

Brookfield

Renewable Energy Partners

LETTER TO SHAREHOLDERS

The business is performing well and we continue to make significant progress on our investing, development, and capital recycling programs. The third quarter is seasonally our lowest from a generation perspective and one in which we take advantage of lower inflows to perform a majority of our sustaining capital and asset optimization work. Accordingly, we delivered Adjusted EBITDA of \$242 million and Funds From Operations of \$80 million during the quarter.

Focus on growth and liquidity

Since 2011, we have invested along with our partners over \$4 billion into growth opportunities across multiple market segments and assets where there is less competition, and where our operating and marketing expertise should allow us to maximize returns over time. These investments, such as long life hydro facilities in North America, development pipelines in Europe, and more recently distressed wind and hydro in Brazil have largely been tied to power market and economic recovery. During the quarter, we progressed three initiatives that highlight this strategy:

1. We agreed to acquire a portfolio of two operating hydro stations in the northeastern United States with 292 megawatts of installed capacity for approximately \$860 million. The acquisition benefits from synergies with our 417 megawatt Safe Harbor facility on the same river, as well as a diverse revenue stream, long-term operating licenses and a market facing significant coal retirements and increasing reliance on renewables. We expect to maintain an approximate 40% economic interest in the portfolio and the transaction is expected to close in the first quarter of 2016.
2. We completed a 10-year, \$400 million refinancing of our 600 megawatt Bear Swamp hydroelectric pumped storage facility in New England. We bought this facility with our joint venture partner in the mid-2000s for \$99 million during a period of depressed energy prices. Since that time, we have been able to sell energy and capacity into wholesale markets, enter long-term power sale contracts, and refinance the asset based on rising capacity prices. This most recent refinancing provided us with \$135 million of incremental proceeds, representing low-cost capital which we can redeploy into new growth opportunities.
3. We advanced the construction of 127 megawatts of hydroelectric and biomass projects in Brazil, and also began construction of a 14 megawatt wind project in Northern Ireland. These projects benefit from attractive long-term contracts and should allow us to deploy capital at over 20% returns in Brazil and 15% returns in Europe. Over the next five years, we expect to build and commission approximately 1,000 megawatts of greenfield projects while continuing to replenish our pipeline to ensure a steady stream of growth opportunities.

The significant volatility in energy markets is an opportunity for us to grow our portfolio, optimize our cash flow profile and surface value from existing assets. In North America, capacity prices in the northeast U.S. continue to rise as the impact of coal retirements takes hold. We participated in the recent forward capacity auctions in the PJM market and secured capacity revenues for our facilities in Pennsylvania, Tennessee and North Carolina at attractive pricing. In addition, the portfolio is well positioned to benefit from various state-level procurement programs to attract firm, long-term supply of carbon-free energy and capacity.

We continue to maintain high levels of liquidity and a strong access to capital. We currently have approximately \$1 billion of near-term liquidity and we believe that have the ability to surface significant additional capital from refinancing underleveraged projects and, on a selective basis, further asset sales.

Outlook

The capital markets have seen a sharp selloff of many North American and European independent power producers, some of whose share prices have declined by 40-50%. Much of this weakness has been the result of a continued slowdown in commodities, the prospect of rising interest rates, as well as issuer-specific concerns. We believe that our business is well-insulated from these factors and we continue to focus our business on initiatives that drive a long term total return to our shareholders, as opposed to just near term cash flow accretion. On that basis, we continue to prioritize our operations on owning and operating the highest quality hydroelectric assets acquired during periods of distress and with the potential for significant upside from rising prices, proprietary development that can generate superior returns, multi technology operating capabilities and a global growth mandate. Access to capital, deep institutional partnerships, and Brookfield's sponsorship provide support to achieve our growth objectives.

Accordingly, we plan to deploy \$500 to \$600 million annually into new investments over the next five years, and expect that this could lead us into new markets in which we can broaden our geographic footprint and build a larger and more scalable business over time. We remain confident in our ability to deliver 12-15% total returns to shareholders over the long-term including cash distribution increases in the range of 5-9% annually.

We look forward to reporting on our progress next quarter and truly appreciate your continued support.

Sincerely,



Sachin Shah
Chief Executive Officer

November 3, 2015

Cautionary Statement Regarding Forward-looking Statements

This shareholder letter 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" 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 general 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 affect generation levels at our facilities; changes to energy markets, including incentives for renewable energy; the ability to grow within our current markets or expand into new markets; the ability to complete development and capital projects on time and on budget; the state of capital markets and the availability of equity and debt financing; the ability to effectively source, complete and integrate new acquisitions and to realize the benefits of such acquisitions; health, safety, security and environmental risks; general 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; 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 Energy Partners L.P. together with its subsidiary and operating entities unless the context reflects otherwise.