

Brookfield Renewable Energy Partners L.P.

SUPPLEMENTAL RESULTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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OUR OPERATIONS

We operate our facilities through three regional operating centers in the United States, Canada and Brazil which are designed to maintain and enhance the value of our assets, while cultivating positive relations with local stakeholders. We own and manage 176 hydroelectric generating stations, seven wind facilities, and two natural gas-fired plants. Overall, the assets we own or manage have 5,304 MW of generating capacity and annual generation of 19,586 GWh based on long-term averages. We also have two hydroelectric facilities under construction that are scheduled to be commissioned within the next 18 months, thereby increasing the total capacity of our portfolio by 74 MW to 5,378 MW. The table below outlines our portfolio as at December 31, 2012:

Markets	River systems	Generating Stations	Generating Units	Capacity ⁽¹⁾ (MW)	LTA ^{(2) (3)} (GWh)	Storage (GWh)
Operating Assets						
Hydroelectric generation ⁽⁴⁾						
United States	27	107	305	2,336	8,382	2,146
Canada	18	32	72	1,323	4,972	1,261
Brazil	24	37	83	651	3,562	N/A ⁽⁵⁾
	69	176	460	4,310	16,916	3,407
Wind energy						
Canada	-	3	220	406	1,197	-
United States	-	4	156	373	952	-
	-	7	376	779	2,149	-
Other	-	2	6	215	521	-
Total from operating assets	69	185	842	5,304	19,586	3,407
Assets under construction						
Hydroelectric generation						
Brazil ⁽⁶⁾	-	1	2	29	134	N/A ⁽⁵⁾
Canada	1	1	4	45	138	-
Total	70	187	848	5,378	19,858	3,407

⁽¹⁾ Total capacity of our operating assets including our share of equity-accounted investments is 4,893 MW.

⁽²⁾ Long-term average ("LTA") is calculated on an annualized basis to the beginning of the year, regardless of the acquisition or commercial operation date.

⁽³⁾ Total long-term average of our operating assets including our share of equity-accounted investments is 18,941 GWh.

⁽⁴⁾ Long-term average 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 typically 30 years. In Brazil, assured generation levels are used as a proxy for long-term average.

⁽⁵⁾ Brazilian hydroelectric assets benefit from a market framework which levelizes generation risk across producers.

⁽⁶⁾ Assets under construction are on the same river systems as existing hydroelectric assets.

The following table presents the annualized long-term average generation of our operating portfolio on a quarterly basis as at December 31, 2012:

LTA generation (GWh) ⁽¹⁾	Q1	Q2	Q3	Q4	Total
Operating Assets					
Hydroelectric generation ⁽²⁾					
United States	2,286	2,325	1,708	2,063	8,382
Canada	1,158	1,407	1,232	1,175	4,972
Brazil ⁽³⁾	896	841	891	934	3,562
	4,340	4,573	3,831	4,172	16,916
Wind energy					
Canada	324	292	238	343	1,197
United States	215	310	236	191	952
	539	602	474	534	2,149
Other	217	103	97	104	521
Total	5,096	5,278	4,402	4,810	19,586

⁽¹⁾ Long-term average is calculated on an annualized basis to the beginning of the year, regardless of the acquisition or commercial operation date.

⁽²⁾ Long-term average 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 typically 30 years. In Brazil, assured generation levels are used as a proxy for long-term average.

⁽³⁾ Brazilian hydroelectric assets benefit from a market framework which levelizes generation risk across producers.

Statement Regarding Forward-Looking Statements and Use of Non-IFRS Measures

These Supplemental Results contain forward-looking information within the meaning of Canadian securities laws. We may make such statements in these Supplemental Results, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission or in other communications - see "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 22. We make use of non-IFRS measures in these Supplemental Results - see "Cautionary Statement Regarding Use Of Non-IFRS Measures" beginning on page 23. These Supplemental Results and additional information, including our Annual Information Form filed with securities regulators in Canada and our form 20-F filed with the Securities Exchange Commission, are available on our website at www.brookfieldrenewable.com, on SEDAR's website at www.sedar.com and on EDGAR's website at www.sec.gov.

LETTER TO SHAREHOLDERS

Brookfield Renewable experienced a strong year in 2012. While our short-term financial results were impacted by unfavourable hydrology in some of our markets, we nonetheless made excellent progress in growing and strengthening our business, and solidifying our position as a global leader in the renewable power sector.

Together with our institutional partners, we announced the acquisition of nearly 1,000 MW of renewable power assets, including two large scale hydroelectric portfolios expected to add significant value in the coming years. The first of these is our 378 MW Smoky Mountain portfolio consisting of four generating stations in the U.S. southeast, which was originally announced in the second quarter of 2012. The transaction was completed on schedule in November and we have since integrated the assets into our U.S. operating platform.

Just prior to year-end we announced an agreement to acquire a 351 MW portfolio of 19 hydroelectric generating stations, including eight upstream storage reservoir dams on four rivers in Maine. This asset fleet is one of the region's largest independently-owned hydro portfolios of scale and includes the two largest hydroelectric facilities in the state. This portfolio complements our existing 103 MW of operating capacity on the same river systems, and increases our footprint in the attractive New England market to nearly 1,000 MW of installed capacity. Importantly, it provides a unique opportunity to leverage our operating platform while positioning us to participate in rising electricity prices over time. The transaction is expected to close in the first quarter of 2013.

While our acquisition activity has been significant, our operating and development teams have been equally busy managing our existing assets, and advancing development projects. In Brazil, we completed the construction of our 19 MW hydroelectric project and it was commissioned during the fourth quarter. Our 29 MW hydroelectric project is progressing as planned and remains scheduled for completion in the first quarter of 2013. The 45 MW Kokish River hydroelectric project in British Columbia, remains on scope, schedule and budget for its targeted completion in mid-2014.

Distribution Increases and Strong Returns

We strive to provide shareholders with an attractive annual total return of 12% to 15% on a low-risk basis. In 2012, we delivered on that promise with a total return of 13.5% as compared with 7.1% for the benchmark S&P/TSX Composite Index.

In addition, we recently announced a distribution increase – our third in the last two years – reflecting the accretive investments and numerous strategic and operating enhancements made across our platform in the last year. The distribution for the first quarter of 2013 will be 36.25 cents per unit, representing an annualized payment of \$1.45 per unit. This level is consistent with our long-term target payout ratio of 60% to 70% of funds from operations, and exceeded our objective of increasing distributions by 3% to 5% annually.

Financial Strength and Results

During 2012, we completed more than \$2.8 billion of financing and capital markets activity which has funded our growth and meaningfully lowered our borrowing costs while increasing the overall term of our maturities. Subsequent to year end, we completed a C\$175 million offering of preferred shares, which like other financings completed in 2012, will provide us with access to stable sources of long-term capital at very attractive rates.

Generation for the year was 15,942 GWh, an increase of 65 GWh from 2011, reflecting the contribution from new assets which helped to offset low hydrology levels in the second and third quarters. Funds from operations of \$347 million was \$15 million higher than in 2011. Our overall results, however, were lower than expected due to lower generation from existing assets in regions where power purchase agreement prices are higher than our portfolio average. Nonetheless, we were able to achieve our operating and investment objectives in 2012 while maintaining a strong financial position. Generation in the fourth quarter was markedly improved from prior quarters and our reservoirs are at expected levels for this time of year, which is an encouraging sign for the spring season.

Outlook

Brookfield Renewable's first year was one of many successes and achievements which will carry us into 2013 with significant momentum. We look forward to continuing to manage a unique and high-quality asset portfolio, the progress in executing our growth plans and the positive impact of strategic initiatives aimed at further enhancing our leadership position in the renewable power sector.

We remain grateful for your support and look forward to reporting on the continued progress throughout the year.

Sincerely,



Richard Legault
President and Chief Executive Officer

HIGHLIGHTS FOR 2012

Portfolio growth

Acquisitions

Together with our institutional partners, we announced the acquisition of nearly 1,000 MW of renewable power generating assets. We will manage these assets in our operating platforms, as follows:

Hydroelectric

- Acquired an operating portfolio of four hydroelectric generating stations located in Tennessee and North Carolina for a total enterprise value of \$600 million. These assets will have an installed capacity of 378 MW and annual generation of 1.4 million MWh.
- Entered into an agreement to acquire an operating portfolio of 19 hydroelectric generating stations in Maine for a total enterprise value of \$760 million. The transaction is expected to close in the first quarter of 2013. These assets have an installed capacity of 351 MW and annual generation of 1.6 million MWh.
- Acquired an operating 6 MW hydroelectric facility in Brazil that benefits from a power purchase agreement expiring in 2019.

Wind

- Acquired a 150 MW wind facility located in California's Tehachapi region. This facility entered commercial operation in January 2012 and comes with a 24-year power purchase agreement. At the same time, we also acquired 22 MW of operating wind facilities located in same region. These wind facilities benefit from long-term power purchase agreements with a large, local utility.
- Acquired the remaining 50% stake, previously held by our partner, in a 102 MW wind facility located in California. This facility entered commercial operation in March 2012 and power produced is sold under a 20-year power purchase agreement with a large, local utility.

Construction and development

Construction commenced on a 45 MW hydroelectric project in British Columbia, which is expected to enter commercial operation in 2014. This facility will benefit from a 40-year power purchase agreement. Construction is progressing on scope and schedule.

We completed construction and commissioned a 19 MW hydroelectric facility in Brazil earlier than expected.

Construction on our 29 MW hydroelectric project in Brazil is progressing on scope, and remains scheduled for completion in early 2013.

Capital markets initiatives

During 2012, we completed more than \$2.8 billion of financing and capital markets activity which has funded our growth initiatives and meaningfully lowered our borrowing costs while increasing the overall terms of our maturities. Highlights include the following:

Corporate

Since the beginning of the year, we have enhanced our financial position and our ability to fund growth by increasing liquidity and capital resources. We have increased our credit facilities to nearly \$1 billion and reduced our borrowings costs, in an environment where interest rates are near historical lows, as follows:

- Issued C\$400 million of 10-year term corporate notes bearing interest at 4.79% per annum.
- Increased our credit facilities from \$600 million to \$990 million, while extending maturities.
- Issued C\$250 million of 4.4% rate-reset Class A preference shares.
- Issued an additional C\$175 million Class A Preference Shares with a fixed, annual, yield of 5%, in the first quarter of 2013.

Subsidiary borrowings and refinancings

We refinanced indebtedness on a 50%-owned hydroelectric pumped storage facility in New England through a \$125 million loan for a term of five years at LIBOR + 2.25%.

We completed a C\$175 million financing of our 45 MW British Columbia hydroelectric development project with a term of 40 years at 4.45%.

We refinanced indebtedness on a 189 MW Ontario wind facility through a C\$232 million loan for a term of 15 years.

Distributions

In the first quarter of 2012, we announced an increase in unitholder distributions to \$1.38 per unit on an annualized basis, representing an increase of three cents per unit per year. We also recently announced an additional increase in unitholder distributions for the first quarter of 2013 equating to \$1.45 per unit on an annualized basis, representing an increase of seven cents per unit per year.

In the first quarter of 2012, a distribution re-investment plan ("DRIP") was implemented, which allows holders of its limited partnership units who are residents of Canada to acquire additional units by reinvesting all or a portion of their cash distributions in the form of new units without paying commissions.

Generation results

Generation was 15,942 GWh for the year ended December 31, 2012, compared to the long-term average of 18,202 GWh, and to 15,877 GWh for the same period in prior year.

Generation from our hydroelectric portfolio was 1,177 GWh lower than the prior year as a result of lower inflows from the drier than normal conditions in eastern Canada, New York state, and in the mid-western United States in the second and third quarter of the year. The decrease was partially offset by the first quarter generation that was higher than long-term average, as well as from improved hydrology conditions in the fourth quarter.

Generation from our wind portfolio was 1,047 GWh higher than the prior year resulting from the contribution of acquired or commissioned facilities in California and New England, and from an Ontario facility commissioned in 2011. Results in the second and third quarters of 2012 were below long-term average as a result of lower wind conditions across the U.S and Canadian assets.

While generation for the year has been significantly below long-term average, the business is performing well from an operating standpoint, including our existing and recently acquired or commissioned assets.

SUMMARY OF HISTORICAL CONSOLIDATED FINANCIAL AND OTHER INFORMATION

(US\$ MILLIONS, UNLESS OTHERWISE STATED)	December 31	
	2012	2011
Operational Information:⁽¹⁾		
Capacity (MW)	5,304	4,536
Long-term average (GWh)	18,202	16,297
Actual generation (GWh)	15,942	15,877
Average revenue (\$ per MWh)	82	74
Selected Financial Information:		
Revenues	\$ 1,309	\$ 1,169
Adjusted EBITDA ⁽²⁾	852	804
Funds from operations ⁽²⁾	347	332
Net asset value ⁽²⁾	\$ 8,579	\$ 8,398
Net asset value per share ⁽²⁾⁽³⁾	\$ 32.67	\$ 31.99
Debt to total capitalization ⁽²⁾	38%	37%

⁽¹⁾ Includes 100% of generation or capacity from equity-accounted investments.

⁽²⁾ Non-IFRS measures. See "Cautionary Statement Regarding Use of Non-IFRS Measures".

⁽³⁾ Average Redeemable/Exchangeable Partnership Units held by Brookfield Asset Management and limited partnership units outstanding during the period totaled 262.5 million (2011: 262.5 million).

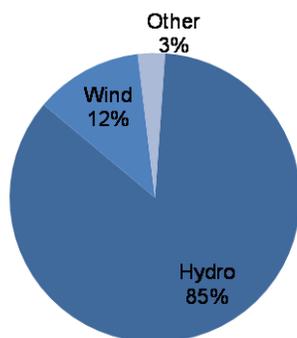
OUR COMPETITIVE STRENGTH

We are an owner and operator of a diversified portfolio of high quality assets that produce electricity from renewable resources and have evolved into one of the world's largest listed pure-play renewable power businesses.

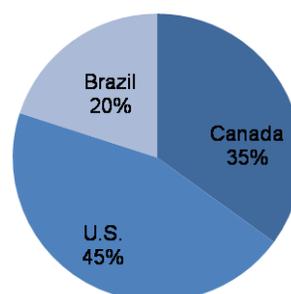
Our assets generate high quality, stable cash flows derived from a virtually fully contracted portfolio. Our business model is simple: utilize our global reach to identify and acquire high quality renewable power assets at favourable valuations, finance them on a long-term, low-risk basis, and enhance 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 \$16 billion in power generating and development assets, approximately 5,300 MW of installed capacity, and long-term average generation from operating assets of approximately 19,600 GWh annually. Our portfolio includes 176 hydroelectric generating stations on 69 river systems and seven wind facilities, diversified across eleven 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 approximating 26% of their 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 ten years we have acquired or developed approximately 140 hydroelectric assets totaling approximately 3,000 MW and seven wind generating assets totaling approximately 800 MW. Since the beginning of 2012, we acquired or developed hydroelectric generating assets that will have an installed capacity of 403 MW and 373 MW of wind generating assets. We also have strong organic growth potential with a 2,000 MW development pipeline spread across all of our operating jurisdictions.

Our net asset value in renewable power has grown from approximately \$900 million in 1999 to \$8.6 billion as at December 31, 2012, representing a 19% compounded 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 we expect will provide 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% to 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, to public power authorities, load-serving utilities, industrial users or to affiliates of Brookfield Asset Management. The power purchase agreements for our assets have a weighted-average remaining duration of 18 years, providing long-term cash flow stability.

Strong financial profile. With \$16 billion of power generating and development assets and a conservative leverage profile, consolidated debt-to-capitalization is approximately 38%. Our liquidity position remains strong with approximately \$850 million of cash and unutilized portion of committed bank lines, as of the date of this report. Over 71% of our borrowings are non-recourse to Brookfield Renewable. Corporate borrowings and subsidiary borrowings have weighted-average terms of approximately nine and twelve years, respectively.

SUCCESSFUL COMBINATION OF OUR RENEWABLE ENERGY BUSINESS

On November 28, 2011, we completed 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 L.P. (“Brookfield Renewable”), 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.

As at the date of this report, Brookfield Asset Management owns 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.

BASIS OF PRESENTATION

These Supplemental Results for the year ended December 31, 2012 are provided as of February 7, 2013. Unless the context indicates or requires otherwise, the terms “Brookfield Renewable”, “we”, “us”, and “our” mean Brookfield Renewable Energy Partners L.P. and its controlled entities.

Brookfield Renewable’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), 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.

The Combination

The Combination does not represent a business combination in accordance with IFRS 3 Business Combinations (“IFRS 3R”) as it represents a reorganization of entities under common control of Brookfield Asset Management. Accordingly, the consolidated financial statements of Brookfield Renewable are presented to reflect such continuing control and no adjustments were made to reflect fair values or to recognize any new assets or liabilities, as a result of the Combination. Brookfield Renewable’s consolidated balance sheets, statements of income (loss), and statements of cash flows are presented as if these arrangements had been in place from the time that the operations were originally acquired by Brookfield Asset Management. For periods prior to November 28, 2011, the financial information for Brookfield Renewable represents the combined financial information for the Brookfield Renewable Power Division, a division of Brookfield Asset Management. Transactions entered into as part of the Combination are accounted for effective November 28, 2011.

Voting Agreements with Affiliates

Effective December 2011, Brookfield Renewable entered into voting arrangements with various affiliates of Brookfield Asset Management, whereby Brookfield Renewable gained control of the entities that own certain United States and Brazil renewable power generating operations (the “Voting Arrangements”). The Voting Arrangements provide Brookfield Renewable with all of the voting rights to elect the boards of directors of the relevant entities and therefore provides Brookfield Renewable with control. Accordingly, Brookfield Renewable consolidates the accounts of these entities.

The Combination and the Voting Arrangements do not represent business combinations in accordance with IFRS 3R, as all combining businesses are ultimately controlled by Brookfield Asset Management both before and after the transactions were completed. Brookfield Renewable accounts for these reorganizations of entities under common control in a manner similar to a pooling of interest, which requires the presentation of pre-Combination and Voting Arrangement financial information as if the transactions had always been in place. Refer to Note 2(o)(ii) — *Common control transactions* in our

audited consolidated financial statements for our policy on accounting for transactions under common control.

Certain comparative figures have been reclassified to conform to the current year's presentation.

Unless otherwise indicated, all dollar amounts are expressed in United States ("U.S.") dollars.

PRESENTATION TO PUBLIC STAKEHOLDERS

The significant components of our total equity are comprised of (a) interests of others in consolidated subsidiaries; (b) the Redeemable/Exchangeable partnership units of BRELP held by Brookfield Asset Management; and (c) the LP Units issued by Brookfield Renewable. The LP Units and the Redeemable/Exchangeable partnership units have the same economic attributes in all respects, except that the Redeemable/Exchangeable partnership units provide Brookfield Asset Management the right to request that their units be redeemed for cash consideration after two years from the date of issuance. In the event that Brookfield Asset Management exercises this right, Brookfield Renewable has the right, at its sole discretion, to satisfy the redemption request with LP Units rather than cash, on a one-for-one basis. Brookfield Asset Management, as holder of Redeemable/Exchangeable partnership units, participates in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP Units. Accordingly, the Redeemable/Exchangeable partnership units are presented as non-controlling interests in equity of parent company.

It is important to note that total income (loss), per share information and total equity will not change as a result of the reclassification of the Redeemable/Exchangeable partnership units to non-controlling interests.

PERFORMANCE MEASUREMENT

We present our key financial metrics based on total results prior to distributions made to both LP Unitholders and the Redeemable/Exchangeable unitholders. In addition, our operations are segmented by country geography and asset type (i.e. Hydroelectric and Wind), as that is how we review our results, manage operations and allocate resources. Accordingly, we report our results in accordance with these segments.

One of our primary business objectives is to generate reliable and growing cash flows while minimizing risk for the benefit of all stakeholders. We monitor our performance in this regard through four key metrics — i) Net Income; ii) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization; iii) Funds From Operations and; iv) Net Asset Value.

We also present these same measurements for our 2011 results on a *pro forma* basis (since Brookfield Renewable was only formed in November 2011) as if new contracts and contract amendments, along with the tax implications of the Combination, had each occurred as of January 1, 2011.

It is important to highlight that Adjusted EBITDA, funds from operations, and net asset value do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other companies. We provide additional information on how we determine Adjusted EBITDA, funds from operations, and net asset value. See "Adjusted EBITDA, and Funds from Operations on a Consolidated Basis".

Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (Adjusted EBITDA)

Adjusted EBITDA means revenues less direct costs (including energy marketing costs), plus our share of cash earnings from equity-accounted investments and other income, before interest, current income taxes, depreciation, amortization, management service costs and the cash portion of non-controlling interests.

Funds From Operations

Funds from operations is defined as Adjusted EBITDA less interest, current income taxes and management service costs, which is then adjusted for the cash portion of 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 Brookfield Renewable's IFRS financial statements, adjusted to reflect asset values not otherwise recognized under IFRS.

FINANCIAL REVIEW FOR THE YEAR ENDED DECEMBER 31, 2012

The following table reflects the actual and long-term average generation for the year ended December 31:

					Variance of Results		
	Actual Generation		LTA Generation		Actual vs. LTA		Actual vs. Prior Year
	2012	2011	2012	2011	2012	2011	2012
GENERATION (GWh)							
Hydroelectric generation							
United States	5,913	7,150	7,205	6,811	(1,292)	339	(1,237)
Canada	3,953	4,056	4,972	5,061	(1,019)	(1,005)	(103)
Brazil ⁽¹⁾	3,470	3,307	3,470	3,307	-	-	163
	13,336	14,513	15,647	15,179	(2,311)	(666)	(1,177)
Wind energy							
Canada	1,090	662	1,197	712	(107)	(50)	428
United States	619	-	837	-	(218)	-	619
	1,709	662	2,034	712	(325)	(50)	1,047
Other	897	702	521	406	376	296	195
Total generation ⁽²⁾	15,942	15,877	18,202	16,297	(2,260)	(420)	65

⁽¹⁾ In Brazil, assured generation levels are used as a proxy for long-term average.

⁽²⁾ Includes 100% of generation from equity-accounted investments.

We compare actual generation levels against the long-term average to highlight the impact of one of the 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 Adjusted EBITDA and funds from operations on both an actual generation and a long-term average basis.

Generation levels during the year ended December 31, 2012 totaled 15,942 GWh, an increase of 65 GWh as compared to the same period of the prior year. Lower generation in our North American hydroelectric portfolio was offset by an increase in generation from our wind assets acquired or commissioned in the last 18 months, and higher than planned generation from our co-generation facilities.

Generation from our hydroelectric portfolio totaled 13,336 GWh, a decrease of 1,177 GWh, as a result of lower levels of precipitation and warmer than average temperatures in the northeastern United States and mid-western United States. The variance in our year-over-year results also reflects the above average precipitation and record rainfall levels in 2011 resulting from Hurricane Irene. Generation from our hydroelectric portfolio in Brazil was positively impacted by the full year's contribution of a facility acquired in mid-2011.

Generation from our wind portfolio totaled 1,709 GWh, an increase of 1,047 GWh, as a result of the contributions from facilities acquired or commissioned in California and New England in early 2012, and the full year's contribution from an Eastern Canada facility commissioned in 2011. Results were below long-term average as a result of lower wind conditions across the portfolio.

ADJUSTED EBITDA AND FUNDS FROM OPERATIONS ON A CONSOLIDATED BASIS

The following table reflects Adjusted EBITDA and funds from operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2012	2011 ⁽¹⁾
Generation (GWh)	15,942	15,877
Revenues	\$ 1,309	\$ 1,169
Other income	16	19
Share of cash earnings from equity-accounted investments	13	23
Direct operating costs	(486)	(407)
Adjusted EBITDA ⁽²⁾	852	804
Interest expense – borrowings	(411)	(411)
Management service costs	(36)	(1)
Current income taxes	(14)	(8)
Cash portion of non-controlling interests	(44)	(52)
Funds from operations ⁽²⁾	\$ 347	\$ 332

⁽¹⁾ For periods prior to November 28, 2011, the financial information for Brookfield Renewable represents the combined financial information for the Brookfield Renewable Power Division, a division of Brookfield Asset Management. Transactions entered into as part of the Combination are accounted for effective November 28, 2011.

⁽²⁾ Non-IFRS measures. See “Cautionary Statement Regarding Use of Non-IFRS Measures”.

Revenues totaled \$1,309 million for the year ended December 31, 2012, representing a year-over-year increase of \$140 million. Approximately \$126 million of the increase in revenues is attributable to generation from facilities acquired or commissioned in 2012 as well as a full year’s contribution from facilities acquired or commissioned during 2011. A further \$132 million of the increase is primarily attributable to the amended power purchase agreement entered into at the time of the Combination. Offsetting the increase was \$121 million resulting from reduced generation levels at existing facilities and the appreciation of the U.S. dollar relative to the Brazilian real.

Direct operating costs totaled \$486 million for the year ended December 31, 2012, representing a year-over-year increase of \$79 million. New facilities acquired or commissioned in the last 18 months added \$38 million to operating costs, consistent with our underwriting assumptions. Energy marketing costs not included in the prior year’s Combined statements added \$18 million, and fuel purchases in excess of the prior year associated with our co-generation facility in Ontario accounted for \$4 million as we took advantage of lower gas prices during the year. Lastly, lower allocated energy volumes in Brazil which allow us to purchase power at cost and re-sell at our contracted rates added \$16 million to costs. The added revenues are included in revenues above.

Adjusted EBITDA totaled \$852 million for the year ended December 31, 2012, representing a year-over-year increase of \$48 million. Adjusted EBITDA was impacted by increase in revenues partially offset by increase in direct operating costs.

Interest expense totaled \$411 million for the year ended year ended December 31, 2012, which was consistent with the prior year. Interest expense on borrowings reflects the cost related to approximately \$4.3 billion of non-recourse asset-specific borrowings and \$1.8 billion of corporate borrowings and credit facilities. During the year, we proactively took advantage of the low interest rate environment to reduce our cost of capital and increase the duration of borrowings. We issued C\$400 million of 10-year term corporate notes and successfully financed subsidiary borrowings related to the growth in our portfolio during the year as well as construction of new assets. As a result, borrowing costs on our portfolio decreased on an annualized basis by approximately \$30 million.

Management service costs, which came into effect as part of the Combination in 2011, reflect a base fee of \$20 million annually plus 1.25% of the growth in total capitalization value. Our total capitalization value increased from initial value of \$8.1 billion to \$10.1 billion as at year ended December 31, 2012. The growth in total capitalization value during 2012 is primarily due to the increase in fair market value of LP Units, and the issuance of corporate debt and preferred equity, on an accretive basis.

Funds from operations totaled \$347 million for the year ended December 31, 2012, an increase of \$15 million year-over-year. Funds from operations were impacted by the increase in Adjusted EBITDA net of non-controlling interests and the increase in management service costs.

ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION

NET ASSET VALUE

The following table presents our net asset value as at December 31:

(MILLIONS, EXCEPT AS NOTED)	Total		Per Share ⁽¹⁾	
	2012	2011	2012	2011
Property, plant and equipment, at fair value				
Hydroelectric ⁽²⁾	\$ 13,005	\$ 12,138	\$ 49.53	\$ 46.24
Wind energy	2,244	1,400	8.55	5.33
Other	71	86	0.27	0.33
	15,320	13,624	58.35	51.90
Development assets	382	378	1.45	1.44
Equity-accounted investments	344	405	1.31	1.54
Working capital and other, net	180	380	0.69	1.45
Long-term debt and credit facilities	(6,119)	(5,519)	(23.31)	(21.02)
Participating non-controlling interests - in operating subsidiaries	(1,028)	(629)	(3.92)	(2.40)
Preferred equity	(500)	(241)	(1.90)	(0.92)
Net asset value ⁽³⁾	\$ 8,579	\$ 8,398	\$ 32.67	\$ 31.99

⁽¹⁾ Net asset value per share is based on the average Redeemable/Exchangeable partnership units held by Brookfield Asset Management and LP Units outstanding during the period which totaled 262.6 million (2011: 262.5 million).

⁽²⁾ Includes \$44 million of intangible assets (2011: \$57 million).

⁽³⁾ Non-IFRS measure. Refer to "Cautionary Statement Regarding Use of Non-IFRS Measures".

Our net asset value totaled approximately \$8.6 billion as at December 31, 2012 which was an increase of \$181 million from December 31, 2011. Net asset value increased by \$1.3 billion from assets acquired or commissioned in 2012 net of participating non-controlling interests – in operating subsidiaries. Over 600 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 is 22% - 25%. Net asset value was impacted by the additional long-term debt from portfolio growth, the issuance of preferred shares, and a decrease in working capital which amounted to \$1.1 billion.

Property, Plant, Equipment and Development Assets

The assets deployed in our renewable power operations are revalued on an annual basis, with the exception of foreign exchange impacts which are calculated quarterly.

We value our assets based on discounted cash flows over a 20-year period and key assumptions utilized as at December 31 were as follows:

	United States		Canada		Brazil	
	2012	2011	2012	2011	2012	2011
Discount rate	5.7%	5.6%	5.2%	5.4%	9.4%	9.9%
Terminal capitalization rate	7.0%	7.2%	6.5%	6.8%	N/A	N/A
Exit date	2032	2031	2032	2031	2029	2029

A 50 bps change in discount rates would have an approximate \$1.2 billion (2011: \$1 billion) impact on the fair value of property, plant and equipment.

LIQUIDITY AND CAPITAL RESOURCES

We operate with sufficient liquidity, which along with ongoing cash flow from operations enables 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 in the form of asset-specific, non-recourse borrowings at our subsidiaries. As at December 31, 2012, long-term indebtedness increased from December 31, 2011 as a result of the growth of our portfolio during the period. Our debt to capitalization ratio was 38% as at December 31, 2012, which is consistent with December 31, 2011.

Capitalization

The following table summarizes our capitalization using book values as at December 31:

(MILLIONS)	2012	2011
Credit facilities ⁽¹⁾	\$ 268	\$ 251
Corporate borrowings ⁽¹⁾	1,504	1,071
Subsidiary borrowings ⁽²⁾	4,347	4,197
Long-term indebtedness	6,119	5,519
Participating non-controlling interests - in operating subsidiaries	1,028	629
Preferred equity	500	241
Net asset value	8,579	8,398
Total capitalization	\$ 16,226	\$ 14,787
Debt to total capitalization ⁽³⁾	38%	37%

⁽¹⁾ Issued by a subsidiary of Brookfield Renewable and guaranteed by Brookfield Renewable. The amounts are unsecured.

⁽²⁾ Issued by a subsidiary of Brookfield Renewable and secured against its assets. The amounts are not guaranteed.

⁽³⁾ Non-IFRS measures. Refer to "Cautionary Statement Regarding the Use of Non-IFRS Measures".

During 2012, we completed more than \$2.8 billion of financing and capital market activity which has meaningfully lowered our borrowing costs while increasing the overall terms of our maturities. Highlights include the following:

- We increased the size of our revolving credit facilities from \$600 million to \$990 million, while extending maturities to October 2016.
- We issued C\$400 million of 10-year term corporate notes bearing interest at 4.79% per annum. Proceeds of the offering were used to reduce subsidiary borrowings, extend the term on our overall maturity profile and reduce overall cost of capital.
- Subsidiary borrowings increased with assets acquired or commissioned in 2012 and the financing of a new hydroelectric development project.

Participating non-controlling interests – in operating subsidiaries increased as a result of the portfolio growth of our assets, in which we invested alongside our institutional investors.

We issued C\$250 million of 4.40% rate-reset Class A preference shares with fixed, annual dividends.

In the first quarter of 2013, we issued an additional C\$175 million Class A Preference Shares with a fixed, annual dividends yielding 5%.

Available liquidity

Total liquidity is comprised of cash and the available portion of credit facilities. As at December 31, 2012, we had \$677 million of available liquidity (December 31, 2011: \$415 million) which provides the flexibility to fund ongoing portfolio growth initiatives and to protect against short-term fluctuations in generation.

For the year ended December 31, 2012, available liquidity increased by \$262 million primarily as a result of the \$390 million increase in available credit facilities secured partially offset by a reduction in cash and cash equivalents.

With cash on hand and cash generated by our operations, we have continued to invest in growth initiatives and pay unitholder distributions. Despite generation levels that have been below long-term average in 2012, we have not significantly drawn on credit facilities, demonstrating the financial resilience of the operations and our ability to mitigate the impact that the short-term fluctuations in generation have on funds from operations.

The following table summarizes our available liquidity as at December 31:

(MILLIONS)	2012	2011
Cash and cash equivalents ⁽¹⁾	\$ 137	\$ 225
Credit facilities		
Authorized credit facilities	990	601
Issued letters of credit	(182)	(160)
Draws on credit facilities	(268)	(251)
Available portion of credit facilities	540	190
Available liquidity	\$ 677	\$ 415

⁽¹⁾ Cash and cash equivalents are net of restricted cash of \$157 million (2011: \$42 million).

Long-term debt and credit facilities

The following table summarizes our significant contractual obligations as at December 31:

(MILLIONS)	2013	2014	2015	2016	2017	Thereafter	Total
Principal repayments							
Subsidiary borrowings	\$ 532	\$ 552	\$ 124	\$ 144	\$ 512	\$ 2,529	\$ 4,393
Corporate borrowings	-	-	-	302	-	1,210	1,512
Equity-accounted investments	1	1	36	97	126	27	288
	533	553	160	543	638	3,766	6,193
Interest payable ⁽¹⁾							
Subsidiary borrowings	203	174	157	152	144	996	1,826
Corporate borrowings	81	81	81	81	61	335	720
Equity-accounted investments	16	16	15	14	6	13	80
	300	271	253	247	211	1,344	2,626
Total	\$ 833	\$ 824	\$ 413	\$ 790	\$ 849	\$ 5,110	\$ 8,819

⁽¹⁾ Represents aggregate interest payable expected to be paid over the entire term of the obligations, if held to maturity. Variable rate interest payments have been calculated based on current rates.

Subsidiary borrowings of \$400 million maturing in December 2013 relate to two Ontario wind assets. Subsidiary borrowings maturing in 2014 include \$125 million on a New England hydroelectric facility, and \$250 million on a recently acquired portfolio of hydroelectric facilities in Tennessee and North Carolina. All borrowings are expected to be refinanced in the normal course.

The overall maturity profile and average interest rates associated with corporate and subsidiary borrowings are as follows at December 31:

	Average term (years)		Average interest rate (%)	
	2012	2011	2012	2011
Corporate borrowings	8.7	9.6	5.3	5.5
Subsidiary borrowings	11.8	10.0	6.4	7.5
Credit facilities	3.8	2.3	2.0	2.8

CONTRACT PROFILE

We have a predictable pricing profile driven by both long-term power purchase agreements with a weighted-average remaining duration of 18 years, combined with a well-diversified portfolio that reduces variability in our generation volumes. 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 legislated requirements in some areas to diversify away from fossil fuel based generation.

As at December 31, 2012, we had contracted 98% of the 2013 generation at an average price of \$83 per MWh. The following table sets out contracts over the next five years for generation from existing facilities assuming long-term average hydrology and wind conditions:

FOR THE YEAR ENDED DECEMBER 31	2013	2014	2015	2016	2017
Generation (GWh)					
Contracted⁽¹⁾					
Hydroelectric ⁽²⁾	16,723	15,409	14,064	13,926	13,308
Wind energy	2,104	2,104	2,104	2,104	2,104
Other	398	134	-	-	-
	19,225	17,647	16,168	16,030	15,412
Uncontracted	295	1,721	3,114	3,252	3,870
Total long-term average	19,520	19,368	19,282	19,282	19,282
Long-term average on a proportionate basis⁽³⁾	16,422	16,248	16,150	16,150	16,150
Contracted generation – as at December 31, 2012					
% of total generation	98 %	91 %	84 %	83 %	80 %
% of total generation on a proportionate basis ⁽³⁾	99 %	94 %	89 %	88 %	85 %
Price per MWh	\$ 83	\$ 84	\$ 86	\$ 86	\$ 85

⁽¹⁾ Assets under construction are included when long-term average and pricing details are available and the commercial operations date is established in a definitive construction contract.

⁽²⁾ Long-term average for 2013 to 2017 includes generation from one facility in Brazil and one in Canada that are currently under construction with estimated commercial operation dates commencing in early 2013 and mid-2014, respectively.

⁽³⁾ Long-term average on a proportionate basis includes wholly-owned assets, and our share of partially-owned assets and equity-accounted investments. See “Financial Results on a Proportionate and a Consolidated Basis” for more details.

The majority of the long-term power purchase agreements are with investment-grade rated or creditworthy counterparties such as Brookfield Asset Management and its subsidiaries (43%), government-owned utilities or power authorities (21%), industrial power users (28%) and distribution companies (8%).

Over the next three years we have on average approximately 1,710 GWh of energy annually which is uncontracted. All of this energy can be sold into the current wholesale or bilateral market, however we intend to maintain flexibility in re-contracting to position ourselves to achieve the most optimal pricing.

OPERATIONAL REVIEW FOR THE THREE MONTHS ENDED DECEMBER 31, 2012

The following table reflects the actual and long-term average generation for the three months ended December 31:

GENERATION (GWH)					Variance of Results		
	Actual Generation		LTA Generation		Actual vs. LTA		Actual vs. Prior year
	2012	2011	2012	2011	2012	2011	2012
Hydroelectric generation							
United States	1,447	1,756	1,869	1,655	(422)	101	(309)
Canada	954	756	1,175	1,189	(221)	(433)	198
Brazil ⁽¹⁾	924	879	924	879	-	-	45
	3,325	3,391	3,968	3,723	(643)	(332)	(66)
Wind energy							
Canada	325	255	343	249	(18)	6	70
United States	158	-	191	-	(33)	-	158
	483	255	534	249	(51)	6	228
Other	245	202	104	104	141	98	43
Total generation⁽²⁾	4,053	3,848	4,606	4,076	(553)	(228)	205

⁽¹⁾ In Brazil assured generation levels are used as a proxy for long-term average.

⁽²⁾ Includes 100% of generation from equity-accounted investments.

Generation levels for the three months ended December 31, 2012 totaled 4,053 GWh, an increase of 205 GWh or 5% as compared to the same period of the prior year, and 553 GWh below long-term average.

Generation from our hydroelectric portfolio totaled 3,325 GWh, a decrease of 66 GWh as a result of lower inflows from the drier than normal conditions in New York state, and in the mid-western United States which was partly offset by additional generation from the recently acquired facilities in the southern United States and higher generation in eastern Canada. Generation from our hydroelectric portfolio in Brazil was higher due to new facilities acquired or commissioned during the last 18 months.

Generation from our wind portfolio totaled 483 GWh, an increase of 228 GWh, as a result of the recently acquired or commissioned facilities in California and New England, and from an Ontario facility commissioned in late 2011. Results were below long-term average for the current period primarily due to lower wind conditions.

FINANCIAL RESULTS ON A PROPORTIONATE AND CONSOLIDATED BASIS

The following table reflects generation for the year ended December 31, 2012, on a proportionate and consolidated basis.

	Proportionate				Third party interests	Consolidated
	Wholly-owned assets	Partially-owned assets	Equity-accounted investments	Total		
Generation (GWh)						
Hydroelectric generation						
United States	4,594	582	180	5,356	557	5,913
Canada	3,381	-	330	3,711	242	3,953
Brazil ⁽¹⁾	3,038	65	86	3,189	281	3,470
	11,013	647	596	12,256	1,080	13,336
Wind energy						
Canada	1,090	-	-	1,090	-	1,090
United States	-	133	-	133	486	619
	1,090	133	-	1,223	486	1,709
Other	897	-	-	897	-	897
Total generation⁽²⁾	13,000	780	596	14,376	1,566	15,942

⁽¹⁾ In Brazil, assured energy generation levels are used as a proxy for long-term average.

⁽²⁾ Includes 100% of generation from equity-accounted investments.

The following table illustrates our financial results for the year ended December 31, 2012, including revenues, adjusted EBITDA, and funds from operations, on a proportionate basis, while adjusting for our share from facilities in which we own less than 100%:

	Proportionate				Third party interests	Consolidated
	Wholly-owned assets	Partially-owned assets	Equity-accounted investments	Total		
(MILLIONS, EXCEPT AS NOTED)						
Revenues	\$ 1,079	\$ 125	\$ -	\$ 1,204	\$ 105	\$ 1,309
Other income	14	1	-	15	1	16
Share of cash earnings from equity-accounted investments	-	-	13	13	-	13
Direct operating costs	(425)	(26)	-	(451)	(35)	(486)
Adjusted EBITDA ⁽¹⁾	668	100	13	781	71	852
Interest expense - borrowings	(309)	(59)	-	(368)	(43)	(411)
Management service costs	(36)	-	-	(36)	-	(36)
Current income taxes	(18)	4	-	(14)	-	(14)
Cash portion of non-controlling interests	(16) ⁽²⁾	-	-	(16)	(28) ⁽³⁾	(44)
Funds from operations⁽¹⁾	\$ 289	\$ 45	\$ 13	\$ 347	\$ -	\$ 347

⁽¹⁾ Non-IFRS measures. Refer to "Cautionary Statement Regarding Use of Non-IFRS Measures".

⁽²⁾ Represents the distributions to preferred shareholders.

⁽³⁾ Represents third party interests' funds from operations.

PRO FORMA FINANCIAL REVIEW FOR THE YEAR ENDED DECEMBER 31, 2011

We are providing *pro forma* financial results that include the impact of the Combination, new contracts and contract amendments, management and other service agreements along with the tax impacts resulting from the Combination, as if each had occurred as of January 1, 2011. 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 power purchase agreements; and
- execution of management and other 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;
- 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 effected on the date indicated. The accounting for certain of the Combination transactions required the determination of fair value estimates as 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, 2011.

ADJUSTED EBITDA AND FUNDS FROM OPERATIONS ON A PRO FORMA BASIS

The following table reflects the Adjusted EBITDA and funds from operations for the year ended December 31, 2011:

(MILLIONS, EXCEPT AS NOTED)	<i>Pro forma</i> Basis ⁽¹⁾
Generation (GWh)	15,877
Revenues	\$ 1,309
Other income	19
Share of cash earnings from equity-accounted investments	23
Direct operating costs	(425)
Adjusted EBITDA ⁽²⁾	926
Interest expense - borrowings	(411)
Management service costs	(22)
Current income taxes	(8)
Cash portion of non-controlling interests	(52)
Funds from operations ^{(2) (3)}	\$ 433

⁽¹⁾ *Pro forma* results reflect new contracts and contract amendments, along with the tax implications of the Combination, as if each had occurred as of January 1, 2011.

⁽²⁾ Non-IFRS measure. Refer to "Cautionary Statement Regarding Use of Non-IFRS Measures".

⁽³⁾ Funds from operations attributable to LP Unitholders was \$219 million.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

These Supplemental Results contain 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 these Supplemental Results 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, expected completion of acquisitions, listing on the NYSE, future energy prices and demand for electricity, 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”, “targets” 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 these Supplemental Results 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 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; exposure to force majeure events; exposure to uninsurable losses; adverse changes in currency exchange rates; availability and access to interconnection facilities and transmission systems; occupational, health, safety and environmental risks; disputes and litigation; losses resulting from fraud, bribery, corruption, 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; 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 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 election not 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 conducted through joint ventures,

partnerships and consortium arrangements; our ability to issue equity or debt for future acquisitions and developments being dependent on capital markets; foreign laws or regulation to which we become subject as a result of future acquisitions in new markets; the departure of some or all of Brookfield Asset Management's key professionals.

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 these Supplemental Results and should not be relied upon as representing our views as of any date subsequent to February 7, 2013, the date of these Supplemental Results. 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 Annual Information Form.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES

These Supplemental Results contain references to Adjusted EBITDA, funds from operations and net asset value which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of Adjusted EBITDA, funds from operations and net asset value used by other entities. We believe that Adjusted EBITDA, funds from operations and net asset value 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, funds from operations nor net asset value 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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