



Scale  
Stability  
Diversified  
Growth

**TransAlta** renewables inc.

# Investor Presentation

Summer 2013

Wolfe Island, 198 MW

# Forward-Looking Statements

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The Company has obtained the statistical data, market research and industry data presented in this presentation from a combination of government and other industry publications and reports and the estimates of management. Such data involve risks and uncertainties and are subject to change based on various factors. See “Notice to Investors - Market Data” in the Prospectus. This presentation makes reference to certain non-IFRS measures, including Adjusted EBITDA and cash available for distribution. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. For more information relating to the non-IFRS measures, see “Notice to Investors - Non-IFRS Measures” and “Selected Historical Financial Information” in the Prospectus. Copies of the Prospectus are available on SEDAR at [www.sedar.com](http://www.sedar.com).

# One of the Largest Publicly-Traded Renewable Companies in Canada

## 28

renewable power  
generation facilities

## 1,112

megawatts installed  
generating capacity

## \$166

million in pro forma  
adjusted EBITDA

## \$86

million estimated  
annual dividend

### High Quality Diversified Portfolio

British  
Columbia  
4 hydro  
77 MW

Alberta  
4 hydro  
21 MW  
10 wind  
417 MW

Bone Creek 19MW

● Upper Mamquam 25MW  
● Pingston 23MW  
● Akolkolex 10MW  
● Summerview One 70MW  
● Sinnott 7MW  
● Castle River 44MW  
● Belly River 3MW  
● Waterton 3MW  
● Cowley North 20MW  
● Summerview Two 66MW  
● Macleod Flats 3MW  
● Blue Trail 66MW  
● Soderglen 35MW  
● Taylor Hydro 13MW  
● McBride Lake 38MW  
● Ardenville 69MW  
● St. Mary 2MW

Wolfe Island, ON



Upper Mamquam, BC



Pingston, BC



New Richmond, QC



Summerview 2, AB



Blue Trail, AB



Bone Creek, BC



Kent Hills, NB



### 5 Operating Regions

Ontario  
4 hydro  
7 MW  
3 wind  
398 MW

Quebec  
1 wind  
68 MW

New Richmond 68MW

Kent Hills One 80MW  
Kent Hills Two 45MW

New  
Brunswick  
2 wind  
125 MW

● Misema 3MW

● Moose Rapids 1MW

● Appleton 1MW  
● Galetta 2MW

● Wolfe Island 198MW  
● Melancthon One 68MW  
● Melancthon Two 132MW



# Premier Renewable Company

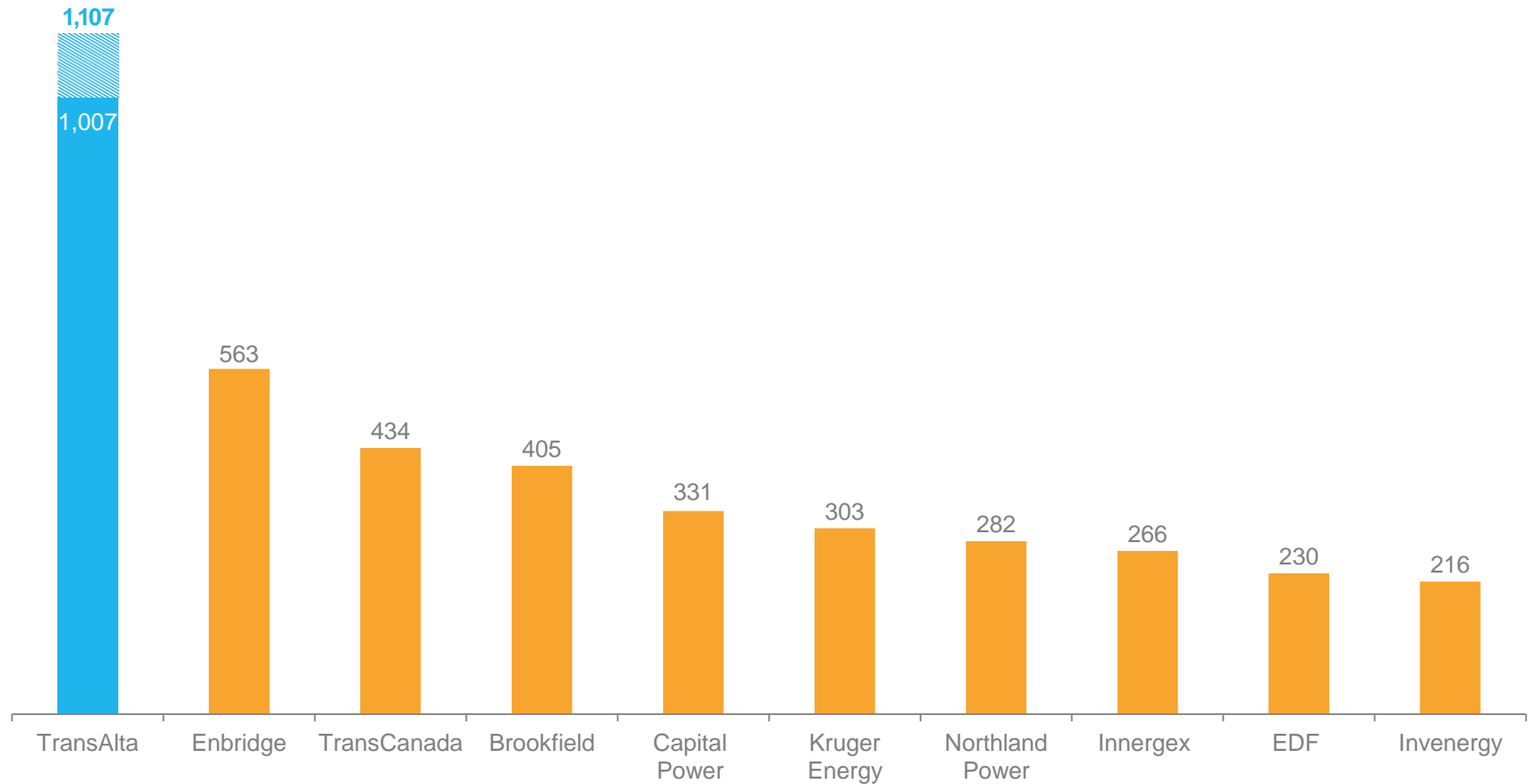
- Scale and diversification underpinned by high quality assets
- Low-risk portfolio consisting entirely of operating assets with fully contracted investment-grade counterparties
- Multi-faceted growth strategy with potential access to >1,000 MW pipeline
- Conservative payout ratio and financial leverage
- Long-term alignment with TransAlta as sponsor and majority shareholder

Predictable, Stable Cash Flow Supports  
Attractive Dividend Yield

Soderglen, 35 MW

# Canada's Largest Generator of Wind Power

Operating Wind Capacity in Canada (Net MW)



Source: CanWea June 2013 & company websites

## Competitive Advantages of Unrivalled Scale

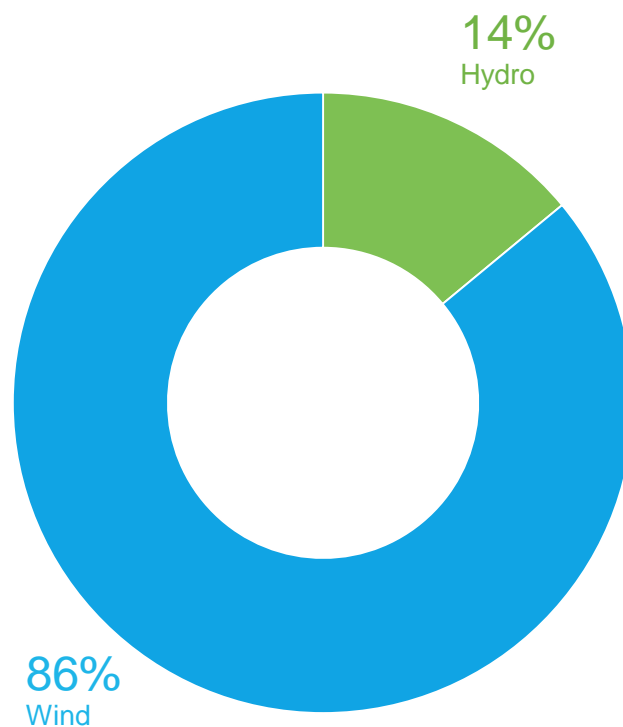
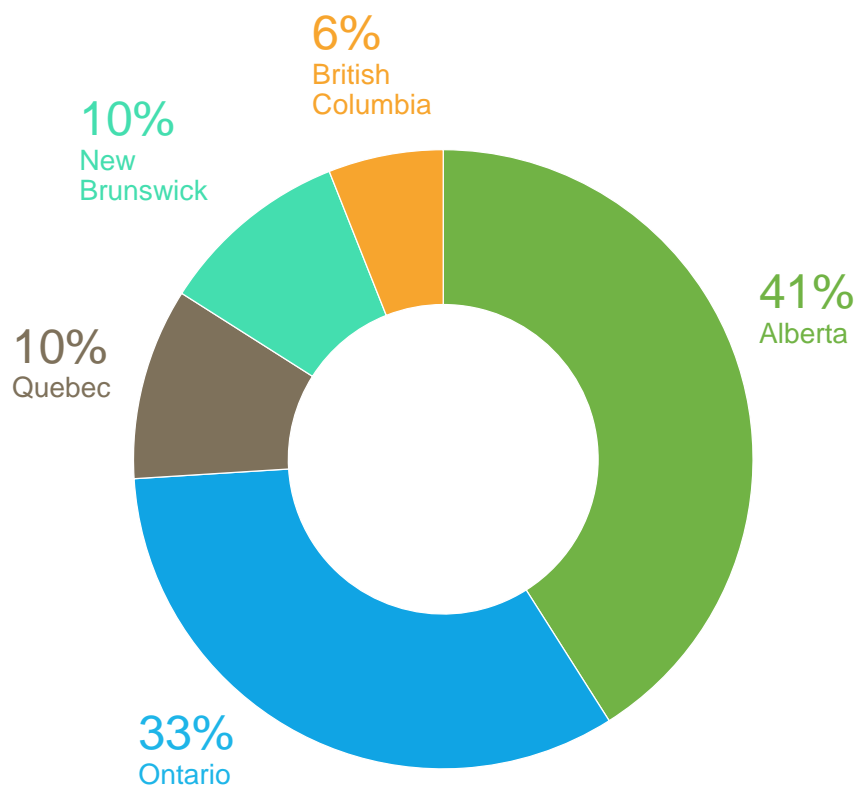


# Operational & Commercial Strategy

Waterton, 3 MW

# Diversified Asset Platform Across 5 Operating Regions

Estimated Net Annual Generation (GWh)



Combination of Wind and Hydro Favours Stable Cash Flow



# Operational Excellence

- Proven technology from top wind equipment manufacturers

**Vestas**



**SIEMENS**



- 24/7 capability to operate remotely from centralized location
- Performance and equipment monitoring from centralized operations diagnostic centre
- Experienced operations and engineering team



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High Wind Fleet Availability and Low Operating Costs

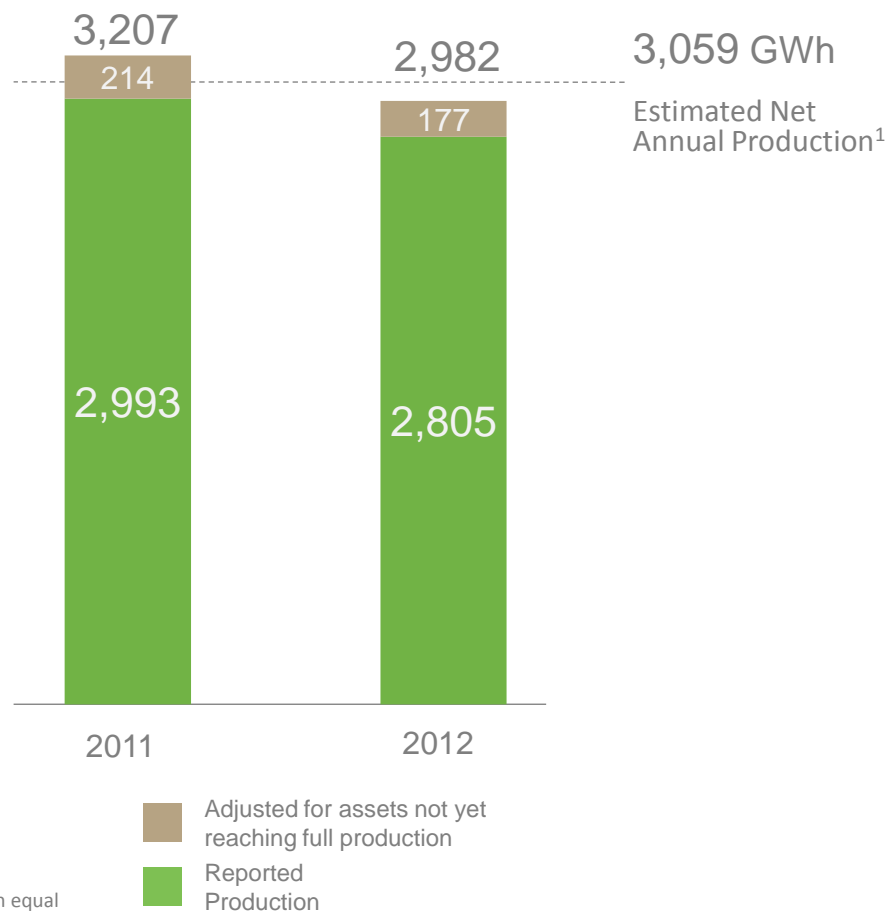


# 100% Operating Assets with Established History

**5.8** years  
weighted average operating history

**96.3%**  
2012 wind fleet availability

Historical & Expected Production (GWh)

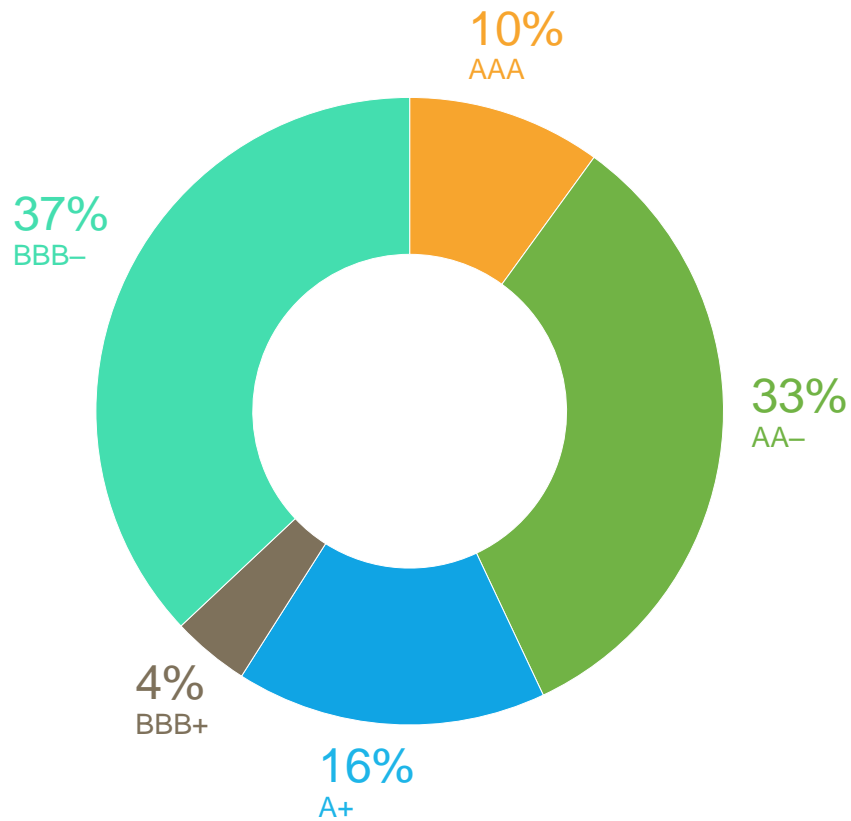


1) Management estimates based on a near term base case production scenario, where there is an equal chance of higher or lower actual net annual generation, and are therefore subject to potential uncertainties.

Predictable Production with No Development Risk

# 100% Contracted with Investment-Grade Off-Takers

- Average Contract Life of 17 years



Government Backed Entities



Sponsor



Diversification Reduces Risk



# Growth Strategy

Three Sisters, 3 MW



# Renewable Power: The Fastest Growing Power Segment

## Growth Focus:

- Consolidate fragmented industry
- Acquisitions of assets from TransAlta
- Expansion into other markets and technologies

Le Nordais, 99 MW

Experience to Execute on Multi-Faceted Growth Strategy



# Sponsor with a Proven Track Record in Renewables

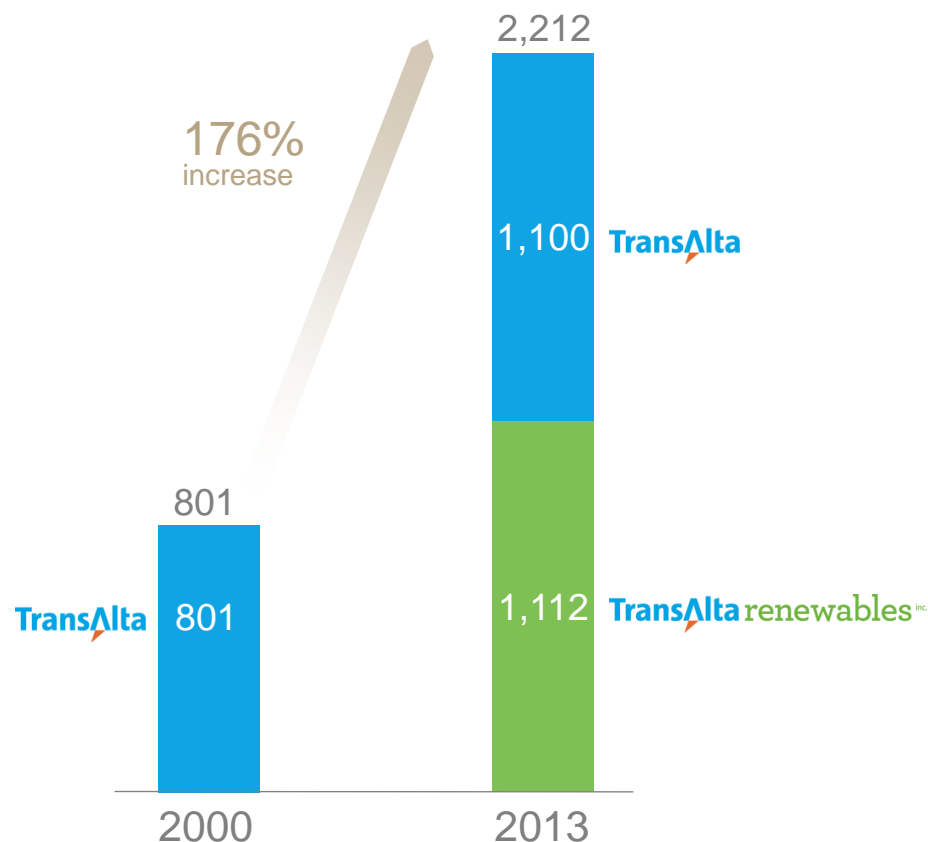


**100** years  
renewable operating experience

**9,051** MW  
generating capacity

**80-85%**  
retained interest –  
intention to remain majority shareholder

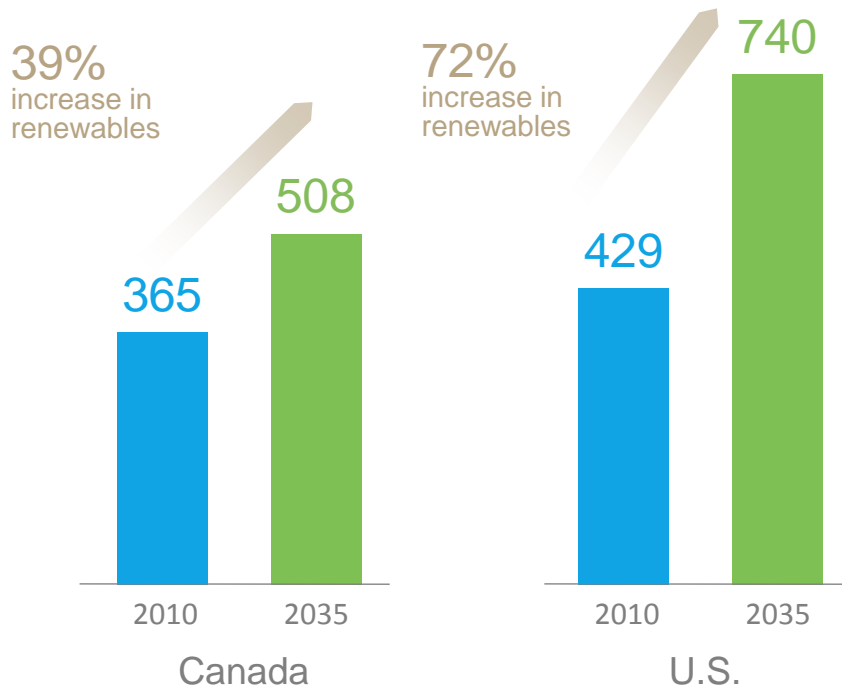
Proven Renewable Asset Growth (MW)



Majority Shareholder Fully Aligned with Investors

# Renewables are One of the Fastest Growing Power Sources

Growth in Renewable Power Generation (TWhs)



Sources: Annual Energy Outlook 2013 – EIA and Canada's Energy Future: Energy Supply and Demand Projections to 2035 - NEB, November 2011.

## Growth Drivers

Increased demand for renewables

Replacement of retired power facilities

Government policy support

Positioned to Capitalize on Significant Growth

## Potential Acquisitions from TransAlta



813 MW of Hydro Assets



99 MW of Contracted Wind Assets



164 MW of Geothermal Assets



# Growth Criteria

Assets with proven operating history

Long-term PPA contracts

Investment-grade counterparties

Familiar technologies/suppliers

New Richmond, 68 MW

Consistent Risk Profile with Existing Portfolio



# Proven Management Team

TransAlta Renewables Inc.

TransAlta Corp. and Other

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**Brett Gellner**

President

CFO

Former VP Commercial Operations, Mergers & Acquisitions

12 years investment banking covering power, pipeline, midstream and forest products

13 years power industry experience

**Cynthia Johnston**

COO

EVP, Corporate Services

Former VP Renewable Operations

5 years at FortisAlberta Inc.

27 years power industry experience

**David Koch**

VP, Controller

VP, Controller

Former VP Financial Operations

10 years power industry experience

**Maryse St.-Laurent**

VP, Corporate Secretary

VP, Corporate Secretary

Previously senior legal counsel with TransCanada Corporation &

Corporate Secretarial of TC PipeLines LP

8 years power industry experience

**Todd Stack**

VP, Treasurer

VP, Treasurer

Previous senior roles in Finance and Engineering departments

23 years power industry experience

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Extensive Industry and Growth Experience

# Board of Directors

## Allen Hagerman\*

Chairman, Member of Audit Committee

EVP, Canadian Oil Sands; Director, Precision Drilling; Former CFO Canadian Oil Sands, Past President of Financial Executives Institute, Calgary Chapter; Former board positions include Capital Power, Syncrude Canada and Governor of the University of Calgary

## David Drinkwater\*

Member of Audit Committee

Chairman of Rothschild Canada; Former Chief Legal Officer, Nortel; EVP & CFO, Ontario Power Generation

## Kathryn McQuade\*

Chair of Audit Committee

Former CFO, EVP & COO and Senior Advisor Canadian Pacific Railway; EVP & CIO Norfolk Southern; Former Director, North West Upgrading, Altria Group, Shenandoah Life Insurance

## Brett Gellner

President, TransAlta Renewables

## Cynthia Johnston

COO, TransAlta Renewables

## Paul Taylor

President of TransAlta's U.S. business operations; Former SVP, Corporate Development involved in the establishment of TransAlta Power L.P. and President and CEO of NaiKun Wind Energy Group

\* Independent

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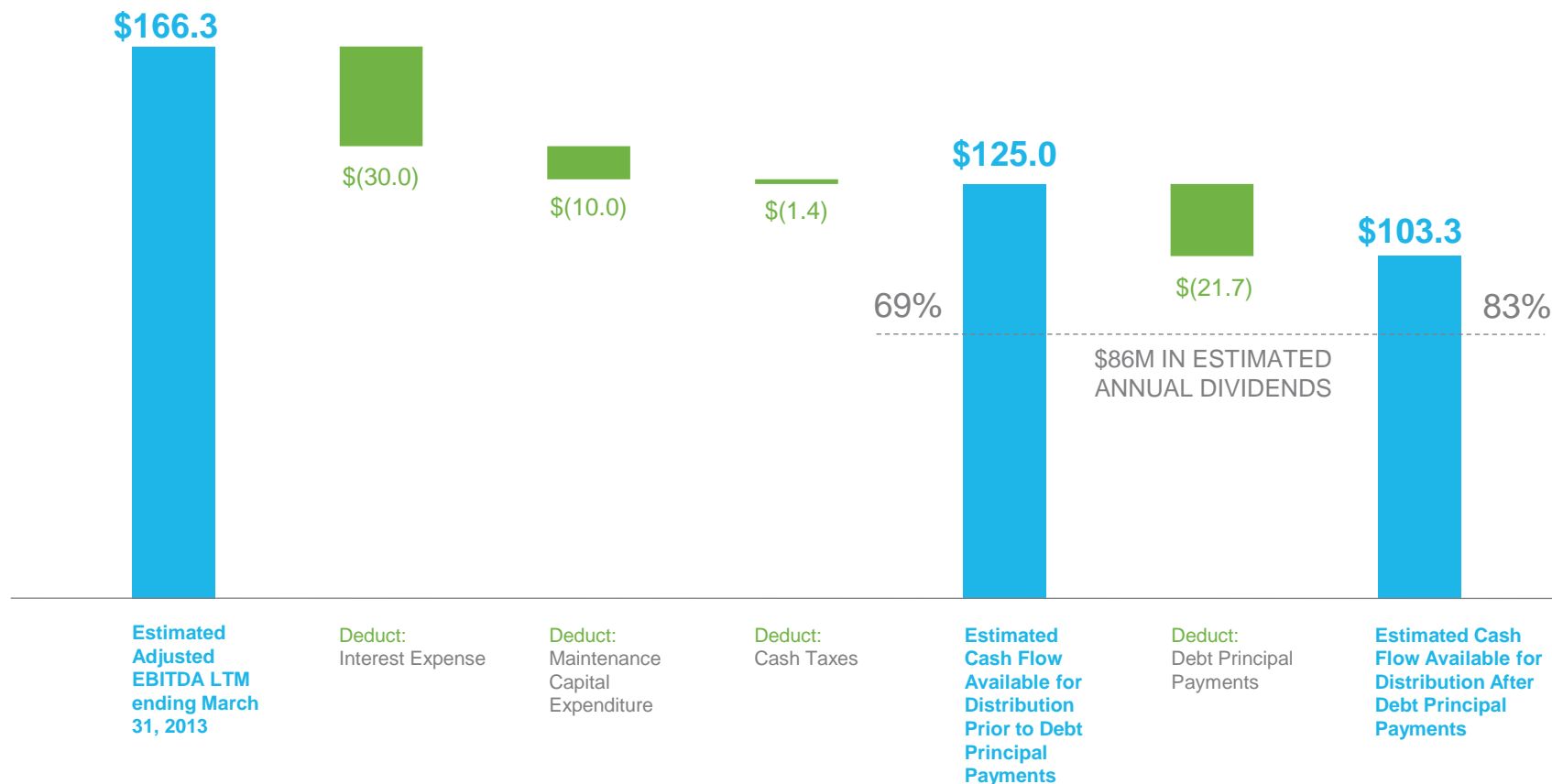
Strong and Experienced Independent Directors

# Financials



St. Mary, 2 MW

## Cash Available for Distribution (\$ millions)



Prudent Payout Ratio of 83% After Debt Principal Payments




# Financial Strength

Debt to EBITDA of 3.5X

Conservative payout ratio

Reimbursement based G&A Model

Access to capital markets



Wolfe Island, 198 MW

Flexibility and Discipline

# Investment Highlights

- Scale and diversification underpinned by high quality assets
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- Conservative payout ratio and financial leverage
- Long-term alignment with TransAlta as sponsor and majority shareholder

Predictable, Stable Cash Flow  
Supports Attractive Dividend Yield

Castle River, 44 MW