

Brookfield



SUPPLEMENTAL INFORMATION

December 31, 2014

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

- This Supplemental Information contains forward-looking statements and information, within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations, concerning the business and operations of Brookfield Renewable. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this Supplemental Information include statements regarding the quality of Brookfield Renewable’s assets and the resiliency of the cash flow they will generate, Brookfield Renewable’s anticipated financial performance, future commissioning of assets, contracted portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions, future energy prices and demand for electricity, economic recovery, achievement of long term average generation, project development and capital expenditure costs, diversification of shareholder base, energy policies, economic growth, growth potential of the renewable asset class, the future growth prospects and distribution profile of Brookfield Renewable and Brookfield Renewable’s access to capital. Forward-looking statements can be identified by the use of words such as “plans”, “expects”, “scheduled”, “estimates”, “intends”, “anticipates”, “believes”, “potentially”, “tends”, “continue”, “attempts”, “likely”, “primarily”, “approximately”, “endeavours”, “pursues”, “strives”, “seeks”, or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this Supplemental Information 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 fact that we are not subject to the same disclosure requirements as a U.S. domestic issuer; risks commonly associated with a separation of economic interest from control or the incurrence of debt at multiple levels within our organizational structure; the risk that we may be deemed an “investment company” under the Investment Company Act; 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, to wind conditions at our wind energy facilities or to weather generally at any biomass cogeneration 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; risks relating to the increasing amount of uncontracted generation in our portfolio; exposure to additional costs as a result of our operations being highly regulated and exposed to increased regulation; the risk that our concessions and licenses will not be renewed; increases in the cost of operating our plants; our failure to comply with conditions in, or our inability to maintain, governmental permits; equipment failure; dam failures and the costs of repairing such failures; exposure to force majeure events; exposure to uninsurable losses; adverse changes in currency exchange rates; availability and access to interconnection facilities and transmission systems; health, safety, security and environmental risks; disputes, governmental and regulatory investigations and litigation; local communities affecting our operations; losses resulting from fraud, bribery, corruption, other illegal acts, inadequate or failed internal processes or systems, or from external events; risks relating to our reliance on computerized business systems; general industry risks relating to operating in the North American, Latin American and European power market sectors; advances in technology that impair or eliminate the competitive advantage of our projects; newly developed technologies in which we invest not performing as anticipated; labour disruptions and economically unfavourable collective bargaining agreements; our inability to finance our operations due to the status of the capital markets; the operating and financial restrictions imposed on us by our loan, debt and security agreements; changes in our credit ratings; changes to government regulations that provide incentives for renewable energy; our inability to identify sufficient investment opportunities and complete transactions; risks related to the growth of our portfolio and our inability to realize the expected benefits of our transactions, including transactions that have been announced by not yet closed; 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 our operations conducted through joint ventures, partnerships and consortium arrangements; our ability to issue equity or debt for future acquisitions and developments will be dependent on capital markets; foreign laws or regulation to which we become subject as a result of future acquisitions in new markets; and the departure of some or all of Brookfield’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 this Supplemental Information and should not be relied upon as representing our views as of any date subsequent to February 6, 2015, the date of this Supplemental Information. While we anticipate that subsequent events and developments may cause our views to change, we disclaim any obligation to update the forward-looking statements, other than as required by applicable law. For further information on these known and unknown risks, please see “Risk Factors” included in our Form 20-F.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES

This Supplemental Information contains references to Adjusted EBITDA, Funds From Operations, and Adjusted Funds From Operations which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of Adjusted EBITDA, Funds From Operations, and Adjusted Funds From Operations used by other entities. We believe that Adjusted EBITDA, Funds From Operations, and Adjusted 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. Neither Adjusted EBITDA, Funds From Operations, nor Adjusted 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.

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) Adjusted Funds from Operations. It is important to highlight that Adjusted EBITDA, Funds From Operations, and Adjusted Funds From Operations do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other companies.

- **Net Income** – Calculated in accordance with IFRS.
- **Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (Adjusted EBITDA)** – Defined as revenue less direct costs (including energy marketing costs), plus our share of cash earnings from equity-accounted investments and other income, before interest, income taxes, depreciation, management service costs and the cash portion of non-controlling interests.
- **Funds From Operations** – 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. For the year ended December 31, 2014 Funds From Operations include the earnings received from the wind portfolio we acquired in Ireland, reflecting our economic interest from January 1, 2014 to June 30, 2014.

Our payout ratio is defined as distributions to Redeemable/Exchangeable Units, LP Units and the GP interest, including general partner incentive distributions, divided by Funds From Operations

- **Adjusted Funds From Operations** – Defined as Funds From Operations less Brookfield Renewable's share of adjusted sustaining capital expenditures (based on long term sustaining capital expenditure plans).

Summary of Operational Information and Financial Performance

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(MILLIONS, EXCEPT AS NOTED)	Year Ended December 31,	
	2014	2013
Operational Information: ⁽¹⁾		
Capacity (MW)	6,707	5,849
Long-term average generation (GWh) ⁽²⁾	23,296	21,836
Actual generation (GWh) ⁽²⁾	22,548	22,222
Average revenue (\$ per MWh)	77	77
Selected Financial Information:		
Revenues	\$ 1,704	\$ 1,706
Adjusted EBITDA ⁽³⁾	1,216	1,208
Funds From Operations ⁽³⁾	560	594
Adjusted Funds From Operations ⁽³⁾	502	538
Distributions per LP Unit ⁽⁴⁾	1.55	1.45
Debt to total capitalization ⁽⁵⁾	40%	41%

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

(2) For assets acquired or reaching commercial operation during the year, this figure is calculated from the acquisition or commercial operation date.

(3) Non-IFRS measures. See "Cautionary Statement Regarding Use of Non-IFRS Measures" and "Generation and Financial Results by Segments for the Year Ended December 31, 2014".

(4) Represents distributions per share to holders of Redeemable/Exchangeable partnership units, LP Units and GP interest.

(5) Total capitalization is calculated as total debt plus deferred income tax liabilities, net of deferred income tax assets, and equity.

One of the largest public pure-play renewable power businesses in the world

100 years of experience in power generation

1,300 operating employees

\$20B

POWER ASSETS

234 generating facilities



6,700

MEGAWATTS OF CAPACITY

13 markets in 5 countries



85%

HYDROELECTRIC GENERATION

Situated on 72 river systems

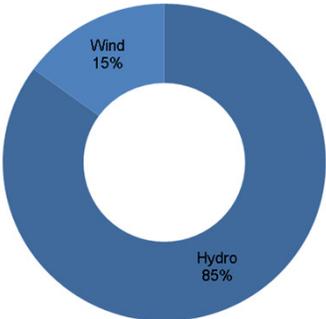


Overview of Our Operations

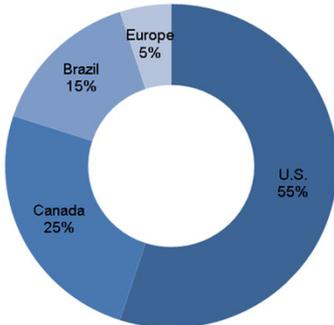
	River Systems	Facilities	Generating Units	Capacity (1) (MW)	LTA (1)(2) (GWh)	Storage (GWh)
Hydroelectric						
United States (3)	30	136	421	3,191	11,464	3,582
Canada (3)	19	33	73	1,361	5,184	1,261
Brazil (4)	23	35	75	670	3,614	N/A
	72	204	569	5,222	20,262	4,843
Wind						
United States	-	8	724	538	1,394	-
Canada	-	3	220	406	1,197	-
Europe	-	17	171	326	837	-
	-	28	1,115	1,270	3,428	-
Other						
	-	2	6	215	52	-
	72	234	1,690	6,707	23,742	4,843

(1) Includes 100% of capacity and generation from equity-accounted investments.
 (2) Long-term average ("LTA") is calculated on an annualized basis from the beginning of the year, regardless of the acquisition or commercial operation date.
 (3) Hydroelectric 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 typically 30 years.
 (4) Brazilian hydroelectric assets benefit from a market framework which levelizes generation risk across producers.

Generation by Technology



Generation by Market





Kokish Hydro Facility, British Columbia, Canada

Financial Review for the Year Ended December 31, 2014

Generation for the Year Ended December 31, 2014

GENERATION (GWh)					Variance of Results		
	Actual Generation ⁽¹⁾		LTA Generation ⁽¹⁾		Actual vs. LTA		Actual vs. Prior Year
	2014	2013	2014	2013	2014	2013	
Hydroelectric generation							
United States	10,293	10,082	10,785	9,681	(492)	401	211
Canada	5,570	5,494	5,132	5,062	438	432	76
Brazil	3,371	3,656	3,614	3,656	(243)	-	(285)
	19,234	19,232	19,531	18,399	(297)	833	2
Wind energy							
United States	1,170	1,145	1,394	1,341	(224)	(196)	25
Canada	1,042	1,075	1,197	1,197	(155)	(122)	(33)
Europe ⁽²⁾	891	-	826	-	65	-	891
	3,103	2,220	3,417	2,538	(314)	(318)	883
Other	211	770	348	899	(137)	(129)	(559)
Total ⁽³⁾	22,548	22,222	23,296	21,836	(748)	386	326

(1) For assets acquired or reaching commercial operation during the year, this figure is calculated from the acquisition or commercial operation date.

(2) We completed the acquisition of the wind portfolio in Ireland on June 30, 2014. Pursuant to the terms of the purchase and sale agreement, Brookfield Renewable acquired an economic interest in the wind portfolio from January 1, 2014. Accordingly, generation from January 1, 2014 to June 30, 2014 was recorded in the second quarter of 2014.

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

Generation was 22,548 GWh for the year ended December 31, 2014, compared to the long-term average of 23,296 GWh, and an increase of 326 GWh as compared to the prior year.

- **Hydroelectric** generation was 19,234 GWh, below the long-term average of 19,531 GWh and consistent with the prior year. Generation from existing facilities was 18,192 GWh, compared to 19,232 GWh for the prior year. The decrease in generation was primarily attributable to inflows at our Tennessee and North Carolina facilities returning to more normal levels as compared to the prior year, when generation was above the long-term average. The impact on financial results was partly offset by the non-controlling interests. Inflows were strong and generation levels were above long-term average across the majority of the Canadian portfolio, consistent with the prior year. In Brazil, our participation in the hydrological balancing pool mitigated the impact of drought-like conditions and resulted in generation being only 8% lower than assured levels. The recent growth in our portfolio and a full year's contribution from facilities acquired in 2013 resulted in incremental generation of 1,042 GWh.
- **Wind** generation was 3,103 GWh, below the long-term average of 3,417 GWh and an increase of 883 GWh compared to the prior year. The increase is attributable to the recent growth in our portfolio and a full year's contribution from the facilities acquired in 2013, which resulted in incremental generation of 918 GWh.
- Our 110 MW natural gas-fired plant in Ontario has been operating on an uncontracted basis since April 2014. Since then, the facility has had nominal generation as a result of low prices relative to gas market prices. The operations at this facility have temporarily been suspended but remain available to be restarted should economic conditions allow.

Financial Review for the Year Ended December 31, 2014

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(MILLIONS, EXCEPT AS NOTED)

	2014	2013
Revenues	\$ 1,704	\$ 1,706
Other income	10	11
Share of cash earnings from equity-accounted investments	26	21
Direct operating costs	(524)	(530)
Adjusted EBITDA ⁽¹⁾	1,216	1,208
Fixed earnings adjustment ⁽²⁾	11	-
Interest expense – borrowings	(415)	(410)
Management service costs	(51)	(41)
Current income taxes	(18)	(19)
Less: cash portion of non-controlling interests		
Preferred equity	(38)	(37)
Participating non-controlling interests - in operating subsidiaries	(145)	(107)
Funds From Operations ⁽¹⁾	560	594
Less: adjusted sustaining capital expenditures ⁽³⁾	(58)	(56)
Adjusted Funds From Operations ⁽¹⁾	\$ 502	\$ 538

(1) Non-IFRS measures. See "Cautionary Statement Regarding Use of Non-IFRS Measures" and "Generation and Financial Results by Segments for the Year Ended December 31, 2014".

(2) The fixed earnings adjustment relates to Brookfield Renewable's investment in the acquisition of the wind portfolio in Ireland. Pursuant to the terms of the purchase and sale agreement, Brookfield Renewable acquired an economic interest in the wind portfolio from January 1, 2014. The transaction closed on June 30, 2014, and accordingly under IFRS, the \$11 million net Funds From Operations contribution was recorded as part of the purchase price.

(3) Based on long-term sustaining capital expenditure plans.

Adjusted EBITDA totaled \$1,216 million for the year ended December 31, 2014, an increase of \$8 million from the prior year.

- **Revenues** totaled \$1,704 million which represented a year-over-year decrease of \$2 million. Strong merchant pricing and annual escalations in our power purchase agreements partially offset lower year-over-year generation from existing U.S. hydroelectric facilities and a contractual decrease in contract price at our Louisiana facility, the net negative impact of which was \$46 million. While total generation from our Canada hydroelectric portfolio was consistent with prior year, stronger performance from facilities with higher relative contract prices contributed an incremental \$9 million. In Brazil, revenues declined \$14 million year-over-year as the impact of lower generation was partially offset by our ability to capture strong merchant power pricing by keeping a portion of our output uncontracted. Revenue from our natural gas-fired plant in Ontario decreased \$40 million reflecting limited operations throughout 2014. The recent growth in our portfolio and a full year's contribution from facilities acquired or commissioned in 2013 resulted in incremental revenues of \$151 million.
- **Direct operating costs** totaling \$524 million represent a year-over-year decrease of \$6 million attributable to the savings achieved from the cost efficiencies at our operations and the reduction in power purchased in the open market for our co-generation facilities. The recent growth in our portfolio and a full year's costs from facilities acquired or commissioned in 2013 resulted in an incremental \$46 million.

Interest expense totaling \$415 million represents a year-over-year increase of \$5 million. Incremental interest costs related to financing the growth in our portfolio were \$31 million, and \$5 million related to up-financing initiatives. Repayment of certain subsidiary borrowings and corporate credit facilities resulted in a \$17 million decrease in borrowing costs.

Management service costs totaling \$51 million represents a year-over-year increase of \$10 million primarily attributable to the increase in the market value of our LP Units and the issuance of 10.25 million LP Units in the second quarter of 2014.

Funds From Operations totaling \$560 million incorporates growth of \$26 million and the net impact of the appreciation of the U.S. dollar of \$24 million.

Capitalization and Available Liquidity

A key element of our financing strategy is to raise the majority of our debt in the form of asset-specific, non-recourse borrowings at our subsidiaries on an investment grade basis. As at December 31, 2014, long-term indebtedness increased from December 31, 2013 as a result of the portfolio growth. The debt to capitalization ratio decreased marginally from December 31, 2013 and was 40% as at December 31, 2014.

(MILLIONS, EXCEPT AS NOTED)	Dec 31 2014	Dec 31 2013
Credit facilities (1)	\$ 401	\$ 311
Corporate borrowings (1)	1,286	1,406
Subsidiary borrowings (2)	5,991	4,906
Long-term indebtedness	7,678	6,623
Equity and deferred income taxes (3)	11,376	9,684
Total capitalization	\$ 19,054	\$ 16,307
Debt to total capitalization	40%	41%

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

(2) Issued by subsidiaries of Brookfield Renewable and secured against their respective assets. The amounts are not guaranteed.

(3) Comprised of equity, deferred income tax liabilities and deferred income tax assets.

We operate with sufficient liquidity to enable us to fund growth initiatives, capital expenditures, distributions, withstand sudden adverse changes in economic circumstances or short term fluctuations in generation, and to finance the business on an investment grade basis. Principal sources of liquidity are cash flows from operations and access to public and private capital markets.

(MILLIONS)	Dec 31 2014	Dec 31 2013
Cash and cash equivalents	\$ 150	\$ 203
Credit facilities		
Authorized credit facilities	1,480	1,480
Draws on credit facilities (1)	(401)	(311)
Issued letters of credit	(227)	(212)
Available portion of credit facilities	852	957
Available liquidity	\$ 1,002	\$ 1,160

(1) Amounts are unsecured and revolving. Interest rate is at LIBOR plus 1.2% (December 31, 2013: 1.25%).

Long Term Debt and Credit Facilities

(MILLIONS)	2015	2016	2017	2018	2019	Thereafter	Total
Principal repayments (1)							
Subsidiary borrowings							
United States	\$ 147	\$ 347	\$ 784	\$ 777	\$ 67	\$ 1,346	\$ 3,468
Canada	53	135	49	54	52	1,455	1,798
Brazil	23	22	21	20	19	84	189
Europe	33	36	40	41	44	400	594
	256	540	894	892	182	3,285	6,049
Corporate borrowings and credit facilities(1)	-	258	-	172	401	861	1,692
Equity-accounted investments	30	-	125	-	-	-	155
	\$ 286	\$ 798	\$ 1,019	\$ 1,064	\$ 583	\$ 4,146	\$ 7,896
Interest Payable (2)							
Subsidiary borrowings	315	303	291	238	205	1,254	2,606
Corporate borrowings and credit facilities	75	75	59	59	47	189	504
Equity-accounted investments	5	5	2	-	-	-	12
	395	383	352	297	252	1,443	3,122
	\$ 681	\$ 1,181	\$ 1,371	\$ 1,361	\$ 835	\$ 5,589	\$ 11,018

(1) Subsidiary borrowings and corporate borrowings and credit facilities include \$71 million and \$8 million of unamortized deferred financing fees and premiums, respectively.

(2) 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 estimated interest rates.

We remain focused on refinancing near term facilities on acceptable terms and maintaining a manageable maturity ladder. We do not anticipate material issues in addressing our borrowings through 2019 on acceptable terms and will do so opportunistically based on the prevailing interest rate environment.

The overall maturity profile and average interest rates associated with our borrowings and credit facilities are as follows:

	Average term (years)		Average interest rate (%)	
	2014	2013	2014	2013
Corporate borrowings	6.7	7.7	5.3	5.3
Subsidiary borrowings	10.4	11.8	5.3	6.0
Credit facilities	4.5	3.8	1.4	1.4

Our Series 3 corporate medium-term notes advanced one year toward their maturity in 2016. During the year ended December 31, 2014, we continued to capitalize on the low interest rate environment and reduced our costs on subsidiary borrowings from 6.0% to 5.3%. The average term of our subsidiary borrowings decreased during the year primarily due to securing a \$560 million term loan on the 417 MW hydroelectric facility in Pennsylvania. Also during the year, we extended the maturity date for \$1,280 million of our credit facilities to June 30, 2019.

Contract Profile

The following table sets out contracts over the next five years for generation output assuming long-term average:

FOR THE YEAR ENDED DECEMBER 31	2015	2016	2017	2018	2019
Generation (GWh)					
Contracted ⁽¹⁾					
Hydroelectric ⁽²⁾	16,920	16,927	14,164	13,939	13,929
Wind energy	3,619	3,635	3,635	3,635	3,635
Uncontracted	20,539	20,562	17,799	17,574	17,564
Total long-term average	3,548	3,515	6,269	6,494	6,504
Long-term average on a proportionate basis ⁽³⁾	24,087	24,077	24,068	24,068	24,068
Contracted generation - as at December 31, 2014					
% of total generation	85 %	85 %	74 %	73 %	73 %
% of total generation on a proportionate basis ⁽³⁾	91 %	90 %	83 %	82 %	82 %
Price per MWh - total generation	\$ 81	\$ 80	\$ 83	\$ 84	\$ 85
Price per MWh - total generation on a proportionate basis	79	79	80	81	82

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

(2) Includes generation of 1,812 GWh in 2015 and 2,035 GWh in 2016 secured under financial contracts.

(3) Long-term average on a proportionate basis includes wholly-owned assets, and our share of partially-owned assets and equity-accounted investments.

The majority of the long-term power purchase agreements are with investment-rated or creditworthy counterparties. The composition of our contracted generation under power purchase agreements for 2015 is comprised of: affiliates of Brookfield Asset Management (45%), public power authorities (23%), industrial users (29%) and distribution companies (3%).



Cheoah Hydro Facility, North Carolina, United States

Generation and Financial Results on a Proportionate Basis for the Year Ended December 31, 2014

Generation on a Proportionate Basis for the Year Ended December 31, 2014

The following table illustrates generation results for the year ended December 31, 2014 on a proportionate basis, while adjusting for the share from facilities in which we own less than 100%.

GENERATION (GWh) (1)	Proportionate			Total	Third party interests	Consolidated
	Wholly-owned assets	Partially-owned assets	Equity-accounted investments			
Hydroelectric generation						
United States	5,021	2,258	221	7,500	2,793	10,293
Canada	5,326	51	87	5,464	106	5,570
Brazil	2,956	65	78	3,099	272	3,371
	13,303	2,374	386	16,063	3,171	19,234
Wind energy						
United States	315	185	-	500	670	1,170
Canada	1,042	-	-	1,042	-	1,042
Europe (2)	-	357	-	357	534	891
	1,357	542	-	1,899	1,204	3,103
Other	211	-	-	211	-	211
Total generation - 2014	14,871	2,916	386	18,173	4,375	22,548
Total generation - 2013	16,817	1,657	453	18,927	3,295	22,222

(1) For assets acquired or reaching commercial operation during the year, this figure is calculated from the acquisition or commercial operation date.

(2) We completed the acquisition of the wind portfolio in Ireland on June 30, 2014. Pursuant to the terms of the purchase and sale agreement, Brookfield Renewable acquired an economic interest in the wind portfolio from January 1, 2014. Accordingly, generation from January 1, 2014 to June 30, 2014 was recorded in the second quarter of 2014.

Financial Results on a Proportionate Basis for the Year Ended December 31, 2014

The following table illustrates the financial results for the year ended December 31, 2014 including revenues, Adjusted EBITDA, and Funds From Operations on a proportionate basis, while adjusting for the share from facilities in which we own less than 100%.

	Proportionate				Third party Interest	Consolidated
	Wholly-owned assets	Partially-owned assets	Equity-accounted investments	Total		
(MILLIONS)						
Revenues	\$ 1,152	\$ 262	\$ -	\$ 1,414	\$ 290	\$ 1,704
Other income	10	-	-	10	-	10
Share of cash earnings from equity accounted investments	-	-	26	26	-	26
Direct operating costs	(385)	(58)	-	(443)	(81)	(524)
Adjusted EBITDA ⁽¹⁾	777	204	26	1,007	209	1,216
Fixed earnings adjustment ⁽²⁾	-	11	-	11	-	11
Interest expense - borrowings	(277)	(73)	-	(350)	(65)	(415)
Management service costs	(51)	-	-	(51)	-	(51)
Current income taxes	(18)	(1)	-	(19)	1	(18)
Preferred equity	(38)	-	-	(38)	-	(38)
Participating non-controlling interest - in operating subsidiaries	-	-	-	-	(145) ⁽³⁾	(145)
Funds From Operations - 2014 ⁽¹⁾	\$ 393	\$ 141	\$ 26	\$ 560	\$ -	\$ 560
Funds From Operations - 2013 ⁽¹⁾	\$ 471	\$ 102	\$ 21	\$ 594	\$ -	\$ 594

(1) Non-IFRS measures. See "Cautionary Statement Regarding Use of Non-IFRS Measures" and "Generation and Financial Results by Segments for the Year Ended December 31, 2014".

(2) The fixed earnings adjustment relates to Brookfield Renewable's investment in the acquisition of the wind portfolio in Ireland. Pursuant to the terms of the purchase and sale agreement, Brookfield Renewable acquired an economic interest in the wind portfolio from January 1, 2014. The transaction closed on June 30, 2014, and accordingly under IFRS, the \$11 million net Funds From Operations contribution was recorded as part of the purchase price.

(3) Represents third party interests' Funds From Operations.



Financial Review for the Three Months Ended December 31, 2014

Generation for the Three Months Ended December 31, 2014

GENERATION (GWh)					Variance of Results		
	Actual Generation ⁽¹⁾		LTA Generation ⁽¹⁾		Actual vs. LTA		Actual vs. Prior Year
	2014	2013	2014	2013	2014	2013	
Hydroelectric generation							
United States	2,434	2,226	2,796	2,450	(362)	(224)	208
Canada	1,714	1,401	1,218	1,171	496	230	313
Brazil	795	923	900	923	(105)	-	(128)
	4,943	4,550	4,914	4,544	29	6	393
Wind energy							
United States	230	175	274	274	(44)	(99)	55
Canada	311	328	343	343	(32)	(15)	(17)
Europe	299	-	235	-	64	-	299
	840	503	852	617	(12)	(114)	337
Other	56	215	4	219	52	(4)	(159)
Total ⁽²⁾	5,839	5,268	5,770	5,380	69	(112)	571

(1) For assets acquired or reaching commercial operation during the year, this figure is calculated from the acquisition or commercial operation date.

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

Generation was 5,839 GWh for the fourth quarter of 2014, compared to the long-term average of 5,770 GWh, and an increase of 571 GWh as compared to the prior year.

- **Hydroelectric** generation was 4,943 GWh, consistent with the long-term average of 4,914 GWh and an increase of 393 GWh from the prior year. Generation from existing hydroelectric assets was 4,634 GWh compared to 4,550 GWh for the prior year. The variance in year-over-year results from existing facilities reflects strong inflows at our Ontario facilities and improved hydrological conditions in New England and Louisiana, partly offset by lower inflows at our facilities in New York, Tennessee and North Carolina. In Brazil, our generation for the quarter was below assured levels due to the continued drought-like conditions; however, the impact was reduced by our participation in the hydrological balancing pool. Our recently acquired and commissioned facilities contributed 309 GWh.
- **Wind** generation was 840 GWh, compared to the long-term average of 852 GWh and an increase of 337 GWh as compared to the prior year. Generation from existing assets was higher compared to the prior year due to improved wind conditions across the United States portfolio, and the wind portfolio in Ireland contributed 299 GWh.
- Our 110 MW natural gas-fired plant in Ontario has been operating on an uncontracted basis since April 2014. Since then, the facility has had nominal generation as a result of low power prices relative to gas market prices. The operations at this facility have temporarily been suspended but remain available to be restarted should economic conditions allow.

Financial Review for the Three Months Ended December 31, 2014

(MILLIONS, EXCEPT AS NOTED)	2014	2013
Revenues	\$ 408	\$ 393
Other income	2	6
Share of cash earnings from equity-accounted investments	1	2
Direct operating costs	(138)	(129)
Adjusted EBITDA ⁽¹⁾	273	272
Interest expense – borrowings	(106)	(97)
Management service costs	(13)	(9)
Current income taxes	1	(4)
Less: cash portion of non-controlling interests		
Preferred equity	(9)	(10)
Participating non-controlling interests - in operating subsidiaries	(30)	(15)
Funds From Operations ⁽¹⁾	116	137
Less: adjusted sustaining capital expenditures ⁽²⁾	(15)	(14)
Adjusted Funds From Operations ⁽¹⁾	\$ 101	123

(1) Non-IFRS measures. See "Cautionary Statement Regarding Use of Non-IFRS Measures" and "Generation and Financial Results by Segments for the Year Ended December 31, 2014".

(2) Based on long-term sustaining capital expenditure plans.

Adjusted EBITDA totaled \$273 million for the fourth quarter of 2014, an increase of \$1 million from the prior year.

- **Revenues** totaled \$408 million which represented a year-over-year increase of \$15 million. Stronger performance from our hydroelectric facilities in Canada with higher relative contract prices was partly offset by lower overall generation in the United States, resulting in a net revenue increase of \$14 million. The revenue contribution from our natural gas-fired plant in Ontario decreased \$16 million year-over-year. In Brazil, revenues decreased \$21 million year-over-year. The optionality maintained in the portfolio allowed us to capture strong power pricing, which partially offset the impact of the lower generation. The United States wind portfolio contributed an incremental \$4 million compared to the prior year due to the improved wind conditions. The recent growth in our portfolio resulted in a contribution of \$54 million.
- **Direct operating costs** totaling \$138 million represent a year-over-year increase of \$9 million attributable to the recent growth in our portfolio, which added incremental costs of \$19 million, partly offset by savings achieved from the cost efficiencies at our operations and the reduction in power purchased in the open market for our co-generation facilities.

Interest expense totaling \$106 million represents a year-over-year increase of \$9 million. Incremental interest costs related to financing the growth in our portfolio were \$13 million, and \$3 million was related to up-financing initiatives. Repayment of certain subsidiary borrowings and corporate credit facilities resulted in a \$4 million decrease in borrowing costs.

Management service costs totaling \$13 million represent a year-over-year increase of \$4 million primarily attributable to the increase in the market value of our LP Units and the issuance of LP Units in the second quarter of 2014.

Funds From Operations totaling \$116 million incorporates growth of \$10 million and the net impact of the appreciation of the U.S. dollar of \$9 million.

Generation on a Proportionate Basis for the Three Months Ended December 31, 2014

The following table illustrates generation results for the three months ended December 31, 2014 on a proportionate basis, while adjusting for the share from facilities in which we own less than 100%.

GENERATION (GWh) (1)	Proportionate			Total	Third party interests	Consolidated
	Wholly-owned assets	Partially-owned assets	Equity-accounted investments			
Hydroelectric generation						
United States	1,131	524	54	1,709	725	2,434
Canada	1,617	39	22	1,678	36	1,714
Brazil	691	16	20	727	68	795
	3,439	579	96	4,114	829	4,943
Wind energy						
United States	61	37	-	98	132	230
Canada	311	-	-	311	-	311
Europe	-	120	-	120	179	299
	372	157	-	529	311	840
Other	56	-	-	56	-	56
Total generation - 2014	3,867	736	96	4,699	1,140	5,839
Total generation - 2013	3,982	410	83	4,475	793	5,268

(1) For assets acquired or reaching commercial operation during the year, this figure is calculated from the acquisition or commercial operation date.

Financial Results on a Proportionate Basis for the Three Months Ended December 31, 2014

The following table illustrates the financial results for the three months ended December 31, 2014 including revenues, Adjusted EBITDA, and Funds From Operations on a proportionate basis, while adjusting for the share from facilities in which we own less than 100%.

	Proportionate				Third party Interest	Consolidated
	Wholly-owned assets	Partially-owned assets	Equity-accounted investments	Total		
(MILLIONS)						
Revenues	\$ 284	\$ 53	\$ -	\$ 337	\$ 71	\$ 408
Other income	2	-	-	2	-	2
Share of cash earnings from equity accounted investments	-	-	1	1	-	1
Direct operating costs	(97)	(17)	-	(114)	(24)	(138)
Adjusted EBITDA ⁽¹⁾	189	36	1	226	47	273
Interest expense - borrowings	(66)	(21)	-	(87)	(19)	(106)
Management service costs	(13)	-	-	(13)	-	(13)
Current income taxes	(2)	1	-	(1)	2	1
Preferred equity	(9)	-	-	(9)	-	(9)
Participating non-controlling interest - in operating subsidiaries	-	-	-	-	(30) ⁽²⁾	(30)
Funds From Operations - 2014 ⁽¹⁾	\$ 99	\$ 16	\$ 1	\$ 116	\$ -	\$ 116
Funds From Operations - 2013 ⁽¹⁾	\$ 132	\$ 3	\$ 2	\$ 137	\$ -	\$ 137

(1) Non-IFRS measures. See "Cautionary Statement Regarding Use of Non-IFRS Measures" and "Generation and Financial Results by Segments for the Year Ended December 31, 2014".

(2) Represents third party interests' Funds From Operations.



Generation and Financial Results by Segments

Results of Hydroelectric Operations for the Year Ended December 31, 2014

(MILLIONS, EXCEPT AS NOTED)		2014			
	United States	Canada	Brazil	Total	
Generation (GWh) – LTA ^{(1) (2)}	10,785	5,132	3,614	19,531	
Generation (GWh) – actual ^{(1) (2)}	10,293	5,570	3,371	19,234	
Revenues	\$ 719	\$ 394	\$ 265	\$ 1,378	
Adjusted EBITDA ⁽³⁾	520	328	198	1,046	
Funds From Operations ⁽³⁾	\$ 283	\$ 256	\$ 149	\$ 688	

(MILLIONS, EXCEPT AS NOTED)		2013			
	United States	Canada	Brazil	Total	
Generation (GWh) – LTA ^{(1) (2)}	9,681	5,062	3,656	18,399	
Generation (GWh) – actual ^{(1) (2)}	10,082	5,494	3,656	19,232	
Revenues	\$ 677	\$ 399	\$ 301	\$ 1,377	
Adjusted EBITDA ⁽³⁾	494	330	221	1,045	
Funds From Operations ⁽³⁾	\$ 274	\$ 266	\$ 169	\$ 709	

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

(2) For assets acquired or reaching commercial operation during the year, this figure is calculated from the acquisition or commercial operation date.

(3) Non-IFRS measures. See "Cautionary Statement Regarding Use of Non-IFRS Measures" and "Generation and Financial Results by Segments for the Year Ended December 31, 2014".

Results of Wind Operations for the Year Ended December 31, 2014

	2014							
	United States		Canada		Europe	Total		
Generation (GWh) – LTA ^{(1) (2)}	1,394		1,197		826	3,417		
Generation (GWh) – actual ^{(1) (2)}	1,170		1,042		891	3,103		
Revenues	\$	129	\$	123	\$	45	\$	297
Adjusted EBITDA ⁽³⁾		90		108		29		227
Funds From Operations ⁽³⁾	\$	17	\$	70	\$	18	\$	105

	2013							
	United States		Canada		Europe	Total		
Generation (GWh) – LTA ^{(1) (2)}	1,341		1,197		N/A	2,538		
Generation (GWh) – actual ^{(1) (2)}	1,145		1,075		N/A	2,220		
Revenues	\$	125	\$	133	\$	N/A	\$	258
Adjusted EBITDA ⁽³⁾		85		113		N/A		198
Funds From Operations ⁽³⁾	\$	21	\$	69	\$	N/A	\$	90

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

(2) For assets acquired or reaching commercial operation during the year, this figure is calculated from the acquisition or commercial operation date.

(3) Non-IFRS measures. See "Cautionary Statement Regarding Use of Non-IFRS Measures" and "Generation and Financial Results by Segments for the Year Ended December 31, 2014".

Generation and Financial Results by Segments for the Year Ended December 31, 2014

The following table reflects generation, Adjusted EBITDA, Funds From Operations and Adjusted Funds From Operations on a segmented basis for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	Hydroelectric	Wind	Co-gen and Other	2014	2013
Generation (GWh) - LTA ⁽¹⁾⁽²⁾	19,531	3,417	348	23,296	21,836
Generation (GWh) - actual ⁽¹⁾⁽²⁾	19,234	3,103	211	22,548	22,222
Revenues	\$ 1,378	\$ 297	\$ 29	\$ 1,704	\$ 1,706
Other income	10	-	-	10	11
Share of cash earnings from equity-accounted investments	26	-	-	26	21
Direct operating costs	(368)	(70)	(86)	(524)	(530)
Adjusted EBITDA ⁽³⁾	1,046	227	(57)	1,216	1,208
Fixed earnings adjustment ⁽⁴⁾	-	11	-	11	-
Interest expense - borrowings	(242)	(86)	(87)	(415)	(410)
Management service costs	-	-	(51)	(51)	(41)
Current income taxes	(18)	-	-	(18)	(19)
Less: cash portion of non-controlling interests					
Preferred equity	-	-	(38)	(38)	(37)
Cash portion of non-controlling interests - in operating subsidiaries	(98)	(47)	-	(145)	(107)
Funds From Operations ⁽³⁾	\$ 688	\$ 105	\$ (233)	\$ 560	\$ 594
Less: adjusted sustaining capital expenditures ⁽⁵⁾				(58)	(56)
Adjusted Funds From Operations ⁽³⁾				502	538

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

(2) For assets acquired or reaching commercial operation during the year, this figure is calculated from the acquisition or commercial operation date.

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

(4) The fixed earnings adjustment relates to Brookfield Renewable's investment in the acquisition of the wind portfolio in Ireland. Pursuant to the terms of the purchase and sale agreement, Brookfield Renewable acquired an economic interest in the wind portfolio from January 1, 2014. The transaction closed on June 30, 2014, and accordingly under IFRS, the \$11 million net Funds From Operations contribution was recorded as part of the purchase price.

(5) Based on long-term sustaining capital expenditure plans.



Passo Do Meio Hydro Facility, Rio Grande do Sul, Brazil

Appendices

Contract Profile by Region

FOR THE YEAR ENDED DECEMBER 31	2015	2016	2017	2018	2019
Generation (GWh)					
Contracted					
United States	10,139	10,345	8,310	8,310	8,310
Canada	6,382	6,382	6,382	6,382	6,372
Brazil	2,888	2,689	1,961	1,736	1,736
Europe	1,130	1,146	1,146	1,146	1,146
	20,539	20,562	17,799	17,574	17,564
Uncontracted	3,548	3,515	6,269	6,494	6,504
Total long-term average	24,087	24,077	24,068	24,068	24,068

Annualized Long-term Average Generation of our Operating Portfolio as at December 31, 2014

GENERATION (GWh) ⁽¹⁾⁽²⁾	Q1	Q2	Q3	Q4	Total
Hydroelectric					
United States ⁽³⁾	3,193	3,276	2,199	2,796	11,464
Canada ⁽³⁾	1,241	1,492	1,233	1,218	5,184
Brazil ⁽⁴⁾	929	898	887	900	3,614
	5,363	5,666	4,319	4,914	20,262
Wind					
United States	311	468	341	274	1,394
Canada	324	292	238	343	1,197
Europe	256	183	163	235	837
	891	943	742	852	3,428
Other	10	6	32	4	52
Total	6,264	6,615	5,093	5,770	23,742

(1) Includes 100% of capacity and long-term average generation from equity-accounted investments.

(2) LTA is calculated on an annualized basis from the beginning of the year, regardless of the acquisition or commercial operation date.

(3) Hydroelectric 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 typically 30 years.

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

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