

## BRASCADE ANNOUNCES SECOND QUARTER FINANCIAL RESULTS

**TORONTO, August 14, 2007** – Brascade Corporation today announced a net loss for the six months ended June 30, 2007 of \$71.6 million, compared to a net income of \$6.0 million for the same period last year. The results for the first half of 2007 reflect a \$35.0 million net loss from the company's forest product investments and \$25.3 million of unrealized foreign exchange losses, as described further below.

Net loss for the three months ended June 30, 2007 was \$67.4 million, compared to a net income of \$15.8 million in the same period in 2006, as a result of the above-mentioned factors.

Panelboard investments, held through Norbord Inc., contributed a net loss of \$12.0 million for the first six months of 2007, compared with an income contribution of \$33.9 million for the same period last year. The loss for the first half of 2007 reflects continued pressure on oriented strand-board prices in North America due to weak housing starts in the United States and OSB oversupply, partly offset by improved price performance for Norbord's panelboard products in Europe.

Other forest product investments, held through Fraser Papers Inc., contributed a net loss of \$23.0 million for the first six months of 2007, compared to a loss of \$44.5 million for the same period last year, which included several non-recurring items. The loss for the first half of 2007 includes a one-time restructuring charge related to the closing of two paper machines and other costs related to maintenance and market-related downtime at Fraser Papers' operations.

The unrealized foreign exchange losses of \$25.3 million resulted mainly from the impact of the stronger Canadian dollar on the conversion of the company's Canadian dollar denominated monetary asset and liabilities to United States dollars, which is the reporting currency of the company.

The company's Board of Directors declared the regular quarterly dividend of \$0.29375 per share on its Senior Preferred shares, Series A payable on September 30, 2007 to shareholders of record on September 20, 2007.

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Brascade 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 common shares of Brascade are wholly owned by Brookfield Asset Management Inc., an asset management company focussed on property, power and infrastructure assets.

*Edward C. Kress, Chairman and President, will be available at 416-363-9491 to answer any questions on the company's financial results.*

*This news release contains forward-looking statements concerning the company's business and operations such as "will", "is expected" and "should". The company cautions that, by their nature, forward-looking statements involve risk and uncertainty and the company's actual results could differ materially from those expressed or implied in such statements. Reference should be made to the most recent Annual Information Form for a description of the major risk factors.*

### Consolidated Statements of Operations

<i>(unaudited)</i>	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>June 30</i>		<i>June 30</i>	
<i>US\$ millions, except per share amounts</i>	<b>2007</b>	2006	<b>2007</b>	2006
<b>Income</b>				
Equity income (loss) from Norbord Inc.	\$ (6.0)	\$ 12.3	\$ (12.0)	\$ 33.9
Equity loss from Fraser Papers Inc.	(18.1)	(9.3)	(23.0)	(44.5)
Foreign exchange loss	(23.0)	(12.7)	(25.3)	(9.1)
Other income (loss)	(10.8)	52.4	7.7	61.7
	<b>(57.9)</b>	42.7	<b>(52.6)</b>	42.0
<b>Expenses</b>				
Interest expense	9.4	26.6	18.7	35.6
Corporate	0.1	0.3	0.3	0.4
	<b>9.5</b>	26.9	<b>19.0</b>	36.0
<b>Net income (loss)</b>	<b>\$ (67.4)</b>	\$ 15.8	<b>\$ (71.6)</b>	\$ 6.0
<b>Net income (loss) per common share</b>	<b>\$ (1.47)</b>	\$ 0.34	<b>\$ (1.56)</b>	\$ 0.13

### Consolidated Statements of Comprehensive Income (Loss)

<i>(unaudited)</i>	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>June 30</i>		<i>June 30</i>	
<i>US\$ millions</i>	<b>2007</b>	2006	<b>2007</b>	2006
Net income (loss)	\$ (67.4)	\$ 15.8	\$ (71.6)	\$ 6.0
Other comprehensive income (loss)				
Foreign currency translation	2.1	3.7	(8.9)	6.1
Available-for-sale securities	(47.7)	—	(38.4)	—
Derivative instruments designated as hedges	—	—	0.2	—
	<b>(45.6)</b>	3.7	<b>(47.1)</b>	6.1
<b>Comprehensive income (loss)</b>	<b>\$ (113.0)</b>	\$ 19.5	<b>\$ (118.7)</b>	\$ 12.1

### Consolidated Statements of Deficit

<i>(unaudited)</i>	<i>Three months ended</i>		<i>Six months ended</i>	
<i>US\$ millions</i>	<i>June 30</i>		<i>June 30</i>	
	<b>2007</b>	2006	<b>2007</b>	2006
<b>Deficit, beginning of period</b>	<b>\$ (273.7)</b>	\$ (341.1)	<b>\$ (267.4)</b>	\$ (331.3)
Change in accounting policy	—	—	<b>(2.1)</b>	—
Net income (loss) for the period	<b>(67.4)</b>	15.8	<b>(71.6)</b>	6.0
<b>Deficit, end of period</b>	<b>\$ (341.1)</b>	\$ (325.3)	<b>\$ (341.1)</b>	\$ (325.3)

### Consolidated Balance Sheets

<i>US\$ millions</i>	<i>June 30</i>	<i>December 31</i>
	<b>2007</b>	2006
	<i>(unaudited)</i>	
<b>Assets</b>		
Loans receivable	<b>\$ 276.2</b>	\$ 205.1
Securities	<b>291.0</b>	167.4
Investment in Norbord Inc.	<b>163.3</b>	177.5
Investment in Fraser Papers Inc.	<b>127.2</b>	149.5
Investment in Canary Wharf Group, plc	<b>256.2</b>	256.2
Investment in Brookfield Properties Corporation	<b>451.2</b>	470.3
	<b>\$ 1,565.1</b>	\$ 1,426.0
<b>Liabilities</b>		
Accounts payable	<b>\$ 176.5</b>	\$ 156.2
<b>Retractable preferred shares</b>	<b>698.6</b>	476.6
<b>Shareholders' equity</b>	<b>690.0</b>	793.2
	<b>\$ 1,565.1</b>	\$ 1,426.0