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News Release  
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## INNERGEX REPORTS SECOND QUARTER 2014 RESULTS PROGRESS ON SEVERAL FRONTS

- Production increases 13% for the quarter and reaches 96% of long-term average; increases 12% for the six-month period and reaches 92% of long-term average
- Revenues increase 10% to \$69.6 million for the quarter and 8% to \$107.2 million for the six-month period
- Adjusted EBITDA increases 5% to \$53.8 million for the quarter and 3% to \$79.1 million for the six-month period
- Projects under development continue to advance as planned

**LONGUEUIL, Quebec, August 7, 2014** - Innergex Renewable Energy Inc. (TSX: INE) ("Innergex" or the "Corporation") releases its operating and financial results for the second quarter ended June 30, 2014.

"We are very pleased to have completed the acquisition of the SM-1 hydroelectric facility in Quebec and to have begun construction activities at the Big Silver Creek hydroelectric project in British Columbia. In addition, construction activities have intensified at our three other hydroelectric projects in BC, and preconstruction activities for the Mesgi'g Ugnu's'n wind project are progressing well", declares Michel Letellier, President and Chief Executive Officer of the Corporation. "We are also very active in preparing submissions to the request for proposals for 450 MW of new wind energy in Quebec, and submissions for promoter-developer qualification in view of an upcoming request for proposals for new wind and solar energy in Ontario", adds Mr. Letellier.

### OPERATING RESULTS

<i>Amounts shown are in thousands of Canadian dollars except as noted otherwise.</i>	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Power generated (MWh)	898,722	792,542	1,315,931	1,178,711
Long-term average (MWh)	934,874	766,961	1,433,838	1,228,490
Revenues	69,649	63,167	107,248	98,855
Adjusted EBITDA <sup>1</sup>	53,817	51,260	79,146	76,663
Net (loss) earnings	(14,189)	31,039	(52,294)	30,861
Net (loss) earnings, \$ per share <sup>2</sup>	(0.10)	0.28	(0.40)	0.29

	Trailing 12-months ended June 30	
	2014	2013
Free Cash Flow <sup>1</sup>	48,347	56,803
Payout Ratio <sup>1</sup>	118 %	96 %

<sup>1</sup> Please refer to the "Non-IFRS measures disclaimer" for the definition of Adjusted EBITDA, Free Cash Flow and Payout Ratio.

<sup>2</sup> Net (loss) earnings per share is calculated as net (loss) earnings attributable to owners of the parent, less dividends declared on preferred shares, divided by the weighted average number of common shares outstanding.

### Electricity Production

During the three-month period ended June 30, 2014, the Corporation's facilities produced 899 GWh of electricity or 96% of the long-term average (LTA) of 935 GWh. Overall, the hydroelectric facilities produced 98% of their LTA, as water flows were above-average in Quebec and the United States, below-average in Ontario and only slightly below average in British Columbia. Overall, the wind farms produced 82% of their LTA, due to below-average wind regimes. The Stardale solar farm produced 113% of its LTA, due to above-average solar regimes.

During the six-month period ended June 30, 2014, the Corporation's facilities produced 1,316 GWh of electricity or 92% of the LTA of 1,434 GWh. Overall, the hydroelectric facilities produced 90% of their LTA, due mainly to below-average water flows during the first quarter, especially in British Columbia. Overall, the wind farms produced 95% of their LTA, due mainly to below-average wind regimes during the second quarter, which more than offset above-average wind regimes during the first quarter. The Stardale solar farm produced 109% of its LTA, due mainly to above-average solar regimes during the second quarter.

Production increases of 13% and 12% for the three- and six-month periods ended June 30, 2014 respectively, compared with the same periods last year, are attributable mainly to the addition of the Magpie hydroelectric facility acquired in July 2013 and the addition of the Kwoiek Creek and Northwest Stave River hydroelectric facilities commissioned at the end of 2013. The SM-1 hydroelectric facility acquired in June 2014 contributed only marginally to operating results during the second quarter.

### *Revenues*

For the three-month period ended June 30, 2014, the Corporation recorded revenues of \$69.6 million, compared with \$63.2 million in 2013, corresponding to a 10% increase. For the six-month period ended June 30, 2014, the Corporation recorded revenues of \$107.2 million, compared with \$98.9 million in 2013, corresponding to an 8% increase. For both the three- and six-month periods, the increase in revenues is attributable mainly to the increase in production. Furthermore, the smaller increase in revenues is attributable to the lower average selling price for electricity, resulting mainly from the addition of the Magpie facility, for which the selling price is considerably lower than for most other facilities of the Corporation.

### *Adjusted EBITDA*

For the three-month period ended June 30, 2014, the Corporation recorded Adjusted EBITDA of \$53.8 million, compared with \$51.3 million in 2013, corresponding to a 5% increase. For the six-month period ended June 30, 2014, the Corporation recorded Adjusted EBITDA of \$79.1 million, compared with \$76.7 million in 2013, corresponding to a 3% increase. When compared with the increases in production and revenues described above, the smaller increase in Adjusted EBITDA for the three- and six-month periods is attributable to the higher operating, general and administrative and prospective project expenses, which are not directly correlated to production levels.

### *Net Loss*

Excluding the unrealized net loss or gain and the realized loss on derivative financial instruments and the related income taxes, net earnings for the three-month period ended June 30, 2014 would have been \$8.5 million, compared with net earnings of \$11.3 million in 2013, and the net loss for the six-month period ended June 30, 2014 would have been \$2.8 million, compared with net earnings of \$8.3 million in 2013, due mainly to production below the LTA, to higher operating, general and administrative and prospective project expenses, and to higher finance costs attributable to the expensing of interest on the Kwoiek Creek and Northwest Stave River loans now that the facilities are in operation and to the addition of project-level debt related to the Magpie acquisition in July 2013.

For the quarter ended June 30, 2014, the Corporation recorded a net loss of \$14.2 million (basic and diluted net loss of \$0.10 per share), compared with net earnings of \$31.0 million (basic and diluted net earnings of \$0.28 per share) in 2013. For the six-month period ended June 30, 2014, the Corporation recorded a net loss of \$52.3 million (basic and diluted net loss of \$0.40 per share) in 2013, compared with a net earnings of \$30.9 million (basic and diluted net earnings of \$0.29 per share) for the same period last year. For both the three- and six-month periods, the variation is attributable to the reasons mentioned above and to an unrealized net loss on derivative financial instruments of \$29.1 million and \$65.2 million respectively, resulting from a decrease in benchmark interest rates during these periods, compared with an unrealized net gain on derivative financial instruments of \$27.3 million and \$31.2 million respectively, resulting from an increase in benchmark interest rates for the same periods last year.

### *Free Cash Flow and Payout Ratio*

For the trailing 12-month period ended June 30, 2014, the Corporation generated Free Cash Flow of \$48.3 million, compared with \$56.8 million for the same period last year. This decrease is due mainly to the greater scheduled debt principal payments, and to lower cash flows from operating activities, before changes in non-cash operating working capital items and realized losses on derivative financial instruments, attributable mainly to production being below the long-term average over a longer period during the trailing 12-month period ended June 30, 2014, compared with the same period last year.

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-month period ended June 30, 2014, dividends declared represented 118% of Free Cash Flow, compared with 96% for the same period last year. The negative variation is due mainly to the decrease in Free Cash Flow explained above, as well as to the increase in dividends declared on common shares resulting from the higher number of shares outstanding by virtue of the Dividend Reinvestment Plan and the issuance of 4,027,051 common shares to pay for the acquisition of the SM-1 hydroelectric facility.

## DEVELOPMENT PROJECTS

### *Tretheway Creek hydroelectric project*

The construction of this hydroelectric facility began in October 2013. Construction of the overflow weir and diversion channel is completed; excavation for the powerhouse and switchyard is also completed; installation of the penstock, pouring of the concrete for the powerhouse foundation and design and procurement of electrical equipment are ongoing.

### *Upper Lillooet River and Boulder Creek hydroelectric projects (the "Upper Lillooet Hydro Project")*

The construction of the Upper Lillooet River and Boulder Creek hydroelectric facilities began in October 2013. The construction camp is now operational; most of the clearing work has been completed for both sites; construction of a new 4 km road and bridge has been completed and construction of a 3.6 km access road to the Boulder Creek intake is almost complete. Excavation is progressing for the Upper Lillooet River intake diversion channel, tunnel and powerhouse and for the Boulder Creek tunnel. Clearing for the joint transmission line and pole installation are ongoing, in preparation for providing temporary power to the construction site by the fall.

### *Big Silver Creek hydroelectric project*

Construction of this hydroelectric facility began in June, upon receipt of the Leave to Commence Construction. Clearing for the intake, penstock and powerhouse is completed, construction of a permanent intake access bridge is completed, and excavation for the powerhouse, intake and penstock is underway.

### *Mesgi'g Ugju's'n ("MU") wind project*

Negotiations with potential turbine suppliers are ongoing and a selection should be made by the fall. Since there has been no request for a public hearing pursuant to the province's environmental review process, there will be no hearing and the project is expected to receive the government decree by the fall. Preconstruction activities are expected to start in late 2014, construction is expected to start in 2015 and commercial operation is expected to begin at the end of 2016.

### *Hedging program*

For each of these five development projects, a hedging program has for all intents and purposes been completed, to fix the interest rate for each project's financing through the use of derivative financial instruments until closing of the project-level financing; this effectively eliminates these projects' exposure to interest rate fluctuations.

## DIVIDEND DECLARATION

The following dividends will be paid by the Corporation on October 15, 2014:

Date of announcement	Record date	Payment date	Dividend per common share	Dividend per Series A Preferred Share	Dividend per Series C Preferred Share
August 7, 2014	September 30, 2014	October 15, 2014	\$0.1500	\$0.3125	\$0.359375

## CONFERENCE CALL AND WEBCAST

The Corporation will hold a conference and webcast call tomorrow, Friday August 8, 2014 at 10:00 a.m. EDT. The second quarter results and a mid-year review will be presented by Mr. Michel Letellier, President and Chief Executive Officer of Innergex and by Mr. Jean Trudel, Chief Investment Officer and Senior Vice President - Communications. Investors and financial analysts are invited to access the conference call by dialing **647 427-7450** or **1 888 231-8191**, or to access the webcast via the Corporation's website at [www.innergex.com](http://www.innergex.com) or at <http://cnw.ca/ezA5A>. Media and the public may also access this conference call and webcast on a listen-only mode. A replay of the conference call and webcast will be available later the same day on the Corporation's website.

### About Innergex Renewable Energy Inc.

Innergex Renewable Energy Inc. (TSX: INE) is a leading Canadian independent renewable power producer. Active since 1990, the Company develops, owns, and operates run-of-river hydroelectric facilities, wind farms, and solar photovoltaic farms and carries out its operations in Quebec, Ontario, British Columbia, and Idaho, USA. Its portfolio of assets currently consists of: (i) interests in 33 operating facilities with an aggregate net installed capacity of 687 MW (gross 1,194 MW), including 26 hydroelectric operating facilities, six wind farms, and one solar photovoltaic farm; (ii) interests in five projects under development or under construction with an aggregate net installed capacity of 210 MW (gross 321 MW), for which power purchase agreements have been secured; and (iii) prospective projects with an aggregate net capacity totaling 2,900 MW (gross 3,125 MW). Innergex Renewable Energy Inc. is rated BBB- by S&P and BB (high) by DBRS (unsolicited rating).

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

### Non-IFRS measures disclaimer

The consolidated financial statements for the three- and six-month periods ended June 30, 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). However, some measures referred to in this news release 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 operations 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 L.P. 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 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.

### Forward-looking information disclaimer

In order to inform readers of the Corporation's future prospects, this press release 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 "projected", "potential", "expect", "will", "should", "estimate", "forecasts", "intends", or other comparable terminology that states that certain events will or will not occur. It represents the estimates and expectations of the Corporation relating to future results and developments as of the date of this press release. It includes **future-oriented financial information**, such as estimated project costs, to inform readers of the potential financial impact of development projects. Such information may not be appropriate for other purposes.

Forward-Looking Information in this press release is based on certain key expectations and assumptions made by the Corporation. The following table outlines Forward-Looking Information contained in this press release, 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
<p><b>Estimated project costs, expected obtainment of permits, start of construction, work conducted and start of commercial operation for Development Projects or Prospective Projects</b></p> <p>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 projected costs provided by the engineering, procurement and construction (EPC) contractor retained for the project.</p> <p>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.</p>	<p>Performance of counterparties, such as the EPC contractors</p> <p>Delays and cost overruns in the design and construction of projects</p> <p>Obtainment of permits</p> <p>Equipment supply</p> <p>Interest rate fluctuations and availability of financing</p> <p>Relationships with stakeholders</p> <p>Regulatory and political risks</p> <p>Higher-than-expected inflation</p>

The material risks and uncertainties that may cause actual results and developments to be materially different from current expressed Forward-Looking Information 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; uncertainty surrounding the development of new facilities; variability of installation performance and related penalties; the ability to secure new power purchase agreements or to renew existing ones; and the ability to realize the benefits of the acquisition of the SM-1 hydroelectric facility.

Although the Corporation believes that the expectations and assumptions on which Forward-Looking Information is based are reasonable, readers of this press release are cautioned not to rely unduly on this Forward-Looking Information since no assurance can be given that they will prove to be correct. 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 of this press release, unless so required by legislation.

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