

News Release  
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## INNERGEX REPORTS THIRD QUARTER 2012 RESULTS

- Power generated reaches 102% of long-term average for the quarter and 96% of long-term average for 9 months
- Production for the quarter 15% below last year's record level, but 7% higher for 9 months
- Operating revenues decrease 6% to \$47.5M for the quarter, but increase 15% to \$132.4M for 9 months
- Adjusted EBITDA decreases 8% to \$37.0M for the quarter, but increases 14% to \$102.1M for 9 months

**LONGUEUIL, Quebec, November 6, 2012** - Innergex Renewable Energy Inc. (TSX: INE) ("Innergex" or the "Corporation") today released its operating and financial results for the third quarter ended September 30, 2012.

"While hydrology and wind conditions were good, production levels could not match the record levels achieved during the third quarter last year" stated Michel Letellier, President and Chief Executive Officer of the Corporation. "Hydrology, wind, and solar radiation conditions are among the few variables the Corporation cannot control. However, the diversification of our assets across geographic markets and sources of energy should enable our operating performance year after year to continue to track our expected long-term average production level" added Mr. Letellier.

### OPERATING RESULTS

*Amounts shown are in thousands of Canadian dollars except as noted otherwise.*

For the periods ended September 30	Three months		Nine months	
	2012	2011	2012	2011
Power generated (MWh)	564,617	666,009	1,606,825	1,501,506
Long-term average (MWh)	552,852	508,301	1,667,619	1,419,399
Operating revenues	47,549	50,465	132,353	115,126
Adjusted EBITDA <sup>1</sup>	37,006	40,098	102,084	89,440
Net loss	(728)	(21,598)	(4,788)	(22,702)
Net loss, \$ per share	(0.01)	(0.34)	(0.04)	(0.41)

<sup>1</sup> Adjusted EBITDA is defined as operating revenues less operating expenses, general and administrative expenses and prospective project expenses.

#### Third Quarter Results

Electricity production of 564.6 GWh was just slightly greater than the long-term average, due mainly to favourable wind conditions in Quebec and to better than average hydrologic conditions in British Columbia and the United States, which were offset by lower than anticipated hydrologic conditions in Quebec and Ontario. The Stardale solar farm performed above its expected long-term average.

Operating revenues and Adjusted EBITDA decreased by 6% and 8%, respectively for the quarter, due mainly to lower production at the hydroelectric facilities compared to last year's record level; this was partly offset by higher production at all wind farms, and by additional revenues from the addition of the Stardale solar farm, the Montagne Sèche wind farm, and Phase I of the Gros-Morne wind farm.

The favourable variation in net loss for the quarter is attributable mainly to an unrealized net gain on derivative financial instruments of \$9.6 million, compared to an unrealized net loss of \$40.5 million in 2011. The net loss for the quarter also reflects a realized loss on derivative financial instruments of \$14.1 million related to the settlement of the Kwoiek Creek bond forwards. This loss is the result of a decrease in benchmark interest rates between the date the bond forwards were entered into and the settlement date, and is compensated by a lower fixed rate on the 39-year term loan for the Kwoiek Creek project. Bond forwards served to protect the economic value of the project until financing was put in place. Excluding these items and the related deferred income tax recoveries, earnings for the quarter would have been \$2.7 million (compared to earnings of \$8.0 million in 2011).

### *Nine-Month Results*

For the nine-month period ended September 30, 2012, electricity production reached 1,607 GWh, or 96% of the long-term average of 1,668 GWh, due mainly to low water flows at all Ontario facilities and at most of the Quebec and British Columbia facilities. While wind conditions were better than anticipated at most wind farms, electricity produced from wind was affected by lower-than-expected wind conditions at Carleton, as well as required repairs at Gros-Morne during the first quarter. The United States facility and the Stardale solar farm performed above their long-term average.

For the nine-month period ended September 30, 2012, operating revenues and Adjusted EBITDA increased 15% and 14%, respectively, due mainly to the additional revenues from the Stardale solar farm, the Montagne Sèche wind farm, and Phase I of the Gros-Morne wind farm. The addition of six operating facilities as part of the acquisition of Cloudworks Energy Inc. in April 2011 also explains these increases.

The favourable variation in net loss for the nine-month period is attributable mainly to an unrealized net gain on derivative financial instruments of \$2.6 million, compared to an unrealized net loss of \$41.9 million in 2011. The net loss for the period also reflects a realized loss on derivative financial instruments of \$14.1 million related to the settlement of the Kwoiek Creek bond forwards, as explained above. Excluding these items and the related deferred income tax recoveries, earnings for the nine-month period would have been \$3.8 million (compared to earnings of \$7.9 million in 2011).

### *Cash Flows from Operating Activities*

For the nine-month period ended September 30, 2012, cash flows generated by operating activities totalled \$49.4 million (\$33.6 million in 2011). This increase is due primarily to a \$26.8 million increase in changes in non-cash operating working capital items and a \$12.6 million increase in Adjusted EBITDA, partly offset by a \$12.0 million increase in interest paid and a \$14.1 million realized loss on derivative financial instruments.

## **DEVELOPMENT PROJECTS**

### *Kwoiek Creek Hydroelectric Facility*

The construction of this hydroelectric facility began in the last quarter of 2011. Construction is progressing as scheduled and budgeted. By the end of the third quarter of 2012, the intake diversion channel was completed; the intake construction and the erection of the powerhouse steel superstructure were under way; and the transmission line construction and penstock installation were ongoing. Current activities also include construction of the fish habitat compensation channel. Construction of this facility is expected to be completed in the last quarter of 2013.

Last July, the Corporation also secured non-recourse construction and term project financing of \$168.5 million for the Kwoiek Creek project. The financing was arranged with a group of life insurance companies.

### *Northwest Stave River Hydroelectric Facility*

The construction of this hydroelectric facility began in the last quarter of 2011. Construction is progressing as scheduled and budgeted. By the end of the third quarter of 2012, concrete work at the powerhouse was nearly completed and the fish habitat compensation construction was completed. The fish habitat compensation was being tested and revegetated and the penstock installation, intake, cofferdam, and diversion work were all ongoing and progressing as planned. Construction of this facility is expected to be completed in the last quarter of 2013.

### *Viger-Denonville Wind Farm*

In the third quarter of 2012, the Ministère du Développement durable, de l'Environnement et des Parcs ("MDDEP") confirmed that public hearing would not be required for the project. As such, Viger-Denonville expects to receive the government decree in the first quarter of 2013. The notice to proceed was issued and a purchase order for the procurement of the main power transformer was also executed during the period. Current activities include selecting the engineering, procurement and construction contractor. The Corporation expects to start construction of the Viger-Denonville project in early 2013.

### *Boulder Creek, North Creek, and Upper Lillooet Hydroelectric Facilities*

In the third quarter of 2012, RFPs to select the turbines supplier and civil works contractor were issued. Current activities include review of the Environmental Assessment Application by federal and provincial governments, ongoing consultation with stakeholders and applications for obtaining the relevant permits. The Corporation expects to start construction on the Boulder Creek and Upper Lillooet projects in 2013 and on the North Creek project in 2014.

### *Tretheway Creek and Big Silver-Shovel Creek Hydroelectric Facilities*

Current activities include hydrometric monitoring, environmental studies, consultation with the various stakeholders, applications for obtaining the relevant permits and preliminary engineering. An important milestone was reached when the projects received Environmental Assessment Certificates from the British Columbia Ministry of Environment and Ministry of Energy, Mines and Natural Gas on August 20, 2012. The Corporation expects to start construction on these projects in 2013.

## ACQUISITIONS IN PROGRESS

### *Magpie hydroelectric facility in Quebec*

On July 26, 2012, the Corporation announced that it had signed a purchase and sale agreement to acquire from Hydromega Group of Companies its 70% interest in the 40.6 MW Magpie facility located in the Minganie RCM, in Northeastern Quebec. Closing procedures are progressing well, albeit slowly, and no specific closing date can be given at this time. The Corporation is also working with Hydromega towards completing the other acquisitions pursuant to the letter of intent that was signed at the same time.

## SUBSEQUENT EVENTS

### *Termination of an Agreement to Acquire a Wind Energy Project in British Columbia*

On October 1, 2012, the Corporation announced that it had terminated its agreement to acquire the 77 MW Wildmare wind energy project located in British Columbia, Canada. Despite the efforts of both parties, several conditions of closing were not met by the prescribed closing date of September 30, 2012. The Corporation considered each of these conditions to be essential to the successful completion of the project. After careful consideration, the Corporation decided not to extend the closing date because it strongly believed that doing so would not change the outcome within an acceptable period of time.

### *Official inauguration of the Stardale Solar Farm*

On October 4, 2012, Innergex celebrated the inauguration of its Stardale solar farm during an official ceremony with the Honourable Chris Bentley, Minister of Energy for the Government of Ontario, Grant Crack, MPP for Glengarry-Prescott-Russell, and Robert Kirby, Mayor of East Hawkesbury Township.

### *Closing of the Acquisition of Two Operating Hydroelectric Facilities in British Columbia*

On October 12, 2012, the Corporation announced that it had completed the previously announced acquisition of the Brown Lake and Miller Creek run-of-river hydroelectric facilities located in British Columbia, Canada, for a final purchase price of \$68.6 million. Brown Lake is a 7.2 MW facility with an average annual production of 51,800 MWh. The electricity it produces is sold to BC Hydro under a power purchase agreement which expires in 2016. The Corporation expects to double the plant's installed capacity to 14.4 MW and increase its expected average annual production by 27,000 MWh for an additional investment of approximately \$20.0 million. Miller Creek is a 33 MW facility with an average annual production of 97,900 MWh. The electricity it produces is sold to BC Hydro under a power purchase agreement which expires in 2023. The Corporation expects to upgrade the penstock and water intake which should increase the plant's expected average annual production by 4,895 MWh and reduce operating costs, for an additional investment of approximately \$8.5 million. However, this capital expenditure program, which was initially expected to occur in the fall of 2012, has been postponed to the fall of 2013, given the longer-than-expected closing process and seasonal constraints.

## DIVIDEND DECLARATION

### **Dividends to Preferred Shareholders**

On November 6, 2012, the Corporation declared a dividend of \$0.3125 per Series A Preferred Share payable on January 15, 2013, to Series A preferred shareholders of record at the close of business on December 31, 2012.

### **Dividends to Common Shareholders**

On November 6, 2012, the Corporation declared a dividend of \$0.1450 per common share payable on January 15, 2013, to common shareholders of record at the close of business on December 31, 2012.

## CONFERENCE CALL REMINDER

The Corporation will hold a conference call tomorrow, Wednesday November 7, 2012 at 10:00 a.m. ET. The third quarter results 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**. Media and the public may also access this conference call, on a listen-only mode. A replay of the conference call will be available later the same day on the Corporation's website at [www.innergex.com](http://www.innergex.com).

### *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 28 operating facilities with an aggregate net installed capacity of 577 MW (gross 1,031 MW), including 22 hydroelectric operating facilities, five wind farms, and one solar photovoltaic farm; (ii) interests in eight projects under development or under construction with an aggregate net installed capacity of 188 MW (gross 263 MW), for which power purchase agreements have been secured; and (iii) prospective projects with an aggregate net capacity totaling 2,904 MW (gross 3,127 MW). Innergex Renewable Energy Inc. is rated BBB- by S&P and BBB (low) by DBRS.

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

### *Non-IFRS Measures Disclaimer*

The consolidated financial statements for the three-month and nine-month periods ended September 30, 2012 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 its production and cash generation capabilities, and facilitate the comparison of results over different periods. Adjusted EBITDA is not a measure recognized by IFRS and has no standardized meaning prescribed by IFRS. References in this news release to "Adjusted EBITDA" are to operating revenues less operating expenses, general and administrative expenses and prospective project expenses. Investors are cautioned that these non-IFRS measures should not be construed as an alternative to net income as determined in accordance with IFRS.

### *Forward-Looking Information Disclaimer*

In order to inform shareholders and potential investors about the Corporation's future prospects, this news release may contain forward-looking information within the meaning of securities legislation ("Forward-Looking Information"). Forward-Looking Information can generally be identified by the use of words and phrases, such as "about", "approximate", "potential", "may", "will," "estimate," "anticipate," "plans," "expects" or "does not expect," "is expected," "budget," "scheduled," "forecasts," "intends" or "believes," or variations of such words and phrases that state that certain events will occur.

The Forward-Looking Information includes forward-looking financial information or financial outlook, within the meaning of securities laws, such as projected revenues, projected construction costs, or approximate purchase price to inform investors and shareholders of the potential financial impact of recently announced acquisitions or expected results; such information may not be appropriate for other purposes.

Forward-Looking Information represents, as of the date of this news release, the estimates, forecasts, projections, expectations, or opinions of the Corporation relating to future events or results. Forward-looking Information involves known and unknown risks, uncertainties and other important factors, which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the Forward Looking Information. The material risks and uncertainties which may cause the actual results and developments to be materially different from the current expressed expectations in this news release include, without limitation: (i) execution of strategy; (ii) capital resources; (iii) derivative financial instruments; (iv) availability of water flows, wind and sun light; (v) failure to close the recently announced transactions; (vi) construction and design; (vii) development of new facilities; (viii) project performance; (ix) permits; (x) equipment failure; (xi) health, safety and environmental risks; (xii) interest rate and refinancing risk; (xiii) financial leverage and restrictive covenants; and (xiv) relationship with public utilities. Although the Corporation believes that the expectations instigated by the Forward-Looking Information are based on reasonable and valid hypotheses, there is a risk that the Forward-looking Information may be incorrect. The reader is cautioned not to rely unduly on this Forward-Looking Information. The Forward-Looking Information expressed verbally or in writing, by the Corporation or by a person acting on its behalf, is expressly qualified by this cautionary statement. 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 required by legislation.

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