



Boralex Inc. **Financial Review** **1st quarter 2009**

May 11, 2009

energy creator



FORWARD-LOOKING statement disclaimer



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



Mr. Patrick Lemaire

*President and
Chief Executive Officer
Boralex Inc.*

Highlights Q1 2009



- ▲ Boralex increased its revenues taking advantage of its geographical diversification as the appreciation of the US\$ and EURO combined with generally higher realized prices compensated for lower electricity production and REC sales.
- ▲ Boralex benefited from its portfolio of forward electricity contracts in the wood residue segment allowing for an increase in the quarterly average selling price despite lower spot prices. A significant portion of 2009 sales within this segment remains hedged above current market prices.
- ▲ Boralex continues to be rewarded from its strategy in regards to the qualification of its wood residue plants for the Connecticut REC market. As at March 31, 2009, Boralex still had slightly more than US\$29 million of RECs sold forward for the period between April 2009 and December 2012.
- ▲ The four wind sites currently under construction in Ontario (40 MW) are progressing according to plan and budget.

Summary Q1 2009



Selected financial and operational data
(in thousands of dollars, except production and per share amounts)

	Q1 2009	Q1 2008
Production (MWh)	415,728	469,603
Revenue from energy sales	57,198	54,455
EBITDA	20,952	23,891
Net earnings	7,212	9,232
Net earnings per share basic	\$0.19	\$0.25
Cash-flows from operations	15,321	20,747
Cash-flows from operations per share	\$0.41	\$0.55



Mr. Jean-François Thibodeau

*Vice President and
Chief Financial Officer
Boralex Inc.*

Q1 2009 sector EBITDA

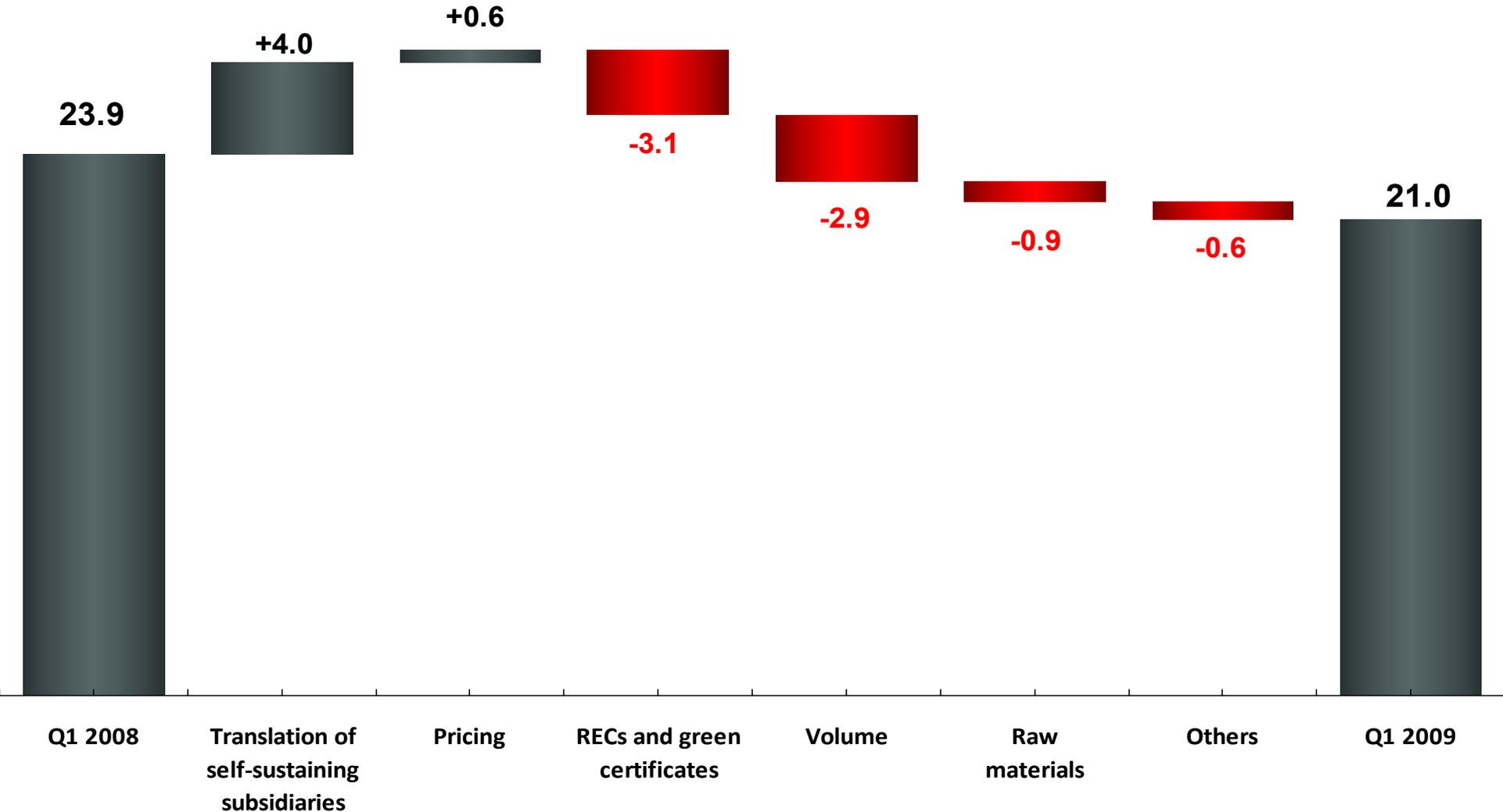


(in thousands of dollars)

	Q1 2009	Q1 2008	Variation
Wind	7,215	8,504	↘
Hydroelectricity	1,709	3,034	↘
Wood residue	11,803	11,071	↗
Natural gas	1,511	1,321	↗
	22,238	23,930	↘
Corporate and eliminations	(1,286)	(39)	↘
Consolidated EBITDA	20,952	23,891	↘

Variance analysis – EBITDA

Q1 2009 vs Q1 2008



(in millions of dollars)

Sector review Q1 2009 wind



(in thousands of dollars, except production)

	Q1 2009	Q1 2008
Production (MWh)	60,761	75,822
Revenue from energy sales	9,083	10,065
EBITDA	7,215	8,504

- ▲ Total production was 20% lower given unfavourable wind conditions and frost conditions created by a particularly harsh weather.
- ▲ The sector benefited from the appreciation of the EURO, the yearly indexation of electricity prices and the start-up of nearly 5 MW of additional capacity at Avignonet-Lauragais (April 2008). These factors were mainly offset by lower volume.
- ▲ The construction of the first 40 MW of capacity in Southwestern Ontario is progressing as planned.

Sector review Q1 2009 hydroelectricity



(in thousands of dollars, except production)

	Q1 2009	Q1 2008
Production (MWh)	35,666	43,380
Revenue from energy sales	2,760	3,790
EBITDA	1,709	3,034

- ▲ **Production was 18% lower than in Q1 2008 and 6% higher than historical averages explaining a \$800 K negative variance of both revenue and EBITDA.**
- ▲ **Average selling prices in the USA were approximately 30% lower compared to Q1 2008 accounting for approximately \$1 million of EBITDA variance between both quarters.**
- ▲ **The appreciation of the US\$ explains \$700 K of positive EBITDA variance which more than compensated for higher maintenance expenses (\$200 K).**

Sector review Q1 2009

thermal energy: wood residue



(in thousands of dollars, except production)

	Q1 2009	Q1 2008
Production (MWh)	296,688	327,908
Revenue from energy sales	38,181	33,877
EBITDA	11,803	11,071

- ▲ **Total production decreased by 10%, compared to the first quarter of 2008, mostly explained by the shutdown of Fort Fairfield in March for maintenance purposes and voluntary production curtailment given very low off-peak prices.**
- ▲ **Revenue from energy sales increased 13%, explained by higher selling prices obtained by our hedging strategy and the favourable evolution of the US\$. These factors partly offset the negative impact of lower REC sales and higher wood costs.**
- ▲ **Despite an 19% decrease in average spot electricity prices, Boralex benefited from the forward sales of electricity contracts allowing for an 11% increase of its average selling prices in US\$ and explains a \$1.6 million increase in both revenue and EBITDA.**

Sector review Q1 2009 thermal energy: natural gas



(in thousands of dollars, except production)

	Q1 2009	Q1 2008
Production (MWh)	22,613	22,493
Steam	135,987	134,754
Revenue from energy sales	7,174	6,723
EBITDA	1,511	1,321

- ▲ Production of electricity and steam remained relatively stable while higher electricity prices were not sufficient to fully compensate for lower steam prices.
- ▲ The favourable evolution of the exchange rate of the EURO explains a positive \$500 K variance in revenues and \$100 K of EBITDA.
- ▲ Sales of CO₂ quotas exceeded those of last year by \$600 K and partly offset the \$300 K negative variance of natural gas costs.
- ▲ As in previous years, the facility will be shut, for the months between April and October.

Question period

