Q2 2014

Supplemental Information

Three Months Ended June 30, 2014

Brookfield

Brookfield Asset Management Inc. A Global Alternative Asset Management Company Focused on Real Estate, Renewable Energy, Infrastructure and Private Equity

SECOND QUARTER 2014 HIGHLIGHTS

- Fee revenues increased by 33% to $702 million (LTM) and fee bearing capital increased 16% year-over-year to $84 billion reflecting market price appreciation and issuance from flagship partnerships and continued demand for private fund capital.
- Completed the merger of our office property company into Brookfield Property Partners.
- Continued to invest globally at attractive valuations, including an office property portfolio in India, a Brazilian port and rail network and a portfolio of wind farms in Ireland.
- Flagship private property fund will soon be more than 75% committed, flagship private equity and infrastructure funds are approximately 65% and 50% committed, respectively.
- FFO increased 24% to $569 million year-over-year, reflecting increased asset management fees, a higher level of realized disposition gains and the contribution from capital deployed over the last twelve months

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OVERVIEW
Funds from Operations and Net Income

FOR THE PERIODS ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM[1]			
	Funds from Operations		Net Income[2]		Funds from Operations		Net Income[2]	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Operating activities								
Asset management	**$ 88**	$ 74	**$ 88**	$ 74	**$ 906**	$ 257	**$ 906**	$ 257
Invested capital	**334**	332	**334**	332	**1,214**	1,124	**1,214**	1,124
Realized disposition gains[3]	**147**	58	**60**	15	**1,164**	454	**880**	138
Fair value changes	**-**	-	**672**	253	**-**	-	**1,217**	1,011
Depreciation and amortization	**-**	-	**(174)**	(185)	**-**	-	**(703)**	(670)
Deferred income taxes	**-**	-	**(195)**	(259)	**-**	-	**(658)**	(444)
	$ 569	$ 464	**$ 785**	$ 230	**$ 3,284**	$ 1,835	**$ 2,856**	$ 1,416
Per share	**$ 0.84**	$ 0.68	**$ 1.19**	$ 0.31	**$ 5.00**	$ 2.68	**$ 4.30**	$ 2.02

1. *Last twelve months*
2. *Net of non-controlling interests*
3. *FFO includes gains recorded in net income, directly in equity, as well as the realization of appraisal gains recorded in prior years*

- FFO from **operating activities** increased by $16 million over the prior year.
  - Fee related earnings increased as a result of higher levels of fee bearing capital, leading to higher **asset management** income. LTM asset management FFO includes the recognition of $565 million of carried interests. Further details on slide 4.
  - Returns from **invested capital** benefited from the contribution from investments made over the last twelve months, favourable office and retail leasing activity and increased sales levels within in our North American residential operations; however, these positive variances were offset by lower prices in our panelboard operations and the expiry of a major lease in New York City. Invested capital LTM results increased by 8% due to improved generation and higher energy prices within our renewable energy operations. Further details on slide 11.
- **Realized disposition gains** in 2014 include a $68 million gain on the partial sale of a Denver office property and a $30 million gain on the repayment of a distressed debt investment in a European office portfolio. Further details on slide 13.
- **Fair value changes** increased 166% over the prior year, as we recognized a higher level of appraisal gains on our U.S. office and retail properties. Further details on slide 28.
- The **deferred income tax** expense in the current quarter reflects the higher level of fair value gains noted above, while the 2013 quarter included deferred income taxes incurred on the formation of Brookfield Property Partners.

Continued Momentum in Fundraising and Investment Activities

- Fee related earnings increased by 42% to $341 million LTM, due to a 38% increase in base management fees attributable to growth in our listed partnerships and private funds fee bearing capital.
- Fee bearing capital totalled $84 billion at June 30, 2014, representing 16% increase on LTM basis.
  - Inflows of $16 billion on LTM basis; $4.5 billion during most recent quarter.
  - Annualized fee base and target carry $1.1 billion.
- Invested or committed $19 billion of capital LTM, deploying over $2 billion of capital in the current quarter.
  - Our three flagship private funds are approximately 60% committed to investments in aggregate.
- Monetized $12 billion of capital through asset sales LTM, including over $2 billion in the recent quarter.
  - Distributed $10 billion of capital to our private fund clients, generating $3 billion of investment gains.
- Continued momentum in fundraising activities.
  - We have two niche funds currently in the market and expect to be in a position to launch successors to each of our three flagship funds before the expiry of their investment periods, based on our progress in investing existing capital.

$84 billion
Fee Bearing Capital
(16% increase over LTM)[1]

1. *Excluding sale of fixed income business*

42% increase
in Fee Related Earnings
(LTM basis)

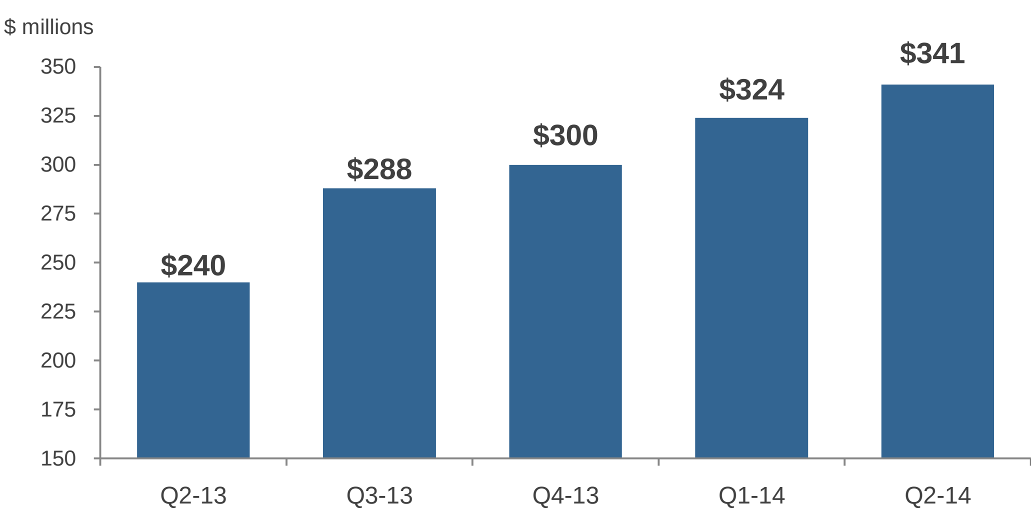
$1,119 million
Annualized Fees and Carry
(12% increase over LTM)

Financial Performance

FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Three Months 2014	Three Months 2013	LTM 2014	LTM 2013
Asset management				
Fee related earnings	**$ 88**	$ 71	**$ 341**	$ 240
Carried interest, net				
Generated	**55**	40	**733**	224
Deferred recognition[1]	**(55)**	(37)	**(168)**	(207)
	-	3	**565**	17
	$ 88	$ 74	**$ 906**	$ 257

1. *Excludes amounts dependent on future investment performance*

Fee Related Earnings (LTM)[1]



1. *Excludes carried interest*

Fee Bearing Capital – Profile

AS AT (MILLIONS)	Jun. 2014	Dec. 2013[1]	Jun. 2013[1]
Listed partnerships	**$ 38,644**	$ 32,997	$ 31,307
Private funds	**28,580**	25,625	28,497
Public markets	**16,624**	13,711	11,506
	$ 83,848	$ 72,333	$ 71,310

1. *Excludes $7.0 billion fixed income portfolio sold in April 2014*

- Fee bearing capital includes 6 listed partnerships, 32 private funds and numerous funds and separately managed accounts within our public markets operations.
- Private funds investor base includes approximately 280 clients with an average commitment of approximately $75 million; ~30% of clients invest in multiple funds.
- Public markets includes $6.3 billion of fixed income and $10.3 billion of equity securities.
  - We sold a lower margin portion of our fixed income business in April 2014, which decreased fee bearing capital by $7 billion. This resulted in a $6 million realized disposition gain.
- Our flagship private property, infrastructure and private equity funds, are approximately 60% committed to investments in aggregate and we have a strong pipeline of investment opportunities, which will enable us to launch successor funds prior to expiry of investment periods.

ASSET MANAGEMENT
Fee Related Earnings

FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Three Months		LTM	
	2014	2013	**2014**	2013
Base management fees				
Listed partnerships	**$ 70**	$ 52	**$ 237**	$ 176
Private funds	**60**	49	**255**	188
Public markets	**24**	17	**85**	54
	154	118	**577**	418
Incentive distributions (IDRs)	**13**	8	**41**	24
Performance fees – public markets	**10**	13	**28**	30
Transaction and advisory fees	**8**	16	**56**	56
Fee revenues	**185**	155	**702**	528
Direct costs	**(97)**	(84)	**(361)**	(288)
Fee related earnings	**$ 88**	$ 71	**$ 341**	$ 240

Three Months:

- Fee revenues increased 19% over the prior period due to higher amounts of fee bearing capital.
- Base management fees increased by $36 million to $154 million, $12 million of which is the result of higher fees earned on increases in BPY's capitalization. Private funds base fees increased following the final close of our flagship infrastructure and property funds and we continue to add higher margin accounts within our infrastructure and real estate equities funds within our public markets operations.
- IDRs increased by $5 million to $13 million due to increased distributions from both BIP and BREP.
- Gross profit margins were 48% (2013 - 46%), and benefitted from higher base fees. Direct costs increased due to the expansion of our operations.
- Fee revenues include $54 million of base management fees on Brookfield capital (2013 – $46 million).

Last Twelve Months:

- Fee revenues increased $174 million (33%) over the prior period to $702 million.
- Base management fees increased by $159 million (38%) over the prior period primarily due to increase in fee bearing capital, and the inclusion of an $18 million "catch-up" fee arising on the final close of our flagship property fund in the third quarter of 2013.
- Incentive distributions nearly doubled, from our share of BIP and BREP's distribution increases.
- Direct costs increased by $73 million due to the reallocation of costs to this segment following the formation of BPY, as well as the expansion of our operations.
- Fee revenues include $194 million of base management fees on Brookfield capital (2013 – $125 million).

We generated $89 million of carried interests in the second quarter, $268 million on a LTM basis, on third-party capital based on investment performance[1]

FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Three Months		LTM	
	2014	2013	**2014**	2013
Generated[2]	**$ 89**	$ 47	**$ 268**	$ 241
Recognition of unbooked carry[2]	**-**	3	**546**	18
Less: associated costs	**(34)**	(10)	**(81)**	(35)
	55	40	**733**	224
Deferred recognition, net [1,2]	**(55)**	(37)	**(168)**	(207)
Carried interest, net	**$ -**	$ 3	**$ 565**	$ 17

1. *Carried interest in respect of third-party capital*
2. *Dependent on future investment performance*

- In addition to carried interest, we generated $34 million of unearned performance fees in our public market operations during the first six months of 2014 which have not been recorded because they are dependent on future performance.

Deferred Carried Interest Continuity[1]

FOR THE QUARTER ENDED JUN. 30 (MILLIONS)	2014			2013		
	Unrealized Carried Interest	**Direct Costs**	**Net**	Unrealized Carried Interest	Direct Costs	Net
Unrealized balance, beginning of period	**$ 344**	**$ (120)**	**$ 224**	$ 717	$ (68)	$ 649
In period change						
Generated	**89**	**(34)**	**55**	47	(10)	37
Less: realized	**-**	**-**	**-**	(3)	-	(3)
Unrealized balance, end of period	**$ 433**	**$ (154)**	**$ 279**	$ 761	$ (78)	$ 683

1. *Dependent on future investment performance*

Fee Bearing Capital – Profile

AS AT (MILLIONS)	Jun. 30, 2014 Listed Partnerships[1]	Private Funds[1]	Public Markets	**Total**	Mar. 31, 2014	Dec. 31, 2013
Property	$ 19,217	$ 14,987	$ 3,795	**$ 37,999**	$ 32,854	$ 30,313
Renewable energy	10,533	2,169	-	**12,702**	12,075	11,494
Infrastructure	8,894	8,555	6,483	**23,932**	22,603	21,717
Private equity	-	2,869	6,346	**9,215**	9,038	8,809
Public markets - disposition	-	-	-	**-**	6,960	6,960
	$ 38,644	**$ 28,580**	**$ 16,624**	**$ 83,848**	$ 83,530	$ 79,293

1. *Fee bearing capital includes Brookfield capital of $21.3 billion in listed partnerships (Dec. 31, 2013 – $19.7 billion) and $6.5 billion in private funds (Dec. 31, 2013 – $6.0 billion)*

Three Months:

- Fee bearing capital increased to $84 billion, reflecting $4.5 billion of inflows and $3.6 billion of market appreciation offset by the sale of a $7 billion fixed income portfolio.
  - Listed partnerships capital increased by $3 billion primarily due to increases in unit values and equity issuances by BPY and BREP.
  - We acquired a hospitality portfolio and held closes on property funds increasing private fund fee bearing capital ($2.8 billion of inflows).
  - Capital in our continuing public markets business increased by $1.6 billion due to increased market values and net new mandates, offset by the sale of a lower margin portion of our fixed income business in April 2014, which represented $7 billion of fee bearing capital and approximately $7 million of annualized fees.

Last Twelve Months:

- Fee bearing capital increased by $12.5 billion (16%).
  - Listed partnerships capital increased by $7 billion primarily due to BPY and BREP equity issuances and significant appreciation in unit values.
  - We closed on a number of private fund strategies during the last twelve months ($5.8 billion of inflows), distributed $5.4 billion primarily from the realization of our Brookfield Global Timber Fund and the GGP consortium and returned capital to our fund investors.
  - Public markets capital increased by $5.1 billion due to the increase from net inflows from new and existing clients and market appreciation. The sale of a portion of our fixed income insurance business more than offset the above increase and resulted in an overall decrease of $1.8 billion in our public markets fee bearing capital.

Fee Bearing Capital and Annualized Base Fees Roll Forward – Three Months

FOR THE THREE MONTHS ENDED JUN. 30, 2014 (MILLIONS)	Listed Partnerships[1]	Private Funds	Public Markets	**Total Fee Bearing**	**Annualized Base Fees**
Balance, beginning of period	$ 35,655	$ 25,862	$ 22,013	**$ 83,530**	**$ 565**
Inflows[2]	830	2,807	907	**4,544**	**24**
Outflows[3]	-	-	(425)	**(425)**	**(2)**
Distributions[4]	(403)	(168)	-	**(571)**	**(8)**
Market activity[5]	2,507	-	1,089	**3,596**	**36**
Other[6]	55	79	-	**134**	**2**
Change	2,989	2,718	1,571	**7,278**	**52**
Sale of fixed income operations	-	-	(6,960)	**(6,960)**	**(7)**
Balance, end of period	**$ 38,644**	**$ 28,580**	**$ 16,624**	**$ 83,848**	**$ 610**

Fee Bearing Capital and Annualized Base Fees Roll Forward – Last Twelve Months

FOR THE LTM ENDED JUN. 30, 2014 (MILLIONS)	Listed Partnerships[1]	Private Funds	Public Markets	**Total Fee Bearing**	**Annualized Base Fees**
Balance, beginning of period	$ 31,307	$ 28,497	$ 18,466	**$ 78,270**	**$ 525**
Inflows[2]	5,028	5,791	5,255	**16,074**	**77**
Outflows[3]	-	(172)	(2,887)	**(3,059)**	**(7)**
Distributions[4]	(1,289)	(5,449)	-	**(6,738)**	**(32)**
Market activity[5]	3,554	-	2,750	**6,304**	**49**
Other[6]	44	(87)	-	**(43)**	**5**
Change	7,337	83	5,118	**12,538**	**92**
Sale of fixed income operations	-	-	(6,960)	**(6,960)**	**(7)**
Balance, end of period	**$ 38,644**	**$ 28,580**	**$ 16,624**	**$ 83,848**	**$ 610**

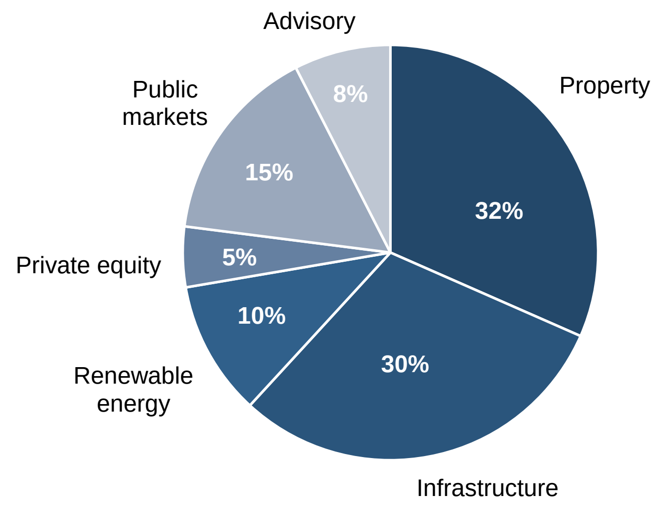
1. *Brookfield Property Partners and Brookfield Renewable Energy Partners' initial capitalization for determining equity enhancement fees is $11.5 billion and $8.1 billion, respectively*
2. *Includes contributions and capital raised*
3. *Represents redemptions, expiry of uncalled commitments and client withdrawals*
4. *Represents quarterly distributions from listed partnerships and distributions of capital to fund partners*
5. *Includes gains (losses) on portfolio investments*
6. *Includes non-recourse leverage included in the determination of listed issuer capitalization and foreign exchange on non-U.S. dollar commitments*

Annualized Fees and Carry

AS AT (MILLIONS)	Jun. 30, 2014	Dec. 31, 2013	Jun. 30, 2013
Base management fees[1,2]			
Listed partnerships[3]	$ 280	$ 220	$ 220
Private funds	245	240	240
Public markets	85	70	65
	610	530	525
Incentive distributions	48	48	32
Transaction and advisory[4]	56	53	55
Performance income[4]	30	25	10
Fee revenues	744	656	622
Target carried interest[5]	375	350	375
	$ 1,119	$ 1,006	$ 997

1. *Based on capital committed or invested and contractual arrangements*
2. *Base management fees include $210 million of annualized base fees on Brookfield capital (Dec. 31, 2013 – $186 million, Jun. 30, 2013 – $195 million)*
3. *Annualized BPY equity enhancement fee is net of $20 million fee credit for base fees being paid on private fund commitments*
4. *Equal to simple average of the last two years*
5. *Calculated on prescribed carried interest for private funds and target gross return. Includes only third-party capital*

Fee Revenue Diversification [1]



1. *Fee revenues based on annualized fees, excludes target carried interest*

- Annualized fee revenues and target carry totalled $1.1 billion at June 30, 2014 representing a 12% increase since the prior year (11% since year end).
  - Our product mix of listed partnerships, private funds and public market portfolios provides further diversification and stability.
- We estimate annualized base management fees on the $9.5 billion of third-party uncalled capital would increase by approximately $33 million upon being called, as base management fees increase for certain funds when capital is called.
- We include base fees on the capital invested by us in our funds in order to present operating margins and investment returns on a consistent basis (see note 2 above).
- We estimate longer term gross margins on fee revenues and target carried interest at over 50% and 60–70%, respectively for planning purposes.

Annualized Incentive Distributions and Target Carried Interest

Annualized Incentive Distributions

AS AT JUN. 30, 2014 (MILLIONS, EXCEPT PER UNIT AMOUNTS)	Annualized Distribution (Per Unit)[1]	Distribution Hurdles (Per Unit)	Incentive Distribution (Per Unit)[2]	Units Outstanding	Current IDR Per Unit[1] First Hurdle	Current IDR Per Unit[1] Second Hurdle	Annualized Incentive Distribution
Brookfield Infrastructure Partners	$ 1.92	$1.22 / $1.32	15% / 25%	210.1	$ 0.02	$ 0.20	$ 46
Brookfield Renewable Energy Partners	1.55	1.50 / 1.69	15% / 25%	275.6	0.01	-	2
Brookfield Property Partners	1.00	1.10 / 1.20	15% / 25%	713.1	-	-	-
							$ 48

1. Based on most recent quarterly distributions declared
2. Incentive distributions equate to 18% and 33% of limited partner distribution increases over the first and second hurdles, respectively

Annualized Target Carried Interest

AS AT JUN. 30, 2014 (MILLIONS)	Private Funds Fee Bearing Capital	Third-Party Capital Subject to Carried Interest[1]	Target Return	Carried Interest	Average Investment Period[2]	Annualized Target Carried Interest[1]
Core and Value Add	$ 18,933	$ 12,400	10% to 15%	~18%	85%	$ 220
Opportunistic and Private Equity	9,647	5,700	18% to 25%	~20%	75%	155
	$ 28,580	$ 18,100				$ 375

1. Excludes Brookfield capital of $6.5 billion and $4.1 billion of capital for which carried interest is either not provided or is credited against fees earned on other funds
2. Average investment period based on percentage of life of fund

- Carried interest generated on our private funds typically lags targeted carry, as a portion of the capital is not yet invested.

INVESTED CAPITAL – FUNDS FROM OPERATIONS
(Excluding Realized Disposition Gains)

FOR THE PERIODS ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months			LTM		
	2014	2013	Variance	**2014**	2013	Variance
Property	**$ 137**	$ 124	$ 13	**$ 508**	$ 622	$ (114)
Renewable energy	**83**	79	4	**363**	176	187
Infrastructure	**53**	60	(7)	**216**	202	14
Private equity and other	**123**	152	(29)	**422**	530	(108)
Investment income	**34**	43	(9)	**91**	120	(29)
	430	458	(28)	**1,600**	1,650	(50)
Unallocated						
Interest expenses	**(60)**	(86)	26	**(248)**	(350)	102
Corporate costs and taxes	**(36)**	(40)	4	**(138)**	(176)	38
FFO - Invested capital	**$ 334**	$ 332	$ 2	**$ 1,214**	$ 1,124	$ 90

Three Month Highlights:

- **Property:** FFO benefitted from our increased ownership interest in our office property portfolio and positive leasing spreads. These positive variances were partially offset by lower U.S. office occupancy, due to an expected large lease expiry.
- **Renewable energy:** Portfolio growth, increased pricing and capacity sales increased FFO by $12 million, which was partially offset by negative foreign currency variation and our reduced ownership of assets held through BREP.
- **Infrastructure:** FFO growth from the contribution of capital deployed was more than offset by the absence of FFO from non-core timberlands sold in 2013.
- **Private equity and other:** Prices and volumes in our panelboard operations declined from particularly high levels in 2013, which decreased FFO by $35 million. Prior quarter included $28 million FFO from businesses that were subsequently sold, which was partially offset by the contribution from capital deployment. Residential development FFO increased by $22 million from higher pricing and activity in North America.

INVESTED CAPITAL – FUNDS FROM OPERATIONS CONT'D
(Excluding Realized Disposition Gains)

- **Investment income and unallocated:** Interest expense benefitted from a reduced level of borrowings and lower interest rates, following the refinancing of a long dated, high coupon debt instrument in the third quarter of 2013.

LTM Highlights:

- Variances reflect the items noted above, as well as:
  - **Property:** Decline in FFO reflects a lower ownership interest in our property operations and the incurrence of additional interest and management fees, following the formation and spin-off of BPY.
  - **Renewable energy** generation benefitted from a return to long-term average hydrology levels compared to low levels in the third quarter of 2012, as well as increased energy prices in the first quarter of 2014.
  - **Private equity** operations FFO decreased as the prior year included record price levels within our panelboard operations.
- **Unallocated** interest expense benefitting from lower rates on reduced borrowing levels, and we reallocated $24 million of costs to our asset management segment following the formation of BPY.

SUMMARY OF RESULTS

Realized Disposition Gains – Brookfield Share, Net of Non-Controlling Interests

FOR THE PERIODS ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	Funds from Operations[1,2,3]		Net Income[1,3]		Funds from Operations[1,2,3]		Net Income[1,3]	
Operating Segment	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Property	**$ 128**	$ 10	**$ 41**	$ (7)	**$ 211**	$ (35)	**$ 41**	$ 4
Renewable energy	**-**	-	**-**	-	**4**	172	**-**	-
Infrastructure	**-**	20	**-**	5	**200**	84	**5**	5
Private equity and other	**13**	11	**13**	-	**291**	174	**299**	70
Corporate/asset management	**6**	17	**6**	17	**458**	59	**535**	59
	$ 147	$ 58	**$ 60**	$ 15	**$ 1,164**	$ 454	**$ 880**	$ 138
Per share	**$ 0.23**	$ 0.09	**$ 0.10**	$ 0.02	**$ 1.85**	$ 0.71	**$ 1.41**	$ 0.20

1. *Net of non-controlling interests*
2. *FFO includes gains recorded in net income, directly in equity, as well as the realization of appraisal gains recorded in the prior years*
3. *See slide 29 for a reconciliation of disposition gains included in FFO compared to those included in net income*

Second Quarter (Brookfield Share, Net of Non-Controlling Interests)

Property
- Sold 13 properties for proceeds of $1.2 billion, including a $68 million gain on a Denver office property.
- Realized a $30 million gain on the repayment in full of a distressed debt investment in a European office portfolio.

Infrastructure
- Prior year includes a realized disposition gain of $15 million on the sale of Western Canadian timberlands and $5 million of gains on non-core assets.

Private Equity
- Sold a partial interest in oil and gas investment for a realized disposition gain of $13 million. The prior year includes the partial sale of our interest in Norbord.

Corporate/Asset Management
- Sold a low-margin fixed income business with $7 billion of client capital and recognized a $6 million gain. Prior year included $17 million of corporate portfolio gains.

LTM realized disposition gains include the above as well as the following:

- **2014:** Property dispositions of $83 million; Pacific Northwest timberlands ($163 million); non-core infrastructure assets ($37 million); a pulp and paper business ($200 million); shares of Western Forest Products ($82 million) and a $525 million gain on the settlement of a long-dated interest rate contract.

- **2013:** Sale of BREP units ($172 million); Western Canadian timberlands ($34 million); UK connections business ($30 million); shares of private equity and residential investments ($94 million) and $70 million gain on the merger of our U.S. real estate brokerage operations.

Our entity basis profile is organized according to the nature of the investment (i.e., listed vs. unlisted) as opposed to business segment, and is provided to facilitate analysis

AS AT JUN. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Invested Capital		Funds From Operations: Three Months		Funds From Operations: LTM	
	2014	2013	**2014**	2013	**2014**	2013
Asset management						
Fee related earnings	**$ 224**	$ 216	**$ 88**	$ 71	**$ 341**	$ 240
Carried interests, net	**-**	-	**-**	3	**565**	17
	224	216	**88**	74	**906**	257
Invested capital						
Listed						
Brookfield Property Partners[1]	**12,405**	12,180	**122**	117	**462**	577
Brookfield Renewable Energy Partners	**3,562**	3,534	**128**	122	**408**	287
Brookfield Infrastructure Partners	**1,435**	1,478	**48**	49	**191**	159
Other listed	**5,097**	4,188	**122**	152	**369**	445
	22,499	21,380	**420**	440	**1,430**	1,468
Unlisted	**3,712**	3,198	**10**	18	**170**	182
	26,211	24,578	**430**	458	**1,600**	1,650
Disposition gains	**-**	-	**147**	58	**1,164**	454
	26,211	24,578	**577**	516	**2,764**	2,104
Capitalization (slide 16)						
Borrowings	**(4,577)**	(3,975)	**(60)**	(82)	**(241)**	(332)
Net working capital	**281**	223	**(36)**	(40)	**(138)**	(176)
Preferred shares[2]	**(3,553)**	(3,261)	**-**	(4)	**(7)**	(18)
	(7,849)	(7,013)	**(96)**	(126)	**(386)**	(526)
Common equity	**$ 18,586**	$ 17,781	**$ 569**	$ 464	**$ 3,284**	$ 1,835
Per share[3]	**$ 29.92**	$ 28.70	**$ 0.84**	$ 0.68	**$ 5.00**	$ 2.68

1. *BPY LTM 2013 results include net assets contributed to BPY, including BPO, GGP and Canary Wharf Group*
2. *Includes preferred shares and capital securities. FFO excludes $38 million of preferred share distributions for the three months (2013 – $36 million) and $149 million (2013 – $139 million) for the last twelve months which are included in determining per share results*
3. *See slide 32 for per share information*

Over 85% of our invested capital is held in listed securities, which provide enhanced transparency for investors, and financial flexibility and access to liquidity for Brookfield

AS AT AND FOR THE PERIODS ENDED JUN. 30, 2014 (MILLIONS)	Platform	No. Units	Carrying Value Quoted[1]	Carrying Value IFRS	FFO[2] Three Months	FFO[2] LTM	Distributed Cash Flow (Annualized)[3]
Listed partnerships							
Brookfield Property Partners	Property	482.8	$ 10,076	$ 12,405	$ 122	$ 462	$ 483
Brookfield Renewable Energy Partners	Renewable Energy	172.3	5,105	3,562	128	408	267
Brookfield Infrastructure Partners	Infrastructure	59.8	2,495	1,435	48	191	115
Other listed investments							
BPY Preferred Shares	Property	n/a	1,275	1,275	19	76	76
Brookfield Residential Properties	Private Equity & other	81.5	1,691	1,005	34	148	-
Brookfield Incorporações	Private Equity & other	258.9	114	372	(1)	(45)	-
Norbord	Private Equity & other	27.8	682	226	13	43	60
Western Forest Products	Private Equity & other	113.9	238	262	12	51	8
Ainsworth Lumber	Private Equity & other	53.7	140	94	4	6	-
Acadian Timber	Infrastructure	7.5	94	66	1	7	6
Other	Private Equity & other	Various	361	342	6	(8)	-
Financial assets	Corporate	Various	1,455	1,455	34	91	115[4]
			$ 23,726	22,499	420	1,430	$ 1,130
Unlisted							
Private funds[5]	Private Equity & other			443	19	62	
Directly held assets	Various			1,108	(1)	11	
Energy marketing	Renewable Energy			782	(45)	(45)	
Construction and property services	Private Equity & other			1,379	37	142	
				3,712	10	170	
				$ 26,211	$ 430	$ 1,600	

1. *Quoted value based on June 30, 2014 public pricing*
2. *Excludes disposition gains*
3. *Annualized distributed cash flow is based on dividend payouts as of June 30, 2014*
4. *Estimated 8% annualized cash yield*
5. *Market value estimate of $675 million, based on fair values provided to private fund institutional clients, which are used in the determination of performance-based income and audited annually*

Corporate debt maturities are well distributed over the next ten years and we have no maturities until 2016

AS AT AND FOR THE PERIODS ENDED JUN. 30, 2014 AND DEC. 31, 2013 (MILLIONS)	Average Yield	Invested Capital 2014	Invested Capital 2013	Funds from Operations – Three Months 2014	Funds from Operations – Three Months 2013	Funds from Operations – LTM 2014	Funds from Operations – LTM 2013
Corporate borrowings	**4.4%**	**$ 4,577**	$ 3,975	**$ 60**	$ 82	**$ 241**	$ 332
Capital securities	**n/a**	**-**	163	**-**	4	**7**	18
Preferred shares[1]	**4.5%**	**3,553**	3,098	**-**	-	**-**	-
Net working capital	**n/a**	**309**	402	**-**	-	**-**	-
Deferred income tax asset, net	**n/a**	**(590)**	(625)	**-**	-	**-**	-
Corporate costs and taxes	**n/a**	**-**	-	**36**	40	**138**	176
		$ 7,849	$ 7,013	**$ 96**	$ 126	**$ 386**	$ 526

1. *FFO excludes preferred shares distributions of $38 million (2013 – $36 million) for the three months; and $149 million (2013 – $139 million) for the last twelve months*

- Reduction in interest costs reflects refinancing of higher cost liabilities in current low-rate environment.

Corporate Maturity Profile

($ MILLIONS)	Average Term (Years) 2014	Average Term (Years) 2013	As at Jun. 30, 2014	Maturity 2014	Maturity 2015	Maturity 2016	Maturity 2017	Maturity 2018+
Corporate borrowings								
Term debt	**9**	10	$ 3,767	$ -	$ -	$ 281	$ 473	$ 3,013
Revolving facilities[1]	**4**	5	810	-	-	-	-	810
			4,577	-	-	281	473	3,823
Preferred shares	**perp.**	perp.	3,553	-	-	-	-	n/a
			$ 8,130	$ -	$ -	$ 281	$ 473	$ 3,823

1. *Revolving credit facilities of $2.0 billion to support commercial paper issuances (20 bps spread) or bankers acceptances/LIBOR loans (100 bps spread)*

Core and Total Liquidity

Core liquidity and uncalled fund commitments totalled $15.9 billion at June 30, 2014 and is available for investments.

AS AT JUN. 30, 2014 AND DEC. 31, 2013 (MILLIONS)	Corporate	Property	Renewable Energy	Infrastructure	Private Equity	**Total 2014**	Total 2013
Cash and financial assets, net	$ 1,455	$ 473	$ 235	$ 360	$ -	**$ 2,523**	$ 1,727
Undrawn committed credit facilities	910	603	982	1,400	-	**3,895**	4,609
Core liquidity	2,365	1,076	1,217	1,760	-	**6,418**	6,336
Uncalled private fund commitments[1]	-	3,991	1,152	3,282	1,032	**9,457**	9,032
Total liquidity	$ 2,365	$ 5,067	$ 2,369	$ 5,042	$ 1,032	**$ 15,875**	$ 15,368

1. *Third-party private fund uncalled commitments*

- Corporate facilities totalled $1.8 billion, of which $0.8 billion was utilized for short-term bank or commercial paper borrowings and $0.1 billion for letters of credit.
  - We renewed our corporate facilities in July 2014, increasing their total by $0.2 billion to $2.0 billion, with a term of five years.
- Total liquidity of $15.9 billion at June 30, 2014, includes core liquidity of $6.4 billion and third-party uncalled commitments of $9.5 billion.

Uncalled Fund Commitments – Maturity Profile

AS AT JUN. 30, 2014 AND DEC. 31, 2013 (MILLIONS)	2014	2015	2016	2017	2018+	**Total 2014**	Total 2013
Property	$ -	$ 180	$ 1,991	$ 1,044	$ 776	**$ 3,991**	$ 2,762
Infrastructure and renewable energy	392	768	-	3,103	171	**4,434**	5,359
Private equity	53	-	563	363	53	**1,032**	911
	$ 445	$ 948	$ 2,554	$ 4,510	$ 1,000	**$ 9,457**	$ 9,032

- Uncalled commitments have a weighted average maturity of approximately three years.
- $1.7 billion of uncalled commitments are committed to investments.

Brookfield

Additional Information

We hold a 68% interest in Brookfield Property Partners, which owns virtually all of our global property operations

Financial Position and Performance

AS AT JUN. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2014	2013	**2014**	2013	**2014**	2013
Investment in Brookfield Property Partners						
LP Units[1,2]	**$ 12,405**	$ 12,180	**$ 122**	$ 117	**$ 462**	$ 577
Preferred shares	**1,275**	1,275	**19**	17	**76**	17
	13,680	13,455	**141**	134	**538**	594
Directly held, net[3]	**(112)**	(116)	**(4)**	(10)	**(30)**	28
	13,568	13,339	**137**	124	**508**	622
Realized disposition gains	**-**	-	**128**	10	**211**	(35)
	$ 13,568	$ 13,339	**$ 265**	$ 134	**$ 719**	$ 587

1. *Represents our share of BPY's FFO for the second quarter of $208 million (2013 – $126 million), adjusted to exclude $43 million of realized disposition gains, and $11 million of depreciation, transaction costs and other items*
2. *BPY 2013 LTM results reflect net assets contributed to BPY, including BPO, GGP and Canary Wharf Group*
3. *Consists of $408 million (2013 – $469 million) of property assets less $520 million (2013 – $585 million) of associated borrowings and preferred share obligations*

Operating Profile

- We manage a global portfolio of premier properties with over 330 million square feet ("msf") focused on:
  - Office: 197 properties, 98 msf and 19 msf development pipeline.
  - Retail: 164 high quality regional malls, 154 msf predominately based in the U.S. with average sales of $525 per sq. ft.
  - Industrial, Multifamily and Hotel: 22,000 multifamily units, 47 msf of industrial space, 63 msf of future industrial development, and seven hotels with 7,200 rooms.

Financial Performance

- Property FFO excluding gains increased by $13 million to $137 million due to our increased ownership of our office property portfolios and positive leasing spreads.
- We disposed of 13 properties during the quarter for gross proceeds of $1.2 billion, recognizing $98 million of disposition gains, including a $68 million gain on the partial disposal of a Denver office property. Realized disposition gains also included a $30 million gain on the repayment in full of a distressed debt investment in a European office portfolio.

Brookfield Property Partners L.P. ("BPY")
($18.3 billion[1] market capitalization)
NYSE: BPY, TSX: BPY.UN

$1.00 annual distribution per unit
3% – 5% Target distribution growth
80% FFO Payout

Financial Position and Performance – BPY

AS AT JUN. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Invested Capital		Funds from Operations[2] Three Months		Funds from Operations[2] LTM	
	2014	2013	**2014**	2013	**2014**	2013[3]
Office	**$ 15,113**	$ 7,910	**$ 143**	$ 76	**$ 397**	$ 275
Retail	**8,398**	7,704	**104**	76	**357**	295
Industrial, Multifamily & Hotel	**1,012**	925	**20**	7	**75**	49
Corporate / unallocated	**(6,201)**	(2,915)	**(91)**	(32)	**(276)**	(32)
Attributable to unitholders	**18,322**	13,624	**176**	127	**553**	587
Non-controlling interest	**(5,917)**	(1,444)	**(54)**	(10)	**(91)**	(10)
Brookfield's interest	**$ 12,405**	$ 12,180	**$ 122**	$ 117	**$ 462**	$ 577

1. *Based on IFRS values*
2. *Represents our share of BPY's FFO for the second quarter of $208 million (2013 – $126 million), adjusted to exclude $43 million of realized disposition gains, and $11 million of depreciation, transaction costs and other items*
3. *BPY LTM 2013 results prior to spin out include assets contributed to BPY, including BPO, GGP and Canary Wharf Group*

- **Office:** BPY increased its in quarter weighted average ownership in our office portfolio from 49% to 94%, which doubled our office FFO contribution. This was partially offset by reduced occupancy levels following an expected lease expiry in New York in Q4 – 2013. FFO also benefitted from positive leasing on expiring leases.
  - Our average in-place office rent is $30.94 psf, representing a discount of 18% to market rent, and has an average term of eight years. Occupancy was 88.6%, up 50 bps from year end.
  - We leased 2.7 msf at Brookfield Place, New York, in the past twelve months increasing occupancy from 59% to 88%, which will generate $115 million annually of additional NOI commencing in 2016. Once fully leased, we expect to fully replace the $160 million of NOI lost in Q4 – 2013 noted above.
- **Retail:** BPY's share of GGP's FFO was $87 million, which represents a 50% increase over the prior year, primarily from our increased fully-diluted ownership in GGP from 24% to 33%, and a 5% growth in same-store NOI.
  - Average in-place retail rent of $54.69 psf represents a discount of 7% to market rents, and has a six year average term to maturity. Occupancy increased by 50 bps compared to same period in the prior year to 95.2%.
  - Suite-to-suite initial rents for leases commencing in 2014 increased 14% compared to the average rental rate for expiring leases in GGP's portfolio.
- **Industrial, Multifamily and Hotel:** FFO increased from the contribution of capital deployed over past twelve months.
- **Corporate and unallocated:** Corporate charges consist primarily of dividends paid on preferred shares ($19 million), base management fees incurred by BPY and private funds, interest expense on corporate credit facilities and other corporate costs.

We hold a 63% interest in Brookfield Renewable Energy Partners ("BREP"), which owns all of our renewable energy facilities. We also conduct energy marketing initiatives on behalf of BREP

Financial Position and Performance

AS AT JUN. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Common Equity by Segment		Funds from Operations Three Months		Funds from Operations LTM	
	2014	2013	**2014**	2013	**2014**	2013
Investment in BREP L.P. units	**$ 3,562**	$ 3,534	**$ 128**	$ 122	**$ 408**	$ 287
Brookfield Energy Marketing	**782**	894	**(45)**	(43)	**(45)**	(111)
	4,344	4,428	**83**	79	**363**	176
Disposition gains	**-**	-	**-**	-	**4**	172
	$ 4,344	$ 4,428	**$ 83**	$ 79	**$ 367**	$ 348

Operating Profile

- We own and operate 234 generating facilities that provide 6,428 MW of generating capacity.
  - 84% of our LTA generation is hydroelectric, situated on 72 river systems.
  - Through BREP, we generate 23,284 GWh per year based on long-term average hydrology and wind conditions. BREP has contracted 84% of its long-term average generation for the balance of 2014 at an average price of $82/MWh.
  - Our energy marketing operations acquires 8,500 GWh annually from BREP at a price of $75 per MWH, of which it has contractually sold 3,250 GWh at an average price of $82 per MWh.

Financial Performance

- Renewable energy FFO increased by $4 million to $83 million compared to the prior year. The contribution from recent investments generated $10 million of FFO and increased pricing and capacity sales contributed an additional $2 million. The positive variances were partially offset by $8 million of negative currency revaluation and a reduced ownership of assets held through BREP.
- During the second quarter of 2014, BREP completed an equity offering which we did not participate in, generating net proceeds of $285 million and reducing our ownership interest in BREP from 65% to 63%.

Brookfield Renewable Energy Partners L.P. ("BREP")
($8.1 billion market capitalization)
NYSE: BEP, TSX: BEP.UN

$1.55 annual distribution per unit
3% – 5% Target distribution growth
60% – 70% FFO Payout

Financial Position and Performance – BREP

AS AT JUN. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED JUN. 30 ($ MILLIONS)	Common Equity by Segment		Funds from Operations			
			Three Months		LTM	
	2014	2013	**2014**	2013	**2014**	2013
Generation (GWh)						
Actual	**n/a**	n/a	**6,615**	6,265	**22,748**	18,824
Long-term average (LTA)	**n/a**	n/a	**6,691**	6,171	**22,801**	20,151
Hydroelectric generation	**$ 7,072**	$ 7,025	**$ 221**	$ 210	**$ 741**	$ 545
Wind energy	**861**	590	**38**	34	**97**	82
Facilities under development	**211**	276	**-**	-	**-**	-
Corporate/unallocated	**(2,445)**	(2,454)	**(61)**	(57)	**(210)**	(193)
Attributable to unitholders	**5,699**	5,437	**198**	187	**628**	434
Non-controlling interest	**(2,137)**	(1,903)	**(70)**	(65)	**(220)**	(147)
Brookfield's interest	**$ 3,562**	$ 3,534	**$ 128**	$ 122	**$ 408**	$ 287

- Total generation was 6,615 GWh for the quarter, in-line with long-term average and the same period in the prior year.
  - Hydroelectric generation was 5,487 GWh, an increase of 123 GWh from the prior year. Generation from existing facilities was 5,170 GWh compared to 5,364 GWh in the prior year. A full quarter's contribution from assets acquired or commissioned in the last twelve months contributed an incremental 317 GWh of generation.
  - Wind generation was 1,087 GWh, an increase of 350 GWh from the prior year due to growth in the portfolio.
- Our share of BREP's FFO was $128 million, representing a $6 million increase from the prior year. Our share of the FFO increase was primarily due to facilities acquired or commissioned during the last twelve months, offset by unfavourable foreign exchange.

Three Months

- We have agreements to purchase approximately 8,500 GWh from BREP on an annual basis, based on long-term averages. Approximately 40% of the acquired power is sold under long-term contracts with high credit quality counterparties. We attempt to maximize the value we receive on this electricity through optimization of storage and sale of merchant electricity at peak times, or by executing long-term contracts for this power at rates which we believe to estimate the price of electricity which is generated by new build construction in a market.

  The following table presents power purchased from BREP by our energy marketing operations and resold:

FOR THE THREE MONTHS ENDED JUN. 30 (GIGAWATT HOURS AND $ MILLIONS)	Generation (GWh)		FFO		Per MWh	
	2014	2013	**2014**	2013	**2014**	2013
Contracted	**885**	856	**$ 72**	$ 70	**$ 81**	$ 82
Uncontracted and financial contracts	**1,806**	1,624	**80**	69	**44**	42
	2,691	2,480	**152**	139	**57**	56
Less: Purchases from BREP	**(2,691)**	(2,480)	**(197)**	(182)	**(73)**	(73)
FFO	**-**	-	**$ (45)**	$ (43)	**$ (16)**	$ (17)

- Realized prices per MWh for uncontracted power increased to $44/MWh, representing a 5% increase over the prior year and includes enhanced pricing and ancillary revenues that we receive as a result of our marketing initiatives and capacity sales. The average contracted price declined to $81/MWh due to lower currency exchange rates.

Last Twelve Months

FOR THE LTM ENDED JUN. 30 (GIGAWATT HOURS AND $ MILLIONS)	Generation (GWh)		FFO		Per MWh	
	2014	2013	**2014**	2013	**2014**	2013
Contracted	**3,516**	2,733	**$ 287**	$ 224	**$ 82**	$ 82
Uncontracted	**5,541**	4,819	**334**	211	**60**	44
	9,057	7,552	**621**	435	**69**	58
Less: Purchases from BREP	**(9,057)**	(7,552)	**(666)**	(548)	**(74)**	(73)
FFO	**-**	-	**$ (45)**	$ (113)	**$ (5)**	$ (15)

We hold a 28% interest in Brookfield Infrastructure Partners, which owns the majority of our infrastructure operations, and we have direct interests in our sustainable resources

Financial Position and Performance

AS AT JUN. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2014	2013	**2014**	2013	**2014**	2013
Investment in BIP L.P. units	**$ 1,435**	$ 1,478	**$ 48**	$ 49	**$ 191**	$ 159
Directly held						
Acadian Timber Corp.	**66**	67	**1**	2	**7**	8
Sustainable resources	**664**	626	**4**	9	**18**	35
	2,165	2,171	**53**	60	**216**	202
Realized disposition gains	**-**	-	**-**	20	**200**	84
	$ 2,165	$ 2,171	**$ 53**	$ 80	**$ 416**	$ 286

Operating Profile

- We own high quality, long-life assets:
  - Utilities: Networks in North and South America, Europe and Australasia, including 10,500 km of transmission lines and 2.1 million connections.
  - Transport: 30 ports, 3,200 km of toll roads and 5,100 km of rail operations.
  - Energy: 15,500 km of transmission pipelines, over 50,000 gas distribution customers, 300 billion cubic feet of natural gas storage capacity in the U.S. and Canada, heating plants capable of delivering 1,905,000 pounds per hour of steam and 136,800 tons of cooling capacity.

Financial Performance

- Infrastructure FFO prior to disposition gains was $53 million.
  - BIP delivered 12% "same-store" annualized FFO per unit growth year-to-date as a result of the increase in utilities rate base, inflation indexation and higher volumes predominantly in our transport business.
  - FFO from directly held assets decreased due to the sale of our U.S. timberlands operations in the prior year.

Brookfield Infrastructure Partners L.P. ("BIP")
($8.3 billion market capitalization)
NYSE: BIP, TSX: BIP.UN

$1.92 annual distribution per unit
5% – 9% Target distribution growth
60% – 70% FFO Payout

Financial Position and Performance – BIP

AS AT JUN. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2014	2013	**2014**	2013	**2014**	2013
Utilities	**$ 1,859**	$ 1,928	**$ 92**	$ 96	**$ 370**	$ 353
Transport	**2,555**	2,456	**94**	83	**365**	244
Energy	**721**	702	**16**	18	**72**	75
Corporate and other	**(100)**	100	**(22)**	(17)	**(99)**	(89)
Attributable to unitholders	**5,035**	5,186	**180**	180	**708**	583
Non-controlling interest	**(3,600)**	(3,708)	**(132)**	(131)	**(517)**	(424)
Brookfield's interest	**$ 1,435**	$ 1,478	**$ 48**	$ 49	**$ 191**	$ 159

- **Utilities** FFO decreased by $4 million to $92 million, reflecting the sale of our Australasian regulated distribution business in the fourth quarter of 2013. Excluding impact of the sale, FFO increased by $9 million as the business benefitted from higher connections activity at our UK regulation distribution business, inflation indexation, a larger regulated asset base and lower costs resulting from margin improvement programs at a number of operations.
- **Transport** FFO increased 13% to $94 million due primarily to the increased ownership in our Brazilian toll road operation in Q3 2013, improved results at our UK port as economic conditions continue to improve in the region and the benefits of a strong grain harvest for our Australian rail road.
- **Energy** FFO declined to $16 million as the contribution from the acquisition of our U.S. district energy business in Q4 2013 was offset by lower transportation volumes at our North American energy transmission business and a warmer winter that affected volumes in our UK energy distribution operations.
- **Corporate and other** Administrative fees were higher as a result of increased market capitalization, and the absence of earnings from timber assets sold by BIP following the 2013 quarter.

INVESTED CAPITAL – PRIVATE EQUITY AND OTHER
Summarized Results

Private Equity:	Residential Development:	Service Activities:
Brookfield Capital Partners (Series of private equity funds with **$3.4 billion** of commitments)	**Brookfield Residential Properties Inc.** **Brookfield Incorporações S.A.**	**Construction and Property Services**

Financial Position and Performance

AS AT JUN. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2014	2013	**2014**	2013	**2014**	2013
Private equity	**$ 1,415**	$ 1,105	**$ 54**	$ 106	**$ 177**	$ 344
Residential development	**1,885**	1,435	**32**	10	**103**	15
Service activities	**1,379**	1,286	**37**	36	**142**	171
	4,679	3,826	**123**	152	**422**	530
Realized disposition gains	**-**	-	**13**	11	**291**	174
	$ 4,679	$ 3,826	**$ 136**	$ 163	**$ 713**	$ 704

Performance Highlights

- Invested capital increased to $4.7 billion during the first half of 2014, reflecting capital deployed and earnings in combination with the impact of higher currency values for the Australian dollar and Brazilian real.
- **Private equity:** Decrease in FFO reflects $35 million decrease in contribution from our panelboard businesses, due to lower North American panelboard prices. The impact of a reduced ownership level in our investments decreased FFO by $28 million. This was partially offset by an $11 million increase in FFO from our energy related business and the contribution from capital deployed.
- **Residential development** FFO increased by $22 million, due to stronger pricing and margins in our North American operations, specifically our U.S. operations which increased housing gross margins from 18% to 24% in 2014. FFO from our Brazilian operations improved compared to 2013 as a result of higher margin projects completed in the current quarter.
- **Service activities** FFO is consistent with 2013 and reflects strong levels of construction activity during the quarter in our Australian and Middle Eastern operations.

ROLLFORWARD OF IFRS COMMON EQUITY

FOR THE THREE MONTHS ENDED JUN. 30 2014 (MILLIONS)	Asset Management	Property	Renewable Energy	Infrastructure	Private Equity & Other	Corporate Activities	Total
Funds from operations	$ 94	$ 265	$ 83	$ 53	$ 136	$ (62)	$ 569
Less: realized disposition gains[1]	-	(87)	-	-	-	-	(87)
Valuation items	-	687	(85)	(44)	(56)	(4)	498
Deferred income taxes	-	(164)	9	(10)	1	(31)	(195)
	94	701	7	(1)	81	(97)	785
Other comprehensive income							
Foreign currency revaluation	5	57	99	18	40	(15)	204
Valuation items	-	(55)	(18)	2	31	-	(40)
Deferred income taxes	-	35	6	-	(5)	9	45
	99	738	94	19	147	(103)	994
Equity items	-	(225)	47	-	46	(9)	(141)
Changes in capitalization	(94)	(190)	(109)	(20)	235	178	-
Common share dividends	-	-	-	-	-	(98)	(98)
Preferred distributions	-	-	-	-	-	(38)	(38)
Common share issuances, net	-	-	-	-	-	22	22
In period change	5	323	32	(1)	428	(48)	739
Common equity, March 31, 2014	219	13,245	4,312	2,166	4,251	(6,346)	17,847
Common equity, June 30, 2014	$ 224	$ 13,568	$ 4,344	$ 2,165	$ 4,679	$ (6,394)	$ 18,586

1. *Includes realization of fair value changes and revaluation surplus recorded in previous periods*

- IFRS common equity increased to $18.6 billion, primarily from $785 million of net income and $209 million of other comprehensive income offset by common and preferred share dividends and $136 million of equity changes.
  - We recorded a $205 million net dilution loss to our equity base, following the completion of the acquisition of BPO from non-controlling interests and dilution from 71.9% to 67.7% of BPY, recorded in “Equity items.”

SUMMARY OF VALUATION ITEMS

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Property	Renewable Energy	Infrastructure	Private Equity & Other[1]	Corporate Activities	**Total[2] 2014**	**Net[2,3] 2014**	Net[2,3] 2013
Recorded in net income								
Fair value changes								
Appraisal gains	$ 1,264	$ -	$ 13	$ (30)	$ -	**$ 1,247**	**$ 725**	$ 254
Interest rates and currencies	-	(3)	(19)	-	3	**(19)**	**(5)**	56
Power sale agreements	-	4	-	-	-	**4**	**2**	(26)
Other fair value changes	(22)	(10)	(21)	(13)	(34)	**(100)**	**(50)**	(31)
Total fair value changes	1,242	(9)	(27)	(43)	(31)	**1,132**	**672**	253
Depreciation and amortization	(71)	(140)	(165)	(64)	(5)	**(445)**	**(174)**	(185)
	1,171	(149)	(192)	(107)	(36)	**687**	**498**	68
Non-controlling interests in net income	(484)	64	148	51	32	**(189)**	**-**	-
	687	(85)	(44)	(56)	(4)	**498**	**498**	68
Recorded in OCI								
Capital markets	4	-	10	63	1	**78**	**42**	(10)
Interest rate contracts	(80)	(19)	(6)	-	(3)	**(108)**	**(73)**	94
Power sale agreements	-	(6)	-	-	-	**(6)**	**(6)**	36
Other fair value changes	-	-	(3)	(2)	2	**(3)**	**-**	13
	(76)	(25)	1	61	-	**(39)**	**(37)**	133
Non-controlling interests in OCI	22	9	(1)	(28)	-	**2**	**-**	-
	(54)	(16)	-	33	-	**(37)**	**(37)**	133
Valuation items	$ 633	$ (101)	$ (44)	$ (23)	$ (4)	**$ 461**	**$ 461**	$ 201

1. *Includes private equity, residential development and services activities*
2. *Includes valuation items within equity accounted investments*
3. *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.

- Property appraisal gains prior to non-controlling interests primarily included gains on our U.S. office properties ($803 million), GGP's retail malls ($153 million) and our industrial asset portfolio ($119 million). Approximately 30% of the appraisal gains are due to improved cash flows and positive leasing and the remaining 70% from lower discount and capitalization rates.

RECONCILIATION OF REALIZED DISPOSITION GAINS TO IFRS FINANCIAL STATEMENTS

Three Months

FOR THE THREE MONTHS ENDED JUN. 30, 2014 (MILLIONS)	Operating Segment	FFO	IFRS Recognition[1] Net Income[2]	Equity[3]	Prior Periods[4]	Total
Sale of private equity investment	Private Equity	$ 13	$ 13	$ -	$ -	**$ 13**
European office portfolio debt repayment	Property	30	30	-	-	**30**
Property dispositions	Property	98	11	-	87	**98**
Sale of fixed income business	Asset Management	6	6	-	-	**6**
		$ 147	**$ 60**	**$ -**	**$ 87**	**$ 147**

Last Twelve Months

FOR THE LTM ENDED JUN. 30, 2014 (MILLIONS)	Operating Segment	FFO	IFRS Recognition[1] Net Income[2]	Equity[3]	Prior Periods[4]	Total
Long-dated interest rate contract	Corporate	$ 525	$ 525	$ -	$ -	**$ 525**
Pacific Northwest timberlands	Infrastructure	163	(5)	-	168	**163**
New Zealand regulated distribution	Infrastructure	37	10	-	27	**37**
Pulp and paper business	Private Equity	200	261	-	(61)	**200**[5]
Western Forest Products sell-down	Private Equity	82	35	47	-	**82**
European office portfolio debt repayment	Property	30	30	-	-	**30**
Property dispositions	Property	181	11	-	170	**181**
Sale of fixed income business	Asset Management	6	6	-	-	**6**
Portfolio losses	Corporate	(73)	4	-	(77)	**(73)**
Other	Various	13	3	10	-	**13**
		$ 1,164	**$ 880**	**$ 57**	**$ 227**	**$ 1,164**

1. *Net of non-controlling interests*
2. *Prior to the impact of deferred taxes*
3. *Gains or losses on changes in ownership of consolidated subsidiaries are recorded directly in equity under IFRS*
4. *Realization of prior period fair value changes or revaluation surplus are recognized in FFO on crystallization of value; however no impact to current period IFRS results*
5. *Net income includes a $61 million recapitalization gain recorded in FFO in prior periods that was not recognized under IFRS until the sale of this business in the current quarter*

Capitalization

AS AT JUN. 30, 2014 AND DEC. 31, 2013 (MILLIONS)	Corporate		Proportionate		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013
Corporate borrowings	**$ 4,577**	$ 3,975	**$ 4,577**	$ 3,975	**$ 4,577**	$ 3,975
Non-recourse borrowings						
Property-specific mortgages	**-**	-	**21,427**	20,319	**37,440**	35,495
Subsidiary borrowings	**-**	-	**4,809**	3,998	**7,549**	7,392
	4,577	3,975	**30,813**	28,292	**49,566**	46,862
Accounts payable and other	**1,279**	978	**6,642**	6,041	**10,922**	10,316
Deferred tax liabilities	**70**	24	**4,046**	3,737	**6,871**	6,164
Capital securities	**-**	163	**422**	439	**624**	791
Interests of others in consolidated funds	**-**	-	**-**	-	**1,379**	1,086
Equity						
Non-controlling interests	**-**	-	**-**	-	**27,037**	26,647
Preferred equity	**3,553**	3,098	**3,553**	3,098	**3,553**	3,098
Common equity	**18,586**	17,781	**18,586**	17,781	**18,586**	17,781
	22,139	20,879	**22,139**	20,879	**49,176**	47,526
Total capitalization	**$ 28,065**	$ 26,019	**$ 64,062**	$ 59,388	**$ 118,538**	$ 112,745
Debt to capitalization[1]	**16%**	15%	**48%**	48%	**42%**	42%

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

Condensed Statements of Operations

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	2014	2013	Change
Total revenues and other gains	**$ 4,835**	$ 5,166	$ (331)
Direct costs	**(3,229)**	(3,606)	377
Equity accounted income	**345**	224	121
Expenses			
Interest	**(639)**	(668)	29
Corporate costs	**(33)**	(36)	3
Fair value changes	**996**	465	531
Depreciation and amortization	**(371)**	(373)	2
Income tax	**(346)**	(370)	24
Net income	**1,558**	802	756
Non-controlling interests	**(773)**	(572)	(201)
Net Income attributable to shareholders	**$ 785**	$ 230	$ 555
Net income per share	**$ 1.19**	$ 0.31	$ 0.88

Financial highlights

- The contribution to net income from **total revenues and other gains** less **direct costs** increased by $46 million in aggregate due to higher amounts of fee bearing capital under management, increased investment income, and better results in our residential and energy-related investments. These increases were offset by the sale and deconsolidation of a pulp and paper businesses within our private equity operations and non-core timberlands over the past twelve months, which reduced revenues and other gains and direct costs by $617 million and $469 million, respectively, compared to the second quarter of 2013.
- **Equity accounted income** increased by $121 million due to higher net operating income at General Growth Properties and at our other property investments, where net operating income and higher amounts of positive fair value changes improved results.
- **Interest** expense decreased due to the benefit from refinancing debt at lower interests rates.
- We recorded a higher level of positive **fair value changes,** primarily due to changes in investment property values, most of which occurred within our U.S. office properties, particularly related to the our continuing leasing activities in New York City and further recovery of downtown Los Angeles. Valuations continued to benefit from declines in discount rates and terminal capitalization rates.
- **Net income attributable to shareholders** increased as our share of fair value changes was partially offset by higher income tax expense. In addition to our share of the fair value increases of our assets, property operations benefitted from the early repayment of an investment security and the contribution of capital deployed in the past twelve months.

Common Share Continuity

FOR THE PERIODS ENDED JUN. 30 (MILLIONS)	Three Months		Six Months	
	2014	2013	**2014**	2013
Outstanding at beginning of period	**615.7**	615.9	**615.5**	619.6
Issued (repurchased)				
Repurchases	**-**	(1.7)	**(1.3)**	(6.2)
Long-term share ownership plans	**0.8**	1.1	**2.2**	1.9
Dividend reinvestment plan	**-**	0.1	**0.1**	0.1
Outstanding at end of period	**616.5**	615.4	**616.5**	615.4
Unexercised options	**37.9**	37.6	**37.9**	37.6
Total diluted shares at end of period	**654.4**	653.0	**654.4**	653.0

- The company holds 10.6 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
  - 2.0 million of these shares are included in diluted shares outstanding for a net reduction of 8.6 million.
- Cash value of unexercised options at June 30, 2014 was $995 million (December 31, 2013 - $904 million).

FFO and Earnings Per Share Information

FOR THE THREE MONTHS ENDED JUN. 30 (MILLIONS)	Funds from Operations		Net Income	
	2014	2013	**2014**	2013
Funds from operations/Net income	**$ 569**	$ 464	**$ 785**	$ 230
Preferred share dividends	**(38)**	(36)	**(38)**	(36)
Funds from operations/Net income available for shareholders	**$ 531**	$ 428	**$ 747**	$ 194
Weighted average shares	**616.0**	616.0	**616.0**	616.0
Dilutive effect of the conversion of options using treasury stock method	**14.9**	11.8	**14.9**	11.8
Shares and share equivalents	**630.9**	627.8	**630.9**	627.8

RECONCILIATION OF NET INCOME TO FFO

June 30, 2014

FOR THE THREE MONTHS ENDED (MILLIONS)	IFRS	Reconciling Items: Eliminate Non-FFO Items	Reconciling Items: Intersegment Adjustments	Reconciling Items: Realized Disposition Gains	FFO
Total revenues and other gains	$ 4,835	$ -	$ 109	$ -	$ 4,944
Direct costs	(3,229)	-	43	-	(3,186)
Realized disposition gains	-	-	-	87	87
Equity accounted income	345	(74)	-	-	271
Expenses					
Interest	(639)	-	-	-	(639)
Corporate costs	(33)	-	(152)	-	(185)
Fair value changes	996	(996)	-	-	-
Depreciation and amortization	(371)	371	-	-	-
Income tax	(346)	310	-	-	(36)
Net income	1,558				
Non-controlling interests	(773)	86	-	-	(687)
Net income / FFO attributable to shareholders	$ 785	$ (303)	$ -	$ 87	$ 569

June 30, 2013

FOR THE THREE MONTHS ENDED (MILLIONS)	IFRS	Reconciling Items: Eliminate Non-FFO Items	Reconciling Items: Intersegment Adjustments	Reconciling Items: Realized Disposition Gains	FFO
Total revenues and other gains	$ 5,166	$ -	$ 99	$ -	$ 5,265
Direct costs	(3,606)	-	38	-	(3,568)
Realized disposition gains	-	-	-	43	43
Equity accounted income	224	(23)	-	-	201
Expenses					
Interest	(668)	-	-	-	(668)
Corporate costs	(36)	-	(137)	-	(173)
Fair value changes	465	(465)	-	-	-
Depreciation and amortization	(373)	373	-	-	-
Income tax	(370)	323	-	-	(47)
Net income	802				
Non-controlling interests	(572)	(17)	-	-	(589)
Net income / FFO attributable to shareholders	$ 230	$ 191	$ -	$ 43	$ 464

OPERATING AND PERFORMANCE MEASURES

This Supplemental Information contains key operating and performance measures that we employ in analysing and discussing our results. These measures include non-IFRS measures. We describe our key financial measures below and include a complete list of our operating and performance measures on pages 34 through 36 of our December 31, 2013 annual report.

- **Funds from Operations (FFO)** is our key measure of financial performance. FFO is defined as net income attributable to shareholders prior to fair value changes, 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.

  FFO 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. FFO is reconciled to net income attributable to shareholders on slide 33.

  - FFO from **Operating Activities** represents the company's share of revenues less operating costs and interest expenses; excludes disposition gains, fair value changes, depreciation and amortization 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 variances within FFO.
  - **Realized Disposition Gains** are included in FFO as the purchase and sale of assets is a normal part of the company's business. Realized 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. Net income includes the following valuation items: fair value changes and depreciation and amortization. Unless otherwise noted, valuation items also include the following items in other comprehensive income: gains or losses within revaluation surplus, cash flow hedges and available-for-sale securities. Valuation items also include the company's share of equity accounted investments' valuation items. Valuation items are non-IFRS measures on an entity basis and are reconciled to our IFRS financial statements in Note 3 of our annual report.
- **Invested Capital** is the amount of common equity allocated to a business segment or business line within a segment. This measure is intended to present the net assets associated with FFO of the segment.
- **LTM** represents last twelve months.

- **Fee Bearing Capital** represents the capital committed, pledged or invested in our listed issuers, private funds, and public securities that we manage which entitle us to earn fee revenues and/or carried interests. Fee bearing capital includes both called ("invested") and uncalled ("pledged" or "committed") amounts.

- **Fee Revenues** include base management fees, incentive distributions, performance fees and transaction and advisory fees presented within our asset management segment. Fee revenues exclude carried interest.

- **Fee Related Earnings** is comprised of fee revenues less direct costs (other than costs related to carried interests).

- **Base Management Fees** are determined by contractual arrangements, are typically equal to a percentage of Fee Bearing Capital, are accrued quarterly, include base fees earned on fee bearing capital from both clients and ourselves and are typically earned on both called and uncalled amounts.

- **Incentive Distributions** are determined by contractual arrangements and are paid to us by our three primary listed entities and represent a portion of distributions paid by a listed issuer above a pre-determined threshold.

- **Performance Fees** are paid to us when we exceed pre-determined investment returns on certain portfolios managed in our public markets activities. Performance fees are typically determined on an annual basis and are not subject to "clawback" in future years.

- **Carried Interests** are contractual arrangements whereby we receive a fixed percentage of investment gains generated within a private fund provided that the investors receive a pre-determined minimum return. Carried interests are typically paid towards the end of the life of a fund after the capital has been returned to investors and may be subject to "clawback" until all investments have been monetized and minimum investment returns are sufficiently assured. We defer recognition of carried interests in our financial statements until they are no longer subject to adjustment based on future events. Unlike fees and incentive distributions, we only include carried interests earned in respect of third-party capital when determining our segment results.

Cautionary Note Concerning Forward-Looking Statements

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.