



## Financial Results for Second Quarter 2010

Montréal, Québec, August 6, 2010 – Results for the second quarter of Boralex Inc. (“Boralex” or the “Corporation”), although impaired by the macro-economic environment, demonstrate the steady growth of profitability from the wind energy sector.

“The second quarter disappointing results do not affect in any way the growth prospects of Boralex. We continue to invest strongly in wind development of which 100 MW will be commissioned by December. These new assets will have a positive effect on our results over the coming years” says Mr. Patrick Lemaire, President and Chief Executive Officer. With respect to the proposed acquisition of the Boralex Power Income Fund, Mr. Lemaire noted that “this transaction would bring greater diversification to Boralex’s assets, notably with additional hydroelectric assets, but also by, increasing the number of capacity under long-term contracts; this would provide greater stability and predictability to our results.”

(in millions of dollars, except per share data)

	Three-month periods ended		Six-month periods ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
<i>As presented in the financial statements</i>				
Revenues from energy sales	<b>36.7</b>	41.8	<b>87.7</b>	99.0
EBITDA	<b>5.2</b>	12.9	<b>22.9</b>	33.9
Net earnings (net loss)	<b>(5.8)</b>	1.8	<b>(4.4)</b>	9.0
per share (basic and diluted)	<b>\$ (0.15)</b>	\$ 0.05	<b>\$ (0.12)</b>	\$ 0.24
Cash flows from operations	<b>3.9</b>	11.6	<b>19.4</b>	26.9
<i>Adjusted data<sup>1</sup></i>				
Adjusted EBITDA	<b>7.5</b>	12.9	<b>28.8</b>	33.2
Adjusted net earnings (net loss)	<b>(4.2)</b>	1.8	<b>1.3</b>	8.5
per share (basic and diluted)	<b>\$ (0.11)</b>	\$ 0.05	<b>\$ 0.03</b>	\$ 0.23

In the second quarter 2010, revenues were \$36.7 million, down 12.2% compared to the same period in 2009. The decrease stems mainly from the rise in the Canadian dollar versus the U.S. dollar and the euro. At a constant exchange rate, revenues for the second quarter would have been up 1.0% over the same period in 2009.

Earnings before interest, taxes, depreciation and amortization (EBITDA) stood at \$5.2 million for the second quarter, down \$7.7 million versus the second quarter 2009. This decrease is partly due to non-recurring expenses incurred by Boralex in connection with the offer to acquire the Fund, and to currency fluctuations and the difficult environment in the wood-residue segment which has notably put pressure on energy prices. All of these unfavourable elements eroded the contribution of \$3.2 million to EBITDA from the new wind farms commissioned earlier in the year. The Corporation thus ended the second quarter 2010 with a net loss of \$5.8 million (\$0.15 per share, basic and diluted) compared to net earnings of \$1.8 million (\$0.05 per share, basic and diluted) for the same period in 2009.

<sup>1</sup> Non-GAAP performance measure, refer to the reconciliation table at the end of this press release.

Second quarter 2010 results for the wind segment reflect the positive impact of Boralex's expansion strategy, with the segment reporting revenue of \$9.2 million from the sale of energy, and EBITDA of \$7.1 million, up 15.0% and 14.5% respectively versus the same period in 2009.

The hydroelectric segment, for the quarter ended June 30, 2010, recorded revenues from the sale of energy of \$2.3 million and EBITDA of \$1.2 million, compared to \$2.8 million and \$1.8 million for the second quarter 2009. The decrease is partly due to less favourable hydrology for the U.S. power stations, which generated 22% less power in the second quarter of 2010 versus the same period in 2009 and was down 13% compared to historical averages.

As predicted by management, the less favourable business context in the U.S. wood-residue segment related in particular to the termination of the tax credit program for the production of renewable energy and fewer benefits than previous years from forward power sales contracts, combined with the unfavourable impact of the rise in the Canadian dollar, had a negative impact on results. For the second quarter 2010, revenues from the sale of energy in the wood-residue segment amounted to \$22.9 million, down 19.1% compared to the same quarter in 2009. EBITDA was \$8.1 million in 2009 and \$4.4 million in 2010. "We are confident that the tax credit program for the production of renewable energy will be extended by the U.S. Congress. This decision and the economic recovery in the United States should improve the contribution of the wood-residue sector to the results," said Patrick Lemaire.

#### **About Boralex**

*Boralex is a major independent power producer whose core business is the development and operation of power stations that generate renewable energy. Employing over 300 people, the Corporation operates 28 power stations with a total installed capacity of 410 megawatts ("MW") in Canada, in the Northeastern United States and in France. In addition, the Corporation has, alone or with its European and Canadian partners, power projects under development that will add more than 300 MW of power, of which almost 100 MW will come online by the end of fiscal 2010. Boralex is distinguished by its diversified expertise and in-depth experience in three power generation segments – wind, hydroelectric and thermal. Boralex also holds a 23% interest in Boralex Power Income Fund, which has 10 power stations with a total installed capacity of 190 MW in Québec and the United States. These sites are managed by Boralex. Boralex shares are listed on the Toronto Stock Exchange under the ticker symbol BLX. More information is available at [www.boralex.com](http://www.boralex.com) or [www.sedar.com](http://www.sedar.com).*

*Certain statements contained in this press release, including those regarding future results and performance, are forward-looking statements based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the general impact of economic conditions, raw material price increases and availability, currency fluctuations, fluctuations in electricity selling prices, the Company's financing capacity, adverse changes in general market and industry conditions, as well as other factors listed in the Company's filings with different securities commissions.*

*The summarized financial statements included in this press release also contain certain financial measurements that are not recognized as Generally Accepted Accounting Principles of Canada (GAAP). To assess the operating performance of its assets and reporting segments, the Corporation uses earnings before interest, taxes, depreciation and amortization (EBITDA) and cash flows from operations as performance measurements. These measures are not defined under GAAP and do not have a standardized definition prescribed by GAAP. Therefore, they may not be comparable to similar measures presented by other companies. EBITDA corresponds to Operating income as defined in the summarized financial statements included with this press release. Cash flows from operations corresponds to cash flows from operating activities before changes in non-cash working capital items as disclosed in the consolidated statements of cash flows attached in this press release.*

The following table reconciles EBITDA and net earnings as reported in the financial statements with adjusted EBITDA and net earnings (net loss):

	EBITDA for the quarters ended		*Net earnings (net loss) for the quarters ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
(in thousands of dollars)				
<i>As reported in the financial statements</i>	5,242	12,942	(5,798)	1,817
Specific items:				
Professional fees incurred in connection with the offer to acquire the Fund	2,242	-	1,569	-
<i>Adjusted data</i>	7,484	12,942	(4,229)	1,817

\*Impact net of income taxes

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***For more information:***

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# Consolidated Balance Sheets

(in thousands of dollars) (unaudited)	AS AT JUNE 30, 2010	AS AT DECEMBER 31, 2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	49,755	37,821
Restricted cash	73,685	-
Accounts receivable	34,939	39,632
Future income taxes	544	422
Inventories	7,222	8,726
Prepaid expenses	2,812	2,537
Fair value of derivative financial instruments	5,894	-
	<b>174,851</b>	<b>89,138</b>
Investment	51,639	55,446
Property, plant and equipment	457,958	413,539
Power sales contracts	44,264	49,023
Other assets	44,791	56,621
	<b>773,503</b>	<b>663,767</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Bank loans and advances	-	12,291
Accounts payable and accrued liabilities	50,375	28,913
Income taxes	1,304	283
Current portion of long-term debt	31,213	24,273
	<b>82,892</b>	<b>65,760</b>
Long-term debt	319,709	206,116
Future income taxes	32,835	37,185
Fair value of derivative financial instruments	12,392	7,645
	<b>447,828</b>	<b>316,706</b>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS</b>		
Capital stock	222,694	222,694
Contributed surplus	4,980	4,295
Retained earnings	153,725	159,900
Accumulated other comprehensive loss	(62,800)	(46,859)
	<b>318,599</b>	<b>340,030</b>
Non-controlling interests	7,076	7,031
<b>Total equity</b>	<b>325,675</b>	<b>347,061</b>
	<b>773,503</b>	<b>663,767</b>

# Consolidated Statements of Earnings

(in thousands of dollars, except amounts per share and number of shares) (unaudited)	FOR THE THREE-MONTH PERIODS ENDED JUNE 30,		FOR THE SIX-MONTH PERIODS ENDED JUNE 30,	
	2010	2009	2010	2009
Revenues from energy sales	36,728	41,756	87,732	98,954
Renewable energy tax credits	-	3,488	-	6,976
Operating costs	24,966	29,201	53,462	68,854
	11,762	16,043	34,270	37,076
Share in earnings of the Fund	201	549	(1,260)	2,852
Management revenues from the Fund	1,523	1,369	3,279	2,749
Other income	155	153	454	1,658
	13,641	18,114	36,743	44,335
<b>OTHER EXPENSES</b>				
Management and operation of the Fund	1,314	1,208	2,819	2,337
Administrative	7,085	3,964	11,050	8,103
	8,399	5,172	13,869	10,440
<b>OPERATING INCOME</b>	5,242	12,942	22,874	33,895
Amortization	8,052	6,483	15,751	12,947
Foreign exchange loss (gain)	154	9	1,030	(35)
Net loss (gain) on financial instruments	220	(290)	(339)	(404)
Financing costs	3,123	3,448	8,883	6,867
Gain on sale of subsidiary	-	-	(774)	-
	11,549	9,650	24,551	19,375
<b>EARNINGS (LOSS) BEFORE INCOME TAXES (RECOVERY)</b>	(6,307)	3,292	(1,677)	14,520
Income taxes (recovery)	(321)	1,479	2,680	5,435
Net earnings (loss) including non-controlling interests	(5,986)	1,813	(4,357)	9,085
Non-controlling interests	188	4	(93)	(56)
<b>NET EARNINGS (LOSS) ATTRIBUTABLE TO SHAREHOLDERS</b>	(5,798)	1,817	(4,450)	9,029
Net earnings (loss) per Class A share (basic)	(0.15)	0.05	(0.12)	0.24
Net earnings (loss) per Class A share (diluted)	(0.15)	0.05	(0.12)	0.24
Weighted average number of Class A shares outstanding (basic)	37,740,921	37,740,921	37,740,921	37,740,921

# Consolidated Statements of Retained Earnings

(in thousands of dollars) (unaudited)	FOR THE SIX-MONTH PERIODS ENDED JUNE 30,	
	2010	2009
Balance – beginning of period	159,900	135,461
Net earnings (loss) for the period	(4,450)	9,029
Excess of purchase price paid for acquisition of minority interests	(1,725)	-
<b>Balance – end of period</b>	<b>153,725</b>	<b>144,490</b>

# Consolidated Statements of Comprehensive Loss

(in thousands of dollars) (unaudited)	FOR THE THREE-MONTH PERIODS ENDED JUNE 30,		FOR THE SIX-MONTH PERIODS ENDED JUNE 30,	
	2010	2009	2010	2009
<b>Net earnings (loss) for the period including non-controlling interests</b>	<b>(5,986)</b>	<b>1,813</b>	<b>(4,357)</b>	<b>9,085</b>
<b>Other comprehensive income (loss)</b>				
<b>TRANSLATION ADJUSTMENTS</b>				
Unrealized foreign exchange gain (loss) on translation of financial statements of self-sustaining foreign operations	2,928	(15,869)	(6,372)	(11,118)
Reclassification to net earnings (loss) of a realized foreign exchange loss (gain) related to the reduction of net investment in self-sustaining foreign operations	1,038	-	1,460	(65)
Share of cumulative translation adjustments of the Fund	694	(1,576)	216	(1,037)
Taxes	154	417	160	290
<b>CASH FLOW HEDGES</b>				
Change in fair value of financial instruments	(8,482)	2,474	(14,077)	9,200
Hedging items realized and recognized in net earnings	(2,159)	(6,083)	(3,378)	(12,760)
Hedging items realized and recognized in balance sheet	991	(1,164)	2,137	(2,261)
Taxes	3,136	1,279	3,913	1,237
	<b>(1,700)</b>	<b>(20,522)</b>	<b>(15,941)</b>	<b>(16,514)</b>
<b>Comprehensive loss for the period including non-controlling interests</b>	<b>(7,686)</b>	<b>(18,709)</b>	<b>(20,298)</b>	<b>(7,429)</b>
<b>Less: Comprehensive income (loss) for the period attributable to non-controlling interests</b>	<b>188</b>	<b>4</b>	<b>(93)</b>	<b>(56)</b>
<b>Comprehensive loss for the period attributable to shareholders</b>	<b>(7,498)</b>	<b>(18,705)</b>	<b>(20,391)</b>	<b>(7,485)</b>

# Consolidated Statements of Cash Flows

(in thousands of dollars) (unaudited)	FOR THE THREE-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	2010	2009	2010	2009
<b>OPERATING ACTIVITIES</b>				
Net earnings (loss)	(5,798)	1,817	(4,450)	9,029
Distributions received from the Fund	1,377	2,410	3,098	4,819
Adjustments for non-cash items				
Net loss (gain) on financial instruments	220	114	(339)	(1)
Share in earnings of the Fund	(201)	(549)	1,260	(2,852)
Amortization	8,052	6,483	15,751	12,947
Amortization of financing costs and monetization program expenses	213	735	3,131	1,507
Renewable energy tax credits	81	(850)	988	(1,717)
Gain on sale of subsidiary	-	-	(774)	-
Future income taxes	(603)	508	(552)	2,650
Other	545	909	1,307	518
	3,886	11,577	19,420	26,900
Change in non-cash working capital items	(5,696)	14,442	1,069	13,397
	(1,810)	26,019	20,489	40,297
<b>INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment				
– projects under construction	(41,825)	(24,551)	(58,013)	(29,784)
– power stations in operation	(1,748)	(3,434)	(6,268)	(4,963)
Change in restricted cash	20,602	-	(73,685)	-
Business acquisitions	-	(4,769)	-	(4,769)
Proceeds from sale of a subsidiary	-	-	878	-
Change in restricted funds	24	(1,520)	882	(1,541)
Development projects	(350)	(151)	(395)	(6,036)
Acquisition of minority interests	(1,751)	(968)	(1,751)	(968)
Other	549	(2,502)	1,504	(5,825)
	(24,499)	(37,895)	(136,848)	(53,886)
<b>FINANCING ACTIVITIES</b>				
Increase (decrease) in bank loans and advances	(7,865)	10,636	(12,291)	14,326
Increase in long-term debt	20,317	-	208,866	-
Payments on long-term debt	(1,357)	(4,266)	(60,774)	(10,957)
Financing costs	-	(219)	-	(219)
	11,095	6,151	135,801	3,150
<b>TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS</b>				
	(1,419)	(4,750)	(7,508)	(6,840)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(16,633)</b>	<b>(10,475)</b>	<b>11,934</b>	<b>(17,279)</b>
<b>CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD</b>	<b>66,388</b>	<b>62,391</b>	<b>37,821</b>	<b>69,195</b>
<b>CASH AND CASH EQUIVALENTS – END OF PERIOD</b>	<b>49,755</b>	<b>51,916</b>	<b>49,755</b>	<b>51,916</b>
<b>SUPPLEMENTAL INFORMATION</b>				
<b>CASH AND CASH EQUIVALENTS PAID FOR:</b>				
Interest	5,666	2,024	8,603	4,140
Income taxes	2,206	-	2,426	248

## SEGMENTED INFORMATION

The Corporation's power stations are grouped into four distinct segments: wind power, hydroelectric power, wood-residue thermal power and natural gas thermal power, and are engaged mainly in power generation. The classification of these segments is based on the different cost structures relating to each of the four types of power stations. The main accounting policies that apply to the operating segments are the same as those described in note 2 in the Fund's 2009 Annual Report.

The Corporation analyzes the performance of its operating segments based on the earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA is not a measure of performance under Canadian GAAP; however, management uses this measure to assess the operating performance of its segments. EBITDA corresponds to *Operating income*. Results for each segment are presented on the same basis as those of the Corporation.

The following table reconciles EBITDA with net earnings (loss):

	FOR THE THREE-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED JUNE 30,		ENDED JUNE 30,	
	2010	2009	2010	2009
Net earnings (loss)	(5,798)	1,817	(4,450)	9,029
Non-controlling interests	(188)	(4)	93	56
Income taxes	(321)	1,479	2,680	5,435
Gain on sale of subsidiary	-	-	(774)	-
Financing costs	3,123	3,448	8,883	6,867
Net gain on financial instruments	220	(290)	(339)	(404)
Foreign exchange loss (gain)	154	9	1,030	(35)
Amortization	8,052	6,483	15,751	12,947
EBITDA	5,242	12,942	22,874	33,895

## INFORMATION BY SEGMENT

	FOR THE THREE-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED JUNE 30,		ENDED JUNE 30,	
	2010	2009	2010	2009
<b>Power generation (MWh)</b>				
Wind farms	76,999	55,157	167,291	115,919
Hydroelectric power stations	34,301	41,066	74,610	76,732
Wood-residue thermal power stations	265,470	257,714	585,527	554,402
Natural gas thermal power station	77	30	22,507	22,642
	376,847	353,967	849,935	769,695
<b>Revenues from energy sales</b>				
Wind farms	9,230	8,018	20,643	17,101
Hydroelectric power stations	2,323	2,842	5,377	5,601
Wood-residue thermal power stations	22,896	28,338	53,111	66,520
Natural gas thermal power station	2,279	2,558	8,601	9,732
	36,728	41,756	87,732	98,954
<b>EBITDA</b>				
Wind farms	7,112	6,242	16,531	13,456
Hydroelectric power stations	1,182	1,785	3,055	3,494
Wood-residue thermal power stations	4,424	8,148	14,452	19,951
Natural gas thermal power station	(106)	(145)	1,932	1,366
Corporate and eliminations	(7,370)	(3,088)	(13,096)	(4,372)
	5,242	12,942	22,874	33,895
<b>Additions to property, plant and equipment</b>				
Wind farms	42,000	24,712	61,341	29,853
Hydroelectric power stations	199	719	415	719
Wood-residue thermal power stations	1,073	2,292	2,057	3,750
Natural gas thermal power station	6	6	9	28
Corporate and eliminations	295	256	459	397
	43,573	27,985	64,281	34,747

INFORMATION BY SEGMENT (CONT'D)

	AS AT JUNE 30, 2010	AS AT DECEMBER 31, 2009
<b>Total assets</b>		
Wind farms	481,527	363,644
Hydroelectric power stations	36,602	34,622
Wood-residue thermal power stations	134,855	138,014
Natural gas thermal power station	11,350	13,600
Corporate and eliminations	109,169	113,887
	<b>773,503</b>	<b>663,767</b>
<b>Property, plant and equipment</b>		
Wind farms	336,752	288,225
Hydroelectric power stations	25,552	25,758
Wood-residue thermal power stations	83,976	84,660
Natural gas thermal power station	5,732	7,150
Corporate and eliminations	5,946	7,746
	<b>457,958</b>	<b>413,539</b>

INFORMATION BY GEOGRAPHIC SEGMENT

	FOR THE THREE-MONTH PERIODS ENDED JUNE 30,		FOR THE SIX-MONTH PERIODS ENDED JUNE 30,	
	2010	2009	2010	2009
<b>Power generation (MWh)</b>				
United States	292,164	291,776	643,106	619,427
France	51,454	55,187	136,771	138,561
Canada	33,229	7,004	70,058	11,707
	<b>376,847</b>	<b>353,967</b>	<b>849,935</b>	<b>769,695</b>
<b>Revenues from energy sales</b>				
United States	24,433	30,373	56,570	70,977
France	8,152	10,576	22,585	26,833
Canada	4,143	807	8,577	1,144
	<b>36,728</b>	<b>41,756</b>	<b>87,732</b>	<b>98,954</b>
<b>EBITDA</b>				
United States	4,902	9,181	15,953	22,417
France	3,332	4,949	10,400	12,756
Canada	(2,992)	(1,188)	(3,479)	(1,278)
	<b>5,242</b>	<b>12,942</b>	<b>22,874</b>	<b>33,895</b>
<b>Additions to property, plant and equipment</b>				
United States	1,265	2,264	2,436	3,641
France	4,538	387	20,090	621
Canada	37,770	25,334	41,755	30,485
	<b>43,573</b>	<b>27,985</b>	<b>64,281</b>	<b>34,747</b>

	AS AT JUNE 30, 2010	AS AT DECEMBER 31, 2009
<b>Total assets</b>		
United States	165,479	179,494
France	253,625	254,142
Canada	354,399	230,131
	<b>773,503</b>	<b>663,767</b>
<b>Property, plant and equipment</b>		
United States	89,091	89,889
France	197,883	190,797
Canada	170,984	132,853
	<b>457,958</b>	<b>413,539</b>

## **SUBSEQUENT EVENTS**

### Transaction with the Fund

On May 3, 2010, Boralex and the Fund jointly announced that they have entered into a definitive support agreement, pursuant to which Boralex, through one of its wholly owned subsidiaries, has offered to acquire by way of a take-over bid (the "Offer") all of the issued and outstanding trust units in the capital of the Fund (the "Units") in exchange for \$5 cash equivalent value per Unit in the form of 6.25% Convertible Unsecured Subordinated Debentures of Boralex (the "Debentures"). Boralex has agreed to offer holders of Units ("Unitholders") a \$100 principal amount of Debentures for each 20 units held.

The special committee of independent trustees of Boralex Power Trust (the "Special Committee") and the Board of Trustees have unanimously determined that the Offer is fair to Unitholders other than Boralex and is in the best interest of the Fund and its Unitholders.

A take-over bid circular containing the full details of the Offer and other related documents was mailed to Unitholders on May 19, 2010.

The Offer is conditional on the tendering in response to the Offer of at least 66<sup>2/3</sup>% of the outstanding Units, and a majority of the Units not controlled by Boralex, the receipt of any necessary regulatory approvals and compliance with or waiver of other customary conditions.

Under the terms of the support agreement, the Fund has agreed that it will not solicit or initiate any competing third-party proposals. In the event that the transaction is not completed in certain circumstances, the Fund has agreed to pay Boralex a termination fee of approximately \$6,800,000.

On July 12, 2010, Boralex improved its Offer in light of changes in market conditions, by increasing the interest rate of the Debentures to 6.75% per year (instead of 6.25% per year) and offering a conversion price of \$12.50 (instead of \$17.00) per share of Boralex. The Offer had been extended until July 30, 2010 at 7:00 p.m. This improved Offer has been once again extended until August 13, 2010 at 7:00 p.m.

### Capital subscription in Europe

On July 6, 2010, the Corporation completed a €4,265,000 capital subscription by its European partner. The percentage of European operations held by this partner increased by 3.71% to 20.01%. Under the initial agreement entered into in December 2009, the partner had the option of subscribing to a capital increase of up to €33,000,000, of which €19,265,000 has been contributed to date.