

Brookfield Renewable Energy Partners L.P.
Q1 2012 INTERIM REPORT TO UNITHOLDERS

OUR OPERATIONS

We operate our facilities through three regional operating centers in the United States, Brazil and Canada which are designed to maintain and enhance the value of our assets, while cultivating positive relations with local stakeholders. We own and manage 170 hydroelectric generating stations, seven wind facilities, and two natural gas-fired plants. Overall, the assets we own or manage have 4,909 MW of generating capacity and annual generation of 18,292 GWh based on long-term averages. The table below outlines our portfolio as at March 31, 2012:

Markets	Rivers	Generating Stations	Generating Units	Capacity ⁽¹⁾ (MW)	LTA ⁽²⁾ (GWh)	Storage (GWh)
Operating Assets						
Hydroelectric generation						
United States	26	103	292	1,966	7,020	2,146
Canada	18	32	72	1,323	5,061	1,261
Brazil ⁽³⁾	23	35	79	626	3,541	N/A
	67	170	443	3,915	15,622	3,407
Wind energy						
Canada	–	3	220	406	1,197	–
United States ⁽⁴⁾	–	4	156	373	952	–
	–	7	376	779	2,149	–
Other	-	2	6	215	521	–
Total from operating assets	67	179	825	4,909	18,292	3,407

(1) Total net capacity including our share of equity-accounted investments is 4,512 MW.

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

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

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

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

This interim report to unitholders contains forward-looking information within the meaning of Canadian securities laws. We may make such statements in this interim report, 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 32. We make use of non-IFRS measures in this interim report as disclosed further on page 33. This interim report and additional information, including our Annual Information Form, are available on our website at www.brookfieldrenewable.com and on SEDAR's website at www.sedar.com.

LETTER TO UNITHOLDERS

I am pleased to report our first quarter results as well as continued progress across our renewable power operations.

For the first three months of 2012, total generation across the portfolio was 4,817 GWh or 6% higher than the long-term average of 4,557 GWh. Funds from operations in the quarter was also strong at \$175 million as compared to \$122 million in the first quarter of 2011 on a *pro forma* basis. These results reflect improved hydrological conditions including strong inflows from the early arrival of spring in North America. Generation from our wind portfolio was also above expectations and considerably higher than the prior year due to favourable wind conditions and the contribution from new assets in Canada and the United States.

As previously announced, our quarterly distribution was increased to \$1.38 per unit on an annualized basis, effective with the first quarter. We are well positioned relative to our distribution payout policy of 60% to 70% of funds from operations and remain confident in our ability to produce long-term distribution growth in the range of 3% to 5% annually.

We have continued to expand our business in both the hydroelectric and wind segments. As previously indicated we recently completed the construction of two new hydroelectric facilities in the United States with a combined capacity of 16 MW. In Brazil, development continues as planned on two hydroelectric generating stations with a combined capacity of 48 MW which are expected to enter commercial operations in early 2013. We also anticipate the start of construction of our 45 MW project in western Canada in the coming months, following the receipt of both provincial and federal approvals.

While we maintain a predominantly hydroelectric focus, we have also assembled a high-quality wind portfolio which provides our business with attractive long-term assets and resource diversification. Our operating wind capacity today is nearly 800 MW and includes facilities in attractive markets in Canada and the United States.

Growing in the California Market

As I indicated in my last quarterly letter, we recently acquired significant additional wind generation in California's Tehachapi region. Having had no presence in California's renewable power sector prior to 2010, this represents a relatively new market for us, and our expansion there is indicative of both our growth strategy and operating philosophy.

We were drawn to the Tehachapi region for a number of reasons. First, the area benefits from an attractive, proven wind resource and was one of the first areas in the United States to experience wind generation assets on a commercial scale. The wind resource is therefore not only attractive, but has many years of data supporting it. The region also benefits from its close proximity to the demand centers in the southern part of the state, most notably the greater Los Angeles area, one of the most populous and fastest-growing regions in the country. The relatively limited availability of land for wind power development, combined with strong demand, underpin the attractiveness of this market.

Together with a 30 MW hydroelectric facility in the northern part of the state, we now own over 300 MW of renewable power generating capacity in California. We would like to continue to expand our asset base as the market is appealing for a number of reasons. Despite being one of the largest power markets with 60,000 MW of installed capacity, the California market will require new supply over the next decade – a significant portion of which is intended to come from renewable resources. California's Renewables Power Standard currently mandates that 33% of the state's electricity supply must be met by renewable sources by 2020. Among the

available options, wind power assets such as ours offer the most scale and the lowest cost to meet these future supply requirements.

In short, the combination of high-value resources and strong long-term fundamentals make California a desirable place for further expansion and we will continue to pursue new opportunities in the region, as we will in our other core markets which share many of these attributes. Our United States platform enables us to integrate new assets in a highly efficient and cost-effective manner.

Looking Ahead

We remain very well-positioned to achieve our objectives for the year. From a financial perspective, we recently increased the size of our credit facilities from \$600 million to \$900 million and expanded participation in the facility to include several new financial institutions of global scale. This increase in our credit facilities and the new relationships will enhance our ability to carry out our long-term expansion plans.

We also continue to move forward with our plans to enhance our capital markets profile, having recently filed a registration statement with the Securities and Exchange Commission – the first step in achieving an anticipated listing on the New York Stock Exchange. Subject to receiving the required approvals, we would expect to be listed in the second half of 2012. During the quarter, we also implemented a distribution re-investment plan for those unitholders seeking to receive their distributions in the form of additional units. We expect that the plan, which is currently available to Canadian resident unitholders, will be expanded to include U.S. unitholders following our listing on the New York Stock Exchange. We expect these initiatives to make it easier for unitholders to participate in our growth over time.

Clearly, Brookfield Renewable is off to a strong start in 2012. We remain grateful for the continued support of our unitholders and enthusiastically look forward to what we expect will be a year of positive milestones and opportunities.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard Legault", with a stylized, cursive script.

Richard Legault

President and Chief Executive Officer

Management's Discussion and Analysis

For the three months ended March 31, 2012

QUARTERLY HIGHLIGHTS

Portfolio growth

We acquired new wind generation assets in California, including a 150 MW wind facility in the Tehachapi region, with certain institutional partners. This facility entered commercial operation in January 2012 and comes with a 24-year power purchase agreement.

We also acquired the remaining 50% stake of a 102 MW wind facility previously held by our partner along with a further 22 MW of additional operating wind generation capacity. These facilities were in commercial operation by the end of the quarter. Power produced from the facilities will be sold under a 20-year power purchase agreement with a large, local utility.

Corporate and subsidiary borrowings

During the quarter, we issued C\$400 million of 10-year term corporate notes bearing interest at a rate of 4.79% per annum. Proceeds of the offering were used to reduce borrowings, extend the term on our overall maturity profile and reduce overall cost of capital.

We also increased the size of our revolving credit facilities from \$600 million to \$900 million, while extending maturities to October 2016 for the new facilities.

Capital markets initiatives

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. The first distribution was paid in April 2012.

On April 30, 2012 we filed a registration statement with the Securities and Exchange Commission ("SEC") in connection with an anticipated listing on the New York Stock Exchange ("NYSE") during the year.

During the quarter, 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. We expect the DRIP and NYSE listing to make it easier for existing and new unitholders to participate in our growth over time, thereby enhancing our access to capital.

Financial and operating results

Generation for the period ended March 31, 2012 was 4,817 GWh or 23% higher than 3,924 GWh in the same period of the prior year, and 6% higher than the long-term average of 4,557 GWh. Revenues totaled \$430 million or \$89 per MWh for the three months ended March 31, 2012, representing a year-over-year increase of \$102 million on a *pro forma* basis. The increase in hydroelectric generation over the prior year reflects strong inflows in North America from the arrival of early spring conditions, as well as a new facility in Brazil. Generation from wind was also above expectations and considerably higher than the prior year due to improved wind conditions in Eastern Canada and the contribution from newly built or acquired wind farms in Canada and the United States. Funds from operations for the three months ended March 31, 2012 was \$175 million, representing a \$53 million or 43% year-over-year increase on a *pro forma* basis.

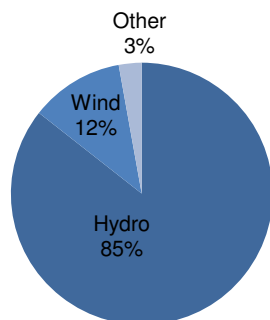
BUSINESS OVERVIEW

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

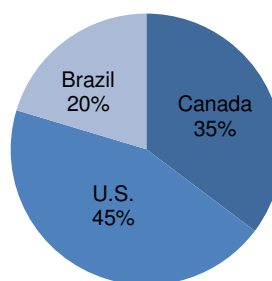
Our assets generate high quality, stable cash flows derived from a virtually fully contracted portfolio. Our business model is simple: utilize our global reach to identify and acquire high quality renewable power assets at favourable valuations, finance them on a long-term, low-risk basis, and enhance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

One of the largest, listed pure-play renewable platforms. We own one of the world's largest, publicly-traded, pure-play renewable power portfolios with over \$15 billion in power assets, with approximately 5,000 MW of installed capacity, and long-term average generation of nearly 18,300 GWh annually. Our portfolio includes 170 hydroelectric generating stations on 67 river systems and seven wind facilities, diversified across ten power markets in the United States, Canada and Brazil.

Generation by Technology



Generation by Market



Focus on attractive hydroelectric asset class. Our assets are predominantly hydroelectric and represent one of the longest life, lowest cost and most environmentally preferred forms of power generation. Our North American assets have the ability to store water in reservoirs up to approximately 28% of our annual generation. Our assets in Brazil benefit from a framework that exists in the country to levelize generation risk across producers. This ability to store water and have levelized generation in Brazil, provides partial protection against short-term changes in water supply. As a result of our scale and the quality of our assets, we are competitively positioned compared to other listed renewable power platforms, providing significant scarcity value to investors.

Well positioned for global growth mandate. Over the last 10 years we have acquired or developed over 20 hydroelectric assets totaling approximately 3,000 MW in more than 25 transactions. We have strong organic growth potential with a 2,000 MW development pipeline spread across each of our operating jurisdictions. Our net asset value in renewable power has grown from approximately \$900 million in 1999 to over \$8.6 billion today, representing a 20% annualized growth rate. We are able to acquire and develop assets due to our established operating and project development teams, strategic relationship with Brookfield Asset Management Inc. (“Brookfield Asset Management”) and our strong liquidity and capitalization profile.

Attractive distribution profile. We pursue a strategy which provides for highly stable, predictable cash flows sourced from predominantly long-life hydroelectric assets ensuring an attractive distribution yield. We target a distribution payout ratio in the range of approximately 60% 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 (“PPAs”), to public power authorities, load-serving utilities, industrial users or to affiliates of Brookfield Asset Management. The PPAs for our assets have a weighted-average remaining duration of 23 years, providing long-term cash flow stability.

Strong financial profile. With over \$15 billion of power generating assets and a conservative leverage profile, consolidated debt-to-capitalization is approximately 40%. Our liquidity position remains strong with close to \$950 of million cash and available bank lines. Approximately 75% of our obligations are non-recourse and our corporate debt has a weighted-average term of approximately 10 years.

SUCCESSFUL COMBINATION OF OUR POWER BUSINESS

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

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

As at the date of this report, Brookfield Asset Management had 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% was held by the public. Since November 30, 2011, Brookfield Renewable’s limited partnership units have traded on the Toronto Stock Exchange (“TSX”) under the symbol “BEP.UN”.

BASIS OF PRESENTATION

This Management’s Discussion and Analysis (“MD&A”) for the three months ended March 31, 2012 is provided as of May 11, 2012. Unless the context indicates or requires otherwise, the terms “Brookfield Renewable”, “we”, “us”, and “our” mean Brookfield Renewable Energy Partners, L.P. and controlled entities.

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

Certain comparative figures have been reclassified to conform to the current period’s presentation.

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

PERFORMANCE MEASUREMENT

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

NET INCOME

Net income is calculated in accordance with IFRS.

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

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

FUNDS FROM OPERATIONS (FFO)

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

NET ASSET VALUE

Net asset value represents our capital at carrying value, on a pre-tax basis prepared in accordance with the procedures and assumptions utilized to prepare the Brookfield Renewable’s IFRS financial statements.

SUMMARY FINANCIAL REVIEW

In order to provide a full financial understanding of the Combination, we have prepared comparative financial results on the following basis:

PRO FORMA BASIS

We are providing comparative financial results on a *pro forma* basis 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 comparative *pro forma* financial results have been prepared based upon currently available information and assumptions deemed appropriate by management. The comparative *pro forma* financial results give effect to the following transactions:

Items affecting future cash flows:

- amendment and execution of PPAs; 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;
- change in the accounting policy for construction work-in-progress to include this asset type in the assets that are revalued when appropriate criterion are satisfied;
- settlement of intercompany balances as at the date of the transaction; and
- elimination of the Fund unit liability and related unrealized gain or loss on remeasurement.

For additional information on the pro forma adjustments see “Summary of *Pro Forma* Adjustments.”

The unaudited comparative *pro forma* financial results are provided for information purposes only and may not be indicative of the results that would have occurred had the above transaction been affected on the date indicated. The accounting for certain of the Combination transactions required the determination of fair value estimates 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.

CONSOLIDATED BASIS

This 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 (the “Division”) a division of Brookfield Asset Management. Transactions entered into as part of the Combination are accounted for effective November 28, 2011.

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 Voting Arrangements do not represent business combinations in accordance with IFRS 3, 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.

OVERVIEW OF PERFORMANCE

GENERATION (GWH)

					Variance of Results		
					Actual vs. LTA		Actual vs. Prior year
					2012	2011	2012
FOR THE THREE MONTHS ENDED MARCH 31							
					2012	2011	2012
Hydroelectric generation							
United States	1,958	1,698	1,883	1,816	75	(118)	260
Canada	1,308	1,026	1,158	1,162	150	(136)	282
Brazil ⁽¹⁾	867	808	875	808	(8)	-	59
	4,133	3,532	3,916	3,786	217	(254)	601
Wind energy							
Canada	368	163	324	175	44	(12)	205
United States	90	-	100	-	(10)	-	90
	458	163	424	175	34	(12)	295
Other	226	229	217	101	9	128	(3)
Total generation ⁽²⁾	4,817	3,924	4,557	4,062	260	(138)	893
% variance					6%	(3)%	23%

⁽¹⁾ In Brazil assured generation levels are used as a proxy for LTA.

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

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

Generation levels during the three months ended March 31, 2012 increased 23% as compared to the same period during the prior year reflecting improved hydrological conditions including strong inflows from the early arrival of spring in North America. Seasonally warmer temperatures in Eastern Canada and the U.S. resulted in higher inflows and improved generation. Generation was also positively impacted by the contribution of assets that were acquired and commissioned during the last twelve months. Energy sales from our hydroelectric assets in Brazil were in line with plan and consistent with the framework that exists to levelize generation across power producers in that market.

Generation from our wind portfolio increased by 295 GWh, as a result of the contribution from new assets in Canada and the United States as well as improved wind conditions.

EBITDA and FFO

	Results under actual generation			Results under LTA generation	
	Consolidated Basis	<i>Pro forma</i> Basis	Consolidated Basis	<i>Pro forma</i> Basis	
FOR THE THREE MONTHS ENDED MARCH 31 (MILLIONS, EXCEPT AS NOTED)	2012	2011 ⁽¹⁾	2011	2012	2011 ⁽¹⁾
Generation (GWh)	4,817	3,924	3,924	4,557	4,062
Revenues ⁽²⁾	\$ 430	\$ 328	\$ 299	\$ 402	\$ 347
Other income	5	4	4	5	4
Direct operating costs	(117)	(93)	(88)	(114)	(93)
EBITDA	318	239	215	293	258
Interest expense - borrowings	(110)	(97)	(97)	(110)	(97)
Current income taxes	(6)	(4)	(4)	(6)	(4)
Management service costs	(7)	(5)	-	(7)	(5)
Non-controlling interests	(20)	(11)	(11)	(15)	(9)
Funds from operations (FFO)	\$ 175	\$ 122	\$ 103	\$ 155	\$ 143

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

The discussion below provides a comparison of results on a consolidated basis for the three months ended March 31, 2012 to results on a *pro forma* basis for the three months ended March 31, 2011. *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. A discussion of our consolidated results is provided in the following section "Review of Operations."

Revenues totaled \$430 million or \$89 per MWh for the three months ended March 31, 2012, representing a year-over-year increase of \$102 million. Approximately \$42 million of the increase is due to improved generation levels at existing facilities. Approximately \$37 million of the increase is attributable to increased generation from new hydroelectric generation facilities in Brazil and Northeast United States and from an Ontario wind facility integrated in Q4 2011 as well as the acquisition and commissioning of nearly 375 MW in four wind facilities in California and the Northeast United States.

EBITDA for the three months ended March 31, 2012 increased by \$79 million year-over-year. Both revenues and direct operating costs were in line with expectations ensuring stable operating margins.

Interest expense on borrowings reflects the cost related to approximately \$4.5 billion of non-recourse asset-specific debt and \$1.5 billion of corporate debt. Our borrowings are predominantly fixed-rate and issued in local currencies providing protection to our equity capital against changes in foreign exchange and interest rates movements. Higher interest expense in the current year reflects the increased capitalization associated with our portfolio growth during the last twelve months.

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

FFO increased \$53 million year-over-year to \$175 million reflecting the contribution of higher generation due to greater hydrology and through the growth in our portfolio.

NET ASSET VALUE

The following table presents our net asset value on a consolidated basis:

(MILLIONS, EXCEPT AS NOTED)	Total		Per Share	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Property, plant and equipment, at fair value				
Hydroelectric ⁽¹⁾	\$ 12,615	\$ 12,463	\$ 48.06	\$ 47.47
Wind	2,487	1,480	9.47	5.64
Other	86	86	0.33	0.33
	15,188	14,029	57.86	53.44
Development assets	209	378	0.80	1.44
Working capital and other, net	221	380	0.84	1.45
Long-term debt and credit facilities	(5,984)	(5,519)	(22.80)	(21.02)
Participating non-controlling interests	(760)	(629)	(2.90)	(2.40)
Preferred equity	(247)	(241)	(0.94)	(0.92)
Net asset value	\$ 8,627	\$ 8,398	\$ 32.86	\$ 31.99

⁽¹⁾ Includes \$329 million from equity-accounted investments (2011: \$405 million) and \$57 million of intangible assets (2011: \$57 million).

The net asset value of Brookfield Renewable totaled \$8.6 billion as at March 31, 2012, which was slightly higher than the value as at December 31, 2011. Values increased during the quarter primarily as a result of the appreciation of the Canadian dollar and Brazilian real relative to the U.S. dollar.

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 in 2011 and 2010 were as follows:

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

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

LIQUIDITY AND CAPITALIZATION

We operate with sufficient liquidity, which along with ongoing cash flow from operations enable us to fund growth initiatives, capital expenditures, distributions and to finance the business on an investment grade basis. As part of our financing strategy, we raise the majority of our debt capital in the form of asset-specific, non-recourse borrowings at our subsidiaries. As at March 31, 2012 subsidiary and corporate borrowings increased due to additional borrowings related to the assets acquired and commissioned in our United States wind portfolio, additional corporate borrowings which were used to repay higher yielding debt, as well as the appreciation of the Canadian dollar and Brazilian real during the quarter. Following the acquisition, with certain institutional partners, of the remaining 50% stake in a 102 MW wind facility previously held by our partner, this asset was consolidated whereas it was previously equity accounted for as at December 31, 2011. Our debt to capitalization ratio was 38% as at March 31, 2012, which was substantially unchanged from December 31, 2011.

Capitalization

The following table summarizes our capitalization using book values:

(MILLIONS)	March 31, 2012	December 31, 2011
Credit facilities	\$ 28	\$ 251
Corporate borrowings	1,497	1,071
Subsidiary borrowings	4,459	4,197
Long-term indebtedness	5,984	5,519
Participating non-controlling interests	760	629
Preferred equity	247	241
Net asset value	8,627	8,398
Total capitalization	\$ 15,618	\$ 14,787
Debt to total capitalization	38%	37%

During the quarter, we issued C\$400 million of 10-year corporate notes, bearing interest at 4.79% per annum. The proceeds were used to reduce borrowings, extend the term on our overall maturity profile and reduce cost of capital.

Available liquidity

Total liquidity is comprised of cash and cash equivalents and the unutilized portion of credit facilities. We currently have \$945 million of available liquidity (December 31, 2011: \$457 million) which provides us with significant flexibility to fund ongoing growth and capital requirements and to protect against short term fluctuations in generation. During the quarter, we expanded our revolving credit facilities from \$600 million to \$900 million and extended the maturity for our new facilities to October 2016.

(MILLIONS)	March 31, 2012	December 31, 2011
Cash and cash equivalents	\$ 249	\$ 267
Unutilized portion of credit facilities	696	190
	\$ 945	\$ 457

Corporate and subsidiary borrowings

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

AS AT MARCH 31, 2012 (MILLIONS)	2012 ⁽¹⁾	2013	2014
Corporate borrowings	\$ -	\$ -	\$ -
Subsidiary borrowings - consolidated	745	516	331
Subsidiary borrowings – total ⁽²⁾	863	517	332

⁽¹⁾ Represents the period from April 1, 2012 to December 31, 2012.

⁽²⁾ Includes borrowings from equity-accounted investments.

We have no corporate borrowings maturing before 2016.

Subsidiary borrowings maturing in the next twelve months include \$253 million on our Eastern Canadian wind assets and \$200 million attributed to our hydroelectric facilities in New York. We expect to refinance all of the upcoming maturities in the normal course. In May 2012, we refinanced indebtedness associated with our hydroelectric pumped storage facility in New England, of which we own 50%, through a \$125 million loan for a term of five years at a rate of LIBOR + 2.25%.

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

	Average term (years)		Average interest rate (%)	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Corporate borrowings	9.5	9.6	5.3	5.5
Subsidiary borrowings	10.3	10.0	6.7	7.5

Contract Profile

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

As at March 31, 2012, we had contracted virtually all of our 2012 generation at an average price of \$87 per MWh. The following table sets out our contracts over the next five years for generation from our existing facilities assuming long-term average hydrology:

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)	2012 ⁽¹⁾	2013	2014	2015	2016
Generation (GWh)					
Contracted ⁽²⁾ :					
Hydroelectric	11,372	15,263	14,589	13,954	13,836
Wind	1,578	2,104	2,104	2,104	2,104
Other	299	398	134	-	-
	13,249	17,765	16,827	16,058	15,940
Uncontracted	140	424	1,098	1,733	1,851
LTA	13,389	18,189	17,925	17,791	17,791
Contracted generation – as at March 31, 2012					
% of total generation	99%	98%	93%	91%	90%
Contracted revenue	\$ 1,148	\$ 1,556	\$ 1,462	\$ 1,399	\$ 1,397
Price per MWh	\$ 87	\$ 87	\$ 86	\$ 87	\$ 87

⁽¹⁾ For the period from April 1, 2012 to December 31, 2012.

⁽²⁾ Assets under construction are included in the contract profile only if LTA and pricing details are available and the commercial operation date is imminent.

We have a predictable revenue profile driven by both long-term PPAs with a weighted-average remaining duration of 23 years, combined with a well-diversified generation portfolio that reduces variability in our generation volumes. The majority of our long-term PPAs are with investment-grade rated or creditworthy counterparties such as Brookfield Asset Management and its subsidiaries (48%), government-owned utilities or power authorities (18%), industrial power users (25%) and distribution companies (9%).

Over the next three years we have on average approximately 700 GWh of energy annually which is not contracted. All of this power can be sold into the current wholesale or bilateral market, however we intend to maintain flexibility in re-contracting to position ourselves to achieve the most optimal pricing.

REVIEW OF OPERATIONS

EBITDA AND FFO ON A CONSOLIDATED BASIS

FOR THE THREE MONTHS ENDED MARCH 31 (MILLIONS, EXCEPT AS NOTED)	Results under actual generation	
	2012	2011
Generation (GWh)	4,817	3,924
Revenues ⁽¹⁾	\$ 430	\$ 299
Other income	5	4
Direct operating costs	(117)	(88)
EBITDA	318	215
Interest expense - borrowings	(110)	(97)
Current income taxes	(6)	(4)
Management service costs	(7)	-
Non-controlling interests	(20)	(11)
Funds from operations (FFO)	\$ 175	\$ 103

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

Revenues totaled \$430 million or \$89 per MWh for the three months ended March 31, 2012, representing a year-over-year increase of \$131 million. Approximately \$42 million of the increase is due to improved generation levels at existing facilities. Approximately \$37 million of the increase is attributable to increased generation from new hydroelectric generation facilities in Brazil and Northeast United States and from an Ontario wind facility integrated in Q4 2011 as well as the acquisition and commissioning of nearly 375 MW in four wind facilities in California and the Northeast United States. The balance of \$52 million is due to inflation based escalation included in our power purchase agreements and the contribution from the amendment and execution of PPAs in connection with the Combination ("the Amended and Executed PPAs").

EBITDA for the three months ended March 31, 2012 increased by \$103 million year-over-year. Both revenues and direct operating costs were in line with expectations ensuring stable operating margins.

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

FFO increased \$72 million year-over-year to \$175 million reflecting the contribution of higher generation due to greater hydrology and through the growth in our portfolio.

HYDROELECTRIC GENERATION

FOR THE THREE MONTHS ENDED MARCH 31
(MILLIONS, EXCEPT AS NOTED)

2012

	United States	Canada	Brazil	Total
Generation (GWh) – LTA ⁽¹⁾	1,883	1,158	875	3,916
Generation (GWh) – actual ⁽¹⁾	1,958	1,308	867	4,133
Revenues ⁽²⁾	\$ 168	\$ 100	\$ 96	\$ 364
Direct operating costs	(38)	(17)	(28)	(83)
EBITDA	130	83	68	281
Interest expense – borrowings	(34)	(17)	(31)	(82)
Current income taxes	(2)	-	(4)	(6)
Non-controlling interests	(11)	-	(3)	(14)
Funds from operations (FFO)	\$ 83	\$ 66	\$ 30	\$ 179

⁽¹⁾ Actual and long-term average generation includes 100% of the generation from equity-accounted investments.

⁽²⁾ Includes share of cash earnings from equity-accounted investments and other income.

FOR THE THREE MONTHS ENDED MARCH 31
(MILLIONS, EXCEPT AS NOTED)

2011

	United States	Canada	Brazil	Total
Generation (GWh) – LTA ⁽¹⁾	1,816	1,162	808	3,786
Generation (GWh) – actual ⁽¹⁾	1,698	1,026	808	3,532
Revenues ⁽²⁾	\$ 127	\$ 54	\$ 85	\$ 266
Direct operating costs	(32)	(14)	(24)	(70)
EBITDA	95	40	61	196
Interest expense - borrowings	(37)	(17)	(21)	(75)
Current income taxes	(1)	-	(3)	(4)
Non-controlling interests	(4)	-	(4)	(8)
Funds from operations (FFO)	\$ 53	\$ 23	\$ 33	\$ 109

⁽¹⁾ Actual and long-term average generation includes 100% generation from equity-accounted investments.

⁽²⁾ Includes share of cash earnings from equity-accounted investments and other income.

United States

Generation from our U.S. renewable asset portfolio was 1,958 GWh compared to the long-term average of 1,883 GWh and compared to prior year generation of 1,698 GWh. With an extremely wet spring and above average inflows on the Mississippi River and higher levels of precipitation in the Eastern United States, generation levels were well above long-term average and prior year levels for our facilities in those regions.

Revenues for the three months ended March 31, 2012 were \$168 million, representing a year-over-year increase of \$41 million. Approximately \$21 million is due to improved generation levels and approximately \$20 million is due to the Amended and Executed PPAs. FFO was \$83 million, \$30 million higher than the same period in the prior year, reflecting the contribution of higher generation through improved hydrology and the Amended and Executed PPAs.

Canada

Generation from our Canadian renewable asset portfolio was 1,308 GWh or 13% above long-term average of 1,158 GWh and ahead of the prior year generation of 1,026 GWh. These results reflect strong inflows from the early arrival of spring conditions throughout North America and from the Amended and Executed PPAs.

Revenues for the three months ended March 31, 2012 were \$100 million, representing a year-over-year increase of \$46 million. Approximately \$29 million is due to the contribution from the Amended and Executed PPAs and approximately \$17 million is due to improved generation levels.

Brazil

Generation from our Brazilian renewable asset portfolio for the current quarter was 867 GWh which was consistent with long-term averages, and 59 GWh higher than the prior comparative period. Results in the current year include the addition of a new hydroelectric facility which was acquired and integrated during the third quarter of 2011 which generated 65 GWh of electricity.

Our risk of a generation shortfall in Brazil continues to be minimized by participation in a hydrological balancing pool administered by the government of Brazil. This program mitigates hydrology risk by assuring that all participants receive, at any particular point in time, a reference amount of electricity (assured energy), irrespective of the actual volume of energy generated. The program reallocates energy, transferring surplus energy from those who generated in excess of their assured energy to those who generated less than their assured energy, up to the total generation within the pool.

Revenues for the three months ended March 31, 2012 were \$96 million, an increase over the same period of the prior year by \$11 million or 13%. The increase is primarily attributable to generation from a new facility integrated in Q3 2011.

Net Asset Value for Hydroelectric Facilities

(MILLIONS)	United States	Canada	Brazil	March 31, 2012	December 31, 2011
Hydroelectric power assets ⁽¹⁾	\$ 4,551	\$ 4,969	\$ 2,765	\$ 12,285	\$ 12,138
Development assets	28	22	141	191	147
Equity-accounted investments	168	71	90	329	325
	4,747	5,062	2,996	12,805	12,610
Working capital and other, net	187	14	142	343	300
Subsidiary borrowings	(1,848)	(950)	(389)	(3,187)	(3,411)
Participating non-controlling interests	(256)	-	(217)	(473)	(459)
Net Asset Value	\$ 2,830	\$ 4,126	\$ 2,532	\$ 9,488	\$ 9,040

The net asset value of our hydroelectric facilities was approximately \$9.5 billion as at March 31, 2012, an increase of \$448 million from December 31, 2011.

WIND ENERGY

FOR THE THREE MONTHS ENDED MARCH 31 (MILLIONS, EXCEPT FOR AS NOTED)	United States	Canada	2012	2011
Generation (GWh) – LTA ⁽¹⁾	100	324	424	175
Generation (GWh) – actual ⁽¹⁾	90	368	458	163
Revenues ⁽²⁾	\$ 7	\$ 44	\$ 51	\$ 16
Direct operating costs	(2)	(5)	(7)	(2)
EBITDA	5	39	44	14
Interest expense - borrowings	-	(10)	(10)	(6)
Non-controlling interests	(3)	-	(3)	-
Funds from operations (FFO)	\$ 2	\$ 29	\$ 31	\$ 8

⁽¹⁾ Actual and LTA generation includes 100% of the generation from equity-accounted investments.

⁽²⁾ Includes share of cash earnings from equity-accounted investments and other income.

Revenues for the three months ended March 31, 2012 were \$51 million, representing a year-over-year increase of \$35 million. Approximately \$30 million of the increase is attributable to generation from an Ontario wind facility integrated in Q4 2011, as well as the commissioning of nearly 375 MW in four wind facilities in California and the Northeast United States, and \$5 million is due to increased generation at our existing Canadian facilities.

Generation was 458 GWh and above long-term average by 8% or 34 GWh due to strong wind conditions in the three months ended March 31, 2012.

Net Asset Value for Wind Facilities

(MILLIONS)	United States	Canada	March 31, 2012	December 31, 2011
Wind power assets	\$ 1,051	\$ 1,437	\$ 2,488	\$ 1,400
Development assets	-	18	18	231
Equity-accounted investments	-	-	-	80
	1,051	1,455	2,506	1,711
Working capital and other, net	(36)	16	(20)	(26)
Subsidiary borrowings	(614)	(659)	(1,273)	(785)
Participating non-controlling interests	(280)	(7)	(287)	(170)
Net Asset Value	\$ 121	\$ 805	\$ 926	\$ 730

The net asset value of our wind facilities was \$926 million as at March 31, 2012 as compared to \$730 million as at December 31, 2011. This increase is primarily due to the acquisition of new wind facilities in California and the commercialization of a wind facility in the Northeast United States.

Consequently, subsidiary borrowings also increased by \$488 million as compared to December 31, 2011 as a result of \$436 million of debt assumed in the acquisition of the California wind generation assets. Non-controlling interests also increased in aggregate due to the acquisition of wind development assets with certain institutional investors.

ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

RECONCILIATION OF FFO TO NET INCOME (LOSS)

FOR THE THREE MONTHS ENDED MARCH 31 (MILLIONS, EXCEPT AS NOTED)	2012	2011
Funds from operations (FFO) – consolidated basis	\$ 175	\$ 103
Non-controlling interests included in FFO	20	11
Other items:		
Depreciation and amortization	(126)	(110)
Unrealized financial instrument (loss) gain	(9)	18
Fund unit liability revaluation	-	(116)
Share of non-cash loss from equity-accounted investments	(3)	(8)
Deferred income tax expense	(13)	-
Other	(13)	9
Net income (loss)	\$ 31	\$ (93)
Basic and diluted earnings (loss) per share ⁽¹⁾	\$ 0.11	\$(0.34)

⁽¹⁾ Represents earnings (loss) attributable to limited partners.

We measure our results based on EBITDA and FFO to provide readers with an assessment of the cash flow generated by our assets and the residual cash flow retained to fund shareholder distributions and growth initiatives. We recognize that net income is an important measure of profitability. However, the presentation of net income on an IFRS basis for our business often leads to the recognition of a loss even though the underlying cash flow generated by the assets is supported by high margins and stable, long-term contracts. This occurs largely for two reasons. First, in accordance with IFRS, we recognize a significantly higher level of depreciation than we are required to reinvest in the business as sustaining capital expenditures. Second, we are often required to recognize changes in the fair value of energy contracts which are serviced by our assets and interests held by others in assets we manage through income, where the corresponding change in the asset values are recognized through equity. Therefore, when factors which are positive to the long-term prospects of our business occur, such as rising energy prices or increased asset values, the outcome is the recognition of losses related to the revaluation of fixed price contracts or of our partners' share of assets.

The net income for the three months ended March 31, 2012 was \$31 million or \$0.11 per share (2011: \$93 million loss or \$(0.34) per share) and reflects the normal course depreciation and amortization expense of \$126 million (2011: \$110 million). During the quarter, an analysis was performed of the useful lives of certain components of property, plant and equipment and we have determined that changes in their estimated service lives will more accurately reflect the period over which they provide economic benefits. Brookfield Renewable applied this change in accounting estimate on a prospective basis beginning January 1, 2012. Depreciation expense for the three months ended March 31, 2012 was \$20 million lower as a result of this change in estimate.

2011 results also include a revaluation amount on the Fund unit liability. In accordance with IFRS, Fund units held by the public that have a feature that allows the holder to redeem the units for cash, are presented as a liability and recorded at fair value, with the change in fair value recorded in net income. In 2011, the Fund unit price appreciated significantly resulting in a revaluation amount of \$116 million. As a result of the Combination, the Fund units were exchanged for partnership units and the Fund was dissolved.

SUMMARY CONSOLIDATED BALANCE SHEETS

(MILLIONS)	March 31, 2012	December 31, 2011
Property, plant and equipment, at fair value	\$ 14,888	\$ 13,945
Equity-accounted investments	329	405
Total assets	16,568	15,708
Long-term debt and credit facilities	5,984	5,519
Deferred income tax liabilities	2,448	2,374
Total liabilities	9,153	8,508
Participating non-controlling interests	760	629
Preferred equity	247	241
Limited partners' equity	6,408	6,330
Total liabilities and partners' equity	\$ 16,568	\$ 15,708

Contractual Obligations

There were no significant changes during the three months ended March 31, 2012.

Guarantees

In the normal course of operations, we execute agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions and acquisitions, construction projects, capital projects, and sales and purchases of assets and services. We have also agreed to indemnify our directors and certain of our officers and employees. The nature of substantially all of the indemnification undertakings prevents us from making a reasonable estimate of the maximum potential amount that we could be required to pay third parties, as many of the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, we have made no significant payments under such indemnification agreements.

Off balance sheet arrangements

Brookfield Renewable has no off-balance sheet financing arrangements.

Related Party Transactions

Brookfield Renewable's related party transactions are in the normal course of business and are recorded at the exchange amount, except for related party acquisitions. Brookfield Renewable's related party transactions are primarily with Brookfield Asset Management.

Brookfield Renewable sells electricity to subsidiaries of Brookfield Asset Management through long-term power purchase agreements to provide stable cash flow and reduce Brookfield Renewable's exposure to electricity prices in deregulated power markets.

In addition to these agreements, Brookfield Renewable and Brookfield Asset Management have executed other agreements that are fully described in "Note 8 Related Party Transactions" of the December 31, 2011 annual audited consolidated financial statements.

The decrease in the current portion due from related parties is attributed to draws of demand deposits of \$94 million.

The following table reflects the related party agreements and transactions on the interim consolidated statements of income (loss):

FOR THE THREE MONTHS ENDED MARCH 31 (MILLIONS)	2012	2011
Revenues		
Purchase and revenue support agreements	\$ 139	\$ 63
Wind levelization agreement	(2)	1
	\$137	\$ 64
Direct operating costs		
Energy purchases	\$ 17	\$ 11
Operations, maintenance and administration services	5	3
Insurance services	4	4
	\$ 26	\$ 18
Interest expense	\$ -	\$ 7
Management service costs	\$ 7	\$ -

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31 (MILLIONS)	2012	2011
Cash flow provided by (used in):		
Operating activities	\$203	\$ 88
Financing activities	(66)	168
Investing activities	(47)	(182)
Foreign exchange gain on cash held in foreign currencies	7	2
Increase in cash and cash equivalents	\$ 97	\$ 76

Cash and cash equivalents at March 31, 2012 totaled \$364 million, representing an increase of \$97 million since December 31, 2011. This increase includes \$55 million of restricted cash that was reclassified from other long-term assets to cash and cash equivalents during the three months ended March 31, 2012. Cash and cash equivalents includes \$130 million of restricted cash (December 31, 2011: \$42 million).

OPERATING ACTIVITIES

We generated \$203 million from operating activities for the three months ended March 31, 2012, an increase year-over-year of \$115 million. \$72 million of the increase is attributable to an increase in FFO, as well as \$45 million in net changes in working capital balance.

FINANCING ACTIVITIES

Cash flows used in financing activities totaled \$66 million for the three months ended March 31, 2012. Borrowings of \$574 million relate primarily to the C\$400 million issuance of 10-year corporate notes as well as drawings on our revolving corporate credit facilities. Repayments of \$664 million relate to \$293 million of repayments on subsidiary borrowings, as well as \$371 million of repayments on our revolving corporate credit facilities. Approximately \$117 million of capital provided by non-controlling interests relates to the acquisitions of wind facilities acquired in California.

DISTRIBUTIONS

For the three months ended March 31, 2012, cash distributions to unitholders and preferred shareholders were \$90 million and \$3 million, respectively (2011: \$35 million and \$3 million, respectively). With the completion of the Combination in November 2011, the number of outstanding units increased from 104,718,976 to 262,485,747, on a fully-exchanged basis.

During the quarter we announced an increase in unitholder distributions to \$1.38 per share, on an annualized basis, and took effect with the first quarter distribution paid in April 2012.

Brookfield Renewable maintains a DRIP, which allows holders of Brookfield Renewable limited partnership units who are resident in Canada to acquire additional units by reinvesting all or a portion of their cash distributions without paying commissions.

INVESTING ACTIVITIES

Cash flows used in investing activities totaled \$47 million for the three months ended March 31, 2012. Approximately \$131 million represents the net cash consideration associated with the acquisitions of wind facilities in California. A further \$75 million relates to the continued investment in sustaining capital expenditures, and development and construction of renewable power generating assets.

PARTNERSHIP CAPITAL

Brookfield Renewable's capital structure is comprised of two classes of Partnership units: general partnership units and limited partnership units. Income and distributions of Brookfield Renewable are allocated to the partners of record based on their respective interests in Brookfield Renewable. Distributions may be made to the general partner of Brookfield Renewable with the exception of instances where there is insufficient cash available, where payment renders Brookfield Renewable unable to pay its debts as and when they fall due, or when payment of which might leave Brookfield Renewable unable to meet any future or contingent obligations.

Brookfield Renewable Energy L.P. "(BRELP)", a subsidiary of Brookfield Renewable has issued redeemable partnership units held 100% by Brookfield Asset Management, which may, at the request of the holder, require BRELP to redeem the units for cash consideration after a mandatory two-year holding period from the date of issuance. The right is subject to Brookfield Renewable's right of first refusal which entitle it, at its sole discretion, to elect to acquire all of the units so presented to BRELP that are tendered for redemption in exchange for Brookfield Renewable units. As Brookfield Renewable, at its sole discretion, has the right to settle the obligation with limited partnership units, the BRELP redeemable partnership units are classified as limited partnership units.

As of the date of this report, the total amount of our limited partnership units outstanding was comprised of 262,485,747 limited partnership units, assuming the exchange of all redeemable limited partnership units discussed above, and one general partnership unit.

A secondary offering was completed during the quarter, where a wholly-owned subsidiary of Brookfield Asset Management sold 13,144,500 of its limited partnership units of Brookfield Renewable (11,430,000 limited partnership units plus 1,714,500 limited partnership units pursuant to an over-allotment option) at an offering price of C\$26.25 per limited partnership unit. Brookfield Asset Management had owned approximately 73% of Brookfield Renewable on a fully-exchanged basis. Upon the completion of the secondary offering, and giving effect to the over-allotment option, Brookfield Asset Management now owns, directly and indirectly, 177,750,609 limited partnership units, representing approximately 68% of Brookfield Renewable on a fully-exchanged basis.

RECONCILIATION OF *PRO FORMA* RESULTS

The following table reconciles EBITDA, FFO and net income on a consolidated basis to EBITDA, FFO and net income on a *pro forma* basis, for the three months ended March 31:

FOR THE THREE MONTHS ENDED MARCH 31 (MILLIONS)	Notes	Results under actual generation	Results under LTA generation	
		2011	2012	2011
EBITDA on a consolidated basis		\$ 215	\$ 318	\$ 215
Change in revenues due to revised PPA	(i)	29	-	29
Change in revenue due to LTA generation	(ii)	-	(28)	19
Change in direct operating costs	(iii)	(5)	3	(5)
EBITDA on a <i>pro forma</i> basis		\$ 239	\$ 293	\$ 258
FFO on a consolidated basis		\$ 103	\$ 175	\$ 103
Change in revenues due to revised PPA	(i)	29	-	29
Change in revenue due to LTA generation	(ii)	-	(28)	19
Change in non-controlling interests		-	5	2
Change in direct operating costs	(iii)	(5)	3	(5)
Management service costs	(iii)	(5)	-	(5)
FFO on a <i>pro forma</i> basis		\$ 122	\$ 155	\$ 143
Net income on a consolidated basis		\$ (93)	\$ 31	\$ (93)
Change in revenues due to revised PPA	(i)	29	-	29
Change in revenue due to LTA generation	(ii)	-	(28)	19
Change in direct operating costs	(iii)	(5)	3	(5)
Management service costs	(iii)	(5)	-	(5)
Elimination of loss on Fund unit liability	(iv)	116	-	116
Transfer of revaluation to other comprehensive income	(v)	(18)	-	(18)
Intercompany settlements	(vi)	7	-	7
Change in depreciation expense	(vii)	1	-	1
Deferred income taxes	(vii)	2	6	(3)
Net income on a <i>pro forma</i> basis		\$ 34	\$ 12	\$ 48

SUMMARY OF *PRO FORMA* ADJUSTMENTS AS THEY RELATE TO THE COMPARATIVE FINANCIAL RESULTS:

(i) Power Purchase Agreements

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

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

Additionally, BEM LP and Brookfield Power U.S. Holding America Co. (“BPUSHA”), an indirect wholly-owned subsidiary of Brookfield Renewable, entered into an Energy Revenue Agreement under which BEM LP will guarantee the price for energy delivered by certain facilities in the United States at \$75 per MWh. This price is to be increased annually on January 1 by an amount equal to forty percent (40%) of the increase in the consumer price index during the previous calendar year, but not exceeding an increase of three percent (3%) in any calendar year.

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

FOR THE THREE MONTHS ENDED MARCH 31, 2011 (MILLIONS)	Actual generation (GWh)	Incremental Revenue
GLPL PPA	267	\$ 4
Mississagi PPA	128	5
Energy Revenue Agreement	890	20
	1,285	\$ 29

(ii) LTA generation

For the three months ended March 31, 2012 generation was 4,817 GWh or 260 GWh higher than LTA representing an increase in revenue of \$28 million. Generation in the same period of the previous year was 3,924 GWh or 138 GWh less than LTA representing a decrease in revenue of \$19 million.

(iii) Management and Other Service Agreements

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

Brookfield Renewable will also pay an annual marketing service fee of \$18 million to a subsidiary of Brookfield Asset Management to reflect an agreement to provide energy marketing services. The fee will be increased annually on January 1 by an amount equal to the increase in the U.S. consumer price index during the previous calendar year. *Pro forma* results for the three months ended March 31, 2011 reflects an expense of \$5 million included in direct operating costs.

(iv) Transfer of Brookfield Renewable Power Fund Units

The transfer of the 66% of the Fund units not previously owned by Brookfield Asset Management was completed at fair value satisfied by the issuance of Partnership units. The result of this transaction is to reflect the settlement of the Fund unit liability and the issuance of Partnership units to satisfy the transfer as equity of Brookfield Renewable. As a result of this transaction, the loss on Fund unit liability of \$116 million, related to the change in fair value of the units and the distributions made for the three months ended March 31, 2011 was eliminated.

(v) Changes in Fair Value of Financial Instruments

During the three months ended March 31, 2011, certain power guarantee agreements between Brookfield Renewable and Brookfield Asset Management were accounted for as financial instruments with an unrealized gain of \$18 million.

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

(vi) Intercompany Settlements

Brookfield Renewable and its subsidiaries settled certain intercompany loans and transactions with Brookfield Asset Management upon completion of the Combination. During the three months ended March 31, 2011, \$7 million of interest income was recorded in the *pro forma* statement of income to reflect these transactions.

(vii) Change in Depreciation Expense

The reduction in fair value of the power generating assets from Brookfield Renewable's statement of income and loss results in a decrease in *pro forma* depreciation expense of \$1 million for the three months ended March 31, 2011.

(viii) Deferred Income Tax

Net income on a *pro forma* basis for the three months ended March 31, 2011, reflects an increase in deferred tax recoveries of \$2 million.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The consolidated interim financial statements are prepared in accordance with IFRS, which require the use of estimates and judgments in reporting assets, liabilities, revenues, expenses and contingencies. In the judgment of management, none of the estimates outlined in note 2 (Significant Accounting Policies) to the March 31, 2012, consolidated interim financial statements are considered critical accounting estimates as defined in regulation 51-102 with the exception of the estimates related to the valuation of property, plant and equipment and the related deferred income tax liabilities. These estimates are critical given the significance of the property, plant and equipment and the related deferred income tax liabilities, as well as the number of assumptions used in determining their fair values. These assumptions include estimates of future electricity prices, discount rates, expected long-term average generation, inflation rates, terminal year and operating and capital costs, the amount, the timing and the income tax rates of future income tax provisions. Estimates also include determination of accruals, purchase price allocations, useful lives, asset valuations, asset impairment testing, deferred tax liabilities, decommissioning retirement obligations and those relevant to the defined benefit pension and non-pension benefit plans in Mississagi Power Trust and Great Lakes Power Limited. Estimates are based on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

FUTURE CHANGES IN ACCOUNTING POLICIES

(i) Financial Instruments

IFRS 9, Financial Instruments ("IFRS 9") was issued by the International Accounting Standards Board ("IASB") on October 28, 2010, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. Management is currently evaluating the impact of IFRS 9 on the consolidated financial statements.

(ii) Consolidation

IFRS 10, Consolidation ("IFRS 10") was issued by the IASB on May 12, 2011, and replaces SIC-12, Consolidation – Special Purpose Entities and parts of IAS 27. IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under IAS 27, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. Management is currently evaluating the impact of IFRS 10 on the consolidated financial statements.

(iii) Joint arrangements

IFRS 11, Joint Arrangements ("IFRS 11") was issued by the IASB on May 12, 2011, and replaces IAS 31, Interests in Joint Ventures ("IAS 31"), and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers. IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under IAS 31, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Management is currently evaluating the impact of IFRS 11 on the consolidated financial statements.

(iv) Disclosure of interests in other entities

IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12") was issued by the IASB on May 12, 2011. IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Management is currently evaluating the impact of IFRS 12 on the consolidated financial statements.

(v) Fair value measurement

IFRS 13, Fair Value Measurement ("IFRS 13"), a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards, was issued by the IASB on May 12, 2011. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It supersedes the fair value guidance that currently exists in IAS 16 concerning the use of the revaluation method. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Management is currently evaluating the impact of IFRS 13 on the consolidated financial statements.

(vi) Accounting for employee benefits and minimum funding requirements

In June 2011, the IASB issued significant amendments to IAS 19, Employee Benefits ("IAS 19"). These changes affect the recognition of actuarial gains and losses by removing the option to use the corridor approach and requiring immediate recognition in other comprehensive income ("OCI"). These OCI amounts cannot be recycled to the income statement. There are also changes to the recognition, measurement and presentation of past service costs, cost of benefits and finance expense or income relating to employee benefits. Further, termination benefits are recognized as a liability only when the entity can no longer withdraw the offer of the termination benefit or recognizes any related restructuring costs. There are additional disclosure requirements. The amendment is effective for periods beginning on or after January 1, 2013. Management is currently evaluating the impact of these amendments on the consolidated financial statements.

(vii) Presentation of items of OCI

In June 2011, IASB issued amendments to IAS 1, Presentation of Financial Statements. These amendments include a requirement for entities to group items presented in OCI on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments), and emphasize the importance of presenting profit or loss and OCI together and with equal prominence. The amendment is effective for annual periods starting on or after July 1, 2012. Management is currently evaluating the impact of these amendments on the consolidated financial statements.

(viii) Consolidation and Separate Financial Statements

In May 2011, IASB amended and reissued IAS 27. The amended standard is to be applied in accounting for investments in subsidiaries, jointly ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements. The amendment is effective for annual periods starting on or after January 1, 2013. Management is currently evaluating the impact of these amendments on the consolidated financial statements.

(ix) Investment in Associates

In May 2011, IASB amended and reissued IAS 28, Investment in Associates and Joint Ventures. The amended standard prescribes the accounting treatment for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amendment is effective for annual periods starting on or after January 1, 2013. Management is currently evaluating the impact of these amendments on the consolidated financial statements.

SUMMARY OF HISTORICAL QUARTERLY RESULTS ON A CONSOLIDATED BASIS

Funds from operations (FFO) can vary with the amount of electricity generated in any given quarter and the realized prices of selling that electricity. The volume of electricity generated depends on available water inflows that rely upon precipitation and the management of storage capabilities. Realized prices are influenced by PPAs, and changes in foreign exchange rates. The following is a summary of unaudited quarterly financial information for the last eight consecutive quarters:

	2012	2011				2010		
FOR THE PERIODS ENDED, (MILLIONS, EXCEPT AS NOTED)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Generation (GWh) ⁽¹⁾	4,817	3,848	3,614	4,491	3,924	4,002	2,890	3,407
Revenues	\$ 426	\$ 267	\$ 280	\$ 329	\$ 293	\$ 281	\$ 222	\$ 244
EBITDA	318	135	205	249	215	201	166	174
FFO	175	21	87	121	103	68	39	73
Net income (loss) ⁽²⁾	29	(72)	(232)	(81)	(90)	414	(55)	(55)
Earnings (loss) per share ⁽²⁾	\$0.11	(0.27)	(0.89)	(0.30)	(0.34)	1.57	(0.21)	(0.21)
Distributions	\$ 90	\$ 89	\$ 34	\$ 34	\$ 35	\$ 34	\$ 33	\$ 33

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

⁽²⁾ Represents net income (loss) attributable to limited partners and on a basic and diluted basis.

RISK FACTORS

Management believes that since the end of 2011 there have been no significant changes in the business environment and risks that could affect Brookfield Renewable's activities or results.

ANNUAL INFORMATION FORM

Brookfield Renewable prepares an Annual Information Form which can be accessed on SEDAR.

SUBSEQUENT EVENTS

Registration with the Securities Exchange Commission

On April 30, 2012, we filed a registration statement with the SEC in connection with an anticipated listing on the New York Stock Exchange during the year.

Pumped storage facility refinancing

In May 2012, Brookfield Renewable refinanced indebtedness associated with its hydroelectric pumped storage facility in New England, of which Brookfield Renewable owns 50%, through a \$125 million loan for a term of five years at a rate of LIBOR + 2.25%.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENT

This Management's Discussion and Analysis contains forward-looking statements and information, within the meaning of Canadian securities laws, concerning the business and operations of Brookfield Renewable. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this Management's Discussion and Analysis include statements regarding the quality of Brookfield Renewable's assets and the resiliency of the cash flow they will generate, Brookfield Renewable anticipated financial performance, future commissioning of assets, inclusion of U.S. residents in the DRIP, 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" 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 Management's Discussion and Analysis are based upon reasonable assumptions and expectations, we cannot assure you that such expectations will prove to have been correct. You should not place undue reliance on forward-looking statements and information as such statements and information involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: changes to hydrology at our hydroelectric stations or in wind conditions at our wind energy facilities; the risk that counterparties to our contracts do not fulfill their obligations, and as our contracts expire, we may not be able to replace them with agreements on similar terms; increases in water rental costs (or similar fees) or changes to the regulation of water supply; our operations being highly regulated and exposed to increased regulation which could result in additional costs; the risk that our concessions and licenses will not be renewed; increases in the cost of operating our plants; our failure to comply with conditions in, or our inability to maintain, governmental permits; equipment failure; dam failures and the costs of repairing such failures; force majeure events; exposure to uninsurable losses; adverse changes in currency exchange rates; our inability to access interconnection facilities and transmission systems; occupational, health, safety and environmental risks; disputes and litigation; losses resulting from fraud, other illegal acts, inadequate or failed internal processes or systems, or from external events; general industry risks relating to the North American and Brazilian power market sectors; advances in technology that impair or eliminate the competitive advantage of our projects; newly developed technologies in which we invest not performing as anticipated; labour disruptions and economically unfavourable collective bargaining agreements; risks related to operating in Brazil; our inability to finance our operations; the operating and financial restrictions imposed on us by our loan, debt and security agreements; changes in our credit ratings; changes to government regulations that provide incentives for renewable energy; our inability to identify and complete sufficient investment opportunities; the growth of our portfolio; our inability to develop existing sites or find new sites suitable for the development of greenfield projects; risks associated with the development of our generating facilities and the various types of arrangements we enter into with communities and joint venture partners; Brookfield Asset Management's inability to source acquisition opportunities for us and our lack of access to all renewable power acquisitions that Brookfield Asset Management identifies; our lack of control over all our operations; our obligations to issue equity or debt for future acquisitions and developments; and foreign laws or regulation to which we become subject as a result of future acquisitions in new markets.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. The forward-looking statements represent our views as of the date of this Management's Discussion and Analysis

and should not be relied upon as representing our views as of any date subsequent to May 11, 2012, the date of this Management's Discussion and Analysis. 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 ACCOUNTING MEASURES

This Management's Discussion and Analysis contains references to EBITDA and FFO which are not generally accepted accounting measures in accordance with IFRS and therefore may differ from definitions of EBITDA and FFO, used by other entities. We believe that operating EBITDA and FFO are useful supplemental measures that may assist investors in assessing the financial performance and the cash anticipated to be generated by our operating portfolio. None of EBITDA and FFO 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.

A reconciliation of EBITDA and FFO to net income is presented in our Management's Discussion and Analysis related to our interim consolidated financial statements.

BROOKFIELD RENEWABLE ENERGY PARTNERS L.P.
CONSOLIDATED BALANCE SHEETS

UNAUDITED (U.S. \$ MILLIONS)	Notes	March 31, 2012	December 31, 2011
Assets			
Current assets			
Cash and cash equivalents		\$ 364	\$ 267
Trade receivables and other current assets		183	158
Due from related parties		136	253
		683	678
Due from related parties		27	32
Equity-accounted investments	6	329	405
Property, plant and equipment, at fair value	7	14,888	13,945
Intangible assets		57	57
Deferred income tax assets	10	352	306
Other long-term assets		232	285
		\$ 16,568	\$ 15,708
Liabilities and Partners' equity			
Current liabilities			
Accounts payable and accrued liabilities	8	\$ 287	\$ 190
Financial instrument liabilities	4	100	99
Due to related parties		125	139
Current portion of long-term debt	9	758	650
		1,270	1,078
Financial instrument liabilities	4	34	15
Due to related parties		10	8
Long-term debt and credit facilities	9	5,226	4,869
Deferred income tax liabilities	10	2,448	2,374
Other long-term liabilities		165	164
		\$ 9,153	\$ 8,508
Non-controlling interests			
Participating non-controlling interests		760	629
Preferred equity	12	247	241
Limited partners' equity	11	6,408	6,330
		7,415	7,200
		\$ 16,568	\$ 15,708

The accompanying notes are an integral part of these interim consolidated financial statements.

Approved on behalf of Brookfield Renewable Energy Partners L.P.:



Patricia Zuccotti
Director



David Mann
Director

BROOKFIELD RENEWABLE ENERGY PARTNERS L.P.
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

UNAUDITED THREE MONTHS ENDED MARCH 31 (U.S. \$ MILLIONS, EXCEPT PER SHARE AMOUNTS)			
	Notes	2012	2011
Revenues	5	\$ 426	\$293
Other income		5	4
Share of cash earnings from equity-accounted investments	6	4	6
Direct operating costs		(117)	(88)
Earnings before interest, tax, depreciation and amortization		318	215
Interest expense – borrowings		(110)	(97)
Management service costs	5	(7)	-
Current income taxes	10	(6)	(4)
Funds from operations prior to non-controlling interests		195	114
Other items			
Depreciation and amortization	7	(126)	(110)
Unrealized financial instrument (loss) gain	3, 4	(9)	18
Loss on Fund unit liability	11	-	(116)
Share of non-cash loss from equity-accounted investments	6	(3)	(8)
Deferred income tax expense	10	(13)	-
Other	3	(13)	9
Net income (loss)		\$ 31	\$ (93)
Net income (loss) attributable to:			
Non-controlling interests			
Participating non-controlling interests		(1)	(6)
Preferred equity		3	3
Limited partners		29	(90)
		\$ 31	\$ (93)
Basic and diluted earnings (loss) per share		\$0.11	\$(0.34)

The accompanying notes are an integral part of these interim consolidated financial statements.

BROOKFIELD RENEWABLE ENERGY PARTNERS L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

UNAUDITED THREE MONTHS ENDED MARCH 31 (U.S. \$ MILLIONS)			
	Notes	2012	2011
Net income (loss)		\$ 31	\$ (93)
Other comprehensive income (loss)			
Revaluations of property, plant and equipment	3, 6	\$ (17)	-
Financial instruments designated as cash-flow hedges	4	28	13
Foreign currency translation		130	102
Deferred income taxes on above items, net	10	5	201
		146	316
Comprehensive income		\$ 177	\$ 223
Comprehensive income (loss) attributable to:			
Non-controlling interests			
Participating non-controlling interests		\$ -	\$ (4)
Preferred equity		9	10
Limited partners		168	217
		\$ 177	\$ 223

The accompanying notes are an integral part of these interim consolidated financial statements.

BROOKFIELD RENEWABLE ENERGY PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

UNAUDITED THREE MONTHS ENDED MARCH 31 (U.S. \$ MILLIONS)			
	Notes	2012	2011
Participating non-controlling interests			
Balance, beginning of period		\$ 629	\$ 206
Net loss		(1)	(6)
Other comprehensive income		1	2
Contributions and other	3	131	-
Balance, end of period		\$ 760	\$ 202
Preferred equity	12		
Balance, beginning of period		\$ 241	\$ 252
Net income		3	3
Other comprehensive income		6	7
Distributions		(3)	(3)
Other		-	(2)
Balance, end of period		\$ 247	\$ 257
Limited partners' equity	11		
Balance, beginning of period		\$ (14)	\$ (1,569)
Net income (loss)		29	(90)
Distributions		(90)	(2)
Transfer from revaluation surplus	3	5	-
Other		-	(50)
Balance, end of period		(70)	(1,711)
Accumulated other comprehensive income	13	6,478	5,248
		\$ 6,408	\$ 3,537
Fund unit liability	11	-	1,488
		\$ 7,415	\$ 5,484

The accompanying notes are an integral part of these interim consolidated financial statements.

BROOKFIELD RENEWABLE ENERGY PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS

UNAUDITED THREE MONTHS ENDED MARCH 31 (U.S. \$ MILLIONS)			
	Notes	2012	2011
Operating activities			
Net income (loss)		\$ 31	\$ (93)
Adjustments for the following non-cash items:			
Depreciation and amortization	7	126	110
Unrealized financial instrument loss (gain)	3, 4	9	(18)
Loss on Fund unit liability	11	-	116
Share of (earnings) loss from equity-accounted investments	6	(1)	2
Deferred income tax expense	10	13	-
Other non-cash items		9	(2)
Dividends received from equity-accounted investments		-	2
		187	117
Net change in working capital balances		16	(29)
		203	88
Financing activities			
Long-term debt – borrowings	9	574	131
Long-term debt – repayments	9	(664)	(22)
Capital provided by participating non-controlling interests and preferred equity		117	36
Contributions from common parent		-	50
Distributions:			
To participating non-controlling interests and preferred equity	12	(3)	(3)
To unitholders of Brookfield Renewable or the Fund	11	(90)	(24)
		(66)	168
Investing activities			
Due to (from) related parties		82	-
Acquisitions	3	(131)	(54)
Investment in:			
Sustaining capital expenditures		(12)	(13)
Development and construction of renewable power generating assets		(63)	(102)
Restricted cash and other		77	(13)
		(47)	(182)
Foreign exchange gain on cash held in foreign currencies		7	2
Cash and cash equivalents			
Increase		97	76
Balance, beginning of period		267	188
Balance, end of period		\$ 364	\$264
Supplemental cash flow information:			
Interest paid		\$ 41	\$ 41
Interest received		\$ 6	\$ 5
Income taxes paid		\$ 6	\$ 9

The accompanying notes are an integral part of these interim consolidated financial statements.

BROOKFIELD RENEWABLE ENERGY PARTNERS L.P.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

The business activities of Brookfield Renewable Energy Partners L.P. ("Brookfield Renewable") consist of owning a portfolio of renewable power generating facilities in Canada, the United States and Brazil, which prior to November 28, 2011 were held as part of the power generating operations of Brookfield Renewable Power Inc. ("BRPI") and Brookfield Renewable Power Fund (the "Fund").

Brookfield Renewable is a publicly traded limited partnership established under the laws of Bermuda pursuant to an amended and restated limited partnership agreement dated November 20, 2011.

The registered office of Brookfield Renewable is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The unaudited interim consolidated financial statements have been prepared in accordance with IAS 34-Interim Financial Reporting on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2011, with the exception of the changes in accounting policies as disclosed below. Certain information and footnote disclosure normally included in annual audited financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") have been omitted or condensed. These interim consolidated financial statements should be read in conjunction with the audited 2011 annual consolidated financial statements.

The interim consolidated financial statements are unaudited and reflect any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to a fair statement of results for the interim periods in accordance with IFRS.

The results reported in these interim consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year. Certain comparative figures have been reclassified to conform to the current year's presentation.

These interim consolidated financial statements have been authorized for issuance by the Board of Directors of its general partner, Brookfield Renewable Partners Limited, on May 4, 2012.

All figures are presented in millions of United States ("U.S.") dollars unless otherwise noted.

(b) Basis of presentation

(i) Consolidation

These interim consolidated financial statements include the accounts of Brookfield Renewable and its subsidiaries, which are the entities over which Brookfield Renewable has control. Control exists when Brookfield Renewable has the power, directly or indirectly, to govern the financial and operating policies of an entity, so as to obtain benefits from its activities. Non-controlling interests in the equity of Brookfield Renewable's subsidiaries are shown separately in partners' equity in the consolidated balance sheets.

(ii) Strategic combination of the renewable power generating operations

On November 28, 2011, upon completion of the strategic combination (the "Combination") of the renewable power assets of BRPI and the Fund, the 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.

Also as part of the Combination, Brookfield Renewable entered into a voting agreement with Brookfield Asset Management Inc. ("Brookfield Asset Management"), which provides Brookfield Renewable with control of the general partner of Brookfield Renewable Energy L.P. ("BRELP"). Accordingly, Brookfield Renewable consolidates the accounts of BRELP and its subsidiaries. In addition, BRELP issued redeemable partnership units, to a subsidiary of Brookfield Asset Management, pursuant to which the holder may at its request require BRELP to redeem the units for cash consideration after a mandatory two-year holding period from the date of issuance. This right is subject to Brookfield Renewable's right of first refusal which entitles it, at its sole discretion, to elect to acquire all of the units so presented to BRELP that are tendered for redemption in exchange for Brookfield Renewable limited partnership units. As Brookfield Renewable, at its sole discretion, has the right to settle the obligation with limited partnership units, the BRELP redeemable partnership units are classified as limited partnership units.

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 U.S. 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.

Financial information for the periods prior to November 28, 2011 is presented based on the historical combined financial information for the contributed operations as previously reported by Brookfield Asset Management. For the period since completion of the Combination, the results are based on the actual results of the new entity, Brookfield Renewable.

(c) Change in accounting policies and estimates

(i) Income Taxes

In December 2010, the IASB issued amendments to IAS 12, Income Taxes ("IAS 12"). Under these amendments, an entity is required to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment is effective for annual periods starting on or after January 1, 2012. Implementation of IAS 12 did not have a significant impact on the interim consolidated financial statements.

(ii) Change in accounting estimates

Brookfield Renewable retained third party engineers to review the estimated useful lives of certain assets. As a result, Brookfield Renewable revised the estimated remaining useful life of certain assets to 60 years to more accurately reflect the period over which they provide economic benefits. Effective, January 1, 2012 Brookfield Renewable accounted for this change in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, which requires a change in accounting estimate to be applied prospectively from the date of the change. The interim consolidated statement of income (loss) reflects a decrease in depreciation of \$20 million for the three months ended March 31, 2012 as a result of the change in accounting estimate.

(iii) Future changes

There are no future changes to IFRS with potential impact on Brookfield Renewable in addition to the changes disclosed in the 2011 annual consolidated financial statements.

3. ACQUISITIONS

California Wind Generation Assets

During the quarter, the following investments were made by Brookfield Renewable and certain institutional partners through the Brookfield Americas Infrastructure Fund ("BAIF"), in which Brookfield Renewable holds a 22% controlling interest. The investments were accounted for using the acquisition method, and the results of operations have been included in the interim consolidated financial statements since the respective dates of acquisition.

BAIF acquired 100% interests in two wind generation facilities. BAIF also acquired the remaining 50% interest in a wind generation facility, bringing Brookfield Renewable's total investment to 100% (the "Step Acquisition"). Total consideration paid of \$206 million for these interests included \$180 million in cash and the settlement of certain liabilities.

The Step Acquisition required Brookfield Renewable to re-measure its previously held 50% interest to fair value of \$63 million and to reverse any amounts previously recorded in other comprehensive income ("OCI") related to the initial 50% interest. Net income for the three months ended March 31, 2012 reflects an expense of \$11 million related to the reclassification from OCI on financial instruments designated as cash flow hedges prior to the Step Acquisition. In addition, \$5 million related to revaluation surplus on the initial 50% interest was reclassified to limited partners' equity.

Acquisition costs of \$2 million related to the above acquisitions were expensed at the acquisition dates.

These wind generating facilities were all in commercial operation by quarter end.

The preliminary estimated fair value of the assets acquired and liabilities assumed for the investments were as follows:

(MILLIONS)	
Current assets ⁽¹⁾	\$ 50
Property, plant and equipment	748
Other long-term assets	9
Current liabilities	(102)
Long-term debt	(436)
Net assets acquired	\$ 269

⁽¹⁾ Includes \$49 million of cash and cash equivalents.

Any changes from the preliminary amounts will be directly attributable to both the finalization of valuations and revisions to current calculations. The estimated fair values of the assets acquired and liabilities assumed are expected to be finalized during the year.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

RISK MANAGEMENT

Brookfield Renewable's activities expose it to a variety of financial risks, including market risk (i.e., commodity price risk, interest rate risk, and currency risk), credit risk and liquidity risk. Brookfield Renewable and its subsidiaries use financial instruments primarily to manage these risks.

There have been no material changes in exposure to these risks since the audited 2011 annual consolidated financial statements.

FINANCIAL INSTRUMENT DISCLOSURES

The aggregate amount of Brookfield Renewable's net financial instrument positions are as follows:

(MILLIONS)	March 31, 2012	December 31, 2011
Energy derivative contracts	\$ (27)	\$ (26)
Interest rate swaps	(107)	(88)
	\$ (134)	\$ (114)

Energy derivative contracts

Brookfield Renewable has entered into long-term energy derivative contracts primarily to eliminate the price risk on the sale of future power generation. All energy contracts are recorded in Brookfield Renewable's interim consolidated financial statements at an amount equal to fair value, using quoted market prices or, in their absence, a valuation model using both internal and third-party evidence and forecasts.

For the three months ended March 31, 2012 an unrealized loss of \$1 million was recognized in the statement of income (loss) (2011: \$18 million unrealized gain related to energy derivatives with Brookfield Asset Management).

Interest rate swaps

Brookfield Renewable has entered into interest rate swap contracts primarily to minimize exposure to interest rate fluctuations on its variable rate debt or to lock in interest rates on future debt refinancing. All interest rate swap contracts are recorded in the interim consolidated financial statements at an amount equal to fair value.

For the three months ended March 31, 2012, unrealized gains of \$17 million and \$3 million were recognized in OCI and the statement of income (loss), respectively (2011: unrealized \$13 million gain and \$nil recognized in OCI and statement of income (loss), respectively).

5. RELATED PARTY TRANSACTIONS

Brookfield Renewable's related party transactions are recorded at the exchange amount. Brookfield Renewable's related party transactions are primarily with Brookfield Asset Management and its subsidiaries.

The following table reflects the related party agreements and transactions on the interim consolidated statements of income (loss):

FOR THE THREE MONTHS ENDED MARCH 31 (MILLIONS)	2012	2011
Revenues		
Purchase and revenue support agreements	\$ 139	\$ 63
Wind levelization agreement	(2)	1
	\$ 137	\$ 64
Direct operating costs		
Energy purchases	\$ 17	\$ 11
Operations, maintenance and administration services	5	3
Insurance services	4	4
	\$ 26	\$ 18
Interest expense	\$ -	\$ 7
Management service costs	\$ 7	\$ -

6. EQUITY-ACCOUNTED INVESTMENTS

The following table presents the changes in Brookfield Renewable's equity-accounted investments:

(MILLIONS)	March 31, 2012	December 31, 2011
Balance, beginning of period	\$ 405	\$ 269
Share of net income	1	10
Share of OCI	(4)	(7)
Revaluation recognized through OCI	(17)	136
Step Acquisition (note 3)	(63)	-
Other	7	(3)
Balance, end of period	\$ 329	\$ 405

7. PROPERTY, PLANT AND EQUIPMENT, AT FAIR VALUE

The change to the net book value of property, plant and equipment, is presented in the following table:

(MILLIONS)	Hydroelectric	Wind	Other ⁽¹⁾	Total
As at December 31, 2011	\$ 11,876	\$ 1,395	\$ 674	\$ 13,945
Foreign exchange	186	33	17	236
Additions/transfers ⁽²⁾	39	988	(197)	830
Depreciation ⁽³⁾	(90)	(23)	(10)	(123)
As at March 31, 2012	\$ 12,011	\$ 2,393	\$ 484	\$14,888

⁽¹⁾ Included in "Other" is land, roads, decommissioning assets, leasehold improvements, gas-fired generating ("co-gen") units and construction work-in-progress ("CWIP").

⁽²⁾ Includes acquisitions \$748 million.

⁽³⁾ Assets not subject to depreciation include CWIP and land.

Brookfield Renewable has pledged a significant amount of its property, plant and equipment as collateral for its subsidiary borrowings.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The composition of accounts payable and accrued liabilities are as follows:

(MILLIONS)	March 31, 2012	December 31, 2011
Accounts payable and accrued liabilities	\$ 167	\$ 128
Interest payable	89	36
Unitholders' distribution and preferred dividends payable	31	26
	\$ 287	\$ 190

9. DEBT OBLIGATIONS

The composition of debt obligations is presented in the following table:

(MILLIONS)	March 31, 2012	December 31, 2011
Corporate borrowings	\$ 1,504	\$ 1,077
Unamortized financing fees, net ⁽¹⁾	(7)	(6)
	\$ 1,497	\$ 1,071
Subsidiary borrowings	\$ 4,502	\$ 4,246
Unamortized financing fees, net ⁽¹⁾	(43)	(49)
Current maturities	(758)	(650)
	\$ 3,701	\$ 3,547
Revolving credit facilities		
Unsecured corporate facilities	\$ 28	\$ 251
	\$ 5,226	\$ 4,869

⁽¹⁾ Unamortized financing fees are amortized to interest expense over the term of the borrowing.

Corporate borrowings

During the three months ended March 31, 2012, Brookfield Renewable, through a wholly-owned subsidiary, successfully completed a C\$400 million offering of medium-term corporate notes bearing interest at an annual rate of 4.79% that are due February 2022. Proceeds of the offerings were used to repay existing indebtedness and for general business purposes.

Subsidiary borrowings

At the date of the investment in wind development and generation assets in California, Brookfield Renewable acquired \$436 million of subsidiary borrowings.

Repayments of \$293 million made during the three months ended March 31, 2012 were primarily funded from the proceeds of the C\$400 million medium-term corporate notes offering.

Revolving credit facilities

(MILLIONS)	March 31, 2012	December 31, 2011
Available revolving credit facilities	\$ 900	\$ 601
Drawings	(28)	(251)
Issued letters of credit	(176)	(160)
Unutilized revolving credit facilities	\$ 696	\$ 190

Brookfield Renewable expanded its revolving credit facilities from \$600 million to \$900 million during the first quarter of 2012, and extended the maturity for the new facilities to October 2016.

Net repayments of \$223 million during the three months ended March 31, 2012 were primarily funded from the proceeds of the C\$400 million medium-term corporate notes offering and cash generated from operating activities.

Brookfield Renewable and its subsidiaries issue letters of credit under the credit facilities for general corporate purposes, which include, but are not limited to, security deposits, performance bonds and guarantees for debt service reserve accounts.

10. INCOME TAXES

Brookfield Renewable's effective income tax rate was 38% for the three months ended, March 31, 2012 (2011: 25%). The effective tax rate for the three months ended, March 31, 2012 is in excess of the statutory rate primarily due to losses for which Brookfield Renewable cannot record a tax benefit. The loss on the Fund unit liability for the three months ended, March 31, 2011 represents an amount for which Brookfield Renewable does not receive a tax benefit. This loss decreased accounting income before income taxes, therefore creating a higher effective income tax rate for the three months ended, March 31, 2011. Subsequent to the Combination the terms of the newly-issued partnership units do not contain a redemption feature that requires a Fund unit liability to be calculated.

During the three months ended March 31, 2011 the income tax recovery in OCI included \$175 million related to the effect of changes in tax rates in revaluation surplus due to a reorganization that reduced the applicable income tax rate.

11. PARTNERSHIP EQUITY

Brookfield Renewable's capital structure is comprised of two classes of Partnership units: general partnership units and limited partnership units.

BRELP, a subsidiary of Brookfield Renewable has issued redeemable partnership units held 100% by Brookfield Asset Management, which may, at the request of the holder, require BRELP to redeem the units for cash consideration after a mandatory two-year holding period from the date of issuance. The right is subject to Brookfield Renewable's right of first refusal which entitle it, at its sole discretion, to elect to acquire all of the units so tendered for redemption to BRELP in exchange for Brookfield Renewable units. As Brookfield Renewable, at its sole discretion, has the right to settle the obligation with limited partnership units, the BRELP redeemable partnership units are classified as limited partnership units of Brookfield Renewable.

As at March 31, 2012, partnership units outstanding were 262,485,747, assuming the exchange of all redeemable limited partnership units discussed above, and one general partnership unit.

During the quarter, unitholder distributions were increased to \$1.38 per unit, on an annualized basis, representing an increase of three cents per unit per year. The first distribution was paid in April 2012.

For the three months ended March 31, 2012, Brookfield Renewable declared distributions of \$90 million or \$0.345 per limited partnership unit (for the three months ended December 31, 2011: \$0.3375 per limited partnership unit). For the three months ended, March 31, 2011 the Fund recorded distributions of \$35 million, consisting of \$11 million to BRPI and \$24 million to public unitholders of the Fund and Brookfield Renewable recorded a mark-to-market loss of \$92 million on the Fund unit liability.

A Distribution Re-investment Plan was also implemented during the three months ended March 31, 2012, allowing holders of limited partnership units who are resident in Canada to acquire additional units by reinvesting all or a portion of their cash distributions without paying commissions.

12. SUBSIDIARY PUBLIC ISSUERS

In March 2010, Brookfield Renewable Power Preferred Equity Inc. ("BRP Equity") issued 10 million Series 1 preferred shares at a price of C\$25 per share. The holders of the Series 1 preferred shares are entitled to receive fixed cumulative dividends at an annual rate of C\$1.3125 per share, a yield of 5.25% for the initial five-year period ending April 30, 2015. The dividend rate will reset on April 30, 2015 and every five years thereafter at a rate equal to the then five-year Government of Canada Bond yield plus 2.62%. Brookfield Renewable, BRELP and certain key holding company subsidiaries fully and unconditionally guarantee the payment of dividends on the preferred shares, the amounts due on redemption, and the amounts due on the liquidation, dissolution or winding-up of BRP Equity. For the three months ended March 31, 2012, dividends declared on the Series 1 preferred shares were \$3 million (2011: \$3 million).

As a result of the Combination, Brookfield Renewable created BRP Finance ULC ("BRP Finance") to contractually assume BRP's term notes with maturities ranging from 2016 and 2036 with a principal value of approximately C\$1.1 billion. BRP Finance assumed these term notes, including accrued interest, in exchange for an interest-bearing demand promissory note issued by another wholly-owned subsidiary of Brookfield Renewable. The term notes payable by BRP Finance are unconditionally guaranteed by Brookfield Renewable, BRELP and certain other subsidiaries. During the quarter, BRP Finance issued C\$400 million of 10-year term notes bearing interest at a rate of 4.79% per annum.

The following tables set forth certain consolidated summary financial information for Brookfield Renewable, BRP Equity, and BRP Finance:

(MILLIONS)	Brookfield Renewable ⁽¹⁾	BRP Equity	BRP Finance	Consolidating adjustments ⁽²⁾	Brookfield Renewable consolidated
For the three months ended March 31, 2012:					
Revenue	\$ 426	\$ -	\$ -	\$ -	\$ 426
Net income (loss)	32	-	(1)	-	31
For the three months ended March 31, 2011:					
Revenue	\$ 293	\$ -	\$ -	\$ -	\$ 293
Net loss	(93)	-	-	-	(93)
As at March 31, 2012:					
Current assets	\$ 690	\$ -	\$ 1,532	\$ (1,539)	\$ 683
Long-term assets	15,902	251	-	(268)	15,885
Current liabilities	(2,773)	(9)	(28)	1,540	(1,270)
Long-term liabilities	(6,629)	-	(1,498)	244	(7,883)
Participating non-controlling interests	(760)	-	-	-	(760)
Preferred equity	-	(247)	-	-	(247)
As at December 31, 2011:					
Current assets	\$ 678	\$ -	\$ 1,087	\$ (1,087)	\$ 678
Long-term assets	15,024	244	-	(238)	15,030
Current liabilities	(2,148)	(8)	(9)	1,087	(1,078)
Long-term liabilities	(6,597)	-	(1,071)	238	(7,430)
Participating non-controlling interests	(629)	-	-	-	(629)
Preferred equity	-	(241)	-	-	(241)

⁽¹⁾ Includes subsidiaries of Brookfield Renewable other than BRP Equity and BRP Finance.

⁽²⁾ Includes elimination of intercompany transactions and balances necessary to present Brookfield Renewable on a consolidated basis.

13. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following is a reconciliation of Brookfield Renewable's accumulated other comprehensive income ("AOCI") attributable to the limited partners' equity:

(MILLIONS)	Foreign currency translation	Revaluation surplus	Cash flow hedges	Total
Balance, December 31, 2011	\$ 387	\$ 6,019	\$ (62)	\$ 6,344
OCI	118	(3)	19	134
Transfer to limited partners' equity (note 3)	-	(5)	-	(5)
Income taxes	-	12	(7)	5
Balance, March 31, 2012	\$ 505	\$ 6,023	\$ (50)	\$ 6,478

During the three months ended March 31, 2012, a gain of \$1 million relating to cash flow hedges was realized and was reclassified from OCI to net income (loss) (2011: \$1 million gain).

14. SEGMENTED INFORMATION

Brookfield Renewable operates mostly renewable power assets, which include conventional hydroelectric generating assets located in the United States, Canada and Brazil, a pumped storage hydroelectric facility located in the United States and wind farms located in Canada and the United States. Brookfield Renewable also operates two co-gen facilities, one in Canada and one in the United States. Management evaluates the business based on the type of power generation (Hydroelectric, Wind and Other). Hydroelectric and wind are further evaluated by major region (United States, Canada and Brazil). "Equity-accounted investments" includes Brookfield Renewable's interest in hydroelectric facilities. The "Other" segment includes co-gen facilities, CWIP and corporate costs.

In accordance with IFRS 8, Operating Segments, Brookfield Renewable discloses information about its reportable segments based upon the measures used by management in assessing performance. The accounting policies of the reportable segments are the same as those described in Note 2 of the audited 2011 consolidated financial statements. Brookfield Renewable analyzes the performance of its operating segments based on revenues, earnings before interest, tax, depreciation and amortization ("EBITDA"), and funds from operations ("FFO"). EBITDA consists of 100% of revenues less direct costs (including energy marketing costs), plus Brookfield Renewable's share of cash earnings from equity-accounted investments, before interest, current income taxes, depreciation, amortization and management service costs. FFO is defined as EBITDA less interest, current income taxes and management service cost, which is then adjusted for non-controlling interests included in FFO. Transactions between the reportable segments occur at fair value.

	Conventional Hydroelectric			Wind			
(MILLIONS)	United States	Canada	Brazil	United States	Canada	Other	Total
For the three months ended March 31, 2012:							
Revenues	\$ 164	\$ 100	\$ 91	\$ 7	\$ 44	\$ 20	\$ 426
EBITDA	130	83	68	5	39	(7)	318
Interest expense - borrowings	(34)	(17)	(31)	-	(10)	(18)	(110)
FFO prior to non-controlling interests	94	66	33	5	29	(32)	195
Non-controlling interests in FFO	(11)	-	(3)	(3)	-	(3)	(20)
FFO	83	66	30	2	29	(35)	175
Depreciation and amortization	(32)	(24)	(42)	(4)	(19)	(5)	(126)
For the three months ended March 31, 2011:							
Revenues	\$ 123	\$ 54	\$ 79	\$ -	\$ 16	\$ 21	\$ 293
EBITDA	95	40	61	-	14	5	215
Interest expense – borrowings	(37)	(17)	(21)	-	(6)	(16)	(97)
FFO prior to non-controlling interests	57	23	37	-	8	(11)	114
Non-controlling interests in FFO	(4)	-	(4)	-	-	(3)	(11)
FFO	53	23	33	-	8	(14)	103
Depreciation and amortization	(31)	(35)	(32)	-	(8)	(4)	(110)

The following table reconciles EBITDA and FFO, presented in the above tables, to net income (loss) as presented in the interim consolidated statements of income (loss):

FOR THE THREE PERIOD ENDED MARCH 31 (MILLIONS)	2012	2011
EBITDA	\$ 318	\$ 215
Interest expense - borrowings	(110)	(97)
Management service costs	(7)	-
Current income taxes	(6)	(4)
Funds from operations prior to non-controlling interests	195	114
Less: cash portion of non-controlling interest	(20)	(11)
FFO	175	103
Add: cash portion of non-controlling interests	20	11
Depreciation and amortization	(126)	(110)
Unrealized financial instrument (loss) gain	(9)	18
Loss on Fund unit liability	-	(116)
Share of non-cash loss from equity-accounted investments	(3)	(8)
Deferred income tax expense	(13)	-
Other	(13)	9
Net income (loss)	\$ 31	\$ (93)

	Conventional Hydroelectric			Wind		Equity-accounted investments	Other	Total
(MILLIONS)	United States	Canada	Brazil	United States	Canada			
As at March 31, 2012:								
Property, plant and equipment	\$ 4,517	\$ 4,945	\$ 2,669	\$ 1,047	\$ 1,417	\$ -	\$ 293	\$ 14,888
Additions to property, plant and equipment	5	2	6	814	-	-	-	827
Total assets	4,887	5,128	3,025	1,126	1,448	329	625	16,568
Total borrowings	1,848	950	389	659	614	-	1,524	5,984
Total liabilities	3,002	2,103	612	728	926	-	1,782	9,153
As at December 31, 2011:								
Property, plant and equipment	\$ 4,547	\$ 4,908	\$ 2,626	\$ 57	\$ 1,343	\$ -	\$ 464	\$ 13,945
Additions to property, plant and equipment	136	46	210	397	2	-	238	1,029
Total assets	5,064	5,139	2,963	97	1,218	405	822	15,708
Total borrowings	1,838	928	645	164	621	-	1,323	5,519
Total liabilities	3,008	2,098	869	176	894	-	1,463	8,508

15. COMMITMENT, CONTINGENCIES AND GUARANTEES

Commitments

In the course of its operations, Brookfield Renewable and its subsidiaries has entered into agreements for the use of water, land and/or dams. Payment under those agreements varies with the amount of power generated. The various agreements are renewable and extend up to 2054.

Contingencies

Brookfield Renewable and its subsidiaries are subject to various legal proceedings, arbitrations and actions arising in the normal course of business. While the final outcome of such legal proceedings and actions cannot be predicted with certainty, it is the opinion of management that the resolution of such proceedings and actions will not have a material impact on Brookfield Renewable's consolidated financial position or results of operations.

Guarantees

Brookfield Renewable, on behalf of Brookfield Renewable's subsidiaries, provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance. The activity on the issued letters of credit can be found in Note 9: Debt Obligations.

In the normal course of operations, Brookfield Renewable and its subsidiaries execute agreements that provide for indemnification and guarantees to third parties of transactions such as business dispositions, capital project purchases, business acquisitions, and sales and purchases of assets and services. Brookfield Renewable has also agreed to indemnify its directors and certain of its officers and employees. The nature of substantially all of the indemnification undertakings prevents Brookfield Renewable from making a reasonable estimate of the maximum potential amount that Brookfield Renewable could be required to pay third parties as the agreements do not always specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which

cannot be determined at this time. Historically, neither Brookfield Renewable nor its subsidiaries have made significant payments under such indemnification agreements.

16. SUBSEQUENT EVENTS

Registration with the Securities Exchange Commission (“SEC”)

On April 30, 2012 Brookfield Renewable filed a registration statement with the SEC in connection with an anticipated listing on the New York Stock Exchange.

Pumped storage facility refinancing

In May 2012, Brookfield Renewable refinanced indebtedness associated with its hydroelectric pumped storage facility in New England, of which Brookfield Renewable owns 50%, through a \$125 million loan for a term of five years at a rate of LIBOR + 2.25%.

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Exchange Listing

TSX: BEP.UN (L.P. units)
TSX: BRF.PR.A (Preferred shares)

Investor Information

Visit Brookfield Renewable online at www.brookfieldrenewable.com for more information. The 2011 Annual Report is also available online. For detailed and up-to-date news and information, please visit the News Press Release section.

Additional financial information is filed electronically with various securities regulators in Canada through SEDAR at www.sedar.com.

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