



CUE CARD 2013-2014

Hydro-Québec generates, transmits and distributes electricity. It uses primarily hydroelectricity and supports the development of other generating options—such as wind energy and biomass—through purchases from independent power producers. Its transmission and distribution activities are regulated by the Régie de l'énergie. It conducts research and develops new technologies in energy related fields, including energy efficiency.

Hydro-Québec's sole shareholder is the Québec government, which guarantees most of its borrowings.

KEY ASSETS

Water used to generate more than 99% of output	26 large reservoirs with a storage capacity of 175 TWh	36,068 MW in total installed capacity	Average cost of kWh generated by Hydro-Québec of 1.98¢	Rates among the lowest in North America
---	--	--	---	---

CONSOLIDATED FINANCIAL INFORMATION¹

(C\$M)	2013	2012	2011	2010	2009
OPERATIONS					
Revenue	12,881	12,136	12,250	12,269	11,997
Expenditure					
Operations	2,450	2,364	2,415	2,424	2,376
Electricity and fuel purchases	1,568	1,183	1,154	1,282	1,137
Depreciation and amortization	2,492	2,415	2,603	2,559	2,280
Taxes	1,000	997	864	906	924
	7,510	6,959	7,036	7,171	6,717
Operating result	5,371	5,177	5,214	5,098	5,280
Financial expenses	2,433	2,441	2,528	2,555	2,419
Result from continuing operations	2,938	2,736	2,686	2,543	2,861
Result from discontinued operations²	4	(1,876)	(75)	(28)	10
Net result	2,942	860	2,611	2,515	2,871
DIVIDEND	2,207	645	1,958	1,886	2,168
BALANCE SHEET SUMMARY					
Total assets	73,110	70,508	69,594	65,794	64,918
Long-term debt, including current portion and perpetual debt	44,477	43,524	42,050	38,660	37,943
Equity	19,394	18,982	18,834	18,566	18,419
INVESTMENTS FOR CONTINUING OPERATIONS AFFECTING CASH					
Property, plant and equipment and intangible assets ³	4,335	3,932	3,814	4,220	4,307
FINANCIAL RATIOS⁴					
Interest coverage	2.09	2.02	1.97	1.93	2.08
Return on equity from continuing operations (%)	14.6	14.6	15.5	15.3	17.9
Profit margin from continuing operations (%)	22.8	22.5	21.9	20.7	23.8
Capitalization (%)	30.5	30.6	31.4	32.1	32.6
Self-financing (%)	68.3	55.4	48.7	47.0	41.3

1. Certain comparative figures have been reclassified to conform to the presentation adopted in the year ended December 31, 2013.

2. The discontinued operations are related to the 2012 decision to abandon the project to refurbish Gently-2 nuclear generating station and to terminate nuclear power operations.

3. Including the Energy Efficiency Plan (EEP).

4. Source: Hydro-Québec, *Annual Report 2013*, page 98.

OPERATING STATISTICS AND OTHER INFORMATION

	2013	2012	2011	2010	2009
Average rate increase (decrease) from January 1 to December 31 (%)	1.7	(0.4)	(0.2)	0.6	1.6
Total installed capacity (MW)	36,068⁵	35,829	36,971	36,671	36,813
Total customer accounts (thousands)	4,142	4,096	4,049	4,000	3,948
Total number of employees (excluding employees of subsidiaries and joint ventures)	20,243	21,596	22,501	23,092	23,090

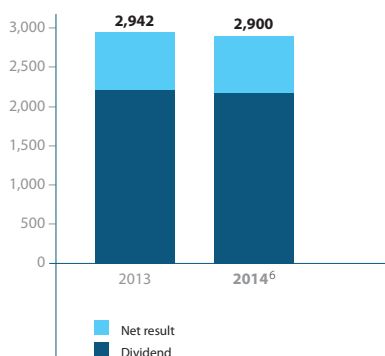
5. In addition to the generating capacity of its own facilities, Hydro-Québec has access to almost all the output from Churchill Falls generating station (5,428 MW) under a contract with Churchill Falls (Labrador) Corporation Limited that will remain in effect until 2041. It also purchases all the output from 23 wind farms (2,399 MW) and 4 small hydropower plants (48 MW) and almost all the output from 11 biomass cogeneration facilities (205 MW) operated by independent power producers. Moreover, 1,146 MW are available under long-term contracts with other suppliers.

2013 HIGHLIGHTS

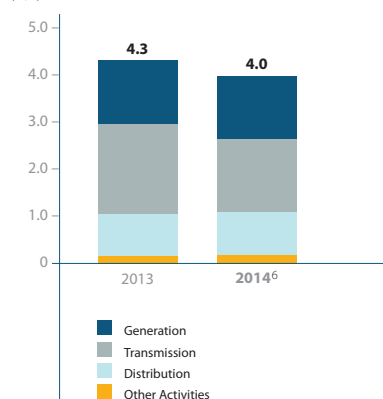
- Result from continuing operations of \$2,938 million, a new record for the company.
- Investments in transmission, amounting to \$1.9 billion, were higher than investments in generation, which reached \$1.4 billion. Investments in property, plant and equipment and intangible assets totaled \$4.3 billion.
- Commissioning of the Sarcelle powerhouse (150 MW), the last component of the Eastmain-1-A/Sarcelle/Rupert project (918 MW).

2014 FINANCIAL OUTLOOK

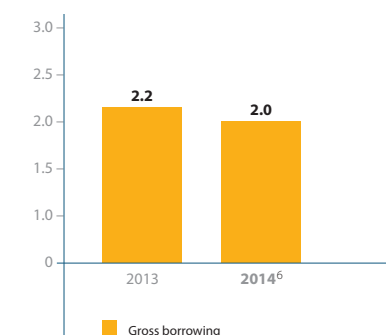
NET RESULT AND DIVIDEND (C\$M)



INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS⁷ (C\$B)



FINANCING NEEDS (C\$B)



6. Projected.
7. Including the EEP.

HYDRO-QUÉBEC: A QUALITY INVESTMENT

Security	Characteristics of the debt as at December 31, 2013	Credit Ratings as at December 31, 2013			
Unconditional guarantee by the Québec government on most of Hydro-Québec's debt (debentures, medium-term notes, commercial paper)	Average term: 18.5 years	Moody's	Long-term debt	Commercial paper	Outlook/Trend
	Fixed rate ⁸ : 88.6%				
	Floating rate ^{8,9} : 11.4%	Standard & Poor's	A+	A-1+	N/A ¹¹
	Breakdown by repayment currency ¹⁰ : C\$ 98.9% US\$ 1.1%	Fitch Ratings	AA-	F1+	Negative
		DBRS	A (high)	R-1 (middle)	Stable

8. The debt is translated into Canadian dollars at the closing exchange rates in effect at the balance sheet date.
9. Excluding swaps related to credit risk mitigation.
10. Including perpetual debt, swaps and forward contracts.
11. Standard & Poor's does not provide an outlook for Hydro-Québec's credit rating. However, it has given the Québec government, which is Hydro-Québec's shareholder and guarantor, the "stable" outlook.

For more information, please consult our Web site: www.hydroquebec.com/investor-relations
You can also contact the Investor Relations team by e-mail: rel.inv@hydro.qc.ca

Ce document est également publié en français.