



Boralex: Financial Results for Second Quarter of 2011

Montréal (Québec), August 5, 2011 – Boralex Inc. (“Boralex” or the “Corporation”) reported revenues totalling \$54.0 million in the second quarter of 2011, up 47.1% compared with the same period of 2010 owing to the expansion in its wind power segment and asset acquisitions.

(in millions of dollars, except per share amounts)

	Three-month periods ended June 30		Six-month periods ended June 30	
	2011	2010	2011	2010
Revenues from energy sales	54.0	36.7	136.0	87.7
EBITDA	21.7	5.4	59.5	23.2
Net earnings (loss)	(5.1)	(4.7)	1.9	(2.7)
per share (basic) in dollars	(0.14)	(0.12)	0.05	(0.07)
Cash flows from operations	8.9	5.3	33.0	19.9

During the second quarter, Boralex recorded earnings before interest, income taxes and amortization (“EBITDA”) of \$21.7 million, up \$16.3 million from the second quarter of 2010. This increase mostly results from the positive \$11.9 million contribution stemming from the addition of the ten power stations of the Boralex Power Income Fund (the “Fund”) and the \$5.4 million generated by the commissioning of new wind power facilities. For the three-month period ended June 30, 2011, the Corporation recorded a net loss of \$5.1 million or \$0.14 per share which compares to a net loss of \$4.7 million or \$0.12 per share at the same period in 2010. The increase in net loss is explained by the decline in operating income from U.S. wood-residue power stations and higher financing costs arising from the issuance of convertible debentures.

“Our results for the first half of fiscal 2011 show the growing positive impact of Boralex’s expansion strategy,” said Patrick Lemaire, President and CEO of Boralex. “The performance of the assets acquired from the Fund coupled with the growth of our wind power portfolio lessened the impact of difficult market conditions for U.S. wood-residue power stations and rising amortization and financing expenses resulting from Boralex’s recent expansion. These second quarter results were impacted by current economic conditions beyond our control,” added Mr. Lemaire.

“Boralex’s second quarter is usually its weakest of the year due to the seasonal nature of our operations, and 2011 was no exception,” stated Boralex Vice-President and CFO Jean-François Thibodeau. “The current state of the U.S. market and wind conditions below historical averages in France compounded the effect of this seasonal cycle on our operations during the last quarter,” indicated Mr. Thibodeau.

During the second quarter, Boralex commissioned its first solar power facility of 4.5 MW, on time and on budget.

Segmented quarterly results

The **wind** power segment continued to capitalize on the significant contribution of new wind power facilities and reported revenues and EBITDA for the second quarter of 2011 totalling \$15.2 million and \$12.0 million, respectively, representing increases of 65% and 69% compared with the same period of 2010. At the end of April, construction work began at the two first Seigneurie de Beaupré wind farms, in which Boralex holds a 50% stake. The Corporation and its partner expect to complete financing for the two projects by the end of 2011. Furthermore, in June 2011, the two community wind power projects developed by Boralex in conjunction with the Québec regional county municipalities of Témiscouata and La Côte-de-Beaupré both have been granted 20-year power sales contracts with Hydro-Québec Distribution.

In the **hydroelectric** segment, revenues for the second quarter of 2011 grew nearly sevenfold to \$16.0 million, with EBITDA reaching \$12.6 million—10.5 times higher than a year ago. The addition of the Fund's seven power stations coupled with favourable water flow conditions were behind the segment's good showing.

Boralex's **wood-residue** segment continued to weather difficult business conditions in the U.S., given currently low electricity free market selling prices and the shutdown of the Ashland power station after a sales agreement was not secured. Bear in mind that the second quarter is typically the weakest for Boralex's U.S. thermal power stations, which usually schedule periodic maintenance in the spring. Accordingly, for the three-month period ended June 30, 2011, the segment reported revenues totalling \$12.5 million, down \$10.4 million or 45.4% from \$22.9 million for the same period a year ago.

Lastly, revenues in the **natural gas** segment stood at \$10.1 million, up from \$2.3 million year over year, owing to the \$7.3 million contribution of the Canadian power station coupled with a \$0.5 million revenue boost from the French facility. Quarterly EBITDA was \$3.6 million, up \$3.7 million from the same period of 2010.

About Boralex

Boralex is a power producer whose core business involves developing and operating renewable energy power stations with a total installed capacity of more than 700 MW in Canada, the Northeastern United States and France. Boralex is also committed under power development projects, both independently and with European and Canadian partners, to add approximately 400 MW of power. With nearly 350 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.

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, volatility in electricity selling prices, the company's financing capacity, negative changes in general market conditions and regulations affecting the industry, 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 non-GAAP financial measures. To assess the performance of its assets and reporting segments, the Corporation uses EBITDA and cash flows from operations as performance measures, as defined in the accompanying financial statements. These non-GAAP measures have no standardized meaning under IFRS. As a result, these measures may not be comparable to similarly named measures used by other companies.

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Consolidated Balance Sheets

(in thousands of Canadian dollars) (unaudited)	AS AT JUNE 30, 2011	AS AT DECEMBER 31, 2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	138,737	92,650
Restricted cash	1,277	15,924
Accounts receivable	38,698	60,420
Available-for-sale financial asset	2,910	23,251
Future income taxes	-	512
Inventories	7,392	9,179
Prepaid expenses	3,866	2,516
Fair value of derivative financial instruments	55	769
	192,935	205,221
Interest in a joint venture	7,292	-
Property, plant and equipment	736,804	738,884
Energy sales contracts	102,498	103,994
Water rights	111,535	113,015
Other long-term assets	38,408	46,842
Goodwill	38,063	38,063
	1,227,535	1,246,019
LIABILITIES		
CURRENT LIABILITIES		
Bank loans and advances	-	195
Accounts payable and accrued liabilities	35,317	59,558
Income taxes payable	2,545	3,209
Fair value of derivative financial instruments	-	183
Current portion of long-term debt	23,944	34,033
	61,806	97,178
Long-term debt	497,449	479,546
Convertible debentures	221,973	220,824
Long-term lease accruals	3,058	2,981
Future income taxes	61,571	66,967
Fair value of derivative financial instruments	18,207	10,834
	864,064	878,330
EQUITY		
Capital stock	223,049	222,853
Equity component of convertible debentures	14,379	14,488
Contributed surplus	5,612	5,028
Retained earnings	144,204	142,300
Accumulated other comprehensive loss	(32,245)	(25,874)
Equity attributable to shareholders	354,999	358,795
Non-controlling interests	8,472	8,894
Total equity	363,471	367,689
	1,227,535	1,246,019

Consolidated Statements of Earnings (Loss)

	THREE-MONTH PERIODS ENDED JUNE 30		SIX-MONTH PERIODS ENDED JUNE 30	
	2011	2010	2011	2010
(in thousands of Canadian dollars, except per share amounts and number of shares) (unaudited)				
REVENUES				
Revenues from energy sales	53,963	36,728	135,992	87,732
Management revenues from the Fund	-	1,523	-	3,279
Other income	172	155	324	454
	54,135	38,406	136,316	91,465
COSTS AND OTHER EXPENSES				
Operating costs	26,043	23,914	65,258	50,933
Administrative	5,574	6,825	9,868	10,531
Development	785	1,189	1,669	2,802
Management and operation of the Fund	-	1,314	-	2,819
Amortization	17,053	8,272	32,833	15,940
Gain on sale of assets	-	-	(2,377)	(774)
	49,455	41,514	107,251	82,251
OPERATING INCOME (LOSS)	4,680	(3,108)	29,065	9,214
Financing costs	12,513	3,123	24,496	8,883
Foreign exchange loss (gain)	518	(884)	2,037	(430)
Net loss (gain) on financial instruments	93	220	409	(339)
EARNINGS (LOSS) BEFORE INCOME TAXES AND SHARE IN EARNINGS (LOSS) OF THE FUND	(8,444)	(5,567)	2,123	1,100
Income taxes (recovery)	(2,853)	(433)	647	2,552
NET EARNINGS (LOSS) BEFORE SHARE IN EARNINGS (LOSS) OF THE FUND	(5,591)	(5,134)	1,476	(1,452)
Share in earnings (loss) of the Fund	-	232	-	(1,193)
NET EARNINGS (LOSS)	(5,591)	(4,902)	1,476	(2,645)
NET EARNINGS (LOSS) ATTRIBUTABLE TO:				
Shareholders of Boralex Inc.	(5,107)	(4,714)	1,904	(2,738)
Non-controlling shareholders	(484)	(188)	(428)	93
NET EARNINGS (LOSS)	(5,591)	(4,902)	1,476	(2,645)
Net earnings (loss) per share (basic and diluted)	\$(0.14)	\$(0.12)	\$0.05	\$(0.07)
Weighted average number of shares outstanding (basic)	37,773,213	37,740,921	37,769,872	37,740,921
Weighted average number of shares outstanding (diluted)	37,881,857	37,880,115	37,879,083	37,976,830

Consolidated Statements of Comprehensive Loss

(in thousands of Canadian dollars) (unaudited)	THREE-MONTH PERIODS		SIX-MONTH PERIODS	
	ENDED JUNE 30		ENDED JUNE 30	
	2011	2010	2011	2010
NET EARNINGS (LOSS)	(5,591)	(4,902)	1,476	(2,645)
Other comprehensive income (loss)				
<u>Translation adjustments</u>				
Unrealized foreign exchange gain (loss) on translation of financial statements of self-sustaining foreign operations	(64)	2,929	283	(6,374)
Share of cumulative translation adjustments of the Fund	-	694	-	216
Taxes	(259)	154	(259)	160
<u>Cash flow hedges</u>				
Change in fair value of financial instruments	(9,947)	(8,482)	(10,723)	(14,077)
Hedging items realized and recognized in net earnings (loss)	1,521	(2,159)	2,150	(3,378)
Hedging items realized and recognized in balance sheet	78	991	198	2,137
Taxes	2,613	3,136	2,186	3,913
<u>Available-for-sale financial asset</u>				
Unrealized loss on available-for-sale financial asset	(954)	-	(200)	-
	(7,012)	(2,737)	(6,365)	(17,403)
COMPREHENSIVE LOSS	(12,603)	(7,639)	(4,889)	(20,048)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of Boralex Inc.	(12,121)	(7,441)	(4,467)	(20,119)
Non-controlling shareholders	(482)	(198)	(422)	71
COMPREHENSIVE LOSS	(12,603)	(7,639)	(4,889)	(20,048)

Consolidated Statements of Changes in Equity

SIX-MONTH PERIOD
ENDED JUNE 30, 2011

(in thousands of Canadian dollars) (unaudited)	Attributable to shareholders							Non-controlling interests	Total equity
	Capital stock	Equity component of convertible debentures	Contributed surplus	Retained earnings	Comprehensive loss	Total			
Balance – beginning of period	222,853	14,488	5,028	142,300	(25,874)	358,795	8,894	367,689	
Net earnings for the period	-	-	-	1,904	-	1,904	(428)	1,476	
Other comprehensive loss	-	-	-	-	(6,371)	(6,371)	6	(6,365)	
Comprehensive loss	-	-	-	1,904	(6,371)	(4,467)	(422)	(4,889)	
Conversion of convertible debentures	196	-	-	-	-	196	-	196	
Stock option expense	-	-	584	-	-	584	-	584	
Other	-	(109)	-	-	-	(109)	-	(109)	
Balance – end of period	223,049	14,379	5,612	144,204	(32,245)	354,999	8,472	363,471	

SIX-MONTH PERIOD
ENDED JUNE 30, 2010

(in thousands of Canadian dollars) (unaudited)	Attributable to shareholders						Non-controlling interests	Total equity
	Capital stock	Contributed surplus	Retained earnings	Comprehensive loss	Total			
Balance – beginning of period	222,694	4,290	105,538	(2,344)	330,178	7,031	337,209	
Net loss for the period	-	-	(2,738)	-	(2,738)	93	(2,645)	
Other comprehensive loss	-	-	-	(17,381)	(17,381)	(22)	(17,403)	
Comprehensive loss	-	-	(2,738)	(17,381)	(20,119)	71	(20,048)	
Excess of purchase price paid for acquisition of non-controlling interests	-	-	(1,725)	-	(1,725)	(26)	(1,751)	
Stock option expense	-	438	-	-	438	-	438	
Balance – end of period	222,694	4,728	101,075	(19,725)	308,772	7,076	315,848	

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars) (unaudited)	THREE-MONTH PERIODS		SIX-MONTH PERIODS	
	ENDED JUNE 30		ENDED JUNE 30	
	2011	2010	2011	2010
OPERATING ACTIVITIES				
Net earnings (loss) attributable to shareholders	(5,107)	(4,714)	1,904	(2,738)
Distributions received from the Fund	-	1,377	-	3,098
Financing costs	12,513	3,123	24,496	8,883
Interest paid	(12,319)	(1,312)	(24,723)	(7,451)
Income taxes (recovery)	(2,853)	(433)	647	2,552
Income taxes paid	(1,388)	(1,393)	(2,829)	(1,574)
Adjustments:				
Unrealized foreign exchange loss on intercompany advances	485	-	1,575	-
Net loss (gain) on financial instruments	93	220	409	(339)
Share in earnings of the Fund	-	(232)	-	1,193
Amortization	17,053	8,272	32,833	15,940
Gain on sale of assets	-	-	(2,377)	(774)
Other	451	422	1,052	1,060
	8,928	5,330	32,987	19,850
Change in non-cash working capital items	6,780	(6,102)	22,979	2,101
	15,708	(772)	55,966	21,951
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(12,803)	(43,573)	(23,441)	(64,281)
Change in restricted cash	5,235	20,602	14,647	(73,685)
Increase in interest in a joint venture	(2,212)	-	(2,212)	-
Proceeds from sale of a subsidiary	-	-	-	878
Change in reserve funds	(240)	24	(244)	882
Development projects	(56)	(350)	(649)	(395)
Sale of asset	2,050	-	2,050	-
Other	269	549	312	1,504
	(7,757)	(22,748)	(9,537)	(135,097)
FINANCING ACTIVITIES				
Decrease in bank loans and advances	-	(7,865)	(201)	(12,291)
Net increase in long-term debt	21,516	20,317	33,253	208,866
Payments on long-term debt	(21,054)	(1,357)	(33,116)	(60,774)
Purchase of non-controlling interests	-	(1,751)	-	(1,751)
	462	(9,344)	(64)	134,050
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS				
	(944)	(2,457)	(278)	(8,970)
NET CHANGE IN CASH AND CASH EQUIVALENTS				
	7,469	(16,633)	46,087	11,934
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD				
	131,268	66,388	92,650	37,821
CASH AND CASH EQUIVALENTS – END OF PERIOD				
	138,737	49,755	138,737	49,755

SEGMENTED INFORMATION

In order to assess the performance of its assets and reporting segments, Boralex uses EBITDA and cash flows from operations 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-GAAP performance 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 or cash flows, or as a parameter for measuring liquidity, which are IFRS measures.

EBITDA is reconciled to the most comparable IFRS measure, namely, net earnings (loss) attributable to shareholders, in the following table:

	THREE-MONTH PERIODS		SIX-MONTH PERIODS	
	ENDED JUNE 30		ENDED JUNE 30	
	2011	2010	2011	2010
Net earnings (loss) attributable to shareholders	(5,107)	(4,714)	1,904	(2,738)
Non-controlling interests	(484)	(188)	(428)	93
Income taxes (recovery)	(2,853)	(433)	647	2,552
Net loss (gain) on financial instruments	93	220	409	(339)
Foreign exchange loss (gain)	518	(884)	2,037	(430)
Financing costs	12,513	3,123	24,496	8,883
Gain on sale of assets	-	-	(2,377)	(774)
Amortization	17,053	8,272	32,833	15,940
EBITDA	21,733	5,396	59,521	23,187

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, cash flows related to operating activities, in the following table:

	THREE-MONTHS PERIODS		SIX-MONTHS PERIODS	
	ENDED JUNE 30		ENDED JUNE 30	
	2011	2010	2011	2010
Cash flows related to operating activities	15,708	(772)	55,966	21,951
Cash flows provided by change in non-cash working capital items	(6,780)	6,102	(22,979)	(2,101)
CASH FLOWS FROM OPERATIONS	8,928	5,330	32,987	19,850

INFORMATION BY OPERATING SEGMENT

	THREE-MONTH PERIODS		SIX-MONTH PERIODS	
	ENDED JUNE 30		ENDED JUNE 30	
	2011	2010	2011	2010
Power generation (MWh)				
Wind power stations	124,362	76,999	276,931	167,291
Hydroelectric power stations	213,490	34,301	358,495	74,610
Wood-residue thermal power stations	178,033	265,470	550,453	585,577
Natural gas thermal power station	45,336	77	127,627	22,507
Corporate (solar power)	268	-	268	-
	561,489	376,847	1,313,774	849,985
Revenues from energy sales				
Wind power stations	15,193	9,230	33,466	20,643
Hydroelectric power stations	15,990	2,323	28,722	5,377
Wood-residue thermal power stations	12,544	22,896	46,853	53,111
Natural gas thermal power station	10,112	2,279	26,827	8,601
Corporate (solar power)	124	-	124	-
	53,963	36,728	135,992	87,732
EBITDA				
Wind power stations	11,991	7,112	27,057	16,531
Hydroelectric power stations	12,648	1,182	21,724	3,055
Wood-residue thermal power stations	(2,174)	4,424	8,110	14,452
Natural gas thermal power station	3,559	(106)	11,198	1,932
Corporate and eliminations (including solar power)	(4,291)	(7,216)	(8,568)	(12,783)
	21,733	5,396	59,521	23,187
Additions to property, plant and equipment				
Wind power stations	613	42,000	8,732	61,341
Hydroelectric power stations	157	199	331	415
Wood-residue thermal power stations	1,348	1,073	2,643	2,057
Natural gas thermal power station	-	6	4	9
Corporate and eliminations (including solar power)	10,685	295	11,731	459
	12,803	43,573	23,441	64,281
			As At	As At
			June 30,	December 31,
			2011	2010
Total assets				
Wind power stations			513,005	536,135
Hydroelectric power stations			367,857	364,548
Wood-residue thermal power stations			149,644	162,070
Natural gas thermal power station			35,972	37,974
Corporate and eliminations (including solar power)			161,057	145,292
			1,227,535	1,246,019
Long-term assets				
Wind power stations			470,997	469,707
Hydroelectric power stations			339,857	350,773
Wood-residue thermal power stations			128,157	137,376
Natural gas thermal power station			18,716	22,619
Corporate and eliminations (including solar power)			76,873	60,323
			1,034,600	1,040,798

INFORMATION BY GEOGRAPHIC SEGMENT

	THREE-MONTH PERIODS		SIX-MONTH PERIODS	
	ENDED JUNE 30		ENDED JUNE 30	
	2011	2010	2011	2010
Power generation (MWh)				
Canada	217,816	33,229	484,563	70,058
United States	277,675	292,164	657,374	643,156
Europe	65,998	51,454	171,837	136,771
	561,489	376,847	1,313,774	849,985
Revenues from energy sales				
Canada	23,220	4,143	56,814	8,577
United States	20,301	24,433	52,850	56,570
Europe	10,442	8,152	26,328	22,585
	53,963	36,728	135,992	87,732
EBITDA				
Canada	9,568	(2,838)	26,892	(3,166)
United States	7,299	4,902	19,323	15,953
Europe	4,866	3,332	13,306	10,400
	21,733	5,396	59,521	23,187
Additions to property, plant and equipment				
Canada	1,461	37,770	8,423	41,755
United States	683	1,265	993	2 436
Europe	10,659	4,538	14,025	20,090
	12,803	43,573	23,441	64,281
			As At	As At
			June 30,	December 31,
			2011	2010
Total assets				
Canada			635,793	634,043
United States			283,984	301,921
Europe			307,758	310,055
			1,227,535	1,246,019
Long-term assets				
Canada			520,289	529,787
United States			233,490	263,094
Europe			280,821	247,917
			1,034,600	1,040,798