

Notice to shareholders

These interim consolidated financial statements as at September 30, 2009 and 2008 have not been reviewed by our auditors PricewaterhouseCoopers LLP. These financial statements are the responsibility of the management of Boralex Inc. and have been reviewed and approved by the Board of Directors, on the recommendation of its Audit Committee.

The following financial information was extracted from the interim consolidated financial statements of Boralex Inc. (the "Corporation"). The complete interim financial statements were prepared in accordance with Canadian generally accepted accounting principles. They are available on Boralex's website (www.boralex.com) and filed with SEDAR.

Consolidated Balance Sheets

(in thousands of dollars) (unaudited)	AS AT SEPTEMBER 30, 2009	AS AT DECEMBER 31, 2008 (RESTATED)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	37,638	69,195
Accounts receivable	38,114	48,812
Future income taxes	421	238
Inventories	10,362	8,833
Prepaid expenses	2,681	2,106
	89,216	129,184
Investment	63,043	69,348
Property, plant and equipment	355,075	330,443
Power sales contracts	25,527	26,402
Other assets	77,928	67,578
	610,789	622,955
LIABILITIES		
CURRENT LIABILITIES		
Bank loans and advances	13,217	–
Accounts payable and accrued liabilities	17,614	22,115
Income taxes	1,672	1,716
Other liabilities	2,287	5,718
Current portion of long-term debt	28,607	29,410
	63,397	58,959
Long-term debt	171,022	158,035
Future income taxes	36,600	39,437
Fair value of derivative financial instruments	6,127	3,000
Non-controlling interests	126	804
	277,272	260,235
SHAREHOLDERS' EQUITY		
Capital stock	222,694	222,694
Contributed surplus	3,939	3,069
Retained earnings	145,188	135,461
Accumulated other comprehensive income (loss)	(38,304)	1,496
	333,517	362,720
	610,789	622,955

Consolidated Statements of Earnings

FOR THE THREE-MONTH PERIODS
ENDED SEPTEMBER 30,

FOR THE NINE-MONTH PERIODS
ENDED SEPTEMBER 30,

(in thousands of dollars, except amounts per share and number of shares)
(unaudited)

	2009	2008	2009	2008
		(RESTATED)		(RESTATED)
Revenues from energy sales	39,676	48,811	138,631	142,931
Renewable energy tax credits	3,473	3,532	10,449	9,063
Operating costs	28,339	34,079	97,193	96,718
	14,810	18,264	51,887	55,276
Share in earnings of the Fund	146	1,180	2,998	6,218
Management revenues from the Fund	1,338	1,349	4,087	4,042
Other income	117	514	1,773	1,159
	16,411	21,307	60,745	66,695
OTHER EXPENSES				
Management and operation of the Fund	1,104	1,073	3,441	3,050
Administrative	3,862	3,469	11,964	10,414
	4,966	4,542	15,405	13,464
OPERATING INCOME BEFORE AMORTIZATION	11,445	16,765	45,340	53,231
Amortization	6,434	6,344	19,382	18,150
Foreign exchange loss (gain)	236	(185)	202	(603)
Net loss (gain) on financial instruments	398	(1,010)	(6)	94
Financing costs	3,362	3,515	10,228	9,971
	10,430	8,664	29,806	27,612
EARNINGS BEFORE INCOME TAXES	1,015	8,101	15,534	25,619
Income taxes	316	2,427	5,751	9,495
	699	5,674	9,783	16,124
Non-controlling interests	(1)	5	(56)	(112)
NET EARNINGS	698	5,679	9,727	16,012
Net earnings per Class A share (basic)	\$0.02	\$0.15	\$0.26	\$0.42
Net earnings per Class A share (diluted)	\$0.02	\$0.15	\$0.26	\$0.42
Weighted average number of Class A shares outstanding (basic)	37,740,921	37,831,382	37,740,921	37,739,288

Consolidated Statements of Retained Earnings

FOR THE NINE-MONTH PERIODS
ENDED SEPTEMBER 30,

(in thousands of dollars) (unaudited)	2009	2008 (RESTATED)
Balance – beginning of period, as previously reported	135,783	115,669
Application of Section 3064	(322)	(336)
Balance – beginning of period	135,461	115,333
Share redemption premium	–	(83)
Net earnings for the period	9,727	16,012
Balance – end of period	145,188	131,262

Consolidated Statements of Comprehensive Income (Loss)

FOR THE THREE-MONTH PERIODS
ENDED SEPTEMBER 30,

FOR THE NINE-MONTH PERIODS
ENDED SEPTEMBER 30,

(in thousands of dollars) (unaudited)	2009	2008 (RESTATED)	2009	2008 (RESTATED)
Net earnings for the period	698	5,679	9,727	16,012
Other comprehensive income (loss)				
TRANSLATION ADJUSTMENTS				
Unrealized foreign exchange gain (loss) on translation of financial statements of self-sustaining foreign operations	(15,215)	3,090	(26,333)	10,466
Reclassification to net earnings of a realized foreign exchange gain related to the reduction of net investment in self-sustaining foreign operations	–	–	(65)	–
Share of cumulative translation adjustments of the Fund	(1,036)	699	(2,073)	868
Taxes	258	(224)	548	(228)
CASH FLOW HEDGES				
Change in fair value of financial instruments	(2,099)	26,988	7,101	10,651
Hedging items realized and recognized in net earnings	(5,857)	(49)	(18,617)	1,170
Hedging items realized and recognized in balance sheet	(1,352)	(673)	(3,613)	(673)
Taxes	2,495	(8,405)	3,732	(3,567)
	(22,806)	21,426	(39,320)	18,687
Comprehensive income (loss) for the period	(22,108)	27,105	(29,593)	34,699

Consolidated Statements of Cash Flows

(in thousands of dollars) (unaudited)	FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30,		FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30,	
	2009	2008	2009	2008
		(RESTATED)		(RESTATED)
OPERATING ACTIVITIES				
Net earnings	698	5,679	9,727	16,012
Distributions received from the Fund	2,409	2,409	7,228	7,917
Adjustments for non-cash items				
Financial instruments	535	(1,010)	534	94
Share in earnings of the Fund	(146)	(1,180)	(2,998)	(6,218)
Amortization	6,434	6,344	19,382	18,150
Amortization of deferred financing costs and monetization program expenses	667	712	2,174	2,144
Renewable energy tax credits	(2,231)	(1,506)	(3,948)	(2,996)
Future income taxes	402	2,119	3,053	8,074
Other	415	320	931	885
	9,183	13,887	36,083	44,062
Change in non-cash working capital items	(13,286)	(10,758)	110	(7,392)
	(4,103)	3,129	36,193	36,670
INVESTING ACTIVITIES				
Business acquisition	–	(5,156)	(4,769)	(5,781)
Additions to property, plant and equipment	(25,385)	(6,129)	(60,133)	(33,284)
Change in cash reserves	300	26	(1,241)	(28)
Development projects	(2,649)	(4,034)	(8,686)	(5,101)
Acquisition of minority interest	–	–	(968)	–
Other	(1,212)	249	(7,035)	(1,467)
	(28,946)	(15,044)	(82,832)	(45,661)
FINANCING ACTIVITIES				
Increase (decrease) in bank loans and advances	(1,109)	448	13,217	448
Increase in long-term debt	36,104	–	36,104	–
Payments on long-term debt	(9,795)	(7,462)	(20,751)	(17,657)
Financing costs	(2,328)	–	(2,547)	–
Share redemption	–	(195)	–	(195)
Net proceeds from share issuance	–	11	–	1,716
	22,872	(7,198)	26,023	(15,688)
TRANSLATION ADJUSTMENT ON CASH AND CASH EQUIVALENTS				
	(4,101)	(79)	(10,941)	4,195
NET CHANGE IN CASH AND CASH EQUIVALENTS				
	(14,278)	(19,192)	(31,557)	(20,484)
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD				
	51,916	77,903	69,195	79,195
CASH AND CASH EQUIVALENTS – END OF PERIOD				
	37,638	58,711	37,638	58,711
ADDITIONAL INFORMATION				
CASH AND CASH EQUIVALENTS PAID FOR:				
Interest	2,387	2,413	6,604	7,273
Income taxes	535	373	1,736	1,321

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 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 generally accepted accounting principles; however, management uses this measure to assess the operating performance of its segments. Results for each segment are presented on the same basis as those of the Corporation. In the consolidated statement of earnings, EBITDA is represented by *Operating income before amortization*.

The following table reconciles EBITDA with net earnings:

(in thousands of dollars) (unaudited)	FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30,		FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30,	
	2009	2008	2009	2008
		(RESTATED)		(RESTATED)
Net earnings	698	5,679	9,727	16,012
Non-controlling interests	1	(5)	56	112
Income taxes	316	2,427	5,751	9,495
Financing costs	3,362	3,515	10,228	9,971
Net loss (gain) on financial instruments	398	(1,010)	(6)	94
Foreign exchange loss (gain)	236	(185)	202	(603)
Amortization	6,434	6,344	19,382	18,150
EBITDA	11,445	16,765	45,340	53,231

INFORMATION BY SEGMENT

(in thousands of dollars, unless otherwise indicated) (unaudited)	FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30,		FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30,	
	2009	2008	2009	2008
PRODUCTION (MWh)				
Wind power stations	39,758	40,665	155,677	163,818
Hydroelectric power stations	27,554	21,522	104,286	97,224
Wood-residue thermal power stations	297,851	354,560	852,253	937,694
Natural gas thermal power station	–	–	22,642	22,569
	365,163	416,747	1,134,858	1,221,305
REVENUES FROM ENERGY SALES				
Wind power stations	5,797	5,859	22,898	22,601
Hydroelectric power stations	1,779	1,920	7,381	8,909
Wood-residue thermal power stations	29,841	37,866	96,360	98,856
Natural gas thermal power station	2,259	3,165	11,992	12,564
Corporate and eliminations	–	1	–	1
	39,676	48,811	138,631	142,931
EBITDA				
Wind power stations	4,247	4,361	17,704	17,909 ⁽¹⁾
Hydroelectric power stations	301	847	3,795	6,272
Wood-residue thermal power stations	10,685	13,558	30,636	31,424
Natural gas thermal power station	(126)	(157)	1,240	960
Corporate and eliminations	(3,662)	(1,844)	(8,035)	(3,334)
	11,445	16,765	45,340	53,231
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT				
Wind power stations	24,024	3,235	53,877	22,132
Hydroelectric power stations	312	48	1,031	56
Wood-residue thermal power stations	431	228	4,181	7,236
Natural gas thermal power station	–	53	28	69
Corporate and eliminations	618	2,565	1,016	3,791
	25,385	6,129	60,133	33,284
(1) restated			AS AT SEPTEMBER 30,	AS AT DECEMBER 31,
(in thousands of dollars) (unaudited)			2009	2008
ASSETS				
Wind power stations			268,438	242,944
Hydroelectric power stations			45,153	23,019
Wood-residue thermal power stations			152,002	183,881
Natural gas thermal power station			12,784	17,151
Corporate and eliminations			132,412	155,960
			610,789	622,955

(RESTATED)