

Brookfield Renewable Energy Partners L.P.
INVESTOR SUPPLEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011

OUR OPERATIONS

We operate our facilities through three regional operating centers in, the United States, Brazil and Canada which are designed to maintain, and where possible, enhance the value of our assets, while cultivating positive relations with local stakeholders. We own and manage 170 hydroelectric generating stations, three wind facilities, and two natural gas-fired plants. Overall, the assets we own or manage have 4,536 MW of generating capacity and annual generation of 16,849 GWh based on long-term averages. The table below outlines our portfolio as at December 31, 2011:

Markets	Rivers	Generating Stations	Generating Units	Capacity (MW)	LTA ⁽²⁾ (GWh)	Storage (GWh)
Hydroelectric generation						
United States	26	103	292	1,966	6,745	2,146
Canada	18	32	72	1,323	5,061	1,261
Brazil ^{(3), (4)}	23	35	79	626	3,440	NA
	67	170	443	3,915	15,246	3,407
Wind energy ⁽⁴⁾	–	3	220	406	1,197	–
Other	–	2	6	215	406	–
	67	175	669	4,536 ⁽¹⁾	16,849	3,407

(1) Total net capacity including our share of equity accounted investments' capacity is 4,166 MW.

(2) Long-term average ("LTA") is the expected average level of generation as obtained from the results of a simulation based on historical inflow data, performed over a period of usually 30 years of data.

(3) Brazil hydro assets benefit from a market framework which levelizes generation across producers.

(4) Includes annualized LTA for facilities acquired during the year.

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LETTER TO UNITHOLDERS

We are pleased to report to you our financial and operating results for the first time following the launch of Brookfield Renewable Energy Partners, which was created from the strategic combination of Brookfield Renewable Power Fund and the renewable power assets of Brookfield Renewable Power Inc. in the fourth quarter of 2011 following the approval of investors, who voted overwhelmingly in favour.

As one of the world's largest, publicly-traded pure-play renewable portfolios, our business is distinguished from other energy producers by virtue of its truly unique portfolio focused on hydroelectricity. With nearly 5,000 MW of capacity, 86 percent of which is hydroelectric in nature, our portfolio is firmly centered on the longest-lived and most value-added power generation technology. Our high-quality wind assets share many of the same positive attributes and form a strong complement to our hydroelectric assets.

Our many longer-term unitholders know that the Brookfield Renewable Power Fund was a highly successful income trust with an average annual return exceeding 15% since its inception in 1999. Over that time, the Fund also delivered a consistent and growing stream of cash distributions to unitholders. We expect that Brookfield Renewable will enjoy enhanced growth prospects, greater access to capital and improved liquidity; however its core strategy remains the same – to deliver stable and growing distributions to unitholders from a high-quality portfolio of renewable power assets. Our cash flows are supported by a virtually fully-contracted portfolio with power purchase agreements averaging 24 years in duration, among the longest in the industry.

Operating and Financial Results

In 2011, total generation across the portfolio was 15,877 gigawatt hours (GWh) or 10% higher than 14,480 GWh in the prior year and 3% lower than the long-term average of 16,297 GWh. The improvement reflects stronger hydrological conditions in Eastern Canada and the Northeastern United States. Although hydrology did return to more normalized levels, it was modestly below the long-term average due to below-average inflows in Eastern Canada. Helping to offset these conditions were record-breaking inflows for our facilities in the Northeastern United States. Energy sales in Brazil were in line with expectations. Generation from our wind facilities also contributed to the increase due primarily to a full year's contribution from our Ontario wind facility commissioned in September 2010.

As our long-term investors know, hydrology will vary from one period to the next, and is one of the few but important variable factors in our results. Over time, we expect our facilities will continue to produce in line with their long-term averages, which have proven to be reliable indicators of performance. Moreover, the added geographic and technological diversification resulting from the combination should lead to less variability in our annual results when measured against the long-term average.

Growth Developments

We have made great strides across all areas of the business since the combination was completed less than three months ago. In terms of growth initiatives, we recently completed construction of four renewable power facilities — two hydroelectric stations and two wind farms — with a combined 280 MW of capacity. These new assets are located in attractive markets with strong long-term fundamentals.

With our institutional partners, we also recently acquired new wind generation assets in California, including a 150 MW wind farm adjacent to our Coram wind project in the Tehachapi region. This new facility entered commercial operation in the first quarter and comes with a 24-year power purchase agreement with Southern California Edison. We also acquired the remaining 50% stake previously held by our partner in Coram, along with a further 22 MW of additional operating wind generation capacity.

In Brazil, we continue to make excellent progress on the construction of two hydro facilities with a combined capacity of 48 MW. We expect these to enter commercial operations in early 2013.

Distribution Profile and Increase

As we have previously indicated, we will maintain a distribution policy that aims to pay out approximately 60% to 70% of funds from operations, while targeting a long-term distribution growth rate target in the range of 3% to 5% annually. We are pleased to say that we are well on our way to meeting this target for 2012, having recently announced an increase in unitholder distributions to \$1.38 per unit on an annualized basis, an increase of three cents per unit per year. This is the result of the solid progress in our growth plans and the corresponding positive impact on our cash flows, and follows a distribution increase, relative to the Fund's prior distributions, that was implemented upon the closing of the combination. The current distribution rate is approximately 6% higher than it was just prior to the launch of Brookfield Renewable.

Looking Ahead to 2012

We are extremely well-positioned to achieve our objectives in 2012 and beyond. The quality and stability of our assets, combined with a fully contracted portfolio, provides a high degree of predictability in our cash flows, which in turn supports stable distributions to unitholders.

From a growth point of view, we believe that our solid financial position, low cost of capital and continuing strong relationship with Brookfield Asset Management places us in a very strong competitive position. Even without further debt capacity or equity issuance, we expect to have approximately US\$100 million of available cash each year to further invest in accretive projects or acquisitions.

In addition to acquisitions such as those we recently completed, we are making progress on the strategic development of our own 2,000 MW project pipeline. During the fourth quarter, we received the environmental assessment certificate for our hydroelectric project in British Columbia. We expect construction to begin this year, subject to the successful completion of remaining commercial agreements. Once complete, the 45 MW facility on the Kokish River is expected to generate enough electricity annually to power approximately 15,000 homes.

Other milestones we expect to achieve in the coming months include a listing of our units on the New York Stock Exchange and the establishment of a distribution reinvestment plan. We believe that we have all of the elements needed to become the premium vehicle for investors seeking a proven leader in the renewable power sector, and that these initiatives will make it easier for unitholders to participate in our growth over time.

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

Sincerely,



Richard Legault
Chief Executive Officer

Investor Supplement

For the year ended December 31, 2011

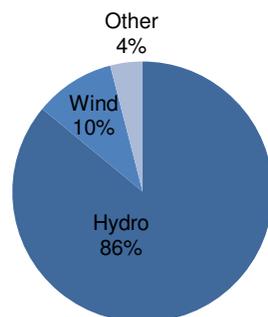
BUSINESS OVERVIEW

Brookfield Renewable Energy Partners L.P. (“Brookfield Renewable”) is an owner and operator of a diversified portfolio of high quality assets that produce electricity from renewable resources and has evolved into one of the world’s largest listed pure-play renewable power businesses.

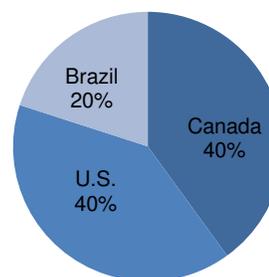
Our assets generate high quality, stable cash flows derived from a virtually fully contracted portfolio. Our business model is simple: utilize our global reach to identify and acquire high quality renewable power assets at favourable valuations, finance them on a long-term, low-risk basis, and enhance the cash flows and values of these assets using our experienced operating teams to earn reliable, attractive, long-term total returns for the benefit of our shareholders.

One of the largest, listed pure-play renewable platforms. We own one of the world’s largest, publicly-traded, pure-play renewable power portfolios with close to \$14 billion in power assets, more than 4,500 MW of installed capacity, and long-term average generation of over 16,800 GWh annually. Our portfolio includes 170 hydroelectric generating stations on 67 river systems and three wind facilities, diversified across ten power markets in the United States, Canada and Brazil.

Generation by Technology



Generation by Market



Focus on attractive hydroelectric asset class. Our assets are predominantly hydroelectric and represent one of the longest life, lowest cost and most environmentally preferred forms of power generation. Our North American assets have the ability to store water in reservoirs up to approximately 38% of our annual generation. Our assets in Brazil benefit from a framework that exists in the country to levelize generation risk across producers. This ability to store water and have levelized generation in Brazil, provides partial protection against short-term changes in water supply. As a result of our scale and the quality of our assets, we are competitively positioned compared to other listed renewable power platforms, providing significant scarcity value to investors.

Well positioned for global growth mandate. Over the last 10 years we have acquired or developed over 20 hydroelectric assets totaling approximately 3,000 MW. We have strong organic growth potential with a 2,000 MW development pipeline spread across each of our operating jurisdictions. Our Net asset value in renewable power has grown from approximately \$900 million in 1999 to over \$8 billion today, representing a 20% annualized growth rate. We are able to acquire and develop assets due to our established operating and project development teams, strategic relationship with Brookfield Asset Management and our strong liquidity and capitalization profile.

Attractive distribution profile. We pursue a strategy which provides for highly stable, predictable cash flows sourced from predominantly long-life hydroelectric assets ensuring an attractive distribution yield. We target a distribution payout ratio in the range of approximately 60% - 70% of funds from operations and pursue a long-term distribution growth rate target in the range of 3% to 5% annually.

Stable, high quality cash flows with attractive long-term value for limited partnership unitholders. We intend to maintain a highly stable, predictable cash flow profile sourced from a diversified portfolio of low operating cost, long-life hydroelectric and wind power assets that sell electricity under long-term, fixed price contracts with creditworthy counterparties. Virtually all of our generation output is sold pursuant to power purchase agreements (“PPAs”), to public power authorities, load-serving utilities, and industrial users or to affiliates of Brookfield Asset Management. The PPAs for our assets have a weighted-average remaining duration of 24 years, providing long-term cash flow stability.

Strong financial profile. With close to \$14 billion of power generating assets and a conservative leverage profile, consolidated debt-to-capitalization is approximately 40%. Our liquidity position remains strong with over \$450 million cash and available bank lines. Approximately 80% of our obligations are non-recourse and our corporate debt has a weighted-average term of 10 years.

SUCCESSFUL COMBINATION OF OUR POWER BUSINESS

On November 28, 2011, we announced the completion of the strategic combination (the “Combination”) of the renewable power assets of Brookfield Renewable Power Inc. (“BRPI”) and Brookfield Renewable Power Fund (the “Fund”) to launch Brookfield Renewable Energy Partners, a publicly-traded limited partnership. Public unitholders of the Fund received one non-voting limited partnership unit of Brookfield Renewable in exchange for each trust unit of the Fund held, and the Fund was wound up.

The business activities of Brookfield Renewable consist of owning a portfolio of renewable power generating facilities in the United States, Brazil and Canada, which have historically been held as part of the power generating operations of BRPI and the Fund.

As at the date of this report, Brookfield Asset Management has an approximate 68% limited partnership interest, on a fully exchanged basis, and all general partnership units totaling a 0.01% general partnership interest in Brookfield Renewable while the remaining 32% is held by the public. Since November 30, 2011, Brookfield Renewable’s limited partnership units have traded on the Toronto Stock Exchange (“TSX”) under the symbol “BEP.UN”.

BASIS OF PRESENTATION

This Investor Supplement for the year ended December 31, 2011 is provided as of February 13, 2012. Unless the context indicates or requires otherwise, the terms “Brookfield Renewable”, “Partnership”, “we”, “us”, and “our” mean Brookfield Renewable Energy Partners, L.P.

Brookfield Renewable’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), which require estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expense during the reporting periods.

Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars.

PERFORMANCE MEASUREMENT

Although we monitor and analyze our financial performance using a number of indicators, our primary business objective of generating reliable and growing cash flow is monitored and analyzed using earnings before interest, taxes, depreciation and amortization (“EBITDA”), funds from operations (“FFO”) and net asset value. As a result of the Combination, we have also presented these same measurements on a *pro forma* basis. While net income is calculated in accordance with IFRS, EBITDA, FFO, and net asset value do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)

EBITDA means 100% of revenues less direct costs (including energy marketing costs), plus our share of cash earnings from equity accounted investments, before interest, current income taxes, depreciation, amortization and management service costs.

FUNDS FROM OPERATIONS (FFO)

FFO is defined as EBITDA less interest, current income taxes and management service cost, which is then adjusted for non-controlling interests.

NET ASSET VALUE

Net asset value represents our capital at carrying value, on a pre-tax basis prepared in accordance with the procedures and assumptions utilized to prepare the Brookfield Renewable’s IFRS financial statements, adjusted to reflect asset values not otherwise recognized under IFRS.

SUMMARY FINANCIAL REVIEW

PRO FORMA BASIS

We are providing *pro forma* financial results that include the impact of the Combination, new contracts and contract amendments, management service agreements along with the tax impacts resulting from the Combination, as if each had occurred as of January 1, 2010. The unaudited *pro forma* financial results have been prepared based upon currently available information and assumptions deemed appropriate by management. The *pro forma* financial results give effect to the following transactions:

Items affecting future cash flows:

- amendment and execution of PPAs; and
- execution of management service agreements.

Items not affecting cash flows:

- changes in the fair value of property, plant and equipment due to the change in power purchase agreements and the resulting change in depreciation expense;
- change in accounting policy for construction work-in-progress to include this asset type in the assets that are revalued when appropriate criterion are satisfied;
- settlement of intercompany balances as at the date of the transaction; and
- elimination of the Fund unit liability and related unrealized gain or loss on remeasurement.

The unaudited *pro forma* financial results are provided for information purposes only and may not be indicative of the results that would have occurred had the above transaction been affected on the date indicated. The accounting for certain of the Combination transactions required the determination of fair value estimates at the date of the transaction on November 28, 2011 rather than the date assumed in the determination of the *pro forma* results of January 1, 2010.

OVERVIEW OF PERFORMANCE ON A *PRO FORMA* BASIS

Generation (GWh)

	Variance of Results						
	Actual Generation		LTA Generation		Actual vs. LTA		Actual vs. Prior year
	2011	2010	2011	2010	2011	2010	2011
FOR THE YEARS ENDED DECEMBER 31							
Hydroelectric generation							
United States	7,150	6,651	6,811	6,727	339	(76)	499
Canada	4,056	3,557	5,061	5,076	(1,005)	(1,519)	499
Brazil ⁽¹⁾	3,307	3,206	3,307	3,206	-	-	101
	14,513	13,414	15,179	15,009	(666)	(1,595)	1,099
Wind energy	662	499	712	506	(50)	(7)	163
Other	702	567	406	372	296	195	135
Total generation ⁽²⁾	15,877	14,480	16,297	15,887	(420)	(1,407)	1,397
% variance					(3%)	(9%)	10%

(1) Assured generation levels

(2) Actual and long-term average generation includes 100% of generation from equity-accounted investments.

We compare actual generation levels against the expected long-term average to highlight the impact of one of the few but important factors that affect the variability of our business results. In the short term, we recognize that hydrology will vary from one period to the next, over time however, we expect our facilities will continue to produce in line with their long-term averages, which have proven to be reliable indicators of performance. Accordingly, we present our generation and the corresponding EBITDA and FFO results on both actual generation and long-term average basis.

Generation levels in 2011 improved from the prior year, due in particular to heavy rainfall during the summer in the Northeast United States. Hydrology conditions in Eastern Canada continued to underperform during the year; however we did experience an improvement over the record dry conditions of 2010. Energy sales from our hydroelectric assets in Brazil were in line with plan and consistent with the framework that exists to levelize generation across power producers in that market. Overall, generation from our hydro portfolio was 1,099 GWh above 2010 levels and 666 GWh below long-term average (4% below long-term average) during the year. Wind production was below long-term average during the year but ahead of the prior year as we had the full year benefit of wind facilities commissioned in late 2010. Entering the first quarter of 2012, reservoir levels are 7% above long-term average and with a fully contracted portfolio we are well positioned to deliver results in line with plans for the balance of the year.

EBITDA and FFO on a *Pro forma* Basis

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)	Results under actual generation		Results under LTA generation	
	2011	2010	2011	2010
Generation (GWh)	15,877	14,480	16,297	15,887
Revenues ⁽¹⁾	\$ 1,332	\$ 1,187	\$ 1,392	\$ 1,287
Other income	19	12	19	12
Direct operating costs	(425)	(346)	(425)	(346)
EBITDA	926	853	986	953
Interest expense - borrowings	(411)	(404)	(411)	(404)
Current income taxes	(22)	(32)	(22)	(32)
Management service costs	(22)	(21)	(22)	(21)
Non-controlling interests	(52)	(46)	(50)	(46)
Funds from operations (FFO) ⁽²⁾	\$ 419	\$ 350	\$ 481	\$ 450

(1) Includes share of cash earnings from equity-accounted investments.

(2) FFO is defined as EBITDA less interest, current income taxes and management service cost, which is then adjusted for non-controlling interests.

Revenues on a *pro forma* basis totaled \$1,309 million or \$85 per MWh at the end of 2011, representing a year-over-year increase of \$144 million or 12%. Approximately \$21 million of the increase is attributable to the acquisition of a 30 MW hydroelectric facility in Brazil in June and the completion of a 166 MW wind facility in Eastern Canada in November. The balance is due to inflation based escalation included in our power purchase arrangements along with an increase in overall generation levels.

Pro forma EBITDA in 2011 increased year-over-year by \$73 million or 9% to \$926 million from \$853 million. EBITDA margins on our hydroelectric facilities approximate 75%. Both revenues and direct operating costs were in line with expectations ensuring stable operating margins.

Interest costs reflect the cost related to approximately \$1.1 billion of corporate debt and \$4.2 billion of non-recourse asset-specific debt. Our financings are predominantly fixed rate and issued in local currencies providing protection to our equity capital against changes in foreign exchange and interest rates movements. In February of 2012 we issued C\$400 million of additional corporate debt with a 10 year term at 4.79%. Proceeds from the issuance were used to repay higher yielding, shorter duration debt resulting in a lower cost of capital for Brookfield Renewable and an improved debt maturity profile.

Management service costs reflect a base fee of \$20 million annually plus 1.25% on growth in our total capitalization.

FFO, on a *pro forma* basis, increased year-over-year by \$69 million or 20% to \$419 million from \$350 million. The increase is consistent with the growth in our portfolio described above and the overall improvement in generation.

CONTRACT PROFILE

Our portfolio is virtually fully contracted with minimal expiries over the next two years. We operate the business on a largely contracted basis to ensure a high degree of predictability in funds from operations. We do however maintain a long-term view that electricity prices and the demand for electricity from renewable sources will rise due to a growing level of acceptance around climate change and the requirement to diversify away from thermal generation.

As at December 31, 2011, we have contracted virtually all of our 2012 generation at an average price of \$89 per MWh. The following table sets out our contracts over the next five years for generation from our existing facilities assuming long-term average hydrology:

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)	2012	2013	2014	2015	2016
Generation (GWh)					
Contracted ⁽¹⁾ :					
Hydroelectric	15,096	15,263	14,589	13,954	13,836
Wind	1,606	1,681	1,681	1,681	1,681
Other	521	398	134	-	-
	17,223	17,342	16,404	15,635	15,517
Uncontracted	252	424	1,053	1,689	1,806
LTA ⁽²⁾	17,475	17,766	17,457	17,324	17,323
Contracted generation – as at December 31, 2011					
% of total generation	99%	98%	94%	90%	90%
Contracted revenue	\$ 1,536	\$ 1,506	\$ 1,400	\$ 1,338	\$ 1,331
Price per MWh	\$ 89	\$ 87	\$ 85	\$ 86	\$ 86

(1) Assets are included in the Contract profile only if LTA and pricing details are available and commercial operation date is imminent.

(2) Increase in generation over 2011 represents the full year contribution of completed projects.

We have a predictable revenue profile driven by both long-term PPAs with a weighted average remaining duration of 24 years, combined with a well-diversified generation portfolio that reduces variability in our generation volumes. The majority of our long-term PPAs are with investment-grade rated or creditworthy counterparties such as Brookfield Asset Management and its subsidiaries (55%), government-owned utilities or power authorities (26%), or industrial power users (11%).

Over the next three years we have on average approximately 575 GWh of energy annually which is not contracted. All of this power can be sold into the current wholesale or bilateral market, however we intend to maintain flexibility in recontracting to ensure we achieve the most optimal pricing.

NET ASSET VALUE

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)	Total		Per Share	
	2011	2010 ⁽¹⁾	2011	2010 ⁽¹⁾
Property, plant and equipment, at fair value				
Hydroelectric ⁽²⁾	\$ 12,507	\$ 11,517	\$ 47.65	\$ 43.87
Wind	1,369	564	5.22	2.15
Other	86	82	0.33	0.31
	13,962	12,163	53.20	46.33
Development assets	430	492	1.64	1.87
Working capital, net	395	221	1.51	0.84
Corporate and subsidiary borrowings	(5,519)	(4,994)	(21.03)	(19.01)
Non-controlling interests	(584)	(206)	(2.23)	(0.78)
Preferred equity	(241)	(252)	(0.92)	(0.96)
Net asset value	\$ 8,443	\$ 7,424	\$ 32.17	\$ 28.29

(1) Figures are represented on a *pro forma* basis

(2) Includes amounts from equity-accounted investments for 2011: \$359 million and 2010: \$268 million.

(3) Net asset value represents our capital at carrying value, on a pre-tax basis prepared in accordance with the procedures and assumptions utilized to prepare the Brookfield Renewable's IFRS financial statements, adjusted to reflect asset values not otherwise recognized under IFRS.

The net asset value of the Partnership totaled \$8.4 billion or \$32 per share at December 31, 2011 compared to \$7.4 billion in the prior year. Values increased from 2010 by 14% due to lower discount rates and the completion of plants previously under construction, partially offset by lower foreign exchange rates in Canada and Brazil.

Net asset value in our property, plant and equipment increased to \$14 billion. The increase over the prior year is in part due to the acquisition of a 30 MW hydroelectric asset in Brazil, the completion of two hydroelectric development projects totaling 15 MW in the United States and the completion of a 166 MW wind facility in Eastern Canada which increased asset values by \$440 million. Lower interest rates and the corresponding reduction in discount rates applied to future cash flows increased the value of our plants by \$1.3 billion. In addition, approximately 275 MW of hydroelectric and wind facilities in our portfolio have been acquired with institutional partners and are consolidated into our operating results. Our net ownership of these facilities approximates 25% and accordingly we have recognized non-controlling interests in relation to these assets and reduced FFO by the proportionate share of cash-earnings attributable to our partners.

Development assets include two wind and two hydroelectric projects currently under construction along with early stage costs associated with a 45 MW hydroelectric facility in Western Canada which we expect to commence construction in the second quarter of 2012. We record development assets at an estimate of fair value based on the value expected on completion, less the costs remaining to complete the project.

Borrowings increased during the year consistent with the growth of our asset base as overall debt to capitalization was largely unchanged. At the end of the year, corporate borrowings totaled \$1,322 million (2010 - \$1,152 million) comprised of \$1,071 million of corporate debt (2010 - \$1,096 million) and \$251 million drawn on our bank lines (2010 - \$56 million). We have a three-year \$600 million bank facility which we typically use to fund short term development costs and changes in working capital requirements.

The valuations of our property, plant and equipment reflect long-term interest rates at the corresponding valuation date. Interest rates in all of the markets we operate in declined in 2011 due to the general weakness of the global economy and the continued flight of capital into government securities. Assumptions used to determine our weighted average cost of capital, other than market interest rates were largely unchanged. We value our assets based on discounting cash flows over a 20 year period and the key assumptions utilized in 2011 and 2010 were as follows:

	United States		Canada		Brazil	
	2011	2010	2011	2010	2011	2010
Discount rate	5.6%	7.4%	5.4%	6.4%	9.9%	10.8%
Terminal capitalization rate	7.2%	7.9%	6.8%	7.1%	n/a	n/a
Exit date	2031	2030	2031	2030	2029	2029

A 50 bps change in discount rates would have approximately \$1 billion impact on our net asset value.

GROWTH INITIATIVES

Our manager has a full scale, globally focused M&A capability which has resulted in tremendous growth of our business over the last ten years. During 2011, we acquired, with our institutional partners, late stage wind development projects with long-term power purchase agreements which are currently being constructed, and we acquired and integrated a fully contracted 30 MW hydroelectric facility in the southeast region of Brazil. Including the acquired development projects, we had four hydroelectric and three wind projects totaling more than 440 MW under construction during 2011. By the end of the year we have completed construction of two hydroelectric projects and one wind facility on time and budget and all three have been integrated into our operations. The remaining projects under development are on schedule and budget and are expected to be completed over the next year. We expect to start construction of a 45 MW hydroelectric facility in Western Canada in the second quarter of this year subject to finalizing construction agreements and receiving final permits which we expect to receive in the ordinary course. The project has a 40-year PPA with the government of British Columbia and is expected to be accretive to our overall cash flows.

In addition to the projects referenced above, we have a 2,000 MW development pipeline comprised of primarily early stage hydroelectric, wind and pump storage opportunities which we may build out over the longer term subject to project returns and relative opportunities. The development portfolio was transferred to the Partnership by our manager, Brookfield Asset Management, at no up-front cost. To the extent we construct or sell any project in the 2,000 MW pipeline, we are required to reimburse Brookfield Asset Management for its costs incurred prior to our ownership plus 50% of any profit over our cost of capital.

In January 2012, we acquired 223 MW of additional wind facilities in California with our institutional partners. These facilities benefit from long-term PPAs with local utilities.

LIQUIDITY AND CAPITALIZATION

We operate with sufficient liquidity, which along with ongoing cash flow from operations enable us to fund growth initiatives, capital expenditures, distributions and to finance the business on an investment grade basis. As part of our financing strategy, we raise the majority of our debt capital in the form of asset-specific, non-recourse borrowings at our subsidiaries. As at December 31, 2011 corporate borrowings remained unchanged from the previous year whereas our subsidiary borrowings increased due to additional borrowings for new assets in our Canadian and Brazilian portfolios. Our debt to capitalization ratio was 37% at December 31, 2011, which was substantially unchanged from December 31, 2010.

The following table summarizes our capitalization using book values:

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2011	2010 ⁽¹⁾
Credit facilities	\$ 251	\$ 64
Corporate borrowings	1,071	1,096
Subsidiary borrowings	4,197	3,834
Long-term indebtedness	5,519	4,994
Non-controlling interests	584	206
Preferred equity	241	252
Net asset value	8,443	7,424
Total capitalization	\$ 14,787	\$ 12,876
Debt to total capitalization	37%	39%

(1) Information for 2010 was prepared on a *pro forma* basis.

We have completed over \$1 billion in financings since the beginning of 2011 to the date of this report as a result of financing growth initiatives and refinancing existing debt. In that regard, we issued C\$400 million of 10 year notes in February 2012, bearing interest at 4.79% per annum. The funds were used to reduce shorter duration borrowings, extending term on our overall maturity profile and reducing our overall cost of capital.

Total liquidity is comprised of available cash and the unutilized portion of committed bank lines. We currently have over \$450 million of available liquidity which provides us with significant cushion to fund ongoing growth and capital requirements and to protect against short term fluctuations in generation.

Available liquidity

AS AT DECEMBER 31 (MILLIONS)	2011	2010
Cash and equivalents	\$ 267	\$ 188
Available portion of bank facility	190	102
	\$ 457	\$ 290

Corporate and subsidiary borrowings

The following table summarizes our debt maturities over the next three years:

AS AT DECEMBER 31 (MILLIONS)	2012	2013	2014
Corporate	-	-	-
Subsidiary borrowings - consolidated	\$ 650	\$ 741	\$ 285
Subsidiary borrowings – total ⁽¹⁾	\$ 769	\$ 742	\$ 286

(1) Includes borrowings from equity-accounted investments

We have no corporate borrowings maturing over the next three years. Subsidiary borrowings maturing in 2012 include \$260 million of debt on our Eastern Canadian wind assets, \$120 million associated with our pumped storage facility in New England which we own 50% with a partner and \$200 million attributed to our hydroelectric facilities in New York. We expect to be able to refinance all of the upcoming maturities in the normal course.

The overall maturity profile and average interest rates associated with corporate and subsidiary borrowings are as follows:

AS AT DECEMBER 31	Average term (years)		Average interest rate (%)	
	2011	2010	2011	2010
Corporate borrowings	9.6	10.6	5.5	5.5
Subsidiary borrowings	10.0	11.1	7.5	7.7

SUMMARY OF PRO FORMA ADJUSTMENTS:

(i) Power Purchase Agreements

Pro forma income (loss) reflects an amendment to the power purchase agreement between Brookfield Asset Management and BRPT, an indirect wholly-owned subsidiary of Brookfield Renewable (the “GLPL PPA”). Under the amendment, Brookfield Asset Management has agreed to guarantee the price of electricity generated by facilities owned by Great Lakes Power Limited, a subsidiary of Brookfield Renewable, at C\$82 per MWh. This price is to be increased annually on January 1 by an amount equal to forty percent (40%) of the increase in the consumer price index during the previous calendar year.

In a separate transaction, Brookfield Energy Marketing LP (“BEM LP”) and Mississagi Power Trust (“MPT”), an indirect wholly-owned subsidiary of the Partnership, agreed to an amendment to the existing Master Power Purchase and Sale Agreement (the “Mississagi PPA”) to adjust the price of electricity purchased to C\$103 per MWh. This price is to be increased annually by an amount equal to twenty percent (20%) of the increase in the consumer price index during the previous calendar year.

Additionally, BEM LP and Brookfield Power U.S. Holding America Co. (“BPUSHA”), an indirect wholly-owned subsidiary of the Partnership, agreed to an Energy Revenue Agreement under which BEM LP will guarantee the price for energy delivered by certain facilities in the United States at \$75 per MWh. This price is to be increased annually on January 1 by an amount equal to forty percent (40%) of the increase in the consumer price index during the previous calendar year, but not exceeding an increase of three percent (3%) in any calendar year. In conjunction with the Energy Revenue Agreement, BEM LP and each of the owners of the facilities will enter into power agency agreements (the “Power Agency Agreements”) under which BEM LP will provide certain services. BEM LP will be entitled to be reimbursed for any third party costs incurred but receives no additional fee under the Power Agency Agreements.

The impacts of these contract price amendments and agreements are summarized as follows:

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Actual generation (GWh)		Incremental Revenue	
	2011	2010	2011	2010
GLPL PPA	964	997	\$ 13	\$ 13
Mississagi PPA	473	412	17	14
Energy Revenue Agreements	3,512	3,470	110	93
	4,949	4,879	\$ 140	\$ 120

(ii) Management Service Agreements

An exclusive agreement with Brookfield Asset Management to provide operating, management and consulting services to the Partnership provides for a management service fee to be paid on a quarterly basis and will continue in perpetuity. The fee has a fixed quarterly component of \$5 million and a variable component calculated as a percentage of the increase in the total capitalization value of the Partnership, as defined. For the years ended December 31, 2011 and December 31, 2010 *pro forma* results reflect an expense of \$22 million and \$21 million, respectively.

The Partnership will pay an annual marketing service fee of \$18 million to a subsidiary of Brookfield Asset Management to reflect an agreement to provide energy marketing services. The fee will be increased annually on January 1 by an amount equal to the increase in the U.S. consumer price index during the previous calendar year. *Pro forma* results for the years ended December 31, 2011 and December 31, 2010 reflect an expense of \$18 million and \$18 million, respectively.

(iii) Transfer of Brookfield Renewable Power Fund Units

The transfer of the 66% of the Fund units not previously owned by the Division to Brookfield Renewable was completed at fair value satisfied by the issuance of Partnership units. The result of this transaction is to reflect the settlement of the Fund unit liability and the issuance of Partnership units to satisfy the transfer as equity of the Partnership. As a result of this transaction, the loss on Fund unit liability of \$376 million and \$159 million, related to the change in fair value of the units and the distributions made on such fund units, are eliminated.

(iv) Changes in Fair Value of Financial Instruments

During the years ended December 31, 2011 and December 31, 2010, certain power guarantee agreements between the Partnership and Brookfield Asset Management were accounted for as financial instruments and unrealized gains of \$20 million and \$606 million were recorded by the Partnership, respectively.

As a result of new agreements and changes in existing agreements with Brookfield Asset Management and its subsidiaries arising from the Combination, the contracts are not accounted for as financial instruments by the Partnership. The unrealized financial instrument gains (losses) described above have been eliminated.

(v) Intercompany Settlements

The Partnership and its subsidiaries settled certain intercompany loans and transactions with Brookfield Asset Management upon completion of the Combination. Interest income (expense) has been adjusted in the determination of *pro forma* statement of income (loss) financial information to reflect these transactions and results in an increase of \$19 million and \$27 million for the years ended December 31, 2011 and December 31, 2010, respectively.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENT

This Investor Supplement contains forward-looking statements and information, within the meaning of Canadian securities laws, 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 Investor Supplement include statements regarding the quality of the Partnership's assets and the resiliency of the cash flow they will generate, The Partnership's anticipated financial performance, the future growth prospects and distribution profile of the Partnership and the Partnership'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 Investor Supplement 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: 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; our operations being 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; force majeure events; exposure to uninsurable losses; adverse changes in currency exchange rates; our inability to access interconnection facilities and transmission systems; occupational, health, safety and environmental risks; disputes and litigation; losses resulting from fraud, other illegal acts, inadequate or failed internal processes or systems, or from external events; general industry risks relating to the North American and Brazilian 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; risks related to operating in Brazil; our inability to finance our operations; 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 and complete sufficient investment opportunities; the growth of our portfolio; our inability to develop existing sites or find new sites suitable for the development of greenfield projects; risks associated with the development of our generating facilities and the various types of arrangements we enter into with communities and joint venture partners; Brookfield Asset Management's inability to source acquisition opportunities for us and our lack of access to all renewable power acquisitions that Brookfield Asset Management identifies; our lack of control over all our operations; our obligations to issue equity or debt for future acquisitions and developments; and foreign laws or regulation to which we become subject as a result of future acquisitions in new markets.

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 Investor Supplement and should not be relied upon as representing our views as of any date subsequent to February 13, 2012, the Investor Supplement. 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.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS ACCOUNTING MEASURES

This Investor Supplement contains references to EBITDA and Funds from operations which are not generally accepted accounting measure under IFRS and therefore may differ from definitions of EBITDA and Funds from operations, used by other entities. We believe that operating EBITDA and Funds from operations are useful supplemental measures that may assist investors in assessing the financial performance and the cash anticipated to be generated by our operating portfolio. None of EBITDA and 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. As a result of the Combination, we have presented these measurements on a pro forma basis.

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