wind,
water
and fire

natural elements,
we *make* the most
of their energy

Quarterly Report
as at September 30, 2007

Boralex

Profile

Boralex Inc. ("Boralex" or the "Corporation") is a private electricity producer whose core business is the development and operation of power stations that run on renewable energy. Employing close to 300 people in Quebec, the northeastern United States and France, the Corporation owns and operates 22 power stations with an installed capacity of 347 megawatts (MW).

Boralex is distinguished by its leading expertise and extensive experience in four types of power generation:

- In recent years, Boralex has become one of the biggest and most experienced **wind power** producers in France, where it currently operates seven wind farms with an installed capacity of 103 MW. In addition, Boralex recently signed a memorandum of agreement to acquire rights and build nine wind farms with an installed capacity of 90 MW in Ontario, Canada.

- Boralex owns eight **hydroelectric** power stations: five in the U.S., two in Quebec and one in France, with a combined installed capacity of 26 MW.

- Boralex is the largest producer of **wood residue** energy in North America, operating six thermal power stations in the U.S. states of Maine and New York, with a total installed capacity of 204 MW.

- Boralex also operates a 14 MW **natural gas** cogeneration power station in France.

Boralex's stock, in which Cascades Inc. holds a 34% interest, trades on the Toronto Stock Exchange under the ticker symbol BLX.

In addition to its own power stations, Boralex also manages 10 power stations with a total installed capacity of 190 MW in Quebec and the northeastern U.S. owned by the Boralex Power Income Fund (the "Fund"), in which Boralex holds a 23% interest.

Interim Management Discussion and Analysis as at September 30, 2007

Introductory Comments

General

This management discussion and analysis reviews the Corporation's operating results and cash flows for the three-month and nine-month periods ended September 30, 2006 and 2007, in addition to its financial position at those dates. It should be read in conjunction with the unaudited consolidated quarterly financial statements accompanying this report, as well as with the management discussion and analysis, audited financial statements and related notes contained in the Corporation's annual report for the fiscal year ended December 31, 2006.

Additional information about the Corporation, including the annual information form, previous annual reports, management discussions and analyses, quarterly financial statements and press releases are published separately and are available on the SEDAR website (www.sedar.com).

The quarterly financial statements have not been audited or reviewed by the Corporation's external auditors.

In this report, Boralex or the Corporation mean, as applicable, Boralex Inc. and its subsidiaries and divisions or Boralex Inc. or one of its subsidiaries and divisions.

The information contained in this report reflects all material events up to November 6, 2007, on which date the Board of Directors approved the quarterly financial statements and this management discussion and analysis.

Unless otherwise indicated, all financial information, as well as tabular information, is in Canadian dollars.

Notice concerning forward-looking statements

The purpose of this report is to help the reader understand the nature and importance of various changes and trends, as well as the risks and uncertainties that can affect Boralex's operating results and financial position. Some of the statements contained in this report, including those regarding future results and performance, may constitute forward-looking statements within the meaning of securities legislation. These statements are characterized by the use of positive or negative forms of verbs such as "plan", "anticipate", "evaluate", "estimate", "believe" and other related expressions. These statements are based on Boralex management's expectations, estimates and assumptions as at November 6, 2007.

Boralex would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties. The Corporation's results or the measures it adopts could therefore differ materially from those indicated or underlying such statements, or could have an impact on the degree of realization of a particular projection.

The main factors that may lead to a material difference between the Corporation's actual results and the projections or expectations set forth in the forward-looking statements include, but are not limited to, the general impact of economic conditions, increases in raw materials costs, currency fluctuations, volatility in the selling price of electricity, the Corporation's financing capacity, negative changes in general market and industry conditions, as well as other factors described under *Risks and Uncertainties* in the management discussion and analysis included in the Corporation's annual report for the year ended December 31, 2006. Unless otherwise indicated by the Corporation, forward-looking statements do not take into account the potential impact on its operations of transactions, non-recurring items or other exceptional items that are announced or arise after these statements are made.

No assurance may be given regarding actual results, returns or realizations that are presented or implied in forward-looking statements; the reader is asked not to place undue confidence in them. Unless required to do so under applicable securities legislation, Boralex's management does not assume any obligation to update or revise forward-looking statements as a result of new information, future events or other changes.

Compliance with generally accepted accounting principles

Unless otherwise specified, all financial information in this report, including tabular information, is prepared in accordance with Canadian generally accepted accounting principles (GAAP). This report also contains figures that are not performance measurements according to GAAP. For instance, Boralex uses earnings before interest, taxes, depreciation and amortization (EBITDA) because this method allows management to assess the operating and financial performance of the Corporation's reportable segments. Please see *Additional Information about Non-GAAP Performance Measurements* for a comparison of EBITDA figures and certain items in Boralex's consolidated statement of income.

Seasonality

Operations and results for some of the Corporation's power stations are subject to seasonal cycles that vary by segment. The impact of seasonal variations varies depending on whether the power stations have power sale agreements or not.

For the 14 Boralex power stations that have long-term fixed-price power sale agreements, the seasonal cycles mainly affect the volume of power generated. The eight power stations that do not have long-term contracts and that sell their power on the open market in the northeastern U.S. are more affected by seasonal fluctuations that, in addition to influencing production volume, also have an impact on market selling prices for electricity. Generally, electricity consumption increases in the winter and summer, corresponding to Boralex's first and third quarters. This means that power stations that sell in the open market usually obtain higher average electricity prices during both periods. Because wood residue power stations can control their production levels, they can generate more power during these high-demand periods. As a result, their regular maintenance is performed in the spring or fall, affecting their operating results for those periods.

Hydroelectric generation depends on water flows, which peak in the spring in Quebec and the northeastern U.S. and are generally adequate in the fall, corresponding to Boralex's second and fourth quarters. Flows tend to decrease in the winter and summer. It should be noted that Boralex's hydroelectric facilities do not have reservoirs that would permit partial regulation of water flows.

In the wind power segment, on which Boralex's French operations are currently focused, wind conditions are usually more favourable in the winter, i.e., during Boralex's first and fourth quarters. However, in the winter there is a higher risk of downtime caused by weather conditions such as icing.

The natural gas cogeneration plant's long-term power sale agreement with Électricité de France (EDF) contains a ceiling clause on electricity prices from April to October. When natural gas prices are high, the profit margin for this period is not sufficient to offset the ceiling on electricity prices. The cogeneration equipment may therefore be shut down, in which case the Corporation's client is supplied with steam using an auxiliary boiler.

In addition, Boralex's investment in the Fund is also subject to a seasonal cycle. Approximately 50% of the power generated by the Fund is hydroelectric and is thus subject to the same factors as Boralex's hydroelectric plants.

In conclusion, although Boralex's performance is affected by seasonal cycles, the Corporation's diversified production sources serve to reduce such seasonal variations. The Corporation is also seeking to develop complementary revenue streams in order to increase and secure its sales. For example, Boralex participates in the carbon dioxide (CO_2) emission allowances market in France and the Renewable Energy Certificate (REC) market and Forward Capacity Market in the U.S.

The following table presents information on revenue from energy sales, EBITDA and net earnings for the last eight quarters:

	Three-month periods ended			
(in thousands of dollars, unless otherwise indicated)	December 31, 2005	March 31, 2006	June 30, 2006	September 30, 2006
	(restated)	(restated)	(restated)	(restated)
Revenue from energy sales	30,306	37,101	20,819	26,643
EBITDA	9,681	17,581	4,909	8,372
Net earnings	9,289	7,534	1,411	1,140
Per share (basic) (in dollars)	0.31	0.25	0.05	0.04
Per share (diluted) (in dollars)	0.31	0.25	0.05	0.04

	Three-month periods ended			
(in thousands of dollars, unless otherwise indicated)	December 31, 2006	March 31, **2007**	June 30, **2007**	September 30, **2007**
	(restated)			
Revenue from energy sales	35,349	**50,802**	**32,354**	**34,276**
EBITDA	11,960	**25,158**	**6,216**	**9,061**
Net earnings	4,636	**9,777**	**4,838**	**1,017**
Per share (basic) (in dollars)	0.15	**0.33**	**0.15**	**0.03**
Per share (diluted) (in dollars)	0.15	**0.32**	**0.15**	**0.03**

Financial Highlights

(in thousands of dollars, unless otherwise indicated)

	Three-month periods ended September 30 2007	Three-month periods ended September 30 2006	Nine-month periods ended September 30 2007	Nine-month periods ended September 30 2006
Financial performance		(restated)		(restated)
Revenue from energy sales				
Wind power sites	**5,974**	4,652	**19,176**	15,447
Hydroelectric power stations	**681**	1,785	**6,617**	8,072
Wood residue thermal power stations	**25,688**	17,986	**81,887**	51,235
Natural gas thermal power station	**1,933**	2,220	**9,752**	9,809
	34,276	26,643	**117,432**	84,563
EBITDA				
Wind power sites	**4,876**	4,016	**15,813**	12,984
Hydroelectric power stations	**(485)**	815	**3,784**	5,507
Wood residue thermal power stations	**6,886**	2,939	**20,652**	4,419
Natural gas thermal power station	**(219)**	236	**1,557**	4,083
Corporate and eliminations	**(1,997)**	366	**(1,371)**	3,869
	9,061	8,372	**40,435**	30,862
Net earnings	**1,017**	1,140	**15,632**	10,085
Per share (basic) (in dollars)	**0.03**	0.04	**0.47**	0.34
Per share (diluted) (in dollars)	**0.03**	0.04	**0.46**	0.33
Weighted average number of shares outstanding	**37,454,625**	30,049,586	**33,374,658**	30,028,594

	As at september 30 2007	As at december 31 2006
Financial position		(restated)
Total assets	**501,589**	476,030
Total debt*	**173,703**	234,328
Shareholders' equity	**279,390**	182,033

* Including the current portion of long-term debt

	2007
Historical average of hydroelectric generation (MWh)*	
Three-month period ended September 30	**15,928**
Nine-month period ended September 30	**83,957**
Annual	**114,868**

* The historical average is determined using all production data available for each power station up to the closing of Boralex's latest fiscal year.

Additional information about NON-GAAP performance measurements

To assess the operating performance of its assets and reportable segments, Boralex uses EBITDA, which is not a performance measurement. Management believes that EBITDA is a widely accepted financial indicator used by investors to assess the performance of a company and its ability to generate cash through operations. However, since EBITDA is not a performance measurement under GAAP, it may not be comparable to similarly named measures used by other companies. Investors should not use EBITDA as an alternative criterion for net earnings, nor as an indicator of operating results or cash flows, nor as a parameter for measuring liquidity.

In Boralex's consolidated statement of income, EBITDA corresponds to *Earnings before amortization*. The following table reconciles EBITDA with net earnings:

(in thousands of dollars)	Three-month periods ended september 30 2007	Three-month periods ended september 30 2006	Nine-month periods ended september 30 2007	Nine-month periods ended september 30 2006
		(restated)		(restated)
Net earnings	**1,017**	1,140	**15,632**	10,085
Non-controlling interests	**(158)**	(11)	**(104)**	126
Income tax expense (recovery)	**(130)**	(1,084)	**4,796**	(2,936)
Financial expenses	**2,394**	3,125	**8,720**	8,803
Financial instruments	**(369)**	-	**(6,243)**	-
Amortization	**6,307**	5,202	**17,634**	14,784
EBITDA	**9,061**	8,372	**40,435**	30,862

Operating results for the three-month period ended September 30, 2007

Analysis of major variances:

(in millions of dollars)	Revenue from energy sales	EBITDA
September 30, 2006	26.6	8.4
Start-ups	0.8	0.4
Volume	2.1	0.2
Pricing	2.7	2.7
RECs*	3.1	3.1
CO_2 quota	-	(0.1)
Capacity premiums	0.6	0.6
Translation of self-sustaining foreign operations	(1.6)	(0.4)
Tax credits	-	(0.4)
Raw materials costs	-	(2.0)
Administrative expenses	-	(1.3)
Fund results	-	(1.1)
Other	-	(1.0)
September 30, 2007	34.3	9.1

*including the european green energy credits

Revenue from energy sales

Revenue from energy sales totalled $34.3 million for the three-month period ended September 30, 2007, up 28.9% from $26.6 million for the same period of 2006. Currency fluctuations, primarily the Canadian dollar's appreciation against the U.S. dollar, had an unfavourable impact of $1.6 million on revenue; excluding these fluctuations, revenue would have grown by 35.0%.

As presented in greater detail under *Segmented results for the three-month and nine-month periods ended September 30, 2007* in this Management Discussion and Analysis, the quarterly growth in consolidated revenue from energy sales was primarily due to the wood residue segment, where revenue increased by $7.7 million, as well as to a $1.3 million revenue increase in the wind power segment. In contrast, the hydroelectric segment and the natural gas thermal power station posted a combined revenue decrease of $1.3 million. Changes in consolidated revenue from energy sales were primarily due to the following factors:

- Boralex recorded an increase of $3.1 million in revenue from sales of REC compared to 2006, which rose to $3.9 million in the third quarter of 2007. The Stratton power station, which continues to benefit from robust demand and stronger selling prices in the Connecticut REC market, accounted for nearly 83% of REC sales for the period. During the third quarter, the Stratton power station entered into new futures contracts to sell its REC production until 2012. Accordingly, as at September 30, 2007, the Stratton power station had firm sales agreements totalling approximately $45 million (US$45 million) for REC deliveries between October 1, 2007 and December 31, 2012. This tends to confirm the solid market uptrend in the medium and long term. In this regard, the state of Connecticut recently moved to extend the REC program for an additional 10-year period, i.e., until 2020. In addition, the minimum green energy proportion imposed on distributors by the state of Connecticut will rise to 7% in 2010 and to 20% in 2020, compared with 1.5% when the program was launched in 2005. Furthermore, the Chateaugay power station, which qualified for the New York State REC market, recorded $0.6 million in REC sales for the third quarter of 2007. Lastly, the Nibas wind farm in France posted $0.1 million in revenue in connection with its participation in the green energy credit program implemented in Europe. In management's view, the market potential of Boralex's wind power segment in France is limited for the time being, although this situation could improve in the future;

- the production volume for all of Boralex's power stations rose by 10.0% to a total of 374,441 megawatthours (MWh) in 2007, up from 340,334 MWh for the same quarter of 2006, thereby generating $2.9 million in additional revenue. This increase was largely attributable a more favourable business environment in the wood residue segment, which led the power stations to boost their production, as well as to improved power station availability. In addition, the Fort Fairfield power station had been shut down for 38 days during the third quarter of 2006 due to damage from lightning strikes. Production in the wind power segment also increased, thanks to the start-up of La Citadelle, the new French wind farm, on July 18, 2007, as well as to better wind conditions and increased productivity at most sites compared with last year. However, production volume declined in the hydroelectric segment due to less favourable hydrological conditions;

- overall, the average selling price per MWh at the Corporation's power stations rose by 7.7%, generating $2.7 million in additional revenue; this was almost entirely attributable to the wood residue power stations. In addition to higher selling prices in the open market in the northeastern U.S., the average selling price per MWh benefited from the application of new sales agreements for the Ashland and Fort Fairfield power stations, with terms that better reflect prevailing market conditions;

- lastly, the Corporation recorded $0.6 million in additional revenue in the form of capacity premiums granted by the new Forward Capacity Market (FCM), which took effect in the New England Power Pool (NEPOOL) in December 2006. The FCM enables energy producers, primarily wood residue power stations, to receive royalties if they agree to maintain their existing capacity. Boralex thus began to benefit from this recurring revenue stream in 2007.

Other revenue

Boralex reported $2.4 million in revenue from sources other than energy sales for the third quarter of 2007, down from $3.6 million for the same period of 2006. This $1.2 million, or 33.3%, decrease stemmed primarily from a $1.1 million drop in Boralex's share of the Fund's results. In particular, the Fund experienced a downturn in its hydroelectric segment results due to much less favourable water flows than last year; water flows were 22.8% less than historical averages. Results were also adversely affected by the Canadian dollar's appreciation against the U.S. dollar as well as the cost due to the expected sale transaction of the Funds.

BAIIA

Consolidated EBITDA totalled $9.1 million for the third quarter of 2007, up 8.3% from $8.4 million for the same period last year. The following factors had a favourable impact on quarterly EBITDA (in order of importance):

- the increase in revenue from REC sales translated directly into a $3.1 million increase in EBITDA;

- the increase in average selling prices had a direct favourable impact of $2.7 million on EBITDA;

- capacity premiums from the Forward Capacity Market had a direct favourable impact on EBITDA, totalling $0.6 million;

- lastly, the increase in production volume, driven in particular by the start-up of the new wind farm in France, had a favourable impact of $0.6 million. The favourable impact of $1.8 million on EBITDA attributable to increased production at the wind power sites and the wood residue power stations more than offset the unfavourable $0.9 million impact due to lower production in the hydroelectric segment, which experienced unfavourable weather conditions, in addition to a three-week shutdown at the East Angus power station for equipment repairs and to $0.3 million in maintenance expenses at the inoperative Sherman wood residue power station. This facility is the focus of ongoing strategic analyses with a view to potentially resuming operations when business conditions are more conducive to unit profitability.

In contrast, a number of unfavourable factors slowed quarterly EBITDA growth, in particular:

- the wood residue segment recorded a $2.0 million increase in raw materials costs attributable to the increased scarcity of wood residue and to higher transportation costs caused by higher prices for oil and derived products. In addition, Boralex uses higher-quality (and thus more expensive) forest residue as part of its strategy to increase power station production and to comply fully with REC production standards. However, using higher-quality resources enabled the Corporation to improve the wood residue power stations' average combustion rate by 8% compared with the same quarter of 2006; this served to partially offset higher wood residue prices. Management is of the opinion that wood residue prices will continue to face upward pressure in the short and medium term due to resource scarcity and high transportation costs;

- administrative expenses rose by $1.3 million compared with the same quarter of 2006. This increase stemmed from a number of factors, including the strengthening of the senior management team over the past year, an increase in stock-based compensation costs resulting from the rise in Boralex's share price and an increase in the capital tax and in the costs associated with certain steps taken in the U.S. to contest the application of a new regulation modifying the list of eligible raw materials for REC production. Since these efforts have been successful thus far, they will enable the Corporation to regain access to certain wood residues and to pursue its program to optimize its wood residue power stations;

- the decline in Boralex's share of the Fund's results had a negative impact of $1.1 million;

- renewable energy tax credits decreased by $0.4 million due to the discount applied under the monetization program implemented at 2006 year-end. Immediate access to the funds relating to these credits largely offset the impact of the discount; and

- other unfavourable factors included the adverse impact of currency fluctuations and write-offs of fixed assets following an equipment breakdown at a hydroelectric power station.

(A more detailed analysis of changes in segmented revenue and EBITDA is presented under *Segmented results for the three-month and nine-month periods ended September 30, 2007*.)

Amortization, financial instruments, financial expenses and earnings before income taxes

For the third quarter of 2007, amortization expenses rose by $1.1 million or 21.2% to $6.3 million. This increase was primarily due to the start-up of the new wind farm (La Citadelle), in addition to the amortization of monetization program expenses and to higher production at the wood residue power stations, which use an amortization method based on their actual production. In contrast, financial expenses decreased by $0.7 million or 22.6% to $2.4 million, due to the repayment of a portion of the debt following the public share issue completed on June 7, 2007. Furthermore, the Corporation recorded a $0.4 million gain on financial instruments, which represents the variation in the value of the interest rate swaps between the end of the second quarter of 2007 and the date on which the swaps were redesignated as hedges of interest cash flows related to certain debts in France. This point is discussed in greater detail under *Financial instruments*.

Consequently, Boralex recorded $0.7 million in earnings before income taxes for the third quarter of 2007, compared with insignificant earnings before income taxes for the same period of 2006.

Income tax recovery

For the third quarter of 2007, Boralex recorded a $0.1 million income tax recovery. This included $0.5 million in favourable adjustments related to the realization of non-taxable items in Canada. For the same period of 2006, the Corporation recorded a $1.1 million income tax recovery, which included a non-recurring amount of approximately $1 million related to an adjustment to certain provisions for income tax risks that did not materialize.

Net earnings

Boralex ended the third quarter with net earnings of $1.0 million or $0.03 per share (basic and diluted), down from net earnings of $1.1 million or $0.04 per share (basic and diluted) for the same quarter of 2006.

Due to the public share issued completed on June 7, 2007, the weighted average number of shares outstanding rose from 30.0 million to 37.5 million.

To summarize, Boralex results improve markedly for the quarter, including a 28.9% increase in energy revenue and a 8.3% increase in EBITDA. In particular, the increase in REC sales, together with higher selling prices for electricity and growth in the wind power segment, offset higher wood residue supply costs and unfavourable water flows, which affected the hydroelectric segment's results as well as Boralex's share of the Fund's results.

Operating results for the nine-month period ended September 30, 2007

Analysis of major variances:

(in millions of dollars)	Revenue from energy sales	EBITDA
September 30, 2006	84.6	30.9
Start-ups	2.7	0.1
Volume	10.6	1.5
Pricing	6.1	6.1
RECs*	10.8	10.8
CO_2 quota	-	(2.9)
Capacity premiums	2.8	2.8
Translation of self-sustaining foreign operations	(0.1)	0.4
Tax credits	-	(0.3)
Raw materials costs	-	(2.4)
Administrative expenses	-	(2.7)
Fund results	-	(2.4)
Other	(0.1)	(1.5)
September 30, 2007	117.4	40.4

*including the european green energy credits

Revenue from energy sales

For the nine-month period ended September 30, 2007, revenue from energy sales totalled $117.4 million, up from $84.6 million for the same period of 2006. For the entire period, currency fluctuations had a negligible $0.1 million impact on revenue, since the Canadian dollar improved against the US dollar, but decreased against the Euro. This $32.8 million increase in revenue from energy sales, or 38.8% of total revenue, was driven by the following main factors:

- Boralex benefited from a 17.3% increase in total production, which amounted to 1,160,401 MWh for the first nine months of 2007, compared with 989,558 MWh for the same period of 2006; this led to a $13.3 million increase in revenue. In particular, higher production at the existing wood residue power stations and at the existing wind power station generated an additional $12.3 million in revenue. In this regard, the wood residue power stations had voluntarily cut their production in 2006 due to unfavourable market conditions. Moreover, the Stratton power station had shut down for 75 days during the second quarter of 2006, while the Fort Fairfield power station had shut down for 38 days during the third quarter of 2006 because of equipment breakdowns. Furthermore, the start-up of the Sherman wood residue power station during the first quarter of 2007 (this facility was down during the second and third quarters) and of the La Citadelle wind farm during the third quarter generated $2.7 million in revenue. Increased production in the wind power and the wood residue segments, combined with a slight production increase at the natural gas power station over the nine-month period, largely offset the $1.9 million negative revenue impact due to lower hydroelectric segment production;

- the Corporation recorded a $10.8 million increase in revenue from REC sales. Thanks primarily to the Stratton power station, revenue stood over $14 million for the first nine months of 2007, up from $3.3 million for the same period of 2006. This increase stemmed from markedly improved demand and prices in the Connecticut REC market, as well as from better availability at the Stratton power station, which experienced significant downtime in 2006. It also stemmed from the beginning of REC sales by the Chateaugay power station on the New York State market and to a lesser extent from the Nibas wind power site's participation in the European green energy credits market.
In particular, since the beginning of the year, the Stratton power station sold almost all of the remaining RECs for its 2006 production and sold almost its entire anticipated production for 2007 in advance under futures contracts, in addition to a portion of its expected production in 2008, 2009, 2010, 2011 and 2012. As at September 30, 2007, Boralex had firm sales commitments totalling approximately $45 million (US$45 million) for REC deliveries between October 1, 2007 and December 31, 2012. Management expects this market to remain robust in the next few years. In addition, the Corporation eventually aims to qualify additional wood residue power stations for the REC market;

- the approximately 8% increase in the overall average selling price per MWh at the Corporation's power stations generated $6.1 million in additional revenue. This increase was largely attributable to higher contractual selling prices at the Ashland and Fort Fairfield wood residue power stations, in addition to higher selling prices in the open market in the northeastern U.S. It should be noted that Ashland's and Fort Fairfield's power sale agreements better reflect recent energy market conditions; and

- the recognition of Forward Capacity Market capacity premiums generated an additional $2.8 million in revenue.

Other revenue

Boralex recorded $11.5 million in revenue from sources other than energy sales for the first nine months of 2007, down from $15.4 million for the same period of 2006. This $3.9 million or 25.3% decrease in other revenue was due to the following: the Blendecques natural gas power station had recorded $3.0 million in revenue from the sale of excess CO_2 emissions allowances for the first six months of 2006, including the advance sale of its excess CO_2 allowances expected in 2007. Consequently, Blendecques power station had no quotas to sell in 2007. In addition, Boralex's share of the Funds results decrease by $2.3 million. On the other side, an additionnal revenue of $1.0 million was recorded during the period related to the sale of rights over a project under development.

EBITDA

Consolidated EBITDA totalled $40.4 million for the first nine months of 2007, up 30.7% compared for the same period of 2006. The following main factors had a favourable impact on EBITDA:

- robust REC sales made a direct contribution of $10.8 million to EBITDA;

- higher selling prices had a direct favourable impact of $6.1 million;

- the capacity premiums granted to the U.S. power stations generated an additional $2.8 million in EBITDA;

- higher production volumes, mainly at the wood residue power stations and wind power sites, contributed an additional $1.6 million to EBITDA;

- lastly, fluctuations in the Canadian dollar had a favourable impact of $0.4 million. On average, the euro's appreciation was greater in relative terms than the U.S. dollar's depreciation against the Canadian dollar for the first nine months of 2007, compared with the same period of 2006.

In contrast, the following main factors had an unfavourable impact on EBITDA:

- Boralex recorded a $2.9 million shortfall in sales of excess CO_2 emissions allowances at the natural gas power station in France. This was due to the fact that in 2006, Boralex had sold in advance its expected 2007 surplus, thereby taking advantage of a market opportunity arising from particularly high CO_2 selling prices. Consequently, there is a shortfall in 2007. However, it should be noted that the price of CO_2 quotas has subsequently declined significantly. By proceeding in this way, Boralex has maximized the shareholders' return;

- the Corporation recorded a $2.7 million increase in administrative expenses. The main factors include the hiring of new employees to accommodate the Corporation's growth, the increase in research activities for new projects, the increase in the capital tax, the increase in stock option plan charges due to the increase in Boralex's share price and lastly the expenses incurred to retain the right to use certain wood residue sources for REC production (as discussed in the third-quarter analysis);

- the wood residue segment recorded a $2.8 million net increase in its raw materials costs. It should be noted that the significant increase in the wood residue supply price was offset by a 10% improvement in the average combustion rate at the power stations in this segment, thereby generating substantial savings. In addition, the French thermal power station benefited from a slight reduction in the cost of its raw material (natural gas);

- the Corporation's share of the Fund's results, including amounts related to power station management, declined by $2.4 million, mainly due to weak water flows, the unfavourable impact of the Canadian dollar's appreciation on the performance of the Fund's hydroelectric power stations and certain non-recurring expenses, including those relating to the strategic review process launched in March 2007; and

- a number of minor factors affected consolidated EBITDA, including the decrease in tax credits, write-offs of fixed assets and certain additional expenses incurred by the wood residue for, among other things, testing the potential reduction of emissions of atmospheric pollutants at certain power stations with a view to eventually qualifying them for the REC market.

(A more detailed analysis of changes in segmented revenue and EBITDA is presented under *Segmented results for the three-month and nine-month periods ended September 30, 2007*.)

Amortization, financial instruments, financial expenses and earnings before income taxes

The amortization expense totalled $17.6 million for the first nine months of 2007, up from $14.8 million for the same period of 2006, primarily due to investments made in prior quarters, including the start-up of the new wind farm (La Citadelle) and investments made in 2006 for the purposes of developing the wind power segment and improving the wood residue power stations' availability and productivity. In addition, it should be noted that the wood residue power stations use an amortization method based on their actual production, which was higher during the first nine months of 2007, compared with the same period of 2006. In addition, the amortization of the monetization program expenses accounted for approximately $1.5 million of the increased amortization charge.

Financing charges totalled $8.7 million for the first nine months of 2007, down from $8.8 million for the same period of 2006, thanks to debt repayment following the share issue in June 2007, which resulted in interest charges savings and offset additional charges related to the increase in other debts due to the start-up of the wind power site (La Citadelle). The $6.2 million gain on financial instruments stemmed mainly from the termination of hedges described under *Financial instruments*.

Consequently, Boralex recorded $20.3 million in earnings before income taxes for the first nine months of 2007, up from $7.3 million for the same period of 2006.

Income tax expense (recovery)

For the first nine months of 2007, Boralex's income tax expense totalled $4.8 million, compared with a $2.9 million tax recovery for the same period of 2006. That recovery included $2.8 million in non-recurring favourable adjustments. Notwithstanding the favourable adjustments and other tax benefits, the Corporation's consolidated tax rate should normally be 35%.

Net earnings

For the first nine months of 2007, Boralex recorded net earnings of $15.6 million or $0.47 per share ($0.46 diluted), up from $10.1 million or $0.34 per share ($0.33 diluted) for the same period of 2006, or a 54.5% increase. In addition, the weighted average number of shares outstanding increased to 33.4 million in 2007 from 30.0 million in 2006 following the share issue completed on June 7, 2007.

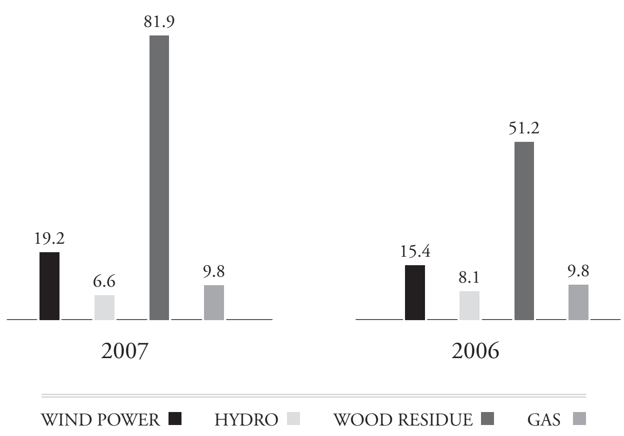
To summarize, Boralex's results improved markedly for the first nine months of 2007, including a 38.8% increase in energy revenues, and a 30.7% increase in EBITDA. This fine performance was primarily attributable to the wood residue and wind power segments, in particular:

- **the robust REC market;**
- **improved availability and productivity at the wood residue power stations and wind power sites;**
- **the start-up of a new wind power site;**
- **the positive impact of the program to optimize the wood residue power stations undertaken in 2006;**
- **enhanced power sale agreements at certain stations;**
- **higher selling prices; and**
- **the receipt of additional recurring revenue in the Forward Capacity Market.**

Segmented results for the three-month and nine-month periods ended September 30, 2007

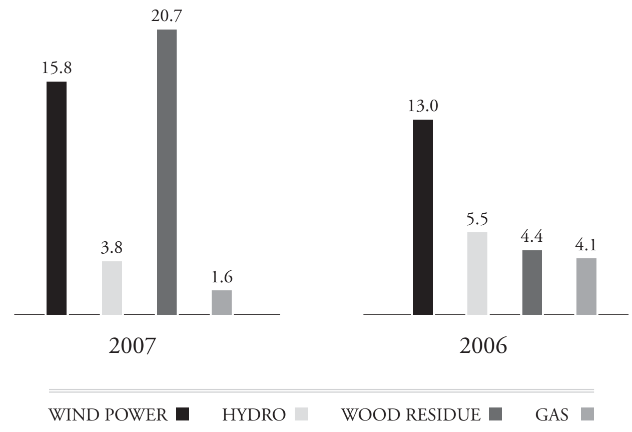
Distribution by segment (cumulative results for the first nine months of 2007)

Revenue from energy sales
(in millions of dollars)



For the first nine months of 2007, thanks to improved production and selling prices at the wood residue power stations and to the robust REC market, the wood residue segment's share of consolidated revenue from energy sales rose from 61% in 2006 to 70% in 2007. As a result, the wind power segment's share declined slightly from 18% in 2006 to 16% in 2007, despite revenue growth.

EBITDA
(in millions of dollars)



Thanks to its improved profitability, the wood residue segment also made a markedly higher contribution to consolidated EBITDA (excluding *Corporate and eliminations*), rising from 16% in 2006 to 49% in 2007. Despite improved EBITDA in dollar terms, the wind power segment's percentage contribution dropped from 48% in 2006 to 38% in 2007 due to the wood residue sector's exceptional performance.

Wind power sites

Analysis of major variances:

	Three-month period		Nine-month period	
(in millions of dollars)	Revenue from energy sales	EBITDA	Revenue from energy sales	EBITDA
September 30, 2006	4.7	4.0	15.4	13.0
Start-ups	0.8	0.7	0.8	0.7
Volume	0.4	0.4	1.8	1.8
Pricing	0.1	0.1	0.2	0.2
Green energy credits	0.1	0.1	0.2	0.2
Translation of self-sustaining foreign operations	-	-	0.8	0.6
Maintenance	-	-	-	(0.4)
Other	(0.1)	(0.4)	-	(0.3)
September 30, 2007	6.0	4.9	19.2	15.8

For the three-month period ended September 30, 2007, wind power segment revenues totalled $6.0 million, up from $4.7 million or 27.7% for the same quarter of 2006. More than 50% of this increase was attributable to the additional contribution of the wind power site brought into service on July 18, 2007 (La Citadelle) and which had a problem-free start-up. Following the start-up of Boralex's seventh wind farm in France, comprised of six wind turbines with an installed capacity of 2.3 MW each, the total installed capacity of the Corporation's wind power segment has been increased to nearly 103 MW. In addition, most of the existing wind power sites, particularly the Ally facility, increased their production during the third quarter thanks to better wind conditions than during last year and good equipment availability conditions. However, the Cham de Cham Longe wind farm had limited availability in July due to the inspection work required following damage to a turbine blade caused by lightning strikes in June 2007. The Corporation has taken steps to recoup this lost revenue. Production was also down at the Avignonet-Lauragais site, although this drop was less pronounced that at the Cham de Cham Longe facility. Overall, the wind power segment supplied 47,413 MWh during the third quarter of 2007, up 24.5% from 38,082 MWh in 2006. To a lesser extent, segment revenue also benefited from the indexing of selling prices for electricity and from the sale of green energy credits on the European market by the Nibas wind farm.

Higher revenues led to a $4.9 million or 22.5% increase in the wind power segment's quarterly EBITDA. However, due to current and projected expansion, the wind power segment incurred certain additional expenses, particularly relating to wages, benefits, taxes, rent and administrative expenses.

For the nine-month period ended September 30, 2007, wind power segment revenue increased by 24.7% to $19.2 million, up from $15.4 million for the same period last year. This increase was largely attributable to a 15.7% increase in production volume, which totalled 148,118 MWh, up from 128,042 MWh for the same period of 2006. The start-up of La Citadelle generated $0.8 million in revenue, while $1.8 million in additional revenue was recorded thanks to more favourable weather conditions than in 2006 and to better availability and productivity at the existing facilities, particularly the Massif Central and Plouguin sites, which completed their running-in phase in 2006. Revenue growth was also driven by a $0.8 million positive impact attributable to the Canadian dollar's fluctuations against the euro, the indexing of selling prices and sales of green energy credits. This same contribution of factors helped boost segment EBITDA by 21.5% from $13.0 million in 2006 to $15.8 million in 2007, despite a $0.4 million increase in maintenance expenses at the Cham de Cham Longe wind farm due to mechanical problems caused by lightning strikes and despite higher staff and administrative expenses related to strong segment growth.

During the first quarter of 2008, the Avignonet-Lauragais wind farm's installed power will be increased to a total of 12.6 MW. In addition, as it pursues its development efforts in France, Boralex will also be seeking to establish a foothold in the Canadian wind power market. In connection with the project announced in July 2007 to acquire nine Ontario wind farms totalling 90 MW, the Corporation is currently conducting wind studies and taking steps to obtain permits aimed at bringing 30 MW into service during the fourth quarter of 2008. In addition, the Corporation and its partners announced in September 2007 that three tenders for wind power projects in Quebec totalling 375.2 MW had been submitted in connection with Hydro-Québec's call for proposals for 2,000 MW of wind power. (For further information on wind power segment projects, please see *Outlook*.)

Hydroelectric power stations

Analysis of major variances:

	Three-month period		Nine-month period	
(in millions of dollars)	Revenue from energy sales	EBITDA	Revenue from energy sales	EBITDA
September 30, 2006	1.8	0.8	8.1	5.5
Volume	(0.9)	(0.9)	(1.9)	(1.9)
Pricing	0.1	0.1	0.5	0.5
Capacity premiums	-	-	0.3	0.3
Translation of self-sustaining foreign operations	(0.3)	(0.3)	(0.3)	(0.3)
Other	-	(0.2)	(0.1)	(0.3)
September 30, 2007	0.7	(0.5)	6.6	3.8

For the three-month period ended September 30, 2007, the hydroelectric power stations generated $0.7 million in revenue, down from $1.8 million for the same period of 2006. In addition to the unfavourable $0.3 million impact of the Canadian dollar's fluctuations versus the U.S. dollar, this segment's revenue decline was primarily attributable to a significant decrease in production volume at the hydroelectric power stations, dropping to 8,705 MWh during the third quarter of 2007 from 22,863 MWh for the same quarter last year. In addition, although water flows were 43.5% higher than historical averages during the third quarter of 2006, they were 45.3% lower than for the same quarter of 2007. Moreover, the power station in East Angus, Quebec, was shut down for five weeks for equipment repairs. This combination of factors, along with increased maintenance expenses and write-offs of fixed assets caused by the breakdown at the East Angus power station, accounted for the hydroelectric segment's $1.3 million drop in profitability. As a result, the segment posted a $0.5 million loss, compared with $0.8 million in EBITDA for the same quarter of 2006.

For the nine-month period ended September 30, 2007, hydroelectric segment revenue declined by 18.5% to $6.6 million from $8.1 million for the same period last year, largely due to the 25.6% drop in production volume, falling from 100,653 MWh in 2006 to 74,875 MW in 2007. Water flows for the period were 10.8% less than historical averages, compared with 19.9% higher last year. Combined with the negative impact of currency fluctuations and certain other minor factors, this drop in production led to a $2.3 million revenue shortfall. However, this was offset by $0.8 million in additional revenue attributable to higher selling prices and Forward Capacity market capacity premiums received in NYISO ("New York Independent System Operator") during the first six months of 2007. Due to the drop in production, the unfavourable impact of currency fluctuations, the increase in certain expenses and write-offs of fixed assets, the hydroelectric segment's cumulative EBITDA dropped by 30.9%, declining from $5.5 million in 2006 to $3.8 million in 2007.

Wood residue power stations

Analysis of major variances:

(in millions of dollars)	Three-month period Revenue from energy sales	Three-month period EBITDA	Nine-month period Revenue from energy sales	Nine-month period EBITDA
September 30 2006	18.0	2.9	51.2	4.4
Volume	2.6	0.7	10.5	1.6
Start-up	-	(0.3)	1.9	(0.6)
Pricing	2.7	2.7	6.2	6.2
RECs	3.0	3.0	10.7	10.7
Capacity premiums	0.6	0.6	2.4	2.4
Translation of self-sustaining foreign operations	(1.2)	(0.2)	(1.1)	-
Tax credits	-	(0.4)	-	(0.3)
Raw materials costs	-	(2.0)	-	(2.8)
Power station maintenance	-	(0.1)	-	0.9
Other	-	-	0.1	(1.8)
September 30, 2007	25.7	6.9	81.9	20.7

For the three-month period ended September 30, 2007, segment revenue increased by $7.7 million or 42.8% to $25.7 million, up from $18.0 million for the same period of 2006. However, the Canadian dollar's appreciation against the U.S. dollar had a $1.2 million negative impact on revenue; excluding this appreciation, revenue would have been up nearly 50%. This performance is attributable to the following main factors:

- the wood residue segment received $3.8 million in revenue from REC sales for the third quarter, or $3.0 million more than for the same period last year. Accounting for most of this revenue increase, the Stratton power station benefited from robust demand and higher selling prices in the Connecticut REC market. During the third quarter, this station entered into new forward power sale agreements for its REC production until 2012. As a result, as at September 30, 2007, the Corporation had firm sales commitments totalling approximately $45 million (US$45 million) for REC deliveries between October 1, 2007 and December 31, 2012 for the Stratton power station. The Chateaugay power station, which qualified for the New York State REC market, recorded $0.6 million in REC sales for the third quarter of 2007, compared with nil revenue in this regard for the same period of 2006;

- the 18% increase in the average selling price (in US$) at the wood residue power stations generated $2.7 million in additional revenue, thanks to the contractual price increase at the Fort Fairfield and Ashland power stations and to the increase in prices on the open market, totalling approximately 7% between the third quarter of 2006 and the same period in 2007. Since the beginning of the year, prices have been higher by 8% than in the same period of 2006. The future price curve seems to indicate that prices will remain at that level for the next year;

- the production volume at the five operational power stations increased by 14.0% to 318,323 MWh, up from 279,311 MWh for the same period of 2006, translating into $2.6 million in additional revenue. This increase was due in part to improved power station availability thanks to investments made last year and in part to the fact that the power stations, in particular the Stratton facility, had voluntarily cut their production in 2006 due to less favourable market conditions that year. In addition, the Fort Fairfield power station had shut down for 38 days during the third quarter of 2006 due to an equipment breakdown caused by lightning strikes. Moreover, the Livermore Falls power station carried out regular maintenance in September this year, rather than in October as it did last year, leading to an 11 days of downtime during the third quarter of 2007. It should be noted that the Sherman power station was inoperative during the third quarter and is the focus of ongoing strategic analyses with a view to a potentially resuming operations. For the time being, market conditions are not conducive in this regard;

- lastly, this segment recorded $0.6 million in Forward Capacity Market capacity premium revenue. The FCM pays recurring royalties to energy producers, particularly in the wood residue segment, who agree to maintain their existing capacity.

The wood residue segment's quarterly EBITDA more than doubled for the third quarter, increasing from $2.9 million in 2006 to $6.9 million in 2007. This significant increase was primarily due to REC sales and to higher selling prices, which, taken together, had a direct positive impact of $5.7 million on EBITDA. Segment profitability also benefited from the increase in production (contributing $0.7 million) and in capacity premiums (contributing $0.6 million). In contrast, the segment recorded a $2.0 million increase in raw materials costs due to the scarcity of wood residue and to higher transportation costs driven by higher prices for oil and derived products. In addition, Boralex uses better-quality (and thus more expensive) residues as part of its strategy to optimize production at its power stations and to ensure continued compliance with more stringent regulations governing REC production. However, using higher-quality residues enabled the Corporation to improve of 8% the average combustion rate at its wood residue power stations, compared with the same quarter of 2006, which partially offset the higher wood residue prices. Management is of the opinion that wood residue prices will continue to face upward pressure in the short and medium term due to resource scarcity and high transportation costs. Other factors that had an unfavourable impact on EBITDA included the expected $0.4 million decrease in tax credits, maintenance expenses at the inoperative Sherman power station and increased maintenance expenses due to the decision to move up regular maintenance at the Livermore Falls power station. It should be noted that the decrease in tax credits stemmed from the monetization program, which discounts the credit's nominal value but enables Boralex to receive the funds immediately.

For the nine-month period ended September 30, 2007, revenues at the wood residue power stations totalled $81.9 million, up 60.0% from $51.2 million for the same period of 2006 despite an unfavourable $1.1 million impact caused by currency fluctuations. First of all, the increase in the segment's production volume generated $12.4 million in additional revenue. The six power stations (including the Sherman facility, which was operational for two months during the first quarter) produced a total of 915,206 MWh for the first nine months of 2007, up 24.0% from 738,106 MWh in 2006. Second, the stations recorded over $14 million in REC sales, up from $3.3 million last year, generating $10.7 million in additional revenue. In addition to signing futures contracts covering the period from October 1, 2007 to December 31, 2012, the Stratton power station sold $12.4 million in RECs during the first nine months of the year; this includes the balance of the 2006 production and most of its 2007 production. In contrast, the Chateaugay power station posted $1.6 million in REC sales. Lastly, higher selling prices for electricity and higher Forward Capacity Market capacity premiums in the NEPOOL network generated $6.2 million and $2.4 million in additional revenue respectively.

As regards profitability, segment EBITDA increased nearly fivefold to $20.7 million for the first nine months of 2007, compared with $4.4 million for the same period of 2006. The combination of REC sales, higher selling prices, capacity premiums and increased production volume led to a $20.9 million increase in EBITDA. In addition, the segment benefited from a $0.9 million decrease in maintenance expenses for the period. This combination of factors largely offset the $2.8 million net increase in raw materials costs recorded since the beginning of the year, in addition to the decrease in tax credits, the maintenance expenses at the Sherman power station and the increase in certain other expenses, including those incurred to test potential reductions in emissions of atmospheric pollutants with a view to qualifying certain power stations for REC sales. It should be noted that the increase in raw materials costs was offset by a 10% improvement in the average combustion rate at the power stations, with this factor alone leading to savings of over $5 million.

Natural gas cogenaration power station

Analysis of major variances:

(in millions of dollars)	Three-month period – Revenue from energy sales	Three-month period – EBITDA	Nine-month period – Revenue from energy sales	Nine-month period – EBITDA
September 30, 2006	2.2	0.2	9.8	4.1
Volume	-	-	0.2	-
Pricing	(0.2)	(0.2)	(0.8)	(0.8)
CO_2 quotas	-	(0.1)	-	(2.9)
Translation of self-sustaining foreign operations	(0.1)	-	0.5	0.1
Natural gas costs	-	-	-	0.4
Other	-	(0.1)	0.1	0.7
September 30, 2007	1.9	(0.2)	9.8	1.6

For the three-month period ended September 30, 2007, revenue from energy sales at the Blendecques natural gas power station in France totalled $1.9 million, down 13.6% from the $2.2 million in revenue recorded for the same period of 2006. This decrease was largely due to lower steam prices and to the fact that the power station sold no excess CO_2 emissions allowances for the period, compared with the $0.1 million this activity generated in the third quarter of 2006. It should be noted that the power station produced no electricity during the third quarter or during the corresponding quarter of 2006. With natural gas costs remaining high, the facility's cogeneration equipment was shut down from April to October 2007, as it was last year. The client will continue to be supplied with steam from an auxiliary boiler. The Blendecques power station is expected to bring its cogeneration equipment back into operation between November 2007 and April 2008, when it will be shut down again unless natural gas costs drop significantly and marginal operating profitability becomes positive.

For the nine-month period ended September 30, 2007, revenue from energy sales at the natural gas power station totalled $9.8 million (unchanged from 2006). The favourable impact of currency fluctuations, combined with a slight increase in revenue stemming from increased steam sales, offset lower selling prices for steam, which are partially indexed to natural gas prices in France. However, this power station's EBITDA decreased by $2.5 million to $1.6 million for the first nine months of 2007, compared with $4.1 million in 2006, primarily due to sales of excess CO_2 emissions allowances totalling $3.1 million in 2006, including the advance sale of the 2007 quotas; consequently, this power station had no quotas to sell in 2007. In addition, the drop in selling prices for steam had a $0.8 million negative impact on EBITDA.

Main cash flows for the three-month and nine-month periods ended September 30, 2007

Operating activities

For the third quarter of 2007, Boralex's cash flows related to operating activities before the net change in non-cash working capital items totalled $8.8 million, up from $3.3 million for the same quarter of 2006. This increase was primarily attributable to the wood residue power stations' improved profitability and to the receipt of revenue in connection with the renewable energy tax credit monetization program implemented in December 2006. After the net change in non-cash working capital items, operating activities generated net cash flows of $6.0 million for the third quarter of 2007, compared with negative cash flows of $1.3 million for the same quarter of 2006.

For the nine-month period ended September 30, 2007, Boralex's cash flows related to operating activities before the net change in non-cash working capital items totalled $35.5 million, up from $16.6 million for the same period of 2006, thanks primarily to improved profitability at the wood residue power stations and wind power sites, in addition to revenue received under the monetization program. After the net change in non-cash working capital items, operating activities generated net cash flows of $29.0 million in 2007, up from $8.2 million in 2006.

The improvement in Boralex's operating cash flows provides the Corporation with greater latitude to complete its expansion projects.

Investing activities

During the third quarter of 2007, Boralex invested $4.1 million in fixed assets (compared with $1.8 million one year ago), primarily to finalize construction and start up the wind power site at La Citadelle in France and to acquire additional equipment in the wood residue segment. In addition, in early July, the Corporation acquired options on nine Ontario wind power sites of 10 MW each. Although a number of steps remain before construction can begin of these sites, the Corporation is confident that it will be able to bring 30 MW into service in late 2008 and 60 MW in late 2009. In short, Boralex invested $2.1 million to acquire other assets, including acquisition of theses options, expenses to buy grinders and charges incurred for the wind power project of the Seigneurie de Beaupré.

During the first nine months of 2007, Boralex invested $16.3 million in new fixed assets, compared with $17.7 million for the same period last year. Most of the investments during the comparative periods were aimed at developing the wind power segment in France, in particular by acquiring fixed assets for the La Citadelle site. In addition, thanks to the refinancing completed in France (described later in this report), the Corporation was able to release

$6.2 million of the reserve amounts set aside under the Massif Central financing agreement. Lastly, Boralex made a net investment of approximately $2.5 million in connection with its program to purchase crushing equipment for the wood residue segment and, as described previously, to acquire options on Ontario wind power sites.

Financing activities

No significant financing activities were carried out during the third quarter of 2007, other than the repayment of $1.4 million in long-term debt. However, the nine-month period ended September 30, 2007, in particular the second quarter of 2007, was marked by two major developments:

- on June 7, 2007, the Corporation completed the public issue of 7,333,334 Class A shares for total proceeds of $110.0 million, including the over-allotment option exercised by the underwriters. Overall, the share issue generated net proceeds of $105.3 million, which was used to temporarily reduce the amounts borrowed on Boralex's revolving credit line by $52.7 million. The balance of the proceeds was temporarily allocated to investments guaranteed by a Canadian bank and offering maximum liquidity. This capital contribution significantly strengthened Boralex's balance sheet and will enable the Corporation to consider a number of expansion projects that could increase its installed capacity to between 500 MW and 700 MW over the next five years. For example, during the third quarter, the Corporation signed a memorandum of agreement with a private developer of renewable energy projects based in Ontario, Canada to acquire the rights to a portfolio of wind power sites totalling 90 MW. In September 2007, Boralex and its partners announced that three bids for wind power projects totalling 375.2 MW had been submitted in connection with Hydro-Québec's call for tenders for 2,000 MW of wind power. (For further information on these development projects, please see *Outlook*.); and

- on June 25, 2007, Boralex completed the refinancing of a number of its French credit agreements by means of a new master financing agreement in the amount of €265 million (approximately $380 million), which will be used to develop the Corporation's wind power projects in France until 2010. As with the former financing arrangement, the new master agreement, which is broader in both scope and duration, is insured by BNP Paribas S.A. as arranger, issuing bank and agent. In addition to repaying existing financing for the Ally, Cham de Cham Longe, Plouguin and La Citadelle sites for a total of approximately $130 million as at the transaction date, the master agreement provides Boralex with greater flexibility as regards funds availability in France and ensures that the Corporation will benefit from more advantageous financial conditions, taking into account the accumulated experience of its wind farms. In addition, the consolidation of the Ally, Cham de Cham Longe, Plouguin and La Citadelle sites, thanks to increased diversification in the project portfolio, has made it possible to reduce the reserves required for debt servicing and thus to reduce the size of the bridging loan issued in conjunction with the construction of the Ally and Cham de Cham Longe sites. The funds thus released were used to partially repay the bridging loan issued in conjunction with the construction of the Ally and Cham de Cham Longe sites. In addition, since this bridging loan was secured by a letter of credit drawn on the Canadian credit facility, the Corporation increased its borrowing capacity by approximately $14 million. The costs relating to these transactions totalled approximately $2 million (€1.4 million).

To summarize, total cash flows for the first nine months of 2007, net of the translation adjustment on cash and cash equivalents, increased cash by $68.0 million, from $13.9 million as at December 31, 2006 to $81.9 million as at September 30, 2007.

Financial position as at September 30, 2007

General comments

As described in note 2 to the interim financial statements accompanying this report, the balance sheet as at December 31, 2006 was restated to reflect the amortization method change for the natural gas power station and two of the French wind power sites.

The changes in Boralex's financial position between December 31, 2006 and September 30, 2007 primarily reflect the share issue in June 2007, whose net proceeds were used to temporarily reduce the long-term debt and to increase cash reserves pending the financing of future expansion projects. The construction of the La Citadelle site also increased the Corporation's assets and liabilities.

Assets

As at September 30, 2007, total assets amounted to $501.6 million, up from $476.0 million as at December 31, 2006. This $25.6 million increase was primarily due to the $68.0 million increase in cash and cash equivalents stemming from the injection of a portion of the proceeds of the share issue completed on June 7, 2007, net of a $24.0 million decrease in the value of fixed assets due to amortization, the Canadian dollar's appreciation against the U.S. dollar and certain other factors.

Working capital

As at September 30, 2007, Boralex posted a working capital surplus of $69.6 million, compared with a deficit of $14.6 million as at December 31, 2006. In addition to the proceeds from the share issue, the improvement in working capital compared with December 2006 stemmed in part from the partial repayment of the bridging loan following the refinancing of master agreement for the wind power segment in France, as described above.

Total debt and shareholders' equity

As at September 30, 2007, the Corporation's total debt amounted to $173.7 million, down $60.6 million or 25.9% from $234.3 million as at December 31, 2006. Excluding cash and cash equivalents, the total net debt was reduced by $128.6 million or 58.3% from $220.4 million as at December 31, 2006 to $91.8 million as at September 30, 2007, thanks primarily to the share issue, the French refinancing, improved operating cash flows and regular debt repayments. In addition, the share issue and the net earnings for the nine-month period ended September 30, 2007, net of accumulated other comprehensive income, served to increase the shareholders' equity by $97.4 million or 53.5% between December 31, 2006 and September 30, 2007, rising from $182.0 million to $279.4 million at the end of the third quarter. Consequently, the coefficient of total net debt to invested capital (total net debt plus shareholders' equity) fell from 54.8% as at December 31, 2006 to 24.7% as at September 30, 2007. In addition, in light of Boralex's share price, which was $16.50 as at September 30, 2007, the total debt to market capitalization ratio was 28.1% as at September 30, 2007, compared with 75.0% as at December 31, 2006, when the share price was $10.40.

Now that the final drawings for the La Citadelle project have been completed, the Corporation has an unused balance of approximately €165 million from the new €265 million master credit agreement, which gives Boralex considerable latitude to initiate new wind power projects by 2010.

Concerning the U.S. financing that expired on July 31, 2007 with a balance payable of $4.1 million (US$3.9 million) as at June 30, 2007, the Corporation renewed the credit agreement for a period of three years under similar terms.

It should be noted that following the adoption of the recommendations set out in the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855, the Corporation reclassified its deferred financial expenses against its long-term debt, for a total of $4.8 million.

Outlook

Boralex's management is of the opinion that, during the fourth quarter of 2007 and in future quarters, the Corporation will perform well since it should continue to benefit from the main positive factors that have enhanced its performance since the beginning of 2007, particularly in the wood residue segment:

- the robust REC market in Connecticut;
- the ongoing uptrend in electricity prices in the U.S. open market;
- the impact of investments over the past two years aimed at developing the wind power segment and continually improving the efficiency of the wood residue power stations; and
- access to new revenue and profit streams such as the Forward Capacity Market.

As at September 30, 2007, the Stratton power station had firm sales commitments totalling nearly $45 million (US$45 million) for REC deliveries between October, 2007 and December 2012. In addition, the state of Connecticut recently moved to extend the REC program for an additional 10-year period, i.e., until 2020. Moreover, the minimum green energy proportion imposed on distributors by the state of Connecticut will rise to 7% in 2010 and to 20% in 2020, compared with 1.5% when the program was launched in 2005. This tends to confirm the solid uptrend in this market in the medium and long term.

However, the high cost per ton of wood residue will continue to affect this segment. The cost of wood residue has risen sharply in recent years, primarily due to increased transportation costs stemming from higher oil prices and the increase in wood residue based products, which leads to heightened competition, in addition to a change in raw materials composition favoring more extensive use of virgin forest residues. Since 2004, Boralex has implemented and will continue to implement solutions aimed at controlling these costs, including wood residue supply strategies aimed at stabilizing its supply and optimizing the efficiency of its facilities, for example investments in grinders which are rented to independent operators. Note that the turbine of the Stratton power station will be refurbished during the fall outage, which should last 25 to 30 days. However, this overhaul will increase electricity production by about 5%. Boralex will continue these efforts to improve profitability in this segment.

In the wind power segment, Boralex's seventh French wind farm, with an installed capacity of 14 MW, was brought into service during the third quarter and will make an increasing contribution in future quarters as the equipment is run in. In addition, during the first quarter of 2008, the installed power of the Avignonet-Lauragais wind farm will be increased by 4.6MW.

As it continues its development efforts in France, Boralex will also be seeking to establish a foothold in the Canadian wind power market. On July 9, 2007, the Corporation announced that it had signed a memorandum of agreement with a private developer of renewable energy projects in Ontario, Canada to acquire the rights to a portfolio of sites totalling 90 MW and thus to proceed with the construction of nine wind farms with an installed capacity of 10 MW each near Lake Erie in the Windsor region of southern Ontario. These wind farms each hold a 20-year electricity sales contract with the Ontario Power Authority, which will purchase their entire production under the Renewable Energy Standard Offer Program. This will enable Boralex to obtain a rate of 110 $/MWh (in 2007 dollars) for its wind power production. The acquisition of these projects and the beginning of the construction work are subject to the fulfillment of certain conditions precedent. In November 2007, the Corporation will have completed a full year of on-site wind studies. Meanwhile, Boralex is taking steps to obtain various permits with a view to potentially bringing three sites into service towards the end of 2008. The turbines required to complete these three projects have already been ordered from Enercon, which has guaranteed delivery in 2008. Boralex is currently negotiating with the same supplier with a view to ordering 30 other turbines required to carry out projects at the six other sites. Once all of these projects have been completed, the Corporation's total installed power in the wind power segment will be almost doubled. Consequently, these projects are fully consistent with Boralex's geographical and segment diversification strategy.

In Quebec, the Corporation and its partners (Gaz Métro and the Séminaire de Québec) announced on September 19, 2007 that three tenders for wind power projects totalling 375.2 MW had been submitted in connection with Hydro-Québec's call for proposals for 2,000 MW of wind power. The projected installed power of the three wind farms, all of which are located on the Seigneurie de Beaupré site owned by the Séminaire de Québec, are 103.3 MW, 132.6 MW and 139.3 MW respectively. The Seigneurie de Beaupré site offers a number of key advantages, including its significant wind power potential and its proximity to Hydro-Québec TransÉnergie's interconnection lines. In addition, since the site is located far from any urban or residential areas, the visual, sound and environmental impacts will be virtually non-existent. The consortium is currently working in association with Enercon, a wind power system manufacturer whose expertise is acknowledged worldwide and which plans to build a plant for wind power components in Matane, Quebec.

The hydroelectric power stations reported much less favourable hydrological conditions during the first nine months of 2007 than during the same period of 2006, and significantly lower than historical averages. Since water flows were still under average in October, management does not expect that there will be a marked improvement in the hydroelectric power stations' fourth-quarter results. This situation also affects Boralex's share of the Fund's results. It should be noted, however, that Boralex's hydroelectric segment accounts for only 6% or so of the Corporation's revenue from energy sales (excluding the Fund's results).

The cogeneration equipment at the Blendecques power station was put back into operation in November 2007 for the winter period. However, due to continued high prices for natural gas, management currently expects that the station's cogeneration equipment will be shut down again next year from April to October and that the station's industrial client will continue to be supplied with steam using an auxiliary boiler, unless natural gas costs drop significantly and the marginal operating profitability increases sufficiently to justify these costs.

The Corporation is currently studying a number of development projects in various new renewable energy segments. Among other things, Boralex contemplate to start producing solar energy-based power in regions offering long-term fixed-price contracts. Several projects are being considered, primarily on the European coast. Boralex is also very interested in new technological processes such as gasification and methanization.

In September 2007, the independent committee of trustees announced the conclusion of the process with a view to selling the Fund. This decision stemmed from unfavourable credit market conditions following the crisis in the U.S. sub-prime loans market. Indeed, due to higher credit costs and low market liquidity, offers to acquire the Fund had declined in quality.

To summarize, due to stronger prices in the REC market, the improved performance of the wood residue segment and expansion in the wind power segment, management anticipates that revenues, earnings and cash flow from operations will grow in the coming quarters, which should allow it to provide for its normal cash requirements. In addition, the recent share issue and the new master financing agreement in France have significantly strengthened the Corporation's financial position and will allow it to pursue current and future expansion projects. In the short term, Boralex does not plan to pay dividends on its Class A shares, in keeping with its policy to reserve its cash assets for growth projects. Boralex's outlook is also positive in the longer term, given the quality and diversification of its assets and its skills and experience in green and renewable power generation. This reflects a growing worldwide trend, especially since the sharp rise in fossil fuel prices and environmental pressures have been increasing the economic and social benefits of alternative modes of energy production. In general, Boralex will continue to prudently capitalize on opportunities that arise in its fields of expertise, while paying close attention to new technologies and to the responsible management of its operating costs and business risks. Although the main segments in question are wind power and hydroelectricity, Boralex will continue to explore a variety of opportunities in the renewable energy field.

Capital stock information

As at September 30, 2007, Boralex's capital stock consisted of 37,454,625 Class A shares issued and outstanding, up from 30,049,586 as at December 31, 2006 following the issue of a total of 7,333,334 new shares in the second quarter. A total of 71,705 stock options have been exercised since the beginning of 2007. As at November 6, 2007, there were 37,454,625 shares outstanding, in addition to 1,256,146 stock options outstanding, of which 680,131 are exercisable.

Financial instruments

There has been no significant change in the Corporation's risk management strategy since December 31, 2006.

Market risk

As at September 30, 2007, Boralex had six electricity-related financial swaps for periods of one to 18 months for total deliveries of 227,064 MWh. The favourable fair value of these contracts amounted to $790,000 (US$793,000).

Interest rate risk

As at September 30, 2007, Boralex had entered into interest rate swaps to hedge its floating-rate debt in France. The total notional amount of the swaps in effect at that date was $120,548,000 (€85,097,000). The favourable fair value of these instruments amounted to $4,547,000 (€3,210 000).

As a result of the refinancing completed on June 25, 2007, the Corporation was required to terminate hedge accounting for certain interest rate swaps that were eligible for an effectiveness testing exemption due to their terms, which were essentially identical to the hedged item. On July 17, 2007, these swaps were redesignated as debt hedges since the effectiveness testing demonstrated that the swaps were highly effective. The favourable fair value of these instruments when they were redesignated was $6,243,000 (€4,346,000).

Exchange rate risk

In the normal course of business, the Corporation is not significantly exposed to currency fluctuations since its foreign operations are self-sustaining. In addition, it is not Boralex's policy to repatriate the profits of its foreign operations to Canada. However, the turbine supplier for the Ontario wind power project is German, which means that purchases will be paid for in euros, whereas the site operations will generate cash flows in Canadian dollars. To protect the expected project return, the Corporation has entered into collar options that enable it to set an exchange rate ceiling and floor for these purchases. Thanks to these options, the exchange rate should range between C$1.41 and C$1.37 per euro purchased. These options were entered into to hedge the purchase of 15 turbines for delivery in 2008, and the Corporation plans to use a similar strategy in the near future when it concludes the purchase of 30 additional turbines for delivery in 2009. As at September 30, 2007, the favourable fair value of these options was negligible.

Related party transactions

In addition to holding 23% of the Fund's trust units, the Corporation, through one of its wholly owned subsidiaries, is linked to the Fund under long-term management and administration contracts. For the nine-month period ended September 30, 2007, these agreements generated 3.3% of Boralex's total revenue (4.1% for the same period of 2006), while its share of the Fund's results was 4.3% (7.8% for the same period of 2006). Boralex received distributions from the Fund totalling $9.3 million for the first nine months of 2007 ($9.3 million for the same period of 2006).

One of Boralex's power stations in France supplies steam to a wholly owned subsidiary of Cascades Inc. The latter has significant influence over Boralex since it holds 34% of its share capital. For the first nine months of 2007, revenue from Cascades totalled $6.3 million ($6.4 million for the same period of 2006).

The Corporation has also entered into a management agreement with a power station controlled by one of its directors and officers. For the nine-month period ended Septembre 30, 2007, revenue from this agreement totalled $0.3 million ($0.3 million for the same period of 2006).

Change in accounting policy and new accounting policies adopted in 2007

Amortization

In the first quarter of 2007, the Corporation modified the amortization method it uses for its natural gas cogeneration power station and two of its wind power sites. These sites, which were the Corporation's first investments in these segments in France, were formerly amortized based on the duration of their power sale agreements. Following a technical analysis of these facilities, it was determined that an amortization method based on the useful life of the various components would better match the future benefits related to these assets. The fixed assets of these segments were therefore separated into their major components and amortized on a straight-line basis according to their expected useful lives, ranging from 5 to 20 years. This change in accounting policy was applied retroactively with restatement of prior years.

The impact of this change on prior financial statements is as follows:

	As at December 31, 2006		
(in thousands of dollars)	(As reported)	Amortization	(Restated)
Balance sheet			
Property, plant and equipment	282,489	(2,353)	280,136
Future income tax liabilities	21,564	(784)	20,780
Retained earnings	99,208	(1,559)	97,649
Cumulative translation adjustments	(28,057)	(10)	(28,067)

	For the three-month period ended September 30, 2006		
(in thousands of dollars, except per-share amounts)	(As reported)	Amortization	(Restated)
Statement of earnings			
Amortization	5,090	112	5,202
Income tax recovery	(1,047)	(37)	(1,084)
Net earnings	1,215	(75)	1,140
Net earnings per Class A share (basic and diluted) (in dollars)	0.04	-	0.04

	For the nine-month period ended September 30, 2006		
(in thousands of dollars, except per-share amounts)	(As reported)	Amortization	(Restated)
Statement of earnings			
Amortization	14,451	333	14,784
Income tax recovery	(2,825)	(111)	(2,936)
Net earnings	10,307	(222)	10,085
Net earnings per Class A share (basic) (in dollars)	0.34	-	0.34
Net earnings per Class A share (basic and diluted) (in dollars)	0.33	-	0.33

These restatements had no impact on cash flows from operating, investing or financing activities.

Comprehensive income, shareholders' equity, financial instruments and hedges

On January 1, 2007, Boralex adopted the new recommendations under CICA Handbook Section 1530 "Comprehensive Income", Section 3251 "Equity", Section 3855 "Financial Instruments – Recognition and Measurement" and Section 3865 "Hedges." These new standards will be applied retroactively with no restatement of prior-period financial statements.

Section 1530 "Comprehensive Income" sets standards for the disclosure and presentation of comprehensive income and its components. Comprehensive income is the change in the shareholders' equity of a company arising from transactions, events and circumstances not related to shareholders. These transactions and events include changes in the currency translation adjustment relating to self-sustaining foreign operations and unrealized gains and losses resulting from changes in the fair value of certain financial instruments.

Section 3251 "Equity" describes the standards for presenting equity and changes in equity. Due to the adoption of Section 3251 and Section 1530 described above, the Corporation now includes information on comprehensive income and its components in shareholders' equity. On January 1, 2007, an amount of $28,067,000 previously recorded as *Cumulative translation adjustments* was reclassified as *Accumulated other comprehensive income*.

Section 3855 "Financial Instruments – Recognition and Measurement" establishes standards for recognizing and measuring financial assets, financial liabilities and derivatives. These standards prescribe when to recognize a financial instrument in the balance sheet and at what amount. They also prescribe the basis of presentation for gains and losses on financial instruments in the consolidated financial statements.

The Corporation has made the following classifications:

- cash and cash equivalents and CO_2 quotas are classified as assets held for trading and are measured at fair value. Gains or losses resulting from periodic subsequent measurements are recognized in net income;

- accounts receivable are classified as loans and receivables. They are recorded at cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest method;

- reserve funds, other deposits held in trust and other investments are classified as assets available for sale and are measured at fair value. Gains and losses resulting from periodic subsequent measurement are recognized in comprehensive income; and

- accounts payable and accrued liabilities, as well as long-term debt, are classified as other financial liabilities and are initially recorded at fair value. Subsequent measurements are recorded at amortized cost using the effective interest method.

Section 3855 also provides guidelines for the recognition of transaction costs incurred on the issuance of debt instruments. Transaction costs are now deducted from financial liabilities and are amortized using the effective interest method over the expected life of the liability in question. Following the application of Section 3855, non-amortized financial expenses of $3,011,000 as at January 1, 2007, which were previously recognized in *Other assets*, were reclassified as *Long-term debt*.

The Corporation chose January 1, 2003 as the transition date for embedded financial instruments.

Section 3865 "Hedges" specifies the manner in which hedge accounting is applied. In accordance with its risk management strategy, the Corporation decided to continue to apply hedge accounting for its interest rate swaps and electricity-related financial swaps utilized to hedge its cash flows. These derivatives are recognized at their fair value, while gains and losses resulting from their periodic subsequent measurement are recognized in comprehensive income, to the extent that the hedging is deemed effective.

As at January 1, 2007, the application of these new standards resulted in a $3,585,000 decrease in accumulated other comprehensive income, a $5,272,000 increase in derivatives recognized in assets and a $1,687,000 increase in future income tax liabilities. The application of these new standards had no impact on the Corporation's cash flows.

Risks and uncertainties

The Corporation has not observed any material changes with respect to the risks and uncertainties to which it is subject, which are described under *Risks and uncertainties* in the management discussion and analysis contained in the annual report for the year ended December 31, 2006. However, on August 1, 2007, Bowater Forest Products of Canada Inc. ("Bowater") notified the Fund that it was terminating the services agreement covering the Dolbeau power station's operations and maintenance. The termination notice alleges that the Fund did not fulfil its obligations to Bowater in its capacity as power station operator; consequently, Bowater is alleged to have incurred financial losses. The Fund is of the opinion that it has diligently fulfilled its obligations to Bowater, that the unilateral termination notice is without merit and that the services contract is valid. In this regard, the Fund intends to take all available steps to vigorously defend and uphold its rights. Consequently, no provision has been recorded in connection with this termination notice.

Controls and procedures

In accordance with National Instrument 52-109 issued by the Canadian Securities Administrators, the Corporation provided certifications signed by the President and Chief Executive Officer and the Vice-President and Chief Financial Officer which, among other things, evaluate financial reporting design and procedures, as well as internal financial reporting controls.

Management has established and maintains financial reporting controls and procedures in order to provide reasonable assurance that it receives important information on a timely basis. Management, including the President and Chief Executive Officer and the Vice-President and Chief Financial Officer, carried out an assessment to determine whether any changes were made to internal financial reporting controls during the first nine months of 2007. Management has no knowledge of any material changes to these controls and procedures.

Additional information

Additional information about Boralex, including the annual information form, previous annual reports, quarterly reports and press releases, is available on the SEDAR website (www.sedar.com).

Consolidated Financial Statements

Notice to shareholders

These quarterly financial statements for the periods ended September 30, 2007 and 2006 were not reviewed by our auditors PricewaterhouseCoopers LLP. The financial statements are the responsability of the Management of Boralex Inc. They were reviewed and approved by its Board of Directors, as recommended by its Audit Committee.

Consolidated balance sheets

(in thousands of dollars) (unaudited)	NOTE	As at September 30, 2007	As at December 31, 2006
			(restated - note 2)
ASSETS			
Current assets			
Cash and cash equivalents		**81,884**	13,899
Accounts receivable		**26,110**	26,964
Inventories		**7,927**	5,342
Prepaids		**2,122**	2,776
		118,043	48,981
Investment		**68,966**	75,553
Property, plant and equipment	2	**256,122**	280,136
Electricity sale contracts		**18,594**	20,631
Future income taxes		**-**	6,249
Other assets	6	**39,864**	44,480
		501,589	476,030
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**18,446**	20,005
Income taxes		**-**	1,786
Current portion of long-term debt	7	**30,022**	41,835
		48,468	63,626
Long-term debt	2, 7	**143,681**	192,493
Future income taxes	2	**17,975**	20,780
Deferred revenue	9	**11,177**	16,368
Fair value of derivatives		**326**	-
Non-controlling interests		**572**	730
		222,199	293,997
SHAREHOLDERS' EQUITY			
Capital stock		**223,330**	112,451
Retained earnings	2	**109,874**	97,649
Accumulated other comprehensive income	2, 8	**(53,814)**	(28,067)
		279,390	182,033
		501,589	476,030

See accompanying notes

Consolidated statements of earnings

(in thousands of dollars, except per-share amounts and number of shares) (unaudited)	Note	For the quarters ended September 30 2007	For the quarters ended September 30 2006	For the nine-month periods ended September 30 2007	For the nine-month periods ended September 30 2006
			(restated - note 2)		(restated - note 2)
Revenue from energy sales		**34,276**	26,643	**117,432**	84,563
Renewable energy tax credits	9	**2,551**	3,138	**7,841**	8,361
Operating costs		**25,784**	22,074	**83,841**	68,053
		11,043	7,707	**41,432**	24,871
Share in earnings of the Fund		**878**	1,995	**5,537**	7,779
Management revenue from the Fund		**1,427**	1,369	**4,208**	4,080
Other revenue		**91**	259	**1,717**	3,580
		13,439	11,330	**52,894**	40,310
Other expenses					
Management and operation of the Fund		**1,094**	1,021	**3,407**	3,139
Administration costs		**3,284**	1,937	**9,052**	6,309
		4,378	2,958	**12,459**	9,448
Earnings before amortization		**9,061**	8,372	**40,435**	30,862
Amortization	2	**6,307**	5,202	**17,634**	14,784
Financial instruments	10	**(369)**	-	**(6,243)**	-
Financial expenses		**2,394**	3,125	**8,720**	8,803
		8,332	8,327	**20,111**	23,587
Earnings before income taxes		**729**	45	**20,324**	7,275
Income tax expense (recovery)	2	**(130)**	(1,084)	**4,796**	(2,936)
		859	1,129	**15,528**	10,211
Non-controlling interests		**158**	11	**104**	(126)
Net earnings		**1,017**	1,140	**15,632**	10,085
Net earnings per class A share (basic) (in dollars)		**0.03**	0.04	**0.47**	0.34
Net earnings per class A share (diluted) (in dollars)		**0.03**	0.04	**0.46**	0.33
Weighted average number of class A shares outstanding (basic)		**37,454,625**	30,049,586	**33,374,658**	30,028,594

Consolidated statements of retained earnings

(in thousands of dollars) (unaudited)	Note	For the nine-month periods ended September 30 2007	For the nine-month periods ended September 30 2006
			(redressé - note 2)
Balance - beginning of period, as previously reported		**99,208**	84,188
Modification of accounting policy	2	**(1,559)**	(1,260)
Balance - beginning of period, restated		**97,649**	82,928
Share issue costs, net of related income taxes		**(3,407)**	-
Net earnings for the period		**15,632**	10,085
Balance - end of period		**109,874**	93,013

Consolidated Statements of Comprehensive Income

(in thousands of dollars) (unaudited)	Note	For the quarters ended September 30 2007	For the quarters ended September 30 2006	For the nine-month periods ended September 30 2007	For the nine-month periods ended September 30 2006
Net earnings for the period		**1,017**	1,140	**15,632**	10,085
Other components of comprehensive income:					
Translation adjustments					
Non-realized exchange losses on translation of the financial statements of self-sustaining foreign operations		**(8,901)**	(220)	**(23,311)**	(5,326)
Share of cumulative translation adjustments of the Fund		**(575)**	(95)	**(1,994)**	(935)
Translation adjustments on components of comprehensive income		**(34)**	-	**(196)**	-
Cash flow hedges					
Change in fair value of derivatives		**(847)**	-	**1,944**	-
Realized hedging items reclassed to net earnings		**(580)**	-	**(1,704)**	-
Termination of hedging relationships	10	**-**	-	**(5,874)**	-
Income tax expense		**457**	-	**1,803**	-
		(10,480)	(315)	**(29,332)**	(6,261)
Comprehensive income of the period		**(9,463)**	825	**(13,700)**	3,824

See accompanying notes

Consolidated statements of cash flows

(in thousands of dollars) (unaudited)	Note	For the quarters ended September 30 2007	2006	For the nine-month periods ended September 30 2007	2006
			(restated - note 2)		(restated - note 2)
Operating activities					
Net earnings		**1,017**	1,140	**15,632**	10,085
Distributions received from the Fund		**3,097**	3,097	**9,293**	9,293
Adjustment for non-cash items					
Share in earnings of the Fund		**(878)**	(1,995)	**(5,537)**	(7,779)
Amortization		**6,307**	5,202	**17,634**	14,784
Amortization of deferred financing costs		**227**	100	**567**	371
Renewable energy tax credits		**(1,078)**	(3,138)	**(3,361)**	(8,361)
Future income taxes		**1**	(1,228)	**5,958**	(2,366)
Financial instruments	10	**(369)**	-	**(6,243)**	-
Other		**428**	130	**1,589**	549
		8,752	3,308	**35,532**	16,576
Net change in non-cash working capital balances		**(2,707)**	(4,646)	**(6,496)**	(8,354)
		6,045	(1,338)	**29,036**	8,222
Investing activities					
Purchase of minority interests		**-**	(2,165)	**-**	(3,162)
Purchase of property, plant and equipment		**(4,081)**	(1,849)	**(16,273)**	(17,715)
Variation in restricted funds held for the debt service		**1**	(27)	**6,216**	(6,007)
Other		**(2,079)**	(718)	**(5,296)**	(1,945)
		(6,159)	(4,759)	**(15,353)**	(28,829)
Financing activities					
Bank loans and advances		**-**	-	**-**	(42,012)
Increase in long-term debt		**-**	4,691	**151,437**	68,252
Payments of long-term debt		**(1,427)**	(4,125)	**(196,986)**	(10,918)
Financing costs		**(145)**	(1,240)	**(2,011)**	(2,521)
Net proceeds on share issuance		**-**	-	**105,307**	274
Fees related to the monetization program		**(47)**	-	**(541)**	-
Other		**(50)**	-	**(50)**	-
		(1,669)	(674)	**57,156**	13,075
Translation adjustments on cash and cash equivalents		**(826)**	247	**(2,854)**	588
Net change in cash and cash equivalents		**(2,609)**	(6,524)	**67,985**	(6,944)
Cash and cash equivalents - beginning of period		**84,493**	10,195	**13,899**	10,615
Cash and cash equivalents - end of period		**81,884**	3,671	**81,884**	3,671
SUPPLEMENTAL DISCLOSURE					
Cash and cash equivalents paid for:					
Interests		**3,113**	3,010	**9,116**	8,420
Income taxes		**388**	176	**1,414**	820

See accompanying notes

Notes to interim consolidated financial statements

(tabular amounts in thousands of dollars, unless otherwise specified) (unaudited)

Note 1.
Accounting policies

These unaudited interim consolidated financial statements were prepared in accordance with the same accounting policies as the ones used in the latest audited consolidated financial statements, except for the new policies described in note 2. These unaudited interim consolidated financial statements and notes should be read in conjunction with the Boralex inc. ("Boralex" or the " Corporation") audited consolidated financial statements as at December 31, 2006.

Note 2.
Change in accounting policy and new accounting policies adopted in 2007

Amortization

In the first quarter of 2007, the Corporation modified the amortization method it uses for its natural gas cogeneration power station and two wind power sites. These sites, which were the Corporation's first investments in these areas in France, were amortized based on the duration of their power sales contracts. Following a technical analysis of these facilities, it was determined that an amortization method based on the useful life of the various components would better reflect the consumption of future benefits related to these assets. The fixed assets of these units were therefore separated into their major components and amortized on a straight-line basis according to their expected useful lives, which range from five to 20 years. This change in accounting policy was applied retroactively, with restatement of prior years.

The impact of these changes on previously reported financial statements is as follows:

	At December 31, 2006		
	(as previously reported)	Amortization	(restated)
Balance sheet			
Property, plant and equipment	282,489	(2,353)	280,136
Future income taxes liabilities	21,564	(784)	20,780
Retained earnings	99,208	(1,559)	97,649
Cumulative translation adjustments	(28,057)	(10)	(28,067)

	For the quarter ended September 30, 2006		
	(as previously reported)	Amortization	(restated)
Statement of earnings			
Amortization	5,090	112	5,202
Income tax recovery	(1,047)	(37)	(1,084)
Net earnings	1,215	(75)	1,140
Net earnings per class A share (basic and diluted) (in dollars)	0.04	-	0.04

	For the nine-month period ended September 30, 2006		
	(as previously reported)	Amortization	(restated)
Statement of earnings			
Amortization	14,451	333	14,784
Income tax recovery	(2,825)	(111)	(2,936)
Net earnings	10,307	(222)	10,085
Net earnings per class A share (basic) (in dollars)	0.34	-	0.34
Net earnings per class A share (diluted) (in dollars)	0.33	-	0.33

The restatements had no impact on cash flows related to operating, investing and financing activities.

Comprehensive income, Equity, Financial instruments and Hedges

On January 1, 2007, Boralex adopted the new recommendations of Section 1530 "Comprehensive Income", of Section 3251 "Equity", of Section 3855 "Financial Instruments – Recognition and Measurement", and Section 3865 "Hedges", from the handbook of the Canadian Institute of Chartered Accountants (CICA). The retroactive application of the new standards does not require restatement of prior periods.

Note 2. Change in accounting policy and new accounting policies adopted in 2007 (cont'd)

Section 1530 "Comprehensive Income" describes standards for disclosing and presenting comprehensive income and its components. Comprehensive income is the change in a company's net assets which results from transactions and events from sources not related to a company's shareholders. These transactions and events include changes in the currency translation adjustment relating to self-sustaining foreign operations and unrealized gains and losses resulting from changes in fair value of certain financial instruments.

Section 3251 "Equity" describes the standards for presenting equity and changes in equity. Due to the adoption of Section 3251 and Section 1530 described above, Boralex's financial statements now include information on comprehensive income and its components. On January 1st, 2007, an amount of $28,067,000, previously recorded as *Cumulative translation adjustments*, was reclassified in *Accumulated other comprehensive income*.

Section 3855 "Financial Instruments – Recognition and Measurement " establishes standards for recognizing and measuring financial assets, financial liabilities and derivatives. This standard prescribes when to recognize a financial instrument in the balance sheet and at what amount as well as the basis of presentation for gains and losses on financial instruments in the consolidated financial statements.

Boralex has made the following classifications:

- Cash and cash equivalents and CO_2 quotas are classified as "Assets held for trading". They are measured at fair value and the gains or losses resulting from the remeasurement at the end of the period are recognized in net income.
- Accounts receivable are classified as "Loans and receivables". They are recorded at cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest method.
- Restricted funds and other funds held in trust and investments are classified as "Assets available for sale" and are measured at fair value. Gains and losses resulting from periodic remeasurement are recognized in comprehensive income.
- Accounts payable and accrued liabilities and long-term debt are classified as "Other financial liabilities". They are initially recorded at fair value. Subsequent measurements are recorded at amortized cost using the effective interest method.

Section 3855 also provides guidelines for the recognition of fees and costs incurred on the issuance of debt instruments. Transaction costs are now deducted from financial liabilities and are amortized using the effective interest method over the expected life of the liability in question. Following the application of Section 3855, non-amortized financing expenses of $3,011,000 as at January 1, 2007, previously recognized under *Other assets*, have been reclassified under *Long-term debt*.

Boralex chose January 1, 2003 as the transition date for embedded derivatives.

Section 3865 "Hedges" specifies the manner in which hedge accounting is applied. Boralex decided, in accordance with its risk management strategy, to continue to apply hedge accounting for its interest rate swaps and its electricity swaps as cash flows hedges. These derivatives are now recognized at their fair value and the gains and losses resulting from their periodic remeasurement are recognized in comprehensive income, to the extent that the hedging is deemed effective.

The adoption of these new standards translated, as at January 1, 2007, into a $3,585,000 decrease in accumulated other comprehensive income, a $5,272,000 increase in financial instruments reported in *Other assets* and by a $1,687,000 increase in future income tax liabilities. The adoption of these new standards had no impact on the Corporation's cash flows.

Note 3. Measurement uncertainty

Boralex records renewable energy tax credits when it possesses a reasonable assurance that they can be used. In order to establish the recoverability of these credits, Boralex forecasted its taxable income on the carry-forward period of the credits. This forecast is based on assumptions that could vary considerably in the future.

The key assumptions are mainly: the future selling price of electricity and its other associated revenues, the price of other energy sources, particularly those of oil and natural gas, future costs of wood-residue procurement, and finally the remaining useful life of the energy producing assets, considering the investments and maintenance planned over the period.

On a three-year horizon, there exists some liquidity in the electricity open market, making it possible to project the future price curve. Beyond three years, prices can be negociated with specific parties, but often at a significant discount considering a lack of liquidity for such a period. Therefore, the assumption made is that for years four and after, the price will vary according to inflation rates. Assumptions related to the other sources of energy are made using a similar method because there exists a correlation between their price and that of electricity.

In regards to wood-residue costs, this raw material is not part to an organized open market. Purchases are made based on specific agreements negotiated with each supplier. Most of the agreements are renewable on an annual basis, therefore the prices are subject to some volatility. In that context, the assumption for wood-residue costs is based on next year's contracts, adjusted for inflation in the remaining years of the forecast period.

Note 3. Measurement uncertainty (cont'd)

Finally, the remaining useful life of the assets will vary with the amount of maintenance work realized each year. When the power stations are sufficiently well maintained, their useful life can be very long and limited mostly by changes in technology which could make their production less competitive. Consequently, the forecasts consider sufficient maintenance expenses to ensure that the power stations' life will last, at a minimum, as long as the forecast period.

Note 4. Share information

As at September 30, 2007 the capital stock issued and outstanding consisted of 37,454,625 Class A shares (30,049,586 as at December 31, 2006). During the nine-month period ending September 30, 2007, 71,705 options were exercised, 7,333,334 shares were issued under a public offering and 151,745 options were granted. Cost related to the public offering amounted to $4,968,000 were recorded against retained earnings, net of future taxes of $1,561,000.

As at November 6, 2007 the number of share purchase options outstanding was 1,256,146 of which 680,131 could be exercised.

Note 5. Share purchase option plan

The Corporation applies the fair value method of accounting for stock-based compensation awards granted to employees and officers. Accordingly, an amount of $603,000 has been recorded as administration cost to account for the cost of stock options, for the nine-month period ended September 30, 2007 ($360,000 in 2006).

The following assumptions were used to estimate the fair value, at the date of grant, for the options issued in 2007:

	2007
Risk-free interest rate	4.16%
Expected dividend yield	0%
Expected life of options	7 years
Expected volatility	37%

Note 6. Other assets

	NOTE	SEPTEMBER 30, 2007	DECEMBER 31, 2006
Renewable energy tax credits	6 b)	**17,509**	20,231
Deferred financing costs	2	**-**	3,011
Monetization program expenses	9	**3,993**	5,673
Restricted funds and other funds held in trust	6 c)	**1,490**	8,280
Net investment in lease financings		**6,571**	5,420
Fair value of derivative instruments	2	**5,664**	-
Deferred costs		**516**	355
CO_2 quota		**73**	71
Other investment		**73**	79
Project development costs		**3,975**	1,360
		39,864	44,480

a) Amortization of deferred costs was $72,000 for the nine-month period ended September 30, 2007 ($65,000 for the year ended December 31, 2006). Amortization of the costs related to the monetization program was $1,491,000 for the nine-month period ended September 30, 2007 ($153,000 for the year ended December 31, 2006).

b) The renewable energy credits represent tax credits earned by the Corporation before it set up the monetization program as well as tax credits attributable to power stations acquired subsequently. Tax credits earned will be used against future income taxes. Financial projection indicate that the amount recorded may be realized in the next 5 to 10 years.

c) Under the financial agreements for the Massif Central and Plouguin projects, in 2006 the Corporation established cash reserves for debt servicing. Under the refinancing dated on June 25, 2007, some of those reserves were released.

Note 7.
Long-term debt

	Note	Rate (1)	September 30, 2007	December 31, 2006
Revolving credit bearing interest at a variable rate	a)	-	-	49,493
Bridge loan with a balance of €6,800,000 as at September 30, 2007 (€15,873,000 in 2006), bearing interest at a variable rate and maturing January 4, 2008	b)	4.43%	9,633	24,408
Secured senior credits with a balance of €95,365,000 as at September 30, 2007 (€83,938,000 in 2006), repayable in semi-annual instalments and maturing between 2017 and 2022	c)	4.95%	135,094	129,071
Secured junior credit with a balance of €7,050,000 as at September 30, 2007 (€3,734,000 in 2006), repayable in semi-annual instalments and maturing in 2017	c)	6.20%	9,987	5,742
Project leases with a balance of €10,760,000 as at September 30, 2007 (€12,096,000 in 2006), repayable in quarterly instalments and maturing between 2012 and 2015	d)	5.68%	15,243	18,600
Term loan bearing interest at a variable rate with a balance of US$3,696,000 as at September 30, 2007 (US$4,296,000 in 2006), repayable in quarterly instalments and maturing July 31, 2010		8.18%	3,683	5,006
Others			4,839	2,008
			178,479	234,328
Less:				
Current portion of long-term debt			30,022	41,835
Deferred financing costs	2		4,776	-
			143,681	192,493

(1) Average weighted annual rates, adjusted to reflect the impact of interest rate swaps.

a) This financing, for a total authorized of $85,000,000, is guaranteed by Boralex's investment in the Fund, based on the following formula: amounts advanced may not exceed 60% of the market value of the investment. If the market value of the investment were to drop below this limit, creditors would be entitled to demand repayment of a portion of the amounts advanced in order to reestablish the coverage ratio. As at September 30, 2007, no amount was used but letters of credit for a total of $10,523,000 (including the letter of credit discussed in b) were issued against this operating credit. Lastly, the market value of a unit was $8.85 and the repayment threshold was $1.28 (including all letters of credit in circulation issued on the operating credit).

b) A letter of credit in the amount of $9,633,000 as at September 30, 2007 ($25,269,000 as at December 31, 2006) drawn on the revolving credit was issued to guarantee the secured credits. As discussed below, the Corporation closed a major refinancing of some secured credits. This transaction allowed to reimburse part of the bridge loan and consequently its corresponding letter of credit.

c) During the second quarter of 2007, the Corporation concluded the refinancing of secured senior and junior credits related to the wind power sites of Ally, Cham de Cham Longe, Plouguin and La Citadelle. This refinancing was achieved through the implementation of a new master credit agreement comprised of a senior credit facility of a maximum of 250 million euros and a junior credit facility of a maximum of 15 million euros. The previous secured credits, some of which were included under the previous master credit agreement, were reimbursed by amounts drawn on the new agreement. The set up of this new master agreement also allowed to extend the term until December 31, 2010.

Because of the increased diversification of the portfolio of assets, the Corporation was able to increase its loan capacity, as well as reduce the amount of cash reserves required to support debt service. As a result, the Corporation negotiated two new credit facilities that will serve to cover temporarily eventual cash requirements to service the debts. Those credit facilities are authorized at $7,128,000 (€5,032,000) and $796,000 (€562,000) respectively.

Senior and junior credits are secured with the assets of the associated projects, with the junior credit being subordinate to the senior credit.

d) Project leases consist of capital leases on assets located in France. The net book value of property, plant and equipment covered by these leases is $20,907,000 ($26,245,000 as at December 31, 2006).

Note 7. Long-term debt (cont'd)

Interest rate swaps

Except for the Nibas wind farm financing, all senior and junior secured credit together with a portion of certain leases bear interest at a variable rate. To offset the interest rate risk, the Corporation has entered into interest rate swaps to obtain fixed interest charges on portions varying from 58% to 89% of the corresponding credit. These agreements involve the periodic exchange of interest payments without any exchange of the principal on which they are calculated. Under these agreements, the Corporation receives a variable amount based on the EURIBOR rate and pays fixed amounts based on rates of between 3.30% and 5.16%. Since some credits are drawn progressively and the loans are periodically repaid when sites are commissioned, the swaps have been structured to mirror the terms of the underlying credit arrangements and to always cover a significant portion of these arrangements. By using these swap instruments, the Corporation has reduced the proportion of its variable-rate debt from 86% to 18%.

Guarantees

In addition to capital assets associated with capital leases and the investment in the Fund securing the revolving bank credit, the property, plant and equipment of one U.S. power station, one Quebec power station and French power stations, with a net book value totalling $166,478,000 as at September 30, 2007 ($172,396,000 as at December 31, 2006), together with the related working capital, have been pledged as collateral on the debts associated to those projects.

The estimated aggregate amount of repayments on long-term debt in each of the next five years is as follows:

2008	30,022
2009	14,801
2010	16,872
2011	13,194
2012	11,392

Note 8.
Accumulated other comprehensive income

	September 30, 2007
Cumulative translation adjustments reclassified in accordance with the new accounting policies (note 2)	**(28,067)**
Cumulative impact of accounting changes relating to financial instruments as at January 1st, 2007 (note 2)	**3,585**
	(24,482)
Other comprehensive income for the period	**(29,332)**
Balance end of period	**(53,814)**

Note 9.
Renewable energy tax credit monetization program

The Corporation closed a transaction that allows it to immediately receive a cash portion of the value of the renewable energy tax credits to be earned by some of its wood-residue thermal power stations in the United States. The investor must be the legal owner of the power stations in order to take advantage of these credits. The transaction thus also included the transfer of power station ownership. However, the Corporation continues to consolidate these facilities under AcG-15, which defines the rules for consolidating variable interest entities. Although the Corporation no longer holds the majority voting rights for these operations, it is still the primary beneficiary since it will receive all of the cash flow generated by these facilities and is responsible for any operating losses. In addition, the Corporation continues to operate the facilities under a service agreement that allows it to define strategic and operating parameters.

On December 1, 2006, the Corporation received $16,719,000 (US$14,500,000), or about 50% of the value of the tax credits that will be generated between the transaction date and December 31, 2009, the date when the program ends. The balance of the credit amount will be paid by the investor as the credits are earned. If the Corporation cannot produce enough to absorb the value of the amount initially paid by the investor, the contract requires the Corporation to repay that portion. The Corporation believes that future production will be sufficient to cover all its commitments.

The agreements state that by the end of the program, the Corporation's share of the profits generated by the power stations will automatically be adjusted to a minimum of 80% and that it will have call rights to buy the assets at their market value at that date. Based on current estimates, the buy back option would cost about US$5 million.

Due to the implementation of this program, the nature of the amounts recorded after December 1, 2006 has been modified. Although the payments are equivalent to a proportion of the value of the renewable energy tax credit, the amounts recorded cannot be posted against tax expenses as they become a taxable item. The Corporation decided that it would not modify the presentation of the items and that it would continue to indicate them separately given their relative materiality.

Note 10.
Financial instruments

The Corporation is carrying long-term debts bearing interest at variable rates. As at September 30, 2007, approximately 86% of the long-term debt issued bears interest at variable rates as do the Corporation's bank loans. A sharp increase in interest rates in the future, could affect the liquid assets available for the Corporation's development projects. As discussed in note 7, the Corporation has used interest rate swaps to reduce its risk by reducing its exposure to interest rate fluctuations to 18% of total debt. As at September 30, 2007, the notional amount of those swaps was $120,548,000 (€85,097,000) and their favourable fair value stood at $4,547,000 (€3,210,000).

Because of the refinancing closed on June 25, 2007 (see note 7c), the Corporation failed to maintain the hedging relationships that had been established between its interest rate swaps and the previous debts. As such, it had to terminate the hedging relationship it had established using the critical term match criteria, which provide an exemption from the performance of periodic efficiency testing. Based on a mathematical demonstration of their high efficiency, these swaps were redesignated as hedges of the new debts. The favourable fair value of those instruments as at the date of the designation was $6,243,000 (€4,346,000).

As at September 30, 2007, the Corporation had entered into six electricity swaps for the deliveries of 227,064 MWh over periods of one to 18 months. All these financial electricity swaps as at September 30, 2007 were designed as hedges of future variable cash flows related to the delivery of electricity and their favourable fair value amounted to $790,000 ($US793,000). These contracts qualify for hedge accounting.

The Corporation has entered into collar options that enable it to set an exchange rate ceiling and floor for its purchases. The exchange rate should range between 1.41 and 1.37 per euro purchase. As at September 30, 2007, the favourable fair value of these options was negligible.

Note 11.
Seasonality

The Corporation's power generation follows a seasonal cycle. Generally, consumption increases in the winter and summer, which correspond to Boralex's first and third quarters. This means that, for those two periods, facilities that sell on the open market usually have higher average electricity sales prices. Given this, and because the wood-residue power stations can control their level of production, they operate at a higher level during such periods. Their regular maintenance is then done in the spring or fall, which affects their operating results.

Hydroelectric generation depends on water flows, which in Québec and the northeastern US are at their maximum in the spring and are generally good in the fall, which correspond to Boralex's second and fourth quarters. Flows tend to decrease in the winter and summer. Note that Boralex's hydroelectric facilities do not have reservoirs with which they could regulate the water flows.

In other respects, certain power stations have long-term fixed-price power sales contracts. This is the case for the two hydroelectric stations in Québec, one hydroelectric in the US and all of the Corporation's facilities in France.

The natural gas power station is also subject to a seasonal cycle because its electricity sales contract favours the production during winter, where the demand in France is higher. Thus, during the 3 last years, the Corporation produced electricity only during the months of November to March.

The investment of Boralex in the Boralex Power Income Fund (the "Fund") is also subject to a seasonal cycle. In fact, about 50% of the Fund's production is hydroelectric, and therefore subject to comparable fluctuations as those affecting the power stations owned directly by Boralex in that segment.

In conclusion, Boralex is affected by seasonal cycles, however, its diversification in production sources reduces the seasonal variations in its results.

Note 12.
Segmented information

The Corporation's power stations are grouped under four distinct segments: wind power, hydroelectric power, wood-residue thermal power and natural gas thermal power, and are engaged mainly in the production of energy. The classification of these segments is based on the different cost structures relating to each type of power station. The accounting policies that apply to the individual segments are the same policies used for the consolidated financial statements as described in note 1.

The Corporation analyzes the performance of its operating segments based on their EBITDA which is defined as earnings before interest, taxes, depreciation and amortization. EBITDA is not a measure of performance under Canadian generally accepted accounting principles; however, management uses this performance measure for assessing the operating performance of its reportable segments. Earnings for each segment are presented on the same basis as those of the Corporation.

Note 12. Segmented information (cont'd)

The following table reconciles EBITDA to net earnings:

	For the quarters ended September 30		For the nine-month periods ended September 30	
	2007	2006	**2007**	2006
		(restated - note 2)		(restated - note 2)
Net earnings	**1,017**	1,140	**15,632**	10,085
Non-controlling interests	**(158)**	(11)	**(104)**	126
Income tax expense (recovery)	**(130)**	(1,084)	**4,796**	(2,936)
Financial expenses	**2,394**	3,125	**8,720**	8,803
Financial instruments	**(369)**	-	**(6,243)**	-
Amortization	**6,307**	5,202	**17,634**	14,784
Consolidated EBITDA	**9,061**	8,372	**40,435**	30,862

Information by segment

	For the quarters ended September 30		For the nine-month periods ended September 30	
	2007	2006	**2007**	2006
PRODUCTION (in MWh)				
Wind power stations	**47,413**	38,082	**148,118**	128,042
Hydroelectric power stations	**8,705**	22,863	**74,875**	100,653
Wood-residue thermal power stations	**318,323**	279,311	**915,206**	738,106
Natural gas thermal power station	**-**	78	**22,202**	22,757
	374,441	340,334	**1,160,401**	989,558
REVENUE FROM ENERGY SALES				
Wind power stations	**5,974**	4,652	**19,176**	15,447
Hydroelectric power stations	**681**	1,785	**6,617**	8,072
Wood-residue thermal power stations	**25,688**	17,986	**81,887**	51,235
Natural gas thermal power station	**1,933**	2,220	**9,752**	9,809
	34,276	26,643	**117,432**	84,563
EBITDA				
Wind power stations	**4,876**	4,016	**15,813**	12,984
Hydroelectric power stations	**(485)**	815	**3,784**	5,507
Wood-residue thermal power stations	**6,886**	2,939	**20,652**	4,419
Natural gas thermal power station	**(219)**	236	**1,557**	4,083
Corporate and eliminations	**(1,997)**	366	**(1,371)**	3,869
	9,061	8,372	**40,435**	30,862
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT				
Wind power stations	**2,330**	1,558	**12,858**	9,153
Hydroelectric power stations	**688**	232	**817**	379
Wood-residue thermal power stations	**1,014**	-	**2,340**	7,945
Natural gas thermal power station	**-**	59	**2**	153
Corporate and eliminations	**49**	-	**256**	85
	4,081	1,849	**16,273**	17,715

	September 30,	December 31,
	2007	2006
ASSETS		(restated - note 2)
Wind power stations	**192,372**	194,634
Hydroelectric power stations	**32,843**	34,284
Wood-residue thermal power stations	**122,772**	147,099
Natural gas thermal power station	**15,814**	21,944
Corporate and eliminations	**137,788**	78,069
	501,589	476,030

Note 13. Comparative figures

Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the current year's presentation.

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