

# Brookfield Renewable Reports Strong Quarterly Results

AUG 06, 2014

**August 6, 2014** – Brookfield Renewable Energy Partners L.P. (TSX: **BEP.UN**; NYSE: **BEP**) (“**Brookfield Renewable**”) today announced financial results for the three and six months ended June 30, 2014.

“We are pleased to report strong results driven by solid performance from new and existing assets,” said Richard Legault, President and Chief Executive Officer of Brookfield Renewable. “The completion of our Irish wind acquisition during the quarter is a milestone that expands our global platform into an important new market, enhances our portfolio of high-quality assets, augments our talent pool and provides attractive follow-on opportunities for the growth of our business in Europe. With the announced acquisition and development of more than 850 MW of high quality assets since the start of the year, our growth in the first half has been very strong and we believe our prospects are equally promising.”

## Financial Results

Unaudited, US\$ millions (except per unit or otherwise noted)	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Generation (GWh)				
- Total	<b>6,615</b>	6,265	<b>12,326</b>	11,800
- Brookfield Renewable's share	<b>5,300</b>	5,403	<b>10,056</b>	10,037
Revenues	\$ <b>474</b>	\$ 484	\$ <b>954</b>	\$ 921
Adjusted EBITDA <sup>(1)</sup>	\$ <b>360</b>	\$ 357	\$ <b>720</b>	\$ 676
Funds from operations (FFO) <sup>(1)</sup>	\$ <b>198</b>	\$ 187	\$ <b>383</b>	\$ 349
FFO per unit <sup>(1)(2)</sup>	\$ <b>0.74</b>	\$ 0.71	\$ <b>1.44</b>	\$ 1.32

(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, 2014".

(2) For the three and six months ended June 30, 2014 weighted average LP units, Redeemable/Exchangeable units and General partnership units totaled 267.6 million and 266.5 million, respectively (2013: 265.2 million and 265.2 million, respectively).

## Review of Operations

For the second quarter, adjusted EBITDA was \$360 million as compared to \$357 million in Q2 2013. Funds from operations (FFO) increased 6% to \$198 million or \$0.74 per unit as compared with \$187 million or \$0.71 per unit in the prior year. Results benefited from new Irish wind assets which contributed \$11 million to FFO.

Total generation for the three months ended June 30, 2014 was 6,615 GWh, consistent with the long-term average (LTA) of 6,691 GWh.

The hydroelectric portfolio generated 5,487 GWh, in-line with the LTA of 5,421 GWh and an increase of 123 GWh as compared to the second quarter of 2013. Generation from existing hydroelectric assets was 5,170 GWh compared to 5,364 GWh for the prior year period. Our recently acquired and commissioned facilities contributed 317 GWh in generation.

The wind portfolio generated 1,087 GWh, below the long-term average of 1,191 GWh and an increase of 350 GWh compared to the prior year due to growth in the portfolio.

The table below summarizes generation by segment and region:

For the three months ended June 30	Generation (GWh) <sup>(1)</sup>			Variance of Results	
	Actual 2014	Actual 2013	LTA 2014	Actual vs. LTA	Actual vs. Prior Year
Hydroelectric generation					
United States	<b>3,085</b>	2,942	3,035	50	143
Canada	<b>1,558</b>	1,519	1,488	70	39
Brazil	<b>844</b>	903	898	(54)	(59)

	<b>5,487</b>	5,364	5,421	66	123
Wind Energy					
United States	<b>427</b>	459	468	(41)	(32)
Canada	<b>242</b>	278	292	(50)	(36)
Europe <sup>(2)</sup>	<b>418</b>	-	431	(13)	418
	<b>1,087</b>	737	1,191	(104)	350
Other	<b>41</b>	164	79	(38)	(123)
Total generation <sup>(3)</sup>	<b>6,615</b>	6,265	6,691	(76)	350

(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 January 1, 2014 to June 30, 2014 has been recorded in the second quarter.

(3) Includes our share of generation in respect of those equity-accounted investments which we do not manage.

### Recent Highlights

- Brookfield Renewable and its institutional partners completed the acquisition of the wind energy assets of Bord Gáis Éireann, a portfolio comprising 326 MW of operating wind capacity with an additional 137 MW currently in construction and an approximate 300 MW development pipeline.
- Brookfield Renewable and its institutional partners announced the purchase of the remaining 67% interest in the 417 MW Safe Harbor hydroelectric facility on the Susquehanna River in Pennsylvania, following their acquisition of an initial 33% stake in the prior quarter. The transaction is expected to be completed in the third quarter of 2014. The facility generates an average of 1,100 GWh annually, possesses storage capabilities supporting daily peaking and is one of the largest conventional hydroelectric facilities in the PJM market.
- During the quarter, Brookfield Renewable raised gross proceeds of C\$325 million pursuant to a bought-deal offering of its limited partnership units, and completed a \$125 million refinancing of a hydroelectric portfolio in New England.
- Liquidity at quarter-end was approximately \$1.2 billion, providing the financial resources and flexibility to fund ongoing growth initiatives.

### Distribution Declaration

The Board of Directors has declared a quarterly distribution in the amount of \$0.3875 per limited partnership unit, payable on September 30, 2014 to unitholders of record as at the close of business on August 29, 2014. 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 and which increases on average by 3% to 5% 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 limited partnership 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 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 limited partnership units who are resident in Canada to acquire additional 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](http://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](http://www.brookfieldrenewable.com) under Investor Relations.

## Additional Information

The Letter to Shareholders and the Supplemental Results for the period ended June 30, 2014 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](http://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. Its portfolio is primarily hydroelectric and totals approximately 6,500 megawatts of installed capacity. Diversified across 72 river systems and 13 power markets in the United States, Canada, Brazil, the Republic of Ireland and Northern Ireland, the portfolio's output is sold predominantly under long-term contracts and generates enough electricity from renewable resources to power more than three million homes on average each year. 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](http://www.brookfieldrenewable.com).

### **For more information, please contact:**

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### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

*This news release contains forward-looking statements and information, within the meaning of Canadian 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" of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations, concerning the business and operations of Brookfield Renewable. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this news release include statements regarding the quality of Brookfield Renewable's assets and the resiliency of the cash flow they will generate, Brookfield Renewable's anticipated financial performance, future commissioning of assets, contracted portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions, future energy prices and demand for electricity, economic recovery, achieving long-term average generation, project development and capital expenditure costs, diversification of shareholder base, energy policies, economic growth, growth potential of renewable asset class, the future growth prospects and distribution profile of Brookfield Renewable and Brookfield Renewable's access to capital. Forward-looking statements can be identified by the use of words such as "plans", "expects", "scheduled", "estimates", "intends", "anticipates", "believes", "potentially", "tends", "continue", "attempts", "likely", "primarily", "approximately", "endeavours", "pursues", "strives", "seeks", or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this news release are based upon reasonable assumptions and expectations, we cannot assure you that such expectations will prove to have been correct. You should not place undue reliance on forward-looking statements and information as such statements and information involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.*

*Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: our limited operating history; the risk that we may be deemed an "investment company" under the Investment Company Act; the fact that we are not subject to the same disclosure requirements as a U.S. domestic issuer; the risk that the effectiveness of our internal controls over financial reporting could have a material effect on our business; changes to hydrology at our hydroelectric stations or in wind conditions at our wind energy facilities; the risk that counterparties to our contracts do not fulfill their obligations, and as our contracts expire, we may not be able to replace them with agreements on similar terms; increases in water rental costs (or similar fees) or changes to the regulation of water supply; volatility in supply and demand in the energy market; our operations are highly regulated and exposed to increased regulation which could result in additional costs; the risk that our concessions and licenses will not be renewed; increases in the cost of operating our plants; our failure to comply with conditions in, or our inability to maintain, governmental permits; equipment failure; dam failures and the costs of repairing such failures; exposure to force majeure events; exposure to uninsurable losses; adverse changes in currency exchange rates; availability and access to interconnection facilities and transmission systems; health, safety, security and environmental risks; disputes, governmental and regulatory investigations and litigation; our operations could be affected by local communities; losses resulting from fraud, bribery, corruption, other illegal acts, inadequate or failed internal processes or systems, or from external events; risks relating to our reliance on computerized business systems; general industry risks relating to operating in the North American, Brazilian and European power market sectors; advances in technology that impair or eliminate the competitive advantage of our projects; newly developed technologies in which we invest not performing as anticipated; labour disruptions and economically unfavourable collective bargaining agreements; our inability to finance our operations due to the status of the capital markets; the operating and financial restrictions imposed on us by our loan, debt and security agreements; changes in our credit ratings; changes to government regulations that provide incentives for renewable energy; our inability to identify sufficient Associated Files*