



FISCAL 2014 THIRD QUARTER RESULTS

CONFERENCE CALL



August 8, 2014



Visit our website at: www.valener.com

CAUTIONARY NOTE

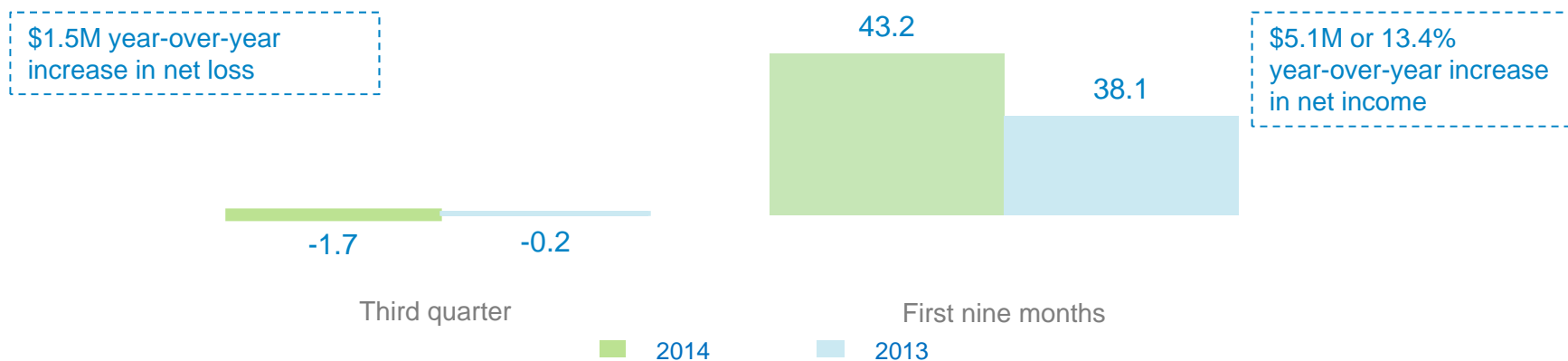
This presentation may contain forward-looking information within the meaning of applicable securities laws. Such forward-looking information reflects the intentions, plans, expectations and opinions of the management of Gaz Métro inc. (GMI), in its capacity as General Partner of Gaz Métro Limited Partnership (Gaz Métro), and acting as manager of Valener Inc. (Valener) (the management of the manager) and is based on information currently available to the management of the manager and assumptions about future events. Forward-looking statements can often be identified by words such as “plans,” “expects,” “estimates,” “forecasts,” “intends,” “anticipates” or “believes,” or similar expressions, including the negative and conjugated forms of these words. Forward-looking statements involve known and unknown risks and uncertainties and other factors beyond the control of the management of the manager. A number of factors could cause the actual results of Valener and Gaz Métro to differ significantly from the results discussed in the forward-looking statements, including, but not limited to, terms of decisions rendered by regulatory agencies, uncertainty about obtaining approvals from regulatory agencies and interested parties to carry out activities in Gaz Métro’s various business segments and the socio-economic risks associated with such activity, the competitiveness of natural gas in relation to other energy sources, the reliability of natural gas and electricity supply, the integrity of the natural gas and electricity distribution systems, the progress and profitability of wind power projects and other development projects, the ability to complete attractive acquisitions and the related financing and integration aspects, the ability to secure future financing, general economic conditions, exchange rate and interest rate fluctuations, weather conditions and other factors described in the “Risk Factors of Valener” and “Risk Factors of Gaz Métro” sections of Valener’s and Gaz Métro’s Management’s Discussion and Analysis for the fiscal year ended September 30, 2013 and in Valener’s disclosure filings. Although the forward-looking statements contained herein are based upon what the management of the manager believes to be reasonable assumptions, including assumptions to the effect that no unforeseen changes in the legislative and regulatory framework of energy markets in Quebec and in the New England states will occur; that the applications filed with the Régie will be approved as submitted; that natural gas prices will remain competitive; that the supply of natural gas and electricity will be maintained; that no significant event occurring outside the ordinary course of business, such as a natural disaster or other calamity, will occur; that Gaz Métro can continue to distribute substantially all of its net income (excluding non-recurring items); that the wind power project in which Valener and Gaz Métro are indirectly involved will be completed on time and within the defined parameters; that Wind Farms 2 and 3 can make distribution payments to its Partners; that GMP will be able to continue to quickly and effectively integrate CVPS’s operations; that liquidity needs for Gaz Métro’s development projects will be obtained through a combination of operating cash flows, borrowings on credit facilities, capital injections from the Partners of Gaz Métro, and issuances of debt securities; and that the subsidiaries will obtain the required authorizations and funds needed to finance their development projects; in addition to the other assumptions described in Valener’s and Gaz Métro’s Management’s Discussion and Analysis for the quarter ended June 30, 2014, the management of the manager cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of this date, and the management of the manager assumes no obligation to update or revise them to reflect new events or circumstances, except as required under applicable securities laws. These statements do not reflect the potential impact of any unusual item or any business combination or other transaction that may be announced or that may occur after the date hereof. Readers are cautioned not to place undue reliance on these forward-looking statements.

Non-GAAP financial measures

In the opinion of the management of the manager, certain indicators, such as net income attributable to the Partners of Gaz Métro, excluding non-recurring items, net income attributable to the common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes, net income attributable to the common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes, per common share, normalized operating cash flows and normalized operating cash flows per common share, provide readers with information it considers useful for analyzing the financial results of both Valener and Gaz Métro. However, these indicators are not standardized in accordance with Canadian generally accepted accounting principles (GAAP) and should not be considered in isolation or as substitutes for other performance measures that are in accordance with GAAP. The results obtained might not be comparable with similar indicators used by other issuers and should therefore only be considered as complementary information.



VALENER'S RECURRING NET INCOME (LOSS)⁽¹⁾ (\$ Millions)



	THIRD QUARTER	FIRST NINE MONTHS
FISCAL 2014	<ul style="list-style-type: none"> Expected reversal of a portion of the advance in net income generated by Gaz Métro-QDA in first half of fiscal year due to seasonality of operations 	<ul style="list-style-type: none"> Strong performance by Gaz Métro's energy distribution activities in Quebec and Vermont

(1) Net income attributable to common shareholders, excluding the share in non-recurring items of Gaz Métro, net of income taxes
Please refer to Non-GAAP measures in sections A and J of MD&A



UPDATE ON WIND FARM PROJECTS IN QUEBEC

VALENER
24.5%

GAZ MÉTRO
25.5%

PROJECTS	INSTALLED CAPACITY (MW)	NUMBER OF TURBINES	IN-SERVICE DATE	TOTAL INVESTMENT (\$ Millions)
Seigneurie de Beaupré projects 2 and 3	272	126	November/December 2013	~ 750 (incl. financing costs)

- 461,682 MWh of energy produced since in-service date
- 184,441 MWh of energy produced during Q3
- Utilization factor of 31.1% during Q3

Exceeded our expectations in a context of favourable wind conditions



UPDATE ON WIND FARM PROJECTS IN QUEBEC (Cont'd)

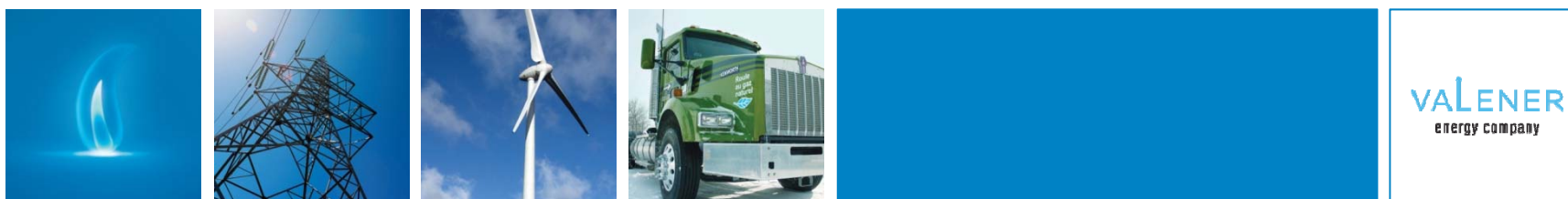
VALENER
24.5%

GAZ MÉTRO
25.5%

PROJECTS	INSTALLED CAPACITY (MW)	NUMBER OF TURBINES	EXPECTED IN-SERVICE DATE	TOTAL INVESTMENT (\$ Millions)
Seigneurie de Beaupré project 4	68	28	December 2014	~ 190 (incl. financing costs)

- Foundations and road construction completed
- Collector systems and integration of project 4 into existing electrical substation close to complete
- Initial energization occurred in June to power certain turbines in late August

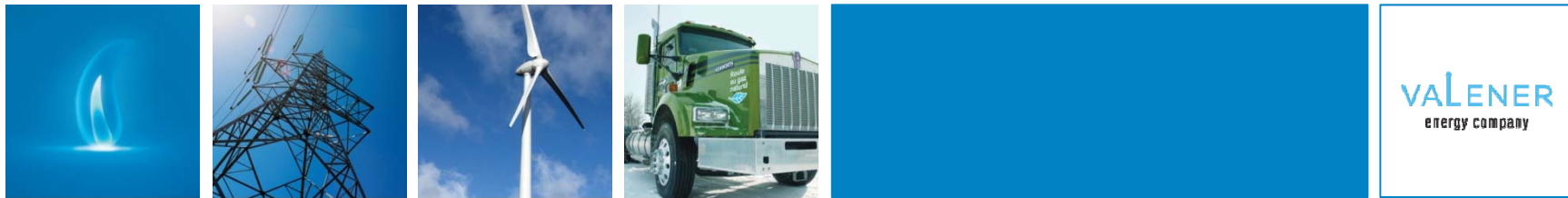
Work continues according to schedule for expected commissioning in December 2014



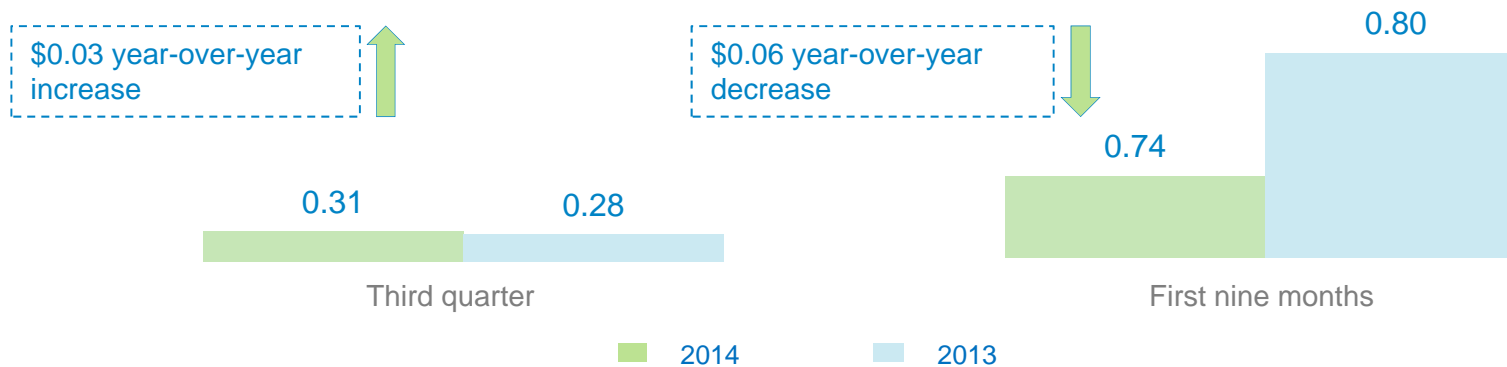
QUARTERLY DIVIDENDS DECLARED

AMOUNT PER SHARE	RECORD DATE	PAYABLE	DISCOUNT UNDER DRIP
Common shares			
\$0.25	September 30, 2014	October 15, 2014	5% on new shares issued
Series A preferred shares			
\$0.271875	October 8, 2014	October 15, 2014	Not applicable

Annual dividend of \$1 per common share to be maintained for fiscal 2015



VALENER'S NORMALIZED OPERATING CASH FLOWS PER COMMON SHARE⁽¹⁾ (\$)



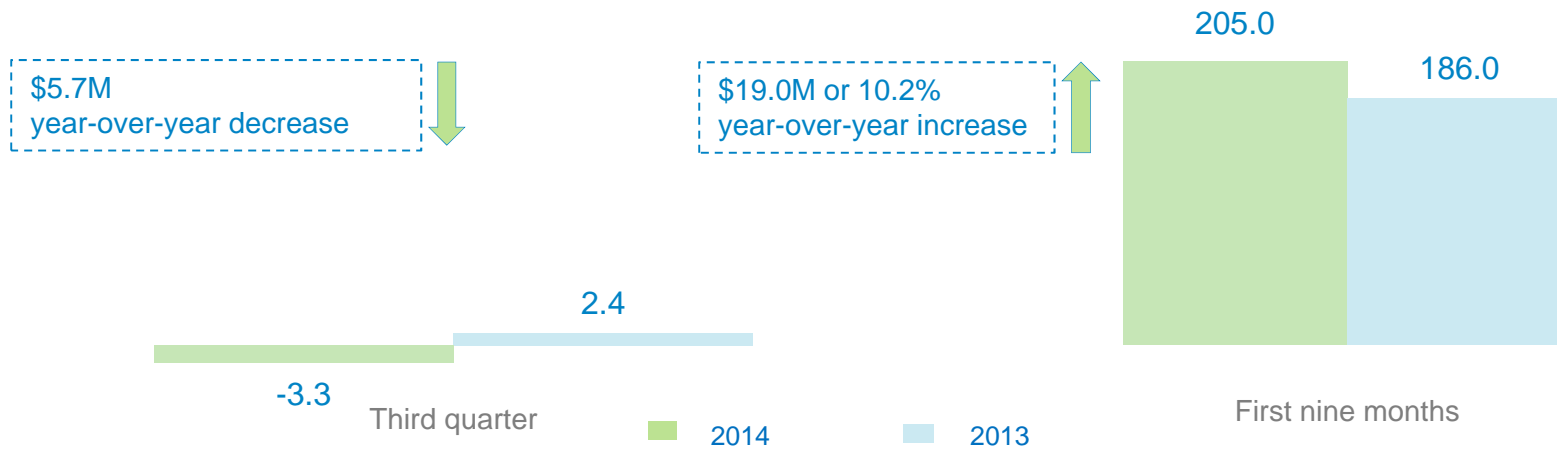
	THIRD QUARTER	FIRST NINE MONTHS
FISCAL 2014	<ul style="list-style-type: none"> Decrease in distributions received from Gaz-Métro (Valener no longer benefits from a \$1.7 million per-quarter increase in Gaz Métro distributions) Tax benefit arising from accelerated amortization of the wind power assets 	

Sufficient to cover dividend payment to common shareholders despite no distributions from wind projects 2 and 3

(1) Cash flows related to operating activities less dividends paid to preferred shareholders divided by weighted average number of common shares outstanding
Please refer to Non-GAAP measures in section A of MD&A



GAZ MÉTRO'S RECURRING NET INCOME (LOSS)⁽¹⁾ (\$ Millions)



	THIRD QUARTER	FIRST NINE MONTHS
FISCAL 2014	<ul style="list-style-type: none"> Expected reversal of a portion of the advance in net income generated by Gaz Métro-QDA in first half of fiscal year due to seasonality of operations 	<ul style="list-style-type: none"> Higher volumes of natural gas and electricity distributed in Quebec and Vermont mainly due to very cold temperatures Synergies from the operational integration of GMP and CVPS favourable impact of appreciation of U.S. dollar on results of U.S. operations

(1) Please refer to Non-GAAP measures in section J of MD&A



UPDATE ON GROWTH INITIATIVES IN VERMONT

PROJECTS	DETAILS
GMP-CVPS operational integration	<ul style="list-style-type: none"> • Three-year plan to merge the processes and operations of the two entities • Minimum synergy savings of US\$144M guaranteed to customers over 10-year period <ul style="list-style-type: none"> ➢ Specified amounts for fiscal years 2013-2015 ➢ 50% for fiscal years 2016-2020 ➢ 100% for fiscal years 2021-2022
As at June 30, 2014	<ul style="list-style-type: none"> • Specified amount of US\$5M for fiscal 2014 has been realized

Integration remains ahead of schedule



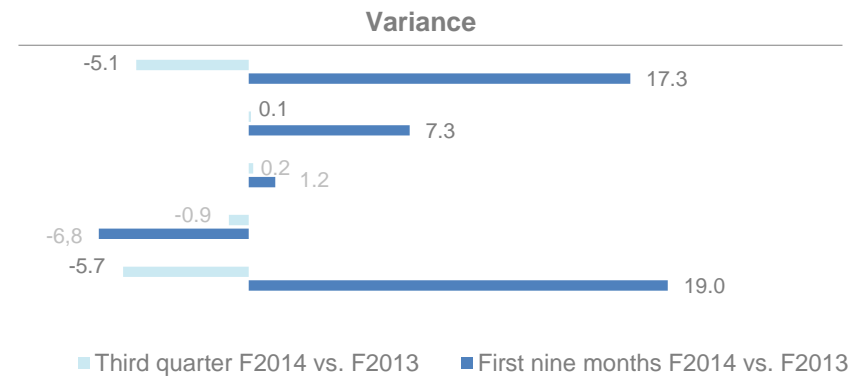
UPDATE ON GROWTH INITIATIVES IN VERMONT (Cont'd)

PROJECTS	DETAILS	SCHEDULE
VGS system development project	Extension to Addison County (Phase I)	<ul style="list-style-type: none"> December 2013: VPSB approval obtained June 2014: Reception of construction and environmental permits June 2014: Start of preliminary construction July 2014: VGS request to VPSB for budget increase Expected completion date: Autumn 2015
	As at June 30, 2014, VGS had invested US\$24.3M in the project	
	Extension to International Paper Company's mill in NY State (Phase II)	<ul style="list-style-type: none"> November 2013: Regulatory application filed with VPSB. Decision expected in December 2014 February 2014: Application filed with FERC to obtain authorization to cross Vermont / New York border Expected completion date: End of 2015



RECURRING NET INCOME (LOSS)⁽¹⁾ AND VARIANCE OF GAZ MÉTRO'S SEGMENTS (\$ Millions)

Segments	3 months ended June 30, 2014	9 months ended June 30, 2014
Gaz Métro-QDA	(10.6)	156.3
Energy distribution in Vermont	8.0	42.5
Energy production	(0.3)	0.5
Other	(0.4)	5.7
Total	(3.3)	205.0

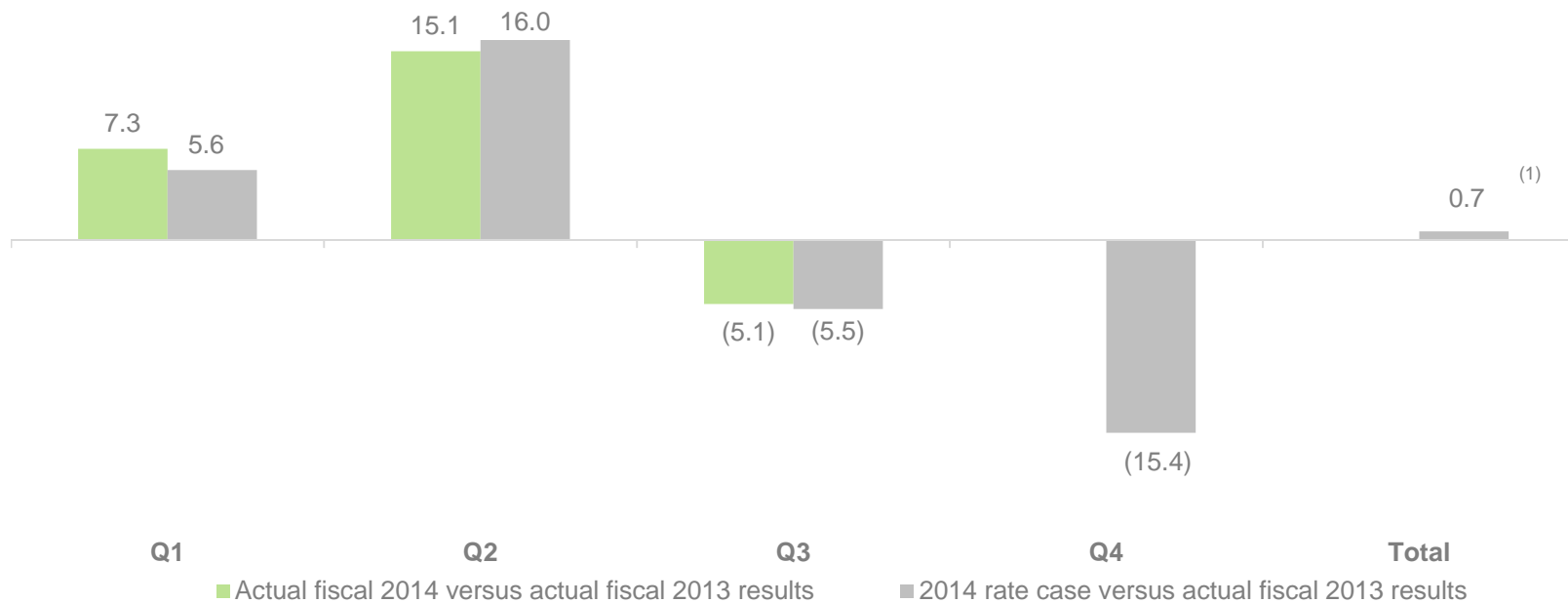


	THIRD QUARTER	FIRST NINE MONTHS
Gaz Métro-QDA	<ul style="list-style-type: none"> • Timing difference between revenue and cost recognition profiles, as anticipated in 2014 rate case • Recognition of a share in anticipated overearnings of distribution service 	
Energy distribution in Vermont	<ul style="list-style-type: none"> • Rate case parameters for both GMP and VGS • Higher volumes delivered by GMP due to much colder temperatures during first half of 2014 • Synergies from operational integration of GMP and CVPS • Appreciation of U.S. dollar 	

⁽¹⁾ Please refer to Non-GAAP measures in section J of MD&A



GAZ MÉTRO-QDA'S EXPECTED AND ACTUAL NET INCOME VARIATION FOR FISCAL 2014 (\$ Millions)



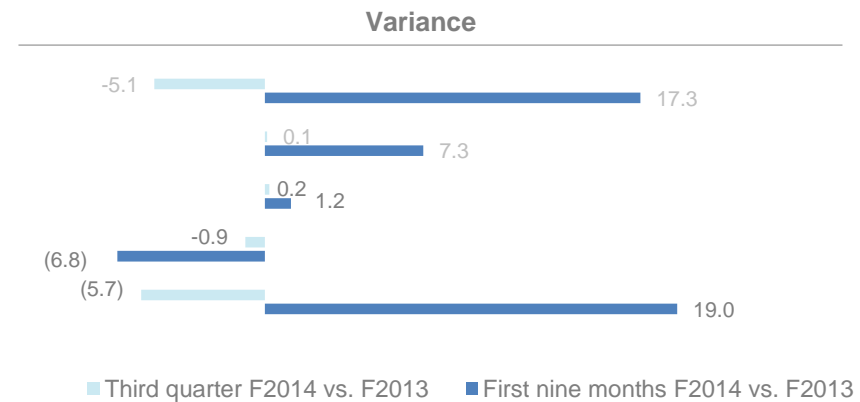
\$1.2M higher than anticipated in rate case for first nine months
Maximum share of overearnings of \$2.5M for fiscal 2014

⁽¹⁾ 2014 rate case based on authorized ROE of 8.90% and cost of service revised following the Régie's decision on May 15, 2014



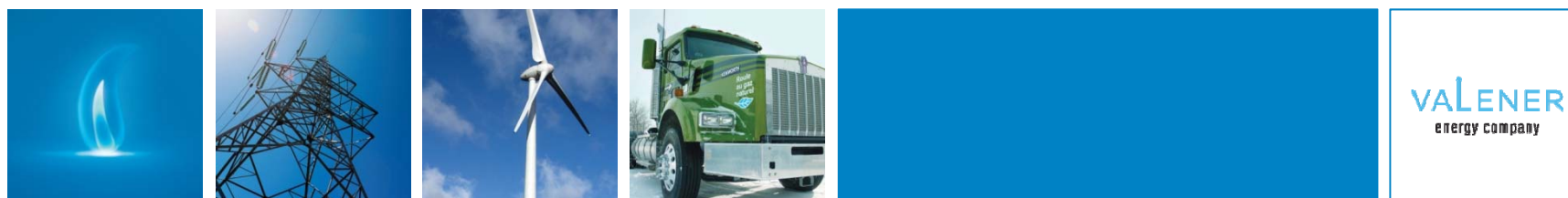
RECURRING NET INCOME (LOSS)⁽¹⁾ AND VARIANCE OF GAZ MÉTRO'S SEGMENTS (\$ Millions)

Segments	3 months ended June 30, 2014	9 months ended June 30, 2014
Gaz Métro-QDA	(10.6)	156.3
Energy distribution in Vermont	8.0	42.5
Energy production	(0.3)	0.5
Other	(0.4)	5.7
Total	(3.3)	205.0



	THIRD QUARTER	FIRST NINE MONTHS
Energy production	<ul style="list-style-type: none"> Net income generated by Wind Farms 2 and 3 since their commissioning during first quarter of fiscal 2014 	
Other segments	<ul style="list-style-type: none"> Short-term sales and higher demand due to colder temperatures for PNGTS Offset by: <ul style="list-style-type: none"> Lower storage revenues for Intragaz due to Régie's decision in May 2013 Lower profitability for CCUM due to higher fuel costs 	

⁽¹⁾ Please refer to Non-GAAP measures in section J of MD&A



SEIGNEURIE DE BEAUPRÉ WIND FARMS OPERATIONAL AND FINANCIAL UPDATE

Operational metrics (100% basis)	3 months ended June 30, 2014	9 months ended June 30, 2014 ⁽¹⁾
Electricity produced and sold (MWh)	184,441	461,682
Utilization factor (%)⁽²⁾	31.1	33.9
Financial metrics (Gaz Métro's 50% consolidated interest)	3 months ended June 30, 2014	9 months ended June 30, 2014
Revenues from electricity sales (\$ Millions)	9.9	24.9
EBITDA (\$ Millions)⁽³⁾	7.9	19.9
EBITDA margin (%)⁽³⁾	79.8	79.9

⁽¹⁾ Wind Farm 2 began commercial operations on November 28, 2013 and Wind Farm 3 on December 10, 2013

⁽²⁾ Utilization factor is calculated as electricity produced divided by installed capacity

⁽³⁾ EBITDA is a non-GAAP measure, as defined in Gaz Métro's financial statements



Q & A



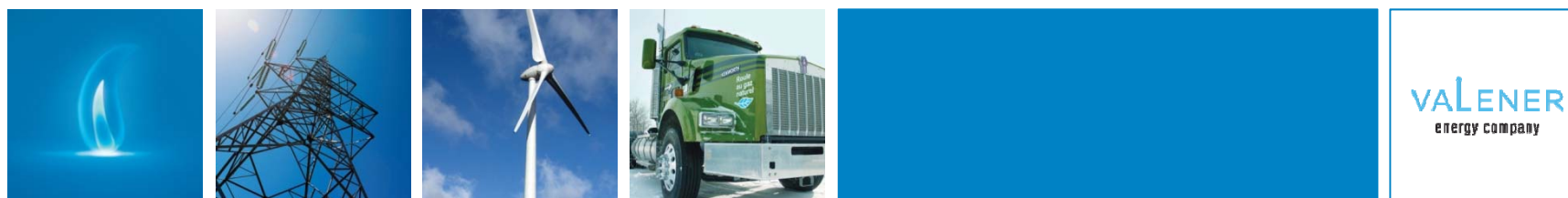


APPENDIX A - CURRENT COMPETITIVE POSITION OF NATURAL GAS IN QUEBEC

MARKET	COMPETING ENERGY	SAVINGS ¹
Industrial E.g.: Large companies in petrochemical, metallurgical industries	#6 Fuel oil	66%
Commercial & Institutional E.g.: Hospitals, schools, restaurants	Electricity	21% (small business) 44% (large business)
	#2 Fuel oil	42% (small business) 60% (large business)
Residential heating ²	Electricity	7% to 24%
	#2 Fuel oil	26% to 39%

¹ For the natural gas distribution activity in Québec. Based on prices as at August 1, 2014.

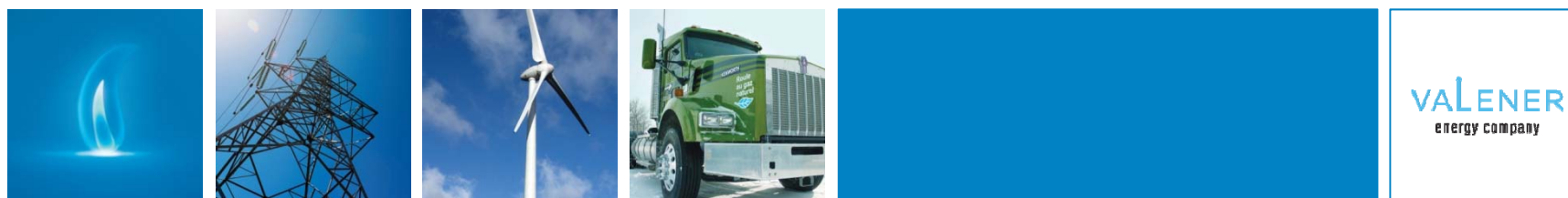
² Using high efficiency equipment



APPENDIX B – VALENER 2014 FISCAL YEAR THIRD-QUARTER AND NINE-MONTH PERIOD RESULTS

	3 months ended June 30			9 months ended June 30		
<i>(in millions of dollars, unless otherwise indicated)</i>	2014	2013	Change	2014	2013	Change
Consolidated net income (loss)	(0.6)	0.9	(1.5)	46.5	44.6	1.9
Share in the non-recurring items of Gaz Métro	-	-	-	-	(4.3)	4.3
Income taxes on the share in the non-recurring items of Gaz Métro	-	-	-	-	1.1	(1.1)
Consolidated net income (loss), excluding the share in the non-recurring items of Gaz Métro, net of income taxes ⁽¹⁾	(0.6)	0.9	(1.5)	46.5	41.4	5.1
Less: Cumulative dividends on Series A preferred shares	1.1	1.1	-	3.3	3.3	-
Consolidated net income (loss) attributable to common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes ⁽¹⁾	(1.7)	(0.2)	(1.5)	43.2	38.1	5.1
Weighted average number of common shares outstanding <i>(in millions of common shares)</i>	37.9	37.7	0.2	37.9	37.6	0.3
Consolidated net income (loss) attributable to common shareholders, excluding the share in the non-recurring items of Gaz Métro, net of income taxes, per common share <i>(in \$)</i> ⁽¹⁾	(0.04)	(0.01)	(0.03)	1.14	1.01	0.13

⁽¹⁾ These measures are financial measures that are not defined in Canadian generally accepted accounting principles (GAAP). For additional information, refer to the Non-GAAP Financial Measures heading in Valener's MD&A for the third quarter ended June 30, 2014.



APPENDIX C – GAZ MÉTRO 2014 FISCAL YEAR THIRD-QUARTER AND NINE-MONTH PERIOD RESULTS

<i>(in millions of dollars)</i>	3 months ended June 30			9 months ended June 30		
	2014	2013	Change	2014	2013	Change
Energy Distribution						
Gaz Métro-QDA	(10.6)	(5.5)	(5.1)	156.3	139.0	17.3
GMP and VGS	13.6	12.6	1.0	59.3	49.3	10.0
Financing costs of investments in this segment ⁽¹⁾	(5.6)	(4.7)	(0.9)	(16.8)	(14.1)	(2.7)
	(2.6)	2.4	(5.0)	198.8	174.2	24.6
Natural Gas Transportation						
TQM, PNGTS and Champion Pipe Line Corporation Ltd.	3.2	3.0	0.2	14.4	14.1	0.3
Financing costs of investments in this segment ⁽¹⁾	(0.4)	(0.3)	(0.1)	(1.3)	(1.0)	(0.3)
	2.8	2.7	0.1	13.1	13.1	-
Energy Production						
Gaz Métro Éole inc. and Gaz Métro Éole 4 Inc.	(0.2)	(0.5)	0.3	0.7	(0.7)	1.4
Financing costs of investments in this segment ⁽¹⁾	(0.1)	-	(0.1)	(0.2)	-	(0.2)
	(0.3)	(0.5)	0.2	0.5	(0.7)	1.2
Energy Services, Storage and Other						
Energy and storage	(1.2)	0.3	(1.5)	(1.2)	20.2	(21.4)
Financing costs of investments in this segment ⁽¹⁾	(0.2)	(0.2)	-	(0.6)	(0.8)	0.2
Net gain on the disposal of the interest in HydroSolution, L.P.	-	-	-	-	(14.7)	14.7
	(1.4)	0.1	(1.5)	(1.8)	4.7	(6.5)
Corporate Affairs						
Corporate Affairs	(1.8)	(2.3)	0.5	(5.6)	(5.3)	(0.3)
	(1.8)	(2.3)	0.5	(5.6)	(5.3)	(0.3)
Consolidated net income (loss) attributable to Partners, excluding non-recurring items ⁽²⁾	(3.3)	2.4	(5.7)	205.0	186.0	19.0
Non-recurring items	-	-	-	-	14.7	(14.7)
Consolidated net income (loss) attributable to Partners	(3.3)	2.4	(5.7)	205.0	200.7	4.3

(1) These costs consist of the interest on the long-term debt incurred by Gaz Métro to finance investments in the subsidiaries, joint ventures and entities subject to significant influence of each segment.

(2) This measure is a financial measure not defined in Canadian generally accepted accounting principles (GAAP). For additional information, refer to the Non-GAAP Financial Measures heading in Valener's MD&A for the third quarter ended June 30, 2014.