



Financial Review

2nd Quarter 2010

August 6, 2010

DISCLAIMER



Forward-looking statements

Certain statements contained in this presentation, including those regarding future results and performance, are forward-looking statements based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the general impact of economic conditions, raw material price increases and availability, currency fluctuations, fluctuations in electricity selling prices, the company's financial capacity, adverse changes in general market and industry conditions, as well as other factors listed in the Company's filings with different securities commissions.

This presentation contains certain non-GAAP financial measures. For more information, please refer to Boralex's interim management report.



Mr. Patrick Lemaire

*President and
Chief Executive Officer
Boralex Inc.*

Highlights

Q2 2010

- ▲ **Wind sector: Increase in production by 40% vs Q2 2009, driven for the most part by the commissioning of new capacity**
 - 40 MW in Ontario (Thames River)
 - 4,6 MW in France on February 1st, 2010 (Cham Longe II)

- ▲ **Hydro sector: Decrease in production by 16% vs Q2 2009 and 9% vs historical average**

- ▲ **Lower electricity prices in Q2 2010, for all sectors, offset by decreased raw material costs**
 - Lower cost for wood-residue, due to BCAP program
 - Lower cost for natural gas due to market price

- ▲ **EBITDA and net earnings impacted by specific items not related to operations**
 - Related fees to the potential acquisition of the Fund
 - ⇒ \$2.2 M impact on EBITDA (\$1.6 M net of taxes)

- ▲ **Project financing**
 - Cham Longe II, Le Grand Camp and Ronchois: drawing of 15.3 M€ on the financing agreement with BNP Paribas



Mr. Jean-François Thibodeau

*Vice President and
Chief Financial Officer
Boralex Inc.*

Summary

Q2 2010



	Q2 2010	Q2 2009
Selected financial and operational data (in thousands of dollars, except production and per share amounts)		
Production (MWh)	376,847	353,967
Revenues from energy sales	36,728	41,756
EBITDA	5,242	12,942
EBITDA adjusted ⁽¹⁾	7,484	12,942
Net earnings (loss)	(5,798)	1,817
Net earnings (loss) adjusted ⁽¹⁾	(4,229)	1,817
Net earnings (loss) per share (basic and diluted)	(\$0.15)	\$0.05
Net earnings (loss) adjusted ⁽¹⁾ per share (basic and diluted)	(\$0.11)	\$0.05
Cash flows from operations	3,886	11,577
Cash flows from operations per share	\$0.10	\$0.31

⁽¹⁾ To take into account specific items (see details on page 8 in the Q2 2010 MD&A).

Summary

YTD 2010



	YTD 2010	YTD 2009
Selected financial and operational data (in thousands of dollars, except production and per share amounts)		
Production (MWh)	849,935	769,695
Revenues from energy sales	87,732	98,954
EBITDA	22,874	33,895
EBITDA adjusted ⁽¹⁾	28,837	33,175
Net earnings (loss)	(4,450)	9,029
Net earnings adjusted ⁽¹⁾	1,254	8,547
Net earnings (loss) per share (basic and diluted)	(\$0.12)	\$0.24
Net earnings adjusted ⁽¹⁾ per share (basic and diluted)	\$0.03	\$0.23
Cash flows from operations	19,420	26,900
Cash flows from operations per share	\$0.51	\$0.71

⁽¹⁾ To take into account specific items (see details on page 8 in the Q2 2010 MD&A).

EBITDA by segment

Q2 2010

<i>(in thousands of dollars)</i>	Q2 2010	Q2 2009	Variation
Wind	7,112	6,242	↗
Hydroelectricity	1,182	1,785	↘
Wood-residue	4,424	8,148	↘
Natural gas	(106)	(145)	↗
	12,612	16,030	↘
Corporate and eliminations	(7,370)	(3,088)	↘
Consolidated EBITDA, as reported in the financial statements	5,242	12,942	↘
Specific items ⁽¹⁾	2,242	–	↗
EBITDA adjusted	7,484	12,942	↘

⁽¹⁾ To take into account specific items (see details on page 8 in the Q2 2010 MD&A).

EBITDA by segment

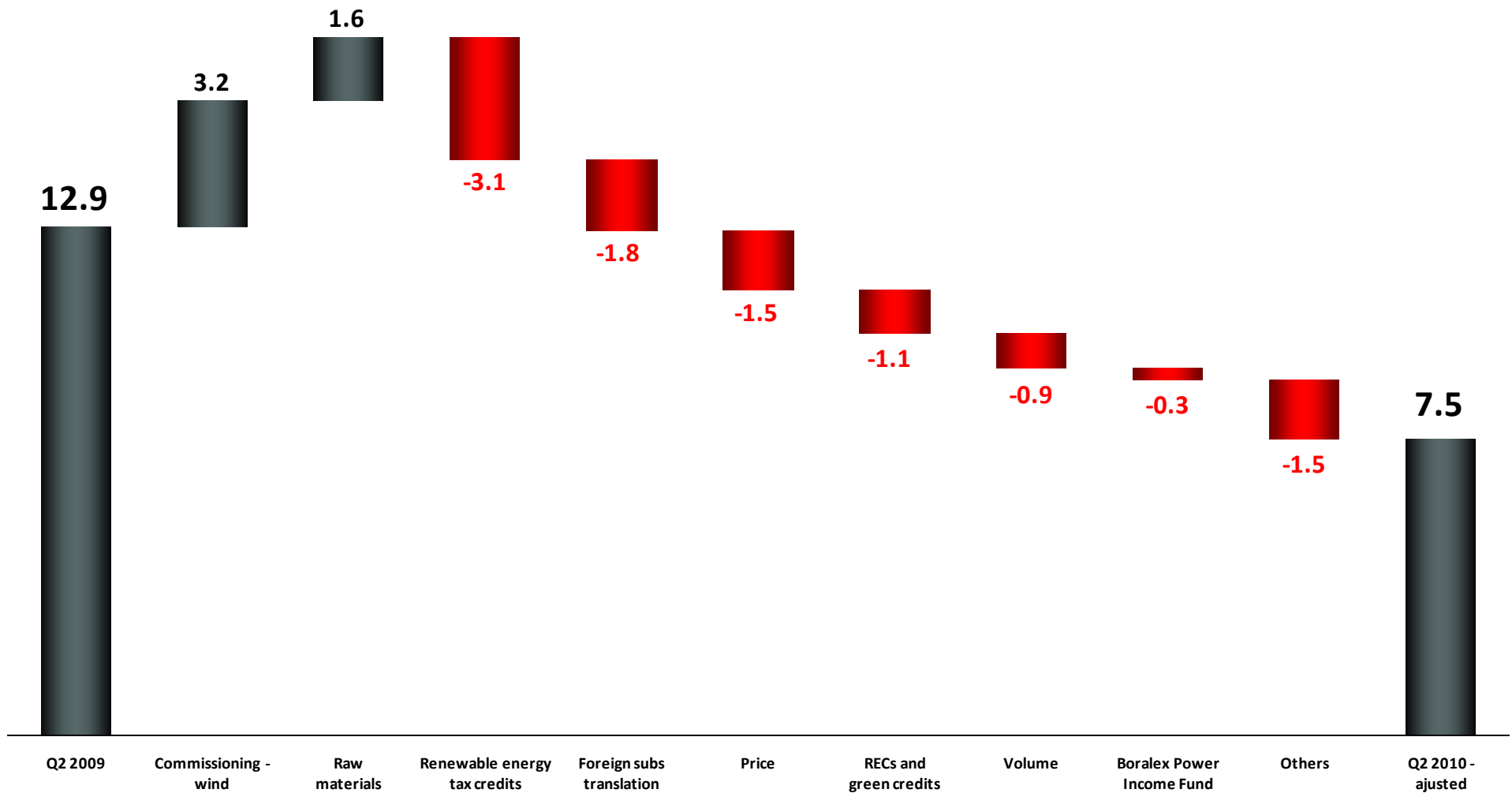
YTD 2010

<i>(in thousands of dollars)</i>	YTD 2010	YTD 2009	Variation
Wind	16,531	13,456	↗
Hydroelectricity	3,055	3,494	↘
Wood-residue	14,452	19,951	↘
Natural gas	1,932	1,366	↗
	35,970	38,267	↘
Corporate and eliminations	(13,096)	(4,372)	↘
Consolidated EBITDA, as reported in the financial statements	22,874	33,895	↘
Specific items ⁽¹⁾	5,963	(720)	↗
EBITDA adjusted	28,837	33,175	↘

⁽¹⁾ To take into account specific items (see details on page 8 in the Q2 2010 MD&A).

EBITDA – Variance analysis

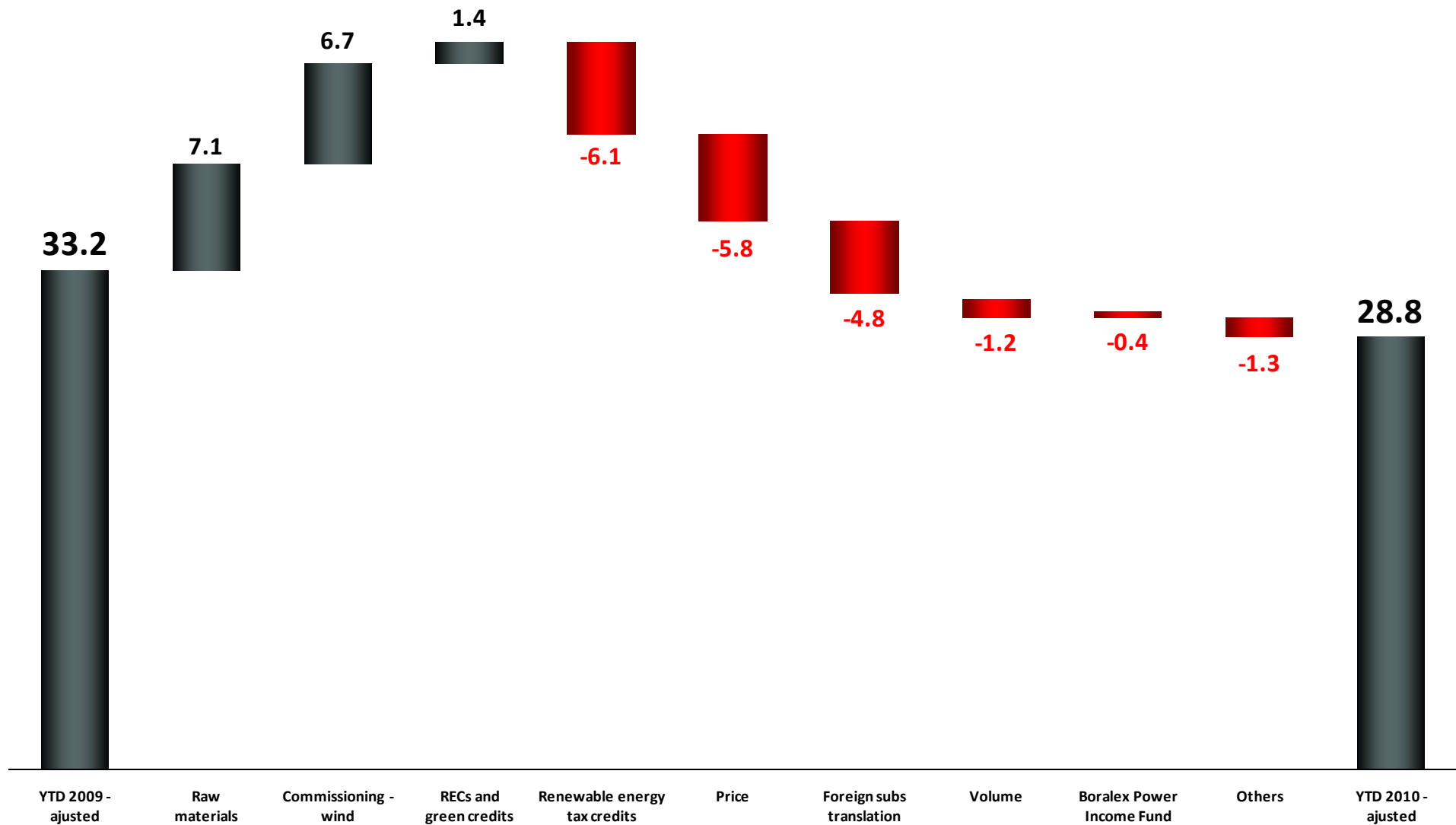
Q2 2010 vs Q2 2009



(in millions of dollars)

EBITDA – Variance analysis

YTD 2010 vs 2009



(in millions of dollars)

Segment review Q2 2010

Wind Energy

(in thousands of dollars, except production)

	Q2 2010	Q2 2009
Production (MWh)	76,999	55,157
Revenues from energy sales	9,230	8,018
EBITDA	7,112	6,242

- ▲ **Production, revenues and EBITDA all higher due to commissioning of new capacity. Excluding start-ups of 40 MW (Thames River, Ontario) and 4.6 MW (Cham Longe II, France), production was down 14% vs Q2 2009.**
- ▲ **New capacity for Q3 and Q4 2010:**
 - France : 40 MW Ronchois and Le Grand Camp + 9.2 MW Chasse Marée
 - Ontario : 50 MW Thames River

Segment review Q2 2010

Hydroelectricity

(in thousands of dollars, except production)

	Q2 2010	Q2 2009
Production (MWh)	34,301	41,066
Revenues from energy sales	2,323	2,842
EBITDA	1,182	1,785

▲ **Production down 16% vs Q2 2009 and 9% vs historical average.**

**Canadian stations production: 8.0% up vs historical average
8.6% up vs Q2 2009**

**US stations production: 13.3% down vs historical average
21.6% down vs Q2 2009**

▲ **Average selling price of electricity in the US → +17% compared to Q2 2009.**

Segment review Q2 2010

Thermal energy: wood-residue

(in thousands of dollars, except production)

	Q2 2010	Q2 2009
Production (MWh)	265,470	257,714
Revenues from energy sales	22,896	28,338
EBITDA	4,424	8,148

- ▲ **Production is up by 3%.**
- ▲ **The decrease of 12.6% in the average selling prices of electricity had an impact of \$1.5 M on revenues and EBITDA.**
- ▲ **Lower RECs revenues had an EBITDA impact of \$0.8 M in Q2 2010.**
- ▲ **The end of the Renewable Energy Tax Credits program in 2009 explains a \$3.1 M negative variance in EBITDA.**
- ▲ **Lower raw material expenses explain a positive EBITDA variance of \$1.5 M.**
- ▲ **The appreciation in the \$CAD explains a \$3.4 M negative variance in revenues and \$0.8 M in EBITDA.**

Segment review Q2 2010

Thermal energy: natural gas

(in thousands of dollars, except production)

	Q2 2010	Q2 2009
Steam ('000 lbs)	136,123	126,330
Electricity (MWh)	77	30
Revenues from energy sales	2,279	2,558
EBITDA	(106)	(145)

- ▲ As planned, electricity production stopped in April and is scheduled to re-start at the end of October.
- ▲ Steam production up by 8%.
- ▲ Higher EBITDA in comparison with last year mostly explained by a reduction of natural gas costs.



Question period