Q3 2014

Supplemental Information

Three Months Ended September 30, 2014

Brookfield

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

- Fee revenues increased by 21% to $721 million (LTM) and fee bearing capital increased 14% year-over-year to $84 billion, reflecting market price appreciation and issuance from our flagship partnerships and continued demand for private fund and public markets capital.
  - We have four private funds (two flagship funds and two niche funds) in the market seeking to raise more than $12 billion of fee bearing capital, including $9 billion from third parties.
- We continued to invest globally at attractive valuations, having invested or committed to invest over $19 billion of capital in the last twelve months, including $3 billion in the most recent quarter.
- Quarterly FFO excluding gains increased 6% to $362 million year-over-year, reflecting increased asset management fees and the contribution from capital deployed over the last twelve months. Gains during the quarter totalled $202 million whereas in the comparative year we realized an exceptional number of gains totalling $851 million.

Contents

Funds from Operations and Net Income

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				Last Twelve Months (LTM)			
	Funds from Operations		Net Income[1]		Funds from Operations		Net Income[2]	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Operating activities								
Asset management	**$ 102**	$ 96	**$ 102**	$ 96	**$ 912**	$ 304	**$ 912**	$ 304
Invested capital	**260**	246	**260**	246	**1,228**	1,119	**1,228**	1,119
	362	342	**362**	342	**2,140**	1,423	**2,140**	1,423
Realized disposition gains[2]	**202**	851	**(7)**	781	**515**	1,382	**92**	934
Fair value changes	**-**	-	**509**	77	**-**	-	**1,649**	825
Depreciation and amortization	**-**	-	**(162)**	(169)	**-**	-	**(696)**	(681)
Deferred income taxes	**-**	-	**32**	(218)	**-**	-	**(408)**	(606)
	$ 564	$ 1,193	**$ 734**	$ 813	**$ 2,655**	$ 2,805	**$ 2,777**	$ 1,895
Per share	**$ 0.83**	$ 1.85	**$ 1.09**	$ 1.23	**$ 3.98**	$ 4.23	**$ 4.16**	$ 2.77

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 prior years*

- FFO from **operating activities** for the quarter increased by $20 million over the 2013 quarter.
  - Fee related earnings increased as a result of growth in fee bearing capital, leading to higher **asset management** income. The 2013 quarter included $18 million of “catch-up” fees received on closing our flagship property fund. LTM asset management FFO for 2014 includes the recognition of $566 million of carried interests. Further details on slide 4.
  - The contribution from our **invested capital** increased by $14 million primarily due to higher sales levels in our residential development business and lower interest costs and higher investment returns in our corporate operations. These positive variances were partially offset by the impact of below average generation levels in our renewable energy business and lower returns in cyclical private equity investments. LTM results include similar variances as well as higher energy prices within our renewable energy operations. Further details on slide 11.
- **Realized disposition gains** in 2014 include a $191 million gain on the sale of a private equity investment, whereas the prior year included a $525 million gain on the settlement of a long-term interest rate swap and large disposition gains in our private equity and timberlands portfolios. Further details on slide 13.
- **Fair value changes** includes a higher level of appraisal gains on our U.S. office and retail properties and $121 million of valuation gains relating to our investment in Canary Wharf. Further details on slide 28.
- The **deferred income tax** recovery in the current quarter reflects the recognition of losses which were previously not recorded, offset by deferred taxes related to the increase in fair value gains noted above. Deferred income tax expense in 2013 reflects the utilization of losses on asset sales.

Results Reflect Continued Momentum in Fundraising and Investment Activities

- Fee related earnings increased by 20% to $346 million LTM, including a 24% increase in base management fees attributable to growth in fee bearing capital in our listed partnerships, private funds and public portfolios.
- Fee bearing capital totalled $84 billion at September 30, 2014, representing 14% increase on a LTM basis.
  - Inflows of $14 billion on a LTM basis; $2 billion during most recent quarter.
  - Annualized fee base and target carry totals more than $1.1 billion.
- Invested or committed $19 billion of capital LTM, deploying over $3 billion of capital in the most recent quarter.
  - Our three flagship private funds are approximately 70% committed to investments in aggregate.
- Monetized $10 billion of capital through asset sales LTM, including over $1 billion in the recent quarter.
  - Distributed $8 billion of capital to our private fund clients LTM, and generated $4 billion of investment gains.
- Continued momentum in fundraising activities.
  - We have four private funds currently in the market seeking to raise more than $12 billion of capital and expect to be in a position to launch a successor fund for our flagship infrastructure fund before the expiry of its investment period, based on our progress in investing existing capital.

$84 billion
Fee Bearing Capital
(14% increase over LTM)

20% increase
in Fee Related Earnings
(LTM basis)

$1.1 billion
Annualized Fee Base and Carry
(14% increase over LTM)

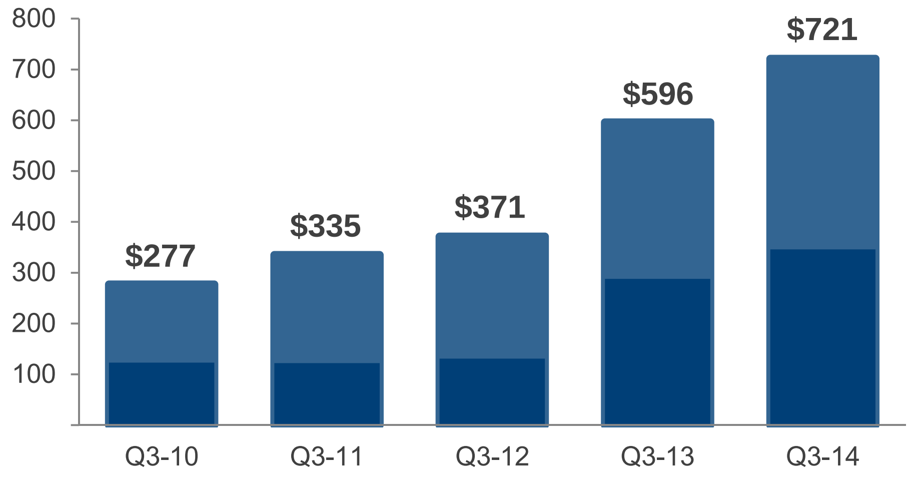
Financial Performance

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months 2014	Three Months 2013	LTM 2014	LTM 2013
Fee related earnings	**$ 102**	$ 97	**$ 346**	$ 288
Carried interest, net				
Generated	**17**	44	**216**	188
Deferred recognition[1]	**(17)**	(45)	**350**	(172)
	-	(1)	**566**	16
	$ 102	$ 96	**$ 912**	$ 304

1. *Amounts dependent on future investment performance are deferred*

Fee Revenues and Fee Related Earnings (LTM)[1]

($ millions)



1. *Excludes carried interest*

Fee Bearing Capital – Profile

AS AT (MILLIONS)	Sep. 2014	Dec. 2013	Sep. 2013
Listed partnerships	**$ 39,411**	$ 32,997	$ 31,600
Private funds	**28,155**	25,625	28,739
Public markets	**16,803**	20,671	20,114
	$ 84,369	$ 79,293	$ 80,453

- Fee bearing capital includes 6 listed partnerships, private funds and numerous funds and separately managed accounts within our public markets operations.
- Private funds include 32 funds with an investor base of approximately 280 clients. Average commitment is approximately $75 million and ~30% of clients invest in multiple funds.
- Public markets includes mutual funds and managed accounts with $5.9 billion of fixed income and $10.9 billion of equity securities.
- Our flagship private property, infrastructure and private equity funds, are approximately 70% invested:

(MILLIONS)	Total Fund Commitments	Invested or Committed
BSREP	$ 4,400	95%
BIF II	7,000	50%
BCP III	1,000	90%
	$ 12,400	

ASSET MANAGEMENT
Fee Related Earnings

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months 2014	Three Months 2013	LTM 2014	LTM 2013	Change Quarter	Change LTM
Base management fees						
Listed partnerships	**$ 74**	$ 54	**$ 257**	$ 191	$ 20	$ 66
Private funds	**63**	56	**244**	204	7	40
Catch-up fees	**-**	18	**-**	18	(18)	(18)
Public markets	**23**	19	**89**	62	4	27
	160	147	**590**	475	13	115
Incentive distributions (IDRs)	**12**	8	**45**	28	4	17
Performance fees – public markets	**3**	2	**29**	31	1	(2)
Transaction and advisory fees	**19**	18	**57**	62	1	(5)
Fee revenues	**194**	175	**721**	596	19	125
Direct costs	**(92)**	(78)	**(375)**	(308)	(14)	(67)
Fee related earnings	**$ 102**	$ 97	**$ 346**	$ 288	$ 5	$ 58

Three Months:

- Listed partnership fees increased by $20 million, including $15 million of additional fees earned on BPY's higher level of capitalization.
- Private funds base fees increased following the final close of our flagship infrastructure and property funds. The prior period included $18 million of accumulated "catch-up" fees on closing our flagship property private fund.
- We continue to add higher margin accounts within our infrastructure and real estate equities funds within our public markets operations, increasing public market base fees.
- IDRs increased by $4 million to $12 million due to increased distributions by both BIP and BREP.
- Gross profit margins were 53% (2013 – 50%, excluding catch-up fees), and benefitted from higher base fees. Direct costs increased due to the expansion of our operations.
- Fee revenues include $55 million of base management fees on Brookfield capital (2013 – $46 million).
- In addition to $3 million of performance fees, we generated $18 million of unearned performance fees ($12 million, net of associated costs) in our public market operations during the first nine months of 2014 which have not been recorded because they are dependent on future performance over the next three months.

Last Twelve Months:

- Total fee revenues increased $125 million (21%) over the prior period to $721 million.
- Base management fees increased by $133 million (29%) over the prior period, excluding an $18 million catch-up fee primarily due to increase in fee bearing capital.
- Incentive distributions nearly doubled, from our share of BIP and BREP's distribution increases.
- Direct costs increased by $67 million due to the reallocation of costs to this segment upon the formation of BPY, as well as the expansion of our operations.
- Fee revenues include $202 million of base management fees on Brookfield capital (2013 – $157 million).

We generated $216 million of carried interest on third-party capital on a LTM basis based on investment performance, increasing unrecognized carried interest to $450 million

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months		LTM	
	2014	2013	**2014**	2013
Generated[1]	**$ 17**	$ 44	**$ 216**	$ 188
Recognition of unbooked carry	**-**	-	**571**	18
Less: associated costs	**(5)**	(17)	**(70)**	(40)
	12	27	**717**	166
Deferred recognition, net[1,2]	**(12)**	(28)	**(151)**	(150)
Carried interest, net	**$ -**	$ (1)	**$ 566**	$ 16

1. *Amounts dependent on future investment performance are deferred*
2. *Carried interest in respect of third-party capital*

Deferred Carried Interest Continuity[1]

FOR THE THREE MONTHS ENDED SEP. 30, 2014 (MILLIONS)	**Three Months**			LTM		
	Unrealized Carried Interest	**Direct Costs**	**Net**	Unrealized Carried Interest	Direct Costs	Net
Unrealized balance, beginning of period	**$ 433**	**$ (154)**	**$ 279**	$ 805	$ (94)	$ 711
In period change						
Generated	**17**	**(5)**	**12**	216	(70)	146
Less: realized	**-**	**-**	**-**	(571)	5	(566)
Unrealized balance, end of period	**$ 450**	**$ (159)**	**$ 291**	$ 450	$ (159)	$ 291

1. *Dependent on future investment performance*

ASSET MANAGEMENT
Fee Bearing Capital and Base Fee Roll Forward

Three Months – September 30, 2014

FOR THE THREE MONTHS ENDED SEP. 30, 2014 (MILLIONS)	Listed Partnerships[1]	Private Funds	Public Markets	**Total Fee Bearing**	**Annualized Base Fees**
Balance, beginning of period	$ 38,644	$ 28,580	$ 16,624	**$ 83,848**	**$ 610**
Inflows[2]	-	297	1,432	**1,729**	**11**
Outflows[3]	-	(39)	(840)	**(879)**	**(3)**
Expired	-	(533)	-	**(533)**	**-**
Distributions[4]	(407)	-	-	**(407)**	**(5)**
Market activity[5]	514	-	(413)	**101**	**4**
Other[6]	660	(150)	-	**510**	**13**
Change	767	(425)	179	**521**	**20**
Balance, end of period[7]	**$ 39,411**	**$ 28,155**	**$ 16,803**	**$ 84,369**	**$ 630**

- Fee bearing capital increased by $521 million in the quarter and annualized base fees grew to $630 million.
- **Private fund** capital decreased by $0.4 billion, reflecting the cancellation of uncalled commitments at the end of the investment periods for two niche funds.

Last Twelve Months – September 30, 2014

FOR THE LTM ENDED SEP. 30, 2014 (MILLIONS)	Listed Partnerships[1]	Private Funds	Public Markets	**Total Fee Bearing**	**Annualized Base Fees**
Balance, beginning of period	$ 31,600	$ 28,739	$ 20,114	**$ 80,453**	**$ 530**
Inflows[2]	5,029	4,121	4,642	**13,792**	**70**
Outflows[3]	-	(211)	(2,914)	**(3,125)**	**(6)**
Expired	-	(533)	-	**(533)**	**-**
Distributions[4]	(1,499)	(3,675)	-	**(5,174)**	**(27)**
Market activity[5]	4,153	-	1,921	**6,074**	**53**
Other[6]	128	(286)	-	**(158)**	**17**
Change	7,811	(584)	3,649	**10,876**	**107**
Sale of fixed income operations	-	-	(6,960)	**(6,960)**	**(7)**
Balance, end of period[7]	**$ 39,411**	**$ 28,155**	**$ 16,803**	**$ 84,369**	**$ 630**

- Fee bearing capital increased by $10.9 billion (14%) on a LTM basis.
- **Listed partnerships** capital increased due to BPY and BREP equity issuances and unit values appreciation.
- We closed on a number of **private fund** strategies on a LTM basis ($4.1 billion of inflows), and distributed $3.7 billion to investors primarily from the realization of our Brookfield Global Timber Fund and the GGP consortium.
- **Public markets** net inflows increased fee bearing capital by $3.6 billion, prior to the sale of a portion of our fixed income insurance business.

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 base fees include increases in fees upon calling and investing capital, as base management fees for certain funds increase when capital is called.*
7. *Fee bearing capital includes Brookfield capital of $21.2 billion in listed partnerships and $6.9 billion in private funds*

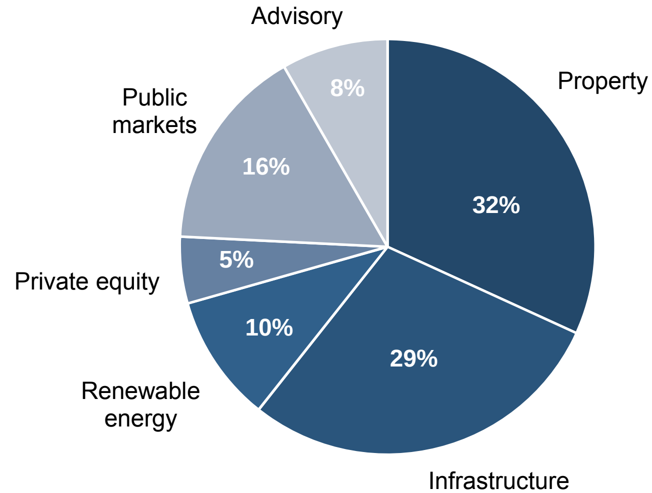
Annualized Fees and Carry

Annualized Fees and Carry

AS AT (MILLIONS)	Sep. 30, 2014	Dec. 31, 2013	Sep. 30, 2013
Base management fees[1,2]			
Listed partnerships[3]	$ 290	$ 220	$ 220
Private funds	250	240	240
Public markets	90	70	70
	630	530	530
Incentive distributions	48	48	32
Transaction and advisory[4]	60	53	55
Performance income[4]	30	25	15
Fee revenues	768	656	632
Target carried interest[5]	375	350	375
	$ 1,143	$ 1,006	$ 1,007

1. *Based on capital committed or invested and contractual arrangements*
2. *Base management fees include $220 million of annualized base fees on Brookfield capital (Dec. 31, 2013 – $186 million, Sep. 30, 2013 – $186 million)*
3. *Annualized BPY fee is net of $20 million fee credit for base fees being paid on private fund commitments*
4. *Simple average of the last two years' results*
5. *Based 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 September 30, 2014 representing a 14% increase since the prior year.
  - Our product mix of listed partnerships, private funds and public market portfolios provides further diversification and stability.
- We estimate annualized base management fees will increase by approximately $31 million upon the $7.9 billion of third-party uncalled capital being and invested, 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 utilized longer term gross margins for 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 SEP. 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 SEP. 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	$ 18,248	$ 12,500	10% to 15%	~18%	85%	$ 220
Opportunistic and Private Equity	9,907	5,700	18% to 25%	~20%	75%	155
	$ 28,155	$ 18,200				$ 375

1. *Excludes Brookfield capital of $6.3 billion and $4.0 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
Summarized Results

Over 85%
of invested capital is held in listed securities

$13.0 billion
of total liquidity available to deploy

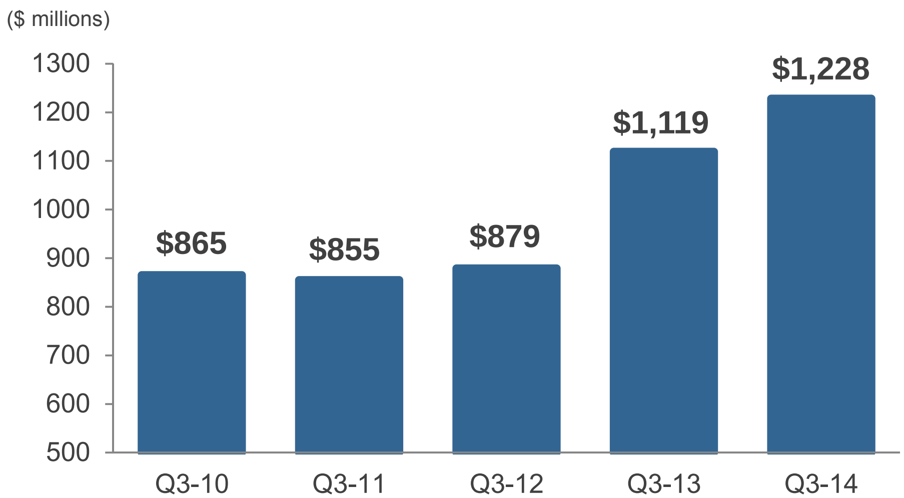
Generates approximately
$1.0 billion
of annualized cashflow

Financial Performance

AS AT SEP. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations[1] Three Months		Funds from Operations[1] LTM	
	2014	2013	**2014**	2013	**2014**	2013
Listed investments	**$ 21,992**	$ 21,380	**$ 302**	$ 287	**$ 1,454**	$ 1,468
Unlisted assets	**3,613**	3,198	**46**	68	**139**	157
Capitalization	**(7,366)**	(7,013)	**(88)**	(109)	**(365)**	(506)
	18,239	17,565	**260**	246	**1,228**	1,119
Disposition gains	**-**	-	**202**	851	**515**	1,382
	$ 18,239	$ 17,565	**$ 462**	$ 1,097	**$ 1,743**	$ 2,501

1. *FFO excludes distributions on preferred shares*

FFO – Operating Activities (LTM)[1]



1. *Excludes disposition gains*

Invested Capital – Profile

(MILLIONS, EXCEPT PER UNIT AMOUNTS)	BPY	BREP	BIP
Market cap.	$ 18,800	$ 8,400	$ 8,300
Annual distribution[1]	$ 1.00	$ 1.55	$ 1.92
Targeted:			
- Distribution growth	5 - 8%	5 - 9%	5 - 9%
- FFO payout	80%	80%	60-70%
BAM ownership	68%	63%	28%

1. *On a per unit basis*

- Over 70% of our invested capital is invested in our flagship listed partnerships: BPY, BREP and BIP. The partnerships serve as the primary vehicle through which we invest in our private funds.
- We directly invest in our private equity and other operations and hold a portfolio of cash and financial assets.
- Our capitalization primarily consists of term debt with a weighted average term of nine years, draws on our $2.0 billion revolving facilities, and perpetual preferred shares.

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

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months			LTM		
	2014	2013	Variance	**2014**	2013	Variance
Property	**$ 136**	$ 121	$ 15	**$ 523**	$ 558	$ (35)
Renewable energy	**28**	57	(29)	**334**	239	95
Infrastructure	**55**	53	2	**218**	211	7
Private equity and other	**110**	127	(17)	**405**	521	(116)
Investment income	**19**	(3)	22	**113**	96	17
	348	355	(7)	**1,593**	1,625	(32)
Unallocated						
Interest expenses	**(58)**	(71)	13	**(235)**	(332)	97
Corporate costs and taxes	**(30)**	(38)	8	**(130)**	(174)	44
FFO - Invested capital	**$ 260**	$ 246	$ 14	**$ 1,228**	$ 1,119	$ 109

Three Month Highlights:

- **Property:** FFO benefitted from our increased ownership interest in our office portfolios and positive leasing spreads, which was partially offset by lower U.S. office occupancy, due to an expected large lease expiry.
- **Renewable energy:** FFO decreased as generation was 13% below long-term average (2013 – 4% above average).
- **Infrastructure:** FFO increased by $2 million, as the benefit of organic growth and contribution from new investments more than offset the contribution from assets that were sold in prior periods as part of a capital recycling initiative.
- **Private equity and other:** The impact of lower pricing on more cyclical operations and the elimination of FFO from disposed assets resulted in a $42 million reduction in our private equity FFO. Residential development FFO increased by $31 million from higher pricing and activity in North America and increased delivery levels in Brazil.

- **Investment income and unallocated:** Investment income benefitted from favourable capital market performance and interest expense decreased due to an overall reduced weighted average interest rate on our term debt, following the refinancing of a long-dated, high coupon debt instrument.

LTM Highlights:

- Variances reflect the items noted above, as well as:
  - **Property:** Decline in FFO reflects reduced occupancy in our U.S. office portfolio, following an expected large lease expiry in the fourth quarter of 2013, as well as a lower ownership interest in our property operations post the formation and spin-off of BPY.
  - **Renewable energy:** Increased energy prices in the first quarter of 2014 contributed a $76 million positive variance, as well as on a LTM basis, and FFO also benefitted from the contribution from capital deployed.
  - **Private equity:** FFO decreased as the prior year included results from operations that were subsequently sold, and from the impact of lower prices on more cyclical investments.
- **Unallocated** interest expense benefitted from lower rates on reduced borrowing levels, and we reallocated $17 million of costs to our asset management segment following the formation of BPY.

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

FOR THE PERIODS ENDED SEP. 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]	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Property	**$ 11**	$ (19)	**$ -**	$ (10)	**$ 241**	$ 7	**$ 51**	$ (6)
Renewable energy	**-**	4	**-**	-	**-**	176	**-**	-
Infrastructure	**-**	163	**-**	(5)	**37**	247	**10**	-
Private equity and other	**191**	245	**(7)**	261	**237**	420	**31**	331
Corporate/asset management	**-**	458	**-**	535	**-**	532	**-**	609
	$ 202	$ 851	**$ (7)**	$ 781	**$ 515**	$ 1,382	**$ 92**	$ 934
Per share	**$ 0.32**	$ 1.36	**$ (0.01)**	$ 1.24	**$ 0.81**	$ 2.19	**$ 0.16**	$ 1.46

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*

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

Property
- Sold a UK office property for proceeds of $230 million, resulting in an $11 million gain.

Infrastructure
- Prior year includes a realized disposition gain of $163 million on the sale of our direct and indirectly held Pacific Northwest timberlands.

Private Equity
- Sold our remaining interest in a forest products business for a realized disposition gain of $191 million. The prior year includes a $200 million gain on sale of a pulp and paper business, and a $45 million gain on the partial sell down of a forest products business.

Corporate/Asset Management
- Prior year included a $525 million gain on settlement of long-dated interest rate contract, partially offset by the realization of cumulative fair value changes on interest rate and foreign exchange contracts closed during the period.

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

- **2014:** Office Property dispositions ($200 million); non-core infrastructure assets ($37 million); forest products business ($35 million) and a gain on repayment of a European office portfolio debt investment ($30 million).
- **2013:** Sale of BREP units ($172 million); Western Canadian timberlands ($34 million); UK connections business ($30 million); shares of private equity and residential investments ($32 million) and a gain on the merger of our U.S. real estate brokerage operations ($70 million).

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 SEP. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED SEP. 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	**$ 211**	$ 216	**$ 102**	$ 97	**$ 346**	$ 288
Carried interests, net	**-**	-	**-**	(1)	**566**	16
	211	216	**102**	96	**912**	304
Invested capital						
Listed						
Brookfield Property Partners[1]	**12,710**	12,180	**129**	111	**489**	539
Brookfield Renewable Energy Partners	**3,321**	3,534	**38**	70	**375**	350
Brookfield Infrastructure Partners	**1,334**	1,478	**47**	45	**193**	173
Other listed	**4,627**	4,188	**88**	61	**397**	406
	21,992	21,380	**302**	287	**1,454**	1,468
Unlisted	**3,613**	3,198	**46**	68	**139**	157
	25,605	24,578	**348**	355	**1,593**	1,625
Disposition gains	**-**	-	**202**	851	**515**	1,382
	25,605	24,578	**550**	1,206	**2,108**	3,007
Capitalization (slide 16)						
Borrowings	**(4,257)**	(3,975)	**(58)**	(69)	**(230)**	(317)
Net working capital	**171**	223	**(30)**	(38)	**(130)**	(174)
Preferred shares[2]	**(3,280)**	(3,261)	**-**	(2)	**(5)**	(15)
	(7,366)	(7,013)	**(88)**	(109)	**(365)**	(506)
Common equity	**$ 18,450**	$ 17,781	**$ 564**	$ 1,193	**$ 2,655**	$ 2,805
Per share[3]	**$ 29.62**	$ 28.70	**$ 0.83**	$ 1.85	**$ 3.98**	$ 4.23

1. *BPY LTM 2013 results include net assets contributed to BPY, including BPO, GGP and Canary Wharf Group*
2. *Includes preferred shares and subsiding equity obligations. FFO excludes $41 million (2013 – $37 million) of preferred share distributions for the three months and $153 million (2013 – $144 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 provides enhanced transparency for investors, and financial flexibility and liquidity for Brookfield

AS AT AND FOR THE PERIODS ENDED SEP. 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	$ 10,173	$ 12,710	$ 129	$ 489	$ 483
Brookfield Renewable Energy Partners	Renewable Energy	172.3	5,250	3,321	38	375	267
Brookfield Infrastructure Partners	Infrastructure	59.8	2,272	1,334	47	193	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	1,540	1,019	33	151	-
Brookfield Incorporações	Private Equity & other	258.9	161	265	13	(17)	-
Norbord	Private Equity & other	27.8	570	208	4	24	60
Ainsworth Lumber	Private Equity & other	53.7	130	80	(6)	(4)	-
Acadian Timber	Infrastructure	7.5	89	63	2	7	6
Other	Private Equity & other	Various	458	427	4	47	-
Financial assets[4]	Corporate	Various	1,290	1,290	19	113	103[5]
			$ 23,208	21,992	302	1,454	$ 1,110
Unlisted							
Private funds[6]	Private Equity & other			481	19	45	
Directly held assets	Various			1,078	(6)	-	
Energy marketing	Renewable Energy			793	(10)	(42)	
Construction and property services	Private Equity & other			1,261	43	136	
				3,613	46	139	
				$ 25,605	$ 348	$ 1,593	

1. *Quoted value based on September 30, 2014 public pricing*
2. *Excludes disposition gains*
3. *Annualized distributed cash flow is based on dividend payouts as of September 30, 2014*
4. *Includes $561 million of cash and $729 million of financial assets*
5. *Estimated 8% annualized cash yield*
6. *Market value estimate of $662 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 SEP. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED SEP. 30, 2014 (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	**4.6%**	**$ 4,257**	$ 3,975	**$ 58**	$ 69	**$ 230**	$ 317
Subsidiary equity obligations	**n/a**	**-**	163	**-**	2	**5**	15
Preferred shares[1]	**4.3%**	**3,280**	3,098	**-**	-	**-**	-
Net working capital	**n/a**	**424**	402	**-**	-	**-**	-
Deferred income tax asset, net	**n/a**	**(595)**	(625)	**-**	-	**-**	-
Corporate costs and taxes	**n/a**	**-**	-	**30**	38	**130**	174
		$ 7,366	$ 7,013	**$ 88**	$ 109	**$ 365**	$ 506

1. *FFO excludes preferred shares distributions of $41 million (2013 – $37 million) for the three months; and $153 million (2013 – $144 million) for the last twelve months*

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

Corporate Maturity Profile

(MILLIONS)	Average Term (Years) Sep. 30, 2014	Average Term (Years) Dec. 31, 2013	As at Sep. 30, 2014	Maturity 2014	Maturity 2015	Maturity 2016	Maturity 2017	Maturity 2018+
Corporate borrowings								
Term debt	**9**	10	**$ 3,614**	$ -	$ -	$ 257	$ 473	$ 2,884
Revolving facilities[1]	**5**	5	**643**	-	-	-	-	643
			4,257	-	-	257	473	3,527
Preferred shares	**perp.**	perp.	**3,280**	-	-	-	-	n/a
			$ 7,537	$ -	$ -	$ 257	$ 473	$ 3,527

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 $13.0 billion at September 30, 2014 and is available for investments.

AS AT SEP. 30, 2014 AND DEC. 31, 2013 (MILLIONS)	Corporate	Property	Renewable Energy	Infrastructure	Private Equity	**Total 2014**	Total 2013
Cash and financial assets, net	$ 1,290	$ (212)[1]	$ 225	$ 308	$ -	**$ 1,611**	$ 1,727
Undrawn committed credit facilities	1,182	459	778	1,056	-	**3,475**	4,609
Core liquidity	2,472	247	1,003	1,364	-	**5,086**	6,336
Uncalled private fund commitments[2]	-	3,859	865	2,462	713	**7,899**	9,032
Total liquidity	$ 2,472	$ 4,106	$ 1,868	$ 3,826	$ 713	**$ 12,985**	$ 15,368

1. *Net of $260 million drawn on subsidiary revolving facility*
2. *Third-party private fund uncalled commitments*

- Corporate facilities totalled $2.0 billion, of which $0.6 billion was utilized for short-term bank or commercial paper borrowings and $0.2 billion for letters of credit.
- Total liquidity of $13.0 billion at September 30, 2014, includes core liquidity of $5.1 billion and third-party uncalled commitments of $7.9 billion.

Uncalled Fund Commitments – Maturity Profile

AS AT SEP. 30, 2014 AND DEC. 31, 2013 (MILLIONS)	2014	2015	2016	2017	2018+	**Total 2014**	Total 2013
Property	$ -	$ 147	$ 1,786	$ 1,179	$ 747	**$ 3,859**	$ 2,762
Infrastructure and renewable energy	-	165	604	2,227	331	**3,327**	5,359
Private equity	-	-	437	225	51	**713**	911
	$ -	$ 312	$ 2,827	$ 3,631	$ 1,129	**$ 7,899**	$ 9,032

- Uncalled commitments have a weighted average maturity of approximately three years.
- We invested $1.6 billion of third-party capital during the quarter and anticipated calling a further $1.9 billion in respect of committed investments at quarter end.

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 SEP. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED SEP. 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]	**$ 12,710**	$ 12,180	**$ 129**	$ 111	**$ 489**	$ 539
Preferred shares	**1,275**	1,275	**19**	19	**76**	36
	13,985	13,455	**148**	130	**565**	575
Directly held, net[2]	**(111)**	(116)	**(12)**	(9)	**(42)**	(17)
	13,874	13,339	**136**	121	**523**	558
Realized disposition gains	**-**	-	**11**	(19)	**241**	7
	$ 13,874	$ 13,339	**$ 147**	$ 102	**$ 764**	$ 565

1. *BPY 2013 LTM results reflect net assets contributed to BPY, including BPO, GGP and Canary Wharf Group*
2. *Consists of $400 million (2013 – $469 million) of property assets less $511 million (2013 – $585 million) of associated borrowings and preferred share obligations*

Operating Profile

- We manage a global portfolio of premier properties with over 340 million square feet (“msf”) focused on:
  - Office: 196 properties, 98 msf and 19 msf development pipeline.
  - Retail: 166 high quality regional malls, 155 msf predominately based in the U.S. with average sales of $526 per sq. ft.
  - Industrial, Multifamily and Hotel: 23,355 multifamily units, 48 msf of industrial space, 63 msf of future industrial development, and eleven hotels with 8,850 rooms.

Financial Performance

- Property FFO excluding gains for the quarter increased by $15 million to $136 million due to our increased ownership of our office and property portfolio and positive leasing spreads. This was partially offset by the impact of lower occupancy in lower Manhattan following a large lease expiry in the fourth quarter of 2013.
- We disposed of 13 properties during the quarter recognizing $11 million of disposition gains.

Financial Position and Performance – BPY

AS AT SEP. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2014	2013	**2014**	2013	**2014**	2013[1]
Office	**$ 15,693**	$ 7,910	**$ 149**	$ 91	**$ 481**	$ 333
Retail	**8,455**	7,704	**117**	68	**406**	290
Industrial, Multifamily & Hotel	**1,103**	925	**24**	16	**80**	44
Corporate and unallocated	**(6,477)**	(2,915)	**(91)**	(47)	**(304)**	(62)
Attributable to unitholders[2]	**18,774**	13,624	**199**	128	**663**	605
Non-controlling interest	**(6,064)**	(1,444)	**(64)**	(10)	**(146)**	(20)
Segment reallocation	**-**	-	**(6)**	(7)	**(28)**	(46)
Brookfield's interest	**$ 12,710**	$ 12,180	**$ 129**	$ 111	**$ 489**	$ 539

1. *BPY LTM 2013 results prior to spin out include assets contributed to BPY, including BPO, GGP and Canary Wharf Group*
2. *Represents our share of BPY's "Company FFO" for the third quarter of $199 million, adjusted to exclude $4 million of asset management activities and $2 million of service activities*

- **Office:** BPY increased its ownership in our office portfolio to 100% increasing our office FFO contribution. This was partially offset by reduced occupancy levels following an expected lease expiry in New York in Q4 – 2013 which decreased FFO by $20 million. FFO also benefitted from positive leasing on expiring leases.
  - Average in-place office rent is $29.72 psf, representing a discount of 20% to market rent, and an average term of eight years. Occupancy increased by 110 bps from year end to 89.1%.
  - We signed 3.2 msf of leases during the quarter. Brookfield Place New York is now 95% committed which will result in a meaningful increased contribution to NOI in 2015 and a further increase in 2016.
- **Retail:** BPY's share of GGP's FFO was $104 million, which represents a 45% increase over the prior year, primarily from the increase in our fully-diluted ownership in GGP from 24% to 33%, and a 5% growth in same-store NOI.
  - Average in-place retail rent of $54.27 psf with a six-year average term to maturity. Occupancy remained constant at 95.5%.
  - Suite-to-suite initial rental rates increased by 16% when compared to the rental rate for expiring leases.
- **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 ($38 million), 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 SEP. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Common Equity by Segment		Funds from Operations			
			Three Months		LTM	
	2014	2013	**2014**	2013	**2014**	2013
Investment in BREP L.P. units	**$ 3,321**	$ 3,534	**$ 38**	$ 70	**$ 375**	$ 350
Brookfield Energy Marketing	**793**	894	**(10)**	(13)	**(41)**	(111)
	4,114	4,428	**28**	57	**334**	239
Disposition gains	**-**	-	**-**	4	**-**	176
	$ 4,114	$ 4,428	**$ 28**	$ 61	**$ 334**	$ 415

Operating Profile

- We own and operate 234 generating facilities that provide 6,707 MW of generating capacity.
  - 84% of our LTA generation is hydroelectric, situated on 72 river systems.
  - Through BREP, we generate 24,023 GWh per year based on long-term average hydrology and wind conditions. BREP has contracted 85% of its long-term average generation for the balance of 2014 at an average price of $79/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 $80 per MWh.

Financial Performance

- Renewable energy FFO excluding gains decreased by $29 million to $28 million compared to the prior year due to reduced generation levels.
- BREP contributed $38 million of FFO, below the prior year's $70 million of FFO, as a result of 13% below long-term average generation compared to 4% above average generation in the prior year.

Financial Position and Performance – BREP

AS AT SEP. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED SEP. 30 ($ MILLIONS)	Common Equity by Segment		Funds from Operations – Three Months		Funds from Operations – LTM	
	2014	2013	**2014**	2013	**2014**	2013
Generation (GWh)						
Actual	**n/a**	n/a	**4,383**	5,154	**21,977**	21,007
Long-term average (LTA)	**n/a**	n/a	**5,065**	4,960	**22,907**	21,062
Hydroelectric generation	**$ 6,876**	$ 7,025	**$ 114**	$ 153	**$ 700**	$ 648
Wind energy	**718**	590	**11**	10	**98**	88
Facilities under development	**280**	276	**-**	-	**-**	-
Corporate/unallocated	**(2,562)**	(2,454)	**(64)**	(55)	**(217)**	(205)
Attributable to unitholders	**5,312**	5,437	**61**	108	**581**	531
Non-controlling interest	**(1,991)**	(1,903)	**(23)**	(38)	**(206)**	(181)
Brookfield's interest	**$ 3,321**	$ 3,534	**$ 38**	$ 70	**$ 375**	$ 350

- Total generation was 4,383 GWh for the quarter, 13% below the long-term average of 5,065 GWh and a decrease of 771 GWh (15%) compared to the prior year.
  - Hydroelectric generation was 3,803 GWh, representing a 16% decrease (736 GWh) from the prior year. Generation from existing facilities was 3,677 GWh compared to 4,539 GWh in the prior year, reflecting the return to more normal generation levels in the United States, compared to strong generation levels last year, as well as below average generation in Canada. A full quarter's contribution from assets acquired or commissioned in the last twelve months contributed an incremental 126 GWh of generation.
  - Wind generation was 566 GWh, representing an increase of 125 GWh from the prior year due to growth in the portfolio. Our recently acquired Irish portfolio contributed 174 GWh.
- Our share of BREP's FFO was $38 million, representing a $32 million decrease from the prior year. Our share of the FFO decrease was primarily due to the aforementioned lower volumes, offset by a $2 per MWh increases in average realized pricing.

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 SEP. 30 (GIGAWATT HOURS AND $ MILLIONS)	Generation (GWh)		FFO		Per MWh	
	2014	2013	**2014**	2013	**2014**	2013
Contracted	**527**	870	**$ 47**	$ 76	**$ 89**	$ 87
Uncontracted and financial contracts	**1,106**	1,099	**58**	57	**52**	52
	1,633	1,969	**105**	133	**64**	68
Less: Purchases from BREP	**(1,633)**	(1,969)	**(115)**	(146)	**(70)**	(75)
FFO	**-**	-	**$ (10)**	$ (13)	**$ (6)**	$ (7)

- The average realized prices per MWh for uncontracted power was $52/MWh, consistent with the prior year.
- Purchases from BREP on a per MWh basis decreased in U.S. dollar terms due to the decline in value of the Canadian dollar.

Last Twelve Months

FOR THE LTM ENDED SEP. 30 (GIGAWATT HOURS AND $ MILLIONS)	Generation (GWh)		FFO		Per MWh	
	2014	2013	**2014**	2013	**2014**	2013
Contracted	**3,175**	3,104	**$ 260**	$ 257	**$ 82**	$ 83
Uncontracted	**5,574**	5,242	**341**	239	**61**	46
	8,749	8,346	**601**	496	**69**	59
Less: Purchases from BREP	**(8,749)**	(8,346)	**(642)**	(607)	**(74)**	(72)
FFO	**-**	-	**$ (41)**	$ (111)	**$ (5)**	$ (13)

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 SEP. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	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
Investment in BIP L.P. units	**$ 1,334**	$ 1,478	**$ 47**	$ 45	**$ 193**	$ 173
Directly held						
Acadian Timber Corp.	**63**	67	**2**	2	**7**	8
Sustainable resources	**612**	626	**6**	6	**18**	30
	2,009	2,171	**55**	53	**218**	211
Realized disposition gains	**-**	-	**-**	163	**37**	247
	$ 2,009	$ 2,171	**$ 55**	$ 216	**$ 255**	$ 458

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 million connections.
  - Transport: 30 ports, 3,200 km of toll roads and 9,100 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 1,935,000 pounds per hour of steam and 251,000 tons of cooling capacity.

Financial Performance

- Infrastructure FFO increased by 4% to $55 million in the quarter, prior to realized disposition gains.
  - BIP's FFO increased by $2 million primarily due to same store organic growth from inflation indexation and development initiatives. The contribution from capital deployed resulted in $5 million of FFO, which was partially offset by the elimination of FFO on the sale of non-core assets.
  - We disposed of our Pacific Northwest timberlands in the prior year, generating a $163 million disposition gain.

Brookfield Infrastructure Partners (NYSE: BIP, TSX: BIP.UN)

Financial Position and Performance – BIP

AS AT SEP. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations: Three Months		Funds from Operations: LTM	
	2014	2013	**2014**	2013	**2014**	2013
Utilities	**$ 1,660**	$ 1,928	**$ 93**	$ 97	**$ 366**	$ 370
Transport	**2,693**	2,456	**102**	82	**385**	286
Energy	**729**	702	**10**	14	**68**	75
Corporate and other	**(396)**	100	**(27)**	(26)	**(100)**	(94)
Attributable to unitholders	**4,686**	5,186	**178**	167	**719**	637
Non-controlling interest	**(3,352)**	(3,708)	**(131)**	(122)	**(526)**	(464)
Brookfield's interest	**$ 1,334**	$ 1,478	**$ 47**	$ 45	**$ 193**	$ 173

- **Utilities** FFO decreased by $4 million to $93 million, reflecting the sale of our Australasian regulated distribution business in the fourth quarter of 2013. FFO from current operations increased by $13 million as the business benefitted from higher connections activity at our UK regulated 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 24% to $102 million primarily due to the increased ownership in our Brazilian toll road operation in September 2013, and partial contribution from the mid-August close of South American rail acquisitions. There are improved results at our UK port as economic conditions continue to improve in the region and strong grain harvest benefitted our Australian rail operation.
- **Energy** FFO declined to $10 million as the contribution from the acquisitions in our U.S. district energy business over the past 12 months and higher in-place connections at our Australasian energy distribution operation was offset by lower transportation volumes at our North American energy transmission business.
- **Corporate and other** General administrative costs were consistent with the prior year.

INVESTED CAPITAL – PRIVATE EQUITY AND OTHER
Summarized Results

Private Equity: **Brookfield Capital Partners** (Series of private equity funds with **$3.3 billion** of commitments)	Residential Development: **Brookfield Residential Properties Inc.** and **Brookfield Incorporações S.A.**	Service Activities: **Construction** and **Property Services**

Financial Position and Performance

AS AT SEP. 30, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – LTM	
	2014	2013	**2014**	2013	**2014**	2013
Private equity investments	**$ 1,186**	$ 1,105	**$ 21**	$ 63	**$ 135**	$ 339
Residential development	**1,871**	1,435	**46**	15	**134**	28
Service activities	**1,261**	1,286	**43**	49	**136**	154
	4,318	3,826	**110**	127	**405**	521
Realized disposition gains	**-**	-	**191**	245	**237**	420
	$ 4,318	$ 3,826	**$ 301**	$ 372	**$ 642**	$ 941

Performance Highlights

- **Invested capital** increased by $0.5 billion to $4.3 billion during the first nine months of 2014, reflecting capital deployed and earnings.
- **Private equity** FFO decrease reflects a $28 million lower contribution from our panelboard businesses, primarily due to decreased prices. The impact of a reduced ownership level in our investments decreased FFO by $16 million following dispositions since the 2013 quarter. This was partially offset from higher levels of FFO from our energy related business and the contribution from capital deployed.
- **Residential development** FFO increased by $31 million, due to stronger pricing and margins in our North American operations, specifically our U.S. operations which increased housing gross margins from 22% to 25% in 2014. FFO from our Brazilian operations improved compared to 2013 as a result of increased completions in the current quarter.
- **Service activities** FFO decreased by $6 million due to the impact of lower currency values for our Canadian dollar FFO and lower sales volumes in our property services operations. Construction revenues were consistent with the prior year, and work-in-hand grew to $5.6 billion.
- **Realized disposition gains** reflect the sale of a forest products investment in the current quarter. The prior year gain was a result of the sale of a pulp and paper business ($200 million) and the sell down of a forest products investment ($45 million).

ROLLFORWARD OF IFRS COMMON EQUITY

FOR THE THREE MONTHS ENDED SEP. 30 2014 (MILLIONS)	Asset Management	Property	Renewable Energy	Infrastructure	Private Equity & Other	Corporate Activities	Total
Funds from operations	$ 102	$ 147	$ 28	$ 55	$ 301	$ (69)	$ 564
Less: realized disposition gains[1]	-	(11)	-	-	(198)	-	(209)
Valuation items	-	615	(173)	(28)	(53)	(14)	347
Deferred income taxes	-	(93)	38	(3)	26	64	32
	102	658	(107)	24	76	(19)	734
Other comprehensive income							
Foreign currency revaluation	-	(159)	(43)	(121)	(346)	98	(584)
Valuation items	-	2	(29)	(10)	(30)	(19)	(86)
Deferred income taxes	-	(55)	6	(20)	92	(86)	(63)
	102	446	(173)	(127)	(208)	(26)	1
Equity items	-	-	-	-	(53)	19	(34)
Changes in capitalization	(115)	(140)	(57)	(29)	(100)	428	-
Common share dividends	-	-	-	-	-	(99)	(99)
Preferred distributions	-	-	-	-	-	(41)	(41)
Common share issuances, net	-	-	-	-	-	37	37
In period change	(13)	306	(230)	(156)	(361)	318	(136)
Common equity, June 30, 2014	224	13,568	4,344	2,165	4,679	(6,394)	18,586
Common equity, September 30, 2014	$ 211	$ 13,874	$ 4,114	$ 2,009	$ 4,318	$ (6,076)	$ 18,450

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

- IFRS common equity remained consistent at $18.5 billion as $734 million of net income was offset by a $733 million other comprehensive loss, of which $584 was due to foreign currency revaluation losses.

SUMMARY OF VALUATION ITEMS

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	Property	Renewable Energy	Infrastructure	Private Equity & Other	Corporate Activities	**Total[1] 2014**	**Net[1,2] 2014**	Net[1,2] 2013
Recorded in net income								
Fair value changes								
Appraisal gains	$ 978	$ -	$ 6	$ (7)	$ -	**$ 977**	**$ 681**	$ 130
Interest rates and currencies	-	-	6	-	-	**6**	**1**	(3)
Power sale agreements	-	(83)	-	-	-	**(83)**	**(83)**	(13)
Subsidiary equity obligations	(80)	-	-	-	-	**(80)**	**(80)**	-
Other fair value changes	(3)	(12)	15	(42)	1	**(41)**	**(10)**	(37)
Total fair value changes	895	(95)	27	(49)	1	**779**	**509**	77
Depreciation and amortization	(35)	(154)	(183)	(62)	(8)	**(442)**	**(162)**	(169)
	860	(249)	(156)	(111)	(7)	**337**	**347**	(92)
Non-controlling interests in net income	(245)	76	128	58	(7)	**10**	**-**	-
	615	(173)	(28)	(53)	(14)	**347**	**347**	(92)
Recorded in OCI								
Capital markets	-	-	(12)	(57)	-	**(69)**	**(34)**	(8)
Interest rate contracts	(11)	-	(28)	-	(18)	**(57)**	**(32)**	13
Power sale agreements	-	(25)	-	-	-	**(25)**	**(23)**	(6)
Other fair value changes	12	(10)	7	-	(1)	**8**	**3**	13
	1	(35)	(33)	(57)	(19)	**(143)**	**(86)**	12
Non-controlling interests in OCI	1	6	23	27	-	**57**	**-**	-
	2	(29)	(10)	(30)	(19)	**(86)**	**(86)**	12
Valuation items	$ 617	$ (202)	$ (38)	$ (83)	$ (33)	**$ 261**	**$ 261**	$ (80)

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. We also include our share of valuation items recorded by equity accounted investees.
- Property **appraisal gains** of $978 million consist primarily of gains on our office portfolio ($691 million) due to improved leasing metrics. Our investment in Canary Wharf increased in value by $178 million.
- We recognized $83 million of mark-to-market losses on our fixed price renewable energy power sales agreements as a result of an increase in forward market pricing at quarter end.
- Property subsidiary equity obligation losses of $80 million were a result of unitholders' proportionate share of increased property appraisals.

Three Months

FOR THE THREE MONTHS ENDED SEP. 30, 2014 (MILLIONS)	Operating Segment	FFO	IFRS Recognition[1] Net Income[2]	Equity[3]	Prior Periods[4]	**Total**
Forest products business	Private Equity	$ 191	$ (7)	$ -	$ 198	**$ 191**
UK office and other properties	Property	11	-	-	11	**11**
		$ 202	$ (7)	$ -	$ 209	**$ 202**

Last Twelve Months

FOR THE LTM ENDED SEP. 30, 2014 (MILLIONS)	Operating Segment	FFO	IFRS Recognition[1] Net Income[2]	Equity[3]	Prior Periods[4]	**Total**
Forest products business	Private Equity	$ 228	$ 28	$ -	$ 200	**$ 228**
New Zealand regulated distribution	Infrastructure	37	10	-	27	**37**
European office portfolio debt	Property	30	30	-	-	**30**
Various property dispositions	Property	211	21	-	190	**211**
Sale of fixed income business	Asset Management	6	6	-	-	**6**
Other	Various	3	(3)	6	-	**3**
		$ 515	$ 92	$ 6	$ 417	**$ 515**

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*

Capitalization

AS AT SEP. 30, 2014 AND DEC. 31, 2013 (MILLIONS)	Corporate		Proportionate		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013
Corporate borrowings	**$ 4,257**	$ 3,975	**$ 4,257**	$ 3,975	**$ 4,257**	$ 3,975
Non-recourse borrowings						
Property-specific mortgages	**-**	-	**21,752**	20,319	**37,291**	35,495
Subsidiary borrowings	**-**	-	**5,247**	3,998	**8,395**	7,392
	4,257	3,975	**31,256**	28,292	**49,943**	46,862
Accounts payable and other	**1,481**	978	**6,408**	6,041	**10,400**	10,316
Deferred tax liabilities	**53**	24	**4,005**	3,737	**6,987**	6,164
Subsidiary equity obligations	**-**	163	**407**	439	**1,969**	1,877
Equity						
Non-controlling interests	**-**	-	**-**	-	**27,203**	26,647
Preferred equity	**3,280**	3,098	**3,280**	3,098	**3,280**	3,098
Common equity	**18,450**	17,781	**18,450**	17,781	**18,450**	17,781
	21,730	20,879	**21,730**	20,879	**48,933**	47,526
Total capitalization	**$ 27,521**	$ 26,019	**$ 63,806**	$ 59,388	**$ 118,232**	$ 112,745
Debt to capitalization[1]	**15%**	15%	**49%**	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 SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	2014	2013	Change
Revenues	$ 4,659	$ 4,501	$ 158
Direct costs	(3,467)	(3,230)	(237)
	1,192	1,271	(79)
Other income and gains	(7)	1,200	(1,207)
Equity accounted income	350	194	156
Expenses			
Interest	(645)	(617)	(28)
Corporate costs	(27)	(36)	9
Fair value changes	637	104	533
Depreciation and amortization	(353)	(357)	4
Income tax	(38)	(264)	226
Net income	1,109	1,495	(386)
Non-controlling interests	(375)	(682)	307
Net Income attributable to shareholders	$ 734	$ 813	$ (79)
Net income per share	$ 1.09	$ 1.23	$ (0.14)

Financial highlights

- The contribution to net income from **revenues** less **direct costs** decreased by $79 million in aggregate. We sold two forest products businesses within our private equity operations and non-core timberlands over the past twelve months, which collectively decreased revenues and direct costs by $297 million and $257 million respectively. Margins decreased overall primarily due to the impact of lower water levels in our renewable energy business, a large lease expiry in our property operations and the impact of lower pricing on cyclical private equity investee companies. These decreases were partially offset by higher margins and deliveries in our residential operations.
- **Other income and gains** in the prior quarter included gains on the sale of a paper and packaging business and the settlement of a long-dated interest rate swap contract.
- **Equity accounted income** increased by $156 million due to increased earnings from General Growth Properties and the contribution from additional equity accounted investments in our property and infrastructure operations, albeit of a reduced cost of capital.
- **Interest** expense increased due to higher debt levels from new investments, particularly in our property operations.
- We recorded $533 million of additional **fair value changes**, primarily due to increased appraised property values, most of which occurred within our U.S. office properties. Valuations continued to benefit from increases in cash flow and declines in discount rates and terminal capitalization rates.
- **Net income attributable to shareholders** decreased as the prior year reflected two large one-time gains included within other income and gains. This was partially offset by higher levels of fair value changes in the current period.

Common Share Continuity

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months		Nine Months	
	2014	2013	**2014**	2013
Outstanding at beginning of period	**616.5**	615.4	**615.5**	619.6
Issued (repurchased)				
Repurchases	**-**	(2.4)	**(1.3)**	(8.6)
Long-term share ownership plans	**1.3**	0.3	**3.5**	2.2
Dividend reinvestment plan	**0.1**	-	**0.2**	0.1
Outstanding at end of period	**617.9**	613.3	**617.9**	613.3
Unexercised options	**36.7**	37.5	**36.7**	37.5
Total diluted shares at end of period	**654.6**	650.8	**654.6**	650.8

- The company holds 10.6 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
  - 2.1 million of these shares are included in diluted shares outstanding for a net reduction of 8.5 million.
- Cash value of unexercised options at September 30, 2014 was $940 million (December 31, 2013 – $904 million).

FFO and Earnings Per Share Information

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	Funds from Operations		Net Income	
	2014	2013	**2014**	2013
Funds from operations/Net income	**$ 564**	$ 1,193	**$ 734**	$ 813
Preferred share dividends	**(41)**	(37)	**(41)**	(37)
	523	1,156	**693**	776
Capital securities dividends	**-**	-	**-**	2
Funds from operations/Net income available for shareholders	**$ 523**	$ 1,156	**$ 693**	$ 778
Weighted average shares	**617.0**	614.4	**617.0**	614.4
Dilutive effect of the conversion of options using treasury stock method	**16.3**	11.6	**16.3**	11.6
Dilutive effect of the conversion of subsidiary equity obligations	**-**	-	**-**	5.3
Shares and share equivalents	**633.3**	626.0	**633.3**	631.3

RECONCILIATION OF NET INCOME TO FFO

September 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
Revenues	$ 4,659	$ -	$ 151	$ -	$ 4,810
Direct costs	(3,467)	-	79	-	(3,388)
Realized disposition gains	-	-	-	209	209
Other income and gains	(7)	-	-	-	(7)
Equity accounted income	350	(75)	-	-	275
Expenses					
Interest	(645)	-	-	-	(645)
Corporate costs	(27)	-	(230)	-	(257)
Fair value changes	637	(637)	-	-	-
Depreciation and amortization	(353)	353	-	-	-
Income tax	(38)	18	-	-	(20)
Net income	1,109				
Non-controlling interests	(375)	(38)	-	-	(413)
Net income / FFO attributable to shareholders	$ 734	$ (379)	$ -	$ 209	$ 564

September 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
Revenues	$ 4,501	$ -	$ 123	$ -	$ 4,624
Direct costs	(3,230)	-	42	-	(3,188)
Realized disposition gains	-	-	-	70	70
Other income and gains	1,200	-	-	-	1,200
Equity accounted income	194	(8)	-	-	186
Expenses					
Interest	(617)	-	-	-	(617)
Corporate costs	(36)	-	(165)	-	(201)
Fair value changes	104	(104)	-	-	-
Depreciation and amortization	(357)	357	-	-	-
Income tax	(264)	229	-	-	(35)
Net income	1,495				
Non-controlling interests	(682)	(164)	-	-	(846)
Net income / FFO attributable to shareholders	$ 813	$ 310	$ -	$ 70	$ 1,193

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 partnerships, private funds, and public markets 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** are 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.