2014

Supplemental Information

Fourth Quarter and Full Year, December 31, 2014

Brookfield

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

2014 SIGNIFICANT HIGHLIGHTS

- **Significantly expanded our asset management operations**
  - Fee bearing capital increased by 20% to $89 billion which contributed towards a 26% increase in fee related earnings.
  - We have largely invested our existing funds and commenced marketing follow-on flagship private funds, seeking to raise more than $11 billion of fee bearing capital over the next year.
- **We launched Brookfield Property Partners into the next phase of its growth**
  - We merged Brookfield Property Partners (BPY) with Brookfield Office Properties, simplifying BPY's structure and increasing the ownership of our office portfolio.
  - BPY reached an agreement to acquire Canary Wharf Group through a strategic partnership, financed by issuing $1.8 billion of equity.

Contents

- **Fee bearing capital increased 20% to $89 billion**
  - Inflows of $15 billion; $4 billion during most recent quarter.
  - Annualized fee base and target carry increased by 20% to more than $1.2 billion.
    - Annualized base fees and incentive distributions increased by 29% to $743 million, driven by the expansion of our flagship listed partnerships' capitalization to $40 billion and increases distribution.
- **Invested or committed $18 billion of capital, while expanding our organic growth pipeline**
  - Our three flagship private funds are approximately 80% committed in aggregate.
  - Expanded our operations in China and India, and committed $3 billion of capital to investments in Europe.
  - We expanded our capital and development project backlog to over $11 billion; acquisition of Canary Wharf will add a further $2 billion to our development portfolios.
- **Continued momentum in fundraising activities**
  - We have more than $11 billion of private funds in marketing for a variety of strategies, including over $8 billion from third parties, and seek to be in a position to begin an additional $10 billion of fundraising during 2015.
- **Recorded strong financial results for 2014**
  - We recorded $2.2 billion of FFO. Fee related earnings increased by $78 million (26%) over 2013. FFO from invested capital was consistent with the prior year, as positive variances in our property, renewable energy and residential operations were offset by lower pricing in certain industrial investee companies and lower portfolio investment gains.
  - Net income increased to $5.2 billion, increasing net income per share by 50% to $4.67 per share, reflecting increases in the valuation of many of our assets.

OVERVIEW
Funds from Operations and Net Income

FOR THE PERIODS ENDED DEC. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Full Year				Three Months			
	Funds from Operations		Net Income[2]		Funds from Operations		Net Income[1]	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Operating activities								
Fee related earnings	**$ 378**	$ 300	**$ 378**	$ 300	**$ 103**	$ 71	**$ 103**	$ 71
Invested capital	**1,210**	1,216	**1,210**	1,216	**317**	335	**317**	335
	1,588	1,516	**1,588**	1,516	**420**	406	**420**	406
Realized carried interest	**3**	565	**3**	565	**-**	563	**-**	563
Realized disposition gains[2]	**569**	1,295	**92**	861	**115**	61	**4**	4
Fair value changes	**-**	-	**2,800**	383	**-**	-	**1,051**	(100)
Depreciation and amortization	**-**	-	**(686)**	(720)	**-**	-	**(173)**	(183)
Deferred income taxes		-	**(687)**	(485)	**-**	-	**(252)**	27
	$ 2,160	$ 3,376	**$ 3,110**	$ 2,120	**$ 535**	$ 1,030	**$ 1,050**	$ 717
Per share	**$ 3.17**	$ 5.14	**$ 4.67**	$ 3.12	**$ 0.78**	$ 1.59	**$ 1.59**	$ 1.08

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*

- **Fee related earnings** increased by 26% to $378 million, reflecting a $16.2 billion increase in fee bearing capital.
- **Invested capital** contributed $1,210 million of FFO, consistent with the prior year. FFO in 2014 benefitted from improved market pricing in our renewable energy operations in the first quarter of 2014, strong North American residential sales and a reduced cost of capital as a result of refinancing corporate borrowings at reduced rates. These positive variances were offset by a lower level of capital market gains which decreased investment income by $119 million and the impact of lower pricing in certain private equity investee companies. Further details on slide 11.
- We crystallized $565 million of **carried interest** in 2013, primarily on the realization of our partners' investment in General Growth Properties in the fourth quarter of last year, which had accumulated over the previous five years. We generated a further $117 million of net carried interest during 2014 on third-party private fund capital, however these and other carried interests have been deferred until the associated funds are largely wound up. Further details on slide 4.
- We disposed of $3.7 billion in property assets and our $360 million investment in Western Forest Products, which contributed to **realized disposition gains** of $569 million. The prior year included $1.3 billion of such gains including the termination of an interest rate swap contract, the sale of a pulp and paper investment and our Pacific Northwest timberlands. Further details on slide 12.
- Lower interest rates and increased cash flows from operational improvements increased the value of our commercial properties, leading to $2.8 billion of net **fair value changes** during 2014.

$89 billion
Fee Bearing Capital
(20% increase since 2013)

26% increase
in Fee Related Earnings
since 2013

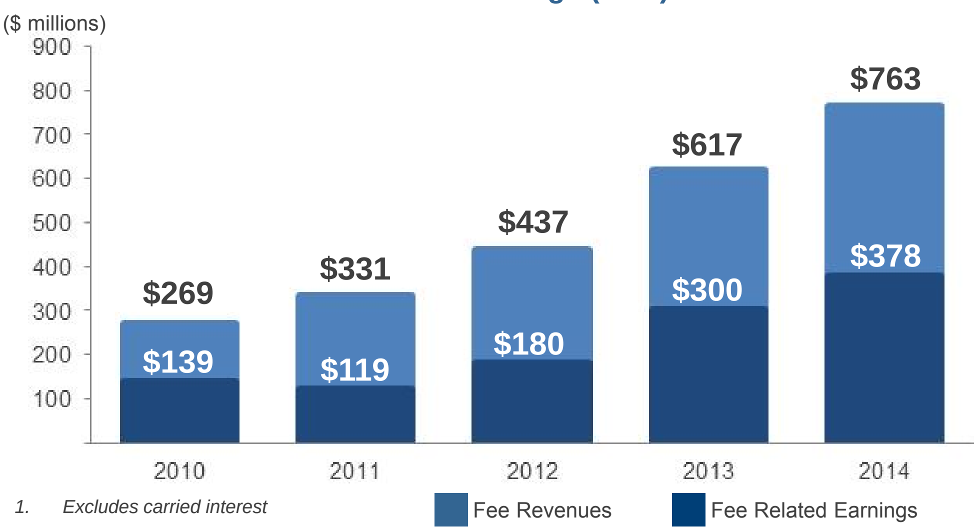
$1.2 billion
Annualized Fee Base and Carry
(20% increase since 2013)

Financial Performance

FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Three Months		Full Year	
	2014	2013	**2014**	2013
Fee related earnings	**$ 103**	$ 71	**$ 378**	$ 300
Carried interest, net				
Generated	**23**	57	**117**	175
Recognition of prior period accumulated carry	**-**	558	**8**	524
Deferred recognition[1]	**(23)**	(52)	**(122)**	(134)
	-	563	**3**	565
	$ 103	$ 634	**$ 381**	$ 865

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

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



1. *Excludes carried interest*

Fee Bearing Capital – Profile

AS AT (MILLIONS)	Dec. 2014	Dec. 2013
Listed partnerships	**$ 42,021**	$ 32,997
Private funds	**28,538**	25,625
Public markets	**17,981**	20,671
	$ 88,540	$ 79,293

- Fee bearing capital includes 6 listed partnerships, 32 private funds and numerous funds and separately managed accounts within our public markets operations.
- We have raised $48 billion of private fund capital since inception, including $7 billion of co-investment capital, of which $5 billion was raised in 2014. We currently are marketing three funds seeking to raise over $11 billion of fee bearing capital, including $8 billion from third parties.
  - Private fund investor base includes 280 clients, representing a 27% increase over the 220 clients in 2013.
  - Average commitment is ~$80 million and ~33% of clients invest in multiple funds.
- Public markets includes mutual funds and separately managed accounts with $5.8 billion of fixed income and $12.2 billion of equity securities.

Fee Related Earnings

FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Three Months			Full Year		
	2014	2013	Variance	**2014**	2013	Variance
Base management fees						
Listed partnerships	**$ 84**	$ 53	$ 31	**$ 304**	$ 202	$ 102
Private funds	**63**	61	2	**246**	230	16
Public markets	**26**	20	6	**95**	70	25
Fee credits[1]	**(5)**	-	(5)	**(20)**	-	(20)
	168	134	34	**625**	502	123
Incentive distributions (IDRs)	**12**	8	4	**48**	32	16
Performance fees – public markets	**6**	14	(8)	**21**	30	(9)
Transaction and advisory fees	**20**	8	12	**69**	53	16
Fee revenues	**206**	164	42	**763**	617	146
Direct costs	**(103)**	(93)	(10)	**(385)**	(317)	(68)
Fee related earnings	**$ 103**	$ 71	$ 32	**$ 378**	$ 300	$ 78

1. Base fees are eliminated on capital invested by listed partnerships into private funds managed by Brookfield

Fourth Quarter:

- Listed partnership fees increased by $26 million, net of associated fee credits; $17 million of the variance related to increases in BPY's capitalization.
- Gross profit margins were 50%, up from 43% in the 2013 quarter, reflecting an increased proportion of higher margin fee revenues and the previous expansion of our operating capabilities.
- Fee revenues include $56 million of base management fees on Brookfield capital (2013 – $44 million).

Full Year:

- Fee revenues increased $146 million (24%) over the prior period to $763 million, due to higher levels of fee bearing capital under management.
  - We earned $256 million of base fees from BPY, BIP and BREP, an increase of $80 million over the $176 million in 2013, net of associated fee credits.
  - Private fund base fees increased by $34 million, excluding an $18 million catch up fee recorded in 2013.
  - Public markets fees increased by $25 million, as we continue to add higher margin accounts within our infrastructure and real estate equities funds.
- Incentive distributions increased by 50% reflecting our share of BIP and BREP distribution increases.
- We recognized $21 million of performance fees on our public markets portfolios, a decrease of $9 million from 2013.
- Transaction and advisory fees increased due to the completion of a number of large mandates, and transaction fees recognized on the sourcing of co-investment transactions.
- Direct costs increased by $68 million due to the expansion of our operations and the formation of BPY. Gross profit margins were 50% (2013 – 47%, excluding the $18 million catch-up fee).
- Fee revenues include $214 million of base management fees on Brookfield capital (2013 – $172 million).

We generated $178 million of carried interest on third-party capital, increasing cumulative unrecognized carried interests to $488 million

Realized Carried Interest

FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Three Months 2014	Three Months 2013	Full Year 2014	Full Year 2013
Generated[1]	**$ 38**	$ 81	**$ 178**	$ 237
Recognition of deferred carry	**-**	558	**8**	524
Less: associated costs	**(15)**	(24)	**(61)**	(62)
Deferred recognition, net[1,2]	**(23)**	(52)	**(122)**	(134)
Carried interest, net	**$ -**	$ 563	**$ 3**	$ 565

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

Deferred Carried Interest Continuity

FOR THE PERIODS ENDED DEC. 31, 2014 (MILLIONS)	Three Months			Full Year		
	Unrealized Carried Interest	Direct Costs	Net	Unrealized Carried Interest	Direct Costs	Net
Unrealized balance, beginning of period[1,2]	$ 450	$ (159)	$ 291	$ 318	$ (118)	$ 200
In period change						
Generated[1,2]	38	(15)	23	178	(61)	117
Less: realized[2]	-	-	-	(8)	5	(3)
Unrealized balance, end of period[1,2]	$ 488	$ (174)	$ 314	$ 488	$ (174)	$ 314

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

- The funds to which unrealized carried interest relates have a weighted average term to realization of 5 years. Recognition is dependent on future investment performance.

Fee Bearing Capital and Base Fee Roll Forward

Net inflows of fee bearing capital and market performance added $16.2 billion[1] (20%) to fee bearing capital during 2014, increasing annualized base fees by 29% to $675 million

Three Months – December 31, 2014

FOR THE THREE MONTHS ENDED DEC. 31, 2014 (MILLIONS)	Listed Partnerships[2]	Private Funds	Public Markets	**Total Fee Bearing**	**Annualized Base Fees**
Balance, beginning of period	$ 39,411	$ 28,155	$ 16,803	**$ 84,369**	**$ 630**
Inflows	1,800	720	1,869	**4,389**	**34**
Outflows	-	(255)	(614)	**(869)**	**(5)**
Distributions	(419)	-	-	**(419)**	**(5)**
Market performance	2,734	-	(77)	**2,657**	**33**
Other[3]	(1,505)	(82)	-	**(1,587)**	**(12)**
Change	2,610	383	1,178	**4,171**	**45**
Balance, end of period[4]	**$ 42,021**	**$ 28,538**	**$ 17,981**	**$ 88,540**	**$ 675**

Full Year – December 31, 2014

FOR THE YEAR ENDED DEC. 31, 2014 (MILLIONS)	Listed Partnerships[2]	Private Funds	Public Markets	**Total Fee Bearing**	**Annualized Base Fees**
Balance, beginning of period	$ 32,997	$ 25,625	$ 20,671	**$ 79,293**	**$ 530**
Inflows	5,398	4,744	5,229	**15,371**	**85**[5]
Outflows	-	(294)	(2,283)	**(2,577)**	**(9)**
Expired	-	(533)	-	**(533)**	**-**
Distributions	(1,584)	(684)	-	**(2,268)**	**(23)**
Market performance	6,215	-	1,324	**7,539**	**95**
Other[3]	(1,005)	(320)	-	**(1,325)**	**4**
Change	9,024	2,913	4,270	**16,207**	**152**
Sale of fixed income operations[1]	-	-	(6,960)	**(6,960)**	**(7)**
Balance, end of period[4]	**$ 42,021**	**$ 28,538**[6]	**$ 17,981**	**$ 88,540**	**$ 675**

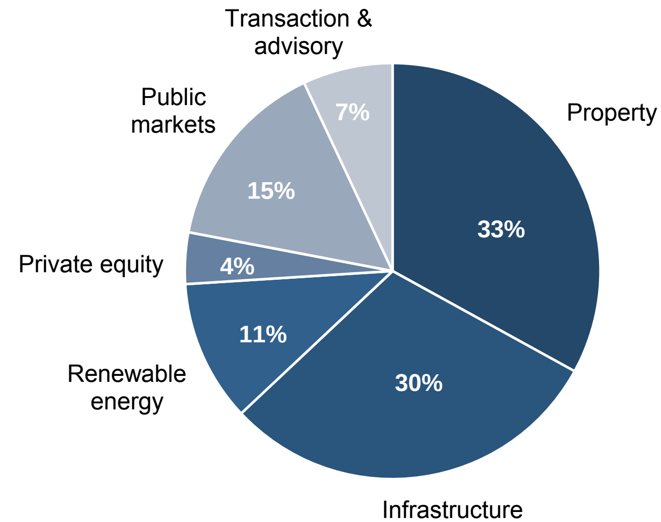
1. *Excludes sale of $7 billion insurance portfolio advisory business*
2. *Initial capitalization of Brookfield Property Partners and Brookfield Renewable Energy Partners for determining equity enhancement fees is $11.5 billion and $8.1 billion, respectively*
3. *Includes changes in net non-recourse leverage included in the determination of listed issuer capitalization and impact of foreign exchange fluctuation on non-U.S. dollar commitments. Annualized base fees include increases in fees upon calling and investing capital, base management fees for certain funds increase when capital is called*
4. *Fee bearing capital includes Brookfield capital of $22.7 billion in listed partnerships and $7.0 billion in private funds*
5. *Net of $20 million annualized listed partnership fee credit*
6. *Includes $3.2 billion of co-investment capital*

Annualized Fees and Carry

AS AT (MILLIONS)	Dec. 31, 2014	Sep. 30, 2014	Dec. 31, 2013
Base management fees[1,2]			
Listed partnerships	$ 335	$ 310	$ 220
Private funds	265	250	240
Public markets	95	90	70
Fee credits[3]	(20)	(20)	-
	675	630	530
Incentive distributions[4]	68	48	48
Transaction and advisory[5]	61	60	53
Performance income[5]	25	30	25
Fee revenues	829	768	656
Target carried interest[6]	375	375	350
	$ 1,204	$ 1,143	$ 1,006

1. *Based on capital committed or invested and contractual arrangements*
2. *Base management fees include $235 million of annualized base fees on Brookfield capital net of fee credits (Sep. 30, 2014 – $220 million, Dec. 31, 2013 – $186 million)*
3. *Base fees are eliminated on capital invested by listed partnerships into private funds managed by Brookfield*
4. *Based on most recent quarterly distributions declared*
5. *Simple average of the last two years' results*
6. *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 fees and target carry totalled $1.2 billion at December 31, 2014 representing a 20% increase since the prior year.
  - Our product mix of listed partnerships, private funds and public market portfolios provides diversification and increases stability.
- We estimate annualized base management fees will increase by approximately $29 million when the $6.9 billion of third-party uncalled capital is invested, as base management fees increase for some of this capital increases when it is called.
- We estimate that the annualized base management fee we earn on BPY will increase by $23 million upon investing $1.8 billion of cash which was reserved for the acquisition of an additional 28% interest of Canary Wharf in the first quarter of 2015.
- 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 utilize 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 DEC. 31, 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[1]
Brookfield Infrastructure Partners	$ 2.12	$1.22 / $1.32	15% / 25%	210.1	$ 0.02	$ 0.26	$ 60
Brookfield Renewable Energy Partners	1.66	1.50 / 1.69	15% / 25%	275.7	0.03	-	8
Brookfield Property Partners	1.06	1.10 / 1.20	15% / 25%	712.7	-	-	-
							$ 68

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 DEC. 31, 2014 (MILLIONS)	Private Funds Fee Bearing Capital	Third-Party Capital Subject to Carried Interest[1]	Target Return	Average Carried Interest	Utilization Factor[2]	Annualized Target Carried Interest[1]
Core and Value Add	$ 18,069	$ 12,500	10% to 15%	~18%	85%	$ 220
Opportunistic and Private Equity	10,469	5,700	18% to 25%	~20%	75%	155
	$ 28,538	$ 18,200				$ 375

1. *Excludes Brookfield capital of $6.5 billion and $4.4 billion of capital for which carried interest is either not provided or is credited against fees earned on other funds*
2. *Utilization factor discount reflects the amount of capital invested at a point in time*

- Annualized target carry represents expected total carry earned over the life of the fund based on target items, annualized on a straight-line basis.
- Carried interest generated on our private funds currently lags targeted carried interest, as a significant portion of our third-party private fund capital is not yet invested.

INVESTED CAPITAL
Summarized Results

Over 80%
of invested capital is held in listed securities

$13.9 billion
of total liquidity available to deploy

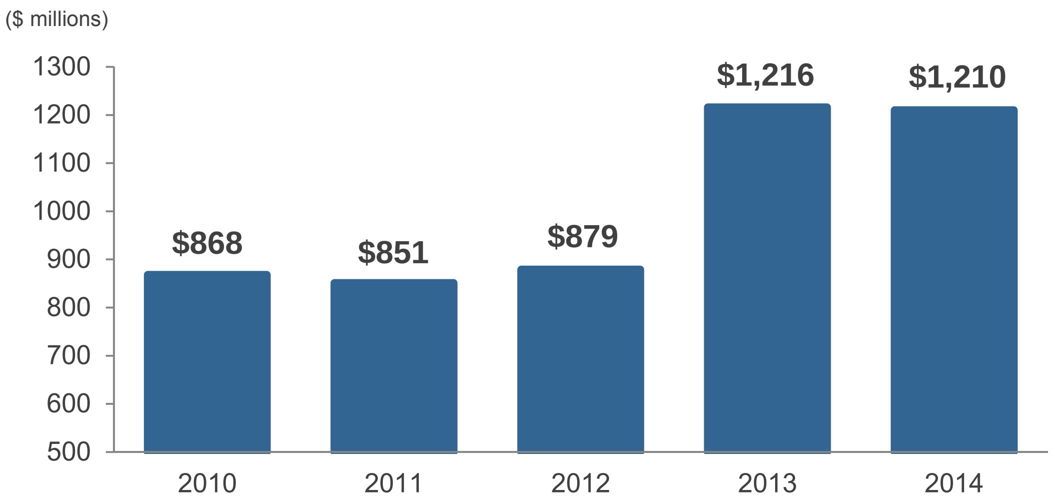
$1.1 billion
of annualized cash flow generated from listed investments

Financial Performance

AS AT DEC. 31, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Invested Capital		Funds from Operations[1] Three Months		Funds from Operations[1] Full Year	
	2014	2013	**2014**	2013	**2014**	2013
Listed investments	**$ 22,921**	$ 21,380	**$ 386**	$ 405	**$ 1,435**	$ 1,570
Unlisted assets	**4,182**	3,198	**23**	22	**140**	107
Capitalization	**(7,273)**	(7,013)	**(92)**	(92)	**(365)**	(461)
	19,830	17,565	**317**	335	**1,210**	1,216
Disposition gains	**-**	-	**115**	61	**569**	1,295
	$ 19,830	$ 17,565	**$ 432**	$ 396	**$ 1,779**	$ 2,511

1. *FFO excludes distributions on preferred shares*

FFO – Operating Activities[1]



1. *Excludes disposition gains and net of associated asset management fees paid*

Invested Capital – Profile

(MILLIONS, EXCEPT PER UNIT AMOUNTS)	BPY	BREP	BIP
Market cap.[1]	$ 18,100	$ 8,500	$ 8,800
Annual distribution[2]	$ 1.06	$ 1.66	$ 2.12
Targeted:			
- Distribution growth	5 - 8%	5 - 9%	5 - 9%
- FFO payout	80%	60 - 70%	60 - 70%
BAM ownership	62%[3]	63%	28%

1. *Based on December 31, 2014 pricing*
2. *On a per unit basis*
3. *Economic fully diluted interest*

- Over 70% of our invested capital is invested in our flagship listed partnerships: BPY, BREP and BIP. These partnerships serve as the primary vehicles 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, 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 DEC. 31 (MILLIONS)	Three Months			Full Year		
	2014	2013	Variance	**2014**	2013	Variance
Property	**$ 144**	$ 127	$ 17	**$ 554**	$ 526	$ 28
Renewable energy	**38**	59	(21)	**313**	271	42
Infrastructure	**55**	51	4	**222**	222	-
Private equity and other	**154**	113	41	**446**	499	(53)
Investment income	**18**	77	(59)	**40**	159	(119)
	409	427	(18)	**1,575**	1,677	(102)
Unallocated						
Interest expenses	**(58)**	(61)	3	**(232)**	(304)	72
Corporate costs and taxes	**(34)**	(31)	(3)	**(133)**	(157)	24
FFO - Invested capital	**$ 317**	$ 335	$ (18)	**$ 1,210**	$ 1,216	$ (6)

Fourth Quarter:

- **Property:** FFO benefitted from our increased ownership interest in our office portfolio, and from capital deployed in our funds, as well as positive same store growth in our U.S. retail operations.
- **Renewable energy:** FFO decreased by $27 million on a same store basis, due to 14% lower generation levels in Brazil and lower currency exchange rates. The contribution from our recently acquired and developed assets contributed $6 million of FFO.
- **Private equity and other**: Residential development FFO increased by $30 million, primarily from higher pricing and activity levels in North America. Service activities FFO increased by $16 million from the expansion of construction and property services activities. The contribution from capital deployed in our private equity funds was offset by reduced pricing in more cyclical operations and the elimination of FFO on assets disposed.
- **Investment income**: We recorded $18 million of investment income, $59 million below the exceptional capital market performance recognized in 2013.

Full Year:

- **Property:** The contribution from capital deployed and positive leasing more than offset the impact of lower U.S. office occupancy levels following a large lease maturity in the fourth quarter of 2013.
- **Renewable energy:** Increased energy prices, primarily in the first quarter of 2014, contributed a $73 million positive variance. Reduced contracted pricing, lower currency exchange rates and a 7% decline in generation from existing facilities reduced FFO by $48 million. The contribution from new assets contributed $17 million.
- **Infrastructure:** FFO was consistent in aggregate, 11% same store FFO growth was offset by the contribution from assets that were sold in prior periods.
- **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 and reduced borrowing levels, and we reallocated $10 million of costs to our asset management segment following the formation of BPY. Strong capital market gains in 2013 compared to below average levels in 2014 reduced investment income by $119 million.

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

FOR THE PERIODS ENDED DEC. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				Full Year			
	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	**$ 115**	$ 26	**$ 4**	$ 4	**$ 330**	$ 28	**$ 51**	$ (2)
Renewable energy	**-**	-	**-**	-	**-**	176	**-**	-
Infrastructure	**-**	37	**-**	10	**-**	250	**-**	10
Private equity and other	**-**	(2)	**-**	(10)	**239**	316	**41**	251
Corporate/asset management	**-**	-	**-**	-	**-**	525	**-**	602
	$ 115	$ 61	**$ 4**	$ 4	**$ 569**	$ 1,295	**$ 92**	$ 861
Per share	**$ 0.18**	$ 0.10	**$ 0.01**	$ 0.01	**$ 0.89**	$ 2.06	**$ 0.15**	$ 1.36

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 26 for a reconciliation of disposition gains included in FFO compared to those included in net income*

Fourth Quarter:

Property

- Sold 23 properties within our office, retail and other portfolios for proceeds of $1.2 billion, resulting in a gain of $115 million. The prior year includes gains on the sale of mature assets and opportunistic investments.

Infrastructure

- Prior year includes a realized disposition gain of $37 million on the sale of our New Zealand regulated distribution business.

Full Year realized disposition gains on an FFO basis include the above as well as the following:

- **2014:** Property dispositions ($185 million); a gain on repayment of an European office portfolio debt investment ($30 million) and disposition of Western Products and other shares ($239 million).
- **2013:** Sale of BREP units ($172 million); Infrastructure – Pacific Northwest timberlands ($163 million); a co-investment in our UK regulated distribution business, and non-core infrastructure assets ($87 million); Private Equity – a pulp and paper business ($200 million); and shares of listed private equity investments ($120 million) and a $525 million gain on settlement of a long-dated interest rate contract.

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 DEC. 31, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED DEC. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Invested Capital		Funds from Operations			
			Three Months		Full Year	
	2014	2013	**2014**	2013	**2014**	2013
Asset management						
Fee related earnings	**$ 323**	$ 216	**$ 103**	$ 71	**$ 378**	$ 300
Carried interests, net	**-**	-	**-**	563	**3**	565
	323	216	**103**	634	**381**	865
Invested capital						
Listed						
Brookfield Property Partners[1]	**13,681**	12,180	**123**	117	**499**	492
Brookfield Renewable Energy Partners	**3,806**	3,534	**73**	89	**359**	390
Brookfield Infrastructure Partners	**1,390**	1,478	**48**	48	**194**	185
Other listed[2]	**2,909**	3,228	**49**	90	**200**	386
	21,786	20,420	**293**	344	**1,252**	1,453
Brookfield Residential Properties	**1,135**	960	**93**	61	**183**	117
Unlisted[2]	**4,182**	3,198	**23**	22	**140**	107
	27,103	24,578	**409**	427	**1,575**	1,677
Disposition gains	**-**	-	**115**	61	**569**	1,295
	27,103	24,578	**524**	488	**2,144**	2,972
Capitalization (slide 15)						
Borrowings	**(4,075)**	(3,975)	**(58)**	(58)	**(232)**	(291)
Net working capital/operating costs	**351**	223	**(34)**	(31)	**(133)**	(157)
Preferred shares[3]	**(3,549)**	(3,261)	**-**	(3)	**-**	(13)
	(7,273)	(7,013)	**(92)**	(92)	**(365)**	(461)
Common equity	**$ 20,153**	$ 17,781	**$ 535**	$ 1,030	**$ 2,160**	$ 3,376
Per share[4]			**$ 0.78**	$ 1.59	**$ 3.17**	$ 5.14

1. *BPY LTM 2013 results include net assets contributed to BPY, including BPO, GGP and Canary Wharf Group*
2. *Includes Brookfield Incorporações for both the three months ended and full year December 31, 2014*
3. *Includes preferred shares and subsiding equity obligations. FFO excludes $37 million (2013 – $36 million) of preferred share distributions for the three months and $154 million (2013 – $145 million) for the twelve months which are included in determining per share results*
4. *See slide 29 for per share information*

Over 80% 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 DEC. 31, 2014 (MILLIONS)	Platform	No. Units	Invested Capital Quoted[1]	Invested Capital IFRS	FFO[2] Three Months	FFO[2] Full Year	Distributed Cash Flow (Annualized)[3]
Listed partnerships							
Brookfield Property Partners	Property	482.8	$ 11,042	$ 13,681	$ 123	$ 499	$ 512
Brookfield Renewable Energy Partners	Renewable Energy	172.3	5,329	3,806	73	359	286
Brookfield Infrastructure Partners	Infrastructure	59.8	2,504	1,390	48	194	127
Other listed investments							
BPY Preferred Shares	Property	n/a	1,275	1,275	19	76	76
Norbord	Private Equity & other	27.8	618	189	3	29	25
Ainsworth Lumber	Private Equity & other	53.7	159	68	(3)	(7)	-
Acadian Timber	Infrastructure	7.5	98	86	2	7	6
Other	Private Equity & other	Various	385	394	10	55	-
Financial assets[4]	Corporate	Various	897	897	18	40	72[5]
			22,307	21,786	293	1,252	1,104
Brookfield Residential Properties	Private Equity & other	81.5	1,961	1,135	93	183	-
			$ 24,268	22,921	386	1,435	$ 1,104
Unlisted							
Private funds[6]	Private Equity & other			399	17	53	
Directly held assets	Property and Infrastructure			542	7	-	
Energy marketing	Renewable Energy			1,076	(35)	(46)	
Construction and property services	Private Equity & other			1,220	60	152	
Residential development	Private Equity & other			945	(26)	(19)	
				4,182	23	140	
				$ 27,103	$ 409	$ 1,575	

1. *Quoted value based on December 31, 2014 public pricing*
2. *Excludes realized disposition gains*
3. *Annualized distributed cash flow is based on current dividend policies*
4. *Includes $338 million of cash and $559 million of financial assets, net of deposits*
5. *Estimated 8% annualized cash total return*
6. *Market value estimate of $632 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 DEC. 31, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Average Yield	Invested Capital		Funds from Operations – Three Months		Funds from Operations – Full Year	
		2014	2013	**2014**	2013	**2014**	2013
Corporate borrowings	**4.6%**	**$ 4,075**	$ 3,975	**$ 58**	$ 58	**$ 230**	$ 291
Subsidiary equity obligations	**n/a**	**-**	163	**-**	3	**2**	13
Preferred shares[1]	**4.3%**	**3,549**	3,098	**-**	-	**-**	-
Net working capital	**n/a**	**216**	402	**-**	-	**-**	-
Deferred income tax asset, net	**n/a**	**(567)**	(625)	**-**	-	**-**	-
Corporate costs and taxes	**n/a**	**-**	-	**34**	31	**133**	157
		$ 7,273	$ 7,013	**$ 92**	$ 92	**$ 365**	$ 461

1. *FFO excludes preferred shares distributions of $37 million (2013 – $36 million) for the three months; and $154 million (2013 – $145 million) for the 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) 2014	Average Term (Years) 2013	As at Dec. 31, 2014	Maturity 2015	2016	2017	2018	2019+
Corporate borrowings								
Term debt	**9**	10	**$ 3,501**	$ -	$ 258	$ 455	$ -	$ 2,888
Revolving facilities[1]	**5**	5	**574**	-	-	-	-	574
			4,075	-	258	455	-	3,462
Preferred shares	**perp.**	perp.	**3,549**	-	-	-	-	n/a
			$ 7,624	$ -	$ 258	$ 455	$ -	$ 3,462

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

- On January 15, 2015, we issued $500 million, 10 year U.S. term debt with a 4.00% coupon.

Core and Total Liquidity

Core liquidity and uncalled fund commitments totalled $13.9 billion at December 31, 2014 and is available for investment.

AS AT DEC. 31, 2014 AND DEC. 31, 2013 (MILLIONS)	Corporate	Property	Renewable Energy	Infrastructure	Private Equity	**Total 2014**	Total 2013
Cash and financial assets, net	$ 897	$ 1,873	$ 150	$ 317	$ -	**$ 3,237**	$ 1,727
Undrawn committed credit facilities	1,254	529	852	1,044	-	**3,679**	4,138
Core liquidity	2,151	2,402	1,002	1,361	-	**6,916**	5,865
Uncalled private fund commitments[1]	-	2,842	630	2,814	661	**6,947**	9,032
Total liquidity	$ 2,151	$ 5,244	$ 1,632	$ 4,175	$ 661	**$ 13,863**	$ 14,897

1. *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 $0.1 billion for letters of credit.
- Total liquidity of $13.9 billion at December 31, 2014, includes core liquidity of $6.9 billion and third-party uncalled commitments of $6.9 billion.
  - Included within BPY's core liquidity is $1.8 billion of cash reserved for the acquisition of an additional 28% interest in Canary Wharf.
  - Uncalled private fund commitments include $2.0 billion committed to investments.

Uncalled Fund Commitments – Maturity Profile

AS AT DEC. 31, 2014 AND DEC. 31, 2013 (MILLIONS)	2015	2016	2017	2018	2019+	**Total 2014**	Total 2013
Property	$ 133	$ 832	$ 1,234	$ 363	$ 280	**$ 2,842**	$ 2,762
Infrastructure and renewable energy	165	606	2,371	64	238	**3,444**	5,359
Private equity	-	423	217	21	-	**661**	911
	$ 298	$ 1,861	$ 3,822	$ 448	$ 518	**$ 6,947**	$ 9,032

- Uncalled commitments have a weighted average maturity of approximately two years.
- We invested $2.0 billion of third-party capital during the fourth quarter; $5.4 billion in 2014.

Brookfield

Additional Information




We hold a 62% fully diluted interest in Brookfield Property Partners, which owns virtually all of our global property operations

Financial Position and Performance

AS AT DEC. 31, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – Full Year	
	2014	2013	**2014**	2013	**2014**	2013
Investment in Brookfield Property Partners						
LP Units[1]	**$ 13,681**	$ 12,180	**$ 123**	$ 117	**$ 499**	$ 492
Preferred shares	**1,275**	1,275	**19**	19	**76**	56
	14,956	13,455	**142**	136	**575**	548
Directly held, net[2]	**(79)**	(116)	**2**	(9)	**(21)**	(22)
	14,877	13,339	**144**	127	**554**	526
Realized disposition gains	**-**	-	**115**	26	**330**	28
	$ 14,877	$ 13,339	**$ 259**	$ 153	**$ 884**	$ 554

1. *BPY full year 2013 results prior to spin out include assets contributed to BPY, including BPO, GGP and Canary Wharf Group*
2. *Consists of $462 million (2013 – $469 million) of property assets less $541 million (2013 – $585 million) of associated borrowings and preferred share obligations*

Operating Profile

- We manage a global portfolio of premier properties with over 350 million square feet ("msf") focused on:
  - Office: 244 properties, 112 msf and 19 msf development pipeline.
  - Retail: 164 high quality regional malls, 155 msf predominately based in the U.S. with average sales of $529 per sq. ft.
  - Industrial, Multifamily, Hotel, and Triple Net Lease: 44 msf of industrial space, 54 msf of future industrial development, over 27,800 multifamily units, eleven hotels with 8,700 rooms, and over 300 automotive dealerships in North America held under triple net lease arrangements.

Financial Performance

- Property FFO excluding gains increased by $28 million to $554 million. The FFO contribution from our BPY LP units increased due to our increased ownership of our office and property portfolio and positive leasing spreads, partially offset by reduced occupancy in our office portfolio. FFO also benefitted from a full year's contribution from our preferred share investment in BPY.
- During 2014, we disposed of a total of 58 properties, recognizing $300 million of disposition gains, and we recognized a $30 million gain on repayment of a European office portfolio debt investment.

Financial Position and Performance – BPY

AS AT DEC. 31, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – Full Year	
	2014	2013	**2014**	2013	**2014**	2013[1]
Office	**$ 16,003**	$ 7,910	**$ 150**	$ 81	**$ 539**	$ 354
Retail	**9,171**	7,704	**137**	102	**491**	298
Industrial, Multifamily, Hotels & Triple Net Lease	**1,590**	925	**13**	5	**77**	61
Corporate	**(6,556)**	(2,915)	**(110)**	(48)	**(349)**	(148)
Attributable to unitholders[2]	**20,208**	13,624	**190**	140	**758**	565
Non-controlling interest	**(6,527)**	(1,444)	**(61)**	(13)	**(213)**	(35)
Segment reallocation and other[3]	**-**	-	**(6)**	(10)	**(46)**	(38)
Brookfield's interest	**$ 13,681**	$ 12,180	**$ 123**	$ 117	**$ 499**	$ 492

1. *BPY full year 2013 results prior to spin out include assets contributed to BPY, including BPO, GGP and Canary Wharf Group*
2. *Represents BPY's "Company FFO"*
3. *Full year includes $17 million of fee related earnings and $3 million of realized carried interest reclassified to asset management and other adjustments to conform with Brookfield's FFO definition*

- **Office:** BPY's FFO increased in 2014 due to the acquisition of the remaining interest in its office portfolio. Same property NOI increased 4.4%, excluding the impact of foreign currency movements, and benefitted from positive leasing on expiring leases:
  - Average in-place office rent is $30.32 psf, representing a discount of 24% to market rent, and has an average term of eight years. Occupancy decreased to 86.8% as we continue to recycle capital.
  - We signed 10.8 msf of leases during the year, increasing occupancy in our core portfolio by 280 bps to 92%, while capturing 32% average rent increases. Brookfield Place New York is now 95% leased.
- **Retail:** BPY's share of GGP's FFO was $411 million, which represents a 45% increase over the prior year, primarily from the increase in BPY's fully-diluted ownership in GGP to 33%, and a 4.5% growth in same-property NOI.
  - Average in-place retail rent of $54.11 psf with a six-year average term to maturity up from $51.73 psf at December 31, 2013. Occupancy remained constant at 95.8%.
  - Suite-to-suite initial rental rates increased by 15.4% when compared to the rental rate for expiring leases.
- **Industrial, Multifamily, Hotels and Triple Net Lease:** FFO increased from the contribution of capital deployed over past twelve months.
- **Corporate:** Corporate charges consist primarily of dividends paid on preferred shares ($76 million) and interest expense on corporate borrowings ($143 million) and administration and other expenses. The increase reflects a full year of operations for BPY in 2014 as well as an increase in capitalization and the level of activity.

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 DEC. 31, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – Full year	
	2014	2013	**2014**	2013	**2014**	2013
Investment in BREP L.P. units	**$ 3,806**	$ 3,534	**$ 73**	$ 89	**$ 359**	$ 390
Brookfield Energy Marketing	**1,076**	894	**(35)**	(30)	**(46)**	(119)
	4,882	4,428	**38**	59	**313**	271
Realized disposition gains	**-**	-	**-**	-	**-**	176
	$ 4,882	$ 4,428	**$ 38**	$ 59	**$ 313**	$ 447

Operating Profile

- We own and operate 234 generating facilities that provide 6,700 MW of generating capacity.
  - Global operations situated in the U.S., Canada, Brazil and Europe.
  - 85% hydroelectric generation; situated on 72 river systems.
  - Our energy marketing operations acquires approximately 8,450 GWh annually from BREP at a price of $70 per MWh, of which it has contractually sold 3,200 GWh at an average price of $71 per MWh and sells the balance at prevailing market prices.

Financial Performance

- Renewable energy FFO, excluding realized disposition gains, increased by $42 million to $313 million compared to the prior year primarily due to higher realized prices in our energy marketing operations.
- BREP contributed $359 million of FFO, below the prior year’s $390 million of FFO, reflecting the impact of contractual price decrease in a long-term power sales agreement, reduced operations at a gas-fired plant, and lower currency exchange rates on BREP’s non-U.S. operations FFO, as well as the impact of our reduced weighted average ownership interest following the sale of units in 2013.

Financial Position and Performance – BREP

AS AT DEC. 31, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED DEC. 31 ($ MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – Full Year	
	2014	2013	**2014**	2013	**2014**	2013
Generation (GWh)						
Actual						
Existing facilities	**n/a**	n/a	**5,231**	5,268	**20,588**	22,222
Acquired and commissioned	**n/a**	n/a	**608**	-	**1,960**	-
Long-term average (LTA)	**n/a**	n/a	**5,770**	5,380	**23,296**	21,836
Hydroelectric generation	**$ 7,596**	$ 7,025	**$ 147**	$ 161	**$ 688**	$ 709
Wind energy	**655**	590	**30**	23	**105**	90
Facilities under development	**215**	276	**-**	-	**-**	-
Corporate/unallocated	**(2,375)**	(2,454)	**(61)**	(47)	**(233)**	(205)
Attributable to unitholders	**6,091**	5,437	**116**	137	**560**	594
Non-controlling interest	**(2,285)**	(1,903)	**(43)**	(48)	**(201)**	(204)
Brookfield's interest	**$ 3,806**	$ 3,534	**$ 73**	$ 89	**$ 359**	$ 390

- Total generation was 22,548 GWh for the year, 3% below the long-term average of 23,296 GWh and an increase of 326 GWh compared to the prior year.
  - Hydroelectric generation was 19,234 GWh, below the long-term average of 19,531 GWh and consistent with the prior year. Generation from existing facilities was 18,192 GWh compared to 19,232 GWh in the prior year, reflecting the return to more normal generation levels in the United States, compared to strong generation levels last year. In Brazil, generation was 8% lower than assured levels. The recent growth in our portfolio and a full year’s contribution from assets acquired in 2013 resulted in incremental generation of 1,042 GWh.
  - Our 110 MW gas-fired plant’s generation decreased significantly from the prior year, as we suspended operations due to low pricing.
  - Wind generation was 3,103 GWh, representing an increase of 883 GWh from the prior year due to growth in the portfolio. The expansion of our portfolio and a full year’s contribution from facilities acquired in 2013 resulted in incremental generation of 918 GWh, of which 891 GWh is attributed to our Irish portfolio.
- Our share of BREP’s FFO was $359 million, representing a $31 million decrease from the prior year. The FFO decrease was primarily due to reduced contractual pricing in a long-term power sales agreement, reduced operations at a gas-fired plant, and lower currency exchange rates, as well as the impact of our reduced weighted average ownership.

INVESTED CAPITAL – RENEWABLE ENERGY
Brookfield Energy Marketing

- We have agreements to purchase approximately 8,450 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.

Three Months

FOR THE THREE MONTHS ENDED DEC. 31 (GIGAWATT HOURS AND $ MILLIONS)	Generation (GWh)		FFO		Per MWh	
	2014	2013	**2014**	2013	**2014**	2013
Contracted	**1,027**	933	**$ 81**	$ 79	**$ 79**	$ 85
Uncontracted and financial contracts	**1,307**	1,258	**54**	56	**41**	45
	2,334	2,191	**135**	135	**58**	62
Less: Purchases from BREP	**(2,334)**	(2,191)	**(170)**	(165)	**(73)**	(75)
FFO	**-**	-	**$ (35)**	$ (30)	**$ (15)**	$ (13)

- The average realized prices per MWh for uncontracted power was $41/MWh, 9% lower than 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.

Full Year

FOR THE YEARS ENDED DEC. 31 (GIGAWATT HOURS AND $ MILLIONS)	Generation (GWh)		FFO		Per MWh	
	2014	2013	**2014**	2013	**2014**	2013
Contracted	**3,268**	3,433	**$ 262**	$ 290	**$ 80**	$ 85
Uncontracted	**5,623**	5,394	**339**	247	**60**	46
	8,891	8,827	**601**	537	**68**	61
Less: Purchases from BREP	**(8,891)**	(8,827)	**(647)**	(656)	**(73)**	(74)
FFO	**-**	-	**$ (46)**	$ (119)	**$ (5)**	$ (13)

- The average realized prices per MWh for uncontracted power was $60/MWh, $14/MWh greater than the prior year, primarily due to strong pricing in the first quarter of 2014.

We hold a 28% interest in Brookfield Infrastructure Partners, which owns the majority of our infrastructure operations

Financial Position and Performance

AS AT DEC. 31, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Invested Capital		Funds from Operations Three Months		Funds from Operations Full Year	
	2014	2013	**2014**	2013	**2014**	2013
Investment in BIP L.P. units	**$ 1,390**	$ 1,478	**$ 48**	$ 48	**$ 194**	$ 185
Directly held						
Acadian Timber Corp.	**86**	67	**2**	2	**7**	8
Sustainable resources	**621**	626	**5**	1	**21**	29
	2,097	2,171	**55**	51	**222**	222
Realized disposition gains	**-**	-	**-**	37	**-**	250
	$ 2,097	$ 2,171	**$ 55**	$ 88	**$ 222**	$ 472

Operating Profile

- We own high quality, long-life assets:
  - Utilities: Networks in North and South America, Europe and Australasia, including 10,800 km of transmission lines and 2.1 million connections.
  - Transport: 30 ports, 3,200 km of toll roads and 9,100 km of rail operations.
  - Energy: 14,800 km of transmission pipelines, over 40,000 gas distribution customers in the UK, 370 billion cubic feet of natural gas storage capacity in the U.S. and Canada, heating plants capable of delivering 2,775,000 pounds per hour of steam heating capacity and 251,000 tons of cooling capacity.

Financial Performance

- BIP reported full year FFO $724 million, which increased our share of BIP's FFO by 5% to $194 million. Fourth quarter FFO was $48 million, unchanged from 2013.
  - Full year FFO benefitted from organic growth and the contribution from new investments more than offset the prior year contribution from assets that were sold as part of our ongoing capital recycling initiatives.
    - Same store FFO per unit growth was 11%, reflecting increases in utilities rate base, inflation indexation and higher volumes predominately in our transport business.
  - We disposed of our Pacific Northwest Timberlands and our Australasian regulated distribution operation in the prior year, generating $250 million of disposition gains.

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

Financial Position and Performance – BIP

AS AT DEC. 31, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Invested Capital		Funds from Operations – Three Months		Funds from Operations – Full Year	
	2014	2013	**2014**	2013	**2014**	2013
Utilities	**$ 1,962**	$ 1,928	**$ 93**	$ 92	**$ 367**	$ 377
Transport	**2,457**	2,456	**101**	94	**392**	326
Energy	**786**	702	**16**	16	**68**	70
Corporate and other	**(327)**	100	**(30)**	(27)	**(103)**	(91)
Attributable to unitholders	**4,878**	5,186	**180**	175	**724**	682
Non-controlling interest	**(3,488)**	(3,708)	**(132)**	(127)	**(530)**	(497)
Brookfield's interest	**$ 1,390**	$ 1,478	**$ 48**	$ 48	**$ 194**	$ 185

- BIP generated $724 million of FFO, of which our share was $194 million.
- **Utilities** FFO decreased by $10 million to $367 million primarily due to sale of our Australasian regulated distribution operation in the fourth quarter of 2014. Excluding the impact of the sale, FFO increased by $39 million, representing a 12% increase. The business benefitted from higher connections activity at our UK regulated distribution business, inflation indexation and a larger regulated asset base.
  - We have $498 million of total capital to be commissioned into our rate base, based on our capital backlog of $397 million and $101 million of construction work-in-progress.
- **Transport** FFO increased by 20% to $392 million primarily due to the full year contribution from our follow-on investment in our Brazilian toll road operations in September 2013 and the contribution from our South American rail acquisition in the third quarter of 2014. FFO also benefitted from inflationary tariff increases and volume growth at our Brazilian toll roads and improved volumes at our UK port operations, as well as a favourable grain harvest at our Australian rail operation.
  - Capital backlog of $655 million at December 31, 2014 consists of expansion and upgrades to our rail business and projects to add additional capacity to our toll roads and ports.
- **Energy** FFO was $68 million, slightly below the prior year, as the contribution from acquisitions in our U.S. district energy business over the past year and higher in-place connections at our Australian energy distribution operation was offset by lower transportation volumes at our North American energy transmission business.
- **Corporate & other** decreased from the prior year as the inclusion of $26 million of FFO from assets disposed in the prior year was partially offset by a $20 million increase in investment income in 2014.

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: **North America** and **Brazil**	Service Activities: **Construction** and **Property Services**

Financial Position and Performance

AS AT DEC. 31, 2014 AND DEC. 31, 2013 AND FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		Full Year	
	2014	2013	**2014**	2013	**2014**	2013
Private equity investments[1]	**$ 1,050**	$ 1,105	**$ 27**	$ 32	**$ 130**	$ 296
Residential development[2]	**2,080**	1,435	**67**	37	**164**	46
Service activities	**1,220**	1,286	**60**	44	**152**	157
	4,350	3,826	**154**	113	**446**	499
Realized disposition gains	**-**	-	**-**	(2)	**239**	316
	$ 4,350	$ 3,826	**$ 154**	$ 111	**$ 685**	$ 815

1. *Includes Norbord, Ainsworth Lumber and other listed investments totalling $651 million and $399 million of unlisted investments, based on IFRS values*
2. *Includes capital invested in Brookfield Residential Properties of $1,135 million and privately held residential development of $945 million, based on IFRS values*

Performance Highlights

- **Private equity** FFO decrease reflects a $91 million lower contribution from our panelboard businesses, primarily due to decreased prices in Europe and North America. The impact of a reduced ownership level in our investments decreased FFO by $46 million following dispositions since 2013. 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 $118 million, due to stronger pricing and margins in our North American operations, specifically our U.S. operations which increased housing gross margins from 20% to 25% in 2014. FFO from our Brazilian operations improved compared to 2013 as a result of greater sales volume and increased completions through the year; however remain below long term expectations.
  - We completed the privatization of our Brazilian operations during 2014, deploying $600 million of capital, increasing our ownership to 96%.
- **Service activities** FFO decreased by $5 million due to the impact of lower currency values and lower sales volumes in our property services operations. Construction revenues were consistent with the prior year, and work-in-hand grew from $3.4 billion in 2013 to $6.4 billion.
- **Realized disposition gains** reflect the sale of a forest products investment in 2014. 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 ($47 million).

Three Months

FOR THE THREE MONTHS ENDED DEC. 31, 2014 (MILLIONS)	Operating Segment	FFO	IFRS Recognition[1] Net Income[2]	Equity[3]	Prior Periods[4]	**Total**
Office property portfolio	Property	$ 72	$ -	$ -	$ 72	**$ 72**
U.S. retail properties	Property	27	4	-	23	**27**
Industrial, Multifamily and other property assets	Property	16	-	-	16	**16**
		$ 115	$ 4	$ -	$ 111	**$ 115**

Full Year

FOR THE YEAR ENDED DEC. 31, 2014 (MILLIONS)	Operating Segment	FFO	IFRS Recognition[1] Net Income[2]	Equity[3]	Prior Periods[4]	**Total**
Forest products business	Private Equity	$ 226	$ 28	$ -	$ 198	**$ 226**
U.S. retail portfolio	Property	67	21	-	46	**67**
U.S. office portfolio	Property	139	-	-	139	**139**
European office portfolio debt	Property	30	30	-	-	**30**
Various other property dispositions	Property	94	-	-	94	**94**
Other	Various	13	13	-	-	**13**
		$ 569	$ 92	$ -	$ 477	**$ 569**

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*

DEBT TO CAPITALIZATION

Capitalization

AS AT DEC. 31, 2014 AND DEC. 31, 2013 (MILLIONS)	Corporate 2014	Corporate 2013	Proportionate 2014[1]	Proportionate 2013	Consolidated 2014[2]	Consolidated 2013
Corporate borrowings	**$ 4,075**	$ 3,975	**$ 4,075**	$ 3,975	**$ 4,075**	$ 3,975
Non-recourse borrowings						
Property-specific mortgages	**-**	-	**23,555**	20,319	**41,674**	35,495
Subsidiary borrowings	**-**	-	**5,174**	3,998	**8,329**	7,392
	4,075	3,975	**32,804**	28,292	**54,078**	46,862
Accounts payable and other	**1,158**	978	**6,945**	6,041	**10,474**	10,316
Deferred tax liabilities	**50**	24	**4,781**	3,737	**8,140**	6,164
Subsidiary equity obligations	**-**	163	**2,149**	439	**3,541**	1,877
Equity						
Non-controlling interests	**-**	-	**-**	-	**29,545**	26,647
Preferred equity	**3,549**	3,098	**3,549**	3,098	**3,549**	3,098
Common equity	**20,153**	17,781	**20,153**	17,781	**20,153**	17,781
	23,702	20,879	**23,702**	20,879	**53,247**	47,526
Total capitalization	**$ 28,985**	$ 26,019	**$ 70,381**	$ 59,388	**$ 129,480**	$ 112,745
Debt to capitalization[3]	**14%**	15%	**47%**	48%	**42%**	42%

1. *Reflects liabilities associated with assets held for sale on a proportionate basis. Debt-to-capitalization excluding these liabilities is 46% for 2014*
2. *Reflects liabilities associated with assets held for sale on a consolidated basis Debt-to-capitalization excluding these liabilities is 41% for 2014*
3. *Determined as the aggregate of corporate borrowings and non-recourse borrowings divided by total capitalization*

- Capitalization includes accounts payable and other liabilities and deferred income taxes, as well as borrowings, subsidiary equity obligations, interests of others in consolidated funds and equity, which is consistent with how we assess our leverage ratios and how we present them to our rating agencies.
  - Corporate (deconsolidated) capitalization shows the amount of debt that is recourse to the Corporation.
  - Proportionate consolidation, which reflects our proportionate interest in the underlying entities, depicts the extent to which our underlying assets are leveraged, which we believe is an important component of enhancing shareholder returns.
  - Consolidated capitalization reflects the full consolidation of wholly owned and partially owned entities.

FINANCIAL PERFORMANCE (IFRS) – Full Years Ended December 31

Condensed Statements of Operations

FOR THE YEARS ENDED DEC. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	2014	2013	Change
Revenue	**$ 18,364**	$ 20,093	$ (1,729)
Direct costs	**(13,118)**	(13,928)	810
	5,246	6,165	(919)
Other income and gains	**190**	1,262	(1,072)
Equity accounted income	**1,594**	759	835
Expenses			
Interest	**(2,579)**	(2,553)	(26)
Corporate costs	**(123)**	(152)	29
Fair value changes	**3,674**	663	3,011
Depreciation and amortization	**(1,470)**	(1,455)	(15)
Income tax	**(1,323)**	(845)	(478)
Net income	**5,209**	3,844	1,365
Non-controlling interests	**(2,099)**	(1,724)	(375)
Net Income attributable to shareholders	**$ 3,110**	$ 2,120	$ 990
Net income per share	**$ 4.67**	$ 3.12	$ 1.55

Financial Highlights

- **Revenue** less **direct costs** decreased by $919 million in aggregate. We sold two private equity investments and non-core timberlands, which collectively decreased revenues and direct costs by $1,845 million and $1,492 million. We also realized carried interests of $565 million. After adjusting for these items, revenues and direct costs increased by $674 million and $682 million, respectively. Margins decreased overall primarily due to the impact of a large lease expiry in our property operations and the impact of lower pricing on cyclical private equity investee companies.
- **Other income and gains** include a $143 million gain on the repayment of a distressed debt investment. Prior year amounts include 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 $835 million due to increased earnings from General Growth Properties and the contribution from additional equity accounted investments in our property and infrastructure operations.
- We recorded $3.7 billion of **fair value changes**, primarily due to increased appraisal gains in our U.S. office properties. Valuations continued to benefit from increases in cash flow and discount rate and terminal capitalization rate compression.
- Our provision for **income taxes** increased as a result of the higher level of appraisal gains, along with an increase in the tax rate utilized in one of our key property markets due to a change in tax legislation.
- **Net income attributable to shareholders** increased due to higher fair value gains attributable to the company, primarily on our investment properties. This was partially offset by the recognition of two large gains in 2013 as well as the realization of $565 million of carried interest.

Common Share Continuity

FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Three Months		Full Year	
	2014	2013	**2014**	2013
Outstanding at beginning of period	**617.9**	613.3	**615.5**	619.6
Issued (repurchased)				
Repurchases	**(0.2)**	-	**(1.5)**	(8.6)
Long-term share ownership plans	**1.1**	2.1	**4.6**	4.3
Dividend reinvestment plan	**-**	0.1	**0.2**	0.2
Outstanding at end of period	**618.8**	615.5	**618.8**	615.5
Unexercised options	**36.7**	35.6	**36.7**	35.6
Total diluted shares at end of period	**655.5**	651.1	**655.5**	651.1

- The company holds 10.8 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
  - 2.9 million of these shares are included in diluted shares outstanding for a net reduction of 7.9 million.
- Cash value of unexercised options at December 31, 2014 was $906 million (December 31, 2013 – $904 million).

FFO and Earnings Per Share Information

FOR THE PERIODS ENDED DEC. 31 (MILLIONS)	Three Months				Full Year			
	Funds from Operations		Net Income		Funds from Operations		Net Income	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Funds from operations/Net income	**$ 535**	$ 1,030	**$ 1,050**	$ 717	**$ 2,160**	$ 3,376	**$ 3,110**	$ 2,120
Preferred share dividends	**(37)**	(36)	**(37)**	(36)	**(154)**	(145)	**(154)**	(145)
	498	994	**1,013**	681	**2,006**	3,231	**2,956**	1,975
Capital securities dividends	**-**	-	**-**	2	**-**	-	**2**	13
Funds from operations/Net income available for shareholders	**$ 498**	$ 994	**$ 1,013**	$ 683	**$ 2,006**	$ 3,231	**$ 2,958**	$ 1,988
Weighted average shares	**618.2**	614.3	**618.2**	614.3	**616.7**	616.1	**616.7**	616.1
Dilutive effect of the conversion of options using treasury stock method	**17.7**	12.8	**17.7**	12.8	**15.7**	12.8	**15.7**	12.8
Dilutive effect of the conversion of subsidiary equity obligations	**-**	-	**-**	5.1	**-**	-	**1.2**	7.9
Shares and share equivalents	**635.9**	627.1	**635.9**	632.2	**632.4**	628.9	**633.6**	636.8

RECONCILIATION OF NET INCOME TO FFO

December 31, 2014

FOR THE YEAR ENDED (MILLIONS)	IFRS	Reconciling Items: Eliminate Non-FFO Items	Reconciling Items: Intersegment Adjustments	Reconciling Items: Realized Disposition Gains	FFO
Revenues	$ 18,364	$ -	$ 558	$ -	$ 18,922
Direct costs	(13,118)	-	236	-	(12,882)
Realized disposition gains	-	-	-	477	477
Other income and gains	190	-	-	-	190
Equity accounted income	1,594	(435)	-	-	1,159
Expenses					
Interest	(2,579)	-	-	-	(2,579)
Corporate costs	(123)	-	(794)	-	(917)
Fair value changes	3,674	(3,674)	-	-	-
Depreciation and amortization	(1,470)	1,470	-	-	-
Income tax	(1,323)	1,209	-	-	(114)
Net income	5,209				
Non-controlling interests	(2,099)	3	-	-	(2,096)
Net income / FFO attributable to shareholders	$ 3,110	$ (1,427)	$ -	$ 477	$ 2,160

December 31, 2013

FOR THE YEAR ENDED (MILLIONS)	IFRS	Reconciling Items: Eliminate Non-FFO Items	Reconciling Items: Intersegment Adjustments	Reconciling Items: Realized Disposition Gains	FFO
Revenues	$ 20,093	$ -	$ 419	$ -	$ 20,512
Direct costs	(13,928)	-	161	-	(13,767)
Realized disposition gains	-	-	-	434	434
Other income and gains	1,262	-	-	-	1,262
Equity accounted income	759	85	-	-	844
Expenses					
Interest	(2,553)	-	-	-	(2,553)
Corporate costs	(152)	-	(580)	-	(732)
Fair value changes	663	(663)	-	-	-
Depreciation and amortization	(1,455)	1,455	-	-	-
Income tax	(845)	686	-	-	(159)
Net income	3,844	-			
Non-controlling interests	(1,724)	(741)	-	-	(2,465)
Net income / FFO attributable to shareholders	$ 2,120	$ 822	$ -	$ 434	$ 3,376

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 on a fully diluted basis. 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 30.

  - FFO from **Operating Activities** represents the company's share of revenues less operating costs and interest expenses; excludes carried interest 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 Carried Interest** represents our contractual share of investments gains generated within a private fund after considering our clients minimum return requirements. Realized carried interest is determined on third-party capital that is no longer subject to future investment performance.
  - **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.

OPERATING AND PERFORMANCE MEASURES CONT'D

- **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 when reconciling period amounts we utilize the following definitions:
  - **Inflows** include contributions and capital raised.
  - **Outflows** represent redemptions, expiry of uncalled commitments and client withdrawals.
  - **Distributions** represent quarterly distributions from listed partnerships and distributions of capital to fund partners.
  - **Market activity** includes gains (losses) on portfolio investments.
- **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 carried interests' associated costs).
- **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.