



Financial Review Q1 2007

Forward-Looking Statement Disclaimer

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

This presentation contains certain non-GAAP financial measures. Refer to note 12 of the quarterly consolidated financial statements for more details.

Mr. Patrick Lemaire
President and
Chief Executive Officer
Boralex Inc.



Summary Q1 2007

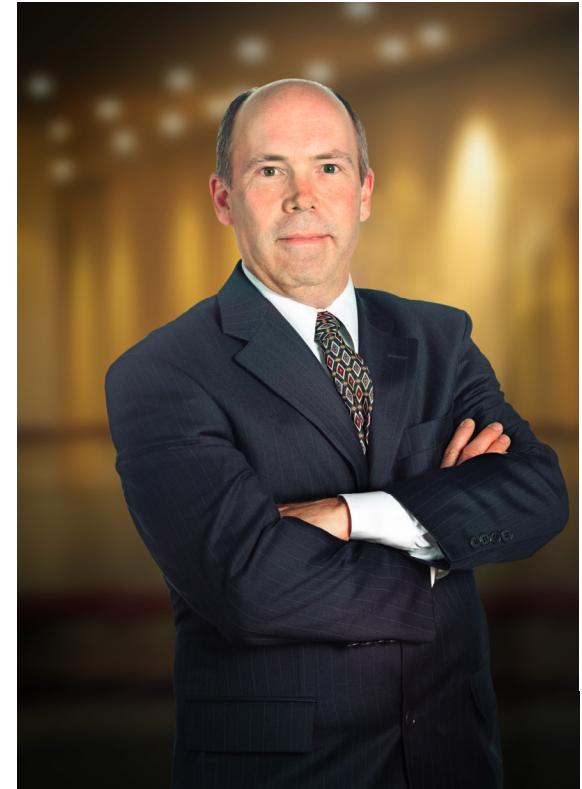
*Selected financial and operational data
(\$'000, except per share amounts)*

	T1 2007	T1 2006
Production (MWh)	459,111	394,359
Revenue from energy sales	50,802	37,101
EBITDA	25,158	17,581
Net income	9,777	7,534
Net income per share basic	\$0.33	\$0.25
Cash-flow from operations	20,092	11,323
Cash-flow from operations per share	\$0.67	\$0.38

Highlights Q1 2007

- Best quarter ever in terms of operational performance;
- 37% increase in revenue and 43% in EBITDA compared to Q1 2006 mostly explained by;
 - *A significant improvement of the wood-residue sector, both on the revenue and cost side*
 - *The full impact of the successful commissioning of new wind projects in France at the end of 2005*
- The fundamentals for the Renewable Energy Credit Market (RECs) continue to improve and Boralex is in a good position to benefit from this market going forward

**Mr. Jean-François
Thibodeau**
Vice-President and
Chief Financial Officer
Boralex Inc.

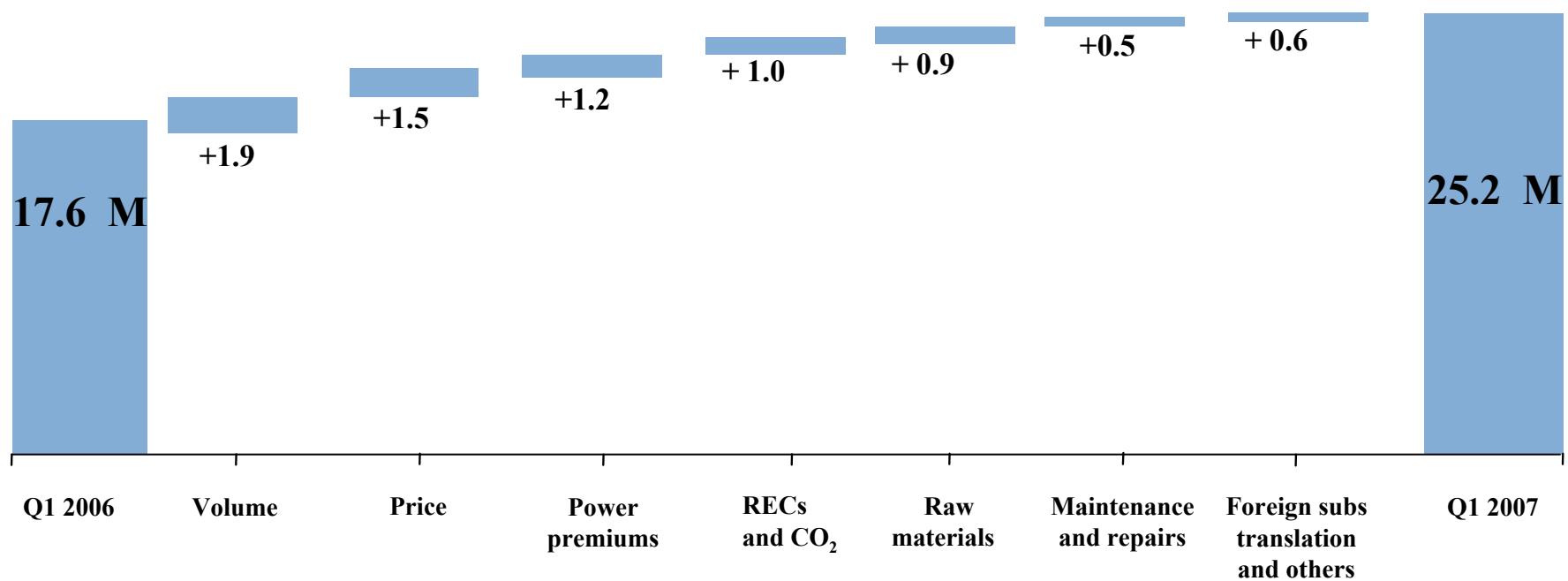


Q1 2007 Sector EBITDA

(\$'000)	Q1 2007	Q1 2006	Variation
Hydroelectricity	2,066	2,563	↖
Wood residue	11,527	4,247	↗
Natural gas	2,105	3,503	↖
Wind	7,070	4,511	↗
	22,768	14,824	
Corporate and eliminations	2,390	2,757	↖
Consolidated EBITDA	25,158	17,581	↗

Variance analysis

Q1 2007 EBITDA vs Q1 2006 EBITDA





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Hydroelectricity

(\$'000)	<u>Q1 2007</u>	<u>Q1 2006</u>
Production (MWh)	33,581	40,763
Revenue	3,079	3,594
EBITDA	2,066	2,563

- An 18% decrease in production compared to Q1 2006 is explained by lower hydraulicity which was however in line with historical means for the quarter; and
- Revenue and EBITDA decreased between both quarters in line with the reduction of production.



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Wood Residue

(\$'000)	<u>Q1 2007</u>	<u>Q1 2006</u>
Production (MWh)	341,380	284,417
Revenue	33,360	22,248
EBITDA	11,527	4,247

- Production increased 20% between both quarters given:
 - Better production especially from Stratton and Ashland which had experienced a few breakdowns in Q1 2006.
 - The additional production from the recently acquired Stacyville plant, which operated two months during the quarter. This plant has since been closed for an undetermined period.
- Revenue and EBITDA improvements were also driven by better average selling prices, reflecting new contracts for Fort Fairfield and Ashland which took effect January 1st and better reflect current market conditions; and
- A better market for RECs, mainly in Connecticut (Stratton plant), explains a \$3 million increase in revenue between both quarters. Following its qualification in the State of New York in 2006, the Chateaugay plant continues to generate RECs in the first quarter of 2007.



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Natural Gas

(\$'000)	<u>Q1 2007</u>	<u>Q1 2006</u>
Production (MWh)	22,174	22,649
Revenue	6,095	5,685
EBITDA	2,105	3,503

- Lower electricity and steam prices (indexed with natural gas) when compared to Q1 2006;
- Relatively stable production translated into increased revenue given a favourable evolution of exchange rates. EBITDA however was negatively impacted by lower CO₂ quota sales; and
- As it was the case for the last two years, activities will be interrupted between April 1st and October 31st given the cap on the sale price of electricity and the outlook for natural gas prices for the period. We may however reconsider this decision if natural gas markets were to evolve favourably.

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Wind



(\$'000)	<u>Q1 2007</u>	<u>Q1 2006</u>
Production (MWh)	61,976	46,530
Revenue	8,268	5,574
EBITDA	7,070	4,511

- Energy production increased 33% given the additional contribution from two sites in the Massif Central region (France) and another in Plouguin (France) which were commissioned in December 2005;
- An additional 12 MW of capacity is expected to be commissioned by the beginning of the third quarter of 2007 at the St-Agrève site in France; and
- Wind studies on the « Seigneurie » site remain excellent. Management believes this site has exceptional competitive attributes which position it well for Hydro-Québec's 2,000 MW request for proposal. The company also continues to explore other potential wind projects in Europe and North America.

Question period