



NEWS RELEASE

BROOKFIELD HOMES DELIVERED 10% GROWTH IN EARNINGS PER SHARE AND OVER \$100 MILLION IN CASH FLOW IN 2002

Investors, analysts and other interested parties can access Brookfield Homes' Supplemental Information Package on Brookfield Homes' website under the Investor Relations/Financial Reports section at www.brookfieldhomes.com. Brookfield Homes' year end investor conference call can be accessed by teleconference on February 14, 2003 at 12:00 noon (Eastern Time) at 416-695-9753 or 1-888-789-0089. The archived teleconference may be accessed by dialing 416-695-5286 or 1-800-758-7977 with access code 4032 through February 28, 2003. Alternatively, the conference call can be accessed by Webcast on the Brookfield Homes' website at www.brookfieldhomes.com.

Del Mar, California, February 14, 2003 – (BHS: NYSE) Brookfield Homes Corporation today announced strong financial results for the fourth quarter and year ended December 31, 2002.

Results of Operations <i>(Millions, except per share amounts)</i>	<u>Three Months Ended Dec. 31</u>		<u>Years Ended Dec. 31</u>	
	2002	2001	2002	2001
Total Revenue	\$ 321	\$ 323	\$ 842	\$ 799
Gross margin	65	58	177	166
Operating income	32	28	81	72
Net income	16	16	43	40
Earnings per share	0.52	0.48	1.35	1.23

Financial Highlights

On January 7, 2003, Brookfield Homes began trading on the New York Stock Exchange under the symbol BHS following its spin-off from Brookfield Properties Corporation. For the year ended 2002, Brookfield Homes:

- Achieved net income of \$43.3 million, a 9% increase over 2001, and earnings per share of \$1.35, a 10% increase over the previous year.
- Generated \$140 million of operating cash flow, which improved the company's net debt to total capitalization ratio from 62% in 2001 to 50% at December 31, 2002.
- Earned a 15% return on opening stockholders' equity.

- Initiated a semi-annual dividend payment of \$0.08 per share, payable for the first time on June 30, 2003 to shareholders of record on June 16, 2003. In addition, the Board of Directors approved a share repurchase program which allows the company to repurchase up to \$40 million of Brookfield Homes' outstanding common shares.

“Our strong financial and operating performance this year reinforces our strategy of proactive asset management in high growth markets to meet the needs of our customers for move-up and luxury homes,” commented Ian Cockwell, Brookfield Homes' President and Chief Executive Officer.

2002 Operating Highlights

The residential market in the United States and Brookfield Homes benefited from the low interest rate environment during 2002. Homeowners took the opportunity to trade-up, and luxury homebuyers pursued the lifestyle advantages of master-planned communities.

Within this strong market, Brookfield delivered 1,554 new homes and started the 2003 year with a backlog of 467 orders for new homes, which represents 30% of the company's planned home closings for 2003.

During 2002, Brookfield Homes made significant progress in its existing developments and communities.

- **San Diego/Riverside** – Commenced grading on four new projects in San Diego County, a market in which Brookfield Homes owns approximately 3,183 lots. The company expects to deliver its first homes in these communities to homebuyers in 2004. In addition, Brookfield Homes commenced grading and model construction on Phase 1 at the Morningstar development in Riverside, which is scheduled to deliver over 190 homes in 2003.
- **Southland/Los Angeles** – Delivered 527 homes and successfully acquired control of over 480 lots, replenishing the company's lot inventories in this supply-constrained market.
- **San Francisco Bay Area** – Proceeded with the development of a further 448 lots within the Windemere joint venture and advanced entitlement on optioned properties.
- **Northern Virginia** – Acquired or optioned a total of 864 lots adjacent to the Braemar master-planned community and commenced home deliveries at the newest phase of this project.

Outlook

“Targeting to deliver 2,000 homes annually within two years in our supply-constrained markets, Brookfield Homes is well positioned to generate significant value for our shareholders, with high quality land holdings and a strong development pipeline. We believe that the positive growth dynamics in our markets, combined with the low interest rate environment will continue to drive demand for move-up and luxury homes. With local market expertise and financial strength to invest in new markets as opportunities arise, we are confident we can continue to deliver strong bottom-line growth and enhance value for our shareholders”, concluded Cockwell.

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Brookfield Homes Corporation

Brookfield Homes Corporation is a residential homebuilder and land developer, building homes and developing land in master-planned communities and infill locations. We design, construct and market single-family and multi-family homes primarily to move-up and luxury homebuyers. We also develop land for our own communities and sell lots to other homebuilders. Our portfolio includes over 22,000 lots owned and controlled in strong markets in the San Francisco Bay Area; Southland / Los Angeles; San Diego / Riverside; and Northern Virginia. For more information, visit the Brookfield Homes website at www.brookfieldhomes.com.

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Note: Certain statements in this press release that are not historical facts, including information concerning possible or assumed future results of operations of the company, the company's future outlook, projected future home deliveries, and those statements preceded by, followed by, or that include the words "scheduled", "believe", "expect", "estimate", "target", "project", "plan", "intend" and "future", or similar expressions, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements reflect the company's judgment and the company believes them to be reasonable. Nevertheless, any or all of the forward-looking statements included in this press release may turn out to be inaccurate due to known or unknown risks and uncertainties. As a result, actual results may differ materially from the results discussed in and anticipated by the forward-looking statements. Many important factors could affect the company's future results and could cause those results to differ materially from those expressed in the forward-looking statements contained herein. Such factors include, but are not limited to: general economic conditions, local real estate conditions; mortgage rates; availability of equity and debt financing; availability of suitable undeveloped land at acceptable prices; governmental regulation and environmental matters; availability of labor or materials and their costs; competitive conditions within the industry; consumer confidence; availability and cost of adequate insurance coverage; the company's ability to obtain surety bonds; the company's ability to develop and market its communities successfully; and other risks detailed in the company's filings with the Securities and Exchange Commission, including the company's Registration Statement on Form 10. The company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Brookfield Homes Corporation
Condensed Statements of Net Income

<i>(thousands, except per share amounts)</i>	<i>Three Months Ended Dec. 31</i>		<i>Years Ended Dec. 31</i>	
	2002	2001	2002	2001
Revenue				
Housing	\$ 290,685	\$ 284,587	\$ 784,807	\$ 728,848
Other revenues	29,564	38,842	56,860	70,357
Total revenues	320,249	323,429	841,667	799,205
Gross margin	64,103	57,670	176,851	165,698
Selling, general and administrative expenses	(20,413)	(15,485)	(60,822)	(55,771)
Interest expense	(12,040)	(13,472)	(35,316)	(37,694)
Operating income	31,650	28,713	80,713	72,233
Minority interest	(4,041)	(2,795)	(8,566)	(6,259)
Net income before taxes	27,609	25,918	72,147	65,974
Income tax expense	(11,042)	(10,242)	(28,858)	(26,388)
Net income	\$ 16,567	\$ 15,676	\$ 43,289	\$ 39,586
Weighted average shares outstanding, basic and diluted	31,600	32,420	32,044	32,048
Earnings per share, basic and diluted	\$ 0.52	\$ 0.48	\$ 1.35	\$ 1.23
Supplemental information				
EBIT ⁽¹⁾	\$ 43,690	\$ 42,185	\$ 116,029	\$ 109,927
Interest incurred	8,499	6,428	25,820	34,244

(1) EBIT is defined as net income before interest expense, income taxes and minority interest.

Brookfield Homes Corporation
Condensed Balance Sheets

<i>(thousands)</i>	<i>Years Ended Dec. 31</i>	
	2002	2001
Assets		
Housing and land inventory	\$ 616,425	\$ 633,400
Investments in housing and land joint ventures	80,959	94,188
Receivables and other assets	74,534	65,688
Cash and cash equivalents	35,903	756
Deferred tax asset	36,115	57,168
	\$ 843,936	\$ 851,200
Liabilities and Stockholders' Equity		
Project specific financings	\$ 288,040	\$ 284,185
Accounts payable and other liabilities	112,086	50,071
Subordinated debt	98,300	214,935
Minority interest	24,772	15,029
Stockholders' equity	320,738	286,980
	\$ 843,936	\$ 851,200