the “Corporation”) was incorporated under the *Canada Business Corporation Act* on October 25, 2002. The Corporation is a developer, owner and operator of renewable power-generating facilities, essentially focused on the hydroelectric, wind power and solar photovoltaic sectors. The head office of the Corporation is located at 1111, St-Charles Street West, East Tower, Suite 1255, Longueuil, Qc, J4K 5G4, Canada.

These unaudited condensed consolidated financial statements were approved by the Board of Directors on May 13, 2015.

The Corporation's revenues are variable with each season and are normally at their lowest in the first quarter due to cold temperature. As a result, earnings of interim periods should not be considered as indicative of results for an entire year.

1. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”). The condensed consolidated financial statements are in compliance with IAS-34 Interim Financial Reporting. The same accounting policies and methods of application as described in the Corporation’s latest annual report have been used. However, these condensed consolidated financial statements do not include all disclosures required under IFRS and, accordingly, should be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Corporation’s latest annual report.

The condensed consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values as described in the significant accounting policies included in the Corporation's latest annual report.

2. APPLICATION OF NEW AND REVISED IFRS

New and revised IFRS issued but not yet effective

IAS 1 - Presentation of Financial Statements

The IASB issued Disclosure Initiative (Amendments to IAS 1), which addressed concerns expressed about some of the existing presentation and disclosure requirements in IAS 1 and ensured that entities are able to use judgement when applying those requirements. In addition, the amendments clarified the requirements in other comprehensive income. Those amendments must be applied for annual periods beginning on or after January 1, 2016 with early adoption permitted. The Corporation is currently assessing the impact of those amendments on its consolidated financial statements.

IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation and amortization

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue;

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016. The Corporation is currently assessing the impact of those amendments on its consolidated financial statements.

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

3. BUSINESS ACQUISITIONS

3.1 Acquisition of assets of Sainte-Marguerite-1

The purchase price allocation of the acquisition of Sainte-Marguerite-1 has been finalized. The following table reflects the final purchase price allocation:

	Preliminary purchase price allocation	Subsequent adjustments	Final purchase price allocation
Reserve account	259	—	259
Property, plant and equipment	115,470	(6,591)	108,879
Intangible assets	18,807	6,591	25,398
Current liabilities	(506)	—	(506)
Long-term debt	(37,455)	—	(37,455)
Deferred tax liabilities	(16,487)	—	(16,487)
Net assets acquired	80,088	—	80,088

4. OPERATING EXPENSES

	Three months ended March 31	
	2015	2014
Salaries	973	788
Insurance	653	567
Operation and maintenance	3,785	3,402
Property taxes and royalties	3,836	2,888
	9,247	7,645

Depreciation and amortization recorded in the consolidated statements of earnings are mainly related to operating expenses incurred to generate revenues.

5. FINANCE COSTS

	Three months ended March 31	
	2015	2014
Interest on long-term debt and on convertible debentures	19,402	18,428
Inflation compensation interest	(3,642)	232
Amortization of financing fees	191	256
Amortization of revaluation of long-term debt and convertible debentures	131	394
Accretion expenses on other liabilities	159	155
Others	176	199
	16,417	19,664

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

6. OTHER NET EXPENSES (REVENUES)

	Three months ended March 31	
	2015	2014
Realized loss on derivative financial instruments	68,047	—
Realized loss on foreign exchange	661	256
Other net revenues	(294)	(429)
	68,414	(173)

During the first quarter of 2015, the Corporation terminated its $170,000 bond forward contract related to the Upper Lillooet project and its $65,000 bond forward contract related to the Boulder Creek Project for a total cash consideration of $68,047. This loss is a result of a decrease in benchmark interest rates between the date the bond forwards were entered into (between September and December 2013) and the settlement date (March 17, 2015); it will be compensated by a low weighted average fixed interest rate of 4.36% for the 25- to 40-year term loans, compared with a weighted average interest rate of approximately 5.66% that was set at the time of the hedge.

7. INVESTMENTS IN JOINT VENTURES

Umbata Falls, L.P. 's Debt

On March 30, 2015, the long-term debt was refinanced. The loan consisting of a five-year term loan has been extended to March 2020. The loan will be amortized over a remaining 18.5-year period starting in April 2015. The loan bears interest at the bankers' acceptance rate plus an applicable credit margin. The quarterly repayments will be increased by a cash flow sweep calculated as follow: the percentage of excess of actual production over the forecast production multiply by the quarterly excess cash flow.

8. RESTRICTED CASH AND SHORT-TERM INVESTMENTS

As part of the Boulder Creek Power LP and Upper Lillooet River Power LP, Kwoiek Creek LP , Northwest Stave LP and Tretheway LP credit agreements, the Corporation maintains restricted cash accounts and restricted proceeds accounts. The balance of the loans proceeds are held in restricted proceeds account managed by the lenders and amounts are transferred from time to time into the restricted cash accounts to finance the construction of the projects. The restricted cash accounts are used to pay the current construction costs of the projects and to hold the construction holdbacks amounts that will be released at the end of the construction of the respective projects.

During the first quarter of 2015, the restricted cash and short-term investments increased mainly due to an amount of $79,317 added to the restricted proceeds account of Upper Lillooet and Boulder Creek, partly offset by transfers to cash and cash equivalent totaling $27,025 following the conversion of the Kwoiek Creek LP and Northwest Stave LP construction loans to term loans, and to the usage of $10,316 for the payment of ongoing construction costs at the Tretheway Creek LP facility. See note 11 for more detail.

9. EARNINGS PER SHARE

The net loss per share is computed as follows:

	Three months ended March 31	
	2015	2014
Net loss attributable to owners of the parent	(29,144)	(27,419)
Dividends declared on preferred shares	(1,781)	(1,781)
Net loss available to common shareholders	(30,925)	(29,200)
Weighted average number of common shares (in 000s)	100,905	95,827
Basic net loss per share ($)	(0.31)	(0.30)
Weighted average number of common shares (in 000s)	100,905	95,827
Effect of dilutive elements on common shares (in 000s) (a)	1,110	163
Diluted weighted average number of common shares (in 000s)	102,015	95,990
Diluted net loss per share ($) (b)	(0.31)	(0.30)

a. During the three-month period ended March 31, 2015, none of the 3,425,684 stock options (1,243,000 of 3,073,684 for the three-month period ended March 31, 2014) and none of the 7,472,113 shares which can be issued on conversion of convertible debentures (7,558,684 for the three-month period ended March 31, 2014) were excluded from the calculation of diluted weighted average number of shares outstanding as the exercise price was above the average market price of common shares.

b. During the three-month period ended March 31, 2015, all of the 3,425,684 stock options (1,830,684 of 3,073,684 for the three-month period ended March 31, 2014) and all of the 7,472,113 shares which can be issued on conversion of convertible debentures (none of 7,558,684 for the three-month period ended March 31, 2014) were excluded from the calculation of diluted net loss per shares as it was anti-dilutive due to a net loss available to common shareholders.

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Hydroelectric facilities	Wind farm facilities	Solar facility	Facilities under construction	Other equipments	Total
Cost							
As at January 1, 2015	2,541	1,340,129	372,106	124,244	287,401	8,367	2,134,788
Additions	—	463	108	—	60,631	169	61,371
Business acquisition (Note 3)	—	(6,591)	—	—	—	—	(6,591)
Net foreign exchange differences	9	622	—	—	—	12	643
As at March 31, 2015	2,550	1,334,623	372,214	124,244	348,032	8,548	2,190,211
Accumulated depreciation							
As at January 1, 2015	—	(135,670)	(82,528)	(15,866)	—	(4,935)	(238,999)
Depreciation	—	(6,981)	(4,449)	(1,488)	—	(339)	(13,257)
Net foreign exchange differences	—	(193)	—	—	—	(9)	(202)
As at March 31, 2015	—	(142,844)	(86,977)	(17,354)	—	(5,283)	(252,458)
Carrying amount as at March 31, 2015	2,550	1,191,779	285,237	106,890	348,032	3,265	1,937,753

All of the property, plant and equipment are given as securities under the respective project financing or for corporate financing.

Additions in the current period include $3,456 of capitalized financing costs ($5,647 for the year ended December 31, 2014) incurred prior to their intended use.

The financing costs related to a specific project financing are entirely capitalized to the specific property, plant and equipment. Financing costs related to the revolving term credit facility are capitalized for the portion of the financing actually used for a specific property, plant and equipment.

The cost of facilities were reduced by investment tax credits of $1,408 ($1,408 as at December 31, 2014).

11. LONG-TERM DEBT

a. Kwoiek Creek

On February 13, 2015, the non-recourse construction loan for the Kwoiek Creek hydroelectric facility was converted into a term loan, to be amortized over a 36-year period ending in 2052. The loan bears interest at a fixed rate of 5.08%.

b. Northwest Stave River

On February 13, 2015, the non-recourse construction loan for the Northwest Stave River hydroelectric facility was converted into a term loan, to be amortized over a 35-year period ending in 2053. The loan bears interest at a fixed rate of 5.30%.

c. Boulder Creek and Upper Lillooet River

On March 17, 2015, Boulder Creek Power Limited Partnership and Upper Lillooet River Power Limited Partnership have jointly closed a $491,600 non-recourse construction and term project financing for the Boulder Creek and Upper Lillooet River run-of-river hydroelectric projects.

The loan comprises three facilities, or tranches:

- A $191,600 construction loan carrying a fixed interest rate of 4.22%; following the start of the facilities' commercial operations, it will convert into a 25-year term loan and the principal will be amortized over a 20-year period, starting in the sixth year;
- A $250,000 construction loan carrying a fixed interest rate of 4.46%; following the start of the facilities' commercial operations, it will convert into a 40-year term loan and the principal will begin to be amortized after the 25-year term loan's maturity;
- A $50,000 construction loan carrying a fixed interest rate of 4.46%; following the start of the facilities' commercial operations, it will convert into a 40-year term loan and its principal will be reimbursed at maturity.

This debt is secured by Boulder Creek Power L.P.'s and Upper Lillooet River Power L.P.'s assets.

12. SHAREHOLDERS' EQUITY

a. Convertible debentures converted in common shares

During the quarter, the convertible debentures were decreased by an aggregate amount of $922 further to the exercise by debentures holders of their conversion privileges. As a result, 922 debentures have been converted into 86,571 common shares.

b. Stock option plan

During the quarter, 45,000 share options have been exercised at $8.75 per share resulting in a $394 proceed.

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

13. ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

	Foreign exchange gain (loss) on translation of self-sustaining foreign subsidiaries	Foreign exchange (loss) gain on the designated portion of the US dollar denominated debt used as hedge on the investment in self-sustaining foreign subsidiaries	Net currency translation reserve	Cash flow hedge interest rate risk	Total
Balance January 1, 2015	409	(171)	238	(253)	(15)
Exchange differences on translating foreign operations	738	—	738	—	738
Hedging loss of the reporting period	—	(753)	(753)	(1,911)	(2,664)
Amount reclassified into earnings as reclassification adjustment	—	—	—	116	116
Related deferred tax	(97)	99	2	473	475
Balance March 31, 2015	1,050	(825)	225	(1,575)	(1,350)

14. ADDITIONAL INFORMATION TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

a. Changes in non-cash operating working capital items

	Three months ended March 31	
	2015	2014
Accounts receivable and income tax receivable	1,279	(4,251)
Prepaid and others	(763)	(791)
Accounts payable and other payables and income tax liabilities	(4,647)	(5,249)
	(4,131)	(10,291)

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

b. Additional information

	Three months ended March 31	
	2015	2014
Interest paid (including $1,745 capitalized interest ($405 in 2014))	19,978	19,042
Non-cash transactions		
in unpaid property, plant and equipment	7,803	(3,006)
in unpaid development costs	(141)	(10,305)
in common shares issued through the conversion of convertible debentures	(922)	—
in common shares issued through share options exercised	(68)	—
in common shares issued through dividend reinvestment plan	(2,865)	(2,141)

15. RELATED PARTY TRANSACTIONS

The Harrison Hydro L.P reimbursed the non-interest bearing term loans made by it's partners in an amount of $1,750 during the first quarter.

16. SEGMENT INFORMATION

Geographic segments

The Corporation owns interests in 25 hydroelectric facilities, six wind farms and one solar farm in Canada and one hydroelectric facility in the United States. For the three-month period ended March 31, 2015, revenues generated by the Horseshoe Bend hydroelectric facility located in the United States totalled $666 ($394 in 2014), representing a contribution of 1.2% (1.0% in 2014) to the Corporation's consolidated revenues for these periods.

Operating segments

The Corporation has four operating segments: (a) hydroelectric generation (b) wind power generation (c) solar power generation and (d) site development.

Through its hydroelectric, wind power and solar power generation segments, the Corporation sells electricity produced by its hydroelectric, wind farm and solar facilities to publicly owned utilities or other creditworthy counterparties. Through its site development segment, it analyzes potential sites and develops hydroelectric, wind and solar facilities up to the commissioning stage.

The accounting policies for these segments are the same as those described in the significant accounting policies. The Corporation evaluates performance based on earnings (loss) before finance costs, income taxes, depreciation, amortization, other net expenses (revenues), share of loss of joint ventures and unrealized net (gain) loss on derivative financial instruments. The Corporation accounts for inter-segment and management sales at cost. Any transfers of assets from the site development segment to the hydroelectric, wind power generation or solar power generation segments are accounted for at cost.

The operations of the Corporation's operating segments are conducted by different teams, as each segment has different skill requirements.

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

Three months ended March 31, 2015 Operating segments	Hydroelectric generation	Wind power generation	Solar power generation	Site development	Total
Revenues	37,764	17,093	2,870	—	57,727
Expenses:					
Operating	6,799	2,235	213	—	9,247
General and administrative	2,398	934	43	797	4,172
Prospective projects	—	—	—	1,353	1,353
Earnings (loss) before finance costs, income taxes, depreciation, amortization, other net expenses, share of loss of joint ventures and unrealized net gain on derivative financial instruments	28,567	13,924	2,614	(2,150)	42,955
Finance costs					16,417
Other net expenses					68,414
Earnings (loss) before income taxes, depreciation, amortization, share of loss of joint ventures and unrealized net gain on derivative financial instruments					(41,876)
Depreciation					13,257
Amortization					5,540
Share of loss of joint ventures					1,144
Unrealized net gain on derivative financial instruments					(11,985)
Loss before income taxes					(49,832)

As at March 31, 2015					
Goodwill	8,269	—	—	—	8,269
Total assets	1,715,955	351,011	119,689	621,832	2,808,487
Total liabilities	1,231,663	232,695	113,416	726,114	2,303,888
Acquisition of property, plant and equipment during the period	509	118	—	60,744	61,371

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

Three months ended March 31, 2014 Operating segments	Hydroelectric generation	Wind power generation	Solar power generation	Site development	Total
Revenues	16,718	17,767	3,114	—	37,599
Expenses:					
Operating	5,060	2,270	315	—	7,645
General and administrative	2,155	881	83	435	3,554
Prospective projects	—	—	—	1,071	1,071
Earnings (loss) before finance costs, income taxes, depreciation, amortization, other net revenues, share of loss of joint ventures and unrealized net loss on derivative financial instruments	9,503	14,616	2,716	(1,506)	25,329
Finance costs					19,664
Other net revenues					(173)
Earnings before income taxes, depreciation, amortization, share of loss of joint ventures and unrealized net loss on derivative financial instruments					5,838
Depreciation					13,659
Amortization					5,188
Share of loss of joint ventures					996
Unrealized net loss on derivative financial instruments					36,030
Loss before income taxes					(50,035)

As at December 31, 2014					
Goodwill	8,269	—	—	—	8,269
Total assets	1,752,495	352,723	120,957	489,840	2,716,015
Total liabilities	1,241,530	238,450	111,814	561,996	2,153,790
Acquisition of property, plant and equipment during the year	123,185	549	161	223,405	347,300

(in thousands of Canadian dollars, except as noted, and amounts per share) (unaudited)

17. SUBSEQUENT EVENTS

a. Dividends declared by the Board of Directors

Date of announcement	Record date	Payment date	Dividend per common share ($)	Dividend per Series A Preferred Share ($)	Dividend per Series C Preferred Share ($)
05/13/2015	06/30/2015	07/15/2015	0.1550	0.3125	0.359375

b. Signing of 50-50 Partnership With The Saik'uz First Nation

On April 17, 2015, the Corporation and the Saik'uz First Nation signed an agreement for a 50-50 partnership to jointly develop a wind energy project at Nulki Hills near Vanderhoof, British Columbia. This prospective wind project of up to 210 MW is currently undergoing a BC Environmental Assessment. The partners have agreed to work together to obtain an Environmental Assessment Certificate from the province and an electricity purchase agreement from BC Hydro for the project.

INFORMATION FOR INVESTORS

Stock Exchange Listing

Common shares of Innergex Renewable Energy Inc. are listed on the TSX under the symbol INE.
Series A Preferred Shares of Innergex Renewable Energy Inc. are listed on the TSX under the symbol INE.PR.A.
Series C Preferred Shares of Innergex Renewable Energy Inc. are listed on the TSX under the symbol INE.PR.C.
Convertible Debentures of Innergex Renewable Energy Inc. are listed on the TSX under the symbol INE.DB.

Rating Agencies

Innergex Renewable Energy Inc. is rated BBB- by S&P.
Series A Preferred Shares of Innergex Renewable Energy Inc. are rated P-3 by S&P.
Series C Preferred Shares of Innergex Renewable Energy Inc. are rated P-3 by S&P.

Transfer Agent and Registrar

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1500 University Street, Suite 700, Montreal, Quebec, H3A 3S8
Telephone: 1 800 564-6253 or 514 982-7555
Email: service@computershare.com

Dividend Reinvestment Plan

Innergex Renewable Energy Inc. implemented a Dividend Reinvestment Plan (DRIP) for its common shareholders, which enables eligible holders of common shares to acquire additional common shares of the Corporation by reinvesting all or part of their cash dividends. For more information about the Corporation's DRIP, please visit our Website or contact the DRIP administrator, Computershare Trust Company of Canada.

Independent Auditor

Deloitte LLP

Investor Relations

If you have inquiries, please visit our website or contact:

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