INVESTOR PRESENTATION

JANUARY 2018

SAFE HARBOR

Forward Looking Statements

Any statements in this presentation about future expectations, plans and prospects for Ameresco, Inc., including statements about market conditions, pipeline and backlog, as well as estimated future revenues and net income, and other statements containing the words “projects,” “believes,” “anticipates,” “plans,” “expects,” “will” and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including the timing of, and ability to, enter into contracts for awarded projects on the terms proposed; the timing of work we do on projects where we recognize revenue on a percentage of completion basis, including the ability to perform under recently signed contracts without unusual delay; our ability to place solar assets into service as planned; demand for our energy efficiency and renewable energy solutions; our ability to arrange financing for our projects; changes in federal, state and local government policies and programs related to energy efficiency and renewable energy; the ability of customers to cancel or defer contracts included in our backlog; the effects of our recent acquisitions; and restructuring activities; seasonality in construction and in demand for our products and services; a customer’s decision to delay our work on, or other risks involved with, a particular project; availability and costs of labor and equipment; the addition of new customers or the loss of existing customers; market price of the Company's stock prevailing from time to time; the nature of other investment opportunities presented to the Company from time to time; the Company's cash flows from operations and other factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the U.S. Securities and Exchange Commission on March 3, 2017. In addition, the forward-looking statements included in this presentation represent our views as of the date of this presentation. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this presentation.

Use of Non-GAAP Financial Measures

This presentation includes references to adjusted EBITDA, adjusted cash from operations, non-GAAP net income and non-GAAP earnings per share, which are non-GAAP financial measures. For a description of these non-GAAP financial measures, including the reasons management uses these measures, please see the section in the Appendix in this presentation titled “Non-GAAP Financial Measures”. For a reconciliation of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP, please see the tables in the Appendix to this presentation titled “GAAP to Non-GAAP Reconciliation,” Non-GAAP Financial Guidance” and “Non-GAAP Financial Measures.”

COMPANY OVERVIEW

ABOUT
AMERESCO

We empower our customers with cost-effective, environmentally sustainable solutions.

Leading Energy Services Provider

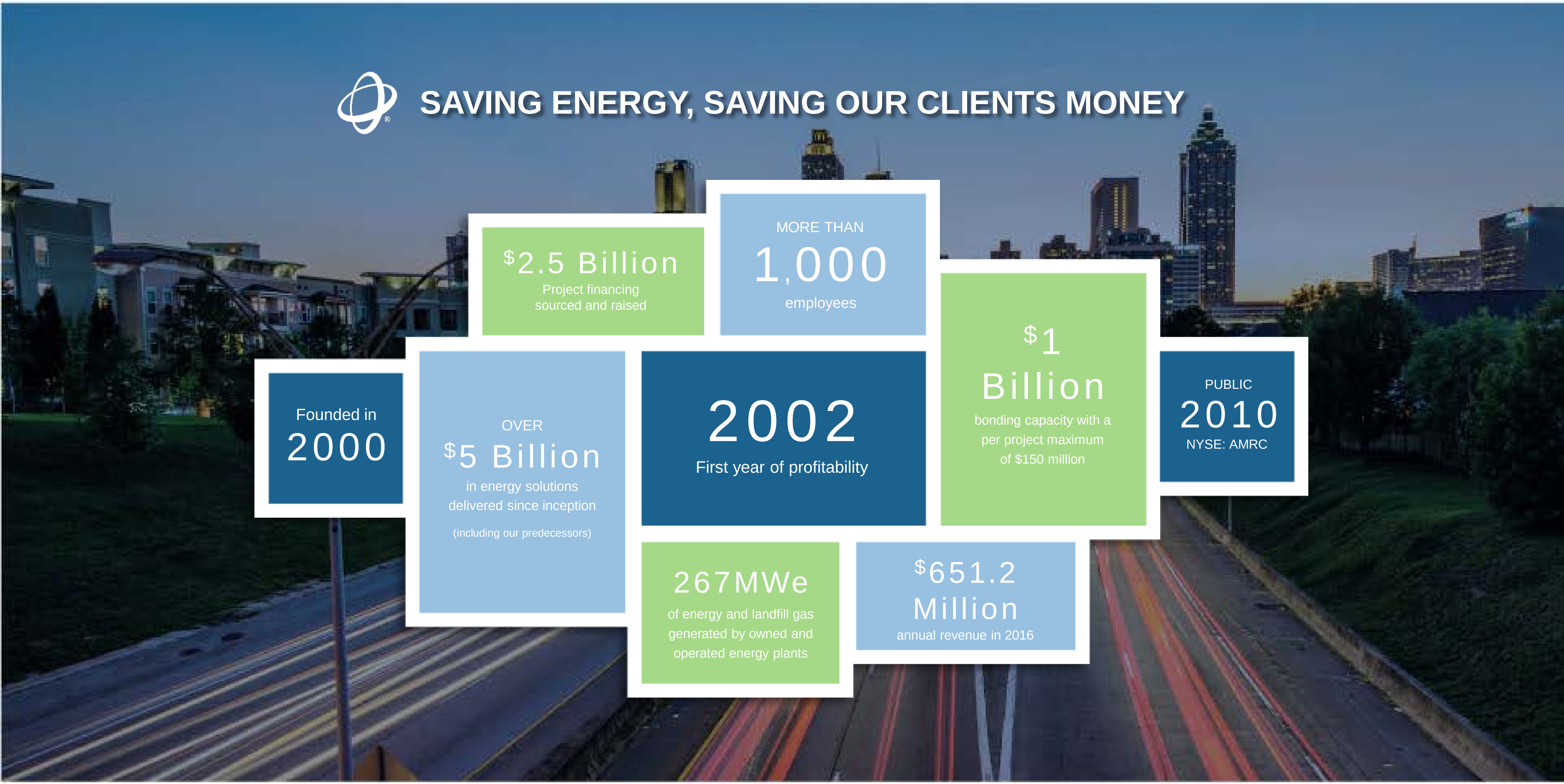
- Implement efficient, energy and money-saving solutions, including retrofits
- Design, build and even operate client-owned renewable energy sources
- Tailor services to meet specific customer needs and sustainability goals

Trusted sustainability partner to public and private sectors

Socially responsible. Economically efficient.

Pioneering Developer of Renewable Power Projects

- Industry-leading expertise in solar and landfill gas
- Developed over 300 MW of renewable energy projects
- Nearly $200 Million in renewable power projects for customers


SAVING ENERGY, SAVING OUR CLIENTS MONEY
$2.5 Billion
Project financing sourced and raised
MORE THAN
1,000
employees
$1 Billion
bonding capacity with a per project maximum of $150 million
Founded in
2000
OVER
$5 Billion
in energy solutions delivered since inception
(including our predecessors)
2002
First year of profitability
PUBLIC
2010
NYSE: AMRC
267MWe
of energy and landfill gas generated by owned and operated energy plants
$651.2 Million
annual revenue in 2016

INDUSTRIES WE SERVE


Energy Efficiency
Renewable Energy
Energy Information
COMPREHENSIVE SOLUTIONS
Energy Infrastructure
Energy Supply Management
Project Financing

SOURCES OF REVENUE

Primary

- Efficiency Retrofit Projects
  - 70% of revenue
  - Two most common deal structures: Energy Savings Performance Contract and Design and Build
  - Self-funding via cost savings
  - Focus on electricity usage, HVAC, water

Recurring

- Energy Production
  - 10% of revenue
  - Recurring, high margin revenue
  - Electricity sales from company-owned assets
  - Assets related to projects
  - Sales under long-term supply agreements
- Operations and Maintenance
  - 10% of revenue
  - Recurring, high margin revenue
  - Contracted in conjunction with projects
  - Visibility on $806 million of revenue over next 20+ years

INVESTMENT HIGHLIGHTS

INVESTMENT HIGHLIGHTS

Attractive Market Opportunity

- Large Addressable Market
- Clear Drivers of Growth
- Significant Barriers to Entry

Durable Competitive Advantages

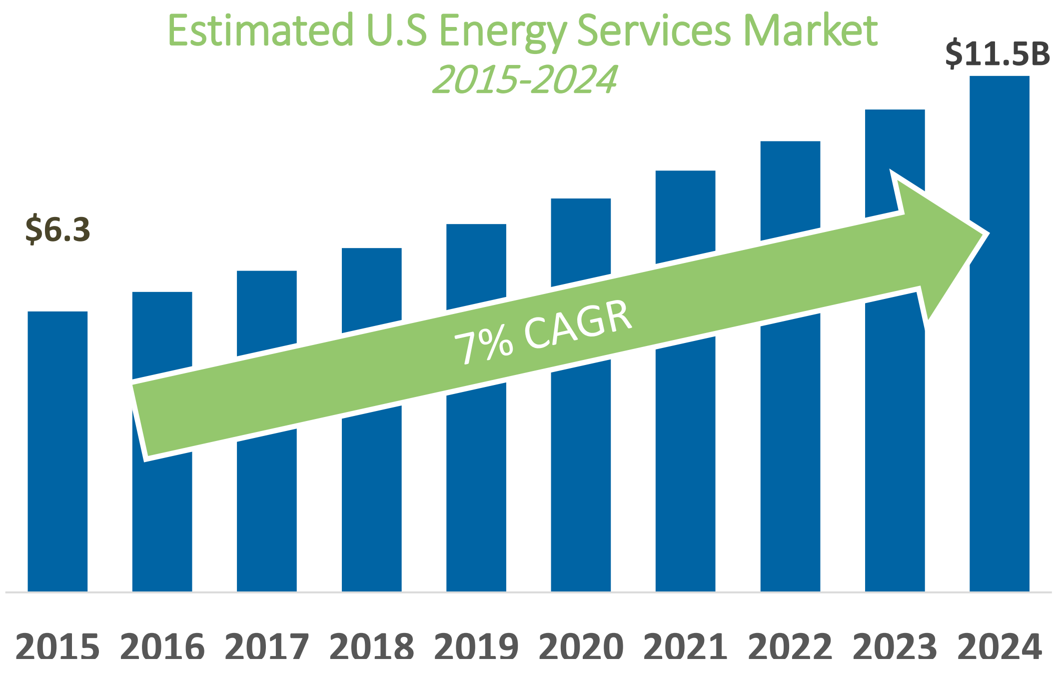
- Differentiated Go-to-Market Strategy
- Strong Market Presence
- Recognized Operational Excellence
- Innovation in Solutions

Immediate Growth Opportunities

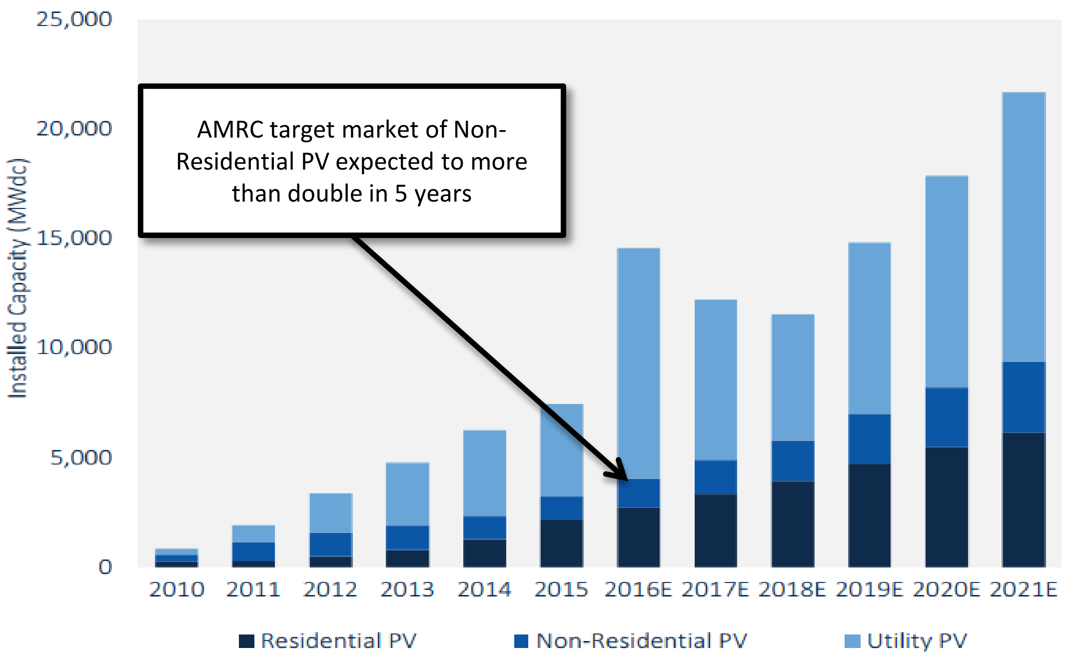
- Underpenetrated Markets
  - Renewable Energy
  - Microgrid Solutions
  - Water Reuse
- Underpenetrated Customer Segments with Market Opportunity
- Leverage Existing Efforts
- Address New Types of Resources

LARGE ADDRESSABLE MARKETS

- Energy services: U.S. market expected to nearly double over next decade
- Renewable power: installed solar capacity expected to grow 4x in next 6 years



Source: “Annual ESCO revenue figures derived from Navigant Research blog http://www.navigantresearch.com/blog/can-u-s-escos-open-new-doors-in-the-private-sector-or-europe”



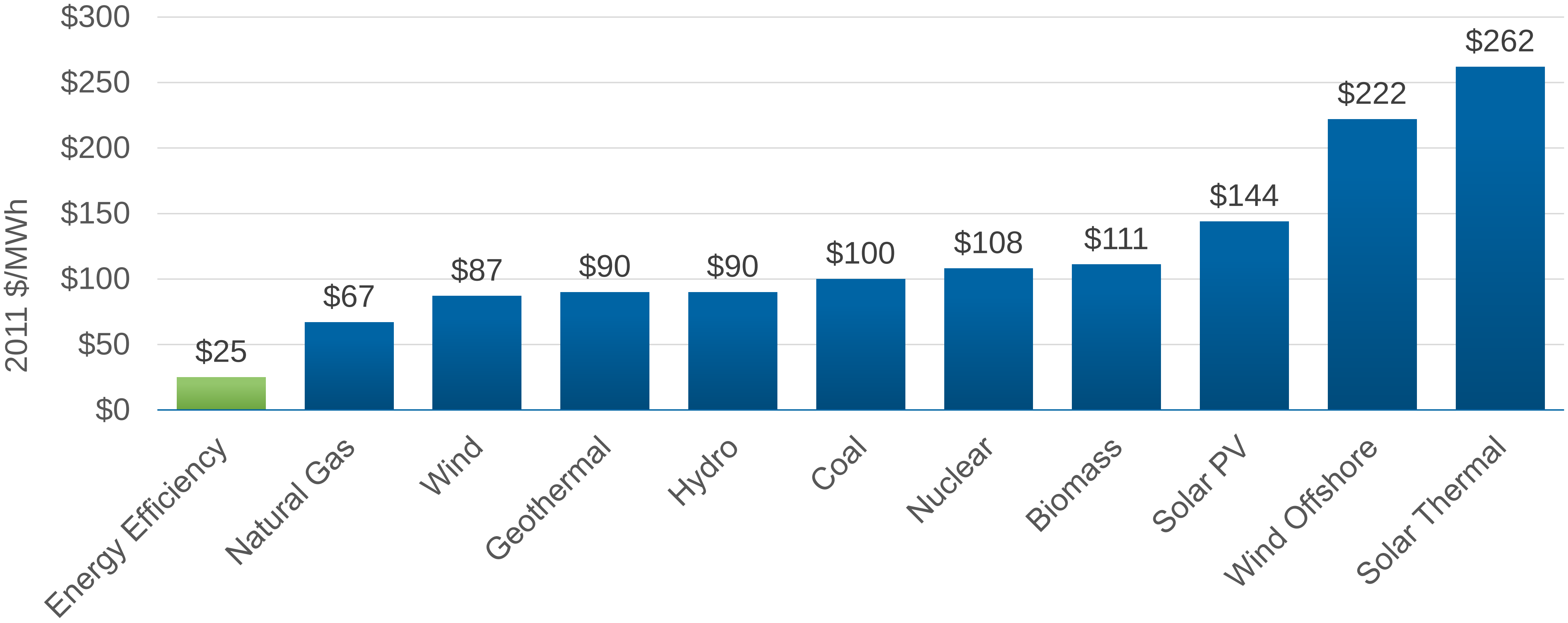
Source: Greentech Media, Solar Energy Industry Association

CLEAR DRIVERS OF GROWTH

- Efficiency projects produce compelling reductions in operating costs
- Need to replace aging infrastructure
- Trend toward larger comprehensive projects
- Solution to budgetary constraints
- Social trend to sustainability
- C&I big buyers of renewable energy
- Compliance and Regulatory requirements
- Need for greater resiliency / reliability / security

COMPELLING ECONOMICS OF ENERGY SERVICES

ENERGY EFFICIENCY IS THE MOST COST-EFFECTIVE WAY TO REDUCE ENERGY COSTS(1)



(1) Source: U.S. Energy Information Administration, Annual Energy Outlook 2013.

SIGNIFICANT BARRIERS TO ENTRY

- Qualification requirements
- Financial guarantees
- RFPs require successful past performance and track record
- Local and national presence
- Scarcity of expertise/specialized knowledge

DIFFERENTIATED GO-TO-MARKET STRATEGY

- **Focused**
  - Efficiency and distributed energy is Ameresco's core business
  - Major competitors participate in many unrelated sectors
- **Independent and Unbiased**
  - Ameresco is not an equipment manufacturer
  - Projects are not a "sales channel" for proprietary equipment
  - Free to design best project solution for customer requirements
- **Technical Expertise**
  - Company/staff have extensive experience, depth of specialized knowledge
- **Comprehensive Integrated solutions**
  - Efficiency is improved in lighting, power use, water use, HVAC, building controls, and more
  - Supply measures such as central plant and renewables cohesively planned with energy efficiency
- **Creative**
  - Innovation drives project design/engineering
  - Can source unique and flexible financial structures

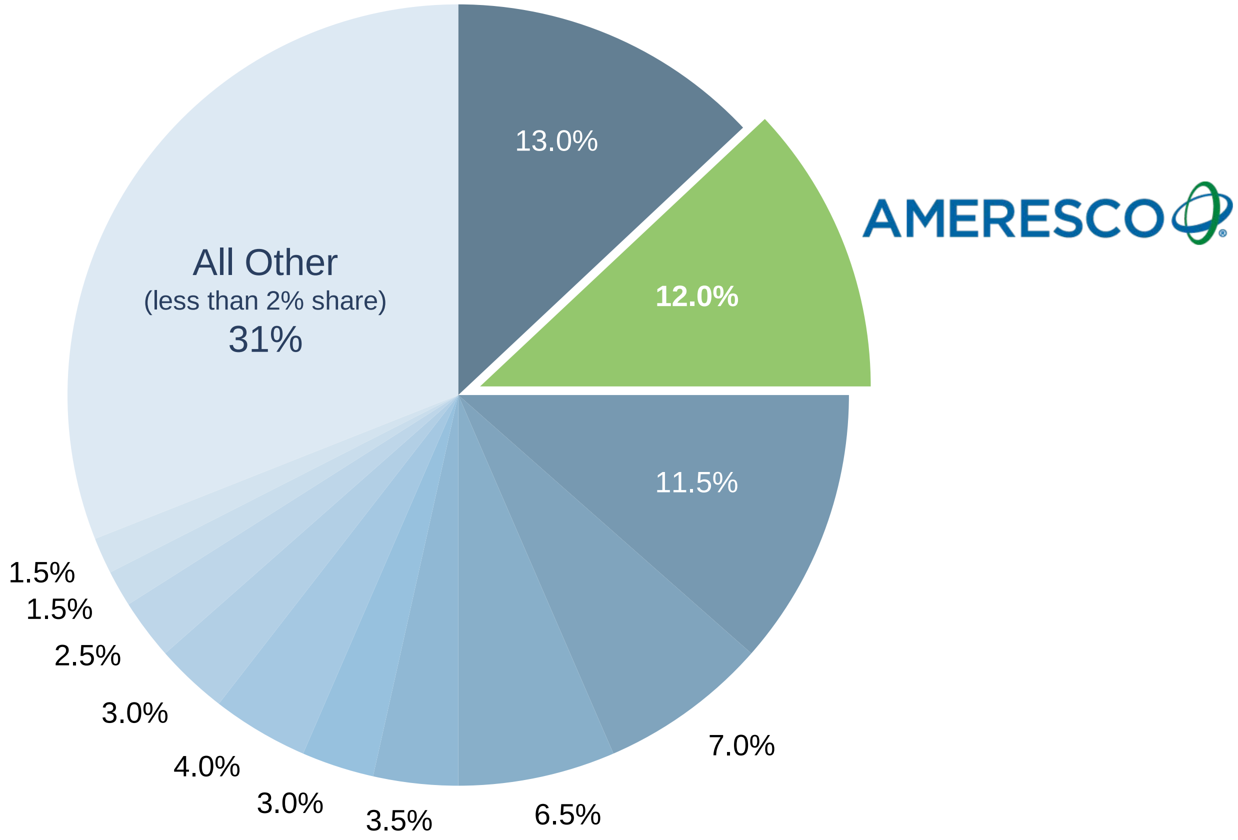
MARKET PRESENCE

Ameresco has more than 70 offices providing local expertise in North America and Europe.

AMERESCO LOCATIONS

MARKET PRESENCE

ENERGY SERVICES COMPANIES US MARKET SHARE BY REVENUE 2014-2016*



* Source: Ameresco estimates using publicly reported data

CASE STUDIES

VALUE PROPOSITION TO CUSTOMER

"Free" Facility/Infrastructure Upgrades

Achieve Sustainability Goals

Savings Can Be Capitalized

Reduce Operating Expenses

CASE STUDY

MARINE CORPS RECRUIT DEPOT PARRIS ISLAND

UTILITY ENERGY DEMAND:

75% REDUCTION

TOTAL WATER REDUCTION:

25%

ELECTRIC GENERATION:

10 MEGAWATTS ONSITE

BATTERY ENERGY STORAGE:

4 MEGAWATTS / 8.1 MWH

ANNUAL ENERGY SAVINGS

$6,000,000

The United States Marine Corps Recruit Depot Parris Island selected Ameresco in 2015 to deploy combined heat and power (CHP) and solar photovoltaic (PV) generation assets and to integrate them with a battery energy storage system (BESS) and a microgrid control system (MCS) capable of fast load shedding. This comprehensive project will further the Marine Corps Installation Command mission to ensure a reliable, secure energy supply and reduce lifecycle operating costs of Marine Corps facilities while managing future commodity price volatility.

CASE STUDY

CITY OF CHICAGO STREET LIGHTING

LARGEST CITY-LED WIRELESS SMART STREET LIGHTING PROJECT IN THE US

WILL REPLACE 85% OF THE CITY'S EXISTING STREET LIGHTS

50-75% ENERGY SAVINGS

PARTNERING WITH SILVER SPRING NETWORKS

270,000 LIGHTS

$160 million

The project is expected to be completed in four years and cost up to $160M. Installation of a state-of-the-art lighting management system will enable remote monitoring and control of the City's outdoor lighting. It will greatly improve the city's responsiveness to service requests by providing real-time updates when outages occur.

CASE STUDY

COMMUNITY SOLAR

ANCHOR CUSTOMER:

BLUE CROSS BLUE SHIELD OF MA

COMMUNITY SOLAR:

200 LOCAL RESIDENTS AND SMALL BUSINESSES

ENVIRONMENTAL:

REDUCTION OF 6,300 METRIC TONS OF CARBON EMISSIONS

ONE OF MA'S LARGEST COMMUNITY SOLAR PROJECTS

6.9MW

"Community Solar projects like these allow local citizens and businesses to benefit directly from the energy produced by these projects," said Michael T. Bakas, Senior Vice President, Ameresco. "We are honored to support Blue Cross, a leader in providing high-quality health care, in their efforts to positively impact the environment. Their commitment to sustainability and environmental stewardship is a model for all to follow."

CASE STUDY

ARIZONA STATE UNIVERSITY

FACILITY SIZE:

21.7 MILLION SQ FT

ENERGY PROJECT SIZE:

$21.1 MILLION

PV CAPACITY:

17.9 MEGAWATTS

COMBINED HEAT AND POWER PLANT:

8 MEGAWATTS

ANNUAL ENERGY SAVINGS

$8,000,000

The partnership has resulted in successful multi-year, multi-phased, all-encompassing projects at all four main campuses and a Research Park spread throughout the metropolitan Phoenix area, including comprehensive energy retrofits and replacements, onsite generation, renewable energy installations, lighting, cooling tower replacement, boiler and burner replacement, combined heat and power plant design and construction, central plant design and construction, utility distribution system, sub-metering, motors and VAVs, Energy Manager, ongoing commissioning agents, and custom energy information monitoring systems.

CASE STUDY

PORTSMOUTH NAVAL SHIPYARD

CAPACITY:

10 MEGAWATTS WINTER, 5 MEGAWATTS SUMMER, 14 MEGAWATTS EMERGENCY

TECHNOLOGY TYPE:

COMBINED HEAT AND POWER PLANT

ENERGY SAVINGS PERFORMANCE CONTRACT

OPERATIONS AND MAINTENANCE

MICROGRID FAST LOAD-SHED AND ENERGY STORAGE SYSTEM

ANNUAL SAVINGS (2016)

$6,200,000

The U.S. Army Corps of Engineers and the U.S. Navy selected Ameresco to design and install three comprehensive energy conservation projects at Portsmouth Naval Shipyard in Kittery, Maine under an Energy Savings Performance Contract (ESPC). A portion of the funding also came from a grant. This microgrid project demonstrates islanding capabilities which eliminates downtime during a loss of electricity from the utility.

CASE STUDY

US ARMY GARRISON FORT DETRICK

CONTRACT:

POWER PURCHASE AGREEMENT

AMERESCO SERVICES:

DESIGN, BUILT, OWNS, OPERATES AND MAINTAINS

CAPACITY:

18.6 MEGAWATTS

ENERGY DEMAND:

12%

SOLAR PANELS

60,000

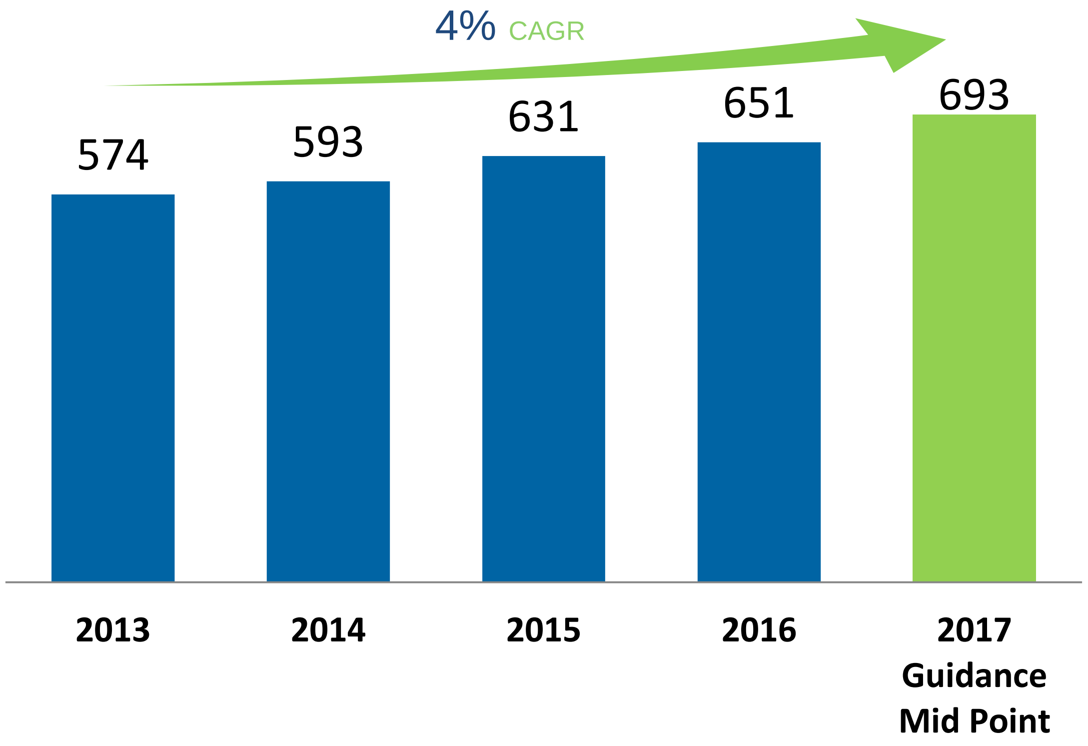
“This project is an excellent example of the extraordinary results we can achieve through collaboration,” said Honorable Katherine Hammack, Assistant Secretary of the Army for Installations, Energy, and Environment. “Renewable energy produced on Army installations increases energy security, which is essential to mission effectiveness.”

PROVEN RESULTS

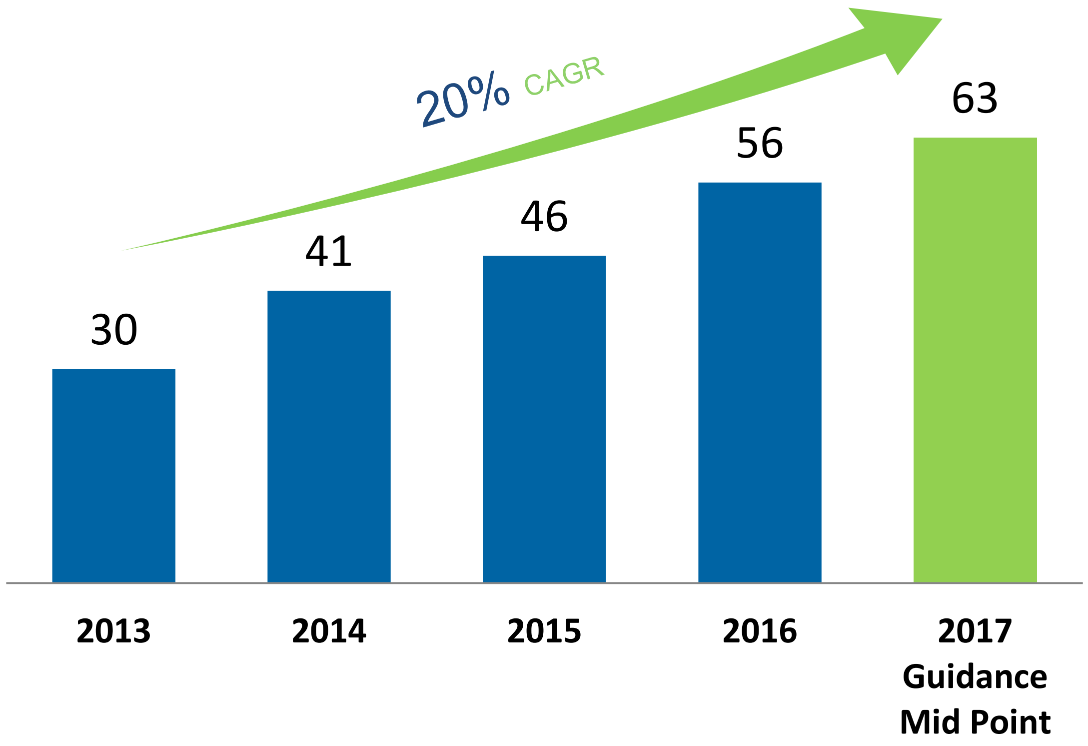
SUSTAINABLE AND PROFITABLE BUSINESS MODEL

EXPANDING EARNINGS AT A FASTER RATE THAN REVENUE BY GROWING RECURRING HIGHER MARGIN LINES OF BUSINESS

Revenue ($M)



Adjusted EBITDA ($M)



FY 2017 guidance was updated 10/31/2017

Q3 2017 HIGHLIGHTS

$8.5M

Net Income

$20.8M

Adj. EBITDA

Q3 EBITDA driven by greater project revenue

+9%

EBITDA growth

EBITDA up 9% y/y

$204.7M

Revenue

Q3 Revenue driven by an increase in project revenues in our U.S. Federal group

+13%

Revenue growth

Revenue up 13% y/y

SOURCES OF REVENUE Q3 2017

$150.8M

Projects

Energy efficiency and renewable energy projects

$33.3M

Recurring

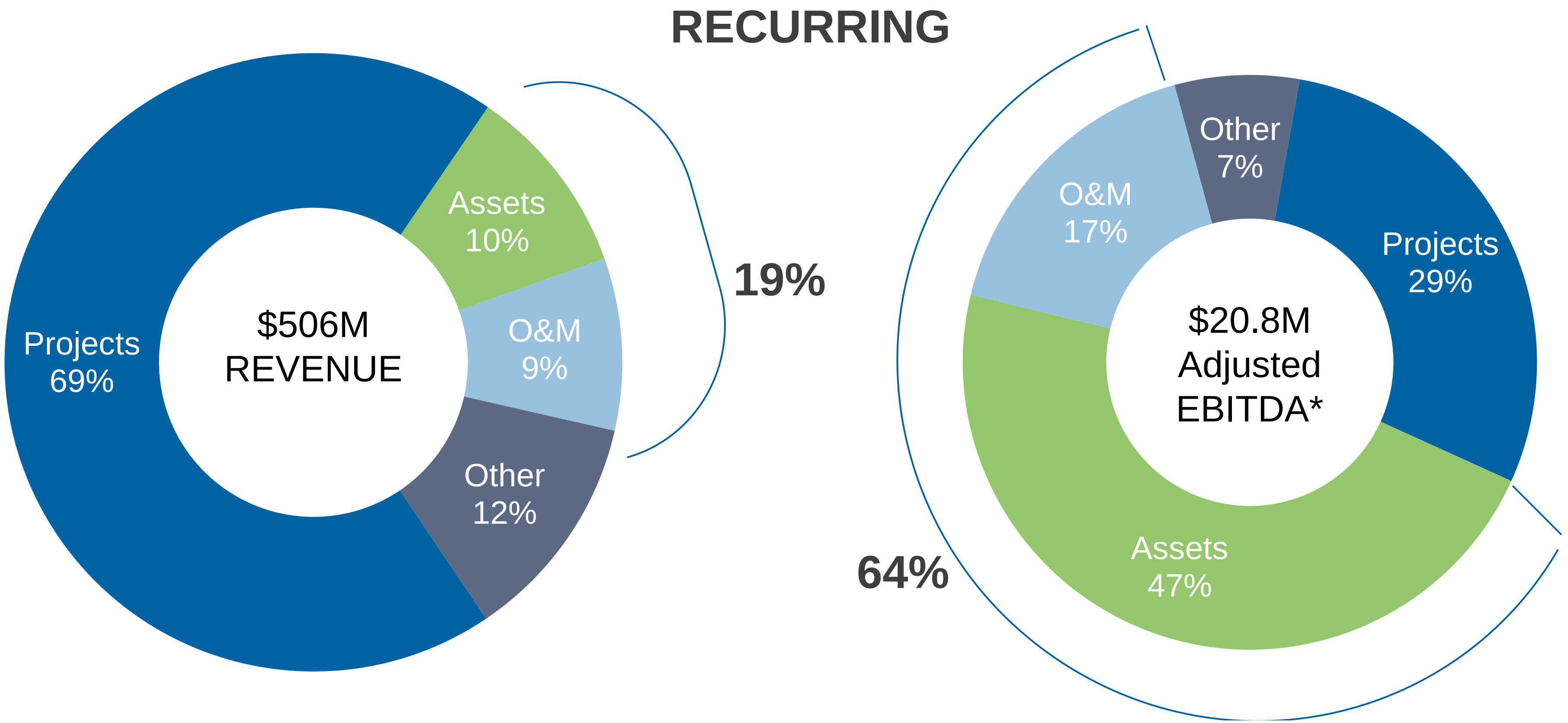
Energy & incentive revenue from owned solar and renewable gas assets; plus recurring O&M from projects

$20.6M

Other

Services, software and integrated PV

OVER 60% OF PROFIT COMES FROM RECURRING LINE OF BUSINESS



9 months ending 9/30/2017

* Adjusted EBITDA percentage amounts exclude unallocated corporate expenses.

BACKLOG PROVIDES VISIBILITY FOR 2-4 YEARS OF PROJECT REVENUE

BACKLOG UP 15%

Total project backlog up 15% y/y to $1.7B, another record high, providing approximately 2-4 years of visibility

$1.7B

$628M

$1.1B

Contracted Backlog

We added $147M in new contracts to our Contracted Backlog in Q3

Awarded Backlog

We added $230M in new awards to our Awarded Backlog in Q3

HIGH VISIBILITY OF FUTURE REVENUES

$1.7B

Project Backlog up 15% as of September 30, 2017

- $628 million of fully-contracted backlog of signed customer contracts for installation or construction of projects, which we expect the majority to convert into revenue over the next 12-24 months, on average; and
- $1.1 billion of awarded projects, representing projects in development for which we do not have signed contracts.

$803M

Operations & Maintenance Backlog

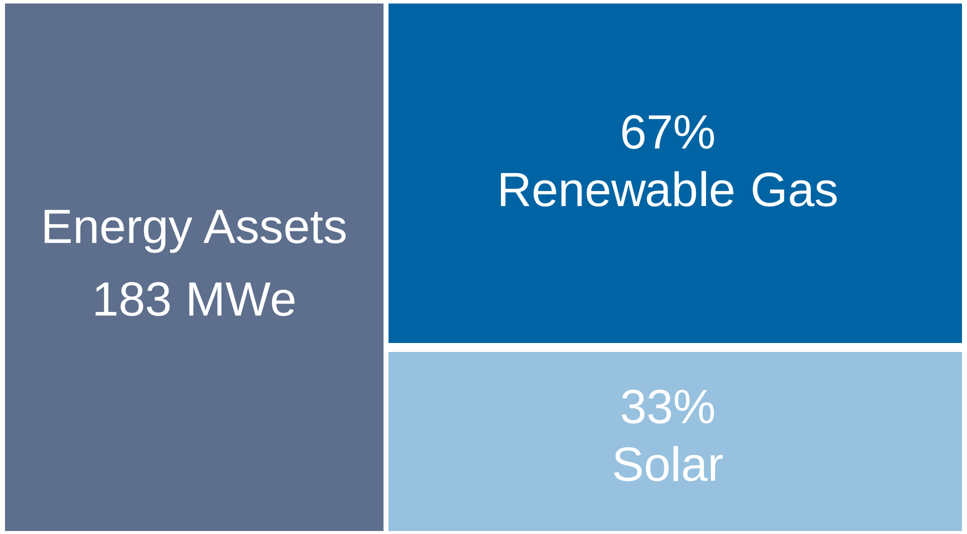
- Over $702 million related to U.S. Federal projects that extend out up to 23 years; and
- $56 million of O&M contracts related to MUSH and public housing projects; and
- $46 million related to small scale infrastructure plants owned by others.

183MW

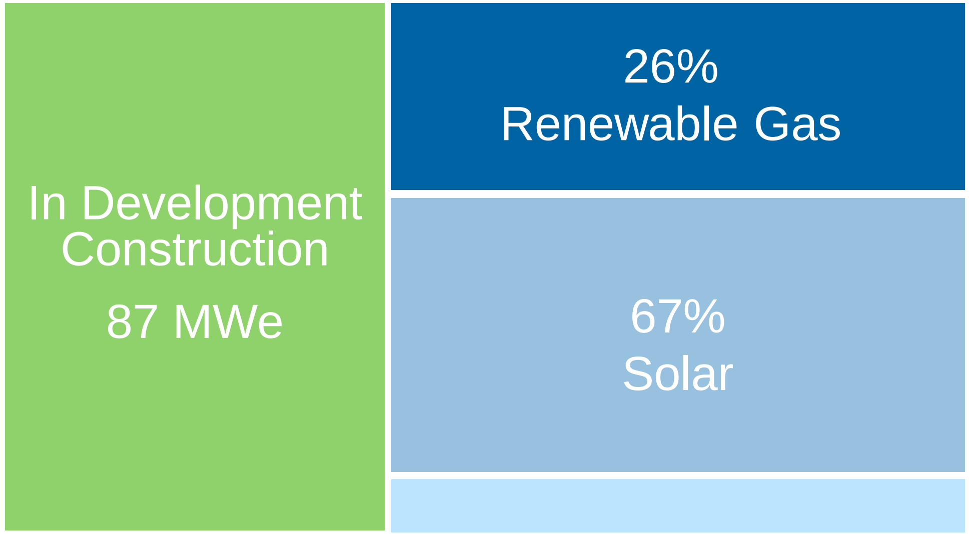
Assets in Operation

- Approximately 122MWe of landfill or digester gas-to-energy plants
- 122MWe of gas plants with average PPA term of over 13 years
- Approximately 61MW of solar assets with average PPA term of 20 years
- Additional 87MWe of assets in development as of September 30, 2017

ENERGY ASSET PORTFOLIO – 9/30/2017



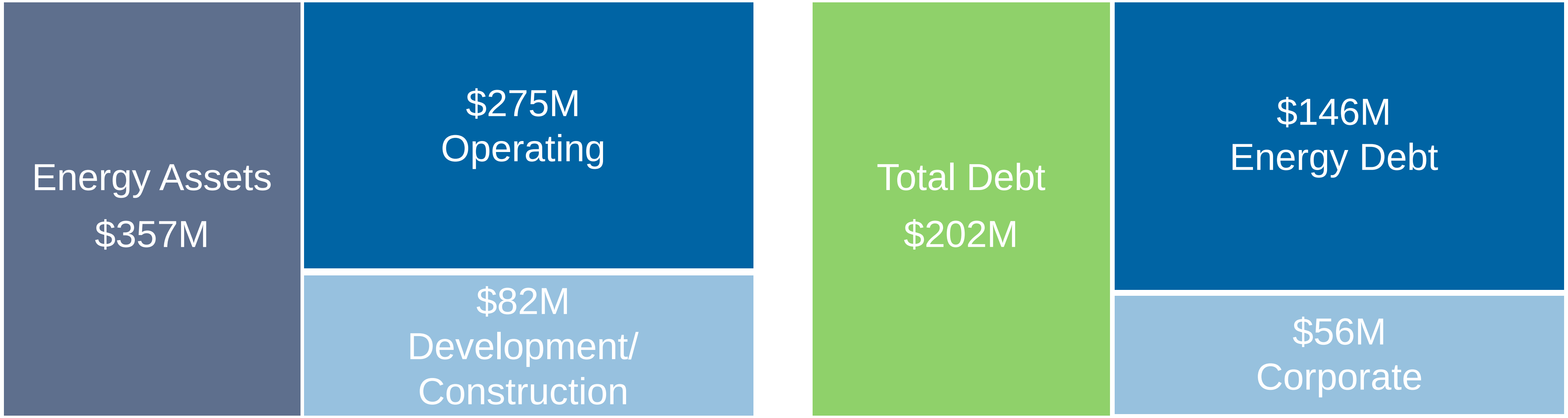
183 MWe of Energy Assets. Renewable Gas is 122MWe, Solar is 61MW*



87 MWe in development & construction. Renewable Gas is 23 MWe, Solar is 58 MW*, Other is 6 MW.

*Numbers may not sum due to rounding

ENERGY ASSET BALANCE SHEET – 9/30/2017



$82M out of the $357M energy assets on our balance sheet are still in development or construction.

$146M out of the $202M of total debt on our balance sheet is debt associated with our energy assets.

INVESTMENT HIGHLIGHTS

Attractive Market Opportunity

- Large Addressable Market
- Clear Drivers of Growth
- Significant Barriers to Entry

Durable Competitive Advantages

- Differentiated Go-to-Market Strategy
- Strong Market Presence
- Recognized Operational Excellence
- Innovation in Solutions

Immediate Growth Opportunities

- Underpenetrated Markets
  - Renewable Energy
  - Microgrid Solutions
  - Water Reuse
- Underpenetrated Customer Segments with Market Opportunity
- Leverage Existing Efforts
- Address New Types of Resources

APPENDIX

ENERGY ASSET METRICS

Energy Asset Metrics (in thousands, except megawatt equivalents ("MWe"))				
	As of September 30,			
	2017		2016	
	MWe	$	MWe	$
Energy Assets:				
In Operations	183.4	$ 274,679	162.0	$ 230,738
In Construction	87.1	$ 82,476	60.0	$ 48,519
Total Energy Assets	270.5	$ 357,155	222.0	$ 279,257

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Energy Assets Performance:				
Revenues	$ 18,525	$ 17,980	$ 51,801	$ 48,551
Adjusted EBITDA	$ 11,589	$ 9,585	$ 29,691	$ 25,079

	As of September 30,	
	2017	2016
Energy Assets Debt Financing:		
In Operations	$ 121,557	$ 100,619
In Construction	$ 23,991	$ -
Total Debt Financing	$ 145,548	$ 100,619

GAAP TO NON-GAAP RECONCILIATION

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Adjusted EBITDA:				
Net income attributable to common shareholders	$ 8,493	$ 5,715	$ 13,680	$ 8,763
Impact of redeemable non-controlling interests	298	95	(673)	(149)
Plus: Income tax provision	3,881	1,865	4,296	2,872
Plus: Other expenses, net	1,668	2,268	5,232	4,961
Plus: Depreciation and amortization of intangible assets	6,563	6,290	18,835	18,232
Plus: Stock-based compensation	326	328	976	1,086
Plus: Restructuring and other charges	8	2,630	252	6,059
Plus: Non-Core Canada project loss	(413)	-	(413)	-
Adjusted EBITDA	$ 20,824	$ 19,191	$ 42,185	$ 41,824
Adjusted EBITDA margin	**10.2%**	**10.6%**	**8.3%**	**8.8%**
Non-GAAP net income and EPS:				
Net income attributable to common shareholders	$ 8,493	$ 5,715	$ 13,680	$ 8,763
Impact of redeemable non-controlling interests	298	95	(673)	(149)
Plus: Restructuring and other charges	8	2,630	252	6,059
Plus: Non-Core Canada project loss	(413)	-	(413)	-
Plus: Income Tax effect of non-GAAP adjustments	-	(868)	(44)	(1,430)
Non-GAAP net income	$ 8,386	$ 7,572	$ 12,802	$ 13,243
Diluted net income per common share	$ 0.19	$ 0.12	$ 0.30	$ 0.19
Effect of adjustments to net income	$ (0.01)	$ 0.04	$ (0.02)	$ 0.09
Non-GAAP EPS	$ 0.18	$ 0.16	$ 0.28	$ 0.28
Adjusted cash from operations:				
Cash flows from operating activities	$ (39,386)	$ (7,654)	$ (90,756)	$ (47,376)
Plus: proceeds from Federal ESPC projects	48,304	26,316	122,340	65,075
Adjusted cash from operations	$ 8,918	$ 18,662	$ 31,584	$ 17,699

PERFORMANCE BY SEGMENT

Performance by Segment (in thousands):	Three Months Ended		Nine Months Ended	
	Revenues	Adjusted EBITDA	Revenues	Adjusted EBITDA
September 30, 2017				
U.S. Regions	$ 78,185	$ 4,523	$ 180,770	$ 4,577
U.S. Federal	63,873	9,673	170,903	25,900
Canada	14,719	1,205	33,211	2,426
Small-Scale Infrastructure	27,295	10,404	64,889	25,192
All Other	20,672	1,507	56,246	3,771
Unallocated corporate activity	-	(6,488)	-	(19,681)
Total Consolidated	$ 204,744	$ 20,824	$ 506,019	$ 42,185
September 30, 2016				
U.S. Regions	$ 83,652	$ 8,046	$ 195,856	$ 13,156
U.S. Federal	46,498	6,337	128,266	18,961
Canada	12,018	1,004	40,023	2,164
Small-Scale Infrastructure	21,790	10,730	61,543	25,500
All Other	16,640	444	51,314	1,231
Unallocated corporate activity	-	(7,370)	-	(19,188)
Total Consolidated	$ 180,598	$ 19,191	$ 477,002	$ 41,824

LINE OF BUSINESS REVENUE – THREE MONTHS

Line of Business Revenues By Segment for the three months ended September 30 (in thousands):

	U.S. Regions	U.S. Federal	Canada	Small-Scale Infrastructure	All Other	Total Consolidated
2017						
Revenues:						
Project	$ 72,720	$ 53,818	$ 11,959	$ 9,526	$ 2,745	$ 150,768
Energy Assets	—	1,152	1,013	16,080	280	18,525
O&M	4,251	8,903	—	1,645	—	14,799
Integrated-PV	—	—	—	—	10,686	10,686
Other Services	1,214	—	1,747	44	6,961	9,966
Total Revenues	$ 78,185	$ 63,873	$ 14,719	$ 27,295	$ 20,672	$ 204,744
2016						
Revenues:						
Project	$ 79,271	$ 35,329	$ 9,531	$ 4,434	$ 2,824	$ 131,389
Energy Assets	—	1,102	924	15,650	304	17,980
O&M	4,306	10,067	134	1,605	—	16,112
Integrated-PV	—	—	—	—	7,119	7,119
Other Services	75	—	1,429	101	6,393	7,998
Total Revenues	$ 83,652	$ 46,498	$ 12,018	$ 21,790	$ 16,640	$ 180,598

LINE OF BUSINESS REVENUE – NINE MONTHS

Line of Business Revenues By Segment for the nine months ended September 30 (in thousands):	U.S. Regions	U.S. Federal	Canada	Small-Scale Infrastructure	All Other	Total Consolidated
2017						
Revenues:						
Project	$ 165,217	$ 139,814	$ 26,124	$ 13,806	$ 4,345	$ 349,306
Energy Assets	-	2,688	2,316	45,952	845	51,801
O&M	12,762	27,814	-	4,784	-	45,360
Integrated-PV	2,791	-	-	-	29,187	31,978
Other Services	-	587	4,771	347	21,869	27,574
Total Revenues	$ 180,770	$ 170,903	$ 33,211	$ 64,889	$ 56,246	$ 506,019
2016						
Revenues:						
Project	$ 182,435	$ 94,596	$ 32,913	$ 14,542	$ 5,590	$ 330,076
Energy Assets	-	3,008	2,041	42,586	916	48,551
O&M	12,875	30,662	449	3,661	-	47,647
Integrated-PV	-	-	-	-	21,605	21,605
Other Services	546	-	4,620	754	23,203	29,123
Total Revenues	$ 195,856	$ 128,266	$ 40,023	$ 61,543	$ 51,314	$ 477,002

NON-GAAP FINANCIAL MEASURES

- We use the non-GAAP financial measures defined and discussed below to provide investors and others with useful supplemental information to our financial results prepared in accordance with GAAP. These non-GAAP financial measures should not be considered as an alternative to any measure of financial performance calculated and presented in accordance with GAAP. For a reconciliation of these non-GAAP measures to the most directly comparable financial measures prepared in accordance with GAAP, please see Other Non-GAAP Disclosure and Non-GAAP Financial Guidance in the tables above.

- We understand that, although measures similar to these non-GAAP financial measures are frequently used by investors and securities analysts in their evaluation of companies, they have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for the most directly comparable GAAP financial measures or an analysis of our results of operations as reported under GAAP. To properly and prudently evaluate our business, we encourage investors to review our GAAP financial statements included above, and not to rely on any single financial measure to evaluate our business.

- **Adjusted EBITDA**
  We define adjusted EBITDA as operating income before depreciation, amortization of intangible assets, stock-based compensation expense, restructuring charges, loss related to a significant non-core project in Canada and charges related to a significant customer bankruptcy. We believe adjusted EBITDA is useful to investors in evaluating our operating performance for the following reasons: adjusted EBITDA and similar non-GAAP measures are widely used by investors to measure a company's operating performance without regard to items that can vary substantially from company to company depending upon financing and accounting methods, book values of assets, capital structures and the methods by which assets were acquired; securities analysts often use adjusted EBITDA and similar non-GAAP measures as supplemental measures to evaluate the overall operating performance of companies; and by comparing our adjusted EBITDA in different historical periods, investors can evaluate our operating results without the additional variations of depreciation and amortization expense, stock-based compensation expense, restructuring charges, loss related to a significant non-core project in Canada and charges related to a significant customer bankruptcy.

- Our management uses adjusted EBITDA as a measure of operating performance, because it does not include the impact of items that we do not consider indicative of our core operating performance; for planning purposes, including the preparation of our annual operating budget; to allocate resources to enhance the financial performance of the business; to evaluate the effectiveness of our business strategies; and in communications with the board of directors and investors concerning our financial performance.

- **Non-GAAP Net Income and EPS**
  We define non-GAAP net income and earnings per share ("EPS") to exclude certain discrete items that management does not consider representative of our ongoing operations, including restructuring charges, loss related to a significant non-core project in Canada, charges related to a significant customer bankruptcy and loss attributable to redeemable non-controlling interest. We consider non-GAAP net income to be an important indicator of our operational strength and performance of our business because it eliminates the effects of events that are not part of the Company's core operations.

- **Adjusted Cash From Operations**
  We define adjusted cash from operations as cash flows from operating activities plus proceeds from Federal ESPC projects. Cash received in payment of Federal ESPC projects is treated as a financing cash flow under GAAP due to the unusual financing structure for these projects. These cash flows, however, correspond to the revenue generated by these projects. Thus we believe that adjusting operating cash flow to include the cash generated by our Federal ESPC projects provides investors with a useful measure for evaluating the cash generating ability of our core operating business. Our management uses adjusted cash from operations as a measure of liquidity because it captures all sources of cash associated with our revenue generated by operations.

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