Rating Report

Report Date:
March 9, 2009

Previous Report:
June 02, 2005

Insight beyond the rating.

Boralex Power Income Fund

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The Fund

Boralex Power Income Fund (BPIF or the Fund), is an unincorporated open-ended trust that indirectly owns ten power generating stations with a total installed capacity of 190 megawats (MW). Eight of these power stations are located in Québec, and two are in the State of New York.

Recent Actions

February 9, 2009
Downgraded

Rating History

Current	2008	2007	2006	2005	2004
STA-3 (high)	STA-2 (low)	STA-2 (low)	STA-2 (low)	STA-2 (low)	STA-2(low)

Stability Rating Summary

Legend Superior Moderate Weak

Operating Characteristics	Asset Quality	Financial Profile	Diversification	Size & Market Position	Sponsorship & Governance	Growth
Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Weak

Stability Rating Update

On February 9, 2009, DBRS downgraded the stability rating of Boralex Power Income Fund (BPIF or the Fund) to STA-3 (high) from STA-2 (low), and removed the rating from Under Review with Developing Implications. The downgrade of BPIF's stability rating reflects a number of factors, including: 1) the increased fuel supply risk stemming from the decline in the Québec forestry industry, which has resulted in lower volumes and higher costs at the Fund's wood-residue operations (63-MW, approximately 20% of average annual EBITDA over the past five years); 2) the reduced visibility of future earnings and cash flows with the expiry of the Kingsey Falls power purchase agreement (PPA, 20% of average annual EBITDA) in 2012; and 3) the risks related to BPIF's stream revenues which are derived from two forest products industry participants.

While the Fund has experienced fuel supply difficulties with its biomass facilities, financial performance indicators have remained relatively stable, underpinned by long-term power contracts, diversification across fuel sources and power stations, as well as modest maintenance expenditures and debt levels. BPIF's portfolio of power plants should generate a reasonably consistent stream of cash flows although at overall lower levels than in the recent past largely due to lower earnings from the biomass facilities. (Continued on page 2.)

Rating Considerations

Strengths

(1) Mix of long-term PPAs with strong counterparties
(2) Hydro facilities comprise the majority of capacity
(3) Solid balance sheet/financial profile
(4) Good sponsorship in Boralex Inc.

Challenges

(1) Hydrology/Operational risk
(2) Fuel supply risk at biomass facilities
(3) Credit risk with steam contracts
(4) Re-contracting risk with PPA roll-offs
(5) Currency risk/refinancing risk

Financial Information

	Year ended December 31				
Boralex Power Income Fund (1)	2008*	2007	2006	2005	2004
Declared distributions per unit (CAD)	$ 0.73	$ 0.90	$ 0.90	$ 0.90	$ 0.90
Cash available for distribution per unit (CAD)	$ 0.80	$ 0.79	$ 0.98	$ 0.81	$ 0.81
Distribution payout * (%)	93%	114%	92%	111%	112%
Core net income per unit (CAD)	$ 0.35	$ 0.34	$ 0.57	$ 0.48	$ 0.47
Total debt/capital (%)	29%	24%	22%	21%	20%
Cash flow/total debt (%)	42%	47%	49%	43%	44%
EBITDA interest coverage (times)	7.5	7.4	9.3	8.0	8.6
Return on equity (bef. extras.)	6.4%	5.2%	7.6%	6.0%	5.5%
Total output (GWh)	1,000	1,024	1,178	1,093	1,093

* Distribution payout is defined as Cash Distribution/Cash Available for Distribution.
(1) DBRS adjusted for non-recurring items
* Based on unaudited statements

Stability Rating Update (Continued from page 1.)

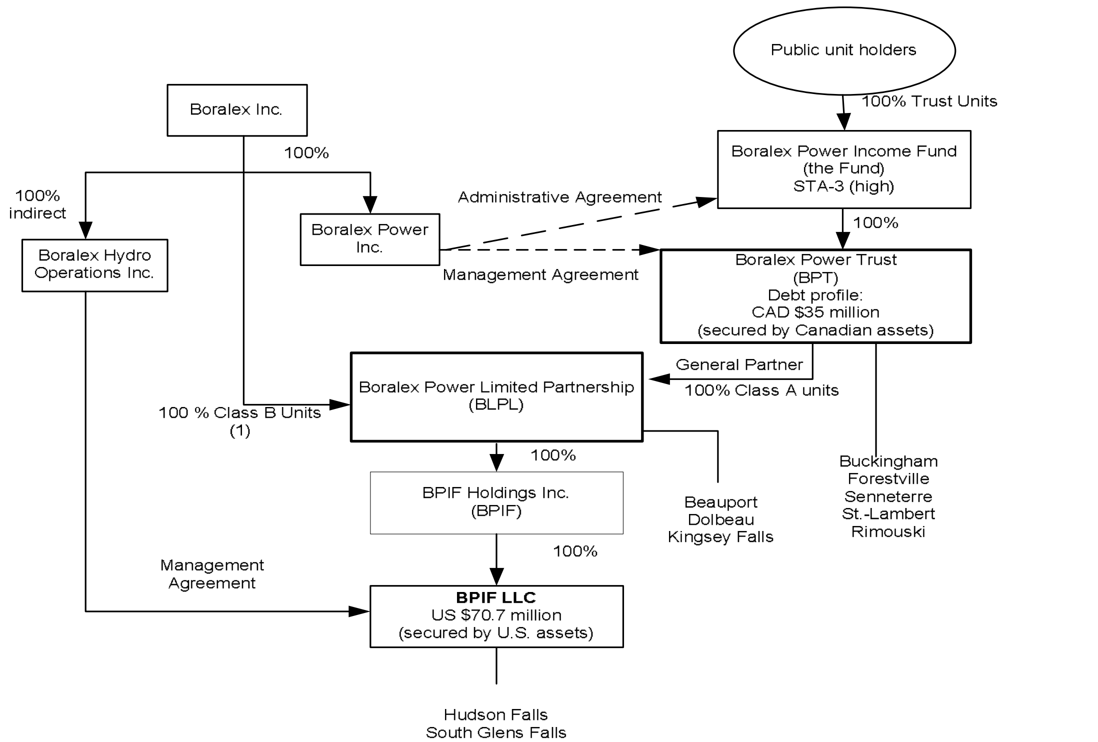
Any material downward pressure on cash flows would likely be the result of either poor hydrology, continued challenges in securing fuel for the two biomass facilities or a significant reduction in steam revenues. In 2008, BPIF reduced distributions by approximately 23%, citing both challenges in the forestry industry resulting in lower volumes and higher costs at its wood-residue operations as well as the rise of the Canadian dollar against the U.S. dollar, which had a negative impact on distributions from the U.S. power facilities. The distribution cut equates to an annual savings of approximately $12 million, which has provided some financial flexibility and cash reserves to cover operating risks. While the distribution reduction has offset some of the operational issues, and the Canadian dollar has since weakened versus the U.S. dollar, the stability rating has been reduced one notch largely to account for uncertainty in the Fund's biomass operations and for potential variability in steam revenues.

Both of the Fund's biomass facilities were closed for periods in 2008 due to difficulties in securing wood-residue supply due to the closure of a number of sawmills; however inventory was stockpiled so that both facilities could operate during the winter premium pricing period. Overall, the reduction in EBITDA from the biomass facilities in the third quarter of 2008 was largely offset by higher EBITDA from the hydroelectric facilities due to strong hydrology, demonstrating the benefit of diversification.

The Fund generates a DBRS-estimated $10 million of revenues from the sale of steam under a contract with Bowater Canadian Forest Products Inc. (Bowater, rated CCC (high), Under Review with Negative Implications), with the steam supplying Bowater's Dolbeau paper facility. A bankruptcy filing or court-supervised restructuring of Bowater would not necessarily impact the Fund's ability to maintain distributions; this would depend on factors such as the competitiveness of that particular facility, the likelihood it would keep operating (and purchasing steam from the Fund) during a restructuring process and the potential for the facility to be sold. While the Fund maintains adequate levels of liquidity (cash and bank lines) to maintain distributions through short-term disruptions, DBRS believes that in a scenario in which there was a permanent loss of Bowater steam revenues, the Fund would likely adjust its distributions.

BPIF's ratings were originally placed Under Review with Developing Implications along with a number of other Canadian income funds because of the uncertainty created by the proposed federal government income trust tax legislation on November 1, 2006. On March 2, 2007, DBRS maintained the ratings at Under Review – Developing when the Fund announced a process to solicit proposals that could lead to a potential sale or merger. Since that process was terminated in September 2007, the Fund has disclosed no intended near-term change of strategy with regards to the impact of taxation. While the Fund's ability to maintain its current payout ratio at current levels could be impacted in the future by the change in tax legislation, a reduction in the future payouts will be viewed as a one-time event and DBRS's analytical focus would then be on the stability and sustainability of distributions following the adjustments.

Simplified Organizational Chart



As at December 31, 2008.
(1) The Class B units are exchangeable on a one-for-one basis for 13. 768 million Trust Units of Boralex Power Income Fund. Boralex Inc. would hold 23% of the Trust Units after such exchange.

Operating Characteristics

Moderate

Strengths

- The Fund's power plants have a mix of PPAs with a weighted average life of approximately 14 years. All electricity PPA counterparties are creditworthy.
- DBRS views the following features in the PPAs as important factors in supporting the current stability rating:
  - Electricity prices on the Hydro-Québec PPAs, except for the Dolbeau facility, are indexed to the Consumer Price Index (CPI), subject to a minimum increase of 3% and a maximum of 6%. Output at the Dolbeau facility is indexed just to the CPI, with no minimum increases.
  - Four facilities, totaling 104-MW, receive significant capacity premiums during the winter period (December to March).
  - The gas purchase agreement (GPA) for the Kingsey Falls PPA is fixed rate, adjusted annually for the change in the CPI, subject to a minimum and maximum increase, and covers about 90% of the natural gas requirements. The fixed price component of the contract expires in 2011, with the remaining twelve months subject to the monthly market price, plus a 3% premium.

- While wood-residue supplies for the Senneterre and Dolbeau biomass facilities have a number of long-term agreements with various suppliers, the economic decline in the Québec forestry industry has resulted in a number of these agreements being terminated and/or renegotiated at higher prices for shorter tenures.

- The majority of the Fund's EBITDA is sourced from low operating cost hydroelectric generation (97-MW, approximately 65% of five-year average annual EBITDA). These low cost facilities should be well positioned to re-contract as PPAs expire.
- While the Fund is hydro weighted, it has reasonable fuel diversification with wood-residue and natural gas.
- Operation and maintenance (OM&A) services are provided by Boralex Power Inc. (BPI) at a fixed price (adjusted annually for inflation), which ensures some cost predictability. Maintenance capital expenditures are modest, with an expected long-term annual average of $3.5 million.

Challenges

- Earnings and cash flows are sensitive to production risk due to variability of hydrological conditions as seen in the 2007 results. Also, the Québec hydroelectric power plants are subject to minimum production thresholds, with penalties paid on each kWh below stipulated minimums. Some hydrology risk is mitigated by diversification across several different waterways, and reservoir capacity at the Buckingham station.
- A forced outage at any of the Fund's key facilities (Dolbeau, Hudson Falls and Kingsey Falls) would lead to a material reduction in earnings and cash flows. The Fund maintains insurance to cover equipment breakdown and business interruptions, although there can be no assurance it will cover all losses.
- While the Fund has adopted a wood-residue sourcing strategy, involving the use of older buried bark, it continues to rely heavily on sawmills for a large portion of its fuel supply needs. The generally poor condition of the Québec forest products industry and its ability to continue to provide adequate and cost-effective fuel to the Fund's two biomass facilities is a concern.
- The Fund generates an estimated $20 million of revenues annually from steam sales, approximately 50% from each of Bowater and Cascades Inc. (BB (high), Stable trend, and an indirect 8% owner of BPIF). The continuation of steam revenues is critical to the Fund maintaining its current distribution.
- Bowater is also the manager of the Dolbeau power station, and has questioned the validity and interpretation of its service agreement. However, in the event the Fund were to take over operations of the facility, a material negative financial impact is not expected.
- Hydroelectric power stations in Québec are subject to the Dam Safety Act, which could require additional investment of approximately $14 million to bring the Buckingham power station into compliance.
- Power sales contracts for the Fund's U.S. facilities (60-MW, over 40% of EBITDA) have a declining price structure and expose the Fund to currency fluctuations.

Asset Quality

Moderate

While the Fund's Asset Quality is viewed as Moderate, this is heavily influenced by the long-lived and economic hydroelectric assets. Maintenance capital spending is reasonable, accounting for less than 10% of operating cash flows.

- These characteristics allow the Fund to make cash distributions in excess of net earnings, while providing a level of confidence that current cash flow levels derived from these assets can be sustained for the longer term.
- Major overhauls are performed periodically, based on the number of operating hours and type of equipment. Usually gas and steam turbines require major overhauls every four to six years, while hydroelectric equipment typically requires major overhauling every 20 plus years.

Boralex Power Income Fund

Report Date:
March 9, 2009

Financial Profile

Moderate

Statement of Cash Flow	Year ended Dec. 31				
(CAD millions)	2008*	2007	2006	2005	2004
Core net income (bef. extras)	20.5	20.2	33.9	28.4	27.5
Depreciation & amortization	26.8	22.4	23.7	22.5	22.3
Other non-cash recurring items	3.9	7.6	2.8	2.2	2.8
Operating Cash Flow	**51.2**	**50.3**	**60.3**	**53.1**	**52.5**
Maintenance expenditures	(3.7)	(3.7)	(2.3)	(5.2)	(4.9)
Cash Available for Distributions	**47.5**	**46.5**	**58.0**	**47.9**	**47.6**
Cash Distributions	(44.3)	(53.2)	(53.2)	(53.2)	(53.2)
Cash after Distributions	**3.2**	**(6.6)**	**4.8**	**(5.3)**	**(5.5)**
Change in working capital	2.7	(4.0)	(2.8)	(0.5)	6.4
Free Cash Flow	**5.9**	**(10.6)**	**2.0**	**(5.7)**	**0.9**
Growth capital expenditures	0.0	0.0	0.0	(2.2)	0.0
Acquisitions	(0.1)	(0.3)	(0.8)	(2.4)	(1.9)
Divestitures	0.0	0.0	0.0	0.0	0.0
Other investing & comprehensive adjustments	0.0	0.0	0.1	1.5	(0.8)
Amount to be Financed	**5.8**	**(10.9)**	**1.3**	**(8.8)**	**(1.9)**
Net equity financing	0.0	0.0	0.0	0.0	0.0
Net debt financing	(2.5)	(1.0)	(0.4)	3.5	(2.8)
Other financing + translation adjustments	4.8	(3.2)	0.9	0.4	(0.0)
Net Change in Cash	**8.1**	**(15.1)**	**1.8**	**(4.9)**	**(4.7)**
Key Ratios					
Total debt (CAD millions)	122	107	122	122	120
Total debt/capital (%)	29%	24%	22%	21%	20%
Operating Cash flow/total debt (%)	42%	47%	49%	43%	44%
(Operating Cash flow-maint. capex)/total debt (%)	39%	44%	47%	39%	40%
EBITDA gross interest coverage (times)	7.5	7.4	9.3	8.0	8.6
Total debt/EBITDA (times)	2.1	1.9	1.7	2.0	1.9
Distribution payout**	93%	114%	92%	111%	112%

* Based on unaudited statements ** Distribution payout is defined as Cash Distribution/Cash Available for Distribution.

Summary

- The Fund's financial profile has remained reasonably stable, underpinned by long-term power contracts, a conservative balance sheet and reasonable levels of maintenance capital expenditures. Recent weakness in the biomass segment was offset by increased cash flows from the hydro facilities.
- Reviewing operating cash flow and cash available for distributions from 2004 to the present, and ignoring the robust 2006 results which were largely driven by much higher than normal hydrology, results have shown reasonable stability. This is largely attributable to the diversification between hydro, biomass and gas facility, as well as currency fluctuations; negatives in one area were offset by gains in another. The average payout ratio since 2004 is slightly above 100%.
- Due to the difficult hydrology year in 2007 and to ensure that the Fund had the financial flexibility and cash reserves to cover potential operating risks in 2008, the Fund reduced distributions by 22%. This decrease results in annual savings of approximately $12 million, which should offset the cash flow decreases anticipated earlier in 2008. As at December 31, 2008, the Fund had cash and cash equivalents of $19 million on the balance sheet.

Outlook

The Fund's financial profile is expected to remain reasonably stable for its rating category, in spite of downward pressure on earnings and cash flows due to lower volumes and higher costs at its wood-residue facilities. Factors that could challenge the stability of distributions include: 1) Worsening conditions in the procurement of wood-residue fuel; 2) Variability in hydrological conditions; 3) A material loss of steam revenues; 3) Failure to economically re-contract PPA roll-offs under terms and conditions that are economically beneficial and; 4) Appreciation of the Canadian dollar. Also, the static nature of cash flows from long-term PPAs coupled with the Fund's commitment to paying out a high level of cash distributions could constrain the Fund's financial flexibility as it tries to manage the burden of becoming taxable in 2011.

The Fund currently maintains adequate liquidity ($34 million) to maintain distributions in the event of temporary cash flow reductions.

Bank Lines, Liquidity and Long-Term Debt

As of December 31, 2008				
Credit Facilities: (CAD millions)	Amount	Drawn	Available	Expiry
Revolving Credit Facility	15.0	0.0	15.0	Oct. 2009

		Interest	Amount	
Long-term debt (CAD millions)	**Maturity**	**Rate**	**Dec. 31/08**	**Dec. 31/07**
Senior secured notes	2014	6.6%	35	35
Senior secured notes (US$71 million)	2013	6.2%	87	70
Total			**122**	**105**

Summary

- $34 million of available liquidity ($15 million credit facility availability and $19 million of cash, both as of December 31, 2008) provide the Fund with some flexibility to maintain distributions in the event of short-term cash flow disruptions.
- The revolving credit facility contains a number of restrictive covenants, including the maintenance of certain financial ratios. As at December 31, 2008, all ratios met these requirements.
- Long-term debt consists of both Canadian and U.S. denominated issues, which includes:
  - Senior secured notes of $35 million maturing in 2014 (obligations of Boralex Power Trust (BPT), and secured by all Canadian assets); and
  - Senior secured notes of US$70.7 million maturing in 2013 (obligor is a U.S. subsidiary of BPT; debt secured by all U.S. assets and is non-recourse to BPT).
- The U.S. notes require the Fund to maintain two reserve accounts at all times. One provides for capital expenditures and is to be at least US$300,000; the second is a debt service reserve that must meet a minimum of three months interest payment requirements, which amount to US$1.1 million.
- As of December 31, 2008, the Fund met all financial covenants under both of these debt issues.

Diversification

Moderate

Energy Source	%	Net MW
Hydroelectric (water flows)	51%	96
Biomass	33%	63
Natural gas	16%	31
Total		**190**

EBITDA (CAD millions)	%	2008	2007	2006
Hydroelectric	69%	40	34	48
Biomass	16%	9	17	18
Natural gas	26%	15	13	12
Corporate & eliminations	-11%	(6)	(8)	(7)
Total		**58**	**55**	**71**

The Fund's level of diversification ranks as moderate based on the following characteristics:

- The Fund's power stations are diversified across three fuel sources, which include water (51%), natural gas (16%) and wood residue (33%).
  - With ten power stations, the Fund somewhat mitigates the downside impact of an unplanned outage at any of its power stations.
  - Some hydrology risk is mitigated by diversification across six different waterways in Québec and New York State.
  - While steam sales provide additional revenues, they also entail a higher level of credit risk given the exposure to the forest product industry.
- The Fund's diversification is limited by the following:
  - Approximately 70% of the Fund's capacity is located in the Province of Québec, with Hydro-Québec as the principal counterparty.

Boralex Power Income Fund

Report Date:
March 9, 2009

– Steam revenues are generated from two counterparties (Bowater and Cascades) with below-investment grade credit profiles.
– While the Fund's has some fuel diversification, it continues to be heavily dependent on hydrological conditions in both Québec and New York.

Size & Market Position

Moderate

The Fund's market size and position rank as moderate reflecting the following factors:
- Market capitalization is approximately $245 million at $4.16/unit as of March 4, 2009.
- The fixed asset base is approximately $440 million (includes PPAs).
- The Fund's smaller size limits its ability to access the capital markets.

Sponsorship & Governance

Moderate

Sponsorship
Boralex Inc. is an experienced owner and operator of electricity generating facilities of the scale similar to the Fund's assets. Boralex owns a 23.3% interest in the Fund.

Governance
Under the BPT Indenture, there will be a minimum of three and a maximum of eight trustees. The majority of the Fund's trustees are independent.

Management Agreement
Boralex Power Inc. (BPI) provides management, operating and maintenance services to BPT and BPLP for each of the facilities, except the Dolbeau, Hudson Falls and South Glens Falls power stations. The Management Agreement expires in 2022 and is renewable at the option of BPI for additional five-year terms. In consideration for the services rendered, BPI receives an annual base management fee on amounts covering all associated expenses. These amounts are payable monthly and are indexed annually, based on the variation in the CPI. In 2008, these amounts totaled $5.0 million.

Management Agreement (U.S. Facilities)
Boralex Hydro Operations Inc., a wholly-owned subsidiary of Boralex, provides management, operating and maintenance services for the Hudson Falls and South Glens Falls power stations. The terms agreed to by the parties are similar to those in the BPI agreement. However, this agreement does not provide for any base management fee and expires in 2023, but is renewable for additional five-year terms at the manager's option. Fees related to the agreement amounted to $434,000 in 2008.

Growth

Weak

	For the year ended December 31				
Boralex Power Income Fund (1)	2008*	2007	2006	2005	2004
Weighted avg. trust units outstanding (thousands)*	59,068	59,068	59,068	59,068	59,068
Core net income per unit (CAD)	0.35	0.34	0.57	0.48	0.47
Cash flow from operations per unit (CAD)	0.87	0.85	1.02	0.90	0.89
Cash available per unit (CAD)	0.80	0.79	0.98	0.81	0.81
Declared distributions per unit (CAD)	0.73	0.90	0.90	0.90	0.90
Free cash per unit (CAD)	0.05	(0.11)	0.08	(0.09)	(0.09)

* Includes ownership of 23.3% of Boralex Inc.'s Class "B" shares.
(1) DBRS adjusted for non-recurring items. * Based on unaudited statements

The overall growth outlook remains weak based on the following:

- The existing power portfolios have limited organic growth potential.
- The 2012 roll-off of the Kingsey Falls PPA, which generates approximately 20% of the Fund's EBITDA. Re-contacting this gas-fired facility will be difficult. The facility could be utilized as a peaking plant, post PPA expiry.
- Power sales contracts for the U.S. facilities (60-MW, over 40% of EBITDA) have a declining price structure and expose the Fund to currency movements.
- While growth plans largely revolve around capacity upgrade at the Buckingham station, this expansion project is not expected to impact cash flows over the medium term.

Summary of Key Facilities and Key Contracts

A. Quebec Plants: (130 MW, 69% of total Capacity, DBRS estimated 60% of EBITDA)
All of the Québec Facilities supply electricity to Hydro-Québec pursuant to PPAs. Under each PPA, Hydro-Québec is bound to purchase all of the electrical energy made available by each facility, however, in turn each facility is obliged to supply a certain quantity of energy during each period of 12 consecutive months.
The purchase price is based on the rate structure selected by the Facility from the following:
(1) a unified rate structure, which provides for a single rate for energy delivered throughout the year; or
(2) a premium power rate structure, which provides for a basic rate per kWh delivered throughout the year, plus a capacity premium per kWh delivered during winter.
With the exception of the Dolbeau power station, the purchase price paid for electricity is indexed in accordance with the CPI, typically subject to a minimum annual increase of 3% and a maximum annual increase of 6%.

- Under the Watercourses Act (Québec), the Hydro facilities are subject to a statutory royalty, which is indexed annually in accordance with the CPI.
- If in any contract year, the energy delivered from the Québec power stations is less than the agreed minimum quantity, a penalty would be paid for each kWh below such quantity to Hydro-Québec.

B. U.S. Facilities: (60 MW, 31% of total Capacity, DBRS estimated 40% of EBITDA)
The Hudson Falls and South Glens Facilities (U.S. Facilities) are both run-of-river, hydroelectric generating stations on the Hudson River, with an installed capacity of approximately 45.8 MW and 13.9 MW, respectively. The U.S. Facilities supply electricity to Niagara Mohawk, pursuant to their respective PPAs, which expire in 2035 and 2034. Under the terms of the PPAs, Niagara Mohawk is bound to purchase all of the electricity produced by the facilities, with the purchase price varying annually pursuant to a fixed rate schedule as noted above.

On or before September 2025 for South Glens Falls and November 2026 for Hudson Falls, Niagara Mohawk has a one-time option to replace the rate for the remaining ten years of the term of each PPA with its full avoided cost for the same delivery voltage. DBRS notes the power stations must be sold to the counterparty when the contract expires. The proceeds from such sales would amount to US$10 million for Hudson Falls and US$5 million for South Glens Falls.

Boralex Power Income Fund

Report Date:
March 9, 2009

Details of Operations

		Year ended Dec. 31				
Production (GWh):		2008	2007	2006	2005	2004
Hydroelectric power stations	*54%*	536	458	598	507	510
Biomass facilities	*26%*	257	366	375	374	373
Natural gas cogeneration	*21%*	206	200	205	212	210
Total production		1,000	1,024	1,178	1,093	1,093
Revenue:						
Hydroelectric power stations	*43%*	47	41	55	48	50
Biomass facilities	*29%*	32	36	36	34	33
Natural gas cogeneration	*28%*	30	26	25	25	23
Total revenue		109	102	115	108	106
EBITDA:						
Hydroelectric power stations	*69%*	40	34	48	41	43
Biomass facilities	*16%*	9	17	18	16	17
Natural gas cogeneration	*26%*	15	13	12	10	7
Corporate & eliminations	*-11%*	(6)	(8)	(7)	(6)	(6)
Total EBITDA		**58**	**55**	**71**	**62**	**62**
Assets						
Hydroelectric power stations	*60%*	295	263	316	324	339
Biomass facilities	*31%*	150	191	196	202	211
Natural gas cogeneration	*9%*	42	47	63	66	68
Corporate & eliminations	*0%*	2	5	9	11	13
Total assets		489	506	583	603	630

			Net Capacity		Annual Long-Term Avg.					
Facility	Energy Source	Type	MW	%	GWH	%	PPA Counterparty	Counterparty Rating	PPA Expiry	Fuel Purchase Agreements
Quebec Operations										
Senneterre	Wood residue	Biomass	35	27%	233	21%	Hydro-Québec	A (high)	2026	2026
Dolbeau	Wood residue	Biomass	28	21%	164	15%	Hydro-Québec	A (high)	2022	2022
Kingsey Falls	Natural gas	CHP	31	24%	210	19%	Hydro-Québec	A (high)	2012	2012
Buckingham	Water	Hydro	10	8%	73	7%	Hydro-Québec	A (high)	2019	na
Rimouski	Water	Hydro	4	3%	21	2%	Hydro-Québec	A (high)	2017	na
Saint-Lambert	Water	Hydro	6	5%	39	4%	Hydro-Québec	A (high)	2019	na
Beauport	Water	Hydro	5	3%	21	2%	Hydro-Québec	A (high)	2015	na
Forestville	Water	Hydro	13	10%	59	5%	Hydro-Québec	A (high)	2013	na
Subtotal			**130**	**69%**	**820**	**74%**				
New York State Operations										
Hudson Falls	Water	Hydro	46	35%	211	19%	Niagara	nr	2035	na
South Glens Falls	Water	Hydro	14	11%	73	7%	Niagara	nr	2034	na
Subtotal			**60**	**46%**	**284**	**26%**				
Total			**190**		**1,104**					

Niagara - Niagara Mohawk Power Corporation
CHP - Combined heat and power

Year	Hudson Falls $/MWh	South Glens Falls $/MWh
2009-2017	91-81	89-87
2018-2024	48	87
2025	48	122 or market (1)
2026 or thereafter	56 or market (1)	122 or market (1)

(1) The client has the option of replacing the contract price with the market price until the contract terminates in 2025 for the South Glens Falls Facility, and in 2026 for the Hudson Falls Facility.

	PPA term	Indexing
Kingsey Falls	2012	IPC-Min 3%, Max 6%
Forestville	2013/2015	IPC-Min 3%, Max 6%
Beauport	2015	IPC-Min 3%, Max 6%
Rimouski	2017	IPC-Min 3%, Max 6%
Buckingham	2019	IPC-Min 3%, Max 6%
Saint-Lambert	2020	IPC-Min 3%, Max 6%
Dolbeau	2022	IPC
Senneterre	2027	IPC-Min 3%, Max 6%

Boralex Power Income Fund

Report Date:
March 9, 2009

Boralex Power Income Fund

(CAD millions)	As at December 31				As at December 31		
Assets	2008*	2007	2006	**Liabilities & Equity**	2008*	2007	2006
Cash & marketable securities	18.8	10.7	25.9	Accts. & taxes payable	14.4	8.9	13.3
Accounts receivable	17.6	13.3	16.0	Distributions payable	3.4	4.4	4.4
Prepaids, inventories & tax assets	3.9	5.6	2.0	Debt due in one year	0.0	2.5	3.1
Current Assets	40.4	29.7	43.9	**Current Liabilities**	17.9	15.9	20.8
Net fixed assets	376.3	367.5	399.3	Long-term debt	119.2	102.5	117.4
Intangible assets	67.0	83.7	97.9	Tax liabilities + other	46.3	50.7	8.2
Other long-term assets	5.6	8.6	12.1	Unitholders' equity	305.9	336.6	437.0
Goodwill	-	16.2	30.2				
Total	489.2	505.7	583.4	**Total**	489.2	505.7	583.4

Income Statement (1)	For the year ended Dec. 31				
(CAD millions)	2008*	2007	2006	2005	2004
Total revenues	109.3	102.2	115.2	107.9	106.3
Operating costs (excl. depreciation)	51.6	46.9	44.4	46.1	43.8
EBITDA	57.7	55.2	70.9	61.8	62.5
Gross interest expense	7.7	6.8	7.6	7.7	7.3
Interest income	0.0	(1.0)	(1.3)	(0.6)	(0.4)
Income taxes – current	2.3	1.9	6.8	2.3	2.3
Earnings Before Non-Cash Items	47.7	47.5	57.7	52.3	53.4
Income taxes – future	2.3	0.2	0.4	2.2	2.8
Foreign exchange (gain)/loss	(1.5)	4.1	(0.3)	(0.8)	0.4
Change in fair value of derivatives	0.0	0.0	0.1	0.6	2.0
Depreciation & amortization	26.4	22.4	23.7	22.5	22.3
Minority Interest	0.0	0.0	0.0	(4.7)	(6.9)
Core Net Income	20.5	20.9	33.7	32.5	32.8
Reported Net Income	(5.8)	(35.7)	34.0	24.3	22.6
Distributions declared	43.3	53.2	53.2	53.2	53.2

Earnings Per Trust Unit (1)					
Weighted average trust units (thousands)	**59,068**	**59,068**	**59,068**	**59,068**	**59,068**
Core net income (bef. extras.) per unit ($)	0.35	0.34	0.57	0.48	0.47
Operating cash flow per unit ($)	0.87	0.85	1.02	0.90	0.89
Cash available for distribution per unit ($)	0.80	0.79	0.98	0.81	0.81
Cash distributions paid per unit ($)	0.75	0.90	0.90	0.90	0.90
Declared distributions per unit ($)	0.73	0.90	0.90	0.90	0.90

(1) DBRS adjusted for non-recurring items

	For the year ended Dec. 31				
Operational Data	2008*	2007	2006	2005	2004
Installed capacity at year end (MW)	190	190	190	190	190
Electricity					
Electricity delieveries (GWh)	1,000	1,024	1,178	1,093	1,093
Revenues (CAD millions)	na	77.2	91.0	83.6	84.7
Average selling price ($/MWh)	na	$ 75.36	$ 77.28	$ 76.49	$ 77.49
Steam					
Steam delieveries (in millions of pounds)	na	2,609	2,623	2,657	2,665
Revenues (millions)	na	24	23.1	23.0	20.7
Average selling price ($/thousand pounds of steam)	na	$ 9.22	$ 8.80	$ 8.66	$ 7.77

* Based on unaudited statements

Boralex Power Income Fund

Report Date:
March 9, 2009

Rating History

Current	2007	2006	2005	2004	2003
STA-3 (high)	STA-2 (low)	STA-2 (low)	STA-2 (low)	STA-2 (low)	STA-3(high)

Note:
All figures are in Canadian dollars unless otherwise noted.