

Q2 2013

Supplemental Information
Three months ended June 30

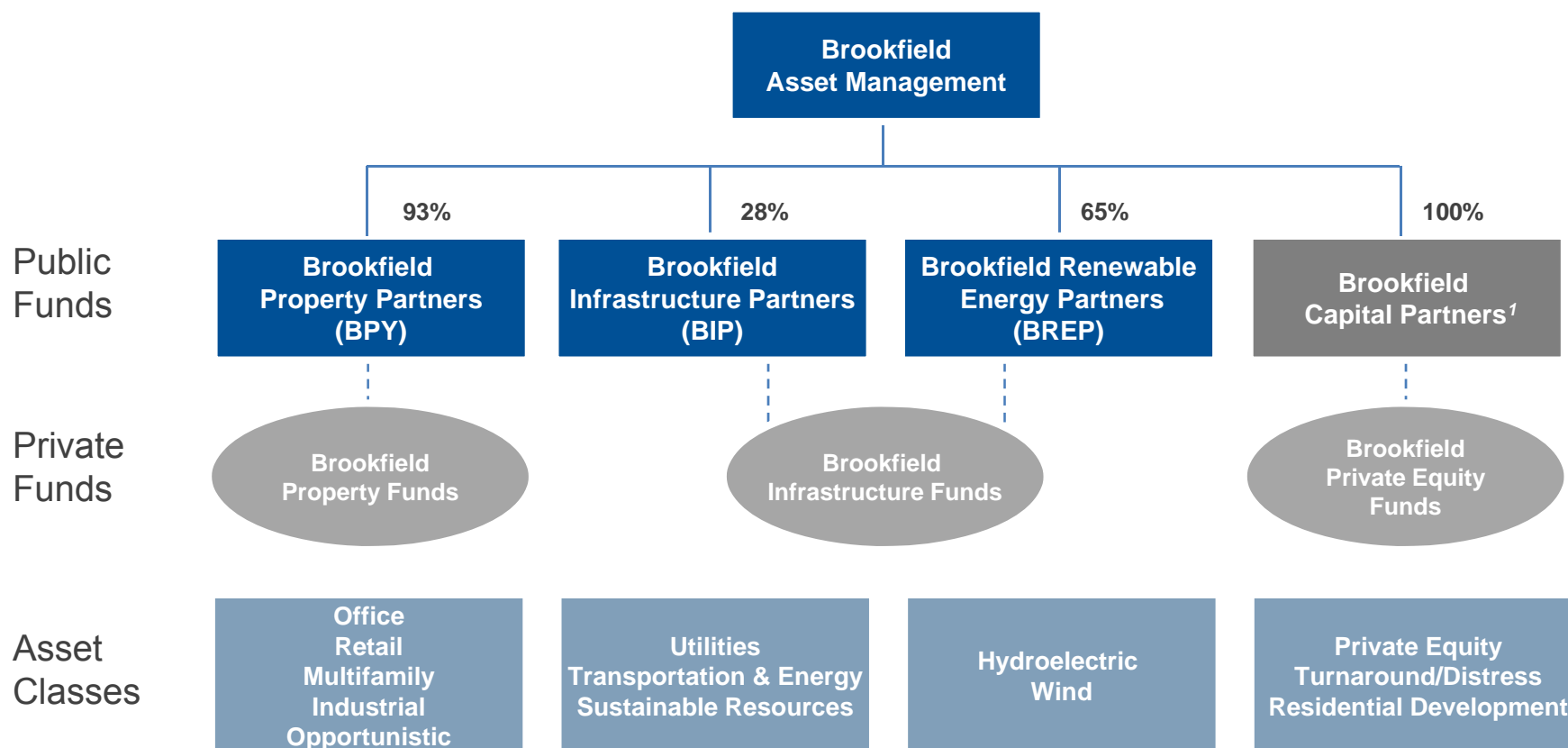
Brookfield

OUR BUSINESS

100 year history as a global investor, operator and asset manager of high quality alternative assets, focused on real estate, renewable energy, infrastructure and private equity

Fee Bearing Capital
\$78 billion

Total AUM
\$183 billion



1. Privately held

Financial Performance

FOR THE PERIOD ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months		Six Months		LTM ¹	
	2013	2012	2013	2012	2013	2012
Attributable to Brookfield shareholders						
Funds from operations	\$ 464	\$ 159	\$ 1,153	\$ 674	\$ 1,835	\$ 1,312
Net income	230	138	590	554	1,416	1,395
Per share						
Funds from operations	0.68	0.20	1.72	0.97	2.68	1.90
Net income	0.31	0.17	0.82	0.78	2.02	1.99

1. LTM – last twelve months

Key Operating Metrics

AS AT (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012
Assets under management	\$ 183,498	\$ 184,391	\$ 181,400
Fee bearing capital	78,270	74,232	60,069
Annualized fee base			
Base fees and IDRs	557	500	415
Target carried interest	375	270	270
Diluted common shares outstanding	653	655	658
Market trading price - NYSE	36.02	36.49	36.65

SUMMARIZED FINANCIAL RESULTS

FOR THE PERIOD ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Funds from Operations		Net Income		LTM FFO ¹		Variance		
	2013	2012	2013	2012	2013	2012	FFO	Net Income	LTM FFO ¹
Operating activities	\$ 406	\$ 246	\$ 406	\$ 246	\$ 1,381	\$ 960	\$ 160	\$ 160	\$ 421
Disposition gains ²	58	(87)	15	(13)	454	352	145	28	102
Valuation items	-	-	68	(127)	-	-	-	195	-
Income taxes	-	-	(259)	32	-	-	-	(291)	-
	<u>\$ 464</u>	<u>\$ 159</u>	<u>\$ 230</u>	<u>\$ 138</u>	<u>\$ 1,835</u>	<u>\$ 1,312</u>	<u>\$ 305</u>	<u>\$ 92</u>	<u>\$ 523</u>
Per share	<u>\$ 0.68</u>	<u>\$ 0.20</u>	<u>\$ 0.31</u>	<u>\$ 0.17</u>	<u>\$ 2.68</u>	<u>\$ 1.90</u>	<u>\$ 0.48</u>	<u>\$ 0.14</u>	<u>\$ 0.78</u>

1. LTM – last twelve months

2. FFO includes gains recorded directly in equity as well as the realization of appraisal gains recorded in prior years

- FFO from **operating activities** for the quarter reflected a substantial increase in the contribution from housing related businesses within our private equity operations, improved generation and pricing within our renewable power operations and continued growth in our asset management fee revenues, driven by increased amounts of fee bearing capital. We also benefitted from recent capital expansion projects in our infrastructure operations. LTM results reflected similar variances and increased 40% over the 2012 period.
- We recorded a higher level of **disposition gains** in the current quarter, including gains on the disposition of non-core commercial properties, whereas the prior year included a disposition loss on the sale of a non-core office property. We also recorded gains on the disposition of Brookfield Infrastructure's Canadian timberlands and Norbord common shares. LTM gains include the sale of BREP units, Norbord common shares, a partial interest in our U.S. residential brokerage operations, commercial properties and portfolio gains.
- **Valuation items** contributed a positive variance to net income as valuation gains on office properties and interest rate and currency contracts more than offset increased depreciation.
- We recorded a higher amount of deferred **income taxes** resulting from the formation of Brookfield Property Partners.
- Overall, FFO increased by \$305 million to \$464 million and net income increased by \$92 million to \$230 million for the quarter.

We utilize the following financial measures when analyzing our performance, all of which are non-IFRS measures:

- **Funds from Operations (FFO)** is defined as net income prior to valuation gains, depreciation and amortization, and deferred income taxes, and includes disposition gains that are not recorded in net income as determined under IFRS. FFO also includes the company's share of equity accounted investments' funds from operations. Brookfield uses FFO to assess its operating results and the value of its business and believes that many of its shareholders and analysts also find this measure of value to them.

Funds from operations and its per share equivalent are non-IFRS measures which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

- **Operating Activities** represents the company's share of revenues less operating costs and interest expenses; excludes disposition gains, valuation items and deferred income taxes; and includes our proportionate share of similar items recorded by equity accounted investments. We present this measure as we believe it assists in describing our results and reconciling between net income and FFO.
- **Disposition Gains** are included in FFO as the purchase and sale of assets is a normal part of the company's business. Disposition gains include gains and losses recorded directly in net income or equity in the current period, adjusted to include fair value changes and revaluation surplus balances recorded in prior periods.
- **Valuation Items** are excluded from the determination of FFO. Valuation items included in net income consist of fair value changes and depreciation and amortization. Other comprehensive income includes valuation items such as gains or losses within revaluation surplus, cash flow hedges and available-for-sale securities, which are discussed elsewhere in this supplemental. Valuation items include the company's share of equity accounted investments valuation items.
- **Last Twelve Months FFO (LTM FFO)** represents FFO for the trailing twelve month period.
- **Use of IFRS Fair Values.** We utilize a fair value measurement framework for our commercial properties, renewable power assets and certain of our infrastructure and financial assets. Our commercial property assets, including our office and retail property portfolios, are revalued on a quarterly basis and the change in value is recorded in net income within fair value changes. Standing timber and agricultural assets are accounted for in a similar manner. The majority of our renewable power, infrastructure and resort properties are revalued on an annual basis; however, these assets are depreciated quarterly. As a result, in-year valuation items only include depreciation, without any corresponding revaluation of the assets.

FFO – OPERATING ACTIVITIES (Excludes Disposition Gains)

FOR THE PERIOD ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months Ended			LTM FFO		
	2013	2012	Variance	2013	2012	Variance
Asset management and services						
Asset management	\$ 74	\$ 30	\$ 44	\$ 257	\$ 135	\$ 122
Construction and property services	36	40	(4)	171	140	31
	<u>110</u>	<u>70</u>	<u>40</u>	<u>428</u>	<u>275</u>	<u>153</u>
Invested capital						
Property	124	162	(38)	622	566	56
Renewable power	79	21	58	176	159	17
Infrastructure	60	49	11	202	170	32
Private equity	116	52	64	359	171	188
Investment and other income	43	20	23	120	146	(26)
	<u>532</u>	<u>374</u>	<u>158</u>	<u>1,907</u>	<u>1,487</u>	<u>420</u>
Unallocated						
Interest expenses	(86)	(90)	4	(350)	(354)	4
Corporate costs and taxes	(40)	(38)	(2)	(176)	(173)	(3)
Funds from operations	<u>\$ 406</u>	<u>\$ 246</u>	<u>\$ 160</u>	<u>\$ 1,381</u>	<u>\$ 960</u>	<u>\$ 421</u>
Per share	<u>\$ 0.59</u>	<u>\$ 0.34</u>	<u>\$ 0.25</u>	<u>\$ 1.97</u>	<u>\$ 1.35</u>	<u>\$ 0.62</u>

- **Asset Management** base fees and incentive distributions increased 56% (+\$45 million) over the prior year's quarter, due to increased fee bearing capital under management which increased FFO to \$110 million. We generated \$57 million of performance fees (2012 – \$71 million), of which \$41 million was deferred (2012 – \$70 million deferred).
- **Property** FFO decreased by \$38 million (23%), primarily due to the formation and spin-off of a 7.6% interest of BPY to our shareholders (-\$20 million), and the 2012 quarter includes \$16 million of portfolio gains on loans and securities held within our opportunistic funds.
- **Renewable Power** FFO increased by \$58 million. Generation from existing facilities approximated long-term average, compared to significantly below average generation in the prior year (+\$43 million); spot market prices increased in uncontracted regions (+\$17 million); and newly acquired and commissioned assets all contributed to the increase. This was partially offset by increased borrowing costs on higher amounts of borrowings and a reduction in our ownership interest in BREP.
- **Infrastructure** FFO increased by \$11 million (22%) and benefitted from our rail expansion, which is now fully operational (+\$7 million), and newly acquired assets. We experienced strong harvest levels and pricing in our timber operations, increasing FFO by \$7 million compared to the prior year quarter.
- **Private equity** FFO increased by \$64 million as the continued recovery in U.S. housing activity resulted in higher pricing and volumes within these and related businesses, in particular our North American panelboard operations.
- **LTM FFO** variance reflects higher fees on increased amounts of fee bearing capital; the impact of the U.S. housing recovery on our North American residential and related businesses increasing the contribution from private equity operations; and strong performance by our U.S. retail property operations.

FFO – DISPOSITION GAINS

FOR THE PERIOD ENDED JUN. 30 (MILLIONS)									
Operating Segment	Funds from Operations ¹		Net Income ¹		LTM FFO ¹		Variance		
	2013	2012	2013	2012	2013	2012	FFO	Net Income	LTM FFO
Property	\$ 10	\$ (85)	\$ (7)	\$ -	\$ (35)	\$ 115	\$ 95	\$ (7)	\$ (150)
Renewable power	-	-	-	-	172	239	-	-	(67)
Infrastructure	20	11	5	-	84	11	9	5	73
Private equity	11	-	-	-	104	-	11	-	104
Corporate / Unallocated	17	(13)	17	(13)	129	(13)	30	30	142
	<u>\$ 58</u>	<u>\$ (87)</u>	<u>\$ 15</u>	<u>\$ (13)</u>	<u>\$ 454</u>	<u>\$ 352</u>	<u>\$ 145</u>	<u>\$ 28</u>	<u>\$ 102</u>

1. Net of non-controlling interests

Property:

- We sold or partially sold our interest in ten office, retail and opportunistic assets, generating \$10 million of gains and \$133 million of net cash proceeds (\$961 million gross proceeds). The prior year included an \$85 million loss on the sale of an Australian office asset. Property gains are determined based on the cumulative amount of valuation gains recorded prior to sale.

Infrastructure:

- Brookfield Infrastructure disposed of its Canadian timber business for \$173 million of proceeds and realized a disposition gain of \$53 million, our share of which was \$15 million, as well as a \$5 million gain on the sale of non-core assets. The prior year included the partial sale of agricultural land within our sustainable resources businesses.

Private Equity:

- We sold 0.5 million shares of Norbord Inc. for proceeds of \$15 million and recognized an \$11 million gain.

Corporate/ Unallocated

- Positive portfolio gains in 2013 compared to portfolio losses in 2012.

LTM FFO

- LTM gains in 2013 include the sale of BREP units (\$172 million); timber assets (\$49 million), the sale of 20% of our UK connections business and non-core infrastructure assets (\$35 million); shares of Norbord Inc. (\$73 million); commercial properties (-\$35 million); and corporate items included the disposition of a portion of our U.S. residential brokerage operations (\$70 million) and portfolio gains.
- 2012 LTM gains included the sale of BREP units and other renewable power assets (\$239 million); agricultural land (\$11 million); commercial properties (\$115 million) and portfolio gains.

Note: FFO gains include gains recorded directly in equity as opposed to net income, as well as the realization of prior period valuation gains included in opening equity.

VALUATION ITEMS – Net Income

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Asset						Total ^{1,2} 2013	Net ^{1,2,3}	
	Management & Services	Property	Renewable Power	Infrastructure	Private Equity	Corporate / Unallocated		2013	2012
Appraisal gains	\$ (8)	\$ 489	\$ -	\$ 19	\$ (10)	\$ -	\$ 490	\$ 254	\$ 199
Interest rate and currency contracts	-	1	1	102	-	31	135	56	(54)
Power sale agreements	-	-	(26)	-	-	-	(26)	(26)	(73)
Other fair value changes	-	3	(8)	(2)	(43)	(9)	(59)	(31)	(47)
	(8)	493	(33)	119	(53)	22	540	253	25
Depreciation and amortization	(11)	(69)	(145)	(135)	(60)	(5)	(425)	(185)	(152)
	(19)	424	(178)	(16)	(113)	17	115	68	(127)
Non-controlling interests in net income	-	(192)	58	24	62	1	(47)	-	-
	\$ (19)	\$ 232	\$ (120)	\$ 8	\$ (51)	\$ 18	\$ 68	\$ 68	\$ (127)

1. Excludes valuation items recorded in other comprehensive income

2. Includes valuation items within equity accounted investments

3. Net of non-controlling interests

- Net valuation gains within our **property operations** include the quarterly revaluation of our office, retail and opportunity and other property portfolios:
 - Positive leasing and continued discount rate compression increased the value of our share of our office properties by \$393 million, prior to non-controlling interests (\$219 million net).
 - Depreciation relates to resort and hotel properties which are carried at amortized cost and depreciation on operating assets within consolidated business units.
- **Renewable power** net valuation items include a decline in value of power sales contracts by \$26 million, reflecting the impact of increased spot market pricing on fixed price electricity sales contracts and quarterly depreciation of operating assets that are revalued at year end.
- **Infrastructure** net valuation gains include mark-to-market gains on currency, interest rate and inflation hedge contracts, partially offset by depreciation. Assets are revalued within equity on an annual basis. Our net effective ownership in most of these operations is relatively small and therefore the impact of these items accrues largely to non-controlling interests.
- Net valuation items within our **private equity operations** include depreciation of operating assets and other items including changes in the value of reserves at investee companies.

FINANCIAL POSITION – Common Equity by Segment

ASAT (MILLIONS)	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012	Variance	
				Jun. vs. Mar.	Jun. vs. Dec.
Asset management and services	\$ 1,486	\$ 1,659	\$ 1,570	\$ (173)	\$ (84)
Property	12,287	12,345	12,958	(58)	(671)
Renewable Power	4,586	4,780	4,976	(194)	(390)
Infrastructure	2,592	2,558	2,571	34	21
Private equity	2,467	2,506	2,574	(39)	(107)
	23,418	23,848	24,649	(430)	(1,231)
Corporate / Unallocated	(6,730)	(6,531)	(6,499)	(199)	(231)
	\$ 16,688	\$ 17,317	\$ 18,150	\$ (629)	\$ (1,462)

- Common equity decreased by \$1.5 billion since year end to \$16.7 billion, primarily driven by:
 - \$590 million of net income attributable to shareholders;
 - Spin-off of a \$906 million, 7.6% interest in Brookfield Property Partners in April 2013; and
 - \$958 million negative foreign currency revaluation of non-U.S. Dollar investments.
- Other significant changes in common equity by segment include:
 - We disposed of 8.1 million BREP units for proceeds of \$233 million in the first quarter of 2013, decreasing our **renewable power** common equity by segment.
 - Brookfield Infrastructure issued \$330 million of limited partnership units in the second quarter, of which we acquired \$95 million, increasing our **infrastructure** common equity by segment.

Condensed Statements of Operations

 FOR THE THREE MONTHS ENDED JUN. 30
 (MILLIONS, EXCEPT PER SHARE AMOUNTS)

	2013	2012	Change
Revenues	\$ 5,166	\$ 4,425	\$ 741
Direct costs	(3,606)	(3,284)	(322)
	1,560	1,141	419
Equity accounted income	224	257	(33)
	1,784	1,398	386
Expenses			
Interest	(668)	(614)	(54)
Corporate costs	(36)	(35)	(1)
Valuation items			
Fair value changes	465	(100)	565
Depreciation and amortization	(373)	(287)	(86)
Income tax	(370)	17	(387)
Net income	802	379	423
Non-controlling interests	(572)	(241)	(331)
Net Income attributable to shareholders	\$ 230	\$ 138	\$ 92
Net income per share	\$ 0.31	\$ 0.17	\$ 0.14

Financial highlights

- **Revenues and direct costs** increased by \$741 million and \$322 million, respectively, for a net increase of \$419 million. The increase reflects: improved operating results from renewable power and infrastructure operations which are primarily due to the contribution from acquisitions and capital expansion projects; increased hydrology and pricing in our renewable power operations; and improved results from operations that participate in the U.S. housing sector within our private equity operations.
- Fair value changes increased from higher levels of appraisal gains in our office properties and favourable valuations on interest rate and currency contracts.
- Income taxes increased primarily from deferred income taxes recognized on the formation of Brookfield Property Partners.
- **Net income attributable to shareholders** increased by \$92 million due to improved operating results and higher amounts of valuation items.

Condensed Statements of Other Comprehensive Income

 FOR THE THREE MONTHS ENDED JUN. 30
 (MILLIONS)

	2013	2012	Change
Valuation items	\$ 182	\$ (104)	\$ 286
Foreign currency translation	(1,823)	(825)	(998)
Taxes on above items	(28)	22	(50)
Other comprehensive income (OCI)	(1,669)	(907)	(762)
OCI attributable to shareholders	(761)	(492)	(269)
Comprehensive income to shareholders	\$ (531)	\$ (354)	\$ (177)

- **Valuation items** on our renewable power, infrastructure and resort hotel properties are recorded on an annual basis in OCI. In quarter valuation items consist primarily of gains or losses on cash flow hedges and available-for-sale securities.
- The current period **foreign currency loss** is primarily related to a 12%, 9% and 3% decrease in the value of our Australian Dollar, Brazilian Real and Canadian Dollar investments relative to the U.S. Dollar, respectively.

Brookfield

Business Segment Results



\$78 billion
Fee Bearing Capital
(+30% since Q4 – 2012)

44%
Gross Profit Margin
(Q2 – 2013)

\$932 million
Annualized Fee Base
(+36% since Q4 – 2012)

Financial Position and Performance

AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Common Equity		Funds from Operations		Valuation Items		LTM FFO	
	by Segment							
	2013	2012	2013	2012	2013	2012	2013	2012
Asset management	\$ 908	\$ 877	\$ 105	\$ 103	\$ (2)	\$ -	\$ 443	\$ 288
Less: deferred performance income ¹	(687)	(632)	(31)	(73)	-	-	(186)	(153)
	221	245	74	30	(2)	-	257	135
Construction and property services	1,265	1,325	36	40	(17)	(20)	171	140
Common equity by segment / FFO	\$ 1,486	\$ 1,570	\$ 110	\$ 70	\$ (19)	\$ (20)	\$ 428	\$ 275

1. Performance income subject to clawback, net of direct costs

Listed Entities

- 6 listed entities – \$31.3 billion of fee bearing capitalization.
- High payout, investment grade, growth vehicles.

Private Funds

- 30 private funds – \$28.5 billion of fee bearing capital.
- \$9.1 billion of third party “dry powder” for the following investment strategies: \$3.3 billion property, \$4.9 billion infrastructure and timber and \$0.9 billion private equity.
- 5 funds in market seeking an additional \$2 billion of third party capital.
- ~200 limited partner investors; average commitment of ~\$103 million.

- We closed on over \$14 billion of commitments for recent initiatives in our private funds and public securities, including our \$4.4 billion Brookfield Strategic Real Estate Partners Fund, where Brookfield Property Partners serves as the cornerstone investor with a \$1.3 billion commitment.

Public Securities

- Manage \$18.5 billion of fixed income and equity securities.

Construction and Property Services

- Global construction and property services operations with over \$4.0 billion of work-in-hand.

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Three Months		LTM	
	2013	2012	2013	2012
Base management fees				
Listed issuers	\$ 52	\$ 34	\$ 176	\$ 106
Private funds and public securities	66	44	242	190
	118	78	418	296
Incentive distributions (IDRs)	8	3	24	11
Transaction and advisory fees	16	10	56	63
	142	91	498	370
Direct costs	(79)	(62)	(278)	(236)
Net base fees and IDRs	63	29	220	134
Performance income				
Realized				
Carried interest	16	1	50	1
Direct costs	(5)	-	(13)	-
Unrealized				
Carried interest	41	70	218	148
Direct costs	(10)	3	(32)	5
Net performance income	42	74	223	154
Net fees and performance income	105	103	443	288
Net performance income deferred recognition ¹	(31)	(73)	(186)	(153)
Funds from operations	\$ 74	\$ 30	\$ 257	\$ 135

1. Performance income subject to clawback, net of direct costs

- Base management fees increased 51% or \$40 million over the prior year, primarily from increased amounts of fee bearing capital, including base fees earned on Brookfield Property Partners (\$11 million).
- Asset management expenses increased by \$17 million, primarily from the reclassification of operating costs to asset management expenses on the formation of Brookfield Property Partners (\$9 million) and expansion of our operations.
- 44% gross profit margin (2012 – 32%) for fee revenues.
- Generated \$57 million of performance-based income; \$16 million realized and \$41 million deferred.
- Accumulated performance income totalled \$765 million (2012 – \$547 million) prior to \$78 million of direct costs (2012 – \$47 million) and average term to realization of three years.
- We now generate contractual annualized base management fees and incentive distributions of \$557 million (\$362 million from third parties); representing a 34% increase since year end.
- Annualized target carried interest on third party capital in private funds now stands at \$375 million, assuming funds earn their target return.
- Fee revenues include \$46 million of base management fees on Brookfield capital. Performance income is only accrued in respect of third party capital.
- Base fees on an LTM basis increased by 41% to \$418 million and our gross margins were 44% (2012 – 36%).

ASSET MANAGEMENT – Annualized Fees

AS AT (MILLIONS)	Jun. 30, 2013	Mar. 31, 2013	Dec. 31, 2012
Base management fees ^{1,2}			
Listed Issuers ³	\$ 220	\$ 230	\$ 160
Private funds and public securities	305	240	225
	<u>525</u>	<u>470</u>	<u>385</u>
Incentive distributions	32	30	30
Target carried interest ⁴	375	270	270
	<u>\$ 932</u>	<u>\$ 770</u>	<u>\$ 685</u>

1. Based on capital committed or invested and contractual arrangements
2. Base management fees include \$195 million of annualized base fees on Brookfield Capital
3. Brookfield Property Partners and Brookfield Renewable Energy Partners' initial capitalization for determining equity enhancement fees is \$11.5 billion and \$8.1 billion, respectively
4. Based on prescribed carried interest for private funds and target gross return. Includes only third party capital

Incentive Distributions

AS AT JUN. 30, 2013 (MILLIONS, EXCEPT PER UNIT AMOUNTS)	Annualized Distribution (Per Unit) ¹	Distribution Hurdles (Per Unit)	Incentive Distribution (Per Unit) ²	Units Outstanding	IDR Per Unit		Incentive Distribution
					First Hurdle	Second Hurdle	
Brookfield Infrastructure Partners	\$ 1.72	\$1.22 / \$1.32	15% / 25%	210.0	\$ 0.02	\$ 0.13	\$ 32
Brookfield Renewable Energy Partners	1.45	\$1.50 / \$1.69	15% / 25%	265.2	-	-	-
Brookfield Property Partners	1.00	\$1.10 / \$1.20	15% / 25%	466.3	-	-	-
							<u>\$ 32</u>

1. Based on June 30, 2013 distribution policies
2. Incentive distributions equate to 18% and 33% of limited partner distribution increases over the first and second hurdles, respectively

Target Carried Interest

AS AT JUN. 30, 2013 (MILLIONS)	Private Funds Capital Under Management	Third Party Capital Subject to Carried Interest ¹	Target Return	Carried Interest	Average Investment Period ²	Target Carried Interest ¹
Core and Value Add	\$ 17,724	\$ 11,000	10% to 15%	~18%	0.85	\$ 195
Opportunistic and Private Equity	10,773	7,000	18% to 25%	~20%	0.75	180
	<u>\$ 28,497</u>	<u>\$ 18,000</u>				<u>\$ 375</u>

1. Excludes Brookfield capital of \$8.0 billion and \$2.5 billion of capital that does not earn carried interest or is credited against fees earned on other funds
2. Average investment period based on percentage of life of fund

ASSET MANAGEMENT – Fee Bearing Capital Under Management

Fee Bearing Capital

AS AT JUN. 30, 2013 AND DEC. 31, 2012
(MILLIONS)

	Listed Issuers ¹	Private Funds ¹	Public Securities	Total	2012
Property	\$ 13,505	\$ 14,737	\$ 2,236	\$ 30,478	\$ 18,133
Renewable power	9,962	1,900	-	11,862	10,559
Infrastructure	7,840	9,212	2,676	19,728	16,497
Private equity	-	2,648	13,554	16,202	14,880
June 30, 2013	\$ 31,307	\$ 28,497	\$ 18,466	\$ 78,270	n/a
March 31, 2013	\$ 33,470	\$ 23,001	\$ 17,761	\$ 74,232	n/a
December 31, 2012	\$ 21,301	\$ 23,244	\$ 15,524	\$ 60,069	\$ 60,069

1. Fee bearing capital under management includes Brookfield capital of \$18.8 billion in listed issuers (Dec. 31, 2012 – \$10.3 billion) and \$8.0 billion in private funds (Dec. 31, 2012 – \$8.4 billion)

Fee Bearing Capital and Base Fee Continuity

FOR THE THREE MONTHS ENDED JUN. 30, 2013
(MILLIONS)

	Listed Issuers	Private Funds	Public Securities	Total	Annualized Base Fees
Balance, March 31, 2013	\$ 33,470	\$ 23,001	\$ 17,761	\$ 74,232	\$ 470
Inflows, including commitments	497	5,753	1,620	7,870	70
Outflows, including distributions	(199)	(138)	(743)	(1,080)	(4)
Market appreciation (depreciation)	(1,234)	-	(172)	(1,406)	(6)
Foreign exchange and other	(1,227)	(119)	-	(1,346)	(5)
Balance, June 30, 2013	\$ 31,307	\$ 28,497	\$ 18,466	\$ 78,270	\$ 525

- Capital under management increased by \$4.0 billion resulting in a \$55 million increase in annualized base fees.
- Launch of Brookfield Property Partners and the final close of our global Brookfield Strategic Real Estate Partners Fund increased property capital under management by \$12.8 billion since year end.
- Public securities includes \$13.6 billion of fixed income and \$4.9 billion of equity securities. We continue to expand our higher margin mutual funds and similar products within our public securities businesses.

Funds from Operations – Financial Position and Performance

AS AT JUN.30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Common Equity		Funds from Operations		Valuation Items		LTM FFO	
	by Segment							
	2013	2012	2013	2012	2013	2012	2013	2012
Construction	\$ 926	\$ 1,029	\$ 23	\$ 32	\$ (13)	\$ (6)	\$ 120	\$ 119
Property services	339	296	13	8	(4)	(14)	51	21
	<u>\$ 1,265</u>	<u>\$ 1,325</u>	<u>\$ 36</u>	<u>\$ 40</u>	<u>\$ (17)</u>	<u>\$ (20)</u>	<u>\$ 171</u>	<u>\$ 140</u>

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Construction		Property Services		Total	
	2013	2012	2013	2012	2013	2012
Revenues	\$ 798	\$ 751	\$ 148	\$ 189	\$ 946	\$ 940
Direct costs	(775)	(719)	(146)	(181)	(921)	(900)
Equity accounted income	-	-	11	-	11	-
Funds from operations	<u>\$ 23</u>	<u>\$ 32</u>	<u>\$ 13</u>	<u>\$ 8</u>	<u>\$ 36</u>	<u>\$ 40</u>

Construction

- FFO decreased compared to the prior year as additional costs were incurred on the completion of projects, decreasing operating margins to 6.4% from 9.2% in 2012. Current activity remains strong and we anticipate being ahead of target on projects to be completed in the next six months.
- Work-in-hand remains strong at \$4.0 billion, representing one year of scheduled activity, with the following breakdown by geography:

AS AT JUN. 30, 2013 AND DEC. 31, 2012 (MILLIONS)	2013	2012
Australasia	\$ 2,368	\$ 2,626
Middle East	884	1,047
United Kingdom	503	606
Canada	251	44
	<u>\$ 4,006</u>	<u>\$ 4,323</u>
Scheduled activity (yrs)	<u>1.3</u>	<u>1.1</u>

Property Services

- We recently merged our Australian business with Johnson Controls to create a global platform for facilities management. The merger complements our Canadian joint venture with Johnson Controls where we increased our interest to 49.9% concurrent with the merger of our Australian operations.

\$104 billion
AUM

Over 300 million sq. ft:
office, retail, multifamily, industrial and
opportunistic investments

**Brookfield
Property Partners L.P.**
(\$11.1 billion¹ market capitalization
Flagship listed entity)

Financial Position and Performance

	Common Equity		Funds from Operations		Valuation Items		LTM FFO	
	by Segment							
	2013	2012	2013	2012	2013	2012	2013	2012
Office Properties	\$ 6,156	\$ 6,475	\$ 59	\$ 71	\$ 240	\$ (28)	\$ 264	\$ 301
Retail Properties	5,697	5,812	71	67	18	195	301	230
Multifamily, Industrial and Opportunistic	736	671	7	24	6	6	70	35
Corporate / unallocated	(302)	-	(13)	-	(3)	-	(13)	-
	12,287	12,958	124	162	261	173	622	566
Disposition gains	-	-	10	(85)	-	-	(35)	115
	\$ 12,287	\$ 12,958	\$ 134	\$ 77	\$ 261	\$ 173	\$ 587	\$ 681

Listed Entity Reconciliation

	Common Equity		Funds from Operations		Valuation Items	
	by Segment					
	2013	2012	2013	2012	2013	2012
Listed						
Brookfield Property Partners ²	\$ 11,061	\$ -	\$ 144 ⁶	\$ -	\$ 260	\$ -
Brookfield Office Properties ³	-	4,982	-	78	-	24
General Growth Properties ^{3,4}	-	4,825	-	60	-	173
Rouse Properties ³	-	327	-	3	-	12
Directly held ⁵	1,226	2,824	(10)	(64)	1	(36)
	\$ 12,287	\$ 12,958	\$ 134	\$ 77	\$ 261	\$ 173

1. Based on IFRS values
 2. Fee bearing listed entity
 3. Held through Brookfield Property Partners ("BPY") in 2013, held directly in 2012
 4. Includes warrants
 5. Includes \$1,250 million BPY preferred shares with a blended rate of 6.15% per annum
 6. Represents our 93% share of BPY's \$126 million of FFO, which is adjusted to include \$29 million of disposition gains

Financial Position and Performance

- Property FFO excluding gains decreased by \$38 million to \$124 million compared to 2012, primarily a result of our reduced ownership following the spin-off of BPY as well as the associated base management fees incurred. The 2012 quarter included \$16 million of portfolio gains on loans and securities held. In addition, we incurred a \$6 million potential litigation charge within our office properties business in the current quarter.
- Common equity by segment decreased by \$671 million as a result of the BPY spin-off (\$906 million) and negative foreign currency revaluation partially offset by earnings.

Valuation Items

FOR THE THREE MONTHS ENDED JUN. 30
(MILLIONS)

	Office	Retail	Multifamily, Industrial & Opportunistic	Corporate / Unallocated	Total ¹ 2013	Net ^{1,2}	
						2013	2012
Appraisal gains	\$ 393	\$ 32	\$ 64	\$ -	\$ 489	\$ 256	\$ 224
Depreciation and amortization	(5)	-	(64)	-	(69)	(29)	(13)
Interest rate contracts	81	3	3	-	87	41	(32)
Other fair value changes	(5)	-	7	(4)	(2)	(7)	(6)
	464	35	10	(4)	505	261	173
Non-controlling interests	(224)	(17)	(4)	1	(244)	-	-
Valuation items	\$ 240	\$ 18	\$ 6	\$ (3)	\$ 261	\$ 261	\$ 173

Appraisal gains represent 45% cash flow growth and 55% discount rate compression.

Interest rate contracts lock-in interest rates for expected debt refinancing.

1. Includes valuation items in net income and other comprehensive income
2. Net of non-controlling interests

Key Portfolio Metrics – Office

- Our average in-place rent is \$30.57 psf, representing a discount of 15% to market rent, and has an average term of 7.0 years. Occupancy decreased by 260 bps from year end to 90% due to acquisitions of assets with lower occupancy rates in addition to large expiries in Denver, and Washington D.C.
 - We leased 2.0 million square feet at average net rents 8% higher than expiring rents.
 - We reduced pre-2018 rollover by 320 bps.

Key Portfolio Metrics – Retail

- The average in-place rent of \$52.53 psf represents a discount of 4% to market rents, and has a 6.0 year average term to maturity. Occupancy increased by 150 bps to 94.7%, following strong U.S. leasing.

OFFICE PROPERTIES – Funds from Operations

Brookfield 18

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	% Leased ¹		Average In-place Net Rent ¹		Existing Properties		Acquired, Developed and Sold		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Existing properties										
United States	87.5%	90.0%	\$ 24.72	\$ 24.02	\$ 200	\$ 198	\$ 3	\$ 22	\$ 203	\$ 220
Canada	96.9%	96.9%	25.53	24.94	70	70	-	-	70	70
Australasia	98.2%	97.2%	45.51	42.65	63	63	20	27	83	90
Europe	100.0%	100.0%	59.16	59.25	8	8	1	-	9	8
	91.3%	92.7%	\$ 27.73	\$ 26.72	341	339	24	49	365	388
Currency variance					-	2	-	-	-	2
					341	341	24	49	365	390
Equity accounted investments					22	22	13	-	35	22
Net operating income					363	363	37	49	400	412
Investment income					13	11	4	-	17	11
Disposition gains					-	-	1	(85)	1	(85)
Segment operating income					376	374	42	(36)	418	338
Interest expense					(176)	(193)	(14)	(4)	(190)	(197)
Operating costs					(31)	(31)	(17)	-	(48)	(31)
Non-controlling interests					(112)	(101)	(8)	(23)	(120)	(124)
Funds from operations					\$ 57	\$ 49	\$ 3	\$ (63)	\$ 60	\$ (14)
Allocation of FFO										
Brookfield Property Partners					\$ 56	\$ -	\$ 2	\$ -	\$ 58	\$ -
Directly held					1	49	1	(63)	2	(14)
Funds from operations					\$ 57	\$ 49	\$ 3	\$ (63)	\$ 60	\$ (14)

1. Same store basis

- Existing property net operating income increased by 1% over the prior period on a constant currency basis, reflecting the renewal of leases at rental rates that exceed expiring leases, partially offset by decreased occupancy levels.
- Occupancy was 140 bps lower, primarily the result of large expiries in Denver and Washington D.C. during the past year.
- Acquired, developed and sold assets reflect the FFO contribution upon the completion of Brookfield Place – Perth (+\$18 million), the acquisitions of properties in Seattle, Washington D.C., and London, and the sale of properties in Minneapolis, Brisbane and Auckland.
- Interest expense decreased by \$7 million as a result of a lower cost of capital from refinancing initiatives in the current low rate environment, and the elimination of interest on borrowings associated with asset dispositions. These decreases were partially offset by interest incurred from new borrowings on acquired properties.
- Operating costs include a \$14 million (\$6 million net) provision related to a potential litigation.
- Non-controlling interests decreased on a portfolio basis, reflecting a reduced FFO contribution, offset by our decreased ownership following the BPY spin-off.

Financial Position and Performance

	Common Equity by Segment		Funds from Operations		Valuation Items	
	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$
AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)						
General Growth Properties	4,915	4,849	65	60	(8)	173
Rouse Properties	333	302	4	3	19	12
Brazil	320	374	1	1	5	1
Australia	129	287	1	3	2	9
	5,697	5,812	71	67	18	195
Disposition gains	-	-	9	-	-	-
	\$ 5,697	\$ 5,812	\$ 80	\$ 67	\$ 18	\$ 195

- FFO excluding gains increased by 6% over the prior year, as the increased contribution from our U.S. malls was partially offset by reduced FFO from our Australian assets, following the sales of non-core assets.
- Our share of GGP's FFO from operating activities on an IFRS basis was \$65 million, representing a \$5 million increase over 2012, driven by the contribution from leasing activities and reduced financing costs.
 - GGP's U.S. GAAP reported company FFO increased 17% over the prior year, driven by a 7% increase in net operating income for their mall portfolio, and the decreased financing costs.
 - GGP tenant sales were \$560 per square foot on a trailing 12-month basis, representing a 5.1% year-over-year increase on a comparable basis. GGP's mall occupancy was 95.9% at quarter end, an increase of 160 basis points from June 30, 2012.
- Valuation items were \$18 million in the current quarter, compared to \$195 million in 2012. Valuation gains in the prior year were primarily the result of appraisal gains within GGP's portfolio. The blended capitalization rate on our U.S. portfolio on a direct capitalization method was approximately 5.6% (Dec. 31, 2012 – 5.7%) while our Brazilian portfolio is valued using an 8.5% discount rate (Dec. 31, 2012 – 8.5%).
- Recorded disposition gains of \$9 million include in the sale of U.S. and Australian properties.

RENEWABLE POWER OPERATIONS

Brookfield 20

\$20 billion
AUM

~200 hydro facilities,
11 wind farms
~5,800 MW

**Brookfield Renewable
Energy Partners L.P.**
(\$7.4 billion market capitalization
Flagship listed entity)

Financial Position and Performance

AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Common Equity by Segment		Funds from Operations		Valuation Items		LTM FFO	
	2013	2012	2013	2012	2013	2012	2013	2012
	Hydroelectric generation	\$ 5,696	\$ 6,251	\$ 82	\$ 28	\$ (83)	\$ (141)	\$ 193
Wind energy	321	401	17	7	5	(51)	40	33
Facilities under development	234	164	-	-	-	-	14	15
Corporate/unallocated	(1,665)	(1,840)	(20)	(14)	(9)	3	(71)	(63)
	4,586	4,976	79	21	(87)	(189)	176	159
Disposition gains	-	-	-	-	-	-	172	239
	\$ 4,586	\$ 4,976	\$ 79	\$ 21	\$ (87)	\$ (189)	\$ 348	\$ 398

Listed Entity Reconciliation

AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Common Equity by Segment		Funds from Operations		Valuation Items	
	2013	2012	2013	2012	2013	2012
	Brookfield Renewable Energy Partners ¹	\$ 3,860	\$ 4,272	\$ 122 ³	\$ 59	\$ (56)
Power contracts ²	726	704	(43)	(38)	(31)	(128)
	\$ 4,586	\$ 4,976	\$ 79	\$ 21	\$ (87)	\$ (189)

Note – we recover 65% of the FFO deficiency from the power contracts through our ownership of BREP, therefore the net impact from the contracts is \$15 million (2012 - \$12 million), with a corresponding reduction in FFO from BREP.

1. Fee bearing listed entity

2. Equal to difference between Brookfield's share of BREP common equity and Brookfield and is presented net of associated deferred taxes common equity attributable to renewable power segment

3. Represents our 65% share of BREP's \$187 million of FFO

Financial Position and Performance

- Generation increase by 2,193 GWh (54%) leading to higher revenues and FFO, as shown below:

FOR THE THREE MONTHS ENDED JUN. 30 (GIGAWATT HOURS AND \$ MILLIONS)	Production (GWh) ¹		Revenues ¹		Direct Costs		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Hydroelectric generation								
United States	2,942	1,619	\$ 192	\$ 98	\$ 67	\$ 44	\$ 125	\$ 54
Canada	1,519	957	89	52	24	20	65	32
Brazil	903	811	75	80	21	25	54	55
	5,364	3,387	356	230	112	89	244	141
Wind energy	737	467	83	57	19	25	64	32
Co-generation	164	218	11	13	8	9	3	4
Segment operating income	6,265	4,072	\$ 450	\$ 300	\$ 139	\$ 123	311	177
Investment income							3	5
Interest expense							(104)	(103)
Corporate cost and taxes							(19)	(15)
Non-controlling interests							(112)	(43)
FFO							\$ 79	\$ 21
Segment operating income - per megawatt hour (MWh)								
Total generation			\$ 72	\$ 74	\$ 22	\$ 30	\$ 50	\$ 44
Hydroelectric generation			\$ 66	\$ 68	\$ 21	\$ 26	\$ 45	\$ 42

1. Includes \$6 million (2012 – \$4 million) of FFO from equity accounted investments and excludes investment income of \$4 million (2012 – \$5 million) that is also included in net operating income

- FFO increased by \$58 million to \$79 million, from the following:
 - Growth initiatives provided an increase of 1,171 GWh or \$66 million of revenue (\$16 million FFO).
 - Generation from existing facilities increased revenue by \$79 million (\$43 million FFO), because generation was at long-term average levels compared to generation that was 18% below average levels in 2012.
 - Spot market pricing increased in the current period, primarily in the U.S. which increased revenues and FFO by \$17 million.
 - Direct costs per MWh were \$22 and \$30 on a portfolio basis. Costs are largely fixed and therefore increases, in generation on existing facilities will reduce costs on a per unit basis.
 - Interest and unallocated costs were largely unchanged; the increase in non-controlling interest share of FFO reflects the increase in segment revenues less direct costs.

RENEWABLE POWER OPERATIONS – Operating Results (cont'd)

- We estimate that revenues and FFO would have been \$434 million (2012 – \$352 million) and \$75 million (2012 – \$58 million), respectively, if generation was at long-term averages for both the current and prior year.
- Realized prices per MWh decreased to \$72 year-over-year, which represents a decline from \$68 to \$66 per MWh on hydroelectric generation. The decrease in revenues reflects the appreciation of the U.S. dollar relative to the Brazilian Real and the impact of lower priced contracts assumed on recent acquisitions.
- Common equity by segment decreased by \$390 million mainly due to the sale of a 3% interest in BREP during Q1 – 2013 and lower foreign currency valuations of our Canadian and Brazilian operations.

Valuation Items

FOR THE THREE MONTHS ENDED JUN. 30
(MILLIONS)

	United States	Canada	Brazil	Total ¹	Net ^{1,2}	
				2013	2013	2012
Power sale agreements	\$ 64	\$ (32)	\$ -	\$ 32	\$ 10	\$ (97)
Depreciation and amortization	(56)	(48)	(41)	(145)	(85)	(80)
Other fair value changes	(4)	(6)	1	(9)	(12)	(12)
	4	(86)	(40)	(122)	(87)	(189)
Non-controlling interests	(7)	26	16	35	-	-
Valuation items	\$ (3)	\$ (60)	\$ (24)	\$ (87)	\$ (87)	\$ (189)

1. Includes valuation items in net income and other comprehensive income

2. Net of non-controlling interests

RENEWABLE POWER OPERATIONS – Contracted Profile

	Balance of	Years Ended December 31			
	2013	2014	2015	2016	2017
Generation (GWh)					
Contracted					
Power sales agreements					
Hydroelectric	5,552	10,610	8,975	8,739	8,097
Wind	1,174	2,490	2,490	2,489	2,489
Gas and other	195	134	-	-	-
	6,921	13,234	11,465	11,228	10,586
Financial contracts	458	876	-	-	-
Total contracted	7,379	14,110	11,465	11,228	10,586
Uncontracted	2,709	7,446	9,974	10,184	10,826
Long-term average generation	10,088	21,556	21,439	21,412	21,412
Contracted generation –					
Consolidated basis					
% of total generation	73%	65%	53%	52%	49%
Price (per MWh)	\$ 81	\$ 83	\$ 91	\$ 92	\$ 90
Proportionate basis					
% of total generation	73%	67%	56%	54%	51%
Price (per MWh)	\$ 82	\$ 83	\$ 89	\$ 90	\$ 89

- The decrease in contracted generation through 2014 and 2015 reflects the expiry of shorter term contracts for certain facilities in Brazil and recently acquired facilities in the Southeast U.S. Prices for these contracts are in line with current market prices and as they are lower than our long-term contracts, our average contracted price increased as they expire. Furthermore, we expect to replace these contracts at higher prices over time.
- The contract profile differs between Brookfield and Brookfield Renewable Energy Partners because of the contracts provided by our energy marketing group to BREP.
- These contracts fix the prices for most of the North American hydroelectric generation that is not already sold under a long-term contract. The majority of these arrangements are offset by us with long-term contracts and our primary exposure to price fluctuations relates to approximately 5,000 GWh of annual generation that we have committed to purchase from BREP at an average price of \$73 per MWh for which we have no offsetting long-term sales agreements.
- We estimate that a \$10 per MWh negative variance results in an approximate \$18 million decrease in annualized FFO based on our 65% ownership of BREP, because we recover our proportionate share of any negative variance through our ownership interest. On the other hand, we will record annual FFO increases of \$50 million for every \$10 per MWh of positive variance above the contracted price, which we believe will add significant value over the longer term as demand and prices for renewable hydroelectric generation increase.

INFRASTRUCTURE OPERATIONS

Brookfield 24

\$27 billion
AUM

Ports, rails, toll roads, natural gas pipelines, transmission lines, timberlands and agrilands

Brookfield Infrastructure Partners L.P.
(\$8.0 billion market capitalization
Flagship listed entity)

Financial Position and Performance

AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)

	Common Equity by Segment		Funds from Operations		Valuation Items		LTM FFO	
	2013	2012	2013	2012	2013	2012	2013	2012
Utilities	\$ 569	\$ 593	\$ 27	\$ 30	\$ (3)	\$ (15)	\$ 107	\$ 122
Transport and Energy	769	935	29	15	(17)	(25)	92	55
Sustainable Resources	1,258	1,290	15	11	8	16	48	39
Unallocated	(4)	(247)	(11)	(7)	8	(5)	(45)	(46)
	2,592	2,571	60	49	(4)	(29)	202	170
Disposition gains	-	-	20	11	-	-	84	11
	\$ 2,592	\$ 2,571	\$ 80	\$ 60	\$ (4)	\$ (29)	\$ 286	\$ 181

Listed Entity Reconciliation

AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)

	Common Equity by Segment		Funds from Operations		Valuation Items	
	2013	2012	2013	2012	2013	2012
Listed						
Brookfield Infrastructure Partners ¹	\$ 1,441	\$ 1,432	\$ 69 ³	\$ 31	\$ (6)	\$ (42)
Acadian Timber ¹	78	83	2	1	(1)	-
Agricultural and timberlands privately held	473	516	(6)	23	1	13
Held for sale ²	600	540	15	5	2	-
	\$ 2,592	\$ 2,571	\$ 80	\$ 60	\$ (4)	\$ (29)

1. Fee bearing listed entity

2. Consists of our direct investment in our Pacific Northwest timberlands. Sale closed in July 2013

3. Represents our 28.5% share of BIP's \$180 million of FFO, which is adjusted to include \$71 million of disposition gains and to reflect \$8 million of incentive distributions paid

Financial Position and Performance

- FFO increased by \$11 million to \$60 million prior to disposition gains in the current quarter, representing a 22% increase over the prior year.
- The increase in FFO was driven by the contribution from newly acquired and completed assets (+\$14 million) and strong pricing and harvest levels within our U.S. Pacific Northwest timber operations (+\$7 million), partially offset by recent dispositions. Utility operations benefitted from the expansion of our UK distribution operations, offset by a reduced interest in Chilean transmission operations. Transport and energy results reflect recent acquisitions and the completion our Australian rail expansion project, which reached full take-or-pay volumes at the beginning of March 2013, offset by the impact of lower natural gas prices on our North American gas transmission operations.
- BIP sold its Canadian timber operations during the quarter generating proceeds of \$173 million. Our proportionate share of the gain was \$15 million. We also realized a gain of \$5 million on the sale by BIP of a non-core corporate asset. Disposition gains in the prior year are from the partial sale of our Brazilian agricultural lands. FFO reflects improved results at our U.S. Pacific Northwest operations.
- Common equity by segment remained consistent with year end, as the proceeds from the issuance of units for \$330 million in net proceeds was offset by foreign currency revaluation on non-U.S. assets.

Valuation Items

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Transport and		Sustainable	Corporate /	Total ¹ 2013	Net ^{1,2}	
	Utilities	Energy	Resources	Unallocated		2013	2012
Depreciation and amortization ³	\$ (53)	\$ (76)	\$ (5)	\$ -	\$ (134)	\$ (28)	\$ (25)
Interest rate and currency contracts	24	(20)	-	41	44	7	(17)
Appraisal gains	-	-	19	-	19	11	(6)
Other fair value changes	(2)	7	(3)	2	4	6	19
	(31)	(89)	11	43	(67)	(4)	(29)
Non-controlling interests	28	72	(3)	(35)	62	-	-
Valuation items	\$ (3)	\$ (17)	\$ 8	\$ 8	\$ (5)	\$ (4)	\$ (29)

1. Includes valuation items in net income and other comprehensive income

2. Net of non-controlling interests

3. Most property, plant and equipment revalued through equity at year end

PRIVATE EQUITY OPERATIONS

Brookfield 26

\$27 billion
AUM

Private Equity:
Brookfield Capital Partners
(\$2.7 billion Private Fund commitments)

Residential:
N. America – **Brookfield Residential Properties**
Brazil – **Brookfield Incorporações**

Financial Position and Performance

AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND
FOR THE THREE MONTHS ENDED JUN. 30
(MILLIONS)

	Common Equity by Segment		Funds from Operations		Valuation Items		LTM FFO	
	2013	2012	2013	2012	2013	2012	2013	2012
Private equity	\$ 1,035	\$ 957	\$ 106	\$ 43	\$ (17)	\$ (34)	\$ 344	\$ 117
Residential	1,432	1,617	10	9	(23)	(26)	15	54
	2,467	2,574	116	52	(40)	(60)	359	171
Disposition gains	-	-	11	-	-	-	104	-
	\$ 2,467	\$ 2,574	\$ 127	\$ 52	\$ (40)	\$ (60)	\$ 463	\$ 171

Listed Entity Reconciliation

AS AT JUN. 30, 2013
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Number of Shares	Price per Share ¹	Common Equity by Segment		Market Value ¹	Variance
			2013	2013		
Listed						
Norbord Inc.	27.8	\$ 28.91	\$ 253	\$ 804	\$ 551	
Western Forest Products Inc.	318.7	1.20	272	382	110	
Ainsworth Lumber Co. Ltd. ²	53.7	3.04	95	163	68	
Brookfield Residential Properties Inc.	81.5	22.06	880	1,798	918	
Brookfield Incorporações S.A. ²	258.9	R\$ 1.50	490	174	(316)	
Other ²	Various	Various	71	100	29	
Privately held ²						
Held for sale - Longview Fibre ³			(66)	200	266	
Other ⁴			472	517	45	
			\$ 2,467	\$ 4,138	\$ 1,671	

1. Listed values based on June 30 stock market prices

2. Held through fee bearing private fund

3. Market value based on sales agreements. Sale closed July 2013

4. Fair value determined for private fund financial statements which are audited on an annual basis, used in the determination of performance-based income, and provided to our institutional clients quarterly

Financial Position and Performance

- FFO increased to \$116 million prior to disposition gains, reflecting the impact of the ongoing U.S. housing market recovery on our operations. Pricing and volumes increased within our panelboard businesses, which led to an increase in FFO from our industrial and forest product businesses of \$61 million over the prior year.
- We disposed of 0.5 million Norbord shares during the quarter, bringing our ownership interest to 52% at June 30, 2013, and recorded an \$11 million gain.
- On July 18, 2013, we completed the sale of a pulp and paper business achieving a 69% IRR and 10x multiple on our capital. We received \$200 million of cash proceeds and estimate recognizing an approximate \$250 million disposition gain in the third quarter.

Valuation Items

FOR THE THREE MONTHS ENDED JUN. 30
(MILLIONS)

	Private Equity	Residential	Total ¹ 2013	Net ^{1,2}	
				2013	2012
Depreciation and amortization	\$ (57)	\$ (3)	\$ (60)	\$ (27)	\$ (24)
Capital Markets	13	-	13	5	(4)
Appraisal Gains	(1)	(9)	(10)	(4)	(19)
Other fair value changes	9	(41)	(32)	(14)	(13)
	(36)	(53)	(89)	(40)	(60)
Non-controlling interests	19	30	49	-	-
Valuation items	\$ (17)	\$ (23)	\$ (40)	\$ (40)	\$ (60)

1. Includes valuation items in net income and other comprehensive income

2. Net of non-controlling interests

Private Equity – Financial Position

AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)

	Common Equity by Segment		Funds from Operations	
	2013	2012	2013	2012
Industrial and wood products	\$ 762	\$ 679	\$ 78	\$ 26
Energy and related services	134	149	3	6
Business services	70	139	9	2
Bridge lending	132	75	2	4
Property and other	3	3	-	-
	1,101	1,045	92	38
Held for sale – Longview Fibre	(66)	(88)	14	5
Disposition gains	-	-	11	-
	\$ 1,035	\$ 957	\$ 117	\$ 43

- OSB prices averaged \$347 per msf for the quarter, 48% higher than the same quarter in the prior year, increasing revenues in our industrial and wood product operations.

Residential – Funds from Operations

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)

	North America		Brazil/Australia/UK		Total	
	2013	2012	2013	2012	2013	2012
Revenues	\$ 298	\$ 248	\$ 358	\$ 262	\$ 656	\$ 510
Direct expenses	(257)	(202)	(335)	(255)	(592)	(457)
	41	46	23	7	64	53
Equity accounted income	1	-	-	3	1	3
Segmented operating income	42	46	23	10	65	56
Interest expense	(10)	(10)	(41)	(17)	(51)	(27)
Current income taxes	-	(15)	(4)	(5)	(4)	(20)
Non-controlling interests	(10)	(6)	10	6	-	-
Funds from operations	\$ 22	\$ 15	\$ (12)	\$ (6)	\$ 10	\$ 9

- We continue to benefit from strong operational performance in our North American residential operations and our backlog of net new home orders increased by 38% to \$619 million.
- Our Brazilian operations delivered 16 projects during the quarter, recognizing R\$678 million of revenue. We are experiencing lower levels of sales and project launches compared to the prior year, reflecting reduced levels of permitting throughout our principal development areas following several years of expansion.

AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Common Equity by Segment		Funds from Operations		Valuation Items		LTM FFO	
	2013	2012	2013	2012	2013	2012	2013	2012
	Cash and financial assets	\$ 836	\$ 1,133	\$ 60	\$ 7	\$ -	\$ -	\$ 249
Net working capital	406	250	-	-	-	-	-	-
Capitalization ¹	(7,972)	(7,882)	(86)	(90)	90	(93)	(350)	(354)
Corporate costs	-	-	(36)	(35)	-	-	(161)	(158)
Cash income taxes	-	-	(4)	(3)	-	-	(15)	(15)
	\$ (6,730)	\$ (6,499)	\$ (66)	\$ (121)	\$ 90	\$ (93)	\$ (277)	\$ (394)

1. Includes \$3,098 million (2012 – \$2,901 million) of preferred shares but excludes associated distributions

Liquidity

AS AT JUN. 30, 2013 AND DEC. 31, 2012 (MILLIONS)	Corporate		Principal Subsidiaries ¹		Total	
	2013	2012	2013	2012	2013	2012
	Cash and financial assets, net	\$ 836	\$ 1,133	\$ 908	\$ 497	\$ 1,744
Undrawn committed credit facilities	1,430	1,154	2,082	1,364	3,512	2,518
	\$ 2,266	\$ 2,287	\$ 2,990	\$ 1,861	\$ 5,256	\$ 4,148

1. Includes Brookfield Property Partners, Brookfield Office Properties, Brookfield Renewable Energy Partners and Brookfield Infrastructure Partners

- We closed the sale of Longview Fibre and our Pacific Northwest timberlands in July which generated net cash proceeds to us and BIP of \$0.8 billion and \$0.5 billion, respectively.

Cash and Financial Assets

AS AT JUN. 30, 2013 AND DEC. 31, 2012 (MILLIONS)	Common Equity by Segment	
	2013	2012
	Financial assets	
Government bonds	\$ 156	\$ 137
Corporate bonds	116	188
High-yield bonds	281	192
Preferred shares	29	297
Common shares	696	690
Loans receivable/deposits	19	40
Total financial assets	1,297	1,544
Cash and cash equivalents	373	175
Deposits, other liabilities and non-controlling interests	(834)	(586)
Net invested capital	\$ 836	\$ 1,133

Net Working Capital / Corporate Costs

	Common Equity		Funds from Operations	
	by Segment			
	2013	2012	2013	2012
AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)				
Net working capital	\$ (441)	\$ (626)	\$ -	\$ -
Deferred income taxes	847	876	-	-
Corporate costs	-	-	36	35
Cash taxes	-	-	4	3
	<u>\$ 406</u>	<u>\$ 250</u>	<u>\$ 40</u>	<u>\$ 38</u>

Corporate Capitalization

	Average Coupon/Yield	Average Term	Maturity				Total 2013	Total 2012	Interest Expense	
			2013	2014	2015	2016+			2013	2012
AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)										
Commercial paper and bank borrowings	1.4%	4	\$ -	\$ -	\$ -	\$ 515	\$ 744	\$ 6	\$ 7	
Term debt	5.2%	9	75	25	-	2,746	2,782	42	47	
	4.6%	8	\$ 75	\$ 25	\$ -	\$ 3,261	3,526	48	54	
Contingent swap accruals						1,206	1,130	34	30	
Capital securities						307	325	4	6	
						4,874	4,981	86	90	
Preferred shares						3,098	2,901	-	-	
						<u>\$ 7,972</u>	<u>\$ 7,882</u>	<u>\$ 86</u>	<u>\$ 90</u>	

- At June 30, 2013, \$0.5 billion of our \$2.2 billion corporate facilities was utilized in respect of short-term bank or commercial paper borrowings and \$0.2 billion of letters of credit to support various business initiatives.

CAPITALIZATION

Capitalization

AS AT JUN. 30, 2013 AND DEC. 31, 2012 (MILLIONS)	Corporate		Proportionate		Consolidated ¹	
	2013	2012	2013	2012	2013	2012
Corporate borrowings	\$ 3,361	\$ 3,526	\$ 3,361	\$ 3,526	\$ 3,361	\$ 3,526
Non-recourse borrowings						
Property-specific mortgages	-	-	19,310	21,794	34,047	33,720
Subsidiary borrowings ²	1,206	1,130	5,029	4,928	8,357	7,585
	4,567	4,656	27,700	30,248	45,765	44,831
Accounts payable and other	911	1,199	6,231	7,175	10,128	11,652
Deferred tax liabilities	-	-	3,825	3,753	6,788	6,425
Capital securities	307	325	620	758	940	1,191
Interests of others in consolidated funds	-	-	-	-	505	425
Equity						
Non-controlling interests	-	-	-	-	24,308	23,287
Preferred equity	3,098	2,901	3,098	2,901	3,098	2,901
Common equity	16,688	18,150	16,688	18,150	16,688	18,150
	19,786	21,051	19,786	21,051	44,094	44,338
Total capitalization	\$ 25,571	\$ 27,231	\$ 58,162	\$ 62,985	\$ 108,220	\$ 108,862
Debt to capitalization ³	18%	17%	48%	48%	42%	41%

1. Includes liabilities associated with assets held for sale

2. Includes \$1,206 million (2012 - \$1,130 million) of contingent swap accruals which are guaranteed by the Corporation and are accordingly included in Corporate Capitalization

3. Determined as the aggregate of corporate borrowings and non-recourse borrowings divided by total capitalization

- The increase in debt to capitalization ratios on a corporate and proportionate basis reflects the distribution of Brookfield Property Partners units to shareholders and the impact of lower foreign currency exchange rates on non-U.S. invested capital.

Borrowings

AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Asset Management & Services		Renewable Power Infrastructure		Private Equity	Corporate / Unallocated	Total 2013	Total 2012	Interest Expense	
	Property								2013	2012
Corporate borrowings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,361	\$ 3,361	\$ 3,526	\$ 48	\$ 54
Non-recourse borrowings										
Property-specific borrowings	321	18,848	5,009	5,571	2,559	98	32,406	33,720	483	441
Subsidiary borrowings	-	2,613	1,913	409	2,216	1,206	8,357	7,585	125	101
Capital securities	-	633	-	-	-	307	940	1,191	12	18
Borrowings	\$ 321	\$ 22,094	\$ 6,922	\$ 5,980	\$ 4,775	\$ 4,972	\$ 45,064	\$ 46,022	\$ 668	\$ 614

- We redeemed all of our outstanding 5.0% C\$150 million Class A, Series 21 soft retractable preference shares on July 2, 2013 through the issuance of 4.9% C\$200 million Class A, series 37 perpetual preferred shares.

BORROWINGS – Non-Recourse Borrowings

Property-Specific Borrowings

AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Proportionate			Consolidated				Interest Expense	
	Average Coupon / Yield		Average						
	2013	2012	Term	2013	2012	2013	2012	2013	2012
Property									
Office	5.1%	5.3%	4	\$ 6,543	\$ 7,966	\$ 12,409	\$ 12,393	\$ 168	\$ 173
Retail	4.9%	5.1%	7	4,343	4,732	706	1,003	18	25
Opportunity, and other property	3.7%	4.0%	3	1,931	2,050	5,733	5,313	45	48
Renewable power	5.9%	6.3%	12	2,947	2,766	5,009	4,347	85	85
Infrastructure	5.0%	5.2%	9	1,856	2,369	5,571	7,093	111	85
Private equity	8.6%	8.0%	2	1,256	1,537	2,559	3,210	56	20
Other	2.8%	2.9%	1	434	374	419	361	-	5
Total	5.2%	5.4%	6	\$ 19,310	\$ 21,794	\$ 32,406	\$ 33,720	\$ 483	\$ 441

- We decreased the average coupon on our property-specific debt by 20 bps through refinancings and extended term to maturity to six years.

Subsidiary Borrowings

AS AT JUN. 30, 2013 AND DEC. 31, 2012 AND FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Proportionate			Consolidated				Interest Expense	
	Average Coupon / Yield ¹		Average						
	2013	2012	Term ¹	2013	2012	2013	2012	2013	2012
Property	4.0%	5.2%	5	\$ 1,096	\$ 1,245	\$ 2,613	\$ 1,896	\$ 41	\$ 11
Renewable power	5.3%	5.3%	8	1,244	1,205	1,913	1,772	19	18
Infrastructure	3.6%	3.7%	4	141	291	409	967	2	9
Private equity	6.1%	6.1%	6	1,342	1,057	2,216	1,820	29	33
Contingent swap accruals	9.6%	9.6%	2	1,206	1,130	1,206	1,130	34	30
Total	6.7%	6.6%	5	\$ 5,029	\$ 4,928	\$ 8,357	\$ 7,585	\$ 125	\$ 101

1. Average coupon/yield and average term exclude corporate facilities

Brookfield

Additional Information



SUMMARY OF RESULTS – Funds from Operations

Funds from Operations – June 30, 2013

FOR THE THREE MONTHS ENDED JUN. 30, 2013 (MILLIONS)	Asset						Total ¹
	Management & Services	Property	Renewable Power	Infrastructure	Private Equity	Corporate / Unallocated	
Revenues	\$ 1,104	\$ 1,141	\$ 447	\$ 657	\$ 1,810	\$ 68	\$ 5,227
Less: direct costs	(1,005)	(587)	(139)	(317)	(1,504)	(16)	(3,568)
Net operating income	99	554	308	340	306	52	1,659
Equity accounted FFO	11	113	6	76	1	(1)	206
Disposition gains	-	11	-	71	11	17	110
Segmented operating income	110	678	314	487	318	68	1,975
Interest expense	-	(280)	(104)	(113)	(85)	(86)	(668)
Corporate/unallocated costs	-	(85)	(19)	(50)	(12)	(45)	(211)
Non-controlling interests	-	(179)	(112)	(244)	(94)	(3)	(632)
Funds from operations	\$ 110	\$ 134	\$ 79	\$ 80	\$ 127	\$ (66)	\$ 464

1. Total includes inter segment revenues and expenses that are eliminated on consolidation

Funds from Operations – June 30, 2012

FOR THE THREE MONTHS ENDED JUN. 30, 2012 (MILLIONS)	Asset						Total ¹
	Management & Services	Property	Renewable Power	Infrastructure	Private Equity	Corporate / Unallocated	
Revenues	\$ 1,032	\$ 991	\$ 301	\$ 530	\$ 1,621	\$ 32	\$ 4,507
Less: direct costs	(962)	(440)	(123)	(286)	(1,445)	(6)	(3,262)
Net operating income	70	551	178	244	176	26	1,245
Equity accounted FFO	-	88	4	51	3	-	146
Disposition gains	-	(79)	-	11	-	(13)	(81)
Segmented operating income	70	560	182	306	179	13	1,310
Interest expense	-	(269)	(103)	(94)	(62)	(95)	(623)
Corporate/unallocated costs	-	(41)	(15)	(38)	(27)	(38)	(159)
Non-controlling interests	-	(173)	(43)	(114)	(38)	(1)	(369)
Funds from operations	\$ 70	\$ 77	\$ 21	\$ 60	\$ 52	\$ (121)	\$ 159

1. Total includes inter segment revenues and expenses that are eliminated on consolidation

FINANCIAL POSITION

June 30, 2013

AS AT JUN. 30, 2013 (MILLIONS)	Asset Management & Services	Property	Renewable Power	Infrastructure	Private Equity	Corporate / Unallocated	Total
Assets under management	\$ 2,799	\$ 103,848	\$ 19,861	\$ 27,183	\$ 27,011	\$ 2,796	\$ 183,498
Segment assets	1,639	38,379	15,115	13,325	9,583	1,425	79,466
Investments	168	8,501	318	2,481	268	102	11,838
Borrowings	(321)	(22,201)	(6,922)	(7,045)	(5,244)	(4,972)	(46,705)
Segment non-controlling interests	-	(12,392)	(3,925)	(6,169)	(2,140)	(187)	(24,813)
Preferred shares	-	-	-	-	-	(3,098)	(3,098)
Common equity by segment	\$ 1,486	\$ 12,287	\$ 4,586	\$ 2,592	\$ 2,467	\$ (6,730)	\$ 16,688

December 31, 2012

AS AT DEC. 31, 2012 (MILLIONS)	Asset Management & Services	Property	Renewable Power	Infrastructure	Private Equity	Corporate / Unallocated	Total
Assets under management	\$ 2,983	\$ 102,854	\$ 19,225	\$ 26,971	\$ 26,148	\$ 3,219	\$ 181,400
Segment assets	1,855	37,622	14,303	14,710	9,475	1,202	79,167
Investments	67	8,143	344	2,535	236	293	11,618
Borrowings	(351)	(21,471)	(6,119)	(8,060)	(5,030)	(4,991)	(46,022)
Segment non-controlling interests	(1)	(11,336)	(3,552)	(6,614)	(2,107)	(102)	(23,712)
Preferred shares	-	-	-	-	-	(2,901)	(2,901)
Common equity by segment	\$ 1,570	\$ 12,958	\$ 4,976	\$ 2,571	\$ 2,574	\$ (6,499)	\$ 18,150

SUMMARY OF VALUATION ITEMS BY BUSINESS SEGMENT

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Asset						Total ¹ 2013	Net ^{1,2}	
	Management & Services	Property	Renewable Power	Infrastructure	Private Equity	Corporate / Unallocated		2013	2012
Recorded in net income									
Appraisal gains	\$ (8)	\$ 489	\$ -	\$ 19	\$ (10)	\$ -	\$ 490	\$ 254	\$ 199
Interest rate and currency contracts	-	1	1	102	-	31	135	56	(54)
Power sale agreements	-	-	(26)	-	-	-	(26)	(26)	(73)
Other fair value changes	-	3	(8)	(2)	(43)	(9)	(59)	(31)	(47)
	(8)	493	(33)	119	(53)	22	540	253	25
Depreciation and amortization	(11)	(69)	(145)	(135)	(60)	(5)	(425)	(185)	(152)
	(19)	424	(178)	(16)	(113)	17	115	68	(127)
Non-controlling interests in net income	-	(192)	58	24	62	1	(47)	-	-
	(19)	232	(120)	8	(51)	18	68	68	(127)
Recorded in OCI									
Capital markets	-	(3)	(2)	-	13	(10)	(2)	(10)	(12)
Interest rate and currency contracts	-	86	-	(56)	-	80	110	94	(101)
Power sale agreements	-	-	58	-	-	-	58	36	(24)
Other fair value changes	-	(2)	-	6	11	1	16	13	46
	-	81	56	(50)	24	71	182	133	(91)
Non-controlling interests in OCI	-	(52)	(23)	38	(13)	1	(49)	-	-
	-	29	33	(12)	11	72	133	133	(91)
Valuation items	\$ (19)	\$ 261	\$ (87)	\$ (4)	\$ (40)	\$ 90	\$ 201	\$ 201	\$ (218)

1. Includes valuation items within equity accounted investments

2. Net of non-controlling interests

- **Valuation Items** in our IFRS financial statements include fair value changes and depreciation and amortization, recorded within **net income**, and valuation items included in **other comprehensive income**, such as revaluation surplus, cash flow hedges and available-for-sale securities. Equity accounted valuation items are also included.
- We revalue the majority of our renewable power, infrastructure and resort properties on an annual basis under IFRS; however, these assets are depreciated quarterly. As a result, the in-year valuation items include only depreciation, without any corresponding revaluation of the assets until the end of the year.

PROPERTY OPERATIONS

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Funds from Operations

FOR THE THREE MONTHS ENDED JUN. 30
(MILLIONS)

	Office		Retail		Multifamily, Industrial and Opportunistic		Corporate / Unallocated		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Total revenues	\$ 633	\$ 621	\$ 44	\$ 49	\$ 464	\$ 321	\$ -	\$ -	\$ 1,141	\$ 991
Net operating income	365	390	28	34	112	77	-	-	505	501
Equity accounted FFO	35	22	78	65	-	1	-	-	113	88
Disposition gains	1	(85)	8	3	2	3	-	-	11	(79)
Investment and other income	17	11	4	2	28	37	-	-	49	50
Segmented operating income	418	338	118	104	142	118	-	-	678	560
Interest expense	(190)	(197)	(18)	(24)	(72)	(48)	-	-	(280)	(269)
Operating costs and taxes	(48)	(31)	(3)	(3)	(18)	(7)	(16)	-	(85)	(41)
Non-controlling interests	(120)	(124)	(17)	(10)	(45)	(39)	3	-	(179)	(173)
Funds from operations	\$ 60	\$ (14)	\$ 80	\$ 67	\$ 7	\$ 24	\$ (13)	\$ -	\$ 134	\$ 77
Operating activities	\$ 59	\$ 71	\$ 71	\$ 67	\$ 7	\$ 24	\$ (13)	\$ -	\$ 124	\$ 162
Disposition gains	1	(85)	9	-	-	-	-	-	10	(85)
Funds from operations	\$ 60	\$ (14)	\$ 80	\$ 67	\$ 7	\$ 24	\$ (13)	\$ -	\$ 134	\$ 77

Financial Position

AS AT JUN. 30, 2013 AND DEC. 31, 2012
(MILLIONS)

	Office Properties		Retail Properties		Multifamily, Industrial and Opportunistic		Corporate / Unallocated		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Assets under management	\$ 38,208	\$ 38,523	\$ 47,923	\$ 48,337	\$ 17,717	\$ 15,994	\$ -	\$ -	\$ 103,848	\$ 102,854
Consolidated properties	24,775	24,973	1,943	2,513	7,831	6,915	-	-	34,549	34,401
Development properties	1,732	1,390	-	-	-	-	-	-	1,732	1,390
Unconsolidated properties	3,434	3,236	5,641	5,212	327	335	-	-	9,402	8,783
Loans and notes receivable	-	-	-	-	476	431	-	-	476	431
Net working capital	(642)	(665)	698	581	1,058	844	(393)	-	721	760
Segment assets	29,299	28,934	8,282	8,306	9,692	8,525	(393)	-	46,880	45,765
Borrowings	(14,229)	(14,227)	(706)	(1,003)	(7,219)	(6,241)	(47)	-	(22,201)	(21,471)
Non-controlling interests	(8,914)	(8,232)	(1,879)	(1,491)	(1,737)	(1,613)	138	-	(12,392)	(11,336)
Common equity by segment	\$ 6,156	\$ 6,475	\$ 5,697	\$ 5,812	\$ 736	\$ 671	\$ (302)	\$ -	\$ 12,287	\$ 12,958

RENEWABLE POWER OPERATIONS

Brookfield 38

Funds from Operations

FOR THE THREE MONTHS ENDED JUN. 30
(MILLIONS)

	United States		Canada		Brazil		Corporate / Unallocated		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Total revenues	\$ 241	\$ 118	\$ 131	\$ 85	\$ 75	\$ 98	\$ -	\$ -	\$ 447	\$ 301
Hydroelectric generation	126	54	64	32	54	55	-	-	244	141
Wind energy	38	7	26	25	-	-	-	-	64	32
Co-generation	-	-	3	4	-	-	-	-	3	4
	164	61	93	61	54	55	-	-	311	177
Investment and other income	-	-	1	2	2	3	-	-	3	5
Segmented operating income	164	61	94	63	56	58	-	-	314	182
Interest expense	(46)	(46)	(28)	(27)	(6)	(12)	(24)	(18)	(104)	(103)
Operating costs and taxes	(3)	1	-	-	(4)	(5)	(12)	(11)	(19)	(15)
Non-controlling interests	(71)	(8)	(34)	(21)	(21)	(22)	14	8	(112)	(43)
Funds from operations	\$ 44	\$ 8	\$ 32	\$ 15	\$ 25	\$ 19	\$ (22)	\$ (21)	\$ 79	\$ 21

Financial Position

AS AT JUN. 30, 2013 AND DEC. 31, 2012
(MILLIONS)

	United States		Canada		Brazil		Corporate / Unallocated		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Assets under management	\$ 9,075	\$ 7,744	\$ 7,926	\$ 8,427	\$ 2,860	\$ 3,054	\$ -	\$ -	\$ 19,861	\$ 19,225
Hydroelectric generation	6,765	6,118	5,693	5,946	2,473	2,637	-	-	14,931	14,701
Wind energy	1,181	833	1,302	1,410	-	-	-	-	2,483	2,243
Co-generation	10	12	52	60	-	-	-	-	62	72
Facilities under development	124	56	254	199	20	128	-	-	398	383
Net working capital	(1,058)	(1,290)	(1,395)	(1,372)	66	25	(54)	(115)	(2,441)	(2,752)
Net operating assets	7,022	5,729	5,906	6,243	2,559	2,790	(54)	(115)	15,433	14,647
Borrowings	(2,836)	(2,243)	(1,905)	(1,756)	(268)	(348)	(1,913)	(1,772)	(6,922)	(6,119)
Non-controlling interests	(1,886)	(1,609)	(1,470)	(1,548)	(971)	(937)	1,206	1,042	(3,121)	(3,052)
BREP preferred shares	-	-	-	-	-	-	(804)	(500)	(804)	(500)
Common equity by segment	\$ 2,300	\$ 1,877	\$ 2,531	\$ 2,939	\$ 1,320	\$ 1,505	\$ (1,565)	\$ (1,345)	\$ 4,586	\$ 4,976

Funds from Operations

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Utilities		Transport and Energy		Sustainable Resources		Corporate / Unallocated		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Revenue	\$ 236	\$ 219	\$ 229	\$ 146	\$ 186	\$ 162	\$ 6	\$ 3	\$ 657
Less: Direct costs	(95)	(96)	(103)	(84)	(115)	(106)	(4)	-	(317)	(286)
Net operating income	141	123	126	62	71	56	2	3	340	244
Equity accounted income	34	33	41	15	-	-	1	3	76	51
Disposition gains	-	-	-	-	53	11	18	-	71	11
Segmented operating income	175	156	167	77	124	67	21	6	487	306
Interest expense	(48)	(44)	(40)	(19)	(22)	(22)	(3)	(9)	(113)	(94)
Operating costs and taxes	(5)	(5)	-	-	(7)	(11)	(38)	(22)	(50)	(38)
Non-controlling interests	(95)	(77)	(98)	(43)	(65)	(12)	14	18	(244)	(114)
Funds from operations	\$ 27	\$ 30	\$ 29	\$ 15	\$ 30	\$ 22	\$ (6)	\$ (7)	\$ 80	\$ 60
Operating activities	\$ 27	\$ 30	\$ 29	\$ 15	\$ 15	\$ 11	\$ (11)	\$ (7)	\$ 60	\$ 49
Disposition gains	-	-	-	-	15	11	5	-	20	11
Funds from operations	\$ 27	\$ 30	\$ 29	\$ 15	\$ 30	\$ 22	\$ (6)	\$ (7)	\$ 80	\$ 60

Financial Position

AS AT JUN. 30, 2013 AND DEC. 31, 2012 (MILLIONS)	Utilities		Transport and Energy		Sustainable Resources		Corporate / Unallocated		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Assets under management	\$ 13,860	\$ 13,359	\$ 7,290	\$ 7,517	\$ 5,738	\$ 5,850	\$ 295	\$ 245	\$ 27,183
Operating assets	5,424	5,902	3,773	4,171	3,881	4,982	5	3	13,083	15,058
Unconsolidated operations	1,128	1,122	1,332	1,384	8	9	13	20	2,481	2,535
Net working capital	(869)	(1,195)	1,020	1,083	(234)	(253)	325	17	242	(348)
Net operating assets	5,683	5,829	6,125	6,638	3,655	4,738	343	40	15,806	17,245
Borrowings	(3,024)	(3,195)	(2,447)	(2,322)	(1,199)	(1,597)	(375)	(946)	(7,045)	(8,060)
Non-controlling interests	(2,090)	(2,041)	(2,909)	(3,381)	(1,198)	(1,851)	28	659	(6,169)	(6,614)
Common equity by segment	\$ 569	\$ 593	\$ 769	\$ 935	\$ 1,258	\$ 1,290	\$ (4)	\$ (247)	\$ 2,592	\$ 2,571

Funds from Operations

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Private		Residential		Total	
	Equity					
	2013	2012	2013	2012	2013	2012
Total revenues	\$ 1,154	\$ 1,111	\$ 656	\$ 510	\$ 1,810	\$ 1,621
Net operating income	242	123	64	53	306	176
Equity accounted income	-	-	1	3	1	3
Disposition gains	11	-	-	-	11	-
Segmented operating income	253	123	65	56	318	179
Interest expense	(34)	(35)	(51)	(27)	(85)	(62)
Indirect costs	(8)	(5)	-	-	(8)	(5)
Operating costs and taxes	-	(2)	(4)	(20)	(4)	(22)
Non-controlling interests	(94)	(38)	-	-	(94)	(38)
Funds from operations	\$ 117	\$ 43	\$ 10	\$ 9	\$ 127	\$ 52
Operating activities	\$ 106	\$ 43	\$ 10	\$ 9	\$ 116	\$ 52
Disposition gains	11	-	-	-	11	-
Funds from operations	\$ 117	\$ 43	\$ 10	\$ 9	\$ 127	\$ 52

Financial Position

AS AT JUN. 30, 2013 AND DEC. 31, 2012 (MILLIONS)	Private		Residential		Total	
	Equity					
	2013	2012	2013	2012	2013	2012
Assets under management	\$ 18,514	\$ 17,354	\$ 8,497	\$ 8,794	\$ 27,011	\$ 26,148
Operating assets	3,004	2,991	6,073	6,077	9,077	9,068
Net working capital	764	618	10	25	774	643
Net operating assets	3,768	3,609	6,083	6,102	9,851	9,711
Financial leverage	(1,620)	(1,682)	(3,624)	(3,348)	(5,244)	(5,030)
Non-controlling interests	(1,113)	(970)	(1,027)	(1,137)	(2,140)	(2,107)
Common equity by segment	\$ 1,035	\$ 957	\$ 1,432	\$ 1,617	\$ 2,467	\$ 2,574

Property IFRS Valuation Methodology

- Fair valued quarterly through net income.
- Primarily utilize 10-year discounted future cash flows.
- Key estimates: leasing assumptions, maintenance and other capital expenditures, discount rates, terminal capitalization rates and terminal valuation dates.
- Certain properties held in opportunistic portfolios (i.e. hotel properties) are carried at amortized cost.

Office Properties – Key Valuation Metrics

AS AT JUN. 30, 2013 AND DEC. 31, 2012	United States		Canada		Australasia		Europe	
	2013	2012	2013	2012	2013	2012	2013	2012
Capitalization rate	n/a	n/a	n/a	n/a	n/a	n/a	6.0%	6.1%
Discount rates	7.5%	7.3%	6.4%	6.4%	8.5%	8.8%	7.1%	7.2%
Terminal capitalization rate	6.4%	6.3%	5.6%	5.6%	7.3%	7.1%	5.6%	5.8%
Investment horizon (years)	11	11	11	11	10	10	10	10

Retail Properties – Key Valuation Metrics

AS AT JUN. 30, 2013 AND DEC. 31, 2012	United States		Brazil		Australasia	
	2013	2012	2013	2012	2013	2012
Capitalization rate	5.6%	5.7%	n/a	n/a	n/a	n/a
Discount rates	n/a	n/a	8.5%	8.5%	10.1%	9.6%
Terminal capitalization rate	n/a	n/a	7.2%	7.2%	9.2%	8.1%
Investment horizon (years)	n/a	n/a	10	10	10	10

Renewable Power IFRS Valuation Methodology

- Fair value annually through revaluation surplus within other comprehensive income.
- Depreciate quarterly through net income.
- 20-year discounted future cash flows.
- Key estimates: long-term average hydrology levels, maintenance and other capital expenditures, inflation rates, discount rates, terminal capitalization rates and terminal valuation dates.

Key Valuation Metrics – Renewable Power

AS AT DEC. 31, 2012	United States	Canada	Brazil
Discount rate	6.5%	5.4%	9.4%
Terminal capitalization rate	7.0%	6.5%	n/a
Exit date	2032	2032	2029

Infrastructure IFRS Valuation Methodology

Timber and Agricultural Development

- Standing timber and agricultural assets – fair valued annually through net income.
- Land under standing timber – fair valued annually through revaluation surplus within other comprehensive income.
- Key valuation assumptions – weighted average discount and terminal capitalization rate of 5.75% (2012 – 5.75%) and an average terminal valuation date of 100 years. Timber prices were based on a combination of forward prices available in the market and the price forecasts of each appraisal firm.

Infrastructure – Property, Plant and Equipment

- Revalued annually with changes recorded as revaluation surplus through other comprehensive income.
- Depreciated quarterly through net income.
- Concessions and rate base values recorded as intangibles and not included in the annual revaluation process.

Private Equity IFRS valuation methodology

- Our private equity operations are carried at the lower of cost and market value or depreciated cost, notwithstanding the length of time that some of our assets have been held and / or the value that has been created in these holdings.

SIX MONTH FINANCIAL INFORMATION

Funds from Operations – June 30, 2013

FOR THE SIX MONTHS ENDED JUN. 30, 2013 (MILLIONS)	Asset						Total ¹
	Management & Services	Property	Renewable Power	Infrastructure	Private Equity	Corporate / Unallocated	
Revenues	\$ 2,156	\$ 2,260	\$ 859	\$ 1,308	\$ 3,474	\$ 125	\$ 10,182
Less: direct costs	(1,968)	(1,159)	(269)	(652)	(2,888)	(30)	(6,966)
Net operating income	188	1,101	590	656	586	95	3,216
Equity accounted FFO	11	217	12	151	9	3	403
Disposition gains	-	43	172	177	73	76	541
Segmented operating income	199	1,361	774	984	668	174	4,160
Interest expense	-	(558)	(207)	(224)	(158)	(176)	(1,323)
Corporate/unallocated costs	-	(138)	(34)	(97)	(33)	(93)	(395)
Non-controlling interests	-	(366)	(206)	(495)	(209)	(13)	(1,289)
Funds from operations	\$ 199	\$ 299	\$ 327	\$ 168	\$ 268	\$ (108)	\$ 1,153

1. Total includes inter segment revenues and expenses that are eliminated on consolidation

Funds from Operations – June 30, 2012

FOR THE SIX MONTHS ENDED JUN. 30, 2012 (MILLIONS)	Asset						Total ¹
	Management & Services	Property	Renewable Power	Infrastructure	Private Equity	Corporate / Unallocated	
Revenues	\$ 1,948	\$ 1,793	\$ 664	\$ 1,012	\$ 3,040	\$ 112	\$ 8,569
Less: direct costs	(1,828)	(741)	(232)	(541)	(2,725)	(33)	(6,100)
Net operating income	120	1,052	432	471	315	79	2,469
Equity accounted FFO	4	164	8	101	(2)	8	283
Disposition gains	-	(2)	214	11	-	38	261
Segmented operating income	124	1,214	654	583	313	125	3,013
Interest expense	-	(562)	(213)	(185)	(134)	(193)	(1,287)
Corporate/unallocated costs	-	(83)	(29)	(66)	(58)	(83)	(319)
Non-controlling interests	-	(320)	(120)	(226)	(55)	(12)	(733)
Funds from operations	\$ 124	\$ 249	\$ 292	\$ 106	\$ 66	\$ (163)	\$ 674

1. Total includes inter segment revenues and expenses that are eliminated on consolidation

RECONCILIATION OF NET INCOME TO FFO – Three Months Ended June 30

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS.)	2013					2012				
	Financial Statements	Reconciling Items			FFO	Financial Statements	Reconciling Items			FFO
		Valuation Items	Disposition Gains	Intercompany Eliminations			Valuation Items	Disposition Gains	Intercompany Eliminations	
Revenues	\$ 5,166	\$ -	\$ (38)	\$ 99	\$ 5,227	\$ 4,425	\$ -	\$ 13	\$ 69	\$ 4,507
Direct costs	(3,606)	-	-	38	(3,568)	(3,284)	-	-	22	(3,262)
Net operating income		-	(38)	137	1,659		-	13	91	1,245
Equity accounted income	224	(23)	5	-	206	257	(111)	-	-	146
Disposition gains	-	-	110	-	110	-	-	(81)	-	(81)
Segment operating income		(23)	77	137	1,975		(111)	(68)	91	1,310
Expenses										
Interest	(668)	-	-	-	(668)	(614)	-	-	(9)	(623)
Corporate costs	(36)	-	-	(137)	(173)	(35)	-	-	(82)	(117)
Valuation items										
Fair value changes	465	(465)	-	-	-	(100)	100	-	-	-
Depreciation and amortization	(373)	373	-	-	-	(287)	287	-	-	-
Income tax	(370)	323	9	-	(38)	17	(59)	-	-	(42)
Net income	802	-	-	-	-	379	-	-	-	-
Non-controlling interests	(572)	(17)	(43)	-	(632)	(241)	(122)	(6)	-	(369)
Net income / FFO attributable to shareholders	\$ 230	\$ 191	\$ 43	\$ -	\$ 464	\$ 138	\$ 95	\$ (74)	\$ -	\$ 159

- **Valuation Items** are excluded from the determination of FFO and consist of fair value changes and amortization and depreciation from both consolidated investments as well as equity accounted amounts. Associated deferred income taxes and non-controlling interests that result from valuation items are also excluded from the determination of FFO.
- **Disposition Gains** are included in FFO as the purchase and sale of assets is a normal part of the company's business. Disposition gains include gains and losses recorded directly in net income or equity in the current period, adjusted to include fair value changes and revaluation surplus recorded in prior periods.
- **Intercompany Elimination** adjustments primarily consists of management fees earned from consolidated entities, which are eliminated on consolidated under IFRS.

RECONCILIATION OF NET INCOME TO FFO – Six Months Ended June 30

FOR THE SIX MONTHS ENDED JUN. 30 (MILLIONS)	2013					2012				
	Financial Statements	Reconciling Items			FFO	Financial Statements	Reconciling Items			FFO
		Valuation Items	Disposition Gains	Intercompany Eliminations			Valuation Items	Disposition Gains	Intercompany Eliminations	
Revenues	\$ 10,117	\$ -	\$ (119)	\$ 184	\$ 10,182	\$ 8,464	\$ -	\$ (38)	\$ 143	\$ 8,569
Direct costs	(7,026)	-	-	60	(6,966)	(6,148)	-	-	48	(6,100)
Net operating income		-	(119)	244	3,216		-	(38)	191	2,469
Equity accounted income	490	(91)	5	(1)	403	645	(362)	-	-	283
Disposition gains	-	-	541	-	541	-	-	261	-	261
Segment operating income		(91)	427	243	4,160		(362)	223	191	3,013
Expenses										
Interest	(1,323)	-	-	-	(1,323)	(1,269)	-	-	(18)	(1,287)
Corporate costs	(80)	-	-	(243)	(323)	(77)	-	-	(173)	(250)
Valuation items										
Fair value changes	526	(526)	-	-	-	243	(243)	-	-	-
Depreciation and amortization	(738)	738	-	-	-	(584)	584	-	-	-
Income tax	(467)	386	9	-	(72)	(173)	104	-	-	(69)
Net income	1,499	-	-	-	-	1,101	-	-	-	-
Non-controlling interests	(909)	(231)	(149)	-	(1,289)	(547)	(137)	(49)	-	(733)
Net income / FFO attributable to shareholders	\$ 590	\$ 276	\$ 287	\$ -	\$ 1,153	\$ 554	\$ (54)	\$ 174	\$ -	\$ 674

- **Valuation Items** are excluded from the determination of FFO and consist of fair value changes and amortization and depreciation from both consolidated investments as well as equity accounted amounts. Associated deferred income taxes and non-controlling interests that result from valuation items are also excluded from the determination of FFO.
- **Disposition Gains** are included in FFO as the purchase and sale of assets is a normal part of the company's business. Disposition gains include gains and losses recorded directly in net income or equity in the current period, adjusted to include fair value changes and revaluation surplus recorded in prior periods.
- **Intercompany Elimination** adjustments primarily consists of management fees earned from consolidated entities, which are eliminated on consolidated under IFRS.

LAST TWELVE MONTHS FUNDS FROM OPERATIONS

Brookfield 46

June 30, 2013

FOR THE THREE MONTHS ENDED (MILLIONS)	Jun. 2013	Mar. 2013	Dec. 2012	Sep. 2012	LTM FFO
Asset management and services	\$ 110	\$ 89	\$ 114	\$ 115	\$ 428
Property	134	165	164	124	587
Renewable power	79	248	27	(6)	348
Infrastructure	80	88	74	44	286
Private equity	127	141	126	69	463
Cash and financial assets	60	92	96	1	249
	<u>590</u>	<u>823</u>	<u>601</u>	<u>347</u>	<u>2,361</u>
Less: interest expense	(86)	(86)	(89)	(89)	(350)
Operating costs	(40)	(48)	(53)	(35)	(176)
Funds from operations	<u>\$ 464</u>	<u>\$ 689</u>	<u>\$ 459</u>	<u>\$ 223</u>	<u>\$ 1,835</u>
Funds from operations					
Operating activities	\$ 406	\$ 364	\$ 311	\$ 300	\$ 1,381
Disposition gains	58	325	148	(77)	454
	<u>\$ 464</u>	<u>\$ 689</u>	<u>\$ 459</u>	<u>\$ 223</u>	<u>\$ 1,835</u>

June 30, 2012

FOR THE THREE MONTHS ENDED (MILLIONS)	Jun. 2012	Mar. 2012	Dec. 2011	Sep. 2011	LTM FFO
Asset management and services	\$ 70	\$ 54	\$ 61	\$ 90	\$ 275
Property	77	172	284	148	681
Renewable power	21	271	39	67	398
Infrastructure	60	46	40	35	181
Private equity	52	14	83	22	171
Cash and financial assets	7	92	25	9	133
	<u>287</u>	<u>649</u>	<u>532</u>	<u>371</u>	<u>1,839</u>
Less: interest expense	(90)	(89)	(89)	(86)	(354)
Operating costs	(38)	(45)	(46)	(44)	(173)
Funds from operations	<u>\$ 159</u>	<u>\$ 515</u>	<u>\$ 397</u>	<u>\$ 241</u>	<u>\$ 1,312</u>
Funds from operations					
Operating activities	\$ 246	\$ 216	\$ 250	\$ 248	\$ 960
Disposition gains	(87)	299	147	(7)	352
	<u>\$ 159</u>	<u>\$ 515</u>	<u>\$ 397</u>	<u>\$ 241</u>	<u>\$ 1,312</u>

Share Continuity

FOR THE PERIOD ENDED JUN.30 (MILLIONS)	Three Months		Six Months	
	2013	2012	2013	2012
Outstanding at beginning of period	615.9	618.0	619.6	619.3
Issued (repurchased)				
Repurchases	(1.7)	-	(6.2)	(2.3)
Management share plan	1.1	0.5	1.9	1.4
Dividend reinvestment plan	0.1	0.1	0.1	0.2
Outstanding at end of period	615.4	618.6	615.4	618.6
Unexercised options	37.6	39.0	37.6	39.0
Total diluted shares at end of period	653.0	657.6	653.0	657.6
Cash value of unexercised options	\$ 953	\$ 920	\$ 953	\$ 920

Portfolio Holdings

AS AT JUNE 30, 2013	Number of	Brookfield
	Share / Units (Millions)	Ownership Interest
Brookfield Property Partners L.P.	431.4	93%
Brookfield Office Properties Inc.	249.4	49%
General Growth Properties, Inc.	203.7	22%
Rouse Properties, Inc.	17.9	36%
Brookfield Renewable Energy Partners L.P.	172.3	65%
Brookfield Infrastructure Partners L.P.	59.8	28%
Acadian Timber Corp.	7.5	45%
Norbord Inc.	27.8	52%
Western Forest Products Inc.	318.7	68%
Ainsworth Lumber Co. Ltd.	53.7	22%
Brookfield Residential Properties Inc.	81.5	69%
Brookfield Incorporações S.A.	258.9	45%

Weighted Average Shares Outstanding

FOR THE PERIOD ENDED JUN.30 (MILLIONS)	Three Months				Six Months			
	Funds from Operations		Net Income		Funds from Operations		Net Income	
	2013	2012	2013	2012	2013	2012	2013	2012
Funds from operations/Net income	\$ 464	\$ 159	\$ 230	\$ 138	\$ 1,153	\$ 674	\$ 590	\$ 554
Preferred share dividends	(36)	(33)	(36)	(33)	(72)	(62)	(72)	(62)
	428	126	194	105	1,081	612	518	492
Capital securities dividends	-	-	-	2	-	-	4	15
Funds from operations/Net income available for shareholders	\$ 428	\$ 126	\$ 194	\$ 107	\$ 1,081	\$ 612	\$ 522	\$ 507
Weighted average shares	616.0	618.2	616.0	618.2	617.6	618.8	617.6	618.8
Dilutive effect of the conversion of options using treasury stock method	11.8	10.7	11.8	10.7	12.5	10.7	12.5	10.7
Dilutive effect of the conversion of capital securities	-	-	-	3.9	-	-	4.6	21.5
Shares and share equivalents	627.8	628.9	627.8	632.8	630.1	629.5	634.7	651.0

Note: This Supplemental Information contains forward-looking information within the meaning of Canadian provincial securities laws and other “forward-looking statements”, within the meaning of certain securities laws including 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. We may make such statements in this profile, in other filings with Canadian regulators or the Securities Exchange Commission (SEC) or in other communications. These forward-looking statements include, among others, statements with respect to our financial and operating objectives and strategies to achieve those objectives, capital committed to our funds, our liquidity and ability to access and raise capital, our ability to capitalize on investment opportunities, the potential growth of our asset management business and the related revenue streams there from, the prospects for increasing our cash flow from or continued achievement of targeted returns on our investments, as well as the outlook for the Company’s businesses and other statements with respect to our beliefs, outlooks, plans, expectations, and intentions.

Although Brookfield Asset Management believes that the 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; the behavior of financial markets including fluctuations in interest and exchange rates; availability of equity and debt financing; strategic actions including dispositions; the ability to 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; 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 in the Annual Information Form under the heading “Business Environment and Risks.”

We caution that the forgoing 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 forgoing factors and other uncertainties and potential events. 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.