

Brookfield

Renewable Partners

LETTER TO SHAREHOLDERS

We continue to build Brookfield Renewable into the preeminent global renewable power business by leveraging our long track record of acquiring hydro assets for value and surfacing upside through operational excellence. Our goal continues to be growing our cash flows and value in line with our long-term total return objective of 12%-15% on a per share basis. Looking ahead, we believe the market for renewable investments will only improve.

Current Environment

We currently own over 10,300 megawatts of renewable operating capacity in some of the most attractive markets for renewables, of which nearly 8,200 megawatts are hydro generation. We also have a 7,000 megawatt global development pipeline, making us one of the largest publicly-traded pure-play renewable businesses in the world.

In North America, we are finding numerous hydro opportunities from owners who are looking to raise capital. We are also seeing wind and solar assets which for the first time are being priced at attractive returns, as a result of many of the public yieldcos having capital constraints.

In Europe, we are seeing high quality hydro assets come to market as low commodity and power prices are impacting the balance sheets of a number of industries. We also continue to build out our wind development pipeline, which is a key differentiator for us, as few people have the resources to develop these assets themselves.

In Brazil, we continue to see a market with little competition for investment opportunities. Many owners of high quality hydro and wind remain in need of liquidity as the recession and lack of capital impact their core businesses. This is creating opportunities for us to potentially acquire assets with contracted cash flows backed by high credit quality at very attractive returns.

The Renewable Power Sector

Globally, the demand for carbon reduction and sustainable, renewable power continues to grow. In addition, volatile capital markets, depressed power prices, and scarcity of capital in certain geographies are creating the best investment environment we have seen in many years.

Over the past decade, we have witnessed unprecedented growth in the renewable power sector. Over \$300 billion annually is currently being invested into renewables as governments look to replace aging, carbon-emitting thermal power plants. Much of this investment has been supported by government incentives and/or direct contracts such as feed-in-tariffs. These incentives enhance the cash flows and returns of new-build wind and solar, as the costs of these technologies are still high on a relative basis and thus do not provide investors with appropriate risk-adjusted returns. These incentives have had a significant impact on the power industry, some as follows:

- Manufacturers of renewable technologies have been able to invest meaningfully in their production processes and R&D. As a result, the per-megawatt hour cost for wind and solar technology has been rapidly decreasing. Despite the advances, incentives are still needed to generate appropriate returns on capital but some markets are getting closer to economically viable projects.
- Wind and solar are by their nature intermittent and are therefore unable to provide reliable bulk base-load power and on-demand peak power, creating significant challenges to power markets and transmission technologies. This in turn creates opportunities for technologies such as gas and hydro

for base-load generation. Longer term, batteries may be able to provide utility-scale storage and capacity services, but this is years away.

- With the backdrop of government support for wind and solar, as well as the tremendous global growth potential, many dedicated renewable investment entities, both public and private, have been established to invest into this market. These investment vehicles have largely pursued a strategy of owning contracted, operating wind and solar assets that provide investors with cash returns at a premium to long-term bonds with growth potential largely tied to acquisitions. We have been sellers of assets to these buyers.

In the context of the above, our strategy has been to focus on three areas that we believe will continue to ensure our business has stable cash flows as well as significant upside optionality, both leveraging our operating and development expertise:

We are acquiring hydro at the bottom of the cycle. We have acquired 1,500 megawatts of high quality hydro in the northeastern United States, investing over \$3 billion recently. These assets were acquired during a historically low power price environment, providing stable cash flows today, with significant upside either through price signals or long term contracts which will be needed to incentivize continued investment in utility-scale power technologies.

We have maintained discipline in a highly competitive wind and solar market. We grew our global wind business to 1,500 megawatts across 6 countries and added over 1,600 megawatts of wind development sites to our portfolio. Almost all of our growth came through development as the returns on a risk-adjusted basis were far greater than acquisitions. As for solar, we continue to monitor the market and will eventually invest, but are still being patient until the market moves in our favor.

We continue to use our operating expertise to expand into new markets where capital is scarce. We entered Europe during the credit crisis and now have 600 megawatts of operating wind facilities with 200 megawatts under development. We expanded in Brazil, acquiring 600 megawatts of hydro, wind and biomass assets in this recent recessionary downturn, and have another 120 megawatts of hydro and biomass currently under construction. Finally, with partners we acquired 3,000 megawatts of very high quality, utility-scale hydro in Colombia, a growth market where power is in undersupply and low global oil prices have provided an attractive entry point from a currency perspective.

Recent Transactions

In January, we acquired a 58% controlling interest in Isagen along with our institutional partners. Isagen is Colombia's third-largest power generation company with a 3,032 megawatt predominantly hydroelectric portfolio. Our consortium acquired the Isagen shares at the reserve price established by the Colombian government. During the quarter, we launched the first of two mandatory tender offers to remaining shareholders at the same price paid to the government. When these tender offers are concluded in the late summer of 2016, we expect to own close to 100% of the company (our share being approximately 25%).

Subsequent to quarter end, we also completed the acquisition of a 296 megawatt hydroelectric portfolio in Pennsylvania which complements our existing hydro fleet in the northeastern U.S. In Brazil, we completed the acquisition of two small hydro facilities totaling 51 megawatts, which we have since integrated into our platform.

Operations

The business continues to perform well. In the first quarter, we achieved \$455 million in Adjusted EBITDA and \$187 million in Funds From Operations. Inflows in North America were above long-term average while the traditional rainy season in Brazil led to improved hydrology and rising reservoir levels following

two years of drought conditions. In North America, we ended the quarter with reservoirs approximately 30% above average which should provide the business with positive momentum entering the spring months. Globally, our wind portfolio also performed in line with expectations, reflecting strong asset availability and wind resource.

Our development program continues to advance on scope, schedule and budget. In Europe, we began construction on a 15 megawatt wind project in Northern Ireland and advanced our first wind project in Scotland, a 20 megawatt facility, towards construction. In Brazil, we continue to advance the construction of 72 megawatts of hydroelectric facilities and recently completed the expansion work at a 55 megawatt biomass site in Sao Paulo.

Our liquidity position at quarter-end remained strong with \$1.3 billion of cash and bank lines. Combined with the free cash flow generated from our asset base and our access to capital with our investment-grade balance sheet, we are well positioned to fund ongoing growth initiatives.

In light of the attractive growth opportunities we are seeing, we are also advancing an additional \$800 million to \$1 billion of capital-raising initiatives. These include up-financings of approximately \$200-\$300 million, which will extend maturities and maintain current low interest costs. We expect the balance to be realized through capital recycling initiatives.

We look forward to reporting on our progress next quarter and are grateful for your continued support.

Sincerely,



Sachin Shah
Chief Executive Officer

May 4, 2016

Cautionary Statement Regarding Forward-looking Statements

This shareholder letter contains forward-looking statements and 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" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. The words "will", "should", "could", "potential", "tend to", "target" "future", "growth", "expect", "believe", "goal", "plan", derivatives thereof and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify the above mentioned and other forward-looking statements. Forward-looking statements in this shareholder letter include statements regarding the quality of Brookfield Renewable's business, the expectation for future cash flows and distribution growth, the availability of acquisition opportunities, liquidity, and the timing and completion of current acquisitions and development projects. Although Brookfield Renewable believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on them, or any other forward looking statements or information in this shareholder letter. The future performance and prospects of Brookfield Renewable are subject to a number of known and unknown risks and uncertainties. Factors that could cause actual results of Brookfield Renewable to differ materially from those contemplated or implied by the statements in this shareholder letter include economic conditions in the jurisdictions in which we operate; our ability to sell products and services under contract or into merchant energy markets; weather conditions and other factors which may impact generation levels at our facilities; changes to government regulations, including incentives for renewable

energy; our ability to grow within our current markets or expand into new markets; our ability to complete development and capital projects on time and on budget; our inability to finance our operations or fund future acquisitions due to the status of the capital markets; the ability to effectively source, complete and integrate new acquisitions and to realize the benefits of such acquisitions; health, safety, security or environmental incidents; regulatory risks relating to the power markets in which we operate, including relating to the regulation of our assets, licensing and litigation; risks relating to our internal control environment; we do not have control over all of our operations; contract counterparties not fulfilling their obligations; and other risks associated with the construction, development and operation of power generating facilities.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. The forward-looking statements represent our views as of the date of this shareholder letter and should not be relied upon as representing our views as of any date subsequent to the date of this shareholder letter. While we anticipate that subsequent events and developments may cause our views to change, we disclaim any obligation to update the forward-looking statements, other than as required by applicable law. For further information on these known and unknown risks, please see "Risk Factors" included in our Form 20-F.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES

This shareholder letter contains references to Adjusted EBITDA and Funds From Operations, which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of Adjusted EBITDA and Funds From Operations used by other entities. We believe that these are useful supplemental measures that may assist investors in assessing the financial performance and the cash anticipated to be generated by our operating portfolio. Neither Adjusted EBITDA nor Funds From Operations should be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with IFRS.

References to Brookfield Renewable are to Brookfield Renewable Partners L.P. together with its subsidiary and operating entities unless the context reflects otherwise.