

Q3 2016

Supplemental Information
Three Months Ended September 30, 2016

Brookfield

- Invested and committed \$10 billion of capital in quarter, \$20 billion on a last twelve months ("LTM") basis which included \$8 billion of private fund capital. Dry powder at the end of the quarter was \$19 billion. Significant transactions include:
 - Committed to acquire a natural gas pipeline business in Brazil for over \$5 billion.
 - Committed to acquire a 70% stake in a Brazilian water distribution business for approximately \$1 billion.
 - Completed our investments in several previously announced transactions including an Australian logistics business, the privatization of our U.S. regional mall business, North American gas storage operations, and the take-private transaction for our Colombian hydroelectric facilities.
- Our second flagship real estate opportunity fund, BSREP II, is now 67% committed, positioning us to be able to launch the next fund in this series in 2017. In addition, our most recent flagship funds in infrastructure (BIF III) and private equity (BCP IV), closed earlier this year, and are both advancing well at over 30% and 45% committed, respectively. We are currently raising capital for four additional funds, including an open-ended real estate fund, a real estate finance fund and two niche funds, targeting \$4.6 billion of third-party commitments.
- Funds from operations ("FFO") for the third quarter of 2016 was \$883 million or \$0.87 per share, and was \$3.2 billion on a last twelve month basis. Fee related earnings increased 37% to \$173 million, due to the 23% increase in fee bearing capital ("FBC"), to \$111 billion, on an LTM basis. FFO from invested capital increased by 17% as a result of the contribution from acquisitions across our portfolio and operating improvements, which were partially offset by the absence of FFO from assets sold. We sold interests in office and retail properties, generating \$392 million of disposition gains, compared to \$88 million in the prior period.
- Net income attributable to Brookfield shareholders totalled \$1.0 billion or \$1.03 per share. Net income increased over the prior period and continues to benefit from earnings on new investments and operational improvements, as well as a \$0.6 billion deferred tax recovery in our U.S. property operations.

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OVERVIEW

Funds from Operations and Net Income

FOR THE PERIODS ENDED SEP. 30
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Three Months				LTM			
	Funds from Operation ¹		Net Income ¹		Funds from Operation ¹		Net Income ¹	
	2016	2015	2016	2015	2016	2015	2016	2015
Operating activities								
Fee related earnings	\$ 173	\$ 126	\$ 173	\$ 126	\$ 707	\$ 464	\$ 707	\$ 464
Invested capital	318	272	318	272	1,349	1,081	1,349	1,081
	491	398	491	398	2,056	1,545	2,056	1,545
Realized carried interest	—	15	—	15	—	32	—	32
Realized disposition gains ²	392	88	161	20	1,148	536	476	4
Fair value changes	—	—	(104)	120	—	—	80	2,078
Depreciation and amortization	—	—	(222)	(188)	—	—	(868)	(740)
Deferred income taxes	—	—	710	(76)	—	—	412	(206)
	\$ 883	\$ 501	\$ 1,036	\$ 289	\$ 3,204	\$ 2,113	\$ 2,156	\$ 2,713
Per share	\$ 0.87	\$ 0.48	\$ 1.03	\$ 0.26	\$ 3.15	\$ 2.05	\$ 2.07	\$ 2.67

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 periods

- **Fee related earnings:** Fee revenues grew by \$54 million (24%) to \$283 million; base management fees increased by \$61 million, due to the higher levels of fee bearing capital throughout the period. LTM fee related earnings increased by 52% to \$707 million. Further details on slide 5.
- FFO from **invested capital** benefitted from improvements across most of our businesses, including recently signed leases in our property group, higher pricing in Norbord, and the continued expansion of our operations through both new investments and internal growth initiatives. These positive variances were tempered by lower margins in our residential development business.
- **Realized disposition gains** in the 2016 quarter included the sale of an office tower in Australia, an interest in a mall in Las Vegas and a hotel portfolio in Germany. Further details on slide 17.
- **Fair value changes** in the current quarter included a \$65 million mark-to-market net loss on warrants to acquire shares in General Growth Properties ("GGP"), due to public price fluctuations and other valuation declines, which more than offset net appraisal gains in our property portfolio.
- **Deferred income taxes** included a \$0.6 billion deferred tax recovery upon the reorganization in the ownership of our U.S. property assets.

Asset Manager – slide 4

Recurring long-term fees received from managing our funds and carried interests



Invested Capital – slide 13

Capital deployed in managed funds and on a direct basis which generate cash distributions



Conservative long-term capitalization represents 14% LTV² on invested capital



Disposition Gains – slide 17

Gains on sale of assets, including current and prior period revaluation gains since acquisition



AS AT AND FOR THE PERIODS ENDED SEP. 30, 2016
(MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Invested Capital	FFO	
		Three Months	LTM
Fee related earnings	\$ 337	\$ 173	\$ 707
Listed investments	25,816	387	1,652
Unlisted assets	4,901	24	65
	30,717	411	1,717
Capitalization/interest expense ¹	(8,406)	(64)	(236)
Working capital/corporate costs	(216)	(29)	(132)
	22,095	318	1,349
Realized disposition gains		392	1,148
Invested capital/FFO	\$ 22,432	\$ 883	\$ 3,204
Per share		\$ 0.87	\$ 3.15

1. Capitalization FFO excludes \$33 million (LTM - \$134 million) of preferred share distributions, which are included in the determination of FFO per share

2. Loan to value

ASSET MANAGEMENT

Summarized Results

37% increase
in Fee Related Earnings
over 2015 quarter

\$111 billion
Fee Bearing Capital
(Gross inflows of \$23 billion LTM)

\$2.0 billion
Annualized Fee Base and Carry
(42% increase since Q3 2015)

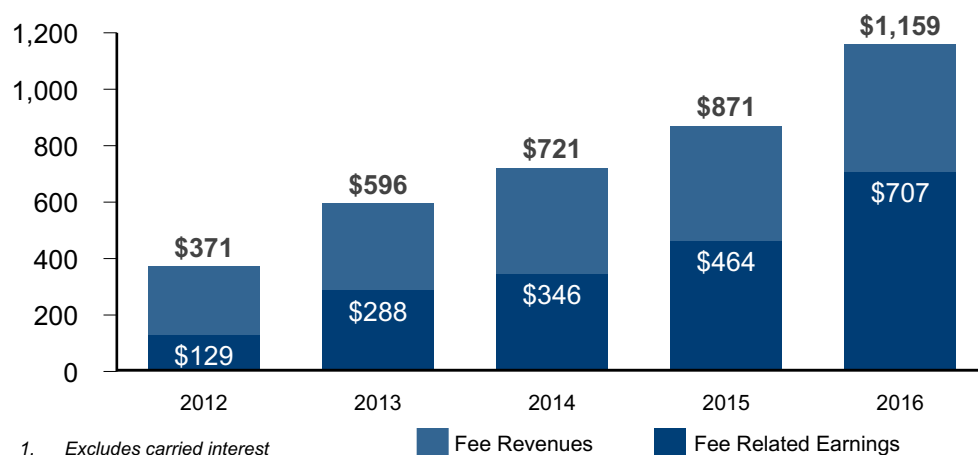
Financial Performance

	Three Months		LTM	
	2016	2015	2016	2015
FOR THE PERIODS ENDED SEP. 30 (MILLIONS)				
Fee revenues	\$ 283	\$ 229	\$ 1,159	\$ 871
Generated carried interest ¹	58	32	357	225
	<u>\$ 341</u>	<u>\$ 261</u>	<u>\$ 1,516</u>	<u>\$ 1,096</u>
FFO				
Fee related earnings ²	\$ 173	\$ 126	\$ 707	\$ 464
Realized carried interest ^{2,3}	—	15	—	32
Realized disposition gains	5	—	5	—
	<u>\$ 178</u>	<u>\$ 141</u>	<u>\$ 712</u>	<u>\$ 496</u>

- Generated carried interest based on carry eligible capital investment performance. Amounts dependent on future investment performance are deferred from FFO
- Net of direct costs
- Realized carried interest in respect to third-party capital

Fee Revenues and Fee Related Earnings (LTM)¹

(SEP. 30, MILLIONS)



Fee Bearing Capital – Profile

AS AT (MILLIONS)	Sep. 2016	Dec. 2015 ¹	Sep. 2015 ¹
Listed partnerships	\$ 51,107	\$ 43,017	\$ 40,887
Private funds	47,629	34,448	31,612
Public securities	12,011	16,797	17,519
	<u>\$ 110,747</u>	<u>\$ 94,262</u>	<u>\$ 90,018</u>

- Adjusted to eliminate BPY commitment to private funds

- Fee bearing capital includes our four flagship listed partnerships (BPY, BEP, BIP and BBU), along with other listed entities, 37 private funds and numerous funds and accounts within our public securities operations.
- Four funds in the market seeking to raise \$4.6 billion of third-party capital, of which \$0.9 billion of fundraising has already been completed.
- Diversified client base of 435 global private fund investors.
 - Average commitment per client ~ \$105 million.
 - ~45% of clients invest in multiple funds.
- ~90% of fee bearing capital is perpetual or long term.
 - Weighted average life to maturity of private fund fee bearing capital is eight years (plus two one-year extension periods on average).
- Public securities include mutual funds, separately managed accounts and hedge funds. As at September 30, 2016, we had \$11 billion of capital in long-only strategies and \$1 billion in hedge funds.

ASSET MANAGEMENT

Fee Related Earnings

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months			LTM ¹		
	2016	2015 ¹	Variance	2016	2015	Variance
Base management fees						
Listed partnerships	\$ 111	\$ 85	\$ 26	\$ 396	\$ 356	\$ 40
Private funds	119	79	40	479	268	211
Public securities	23	28	(5)	98	109	(11)
Incentive distributions (IDRs)	27	18	9	95	65	30
	280	210	70	1,068	798	270
Performance fees — public securities	—	1	(1)	—	8	(8)
Transaction and advisory fees ²	3	18	(15)	91	65	26
Fee revenues³	283	229	54	1,159	871	288
Direct costs⁴						
Compensation and benefits	(82)	(79)	(3)	(332)	(308)	(24)
Other expenses	(28)	(24)	(4)	(120)	(99)	(21)
Fee related earnings³	\$ 173	\$ 126	\$ 47	\$ 707	\$ 464	\$ 243

1. Prior period adjusted to eliminate BPY fee credit against fees paid by BPY on private fund capital commitments, with no impact on total base fees
2. Advisory fees in the third quarter of 2015 included \$9 million (2016 LTM – \$45 million; 2015 LTM – \$46 million) of FFO which is now earned by BBU and recorded within BBU's FFO commencing Q3-16, following its spin-off. Direct costs in the third quarter of 2015 included \$9 million (2016 LTM – \$34 million; 2015 LTM – \$44 million) of associated advisory costs
3. Includes \$16 million of fee revenues generated by BPY (\$58 million on an LTM basis) and \$7 million of fee related earnings (\$30 million on an LTM basis)
4. Direct costs include non-controlling interests of \$4 million (2015 – \$3 million) and \$15 million (2015 – \$13 million) for the three months and LTM ended September 30, 2016

Current Quarter:

- Listed partnership fees increased by \$26 million, on higher levels of fee bearing capital. BBU, which was formed in the second quarter of 2016, contributed \$5 million.
- Private fund base fees increased by 51% to \$119 million as a result of new capital raised throughout the year, which contributed to \$38 million of incremental fees and \$2 million of catch-up fees (earned on commitments received in quarters subsequent to the initial close of a fund where base fees accrue from initial close).
- Gross profit margin was 61% compared to 55% in the 2015 quarter and is benefitting from increased scale.
- Fee revenues include \$65 million of base management fees from Brookfield capital (2015 – \$43 million).

Last Twelve Months:

- Private fund base fees grew by 79%, benefitting from \$187 million of fees from new capital, including catch-up fees, and \$16 million of fees due to increased fee rates upon the investment of commitments.
- Incentive distributions increased by 46%, reflecting increased unit distributions by BIP, BEP and BPY.
- Transaction and advisory fees includes \$45 million (2015 - \$46 million) of advisory fees, which are now earned in BBU following the spin-off of this business, and are recorded within our private equity segment commencing the third quarter of 2016. Other transaction and advisory fees of \$46 million (2015 - \$19 million) includes co-investment fees and a \$12 million break fee on Asciano.
- Fee revenues include \$217 million of base management fees from Brookfield capital (2015 – \$173 million).

Carried interest represents our share, as manager, of investment performance in our private funds. Deferred carried interest increased by \$357 million based on LTM investment returns, increasing cumulative deferred carried interests to \$983 million

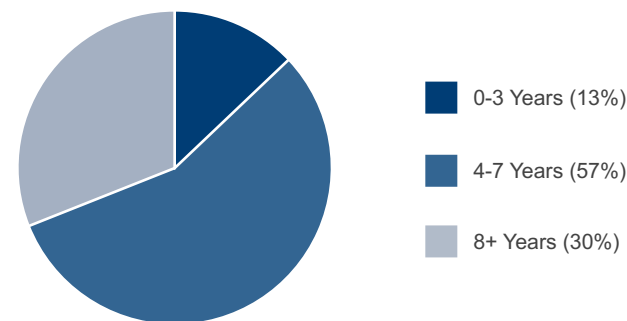
Realized Carried Interest¹

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months		LTM	
	2016	2015	2016	2015
Generated ¹	\$ 58	\$ 32	\$ 357	\$ 225
Recognition of deferred carry	—	22	—	49
Less: associated costs	(20)	(16)	(119)	(86)
Deferred recognition, net ¹	(38)	(23)	(238)	(156)
Realized carried interest, net	\$ —	\$ 15	\$ —	\$ 32

1. Dependent on future investment performance. Represents management estimate of carried interest if funds were wound up at period end

Deferred Carried Interest – Realization Timeline

AS AT SEP. 30, 2016



• Estimated based on maturity date of funds currently generating deferred carried interest

Deferred Carried Interest Continuity^{1,2}

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months			LTM		
	Deferred Carried Interest	Direct Costs	Net	Deferred Carried Interest	Direct Costs	Net
Deferred balance, beginning of period	\$ 925	\$ (310)	\$ 615	\$ 626	\$ (211)	\$ 415
In period change						
Generated	53	(18)	35	315	(106)	209
Foreign currency revaluation	5	(2)	3	42	(13)	29
	58	(20)	38	357	(119)	238
Deferred balance, end of period	\$ 983	\$ (330)	\$ 653	\$ 983	\$ (330)	\$ 653

1. Amounts dependent on future investment performance are deferred. Represents management estimate of carried interest if funds were wound up at period end

2. Carried interest in respect of third-party capital

ASSET MANAGEMENT

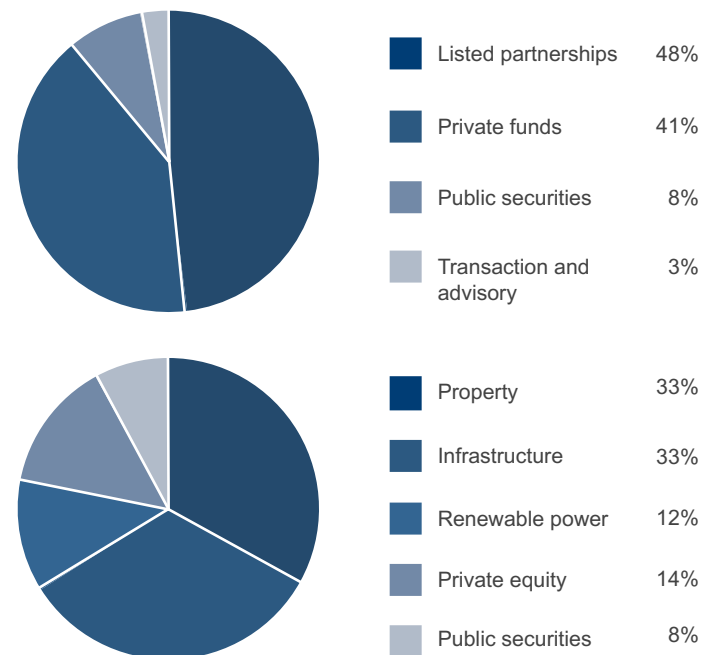
Annualized Fees and Target Carry

Annualized Fees and Target Carry

AS AT (MILLIONS)	Sep. 30, 2016	Dec. 31, 2015	Sep. 30, 2015
Base management fees ^{1,2}			
Listed partnerships	\$ 455	\$ 350	\$ 325
Private funds	480	350	325
Public securities	85	110	110
Incentive distributions ³	106	98	73
	1,126	908	833
Transaction and advisory ⁴	32	79	61
Performance income ⁴	4	11	20
Fee revenues ⁵	1,162	998	914
Target carried interest ⁶	830	560	485
	\$ 1,992	\$ 1,558	\$ 1,399

1. Base management fees include \$233 million of annualized base fees on Brookfield capital (\$230 million from listed partnerships and \$3 million from private funds)
2. 2015 amounts adjusted to eliminate BPY fee credit against fees paid by BPY on its private fund commitments, with no impact on total base fees (fee credit previously shown separately)
3. Based on most recent quarterly distributions declared
4. Annualized September 30, 2016 based on simple average of the last two years' results; transaction fees adjusted to exclude advisory fees which are now earned by BBU following its spin-off. Annualized advisory fees included \$69 million and \$50 million in December 2015 and September 2015 of these fees now earned by BBU.
5. Includes \$48 million of annualized fee revenue generated by BPY
6. Based on prescribed carried interest for private funds and target gross return. Includes only third-party

Fee Revenue Diversification¹



1. Fee revenues based on annualized September 30, 2016 fees, excludes target carried interest

- Our mix of listed partnerships, private funds and public securities portfolios provides diversification and increases stability.
- We estimate annualized base management fees will increase by approximately \$26 million when \$2 billion of uncalled third-party capital is invested, as base management fees on this capital increase 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 1 above).
- We estimate gross margins for fee revenues and target carried interest to range between 55 to 65% and 60 to 70%, respectively, for planning purposes.

Inflows of \$23 billion contributed to a 23% increase in fee bearing capital during the last twelve months, increasing fee bearing capital to \$111 billion

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months				Last Twelve Months			
	Listed Partnerships ¹	Private Funds ^{1,2}	Public Securities	Total Fee Bearing	Listed Partnerships ¹	Private Funds ^{1,2}	Public Securities	Total Fee Bearing
Balance, beginning of period ³	\$ 48,767	\$ 47,296	\$ 12,249	\$ 108,312	\$ 40,887	\$ 31,612	\$ 17,519	\$ 90,018
Inflows	200	1,226	369	1,795	1,247	19,780	1,926	22,953
Launch of BBU	—	—	—	—	2,300	(1,805)	—	495
Outflows	—	(841)	(1,380)	(2,221)	—	(1,864)	(4,488)	(6,352)
Distributions	(522)	—	—	(522)	(2,055)	—	—	(2,055)
Market valuation	3,301	—	773	4,074	6,493	—	1,477	7,970
Other	(639)	(52)	—	(691)	2,235	(94)	—	2,141
Change	2,340	333	(238)	2,435	10,220	16,017	(1,085)	25,152
Sale of securitized credit business	—	—	—	—	—	—	(4,423)	(4,423)
Balance, end of period ⁴	\$ 51,107	\$ 47,629	\$ 12,011	\$ 110,747	\$ 51,107	\$ 47,629	\$ 12,011	\$ 110,747

1. Includes \$1.9 billion and \$4.5 billion of listed partnership and private fund capital managed by BPY, respectively, which generates \$48 million annualized base fees
2. Includes \$5.1 billion of co-investment capital (Dec. 31, 2015 – \$3.9 billion, Sep. 30, 2015 – \$3.6 billion), which earns minimal or no base fees
3. LTM private funds capital adjusted for \$4.7 billion of Brookfield capital that has been removed from reported fee bearing capital
4. Fee bearing capital includes Brookfield capital of \$23 billion in listed partnerships and \$0.3 billion in private funds

Three Months:

- **Inflows:** Listed partnership inflows include BIP's issuance of \$200 million of preferred shares, private fund inflows include \$0.7 billion for our fifth real estate finance fund and \$0.5 billion of co-investment capital.
- **Outflows:** Private funds outflows of \$0.8 billion includes the expiry of \$0.6 billion of uninvested commitments in our sustainable resources funds. Public securities outflows of \$1.4 billion reflect redemptions in period.
- The total capitalization values of BPY, BIP, BEP and BBU were \$21.3 billion, \$13.8 billion, \$12.1 billion and \$1.7 billion, respectively, at September 30, 2016.

Last Twelve Months:

- **Inflows:** Inflows to listed partnerships of \$1.2 billion include BEP issuance of \$670 million of units and preferred unit issuances by BIP and BEP.

- **Private fund inflows** of \$20 billion includes BIF III (\$10 billion), BSREP II (\$5 billion), BCP IV (\$1 billion) and our real estate finance fund (\$0.7 billion). Also includes \$2 billion of co-investments.
- **Launch of BBU:** The initial capitalization of BBU was \$2.3 billion (\$25 per unit). Private fund fee bearing capital decreased, reflecting the transfer of Brookfield's capital commitments to private funds to BBU, as we now earn fees based on BBU's capitalization as opposed to their commitments.
- **Other:** Listed partnerships include changes in net non-recourse leverage included in the determination of capitalization.
- We sold a securitized credit business during the LTM which included \$4.4 billion of fee bearing capital.

We receive a portion of increases in the distributions by BIP, BEP and BPY as an incentive to increase unitholder distributions over time. We are eligible to earn performance fees on increases in BBU's share price above a high water mark

Annualized Incentive Distributions

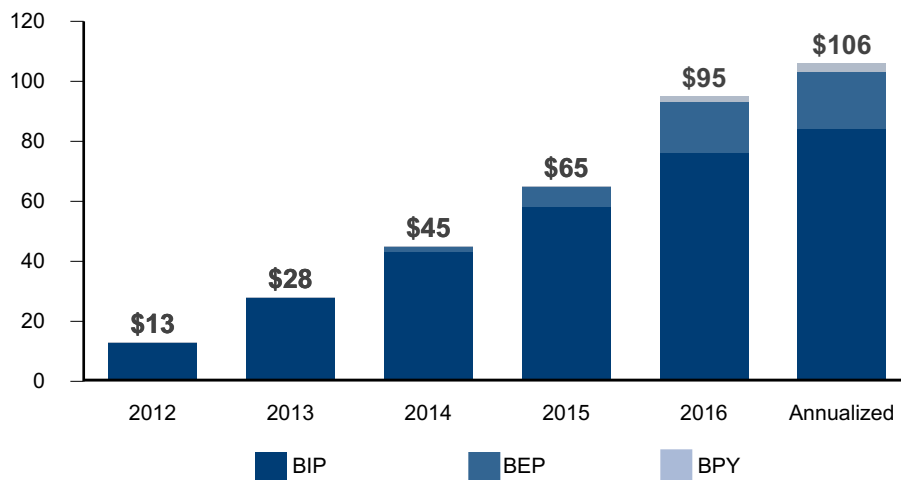
AS AT SEP 30, 2016 (MILLIONS, EXCEPT PER UNIT)	Per Unit			Units Outstanding ²	Annualized Incentive Distributions
	Annualized Distributions	Distribution Hurdles	Incentive Distributions ¹		
Brookfield Infrastructure Partners (BIP)	\$ 1.57	\$0.81 / \$0.88	15% / 25%	345.5	\$ 84
Brookfield Renewable Partners (BEP)	1.78	1.50 / 1.69	15% / 25%	299.1	19
Brookfield Property Partners (BPY)	1.12	1.10 / 1.20	15% / 25%	710.7	3
					<u>\$ 106</u>

1. Incentive distributions equate to 18% and 33% of limited partner distribution increases over the first and second hurdles, respectively

2. Based on most recent units outstanding data

Incentive Distributions (LTM)

(SEP. 30, MILLIONS)



Listed Partnerships: Distributions (per unit)

- Distribution policies target a distribution level that is sustainable on a long-term basis while retaining sufficient liquidity for capital expenditures and general purposes.

	BPY	BEP	BIP
Targeted:			
- FFO payout	80%	60 to 70%	60 to 70%
- Distribution growth	5 to 8%	5 to 9%	5 to 9%

Annual distribution per unit

	BPY	BEP	BIP
2016 ¹	\$ 1.12	\$ 1.78	\$ 1.57
2015	1.06	1.66	1.41
2014	1.00	1.55	1.28
2013 ²	1.00	1.45	1.15
2012	n/a	1.38	1.00

1. Annualized based on most recent distribution

2. BPY 2013 distribution annualized from spin-off

- BBU's performance fee is calculated as 20% of the increase in unit prices above \$25.00, subject to a high water mark.

ASSET MANAGEMENT

Annualized Fees – Target Carried Interest

Target carried interest reflects our estimate of the carried interest earned on a straight-line basis over the life of a fund, assuming target returns

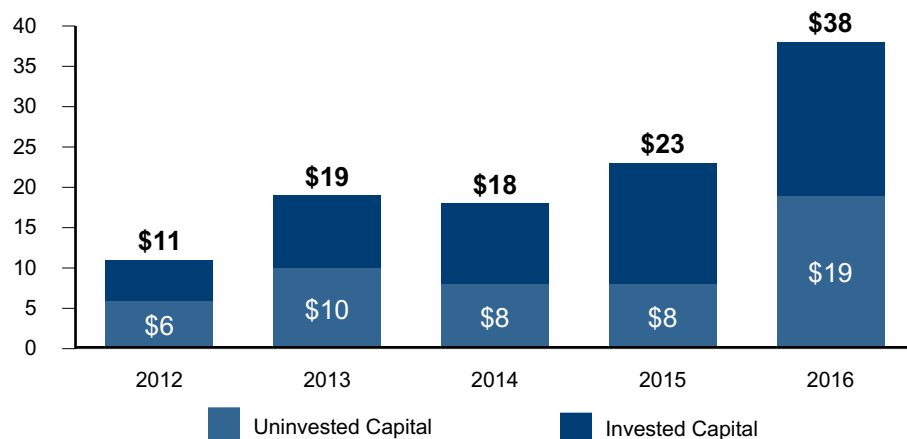
Target Carried Interest – Annualized

AS AT SEP 30, 2016 (MILLIONS)	Fee Bearing Capital	Carry Eligible Capital ¹	Target Return	Average Carried Interest	Utilization Factor ²	Annualized Target Carried Interest
Core and Value Add	\$ 29,543	\$ 22,196	10% to 15%	~18%	85%	\$ 350
Opportunistic and Private Equity	18,086	16,264	18% to 25%	~20%	75%	480
	<u>\$ 47,629</u>	<u>\$ 38,460</u>				<u>\$ 830</u>

1. Excludes capital which is not subject to carried interest
2. Utilization factor discount represents the average invested capital over the fund life, taking into account the time to deploy capital at the beginning of the fund and to monetize assets at the end of the fund

Carry Eligible Capital

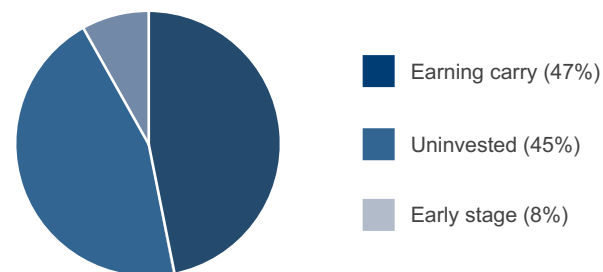
(AS AT SEP. 30, BILLIONS)



Carry Eligible Capital (\$38 billion)

(AS AT SEP. 30, 2016)

- Carried interest currently generated by our private funds lags target carried interest, as a significant portion of carry eligible capital is not yet invested.



Invested or committed \$20 billion of capital during the LTM on a global basis, including \$10 billion in the most recent quarter

Capital Deployed (Segmented Basis)

FOR THE LTM ENDED SEP. 30 (MILLIONS)	Property	Infrastructure	Renewable Power	Private Equity	Total
North America	\$ 2,313	\$ 775	\$ 925	\$ 1,809	\$ 5,822
South America	522	692	2,953	375	4,542
Europe	290	117	61	25	493
Asia and other	107	170	—	90	367
Total invested	3,232	1,754	3,939	2,299	11,224
Committed	1,578	5,648	—	1,744	8,970
Total	\$ 4,810	\$ 7,402	\$ 3,939	\$ 4,043	\$ 20,194

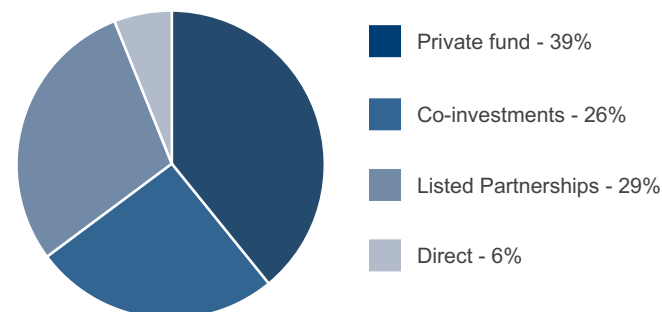
Continued to expand our pipeline of development and capital expansion projects

AS AT SEP 30, 2016 (MILLIONS)	Geographic Allocation				Total
	North America	South America	Europe	Asia and Other	
Property	\$ 3,267	\$ 221	\$ 2,980	\$ —	\$ 6,468
Infrastructure	266	1,854	594	197	2,911
Renewable power	715	915	682	—	2,312
Private equity and other	478	—	—	161	639
	\$ 4,726	\$ 2,990	\$ 4,256	\$ 358	\$ 12,330

Our project pipeline stands at nearly \$12 billion, providing meaningful growth opportunities that complement our acquisitions activity.

Capital Deployed

FOR THE LTM ENDED
SEP. 30, 2016



Significant investments include:

- Brazilian natural gas pipeline (\$5.2 billion)¹
- Brazilian water distribution company (\$1.0 billion)¹
- South Korean mixed-used property (\$0.7 billion)¹
- Privatization of U.S. regional mall business (\$0.7 billion)¹
- Mumbai office portfolio (\$0.4 billion)¹
- Toll roads in Peru (\$0.4 billion)
- Colombian hydroelectric portfolio (\$2.7 billion)
- Self-storage portfolio in U.S. (\$0.6 billion)
- U.S. manufactured housing communities (\$0.6 billion)

1. Invested or committed during the most recent quarter

ASSET MANAGEMENT

Available Liquidity

Core and Total Liquidity

AS AT SEP. 30, 2016 AND DEC. 31, 2015
(MILLIONS)

	Corporate	Property	Renewable Power	Infrastructure	Private Equity and Other	Total 2016	Dec. 2015
Cash and financial assets, net	\$ 1,187	\$ 125	\$ 103	\$ 326	\$ 214	\$ 1,955	\$ 1,446
Undrawn committed credit facilities	1,746	712	1,004	1,444	150	5,056	4,206
Core liquidity	2,933	837	1,107	1,770	364	7,011	5,652
Uncalled private fund commitments ¹	—	6,944	3,195	6,665	2,081	18,885	9,265
Total liquidity	\$ 2,933	\$ 7,781	\$ 4,302	\$ 8,435	\$ 2,445	\$ 25,896	\$ 14,917

1. *Third-party private fund uncalled commitments*

- Corporate credit facilities totalled \$1.9 billion, of which \$101 million was drawn at September 30, 2016 and \$83 million was utilized for letters of credit.
- Total liquidity of \$25.9 billion at September 30, 2016 includes core liquidity of \$7.0 billion and third-party uncalled commitments of \$18.9 billion.

Uncalled Fund Commitments – Expiry Profile

AS AT SEP. 30, 2016 AND DEC. 31, 2015
(MILLIONS)

	2016	2017	2018	2019	2020+	Sep. 2016	Dec. 2015
Property	\$ 83	\$ 1,262	\$ 110	\$ 134	\$ 5,355	\$ 6,944	\$ 4,623
Infrastructure and renewable power	166	578	—	—	9,116	9,860	2,649
Private equity	103	—	—	1,966	12	2,081	1,993
	\$ 352	\$ 1,840	\$ 110	\$ 2,100	\$ 14,483	\$ 18,885	\$ 9,265

- Uncalled commitments expire after approximately four years, based on the weighted average time to the end of each funds investment period.
- We invested \$0.8 billion of third-party fund capital during the third quarter; \$6.5 billion during the last twelve months.
- \$3.2 billion of fund capital committed to transactions yet to be closed (property – \$1.2 billion, infrastructure – \$1.0 billion, and private equity – \$1.0 billion).

INVESTED CAPITAL Summarized Results

~85%

of invested capital is held in listed securities

\$26 billion

of total liquidity available to deploy (including \$19 billion of third-party commitments)

\$1.3 billion

of annualized cash flow generated from listed investments

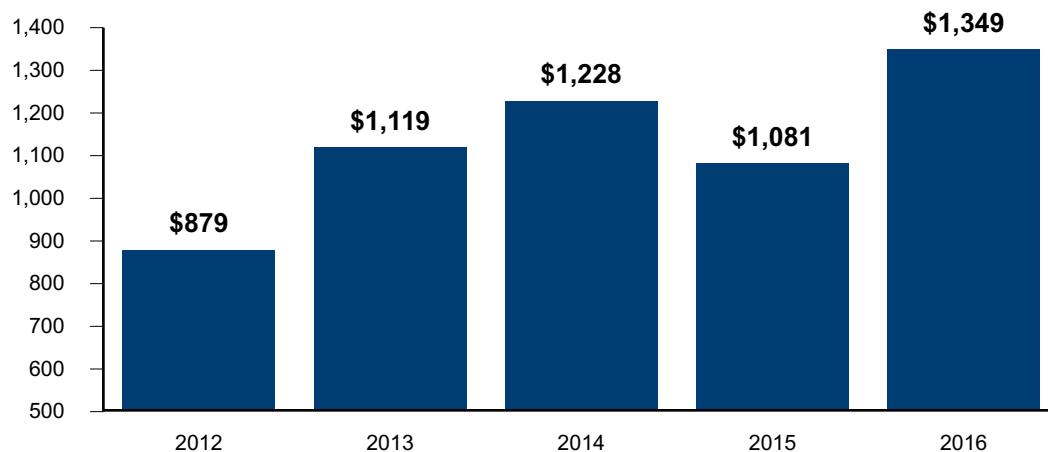
Financial Performance

	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2016	2015	2016	2015	2016	2015
Listed investments ¹	\$ 25,816	\$ 24,409	\$ 387	\$ 301	\$ 1,652	\$ 1,379
Unlisted assets	4,901	3,900	24	52	65	49
Capitalization ²	(8,622)	(7,069)	(93)	(81)	(368)	(347)
	22,095	21,240	318	272	1,349	1,081
Disposition gains	—	—	392	88	1,148	536
	\$ 22,095	\$ 21,240	\$ 710	\$ 360	\$ 2,497	\$ 1,617

1. Prior quarter restated to include BBU's FFO in listed investments
2. FFO excludes distributions on preferred shares

FFO – Operating Activities (LTM)¹

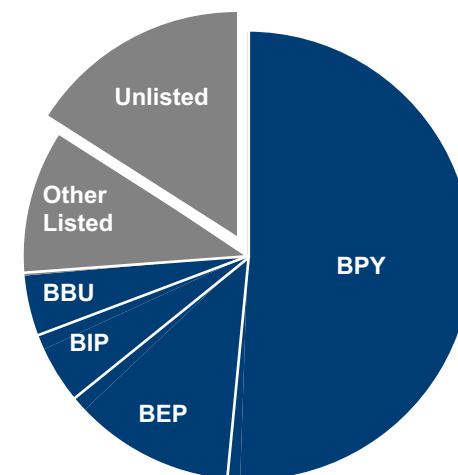
(SEP. 30, MILLIONS)



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

Investment Portfolio

(AS AT SEP. 30, 2016)



- ~85% of our balance sheet is held through listed securities, the majority invested in our four listed partnerships, providing liquidity and increased transparency

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

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months			LTM		
	2016	2015	Variance	2016	2015	Variance
Brookfield Property Partners	\$ 172	\$ 157	\$ 15	\$ 688	\$ 577	\$ 111
Brookfield Renewable Partners	42	31	11	273	290	(17)
Brookfield Infrastructure Partners	63	57	6	243	210	33
Brookfield Business Partners	40	58	(18)	207	211	(4)
Residential development	10	41	(31)	103	87	16
Energy marketing	7	(8)	15	(81)	(82)	1
Other investments	69	34	35	221	81	140
Financial assets	8	(17)	25	63	54	9
	<u>411</u>	<u>353</u>	<u>58</u>	<u>1,717</u>	<u>1,428</u>	<u>289</u>
Unallocated						
Interest expenses	(64)	(56)	(8)	(236)	(226)	(10)
Corporate costs and taxes	(29)	(25)	(4)	(132)	(121)	(11)
FFO – Invested capital	<u>\$ 318</u>	<u>\$ 272</u>	<u>\$ 46</u>	<u>\$ 1,349</u>	<u>\$ 1,081</u>	<u>\$ 268</u>

Third Quarter:

- **BPY:** FFO increased from incremental earnings on capital deployed offset by the absence of FFO from the disposition of assets in the core office portfolio. FFO also benefitted from same-property growth due to lease commencements at Brookfield Place New York and merchant build sales, which contributed \$6 million.
- **BEP:** Lower water levels led to below long-term average generation which negatively impacted FFO in the northeastern U.S. This was offset by the acquisitions of Colombian, U.S. and Brazilian hydroelectric facilities which contributed \$10 million of FFO, and a one-time settlement gain of \$12 million pertaining to historic power purchase agreements.
- **BIP:** FFO benefitted by \$9 million from recent investments in the transport and energy sectors. Same-store FFO increased by 9% on a constant currency basis as a result of inflationary increases in rates and the benefits of growth projects commissioned. These increases were partially offset by foreign exchange and management fees.
- **BBU:** FFO was reduced by \$10 million as a result of our decreased ownership in BBU following the spin-off of this entity. Contribution from growth initiatives, including our Western Australia energy operations, were offset by lower natural gas prices on our other energy operations and lower construction margins, resulting in an \$8 million decrease in FFO.
- **Residential:** FFO decreased due to lower margins on projects delivered in our Brazilian and western Canadian businesses. This was partially offset by higher volumes and pricing in eastern Canada.
- **Energy Marketing:** FFO increased due to higher market prices, higher capacity sales revenues and an increase in the portion of generation in higher margin markets.
- **Other Investments:** The increase in FFO is due primarily to improved OSB pricing and volumes in Norbord.

Last Twelve Months:

- **BPY:** FFO benefitted from the contribution from new investments and positive same-property growth in our office and retail portfolios.
- **Other Investments:** Increase of \$103 million in FFO from Norbord due to higher pricing and volumes.

INVESTED CAPITAL

Entity Basis

~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, 2016 (MILLIONS)	No. of Units	Invested Capital		FFO ²		Distributed Cash Flow (Annualized) ³
		Quoted ¹	IFRS	Three Months	LTM	
Listed Investments						
Brookfield Property Partners	488	\$ 11,182	\$ 15,524	\$ 153	\$ 612	\$ 546
BPY Preferred Shares	n/a	1,265	1,265	19	76	76
		<u>12,447</u>	<u>16,789</u>	<u>172</u>	<u>688</u>	<u>622</u>
Brookfield Renewable Partners	183	5,642	3,810	42	273	327
Brookfield Infrastructure Partners	102	3,537	1,599	63	243	161
Brookfield Business Partners	73	1,928	1,668	40	207	18
Financial assets ⁴	Various	1,187	1,187	8	63	95 ⁵
Other Investments						
Listed						
Norbord	35	898	252	40	107	11
Acadian Timber	8	104	79	2	7	6
Other Listed - Private Equity	Various	432	432	20	64	21
		<u>\$ 26,175</u>	<u>25,816</u>	<u>387</u>	<u>1,652</u>	<u>\$ 1,261</u>
Unlisted Investments						
Residential development			2,699	10	103	
Energy marketing			1,052	7	(81)	
Other			1,150	7	43	
			<u>4,901</u>	<u>24</u>	<u>65</u>	
		<u>\$ 30,717</u>	<u>\$ 30,717</u>	<u>\$ 411</u>	<u>\$ 1,717</u>	

1. Quoted value based on September 30, 2016 public pricing

2. Excludes realized disposition gains

3. Annualized distributed cash flow is based on current distribution policies

4. Includes \$715 million of cash and cash equivalents and \$472 million of financial assets, net of deposits

5. Estimated 8% annualized total return on weighted average balance

Corporate debt maturities are well distributed over the next 10 years, with ~80% of our term debt maturing after five years

AS AT SEP. 30, 2016 AND DEC. 31, 2015 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Average Yield	Invested Capital		Funds from Operations			
		2016	2015	Three Months		LTM	
				2016	2015	2016	2015
Corporate borrowings	4.7%	\$ 4,674	\$ 3,936	\$ 64	\$ 56	\$ 236	\$ 226
Preferred shares ¹	4.1%	3,732	3,739	—	—	—	—
Net working capital / Corporate costs and taxes	n/a	937	123	29	25	132	121
Deferred income tax asset, net	n/a	(721)	(729)	—	—	—	—
		<u>\$ 8,622</u>	<u>\$ 7,069</u>	<u>\$ 93</u>	<u>\$ 81</u>	<u>\$ 368</u>	<u>\$ 347</u>

1. FFO excludes preferred shares distributions of \$33 million (2015 – \$32 million) for the three months; and \$134 million (2015 – \$137 million) for the last twelve months

Corporate Maturity Profile

AS AT SEP 30, 2016 (MILLIONS)	Average Term (Years)	Maturity						
		Total	2016	2017	2018	2019	2020	2021+
Corporate borrowings								
Term debt	8	\$ 4,573	\$ —	\$ 429	\$ —	\$ 458	\$ —	\$ 3,686
Revolving facilities ¹	5	101	—	—	—	—	—	101
		4,674	—	429	—	458	—	3,787
Preferred shares	perp.	3,732	—	—	—	—	—	n/a
		<u>\$ 8,406</u>	<u>\$ —</u>	<u>\$ 429</u>	<u>\$ —</u>	<u>\$ 458</u>	<u>\$ —</u>	<u>\$ 3,787</u>

1. Revolving credit facilities of \$1.9 billion to support commercial paper issuances (20 bps spread) or bankers acceptances/LIBOR loans (100 bps spread)

INVESTED CAPITAL

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

Brookfield 17

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months				LTM			
	Funds from Operations ^{1,2}		Net Income ²		Funds from Operations ^{1,2}		Net Income ²	
	2016	2015	2016	2015	2016	2015	2016	2015
BPY								
Fashion Show Mall partial sale	\$ 123	\$ —	\$ 4	\$ —	\$ 123	\$ —	\$ 4	\$ —
One Shelley Street	90	—	—	—	90	—	—	—
Interhotels	73	—	73	—	73	—	73	—
Hard Rock trademarks	59	—	59	—	59	—	59	—
Manhattan West	—	—	—	—	203	—	191	—
Royal Centre	—	—	—	—	113	—	19	—
Ala Moana partial sale	—	—	—	—	—	170	—	—
Other properties	22	56	—	(2)	384	344	110	(8)
	<u>367</u>	<u>56</u>	<u>136</u>	<u>(2)</u>	<u>1,045</u>	<u>514</u>	<u>456</u>	<u>(8)</u>
BIP	20	7	20	4	63	7	20	4
BEP	—	25	—	18	—	25	—	18
Other	5	—	5	—	40	(10)	—	(10)
	<u>\$ 392</u>	<u>\$ 88</u>	<u>\$ 161</u>	<u>\$ 20</u>	<u>\$ 1,148</u>	<u>\$ 536</u>	<u>\$ 476</u>	<u>\$ 4</u>
Per share	<u>\$ 0.40</u>	<u>\$ 0.09</u>	<u>\$ 0.17</u>	<u>\$ 0.02</u>	<u>\$ 1.18</u>	<u>\$ 0.56</u>	<u>\$ 0.49</u>	<u>\$ 0.01</u>

1. FFO includes gains recorded in net income, directly in equity, as well as the realization of appraisal gains recorded in the prior years

2. Net of non-controlling interests

Third Quarter:

- **BPY:** Other property gains include dispositions or sales of interests in 29 properties.
- **BIP:** Disposition of a toehold interest in Australian ports business.

Last Twelve Months:

- **2016:** Office and other property disposition gains (\$894 million); retail property disposition gains (\$151 million); sale of an European gas distribution business (\$42 million); partial sale of a real estate services business (\$40 million).
- **2015:** Office and other property disposition gains (\$281 million); retail property disposition gains (\$233 million) including the sale of an interest in a large retail mall in Honolulu (\$170 million).

Brookfield

Additional Information



Brookfield Property Partners (NYSE: BPY; TSX: BPY.UN)

Ownership Interest – 62% (fully diluted)

Financial Position and Performance – BPY

AS AT SEP. 30, 2016 AND DEC. 31, 2015 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2016	2015	2016	2015	2016	2015
Core office	\$ 15,195	\$ 15,984	\$ 149	\$ 163	\$ 608	\$ 584
Core retail	8,852	8,579	108	109	458	444
Opportunistic	4,429	4,251	90	66	341	195
Corporate	(5,877)	(6,856)	(115)	(120)	(466)	(436)
Attributable to unitholders	22,599	21,958	232	218	941	787
Non-controlling interest	(7,075)	(7,070)	(72)	(71)	(299)	(254)
Segment reallocation and other ¹	—	—	(7)	(9)	(30)	(32)
Brookfield's interest	15,524	14,888	153	138	612	501
Preferred Shares	1,265	1,275	19	19	76	76
	<u>\$ 16,789</u>	<u>\$ 16,163</u>	<u>\$ 172</u>	<u>\$ 157</u>	<u>\$ 688</u>	<u>\$ 577</u>

1. Reflects fee related earnings and net carried interest reclassified to asset management segment

- Core office:** FFO decrease by \$14 million to \$149 million due to absence of FFO from assets sold and the impact of foreign exchange. On a same-property basis, FFO increased by 5% compared to the same quarter in the prior year mainly due to earnings on new leases in Lower Manhattan.
 - Average in-place core office rent is \$33.46 psf, representing a discount of 17% to market rent, and has an average term of eight years.
 - We completed 1.66 msf of leases during the quarter at average net rents of \$34.88 psf, 18% higher than expiring rents of \$29.53 psf, while occupancy in our core portfolio decreased by 30 bps to 91.4%.
- Core retail:** FFO of \$108 million remained relatively consistent with prior year quarter as 4% same-property revenue growth was offset by dispositions of assets.
 - Average in-place retail rent of \$62.52 psf with a six-year average term to maturity, up from \$55.05 psf at September 30, 2015; over 2,600 signed leases commencing in 2016 and 2017 comprising 11.2 msf.
 - Initial and average rent spreads for executed leases commencing in 2016 on a suite-to-suite basis increased to 10% and 21% respectively, compared to the rental rate for expiring leases.
- Opportunistic:** FFO increased from the contribution of capital deployed over the past twelve months, primarily on our self-storage operations, UK resort operations and UK student housing assets, as well as \$10 million of incremental FFO on the sale of merchant developments and \$8 million from same-store FFO growth in our hospitality portfolio.
- Corporate:** Corporate costs increased on an LTM basis as a result of an increase in BPY's fees on its higher capitalization, and additional costs reflecting a higher level of activity and increased scale of the business.

Brookfield Renewable Partners (NYSE: BEP, TSX: BEP.UN)

Ownership Interest – 61%

Financial Position and Performance – BEP

AS AT SEP. 30, 2016 AND DEC. 31, 2015 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2016	2015	2016	2015	2016	2015
Proportionate generation (GWh)						
Actual	n/a	n/a	4,418	3,715	20,090	17,807
Long-term average (LTA)	n/a	n/a	5,212	4,102	21,793	19,089
Hydroelectric generation	\$ 8,502	\$ 6,916	\$ 82	\$ 100	\$ 526	\$ 572
Wind energy	589	668	18	22	106	112
Facilities under development	255	209	—	—	—	—
Corporate and other	(3,135)	(2,350)	(27)	(42)	(179)	(189)
Attributable to unitholders	6,211	5,443	73	80	453	495
Incentive distributions	—	—	(5)	(2)	(17)	(7)
Non-controlling interest	(2,401)	(2,038)	(26)	(29)	(163)	(180)
Reclass - disposition gains ¹	—	—	—	(18)	—	(18)
Brookfield's interest	\$ 3,810	\$ 3,405	\$ 42	\$ 31	\$ 273	\$ 290

1. The prior year quarter includes a reallocation of \$18 million to disposition gains (net of NCI) related to the sale of a 102 MW wind facility in California and compensation for extinguished concession agreements relating to two Brazilian hydroelectric facilities

- **Generation** was 4,418 GWh for the quarter, on BEP's proportionate basis, below the long-term average of 5,212 GWh and an increase of 703 GWh compared to the prior year.
- **Hydroelectric** generation was 3,807 GWh, below the long-term average of 4,543 GWh and an increase of 691 GWh compared to the prior year. Generation from recently acquired facilities in Colombia, Brazil and Pennsylvania was 731 GWh contributing \$16 million of additional FFO, which was offset by lower generation primarily in northeastern U.S., negatively impacting FFO by \$7 million. In the same period of the previous year we benefitted from \$17 million in compensation related to our election to not renew expired concession agreements for two Brazilian facilities.
- **Wind** generation was 470 GWh, below the long-term average of 582 GWh, and an increase of 45 GWh relative to the prior year. Generation at our North American portfolio was slightly ahead of the prior year and slightly below long-term average. The Brazilian portfolio generated 83 GWh in the quarter, in-line with the long-term average and 26 GWh above the prior year. This increased generation contributed an additional \$3 million of FFO. Included in the \$22 million of prior period FFO is a \$12 million gain on the sale of the 102 MW wind facility in California.
- **Corporate and unallocated** contributed an FFO deficit of \$27 million, a \$15 million lower deficit than the prior year. This was due to a settlement received during the quarter pertaining to historic power purchase agreements in Ontario, which contributed \$20 million to FFO, partially offset by higher management fees from BEP's higher market capitalization.

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

Ownership Interest – 30%

Financial Position and Performance – BIP

AS AT SEP. 30, 2016 AND DEC. 31, 2015 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2016	2015	2016	2015	2016	2015
Utilities	\$ 1,929	\$ 2,002	\$ 102	\$ 99	\$ 402	\$ 380
Transport	3,484	3,220	112	103	403	404
Energy	1,448	1,009	40	19	143	86
Communications	452	438	19	20	77	40
Corporate and other	(1,891)	(1,290)	(38)	(31)	(122)	(126)
Attributable to unitholders	5,422	5,379	235	210	903	784
Incentive distributions	—	—	(21)	(17)	(76)	(60)
Non-controlling interest	(3,823)	(3,794)	(151)	(136)	(584)	(514)
Brookfield's interest	\$ 1,599	\$ 1,585	\$ 63	\$ 57	\$ 243	\$ 210

- Utilities:** FFO grew by \$3 million as higher connections activity at our UK regulated distribution business, inflation indexation and incremental earnings on growth capital commissioned into our rate base was partially offset by the impact of a reduced return at our regulated coal terminal in Australia, as a result of its recent regulatory reset, and the impact of foreign exchange.
 - We have \$884 million of total capital to be commissioned into our rate base, including our capital backlog of \$692 million.
- Transport:** FFO increased by \$9 million compared to the prior year due to higher tariffs and volumes across a number of operations and the contribution from our recently acquired road portfolios in India and Peru and ports business in Australia. These positive factors were partially offset by foreign exchange and tariff relief extended to one of our Australian rail clients.
 - Capital to be commissioned of \$1.1 billion at September 30, 2016 consists of expansion and upgrades to our rail business and projects to add additional capacity to our toll roads and ports.
- Energy:** FFO increased \$21 million reflecting the incremental contribution from capital expenditures at our North American gas transmission operations and the initial contribution from our recently acquired North American gas storage operations, as well as strong same store growth of 15%.
- Communications infrastructure:** FFO decreased slightly due to replacing acquisition debt with longer term financing.
- Corporate & other:** FFO decreased by \$7 million to a net expense of \$38 million primarily due to higher base management fees from increased market capitalization and increased borrowings used to fund new investments, partially offset by higher investment income.

Brookfield Business Partners (NYSE: BBU, TSX: BBU.UN)

Ownership Interest – 79%

Financial Position and Performance – BBU

AS AT SEP. 30, 2016 AND DEC. 31, 2015 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2016	2015	2016	2015	2016	2015
Construction services	\$ 865	\$ 745	\$ 16	\$ 20	\$ 97	\$ 120
Other business services	328	309	18	17	46	36
Energy	311	315	12	16	88	39
Other industrial operations	411	418	11	5	6	18
Corporate and other	210	—	(7)	—	(8)	—
Brookfield Business Partners	2,125	1,787	50	58	229	213
Non-controlling interest	(457)	—	(10)	—	(11)	—
Segment reallocation and other ¹	—	—	—	—	(11)	(2)
	<u>\$ 1,668</u>	<u>\$ 1,787</u>	<u>\$ 40</u>	<u>\$ 58</u>	<u>\$ 207</u>	<u>\$ 211</u>

1. Prior period and LTM figures reflect fee related earnings reclassified to asset management segment. These fees are now earned in BBU following the spin-off on June 20, 2016 and are no longer reclassified to our asset management segment

- **Construction services:** FFO decreased by \$4 million primarily due to reduced margins on an Australian contract, potentially offset by lower general and administration costs. We continue to secure projects increasing our contracted backlog to 99 projects, up from 95 at this time last year. Our backlog now stands at \$6.6 billion, representing nearly two years of activity.
- **Other business services:** Other business services includes commercial and residential real estate services, facilities management, logistics and financial services. FFO benefitted from increased income on existing facilities management clients and strong real estate services performance.
- **Energy:** FFO decreased due to lower commodity prices experienced within our western Canada oil and gas operations. This was partially offset by our Australian energy operations, which are benefitting from hedges on oil production at prices above the current market, which has insulated the business from commodity price fluctuations.
- **Other industrial operations:** The FFO increase of \$6 million was primarily attributable to \$7 million of gains from the sale of public security investments and cost savings in our manufacturing businesses, partially offset by the impact of lower pricing in our graphite electrode manufacturing business that was acquired in the third quarter of prior year.
- **Corporate and other:** Corporate costs consist of management fees, as well as general administration costs related to corporate operations. Corporate expenses of \$7 million were incurred as a result of the formation of BBU in June of 2016.

Our residential development operations are focused on land development and housing construction in North America and condominium projects in Brazil

Financial Position and Performance

AS AT SEP. 30, 2016 AND DEC. 31, 2015 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Invested Capital		Funds from Operations			
			Three Months		LTM	
	2016	2015	2016	2015	2016	2015
North America	\$ 1,382	\$ 1,318	\$ 25	\$ 46	\$ 137	\$ 165
Brazil and other	1,317	903	(15)	(5)	(34)	(78)
	\$ 2,699	\$ 2,221	\$ 10	\$ 41	\$ 103	\$ 87

- North America:** FFO decreased by \$21 million primarily due to fewer lot closings and lower housing gross margins as we experienced unfavourable market conditions in Alberta, as a result of continued depressed energy prices.

 - Housing gross margins decreased by \$14 million as a result of a shift in the product mix of units closed; homes closed accounted for approximately 70% (2015 – 61%) of total closings, whereas land units closed approximated 30% (2015 – 39%). The effects of this shift was partially offset by 104 additional home closings in the current quarter as the eastern Canada and California markets remained strong.
 - New home orders were up 33% in the quarter as compared to the same quarter of the prior year due to strong results across various U.S. markets and in eastern Canada.
- Brazil and other:** FFO decreased by \$10 million as results continue to reflect unfavourable economic conditions throughout Brazil impacting the housing market. Although the volume of deliveries has increased in quarter, the lower margins on these deliveries did not cover corporate costs and marketing expenses.

INVESTED CAPITAL

Brookfield Energy Marketing

- We have agreements to purchase approximately 8,400 GWh from BEP annually based on long-term average generation. Approximately 33% 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 are favourable based on our expectation of pricing of electricity generated by new build construction.
- We expect the negative spread on uncontracted power to turn positive over the longer term as prices for renewable power increase. Existing long-term contracts provide both a current positive FFO contribution as well as future increases through escalation clauses and the opportunity to renew contracts in the future.

Three Months

FOR THE THREE MONTHS ENDED SEP. 30 (GWh AND MILLIONS)	Generation (GWh)		FFO		Per MWh	
	2016	2015	2016	2015	2016	2015
Contracted	536	526	\$ 43	\$ 41	\$ 80	\$ 79
Uncontracted and financial contracts	876	950	54	50	62	52
	1,412	1,476	97	91	69	62
Less: Purchases from BEP	(1,412)	(1,476)	(90)	(99)	(64)	(69)
FFO	—	—	\$ 7	\$ (8)	\$ 5	\$ (7)

- FFO of \$7 million reflects higher average realized pricing for uncontracted power and lower generation in regions where current market pricing is below the contracted purchase price from BEP.
 - The average "all-in" realized price per MWh for uncontracted power was \$62/MWh, \$10/MWh higher than the prior year.
 - Ancillary revenues including capacity payments, green credits and revenues generated for the peaking ability of our plants totalled \$21 million, increasing the average realized prices by \$15/MWh.

Last Twelve Months

FOR THE LTM ENDED SEP. 30 (GWh AND MILLIONS)	Generation (GWh)		FFO		Per MWh	
	2016	2015	2016	2015	2016	2015
Contracted	2,605	3,169	\$ 199	\$ 249	\$ 76	\$ 79
Uncontracted and financial contracts	5,199	4,942	237	233	46	47
	7,804	8,111	436	482	56	59
Less: Purchases from BEP	(7,804)	(8,111)	(517)	(564)	(66)	(69)
FFO	—	—	\$ (81)	\$ (82)	\$ (10)	(10)

We own certain assets directly, which are managed within our various segments

Financial Position and Performance

AS AT SEP. 30, 2016 AND DEC. 31, 2015 AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Segment	Invested Capital		Funds from Operations			
				Three Months		LTM	
		2016	2015	2016	2015	2016	2015
Norbord ¹	Private Equity	\$ 252	\$ 224	\$ 40	\$ 7	\$ 107	\$ 4
Acadian Timber	Infrastructure	79	76	2	2	7	8
Sustainable resources	Infrastructure	665	542	4	5	21	19
Other property	Property	332	102	6	1	26	(11)
Other private equity	Private Equity	585	167	17	19	60	61
		<u>\$ 1,913</u>	<u>\$ 1,111</u>	<u>\$ 69</u>	<u>\$ 34</u>	<u>\$ 221</u>	<u>\$ 81</u>

1. Includes FFO from Ainsworth Lumber Co. LTD in 2015

- **Norbord:** FFO increased by \$33 million over prior year quarter as a result of a 48% increase in North American OSB pricing from \$204 per thousand square feet ("Msf") in the third quarter of 2015 to \$301 per Msf this quarter, and a 4% increase in North American volumes from 1,409 million square feet ("MMsf") to 1,464 MMsf.
- **Sustainable resources:** These investments include timberlands in the northeastern U.S. and Canada, as well as capital in Brazil in a number of timber and agriculture private funds managed by us. FFO results are slightly lower due to poor weather conditions for soybean harvests in our agricultural business.
- **Other property:** FFO for the three months increased by \$5 million, while the last twelve months results have increased by \$37 million. The LTM increase is primarily due to merchant development gains from our directly held business in the second and third quarters of 2016. Other property consists primarily of directly held property assets, associated borrowings and preferred share obligations.
- **Other private equity:** FFO decreased by \$2 million this quarter as increased interest income on the purchases of corporate bonds was offset by the absence of FFO from assets sold and gains on sales of toehold investments in the prior year.

Capitalization

AS AT SEP. 30, 2016 AND DEC. 31, 2015 (MILLIONS)	Corporate		Proportionate ¹		Consolidated ¹	
	2016	2015	2016	2015	2016	2015
Corporate borrowings	\$ 4,674	\$ 3,936	\$ 4,674	\$ 3,936	\$ 4,674	\$ 3,936
Non-recourse borrowings						
Property specific borrowings	—	—	27,659	26,730	52,803	46,474
Subsidiary borrowings	—	—	6,217	5,303	9,663	8,303
	4,674	3,936	38,550	35,969	67,140	58,713
Accounts payable and other	1,940	1,726	8,777	7,537	12,570	11,433
Deferred income tax liabilities	171	155	4,729	4,904	9,465	8,810
Subsidiary equity obligations	—	—	1,824	1,895	3,543	3,331
Equity						
Non-controlling interests	—	—	—	—	40,955	31,920
Preferred equity	3,732	3,739	3,732	3,739	3,732	3,739
Common equity	22,432	21,568	22,432	21,568	22,432	21,568
	26,164	25,307	26,164	25,307	67,119	57,227
Total capitalization	\$ 32,949	\$ 31,124	\$ 80,044	\$ 75,612	\$ 159,837	\$ 139,514
Debt to capitalization ²	14%	13%	48%	48%	42%	42%

1. Reflects liabilities associated with assets held for sale on a consolidated and proportionate basis according to the nature of the balance

2. 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 and equity, which is consistent with how we assess our leverage ratios and how we present them to our rating agencies.
 - Corporate capitalization shows debt on a deconsolidated basis.
 - 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; however, excludes amounts within equity accounted investments.

FINANCIAL PERFORMANCE (IFRS)

Three Months Ended September 30

Condensed Statements of Operations

	2016	2015	Change
FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)			
Revenue	\$ 6,285	\$ 5,056	\$ 1,229
Direct costs	(4,590)	(3,740)	(850)
Gross margin	1,695	1,316	379
Other income and gains	325	133	192
Equity accounted income	454	304	150
Expenses			
Interest	(825)	(691)	(134)
Corporate costs	(20)	(25)	5
Fair value changes	(59)	389	(448)
Depreciation and amortization	(541)	(436)	(105)
Income tax	992	(145)	1,137
Net income	2,021	845	1,176
Non-controlling interests	(985)	(556)	(429)
Net income attributable to shareholders	\$ 1,036	\$ 289	\$ 747
Per share	\$ 1.03	\$ 0.26	\$ 0.77

Financial Highlights

- **Revenues** increased by 24% due to earnings generated from recently acquired businesses and improved volumes and pricing at existing businesses. These positive variances were partially offset by the impact of foreign currency revaluation on our non-U.S. dollar revenues and the inclusion of revenue in the prior year from assets which have been disposed.
- **Gross margin** increased due to the contributions of acquisitions and development projects coming online, incremental income earned on new leases in our property portfolio and inflationary increases in our infrastructure businesses. These increases were partially offset by lower energy and commodity prices, lower margins in our residential development segment, and the impact of foreign exchange.
- **Interest expense** increased due to higher amounts of borrowings which were used to finance acquisitions, particularly in our property and renewable power operations.
- **Income tax** recovery in the current quarter included a \$0.9 billion deferred income tax recovery on the reorganization and resulting change in the tax rate applicable to our U.S. core retail and office properties.
- **Net income attributable to shareholders** increased mainly due to the impact of the aforementioned tax recovery in the prior year and a lower level of fair value changes recognized in the current period.

Common Share Continuity

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months		LTM	
	2016	2015	2016	2015
Outstanding at beginning of period	959.0	960.3	957.1	926.8
Issued (repurchased)				
Issuances	—	—	—	32.9
Repurchases	(0.1)	(4.1)	(5.9)	(9.4)
Long-term share ownership plans	0.3	0.8	7.7	6.4
Dividend reinvestment plan	0.1	0.1	0.4	0.4
Outstanding at end of period	959.3	957.1	959.3	957.1
Unexercised options and other share-based plans	45.3	52.8	45.3	52.8
Total diluted shares at end of period	1,004.6	1,009.9	1,004.6	1,009.9

- The company holds 27.8 million common shares for management share ownership plans, which have been deducted from the total number of shares outstanding.
 - 5.1 million shares would be issued in respect of these plans if exercised based on current market prices and the balance would be cancelled.
- Cash value of unexercised options at September 30, 2016 was \$914 million (December 31, 2015 – \$828 million).

FFO and Earnings Per Share Information

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	Funds from Operations		Net Income	
	2016	2015	2016	2015
Funds from operations/Net income	\$ 883	\$ 501	\$ 1,036	\$ 289
Preferred share dividends	(33)	(32)	(33)	(32)
Funds from operations/Net income available for shareholders	\$ 850	\$ 469	\$ 1,003	\$ 257
Weighted average shares	959.1	958.7	959.1	958.7
Dilutive effect of the conversion of options and other share-based plans using treasury stock method	18.8	25.0	18.8	25.0
Shares and share equivalents	977.9	983.7	977.9	983.7

FINANCIAL PROFILE

Entity Basis – Reconciliation to Reporting Segments – Invested Capital

AS AT SEP 30, 2016
(MILLIONS)

	Reporting Segments							Total
	Asset Management	Property	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	
Asset Management								
Fee related earnings	\$ 337	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 337
Carried interests, net	—	—	—	—	—	—	—	—
	<u>337</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>337</u>
Invested capital								
Brookfield Property Partners ¹	—	16,789	—	—	—	—	—	16,789
Brookfield Renewable Partners	—	—	3,810	—	—	—	—	3,810
Brookfield Infrastructure Partners	—	—	—	1,599	—	—	—	1,599
Brookfield Business Partners	—	—	—	—	1,668	—	—	1,668
Residential Development	—	—	—	—	—	2,699	—	2,699
Brookfield Energy Marketing	—	—	1,052	—	—	—	—	1,052
Other investments ²	—	332	—	744	837	—	—	1,913
Cash and financial assets	—	—	—	—	—	—	1,187	1,187
	<u>—</u>	<u>17,121</u>	<u>4,862</u>	<u>2,343</u>	<u>2,505</u>	<u>2,699</u>	<u>1,187</u>	<u>30,717</u>
Capitalization (slide 16)								
Borrowings	—	—	—	—	—	—	(4,674)	(4,674)
Net working capital/operating costs	—	—	—	—	—	—	(216)	(216)
Preferred shares	—	—	—	—	—	—	(3,732)	(3,732)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(8,622)</u>	<u>(8,622)</u>
	<u>\$ 337</u>	<u>\$ 17,121</u>	<u>\$ 4,862</u>	<u>\$ 2,343</u>	<u>\$ 2,505</u>	<u>\$ 2,699</u>	<u>\$ (7,435)</u>	<u>\$ 22,432</u>

1. Includes \$1,265 million of BPY preferred shares

2. Includes \$763 million of listed and \$1,150 million of unlisted investments across private equity, property and sustainable resources.

FINANCIAL PROFILE

Entity Basis – Reconciliation to Reporting Segments – FFO

FOR THE THREE MONTHS ENDED SEP. 30, 2016
(MILLIONS)

	Reporting Segments							Total
	Asset Management	Property	Renewable Power	Infrastructure	Private Equity	Residential	Corporate	
Asset Management								
Fee related earnings	\$ 173	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 173
Carried interests, net	—	—	—	—	—	—	—	—
	<u>173</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>173</u>
Invested capital								
Brookfield Property Partners ¹	—	172	—	—	—	—	—	172
Brookfield Renewable Partners	—	—	42	—	—	—	—	42
Brookfield Infrastructure Partners	—	—	—	63	—	—	—	63
Brookfield Business Partners	—	—	—	—	40	—	—	40
Residential development	—	—	—	—	—	10	—	10
Brookfield Energy Marketing	—	—	7	—	—	—	—	7
Other investments	—	6	—	6	57	—	—	69
Cash and financial assets	—	—	—	—	—	—	8	8
	—	178	49	69	97	10	8	411
Disposition gains	5	367	—	20	—	—	—	392
	<u>5</u>	<u>545</u>	<u>49</u>	<u>89</u>	<u>97</u>	<u>10</u>	<u>8</u>	<u>803</u>
Capitalization (slide 16)²								
Borrowings	—	—	—	—	—	—	(64)	(64)
Net working capital/operating costs	—	—	—	—	—	—	(29)	(29)
	—	—	—	—	—	—	(93)	(93)
	<u>\$ 178</u>	<u>\$ 545</u>	<u>\$ 49</u>	<u>\$ 89</u>	<u>\$ 97</u>	<u>\$ 10</u>	<u>\$ (85)</u>	<u>\$ 883</u>

1. Includes \$19 million of BPY preferred share distributions

2. FFO excludes \$33 million (2015 – \$32 million) of preferred share distributions for the three months and \$134 million (2015 – \$137 million) for the last twelve months, which are included in determining per share results

RECONCILIATION OF NET INCOME TO FFO

September 30, 2016

FOR THE THREE MONTHS ENDED (MILLIONS)	IFRS	Reconciling items			FFO
		Eliminate Non-FFO Items	Intersegment Adjustments	Realized Disposition Gains	
Revenues	\$ 6,285	\$ —	\$ 324	\$ —	\$ 6,609
Direct costs	(4,590)	—	(7)	—	(4,597)
Other income and gains	325	—	—	—	325
Equity accounted income	454	(18)	—	—	436
Expenses					
Interest	(825)	—	—	—	(825)
Corporate costs	(20)	—	(317)	—	(337)
Realized disposition gains	—	—	—	231	231
Fair value changes	(59)	63	—	—	4
Depreciation and amortization	(541)	541	—	—	—
Income tax	992	(1,030)	—	—	(38)
Net income	2,021				
Non-controlling interests	(985)	60	—	—	(925)
Net income / FFO attributable to shareholders	\$ 1,036	\$ (384)	\$ —	\$ 231	\$ 883

September 30, 2015

FOR THE THREE MONTHS ENDED (MILLIONS)	IFRS	Reconciling items			FFO
		Eliminate Non-FFO Items	Intersegment Adjustments	Realized Disposition Gains	
Revenues	\$ 5,056	\$ —	\$ 284	\$ —	\$ 5,340
Direct costs	(3,740)	—	(20)	—	(3,760)
Other income and gains	133	—	—	—	133
Equity accounted income	304	77	—	—	381
Expenses					
Interest	(691)	—	(9)	—	(700)
Corporate costs	(25)	—	(255)	—	(280)
Realized disposition gains	—	—	—	68	68
Fair value changes	389	(389)	—	—	—
Depreciation and amortization	(436)	436	—	—	—
Income tax	(145)	107	—	—	(38)
Net income	845				
Non-controlling interests	(556)	(87)	—	—	(643)
Net income / FFO attributable to shareholders	\$ 289	\$ 144	\$ —	\$ 68	\$ 501

This Supplemental Information contains key operating and performance measures that we employ in analyzing 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 36 through 38 of our December 31, 2015 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 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 31.

- 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.
- **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.
 - **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.

- **Fee Bearing Capital** represents the capital committed, pledged or invested in our listed partnerships, private funds, and public securities that we manage which entitle us to earn fee revenues and/or carried interests. Fee bearing capital includes both called (“invested”) and uncalled (“pledged” or “committed”) amounts when reconciling period amounts we utilize the following definitions:
 - **Inflows** include capital commitments and contributions to our private and public securities funds, and equity issuances in our listed partnerships.
 - **Outflows** represent returns of committed capital (excluding market valuation adjustments) redemptions, and expiry of uncalled commitments.
 - **Distributions** represent quarterly distributions from listed partnerships.
 - **Market activity** includes gains (losses) on portfolio investments; Listed partnerships and public securities based on market prices
 - **Other** include changes in net non-recourse leverage included in the determination of listed partnership capitalization and the impact of foreign exchange fluctuations on non-U.S. dollar commitments.
- **Incentive Distributions** are determined by contractual arrangements and are paid to us by our three primary listed partnerships (BPY, BEP and BIP) 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 securities 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. This is referred to as **realized carried interest**. 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.
- **Unrealized carried interest** is based on carried interest that would be receivable under the contractual formula at the period end date as if fund was liquidated and all investments had been monetized at the values recorded on that date. **Carry generated** refers to the change in unrealized carry during a specified period, adjusted for realized carry.
- **Annualized fees** include annualized base management fees which are determined by the contractual fee rate multiplied by the current level of fee bearing capital, annualized incentive distributions based on our listed partnerships current annual distribution policies, annualized transaction and performance fees equal a simple average of the last two years’ revenues.
- **Annualized target carried interest** represent the annualized carried interest we would earn on third-party private fund capital subject to carried interest on the assumption that we achieve the targetted returns on the private funds. It is determined by multiplying the target gross return of a fund, by the percentage carried interest, by the amount of third-party capital, and discounted by a utilization factor representing the average invested capital over the fund life.

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.