



BROOKFIELD

H O M E S

**Supplemental Information
For The Year Ended
December 31, 2007**

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All amounts denominated in U.S. dollars

Forward-Looking Statements



Certain statements in this supplemental information package that are not historical facts, including information concerning financial statistic targets, 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



Brookfield Homes Corporation is a land developer and homebuilder. We entitle and develop land for our own communities and sell lots to third parties. We also design, construct and market single-family and multi-family homes primarily to move-up and luxury homebuyers. Our portfolio includes 25,000 lots owned and controlled in the Northern California; Southland / Los Angeles; San Diego / Riverside; and Washington D.C. Area markets. For more information, visit the Brookfield Homes website at www.brookfieldhomes.com.

(All figures in US\$)

Selected Financial Information



<i>(Millions, except per unit activity and per share amounts)</i>	<i>Three Months Ended December 31,</i>		<i>Years Ended December 31,</i>	
	2007	2006	2007	2006
Results of Operations				
Total revenue	\$ 197	\$ 329	\$ 583	\$ 872
Total gross margin / (loss)	(22)	78	14	245
Housing revenue	165	309	541	784
Housing gross margin - \$	22	74	92	206
Housing gross margin - %	13%	23%	17%	26%
Impairments and other write-offs	61	10	103	10
Contribution from land sales to net income	6	5	6	26
Net income / (loss)	(24)	58	16	148
Basic earnings / (loss) per share	(0.91)	2.22	0.59	5.52
Diluted earnings / (loss) per share	(0.91)	2.19	0.58	5.45
Financial Position - Period End				
Total assets	\$ 1,351	\$ 1,401	\$ 1,351	\$ 1,401
Total debt	735	618	735	618
Operating Data (including joint ventures)				
Net new orders (units)	104	209	735	960
Backlog (units at end of period)	155	259	155	259
Home closings (units)	272	481	839	1,181
Average selling price (per unit)	\$ 641,000	\$ 650,000	\$ 662,000	\$ 679,000

Condensed Balance Sheets



<i>(thousands)</i>	<i>As at December 31,</i>		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assets			
Housing and land inventory	\$ 1,078,229	\$ 1,075,192	\$ 912,617
Investments in housing and land joint ventures	130,546	90,325	53,260
Consolidated land inventory not owned	26,748	59,381	22,100
Receivables and other assets	50,066	37,031	94,081
Cash and cash equivalents	9,132	86,809	198,411
Deferred income taxes	55,943	52,715	49,417
	\$ 1,350,664	\$ 1,401,453	\$ 1,329,886
Liabilities and Stockholders' Equity			
Project specific and other financings	\$ 734,572	\$ 617,931	\$ 636,114
Accounts payable and other liabilities	159,956	320,061	376,083
Minority interest	76,486	92,055	53,040
Stockholders' equity	379,650	371,406	264,649
	\$ 1,350,664	\$ 1,401,453	\$ 1,329,886

Condensed Statements of Income



<i>(thousands, except per share amounts)</i>	<i>Three Months Ended December 31,</i>		<i>Years Ended December 31,</i>	
	2007	2006	2007	2006
Revenue				
Housing	\$ 165,355	\$ 308,632	\$ 541,432	\$ 784,162
Land	32,324	20,750	41,922	88,118
	197,679	329,382	583,354	872,280
Direct cost of sales	(166,122)	(240,963)	(481,263)	(616,470)
Impairments and write-offs of option deposits	(53,217)	(10,388)	(87,630)	(10,388)
	(21,660)	78,031	14,461	245,422
Equity in earnings from housing and land joint ventures	11,957	45,410	12,745	58,284
Impairments of investments in housing and land joint ventures	(7,894)	-	(15,029)	-
Other (expense) / income	(5,891)	1,594	(5,717)	9,347
Selling, general and administrative expense	(19,782)	(26,058)	(69,819)	(59,829)
Operating (loss) / income	(43,270)	98,977	(63,359)	253,224
Minority interest	4,265	(9,237)	7,028	(18,378)
(Loss) / income before taxes	(39,005)	89,740	(56,331)	234,846
Income tax recovery / (expense)	14,823	(30,917)	71,958	(86,492)
Net income / (loss)	\$ (24,182)	\$ 58,823	\$ 15,627	\$ 148,354
Earnings / (loss) per share - basic	\$ (0.91)	\$ 2.22	\$ 0.59	\$ 5.52
Earnings / (loss) per share - diluted	\$ (0.91)	\$ 2.19	\$ 0.58	\$ 5.45

Condensed Statements of Cash Flow



<i>(thousands)</i>	<i>Three Months Ended December 31,</i>		<i>Years Ended December 31,</i>	
	2007	2006	2007	2006
Cash flows from / (used in) operating activities:				
Net income / (loss)	\$ (24,182)	\$ 58,823	\$ 15,627	\$ 148,354
Adjustments to reconcile net income to net cash provided by operating activities:				
Distributed / (undistributed) income from housing and land joint ventures	-	19,484	277	9,497
Minority interest	(4,265)	9,237	(7,028)	18,378
Deferred income taxes	1,114	(7,974)	(3,228)	(3,298)
Impairments and write-offs of option deposits	53,217	10,388	87,630	10,388
Impairments of investments in housing and land joint ventures	7,894	-	15,029	-
Other changes in operating assets and liabilities:				
(Increase) / decrease in receivables and other assets	(13,552)	(854)	(13,035)	57,050
Decrease / (increase) in housing and land inventory	83,504	(49,481)	10,272	(187,959)
(Decrease) / increase in accounts payable and other	(17,412)	53,534	(149,820)	(26,274)
Net cash (used in) / provided by operating activities	<u>86,318</u>	<u>93,157</u>	<u>(44,276)</u>	<u>26,136</u>
Cash flows from / (used in) investing activities:				
Net investment in housing and land joint ventures	<u>(32,757)</u>	(6,765)	<u>(57,956)</u>	(46,562)
Net cash used in investing activities	<u>(32,757)</u>	(6,765)	<u>(57,956)</u>	(46,562)
Cash flows from / (used in) financing activities:				
Net borrowings/(repayments) under revolving project specific and other financings	(39,457)	(7,809)	33,180	(33,501)
Net distributions to minority interest	(840)	1,116	1,913	(9,263)
Repurchase of common shares	-	-	-	(37,922)
Exercise of stock options	37	-	121	164
Dividends paid in cash	(5,333)	(5,311)	(10,659)	(10,654)
Net cash provided by / (used in) financing activities	<u>(45,593)</u>	<u>(12,004)</u>	<u>24,555</u>	<u>(91,176)</u>
(Decrease) / increase in cash and cash equivalents	7,968	74,388	(77,677)	(111,602)
Cash and cash equivalents at beginning of period	<u>1,164</u>	<u>12,421</u>	<u>86,809</u>	<u>198,411</u>
Cash and cash equivalents at end of period	\$ 9,132	\$ 86,809	\$ 9,132	\$ 86,809
Supplemental cash flow information:				
Interest paid	\$ 9,769	\$ 18,245	\$ 58,300	\$ 58,873
Income taxes paid	\$ -	\$ 36,917	\$ 22,154	\$ 89,102
Non-cash (decrease) / increase in consolidated land inventory not owned	\$ (24,700)	\$ 29,011	\$ (18,744)	\$ 22,285
Acquisitions of unconsolidated entities' assets and liabilities:				
Increase in housing and land inventory	\$ 104,050	\$ -	\$ 104,050	\$ -
Liabilities assumed	\$ 101,621	\$ -	\$ 101,621	\$ -
Reduction in investment in housing and land joint ventures	\$ 2,429	\$ -	\$ 2,429	\$ -

Statistical Information



	Long Term Targets	3-Year Average	2007A	2006A	2005A
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%	30%	-3%	32%	61%
Inventory Turnover (Total revenue / average housing and land inventory)	1.5x	1.0x	0.5x	0.9x	1.5x
Net Debt to Total Book Capitalization (Total debt minus cash / net debt plus minority interest plus stockholders' equity)	40%	58%	61%	53%	58%
Interest Coverage Ratio (Net income before impairments and write-offs, interest expense, income taxes and minority interest expense / interest incurred)	6x	5.7x	1.3x	4.9x	11.0x
Return on Opening Stockholders' Equity	20%	50%	4%	56%	89%
EPS Growth	10% - 15%	20% ⁽¹⁾	-	-	-

⁽¹⁾ Represents compounded annual growth since 2003.

Selected Operating Information



<i>(in units, except average selling price)</i>	<i>Three Months Ended December 31,</i>		<i>Years Ended December 31,</i>	
	2007	2006	2007	2006
Net New Orders				
Northern California	39	31	141	112
Southland/Los Angeles	24	53	183	321
San Diego/Riverside	16	70	123	241
Washington D.C. Area	29	61	249	254
Corporate and Other	(1)	(7)	13	23
	107	208	709	951
Joint Ventures	(3)	1	26	9
Total	104	209	735	960
Home closings				
Northern California	62	48	131	107
Southland/Los Angeles	81	158	258	326
San Diego/Riverside	32	126	150	288
Washington D.C. Area	89	117	272	375
Corporate and Other	-	28	14	63
	264	477	825	1,159
Joint Ventures	8	4	14	22
Total	272	481	839	1,181
Average selling price				
Northern California	\$ 914,000	\$ 862,000	\$ 921,000	\$ 987,000
Southland/Los Angeles	538,000	659,000	682,000	725,000
San Diego/Riverside	609,000	578,000	597,000	601,000
Washington D.C. Area	513,000	581,000	528,000	592,000
Corporate and Other	-	800,000	831,000	749,000
Average selling price	626,000	647,000	656,000	677,000
Joint Ventures	1,104,000	982,000	1,020,000	818,000
Average selling price	\$ 641,000	\$ 650,000	\$ 662,000	\$ 679,000
Active Communities / Backlog at end of period	Active Communities		Backlog	
Northern California	4	3	27	17
Southland/Los Angeles	7	7	45	100
San Diego/Riverside	7	9	8	35
Washington D.C. Area	12	12	52	75
Corporate and Other	2	2	19	20
	32	33	151	247
Joint Ventures	1	1	4	12
Total	33	34	155	259

Selected Operating Information (cont'd)



(\$ millions)	Three Months Ended December 31,		Years Ended December 31,	
	2007	2006	2007	2006
Housing Revenue				
Northern California	\$ 57	\$ 42	\$ 121	\$ 106
Southland/Los Angeles	44	104	176	236
San Diego/Riverside	19	73	89	173
Washington D.C. Area	45	68	143	222
Corporate and Other	-	22	12	47
Total	\$ 165	\$ 309	\$ 541	\$ 784
Land Revenue				
Northern California	\$ -	\$ -	\$ -	\$ 9
Southland/Los Angeles	30	4	30	31
San Diego/Riverside	-	15	-	36
Washington D.C. Area	2	2	12	12
Corporate and Other	-	-	-	-
Total	\$ 32	\$ 21	\$ 42	\$ 88
Gross Margin				
Northern California	\$ 4	\$ 7	\$ 12	\$ 25
Southland/Los Angeles	11	24	36	68
San Diego/Riverside	4	36	(10)	86
Washington D.C. Area	(41)	7	(26)	53
Corporate and Other	-	4	2	13
Total Gross Margin	\$ (22)	\$ 78	\$ 14	\$ 245

Residential Building Lots



Ownership

<i>(lots)</i>	Owned	Joint	Under ⁽¹⁾	Total Lots	Total Lots
	Directly	Ventures	Option	12/31/2007	12/31/2006
Northern California	1,227	98	6,878	8,203	9,809
Southland/Los Angeles	1,439	54	1,735	3,228	3,021
San Diego/Riverside	4,169	1,895	2,292	8,356	7,716
Washington D.C. Area	2,569	1,345	1,388	5,302	6,920
Corporate and Other	216	66	-	282	150
Total December 31, 2007	9,620	3,458	12,293	25,371	
Total December 31, 2006	8,262	4,457	14,897		27,616

⁽¹⁾ Includes proportionate share of lots under option related to joint ventures

Book Value

<i>(millions, except per lot information)</i>	Owned	Joint	Under	Total 12/31/2007		Total 12/31/2006	
	Directly	Ventures	Option	Lots	\$	Lots	\$
Housing inventory	\$600	\$30	-	3,309	\$630	2,691	\$608
Model homes	58	2	-	107	60	84	48
Land & land under development	363	163	-	9,662	526	9,944	535
Optioned lots	-	20	84	12,293	104	14,897	136
Joint venture debt	-	(84)	-	-	(84)	-	(102)
	\$1,021	\$131	\$84	25,371	\$1,236	27,616	\$1,225

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 June 30, 2008 to stockholders of record on June 16, 2008.

BHS Trading Statistics - New York Stock Exchange

Source: NYSE net

	<i>For The Three Months Ended</i>			
	31-Dec-07	30-Sep-07	30-Jun-07	31-Mar-07
Share Price				
High	\$ 22.21	\$ 32.07	\$ 36.61	\$ 41.49
Low	\$ 13.50	\$ 17.04	\$ 28.92	\$ 30.55
Close	\$ 15.80	\$ 18.55	\$ 29.09	\$ 32.10
Volume	13,517,352	19,293,500	13,734,800	18,168,548

Common Shares Outstanding

	31-Dec-07	30-Sep-07	30-Jun-07	31-Mar-07
Common shares issued and outstanding	26,663,413	26,628,207	26,627,825	26,627,825
Unexercised options	782,319	817,525	864,732	864,732
Total common shares outstanding	27,445,732	27,445,732	27,492,557	27,492,557

