



**BROOKFIELD**

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**H O M E S**

**Supplemental Information  
For The Nine Months Ended  
September 30, 2007**

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*All amounts denominated in U.S. dollars*

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# Forward-Looking Statements



Certain statements in this supplemental information package that are not historical facts, including information concerning financial statistic targets, projected future home closings and deliveries (and the timing thereof), expected dividend payments, possible or assumed results of operations of the company and those statements preceded by, followed by, or that include the words “estimate”, “target”, “planned”, “expected,” “future”, or similar expressions, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Undue reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the actual results to differ materially from the anticipated future results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forward in the forward-looking statements include, but are not limited to: changes in general economic, real estate and other conditions; mortgage rate changes; availability of suitable undeveloped land at acceptable prices; adverse legislation or regulation; ability to obtain necessary permits and approvals for the development of our land; availability of labor or materials or increases in their costs; ability to develop and market our master-planned communities successfully; confidence levels of consumers; ability to raise capital on favorable terms; adverse weather conditions and natural disasters; relations with the residents of our communities; risks associated with increased insurance costs or unavailability of adequate coverage and ability to obtain surety bonds; competitive conditions in the homebuilding industry, including product and pricing pressures; and additional risks and uncertainties referred to in our Form 10-K and other SEC filings, many of which are beyond our control. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# Corporate Profile

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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 entitle and develop land for our own communities and sell lots to other homebuilders. Our portfolio includes approximately 27,000 lots owned and controlled in the Northern California; Southland / Los Angeles; San Diego / Riverside; and Washington D.C. Area. For more information, visit the Brookfield Homes website at [www.brookfieldhomes.com](http://www.brookfieldhomes.com).

*(All figures in US\$)*

# Selected Financial Information



	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<b>2007</b>	2006	<b>2007</b>	2006
<i>(Millions, except per unit activity and per share amounts)</i>				
<b>Results of Operations</b>				
Housing revenue	\$ 117	\$ 160	\$ 376	\$ 475
Housing gross margin - \$	22	42	70	132
Housing gross margin - %	18%	26%	19%	28%
Total revenue	121	175	386	542
Total gross margin	(13)	50	36	167
Contribution from land sales to net income	-	5	-	21
Net income	2	28	40	90
Basic earnings per share	0.06	1.04	1.50	3.32
Diluted earnings per share	0.06	1.03	1.48	3.27
<b>Financial Position - Period End</b>				
Total assets	\$ 1,382	\$ 1,263	\$ 1,382	\$ 1,263
Total debt	691	611	691	611
<b>Operating Data (including joint ventures)</b>				
Net new orders (units)	130	264	631	751
Backlog (units at end of period)	323	531	323	531
Home closings (units)	179	232	567	700
Average selling price (per unit)	\$ 667,000	\$ 710,000	\$ 673,000	\$ 700,000

# Condensed Balance Sheets



<i>(thousands)</i>	<i>As at September 30</i>		<i>As at December 31,</i>
	<u>2007</u>	<u>2006</u>	<u>2006</u>
<b>Assets</b>			
Housing and land inventory	\$ 1,108,258	\$ 1,049,544	\$ 1,075,192
Investments in housing and land joint ventures	108,112	103,044	90,325
Consolidated land inventory not owned	71,090	16,925	59,381
Receivables and other assets	36,514	36,177	37,031
Cash and cash equivalents	1,164	12,421	86,809
Deferred income taxes	57,057	44,894	52,715
	<b>\$ 1,382,195</b>	<b>\$ 1,263,005</b>	<b>\$ 1,401,453</b>
<b>Liabilities and Stockholders' Equity</b>			
Project specific and other financings	\$ 690,568	\$ 610,934	\$ 617,931
Accounts payable and other liabilities	178,988	272,399	320,061
Minority interest	104,101	61,778	92,055
Stockholders' equity	408,538	317,894	371,406
	<b>\$ 1,382,195</b>	<b>\$ 1,263,005</b>	<b>\$ 1,401,453</b>

# Condensed Statements of Income



<i>(thousands, except per share amounts)</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<b>2007</b>	2006	<b>2007</b>	2006
<b>Revenue</b>				
Housing	\$ 117,405	\$ 160,025	\$ 376,077	\$ 475,530
Land	3,359	15,520	9,598	67,368
	<b>120,764</b>	175,545	<b>385,675</b>	542,898
<b>Direct cost of sales</b>	<b>(133,911)</b>	(125,322)	<b>(349,554)</b>	(375,507)
	<b>(13,147)</b>	50,223	<b>36,121</b>	167,391
Equity in earnings / (loss) from housing and land joint ventures	<b>(6,727)</b>	11,204	<b>(6,347)</b>	12,874
Other (expense) / income	<b>(5,519)</b>	(254)	<b>174</b>	7,753
Selling, general and administrative expense	<b>(16,007)</b>	(12,699)	<b>(50,037)</b>	(33,771)
Minority interest	<b>3,691</b>	(3,737)	<b>2,763</b>	(9,141)
<b>Net income / (loss) before taxes</b>	<b>(37,709)</b>	44,737	<b>(17,326)</b>	145,106
Income tax recovery / (expense)	<b>39,328</b>	(17,134)	<b>57,135</b>	(55,575)
<b>Net income</b>	<b>\$ 1,619</b>	\$ 27,603	<b>\$ 39,809</b>	\$ 89,531
<b>Earnings per share - basic</b>	<b>\$ 0.06</b>	\$ 1.04	<b>\$ 1.50</b>	\$ 3.32
<b>Earnings per share - diluted</b>	<b>\$ 0.06</b>	\$ 1.03	<b>\$ 1.48</b>	\$ 3.27

# Condensed Statements of Cash Flow



<i>(thousands)</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<b>2007</b>	2006	<b>2007</b>	2006
<b>Cash flows from operating activities:</b>				
Net income	\$ 1,619	\$ 27,603	\$ 39,809	\$ 89,531
Adjustments to reconcile net income to net cash provided by operating activities:				
Distributed / (undistributed) income from housing and land joint ventures	11	(10,977)	277	(9,987)
Minority interest	(3,691)	3,737	(2,763)	9,141
Deferred income taxes	(10,798)	898	(4,342)	4,676
Impairments and write-offs of option deposits	34,413	-	34,413	-
Impairments from housing and land joint ventures	7,135	-	7,135	-
Other changes in operating assets and liabilities:				
Decrease in receivables and other assets	1,529	5,130	517	57,904
Increase in housing and land inventory	(22,685)	(46,852)	(73,232)	(138,478)
(Decrease) / increase in accounts payable and other	(38,909)	1,339	(132,408)	(79,808)
Net cash (used in) / provided by operating activities	<u>(31,376)</u>	<u>(19,122)</u>	<u>(130,594)</u>	<u>(67,021)</u>
<b>Cash flows from investing activities:</b>				
Net investment in housing and land joint ventures	(7,821)	(27,336)	(25,199)	(39,797)
Net cash used in investing activities	<u>(7,821)</u>	<u>(27,336)</u>	<u>(25,199)</u>	<u>(39,797)</u>
<b>Cash flows from financing activities:</b>				
Net borrowings/(repayments) under revolving project specific and other financings	35,106	(15,486)	72,637	(25,692)
Net distributions to minority interest	1,537	849	2,753	(10,379)
Repurchase of common shares	-	(1,251)	-	(37,922)
Exercise of stock options	11	-	84	164
Dividends paid in cash	-	-	(5,326)	(5,343)
Net cash provided by / (used in) financing activities	<u>36,654</u>	<u>(15,888)</u>	<u>70,148</u>	<u>(79,172)</u>
Decrease in cash and cash equivalents	(2,543)	(62,346)	(85,645)	(185,990)
Cash and cash equivalents at beginning of period	3,707	74,767	86,809	198,411
Cash and cash equivalents at end of period	\$ 1,164	\$ 12,421	\$ 1,164	\$ 12,421
<b>Supplemental cash flow information:</b>				
Interest paid	\$ 16,386	\$ 15,531	\$ 48,531	\$ 40,628
Income taxes paid	\$ -	\$ 13,375	\$ 22,154	\$ 52,185
Non-cash increase/(decrease) in consolidated land inventory not owned	\$ 139	\$ 531	\$ 5,956	\$ (6,726)

# Statistical Information



	Long Term Targets	3-Year Average	2006A	2005A	2004A
Return on Average Net Assets (Net income before interest expense, income taxes and minority interest expense / average total assets less cash, deferred taxes and payables)	20%	47%	32%	61%	49%
Inventory Turnover (Total revenue / average housing and land inventory)	1.5x	1.4x	0.9x	1.5x	1.9x
Net Debt to Total Book Capitalization (Total debt minus cash / net debt plus minority interest plus stockholders' equity)	40%	56%	55%	61%	51%
Interest Coverage Ratio (Net income before interest expense, income taxes and minority interest expense / interest incurred)	6x	8.3x	4.7x	11.0x	9.3x
Return on Opening Stockholders' Equity	20%	61%	56%	89%	38%
EPS Growth	10% - 15%	33%	-23%	52%	69%

# Selected Operating Information



<i>(in units, except average selling price)</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<b>2007</b>	2006	<b>2007</b>	2006
<b>Net New Orders</b>				
Northern California	39	36	102	81
Southland/Los Angeles	25	84	159	268
San Diego/Riverside	18	77	107	171
Washington D.C. Area	33	48	220	193
Corporate and Other	4	16	14	30
	<b>119</b>	261	<b>602</b>	743
Joint Ventures	11	3	29	8
<b>Total</b>	<b>130</b>	264	<b>631</b>	751
<b>Home closings</b>				
Northern California	26	29	69	59
Southland/Los Angeles	35	71	177	168
San Diego/Riverside	34	43	118	162
Washington D.C. Area	81	72	183	258
Corporate and Other	1	13	14	35
	<b>177</b>	228	<b>561</b>	682
Joint Ventures	2	4	6	18
<b>Total</b>	<b>179</b>	232	<b>567</b>	700
<b>Average selling price</b>				
Northern California	\$ 924,000	\$ 999,000	\$ 928,000	\$ 1,089,000
Southland/Los Angeles	787,000	760,000	748,000	787,000
San Diego/Riverside	595,000	555,000	594,000	618,000
Washington D.C. Area	554,000	607,000	535,000	597,000
Corporate and Other	750,000	731,000	831,000	709,000
Average selling price	\$ 663,000	\$ 702,000	\$ 670,000	\$ 697,000
Joint Ventures	1,102,000	1,190,000	989,000	812,000
Average selling price	\$ 667,000	\$ 710,000	\$ 673,000	\$ 700,000
<b>Active Communities / Backlog at end of period</b>	<b>Active Communities</b>		<b>Backlog</b>	
Northern California	4	2	50	34
Southland/Los Angeles	5	7	82	205
San Diego/Riverside	7	9	24	91
Washington D.C. Area	14	12	112	131
Corporate and Other	1	1	20	55
	<b>31</b>	31	<b>288</b>	516
Joint Ventures	2	2	35	15
<b>Total</b>	<b>33</b>	33	<b>323</b>	531

# Selected Operating Information (cont'd)



(\$ millions)	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<b>2007</b>	2006	<b>2007</b>	2006
<b>Housing Revenue</b>				
Northern California	<b>24</b>	29	<b>64</b>	64
Southland/Los Angeles	<b>27</b>	54	<b>132</b>	132
San Diego/Riverside	<b>20</b>	24	<b>70</b>	100
Washington D.C. Area	<b>45</b>	44	<b>98</b>	154
Corporate and Other	<b>1</b>	9	<b>12</b>	25
<b>Total</b>	<b>117</b>	160	<b>376</b>	475
<b>Land Revenue</b>				
Northern California	-	9	-	9
Southland/Los Angeles	-	-	-	27
San Diego/Riverside	-	3	-	21
Washington D.C. Area	<b>4</b>	3	<b>10</b>	10
Corporate and Other	-	-	-	-
<b>Total</b>	<b>4</b>	15	<b>10</b>	67
<b>Gross Margin</b>				
Northern California	<b>1</b>	10	<b>8</b>	18
Southland/Los Angeles	<b>5</b>	11	<b>25</b>	44
San Diego/Riverside	<b>(25)</b>	13	<b>(14)</b>	50
Washington D.C. Area	<b>6</b>	12	<b>15</b>	46
Corporate and Other	-	4	<b>2</b>	9
<b>Total Gross Margin</b>	<b>(13)</b>	50	<b>36</b>	167

# Residential Building Lots



## Ownership

<i>(lots)</i>	Owned	Joint	Under	Total Lots	Total Lots
	Directly	Ventures	Option	9/30/2007	12/31/2006
Northern California	918	408	7,539	8,865	9,809
Southland/Los Angeles	1,087	271	1,865	3,223	3,021
San Diego/Riverside	4,201	1,895	1,500	7,596	7,716
Washington D.C. Area	2,166	1,648	2,858	6,672	6,920
Corporate and Other	108	34	-	142	150
<b>Total September 30, 2007</b>	<b>8,480</b>	<b>4,256</b>	<b>13,762</b>	<b>26,498</b>	
<b>Total December 31, 2006</b>	<b>8,262</b>	<b>4,457</b>	<b>14,897</b>		<b>27,616</b>

## Book Value

<i>(millions, except per lot activity)</i>	Owned	Joint	Under	Total 9/30/2007		Total 12/31/2006	
	Directly	Ventures	Option	Lots	\$	Lots	\$
Housing inventory	\$541	\$45	-	2,738	\$586	2,691	\$608
Model homes	51	8	-	101	59	84	48
Land & land under development	419	188	168	23,659	775	24,841	671
Joint venture debt	-	(133)	-	-	(133)	-	(102)
	<b>\$1,011</b>	<b>\$108</b>	<b>\$168</b>	<b>26,498</b>	<b>\$1,287</b>	<b>27,616</b>	<b>\$1,225</b>

# Investor Information



## Common Shares

Brookfield Homes trades on the New York Stock Exchange under the symbol "BHS".

Brookfield Homes pays a semi-annual dividend of \$0.20 per share. The next semi-annual dividend is expected to be paid December 31, 2007 to stockholders of record on December 14, 2007.

## BHS Trading Statistics - New York Stock Exchange

Source: NYSE net

	<i>For The Three Months Ended</i>			
	30-Sep-07	30-Jun-07	31-Mar-07	31-Dec-06
<b>Share Price</b>				
High	\$ 32.07	\$ 36.61	\$ 41.49	\$ 40.50
Low	\$ 17.04	\$ 28.92	\$ 30.55	\$ 28.01
Close	\$ 18.55	\$ 29.09	\$ 32.10	\$ 37.55
<b>Volume</b>	19,293,500	13,734,800	18,168,548	15,546,400

## Common Shares Outstanding

	30-Sep-07	30-Jun-07	31-Mar-07	31-Dec-06
Common shares issued and outstanding	26,628,207	26,627,825	26,627,825	26,554,506
Unexercised options	817,525	864,732	864,732	568,051
Total common shares outstanding	27,445,732	27,492,557	27,492,557	27,232,557

## **Announcement of Results**

- 2007 year end results are expected to be announced in February, 2008.
- Press releases and other investor information are available on the company's web site at: [www.brookfieldhomes.com](http://www.brookfieldhomes.com)

## **Inquiries**

- Brookfield Homes Corporation welcomes inquiries from shareholders, analysts, media representatives and other interested parties. Questions relating to investor relations or media inquiries can be directed to Linda Northwood, Director, Investor Relations at (858) 481-2567 or via e-mail at [lnorthwood@brookfieldhomes.com](mailto:lnorthwood@brookfieldhomes.com). Inquiries regarding financial results should be directed to Paul Kerrigan, Executive Vice President and Chief Financial Officer at (858) 481-2568 or via e-mail at [pkerrigan@brookfieldhomes.com](mailto:pkerrigan@brookfieldhomes.com).