

Brookfield Renewable Announces Second Quarter Results

AUG 06, 2015

Acquires 1,200 MW wind pipeline in UK and 51 MW of operating hydro plants in Brazil Sachin Shah named Chief Executive Officer HAMILTON, Bermuda, August 6, 2015 – Brookfield Renewable Energy Partners L.P. (TSX: BEP.UN; NYSE: BEP) (“Brookfield Renewable”) today reported financial results for the three and six months ended June 30, 2015.

Financial Results

Unaudited, US\$ millions (except per unit or otherwise noted)	Three months ended June 30		Six months ended June 30	
	2015	2014	2015	2014
Generation (GWh)				
- Total	6,400	6,341	12,223	12,326
- Brookfield Renewable's share	4,834	5,192	9,394	10,056
Revenues	\$ 458	\$ 474	\$ 899	\$ 954
Adjusted EBITDA ⁽¹⁾	\$ 339	\$ 360	\$ 677	\$ 720
Funds from operations (FFO) ⁽¹⁾	\$ 146	\$ 198	\$ 299	\$ 383
FFO per unit ⁽¹⁾⁽²⁾	\$ 0.53	\$ 0.74	\$ 1.09	\$ 1.44
Distribution per unit	\$ 0.4150	\$ 0.3875	\$ 0.8300	\$ 0.7750

(1) Non-IFRS measure. Refer to “Cautionary Statement Regarding Use of Non-IFRS Measures” and “Financial Review for the three and six months ended June 30, 2015”.

(2) For the three and six months ended June 30, 2015, weighted average LP units, Redeemable/Exchangeable units and General Partnership units totaled 275.7 million and 275.7 million, respectively (2014: 267.6 million and 266.5 million, respectively).

Review of Operations

“We continued to deliver on our growth and operating plans in the second quarter,” said Sachin Shah, Chief Executive Officer. “Our organic development pipeline now exceeds 3,000 megawatts and should support cash flow and distribution growth in line with our targets for the foreseeable future. Moreover, we continue to leverage our operating platform to progress a number of acquisition opportunities in North America, Europe and Latin America with the potential to add meaningful growth to the business.”

Generation for the three months ended June 30, 2015 totaled 6,400 gigawatt-hours (“GWh”), compared to the long-term average of 7,199 GWh, and an increase of 59 GWh as compared to the same period in the prior year.

The hydroelectric portfolio generated 5,101 GWh compared to the long-term average of 5,815 GWh and a decrease of 386 GWh compared to the prior year. Existing hydroelectric facilities generated 4,762 GWh, below the long-term average of 5,471 GWh and a decrease of 725 GWh as compared to the prior year. The variances were primarily attributable to lower inflows across our hydro portfolio. Generation from recently acquired facilities in Pennsylvania and Brazil resulted in incremental generation of 339 GWh which is in line with the long-term average.

The wind portfolio generated 1,104 GW, an increase of 291 GWh compared to the prior year. Strong performance from our new wind portfolios in Europe and Brazil partially offset weaker wind conditions in North America. The contribution from recently acquired or commissioned facilities resulted in incremental generation of 317 GWh.

Adjusted EBITDA for the second quarter was \$339 million and FFO was \$146 million, compared to \$360 million and \$198 million, respectively, in the same period in the prior year.

The table below summarizes generation by segment and region:

For the three months ended June 30	Generation (GWh) ⁽¹⁾			Variance of Results	
	Actual 2015	Actual 2014	LTA 2015	Actual vs. LTA	Actual vs. Prior Year
Hydroelectric					
North America					
United States	2,930	3,085	3,239	(309)	(155)
Canada	1,338	1,558	1,580	(242)	(220)

	4,268	4,643	4,819	(551)	(375)
Latin America	833	844	996	(163)	(11)
	5,101	5,487	5,815	(714)	(386)
Wind					
North America					
United States	358	427	468	(110)	(69)
Canada	235	242	292	(57)	(7)
	593	669	760	(167)	(76)
Latin America	185	-	146	39	185
Europe ⁽²⁾	326	144	318	8	182
	1,104	813	1,224	(120)	291
Other	195	41	160	35	154
Total ⁽³⁾	6,400	6,341	7,199	(799)	59

(1) For assets acquired or reaching commercial operation during the year, this figure is calculated from the acquisition or commercial operation date.

(2) We completed the acquisition of the wind portfolio in Ireland on June 30, 2014. Pursuant to the terms of the purchase and sale agreement, Brookfield Renewable acquired an economic interest in the wind portfolio from January 1, 2014. Accordingly, generation from April 1, 2014 to June 30, 2014 has been recorded in the second quarter of 2014.

(3) Includes 100% of generation from equity-accounted investments.

Appointment of Sachin Shah as CEO

The Board of Directors is pleased to announce the appointment of Sachin Shah as Chief Executive Officer, effective today. Since joining Brookfield Renewable in 2011 and most recently serving as its President and Chief Operating Officer, Mr. Shah has been instrumental in developing and implementing the company's growth and operating strategies and is well known to the company's business partners, employees and shareholders. Mr. Shah joined Brookfield Asset Management in 2002 and held a variety of senior roles prior to joining Brookfield Renewable.

Mr. Shah succeeds Richard Legault, who is assuming the role of Executive Group Chairman, Renewable Power for Brookfield Asset Management, which includes oversight of all of Brookfield's renewable investments.

Mr. Legault has been CEO of Brookfield Renewable since inception, over which time he has been instrumental in growing the business into one of the world's largest publicly-traded pure-play renewable energy companies, with more than 7,000 megawatts of installed capacity and \$20 billion of largely hydroelectric generation assets. The compounded annualized total return over the last 15 years of Mr. Legault's tenure has been 16%.

Recent Highlights

- Subsequent to quarter-end, we entered into a definitive agreement to acquire a portfolio of two operating hydro plants in Brazil with an installed capacity of 51 megawatts for approximately \$120 million. The assets benefit from high capacity factors and are located in close proximity to our existing facilities and to market demand. The transaction is expected to close in the first quarter of 2016 and is expected to generate long-term investment returns in the range of 20 percent.
- During the quarter, we acquired a portfolio of wind development projects totaling approximately 1,200 megawatts in the United Kingdom. These projects are well positioned to benefit over the long-term from the region's strong wind resource and the UK's need for new supply. This acquisition grows our development pipeline to more than 3,000 megawatts and increases our advanced development program of buildable projects for the next five years to approximately 1,000 megawatts.
- Subsequent to the quarter-end, with institutional partners we completed the sale of a 102 megawatt wind facility in California, realizing a return on investment in the range of 30%.
- During the quarter, we entered into a joint venture to acquire 32 megawatts of early-stage wind projects in partnership in Northern Ireland. The projects are advancing through permitting process and complement our existing development activities in Ireland.
- During the quarter, we continued to advance our renewable power development projects. In Brazil, construction on 72 megawatts of hydroelectric facilities and a 55 megawatt biomass plant expansion continue on scope, schedule and budget. In Ireland, the construction of the 12 megawatt Glentane wind project was completed and has achieved full commissioning.
- Available liquidity at quarter-end amounted to \$1.0 billion, providing the financial resources and flexibility to fund ongoing operations and growth initiatives.

Distribution Declaration

The next quarterly distribution in the amount of \$0.415 per LP Unit, is payable on September 30, 2015 to unitholders of record as at the close of business on August 31, 2015. This distribution is consistent with Brookfield Renewable's policy of targeting a long-term, sustainable distribution in the range of 60% to 70% of FFO, with increases targeted on average at 5% to 9% annually.

The regular quarterly dividends on the Brookfield Renewable Power Preferred Equity Inc. preferred shares have also been declared.

Distribution Currency Option

The quarterly distributions payable on LP Units of Brookfield Renewable Energy Partners are declared in U.S. dollars. Registered and beneficial shareholders who are resident in Canada or the United States may opt to receive their distributions in either U.S. dollars or the Canadian dollar equivalent. Unless they request the Canadian dollar equivalent, shareholders will continue to receive distributions in U.S. dollars (which may be converted for them by the broker or other intermediary, as may currently be the case). The Canadian dollar equivalent of the quarterly distribution will be based on the Bank of Canada noon exchange rate on the record date or, if the record date falls on a weekend or holiday, on the Bank of Canada noon exchange rate of the preceding business day.

Registered shareholders wishing to receive the Canadian dollar distribution equivalent should contact Brookfield Renewable's transfer agent, Computershare Trust Company of Canada, in writing at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 or by phone at 1-800-564-6253. Beneficial unitholders (i.e., those holding their LP Units in street name with their brokerage) should contact the broker with whom their units are held.

Distribution Reinvestment Plan

Brookfield Renewable maintains a Distribution Reinvestment Plan ("DRIP") which allows holders of its LP Units who are resident in Canada to acquire additional LP Units by reinvesting all or a portion of their cash distributions without paying commissions. Information on the DRIP, including details on how to enroll, is available on Brookfield Renewable's website at www.brookfieldrenewable.com/DRIP.

Additional information on Brookfield Renewable's distributions and preferred share dividends can be found on its website at www.brookfieldrenewable.com under Investor Relations.

Additional Information

The Letter to Shareholders and the Supplemental Results for the period ended June 30, 2015 contain further information on Brookfield Renewable's strategy, operations and financial results. Shareholders are encouraged to read these documents, which are available at www.brookfieldrenewable.com.

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Brookfield Renewable Energy Partners (TSX: BEP.UN; NYSE: BEP) operates one of the largest publicly-traded, pure-play renewable power platforms globally. Diversified across 75 river systems and 14 power markets in North America, Latin America and Europe, its portfolio is primarily hydroelectric and totals more than 7,000 megawatts of installed capacity. With a portfolio of high-quality assets and strong growth prospects, the business is positioned to generate stable, long-term cash flows supporting regular and growing cash distributions to shareholders. For more information, please visit www.brookfieldrenewable.com.

For more information, please contact:

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

*This news release contains forward-looking information within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbor" provis
Associated Files*