



Boralex Inc.

Financial Review

4th quarter and Fiscal 2008

February 26, 2009

energy creator



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 the section «Segmented Information of the quarterly consolidated financial statements » for more details.



Mr. Patrick Lemaire

*President and
Chief Executive Officer
Boralex Inc.*

Highlights Q4 2008



- ▲ Boralex took advantage of the diversification of its asset base as increased revenue from the wood residue and hydro segments more than offset a lesser contribution from the wind segment.
- ▲ Boralex benefited from its portfolio of forward electricity contracts in the wood residue segment allowing for an increase in the quarterly average selling price per MWh despite a downward trend in spot prices. A significant portion of 2009 sales within this segment are hedged way above current market prices.
- ▲ Boralex continues to be rewarded from its strategy of qualifying wood-residue plants for the Connecticut REC market. As at December 31, 2008, Boralex still had close to \$US 35 million of RECs sold forward for the period between January 2009 and December 2012.
- ▲ Boralex has received full credit approval from a commercial lender in regards to the project financing of four wind sites currently under construction in Ontario (40 MW). This financing is now at the documentation stage.

Summary Q4 2008



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

	Q4 2008	Q4 2007
Production (MWh)	401,989	383,757
Revenue from energy sales	54,316	45,907
EBITDA	15,604	18,675
Cash-flows from operations	11,137	16,016
Cash-flows from operations per share	\$0.30	\$0.43

Summary 2008



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

	2008	2007
Production (MWh)	1,623,293	1,544,158
Revenue from energy sales	197,246	163,338
EBITDA	68,909	61,284
Cash-flows from operations	55,274	51,548
Cash-flows from operations per share	\$1.46	\$1.50



Mr. Jean-François Thibodeau

*Vice President and
Chief Financial Officer
Boralex Inc.*

Net Earnings excluding Specific Items



(in thousands of \$)	QUARTERS ENDED		YEARS ENDED	
	DECEMBER 31 2008	DECEMBER 2007	DECEMBER 31 2008	DECEMBER 2007
Net Earnings – calculated according to GAAP	4,382	5,913	20,396	21,545
Cumulative recognition of Livermore Falls RECs in Q4-2007	-	(4,600)	-	-
Gain on termination of hedging relationships	-	-	-	(5,875)
Taxes	-	1,840	-	1,881
Net earnings excluding specific items	4,382	3,153	20,396	17,551
par share (basic – in dollars)	0.12	0.08	0.54	0.51

Q4 2008 sector EBITDA



(in thousands of dollars)	Q4 2008	Q4 2007	Variation
Wind	6,059	7,021	⬇️
Hydroelectricity	1,647	1,651	-
Wood residue	9,064	10,674	⬇️
Natural gas	1,378	717	↗️
	18,148	20,063	⬇️
Corporate and eliminations	(2,544)	(1,388)	⬇️
Consolidated EBITDA	15,604	18,675	⬇️

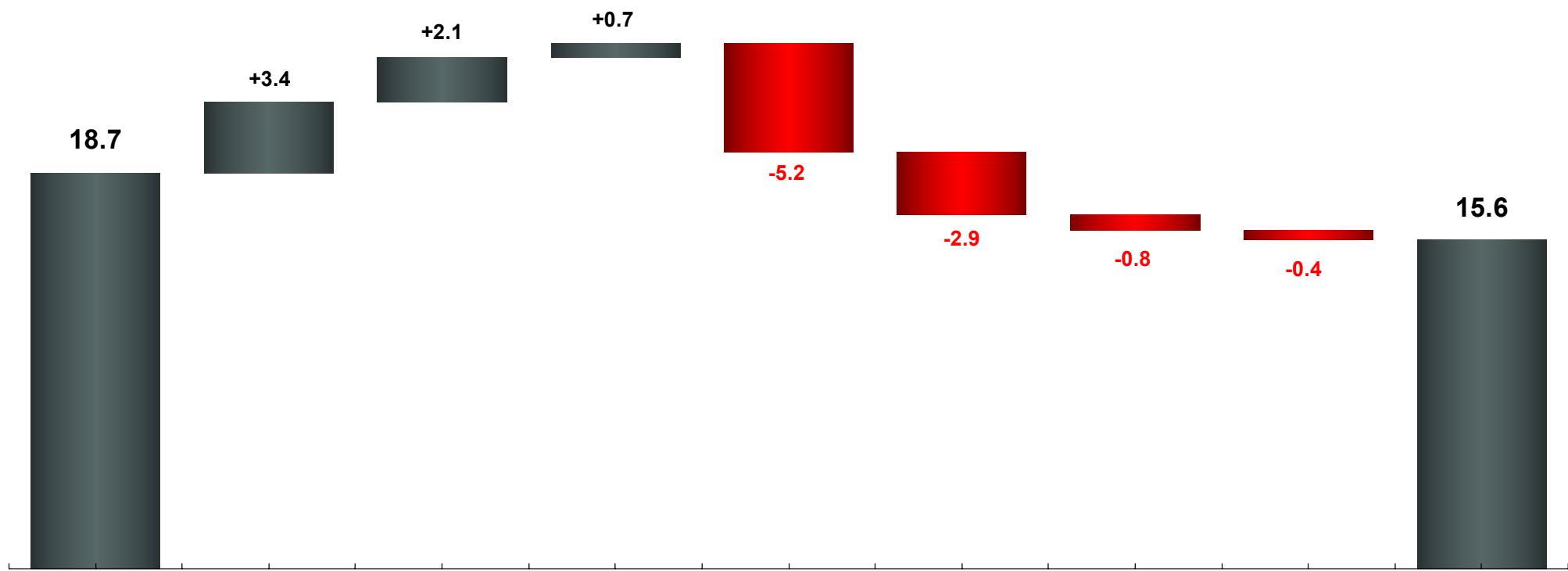
2008 sector EBITDA



(in thousands of dollars)	2008	2007	Variation
Wind	24,041	22,826	↗
Hydroelectricity	7,919	5,435	↗
Wood residue	40,488	33,052	↗
Natural gas	2,338	2,272	↗
	74,786	63,585	↗
Corporate and eliminations	(5,877)	(2,301)	↘
Consolidated EBITDA	68,909	61,284	↗

Variance analysis – EBITDA

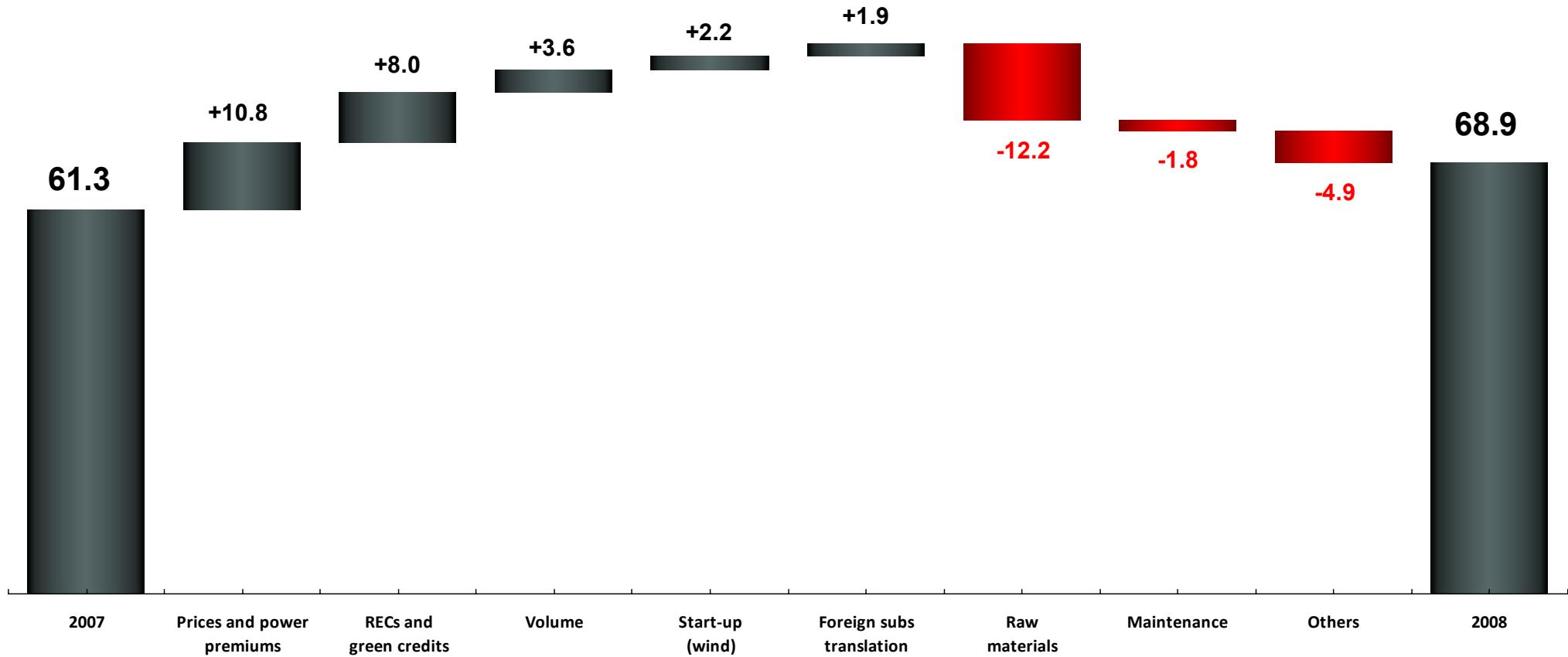
Q4 2008 vs Q4 2007



(in millions of dollars)

Variance analysis – EBITDA

2008 vs 2007



(in millions of dollars)

Sector review Q4 2008

wind



(\$'000)	Q4 2008	Q4 2007
Production (MWh)	56,683	60,592
Revenue from energy sales	7,942	8,554
EBITDA	6,059	7,021

- ▲ Total production was 6% lower given less favourable wind conditions despite the positive contribution from the additional 5 MW of capacity at Avignonet-Lauragais.
- ▲ The sector benefited from the appreciation of the EURO and the yearly indexation of electricity prices. These factors were however offset by lower volume, lower sales of green credits, higher maintenance and other expenses.
- ▲ The construction of the first 40 MW of capacity in southwestern Ontario began early in the quarter. Boralex has received a financing proposal in regards to these projects, which is currently at the documentation phase.

Sector review Q4 2008 hydroelectricity



(\$'000)	Q4 2008	Q4 2007
Production (MWh)	34,833	31,887
Revenue from energy sales	2,844	2,524
EBITDA	1,647	1,651

- ▲ Production was 9% higher than in Q4 2007 and 12% higher than historical averages explaining a \$200 K positive variance of both revenue and EBITDA.
- ▲ Merchant prices in the United States were approximately 18% lower than in Q4 2007 and account for approximately \$400 K of negative EBITDA variance between both quarters.
- ▲ The appreciation of the US\$ explains \$300 K of positive EBITDA variance.

Sector review Q4 2008

thermal energy: wood residue



(\$'000)	Q4 2008	Q4 2007
Production (MWh)	295,213	275,059
Revenue from energy sales	37,040	29,973
EBITDA	9,064	10,674

- ▲ Total production increased 7% compared to the fourth quarter of 2007 mostly, explained by the restart of Stacyville (18 MW) in June 2008.
- ▲ Excluding \$4.6 million of RECs sold from Livermore Falls and accounted for retroactively in Q4 2007, revenue from energy sales would have increased in excess of 45%, explained by the favourable evolution of the \$US, higher production, new sales of RECs in Connecticut from Ashland and the positive impact of our hedging strategy.
- ▲ Despite an 18% decrease in average spot electricity prices, Boralex benefited from its hedging program allowing for a 9% increase of its average US\$ selling prices explaining a \$500 K increase in revenue and EBITDA.
- ▲ RECs sold in Connecticut from Livermore Falls, Ashland, and Stratton were lower by \$3.6 million in terms of revenue and \$4.8 million in terms of EBITDA. The retroactive sale in Q4 2007 of Livermore Falls RECs, partly offset by new sales of RECs from Ashland (qualified in early 2008), explains this difference.
- ▲ Higher wood costs negatively impacted EBITDA by \$900K.

Sector review Q4 2008

thermal energy: natural gas



(\$'000)	Q4 2008	Q4 2007
Production (MWh)	15,260	16,219
Steam ('000 lbs)	116,581	135,564
Revenue from energy sales	6,490	4,857
EBITDA	1,378	717

- ▲ Production decreased 6%, mostly explained by a reduced availability following minor shut downs.
- ▲ Higher steam and electricity prices which are indexed to natural gas prices explain a \$1.5 million positive variance both in revenue and EBITDA.
- ▲ Sales of CO₂ quotas exceeded \$1 million and were offset by the \$2 million negative variance of natural gas costs.

Question period

