Brookfield

Supplemental Information Q1 2012

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Supplemental Information contains forward-looking information within the meaning of Canadian provincial securities laws and applicable regulations and "forward-looking statements" within the meaning of the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995. We may make such statements in the 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" on page 37.

Information Regarding the Report

Unless the context indicates otherwise, references in this Report to the "Corporation" refer to Brookfield Asset Management Inc., and references to "Brookfield" or "the company" refer to the Corporation and its direct and indirect subsidiaries and consolidated entities.

The information in this Supplemental Information is presented on both a consolidated and deconsolidated basis and organized by operating platform. This is consistent with how we review performance internally and, in our view, represents the most straightforward approach.

The U.S. dollar is our functional and reporting currency for purposes of preparing our consolidated financial statements, given that we conduct more of our operations in that currency than any other single currency. Accordingly, all figures are presented in U.S. dollars, unless otherwise noted.

The Report and additional information, including the Corporation's Annual Information Form, are available on the Corporation's web site at *www.brookfield.com* and on SEDAR's web site at *www.sedar.com*.

BASIS OF PRESENTATION

This Report makes reference to Total Return, Funds From Operations ("funds from operations" or "FFO"), Net Tangible Asset Value and Intrinsic Value, all on a total and per share basis. Management uses these metrics as key measures to evaluate performance and to determine the net asset value of its businesses. These measures are not generally accepted measures under International Financial Reporting Standards ("IFRS") and may differ from definitions used by other companies.

Total Return represents the amount by which we increase the intrinsic value of our common equity and is our most important performance metric. Our objective is to earn in excess of a 12% annualized total return on the intrinsic value of our common equity, when measured over the long term. We define Total Return to include funds from operations plus the increase or decrease in the value of our assets over a period of time.

Our intrinsic value has two main components:

- The **net tangible asset value of our equity**. This is based on the appraised value of our net tangible assets as reported in our financial statements, with adjustments to eliminate deferred income taxes and revalue the assets which are not otherwise carried at fair value in our financial statements. We refer to this as Net Tangible Asset Value and use this basis of presentation throughout the Supplemental Information; and

- The **value of our asset management franchise**. Asset management franchises are typically valued using multiples of fees or assets under management. We have provided an assessment of this value, based on our current capital under management, associated fees and potential growth. We refer to this as Asset Management Franchise Value.

The total of these two components is what we refer to as our Intrinsic Value.

The foregoing does not include our overall business franchise, which to us represents our ability to maximize values based on our extensive operating platforms and global presence, our execution capabilities, and relationships which have been established over decades. This value has not been quantified and is not reflected in our calculation of Intrinsic Value but may be the most valuable part of our business.

We separately report gains on the disposition of assets that we typically otherwise hold for extended periods of time, which we call ***Realized Gains***. These gains represent the realization of valuation gains that have been recorded through net income or equity, but not previously included in funds from operations. As such, they represent a crystallization of the accrued gains and we feel it is helpful to include these as part of our overall funds from operations and realized gains measures, which is consistent with how we previously reported operating cash flow.

We provide additional information on how we determine Total Return, Funds From Operations, Net Tangible Asset Value and Intrinsic Value in the balance of this document. We provide reconciliations between Common Equity to Net Tangible Asset Value and to Intrinsic Value on page 20, as well as Total Return and Funds from Operations to Comprehensive Income on pages 26 and 27. In addition, the key terminology which we use is fully described on pages 78 to 80 of our December 31, 2011 Annual Report.

We also provide more detailed information on each of our operating segments by asset class or geography in Part 3.

PART 1 — OVERVIEW

OPERATING RESULTS

Total Return

FOR THE THREE MONTHS ENDED MAR. 31, 2012 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Asset Management Services[1]	Property[2]	Renewable Power	Infrastructure	Private Equity	Corporate	**Total[3] 2012**	Total[3] 2011
Total revenues	$ 890	$ 802	$ 368	$ 454	$ 1,420	$ 110	**$ 4,044**	$ 3,413
Funds from operations								
Net operating income[4]	81	546	254	263	110	—	**1,254**	1,079
Investment and other income	—	60	4	5	11	94	**174**	110
	81	606	258	268	121	94	**1,428**	1,189
Interest expense	—	293	110	90	72	89	**654**	538
Operating costs	—	23	2	3	—	93	**121**	112
Current income taxes	—	3	5	1	15	3	**27**	19
Non-controlling interests	—	124	79	124	16	—	**343**	289
Total funds from operations	81	163	62	50	18	(91)	**283**	231
Valuation gains								
Included in IFRS statements[5]								
Fair value changes[6]	—	704	115	(84)	(71)	(13)	**651**	309
Depreciation and amortization	(8)	(42)	(130)	(50)	(66)	(1)	**(297)**	(221)
Non-controlling interests	—	(281)	74	99	91	(5)	**(22)**	(39)
Not included in IFRS statements								
Incremental values	50	—	—	50	25	—	**125**	175
Other gains	—	—	—	—	—	—	**—**	(3)
Total valuation gains	42	381	59	15	(21)	(19)	**457**	221
Preferred share dividends	—	—	—	—	—	(29)	**(29)**	(25)
Total Return	$ 123	$ 544	$ 121	$ 65	$ (3)	$ (139)	**$ 711**	$ 427
– Per share							**$ 1.13**	$ 0.69

1. Excludes net unrealized performance fees which are included in incremental values
2. Disaggregation of property segment into office, retail and other is presented on page 30
3. Reconciled to IFRS financial statements on page 26 and 27
4. Includes funds from operations from equity accounted investments
5. Includes items in consolidated statements of operations, comprehensive income and changes in equity
6. Net of disposition gains reclassified to FFO

Funds from Operations and Realized Gains

The following table presents funds from operations, as well as the accumulated valuation gains realized during the quarter on major dispositions. Realized gains included in this metric are discussed further in the following page.

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	**2012**	2011	Per Share **2012**	Per Share 2011
Funds from operations (see table above)	**$ 283**	$ 231	**$ 0.40**	$ 0.33
Realized gains	**232**	—	**0.37**	—
Funds from operations and realized gains	**$ 515**	$ 231	**$ 0.77**	$ 0.33

The table below presents our total return on a segmented basis, which facilitates the following summarized review of our operating results:

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	2012			2011		
	Funds from Operations	**Valuation Gains**	**Total Return**	Funds from Operations	Valuation Gains	Total Return
Asset management services	**$ 81**	**$ 42**	**$ 123**	$ 76	$ (5)	$ 71
Property	**163**	**381**	**544**	115	273	388
Renewable power	**62**	**59**	**121**	56	47	103
Infrastructure	**50**	**15**	**65**	50	(19)	31
Private equity	**18**	**(21)**	**(3)**	36	20	56
Investment and other income	**94**	**(19)**	**75**	67	(95)	(28)
	468	**457**	**925**	400	221	621
Interest and operating costs[1]	**(185)**	**—**	**(185)**	(169)	—	(169)
	283	**457**	**740**	231	221	452
Preferred share dividends	**(29)**	**—**	**(29)**	(25)	—	(25)
	$ 254	**$ 457**	**$ 711**	$ 206	$ 221	$ 427
– Per share	**$ 0.40**	**$ 0.73**	**$ 1.13**	$ 0.33	$ 0.36	$ 0.69

1. Not allocated to specific activities

Funds from operations were $283 million prior to preferred share dividends, compared to $231 million in 2011, representing an increase of $52 million, or 23%. Most of the increase was derived from our commercial property operations. The office business recorded $61 million in FFO from existing properties including a $9 million dividend from Canary Wharf, and a $22 million contribution from new investment initiatives. We also recorded increased FFO within our opportunity investment activities.

We experienced higher generation levels in our renewable power operations, which were 5% above long-term averages, and also benefitted from new facilities: however this was offset by lower market prices and a reduced interest in the overall business. The resultant net increase in FFO was $6 million during the quarter. The contribution from our infrastructure operations was unchanged as the results from new projects and acquisitions were offset by lower pricing and volumes in our timber business.

The FFO contribution from our private equity activities declined by $18 million. Our share of FFO generated by portfolio companies within our Special situations group increased, offsetting disposition gains in the 2011 quarter; however FFO from residential development activities declined as a result of a below average closings in our Brazilian operations and lower activity in our Canadian operations. We consider both of these to be primarily "timing differences" and expect results for the balance of the year to be substantially better.

Investment income increased by $27 million due to favorable capital markets performance relative to the 2011 quarter. Unallocated interest and operating costs increased due to a higher level of borrowings outstanding during the quarter and continued increase in the level of operating activities, which gave rise to additional transaction costs in the quarter.

Valuation gains totalled $457 million, a substantial increase over the $221 million in the prior year period. Commercial property operations contributed the largest amount of the valuation gains. Our U.S. retail portfolios benefitted from increased demand for high quality properties, which gave rise to improved valuation metrics based on comparable transactions and industry metrics. The U.S. and Canadian office properties benefitted from continued improvement in leasing activity, which has resulted in higher anticipated future cash flows.

We recorded $39 million in realization gains ($18 million net of non-controlling interests) on the disposition of properties in Calgary and Melbourne, as well as a $214 million realization gain on the sale of 13 million units of Brookfield Renewable Energy Partners. These gains reflect the realization of valuation gains recorded in prior periods and are therefore not included in current period FFO or valuation gains.

FINANCIAL POSITION

Summarized Balance Sheet

AS AT MAR. 31, 2012 AND DEC. 31, 2011 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Property	Renewable Power	Infrastructure	Private Equity	Asset Management Services and Corporate	**Total 2012**	Total 2011
Assets under management	**$ 80,556**	**$ 18,317**	**$ 19,879**	**$ 26,285**	**$ 6,924**	**$ 151,961**	$ 151,720
Operating assets	39,143	16,607	12,881	9,503	2,058	**80,192**	76,197
Accounts receivable and other[1]	1,953	1,109	1,803	4,193	3,824	**12,882**	12,715
Consolidated assets	41,096	17,716	14,684	13,696	5,882	**93,074**	88,912
Corporate borrowings	—	—	—	—	3,791	**3,791**	3,701
Property-specific borrowings	15,393	4,459	5,128	3,539	508	**29,027**	28,415
Subsidiary borrowings	968	1,525	151	1,262	1,017	**4,923**	4,441
Capital securities	862	—	—	—	673	**1,535**	1,650
Accounts payable and other[1]	1,685	1,114	2,271	3,518	2,698	**11,286**	10,718
	22,188	10,618	7,134	5,377	(2,805)	**42,512**	39,987
Non-controlling interests	10,278	3,035	4,787	2,174	117	**20,391**	18,849
Preferred equity	—	—	—	—	2,443	**2,443**	2,140
	11,910	7,583	2,347	3,203	(5,365)	**19,678**	18,998
Incremental values	25	300	300	1,425	925	**2,975**	2,850
Net tangible asset value[1]	11,935	7,883	2,647	4,628	(4,440)	**22,653**	21,848
Asset management franchise value	—	—	—	—	4,250	**4,250**	4,250
Intrinsic value	$ 11,935	$ 7,883	$ 2,647	$ 4,628	$ (190)	**$ 26,903**	$ 26,098
– Per share						**$ 42.35**	$ 40.99

1. Excludes deferred income taxes

Change in Intrinsic Value

THREE MONTHS ENDED MAR. 31, 2012 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Property	Renewable Power	Infrastructure	Private Equity	Asset Management Services and Corporate	**Total**	Per Share
Total return	$ 544	$ 121	$ 65	$ (3)	$ (16)	**$ 711**	$ 1.13
Foreign currency revaluation	72	94	23	68	10	**267**	0.35
Class A shares repurchased net of issuance	—	—	—	—	(92)	**(92)**	0.01
Capital invested (returned)	210	(309)	(41)	33	26	**(81)**	(0.13)
Change in intrinsic value	826	(94)	47	98	(72)	**805**	1.36
Intrinsic value – beginning of period	11,109	7,977	2,600	4,530	(118)	**26,098**	40.99
Intrinsic value – end of period	$ 11,935	$ 7,883	$ 2,647	$ 4,628	$ (190)	**$ 26,903**	$ 42.35

The following table presents Assets Under Management ("AUM"), Consolidated Assets and Invested Capital at March 31, 2012 and at the end of 2011 for comparative purposes. Invested Capital represents the capital that we have invested in our various activities on a deconsolidated basis, consistent with the Deconsolidated Capitalization presented in the table on page 19.

AS AT MAR. 31, 2012 AND DEC. 31, 2011 (MILLIONS)	Assets Under Management[1]		Consolidated Assets[2]		Invested Capital[3]	
	2012	2011	**2012**	2011	**2012**	2011
Operating platforms						
Property						
Office	**$ 33,018**	$ 32,848	**$ 26,580**	$ 26,478	**$ 5,643**	$ 5,493
Retail	**35,098**	33,160	**7,950**	7,444	**5,166**	4,625
Opportunity, finance and development	**12,440**	16,571	**6,566**	6,219	**1,126**	991
	80,556	82,579	**41,096**	40,141	**11,935**	11,109
Renewable power	**18,317**	17,758	**17,716**	16,614	**7,883**	7,977
Infrastructure	**19,879**	19,258	**14,684**	13,532	**2,647**	2,600
Private equity	**26,285**	25,343	**13,696**	13,035	**4,628**	4,530
Services activities	**3,281**	3,326	**2,992**	2,946	**2,356**	2,274
Cash and financial assets	**2,034**	1,975	**2,019**	1,975	**1,401**	1,461
Other assets[2]	**1,609**	1,481	**871**	669	**871**	669
Asset management franchise value	**n/a**	n/a	**n/a**	n/a	**4,250**	4,250
	$ 151,961	$ 151,720	**$ 93,074**	$ 88,912	**$ 35,971**	$ 34,870

1. Excludes incremental values, asset management franchise value and deferred tax assets
2. Excludes $2,091 million (December 31, 2011 – $2,110 million) of deferred tax assets
3. Includes incremental values not otherwise included in IFRS and asset management franchise value, and excludes deferred tax balances

AUM within our retail property operations increased by $2 billion, representing the increased value of General Growth Properties' assets. The decrease in opportunity property AUM reflects a lower amount of public securities managed by us, following the wind-up of a joint-venture with another asset manager. Renewable power and Infrastructure AUM increased by $1 billion due to acquisitions and developments.

We completed acquisitions and capital expansions totalling $2.5 billion in the first four months of 2012, including $2.1 billion of acquisitions and $0.4 billion of capital expansions. Net equity deployed was $1.9 billion, of which $1.0 billion was funded by private fund clients and the balance funded primarily by our operating platforms.

Consolidated assets, excluding deferred taxes, increased by $4.2 billion during the quarter to $93.1 billion. Most of the increase was distributed evenly among our property, renewable power and infrastructure operations, which reflects acquisition of new assets as well as improved valuations for existing assets.

Invested capital increased by $1.1 billion or 3% during the quarter to $36.0 billion. The increase reflects the acquisitions referred to above, net of project debt and client capital, as well as the retained cash flow and valuation gains.

The $4.2 billion increase in consolidated assets was funded primarily with an increase in borrowings, working capital liabilities and non-controlling interests of $1.1 billion, $0.5 billion and $1.5 billion, respectively. The increase in invested, or deconsolidated, capital of $1.1 billion reflects the issuance with $0.3 billion of perpetual preferred shares during the quarter as well as the $0.8 billion increase in the intrinsic value of our common equity.

Intrinsic value increased by $805 million during the quarter, or $1.36 per share, as illustrated in the table on page 6. The increase was due to total return of $711 million ($1.13 per share). Foreign currency exchange rate fluctuations had a positive impact of $267 million, which was offset by the repurchase of common equity and dividends of $173 million.

Incremental values increased by $125 million to $3.0 billion, as discussed in the operating segment reviews, while the value attributed to our asset management franchise was unchanged at $4.25 billion. We describe how we determine this amount in our 2011 Annual Report.

PART 2 — REVIEW AND ANALYSIS

ASSET MANAGEMENT SERVICES

Asset management and other services contributed a total return of $123 million, which includes funds from operations of $81 million (2011 — $76 million). The valuation gains in the current quarter reflect a higher level of valuation gains related to accumulated carried interests.

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	2012	2011
Base management fees[1]	$ 51	$ 47
Incentive distributions[1]	4	—
Performance income	98	44
Investment banking and transaction fees[1]	14	9
	167	100
Less: deferred recognition of performance income[2]	(98)	(44)
Asset management revenues[2]	69	56
Construction and property services, net of direct expenses	12	20
Funds from operations	81	76
Valuation gains	42	(5)
Total return	$ 123	$ 71

1. Revenues
2. Performance income, deferred into future periods, until clawback provisions expire

Asset management revenues, including deferred performance income, totalled $167 million compared to $100 million in 2011. Base management fees increased by 9% to $51 million, and are tracking at approximately $200 million on an annualized basis. The largest contributor to this growth was the expansion of our listed and unlisted infrastructure funds. Investment banking and transaction fees increased by $5 million to $14 million, which includes a $5 million fee for backstopping client and investee financing initiatives.

Our share of performance income during the quarter totalled $98 million; however, this is deferred for financial statement purposes until any clawback or redetermination period has expired. We include the deferred amount in valuation gains as an "incremental value", along with the increase in any associated costs. We also reduced the incremental values associated with our property and construction services businesses by $50 million to reflect the amortization of contracts, resulting in net valuation gains of $42 million. The total amount of accumulated performance returns and carried interest to date now stands at $477 million, prior to accumulated associated accrued expenses of $50 million. We recorded $4 million of incentive distributions, $14 million on annualized basis, from our listed Infrastructure entity reflecting our participation in the increased distribution to unit holders.

Construction and property services provided funds from operations after direct expenses of $12 million, compared to $20 million in 2011. Construction FFO was $11 million, $3 million lower than 2011 as that quarter included the recovery of defect provisions from completed projects. The results in both quarters are well below annualized results due to timing and seasonal variances. The construction margin for the quarter was 6.5% compared to 9.4% in 2011. The decrease reflects changes in mix as well as the release of defect provisions in 2011. Our construction work in hand totals $4.4 billion of projected contracted revenues for projects to be completed over the next three years compared to $5.4 billion at the beginning of the year and represents approximately 2.6 years of scheduled activity. We continue to pursue and secure new projects which should position us well for future growth. The following table summarizes the work-in-hand:

AS AT MAR. 31, 2012 AND DEC. 31, 2011 (MILLIONS)	2012	2011
Australasia	$ 2,868	$ 3,091
Middle East	552	533
United Kingdom	992	1,780
	$ 4,412	$ 5,404

The following table summarizes total assets under management and the capital managed for clients and co-investors:

AS AT MAR. 31, 2012 AND DEC. 31, 2011 (MILLIONS)	Total Assets Under Management		Client Capital Mar. 31, 2012				
			Fee Bearing			Other	
	2012	2011	Private Funds	Listed Issuers	Public Securities	Other Listed Entities	**Total**
Property	**$ 80,556**	$ 82,579	$ 6,970	$ 1,894	$ 1,168	$ 5,596	**$ 15,628**
Renewable power	**18,317**	17,758	587	2,752	—	—	**3,339**
Infrastructure	**19,879**	19,258	5,490	4,222	890	—	**10,602**
Private equity	**26,285**	25,343	2,833	—	12,237	2,745	**17,815**
Corporate and other	**6,924**	6,782	—	—	—	—	**—**
March 31, 2012	**$ 151,961**	$ n/a	**$ 15,880**	**$ 8,868**	**$ 14,295**	**$ 8,341**	**$ 47,384**
December 31, 2011	n/a	$ 151,720	$ 15,689	$ 7,385	$ 19,833	$ 7,486	$ 50,393

Private fund and listed issuer capital increased by $1.7 billion during the quarter, while public securities mandates decreased by $5.5 billion. The value of non-fee bearing minority interests in other listed entities increased by $0.9 billion due to increased valuations. As a result, total capital under management for others declined to $47.4 billion.

The $15.9 billion of capital for private funds consists of invested capital of $10.9 billion and uninvested capital of $5.0 billion. We invested $0.6 billion of client fund capital during the quarter and closed $0.2 billion of new commitments to private funds with the result that uninvested capital decreased by $0.4 billion to $5.0 billion. This "dry powder" includes $2.0 billion committed to infrastructure and timber strategies, $1.9 billion for private equity and lending and $1.1 billion for property investment strategies, and is available for an average term of two years. The invested capital of $10.9 billion increased by $0.6 billion due to the investment activity during the quarter. The associated funds have an average remaining term of nine years.

Listed issuer capital increased by $1.5 billion to $8.9 billion, due to the issuance of $0.9 billion of capital in our renewable power entity during the quarter, and value appreciation in the public floats of our three major listed entities. We recently filed a registration statement for our proposed property entity, named Brookfield Property Partners, and hope to complete the distribution of equity in the new entity to our shareholders during the third quarter.

Public securities capital decreased by $5.5 billion during the quarter. Nearly $3 billion of the decline was the result of the termination of a joint venture with another asset manager, and the balance was due primarily to lower market values.

We continue to be active in raising new funds and are currently seeking more than $5 billion of third party commitments for eight funds that we hope to close over the balance of 2012 and 2013. This capital, together with the formation of Brookfield Property Partners and continued expansion of our other listed entities, would enable us to continue to increase our fee bearing capital and the associated base management fees and performance income.

PROPERTY OPERATIONS

Our property segment includes our office and retail operations as well as our opportunistic investments, real estate finance and commercial property development activities, as set forth in the following table:

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	Net Tangible Asset Value		2012			2011		
	Mar. 31 2012	Dec. 31 2011	**Funds from Operations**	**Valuation Gains**	**Total Return**	Funds from Operations	Valuation Gains	Total Return
Office properties	**$ 5,643**	$ 5,493	**$ 83**	**$ 119**	**$ 202**	$ 51	$ 247	$ 298
Retail properties	**5,166**	4,625	**54**	**262**	**316**	53	20	73
Opportunity, finance, and development	**1,126**	991	**26**	**—**	**26**	11	6	17
	$ 11,935	$ 11,109	**$ 163**	**$ 381**	**$ 544**	$ 115	$ 273	$ 388

Office Properties: Office properties contributed a total return of $202 million during the quarter, consisting of $83 million in FFO and $119 million of valuation gains. FFO during the 2011 period was $51 million.

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	Existing Properties		U.S. Office Fund		Acquired, Developed and Sold		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Net operating income								
United States	**$ 98**	$ 99	**$ 68**	$ —	**$ 26**	$ 7	**$ 192**	$ 106
Canada	**65**	63	**—**	—	**1**	—	**66**	63
Australasia	**83**	82	**—**	—	**11**	1	**94**	83
United Kingdom	**8**	8	**—**	—	**—**	—	**8**	8
	254	252	**68**	—	**38**	8	**360**	260
Currency variance	**—**	(4)	**—**	—	**—**	—	**—**	(4)
	254	248	**68**	—	**38**	8	**360**	256
Equity accounted investments[1]	**10**	9	**9**	38	**3**	13	**22**	60
Net operating income	**264**	257	**77**	38	**41**	21	**382**	316
Investment income	**6**	8	**2**	—	**14**	3	**22**	11
Canary Wharf dividend	**9**	—	**—**	—	**—**	—	**9**	—
Interest expense	**(144)**	(152)	**(38)**	—	**(11)**	(5)	**(193)**	(157)
Operating costs	**(23)**	(25)	**—**	—	**—**	—	**(23)**	(25)
Non-controlling interests	**(68)**	(67)	**(24)**	(19)	**(22)**	(8)	**(114)**	(94)
Funds from operations	**$ 44**	$ 21	**$ 17**	$ 19	**$ 22**	$ 11	**$ 83**	$ 51

1. Represents pro rata interest in funds from operations recorded by equity accounted investees

Net operating income from existing properties was consistent with 2011 on a portfolio basis, due to a 2% increase in rents in Canada and Australasia offset by decreased occupancy in the United States. We also recorded a $9 million dividend from our Canary Wharf investment, in which we hold a 22% interest that is accounted for as a portfolio investment. Interest expense associated with these properties declined by $8 million due to lower coupons on refinanced mortgages and operating costs declined by $2 million, resulting in a net increase in the FFO from existing properties of $44 million, after reflecting non-controlling interests.

We reorganized, and increased our ownership interest in, our U.S. Office Fund during 2011, with the result that these operations are fully consolidated in the 2012 quarter, having been equity accounted during the 2011 quarter. This resulted in the consolidation of net operating income from properties and equity accounted income from certain joint venture interests held within the fund.

We acquired four properties for a total investment of $622 million and sold properties in Calgary and Melbourne for total proceeds of $270 million. Investment income in this category increased by $11 million, which includes interest on recently acquired loans backed by office properties. As a result, FFO from acquired, developed and sold properties increased by $11 million. The property sales resulted in disposition gains of $39 million (our share – $18 million) based on the original acquisition cost of the properties, together with capital improvements and the proceeds were consistent with our IFRS accounting and accordingly neither current period FFO or valuation gains were impacted.

Valuation gains were recorded on properties located in the United States and Canada, primarily due to recent leasing activity and an improved leasing horizon, which resulted in higher cash flows over the measurement period. In Canada, increases were driven by terminal capitalization rate compression of 30 basis points on average, as a result of market transaction activity. The average discount rate and the investment horizon over which cash flows are discounted were not changed in either region. Our share of the total gains in the period was $119 million. Australian values were relatively unchanged.

The financial profile of our office business did not change over the quarter, with assets under management, consolidated assets and net tangible asset value all virtually unchanged at $33.0 billion, $26.6 billion and $5.6 billion, respectively.

We refinanced approximately $200 million of property and corporate debt, extending term by four years and lowering the average interest coupon by 3%. In-place financings within the office business have an average interest rate and term of 5.57% and 4.4 years respectively, compared to 5.72% and 4.5 years, respectively, at December 31, 2011. Only 7% of the total borrowings, approximately $850 million, mature during the balance of 2012.

Leasing performance continues to be very strong with 2.3 million square feet of new leases signed to date in 2012. This included a 1.2 million square foot lease with Morgan Stanley for One New York Plaza that was announced in April 2012, which represents the largest single-asset office lease in lower Manhattan since 2008. The new leases include 1.2 million square feet of renewals and 1.1 million square feet of new leasing, which led to a reduction in our 2013-2017 rollover exposure by 130 basis points, and increased our current occupancy to 93.4% from 93.3% at year-end. The new lease rates were on average 41% higher than the expiring rents and increased our average in-place rents to $29.41 per square foot from $29.21 per square foot at year-end on constant currency terms. We use in-place net rents as a measure of leasing performance, and calculate this as the annualized amount of cash rent receivable from leases on a per square foot basis including tenant expense reimbursements, less operating expenses. This amount represents the amount of cash generated from leases in a given period.

					Expiring Leases (000's sq. ft.)						
AS AT MAR.31, 2012	% Leased	Average Term	Net Rental Area	Currently Available	2012	2013	2014	2015	2016	2017	2018 & Beyond
North America											
United States	91.0%	7.4	44,071	3,961	2,324	5,631	3,224	2,717	2,054	2,052	22,108
Canada	96.8%	8.6	16,806	534	320	1,771	391	1,626	1,752	586	9,826
Australasia	97.4%	5.8	10,089	259	361	661	901	1,184	1,178	1,050	4,495
Europe	100.0%	10.2	556	—	—	—	262	—	—	—	294
Total/Average	93.4%	7.5	71,522	4,754	3,005	8,063	4,778	5,527	4,984	3,688	36,723
Percentage of total			100.0%	6.6%	4.2%	11.3%	6.7%	7.7%	7.0%	5.2%	51.3%
As at December 31, 2011				6.7%	5.3%	11.5%	6.6%	9.4%	6.9%	4.8%	48.8%

We have an attractive pipeline of development projects and continue to see a high volume of transaction activity that should enable us to monetize existing assets and redeploy capital into high quality properties that provide the opportunity to achieve greater returns over the long term.

Retail Properties: Retail properties generated a total return of $316 million for the quarter, consisting of $54 million of FFO and $262 million of valuations gains. The largest component of FFO, at $52 million, was our share of the FFO produced by General Growth Properties ("GGP") on an IFRS basis. FFO from GGP for the comparable three month period in 2011 was $45 million.

GGP's core FFO on a U.S. GAAP basis increased by 6.7% compared to 2011, with an increase in core NOI for the regional mall portfolio of 4.1%. The increase reflected continued improvement in tenant sales, which increased by 9.6% to $525 per square foot on a trailing 12-month basis. Initial rents for leases commencing occupancy in 2012 and 2013 increased by 7.4% compared to the rental rate for expiring leases on a suite-to-suite basis. The leased percentage for the regional mall portfolio was 93.7% at quarter end, up 80 basis points from March 31, 2011.

Valuation gains of $262 million were primarily driven by a 20 basis-point decrease in discount rates and terminal capitalization rates within our U.S. portfolio. This was, in turn, driven by the improved outlook for high quality retail properties and the continued strength in operating performance as demonstrated by GGP's quarterly results and growth in tenant sales per square foot.

GGP has completed $2.9 billion in financings during the first four months of 2012, including a $1.4 billion secured financing of Ala Moana Center and a $1 billion unsecured corporate line of credit. The Ala Moana financing has a ten year term, with interest-only payments based on a 4.23% coupon and replaces a $1.3 billion 5.59% financing that was scheduled to mature in 2018, resulting in a meaningful lengthening in maturity profile and interest savings.

GGP continues to actively manage its portfolio, and since year-end, acquired whole or partial interests in 15 anchor pads comprising 2.3 million square feet for approximately $0.3 billion. This included 11 pads comprising 1.8 million square feet that are currently occupied by Sears. The company also acquired the remaining 49% interest in two partially owned malls and sold its entire interest in three properties comprising 1.2 million square feet.

GGP also completed the spin-off of 30 properties into the newly formed Rouse Properties, the shares of which were distributed to GGP shareholders, including us. Rouse Properties subsequently completed a rights offering of equity. Following the spin-off and our participation in the rights offering, we own a 54% interest in Rouse Properties together with our clients, of which our direct share is approximately 37%. The transaction is intended to allow the management teams of the respective companies to focus on strategies that are most appropriate for the different businesses.

Directly held properties are primarily those owned within our Brazil retail fund. FFO from these operations was $nil during the quarter, due primarily to higher interest rates. Tenant sales increased by 11.1%. We sold three properties during the quarter, with the proceeds applied to reduce borrowings.

Assets under management increased to $35.1 billion from $33.2 billion, primarily due to increased value attributable to GGP's regional mall portfolio. Consolidated assets, which reflect our interest in GGP on an equity accounted basis, and net invested capital each increased by approximately $0.5 billion to $8.0 billion and $5.2 billion, respectively, due to valuation gains and earnings.

The following table presents the leasing profile of our retail operations:

					Expiring Leases (000's sq. ft.)						
AS AT MAR. 31, 2012	% Leased	Average Term	Net Rental Area	Currently Available	2012	2013	2014	2015	2016	2017	2018 & Beyond
United States[1]	92.2%	5.6	61,929	4,818	3,759	6,077	6,308	5,718	5,815	5,707	23,727
Australasia	98.1%	7.2	3,165	61	72	68	78	141	796	374	1,575
Brazil	96.9%	6.8	2,786	85	728	338	294	405	241	118	577
Total/Average	92.7%	5.7	67,880	4,964	4,559	6,483	6,680	6,264	6,852	6,199	25,879
Percentage of total			100.0%	7.3%	6.7%	9.6%	9.9%	9.2%	10.1%	9.1%	38.1%
As at December 31, 2011				6.5%	10.7%	9.9%	9.5%	8.7%	9.8%	8.2%	36.7%

1. Represents regional malls only and excludes leases on traditional anchor stores and specialty leasing license agreements

Opportunistic, Finance and Development Activities: Total return from these activities was $26 million. The 2012 FFO results reflect increased FFO from existing assets. We recorded disposition gains of $16 million in our opportunity funds that had been recorded as unrealized valuation gains in prior periods and therefore reduce accumulated valuation gains. These gains were largely offset by costs of refinancing debt prior to maturity that will result in lower future interest rates and term extension.

	2012			2011		
FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	**Funds from Operations**	**Valuation Gains**	**Total Return**	Funds from Operations	Valuation Gains	Total Return
Opportunity	**$ 17**	**$ (3)**	**$ 14**	$ 7	$ 1	$ 8
Disposition gains	**16**	**(16)**	**—**	—	—	—
Finance	**3**	**19**	**22**	4	5	9
Debt refinancing costs	**(10)**	**—**	**(10)**	—	—	—
Development	**—**	**—**	**—**	—	—	—
	$ 26	**$ —**	**$ 26**	$ 11	$ 6	$ 17

We completed several acquisitions of property assets within our opportunity strategies through direct acquisitions as well as the purchase of distressed loan portfolios, which we believe will result in very attractive outcomes. The total investment was $157 million on behalf of ourselves and our clients, and our share was $36 million.

Assets under management in our opportunity, finance and development business declined by $4.1 billion to $12.4 billion reflecting the wind-up of a joint venture within our public securities operations through which we previously managed several large portfolios of real estate related securities. Consolidated assets increased by $0.3 billion, reflecting net acquisitions while net invested capital increased from $1.0 billion to $1.1 billion reflecting our share of the equity capital committed to acquisitions, less distributions. Development activities were largely funded with construction financing.

We are near completion of our 926,000 square foot City Square office project in Perth, and are pursuing major developments in New York City and London. In total, we are focused on five development projects totalling approximately nine million square feet that could add more than $7 billion in assets.

RENEWABLE POWER OPERATIONS

FFO was $62 million for the quarter compared to $56 million in 2011, representing a $6 million increase, which consists of a $7 million increase from new facilities, partially offset by a $1 million decrease from existing facilities. The impact of higher generation levels on existing facilities was offset by lower prices and a decrease in our ownership level.

The valuation gains of $59 million during the quarter include an increase in incremental values attributable to development projects. Depreciation and amortization increased by $20 million to $130 million reflecting the increase in the carrying values of our assets at the end of 2011. Our share of total depreciation was $79 million. In addition, we recognized $116 million of mark-to-market gains on power sales agreements. Our power facilities are revalued on an annual basis in accordance with our IFRS accounting policies. Accordingly, we defer the impact of quarterly depreciation and mark-to-markets of most power sales contracts until the annual revaluation of the business, by including an offsetting amount in our incremental values, so that the net impact on total return and intrinsic value is largely nullified.

Assets under management and consolidated assets in our renewable power segment each increased by approximately $0.6 billion and $1.1 billion respectively, representing acquisitions and development activity. We sold 13 million units of our listed renewable power entity during the quarter for net proceeds of $332 million decreasing our ownership to 68%. Much of the growth investment was funded with capital from institutional clients and project financing, with the result that our net tangible asset value, after taking into account the sell down, decreased by $0.1 billion to $7.9 billion.

Net operating and other income increased by $61 million to $258 million of which $208 million is derived from our hydroelectric facilities and $44 million from wind energy facilities. The overall increase in net operating income includes $56 million from increased generation reflecting above average hydrology and $33 million from new facilities, offset by $21 million due to lower prices.

The impact of higher net operating income on FFO was offset by a $16 million increase in interest expenses reflecting the financing associated with the new facilities, and a $36 million increase in the portion of FFO that is attributable to minority interests, reflecting the reduction in our ownership interest during the quarter, fund investor interests in the new facilities and the reorganization of this business in late 2011.

The following table provides further detail on the results from our hydroelectric operations during the quarter:

FOR THE THREE MONTHS ENDED MAR. 31 (GIGAWATT HOURS AND $ MILLIONS)	2012 Production (GWh)	2012 Realized Revenues	2012 Operating Costs	2012 Net Operating Income	2011 Production (GWh)	2011 Realized Revenues	2011 Operating Costs	2011 Net Operating Income
United States	**1,958**	**$ 133**	**$ 44**	**$ 89**	1,559	$ 116	$ 33	$ 83
Canada	**1,276**	**76**	**21**	**55**	1,026	60	31	29
Brazil	**867**	**88**	**24**	**64**	806	81	24	57
Total	**4,101**	**$ 297**	**$ 89**	**$ 208**	3,391	$ 257	$ 88	$ 169
Per Megawatt hour (MWh)		**$ 72**	**$ 22**	**$ 50**		$ 76	$ 26	$ 50

Hydroelectric revenues increased due to improved hydrology and acquisitions. Spot and short-term market prices declined, particularly in the northeastern United States where we sell most of our power on a short-term basis, resulting in a 5% decline in the average realized price to $72 per megawatt hour. Operating costs declined on a per unit basis because our operating costs, which are largely fixed, were spread over increased generation.

Net operating income and FFO from our wind energy facilities increased by $30 million and $14 million, respectively, due mostly to the contribution from facilities acquired or completed since the 2011 quarter. These include wind projects in California, New Hampshire and Ontario.

Generation across the entire portfolio increased by 894 gigawatt hours to 4,785 gigawatt hours, representing a 23% increase over 2011, and was 5% above long-term averages; 2011 generation was 7% below average. Approximately 60% of the increase was due to improved hydrology and the balance was due to expansion of our operating base, including additional hydro facilities in Brazil and California and wind facilities in Ontario, California and New Hampshire, which collectively added an estimated 332 gigawatt hours of annual generation.

The following table presents our generation results:

					Variance of Results		
	Actual Production		Long-Term Average		Actual vs. Long-term Average		Actual vs. Prior Year
FOR THE THREE MONTHS ENDED MAR. 31 (GIGAWATT HOURS)	**2012**	2011	**2012**	2011	**2012**	2011	**2012**
Hydroelectric generation							
United States	**1,958**	1,559	**1,883**	1,765	**75**	(206)	**399**
Canada	**1,276**	1,026	**1,158**	1,162	**118**	(136)	**250**
Brazil	**867**	806	**875**	749	**(8)**	57	**61**
Total hydroelectric operations	**4,101**	3,391	**3,916**	3,676	**185**	(285)	**710**
Wind energy	**458**	163	**424**	175	**34**	(12)	**295**
Co-generation	**226**	337	**217**	324	**9**	13	**(111)**
Total generation	**4,785**	3,891	**4,557**	4,175	**228**	(284)	**894**
% Variance					**5%**	(7)%	**23%**

During the quarter, we acquired two new wind projects and the remaining 50% interest in an existing joint venture, adding 223 megawatts of capacity to our California operations. We also commissioned our 99 megawatt wind project in New England. We advanced construction on four hydroelectric projects with 99 megawatts of installed capacity, 460 gigawatt hours of forecast annualized production and an estimated project cost of approximately $400 million.

We have 92% of our expected generation under contract for the balance of 2012, and approximately 70% under long-term contracts with an average term of 14.5 years. This significantly reduces our exposure to short-term or spot pricing, which continues to be at low levels. Over the longer term, we expect that renewable energy, such as the hydroelectric and wind power we produce, will continue to command a premium in the market and lead to extended increases in realized prices and funds from operations.

The following table profiles our contracts over the next five years for generation from our existing facilities, assuming long-term average hydrology:

	Balance of	Years Ended December 31			
	2012	2013	2014	2015	2016
Generation (GWh)					
Contracted					
Power sales agreements					
Hydro	7,423	10,057	9,453	8,892	8,680
Wind	1,578	2,104	2,104	2,104	2,104
Gas and other	299	398	133	—	—
	9,300	12,559	11,690	10,996	10,784
Financial contracts	2,997	474	—	—	—
Total contracted	12,297	13,033	11,690	10,996	10,784
Uncontracted	1,092	5,156	6,234	6,797	7,009
Long-term average generation	13,389	18,189	17,924	17,793	17,793
Contracted generation – As at March 31, 2012					
% of total generation	92%	72%	65%	62%	61%
Price (per MWh)	$ 85	$ 92	$ 90	$ 91	$ 92

Water inflows and generation during the beginning of 2012 have been consistent overall with long-term average and reservoir levels are slightly above average. Accordingly, we are in a position to achieve long-term generation targets for 2012, should normal water conditions prevail. We also expect to benefit in future years from the contribution from the development and acquisition of additional hydroelectric and wind facilities. In that regard we have a number of attractive growth opportunities which we believe will lead to cash flow growth in 2012 and future years. We also have a further development pipeline of 2,000 megawatts of installed capacity and are also actively pursuing a number of small and large acquisition opportunities.

INFRASTRUCTURE OPERATIONS

Total return was $65 million, consisting of $50 million of FFO and $15 million of valuation gains. FFO in 2011 was $50 million. The contribution from newly acquired assets and capital expansion projects, including a toll road business in Chile and a distribution business in Colombia, was offset by a $7 million reduction in the contribution from our timberland operations.

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	Net Tangible Asset Value Mar. 31 2012	Net Tangible Asset Value Dec. 31 2011	2012 Funds from Operations	2012 Valuation Gains	2012 Total Return	2011 Funds from Operations	2011 Valuation Gains	2011 Total Return
Utilities	$ 871	$ 798	$ 25	$ 37	$ 62	$ 23	$ (15)	$ 8
Transport and Energy	832	812	17	(12)	5	12	(2)	10
Timber	991	983	12	(3)	9	19	(2)	17
Unallocated	(47)	7	(4)	(7)	(11)	(4)	—	(4)
	$ 2,647	$ 2,600	$ 50	$ 15	$ 65	$ 50	$ (19)	$ 31

Assets under management and consolidated assets in our infrastructure segment increased by $0.6 billion and $1.2 billion, respectively, representing acquisitions and development activity. Much of the investment was funded with capital from institutional clients and project financing, with the result that our net tangible asset value was relatively unchanged at $2.6 billion.

Utility FFO increased by $2 million, reflecting the stable growth profile and investment in capital expansion projects. Net operating and other income increased by $29 million to $136 million, due to the completion of capital expansion projects in our transmission business, although much of this increase was offset by associated interest expense and accrued to client capital. Interest expense and minority interests in this segment increased by $8 million and $19 million, respectively.

FFO from our Transport and Energy segment increased by $5 million due to impact of an expansion project and a favourable grain harvest on our rail operations in Australia. The contribution from the expansion project should increase in magnitude over the balance of 2012 with almost the entire expected increase to be in place by the beginning of 2013. Net operating income increased by $19 million, interest expense was relatively unchanged, and FFO attributable to non-controlling interest increased by $15 million.

Timber FFO declined by $7 million. Net operating and other income decreased by $14 million reflecting lower prices and a change in mix to respond to market conditions. Interest expense was largely unchanged, while $7 million of the decline in net operating income was attributable to our co-investors in the business. The timberland results reflect the recent slowdown in residential construction activity in Asia. This resulted in lower shipments and prices, to which we responded by shifting our harvest mix and levels.

We completed the acquisition of a Colombian electrical distribution business for $450 million, or $310 million of net equity. Our clients funded $260 million of the net purchase price and we funded the balance through our listed infrastructure entity. We announced the acquisition of an Alberta-based natural gas storage facility, which is our initial investment in this sector, and continue to integrate the Chilean toll roads acquired in late 2011.

We continue to invest in capital expansion projects. We have now completed approximately 60% of our $600 million Australian rail expansion project, which is now contributing meaningfully to FFO. We anticipate the project will provide an additional $150 million of EBITDA on an annualized basis upon completion by the end of the first quarter of next year. We invested an additional $80 million in our Chilean and Texas transmission projects during the quarter.

Assets under management in the infrastructure segment increased to $19.9 billion from $19.3 billion at year end reflecting capital expansion and acquisition. These same items contributed towards a $1.2 billion increase in consolidated assets. Net invested capital was relatively unchanged as much of the investment during the quarter was funded by project financings and fund investor capital.

Our capital expansion pipeline remains strong, with $2.1 billion of projects in total. Our share of the net equity contribution is estimated to be approximately $400 million, of which approximately 50% has been invested to date, and is being funded by our listed infrastructure entity. We expect our timber operations to be positively impacted in the mid-to-long term due to ongoing demand from Asian markets, an inevitable recovery in U.S. new housing construction and supply constraints. We remain focused on a number of attractive investment opportunities, with a particular emphasis on assets being monetized by European owners who are seeking to deleverage, and midstream energy assets in North America. In addition, we continue to advance feasibility and planning work for our Australian coal terminal project.

PRIVATE EQUITY ACTIVITIES

This segment includes our special situations, residential and agricultural development operations.

	Net Tangible Asset Value		2012			2011		
FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	**Mar. 31 2012**	Dec. 31 2011	**Funds from Operations**	**Valuation Gains**	**Total Return**	Funds from Operations	Valuation Gains	Total Return
Special situations	**$ 1,497**	$ 1,522	**$ 27**	**$ (7)**	**$ 20**	$ 15	$ 16	$ 31
Disposition gains	**—**	—	**—**	**—**	**—**	13	(13)	—
Residential development	**2,667**	2,580	**(12)**	**(12)**	**(24)**	6	16	22
Agricultural development	**464**	428	**3**	**(2)**	**1**	2	1	3
	$ 4,628	$ 4,530	**$ 18**	**$ (21)**	**$ (3)**	$ 36	$ 20	$ 56

Assets under management and consolidated assets increased by $0.9 billion and $0.7 billion, respectively, while net tangible asset value increased by $0.1 billion to $4.6 billion. Our residential operations deployed $0.6 billion as part of the seasonal build-out of their inventory, funded with working capital facilities.

Our special situations operations recorded higher levels of FFO from our wood products and energy services businesses reflecting increased volumes and improved pricing, offset in part by higher input and operating costs. This reflects continued strength in prices and increased levels of housing activity in the United States. Excluding disposition gains, FFO increased from $15 million to $27 million. We are pursuing several monetization strategies which, if successful, will generate meaningful disposition gains over the next twelve months.

FFO from our residential development operations was negative $12 million in the quarter, compared to a $6 million contribution in the 2011 quarter.

We incurred a higher level of interest and cash tax expense following the merger of our U.S. and Canadian businesses in 2011, which resulted in the overall decrease in FFO. The first quarter typically represents the lowest level of FFO compared to the remaining calendar quarters. EBITDA within our North American operations increased by $7 million as higher prices and improved margins offset a decrease in the number of housing and land closings from 618 units to 542 units. Overall gross margin was 29% compared to 24% last year. Net new orders in the quarter were 492 units compared to 382 units in 2011 and the backlog at quarter-end totalled 702 units with a sales value of $275 million, compared to 412 units with a sales value of $160 million at the same time last year.

Our Brazil agribusiness contributed $3 million to FFO during the quarter. We continue to expand this business and have invested or committed to invest in 5 properties containing approximately 44,000 acres at a total cost of $50.2 million over the past three months.

The valuation losses during the quarter from our special situations portfolio primarily reflect the depreciation of operating assets. Residential valuation changes include selling expenses in our Brazilian business for which the offsetting revenue will be recorded when the project is delivered. We typically do not revalue these assets or investments under IFRS, although we are pursuing several monetization strategies that we believe have the potential to produce meaningful disposition gains.

A significant portion of the capital in this platform produces cash flows that are closely correlated with the U.S. homebuilding cycle and as a result are producing results that are significantly below normalized levels. In our U.S. residential business we are seeing a much higher level of traffic and activity in our communities which has translated into higher sales. With the lag that exists between customer sale and home construction, our recent U.S. acquisitions should start to show sales and closing activity towards the end of this year.

CORPORATE ACTIVITIES

Unallocated interest expense increased slightly to $89 million from $85 million in the 2011 quarter, reflecting higher average borrowing levels in respect of our larger asset base. The increase in operating costs from $83 million to $93 million reflects expansion of our investment banking and public securities operations, and a higher level of transaction costs arising from several major initiatives undertaken during the year. Preferred share dividends increased following the issuance of additional preferred shares during 2011 and the first quarter of 2012.

LIQUIDITY AND CAPITALIZATION

Liquidity

Core liquidity, which represents cash and financial assets and undrawn credit facilities at the Corporation and our principal operating subsidiaries, was approximately $4.2 billion at March 31, 2012. This includes $2.3 billion at the corporate level and $1.9 billion at our principal operating units. We continue to maintain an elevated level of liquidity as we see a substantial number of highly promising investment opportunities. We also have undrawn allocations of capital from clients totalling $5.0 billion to finance qualifying acquisitions.

The following table presents our financial assets net of associated liabilities:

AS AT MAR. 31, 2012 AND DEC. 31, 2011 AND FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	Net Invested Capital		Investment and Other Income	
	2012	2011	**2012**	2010
Financial assets				
Government bonds	**$ 378**	$ 485		
Corporate bonds	**135**	193		
Other fixed income	**64**	66		
High-yield bonds	**215**	190		
Preferred shares	**299**	289		
Common shares	**589**	493		
Loans receivable/deposits	**265**	218		
Total financial assets	**1,945**	1,934	**$ 114**	$ 92
Cash and cash equivalents	**74**	41	**—**	—
Deposits, other liabilities and non-controlling interests	**(618)**	(514)	**(20)**	(25)
Net invested capital	**$ 1,401**	$ 1,461	**$ 94**	$ 67

Common shares increased due to valuation gains and additional investment. Government and corporate bonds were sold to fund the runoff of match-funded insurance liabilities. Investment income from financial assets of $114 million included $63 million of realized and mark-to-market gains.

Undrawn credit facilities at the corporation totalled $0.9 billion. We maintain $2.2 billion of committed revolving term credit facilities at the corporate level, of which approximately $1.1 billion were utilized in respect of short-term bank or commercial paper borrowings and $0.2 billion were utilized for letters of credit issued to support various business initiatives. The maturity profile of the facilities is: $300 million – a 364-day term; $1.6 billion – four-year term; and $300 million – five-year term.

Capitalization

The following table presents our capitalization on three bases of presentation: corporate (i.e., deconsolidated), proportionally consolidated and on a consolidated basis using the same methodology as our IFRS financial statements:

AS AT MAR. 31, 2012 AND DEC. 31, 2011 (MILLIONS)	Corporate 2012	Corporate 2011	Proportionate 2012	Proportionate 2011	Consolidated 2012	Consolidated 2011
Corporate borrowings	**$ 3,791**	$ 3,701	**$ 3,791**	$ 3,701	**$ 3,791**	$ 3,701
Non-recourse borrowings						
Property-specific mortgages	**—**	—	**18,873**	19,083	**29,027**	28,415
Subsidiary borrowings[1]	**1,017**	988	**4,005**	3,679	**4,923**	4,441
	4,808	4,689	**26,669**	26,463	**37,741**	36,557
Accounts payable and other[2]	**1,144**	1,287	**8,480**	8,615	**13,377**	12,836
Capital securities	**673**	656	**1,104**	1,153	**1,535**	1,650
Equity						
Non-controlling interests	**—**	—	**—**	—	**20,391**	18,849
Preferred equity	**2,443**	2,140	**2,443**	2,140	**2,443**	2,140
Shareholders' equity[3]	**26,903**	26,098	**26,903**	26,098	**26,903**	26,098
Total equity	**29,346**	28,238	**29,346**	28,238	**49,737**	47,087
Total capitalization	**$ 35,971**	$ 34,870	**$ 65,599**	$ 64,469	**$ 102,390**	$ 98,130
Debt to capitalization[4]	**15%**	15%	**43%**	44%	**38%**	39%

1. Includes $1,017 million (December 31, 2011 – $988 million) of contingent swap accruals which are guaranteed by the Corporation and are accordingly included in Corporate Capitalization
2. Excludes deferred income taxes
3. Pre-tax basis and includes incremental values and asset management franchise value
4. Excludes asset management franchise value of $4.25 billion in March 31, 2012 (December 31, 2011 – $4.25 billion)

Our corporate (deconsolidated) capitalization shows the amount of debt that is recourse to the Corporation, and the extent to which it is supported by our invested capital and remitted cash flows. Our strategy is to maintain a relatively low level of debt at the parent company level and finance our operations primarily at the asset or operating unit level with no recourse to the Corporation. Subsidiary borrowings included in our corporate capitalization are contingent swap accruals, issued by a subsidiary, that are guaranteed by the Corporation. Equity capital totals $29.3 billion and represents 82% of our corporate capitalization. The average term to maturity of our corporate debt is seven years.

Proportionate consolidation, which reflects our proportionate interest in the underlying entities, depicts the extent to which our underlying assets are leveraged, which is an important component of enhancing shareholder returns. We believe the 43% debt-to-capitalization ratio at March 31, 2012 (December 31, 2011 – 44%) is appropriate given the high quality of the assets, the stability of the associated cash flows and the level of financings that assets of this nature typically support, as well as our liquidity profile.

Consolidated capitalization reflects the full consolidation of partially-owned entities, notwithstanding that our capital exposure to these entities is limited. The debt-to-capitalization ratio on this basis is 38% (December 31, 2011 – 39%). We note, however, that in many cases our consolidated capitalization includes 100% of the debt of the consolidated entities, even though in most cases we only own a portion of the entity and therefore our pro rata exposure to this debt is much lower. For example, we have access to the capital of our clients and co-investors through public market issuance and, in some cases, contractual obligations to contribute additional equity. In other cases, this basis of presentation excludes some or all of the debt of partially owned entities that are equity accounted or proportionately consolidated, such as our investment in General Growth Properties and several of our infrastructure businesses.

We completed $6.2 billion of capital raising initiatives in the first four months of 2012, generating $2.1 billion of incremental capital. Debt financings totalled $4.9 billion , of which $3.6 billion was used to refinance maturing obligations. The remaining $1.3 billion of proceeds were used to finance acquisitions and supplement financial liquidity whereas the refinancing activities have enabled us to extend or maintain our average maturity term at lower rates than the maturing debt. New financings in North America and Australia include approximately $3.0 billion of fixed rate financings coupons that are 4.35% on average. We present our debt maturity profile on page 35.

Capital raising initiatives also include $0.7 billion of equity and asset sale proceeds, $300 million of perpetual preferred shares and $0.2 billion of private fund commitments.

Financing initiatives included the issuance of C$300 million of 4.50% rate-reset preferred shares and C$425 million of a 7-year 3.95% notes at the corporate level. The proceeds will be used in part to redeem $600 million of fixed rate liabilities during the second quarter with a blended coupon of 6.55% for annual interest savings of approximately $15 million and seven years of additional term.

Shareholders' Equity

We issued C$300 million perpetual rate-reset preferred shares with initial coupon of 4.50% during March 2012. C$250 million of the proceeds was used to redeem capital securities with a coupon of 5.75% in April 2012.

We repurchased 2.25 million Class A Limited Voting Shares for $70 million, representing an average price of $31.13 per share.

The following table reconciles common equity per our IFRS financial statements to Net Tangible Asset Value and Intrinsic Value:

AS AT MAR. 31, 2012 AND DEC. 31, 2011 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	2012 Total	2012 Per Share	2011 Total	2011 Per Share
Common equity per IFRS financial statements	**$ 17,350**	**$ 27.82**	$ 16,743	$ 26.77
Add back deferred income taxes[1]	**2,328**	**3.54**	2,255	3.42
Incremental values	**2,975**	**4.52**	2,850	4.33
Net tangible asset value	**22,653**	**35.88**	21,848	34.52
Asset management franchise value	**4,250**	**6.47**	4,250	6.47
Total intrinsic value	**$ 26,903**	**$ 42.35**	$ 26,098	$ 40.99

1. Net of non-controlling interests

Interest Rates and Foreign Currencies

The continued steepness in the yield curve and prepayment terms on existing debt continues to reduce the attractiveness of pre-financing a number of our future maturities; however, we are actively refinancing short-dated maturities and longer-dated maturities when the opportunities present themselves. We have also locked in the reference rates for approximately $3.4 billion of anticipated future financings in the United States and Canada over the next four years.

As at March 31, our net tangible asset value of $22.7 billion was invested in the following currencies, prior to the impact of any financial contracts: United States – 46%; Australia – 18%; Brazil – 20%; Canada – 11%; and other – 5%. From time to time, we utilize financial contracts to adjust these exposures, although we were largely unhedged at the quarter end.

Contractual Obligations

Our 2011 Annual Report contains a description of our contractual obligations, which consist largely of long-term financial obligations, as well as commitments to provide bridge financing, capital subscriptions, and letters of credit and guarantees provided in respect of power sales contracts and reinsurance obligations in the normal course of business.

In addition, the company and its consolidated subsidiaries execute agreements that provide for indemnifications and guarantees to third parties in transactions or dealings such as business dispositions, business acquisitions, sales of assets, provision of services, securitization agreements, and underwriting and agency agreements. The company has also agreed to indemnify its directors and certain of its officers and employees. The nature of substantially all of the indemnification undertakings prevents the company from making a reasonable estimate of the maximum potential amount the company could be required to pay third parties, as in most cases 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. Neither the company nor its consolidated subsidiaries have made significant payments in the past nor do they expect at this time to make any significant payments under such indemnification agreements in the future.

The company periodically enters into joint venture, consortium or other arrangements that have contingent liquidity rights in favour of the company or its counterparties. These include buy-sell arrangements, registration rights and other customary arrangements. These agreements generally have embedded protective terms that mitigate the risk to us. The amount, timing and likelihood of any payments by the company under these arrangements is in most cases dependent on either future contingent events or circumstances applicable to the counterparty and therefore cannot be determined at this time.

Contingent Swap Accruals

We entered into interest rate swap arrangements with AIG Financial Products ("AIG-FP") in 1990, which include a zero coupon swap that was originally intended to mature in 2015. Our financial statements include an accrual of $1,017 million in respect of these contracts, which represents the compounding of amounts based on interest rates from the inception of the contracts. We have also recorded $265 million in accounts payable and other liabilities which represents the difference between the present value of any future payments under the swaps and the current accrual. We believe that the financial collapse of American International Group ("AIG") and AIG-FP triggered a default under the swap agreements, thereby terminating the contracts with the effect that we are not required to make any further payments under the agreements, including the amounts which might, depending on various events and interest rates, otherwise be payable in 2015. AIG disputes our assertions and therefore we have commenced legal proceedings seeking a declaration from the court confirming our position. We recognize this may not be determined for a considerable period of time, and therefore will continue to account for the contracts as we have in prior years until we receive clarification.

ADDITIONAL COMPONENTS OF NET INCOME AND OTHER COMPREHENSIVE INCOME

Comprehensive income consists of two components: Net Income and Other Comprehensive Income. Together, these two components constitute most of the elements that comprise our Total Return as illustrated in the table below, which also serves as a reconciliation between Funds from Operations and Net Income, and between Comprehensive Income and Total Return and to facilitate a discussion of major components of Comprehensive Income that are not covered elsewhere in this report. A more detailed reconciliation is included on pages 26 and 27.

AS AT MAR. 31 (MILLIONS)	Comprehensive Income Total 2012	Comprehensive Income Total 2011	Comprehensive Income Net[1] 2012	Comprehensive Income Net[1] 2011	Total Return Net[1] 2012	Total Return Net[1] 2011
Funds from operations	**$ 622**	$ 516	**$ 283**	$ 231	**$ 283**	$ 231
Less: disposition gains not included in IFRS	**—**	(3)	**—**	(3)	**—**	(3)
Add: fair value changes and depreciation included in equity accounted income	**251**	34	**239**	23	**239**	23
Net income prior to the following items	**873**	547	**522**	251		
Fair value changes	**306**	248	**153**	133	**153**	133
Depreciation and amortization	**(297)**	(221)	**(141)**	(164)	**(141)**	(164)
Deferred income taxes	**(162)**	(4)	**(118)**	58	**n/a**	n/a
Net income	**720**	570	**416**	278		
Other comprehensive income						
Fair value changes	**179**	28	**166**	37	**166**	37
Foreign currency translation	**489**	169	**249**	81	**n/a**	n/a
Deferred income taxes	**(7)**	201	**(6)**	201	**n/a**	n/a
Other comprehensive income	**661**	398	**409**	319		
Comprehensive income	**$ 1,381**	$ 968	**$ 825**	$ 597		
Items recorded directly in IFRS equity					**(85)[2]**	20
Items not included in IFRS statements						
Changes in incremental values					**125**	175
Total valuation gains					**457**	221
Preferred share dividends					**(29)**	(25)
Total return					**$ 711**	$ 427

1. Net of non-controlling interests
2. Pre-tax basis

Our definition of Total Return includes funds from operations together with valuation gains. The valuation gains include fair value changes and other gains recorded in our IFRS financial statements as well as depreciation and amortization. As discussed elsewhere, we include incremental values for items that are not fair valued in IFRS.

Reconciliation of FFO to Net Income and Total Return

As illustrated in the preceding table, the principal reconciling items between FFO and Net Income include the following:

- Disposition Gains Not Included in IFRS: Gains on disposition of certain assets are not included in the current period IFRS operating results because they are recorded directly in equity or were included in prior period revaluation gains. In the former case, the gains are included separately in Total Return as “Items recorded directly in IFRS equity” and in the latter case, the portion of the gain that relates to prior period revaluation gains is deducted from the revaluation gains in the current period;
- Fair Value Changes: Fair value changes recorded as a special category in Net Income typically relate to changes in the value of our physical assets that are categorized as “Investment Properties” or “Timber” under IFRS (commercial properties and timber assets) as well as related contractual agreements. In addition, our proportionate interest in these items recorded by equity accounted affiliates is included as a component of the Equity Accounted Income, which is also included in our Statement of Operations. We exclude these items from FFO, and discuss them in more detail in this section;
- Depreciation and Amortization: We discuss these items in more detail within each our review of the relevant operating segments;
- Deferred Income Taxes: We exclude these items from FFO because they typically do not relate to the other components of FFO. We do, however, include current period cash taxes associated with operating activities.

All of these components, with the exception of deferred income taxes, are included in Total Return.

Reconciliation of Other Comprehensive Income to Total Return

Other comprehensive income ("OCI") includes:

- Fair value changes: Fair value changes recorded in OCI relate to property, plant and equipment (renewable power facilities and certain infrastructure assets) and are included in Total Return;
- Foreign currency translation: This item typically reflects the impact of changes in currency exchange rates on the U.S. carrying value of our net capital invested in non-U.S. operations, net of any qualifying hedges. We do not include the impact of these changes in calculating Total Return for a specific period as they typically do not relate to operating performance, but include them as a component of our longer-term changes in Intrinsic Value which we report on an annual basis;
- Deferred Income taxes: Deferred taxes in this section relate to the impact arising from the other items included in OCI. As discussed above, our calculation of Total Return does not include deferred income taxes.

Discussion of Reconciling Items

Fair Value Changes

Fair value changes in our financial statements totalled $651 million in 2012, or $473 million after considering the amounts attributable to non-controlling interests. These gains reflect a reduction of $36 million for unrealized fair value gains in prior periods that were recorded as disposition gains in funds from operations in the current period. The following table allocates the fair value changes to the relevant operating segments in which they are recorded and to the various line items within our financial statements.

THREE MONTHS ENDED MAR. 31, 2012 (MILLIONS)	2012 Property	Renewable Power	Infrastructure	Private Equity	Corporate	**Total**	Total 2011
Included in Net Income							
Equity accounted	$ 303	$ (3)	$ (49)	$ 2	$ (2)	$ **251**	$ 34
Fair value changes							
Operating assets	389	—	—	—	—	**389**	285
Less: disposition gains	(36)	—	—	—	—	**(36)**	(13)
Other fair value changes	—	31	(37)	(62)	21	**(47)**	(24)
	353	31	(37)	(62)	21	**306**	248
Included in OCI							
Other items	48	87	2	(11)	53	**179**	28
	48	87	2	(11)	53	**179**	28
Recorded directly in equity	—	—	—	—	(85)	**(85)**	20
	704	115	(84)	(71)	(13)	**651**	330
Less: non-controlling interest	(308)	23	60	52	(5)	**(178)**	(117)
Net amount recorded in IFRS statements	$ 396	$ 138	$ (24)	$ (19)	$ (18)	$ **473**	$ 213

Equity accounted fair value changes consist primarily of our proportionate share of increased retail mall values within General Growth Properties. The balance of the equity accounted gains relate to office properties in the U.S. held through equity accounted joint ventures and our proportionate share of depreciation and other non-FFO items recorded within equity accounted infrastructure businesses.

Fair value changes recorded in respect of operating assets represent increases in the value of our office property portfolios. Other fair value changes relate to changes in the value of financial contracts, typically contracts that lock in interest rates for future debt issuance, power sales agreements that are recorded in net income, and a reduction in the carrying value of gas reserves at an investee company within our private equity portfolio.

Other comprehensive income includes revaluations of property, plant and equipment however because these assets are revalued at the end of each year, as opposed to quarterly, there are minimal adjustments. Other items reflect increases in the value of power sales agreements within our renewable power operations and revaluations of financial assets and financial contracts within our corporate segment.

We recorded a valuation charge of $85 million directly in equity to reflect the excess pre-tax intrinsic value of our power operations over disposition proceeds for the interest sold during the quarter. The after-tax gain reflected in our IFRS statements was $14 million. The gain, when determined based on our historic cost for these assets, as opposed to our pre-tax IFRS values, was $214 million, however this amount is excluded from our results as it represents the crystallization of value. While we do not believe we received full value for the sale, we believe that the returns on the redeployment of this capital will exceed the discount.

The following table disaggregates Equity Accounted Income in relevant components for this analysis, including fair value changes:

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	Total 2012	Total 2011	Net 2012	Net 2011
Equity accounted income				
Included in fair value changes				
Fair value changes	**$ 303**	$ 72	**$ 252**	$ 37
Depreciation	**(52)**	(38)	**(13)**	(14)
	251	34	**239**	23
Included in FFO	**139**	177	**88**	113
	$ 390	$ 211	**$ 327**	$ 136

Income Taxes

The provision for deferred income taxes in net income increased to $162 million from $4 million in the 2011 quarter. Our net share, after deducting amounts attributable to non-controlling interests, was $118 million in 2012 and a recovery of $58 million in 2011. The total amount includes the impact of increase in the fair value of assets relative to their tax basis. Our effective tax rate was 21% compared to the statutory rate of 26%.

Foreign Currency Translation

We record the impact of changes in foreign currencies on the carrying value of our net investment in non-U.S. operations in other comprehensive income. During the first quarter of 2012, the value of our principal non-U.S. currencies (Australia, Brazil and Canada) increased against the U.S. dollar on a net basis, giving rise to a total increase of $489 million after the mitigating impact of hedges, or $249 million after non-controlling interests.

This differs from the increase of $267 million included in our continuity of intrinsic common equity value because we calculate total return on a pre-tax basis.

Changes in Incremental Values

We recorded a $125 million increase in fair values of non-IFRS balances (“incremental values”) bringing the total amount of such terms to $3.0 billion. The allocation of incremental values is set out in the summarized balance sheet on page 6 and changes are discussed in the relevant business reviews. The increase during the quarter includes a $75 million increase in the incremental values of businesses within our infrastructure and special situations business. We also recorded $100 million of accumulated but unrecognized performance income and reduced the incremental value associated with our construction and property services by $50 million to reflect the amortization of in-place contracts.

Revenues

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	2012	2011
Asset management and other services	$ 890	$ 622
Property	802	585
Renewable power	368	279
Infrastructure	454	400
Private equity and development	1,420	1,419
Cash, financial assets and other	110	108
Total consolidated revenues	$ 4,044	$ 3,413

Revenues were largely unchanged compared to the 2011 quarter, with the exception of asset management and other services, which reflect increased construction revenues and the impact of consolidating our U.S. Office Fund subsequent to the 2011 quarter on our property operations.

SUPPLEMENTAL SHARE AND PER SHARE INFORMATION

Change in Issued and Outstanding Shares

FOR THE THREE MONTHS ENDED MAR. 31, 2012 AND DEC. 31, 2011 (MILLIONS)	2012	2011
Outstanding at beginning of period	619.3	577.7
Issued (repurchased)		
Share issuances	—	45.1
Repurchases	(2.3)	(6.1)
Management share option plan	0.9	2.5
Dividend reinvestment plan	0.1	0.1
Outstanding at end of period	618.0	619.3
Unexercised options	39.5	37.9
Total diluted shares at end of period	657.5	657.2

In calculating our book value per share, the cash value of our unexercised options of $942 million (December 31, 2011 – $840 million) is added to the book value of our common equity of $17,350 million (December 31, 2011 – $16,743 million) prior to dividing by the total diluted shares presented above.

During the quarter, the company acquired 3.4 million Class A Limited Voting Shares for $106 million of which 2.3 million shares ($70 million) back grants of escrowed shares to employees.

Basic and Diluted Earnings Per Share

	Funds From Operations		Net Income	
FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	2012	2011	2012	2011
Funds from operations/net income	$ 283	$ 231	$ 416	$ 278
Preferred share dividends	(29)	(25)	(29)	(25)
	254	206	387	253
Capital securities dividends[1]	—	—	9	6
Funds from operations/net income available for shareholders	$ 254	$ 206	$ 396	$ 259
Weighted average shares	619.2	607.2	619.2	607.2
Dilutive effect of the conversion of options using treasury stock method	10.5	12.7	10.5	12.7
Dilutive effect of the conversion of capital securities[1,2]	—	—	25.5	14.7
Shares and share equivalents	629.7	619.9	655.2	634.6

1. Subject to the approval of the Toronto Stock Exchange, the Series 10,11,12 and 21 shares, unless redeemed by the company for cash, are convertible into Class A Limited Voting shares at a price equal to the greater of 95% at the market price at the time of conversion and C$2.00, at the option of either the company or the holder
2. The number of shares is based on 95% of the quoted market price at period-end

PART 3 — SUPPLEMENTAL INFORMATION AND ANALYSIS

Reconciliation of Total Return and Funds from Operations to Comprehensive Income – 2012

FOR THE THREE MONTHS ENDED MAR. 31, 2012 (MILLIONS)	Consolidated Financial Statements	Non-controlling Interests[1]	Equity Accounted Income[2]	Fair Value Changes[3]	Other Items[4]	Management Discussion & Analysis
Asset management and other services	$ 77	$ —	$ 4	$ —	$ —	$ 81
Revenues less direct operating costs						
Property	471	—	76	—	(1)	546
Renewable power	248	—	4	—	2	254
Infrastructure	198	—	52	—	13	263
Private equity	114	—	(5)	—	1	110
Equity accounted income	390	—	(390)	—	—	—
	1,498	—	(259)	—	15	1,254
Investment and other income	177	—	8	—	(11)	174
	1,675	—	(251)	—	4	1,428
Expenses						
Interest	654	—	—	—	—	654
Operating costs	121	—	—	—	—	121
Current income taxes	27	—	—	—	—	27
Non-controlling interests	—	339	—	—	4	343
Net income prior to other items/FFO	873	(339)	(251)	—	—	283
Other Items/Valuation gains						
Fair value changes	306	—	251	179	(85)	651
Depreciation and amortization	(297)	—	—	—	—	(297)
Deferred income tax	(162)	—	—	—	162	—
Non-controlling interests	—	35	—	(14)	(43)	(22)
Net income	720					
Other comprehensive income						
Fair value changes	179	—	—	(179)	—	—
Foreign currency	489	—	—	—	(489)	—
Deferred taxes	(7)	—	—	—	7	—
Non-controlling interests	—	(252)	—	14	238	—
Other comprehensive income	661					
Comprehensive income	1,381					
Items not included in IFRS						
Incremental values	n/a	—	—	—	125	125
Assets management franchise value	n/a	—	—	—	—	—
Less: amounts recorded in FFO	n/a	—	—	—	—	—
Total valuation gains	n/a	(217)	251	—	(85)	457
Preferred share dividends	—	—	—	—	(29)	(29)
Comprehensive income/Total return	$ 1,381	$ (556)	$ —	$ —	$ (114)	$ 711

1. Allocates non-controlling interests between funds from operations and valuation gains
2. Allocates equity-accounted income to operating segments and between funds from operations and valuation gains
3. Aggregates fair value changes and associated non-controlling interest in net income and other comprehensive income
4. Includes amounts recorded directly in equity under IFRS and excludes the impact of foreign currency revaluation and deferred taxes from the calculation of total return

Reconciliation of Total Return and Funds from Operations to Comprehensive Income – 2011

FOR THE THREE MONTHS ENDED MAR. 31, 2011 (MILLIONS)	Consolidated Financial Statements	Non-controlling Interests[1]	Equity Accounted Income[2]	Fair Value Changes[3]	Other Items[4]	Management Discussion & Analysis
Asset management and other services	$ 76	$ —	$ —	$ —	$ —	$ 76
Revenues less direct operating costs						
Property	344	—	123	—	(1)	466
Renewable power	190	—	7	—	—	197
Infrastructure	181	—	43	—	7	231
Private equity	103	—	5	—	1	109
Equity accounted income	211	—	(211)	—	—	—
	1,105	—	(33)	—	7	1,079
Investment and other income	133	—	(1)	—	(22)	110
	1,238	—	(34)	—	(15)	1,189
Expenses						
Interest	546	—	—	—	(8)	538
Operating costs	112	—	—	—	—	112
Current income taxes	33	—	—	—	(14)	19
Non-controlling interests	—	285	—	—	4	289
Net income prior to other items/FFO	547	(285)	(34)	—	3	231
Other Items/Valuation gains						
Fair value changes	248	—	34	28	(1)	309
Depreciation and amortization	(221)	—	—	—	—	(221)
Deferred income tax	(4)	—	—	—	4	—
Non-controlling interests	—	(7)	—	9	(41)	(39)
Net income	570					
Other comprehensive income						
Fair value changes	28	—	—	(28)	—	—
Foreign currency	169	—	—	—	(169)	—
Deferred taxes	201	—	—	—	(201)	—
Non-controlling interests	—	(79)	—	(9)	88	—
Other comprehensive income	398					
Comprehensive income	968					
Items not included in IFRS						
Incremental values	n/a	—	—	—	175	175
Assets management franchise value	n/a	—	—	—	—	—
Less: amounts recorded in FFO	n/a	—	—	—	(3)	(3)
Total valuation gains	n/a	(86)	34	—	(148)	221
Preferred share dividends	—	—	—	—	(25)	(25)
Comprehensive income/Total return	$ 968	$ (371)	$ —	$ —	$ (170)	$ 427

1. Allocates non-controlling interests between funds from operations and valuation gains
2. Allocates equity-accounted income to operating segments and between funds from operations and valuation gains
3. Aggregates fair value changes and associated non-controlling interest in net income and other comprehensive income
4. Includes amounts recorded directly in equity under IFRS and excludes the impact of foreign currency revaluation and deferred taxes from the calculation of total return

Total Return – 2011

FOR THE THREE MONTHS ENDED MAR. 31, 2011 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Asset Management Services[1]	Property[2]	Renewable Power	Infrastructure	Private Equity	Corporate	Total[3]
Total revenues	$ 622	$ 585	$ 279	$ 400	$ 1,419	$ 108	$ 3,413
Funds from operations							
Net operating income[4]	76	466	197	231	109	—	1,079
Investment and other income	—	12	—	3	28	67	110
	76	478	197	234	137	67	1,189
Interest expense	—	227	94	83	49	85	538
Operating costs	—	25	—	4	—	83	112
Current income taxes	—	3	4	1	10	1	19
Non-controlling interests	—	108	43	96	42	—	289
Total funds from operations	76	115	56	50	36	(102)	231
Valuation gains							
Included in IFRS statements[5]							
Fair value changes[6]	–	376	(112)	(45)	85	5	309
Depreciation and amortization	(5)	(15)	(110)	(31)	(60)	—	(221)
Non-controlling interests	—	(110)	44	57	(30)	—	(39)
Not included in IFRS statements							
Incremental values	—	25	225	—	25	(100)	175
Asset management franchise value	—	—	—	—	—	—	—
Other gains	—	(3)	—	—	—	—	(3)
Total valuation gains	(5)	273	47	(19)	20	(95)	221
Preferred share dividends	—	—	—	—	—	(25)	(25)
Total Return	$ 71	$ 388	$ 103	$ 31	$ 56	$ (222)	$ 427
– Per share							$ 0.69

1. Excludes net unrealized performance fees which are included in incremental values
2. Disaggregation of property segment into office, retail and other is presented on page 30
3. Reconciled to IFRS financial statements on page 26 and 27
4. Includes funds from operations from equity accounted investments
5. Includes items in consolidated statements of operations, comprehensive income and changes in equity
6. Net of disposition gains reclassified to FFO

Financial Position – 2011

AS AT DEC. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Property	Renewable Power	Infrastructure	Private Equity	Asset Management and Corporate	Total 2011
Assets under management	**$ 82,579**	**$ 17,758**	**$ 19,258**	**$ 25,343**	**$ 6,782**	**$ 151,720**
Operating assets	37,839	15,567	11,807	8,945	2,039	76,197
Accounts receivable and other	2,302	1,047	1,725	4,090	3,551	12,715
Consolidated assets[1]	**40,141**	**16,614**	**13,532**	**13,035**	**5,590**	**88,912**
Corporate borrowings	—	—	—	—	3,701	3,701
Property-specific borrowings	15,696	4,197	4,802	3,174	546	28,415
Subsidiary borrowings	743	1,323	114	1,273	988	4,441
Capital securities	994	—	—	—	656	1,650
Accounts payable and other	1,827	913	1,947	3,333	2,698	10,718
	20,881	10,181	6,669	5,255	(2,999)	39,987
Non-controlling interests	9,797	2,504	4,319	2,125	104	18,849
Preferred equity	—	—	—	—	2,140	2,140
	11,084	7,677	2,350	3,130	(5,243)	18,998
Incremental values	25	300	250	1,400	875	2,850
Net tangible asset value[1]	11,109	7,977	2,600	4,530	(4,368)	21,848
Asset management franchise value	—	—	—	—	4,250	4,250
Intrinsic value	**$ 11,109**	**$ 7,977**	**$ 2,600**	**$ 4,530**	**$ (118)**	**$ 26,098**
– Per share						$ 40.99

1. Excludes deferred income taxes

PROPERTY

Assets Under Management and Invested Capital

AS AT MAR. 31, 2012 AND DEC. 31, 2011
(MILLIONS)

	Office Properties		Retail Properties		Opportunity, Finance and Development		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Assets under management	**$ 33,018**	$ 32,848	**$ 35,098**	$ 33,160	**$ 12,440**	$ 16,571	**$ 80,556**	$ 82,579
Consolidated properties	**22,351**	21,927	**2,640**	2,601	**2,775**	2,707	**27,766**	27,235
Development properties	**—**	—	**—**	—	**1,774**	1,704	**1,774**	1,704
Unconsolidated properties	**3,380**	3,305	**4,866**	4,363	**335**	270	**8,581**	7,938
Loans and notes receivable	**—**	—	**—**	—	**1,022**	962	**1,022**	962
Accounts receivable and other	**849**	1,246	**444**	480	**660**	576	**1,953**	2,302
	26,580	26,478	**7,950**	7,444	**6,566**	6,219	**41,096**	40,141
Property-specific borrowings	**11,204**	11,398	**1,182**	1,371	**3,007**	2,927	**15,393**	15,696
Subsidiary borrowings	**590**	381	**—**	—	**378**	362	**968**	743
Capital securities	**862**	994	**—**	—	**—**	—	**862**	994
Accounts payable and other	**1,280**	1,452	**230**	197	**175**	178	**1,685**	1,827
	12,644	12,253	**6,538**	5,876	**3,006**	2,752	**22,188**	20,881
Non-controlling interests	**7,001**	6,785	**1,372**	1,251	**1,905**	1,761	**10,278**	9,797
	5,643	5,468	**5,166**	4,625	**1,101**	991	**11,910**	11,084
Incremental values	**—**	25	**—**	—	**25**	—	**25**	25
Net tangible asset value[1]	**$ 5,643**	$ 5,493	**$ 5,166**	$ 4,625	**$ 1,126**	$ 991	**$ 11,935**	$ 11,109

1. Excludes deferred income taxes

Total Return

FOR THE THREE MONTHS ENDED MAR. 31
(MILLIONS)

	Office Properties		Retail Properties		Opportunity, Finance and Development		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Net operating income								
Consolidated properties	**$ 360**	$ 256	**$ 33**	$ 33	**$ 34**	$ 40	**$ 427**	$ 329
Financial assets	**—**	—	**—**	—	**7**	14	**7**	14
Unconsolidated properties	**22**	60	**54**	63	**—**	—	**76**	123
Disposition gains	**—**	—	**4**	—	**32**	—	**36**	—
	382	316	**91**	96	**73**	54	**546**	466
Canary Wharf dividend	**9**	—	**—**	—	**—**	—	**9**	—
Investment and other income	**22**	11	**4**	1	**25**	—	**51**	12
	413	327	**95**	97	**98**	54	**606**	478
Interest expense	**193**	157	**34**	45	**66**	25	**293**	227
Operating costs	**23**	25	**—**	—	**—**	—	**23**	25
Current income taxes	**—**	—	**3**	3	**—**	—	**3**	3
Non-controlling interests	**114**	94	**4**	(4)	**6**	18	**124**	108
Funds from operations	**83**	51	**54**	53	**26**	11	**163**	115
Valuation gains								
Included in IFRS statements								
Fair value changes	**353**	337	**297**	19	**90**	20	**740**	376
Depreciation and amortization	**(10)**	(14)	**—**	—	**(32)**	(1)	**(42)**	(15)
Other items	**—**	—	**(4)**	—	**(32)**	—	**(36)**	—
Non-controlling interests	**(199)**	(73)	**(31)**	(24)	**(51)**	(13)	**(281)**	(110)
Not included in IFRS statements								
Incremental values	**(25)**	—	**—**	25	**25**	—	**—**	25
Other gains	**—**	(3)	**—**	—	**—**	—	**—**	(3)
Total valuation gains	**119**	247	**262**	20	**—**	6	**381**	273
Total return	**$ 202**	$ 298	**$ 316**	$ 73	**$ 26**	$ 17	**$ 544**	$ 388

RENEWABLE POWER

Assets Under Management and Invested Capital

AS AT MAR. 31, 2012 AND DEC. 31, 2011
(MILLIONS)

	United States		Canada		Brazil		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Assets under management	**$ 6,828**	$ 6,276	**$ 8,027**	$ 8,093	**$ 3,462**	$ 3,389	**$ 18,317**	$ 17,758
Hydroelectric generation	**5,287**	5,333	**5,707**	5,510	**2,812**	2,729	**13,806**	13,572
Wind energy	**1,066**	—	**1,341**	1,387	**—**	—	**2,407**	1,387
Co-generation	**—**	—	**83**	87	**—**	—	**83**	87
Facilities under development	**170**	289	**—**	70	**141**	162	**311**	521
Accounts receivable and other	**351**	280	**435**	422	**323**	345	**1,109**	1,047
	6,874	5,902	**7,566**	7,476	**3,276**	3,236	**17,716**	16,614
Property-specific borrowings	**2,461**	1,968	**1,609**	1,584	**389**	645	**4,459**	4,197
Subsidiary borrowings	**—**	—	**—**	—	**—**	—	**1,525**	1,323
Accounts payable and other	**365**	193	**588**	559	**161**	161	**1,114**	913
Non-controlling interests[1]	**1,101**	743	**1,163**	1,060	**1,012**	813	**2,788**	2,259
Preferred shares	**—**	—	**—**	—	**—**	—	**247**	245
	2,947	2,998	**4,206**	4,273	**1,714**	1,617	**7,583**	7,677
Incremental values	**—**	—	**—**	—	**—**	—	**300**	300
Net tangible asset value[2]	**$ 2,947**	$ 2,998	**$ 4,206**	$ 4,273	**$ 1,714**	$ 1,617	**$ 7,883**	$ 7,977

1. Total includes co-investor interest associated with subsidiary borrowings and preferred shares
2. Excludes deferred income taxes

Total Return

FOR THE THREE MONTHS ENDED MAR. 31
(MILLIONS)

	United States		Canada		Brazil		Total[1]	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Funds from operations								
Hydroelectric generation	**$ 89**	$ 83	**$ 55**	$ 29	**$ 64**	$ 57	**$ 208**	$ 169
Wind energy	**5**	—	**39**	14	**—**	—	**44**	14
Co-generation	**—**	—	**2**	14	**—**	—	**2**	14
Investment income	**—**	—	**—**	—	**—**	—	**4**	—
	94	83	**96**	57	**64**	57	**258**	197
Interest expense[2]	**34**	37	**27**	21	**31**	20	**110**	94
Other operating costs	**—**	—	**—**	—	**—**	—	**2**	—
Current income taxes	**3**	1	**(1)**	—	**3**	3	**5**	4
Non-controlling interests[1]	**39**	15	**32**	14	**13**	14	**79**	43
Funds from operations	**18**	30	**38**	22	**17**	20	**62**	56
Valuation gains								
Included in IFRS statements								
Fair value changes	**24**	2	**88**	(114)	**3**	—	**115**	(112)
Depreciation and amortization	**(36)**	(30)	**(52)**	(45)	**(42)**	(35)	**(130)**	(110)
Non-controlling interests	**44**	10	**17**	29	**13**	5	**74**	44
Not included in IFRS statements								
Incremental values	**—**	—	**—**	—	**—**	—	**—**	225
Total valuation gains	**32**	(18)	**53**	(130)	**(26)**	(30)	**59**	47
Total return	**$ 50**	$ 12	**$ 91**	$ (108)	**$ (9)**	$ (10)	**$ 121**	$ 103

1. Includes unallocated operating and tax expenses as well as associated non-controlling interests in addition to the regional amounts
2. Total includes $18 million of interest on unallocated subsidiary debt (2011 – $16 million)

INFRASTRUCTURE

Assets Under Management and Invested Capital

AS AT MAR. 31, 2012 AND DEC. 31, 2011
(MILLIONS)

	Utilities		Transport and Energy		Timber		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Assets under management	**$10,549**	$ 10,162	**$ 4,352**	$ 4,140	**$ 4,978**	$ 4,956	**$19,879**	$ 19,258
Operating assets	**4,244**	3,549	**2,818**	2,666	**3,908**	3,896	**10,970**	10,111
Unconsolidated operations	**924**	931	**882**	696	**71**	69	**1,911**	1,696
Accounts receivable and other	**455**	460	**592**	559	**708**	706	**1,803**	1,725
	5,623	4,940	**4,292**	3,921	**4,687**	4,671	**14,684**	13,532
Property-specific borrowings	**2,558**	2,336	**1,067**	962	**1,503**	1,504	**5,128**	4,802
Subsidiary borrowings	**—**	—	**—**	—	**—**	–	**151**	114
Accounts payable and other	**888**	623	**620**	591	**725**	733	**2,271**	1,947
Non-controlling interests	**1,456**	1,162	**1,923**	1,706	**1,468**	1,451	**4,787**	4,319
	721	819	**682**	662	**991**	983	**2,347**	2,350
Incremental values	**150**	100	**150**	150	**—**	—	**300**	250
Net tangible asset value[1]	**$ 871**	$ 919	**$ 832**	$ 812	**$ 991**	$ 983	**$ 2,647**	$ 2,600

1. Excludes deferred income taxes

Total Return

FOR THE THREE MONTHS ENDED MAR. 31
(MILLIONS)

	Utilities		Transport and Energy		Timber		Total[1]	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Net operating income	**$ 106**	$ 84	**$ 65**	$ 51	**$ 40**	$ 53	**$ 211**	$ 188
Unconsolidated operations	**28**	22	**22**	18	**2**	3	**52**	43
Investment and other income	**2**	1	**1**	—	**2**	2	**5**	3
	136	107	**88**	69	**44**	58	**268**	234
Interest expense	**43**	35	**20**	21	**22**	22	**90**	83
Other operating costs	**—**	—	**—**	—	**—**	—	**3**	4
Current income taxes	**—**	—	**—**	—	**—**	—	**1**	1
Non-controlling interests[2]	**68**	49	**51**	36	**10**	17	**124**	96
Funds from operations	**25**	23	**17**	12	**12**	19	**50**	50
Valuation gains								
Included in IFRS statements								
Fair value changes	**(32)**	(33)	**(25)**	(7)	**(1)**	(5)	**(84)**	(45)
Depreciation and amortization	**(22)**	(17)	**(27)**	(14)	**(1)**	—	**(50)**	(31)
Non-controlling interests	**41**	35	**40**	19	**(1)**	3	**99**	57
Not included in IFRS statements								
Incremental values	**50**	—	**—**	—	**—**	—	**50**	—
Total valuation gains	**37**	(15)	**(12)**	(2)	**(3)**	(2)	**15**	(19)
Total Return	**$ 62**	$ 8	**$ 5**	$ 10	**$ 9**	$ 17	**$ 65**	$ 31

1. Totals include unallocated amounts relating to investment and other income, interest expenses, operating costs, cash taxes and non-controlling interests
2. Includes non-controlling interest on corporate costs

PRIVATE EQUITY

Assets Under Management and Net Invested Capital

AS AT MAR. 31, 2012 AND DEC. 31, 2011
(MILLIONS)

	Special Situations		Residential Development		Agricultural Development		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Assets under management	**$17,276**	$ 17,004	**$ 8,461**	$ 7,869	**$ 548**	$ 470	**$26,285**	$ 25,343
Operating assets	**2,930**	2,917	**6,062**	5,573	**511**	455	**9,503**	8,945
Accounts receivable and other	**1,924**	1,932	**2,236**	2,143	**33**	15	**4,193**	4,090
	4,854	4,849	**8,298**	7,716	**544**	470	**13,696**	13,035
Property-specific borrowings	**710**	716	**2,829**	2,458	**—**	—	**3,539**	3,174
Corporate capitalization	**1,066**	1,074	**194**	197	**2**	2	**1,262**	1,273
Accounts payable and other	**1,335**	1,263	**2,169**	2,061	**14**	9	**3,518**	3,333
	1,743	1,796	**3,106**	3,000	**528**	459	**5,377**	5,255
Non-controlling interests	**796**	799	**1,314**	1,295	**64**	31	**2,174**	2,125
	947	997	**1,792**	1,705	**464**	428	**3,203**	3,130
Incremental values	**550**	525	**875**	875	**—**	—	**1,425**	1,400
Net tangible asset value[1]	**$ 1,497**	$ 1,522	**$ 2,667**	$ 2,580	**$ 464**	$ 428	**$ 4,628**	$ 4,530

1. Excludes deferred income taxes

Total Return

FOR THE THREE MONTHS ENDED MAR. 31
(MILLIONS)

	Special Situations		Residential Development		Agricultural Development		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
Net operating income	**$ 93**	$ 59	**$ 15**	$ 35	**$ 2**	$ 2	**$ 110**	$ 96
Disposition gains	**—**	13	**—**	—	**—**	—	**—**	13
Investment and other income	**3**	21	**8**	7	**—**	—	**11**	28
	96	93	**23**	42	**2**	2	**121**	137
Interest expense	**35**	27	**37**	22	**—**	—	**72**	49
Current income taxes	**2**	3	**13**	7	**—**	—	**15**	10
Non-controlling interests	**32**	35	**(15)**	7	**(1)**	—	**16**	42
Funds from operations	**27**	28	**(12)**	6	**3**	2	**18**	36
Valuation gains								
Included in IFRS statements								
Fair value changes	**(44)**	96	**(26)**	—	**(1)**	2	**(71)**	98
Depreciation and amortization	**(63)**	(57)	**(3)**	(2)	**—**	(1)	**(66)**	(60)
Other items	**—**	(13)	**—**	—	**—**	—	**—**	(13)
Non-controlling interests	**75**	(48)	**17**	19	**(1)**	(1)	**91**	(30)
Not included in IFRS statements								
Incremental values	**25**	25	**—**	—	**—**	—	**25**	25
Total valuation gains	**(7)**	3	**(12)**	17	**(2)**	—	**(21)**	20
Total Return	**$ 20**	$ 31	**$ (24)**	$ 23	**$ 1**	$ 2	**$ (3)**	$ 56

PRIVATE EQUITY — ADDITIONAL INFORMATION

Special Situations Portfolio Analysis

FOR THE THREE MONTHS ENDED MAR. 31, 2012 AND DEC. 31 ,2011 (MILLIONS)	Net Invested Capital		Funds from Operations	
	2012	2011	**2012**	2011
Industrial and wood products	**$ 602**	$ 585	**$ 16**	$ 12
Energy and related services	**149**	150	**8**	3
Business services	**142**	207	**1**	(1)
Bridge lending	**52**	53	**2**	1
Other	**2**	2	**—**	—
	947	997	**27**	15
Asset monetizations	**—**	—	**—**	13
Incremental values	**550**	525	**—**	—
	$ 1,497	$ 1,522	**$ 27**	$ 28

Residential Development

Financial Profile

AS AT MAR. 31, 2012 AND DEC. 31, 2011 (MILLIONS)	Brazil, Australia/UK		North America		Total	
	2012	2011	**2012**	2011	**2012**	2011
Inventory	**$ 2,260**	$ 2,148	**$ 1,554**	$ 1,437	**$ 3,814**	$ 3,585
Development land	**1,430**	1,144	**818**	844	**2,248**	1,988
Accounts receivable and other	**2,177**	2,049	**59**	94	**2,236**	2,143
	5,867	5,341	**2,431**	2,375	**8,298**	7,716
Debt	**2,358**	2,056	**665**	599	**3,023**	2,655
Accounts payable and other	**1,913**	1,788	**256**	273	**2,169**	2,061
Co-investor interests	**788**	785	**526**	510	**1,314**	1,295
	$ 808	$ 712	**$ 984**	$ 993	**1,792**	1,705
Incremental values					**875**	875
Net tangible asset value[1]					**$ 2,667**	$ 2,580

1. Excludes deferred income taxes

Operating Results

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS)	Brazil, Australia/UK		North America		Total	
	2012	2011	**2012**	2011	**2012**	2011
Revenues	**$ 245**	$ 291	**$ 122**	$ 120	**$ 367**	$ 411
Direct expenses	**238**	258	**106**	111	**344**	369
Net operating income	**7**	33	**16**	9	**23**	42
Interest expense	**27**	22	**10**	—	**37**	22
Current income taxes	**7**	7	**6**	—	**13**	7
Non-controlling interests	**(15)**	3	**—**	4	**(15)**	7
Funds from operations	**$ (12)**	$ 1	**$ —**	$ 5	**$ (12)**	$ 6

DEBT MATURITY PROFILE

Corporate Borrowings

AS AT MAR. 31, 2012[1] (MILLIONS)	Average Term	Maturity 2012	2013	2014	2015 & After	Total
Commercial paper and bank borrowings	4	$ —	$ —	$ —	$ 1,090	$ 1,090
Term debt	8	—	75	531	2,095	2,701
	7	$ —	$ 75	$ 531	$ 3,185	$ 3,791

1. Reflects refinancing activity subsequent to March 31, 2012

Property-Specific Borrowings

As part of our financing strategy, the majority of our debt capital is in the form of property-specific mortgages that have recourse only to the assets being financed and have no recourse to the Corporation.

AS AT MAR. 31, 2012 AND DEC. 31, 2011 (MILLIONS)	Average Term	Proportionate 2012	Proportionate 2011	Consolidated 2012	Consolidated 2011
Property					
Office	4	**$ 5,877**	$ 5,954	**$ 11,204**	$ 11,398
Retail	5	**4,320**	4,383	**1,182**	1,371
Opportunity, finance and development	3	**1,446**	1,436	**3,007**	2,927
Renewable power	10	**2,747**	3,016	**4,459**	4,197
Infrastructure	6	**2,200**	2,126	**5,128**	4,802
Private equity	3	**1,775**	1,622	**3,539**	3,174
Other	1	**508**	546	**508**	546
Total	5	**$ 18,873**	$ 19,083	**$ 29,027**	$ 28,415

Subsidiary Borrowings

AS AT MAR. 31, 2012 AND DEC. 31, 2011 (MILLIONS)	Average Term	Proportionate 2012	Proportionate 2011	Consolidated 2012	Consolidated 2011
Subsidiary borrowings					
Property	3	**$ 1,214**	$ 939	**$ 968**	$ 743
Renewable power	9	**1,037**	965	**1,525**	1,323
Infrastructure	1	**43**	32	**151**	114
Private equity	2	**694**	755	**1,262**	1,273
Contingent swap accruals[1]	4	**1,017**	988	**1,017**	988
Total	5	**$ 4,005**	$ 3,679	**$ 4,923**	$ 4,441

1. Guaranteed by the Corporation

NON-CONTROLLING INTERESTS IN NET ASSETS

AS AT AND FOR THE THREE MONTHS ENDED (MILLIONS)	Book Value		Funds From Operations		Valuation Gains	
	Mar. 31 2012	Dec. 31 2011	**Mar. 31 2012**	Mar. 31 2011	**Mar. 31 2012**	Mar. 31 2011
Participating equity interests						
Properties						
Brookfield Office Properties	**$ 6,005**	$ 5,784	**$ 75**	$ 67	**$ 201**	$ 94
Property funds and other	**3,050**	2,785	**32**	26	**80**	17
Renewable power						
Brookfield Renewable Energy Partners	**2,046**	1,726	**73**	37	**(75)**	(47)
Projects and funds	**742**	533	**3**	3	**—**	—
Infrastructure						
Utilities	**1,396**	1,162	**59**	40	**(60)**	(9)
Transport and energy	**1,923**	1,706	**55**	39	**(39)**	(35)
Timber	**1,215**	1,214	**10**	17	**1**	(3)
Private equity, development and corporate						
Brookfield Incorporações S.A.	**788**	784	**(15)**	3	**(12)**	1
Brookfield Residential Properties Inc.	**526**	510	**—**	4	**(3)**	—
Other	**848**	839	**31**	35	**(71)**	21
	18,539	17,043	**323**	271	**22**	39
Interest of others in funds[1]	**382**	333	**—**	—	**—**	—
	18,921	17,376	**323**	271	**22**	39
Non-participating interests						
Brookfield Office Properties	**809**	816	**8**	5	**—**	—
Brookfield Renewable Energy Partners	**247**	245	**3**	3	**—**	—
Brookfield Australia	**414**	412	**9**	10	**—**	—
	1,470	1,473	**20**	18	**—**	—
	$ 20,391	$ 18,849	**$ 343**	$ 289	**$ 22**	$ 39

1. Participating interest in funds classified as liabilities for accounting purposes

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Supplemental Information contains forward-looking information within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. The words, "future," "estimate," "anticipate," "focus," "commit," "pursue," "generate," "see," "target," "potential," "intend," "grow," "seek," "expect," "believe," "objective," "continue," "maintain," "projected," "enable," "expand," and derivations thereof and other expressions, including conditional verbs such as "will," "can," "may," "might," "would," "could" and "should" are predictions of or indicate future events, trends or prospects or identify forward-looking statements. Forward-looking statements in this Supplemental Information include statements with respect to: our expectation of returns on capital; opportunities to acquire quality international assets from European companies; development activities in our renewable power business, including the commissioning of projects under construction; continued strong rents in our major commercial property markets; our ability to leverage our operating capabilities to add value to our power operations; our expectations for the Canadian economy, including its oil & gas industry, and expectation to continue to grow our Canadian operations; our expectations regarding our construction business in Canada; our primary financial objective to increase the intrinsic value of Brookfield, on a per share basis, at a rate of 12% when measured over the longer term; the establishment of a managed listed fund to own our global renewable power operations; fundraising for our private funds; our growth opportunities, including expansion of our existing operations and potential acquisitions; continued increases in cash flows, sales growth and better leasing at General Growth Properties, continued growth in our Brazilian residential business; our financing and refinancing initiatives; our business development activities and outlook expectations for each of our business units as described in Part 2, Review of Operations under the sections "Business Development" and "Outlook"; our ability to close on commercial leases that are in serious discussions; our ability to maintain or increase our net rental income in the coming years; our expectation that cash flow growth will outpace interest expense over the long term in our Brazilian residential business; completion of City Square project in first half of 2012; predictable returns in our utilities operations; increased demand for timber in Asia and our expectations for timber prices generally; continued strong growth in our Brazilian operations; completion of Canadian residential lot sales in 2011; future determination of our legal proceedings with AIG Financial Products; and other statements with respect to our beliefs, outlooks, plans, expectations, and intentions. Although Brookfield Asset Management believes that its anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company 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: economic and financial conditions in the countries in which we do business; rate of recovery of the current financial crisis; the behavior of financial markets, including fluctuations in interest and exchange rates; availability of equity and debt financing and refinancing; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; adverse hydrology conditions; regulatory and political factors within the countries in which the company operates; tenant renewal rates; availability of new tenants to fill office property vacancies; tenant bankruptcies; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; and other risks and factors detailed from time to time in the company's form 40-F filed with the Securities and Exchange Commission as well as other documents filed by the company with the securities regulators in Canada and the United States, including Management's Discussion and Analysis of Financial Results under the heading "Business Environment and Risks."

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Brookfield Asset Management, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, the company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.