

Brookfield Investments Corporation

STOCK SYMBOL: BRN.PR.A – TSX

NEWS RELEASE

BROOKFIELD INVESTMENTS CORPORATION ANNOUNCES SECOND QUARTER FINANCIAL RESULTS AND ACQUISITION OF SHARES OF BROOKFIELD PROPERTIES CORPORATION

TORONTO, August 13, 2009 – Brookfield Investments Corporation today reported net income for the three months ended June 30, 2009 of \$32 million, compared to \$1 million for the same period last year. The results reflect improved results from the company's forest product investments, foreign exchange revaluation gains and a recovery in respect of the company's future tax assets, partly offset by lower dividend and other income. The 2008 results include higher revaluation gains attributable to exchangeable debentures.

Panelboard investments, held through Norbord Inc., contributed a net loss of \$3 million during the second quarter of 2009, compared with a net loss of \$15 million for the same period last year as a result of lower manufacturing input costs and improved sales volumes of oriented strandboard in North America.

Other forest product investments, held through Fraser Papers Inc., contributed a net loss of \$5 million for the quarter, compared to a net loss of \$8 million last year.

Dividend and interest income for the second quarter of 2009 was \$5 million, compared to \$10 million for the same period in 2008.

Other income for the second quarter of 2009 reflected a loss of \$11 million, down from an income of \$17 million for the same period last year due primarily to the revaluation of the company's Norbord debentures.

The company's Board of Directors declared the regular quarterly dividend of C\$0.29375 per share on its Senior Preferred Shares, Series A payable on September 30, 2009 to shareholders of record on September 20, 2009.

The company also reported today that on August 12, 2009 Brookfield Properties Corporation (BPO: TSX/NYSE) announced the issue and sale of approximately 109 million common shares at a price of US\$9.50 per share. Approximately 55 million of these shares will be acquired directly or indirectly by Brookfield Asset Management Inc. (BAM: NYSE/TSX), of which approximately 37 million shares will be acquired by the company. The Board of Directors of the company and its independent directors today approved this purchase at a total cost of approximately US\$350 million. The purchase will be funded by cash on hand. This acquisition will complement the company's existing portfolio of long-term natural resources and property investments.

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Brookfield Investments Corporation currently holds investments in the forest products and property sectors, as well as a portfolio of preferred shares issued by companies in the Brookfield Asset Management group. The company's common shares are wholly owned by Brookfield Asset Management Inc., an asset management company focused on property, power and infrastructure assets.

Sachin Shah, Vice President and Chief Financial Officer, will be available at 416-363-9491 to answer any questions on the company's financial results or acquisition of Brookfield Properties Corporation shares.

Note: This news release contains forward-looking statements and information within the meaning of applicable securities legislation. The words such as “will” and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify forward-looking statements. Forward-looking statements in this news release include statements regarding completion of the acquisition by the company of the Brookfield Properties shares, the funding thereof and effect of the acquisition on the company’s existing portfolio. Although the company believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this news release 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 set forth in the forward-looking statements and information include general economic conditions and other risks and factors described from time to time in the documents filed by the company with the securities regulators in Canada on SEDAR at www.sedar.com including in the company’s most recent Annual Information Form. The company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by law.

CONSOLIDATED STATEMENTS OF OPERATIONS

<i>(unaudited)</i>	<i>Three Months Ended June 30</i>		<i>Six Months Ended June 30</i>	
<i>US\$ millions, except per share amounts</i>	2009	2008	2009	2008
Income				
Equity loss from Norbord Inc.	\$ (3)	\$ (15)	\$ (6)	\$ (28)
Equity loss from Fraser Papers Inc.	(5)	(8)	(13)	(18)
Equity income from Brookfield Europe L.P.	2	—	5	—
Foreign exchange gain (loss)	34	(1)	37	2
Dividend and interest income	5	10	11	51
Other income	(11)	17	(11)	81
	22	3	23	88
Expenses				
Interest	7	10	15	20
Net income before income taxes	15	(7)	8	68
Income tax recovery (expense)	17	8	17	(10)
Net income	\$ 32	\$ 1	\$ 25	\$ 58
Net income per common share	\$ 0.70	\$ 0.01	\$ 0.54	\$ 1.25

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

<i>(unaudited)</i>	<i>Three Months Ended June 30</i>		<i>Six Months Ended June 30</i>	
<i>US\$ millions</i>	2009	2008	2009	2008
Net income	\$ 32	\$ 1	\$ 25	\$ 58
Other comprehensive income (loss)				
Foreign currency translation, net of tax	8	—	7	3
Available-for-sale securities	46	(29)	6	(31)
Equity pick-up from subsidiaries	1	(1)	1	(1)
	55	(30)	14	(29)
Comprehensive income (loss)	\$ 87	\$ (29)	\$ 39	\$ 29

CONSOLIDATED STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE LOSS

<i>(unaudited)</i>	<i>Three Months Ended June 30</i>		<i>Six Months Ended June 30</i>	
<i>US\$ millions</i>	2009	2008	2009	2008
Balance, beginning of period	\$ (443)	\$ (119)	\$ (402)	\$ (120)
Other comprehensive income (loss)	55	(30)	14	(29)
Balance, end of period	\$ (388)	\$ (149)	\$ (388)	\$ (149)

CONSOLIDATED STATEMENTS OF DEFICIT

<i>(unaudited)</i> US\$ millions	<i>Three Months Ended June 30</i>		<i>Six Months Ended June 30</i>	
	2009	2008	2009	2008
Deficit, beginning of period	\$ (298)	\$ (289)	\$ (291)	\$ (347)
Change in accounting policy	—	—	—	1
Net income for the period	32	1	25	58
Deficit, end of period	\$ (266)	\$ (288)	\$ (266)	\$ (288)

CONSOLIDATED BALANCE SHEETS

<i>US\$ millions</i>	<i>June 30</i>	<i>December 31</i>
	2009	2008
	<i>(unaudited)</i>	
Assets		
Loans receivable	\$ 379	\$ 341
Securities	257	255
Investment in Brookfield Properties Corporation	147	143
Investment in Fraser Papers Inc.	110	124
Investment in Norbord Inc.	82	103
Investment in Brookfield Europe L.P.	115	96
	\$ 1,090	\$ 1,062
Liabilities		
Accounts payable	\$ 13	\$ 30
Retractable preferred shares		
Senior	129	123
Junior	558	558
Shareholders' equity	390	351
	\$ 1,090	\$ 1,062

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(unaudited)</i>	<i>Three Months Ended June 30</i>		<i>Six Months Ended June 30</i>	
<i>US\$ millions</i>	2009	2008	2009	2008
Cash flow from (used in) operating activities				
Net income	\$ 32	\$ 1	\$ 25	\$ 58
Adjusted for the following items				
Excess of dividends received over equity loss	6	29	14	58
Net change in non-cash working capital balances	(40)	5	(43)	(74)
	(2)	35	(4)	42
Cash flow from (used in) investing activities				
Investment in Fraser Papers Inc.	—	—	—	(29)
Investment in Norbord Inc.	—	(6)	—	(12)
Loans receivable	2	(29)	4	(1)
	2	(35)	4	(42)
Net change and closing cash balance	\$ —	\$ —	\$ —	\$ —