

# Brookfield Investments Corporation

STOCK SYMBOL: BRN.PR.A – TSX

## NEWS RELEASE

### BROOKFIELD INVESTMENTS CORPORATION ANNOUNCES THIRD QUARTER FINANCIAL RESULTS

**TORONTO, November 14, 2008** – Brookfield Investments Corporation today reported net income for the nine months ended September 30, 2008 of \$60 million, compared to a net loss of \$58 million for the same period last year. The results for the first nine months of 2008 reflect other income of \$160 million, as described further below, partly offset by a \$62 million net loss from the company's forest product investments.

Net income for the three months ended September 30, 2008 was \$2 million, compared to \$14 million in the same period of 2007 primarily due to losses at the company's forest product investments.

#### OPERATING RESULTS

Panelboard investments, held through Norbord Inc., contributed a net loss of \$34 million for the first nine months of 2008, compared with a net loss of \$12 million for the same period last year, as a result of ongoing weakness in North American home sales and downward momentum in housing activities in the United Kingdom. Other forest product investments, held through Fraser Papers Inc., contributed a net loss of \$28 million, compared to a net loss of \$11 million last year which included a one-time restructuring charge, partly offset by a gain on the sale of Fraser Papers' interest in the Acadian Timber Income Fund and a one-time tax recovery. Improvements during 2008 at pulp and paper operations were more than offset by planned maintenance outages and weak lumber markets.

Other income for the first nine months of 2008 was \$160 million, up from \$41 million last year due mainly to the following factors. In the first quarter, the company received a \$31 million interim dividend declared by Canary Wharf Group. In the second quarter, the company settled exchangeable debentures with 10 million common shares of Norbord, by decreasing its ownership interest in Norbord from 42% to 35% and resulting in a gain of \$65 million. As a result of this transaction and the corresponding revaluation of the remaining debentures, the company recorded \$36 million of revaluation gains.

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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.

*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>Nine months ended</i>	
	<i>September 30</i>		<i>September 30</i>	
<i>US\$ millions, except per share amounts</i>	<b>2008</b>	2007	<b>2008</b>	2007
<b>Income</b>				
Equity loss from Norbord Inc.	\$ (6)	\$ —	\$ (34)	\$ (12)
Equity (loss) income from Fraser Papers Inc.	(10)	12	(28)	(11)
Foreign exchange gain (loss)	3	(22)	5	(47)
Other income	28	34	160	41
	<b>15</b>	24	<b>103</b>	(29)
<b>Expenses</b>				
Interest	9	9	29	28
Current income taxes	1	1	3	1
Future income taxes	3	—	11	—
	<b>13</b>	10	<b>43</b>	29
<b>Net income (loss)</b>	<b>\$ 2</b>	\$ 14	<b>\$ 60</b>	\$ (58)
<b>Net income (loss) per common share</b>	<b>\$ 0.06</b>	\$ 0.30	<b>\$ 1.31</b>	\$ (1.26)

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

<i>(unaudited)</i>	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30</i>		<i>September 30</i>	
<i>US\$ millions</i>	<b>2008</b>	2007	<b>2008</b>	2007
Net income (loss)	\$ 2	\$ 14	\$ 60	\$ (58)
Other comprehensive income (loss)				
Foreign currency translation	(32)	4	(29)	(5)
Available-for-sale securities	(39)	9	(70)	(29)
Equity pick-up from subsidiaries	(1)	—	(2)	—
	<b>(72)</b>	13	<b>(101)</b>	(34)
Comprehensive income (loss)	<b>\$ (70)</b>	\$ 27	<b>\$ (41)</b>	\$ (92)

**CONSOLIDATED STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE LOSS**

<i>(unaudited)</i>	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>September 30</i>		<i>September 30</i>	
<i>US\$ millions</i>	<b>2008</b>	2007	<b>2008</b>	2007
Balance, beginning of period	\$ (149)	\$ (14)	\$ (120)	\$ —
Transition adjustment - January 1, 2007	—	—	—	34
Other comprehensive income (loss)	(72)	13	(101)	(34)
Balance, end of period	<b>\$ (221)</b>	\$ (1)	<b>\$ (221)</b>	\$ —

**CONSOLIDATED STATEMENTS OF DEFICIT**

<i>(unaudited)</i> US\$ millions	<i>Three months ended</i>		<i>Nine months ended</i>	
	<b>2008</b>	<i>September 30</i> 2007	<b>2008</b>	<i>September 30</i> 2007
<b>Deficit, beginning of period</b>	\$ (288)	\$ (341)	\$ (347)	\$ (267)
Change in accounting policy	—	—	1	(2)
Net income (loss) for the period	2	14	60	(58)
<b>Deficit, end of period</b>	\$ (286)	\$ (327)	\$ (286)	\$ (327)

**CONSOLIDATED BALANCE SHEETS**

<i>US\$ millions</i>	<i>September 30</i> <b>2008</b>	<i>December 31</i> 2007
	<i>(unaudited)</i>	
<b>Assets</b>		
Loans receivable	\$ 210	\$ 230
Securities	276	294
Investment in Norbord Inc.	116	181
Investment in Fraser Papers Inc.	131	129
Investment in Canary Wharf Group, plc	256	256
Investment in Brookfield Properties Corporation	294	357
	\$ 1,283	\$ 1,447
<b>Liabilities</b>		
Accounts payable	\$ 37	\$ 162
Future tax liability	10	—
<b>Retractable preferred shares</b>	<b>699</b>	<b>708</b>
<b>Shareholders' equity</b>	<b>537</b>	<b>577</b>
	\$ 1,283	\$ 1,447

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>(unaudited)</i> US\$ millions	<i>Three months ended</i> <i>September 30</i>		<i>Nine months ended</i> <i>September 30</i>	
	<b>2008</b>	2007	<b>2008</b>	2007
Cash flow from (used in) operating activities				
Net income (loss)	\$ 2	\$ 14	\$ 60	\$ (58)
Adjusted for the following items				
Excess of dividends received over equity loss	21	(6)	79	39
Net change in non-cash working capital balances	(18)	18	(92)	49
	5	26	47	30
Cash flow used in financing activities				
Share redemption	—	—	—	(100)
	—	—	—	(100)
Cash flow from (used in) investing activities				
Investment in Fraser Papers Inc.	—	—	(29)	(1)
Investment in Norbord Inc.	(5)	(28)	(17)	(36)
Loans receivable	—	2	(1)	107
	(5)	(26)	(47)	70
Net change and closing cash balance	\$ —	\$ —	\$ —	\$ —