

CONSOLIDATED STATEMENTS OF CASH FLOW FROM OPERATIONS

(Unaudited)

For the three months ended March 31

US\$ millions (except per share amounts)	Consolidated		Net	
	2009	2008	2009	2008
Fees earned	\$ 105	\$ 114	\$ 105	\$ 114
Revenues less direct operating costs				
Commercial properties	400	421	167	182
Power generation	239	251	131	148
Infrastructure	40	48	19	28
Development and other properties	23	64	15	29
Specialty funds	39	104	8	44
Investment and other income	169	318	127	221
	1,015	1,320	572	766
Expenses				
Interest	415	527	72	78
Other operating costs	159	165	157	164
Current income taxes	11	17	—	2
Non-controlling interests	157	168	70	79
Cash flow from operations	\$ 273	\$ 443	\$ 273	\$ 443
Cash flow from operations per common share – diluted	\$ 0.46	\$ 0.72	\$ 0.46	\$ 0.72

Notes

Cash flow from operations is reconciled to net income before other items on page 6 of this news release as follows:

(Unaudited)

For the three months ended March 31

US\$ millions	2009	2008
Net income excluding other items (see page 6)	\$ 273	\$ 437
Dividends from equity accounted investments ⁽¹⁾	—	6
Cash flow from operations (per above)	\$ 273	\$ 443

(1) Included in "Investment and Other Income" in the Statements of Cash Flow from Operations

The consolidated statements of cash flow from operations above are prepared on a basis that is consistent with Management's Discussion and Analysis of Financial Results ("MD&A") and differ from the company's consolidated financial statements presented in its 2008 Annual Report, which are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Management uses cash flow from operations as a key measure to evaluate performance and to determine the underlying value of its businesses. Readers are encouraged to consider both measures in assessing Brookfield Asset Management's results. Cash flow from operations is equal to net income excluding "other items" as presented in the consolidated statements of income on page 6 of this release and including dividends from investments as shown in the table above.

Net operating cash flow represents the combined operations of Brookfield Asset Management and Brookfield Properties Corporation ("Brookfield Properties") and is net of carrying charges associated with related liabilities and cash flows attributable to related non-controlling interests. Refer to the company's supplemental information or the MD&A contained in the 2008 Annual Report, both of which are available at www.brookfield.com.



UNDERLYING VALUE AND NET INVESTED CAPITAL

<i>(Unaudited)</i> <i>US\$ millions</i>	<i>Underlying Value</i> <i>December 31, 2008</i>	<i>Net Invested Capital</i>	
		<i>March 31, 2009</i>	<i>December 31, 2008</i>
Assets			
Operating platforms			
Commercial properties	\$ 7,798	\$ 4,391	\$ 4,575
Power generation	6,639	1,077	1,215
Infrastructure	974	843	761
Development and other properties	3,313	3,353	3,334
Specialty funds	903	895	870
Investments	701	707	704
Cash and financial assets	1,073	951	1,073
Other assets	2,650	2,569	2,551
	\$ 24,051	\$ 14,786	\$ 15,083
Liabilities			
Corporate borrowings	\$ 2,284	\$ 2,292	\$ 2,284
Subsidiary borrowings	733	730	733
Capital securities	1,425	1,385	1,425
Other liabilities	3,267	2,371	2,654
	7,709	6,778	7,096
Capitalization			
Co-investor interests in consolidated operations	3,541	2,162	2,206
Preferred equity	870	870	870
Common equity	11,931	4,976	4,911
	16,342	8,008	7,987
	\$ 24,051	\$ 14,786	\$ 15,083

Net invested capital above includes the operations of the company and Brookfield Properties collectively, and is presented on a deconsolidated basis meaning that assets are presented net of associated liabilities and non-controlling interests.

UNDERLYING VALUE OF COMMON EQUITY

<i>As at December 31, 2008 (unaudited)</i> <i>US\$ millions (except per share amounts)</i>	<i>Total</i>	<i>Per Share</i>
Common equity – including future tax liability	\$ 11,931	\$ 20.62
Add back: future tax liability	2,220	3.70
Common equity – excluding future tax liability	\$ 14,151	\$ 24.32

This news release contains a preliminary analysis of the underlying value of the company and its common equity, based on the procedures and assumptions that we expect to follow in preparing our pro forma opening balance sheet for our adoption of International Financial Reporting Standards (“IFRS”). Accordingly, certain assets, such as appraisal surplus relating to inventories and intangible assets, such as the value of the company’s asset management business, have not been reflected. Please refer to our Supplemental Information under “Performance Review – Balance Sheet, Liquidity and Capitalization” which is available on the company’s web site for further information.

This information has been prepared using the standards and interpretations currently issued and expected to be effective at the end of our first annual IFRS reporting period, which we intend to be March 31, 2010. Consequently, in preparing this information, assumptions have been made about the accounting policies expected to be adopted. Certain accounting policies expected to be adopted under IFRS may not be adopted and the application of such policies to certain transactions or circumstances may be modified and as a result underlying values are subject to change. Furthermore, the underlying values have not been audited or subject to a review by the company’s auditor.



CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

For the three months ended March 31

US\$ millions (except per share amounts)

	2009	2008
Total revenues	\$ 2,651	\$ 3,210
Fees earned	\$ 105	\$ 114
Revenues less direct operating costs		
Commercial properties	400	421
Power generation	239	251
Infrastructure	40	48
Development and other properties	23	64
Specialty funds	39	104
Investment and other income	169	312
	1,015	1,314
Expenses		
Interest	415	527
Other operating costs	159	165
Current income taxes	11	17
Non-controlling interests	157	168
	273	437
Other items		
Depreciation and amortization	(329)	(314)
Equity accounted losses from investments	—	(13)
Revaluation and other items	(3)	(63)
Future income taxes	2	18
Non-controlling interests in the foregoing items	150	132
Net income	\$ 93	\$ 197
Net income per common share		
Diluted	\$ 0.15	\$ 0.31
Basic	\$ 0.15	\$ 0.32

Note

The consolidated statements of income are prepared on a basis consistent with the company's financial statements presented in its interim report, which are prepared in accordance with Canadian GAAP.

