



**2008 SECOND QUARTER
INTERIM REPORT TO SHAREHOLDERS**
FOR THE SIX MONTHS ENDED JUNE 30, 2008

To The Shareholders:

BAM Investments Corp. recorded net income of \$0.6 million for the three months ended June 30, 2008 compared to net income of \$1.8 million in the same period last year. After providing for interest and dividends on financing obligations, net income per common share was \$0.01 for the three month period, compared with net income per common share of \$0.02 for the comparable period in 2007.

Outlook and Net Asset Value

BAM Investments owns a direct and indirect net interest in 55.5 million Brookfield Class A shares with a market value at June 30, 2008 of \$1.8 billion based on quoted market values and is financed with \$405 million of retractable preferred shares and a common equity base that has a book value of \$1.3 billion as at June 30, 2008. The company's financial position is presented on page 1.

The company's objective is to provide its common shareholders with capital appreciation as opposed to income returns. Operating cash flows are dedicated principally to paying interest and dividends on its preferred share financing obligations.

The calculated net asset value of the company's common shares as at June 30, 2008, based on the stock market price of Brookfield's Class A shares of \$33.10, was \$16.76 per common share of BAM Investments. The company holds 6.98 Brookfield Class A shares for every 10 common shares of BAM Investments.

On behalf of the Board,

A handwritten signature in black ink, appearing to read "Brian D. Lawson".

Brian D. Lawson
President
August 13, 2008

Statement of Financial Position

The information in the following table has been extracted from the consolidated financial statements of the company as at June 30, 2008.

As at June 30, 2008 (thousands, except per share amounts)

Assets	
Investment in Brookfield Asset Management Inc. ¹	\$ 1,835,932
Investment in Brookfield Infrastructure Partners ²	48,661
Cash and equivalents	54,783
Other assets	9,435
	\$ 1,948,811
Liabilities	
Accounts payable and provisions	\$ 2,964
Retractable preferred shares ³	397,732
Future tax liability ⁴	217,365
	618,061
Shareholders' Equity	
Common equity	1,330,750
	\$ 1,948,811
Net Book Value Per Common Share⁵	\$ 16.76

Notes:

- 1) The investment in Brookfield Asset Management Inc. consists of 55.5 million Class A shares at a bid price of \$33.10 per Brookfield share at June 30, 2008. This represents the total shares owned of 60.8 million Class A shares less 5.3 million Class A that have been set aside for settlement of the long-term exchangeable debentures issued by the company.
- 2) The investment in Brookfield Infrastructure Partners consists of 2.4 million Limited Partnership Units at a bid price of \$20.02 per unit at June 30, 2008.
- 3) Represents \$405 million retractable preferred shares issued by BAM Split Corp, which is a subsidiary of the company, net of unamortized issuance costs.
- 4) The future tax liability represents the potential future income tax liability of the company based on the difference between the carrying values of the company's assets and liabilities and their respective tax values, as well as giving effect to estimated capital and non-capital losses as at the date of this statement.
- 5) As at June 30, 2008, there were 79,418,910 common shares of the company issued and outstanding.

Management's Discussion and Analysis

OVERVIEW

BAM Investments Corp. (the "company") is a leveraged investment company whose principal investment is a direct and indirect net interest in 55.5 million Class A Limited Voting Shares ("Class A Shares") of Brookfield Asset Management Inc. ("Brookfield"). The company also has an ownership interest in 2.4 million Limited Partnership Units of Brookfield Infrastructure Partners which it received in January 2008 by way of a special dividend from Brookfield. The company's objective is to provide its common shareholders with capital appreciation as opposed to income returns. Investment income, which consists principally of dividends from its investment in Brookfield Class A Shares, is dedicated to paying interest and dividends on its financing obligations. The company's investment in Brookfield is owned directly and through BAM Split Corp. ("BAM Split"), a public subsidiary in which BAM Investments owns 100% of the common equity. BAM Split has issued \$405 million of publicly listed retractable preferred shares. Additional information on the company and BAM Split, including the company's annual information form, is available on SEDAR's web site at www.sedar.com.

RESULTS OF OPERATIONS

Overview

Net income was \$0.6 million for the three months ended June 30, 2008, representing a decrease of \$1.2 million compared with the \$1.8 million recorded in the same period of 2007.

Investment Income

The following table reconciles the company's investment income:

	<i>For the three months ended June 30</i>		<i>For the six months ended June 30</i>	
<i>\$thousands</i>	2008	2007	2008	2007
Dividend income	\$ 8,741	\$ 8,993	\$ 16,235	\$16,612
Special dividend	—	—	50,056	—
Interest and other	664	481	962	685
	\$ 9,405	\$ 9,474	\$ 67,253	\$17,297

The company records dividends as income on the ex-dividend date. Brookfield declares dividends in U.S. dollars, and as a result the Canadian dollar equivalent recorded by the company is impacted by changes in the exchange rate between U.S. and Canadian dollars. The company received dividend income of \$8.7 million during the quarter (2007 – \$9.0 million) from its investments in Brookfield and Brookfield Infrastructure. The company has classified 5.3 million Brookfield Class A Shares, which are pledged as collateral for the long-term exchangeable debentures issued by the company, as held-for-trading and changes in market value are recognized in income along with corresponding changes in the value of the exchangeable debentures. The net impact of both of these two items was \$nil during the period. During the first quarter of 2008, the company received a special dividend which represents the value of 2.4 million Limited Partnership Units of Brookfield Infrastructure Partners as part of a distribution of these units by Brookfield to the holders of its Class A shares.

Expenses

Interest expense represents carrying charges on the exchangeable debentures. The amortization of deferred financing costs associated with preferred shares issued by BAM Split resulted in a charge against income of \$0.4 million, consistent with 2007. Retractable preferred share dividends were \$5.1 million in the three months ended June 30, 2008 compared with \$6.1 million in 2007. Future tax expenses were \$2.0 million compared to a recovery of \$0.1 million in the same period in the prior year. The current quarter expense is the result of a de-recognition of refundable taxes.

FINANCIAL POSITION

The company's total assets decreased to \$2,124.3 million at June 30, 2008 compared with \$2,214.6 million at December 31, 2007. The decrease in total assets is the result of a decrease in the fair value of Brookfield Class A Shares. There was no change in the number of shares held.

Investment in Brookfield Asset Management Inc.

The investment in Brookfield at June 30, 2008 consists of 60.8 million Class A Shares, representing a 10.0% (2007 –10.0%) fully diluted equity interest. The quoted market value based on the bid price of this investment as at June 30, 2008 was \$33.10 per share or \$2,011.4 million. The company has pledged 5.3 million Class A Shares in respect of exchangeable debentures issued in January 2007 and classified these shares as “held-for-trading” and accordingly recognizes changes in the market value of these shares in net income.

The company has classified the remaining 55.5 million of the Brookfield Class A Shares as available-for-sale financial instruments, and accordingly recognizes changes in the market value of these shares through Other Comprehensive Income.

Brookfield is a global asset manager focused on property, power and other infrastructure assets with approximately US\$95 billion of assets under management and is inter-listed on the New York, Toronto and Euronext stock exchanges. Further information on Brookfield can be found on Brookfield's website at www.brookfield.com.

Investment in Brookfield Infrastructure Partners

Through a special dividend on January 31, 2008, the company received 2.4 million Limited Partnership Units of Brookfield Infrastructure Partners. The quoted market value based on the bid price of this investment as at June 30, 2008 was \$20.02 per share or \$48.7 million.

Brookfield Infrastructure was established by Brookfield as its primary vehicle to own and operate certain infrastructure assets on a global basis. Units of Brookfield Infrastructure trade on the NYSE under the symbol BIP. Further information on Brookfield Infrastructure can be found on the Brookfield Infrastructure's website at www.brookfieldinfrastructure.com.

Future Income Taxes

The future tax liability represents the potential tax liability based on the excess of the carrying value of net assets over the respective tax values, less available loss carry forwards. The liability decreased during the period of December 31, 2007 to June 30, 2008 primarily due to the decrease in the market value of the Brookfield Class A Shares.

LIQUIDITY AND CAPITAL RESOURCES

The company holds cash and equivalents totalling \$54.8 million as at June 30, 2008. The company does not have any maturing debt or preferred share redemptions prior to 2010. The operating cash requirements for 2008 include interest and dividend payments on the \$193.2 million exchangeable debentures and \$405.0 million preferred shares issued by BAM Split Corp which are less than the expected regular distributions on the Brookfield securities held by the company. Accordingly, the company believes it has sufficient liquid assets, operating cash flow and financing alternatives to meet its obligations.

Long-Term Exchangeable Debentures

In January 2007, the company issued debentures exchangeable into 5.3 million Class A shares of Brookfield for proceeds of \$193.2 million. The debentures are carried at fair value and changes in fair values are recorded in net income during the period in which the change occurs. The company pays interest that is equivalent to dividends paid on Class A Shares of Brookfield plus a specified amount. The debentures are secured by 5.3 million Class A Shares of Brookfield.

Retractable Preferred Shares

Retractable preferred shares issued by BAM Split include Class A and Class AA Series I and III which are comprised of the following:

<i>\$thousands</i>		Latest Redemption Date	June 30, 2008	December 31, 2007
5,000,000	6.25% Class A	September 30, 2010	\$ 125,000	\$ 125,000
3,199,000	4.95% Class AA Series I	March 25, 2016	79,975	79,975
8,000,000	4.35% Class AA Series III	January 10, 2019	200,000	200,000
			\$ 404,975	\$ 404,975
Less:	Unamortized issue costs		(4,227)	(5,071)
	Class AA Series I and Series III preferred shares acquired ¹		(3,016)	(2,318)
			\$ 397,732	\$ 397,586

¹ The company acquired 17,400 (7,000 - December 31, 2007) Class AA, Series I and 103,300 (85,700 - December 31, 2007) Class AA, Series III BAM Split Preferred Shares which the company intends to redistribute.

Shareholders' Equity

As at June 30, 2008, shareholders' equity consists of 79,418,910 common shares, includes accumulated other comprehensive income and has a book value of \$1,330.8 million compared to \$1,389.7 which million at the end of 2007. The decrease is due to the decrease in the fair value of the Class A Shares of Brookfield. The company did not repurchase any shares during the six months ended June 30, 2008.

BUSINESS ENVIRONMENT AND RISKS

The financial results of the company are impacted by the performance of the underlying investment in Brookfield. A discussion of Brookfield's business environment and risks is contained in the management's discussion and analysis of financial results section of its 2007 Annual Report

Contractual Obligations

The company's contractual obligations are as follows:

<i>\$thousands</i>	Payment Due By Period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term exchangeable debentures	\$ 193,239	\$ —	\$ —	\$ —	\$ 193,239
Retractable preferred shares					
Class A	125,000	—	125,000	—	—
Class AA, Series I ¹	79,975	—	—	—	79,975
Class AA, Series III ¹	200,000	—	—	—	200,000
Interest expense related to:					
Long-term exchangeable debentures	108,000	4,500	9,000	9,000	85,500
Retractable preferred shares					
Class A	21,159	7,813	13,346	—	—
Class AA, Series I	32,661	3,959	7,918	7,918	12,866
Class AA, Series III	156,600	8,700	17,400	17,400	113,100

¹ Gross of \$435 Class AA, Series I and \$2,581 Class AA, Series III BAM Split Preferred Shares acquired.

SUMMARY OF FINANCIAL INFORMATION

The following table summarizes selected consolidated financial information of the company for the six months ended June 30, 2008 and 2007 and for the years ended December 31, 2005, 2006, 2007:

	Six months ended June 30		Years Ended December 31		
<i>(\$thousands, except per share amounts)</i>	2008	2007	2007	2006	2005
Investment income	\$ 67,253	\$ 17,297	\$ 32,404	\$ 21,114	\$ 12,693
Net income (loss)	52,109	4,875	7,545	15,857	(1,125)
Net income (loss) per common share ¹	0.66	0.06	0.09	0.13	(0.15)
Total assets	2,124,300	2,641,698	2,214,636	244,804	282,903
Total long term liabilities	790,586	922,906	822,013	205,000	205,000
Preferred share dividends paid per share					
Series II ²	—	0.06	0.06	2.28	2.28
Series V ³	—	4,375	4,375	17,500	17,500

¹ Adjusted to reflect ten-for-one stock split.

² Redeemed January 10, 2007.

³ Redeemed March 30, 2007.

A summary of the eight recently completed quarters is as follows:

	2008		2007				2006	
<i>(\$thousands, except per share amounts)</i>	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Investment income	\$ 9,405	\$57,848	\$ 6,643	\$ 8,464	\$ 9,474	\$ 7,823	\$ 6,719	\$ 6,730
Net income	584	51,525	1,041	1,629	1,785	3,090	2,352	1,554
Net income for common shareholders	584	51,525	1,041	1,629	1,785	2,877	1,113	316
Net income per common share	0.01	0.65	0.01	0.02	0.02	0.04	0.00	0.00

The higher level of investment income in the first quarter of 2008 is the result of Brookfield distributing a \$50.1 million dividend of Limited Partnership Units of Brookfield Infrastructure Partners to the holders of its Class A shares. Brookfield declares dividends in U.S. dollars and accordingly, the Canadian dollar equivalent received by the company fluctuates with the changes in the currency exchange rate.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of the company have been prepared by and are the responsibility of the company's management. The company's independent auditor has not reviewed these financial statements.



Brian D. Lawson
President
August 13, 2008

Forward-Looking Statements

This annual report contains forward-looking statements concerning the company's business and operations. 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 company's most recent Annual Information Form for a description of the major risk factors.

Consolidated Balance Sheets

<i>\$thousands</i>	<i>(unaudited)</i>	
	June 30, 2008	December 31, 2007
Assets		
Cash and equivalents	\$ 54,783	\$ 51,179
Investment in Brookfield Asset Management Inc.	2,011,421	2,154,251
Investment in Brookfield Infrastructure Partners	48,661	—
Other assets	9,435	9,206
	\$ 2,124,300	\$ 2,214,636
Liabilities		
Accounts payable and provisions	\$ 2,964	\$ 2,915
Long-term exchangeable debentures	175,489	187,973
Future tax liability	217,365	236,454
Retractable preferred shares	397,732	397,586
	793,550	824,928
Shareholders' Equity		
Common equity	1,330,750	1,389,708
	1,330,750	1,398,708
	\$ 2,124,300	\$ 2,214,636

Consolidated Statements of Operations

(unaudited) \$thousands	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Investment income	\$ 9,405	\$ 9,474	\$ 67,253	\$ 17,297
Expenses				
Operating	179	219	401	685
Interest expense on exchangeable debentures	1,056	1,083	2,083	2,158
Amortization of deferred financing costs	426	406	844	784
Retractable preferred share dividends	5,118	6,125	10,236	10,236
	6,779	7,833	13,564	13,863
Net income before income taxes	2,626	1,641	53,689	3,434
Future tax expense (recovery)	2,042	(144)	1,580	(1,441)
Net income	\$ 584	\$ 1,785	\$ 52,109	\$ 4,875
Net income per common share	\$ 0.01	\$ 0.02	\$ 0.66	\$ 0.06

Consolidated Statements of Retained Earnings

<i>(unaudited)</i> \$thousands	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Retained earnings (deficit), beginning of period	\$ 76,028	\$ 20,048	\$ 24,503	\$ (12,393)
Transition adjustment - January 1, 2007	—	—	—	29,564
Net income	584	1,785	52,109	4,875
Preferred share dividends	—	—	—	(213)
Retained earnings, end of period	\$ 76,612	\$ 21,833	\$ 76,612	\$ 21,833

Consolidated Statements of Comprehensive Income (Loss)

<i>(unaudited)</i> \$thousands	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Net income	\$ 584	\$ 1,785	\$ 52,109	\$ 4,875
Unrealized gain (loss) on available-for-sale securities	310,896	125,538	(131,736)	276,777
Future income tax (expense) recovery on available-for-sale securities	(48,816)	(19,680)	20,669	(43,391)
Other comprehensive income (loss)	262,080	105,858	(111,067)	233,386
Comprehensive income (loss)	\$ 262,664	\$ 107,643	\$ (58,958)	\$ 238,261

Consolidated Statements of Accumulated Other Comprehensive Income

<i>(unaudited)</i> \$thousands	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Balance, beginning of period	\$ 907,027	\$ 1,503,583	\$ 1,280,174	\$ —
Transition adjustment – January 1, 2007	—	—	—	1,376,055
Other comprehensive income (loss)	262,080	105,858	(111,067)	233,386
Balance, end of period	\$ 1,169,107	\$ 1,609,441	\$ 1,169,107	\$ 1,609,441

Consolidated Statements of Cash Flows

(unaudited) \$thousands	Three months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Cash flow (used in) from operating activities				
Net income	\$ 584	\$ 1,785	\$ 52,109	\$ 4,875
Add (deduct) non-cash items				
Amortization of deferred financing costs	426	406	844	784
Brookfield special dividend	—	—	(50,056)	—
Future tax expense (recovery)	2,042	(144)	1,580	(1,441)
Changes in working capital	180	(6,249)	(310)	(10,343)
	3,232	(4,202)	4,167	(6,125)
Cash flow (used in) investing activities				
Purchase of Brookfield shares	—	—	—	(193,239)
Cash flow from (used in) financing activities				
Promissory note repayment	—	—	—	(72,367)
Exchangeable debentures issuance	—	—	—	193,239
Purchase of BAM Split preferred shares	(65)	—	(563)	—
Preferred shares redeemed	—	—	—	(70,750)
Preferred shares issued by a subsidiary, net of retractions	—	—	—	199,985
Preferred share dividends	—	—	—	(213)
Share issue costs	—	—	—	(5,338)
	(65)	—	(563)	244,556
Cash and equivalents				
Increase (decrease)	3,167	(4,202)	3,604	45,192
Balance, beginning of period	51,616	53,274	51,179	3,880
Balance, end of period	\$ 54,783	\$49,072	\$ 54,783	\$ 49,072

Notes To The Consolidated Financial Statements

1. BASIS OF PRESENTATION

Reference is made to the company's Annual Report for 2007 that includes information necessary or useful to the understanding of the company's business and financial statement presentation. In particular, the company's significant accounting policies were presented as Note 2 to the Consolidated Financial Statements included in that report, and changes to these policies are described in Note 2 below. The interim financial statements are unaudited and follow the accounting policies summarized in the notes to the annual financial statements. Financial information in this Report reflects any adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair statement of results for the interim periods in accordance with generally accepted accounting principles in Canada. The results reported in these consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year.

2. CHANGES IN ACCOUNTING POLICIES

Financial Instruments-Disclosures and Presentation

On December 1, 2006, the CICA issued two new accounting standards, Section 3862, *Financial Instruments – Disclosures* and Section 3863, *Financial Instruments – Presentation*. These standards replace Section 3861, *Financial Instruments – Disclosures and Presentations* and enhance the disclosure of the nature and extent of risks arising from financial instruments and how the entity manages those risks. These standards were effective on January 1, 2008.

Capital Disclosures

On December 1, 2006, the CICA issued Section 1535, *Capital Disclosures*. Section 1535 requires the disclosure of: (i) an entity's objectives, policies and process for managing capital; (ii) quantitative data about an entity's managed capital; (iii) whether an entity has complied with capital requirements; and (iv) if an entity has not complied with such capital requirements, the consequences of such non-compliance. This standard was effective on January 1, 2008.

3. INVESTMENTS

The company owns 60.8 million (2007 – 60.8 million) Class A Limited Voting Shares of Brookfield representing a 10.0% (2007 – 10.0%) fully diluted equity interest. The company has pledged 5.3 million of the Class A shares as security for the long-term exchangeable debentures (see Note 4) which are classified as held-for-trading. The remaining 55.5 million Class A shares of Brookfield are classified as available-for-sale.

On January 31, 2008, through a special dividend, Brookfield distributed Limited Partnership Units of Brookfield Infrastructure to the holders of its Class A shares. The company received 2.4 million units of Brookfield Infrastructure which are classified as available-for-sale.

4. LONG-TERM EXCHANGEABLE DEBENTURES

The long-term debentures with a principal amount of \$193.2 million mature on January 10, 2032. The debentures pay interest based on the dividends paid by Brookfield plus a specified amount. The debentures are classified as held-for-trading and accordingly the carrying value at June 30, 2008 of \$175.5 million (December 31, 2007 – \$188.0 million) reflects the market value of the underlying Brookfield Class A shares, which is calculated using the mid-market price.

5. RETRACTABLE PREFERRED SHARES

<i>\$thousands</i>	Issued	June 30, 2008	December 31, 2007
6.26% Class A	5,000,000 (2007 - 5,000,000)	\$ 125,000	\$ 125,000
4.95% Class AA, Series I	3,199,000 (2007 - 3,199,000)	79,975	79,975
4.35% Class AA Series III	8,000,000 (2007 - 8,000,000)	200,000	200,000
Unamortized issue costs		(4,227)	(5,071)
Class AA, Series I and Series III preferred shares acquired		(3,016)	(2,318)
		\$ 397,732	\$ 397,586

6. SHAREHOLDERS' EQUITY

Authorized

50,000,000 preferred shares, issuable in series.

An unlimited number of common shares.

Issued and outstanding <i>(\$thousands, except shares outstanding)</i>	Number Outstanding		Book Value	
	2008	2007	2008	2007
Common shares	79,418,910	79,418,910	\$ 85,031	\$ 85,031
Accumulated other comprehensive income			1,169,107	1,280,174
Retained earnings (deficit)			76,612	24,503
			\$ 1,330,750	\$ 1,389,708

7. RISK MANAGEMENT

The company is exposed to the following risks as a result of holding financial instruments: foreign currency risk, market price risk, interest rate risk and credit risk.

Foreign Currency Risk

Brookfield declares dividends in U.S. dollars, which are then converted to Canadian dollars for distribution to Canadian shareholders, including the company. In addition, the Brookfield Infrastructure Limited Partnership Units and their respective distributions are also denominated in U.S. dollars. During the three month period ended June 30, 2008, a \$0.01 appreciation in the U.S. dollar relative to the Canadian dollar would have increased net income by \$0.1 million related to the Brookfield dividends and the Brookfield Infrastructure distributions.

Changes in the Canadian dollar relative to the U.S. dollar impacts the quoted market value of the company's investment in Brookfield Infrastructure which is quoted in U.S. dollars. During the three month period ended June 30, 2008, a \$0.01 appreciation in the U.S. dollar relative to the Canadian dollar would have increased other comprehensive income by approximately \$0.5 million related to the value of the Brookfield Infrastructure market price.

Market Price Risk

The value of Brookfield Class A Shares, the exchangeable debenture and the Brookfield Infrastructure Limited Partnership Units are exposed to variability in fair value due to movements in equity prices. As a result, the fair value of the company's investment portfolio and the exchangeable debentures may vary from time to time. The company records these investments and the exchangeable debentures at market value. A \$1.00 increase in the market price will increase the carrying values of the exchangeable debentures and the investments in Brookfield and Brookfield Infrastructure by \$5.3 million, \$60.8 million and \$2.4 million, respectively. Changes in the value of the exchangeable debentures and the 5.3 million Brookfield Class A shares that are classified as held-for-trading are recorded in net income, and resulted in net income of \$nil. Changes in the value of the remaining 55.5 million Brookfield Class A shares and the 2.4 million units of Brookfield Infrastructure would have resulted in other comprehensive income of \$55.5 million and \$2.4 million, respectively, on a pre-tax basis.

Interest Rate Risk

The company's preference shares are a fixed rate and the company has negligible floating rate assets or liabilities. Accordingly, changes in the interest rates do not have an impact on net income or other comprehensive income.

Credit Risk

The company has no material counterparty risk as of June 30, 2008.

Liquidity Risk

The company's retractable preference shares and the long-term exchangeable debentures expose the company to liquidity risk to fund dividend and interest obligations. The company endeavors to maintain dividend income within the subsidiary that issued the preference shares that exceeds the projected dividend obligations and expects to be able to continue to achieve this objective based on current circumstances. In addition, the pledged 5.3 million Brookfield Class A Shares generate dividend income which partially offsets the long-term exchangeable debenture's interest payments. Management expects to fund any retraction obligations through a combination of ongoing cash flow, the proceeds from any new financing and proceeds from the sale of Brookfield securities.

8. CAPITAL MANAGEMENT

The capital base managed by the company consists of common equity with a carrying value of \$1,330.8 million at June 30, 2008, \$405 million of retractable fixed rate preferred shares issued by BAM split Corp. and \$193.2 million long-term debentures that are exchangeable into 5.3 million Brookfield Class A shares. There have been no material changes in the company's capital during the three months ended June 30, 2008. The company has complied with all covenants, which are limited, and is subject to any externally imposed capital requirements.

Corporate Information

DIRECTORS

James C. Bacon ^{1, 2}
Corporate Director

Howard Driman ^{1, 2}
Director of Finance
UIA Federations Canada

Brian D. Lawson
Chief Financial Officer
Brookfield Asset Management Inc.

R. Frank Lewarne ^{1, 2}
Corporate Director

Frank N.C. Lochan
Corporate Director

Ralph J. Zarboni ^{1, 2}
Chairman and Chief Executive Officer
The EM Group Inc.

¹ Member of the Audit Committee

² Member of the Governance Committee

CORPORATE OFFICE

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REGISTRAR AND TRANSFER AGENT

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OFFICERS

Frank N.C. Lochan
Chairman

Brian D. Lawson
President

Derek E. Gorgi
Vice President, Finance

Loretta M. Corso
Corporate Secretary

EXCHANGE LISTING

Toronto Stock Exchange
Stock Symbol: BNB



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