
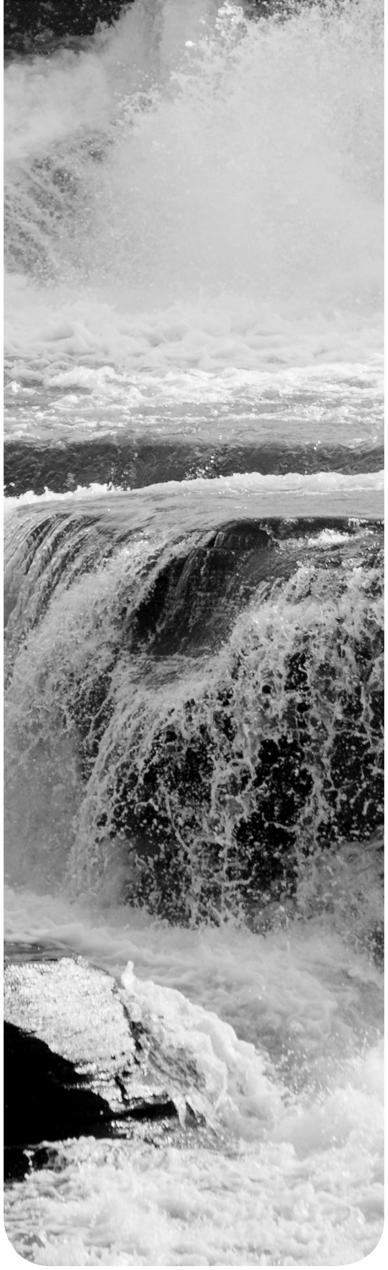
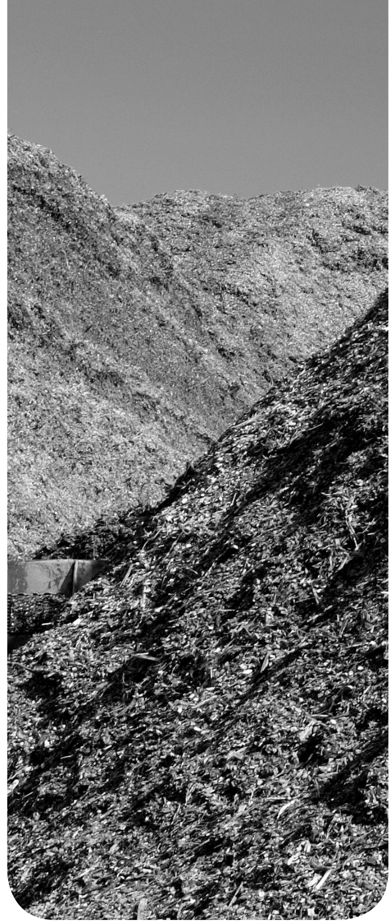
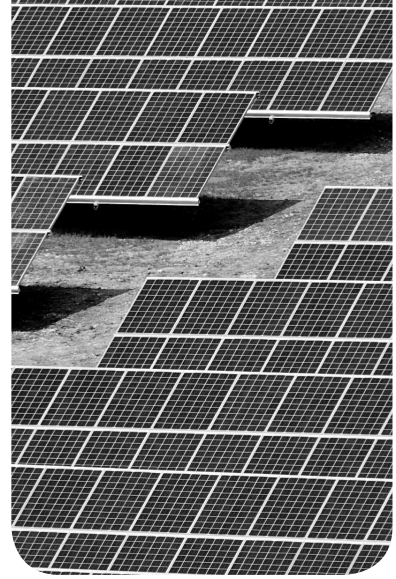

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INTERIM REPORT
AS AT MARCH 31, 2012

BORALEX

Profile

Boralex is a power producer whose core business dedicated to the development and the operation of renewable energy power stations. Currently, the Corporation operates an asset base with an installed capacity of nearly 500 MW in Canada, the Northeastern United States and France. Boralex is also committed under power development projects, both independently and with Canadian and European partners, to add approximately 450 MW of power. With more than 200 employees, Boralex is known for its diversified expertise and in-depth experience in four power generation types — wind, hydroelectric, thermal and more recently, solar. Boralex's shares and convertible debentures are listed on the Toronto Stock Exchange under the ticker symbols BLX and BLX.DB, respectively. More information is available at www.boralex.com or www.sedar.com.

Interim Management's Discussion and Analysis 1

As at March 31, 2012

Table of contents

Description of Business

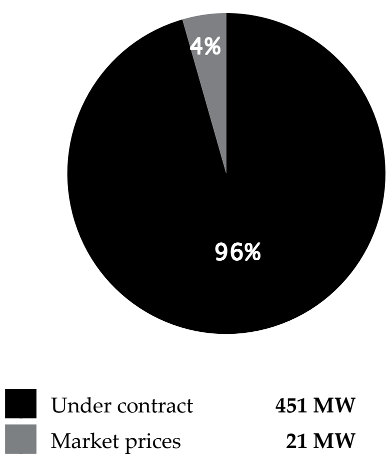
Boralex Inc. ("Boralex" or the "Corporation") is an electricity producer whose core business is the development and operation of renewable energy power stations. The Corporation currently operates assets with a total installed capacity of nearly 500 megawatts ("MW") in Canada, in the Northeastern United States and in France. Boralex is also developing projects, both independently and with partners, totalling approximately 450 MW of additional power slated for commissioning between the end of 2013 and 2015. Nearly all of the Corporation's operating assets as well as all its sites under development benefit from long-term power sales contracts with fixed and indexed prices.

Employing over 200 people, Boralex stands out for its diversified expertise and in-depth experience in four types of power generation.

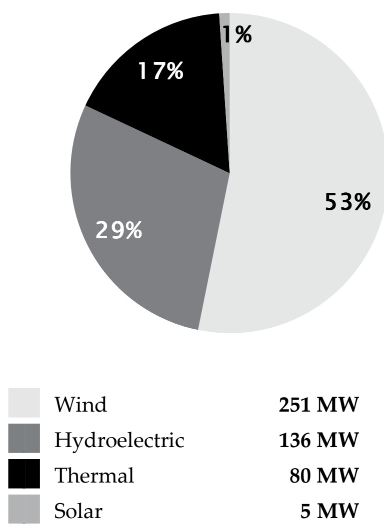
- Boralex currently operates a **251** MW **wind** power portfolio in Europe and Canada. In recent years, Boralex has become one of the most experienced wind power producers in France, where it currently generates 161 MW of power. Boralex also entered the wind power industry in Canada with 90 MW installed capacity in Ontario. In Québec, Boralex is working independently or with partners on the development of wind farms with a total installed capacity of 441 MW, slated for commissioning by the end of 2015. These projects include the largest wind power facilities currently under construction in Canada, the Seigneurie de Beaupré Wind Farms (Phase I), with a total installed capacity of 341 MW, slated for commissioning at the end of 2013 and 2014.
- Boralex has nearly two decades of expertise in **hydroelectric** power generation. The Corporation owns and operates **136** MW of hydro assets in the United States, Québec and British Columbia.
- Boralex owns three **thermal** power stations with a total installed capacity of **80** MW, including two natural gas cogeneration power stations totalling 45 MW and a 35 MW wood-residue power station.
- Boralex recently diversified its energy portfolio with the addition of a **solar** power facility with an installed capacity of **5** MW located in France.

The following charts provide information about the makeup of the Corporation's energy portfolio as at March 31, 2012.

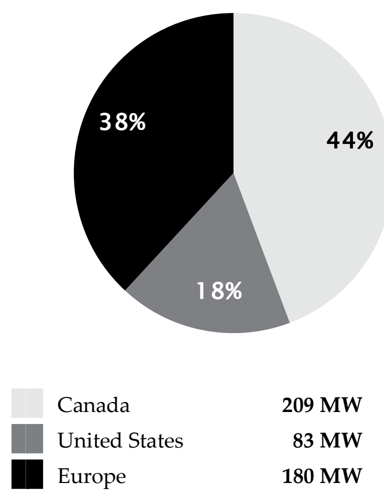
Contractual Breakdown



Segment Breakdown



Geographic Breakdown



Boralex's stock, in which Cascades Inc. ("Cascades") holds a 35% interest, and its convertible debentures trade on the Toronto Stock Exchange under the ticker symbols BLX and BLX.DB.

Introductory Comments to Interim Management's Discussion and Analysis

General

This interim Management's Discussion and Analysis ("MD&A") reviews the operating results and cash flows for the three-month period ended March 31, 2012 compared with the corresponding three-month period of 2011, as well as the Corporation's financial position as at March 31, 2012 compared with December 31, 2011. This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements and accompanying notes appearing in this interim report, as well as with the audited consolidated financial statements and accompanying notes appearing in the most recent Annual Report for the year ended December 31, 2011.

Additional information about the Corporation, including the annual information form, previous annual reports, MD&As and unaudited interim condensed consolidated financial statements, as well as press releases, is published separately and is available on the Boralex (www.boralex.com) and SEDAR (www.sedar.com) websites.

In this interim MD&A, Boralex or the Corporation means, as applicable, either Boralex and its subsidiaries and divisions or Boralex or one of its subsidiaries or divisions.

The information contained in this interim MD&A reflects all material events up to May 8, 2012, the date on which the Board of Directors approved the interim MD&A and the unaudited interim condensed consolidated financial statements.

Unless otherwise indicated, the financial information presented in this interim MD&A, including tabular amounts, is prepared in accordance with International Financial Reporting Standards ("IFRS") which, as of January 1, 2011, represent the Canadian generally accepted accounting principles ("GAAP") from Part I of the *CICA Handbook*. The unaudited interim condensed consolidated financial statements included in this interim MD&A are in accordance with IFRS and present comparative data for 2011.

This interim MD&A also contains information derived from non-IFRS performance measures, as discussed under *Non-IFRS Measures*.

All financial information presented in this interim MD&A, as well as tabular information, is in Canadian dollars.

Notice Concerning Forward-Looking Statements

The purpose of this MD&A is to help the reader understand the nature and importance of changes and trends as well as the risks and uncertainties that may affect Boralex's operating results and financial position. Accordingly, some of the statements contained in this analysis, including those regarding future results and performance, are forward-looking statements based on current expectations, within the meaning of securities legislation. These statements are characterized by the use of positive or negative verbs, such as plan, anticipate, evaluate, estimate, believe and other related expressions. They are based on Boralex management's expectations, estimates and assumptions as at May 8, 2012.

Boralex would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results or the measures it adopts could differ materially from those indicated by or underlying these statements, or could have an impact on the degree of realization of a particular projection. The main factors that could 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, raw material price increases and availability, currency fluctuations, volatility in the selling price of electricity, the Corporation's financing capacity, negative changes in general market conditions and regulations affecting the industry, as well as other factors described later in *Outlook* and *Risk Factors and Uncertainties* in this MD&A.

Unless otherwise specified by the Corporation, the forward-looking statements do not take into account the possible impact on its activities of transactions, non-recurring items or exceptional items announced or occurring after the statements are made.

There can be no assurance as to the materialization of the results, performance or achievements as expressed or implied by forward-looking statements. The reader is cautioned not to place undue reliance on such forward-looking statements. Unless required to do so under applicable securities legislation, Boralex management does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes.

Growth Strategy

Over the past few years, Boralex has laid the foundations of above-average, balanced and sustainable growth by pursuing its key goals of enhancing the value of its asset base, securing steady and predictable revenue and cash flow streams and lowering its business risk exposures. As a result, the Corporation has made the following strategic choices:

- Target the acquisition and development of renewable energy assets covered by long-term indexed fixed-price power sales contracts;
- Prioritize renewable energy assets with above-average profit margins, particularly in the wind, hydroelectric and solar power segments; and
- Focus development initiatives on Canada and France.

Key achievements under Boralex's growth and positioning strategy since its 2008 fiscal year-end are discussed below.

Key Strategic Achievements in Recent Years

Major Wind Power Development

From December 2008 to December 2010, the installed capacity of wind power assets operated by Boralex rose to 251 MW from 108 MW, with all assets covered by long-term power sales contracts. Of this growth, Boralex's wind power assets in France reported expansion of 50% to 161 MW. In addition, Boralex made a major foray into the Canadian wind power market with the development and commissioning of the Thames River wind farms in Ontario, with an installed capacity of 90 MW. Moreover, the Corporation has undertaken independently or with partners to develop wind power projects in Québec totalling 441 MW, all of which are covered by long-term power sales contracts. These projects, under which Boralex's net share amounts to 246 MW, are slated for commissioning from late 2013 to late 2015. Given its capacity to draw on significant financial resources, the Corporation is currently pursuing various acquisition targets consisting of wind power assets in operation and under development in Canada and Europe with a view to increasing contracted installed capacity in the wind power segment to more than 900 MW over the next five years.

Acquisition of Boralex Power Income Fund (the "Fund")

In November 2010, the acquisition of all of the trust units of the Fund not already held by Boralex added to Boralex's energy portfolio a fully contracted installed capacity of 162 MW (excluding the recently sold Dolbeau power station), including nearly 100 MW in excellent hydroelectric assets.

Foray into Solar Power

After several years of strategic planning, technological assessments and market prospection in Europe, Boralex commissioned its first solar power station in Southern France in June 2011, with an installed capacity of 5 MW. In addition to their positive contribution to Boralex's bottom line, these new facilities provide Boralex with the opportunity to develop its expertise in this emerging industry destined for a bright future.

Sale of Thermal Power Stations

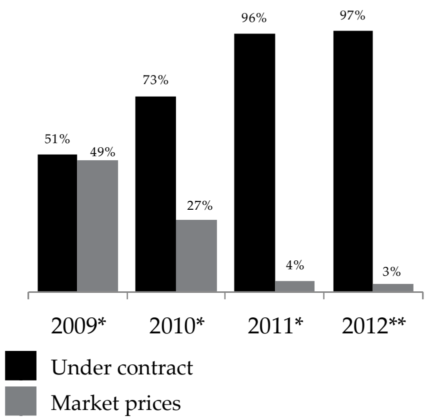
In December 2011, in accordance with its strategic positioning objectives, Boralex sold its U.S. wood-residue thermal power stations with an installed capacity totalling 186 MW, which were not covered by sales contracts and sold their electricity in the Northeastern U.S. open marketplace. Despite effective supply strategies and operating methods, performance at these power stations had been affected for several years by difficult economic conditions in the U.S. and an unfavourable exchange rate.

Boralex believes that it generated sound shareholder value with the sale of these assets, particularly in light of their quality and good track record. The Corporation initially received approximately US$81 million in after-tax cash, plus the opportunity to receive REC sales proceeds in excess of a set threshold through 2014. As soon as the sale closed, the Corporation undertook to re-inject the proceeds to expand its asset base in its target markets. With this objective in mind, Boralex announced on March 27, 2012 the acquisition of a power supply contract covering a wind power project with an installed capacity of 50 MW, to be developed in the Témiscouata area of Québec, for commissioning late in 2015. The equity to develop this project will be partly funded out of the proceeds on the sale of the U.S. thermal power assets.

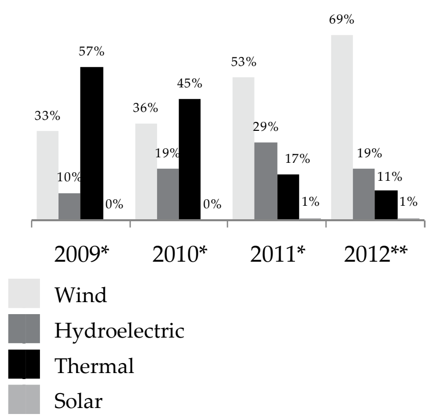
Impact of Changes in Boralex's Energy Portfolio Makeup

These charts show changes in all sites owned as at March 31, 2012.

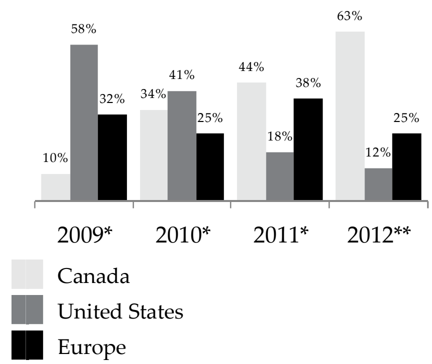
Contractual Breakdown



Segment Breakdown



Geographic Breakdown



* In operation.
** In operation and under development.

As clearly illustrated in the above charts, Boralex's strategic decisions over the past three fiscal years have substantially transformed and enhanced its contractual, segment and geographic positioning. From 2009 to 2011, Boralex's contracted portion of installed capacity in operation rose from 51% to 96%, ensuring higher, more predictable cash flows for future periods. When the projects currently under development are factored in, the contracted portion reaches 97%.

From a segment perspective, these developments mainly resulted in a higher relative weight of the wind, hydroelectric and solar power segments, which generate higher profit margins than the Boralex energy asset portfolio average. Together, these three segments now account for 83% of assets in operation, and will reach 89% after the wind power sites currently under development are commissioned, without reflecting expansion projects that the Corporation may complete in its target markets over the coming quarters and years. Conversely, in accordance with the Corporation's decision to reduce the relative weight of its thermal power segment, thermal power's share of Boralex's overall installed capacity fell to 17% from 57% over the past three years, and will stand at 11% in 2015.

The developments of the past three years have strengthened the Corporation's geographic positioning in Canada, where 44% of Boralex's installed capacity in operation is now located, compared with 18% in the U.S. and 38% in Europe. Accordingly, Boralex now enjoys greater geographic balance in its revenue streams as well as reduced exposure to currency fluctuations. As indicated in the above chart, Canadian market share could reach 63% with the commissioning of projects under development, which does not reflect, however, expansion transactions the Corporation intends to complete in Europe in the short and medium term.

Key Transactions Affecting Boralex's Results and Financial Position in 2012

Discontinued Operations

Following the December 2011 sale of its U.S. wood-residue thermal power stations, the Corporation determined that the transaction met the criteria for discontinued operations under IFRS. Note that under IFRS, discontinued operations must be presented as a separate line item in the consolidated statements of earnings and cash flows. To comply with this presentation requirement, the financial information presented in the interim report, including tabular amounts, has been restated to exclude data pertaining to the discontinued operations, which is now presented separately under *Discontinued operations*. However, to provide readers with a complete picture of the changes in Boralex's operations, the Corporation deemed it appropriate to include discontinued operations data in the previous section's charts to illustrate changes in the Corporation's energy portfolio makeup in terms of contracted installed capacity, type of power and asset location.

Furthermore, we recall that in addition to the after-tax consideration of US$81 million received on the sale of Boralex's U.S. thermal power stations, the RECs generated by these facilities in 2011 remained the property of Boralex. Most of those 2011 RECs were sold in the first quarter ended March 31, 2012 for $3.8 million and recognized under *Discontinued operations* in the interim consolidated statement of earnings for the first quarter of 2012. For the remainder of fiscal 2012 and for fiscal 2013 and 2014, under the terms of the sale transaction, Boralex will be entitled to 50% of proceeds from the sale of RECs generated in excess of the set price threshold. Boralex's management believes the Corporation stands to realize significant value on REC sales over the next three years, as the value of RECs exceeds the threshold now that supply of RECs is shorter than demand. However, it is difficult to predict whether this trend will continue and to accurately measure the amount that Boralex may collect in the next three years.

Closure and Sale of Dolbeau, Québec Thermal Power Station

Due in particular to significant wood-residue supply difficulties encountered by this power station, Boralex decided to shut down its operations permanently in the third quarter of fiscal 2011, which gave rise to a shortfall in first-quarter results for fiscal 2012 compared with the same period of fiscal 2011. However, in the fourth quarter of 2011, Boralex received an offer to purchase this power station from Resolute Forest Products ("Resolute"). The sale transaction was completed on April 18, 2012, during the second quarter, for a cash consideration of $5 million.

Contribution of New Solar Power Station in France

The contribution from this site, commissioned on June 27, 2011, for all of fiscal 2012 compared with a little more than six months in fiscal 2011, had a favourable although not material effect on Boralex's results, as the site represents only 1.0% of the Corporation's total installed capacity in operation.

Seasonal Factors

(in thousands of Canadian dollars, except per share amounts and number of shares outstanding)	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012
				Three-month periods ended
REVENUES FROM ENERGY SALES				
Wind power stations	15,193	11,328	22,461	20,647
Hydroelectric power stations	15,990	11,615	15,982	13,986
Thermal power stations	12,762	12,368	17,584	22,242
Solar power station	124	887	465	576
	44,069	36,198	56,492	57,451
EBITDA				
Wind power stations	11,991	8,160	18,590	16,934
Hydroelectric power stations	12,648	8,513	11,386	10,644
Thermal power stations	2,078	2,928	4,100	8,395
Solar power station	121	810	399	495
Corporate and eliminations	(4,300)	(3,723)	(4,174)	(3,126)
	22,538	16,688	30,301	33,342
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(3,730)	(6,315)	3,536	4,826
Discontinued operations	(1,377)	(893)	4,651	2,323
	(5,107)	(7,208)	8,187	7,149
BASIC NET EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(0.10)	(0.17)	0.10	0.13
Discontinued operations	(0.04)	(0.02)	0.12	0.06
	(0.14)	(0.19)	0.22	0.19
DILUTED NET EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(0.10)	(0.17)	0.10	0.12
Discontinued operations	(0.04)	(0.02)	0.12	0.06
	(0.14)	(0.19)	0.22	0.18
Weighted average number of shares outstanding (basic)	37,773,213	37,745,598	37,725,898	37,726,689

(in thousands of Canadian dollars, except per share amounts and number of shares outstanding)	June 30, 2010	September 30, 2010	December 31, 2010	March 31, 2011
	Three-month periods ended			
REVENUES FROM ENERGY SALES				
Wind power stations	9,230	7,802	17,479	18,273
Hydroelectric power stations	2,323	2,784	18,060	12,732
Thermal power stations	2,280	3,872	18,194	26,261
	13,833	14,458	53,733	57,266
EBITDA				
Wind power stations	7,112	5,628	14,104	15,066
Hydroelectric power stations	1,182	1,473	14,401	9,076
Thermal power stations	8	171	4,019	11,532
Corporate and eliminations	(7,585)	(3,889)	(4,460)	(4,445)
	717	3,383	28,064	31,229
NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(6,659)	30,910	2,778	3,903
Discontinued operations	1,945	3,820	302	3,108
	(4,714)	34,730	3,080	7,011
BASIC NET EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(0.17)	0.82	0.07	0.11
Discontinued operations	0.05	0.10	0.01	0.08
	(0.12)	0.92	0.08	0.19
DILUTED NET EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX				
Continuing operations	(0.17)	0.77	0.07	0.10
Discontinued operations	0.05	0.10	0.01	0.08
	(0.12)	0.87	0.08	0.18
Weighted average number of shares outstanding (basic)	37,740,921	37,740,921	37,744,869	37,766,491

The Corporation's operations and results are partly subject to seasonal cycles and other cyclical factors that vary by segment. Since nearly all of Boralex facilities have long-term indexed fixed-price power sales contracts, seasonal cycles mainly affect the total volume of power generated. Only four hydroelectric power stations in the U.S., accounting for only 4% of the Corporation's total installed capacity in operation, are not covered by long-term sales contracts.

Operating volumes at Boralex facilities are influenced by the following seasonal factors, depending on their specific power generation method.

Wind

For the 251 MW of Boralex assets currently in operation, wind conditions are usually more favourable in the winter, which occurs during Boralex's first and fourth quarters, both in France and Canada. However, in winter there is a greater risk of lower production caused by weather conditions, such as icing. In general, management estimates that approximately 60% of annual production in its wind power segment is generated in the first and fourth quarters and 40% in the second and third quarters.

Following the developments in the past three fiscal years described previously, the wind power segment is now Boralex's largest segment in terms of installed capacity, EBITDA and cash flows. The segment is expected to account for an increasing share of the Corporation's energy portfolio in the coming years as wind farms that Boralex is developing independently or with partners are gradually commissioned. These facilities will total 441 MW, of which Boralex's net interest comprises 246 MW. The commissioning of these facilities will increase the installed capacity of wind power assets in operation owned by Boralex to approximately 500 MW by the end of fiscal 2015, aside from potential acquisitions of other assets in operation or under development.

In particular, this expansion will intensify the impact of seasonality on this type of power generation on Boralex's overall performance, such that an increasing proportion of the Corporation's revenues will be generated in the first and fourth quarters.

Hydroelectricity

For Boralex's hydroelectric assets totalling 136 MW, power output depends on water flow, which in Canada and the Northeastern U.S. tends to be at a maximum in spring and generally good in the fall, which are Boralex's second and fourth quarters. Historically, water flow tends to decrease in winter and summer. Note that apart from certain hydroelectric power stations whose water flow is regulated upstream, most of Boralex's hydroelectric facilities do not have reservoirs that would permit water flow regulation during the year.

As previously discussed, four U.S. power stations are not covered by long-term power sales contracts. These facilities have an installed capacity of 21 MW, which accounts for 15% of the hydroelectric power segment's total installed capacity. Since they sell their power on the open market in the Northeastern U.S., these power stations are more vulnerable to seasonal fluctuations which, in addition to influencing power production volumes, also have an impact on selling prices obtained. They are partly influenced by seasonal demand, which is traditionally higher during winter and summer, corresponding to Boralex's first and third quarters. Historically, power stations obtain generally higher average prices during these periods. Moreover, the price of natural gas, which is highly volatile, has a significant influence on electricity selling prices in the Northeastern U.S. In this regard, it is important to note that North American natural gas prices are at their lowest levels in a decade.

Thermal

Boralex owns and operates three thermal power stations for an aggregate 80 MW of installed capacity. Of the three, our Senneterre power station in Québec is fuelled by wood-residue and is covered by a Hydro-Québec power sales contract expiring in 2027. An agreement was recently entered into between Hydro-Québec and Boralex under which the Senneterre power station will produce power six months per year during 2012 and 2013, from December to March and in July and August. Given the terms of the agreement, Boralex does not expect the power station's results to be affected.

Boralex also operates two natural gas power stations, one in Kingsey Falls, Québec and the other in Blendecques, France. These power stations are covered by power sales contracts, and in addition, steam production is quite stable from quarter to quarter, as it is driven by client demand, which is relatively predictable and steady. Moreover, the Kingsey Falls power station entered into two hedging contracts in 2010 for a two-year period to index its steam selling price and fix its natural gas purchase price. The French natural gas cogeneration power station's power sales contract with EDF contains a clause that caps electricity prices from April to October. When the cost of natural gas is 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 supplies its steam client from an auxiliary boiler. Accordingly, since 2005, the power station has operated its cogeneration equipment during the five months from November to March.

Solar

The Corporation's only solar power station (5 MW) currently in operation is located in the south of France. For this facility, covered by a long-term power sales contract, sunlight conditions are usually more favourable in the spring and summer, which occur during Boralex's second and third quarters. In view of these weather conditions, management estimates that approximately 65% of the annual production at its solar power station will be generated in the second and third quarters and 35% in the first and fourth quarters, which favourably offsets the seasonal cycle of the Corporation's other operations.

TO SUM UP,

although seasonal and other cyclical factors have a certain impact on Boralex's performance, this is mitigated by the fact that, following the main events in recent years, specifically, the significant expansion of the wind power segment, the acquisition of the Fund, the commissioning of a solar power station and the sale of our U.S. wood-residue power stations, nearly all of the Corporation's revenues are now generated by assets with indexed fixed-price sales contracts. The Corporation also capitalizes on solid diversification in its power generation sources and geographic positioning. Furthermore, Boralex gives priority to sound capital management to ensure financial health and flexibility to effectively manage the seasonality of its business. These factors will contribute to strong, stable results for Boralex in the coming years.

Financial Highlights

(in thousands of Canadian dollars, except per share amounts and number of shares outstanding)	Three-month periods ended March 31 2012	2011
REVENUES FROM ENERGY SALES		
Wind power stations	20,647	18,273
Hydroelectric power stations	13,986	12,732
Thermal power stations	22,242	26,261
Solar power station	576	-
	57,451	57,266
EBITDA		
Wind power stations	16,934	15,066
Hydroelectric power stations	10,644	9,076
Thermal power stations	8,395	11,532
Solar power station	495	-
Corporate and eliminations	(3,126)	(4,445)
	33,342	31,229
NET EARNINGS ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX		
Continuing operations	4,826	3,903
Discontinued operations	2,323	3,108
	7,149	7,011
BASIC NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX		
Continuing operations	0.13	0.11
Discontinued operations	0.06	0.08
	0.19	0.19
DILUTED NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX		
Continuing operations	0.12	0.10
Discontinued operations	0.06	0.08
	0.19	0.18
Weighted average number of shares outstanding (basic)	37,726,689	37,766,491

Statement of Financial Position Data

(in thousands of Canadian dollars)	As at March 31, 2012	As at December 31, 2011
Total assets	1,175,894	1,176,855
Debt[1]	494,116	506,184
Convertible debentures	224,036	223,347
Total equity	342,713	328,878

[1] Including non-current debt and current portion of debt.

Non-IFRS Measures

In order to assess the performance of its assets and reporting segments, Boralex uses EBITDA, cash flows from operations, ratio of net debt and adjusted net earnings as performance measures. Management believes that these measures are widely accepted financial indicators used by investors to assess the operational performance of a company and its ability to generate cash through operations.

These non-IFRS measures are drawn primarily from the unaudited interim condensed consolidated financial statements, but do not have a standardized meaning under IFRS; accordingly, they may not be comparable to similarly named measures used by other companies.

Investors should not view EBITDA as an alternative measure to, for example, net earnings, or as a measure of operating results, which are IFRS measures.

EBITDA is reconciled to the most comparable IFRS measure, namely, net earnings attributable to shareholders of Boralex, in the following table:

	Three-month periods ended March 31	
(in thousands of Canadian dollars)	2012	2011
Net earnings attributable to shareholders of Boralex	7,149	7,011
Net earnings from discontinued operations	(2,323)	(3,108)
Non-controlling interests	112	56
Income tax expense	1,759	1,971
Net loss (gain) on financial instruments	(337)	313
Foreign exchange loss	121	1,537
Financing costs	12,103	11,975
Other gains	-	(2,377)
Impairment of property, plant and equipment and intangible assets	823	-
Amortization	13,935	13,851
EBITDA	33,342	31,229

Cash flows from operations are equal to net cash flows related to operating activities before change in non-cash items related to operating activities. Management uses this measure to assess cash flows generated by the Corporation's operations and its capacity to finance its expansion through those funds. In light of the seasonal nature of the Corporation's operations and development activities, changes in non-cash items can vary considerably. In addition, development activities result in significant changes in *Trade and other payables* during the construction period, as well as an initial injection of working capital at project start-up. Accordingly, the Corporation considers it more representative not to integrate changes in non-cash items in this performance measure.

Investors should not consider cash flows from operations as an alternative measure to cash flows related to operating activities, which is an IFRS measure.

Cash flows from operations are reconciled to the most comparable IFRS measure, namely, net cash flows related to operating activities, in the following table:

	Three-month periods ended March 31	
(in thousands of Canadian dollars)	2012	2011
Net cash flows related to operating activities	34,540	32,623
Less:		
Change in non-cash items related to operating activities	12,691	15,170
CASH FLOWS FROM OPERATIONS	21,849	17,453

The Corporation defines net debt as follows:

(in thousands of Canadian dollars)	As at March 31, 2012	As at December 31, 2011
Non-current debt	470,440	479,525
Current portion of debt	23,676	26,659
Borrowing costs, net of accumulated amortization	8,453	8,889
Less:		
Cash and cash equivalents	(157,417)	(144,703)
Restricted cash*	(1,651)	(552)
Net debt	343,501	369,818

* Excluding restricted cash for Phase 1 of Seigneurie de Beaupré Wind Farms.

The Corporation defines total book capitalization as follows:

(in thousands of Canadian dollars)	As at March 31, 2012	As at December 31, 2011
Total equity	342,713	328,878
Net debt	343,501	369,818
Convertible debentures	224,036	223,347
Convertible debenture issuance costs, net of accumulated amortization	4,582	4,710
Deferred taxes on convertible debentures	5,158	5,158
Imputed interest calculated on convertible debentures	(3,294)	(2,728)
Total book capitalization	916,696	929,183

The Corporation computes the ratio of net debt as follows:

(in thousands of Canadian dollars)	As at March 31, 2012	As at December 31, 2011
Net debt	343,501	369,818
Total book capitalization	916,696	929,183
NET DEBT RATIO	37.5%	39.8%

The following table reconciles earnings attributable to shareholders of Boralex as reported in the financial statements with adjusted net earnings:

	Three-month periods ended March 31	
(in thousands of Canadian dollars)	2012	2011
Net earnings attributable to shareholders of Boralex	7,149	7,011
Net earnings from discontinued operations	(2,323)	(3,108)
Specific items*:		
Gain on sale of assets	-	(1,664)
Impairment of property, plant and equipment and intangible assets	492	-
ADJUSTED NET EARNINGS	5,318	2,239

* Net of income taxes.

During the three-month period ended March 31, 2012, Boralex recognized $2.3 million in net earnings from discontinued operations. This amount represents the after-tax proceeds ($3.8 million pre-tax revenues) from the sale of almost all the RECs generated in 2011 by the wood-residue thermal power stations sold in December 2011.

For the corresponding period ended March 31, 2011, the Corporation recognized $3.1 million in net earnings from discontinued operations including earnings from current operations, all of which was net of income taxes. In addition, during the first quarter of 2011, Boralex recorded a $1.7 million after-tax gain ($2.4 million pre-tax gain) on the sale of a wind power project deemed non-strategic and shares received from Resolute (formerly AbitibiBowater).

Analysis of Operating Results for Three-Month Period Ended March 31, 2012

The following table shows major changes in adjusted net earnings from continuing operations attributable to shareholders of Boralex:

	Adjusted net earnings (in thousands of Canadian dollars)	Per share (in C$, basic)
THREE-MONTH PERIOD ENDED MARCH 31, 2011	2,239	0.06
Change in EBITDA	2,113	0.06
Amortization	(84)	(0.01)
Financing costs	(128)	(0.01)
Foreign exchange loss	1,416	0.04
Net loss (gain) on financial instruments	650	0.02
Income tax expense	(832)	(0.02)
Non-controlling interests	(56)	-
THREE-MONTH PERIOD ENDED MARCH 31, 2012	5,318	0.14

Excluding the discontinued operations and the specific items discussed in the previous section in regard to the three-month period ended march 31, 2011, Boralex reported adjusted net earnings for the first quarter of fiscal 2012 totalling $5.4 million or $0.15 per share, basic ($0.13 per share, diluted) compared with $2.2 million or $0.06 per share, basic and diluted, for the first quarter of 2011. This 143% surge resulted in particular from a $2.0 million increase in EBITDA derived primarily from the corporation's strategic segments: wind, hydroelectric and solar power. In addition, the Corporation posted $2.4 million in favourable changes in foreign exchange losses and net losses (gains) on financial instruments.

Excluding non-controlling interests, these favourable items boosted net earnings attributable to shareholders, readily offsetting the higher income tax expense triggered by growth in earnings of the Corporation and slight rises in amortization and financing costs.

The main differences in revenues from energy sales and EBITDA from continuing operations are as follows:

(in millions of Canadian dollars)	Revenues from energy sales	EBITDA
THREE-MONTH PERIOD ENDED MARCH 31, 2011	57.3	31.2
Power stations commissioned	0.6	0.5
Shutdown of Dolbeau power station	(3.9)	(1.4)
Pricing	1.7	1.7
Volume	2.7	3.2
RECs and green certificates	-	(0.1)
Capacity premiums	(0.5)	(0.5)
Translation of self-sustaining subsidiaries (exchange rate effect)	(0.3)	(0.1)
Raw material costs	-	(1.7)
Maintenance	-	(0.7)
Development - prospecting	-	0.2
Other	(0.1)	1.0
THREE-MONTH PERIOD ENDED MARCH 31, 2012	57.5	33.3

Revenues from Energy Sales

For the three-month period ended March 31, 2012, Boralex reported revenues from energy sales from continuing operations totalling $57.5 million compared with $57.3 million year over year. While at first glance modest, this growth reflects the closure of the Dolbeau thermal power station in fall 2011, which gave rise to a $3.9 million revenue shortfall. Excluding this power station, Boralex's revenues from energy sales from continuing operations were actually up $4.1 million or 7.7%.

This growth was driven in large part by increases in wind and hydroelectric power generation increases of 13.0% and 12.5%, respectively, as well as by the contribution from the new solar power station, substantially offset the decline in power generation and capacity premiums in the thermal segment. In total, Boralex generated 455,152 MWh of electricity in the first quarter of 2012 compared with 433,001 MWh for the same period of 2011 (excluding Dolbeau). The 5.1% rise in power generation boosted revenues by $3.3 million.

In addition, consolidated revenues and EBITDA were buoyed by a $1.7 million favourable effect, largely attributable to higher steam selling and electricity selling prices at the two thermal cogeneration power stations, located in Québec and France, as well as by higher average selling prices for electricity sold by the Thames River wind farms in Ontario.

Lastly, the euro's depreciation against the Canadian dollar weighed slightly on revenues and EBITDA for the first quarter of 2012.

Other Income

Other income of $0.2 million recorded in the first quarters of 2012 and 2011 essentially consisted of management fees for a power station owned by a trust, whose sole trustee is a director of the Corporation.

EBITDA

For the first quarter of 2012, Boralex reported $33.3 million in consolidated EBITDA from continuing operations, up from $31.2 million year over year. Excluding the Dolbeau power station, consolidated EBITDA from continuing operations for the first quarter of 2012 rose $3.7 million or 12.5% to $33.4 million from $29.7 million for the same period of 2011, while EBITDA as a percentage of revenues climbed to 58.1% from 51.8%, year over year. This growth was fuelled by sound performance in our wind, hydroelectric and solar power segments and their higher weightings in Boralex's energy asset portfolio. For the first quarter of 2012, the aggregate net increase in production stemming from the wind and hydroelectric segments and the commissioning of the solar power station contributed an additional $4.3 million to EBITDA compared with the same period of 2011.

Higher selling prices and declines in certain costs added $1.7 million and about $1.2 million, respectively, to the Corporation's EBITDA for the first quarter of 2012, which partially offset certain adverse items, mainly in the thermal segment, including higher natural gas costs at one of the cogeneration facilities, increased maintenance costs and lower capacity premiums.

Amortization, Financing Costs, Foreign Exchange Loss (Gain) and Net Gain (Loss) on Financial Instruments

Amortization expense for the first quarter of fiscal 2012 was slightly higher, up $0.1 million to $13.9 million from the same period of 2011. The addition of the solar power station's amortization expense was offset by a favourable adjustment arising from the change, from the second quarter of 2011, to the useful life of a component for certain wind turbine models and by a net favourable foreign exchange effect. Financing costs also remained relatively flat from a year ago, standing at $12.1 million.

Boralex reported a $0.1 million foreign exchange loss for the first quarter of 2012, down from $1.5 million for the same period of 2011 on remeasurement of intercompany advances to certain U.S. subsidiaries. In addition, the Corporation recorded a $0.3 million net gain on financial instruments for the first quarter of 2012 compared with a $0.3 million net loss on financial instruments year over year. *Net loss (gain) on financial instrument*s consists mainly of the ineffective portion of financial instruments. Although all of the financial instruments used by Boralex are highly effective, they always include a small ineffective portion. Generally, if the change in derivative instruments is favourable to Boralex, it gives rise to a favourable ineffective amount. Conversely, when the change in derivative instruments is unfavourable to Boralex, it gives rise to an unfavourable ineffective amount.

Other Gains

As previously discussed, Boralex recognized $2.4 million in pre-tax gains on the sale of assets in the first quarter of 2011.

Net Earnings Attributable to Shareholders of Boralex

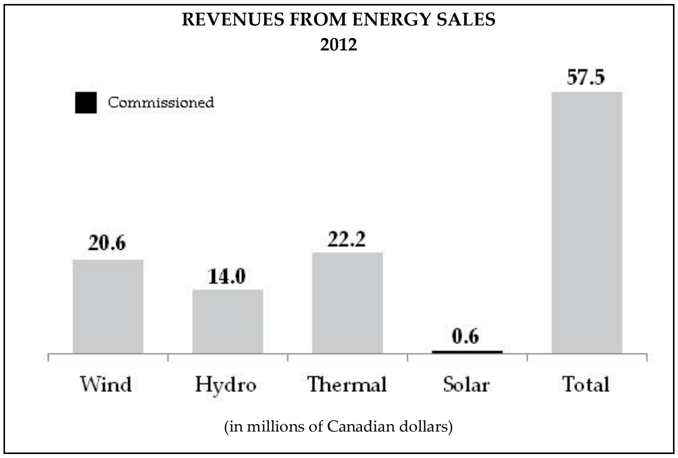
Excluding discontinued operations and specific items, Boralex reported adjusted net earnings for the three-month period ended March 31, 2012 totalling $5.3 million or $0.14 per share, basic ($0.12 per share, diluted), up 141% from $2.2 million or $0.06 per share, basic and diluted, for the same period of 2011.

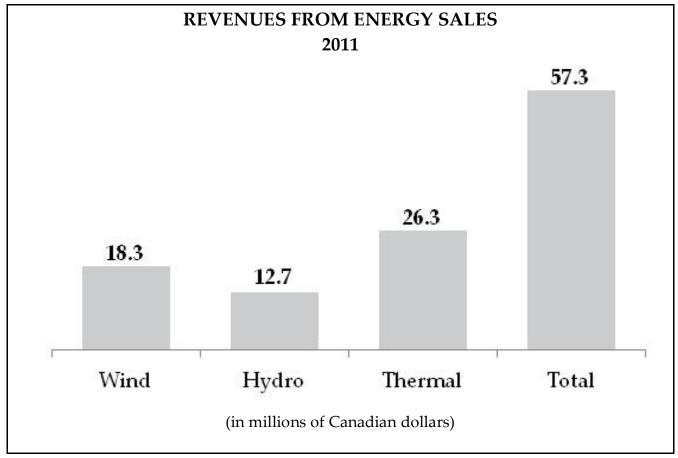
TO SUM UP,

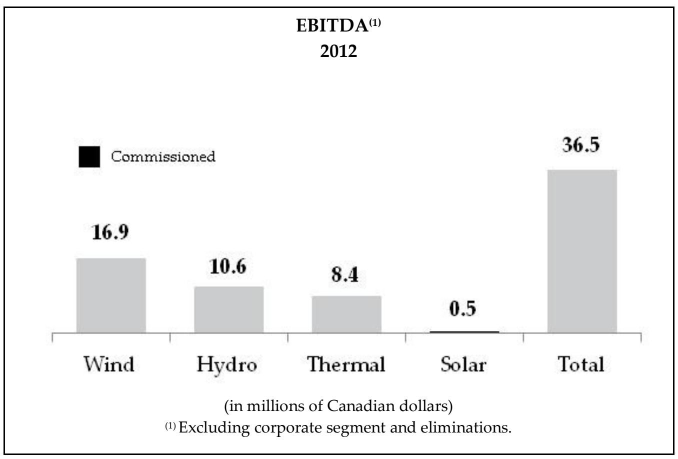
the results for the thee-month period ended March 31, 2012 convincingly reflect the benefits of the Corporation's strategy over the past three years to focus operations and development projects on renewable energy assets covered by long-term power sales contracts and on undertakings with superior growth and return prospects. Good wind and hydro power performance, the commissioning of our new wind power station and the thermal segment's lower relative weighting generated significant growth in EBITDA and EBITDA margin from continuing operations in the first quarter of fiscal 2012, with Boralex positioned for more promising growth and profitability in future.

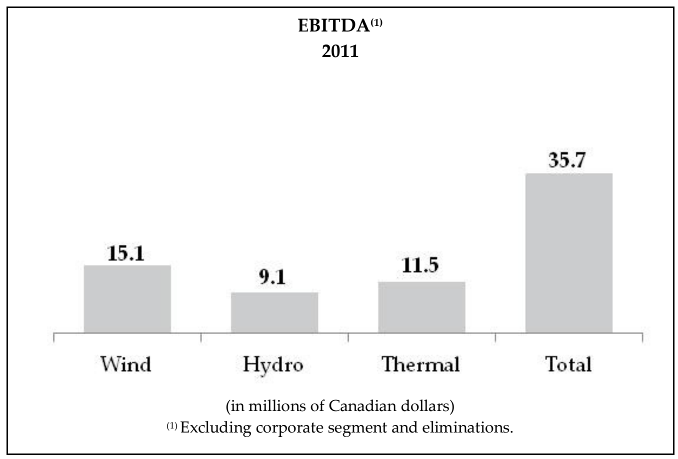
Review of Operating Segments for Three-Month Periods Ended March 31, 2012 and 2011

Geographic and Segment Breakdown of Results of Continuing Operations









Geographically, revenues from energy sales excluding discontinued operations for the three months ended March 31, 2012 were broken down as follows:

- Canada: 54.3% down from 58.6% in the same quarter of 2011;
- United States: 14.6% up from 13.6% in 2011; and
- Europe: 31.1% up from 27.8% in the previous year corresponding period of 2011.

The reduced share of Canadian assets resulted from a lower contribution from the wood-residue thermal power stations, particularly due to shuttering the Dolbeau facility and from faster revenue growth abroad. In particular, growth in European revenues was fuelled by the newly commissioned solar power station and higher power output at the wind power stations. Output at our U.S. hydroelectric power stations was also higher due to more favourable water flow conditions year over year.

Changes in segment breakdown of revenues and EBITDA from continuing operations were as follows:

Wind

Segment revenues rose 12.6% from the first quarter of 2011 with nearly all of the Corporation's wind power stations performing well in both Canada and Europe. Bolstered by this growth, wind power generated 35.8% of consolidated revenues for the first quarter of 2012, up from 31.9% for the previous year. Wind power EBITDA climbed 11.9%, accounting for 46.4% of consolidated EBITDA (before the corporate segment and eliminations) compared with 42.3% in the first quarter of 2011. Wind power continues to be Boralex's top EBITDA driver. The segment's EBITDA margin was above-average for Boralex's energy asset portfolio, on the order of 82.0% for the first quarter of fiscal 2012 (82.5% in 2011).

With wind power projects under development set to add nearly 246 MW to Boralex's contracted installed capacity, the segment's top contribution to operating profitability stands to grow in the coming years, enhancing the Corporation's average profit margin.

Hydroelectric

The hydroelectric power segment's share of consolidated revenues for the first quarter of 2012 rose to 24.3% from 22.2% year-over-year on segment revenue growth of 10.2% owing to favourable water flow conditions. Segment EBITDA (before the corporate segment and eliminations) climbed to 16.5%, accounting for 29.1% of consolidated EBITDA (before the corporate segment and eliminations), up from 25.5% in the first quarter of 2011. As a percentage of revenues, hydro EBITDA margin for the quarter rose to 75.7% from 71.7% year over year.

Thermal

The thermal power segment accounted for 38.6% of consolidated revenues for the three-month period ended March 31, 2012 compared with 45.9% for the same period of 2011. The thermal segment accounted for 23.1% of EBITDA (before the corporate segment and eliminations) compared with 32.2% for the period a year earlier. These declines resulted in large part from the closure of the Dolbeau power station. Segment EBITDA margin for the first quarter of 2012 fell to 37.8% from 43.7% for the corresponding period of 2011.

Solar

The solar power segment accounts for a relatively small percentage of Boralex's energy asset portfolio at present and the first quarter occurs in winter, which is the segment's least productive season; however, the segment's contribution to consolidated EBITDA was a non-negligible $0.5 million on revenues of $0.6 million in the first quarter of 2012, representing an EBITDA margin of 83.3% as a percentage of revenues.

Wind Power Stations

The following table shows major changes in revenues from energy sales and EBITDA:

(in millions of Canadian dollars)	Revenues from energy sales	EBITDA
THREE-MONTH PERIOD ENDED MARCH 31, 2011	18.3	15.1
Pricing	0.4	0.4
Volume	2.3	2.3
Translation of self-sustaining subsidiaries (exchange rate effect)	(0.3)	(0.2)
Maintenance	-	(0.1)
Other	(0.1)	(0.6)
THREE-MONTH PERIOD ENDED MARCH 31, 2012	20.6	16.9

Operating Results

Wind power output rose 13.0%, resulting in revenue and EBITDA growth of 12.6% and 11.9%, respectively, from fully organic sources, mostly in Canada, while European performance was also boosted by better overall wind conditions than in the same period of 2011 and by good equipment availability.

Production

For the three month period ended March 31, 2012, wind power produced a total of 172,405 MWh compared with 152,570 MWh in the corresponding period last year. Boralex's relatively recent foray into the Canadian wind power market continues to prove successful. The Thames River wind farms in Ontario stepped up production by 18.2% due to favourable wind conditions and maintaining very high wind turbine availability. Bear in mind that a portion of the Thames River Phase II wind turbines were being fine-tuned in the first quarter of 2011. Our French wind farms reported an 8.7% rise in production. For the second straight quarter, most of these facilities had improved wind conditions relative to the same period of the previous year. It is worth noting that Boralex's wind power segment is underpinned by sound geographic diversification, as its wind farms are spread out over several areas of France, and in Ontario. This advantage will be strengthened by expansion projects underway in Québec.

Revenues and EBITDA

Wind power revenues for the first quarter of 2012 totalled $20.6 million, up from $18.3 million year over year. This growth resulted primarily from a rise in output, which generated an additional $2.3 million in revenues, with a $0.4 million contribution from higher average selling prices. However, changes in the Canadian dollar/euro exchange rate dampened revenues by $0.3 million.

Wind power EBITDA for the first quarter of 2012 rose to $16.9 million from $15.1 million a year ago. This rise was driven primarily by our Canadian assets owing to a combination of higher output, indexing of average selling prices and declines in some expenses. Excluding the exchange rate effect, profitability improved slightly at our French power stations; however, the favourable output effect was offset by $0.6 million in adjustments pertaining to various taxes in France. These adjustments were triggered by a tax reform in France and, on a recurring basis, the Corporation's results will be affected by an annual amount of $0.3 million. This factor was also responsible for the slight easing in EBITDA margin in the wind power segment as a whole, which slipped to 82.0% for the first quarter of 2012 from 82.5% for the same period last year.

Development Projects and Recent Events

As of the date of this MD&A, Boralex had entered into long-term power sales contracts, acting alone or with partners, for wind projects totalling 441 MW. These projects, under which Boralex's net share amounts to 246 MW, are all located in Québec, Canada and are slated for commissioning from December 2013 to December 2015. They include the largest wind power facilities currently under construction in Canada, the Seigneurie de Beaupré Wind Farms, totalling 366 MW, with Boralex's share comprising 183 MW.

Wind power projects under development in Canada are described below.

1. In 2011, Boralex and its partner Gaz Métro Limited Partnership set up an equally owned joint venture (the "Joint Venture") to build and operate Phase 1 of the Seigneurie de Beaupré Wind Farms with an installed capacity of 272 MW, slated for commissioning in December 2013. Project construction is on budget and on schedule with a third of the foundations and 80% of the roads completed to date. Boralex is also developing the management and communication tools to be deployed on the site while control, transformer and maintenance stations will be installed in summer 2012. Boralex's management is confident that the expertise and skills acquired by its team in the commissioning and operation of the Thames River wind power site in Ontario will be a valuable asset for the success of the commissioning of the Seigneurie de Beaupré sites.

   The construction of Phase 1 of this wind farm requires an investment of approximately $750 million. On November 8, 2011, the Joint Venture secured financing for $725 million, comprising a two-year construction loan of $590 million, which will be converted into a term loan amortized over 18 years after the start of commercial operations, together with short-term facilities totalling $135 million. This complex financing arrangement won two prestigious awards in London and New York in January and March 2012, particularly for its unique structure and the participation of atypical investors in this type of project financing.

   In November 2011, the Joint Venture entered into interest rate swap transactions to set a significant portion of the financing rate for its Seigneurie de Beaupré wind power project. The transactions have a total nominal amount of $552 million at rates of approximately 3.06%.

2. Boralex and its partner Gaz Métro Limited Partnership are defining the parameters for another Seigneurie de Beaupré wind farm with a 69 MW capacity, slated for commissioning in December 2014. In addition to reaping the major benefits the site offers in terms of wind power, environmental conditions and existing infrastructures, the performance of the future farm will capitalize on the logistic synergies that will come into play during its construction and subsequent operation.

3. In June 2011, two community wind farm projects developed jointly by Boralex and the Québec RCMs of Témiscouata and La Côte-de-Beaupré secured 20-year power sales contracts with Hydro-Québec. These two wind farms, with a capacity of 25 MW each, are to be commissioned late in 2014 and in 2015, respectively.

4. During the first quarter of fiscal 2012, on March 27, 2012, Boralex signed a 20-year power supply contract with Hydro-Québec for a wind power project with an installed capacity of 50 MW. Slated for commissioning at the end of 2015, this project is located in the Témiscouata RCM on a site adjacent to the above-noted community wind power project. This 50 MW development project will be partly funded by proceeds from the sale of U.S. thermal power assets.

Boralex and its partner Cube continue to explore various wind and solar power acquisition and development opportunities in Europe, mainly in France.

Outlook

Notwithstanding the potential impact of external factors such as currency fluctuations and weather conditions, the wind power segment's performance in fiscal 2012 should continue to benefit from the sustained efforts of Boralex teams to optimize the availability and performance of equipment, leveraging in particular their growing expertise in preventive and corrective maintenance and the remote management of wind turbines.

The wind power segment will remain Boralex's main driver of growth in the medium term. The table below shows the scope and objectives of Boralex's projects currently under development in the wind power segment.

Wind Power Projects under Development

2013	2014	2014	2015	2015
Québec	Québec	Québec	Québec	Québec
Seigneurie de Beaupré (Phase 1)	Seigneurie de Beaupré (Phase 2)	Témiscouata community project	La Côte-de-Beaupré community project	Témiscouata II
272 MW	69 MW	25 MW	25 MW	50 MW
50% Boralex interest	50% Boralex interest	51% Boralex interest	51% Boralex interest	100% Boralex interest

In addition to its 246 MW share of contracted installed capacity under development in Québec, Boralex currently has the financial capacity to fund the equity portion of wind power projects totalling between 150 and 160 MW. Boralex's goal is to own approximately 900 MW of installed wind power capacity within five years.

The Corporation is actively seeking to acquire new wind power projects in Canada and in Europe, including already operational sites as well as projects in advanced stages of development that could be quickly commissioned. In Canada, in the event of a new call for tenders from the government of Québec for wind power, infrastructure with a capacity of nearly 500 MW could be built in the short term on the Seigneurie de Beaupré site for which Boralex and its partners have exclusive development rights. Ontario also remains an attractive market for Boralex, given its wind power potential. In Europe, Boralex intends to continue focusing most of its efforts in the short term on the French market, not only because of Boralex's solid positioning and credibility earned in this market over the past ten years but also due to the considerable wind power development potential in France and the political will to maintain and develop France's leadership in renewable energy.

In Boralex management's opinion, the medium- and long-term outlook for the wind power segment is highly favourable, due to:

- The scale and quality of its projects with long-term power sales contracts currently under development;
- Solid alliances it has entered into in Europe and North America to accelerate its development; and
- Its growing reputation in world financial markets as a reliable, highly-effective developer and operator of an ever larger portfolio of wind power assets.

Hydroelectric Power Stations

The following table shows major changes in revenues from energy sales and EBITDA:

(in millions of Canadian dollars)	Revenues from energy sales	EBITDA
THREE-MONTH PERIOD ENDED MARCH 31, 2011	12.7	9.1
Pricing	(0.4)	(0.4)
Volume	1.5	1.5
Translation of self-sustaining subsidiaries (exchange rate effect)	0.1	0.1
Maintenance	-	(0.2)
Other	0.1	0.5
THREE-MONTH PERIOD ENDED MARCH 31, 2012	14.0	10.6

The following table shows recent and historic statistical data concerning hydroelectric segment production:

HYDROELECTRIC PRODUCTION (MWh)	2012	2011
Three-month periods ended March 31	163,095	145,004
Historical average – three-month periods[1]	155,450	156,130
Annual historical average[1]	626,618	621,931

[1] The historical average is calculated using all production available for each power station up to the end of Boralex's previous fiscal year. Historical averages include all of Boralex's existing power stations.

Operating Results

The hydroelectric segment generated solid results in the first quarter of 2012, with power output, revenues and EBITDA rising by 12.5%, 10.2% and 16.5%, respectively. These results are mainly attributable to the quality of power stations acquired from the Fund and to the increase in the segment's contracted installed capacity to 85.0% following these acquisitions.

Production

Total production for the quarter rose to 163,095 MWh from 145,004 MWh for the same period in 2011, entirely driven by organic growth. Generally favourable water flow conditions, both in Canada and the Northeastern U.S., boosted output at Canadian and U.S. power stations by 10.3% and 13.4%, respectively. As shown in the table above, total hydroelectric segment output exceeded Boralex's historical average for this period of the year by 4.9%.

Revenues and EBITDA

Higher power output contributed an additional $1.5 million to quarterly revenues and EBITDA compared with the previous year. This contribution largely offset the $0.4 million net shortfall relating to revenues and EBITDA caused by the decrease in the average selling price of electricity obtained in the open market by U.S. power stations that do not have power sales contracts. These power stations account for 15% of the installed capacity of the hydroelectric segment and 4% of Boralex's total installed capacity currently in operation. However, these power stations have historically made a positive and relatively stable contribution to overall results, as was the case in the first quarter of 2012.

Hydroelectric segment revenues from energy sales rose to $14.0 million from $12.7 million in 2011 while EBITDA grew to $10.6 million from $9.1 million. In addition to the favourable volume effect, EBITDA growth was bolstered by the non-recurrence of certain expenses incurred in 2011 and the favourable foreign exchange impact.

Project under Development and Outlook

During fiscal 2012, Boralex will commence work on its power station in Buckingham, Québec to ensure it complies with the *Dam Safety Act.* Furthermore, management is continuing to assess various scenarios to optimize this investment by also undertaking an expansion of up to 10 MW of the power station's installed capacity.

Following the recent recognition of the private nature of the Rimouski, Québec facility and its water flow, Boralex has been able to extend the initial term of the facility's power sales contract by five years. The renewal period was also extended by five years.

Boralex is keeping a watchful eye on opportunities to grow its hydroelectric segment, particularly in Québec, Ontario and British Columbia. With over twenty years' experience in hydroelectric power, a skilled team and high quality assets, Boralex believes it is poised to make further inroads into the hydroelectric market. Since acquiring the Fund, in particular, the Corporation has enjoyed a larger, more profitable hydro power base with better geographic distribution and steadier, more predictable cash flows. In fact, EBITDA margins in this segment approximate wind power margins. The new profile softens the impact of economic conditions, including fluctuations in open market selling prices in the United States, and U.S. and Canadian dollar exchange rate movements, on segment results.

Given the quality of the assets and the ongoing maintenance program underway at all Boralex hydroelectric power stations, there is no indication that production will not be in line with historical averages. In addition, Canadian power stations will continue benefitting from contractual indexation under power sales contracts, as well as from capacity premiums.

Thermal Power Stations

The main differences in revenues from energy sales and EBITDA from continuing operations are as follows:

(in millions of Canadian dollars)	Revenues from energy sales	EBITDA
THREE-MONTH PERIOD ENDED MARCH 31, 2011	26.3	11.5
Shutdown of Dolbeau power station	(3.9)	(1.5)
Pricing	1.7	1.7
Volume	(1.1)	(0.6)
Translation of self-sustaining subsidiaries (exchange rate effect)	(0.2)	-
Capacity premiums	(0.5)	(0.5)
Raw material costs	-	(1.8)
Maintenance	-	(0.5)
Other	(0.1)	0.1
THREE-MONTH PERIOD ENDED MARCH 31, 2012	22.2	8.4

Operating Results

Thermal power segment output and financial results declined in the first quarter of 2012. The decline is mainly attributable to the three Québec power stations and more specifically to the shutdown of operations at the Dolbeau wood-residue power station, lower output at the Senneterre wood-residue facility and higher raw material costs at the Kingsey Falls cogeneration plant.

Production

For the three-month period ended March 31, 2012, the thermal power segment generated 118,323 MWh of electricity, down 32.5% from 175,046 MWh for the same period of 2011. Excluding the Dolbeau facility, which was finally sold in April 2012, the thermal segment's electricity output declined 12.6%, due mainly to the Senneterre power station. Under the agreement Boralex entered into with Hydro-Québec at the end of 2011, the power station will be operated only six months per year in 2012 and 2013 from December to March and July and August. Accordingly, this power station was in operation during the first quarter of the current fiscal year but more frequent shutdowns were necessary than in 2011 to make adjustments and improvements to the new recovery and reclamation system for old bark piles introduced in 2011 to resolve forest residue supply problems in the region.

Electricity output at the two cogeneration power stations in Kingsey Falls, Québec and Blendecques, France were maintained at a level comparable to last year. Steam output also remained relatively stable, totalling 344,973 thousand pounds compared with 353,659 thousand pounds in 2011.

Revenues and EBITDA

Segment revenues totalled $22.2 million compared with $26.3 million last year, but were stable excluding the $3.9 million shortfall resulting from the shutdown of the Dolbeau power station. The increase in the average selling price generated additional revenues of $1.7 million, primarily from higher steam and electricity selling prices at the two cogeneration facilities and to a lesser extent from the indexing of electricity selling prices at the Senneterre power station. The higher selling prices offset the impact of declines in output and capacity premiums at the Senneterre facility and to a lesser extent the unfavourable impact of exchange rate fluctuations between the Canadian dollar and the euro.

EBITDA amounted to $8.4 million compared with $11.5 million last year. Excluding the Dolbeau power station, EBITDA fell 13.9% due to the following main factors:

- A $1.7 million increase in raw material costs, owing primarily to less favourable terms for natural gas purchases at the Kingsey Falls power station since the initial contract ended in October 2011;
- A $1.1 million combined negative impact mainly attributable to lower output and capacity premiums at the Senneterre power station; and
- An aggregate $0.5 million increase in maintenance expenses at the Senneterre and Kingsey Falls power stations.

These unfavourable factors were considerably offset by the $1.7 million positive price impact mentioned above and the non-recurrence of certain expenses.

Outlook

Since 2011, Boralex has considerably scaled back the relative weight of the thermal power segment in its energy portfolio, more specifically in the wood-residue sub-segment which is experiencing constraints relating to raw material procurement. While thermal energy is not a preferred development target under Boralex's growth strategy, the Corporation is still open to business opportunities that arise in the sector, provided the assets are covered by long-term power sales and raw material supply contracts, and meet Boralex's market position and performance objectives.

Canada

An agreement recently entered into between Hydro-Québec and Boralex will see the Senneterre wood-residue power station in Québec operate only six months a year in 2012 and 2013. Given the terms of the agreement, Boralex does not expect the power station's results to be affected, provided the facility operates at the projected level. One of the main objectives for the upcoming quarter is to optimize the recovery and reclamation system for old bark piles and to further improve yields.

In Kingsey Falls, our natural gas cogeneration facility's power sales contract with Hydro-Québec is due to expire in November 2012. In light of prevailing electricity market prices, management deems it unlikely that the contract will be renewed in the near future. Management is currently assessing the power station's options based on the needs expressed by Hydro-Québec and its industrial client. Moreover, the Kingsey Falls power station's steam sales contract is also set to expire in 2012 and will have to be renegotiated if renewed. Upon entering into the contract, the client chose an indexing method partially based on the price of certain oil products. Given considerable volatility in oil prices over the past few years, the price of steam has fluctuated significantly. Boralex entered into financial swaps in 2010 and 2011 to partially fix the price of steam sold and to fix the price of natural gas purchases until November 30, 2012.

In April 2012, Hydro-Québec initiated a request for qualifications to short-list candidates to provide Hydro-Québec Distribution with electrical power to offset the intermittent and unstable nature of the wind power output to the grid. This request for qualifications, which is open until June 1, 2012, lays the groundwork for an eventual request for proposals. Since Boralex believes its Kingsey Falls cogeneration power station may qualify for this new program, the Corporation intends to tender a submission under the request for qualifications. If it qualifies to proceed to the next phase, Boralex will subsequently decide whether to tender a bid under an eventual official request for proposal based on various economic factors.

France

The power sales contract at the Blendecques natural gas power station is due to expire in December 2013. Management is assessing various scenarios for this facility, including making a series of investments to secure a new contract with EDF covering a potential 12-year term. We recall that since 2005, market conditions have prompted the power station to operate its cogeneration equipment for the five-month winter period only, from November 1 to March 31. That said, the Blendecques natural gas power station provides a steady stream of profits and cash flows for Boralex, particularly given that fluctuations in selling prices are generally offset by opposite fluctuations in raw material costs.

Solar Power Station

(in millions of Canadian dollars)	Revenues from energy sales	EBITDA
THREE-MONTH PERIOD ENDED MARCH 31, 2011	-	-
Power station commissioned	0.6	0.5
THREE-MONTH PERIOD ENDED MARCH 31, 2012	0.6	0.5

Operating Results

As Boralex's first solar power station in the south of France was commissioned in mid-June 2011, it made a full contribution to results in the first quarter of fiscal 2012. Winter is the period the least favourable for productivity at these facilities which generate the greatest portion of their revenues in spring and summer, which are Boralex's second and third quarters. Nonetheless, the solar power station continued to meet management's expectations, making a solid contribution to consolidated results. For the first quarter of 2012, the facility generated 1,329 MWh of electricity as well as EBITDA of $0.5 million on revenues of $0.6 million, which amounts to an EBITDA margin of 83.3%.

We note that for the approximately 9.5 month period ended March 31, 2012 since its commissioning, Boralex's first solar power station produced 4,556 MWh of electricity, and generated EBITDA of $1.8 million on revenues of $2.1 million – a margin of 85.7%.

Management believes that the profitability recorded to date reflects the intrinsic quality of this first solar project with regard to the choice of technology, location and contractual benefits, as well the growing expertise of Boralex's team.

Outlook

On a full annual basis, Boralex expects its first solar power station to produce approximately an average 5,000 MWh of electricity for the first ten years, with an average EBITDA margin of approximately 85%.

Solar power is a growth industry with market rules and government directions to be worked out in the years to come. Boralex believes this clean and abundant source of renewable energy has great potential, particularly as technological breakthroughs gradually lower the cost of equipment and enhance performance.

In addition to the European market, more specifically France where Boralex has built a skilled team devoted to solar project development, the Corporation looks to the Ontario market with special interest. This province might be a good fit for Boralex to tap into this niche in Canada.

Cash Flows

(in thousands of Canadian dollars)	Three-month periods ended March 31 2012	2011
Net cash flows related to operating activities	34,540	32,623
Net cash flows related to investing activities	(3,535)	(1,632)
Net cash flows related to financing activities	(12,064)	(525)
Cash from discontinued operations	(5,713)	7,486
Translation adjustment on cash and cash equivalents	(514)	666
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,714	38,618

Operating Activities

During the first quarter of fiscal 2012, Boralex reported $21.8 million or $0.58 per share in cash flows from operations compared with $17.5 million or $0.46 per share for the same quarter of fiscal 2011. Excluding non-cash items from net earnings for the two comparative periods, mainly amortization expense, the $4.3 million increase resulted mostly from a $4.3 million increase in EBITDA, a $2.0 million change in interest paid and a $0.7 million change in foreign exchange loss, partially offset by $2.4 million in other gains in 2011.

The change in non-cash items related to operating activities generated cash of $12.7 million ($15.2 million in 2011), largely due to an $11.0 million decrease in *Trade and other receivables*. This change resulted mainly from the seasonality of the Corporation's business, invoicing without VAT in Europe since January 1, 2012 and time lags between receipts and payments.

Accordingly, continuing operations generated net cash flows totalling $34.5 million in the first quarter of fiscal 2012 compared with $32.6 million the previous year.

Investing Activities

For the three-month period ended March 31, 2012, investing activities required cash outlays of $3.5 million, net of cash inflows of $0.8 million arising primarily from the change in restricted cash. The main investments were as follows:

- A $1.9 million additional capital injection into the Joint Venture for Phase 1 of the Seigneurie de Beaupré Wind Farms;
- $1.5 million for the purchase of various property, plant and equipment, with the solar power station in France accounting for approximately half; and
- $1.0 million for various wind power projects in Québec, including the 69 MW Seigneurie de Beaupré wind farm, the two Témiscouata projects totalling 75 MW and the 25 MW community project in la Côte de Beaupré.

Financing Activities

For the three-month period ended March 31, 2012, financing activities resulted in cash outflows of $12.1 million for the repayment of Boralex's non-current debt, including $10.3 million for borrowings in France.

Discontinued Operations

During the first quarter of fiscal 2012, discontinued operations used cash of $5.7 million from the sale of RECs produced in 2011 by wood-residue thermal power stations sold in December 2011 net of income taxes related to the sale of the assets. For the corresponding period ended March 31, 2011, the discontinued operations had generated cash flows of $7.5 million from ongoing operations and the sale of thermal power station RECs.

Net Increase in Cash and Cash Equivalents

Total cash flows for the three-month period ended March 31, 2012 resulted in a $12.7 million increase in the balance of cash and cash equivalents. Accordingly, cash and cash equivalents amounted to $157.4 million as at March 31, 2012, compared with $144.7 million as at December 31, 2011.

TO SUM UP,

while no significant investing or financing activities were carried out in the first quarter of fiscal 2012, the period was highlighted by significant cash flows generated from operations, which further strengthened the Corporation's cash position. This performance, which has been sustained from one quarter to another, clearly shows the benefits of Boralex's positioning strategy adopted in 2008 to build a more stable operational base with greater added value covered by long-term power sales contracts that can generate greater and more steady cash flows. Proceeds from the recent sale of less strategic assets combined with Boralex's solid self-financing capacity will continue to leverage the Corporation's operations in its preferred markets, particularly wind power.

Financial Position

Key items in Boralex's statement of financial position did not change significantly between December 31, 2011 and March 31, 2012. The main changes were as follows:

- Current assets – A $12.7 million increase in cash and cash equivalents due to Boralex's self-financing capacity and an $11.0 million decrease in *Trade and other receivables* due to seasonality, invoicing without VAT in Europe since January 1, 2012 and time lags between receipts;
- Non-current assets – A $10.4 million decrease in the carrying amount of property, plant and equipment after amortization, a $9.7 million increase in Boralex's interest in the Joint Venture, including an additional capital injection of $1.9 million by the Corporation and a $7.8 million change in the Joint Venture's interest rate financial swaps;
- Current liabilities – an $8.6 million decrease in the current income tax liability following significant instalments paid in the first quarter of 2012;
- Non-current liabilities – a $9.1 million decrease in non-current debt.

Assets

Boralex's assets remained stable during the first quarter, totalling $1,175.9 million as at March 31, 2012 compared with $1,176.9 million as at December 31, 2011. Current assets increased by a net $1.3 million due mainly to higher cash and cash equivalents, partly offset by lower trade and other receivables. Non-current assets fell by $2.2 million following the decrease in the carrying amount of property, plant and equipment mentioned above, part of which was offset by Boralex's increased share in the Joint Venture.

Working Capital

As at March 31, 2012, the Corporation's working capital amounted to $132.9 million with a ratio of 2.48:1 compared with $120.0 million and a ratio of 2.18:1 as at December 31, 2011. This increase stems primarily from the increase in the Corporation's cash resources and the change in the current income tax liability which was partially offset by the decrease in trade and other receivables.

Total Debt and Equity

As at March 31, 2012, the Corporation's total debt, consisting of non-current debt and its current portion and the liability component of convertible debentures, amounted to $718.2 million compared with $729.5 million as at December 31, 2011. Non-current debt (including its current portion) decreased by $12.1 million following repayments for the period. As at March 31, 2012 and December 31, 2011, note that 40% and 15% of non-current debt was contracted in Europe and the U.S., respectively.

Net debt, as defined under *Non-IFRS Measures*, amounted to $343.5 million as at March 31, 2012 compared with $369.8 million as at December 31, 2011. Between December 31, 2011 and March 31, 2012, total equity rose by $13.8 million to $342.7 million from $328.9 million following net earnings of $7.1 million attributable to shareholders generated during the quarter and the net favourable change in *Other comprehensive loss* stemming mainly from the change in the fair value of the Joint Venture's financial swaps.

As a result, the net debt ratio, as defined under *Non-IFRS Measures*, improved to 37.5% as at March 31, 2012 from 39.8% as at December 31, 2011.

Information about the Corporation's Equity Instruments

As at March 31, 2012, Boralex's capital stock consisted of 37,726,843 Class A shares issued and outstanding (37,726,427 as at December 31, 2011) and the number of stock options outstanding was 1,720,636, of which 832,359 were exercisable. During the first quarter of 2012, 416 shares were issued in connection with the conversion of 52 debentures. As at March 31, 2012, Boralex had 2,448,606 issued and outstanding convertible debentures (2,448,658 as at December 31, 2011).

From April 1, 2012 to May 8, 2012, no new shares were issued on exercise of stock options and no new shares were issued in connection with a debenture conversion. During this period, Boralex repurchased nil Class A shares under its normal course issuer bid.

Related Party Transactions

The Corporation has entered into a management agreement with an entity controlled by Bernard Lemaire, one of Boralex's directors and officers, and his family. For the first quarter of 2012, revenues from this agreement totalled $0.1 million ($0.1 million in 2011).

The Kingsey Falls thermal natural gas power station has a steam sales contract with Cascades. For the three-month period ended March 31, 2012, revenues from Cascades totalled $5.3 million ($4.6 million in 2011).

In June 2011, in connection with Phase 1 of the Seigneurie de Beaupré Wind Farms, the Corporation entered into a partnership agreement with a subsidiary of Gaz Métro L.P. and created the joint venture of which each party owns 50%. During the three-month period ended March 31, 2012, the Corporation's share in the Joint Venture's results amounted to a $0.1 million pre-tax gain. In addition, $0.4 million in salaries was charged back to the Joint Venture in connection with construction of the wind farm.

Outlook and Development Objectives

Excluding the shares of its partners, Boralex now has a contracted installed capacity of over 700 MW. Of this amount, already operational assets belonging to Boralex have an installed capacity of 472 MW with 96% covered by contracts while its share of various development projects with long-term contracts amounts to approximately 250 MW. Boralex's goal is to own total contracted capacity of 1,250 MW within five years, with 900 MW in operation and the remaining portion under development.

Equipped with the proceeds of recent assets sales in the U.S. and drawing on its European partner, Cube, Boralex is energetically pursuing its acquisition search in Canada and Europe, primarily targeting renewable energy assets already in operation or projects in advanced development stages, provided they are covered by long-term power contract to yield the Corporation steady and predictable cash flows. Management believes that the current weakness in the world economy may prompt some energy asset developers or operators to auction off a portion of their assets to finance other operations. Boralex intends to capitalize on such opportunities and has already identified a number of them.

While maintaining a continuous technological watch with a focus on the North American market and certain European countries, Boralex is targeting the following market and geographical segments:

- The wind power segment, primarily in Québec, Ontario and France;
- The hydroelectric segment in Québec and British Columbia; and
- The solar power segment in Ontario and France.

To support its growth projects and maintain current and future operational undertakings, Boralex will continue to strengthen its business model by:

- Maintaining comprehensive in-house expertise in developing and operating renewal energy production assets, supported by leading-edge management tools; and
- Assuring sound capital management and retaining sufficient financial flexibility to seize potential growth opportunities and ensure uninterrupted access to capital markets.

TO SUM UP,

Boralex intends to further build its reputation as a developer and operator of renewable energy, known for above-average growth in operations and earnings in its industry. To meet its growth goals, Boralex will remain a solid and innovative growth company, driven by clear objectives and a long-term vision for its sources of production, its target markets and its approach to project development.

Financial Instruments

Foreign Exchange Risk

Generally, as regards operating cash flows generated by its foreign subsidiaries, the Corporation is not significantly exposed to currency fluctuations, as these subsidiaries are self-sustaining foreign operations and typically keep liquid assets in their country of origin to fund continued development. However, the Corporation does not anticipate any short-term capital expenditures to expand its U.S. asset base. In light of the foregoing and due to excess cash generated by its U.S. subsidiaries, the Corporation is currently studying a certain number of medium-term hedging strategies and intends to implement the selected strategy over the next few quarters.

Moreover, in connection with Canadian project development, certain future outlays may be in foreign currencies. Where applicable, the Corporation's objective is to protect its anticipated return on equity by purchasing hedging instruments to eliminate volatility in expected outlays and, in turn, stabilize significant costs such as turbines.

Price Risk

To stabilize its natural gas supply costs, the Corporation entered into a commodity swap contract to cover 90% of the Kingsey Falls power station's natural gas needs from November 1, 2011 through November 30, 2012. This agreement covers the commodity price of the natural gas molecule and its delivery. As at March 31, 2012, the unfavourable fair value of this contract amounted to $5.5 million.

To partially stabilize the selling price of steam produced by the Kingsey Falls power station, the Corporation entered into a hedging contract to fix the selling price index on 50% of the steam sold to its client. This contract covers a two-year period, from December 1, 2010 to November 30, 2012. As at March 31, 2012, the unfavourable fair value of this contract amounted to $1.6 million.

All of these contracts qualify for hedge accounting.

Interest Rate Risk

As at March 31, 2012, approximately 35% of non-current debt issued bears interest at variable rates. A sharp increase in interest rates in the future could affect the liquid assets available for the Corporation's development projects. However, since the Corporation uses interest rate swaps, its exposure to interest rate fluctuations is reduced to only 3% of total debt. As at March 31, 2012, the nominal balance of these swaps stood at $289.0 million (€123.3 million and $125.0 million) while their unfavourable fair value was $34.3 million (€11.6 million and $18.9 million).

The Corporation does not plan to sell these instruments, since they were entered into to reduce the Corporation's risk related to interest rate fluctuations. Therefore, the fact that fair value is unfavourable only indicates that forward interest rates have fallen and has no bearing on the effectiveness of the instrument as part of the Corporation's risk management strategy.

All of these contracts qualify for hedge accounting.

Commitments and Contingencies

Commitments and contingencies are discussed in the MD&A section of the Corporation's annual report for the fiscal year ended December 31, 2011.

Risk Factors and Uncertainties

Risk Factors

Boralex has not observed any significant changes regarding the risks to which it is subject, and which are discussed under *Risk Factors and Uncertainties* in Boralex's annual MD&A for the year ended December 31, 2011.

Main Sources of Uncertainty Relating to Management's Key Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and any required adjustments are reported in the statement of earnings for the period in which they become known. Items for which actual results may differ materially from these estimates are discussed in the audited annual consolidated financial statements of the Corporation for the year ended December 31, 2011.

Internal Controls and Procedures

In accordance with National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*, disclosure controls and procedures have been designed to provide reasonable assurance that the information that must be presented in Boralex's interim and annual reports is accumulated and communicated to management on a timely basis, including the Chief Executive Officer and the Chief Financial Officer, so that appropriate decisions can be made regarding disclosure. Internal control over financial reporting has also been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of Boralex's disclosure controls and procedures as of December 31, 2011, as well as the effectiveness of Boralex's internal control over financial reporting as of the same date and have concluded that they are adequate and effective.

During the three-month period ended March 31, 2012, no changes were made to internal control over financial reporting or disclosure controls and procedures that have materially affected, or are reasonably likely to materially affect, internal controls and procedures.

Subsequent Events

In the fourth quarter of 2011, the Corporation received an offer from Resolute Forest Products to purchase the Dolbeau power station. The sale transaction was completed on April 18, 2012 for a cash consideration of $5 million with immediate transfer of possession.

On April 4, 2012, the Corporation completed the sale of a wind power development project in Italy for a consideration of €1.5 million ($2.0 million).

Accordingly, in connection with these two transactions, a $0.8 million impairment loss on property, plant and equipment and intangible assets was recognized as at March 31, 2012 to reduce the carrying amount of these assets to their recoverable amount.

Consolidated Financial Statements

Consolidated Statements of Financial Position

(in thousands of Canadian dollars) (unaudited)	Note	As at March 31, 2012	As at December 31, 2011
ASSETS			
Cash and cash equivalents		157,417	144,703
Restricted cash		17,528	18,288
Trade and other receivables		39,515	50,500
Inventories		3,492	3,573
Available-for-sale financial asset		2,144	2,208
Prepaid expenses		2,566	2,137
CURRENT ASSETS		222,662	221,409
Property, plant and equipment		632,676	643,047
Energy sales contracts		96,000	97,705
Water rights		111,103	111,844
Goodwill		38,063	38,063
Other intangible assets		7,173	5,285
Interest in the Joint Venture	4	55,014	45,266
Other non-current assets		13,203	14,236
NON-CURRENT ASSETS		953,232	955,446
TOTAL ASSETS		1,175,894	1,176,855
LIABILITIES			
Trade and other payables		37,873	34,209
Current portion of debt	5	23,676	26,659
Current income tax liability		2,216	10,776
Other current financial liabilities	11	26,025	29,757
CURRENT LIABILITIES		89,790	101,401
Non-current debt	5	470,440	479,525
Convertible debentures	6	224,036	223,347
Deferred income tax liability		29,624	26,031
Other non-current financial liabilities	11	15,373	14,273
Other non-current liabilities		3,918	3,400
NON-CURRENT LIABILITIES		743,391	746,576
TOTAL LIABILITIES		833,181	847,977
EQUITY			
Equity attributable to shareholders		335,419	321,764
Non-controlling interests		7,294	7,114
TOTAL EQUITY		342,713	328,878
TOTAL LIABILITIES AND EQUITY		1,175,894	1,176,855

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Earnings

(in thousands of Canadian dollars, except per share amounts) (unaudited)	Note	Three-month periods ended March 31 2012	2011
REVENUES			
Revenues from energy sales		57,451	57,266
Other income		150	152
		57,601	57,418
COSTS AND OTHER EXPENSES			
Operating expenses		19,464	21,331
Administrative		4,167	3,974
Development		671	884
Amortization		13,935	13,851
Other gains		-	(2,377)
Impairment of property, plant and equipment and intangible assets	14	823	-
		39,060	37,663
OPERATING INCOME		18,541	19,755
Financing costs	8	12,103	11,975
Foreign exchange loss		121	1,537
Net loss (gain) on financial instruments		(337)	313
EARNINGS BEFORE THE FOLLOWING ITEMS		6,654	5,930
Share in earnings of the Joint Venture	4	(43)	-
Income tax expense		1,759	1,971
NET EARNINGS FROM CONTINUING OPERATIONS		4,938	3,959
Net earnings from discontinued operations	9	2,323	3,108
NET EARNINGS		7,261	7,067
NET EARNINGS ATTRIBUTABLE TO:			
Shareholders of Boralex		7,149	7,011
Non-controlling interests		112	56
NET EARNINGS		7,261	7,067
NET EARNINGS ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX:			
Continuing operations		4,826	3,903
Discontinued operations		2,323	3,108
		7,149	7,011
BASIC NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX:			
Continuing operations		$0.13	$0.11
Discontinued operations		$0.06	$0.08
	10	$0.19	$0.19
DILUTED NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX:			
Continuing operations		$0.12	$0.10
Discontinued operations		$0.06	$0.08
	10	$0.18	$0.18

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars) (unaudited)	Note	Three-month periods ended March 31 2012	2011
NET EARNINGS		7,261	7,067
OTHER COMPREHENSIVE INCOME (LOSS)	7		
Translation adjustments			
Unrealized foreign exchange gain (loss) on translation of financial statements of self-sustaining foreign operations		(1,385)	347
Cash flow hedges			
Change in fair value of financial instruments		(1,548)	1,042
Hedging items realized and recognized in net earnings		4,139	1,093
Hedging items realized and recognized in statement of financial position		-	120
Taxes		(413)	(688)
Cash flow hedges – Joint Venture			
Change in fair value of financial instruments		7,762	-
Taxes		(2,064)	-
Available-for-sale financial asset			
Change in fair value of an available-for-sale financial asset		(64)	1,378
Items realized and recognized in net earnings		-	(624)
Discontinued operations		-	(2,021)
Total other comprehensive income		6,427	647
COMPREHENSIVE INCOME		13,688	7,714
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Shareholders of Boralex		13,600	6,752
Non-controlling shareholders		88	962
COMPREHENSIVE INCOME		13,688	7,714
COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF BORALEX:			
Continuing operations		11,277	5,665
Discontinued operations		2,323	1,087
		13,600	6,752

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

	Equity attributable to shareholders							Three-month period ended March 31 2012
(in thousands of Canadian dollars) (unaudited)	Capital stock	Equity component of convertible debentures	Contributed surplus	Retained earnings	Other comprehensive loss (note 7)	Total	Non-controlling interests	Total equity
Balance as at January 1, 2012	222,758	14,379	6,106	144,501	(65,980)	321,764	7,114	328,878
Net earnings	-	-	-	7,149	-	7,149	112	7,261
Other comprehensive income (loss)	-	-	-	-	6,451	6,451	(24)	6,427
Comprehensive income	-	-	-	7,149	6,451	13,600	88	13,688
Conversion of convertible debentures	5	-	-	-	-	5	-	5
Stock option expense	-	-	50	-	-	50	-	50
Contribution of non-controlling interest	-	-	-	-	-	-	92	92
Balance as at March 31, 2012	222,763	14,379	6,156	151,650	(59,529)	335,419	7,294	342,713

	Equity attributable to shareholders							Three-month period ended March 31 2011
(in thousands of Canadian dollars) (unaudited)	Capital stock	Equity component of convertible debentures	Contributed surplus	Retained earnings	Other comprehensive loss (note 7)	Total	Non-controlling interests	Total equity
Balance as at January 1, 2011	222,853	14,488	5,028	141,693	(24,705)	359,357	8,332	367,689
Net earnings	-	-	-	7,011	-	7,011	56	7,067
Other comprehensive income (loss)	-	-	-	-	(259)	(259)	906	647
Comprehensive income (loss)	-	-	-	7,011	(259)	6,752	962	7,714
Conversion of convertible debentures	17	-	-	-	-	17	-	17
Stock option expense	-	-	161	-	-	161	-	161
Balance as at March 31, 2011	222,870	14,488	5,189	148,704	(24,964)	366,287	9,294	375,581

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars) (unaudited)	Note	Three-month periods ended March 31 2012	2011
Net earnings attributable to shareholders of Boralex		7,149	7,011
Less: Net earnings from discontinued operations		2,323	3,108
Net earnings from continuing operations attributable to shareholders of Boralex		4,826	3,903
Financing costs		12,103	11,975
Interest paid		(10,354)	(12,402)
Income tax expense		1,759	1,971
Income taxes paid		(1,696)	(1,441)
Non-cash items in earnings:			
Amortization		13,935	13,851
Other gains		-	(2,377)
Impairment of property, plant and equipment and intangible assets		823	-
Net loss (gain) on financial instruments		(337)	313
Share in earnings of the Joint Venture		(43)	-
Other		833	1,660
		21,849	17,453
Change in non-cash items related to operating activities		12,691	15,170
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES		34,540	32,623
Additions to property, plant and equipment		(1,495)	(10,498)
Change in restricted cash		760	9,412
Increase in interest in the Joint Venture	4	(1,858)	-
Development projects		(1,010)	(593)
Other		68	47
NET CASH FLOWS RELATED TO INVESTING ACTIVITIES		(3,535)	(1,632)
Decrease in bank loans and overdraft		-	(201)
Net increase in non-current debt		-	11,737
Repayments on non-current debt		(12,076)	(12,061)
Other		12	-
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES		(12,064)	(525)
Cash from discontinued operations		(5,713)	7,486
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS		(514)	666
NET INCREASE IN CASH AND CASH EQUIVALENTS		12,714	38,618
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD		144,703	92,650
CASH AND CASH EQUIVALENTS – END OF PERIOD		157,417	131,268

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

As at March 31, 2012

(Tabular amounts are in thousands of Canadian dollars, unless otherwise specified.) (unaudited)

Note 1.

Incorporation and Nature of Business

Boralex Inc. and its subsidiaries ("Boralex" or the "Corporation") operate mainly as a private producer of energy. The Corporation has interests in 21 wind power stations, 14 hydroelectric power stations, three thermal power stations and a solar power facility for a total capacity of nearly 500 megawatts ("MW")*. The Corporation also operates two hydroelectric power stations on behalf of an entity controlled by a director and officer of the Corporation. The generated power is sold mainly in Canada, the United States and France.

The Company is incorporated under the *Canada Business Corporations Act*. Boralex's head office is located at 36 Lajeunesse St., Kingsey Falls, Québec, Canada and its shares and convertible debentures are listed on the Toronto Stock Exchange ("TSX").

*(*The data expressed in MW and MWh contained in notes 1, 9, 12 and 13 have not been reviewed by the auditor.)*

Note 2.

Basis of Presentation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board ("IASB"), including International Accounting Standards ("IAS") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements, and IAS 34, *Interim Financial Reporting*. The accounting policies followed in the unaudited interim condensed consolidated financial statements are the same as those applied in the audited annual consolidated financial statements of the Corporation for the year ended December 31, 2011. The Corporation has consistently applied the same accounting policies for all of the periods presented. These interim financial statements do not constitute a complete set of financial statements, as the Corporation does not present a summary of significant accounting policies. To avoid repetition of previously reported information, the Corporation deemed it unnecessary to include such information and, therefore, readers should be aware that these financial statements constitute a condensed set of financial statements in accordance with IAS 34. The unaudited interim condensed consolidated financial statements should be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended December 31, 2011.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. These areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2011.

The Board of Directors approved the financial statements on May 8, 2012.

Note 3.

Future Changes in Accounting Policies

IFRS 7, *Consolidated Financial Statements* (Revised 2011)
IAS 32, *Separate Financial Statements* (Revised 2011)

In December 2011, the IASB issued a revised version of IFRS 7, *Financial Instruments: Disclosures*, to include requirements to disclose data on a gross and net settlement basis for financial instruments that qualify for offset in the statement of financial position and financial instruments subject to master netting arrangements. The revised IFRS 7 will be effective for the fiscal years of the Corporation beginning on or after January 1, 2013, with earlier adoption permitted. Concurrent with the revisions to IFRS 7, the IASB also issued a revised version of IAS 32, *Financial Instruments: Presentation*, to clarify the existing requirements for offsetting financial instruments in the balance sheet. The revised IAS 32 will be effective for the fiscal years of the Corporation beginning on or after January 1, 2014, with earlier adoption permitted. The Corporation has not yet assessed the impact of adopting these standards on its consolidated financial statements.

Note 4.

Interest in the Joint Venture

In June 2011, in connection with the Seigneurie de Beaupré wind power 2 and 3 project, the Corporation entered into a partnership agreement with a subsidiary of Gaz Métro L.P. and created the joint venture Seigneurie de Beaupré Wind Farms 2 and 3, General Partnership (the "Joint Venture"), of which each party owns 50%. Under the agreement, all expenditures are made jointly and all earnings, costs, expenses, liabilities, obligations and risks resulting from the Joint Venture are shared jointly but not severally. The Corporation's interest in the Joint Venture is accounted for using the equity method. The Joint Venture's year-end date is December 31.

	Three-month period ended March 31 2012	Twelve-month period ended December 31 2011
Balance – beginning of period	45,266	-
Capital contribution	-	6,012
Cash contribution	1,858	52,949
Share in earnings (loss)	96	(205)
Share in comprehensive income (loss)	7,762	(13,461)
Other	32	(29)
Balance – end of period	55,014	45,266

The Corporation's share of current assets, non-current assets, current liabilities, non-current liabilities and expenses under its interest in the Joint Venture is detailed as follows:

	As at March 31, 2012	As at December 31, 2011
Current assets	6,424	8,260
Non-current assets	73,457	71,131
Total assets	79,881	79,391
Current liabilities	7,888	8,973
Non-current liabilities	16,982	25,123
Total liabilities	24,870	34,096
Net assets	55,011	45,295

	Three-month periods ended March 31,	
	2012	2011
Total expenses	(96)	-
Total earnings for the period	96	-

Note 5.
Non-current Debt

	Maturity	Rate[1]	As at March 31, 2012	As at December 31, 2011
Master agreement – wind farms (France)	2017-2022	5.02	170,429	175,075
Term loan payable – Nibas wind farm (France)	2016	5.00	6,102	6,350
Capital leases (France)	2012-2015	4.71	4,067	4,580
Term loan payable – Ocean Falls power station	2024	6.55	10,579	10,722
Term loan payable – Thames River wind farms	2031	7.05	178,126	179,628
Canadian senior secured notes	2014	6.63	36,831	37,141
U.S. senior secured notes	2013	6.23	74,792	76,597
Term loan payable – solar power station (France)	2025-2028	3.97	16,775	20,065
Other debts	-	-	4,868	4,915
			502,569	515,073
Current portion of debt			(23,676)	(26,659)
Borrowing cost, net of accumulated amortization			(8,453)	(8,889)
			470,440	479,525

(1) Weighted-average rates adjusted to reflect the impact of interest rate swaps, where applicable.

Note 6.
Convertible Debentures

	Three-month period ended March 31 2012	Twelve-month period ended December 31 2011
Balance – beginning of period	223,347	220,824
Conversion of debentures	(5)	(258)
Amortization of convertible debenture issuance costs	128	464
Imputed interest on convertible debentures of 8.50%	566	2,317
Balance – end of period	224,036	223,347

As at March 31, 2012, Boralex had 2,448,606 issued and outstanding convertible debentures with a nominal value of $100 (2,448,658 as at December 31, 2011).

Note 7.

Other Comprehensive Income (Loss)

	Cash flow hedges						Three-month period ended March 31 2012
	Translation adjustments	Hedge – Interest rate	Hedge – Commodities	Hedge – Foreign currency	Cash flow hedges – Joint Venture	Available-for-sale financial asset	Total
Balance as at January 1, 2012	(8,698)	(41,439)	(4,032)	(300)	(9,882)	(1,629)	(65,980)
Change in fair value	(1,361)	1,987	(3,535)	-	7,762	(64)	4,789
Reclassification to net earnings	-	877	2,916	346	-	-	4,139
Taxes	-	(611)	244	(46)	(2,064)	-	(2,477)
Balance as at March 31, 2012	(10,059)	(39,186)	(4,407)	-	(4,184)	(1,693)	(59,529)

	Cash flow hedges						Three-month period ended March 31 2011
	Translation adjustments	Hedge – Interest rate	Hedge – Commodities	Hedge – Foreign currency	Available-for-sale financial asset	Discontinued operations	Total
Balance as at January 1, 2011	(14,533)	(9,853)	(828)	(785)	(727)	2,021	(24,705)
Change in fair value	(559)	2,987	(2,169)	224	1,378	(1,818)	43
Reclassification to net earnings	-	1,101	97	(105)	(624)	(464)	5
Reclassification to statement of financial position	-	-	-	120	-	-	120
Taxes	-	(1,334)	539	107	-	261	(427)
Balance as at March 31, 2011	(15,092)	(7,099)	(2,361)	(439)	27	-	(24,964)

Note 8.

Financing Costs

	Note	Three-month periods ended March 31 2012	2011
Interest on non-current debt, net of the impact of interest rate swaps	(a)	7,550	7,583
Interest on convertible debentures		4,687	4,593
Interest and other interest income		(923)	(740)
Amortization of borrowing costs		577	520
Other interest and banking fees		241	118
		12,132	12,074
Interest capitalized to assets		(29)	(99)
		12,103	11,975

(a) Interest expense under capital leases amounted to $54,000 for the three-month period ended March 31, 2012 ($87,000 for the three-month period ended March 31, 2011).

Note 9.

Discontinued Operations

On December 20, 2011, the Corporation closed the sale of its U.S. wood-residue thermal power stations, with a total installed capacity of 186 MW* for a consideration of $89,428,000 (US$86,798,000), plus the sale proceeds of RECs realized by these power stations during fiscal 2011. In addition, under the terms of the transaction, Boralex will collect 50% of REC sales proceeds in excess of the defined thresholds for 2012, 2013 and 2014, inclusively. For the three-month period ended March 31, 2012, the Corporation recognized $3,789,000 in proceeds from the sale of a portion of RECs generated by the power stations in fiscal 2011.

Note 10.

Net Earnings per Share

(a) Basic Net Earnings per Share

(in thousands of Canadian dollars, except per share amounts and number of shares)	Three-month periods ended March 31 2012	2011
Basic net earnings attributable to shareholders of Boralex	7,149	7,011
Less:		
Basic net earnings from discontinued operations	2,323	3,108
Basic net earnings from continuing operations attributable to shareholders of Boralex	4,826	3,903
Weighted average number of shares	37,726,689	37,766,491
Basic net earnings per share from continuing operations attributable to shareholders of Boralex	$0.13	$0.11
Basic net earnings per share from discontinued operations	$0.06	$0.08
Basic net earnings per share attributable to shareholders of Boralex	$0.19	$0.19

(b) Diluted Net Earnings per Share

(in thousands of Canadian dollars, except per share amounts and number of shares)	Three-month periods ended March 31 2012	2011
Diluted net earnings attributable to shareholders of Boralex	10,430	10,226
Less:		
Diluted net earnings from discontinued operations	2,323	3,108
Diluted net earnings from continuing operations attributable to shareholders of Boralex	8,107	7,118
Weighted average number of shares	37,726,689	37,766,491
Dilutive effect of stock options	88,113	109,454
Dilutive effect of convertible debentures	19,589,001	19,612,000
Weighted average number of shares – diluted	57,403,803	57,487,945
Diluted net earnings per share from continuing operations attributable to shareholders of Boralex	$0.12	$0.10
Diluted net earnings per share from discontinued operations	$0.06	$0.08
Diluted net earnings per share attributable to shareholders of Boralex	$0.18	$0.18

The table below shows the items that could dilute basic net earnings per common share in the future, but that were not reflected in the calculation of diluted net earnings per common share due to their anti-dilutive effect:

	Three-month periods ended March 31 2012	2011
Stock options excluded due to their anti-dilutive effect	1,020,612	831,722

** Note 1.*

Note 11.
Financial Instruments

The fair value of the derivative financial instruments designated as cash flow hedges is as follows:

	As at March 31, 2012	As at December 31, 2011
OTHER CURRENT FINANCIAL LIABILITIES		
Financial swaps – commodities	7,102	6,780
Financial swaps – interest rates	18,923	22,977
	26,025	29,757
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Financial swaps – interest rates	15,373	14,273
	15,373	14,273

Note 12.
Seasonal and Other Cyclical Factors

The Corporation's operations and results are partly subject to seasonal cycles and other cyclical factors that vary by segment. Since nearly all of Boralex facilities have long-term indexed fixed-price power sales contracts, seasonal cycles mainly affect the total volume of power generated. Only four hydroelectric power stations in the U.S., accounting for only 4% of the Corporation's total installed capacity in operation, are not covered by long-term sales contracts.

Operating volumes at Boralex facilities are influenced by the following seasonal factors, depending on their specific power generation method.

Wind

For the 251 MW* of Boralex's assets currently in operation, wind conditions are usually more favourable in the winter, which occurs during Boralex's first and fourth quarters, both in France and Canada. However, in winter there is a greater risk of lower production caused by weather conditions, such as icing. In general, management estimates that approximately 60% of annual production in its wind power segment is generated in the first and fourth quarters and 40% in the second and third quarters.

Hydroelectricity

For Boralex's hydroelectric assets totalling 136 MW*, power output depends on water flow, which in Canada and the Northeastern U.S. tends to be at a maximum in spring and generally good in the fall, which are Boralex's second and fourth quarters. Historically, water flow tends to decrease in winter and summer. Note that apart from certain hydroelectric power stations whose water flow is regulated upstream, most of Boralex's hydroelectric facilities do not have reservoirs that would permit water flow regulation during the year.

* *Note 1.*

Thermal

Boralex owns and operates three thermal power stations for an aggregate 80 MW* of installed capacity. One power station, located in Senneterre, Québec is fuelled by wood-residue and is covered by a Hydro-Québec power sales contract with a remaining term of 11 years. An agreement was recently entered into between Hydro-Québec and Boralex under which the Senneterre power station will produce power six months per year during 2012 and 2013, between December and March and in July and August, which are the periods of peak demand. Given the terms of the agreement, Boralex does not expect the power station's results to be affected.

Boralex also operates two natural gas power stations, one in Kingsey Falls, Québec and the other in Blendecques, France. These power stations are covered by power sales contracts, and in addition, steam production is quite stable from quarter to quarter, as it is driven by client demand, which is relatively predictable and steady. Moreover, the Kingsey Falls power station in Québec entered into two advantageous hedging contracts in 2010 for a two-year period to index its steam selling price and fix its natural gas purchase price. The French natural gas cogeneration power station's long-term power sales contract with EDF contains a clause that caps electricity prices from April to October. When the cost of natural gas is 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 supplies its steam client from an auxiliary boiler. Accordingly, since 2005, the power station has operated its cogeneration equipment during the five months from November to March.

Solar

The Corporation's only solar power station (5 MW)* currently in operation is located in the south of France. For this facility, covered by a long-term power sales contract, sunlight conditions are usually more favourable in the spring and summer, which occur during Boralex's second and third quarters. In view of these weather conditions, management estimates that approximately 65% of the annual production at its solar power station will be generated in the second and third quarters and 35% in the first and fourth quarters, which favourably offsets the seasonal cycle of the Corporation's other operations.

In short, while Boralex's performance remains partially exposed to seasonal cycles and other cyclical factors, substantially all of its revenues are now derived from assets covered by fixed-price and price-indexed contracts, thereby mitigating their effect. The Corporation also capitalizes on solid diversification in its power generation sources and geographic positioning.

Note 13.

Segmented Information

The Corporation's power stations are grouped into four distinct operating segments—wind, hydroelectric, thermal and solar power. The Corporation operates under one reportable segment: power generation. The classification of these operating segments is based on the different cost structures relating to each of the four types of power stations. The same accounting rules are used for segmented information as apply to the consolidated accounts.

Following the sale of its five U.S. wood-residue thermal power stations, the Corporation redefined its operating segments. Previously, operations were grouped into five distinct segments. Wood-residue thermal power stations and natural gas thermal power stations have been combined in a single segment called *Thermal Power Stations*. The comparative data have been adjusted to reflect this change. In addition, the data related to discontinued operations have been excluded as they are reported on a separate line in the Consolidated Statement of Earnings.

The operating segments are presented according to the same criteria used to prepare the internal report submitted to the chief operating decision-maker, who allocates resources and assesses operating segment performance. The chief operating decision-maker is considered to be the President and Chief Executive Officer, who assesses segment performance based on production of electricity, revenues from energy sales and EBITDA.

EBITDA does not have a standardized meaning under IFRS; accordingly, it may not be comparable to similarly named measures used by other companies. Investors should not view EBITDA as an alternative measure to, for example, net earnings, or as a measure of operating results, which are IFRS measures.

* *Note 1.*

Note 13. Segmented information (Cont'd)

EBITDA is reconciled to the most comparable IFRS measure, namely, net earnings attributable to shareholders of Boralex, in the following table:

	Three-month periods ended March 31	
	2012	2011
Net earnings attributable to shareholders of Boralex	7,149	7,011
Net earnings from discontinued operations	(2,323)	(3,108)
Non-controlling interests	112	56
Income tax expense	1,759	1,971
Net loss (gain) on financial instruments	(337)	313
Foreign exchange loss	121	1,537
Financing costs	12,103	11,975
Impairment of property, plant and equipment and intangible assets	823	-
Other gains	-	(2,377)
Amortization	13,935	13,851
EBITDA	33,342	31,229

Information by Operating Segment

	Three-month periods ended March 31		Three-month periods ended March 31	
	2012	2011	2012	2011
	Power production (MWh)*		Revenues from energy sales	
Wind power stations	172,405	152,570	20,647	18,273
Hydroelectric power stations	163,095	145,004	13,986	12,732
Thermal power stations	118,323	175,046	22,242	26,261
Solar power station	1,329	-	576	-
	455,152	472,620	57,451	57,266
	EBITDA		Additions to property, plant and equipment	
Wind power stations	16,934	15,066	347	8,119
Hydroelectric power stations	10,644	9,076	189	174
Thermal power stations	8,395	11,532	66	1,159
Solar power station	495	-	692	951
Corporate and eliminations	(3,126)	(4,445)	201	95
	33,342	31,229	1,495	10,498

	As at March 31, 2012	As at December 31, 2011
Total assets		
Wind power stations	535,120	528,521
Hydroelectric power stations	366,784	366,099
Thermal power stations	101,758	101,683
Solar power station	19,593	23,586
Corporate	152,639	156,966
	1,175,894	1,176,855
Total liabilities		
Wind power stations	386,466	392,611
Hydroelectric power stations	142,438	143,439
Thermal power stations	32,951	29,581
Solar power station	17,083	21,043
Corporate	254,243	261,303
	833,181	847,977

* *Note 1.*

Note 13. Segmented information (Cont'd)

Information by Geographic Segment

	Three-month periods ended March 31		Three-month periods ended March 31	
	2012	2011	2012	2011
	Power production (MWh)*		Revenues from energy sales	
Canada	226,953	266,747	31,170	33,594
United States	113,472	100,035	8,403	7,786
France	114,727	105,838	17,878	15,886
	455,152	472,620	57,451	57,266
	EBITDA		Additions to property, plant and equipment	
Canada	17,327	17,091	365	6,962
United States	6,646	5,698	85	170
France	9,369	8,440	1,045	3,366
	33,342	31,229	1,495	10,498

	As at March 31, 2012	As at December 31, 2011
Total assets		
Canada	694,011	679,354
United States	200,573	209,003
France	281,310	288,498
	1,175,894	1,176,855
Non-current assets		
Canada	548,433	543,319
United States	151,782	156,631
France	253,017	255,496
	953,232	955,446
Total liabilities		
Canada	487,353	483,731
United States	111,980	122,827
France	233,848	241,419
	833,181	847,977

Note 14.

Subsequent Event

In the fourth quarter of 2011, the Corporation received an offer from Resolute Forest Products to purchase the Dolbeau power station. The sale transaction was completed on April 18, 2012 for a cash consideration of $5,000,000 with immediate transfer of possession.

On April 4, 2012, the Corporation completed the sale of a wind power development project in Italy for a consideration of €1,466,000 ($1,950,000).

Accordingly, in connection with these two transactions, an amount of $823,000 was recorded for an impairment of property, plant and equipment and intangible assets as at March 31, 2012 to reduce the carrying amount of these assets to their recoverable amount.

* *Note 1.*

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