EdperBrascan
CORPORATION

1999 Annual Report

EdperBrascan Corporation

The Corporation and its affiliates provide a diversified range of products and services to their customers and clients. The group owns and operates more than 120 major production facilities and properties, located mainly in Canada, the United States and South America, employing over 50,000 people.

EdperBrascan is committed to achieving leadership in each of its businesses by ensuring that each operation is competitive, by allocating capital efficiently to finance growth, and by encouraging mutually beneficial relationships with investment partners, customers and suppliers.

The EdperBrascan Group

Noranda is the world's largest custom smelter of copper, the third largest producer of mined zinc and third largest producer of nickel.

Nexfor is one of the world's largest producers of oriented strandboard and a manufacturer of pulp and specialty papers.

Brookfield owns and manages Class A office properties in major downtown urban centres in North America, and also develops master-planned residential communities.

Great Lakes is an independent producer of hydroelectric power in Ontario, Quebec and the southern United States.

Canadian Hunter explores and develops natural gas properties primarily in Canada's Western Sedimentary Basin.

Trilon provides a wide range of financial and related advisory services to North American clients, including companies within the EdperBrascan group.

Brascan Brazil operates in the forest products, real estate, agricultural and financial services sectors in Brazil.

Annual and Special Meeting

The company's Annual and Special Meeting of Shareholders will be held at 10:30 a.m. on Friday, April 28, 2000 at the Design Exchange, 234 Bay Street, Toronto, Ontario.

Contents

Financial Highlights

Our goal is to build shareholder value by vigorously promoting efficiencies in the group's existing operations and by developing new world class production facilities

millions of Canadian dollars, except per share amounts	1999	1998
Results of Operations		
Share of affiliate revenues	**$ 5,870**	$ 5,712
Operating income	**431**	304
Investment and other income	**91**	100
	522	404
Unallocated costs	**209**	189
Income before investment gains	**313**	215
Investment gains, net	**110**	200
Net income	**$ 423**	$ 415
Financial Position *(at year end)*		
Consolidated asset base	**$10,818**	$ 10,942
Corporate borrowings	**1,718**	1,679
Shareholders' equity	**4,462**	4,280
Per Common Share		
Income before investment gains	**$ 1.53**	$ 1.00
Investment gains, net	**0.62**	1.12
Net income	**$ 2.15**	$ 2.12
Dividends paid	**$ 0.98**	$ 0.98
Book value *(at year end)*	**21.72**	20.58
Common share price *(at year end)*	**19.10**	21.30
Net asset value *(at year end)*	**28.20**	27.01

Name Change

With the completion of the merger of The Edper Group Limited and Brascan Limited, the company's directors have approved, subject to shareholder approval, a change in the company's name from EdperBrascan Corporation to Brascan Corporation. For consistency with future shareholder releases, the balance of this report refers to the company as Brascan Corporation or Brascan.

- *Earnings before investment gains were the highest in the company's history, and total earnings were the second highest on record.*
- *The group's multi-billion dollar capital investment program is being completed on time and within budget.*

Natural Resource Operations

- *Noranda made significant progress with its margin improvement program and launched the Six Sigma management system to further improve profit margins.*
- *Nexfor completed three strategic initiatives to increase its focus on the panelboard business.*

Property Operations

- *Brookfield reported record operating cash flows of $386 million.*
- *Brookfield leased over three million square feet of space at higher rental rates.*

Energy Operations

- *Great Lakes Power acquired a 40% interest in the Maclaren Energy power operations in Quebec, increasing its production base to almost 900 megawatts.*
- *Canadian Hunter reported increased natural gas production volumes and reserves, and record cash flows.*

Financial and Other Operations

- *Trilon's financial advisory and related activities were expanded, with fee revenues increasing by 45%.*
- *Brascan Brazil celebrated its 100th anniversary and took steps to re-enter the electric power business.*

Earnings before investment gains were a record $313 million in 1999. Total earnings of $423 million were also higher than the previous year and the second highest in the company's history.

Earnings before investment gains were 46% higher than in 1998 and our share of group operating cash flows increased by 42% to $890 million.

An improved business environment, productivity gains and the group's expanded production base were the principal reasons for these significant improvements.

Solid growth in each of the group's principal businesses increased shareholders' equity to $4.5 billion at December 31, 1999, 50% higher than five years ago. Dividends paid to shareholders during this period totalled $900 million.

During 1999, we focused on improving the productivity of our existing operations, increasing cash flows and expanding the group's production base, particularly in the natural resource sector.

Our strong financial base, high quality assets and increased productivity have placed us on track to achieve our objective of doubling the group's operating earnings and cash flows.

While our record financial results and the significant value created in recent years have not been fully reflected in the market price of the company's shares, we are convinced that our emphasis on improving profit margins, increasing cash flows and expanding our production base will provide long-term benefits to our shareholders.

Operating Results

Natural resource operations contributed $106 million to the company's operating income in 1999, up significantly from $11 million in 1998. Mining operations, conducted through Noranda, contributed $66 million, up from a break even last year, due mainly to productivity improvements, increased production and higher prices for nickel and zinc. Margin improvements achieved by Noranda since January 1998 are running at an annualized pre-tax rate of $183 million. Mined copper production doubled to 366,000 tonnes, reflecting output from the Collahuasi copper mine which started commercial production in January 1999.

The new Collahuasi mine in Chile is the fourth largest copper mine in the world

Forest products operations, conducted through Nexfor, contributed $40 million, up from $11 million in 1998, reflecting continued progress on productivity and cost improvements as well as higher prices and shipments for panelboards and other building products.

Property operations contributed $100 million in 1999, up from $80 million in 1998. Strong industry fundamentals in most of Brookfield's commercial property and housing markets in North America led to record operating cash flows of $386 million in 1999.

Higher occupancy levels and contractual step-ups in rents were experienced in all major office markets in North America. Over 3.4 million square feet of space were leased in the company's properties during the year, including approximately one million square feet acquired from tenants for re-leasing at higher rental rates. Stronger housing markets, particularly in California, increased total home and lot sales to over 5,500 units.

Energy operations contributed $93 million to operating income in 1999, compared to $75 million in 1998. The production and sale of electric power, conducted through Great Lakes Power, contributed $66 million, comparable to last year. Higher electricity production at the company's hydroelectric operations in Ontario and Quebec, due to improved precipitation, was offset by lower generation at Louisiana HydroElectric Power as a result of drier conditions in the US Midwest.

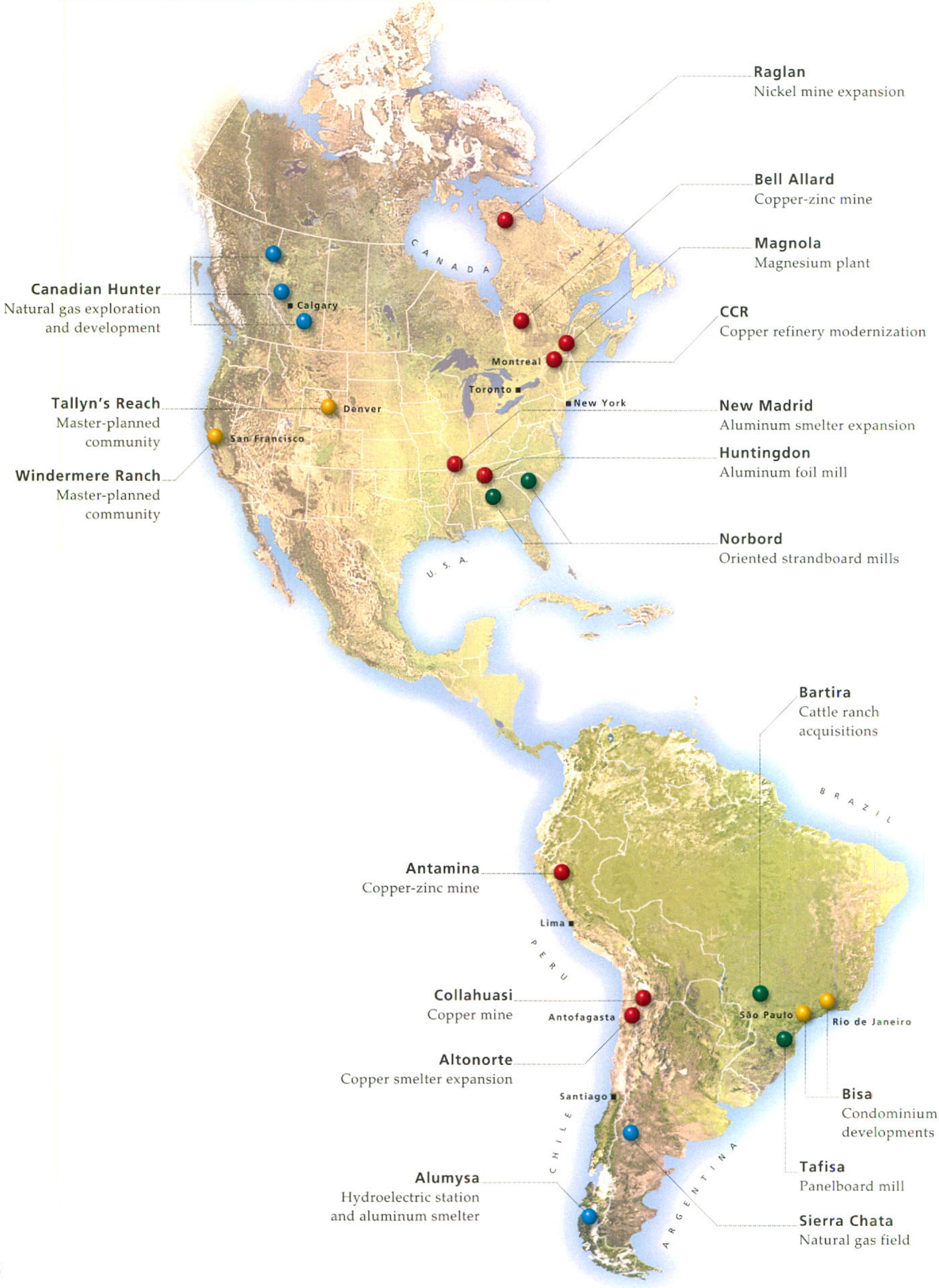
Natural gas operations, conducted through Canadian Hunter, contributed $27 million in 1999, up from $11 million in 1998 as a result of increases in both natural gas prices and volumes during the year. Natural gas production averaged 357 million cubic feet per day during 1999, the highest in Canadian Hunter's history and proven gas reserves increased by 25% to 915 billion cubic feet.

With the acquisition of a 40% interest in the Maclaren Energy hydroelectric operations, Great Lakes Power increased its power production base to 900 megawatts

Financial and other operations contributed $132 million in 1999. All of Trilon's principal businesses reported increased earnings, contributing $116 million to operating income compared to $99 million in 1998. Fee revenues increased by 45%, reflecting the expansion under way in Trilon's advisory businesses and related activities.

Brazilian operations contributed $16 million to operating income in 1999, down from $39 million in 1998 as a result of the difficult business environment in Brazil following the devaluation of its currency in January 1999 and the impact of this devaluation on the translation of Brazilian earnings into Canadian currency. The Brazilian economy has, however, weathered this shock and is expected to resume its growth during the current year.

Current Investment Projects



Capital Investment Program

Progress continued during 1999 on advancing the group's multi-billion dollar investment program to expand its production base.

In Canada, the $119 million Bell Allard copper-zinc mine in northern Quebec started production. Work was substantially completed on the $124 million modernization of the CCR copper and precious metals refinery in Montreal and construction of the $733 million Magnola magnesium plant in southern Quebec is 80% complete.

Great Lakes acquired a 40% interest in the Maclaren Energy power operations, which include three hydroelectric generating stations in western Quebec. Canadian Hunter invested $241 million in exploring and developing its natural gas properties in western Canada and acquired another core area of operation in south central Alberta.

In the United States, construction began on a US$238 million high-speed aluminum foil plant in Tennessee and the US$73 million aluminum smelter expansion in Missouri was substantially completed. A new US$115 million oriented strandboard mill in South Carolina is nearing completion and construction started on a new US$120 million OSB mill in Alabama. Land and housing development activity increased in response to stronger demand, particularly in California.

In South America, development commenced at the US$2.3 billion Antamina copper-zinc mine in northern Peru, the largest new mining project currently under construction. In Chile, a US$170 million expansion of the Altonorte copper smelter is now planned to start in 2000 and feasibility studies are being conducted on the Alumysa hydroelectric power station and aluminum smelter project. In Argentina, an interest was acquired early in 2000 in the Sierra Chata natural gas field.

In Brazil, despite a difficult economic environment, a number of new condominium projects were launched in Rio de Janeiro and São Paulo. In early 2000, an agreement was reached to acquire two new cattle ranches near the company's fully developed Bartira ranch. Plans are being prepared for the addition of a third panelboard line at the Tafisa mill in southern Brazil and consideration is being given to re-entering the electric power generation business, with several projects under review.

At the group's other international operations, a third panelboard line started production in Cowie, Scotland, and feasibility studies are under way for developing the Koniambo nickel deposit in New Caledonia.

Community Endeavours

The companies and employees of the Brascan group support a wide range of community activities. The principal focus of the group's community support has shifted in recent years to health and education, two areas where governments have reduced their funding. In addition, the group's contribution in 1999 to United Way and Centraide programs across Canada increased to $1.4 million.

The winners of the 1999 Peter Bronfman Woodsworth Scholarships: Heather Graham, Paul Young, Aida Jordão and Jieqi Li

The program of post-secondary student assistance established in 1997 in memory of Peter F. Bronfman, who led the group for more than forty years, was expanded during 1999. Over 65 scholarships and awards were made or established during the year for students completing undergraduate and post-graduate studies at eleven universities in Canada and the United States.

Strategy and Outlook

As Brascan enters its second century and the new millennium, we are committed to ensuring profitable growth for our shareholders while making a positive contribution to the communities in which we operate. We will also continue pursuing initiatives to strengthen our high quality diversified asset base with the objective of increasing our core level of earnings over a normal business cycle. Additional shareholder value is expected to be created by acquiring and selling selected business units when market conditions warrant.

Business confidence remains high with clear signs of recovery in Asia and more stable capital markets in South America. As a result, the prices of most of the products and services provided by the group have trended upwards. This positive business environment, combined with our concerted focus on productivity improvements and initiatives to expand operating cash flows, should lead to further growth in earnings in the year 2000.

Appreciation

Mr. Michael Nesbitt will be retiring from the board of directors at the annual meeting of shareholders in April. His contribution to the work of the board and his advice to management over many years are much appreciated.

We also extend our appreciation to all our employees, customers, business partners and shareholders for their support over the past year and look forward to continuing to work together as we enter our second century and the new millennium.

On behalf of the Board:

Robert J. Harding, *Chairman*
February 10, 2000

Jack L. Cockwell, *President*

Brascan At A Glance

	Principal Operating Affiliates	Business Segments	Areas of Operation
Natural Resource Operations	**Noranda Inc. (40%)** **Falconbridge Limited (50%)**	Mining	Canada, Dominican Republic, Chile, Peru
		Metallurgy	Canada, U.S.A., Norway, Dominican Republic, Chile
	Nexfor Inc. (31%)	Building Products	Canada, U.S.A., U.K.
		Pulp and Paper	Canada, U.S.A.
Property Operations	**Brookfield Properties Corporation (50%)**	Commercial Properties	Canada, U.S.A.
		Property Management	Canada, U.S.A.
		Master-planned Communities	Canada, U.S.A.
Energy Operations	**Great Lakes Power Inc. (93%)**	Integrated Power Systems	Canada
		Other Power Operations	Canada, U.S.A.
	Canadian Hunter Exploration Ltd. (40%)	Natural Gas and Oil	Canada, Argentina
Financial and Other Operations	**Trilon Financial Corporation (65%)**	Financial and Advisory Services	Canada, U.S.A., Barbados
		Merchant Banking	Canada
		Brokerage and Other Corporate Services	Canada, U.S.A.
	Brascan Brazil Ltd. (100%)	Forest Products, Agriculture and Real Estate	Brazil
		Financial and Other Services	Brazil, Argentina

Financial Highlights *($ millions)*

	1999	1998	1997	1996	1995
Total assets	**$13,953**	$13,950	$11,569	$10,945	$12,839
Shareholders' equity	**5,601**	5,444	5,130	5,196	4,701
Gross revenues	**8,899**	8,439	8,681	8,974	9,989
Net income*	**326**	48	190	185	524
Brascan's share*	**$ 106**	$ 11	$ 83	$ 87	$ 213

** Before investment gains*

	1999	1998	1997	1996	1995
Total assets	**$11,712**	$11,711	$ 9,145	$ 6,377	$ 4,347
Shareholders' equity	**2,428**	2,313	2,208	784	808
Gross revenues	**2,721**	2,363	1,506	938	826
Net income	**228**	189	109	7	(17)
Brascan's share	**$ 100**	$ 80	$ 47	$ (23)	$ (40)

	1999	1998	1997	1996	1995
Total assets	**$ 3,368**	$ 3,060	$ 2,951	$ 3,251	$ 2,110
Shareholders' equity	**1,632**	1,531	1,541	1,473	1,116
Gross revenues	**613**	514	508	489	257
Net income	**181**	131	139	121	108
Brascan's share	**$ 93**	$ 75	$ 77	$ 78	$ 68

	1999	1998	1997	1996	1995
Total assets	**$ 4,787**	$ 4,936	$ 4,508	$ 3,317	$ 3,088
Shareholders' equity	**2,886**	2,708	2,651	1,763	1,721
Gross revenues	**807**	1,027	827	862	725
Net income*	**223**	218	165	155	125
Brascan's share*	**$ 132**	$ 138	$ 113	$ 104	$ 42

** Before investment gains*

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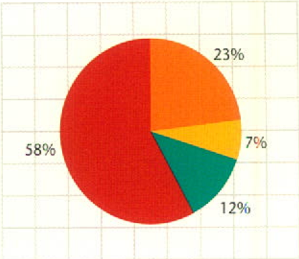
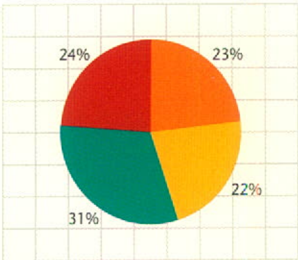
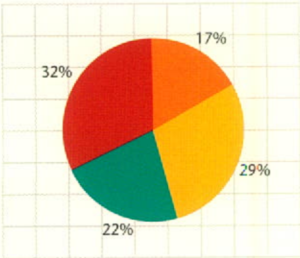
Brascan operates in four principal business sectors



Revenue by Sector



Operating Income by Sector



Net Asset Value by Sector

- Natural Resource Operations
- Property Operations
- Energy Operations
- Financial and Other Operations

A multi-billion dollar capital investment program is being implemented to expand the group's natural resource production base and mineral reserves.

Noranda is committed to improving its financial performance as a leading international mining and metals company.

Nexfor is exploiting its proven operating capabilities in the panelboard segment of the forest products industry.

Brascan's natural resource operations are conducted primarily through 40%-owned Noranda Inc. and its subsidiary, Falconbridge Limited, two international mining and metals companies, and through 31%-owned Nexfor Inc., a forest products company.

Mining and Metallurgy

Noranda is one of the world's largest producers of zinc and nickel, and a significant producer of copper, primary and fabricated aluminum, lead, silver, gold and cobalt. Together with its 50%-owned affiliate, Falconbridge Limited, it employs over 17,000 people at 13 mines, 18 metallurgical plants and nine fabricating facilities located mainly in North and South America.

Noranda reported a significant improvement in operating earnings in 1999 from productivity gains, increased production and higher prices for nickel and zinc. Its Margin Improvement Program has increased pre-tax annual operating margins by $183 million. To sustain this momentum, Noranda has adopted the Six Sigma program, a rigorous statistically-based methodology aimed at breakthrough productivity improvements, which has been used successfully at other international companies such as Dupont, General Electric and Motorola.

Noranda also continued to make progress in implementing its capital investment program, with all major projects on schedule and on budget.

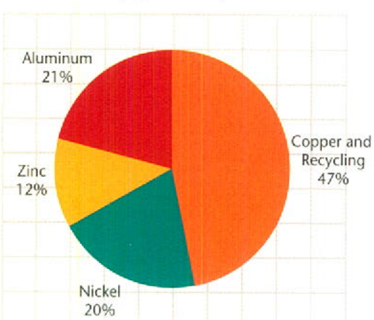
Antamina – Noranda owns a 33.75% stake in the US$2.3 billion Antamina copper-zinc project in northern Peru. Project financing of US$1.3 billion has been arranged and construction is under way on roadwork, pre-stripping of the ore body and construction of the concentrator and tailings dam. This mine will be one of the world's largest producers of copper and zinc ores when it starts production in 2002.

Altonorte – Construction will begin in 2000 on a US$170 million expansion of the Altonorte copper smelter near Antofagasta, Chile. When completed in 2003, it will increase the smelter's annual capacity by 80% to 290,000 tonnes.

CCR – The $124 million modernization project at Noranda's copper and precious metals refinery in Montreal is in the commissioning stage. This project combines permanent cathode technology with highly automated materials handling systems.

Magnola – Construction of the $733 million 63,000-tonne magnesium plant in Danville, Quebec will be in full operation in 2001. This plant will be the largest in the world and among the lowest-cost producers of this light-weight, high-strength metal.

Noranda's Product Sales Mix
(by revenue)



New Madrid – The US$73 million expansion program at the New Madrid aluminum smelter in Missouri has been completed. This expansion introduced single-piece anode technology, which will increase primary aluminum production by 15% to 253,000 tonnes annually.

Huntingdon – Construction of the US$238 million high-speed 90,000-tonne aluminum foil plant in Tennessee is proceeding on schedule, for a production start in early 2001. This project will increase Noranda's foil capacity by 75% to meet the increasing US demand for this product.

Noranda expects to benefit from the continued buoyancy of the US economy combined with the recovery in Asia and renewed growth in much of Europe. The price recoveries that started in 1999 are expected to be sustained. In order to reduce its vulnerability to the inherent cyclicality in the prices of its products, Noranda will continue its emphasis on productivity improvements and on developing value-added products.

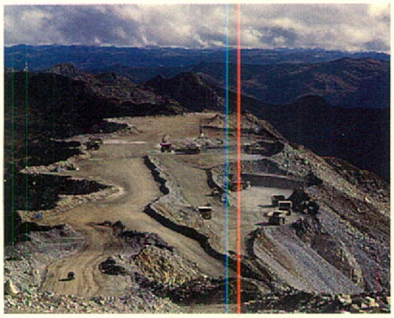
Forest Products

Nexfor's operations are focused on the building products and pulp and paper segments of the forest products industry. Its operations in Canada, the United States and the United Kingdom include nine panelboard mills, five lumber mills and five paper and pulp plants, which currently employ 6,400 people.

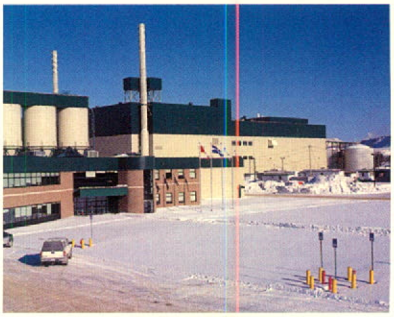
Nexfor reported record earnings, mainly as a result of strong demand for building products, particularly in the United States where housing starts were at a 12-year high. Nexfor continued to make progress on its Margin Improvement Program, which delivered $66 million of improvements in 1999 through improved product mix, cost reductions and production volume increases.

Nexfor is a leading producer of panelboard products used in the construction and furniture manufacturing industries, including oriented strandboard ("OSB"), a structural wood panel that is being increasingly used as a substitute for plywood. During 1999, Nexfor completed three strategic initiatives to increase its focus on this sector: the sale of its 50% interest in Northwood, a British Columbia-based lumber and pulp producer; the sale of 79% of its Maclaren Energy hydroelectric power operations in Quebec; and the acquisition of the 50% interest that it did not already own in CSC Forest Products, the United Kingdom's largest producer of panelboards.

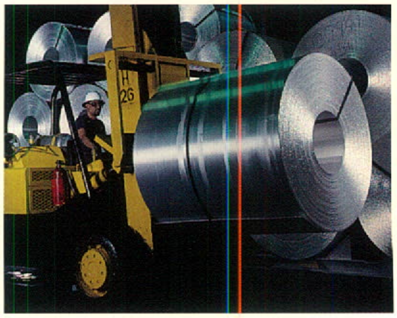
Nexfor's new US$115 million OSB mill in Joanna, South Carolina, is nearing completion for a production start-up in 2000. Construction started in early 2000 on another North American OSB mill in Alabama. When completed in late 2001, this US$120 million project will make Nexfor the world's third largest producer of this building product with an annual capacity of 2.7 billion sq. ft. *(on a 3/8" basis)*.



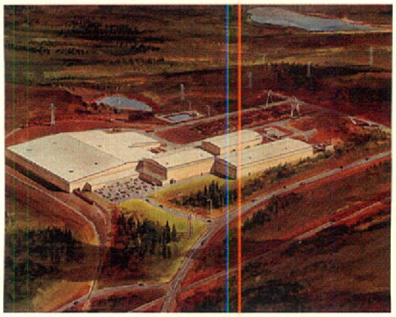
The project financing for the Antamina copper-zinc mine in northern Peru was the largest ever arranged for a base metal mine



Noranda's new magnesium plant in Quebec is expected to be one of the world's lowest-cost producers of this metal



Noranda's new high-speed aluminum foil mill in Huntingdon, Tennessee will increase capacity by 75%



Nexfor's new panelboard mill in South Carolina is nearing completion and will be one of the lowest-cost producers of this product

Property Operations

The group owns premier office properties, operates real estate service businesses and develops master-planned residential communities in North America.

Brookfield's properties are managed to reduce financial and operating risks and to increase cash flows.

Non-core commercial properties and selected landholdings are being sold to generate capital for reinvestment in premier office buildings.

Brascan's property operations in North America are conducted through 50%-owned Brookfield Properties Corporation, a leading commercial property company which is also active in the land and housing sectors. Brookfield employs approximately 2,500 people in Canada and the United States. With approximately 72% of its property assets located in the United States, Brookfield listed its common shares on the New York Stock Exchange in 1999.

Commercial Properties

Brookfield owns a portfolio of 46 commercial properties containing 33 million sq. ft. of rental space. Over 80% of this portfolio consists of premier office and mixed-use properties located in six of the major head office markets in North America – New York, Toronto, Boston, Denver, Minneapolis and Calgary.

The fundamentals of the office property business remained positive throughout 1999. In most of Brookfield's markets, vacancy rates reached their lowest levels in 15 years and rental rates reached record highs. This enabled Brookfield to increase 1999 cash flows by 33% to $386 million.

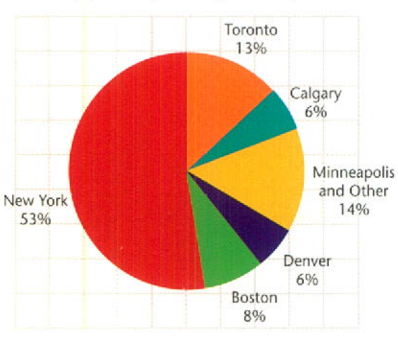
During the year, Brookfield leased over 3.4 million sq. ft. of space, consisting of 1.2 million sq. ft. of new occupancies, 1.3 million sq. ft. of renewals and 0.9 million sq. ft. of space which was acquired from tenants prior to lease expiry and re-leased at substantially higher rates.

New York, where Brookfield has five major properties, ended 1999 with the lowest unemployment and strongest economy in 20 years led by the financial services, telecommunications and entertainment industries. The 750,000 sq. ft. of office space which Brookfield acquired from its tenants was re-leased to Goldman Sachs and other major clients.

Toronto, Brookfield's second most important office market, rebounded after the uncertainty surrounding the proposed bank mergers was removed. Queen's Quay was firmly established as a preferred office location, with the relocation of CIT Group from BCE Place and the opening of Charles Schwab's Canadian head office.

In Calgary, Brookfield's third largest market, higher oil prices and continued strength in natural gas led to better than expected leasing results. Boston, Brookfield's newest market, has become one of the strongest office markets in the United States, as a result of high demand from the financial and technology sectors.

Brookfield's Commercial Property Portfolio
(by net operating income)



As part of its ongoing strategy of increasing the premier office component of its portfolio, Brookfield disposed of several non-core office and retail properties in 1999 and withdrew from the real estate lending business, realizing $250 million from this program.

Brookfield also owns one of the largest property management companies in North America, managing over 100 million sq. ft. of space for the company and institutional clients. In addition, it has become one of the largest facilities managers in Canada, a business that involves operations maintenance and facilities planning for single-purpose, owner occupied buildings. In 1999 and early 2000, Brookfield obtained two major contracts to manage facilities for Royal Bank and Nortel Networks and now manages over 50 million sq. ft. of premises across Canada.

In 1999, Brookfield formed *e-ffinity Properties* to develop e-commerce, telecom and affinity programs for its office tenants in order to help them benefit from advances in the areas of telecommunications, broadband internet and data and affinity programs. As part of this initiative, Brookfield entered into a strategic alliance with Cypress Communications Inc. of Atlanta to service its major properties in the United States.

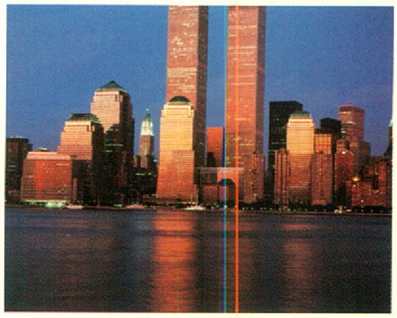
With the continuing strong economy, Brookfield expects to benefit from healthy demand and restricted supply in its major office markets. Brookfield also plans to increase the premier office component of its portfolio in its six key markets by using internally generated cash flow and the proceeds from the sale of non-core properties.

Master-Planned Communities

Brookfield's housing operations are focused on building master-planned communities in selected markets in the United States and Canada. Housing demand increased in 1999, particularly in California, as a result of a continuing strong economy combined with low mortgage and unemployment rates.

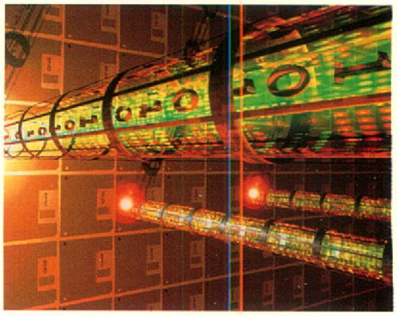
The first lots were sold at *Tallyn's Reach*, a new 2,000 unit master-planned community in Denver. *Windermere Ranch*, one of the last major tracts of housing land in the east Bay area of San Francisco, received final approvals. This 5,200 unit project is owned equally by Brookfield and two other partners.

Brookfield's home and lot sales in 1999, including land sold to other builders, increased by 25% to 5,600 units. With a housing sales backlog of over 1,000 units, the net cash flow generated from these operations and available for reinvestment into Brookfield's other businesses is expected to exceed $250 million in 2000.

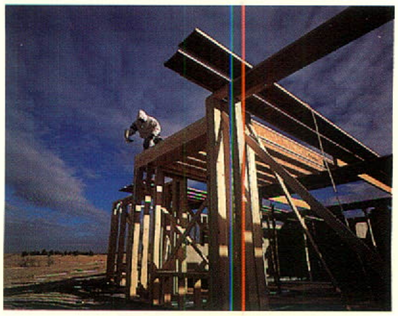


Brookfield owns five premier office properties in New York City, including three of the World Financial Center properties

Brookfield's Queen's Quay office building was firmly established as a preferred location on Toronto's waterfront



Brookfield formed e-ffinity Properties *to develop e-commerce, telecom and affinity programs for its office tenants*



The first lots were sold in 1999 at Tallyn's Reach, Brookfield's new master-planned community in Denver

The group's energy operations are focused on improving productivity and the efficient utilization of its water storage facilities and natural gas reserves.

Great Lakes is exploring opportunities to expand its hydroelectric generating capacity and water storage facilities, and plans to participate actively in the restructuring of the power industry.

Canadian Hunter is expanding its natural gas reserves in Alberta and British Columbia, while maintaining top quartile operating and replacement costs.

Brascan's energy operations are conducted through 93%-owned Great Lakes Power Inc., an independent electricity producer with operations in eastern Canada and the southern United States, and 40%-owned Canadian Hunter Exploration Ltd., a natural gas producer based in western Canada.

Electricity

Great Lakes operates 19 hydroelectric power plants and one natural gas-fired cogeneration plant, which have a total installed capacity of approximately 900 megawatts ("MW") and an average annual energy output of over 5,200 gigawatt hours ("GWh"). These operations employ 235 people.

Higher precipitation levels in northern Ontario and Quebec enabled Great Lakes to increase its power generation by 18% to 3,603 GWh in 1999 from 3,045 GWh in 1998. Power sales remained unchanged at 4,410 GWh, due to the offsetting impact of drier conditions in the Mississippi River basin which reduced power sales and generation at Louisiana HydroElectric Power.

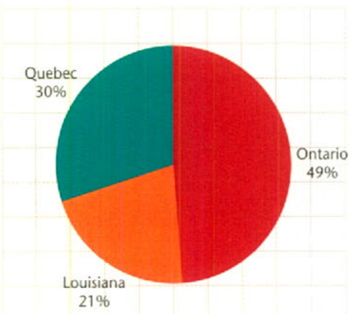
Two important acquisitions were made in 1999 to expand Great Lakes' production base – 40% of the Maclaren Energy power operations in western Quebec and a further 25% residual interest in Louisiana HydroElectric Power. These initiatives increased the total capacity of the power plants that Great Lakes operates and holds interests in by 36% to approximately 900 MW.

Maclaren Energy operates an integrated hydroelectric power generation, transmission and distribution system on the Lièvre River, which flows into the Ottawa River east of Hull, Quebec. Its operations include three power stations with a combined installed capacity of 238 MW and an average annual generation of more than 1,400 GWh. The system has 30 miles of transmission lines, including four interconnections with the Quebec power grid and two with the Ontario power grid.

Great Lakes' investment in the Maclaren Energy power operations was made by purchasing 40% of the units in newly formed Great Lakes Hydro Income Fund, the owner of these power operations.

Great Lakes continues to improve the productivity of its operations and the management of its water resources. Its returbining program in northern Ontario, which has added 17 MW to Great Lakes' installed capacity over the past four years, continued with the rebuilding of one unit at the MacKay Station on the Montreal River.

Great Lakes' Power Production Base
(by installed capacity)



A new supervisory control and data acquisition system was installed in 1999 for the company's Northern Ontario Power operations with state-of-the-art capabilities for energy and water resource management. The productivity gains from these and similar improvements will enable the company to maintain its position as one of North America's lowest-cost generators of electricity.

1999 was a significant year in the reshaping of the electricity industry in Ontario. Ontario Hydro was restructured into a number of separate corporate business units and the groundwork was laid for the introduction of a competitive energy market in the province by late 2000. Great Lakes participated actively in the consultation process leading up to these changes and continues to consult with the government on matters of specific concern to independent power companies operating in the province.

Great Lakes is actively exploring opportunities to acquire and develop additional hydroelectric capacity, in order to participate in the benefits of the electric power industry restructuring now under way in North and South America. A comprehensive industry study of the Brazilian power market was recently completed in preparation for pursuing power development opportunities in that country.

Natural Gas

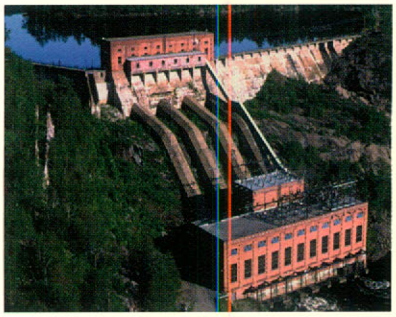
Canadian Hunter is a natural gas and oil exploration and production company based in western Canada. Canadian Hunter has over 900 billion cubic feet of proven natural gas reserves and employs 190 people at its operations in British Columbia and Alberta.

Canadian Hunter reported a significant increase in net income during 1999, largely as a result of a 24% increase in natural gas production and a 26% increase in natural gas prices during the year. Natural gas production was a record 357 million cubic feet a day, the highest rate in the company's history. Realized natural gas prices at the plant gate averaged $2.60 per thousand cubic feet, the highest in 14 years despite unusually warm winter weather in North America.

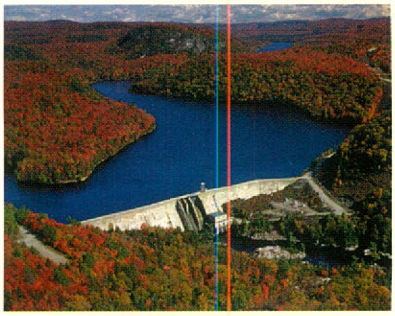
Canadian Hunter continued to expand its production base, investing $241 million on exploration and development. Drilling activities consisted of 266 gross wells with an 83% success rate.

During 1999, Canadian Hunter established a new core production area by acquiring Kintail Energy, which has operations in south central Alberta. This complements its other operations in the Western Sedimentary Basin in British Columbia and Alberta.

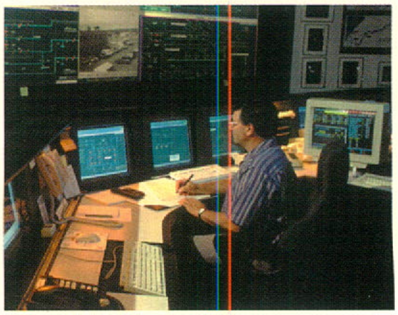
While Canadian Hunter will continue to focus on developing its core areas in western Canada, it is also exploring development potential elsewhere in the Americas. In early 2000, it purchased an interest in the Sierra Chata natural gas field, a producing property located in the Nequén Basin in Argentina.



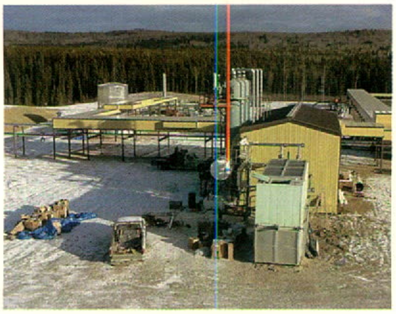
Acquisition of a 40% interest in the Maclaren Energy power operations in Quebec added 238 MW to Great Lakes' production base



Higher precipitation in Ontario and Quebec increased internal power generation by 18%



Water utilization at the company's Northern Ontario Power stations has been improved through installing advanced control systems



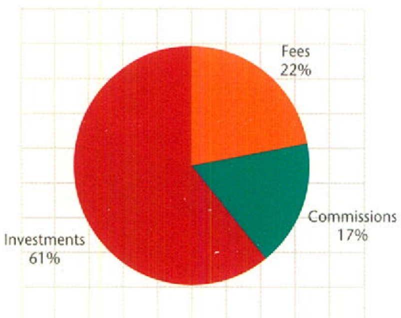
Canadian Hunter's natural gas production increased by 24% in 1999

Through Trilon, the group offers a broad range of financial, advisory, investment management and corporate services, specializing in the real estate, natural resources, energy and financial sectors.

Trilon endeavours to develop and maintain long-term partnerships and client relationships with financial institutions, corporations and growing mid-size Canadian companies.

The group's Brazilian operations, including its investment banking business, are being more closely aligned with their North American counterparts to share best practices and increase returns.

Trilon's Revenue Mix



Brascan's financial operations are conducted through 65%-owned Trilon Financial Corporation. Its diversified Brazilian businesses are conducted through wholly owned Brascan Brazil Ltd.

Financial Services

Trilon provides corporate and institutional clients with a broad range of financial and management services and, where appropriate, invests its own capital to assist clients implement their business plans. Trilon also contributes significantly to the corporate and financial initiatives of Brascan group companies. These operations employ 9,800 people including 8,000 real estate brokerage agents and representatives.

In 1999, Trilon expanded its services and client base and integrated Royal LePage into its operations. This led to a 16% increase in net income. In particular, fee revenue increased by 45% to $80 million from 1998, reflecting the expansion under way in Trilon's fee generating activities.

Major financial assignments completed during the year included acting as the lead financial advisor to Summit Real Estate Investment Trust on its successful acquisition of Avista REIT. Trilon also provided the bridge financing to facilitate the creation of the merged company, now the second largest REIT in Canada with over $900 million in assets.

Trilon was also instrumental in creating the Great Lakes Hydro Income Fund to monetize Nexfor's investment in the Maclaren Energy hydroelectric operations in Quebec. Trilon acted as one of the underwriters of $176 million of trust units of the Fund, which were successfully sold under difficult market conditions.

Trilon adopted a cautious stance on new loan originations, focusing on relationships established in prior years, including the senior debt financing secured by the Kemess gold mine in British Columbia. Trilon subsequently provided the financing to Northgate Exploration to enable it to purchase this mine.

The privatization of Royal LePage was completed in the spring of 1999. Trilon continued to build its residential property brokerage business during the year, adding 33 new branches to its franchise network and increasing its share of the Canadian residential sales market to 23%.

Trilon's employee relocation services have grown substantially over the past five years through new clients and acquisitions. During 1999, Trilon obtained a contract to provide relocation services to the Federal Government and processed over 10,000 residential moves. Trilon's property appraisal business unit, *Canadian Appraisal Performance Systems,* implemented a new state-of-the-art online web-based system to provide residential appraisal information to financial institutions in less time and at a lower cost than previous paper-based systems. CIBC has implemented the program nationally and other clients are currently in the pilot stage.

Trilon has laid the groundwork for expanding its investment management business and plans to introduce a number of new investment funds in 2000, including *Diversified Canadian Financial Corp.*, a $300 million investment portfolio of preferred shares.

Trilon is committed to emphasizing *Progressive Client Solutions* in expanding relationships with its established clients and partners and by developing products and services which utilize the latest e-commerce and other new technologies.

Brazilian Operations

Brascan Brazil operates in the forest products, agricultural, real estate and financial services sectors. These businesses are conducted directly and through a number of partly owned affiliates and joint ventures, which together employ over 16,000 people.

1999 was a challenging year for the Brazilian economy as a result of a major devaluation of the *real* early in the year and continuing high interest rates, which together led to a slowdown in Brazil's growth. The Brazilian economy has, however, weathered these shocks, and is expected to resume its growth during 2000.

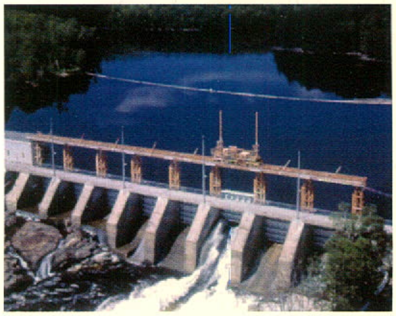
The Tafisa panelboard mill in southern Brazil was officially opened during 1999 and now produces 12 million cubic feet of medium-density fibreboard and particleboard annually. This joint venture with the Sonae group of Portugal, in which Brascan Brazil has a 37% interest, is planning to add a third line primarily for the export market.

Brascan Brazil has developed considerable expertise in cattle breeding at its two ranches in central Brazil, which support over 26,500 head of cattle. In early 2000, an agreement was reached to acquire two new cattle ranches near the company's fully developed Bartira ranch in the western part of the State of São Paulo.

Given the uncertain economic conditions during 1999, Brascan Brazil's real estate operations focused on improving productivity and cash flows from existing retail and hotel operations.

In July 1999, Brascan Brazil celebrated its first hundred years of business in Brazil. As the company enters its second century, it is considering re-entering the electricity business, which it pioneered and which remained its principal business until 1979.

Trilon provided financial advice and bridge financing to Summit REIT for its acquisition of Avista REIT



Trilon advised on the formation of Great Lakes Hydro Income Fund and participated in underwriting the initial public offering of its securities

Trilon provided the financing to assist Northgate Exploration acquire the Kemess gold mine in British Columbia

A third line is planned for the Tafisa panelboard mill in southern Brazil to produce medium-density fibreboard for the export market

Our goal is to increase the group's earnings and cash flows through the development of new production facilities and by improving the efficiency of existing operations

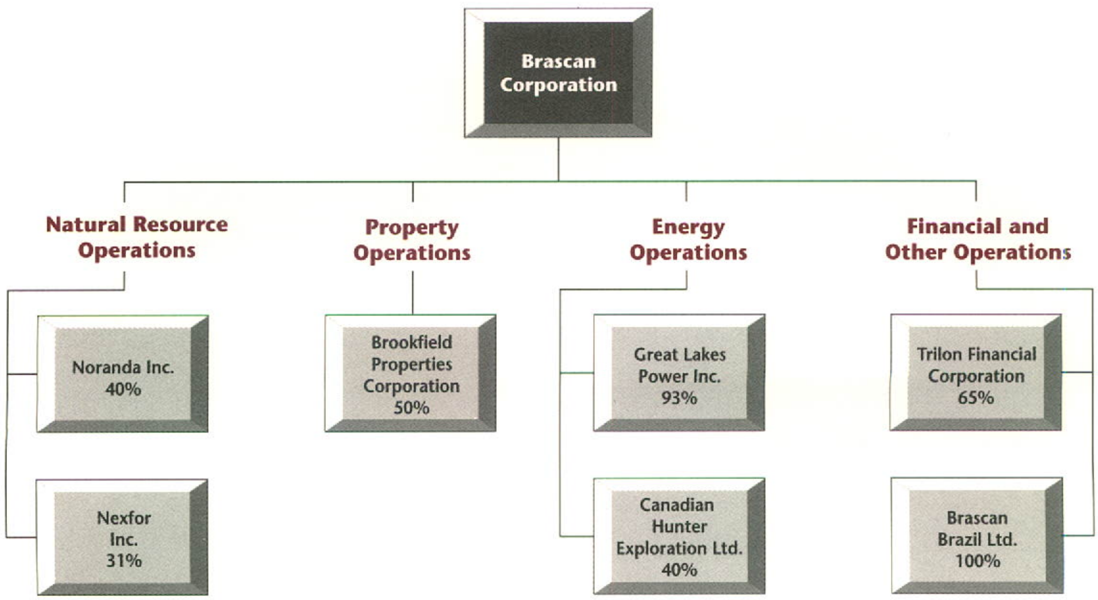
Financial Analysis and Review

The following sets out management's analysis of the financial position and results of operations of EdperBrascan Corporation* for the years ended December 31, 1999 and 1998. The information is intended to assist readers in analyzing the financial affairs of the company and its main operating affiliates.

Management and investors rely primarily on segmented financial information to evaluate the performance of the company and its principal affiliates. Accordingly, this Management Discussion and Analysis has been presented on a segmented basis. The company's segmented financial statements reflect all the company's publicly traded operating affiliates and Brascan Brazil on an equity basis.

In addition to the information in this section, Brascan's audited financial statements for 1999 and 1998 including notes thereon, found on pages 33 to 44, provide information on the company's consolidated financial position.

Brascan's direct and indirect ownership interests in its principal subsidiaries and affiliates as at December 31, 1999 are illustrated in the abridged corporate chart below:



In this Financial Analysis and Review, the following abbreviations are used to refer to Brascan's principal affiliates: Brascan Brazil Ltd. ("Brascan Brazil"); Brookfield Properties Corporation ("Brookfield"); Canadian Hunter Exploration Ltd. ("Canadian Hunter"); Great Lakes Power Inc. ("Great Lakes"); Nexfor Inc. ("Nexfor"); Noranda Inc. ("Noranda"); and Trilon Financial Corporation ("Trilon").

* *Shareholders are being asked to approve a change in the company's name from EdperBrascan Corporation to Brascan Corporation ("Brascan") at the Annual and Special Meeting on April 28, 2000. For consistency with future shareholder releases, the new name, Brascan, is used throughout this Financial Analysis and Review.*

RESULTS OF OPERATIONS

Net income for the year ended December 31, 1999 increased to $423 million or $2.15 per fully diluted share from $415 million or $2.12 per fully diluted share for the year ended December 31, 1998. Net income included net investment gains of $110 million in 1999 and $200 million in 1998.

Income before investment gains was $313 million or $1.53 per fully diluted share in 1999, up 46% from $215 million or $1.00 per fully diluted share in 1998.

The company's segmented income and expenses are summarized in the following table:

millions, except per share amounts	Years ended December 31 1999	1998
Share of affiliate revenues	**$5,870**	$5,712
Operating income	**431**	304
Investment and other income	**91**	100
	522	404
Unallocated costs	**209**	189
Income before investment gains	**313**	215
Investment gains, net	**110**	200
Net income	**$ 423**	$ 415
Per fully diluted Class A and Class B Limited Voting Common Share		
Income before investment gains	**$ 1.53**	$ 1.00
Net income	**$ 2.15**	$ 2.12

Share of Affiliate Revenues

Brascan's share of its affiliates' revenues, based on its proportionate ownership of these companies, was $5.9 billion in 1999 compared to $5.7 billion in 1998. Of the company's share of affiliate revenues during 1999, 57% was derived from natural resource operations, 23% from property operations and the balance from energy operations and financial services and other operations.

Brascan's proportionate share of affiliate revenues by sector is shown in the following table:

millions	Years ended December 31 1999	1998
Natural resource operations	**$3,341**	$3,158
Property operations	**1,360**	1,180
Energy operations	**397**	361
Financial and other operations	**681**	913
Investment and other income	**91**	100
Share of affiliate revenues	**$5,870**	$5,712

Operating Income

Operating income before investment revenues and unallocated costs increased to $431 million in 1999 from $304 million in 1998. Segmented operating income by sector is shown in the following table:

millions	Years ended December 31 1999	1998
Natural resources	**$106**	$ 11
Property operations	**100**	80
Energy operations	**93**	75
Financial and other operations	**132**	138
Operating income	**$431**	$304

The company's investments in commercial properties, electricity operations and financial services provide a relatively stable earnings base, which generally helps balance the cyclical impact of metal, forest products and natural gas prices.

The contribution to Brascan's income of each operating sector is reviewed below.

Natural Resource Operations

Natural resource operations contributed $106 million to the company's segmented income for 1999, compared to $11 million in 1998, as both mining and metals and forest products earnings were substantially higher. Natural resource earnings are derived from Noranda and Nexfor as follows:

millions	Years ended December 31 1999	1998
Operating earnings from:		
Noranda	**$ 66**	$ —
Nexfor	**40**	11
Natural resources operating earnings	**$106**	$ 11

Noranda's income from continuing operations was $186 million in 1999, up significantly from $1 million in 1998. This increase was due mainly to productivity improvements, higher prices for nickel and zinc and a 10% increase in copper production.

The following table shows Noranda's segmented income and Brascan's share thereof:

millions	Years ended December 31 **1999**	1998
Operating income		
Copper	**$ 76**	$ 72
Zinc	**55**	—
Aluminum	**64**	54
Falconbridge	**119**	30
	314	156
Unallocated costs	**128**	155
Income from continuing operations	**186**	1
Minority interests and other	**120**	1
Brascan's share	**$ 66**	$ —

Increased volumes and lower costs offset lower average prices for copper and aluminum. Falconbridge Limited realized higher average prices for nickel and increased its copper output with a new mine brought into production in Chile.

Nexfor reported income before asset sales and other provisions of $140 million in 1999 compared to $47 million in 1998. The following table shows Nexfor's segmented income and Brascan's share thereof:

millions	Years ended December 31 **1999**	1998
Operating income		
Building materials	**$264**	$123
Pulp and paper	**(13)**	11
Energy	**23**	19
	274	153
Unallocated costs	**134**	106
Income before investment gains, net	**140**	47
Minority interests and other	**100**	36
Brascan's share	**$ 40**	$ 11

Strong demand for lumber and structural panels in North America led the building materials segment to a record performance. Contribution from the pulp and paper segment declined due to lower weighted average mill nets. Increased water flows raised the contribution from energy. Nexfor completed several strategic initiatives during 1999, including the sale of its interest in Northwood Inc. ("Northwood") and 79% of its interest in the Maclaren Energy hydroelectric operations ("Maclaren Energy"), and reduced the carrying value of its pulp and paper assets, which together resulted in a net investment gain of $126 million.

Property Operations

Property operations contributed $100 million to the company's segmented income in 1999, up from $80 million in 1998. This increase reflects improved performance in each area of operation and the contribution from properties acquired during 1998.

Brookfield reported net income of $228 million in 1999, up from $189 million in 1998. The following table shows Brookfield's segmented income and Brascan's share thereof:

millions	Years ended December 31 **1999**	1998
Operating income		
Commercial properties	**$ 848**	$750
Land and housing	**94**	80
Other income	**77**	92
	1,019	922
Unallocated costs	**791**	733
Net income	**228**	189
Minority interests and other	**128**	109
Brascan's share	**$ 100**	$ 80

Commercial property operations benefited from increased occupancy levels, higher net effective rental rates and property acquisitions. The contribution from land and housing operations increased due to higher prices and volumes for lot and home sales.

Energy Operations

Energy operations contributed $93 million to the company's segmented income in 1999, up from $75 million in 1998 due mainly to increased hydroelectric power generation and higher natural gas prices. Brascan's energy earnings are derived from Great Lakes and Canadian Hunter as follows:

millions	Years ended December 31 **1999**	1998
Operating earnings from:		
Great Lakes	**$66**	$64
Canadian Hunter	**27**	11
Energy operating earnings	**$93**	$75

Great Lakes reported net income of $113 million in 1999 compared to $105 million in 1998. The following table shows Great Lakes' segmented income and Brascan's share thereof:

millions	Years ended December 31 1999	1998
Operating income		
Power generation	**$188**	$191
Investment and other	**98**	101
	286	292
Unallocated costs	**173**	187
Net income	**113**	105
Minority interests and other	**47**	41
Brascan's share	**$ 66**	$ 64

Power operations increased its contribution as a result of improved productivity and higher precipitation levels in the northern Ontario hydroelectric system. Internal power generation at these operations increased from 40% to 62% of power sales.

Canadian Hunter reported net income of $68 million in 1999 compared to $27 million in 1998. The following table shows Canadian Hunter's segmented income and Brascan's share thereof:

millions	Years ended December 31 1999	1998
Operating income		
Natural gas	**$232**	$151
Natural gas liquids and oil	**46**	37
	278	188
Unallocated costs	**210**	161
Net income	**68**	27
Minority interests and other	**41**	16
Brascan's share	**$ 27**	$ 11

Natural gas operations increased its contribution reflecting an increase in pipeline capacity in the United States and higher domestic natural gas prices. The contribution from natural gas liquids and oil operations increased in response to stronger world oil prices.

Financial and Other Operations

Financial and other operations contributed $132 million to the company's segmented income in 1999, compared to $138 million in 1998, due to a lower contribution from the company's Brazilian operations.

Earnings from financial and other operations are derived from Trilon and the company's Brazilian operations as follows:

millions	Years ended December 31 1999	1998
Operating earnings from:		
Trilon	**$116**	$ 99
Brazilian operations	**16**	39
Financial and other operating earnings	**$132**	$138

Trilon reported income before investment gains of $207 million in 1999 compared to $179 million in 1998. The following table shows Trilon's segmented income and Brascan's share thereof:

millions	Years ended December 31 1999	1998
Operating income		
Commercial financing	**$ 94**	$108
Investment banking	**48**	36
Merchant banking	**73**	52
Investment management, brokerage and other services	**42**	30
	257	226
Unallocated costs	**50**	47
Income before investment gains, net	**207**	179
Minority interests and other	**91**	80
Brascan's share	**$116**	$ 99

Capital continued to be redeployed from commercial financing into other higher earning sectors of Trilon's business. Investment banking operations benefited from increased advisory business and the expansion of Trilon's international operations.

The contribution from merchant banking operations increased due to a higher level of loans outstanding and improved average interest rates realized.

Investment management and other services increased with a higher level of assets invested in this segment, strong growth in relocation services and buoyant residential property resale markets.

The company's wholly owned Brazilian operations contributed $16 million in 1999, down from $39 million in 1998. The following table shows the segmented income from these operations:

millions	Years ended December 31 1999	1998
Operating income		
Real estate	**$19**	$16
Natural resources	**(7)**	(6)
Financial and other services	**31**	56
	43	66
Unallocated costs	**27**	27
Brascan's share	**$16**	$39

The contribution from Brazilian operations decreased reflecting a difficult business environment in Brazil following a significant currency devaluation early in 1999.

Investment and Other Income

Investment and other income for 1999 was $91 million, down from $100 million in 1998 due to a lower average level of financial assets employed.

Investment and other income consists principally of interest and dividend income earned on loans receivable, securities issued by affiliates and net transactional and other gains.

Unallocated Costs

Unallocated costs were $209 million in 1999 compared to $189 million in 1998, mainly due to higher interest expense and tax and other provisions as shown in the following table:

millions	Years ended December 31 1999	1998
Interest expense	**$111**	$101
Operating and other costs	**8**	8
Minority interests	**68**	70
Tax and other provisions	**22**	10
Unallocated costs	**$209**	$189

Higher average debt balances increased the company's interest expense. Operating and other costs were contained at 1998 levels. Minority interest charges reflect dividends paid on preferred shares issued by the company's investment subsidiaries.

In addition to the taxes reflected in Brascan's segmented income statement, the company's principal affiliates pay substantial income and other taxes to federal, provincial, state and municipal governments. Brascan and its affiliates pay approximately $750 million in taxes and charges to all levels of government annually, not including goods and services and employee taxes.

Net Investment Gains

Brascan's share of net investment gains realized by its affiliates was $110 million in 1999 and $200 million in 1998, as shown in the following table:

millions	Years ended December 31 1999	1998
Trilon	**$ 97**	$ —
Nexfor	**13**	—
Noranda	**—**	200
Net investment gains	**$110**	$200

During 1999, Trilon recorded a gain of $150 million which it had previously deferred on the sale of its insurance operations in 1997. Brascan's share of Trilon's gain was $97 million.

During 1999, Nexfor sold its 50% investment in Northwood and 79% of its Maclaren Energy hydroelectric operations for total gross proceeds of $545 million. After providing for taxes and making provisions of $244 relating to its pulp and paper operations, Nexfor recorded a net gain of $126 million. Brascan recognized only $13 million of this gain and deferred recognition of the portion relating to the Maclaren Energy operations purchased by Great Lakes.

During 1998, Noranda sold a 49% interest in Norcen Energy Resources Limited for gross proceeds of $1.8 billion. After providing for taxes and other provisions in connection with the sale, Noranda realized a net gain of $583 million, of which Brascan's share was $200 million.

BALANCE SHEET ANALYSIS

Brascan's segmented balance sheet as at December 31, 1999 and 1998 was as follows:

millions	At December 31 1999	1998
Corporate investments		
Noranda	**$1,787**	$1,867
Brookfield	**1,226**	1,149
Trilon	**1,303**	1,141
Great Lakes	**664**	698
Nexfor	**377**	362
Canadian Hunter	**207**	180
Brascan Brazil	**330**	358
Financial and other assets	**1,274**	1,304
	$7,168	$7,059
Liabilities		
Accounts payable and other	**$ 51**	$ 65
Corporate borrowings	**1,718**	1,679
	1,769	1,744
Deferred credits	**179**	179
Capital base and minority interests		
Minority interests	**606**	651
Convertible notes	**152**	205
Shareholders' equity	**4,462**	4,280
	5,220	5,136
	$7,168	$7,059

Corporate Investments

Brascan's corporate investments represented 82% of the book value of the company's segmented assets at December 31, 1999.

The company's common shareholdings and its percentage ownership interest in its principal investments at December 31, 1999 are set out in the following table:

	Common Shares	Ownership Interest [1]
Noranda	96,843,136 [2]	39.7%
Brookfield	77,303,013 [3]	49.8%
Trilon	106,135,897	65.3%
Great Lakes	116,807,084 [4]	92.6%
Nexfor	47,403,974	31.3%
Canadian Hunter	23,530,203	39.6%
Brascan Brazil	56,000,000	100.0%

1. *Fully diluted*
2. *Includes 2,722,323 common shares relating to $76.9 million Noranda convertible debentures*
3. *Includes 7,500,000 common shares relating to $112.5 million Brookfield convertible debentures*
4. *Includes 19,751,898 common shares relating to $198.5 million Great Lakes convertible debentures*

There were no significant changes during 1999 in the company's shareholdings of its major affiliates.

Financial and Other Assets

Financial and other assets represented 18% of the book value of the company's segmented assets at December 31, 1999. The composition of the company's financial and other assets at December 31, 1999 and 1998 was as follows:

millions	December 31 1999	1998
Preferred shares of affiliates		
Brookfield	**$ 152**	$ 227
Trilon	**198**	198
Other group affiliates	**145**	145
Loans and other receivables		
Noranda	**77**	77
Brookfield	**517**	624
Other loans and deposits, net	**185**	33
Total financial and other assets	**$1,274**	$1,304

Brascan supports its affiliates within the context of approved business plans by providing them with bridge financing when appropriate and by subscribing for their preferred shares or other securities. In doing so, the company invests its surplus funds and earns a comparable yield to other similar financial instruments.

Capital Investments

During 1999, Brascan and its affiliates invested approximately $2.1 billion in capital projects. The following schedule shows the capital investments in the group's major production facilities and operating properties during 1999 and 1998.

millions	Years ended December 31 1999	1998
Mines and metallurgical facilities	**$1,355**	$1,597
Energy and power generating facilities	**434**	252
Forest product mills	**257**	222
Commercial properties	**46**	2,708
Total capital investments	**$2,092**	$4,779

Brascan and its affiliates are engaged in a capital investment program which includes approximately $5 billion of projects which are currently under way or planned. These capital investments are aimed at improving productivity and expanding production capacity in response to market opportunities. Funding for these projects, which will be provided primarily by Brascan's affiliates, will come largely from internally generated cash flows and project financings.

CAPITAL RESOURCES AND LIQUIDITY

Corporate Obligations

Brascan's corporate borrowings are in the form of commercial paper, bank debt, and publicly traded and privately held term debt. The company's commercial paper program is backed by undrawn term bank credit facilities. The composition of the company's corporate borrowings at the end of 1999 and 1998 is set in the following table:

	December 31	
millions	**1999**	1998
Commercial paper and bank debt	**$ 483**	$ 416
Publicly traded term debt	**580**	693
Privately held term debt	**655**	570
Total corporate borrowings	**$1,718**	$1,679

Brascan's commercial paper and term debt are rated by two Canadian credit rating services and its term debt by two US credit rating services. During 1999, Brascan's term debt rating from Canadian Bond Rating Service was increased to A(low). The ratings for Brascan and its principal publicly listed operating companies are shown below:

	CBRS	DBRS	Moody's	S&P
Brascan Corporation				
Commercial paper	A-1(low)	R-1(low)	—	A-2
Term debt	A(low)	BBB(high)	Baa3	BBB
Noranda Inc.				
Commercial paper	A-1(low)	R-1(low)	—	A-2
Term debt	A(low)	BBB(high)	Baa2	BBB
Brookfield Properties Corporation				
Term debt	—	BBB(high)	—	—
Trilon Financial Corporation				
Commercial paper	A-1(low)	R-1(low)	—	—
Term debt	A(low)	A(low)	—	—
Great Lakes Power Inc.				
Commercial paper	A-1(low)	R-1(low)	P-3	A-2
Term debt	B++(high)	BBB(high)	Baa3	BBB -
Nexfor Inc.				
Commercial paper	A-1(low)	R-1(low)	P-2	—
Term debt	B++	BBB	Baa2	BBB

The company's corporate borrowings at December 31, 1999 mature as follows:

millions	Annual Repayments
2000	$ 317
2001	334
2002	452
2003	452
2004	145
2005 and thereafter	18
Total corporate borrowings	$1,718

Deferred Credits

Deferred credits were unchanged during the year and are comprised of deferred income from Brazilian operations, net future income taxes, and currency and other financial provisions primarily related to the company's use of interest rate and foreign exchange hedging contracts in the management of its assets and liabilities.

Minority Interests

Minority interests represent the retractable preference shares issued by Brascan and preference shares issued by its investment subsidiaries to other parties.

The composition of the company's minority interests at the end of 1999 and 1998 is set out in the following table:

	At December 31	
millions	**1999**	1998
Retractable preference shares issued by Brascan	**$ 65**	$ 65
Preference shares issued by subsidiaries		
Brascade Resources Inc.	**246**	291
Great Lakes Holdings Inc.	**142**	142
Brascan Holdings Corporation	**70**	70
Noranda Equities Inc.	**15**	15
Other subsidiaries	**68**	68
Total minority interests	**$606**	$651

The reduction in minority interests reflects the redemption by Brascade Resources Inc. of its 9% preference shares effective June 30, 1999.

Capital Base

The composition of the company's capital base at the end of 1999 and 1998 is summarized in the following table:

	At December 31	
millions	**1999**	1998
Convertible notes	**$ 152**	$ 205
Class A preference shares *	**732**	732
Class A and Class B Limited Voting Common Shares	**3,730**	3,548
Total capital base	**$4,614**	$4,485

** Net of shares held by Great Lakes Power Inc.*

Brascan's capital base increased to $4.6 billion at the end of 1999 from $4.5 billion at the end of 1998, mainly reflecting the company's net income of $423 million less shareholder distributions of $217 million and an $87 million adjustment relating to changes in accounting policies for future income taxes and employee future benefits.

Brascan's Class A Limited Voting Common Shares trade on the Toronto, American and Brussels stock exchanges under the symbol EBC.A. At December 31, 1999, Brascan's Class A Limited Voting Common Shares had a market capitalization of approximately $3.3 billion. Certain of Brascan's Class A preference shares also trade on the Toronto and Alberta stock exchanges, as detailed on page 51 of this report.

Financial Position

Brascan finances its operations with equity capital of $4.6 billion, minority interests of $606 million and corporate borrowings of $1.7 billion. The company has contractual term credit facilities of $640 million, of which $157 million were undrawn and available for use at December 31, 1999.

This capital structure reflects a reliance on long-term capital rather than short-term debt to fund Brascan's investments in its operating subsidiaries and affiliates.

Brascan manages its capital resources to meet commitments, to repay borrowings as they mature and to maintain stable and reliable dividend payments on its preferred and common shares. This is accomplished by maintaining a portfolio of financial assets and undrawn term credit facilities.

The company's financial resources are also used when appropriate to provide bridge financing to affiliates in order to assist them with their business plans and to take advantage of investment opportunities as they arise.

Brascan's corporate operating cash requirements in 2000 are estimated to be $410 million, including $7 million of interest on the company's convertible notes, $66 million of dividends payable to minority shareholders, $118 million of interest expense, $8 million of corporate costs, $41 million of preference share dividends and $170 million of common share dividends. The company's operating cash requirements are expected to be substantially covered by approximately $401 million of dividends and interest expected to be earned on the company's investments and other assets.

Brascan endeavours to conduct its corporate operations in order to generate a stable cash flow from dividend receipts and other sources to cover dividends and other payments. From time to time, the company supplements its cash flows with investment gains and capital recoveries from the sale of investments, such as the $200 million received from the sale of its merchant banking operations in 1997, $288 million received from the sale of Westmin Resources in 1995 and $895 million received from the sale of John Labatt in 1993.

Net Asset Value

At December 31, 1999, the book value of Brascan's Class A and Class B Limited Voting Common Shares was $21.72 per fully diluted share compared to $20.58 at the end of 1998. The estimated fully diluted net asset value of the company's Class A and Class B Limited Voting Common Shares at December 31, 1999 was $28.20 per share, compared to $27.01 at the end of 1998.

The composition of the company's net asset value at the end of 1999 and 1998 is set out in the following table:

millions, except per share amounts	# of Common Shares and Equivalents December 31, 1999	Market Value December 31 1999	Net Asset Value December 31 **1999**	1998
		(per share)		
Corporate investments				
Noranda	94.1	$19.40	**$1,825**	$1,435
Brookfield	77.3	15.15	**1,171**	1,453
Trilon	106.1	9.00	**955**	1,167
Great Lakes	116.8	19.00	**1,475**	1,563
Nexfor	47.4	8.40	**398**	287
Canadian Hunter	23.5	23.75	**558**	235
Brascan Brazil	56.0	10.53	**590**	590
Financial and other assets			**1,274**	1,304
			$8,246	$8,034
Loans and accounts payable			**$1,769**	$1,744
Deferred credits			**100**	100
Capital base and minority interests				
Minority interests		$ 606		
Preference shares		732		
Class A and Class B Limited Voting Shares and convertible notes		5,039	**6,377**	6,190
			$8,246	$8,034
Per fully diluted Class A and Class B Limited Voting Common Share			**$28.20**	$27.01

Net asset values are derived by valuing the company's publicly traded investments at their quoted market values at the end of the year, and by valuing Brascan Brazil at a 25% discount from the estimated domestic market value. Accordingly, the values do not reflect any control premiums attributable to these companies nor the transaction costs or taxes that may result from the sale of these investments. Great Lakes' net asset value is after deducting $744 million of affiliate preference shares.

Restructuring and tax provisions are excluded in determining the underlying values, as these largely relate to accounting adjustments and tax timing differences. Currency and other general financial provisions of $100 million have, however, been included. Values used for the company's financial and other assets and loans and accounts payable are included at their recorded book values.

BUSINESS ENVIRONMENT AND RISKS

The diversification of business and financial risks is an important strategic objective for the company. Brascan's strategy is to balance the impact of natural resource product price changes with the contribution from its other operations, which normally have more stable earnings profiles. In this manner, the company endeavours to improve its risk profile.

Brascan's financial results are impacted by the performance of its affiliates. Environmental regulations and changes in exchange rates, interest rates and inflation rates are also important economic factors which impact the company's earnings. The following is a brief review of the potential impact these different risk factors may have on the company.

Natural Resource Operations

The financial results of Brascan's natural resource operations are cyclical in nature. Noranda's and Nexfor's products are primarily exported to markets in the United States, Europe and Asia. As a result, fluctuations in the level of economic activity in general and in these export markets in particular influence the demand for and prices of natural resource products.

While there are long-term cycles affecting commodity prices in general, the specific business cycles for individual products may occur at different times. The company anticipates that real industrial growth in industrialized countries will strengthen in 2000 with increased economic activity in Europe and Asia.

The following table shows the incremental impact on Brascan's net earnings of a 10% increase or decrease in the fourth quarter 1999 prices of each of the group's principal natural resource products.

If the prices of all these products increased by 10% over their fourth quarter 1999 average, Brascan's earnings would increase by approximately $89.3 million or $0.50 per share, all other things being equal.

	Fourth Quarter 1999 Average Price	Unit	Total
	(US$)		*(Cdn.$ millions)*
Metals Products			
Zinc	$ 0.53	pound	$16.6
Copper	0.79	pound	11.1
Nickel	3.53	pound	10.2
Aluminum	0.68	pound	8.2
Silver	5.27	ounce	2.0
Lead	0.22	pound	1.6
Gold	295.66	ounce	0.6
			50.3
Forest Products	*(Cdn.$)*		
Woodfree paper	$ 1,503	tonne	13.0
Oriented strandboard	300	Msf[1]	7.4
Other panelboards	302	Msf[1]	8.4
Groundwood paper	1,246	tonne	4.6
Lumber	427	Mfbm[2]	3.9
Pulp	685	tonne	1.7
			39.0
Impact on Brascan's Net Income			$89.3

(1) Msf – thousand square feet 1/16"   *(2) Mfbm – thousand board feet*

Property Operations

Positive economic conditions and a low level of construction of new office space in the company's principal markets have strengthened commercial real estate markets in Canada and the United States. When these conditions exist, vacancies decline and rental rates improve.

In the residential land development and home building businesses, markets have also been favourable with strong demand for well located building lots, particularly in the United States.

Real estate investments are subject to varying degrees of risk depending on the location and nature of a property. Such risks include changes in general economic conditions such as the availability and cost of mortgage financing, local conditions such as the supply of space or the demand for rental property in an area, the attractiveness of the properties to tenants, competition from others with available space and the ability of the property owners to maintain the quality of their assets.

Brookfield's commercial properties generate a relatively stable source of income from tenant rent payments. Continued growth of rental income is dependent on leasing markets to ensure expiring leases are renewed and new tenants are found promptly to fill vacancies.

While the outlook for increased rental rates is positive in most of the markets in which Brookfield operates, a disruption in the economy, such as the onset of a severe recession, could place downward pressure on overall occupancy levels and net effective rents.

Brookfield's land and housing assets and sales levels are affected by consumer confidence, job stability and interest rates due to their impact on home buyers' decisions. These conditions can affect consumers' outlooks and, in particular, the price and volume of home purchases.

Energy Operations

Operating income from hydroelectric power generation fluctuates mainly in relation to the availability of water. In the case of Great Lakes' power operations in northern Ontario, higher than average water levels increase internal power generation and thereby decrease higher priced external power purchases, consequently increasing operating earnings.

Should customer demand be interrupted, the impact on the company's profitability is largely offset by lower third-party power purchases and the sale of surplus power into the local power grid.

While changes in the level of precipitation impact the amount of power generated by Great Lakes' individual operations, having hydroelectric stations in several different watershed areas helps to balance the financial impact of these fluctuations. Pricing risk is reduced as a portion of Great Lakes' power production is committed to long-term power sale contracts with major customers.

The Ontario government has enacted the *Energy Competition Act*, 1998 which changes the regulatory regime for the province's electricity industry. These changes may impact the operating income from Great Lakes' northern Ontario power operations as increased competition could reduce provincial power prices in the short term.

Operating income from natural gas and oil production fluctuates mainly in relation to natural gas and oil prices. Approximately 80% of Canadian Hunter's production is natural gas. Natural gas prices are affected by continental supply and demand factors as well as pipeline availability. Crude oil prices are influenced by global supply and demand factors and by the actions and policies of the Organization of Petroleum Exporting Countries.

Financial and Other Operations

Financial operations are relatively stable. Favourable economic conditions generally create a higher volume of investment and merchant banking opportunities. In addition, should economic conditions lead to higher interest spreads between funds borrowed and funds loaned out, this would also have a favourable impact on earnings.

Severe economic conditions can, however, have a major impact on profitability, resulting in the need for higher loan loss provisions as well as investment writedowns. The company's financial services operations endeavour to contain currency risk by matching borrowings in foreign currency with assets and revenue streams in the same currency.

Trilon's financial services operations face strong competition in virtually all of their activities. The major Canadian chartered banks have been operational in most of the business sectors in which they have chosen to compete. There are also a number of highly competitive non-bank participants operating in niche markets where Trilon conducts some of its business.

The company's natural resource operations in Brazil are subject to changes in local and international demand for its main products. Agricultural production is also affected by weather conditions. Changes in the general economic environment in Brazil influence the demand for Brascan Brazil's financial services operations and its residential and commercial condominium sales, the level of retail activity at its shopping centres and the demand for hotel rooms.

Environmental Factors

The group's business operations are the subject of changing regulations, standards and market expectations regarding their impact on the environment, particularly in the natural resources and energy sectors. Brascan subscribes to the principle of sustainable development and encourages its operating affiliates to design and operate their facilities in a way which minimizes risks to the environment, to conduct regular environmental audits and to communicate regularly with their regulators and various stakeholders regarding their environmental practices and impacts.

The group's natural resource operations include environmental management systems and auditing programs designed to ensure that these operations conform to the applicable laws, corporate policies and industry standards. Its energy operations are committed to a policy of environmental protection and have management systems in place to ensure compliance with the relevant government regulations.

All new development projects are subjected to extensive environmental review in the planning and design stage. Brascan Brazil's agricultural and natural resource operations are monitored for compliance with Brazilian standards and regulations and, to the extent feasible, with relevant North American standards.

Brascan and its affiliates' operating and business systems achieved Year 2000 readiness, resulting in an uneventful transition to calender year 2000. Monitoring of all computer systems will continue through the first quarter of 2000.

Economic and Financial Factors

Since a substantial portion of the production from the company's natural resource operations is sold either in export markets or in Canada at world prices, fluctuations in the value of the Canadian dollar relative to other currencies have a significant impact on Brascan's revenues and earnings. As the prices of most of the commodities produced by group companies are denominated in US dollars, a one cent decline in the value of the Canadian dollar versus the US dollar increases Brascan's annual net earnings from sales of natural resource products by approximately $5 million or $0.03 per fully diluted share. Conversely, a strengthening of the Canadian dollar relative to the US dollar has an adverse effect on Brascan's earnings.

The company endeavours to maintain a matched book of currencies and interest-sensitive assets and liabilities and will enter into interest rate and currency hedging transactions with financial institutions and affiliates to address changes in the company's asset profile as a result of specific transactions or changes in the underlying nature of its investments. However, unmatched positions are carried on occasion, within predetermined exposure limits based on expectations for currency exchange rates and interest rates. These limits are reviewed on a regular basis and Brascan believes the exposures are manageable and not material in relation to its overall business operations and financial reserves.

A 100 basis point decline in interest rates would increase the company's annual net earnings by approximately $8 million or $0.04 per fully diluted share. The company had interest rate contracts outstanding having a notional principal amount of $40 million at December 31, 1999 and, after adjusting for provisions, having a net negative mark to market of $2 million. The company had foreign exchange contracts outstanding having a notional principal amount of $658 million at December 31, 1999, and a positive mark-to-market of $12 million. The company believes that its risk of counterparty non-performance is remote, and that any resulting losses incurred would not be material.

At current inflation levels in Canada, the direct impact of inflation on Brascan's earnings is not material. However, to the degree that real interest rates are raised in order to restrain inflation, they impact both the demand for Brascan's products and services and its interest expense. In addition, high real interest rates in Canada can increase the exchange value of the Canadian dollar and adversely affect the proceeds realized in Canadian dollars from the sale of products priced in US dollars.

Brascan is subject to legal proceedings in the normal course of its business and, on occasion, enters into guarantees of the financial obligations of its affiliates. Brascan believes that any liability which may arise from such contingencies would not have a material effect on the company's capital base.

Operating Strategy

Brascan plans to concentrate on maximizing the value of its core businesses by emphasizing improvements in operating performance and investment returns.

A major effort is being placed on increasing productivity and returns on capital employed to ensure the competitiveness of each of the group's operations. Margin improvement programs have been introduced across the group to focus the attention of management and employees on reducing costs and increasing revenues. These initiatives have made a meaningful contribution to operating earnings, the benefits of which are expected to continue.

Over the long term, the diversification of Brascan's operations through the ownership of high quality natural resource production facilities, premier commercial properties and financial businesses is intended to provide a growing base level of earnings measured over a normal business cycle. Brascan plans to increase its ownership of hydroelectric power generating facilities in order to supplement the stable portion of its earnings base.

Consolidated Financial Statements

Management's Responsibility for the Financial Statements

The accompanying financial statements and other financial information have been prepared by the company's management which is responsible for their integrity and objectivity. To fulfill this responsibility, the company maintains appropriate policies, procedures and systems of internal control to ensure that its reporting practices and accounting and administrative procedures are appropriate. These policies and procedures are designed to provide reasonable assurance that relevant and reliable financial information is produced. These statements have been prepared in conformity with accounting principles generally accepted in Canada and, where appropriate, reflect estimates based on management's judgment. The financial information presented throughout this Annual Report is consistent with the information contained in the accompanying consolidated financial statements.

Deloitte & Touche LLP, the independent auditors appointed by the shareholders, have reviewed the systems of internal accounting control and examined the financial statements in accordance with auditing standards generally accepted in Canada to enable them to express to the shareholders their opinion on the financial statements. Their report as auditors is set out below.

The financial statements have been further examined by the Board of Directors and by its Audit Committee, which meets regularly with the auditors and management to review the activities of each and reports to the Board of Directors. The auditors have direct and full access to the Audit Committee and meet with the committee both with and without management present. The Board of Directors, through its Audit Committee, oversees management's financial reporting responsibilities and is responsible for reviewing and approving the financial statements.

Toronto, Canada
February 10, 2000

Edward C. Kress
Executive Vice-President

Auditors' Report

To the Shareholders of EdperBrascan Corporation:

We have audited the consolidated balance sheets of EdperBrascan Corporation as at December 31, 1999 and 1998 and the consolidated statements of income, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1999 and 1998 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in Canada.

Deloitte & Touche LLP

Toronto, Canada
February 10, 2000

Chartered Accountants

Consolidated Balance Sheet

As at December 31 *millions*	Note	1999	1998
Assets			
Cash and cash equivalents		**$ 100**	$ 150
Securities	2	**2,509**	2,533
Loans and other receivables	3	**2,408**	2,602
Corporate investments	4	**3,778**	3,718
Property and equipment	5	**1,822**	1,759
Other assets		**201**	180
		$10,818	$10,942
Liabilities			
Accounts payable and other		**$ 526**	$ 566
Corporate borrowings	6	**1,718**	1,679
Subsidiary company borrowings	7	**1,876**	1,818
		4,120	4,063
Deferred credits	8	**488**	819
Capital base and minority interests			
Minority interests	9	**1,596**	1,575
Convertible notes	10	**152**	205
Shareholders' equity	10	**4,462**	4,280
		6,210	6,060
		$10,818	$10,942

On behalf of the Board:

Robert J. Harding, Director

Patrick J. Keenan, Director

Consolidated Statement of Income

Years ended December 31 *millions, except per share amounts*	Note	**1999**	1998
Share of Affiliate Revenues	16	**$5,870**	$5,712
Revenues	4		
Financial and other operations		**$ 889**	$1,116
Energy operations		**215**	202
Natural resources equity earnings		**106**	11
Property operations equity earnings		**100**	80
		1,310	1,409
Expenses			
Operating		**561**	800
Interest		**262**	246
Minority interests		**130**	123
Taxes and other provisions	12	**44**	25
		997	1,194
Income before investment gains		**313**	215
Investment gains, net	15	**110**	200
Net income		**$ 423**	$ 415
Per fully diluted Class A and Class B common share	16		
Income before investment gains		**$ 1.53**	$ 1.00
Net income		**$ 2.15**	$ 2.12

Consolidated Statement of Retained Earnings

Years ended December 31 *millions*	Note	**1999**	1998
Balance, beginning of year		**$1,819**	$1,618
Net income		**423**	415
Adjustment for change in accounting policies	1	**(87)**	—
		2,155	2,033
Shareholder distributions			
Convertible note interest		**9**	10
Preferred share dividends		**40**	38
Common share dividends		**168**	166
		217	214
Balance, end of year		**$1,938**	$1,819

Consolidated Statement of Cash Flows

Years ended December 31 *millions*	Note	1999	1998
Share of affiliate operating cash flows	16	**$ 890**	$ 625
Cash provided from (used for):			
Operations	16	**399**	404
Financing			
Corporate borrowings, issuances		**145**	304
Corporate borrowings, repayments		**(60)**	(161)
Subsidiary company borrowings, issuances		**290**	294
Subsidiary company borrowings, repayments		**(260)**	(5)
Minority interests		**(109)**	(111)
Shares issued, net	10	**1**	12
		7	333
Investing			
Securities		**(46)**	159
Loans and other receivables, advanced		**(330)**	(700)
Loans and other receivables, collected		**351**	36
Property and equipment		**(115)**	(13)
Other		**(99)**	(102)
		(239)	(620)
Shareholder distributions			
Convertible note interest		**(9)**	(10)
Preferred share dividends		**(40)**	(38)
Common share dividends		**(168)**	(166)
		(217)	(214)
Cash and cash equivalents			
Decrease		**(50)**	(97)
Balance, beginning of year		**150**	247
Balance, end of year		**$ 100**	$ 150

See Note 1

Notes to Consolidated Financial Statements

1. Summary of accounting policies

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada.

Basis of presentation

The consolidated financial statements include the accounts of EdperBrascan Corporation (the "company") and the companies over which it currently exercises and intends to maintain control.

The company's principal affiliates are as follows:

fully diluted ownership	**1999**	1998
Companies consolidated:		
Brascade Resources Inc.	**99%**	99%
Great Lakes Power Inc.	**93%**	93%
Trilon Financial Corporation	**65%**	65%
Brascan Brazil Ltd.	**100%**	100%
Companies equity accounted:		
Noranda Inc.	**40%**	40%
Nexfor Inc.	**31%**	31%
Brookfield Properties Corporation	**50%**	50%
Canadian Hunter Exploration Ltd.	**40%**	40%

The cost of acquiring each affiliate is allocated to its identifiable net assets on the basis of the estimated fair values at the date of purchase. The excess of acquisition costs over the underlying net book values of the affiliates is amortized over the estimated useful lives of the assets acquired and is included in operating costs. The company evaluates the carrying value of this excess for potential impairment on an ongoing basis. Management assesses the recoverability of this excess based on a review of estimated future operating income of the affiliates on an undiscounted basis.

The company accounts for its long-term corporate investments over which significant influence exists on the equity basis. Interests in jointly-controlled partnerships and corporate joint ventures are proportionately consolidated. The accounting policies of the long-term corporate investments are, in all material respects, in accordance with those of the company.

Securities

Securities are carried at the lower of cost and their estimated net realizable value with any valuation adjustments included in income.

Property and equipment

Property and equipment is carried at the lower of cost less accumulated depreciation and estimated net recoverable amount. Depreciation on power generating facilities and equipment is provided at various rates based on the service lives of the assets, which are 60 years for hydroelectric generation and 40 years for transmission, distribution and other assets. Depreciation on income producing real estate properties is provided on a sinking fund basis at the rate of 5%, over estimated lives of up to 40 years.

Revenue and expense recognition

Revenue from loans and investments is recorded on an accrual basis except on loans classified as impaired. Loans are classified as impaired when there is no longer reasonable assurance as to the ultimate collectibility of contractual principal or interest or when interest or principal is 90 days past due, unless the loan is both well secured and in the process of collection. Loans that are identified as impaired are valued at their estimated realizable amount.

Revenue and income on development properties are recognized on a percentage of completion basis. Commissions from real estate brokerage are recognized at the time a firm offer is negotiated.

Management share option plan

The company has a management share option plan for employees and directors as described in Note 10. No compensation expense is recognized when share options are granted. Any consideration paid by participants, or paid to participants, is recognized in shareholders' equity.

Derivative financial instruments

The company and its affiliates use derivative financial instruments, where appropriate, to manage financial risks, including interest rate and foreign exchange risks. Gains and losses resulting from these transactions are included in income on the same basis as the asset or liability which has been hedged.

Statement of cash flows

Taxes recorded under the accrual method of accounting approximate the cash amounts paid. Cash interest paid in 1999 totalled $282 million (1998 – $255 million).

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in accounting policies

The company has adopted the new recommendations of The Canadian Institute of Chartered Accountants with respect to accounting for income taxes and employee future benefits. These changes have been applied as of January 1, 1999. The company's financial statements for 1998 have not been restated.

Under the new recommendations, future income tax assets and liabilities are determined based on differences between the carrying amounts and tax bases of assets and liabilities, and measured using the tax rates and laws that will be in effect when the differences are expected to reverse. Previously, income tax expense was based on items of income and expense that were reported in different years in the financial statements and tax returns and measured at the tax rate in effect in the year the difference originated. The effect of adopting this new recommendation effective January 1, 1999 was to decrease retained earnings by $34 million, corporate investments by $25 million and property and equipment by $80 million, and to record a future tax asset of $71 million.

Also under the new recommendations, non-pension benefits to employees are now recorded on an accrued basis instead of being charged to earnings as incurred. The effect of adopting the new recommendations effective January 1, 1999 was to decrease both retained earnings and corporate investments by the company's $53 million share of these benefits, which will be recorded by Noranda Inc. ("Noranda") and its subsidiaries in their financial statements in 2000.

2. Securities

millions	**1999**	1998
Common shares	**$ 767**	$ 806
Preference shares		
Brookfield Properties Corporation	**152**	227
Great-West Life	**417**	417
Other corporations	**1,173**	1,083
Total securities	**$2,509**	$2,533

The fair value of the company's securities at December 31, 1999 and 1998 approximated their carrying value. In determining fair values, quoted market prices are used where available and, where not available, management's estimates of the amounts which could be recovered over time or through a transaction between knowledgeable and willing parties.

3. Loans and other receivables

Loans include residential and commercial mortgages, and consumer and other loans.

The fair value of the company's loans and other receivables at December 31, 1999 and 1998 approximated their carrying value based on expected future cash flows from these assets, discounted at market rates for assets with similar terms and investment risks.

Loans and other receivables include US$845 million (1998 – US$827 million) in US dollars and R$499 million (1998 – R$430 million) in Brazilian *Reais*.

4. Corporate investments

millions	**1999**	1998
Noranda Inc.	**$1,787**	$1,867
Brookfield Properties Corporation	**1,226**	1,149
Nexfor Inc.	**377**	362
Canadian Hunter Exploration Ltd.	**207**	180
Other investments	**181**	160
Total corporate investments	**$3,778**	$3,718

On December 31, 1998, Noranda distributed its common shares of Nexfor Inc. ("Nexfor") and Canadian Hunter Exploration Ltd. ("Canadian Hunter") by way of a special dividend to Noranda's shareholders. As a result, the company received common shares of Nexfor and Canadian Hunter. The book values of the company's investments in Noranda, Nexfor and Canadian Hunter have been allocated based on the underlying book value of each company at the time of the distribution.

Revenues in 1999 include $263 million (1998 – $105 million) of equity earnings from the company's significantly influenced corporate investments.

Included in the carrying value of the company's long-term corporate investments is $456 million (1998 – $491 million), representing the unamortized excess of acquisition costs over the company's share of the net book value of these investments. These amounts relate principally to property and equipment and are being amortized over the estimated useful lives of these assets of up to 40 years.

In addition to the company's common shareholdings, the company and its consolidated subsidiaries own $1,562 million (1998 – $1,787 million) of securities and loans receivable of the company's corporate investments, net of $235 million (1998 – $242 million) of property mortgages held for syndication by Trilon Financial Corporation ("Trilon"). Revenues received from these amounts in 1999 totalled approximately $133 million (1998 – $111 million).

5. Property and equipment

millions	**1999**	1998
Power generating facilities and equipment	**$1,378**	$1,208
Income producing real estate properties	**568**	601
Properties held for and under development	**204**	268
	2,150	2,077
Accumulated depreciation and provisions	**328**	318
Total property and equipment	**$1,822**	$1,759

6. Corporate borrowings

millions	**1999**	1998
Commercial paper and bank borrowings	**$ 483**	$ 416
Publicly traded term debt	**580**	693
Privately held term debt	**655**	570
Total corporate borrowings	**$1,718**	$1,679

During 1999, the company issued US$100 million of privately placed term debt due November 2004 to reduce the company's commercial paper borrowings.

During 1998, the company issued US$200 million of term debt due December 2003 to repay bank term debentures which became due in January 1999.

The fair value of corporate borrowings at December 31, 1999 and 1998 approximated their carrying value, determined by way of discounted cash flows using market rates adjusted for the company's credit spreads and the allocation of currency and other financial provisions.

Commercial paper and bank borrowings include the company's bank credit facilities, which are in the form of 364 day revolving facilities with the company having the right to term them into three year amortizing facilities on each anniversary. These facilities have a weighted average interest rate of 5.8% (1998 – 5.5%).

Term debt borrowings include US$835 million (1998 – US$753 million) and have maturity dates up to 2007 and a weighted average interest rate of 7.1% (1998 – 7.0%).

Principal repayments on corporate borrowings due over the next five years and thereafter are as follows:

millions	**Annual Repayments**
2000	$ 317
2001	334
2002	452
2003	452
2004	145
Thereafter	18
Total corporate borrowings	$1,718

7. Subsidiary company borrowings

millions	**1999**	1998
Great Lakes Power Inc.	**$ 890**	$ 816
Trilon Financial Corporation	**601**	536
Brascan Brazil Ltd.	**385**	466
Total subsidiary company borrowings	**$1,876**	$1,818

The fair value of borrowings by the company's subsidiaries exceeds their book values by $12 million (1998 – $28 million), determined by way of discounted cash flows using market rates adjusted for the subsidiaries' credit spreads.

Subsidiary company borrowings include US$740 million (1998 – US$594 million) of US currency borrowings and R$166 million (1998 – R$150 million) of Brazilian currency borrowings, and have maturity dates beyond 2004 and interest rates ranging from 5.5% to 10.5%, other than Brascan Brazil which pays interest on its domestic currency borrowings at the Brazilian inter-bank rate plus 1% to 4%.

Borrowings of Great Lakes Power Inc. ("Great Lakes") include mortgage bonds of $346 million (1998 – $360 million) which are secured by the company's power assets. Principally all of the borrowings of Brascan Brazil are secured by the company's Brazilian income producing real estate and development properties.

Principal repayments on subsidiary company borrowings due over the next five years and thereafter are as follows:

millions	**Annual Repayments**
2000	$ 145
2001	278
2002	132
2003	176
2004	275
Thereafter	870
Total subsidiary company borrowings	$1,876

8. Deferred credits

Deferred credits are comprised of deferred income, net future income tax liabilities, and currency and other financial provisions related to the company's use of interest rate and foreign exchange hedging contracts in the management of the company's assets and liabilities.

Deferred credits include a provision for net future income tax liabilities of $67 million, which are comprised principally of temporary differences relating to securities, property, plant and equipment, less the estimated future income tax benefits relating to unused tax losses.

During 1998, with the devaluation of the Brazilian currency, $71 million of currency provisions previously included in deferred credits were deducted from the company's Brazilian assets. Also in 1998, as a result of the completion of the restructuring of Noranda, $143 million of provisions previously included in deferred credits were deducted from the company's investment in Noranda.

9. Minority interests

Minority interests include retractable preference shares issued by the company and common and preference shares owned by minority shareholders in the company's consolidated subsidiaries, as follows:

millions	**1999**	1998
Preference shares issued by the company with retractable features	**$ 65**	$ 65
Preference shares of consolidated subsidiaries	**550**	600
Common shares of consolidated subsidiaries	**981**	910
Total minority interests	**$1,596**	$1,575

10. Capital base

The company is authorized to issue an unlimited number of Class A Preference Shares, issuable in series (of which 23,391 are designated as Series 1; 10,465,100 as Series 2; 2,000 as Series 3; 4,000,000 as Series 4; 2,600,000 as Series 5; 4,000,000 as Series 7; 8,000,000 as Series 8; and 8,000,000 as Series 9), an unlimited number of Class AA Preference Shares, issuable in series, an unlimited number of Class A Limited Voting Shares and 85,120 Class B Limited Voting Shares.

The company's issued and outstanding capital base is comprised of the following *($ in millions)*:

Issue	Rate	Maturity	**1999**	1998
Convertible Notes				
Series I	B.A. + 40 b.p.[1]	2085	**$ 75**	$ 75
Series II	3.8% [2]	2088	**77**	77
Series III	7.0%	2006	**–**	53
			152	205
Class A Preference Shares				
Series 2	70% P	Perpetual	**262**	262
Series 3	B.A. + 40 b.p.[3]	Perpetual	**200**	200
Series 4 + 7[4]	70% P / 8.5%	Perpetual	**70**	70
Series 8	6.25%	Perpetual	**200**	200
			732	732
Common Shares 173,894,846 (1998 – 169,647,326) Class A and B Limited Voting Shares			**1,792**	1,729
Retained earnings			**1,938**	1,819
Shareholders' equity			**4,462**	4,280
Total capital base			**$4,614**	$4,485
Number of fully diluted common shares				
Class A Limited Voting Shares			**173,809,726**	169,562,206
Class B Limited Voting Shares			**85,120**	85,120
			173,894,846	169,647,326
Reserved for conversion of subordinated notes			**4,839,073**	8,479,985
Total fully diluted shares			**178,733,919**	178,127,311

1 Rate determined in a semi-annual auction, maximum 10%
2 Rate determined as 120% of the current dividend yield
3 Rate determined in a monthly auction
4 Net of $30 million Series 4 and $100 million Series 7 shares held by Great Lakes Power Inc.
P – Prime Rate B.A. – Banker's Acceptance Rate

Convertible notes

The Convertible Notes are subordinated to all of the company's other debt. The company may, at its option, pay principal and/or interest due on the notes in Class A Limited Voting Shares of the company.

The Series I and II Convertible Notes are convertible at the option of the holder at any time into a total of 4,839,073 (1998 – 8,479,985) Class A Limited Voting Shares at conversion prices of $32.00 and $31.00 per share, respectively, and are redeemable at any time at the company's option.

During 1999, $53 million (1998 – $40 million) of the Series III notes were converted into 3.6 million (1998 – 2.5 million) Class A Limited Voting Shares.

Preference shares

The Class A Preference Shares have preference over the Class AA Preference Shares, which in turn have preference over the Class A and Class B Limited Voting Shares on the declaration of dividends or other distributions to shareholders. All series of the outstanding preference shares have a par value of $25 per share, except the Class A, Series 3 Preference Shares which have a par value of $100,000 per share.

The Series 8 Preference Shares pay an annual fixed dividend of 6.25% until November 1, 2001. Every fifth anniversary, the Series 8 Preference Shares have the right to convert to a new Series of Preference Shares on a share-for-share basis, which will pay a fixed dividend of at least 80% of the then current five-year yield on Government of Canada bonds.

Common shares

The company's Class A Limited Voting Shares and its Class B Limited Voting Shares are each entitled to elect one-half of the company's board of directors. Shareholder approvals, other than for the election of directors, must be approved by the holders of the company's Class A Limited Voting Shares as well as the Class B Limited Voting Shares, each voting as a separate class.

Loans receivable from officers of the company of $4.3 million (1998 – $4.3 million) owing under the company's Management Share Purchase Plan are secured by fully paid Class A Limited Voting Shares of the company and are deducted from shareholders' equity.

Shares issued under the company's Management Share Option Plan ("MSOP") vest over five years and expire ten years after the grant date. The exercise price is equal to the market price on the date of the grant. Members of the MSOP can settle their options in one of the following three ways: a) by purchasing the shares at the option price; b) by receiving shares with the number of shares issued calculated as the difference between the option price and the current market price divided by the current market price; or c) by receiving cash equal to the difference between the option price and the current market price.

The changes in the number of options outstanding during 1999 and 1998 are as follows:

	1999		1998	
	Number of Options (000's)	**Weighted Average Exercise Price**	Number of Options (000's)	Weighted Average Exercise Price
Outstanding at				
beginning of year:	**3,231**	**$21.99**	3,010	$13.58
Granted	**338**	**19.20**	1,087	29.40
Exercised	**(610)**	**12.50**	(866)	9.80
Outstanding at end of year	**2,959**	**$23.63**	3,231	$21.99
Exercisable at end of year	**2,273**		1,876	

At December 31, 1999, the following options to purchase Class A shares were outstanding:

Number Outstanding (000's)	Exercise Price	Weighted Average Remaining Life	Number Exercisable (000's)
502	$13.63 – $16.35	1.1 yrs.	494
859	$19.20 – $19.85	7.8 yrs.	299
1,598	$24.95 – $29.40	8.4 yrs.	1,480
2,959			2,273

During 1999, 61,103 (1998 – 65,773) of the company's Class A Limited Voting Shares were issued under the company's dividend reinvestment plan and 169,125 (1998 – 826,500) of the company's Class A Limited Voting Shares were issued under the MSOP for total proceeds of $1 million (1998 – $12 million).

Also in 1999, the company issued 458,100 Class A Limited Voting Shares in exchange for an interest in Brookfield Properties Corporation ("Brookfield") common shares of equivalent value received from three group executives.

During 1998, eight group executives who participate in the company's MSOP elected to surrender 364,000 options to purchase Class A Limited Voting Shares, which had an aggregate in-the-money value of $7.1 million, in exchange for 1,411,157 new options with an exercise price of $29.40 per share.

11. Derivative financial instruments and risk management

The company and its consolidated subsidiaries use derivative financial instruments including interest rate swaps and foreign exchange contracts to manage various types of risks. On occasion the company or its consolidated subsidiaries create derivative financial instruments for affiliates and clients to enable them to modify or reduce current or expected interest rate or foreign exchange risks.

Management evaluates and monitors the credit risks of its outstanding derivative financial instruments on a regular basis and endeavours to minimize credit risk through netting arrangements, collateral and other credit mitigation techniques. The credit risk of derivative financial instruments is limited to the replacement value of the instrument, and takes into account any replacement cost and future credit exposure. The replacement value of interest rate swap contracts which form part of structured financing arrangements is calculated by way of discounted cash flows using market rates adjusted for credit spreads.

At December 31, 1999, the company maintained US dollar foreign exchange contracts having a notional amount of $658 million (1998 – $439 million) at an average exchange rate of 1.477 (1998 – 1.539) and having a fair value of $12 million (1998 – $nil). All of the foreign exchange contracts at December 31, 1999 had maturities up to two years. The company also maintained interest rate swap contracts having a notional amount of $40 million (1998 – $40 million) and an unfavourable replacement value of $2 million (1998 – $6 million). These contracts expire over a period of seven years.

At December 31, 1999, the company's consolidated subsidiaries maintained US dollar foreign exchange contracts having a notional amount of $909 million (1998 – $818 million) at an average exchange rate of 1.466 (1998 – 1.526) and having a fair value of $10 million (1998 – $3 million). All of the foreign exchange contracts at December 31, 1999 had a maturity of less than one year. The company's consolidated subsidiaries also maintained interest rate swap contracts having a total notional amount of $1,674 million (1998 – $1,378 million). These interest rate swap contracts were comprised of contracts with a favourable replacement value of $126 million (1998 – $175 million), and contracts with an unfavourable replacement value of $129 million (1998 – $168 million). The interest rate swap transactions include both fixed and variable rate instruments, the net effect of which does not materially affect the interest rate profile of the company's consolidated subsidiaries, and which have maturities varying from one to 16 years.

The company endeavours to maintain a matched book of currencies and interest-sensitive assets and liabilities. However, unmatched positions are carried, on occasion, within pre-determined exposure limits based on expectations for interest rates and currencies. These limits are reviewed on a regular basis and the company believes the exposures are manageable and not material in relation to its overall business operations.

The company is contingently liable with respect to litigation and claims that arise in the normal course of business. It has also guaranteed certain obligations of its affiliates, which at December 31, 1999 did not exceed US$300 million. After taking into account the assets of the entities for which guarantees have been granted and related provisions, any net liability which may arise from such contingencies would not have a material adverse effect on the consolidated financial position of the company.

12. Income taxes

The difference between the Canadian statutory income tax rate of 45% and the effective income tax rate is attributable to a portion of the company's income being subject to tax prior to receipt by the company and income taxes provided through the company's equity accounted affiliates.

13. Comparative figures

Certain of the prior year's figures have been restated or reclassified to conform with the 1999 presentation.

14. Uncertainty due to the year 2000 issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the company, including those related to customers, suppliers or other third parties, have been fully resolved.

15. Investment gains

millions	**1999**	1998
Trilon Financial Corporation	**$ 97**	$ —
Nexfor Inc.	**13**	—
Noranda Inc.	**—**	200
Investment gains	**$110**	$200

During 1999, Trilon recorded a gain of $150 million previously deferred on the sale of its insurance operations in 1997, of which the company's share was $97 million.

During 1999, Nexfor sold its 50% interest in Northwood Inc. and 79% of its interest in its Maclaren Energy hydroelectric operations for total gross proceeds of $545 million. The company's share of these gains, after deferring recognition of the gain relating to the portion of the Maclaren Energy operations purchased by an affiliate, was calculated as follows:

millions	
Sale proceeds	$ 545
Carried value of investments	(213)
Provision for taxes and other items	(244)
Minority interests and deferred portion	(75)
Company's share of gain	$ 13

During 1998, Noranda sold its 49% common share interest in Norcen Energy Resources Limited for $1.8 billion. The company's share of this gain was calculated as follows:

millions	
Sale proceeds	$1,830
Carried value of investment	(919)
Provision for taxes and other items	(361)
Minority interests	(350)
Company's share of gain	$ 200

16. Other information

Average fully diluted common shares outstanding

millions of shares	**1999**	1998
Average fully diluted Class A and B Limited Voting Shares outstanding	**178.7**	177.8

Basic earnings per share

	1999	1998
Income before investment gains	**$1.53**	$1.00
Net income	**$2.18**	$2.17

Cash from operations

millions	**1999**	1998
Income before investment gains	**$ 313**	$ 215
Add (deduct) non-cash items:		
Depreciation and amortization	**32**	26
Minority interests	**130**	123
Equity income less (greater) than dividends received	**(120)**	60
Other	**44**	(20)
	$ 399	$ 404

In the ordinary course of business, the company and its consolidated subsidiaries enter into transactions with their affiliates on normal market terms. At December 31, 1999, the company and its consolidated subsidiaries held $501 million (1998 – $650 million) of loans and other securities of its merchant banking and investment affiliates, net of $310 million (1998 – $310 million) of minority interests held by these affiliates. Net revenues received on these securities in 1999 totalled approximately $28 million (1998 – $40 million).

Share of affiliate revenues, operating cash flows and assets are based on the company's proportionate ownership interests in its subsidiaries and equity accounted investees, and are prior to any intercompany eliminations. The consolidated presentation differs from this presentation, mainly because Noranda, Nexfor, Brookfield and Canadian Hunter are presented on an equity-accounted basis.

17. Segmented information

The principal business segments of the company, which are managed by business sector, are as follows:

(a) Natural resource operations, which represent the company's investments in Noranda, an international mining and metals company, and Nexfor, a diversified forest products company;

(b) Property operations, which represent the company's investment in Brookfield, a North American office property company;

(c) Energy operations, which includes Great Lakes' electric energy generation, transmission and distribution operations, and Canadian Hunter's natural gas and oil operations;

(d) Financial and other operations, which include Trilon's financial and related advisory services; and Brascan Brazil's agriculture, forestry, property development and financial services operations.

Share of affiliate revenues, operating income and assets by business segment are as follows:

	1999			1998		
millions	**Revenues**	**Operating Income**	**Assets**	Revenues	Operating Income	Assets
Natural resource operations	**$3,341**	**$106**	**$ 5,350**	$3,157	$ 11	$ 5,330
Property operations	**1,361**	**100**	**5,856**	1,182	80	5,856
Energy operations	**397**	**93**	**2,600**	361	75	2,420
Financial and other operations	**680**	**132**	**3,602**	912	138	3,765
Corporate	**91**	**91**	**1,274**	100	100	1,304
	$5,870	**522**	**$18,682**	$5,712	404	$18,675
Unallocated corporate expenses		**209**			189	
Income before investment gains		**$313**			$ 215	

Share of affiliate revenues and assets by geographic segment are as follows:

	1999		1998	
millions	**Revenues**	**Assets**	Revenues	Assets
Canada	**$2,810**	**$ 9,991**	$2,659	$ 9,959
United States	**2,072**	**5,259**	2,055	5,306
South America	**763**	**2,628**	806	2,831
Europe and other	**225**	**804**	192	579
	$5,870	**$18,682**	$5,712	$18,675

Summarized Financial Statements of Affiliates

millions *as at and for the year ended December 31, 1999*	Natural Resource Operations Noranda Inc.	 Nexfor Inc.	Property Operations Brookfield Properties Corporation	Energy Operations Great Lakes Power Inc.	 Canadian Hunter Exploration Ltd.	Financial and Other Operations Trilon Financial Corporation	 Brascan Brazil Ltd.
Balance Sheet							
Cash and short-term investments	$ 727	$ 159	$ 317	$ —	$ —	$ 8	$ 86
Securities	—	—	—	646	—	1,769	—
Loans, accounts receivables and inventories	3,030	706	1,411	325	68	1,404	410
Long-term corporate investments	271	32	—	505	—	—	181
Property, equipment and other	7,351	1,677	9,984	889	935	205	724
	$11,379	$2,574	$11,712	$2,365	$1,003	$3,386	$1,401
Current liabilities	$ 1,955	$ 381	$ 381	$ 59	$ 108	$ 124	$ 303
Term debt	2,952	594	7,513	890	160	601	586
Minority interests, deferred credits and other	2,305	165	1,018	200	319	66	221
Capital base							
Preferred shares and convertible debentures	404	200	738	248	—	587	—
Common shares	3,763	1,234	2,062	968	416	2,008	291
	$11,379	$2,574	$11,712	$2,365	$1,003	$3,386	$1,401
Income Statement							
Revenues							
Operating	$ 6,468	$2,431	$ 2,644	$ 286	$ 327	$ 361	$ 446
Other	25	—	77	—	—	—	—
	6,493	2,431	2,721	286	327	361	446
Expenses							
Operating	6,037	2,157	1,875	90	213	115	348
Interest	115	53	460	64	7	35	71
Other	155	81	158	19	39	4	11
	6,307	2,291	2,493	173	259	154	430
Income before investment gains	$ 186	$ 140	$ 228	$ 113	$ 68	$ 207	$ 16

Production Facilities

Sector	Production Facilities	Number*	Type	Location: Canada	USA	Other Americas	Other
Mines	Mines	14	Copper and copper-zinc	4		1	
			Zinc	2			
			Nickel	5		1	
			Tin			1	
Metallurgical Facilities	Smelters and refineries	20	Copper and copper-zinc	5		1	
			Recycling	1	3		
			Zinc	1			
			Nickel and nickel-copper	4		1	1
			Aluminum		1		
			Tin			2	
	Fabricating plants	9	Aluminum products		4		
			Automotive wheels		2	1	
			Steel wire rope	1		1	
Forest Products	Lumber mills	5	Sawmills	3	2		
	Panelboard mills	10	Oriented strandboard	2	2		1
			Medium-density fibreboard and / or particleboard		1	1	2
			Plywood	1			
	Paper and pulp plants	5	Paper	1	3		
			Pulp	1			
Commercial Properties	Office and mixed-use properties	27	Office buildings	8	10		
			Mixed-use properties	5	4		
	Retail and other properties	25	Major retail centres	2	1	3	
			Smaller commercial properties	11	5	1	
			Hotels			2	
Land and Housing	Major housing markets	10	Low-density housing	2	5		
			High-density housing		1	2	
Electricity	Hydroelectric generating stations	19	In integrated hydroelectric systems	15			
			Other hydroelectric	3	1		
	Cogeneration stations	1	Natural gas-fired	1			
Natural Gas and Oil	Producing properties	8	Natural gas	6			
			Oil and natural gas liquids	2			
Agriculture	Ranches	2	Cattle and crops			2	

* *In operation at December 31, 1999*

Production Statistics

Sector	Product or Service	Units	Total Production[1] 1999	1998	1997
Mine Production	Copper	000 tonnes	**366**	180	186
	Zinc	000 tonnes	**455**	426	446
	Nickel	000 tonnes	**80**	80	71
	Lead	000 tonnes	**79**	73	73
	Silver	000 ounces	**11,718**	11,272	11,644
Refined Metals	Copper	000 tonnes	**488**	471	487
	Zinc	000 tonnes	**390**	372	352
	Nickel	000 tonnes	**99**	95	95
	Aluminum	000 tonnes	**222**	220	218
	Lead	000 tonnes	**108**	109	108
	Silver	000 ounces	**41,389**	37,494	31,808
	Gold	000 ounces	**1,202**	1,097	1,058
	Aluminum foil	000 tonnes	**122**	117	113
	Automotive wheels	000 wheels	**2,963**	3,003	3,018
Forest Products	Lumber	million fbm	**954**	957	959
	Oriented strandboard	million sq. ft. 1/16″	**7,876**	7,740	7,276
	Medium-density fibreboard	million sq. ft. 1/16″	**1,718**	1,571	1,533
	Particleboard	million sq. ft. 1/16″	**2,485**	2,394	2,484
	Plywood	million sq. ft. 1/16″	**914**	862	833
	Groundwood paper	000 tonnes	**172**	180	204
	Woodfree paper	000 tonnes	**413**	408	379
	Pulp	000 tonnes	**471**	505	471
Commercial Properties	Office space[2,3]	000 square feet	**24,551**	25,252	23,626
	Retail and other[2,3]	000 square feet	**8,730**	9,233	8,433
	Managed space[2,3]	000 square feet	**109,000**	108,741	95,520
	Hotel units[2]	rooms	**628**	628	628
Land and Housing	Lot sales[3]	lots	**5,563**	4,461	4,658
	Home sales[3]	units	**2,609**	2,529	1,955
Electricity	Electricity sales	gigawatt hours	**4,410**	4,411	4,391
	Electricity generation	gigawatt hours	**3,603**	3,045	3,608
	Power distribution	customers	**44,000**	43,700	43,400
	Installed capacity[2,4]	megawatts	**899**	659	646
Natural Gas and Oil	Natural gas production	million cubic feet/day	**357**	288	272
	Natural gas reserves[2]	billion cubic feet	**915**	732	658
	Oil and NGL production	barrels/day	**8,181**	8,016	8,044
	Oil and NGL reserves[2]	million barrels	**20**	19	15
Agriculture	Cattle herd[2]	head	**26,503**	26,445	26,564

1 *At 100%*
2 *At year end*
3 *Brookfield only*
4 *Including Maclaren Energy for 1999*

Officers and Directors

Corporate Officers

Robert J. Harding
Chairman

Jack L. Cockwell
President and
Chief Executive

Edward C. Kress
Executive Vice-President

Alan V. Dean
Senior Vice-President
Public and Corporate Affairs

Harry A. Goldgut
Senior Vice-President
and General Counsel

Aaron W. Regent
Senior Vice-President
Corporate Development

Trevor D. Kerr
Vice-President and Treasurer

Craig J. Laurie
Vice-President and Controller

Lisa W.F. Chu
Associate Controller

Stacy Yew
Associate Treasurer

Board of Directors

Robert J. Harding
Chairman
of the Corporation

Roberto P. Cezar de Andrade
Chairman
Brascan Brazil Ltd.

The Honourable
Conrad M. Black, P.C., O.C.
Chairman and Chief Executive
Hollinger Inc.

James J. Blanchard
Partner
Verner, Liipfert, Bernhard,
McPherson & Hand

Jack L. Cockwell
President and Chief Executive
of the Corporation

The Honourable
J. Trevor Eyton, O.C.
Member of the Senate of Canada

Julia E. Foster
Corporate Director

James K. Gray, O.C.
Chairman
Canadian Hunter Exploration Ltd.

Lynda C. Hamilton
President
Edper Investments Limited

Patrick J. Keenan
Chairman and Chief Executive
Keewhit Investments Limited

David W. Kerr
President and Chief Executive
Noranda Inc.

Allen T. Lambert, O.C.
Group Chairman
Financial Services Operations

Philip B. Lind
Vice-Chairman
Rogers Communications Inc.

Michael F.B. Nesbitt
President and Chief Executive
Montrose Investment Co. Ltd.

Saul Shulman, Q.C.
Senior Partner
Goodman & Carr

George S. Taylor
Corporate Director

Group Chairmen

David W. Kerr
Group Chairman
Natural Resource Operations

Gordon E. Arnell
Group Chairman
Property Operations

Robert A. Dunford
Group Chairman
Energy Operations

Allen T. Lambert, O.C.
Group Chairman
Financial Services Operations

Roberto P. Cezar de Andrade
Group Chairman
Brazilian Operations

Corporate Governance

The company's report on its corporate governance practices, including a description of the mandate of the board and its committees, is contained in the Management Information Circular dated February 25, 2000.

Group Directory

Natural Resource Operations

Noranda Inc.
Tel. (416) 982-7111

David W. Kerr
President and Chief Executive

David Goldman
Executive Vice-President and Chief Operating Officer

Falconbridge Limited
Tel. (416) 956-5700

Alex G. Balogh
Chairman

Øyvind Hushovd
President and Chief Executive

Nexfor Inc.
Tel. (416) 643-8820

K. Linn Macdonald
Chairman

Dominic Gammiero
President and Chief Executive

Property Operations

Brookfield Properties Corporation
Tel. (416) 369-2300

Gordon E. Arnell
Chairman

J. Bruce Flatt
President and Chief Executive

Gentra Inc
Tel. (416) 359-8555

Robert J. Harding
Chairman

David D. Arthur
President and Chief Executive

Brookfield Financial Properties Inc.
Tel. (212) 417-7000

John E. Zuccotti
Chairman

Richard B. Clark
President and Chief Executive

Brascan Imobiliária S.A.
Tel. (5521) 546-7699

Roberto P.C. de Andrade
Chairman

Jacky Delmar
President and Chief Executive

Brookfield Homes Limited
Tel. (416) 369-8200

Ian G. Cockwell
Chairman

William J. Pringle
President, Western Region

Peter E. Nesbitt
President, Eastern Region

Alan Norris
President, Carma Corporation

Energy Operations

Great Lakes Power Inc.
Tel. (416) 363-9491

Edward C. Kress
Chairman and Chief Executive

Harry A. Goldgut
President and Chief Operating Officer

Great Lakes Power Limited
Tel. (705) 759-7600

Michael R. McEwen
President and Chief Executive

Maclaren Energy Inc.
Tel. (819) 986-5005

Richard Legault
President and Chief Executive

Brascan Energetica S.A.
Tel. (5521) 546-7431

Marcelo Marinho
President and Chief Executive

Canadian Hunter Exploration Ltd.
Tel. (403) 260-1000

James K. Gray
Chairman

Stephen J. Savidant
President and Chief Executive

Financial and Other Operations

Trilon Financial Corporation
Tel. (416) 363-0061

Timothy R. Price
Chairman

George E. Myhal
President and Chief Executive

Managing Partners

Colum P. Bastable

Simon P. Dean

Brian D. Lawson

Frank N.C. Lochan

Sam J.B. Pollock

Aaron W. Regent

John C. Tremayne

Brascan Brazil Ltd.
Tel. (5521) 546-7699

Roberto P.C. de Andrade
Chairman

Marcelo Marinho
Executive Vice-President and Chief Operating Officer

Banco Brascan S.A.
Tel. (5521) 271-5151

Roberto P.C. de Andrade
Chairman

Antonio Paulo Sodré
President and Chief Executive

Six-Year Review

	1999	1998	1997	1996	1995	1994
Financial Results						
Total *(millions)*						
Share of affiliate revenues	**$ 5,870**	$ 5,712	$ 5,341	$ 5,281	$5,225	$4,322
Income before investment gains	**313**	215	276	257	224	184
Investment gains, net	**110**	200	344	—	60	—
Net income	**423**	415	620	257	284	184
Dividends paid on:						
Common shares	**168**	166	145	124	111	110
Preferred shares	**40**	38	29	36	44	33
Consolidated assets	**10,818**	10,942	10,385	10,125	7,924	7,488
Shareholders' equity	**4,462**	4,280	4,027	3,582	3,200	2,950
Common shares at year end	**173.9**	169.6	166.1	161.7	145.8	138.4
Per Common Share *(fully diluted)*						
Income before investment gains	**$ 1.53**	$ 1.00	$ 1.39	$ 1.28	$ 1.20	$ 1.04
Net income	**2.15**	2.12	3.34	1.28	1.57	1.04
Dividends paid[1]	**0.98**	0.98	0.98	0.98	0.98	0.98
Book value	**21.72**	20.58	20.01	17.47	17.43	16.67
Common share price at year end[1]	**19.10**	21.30	26.00	20.60	13.88	12.13
Financial Measures						
Return on common equity	**10.4%**	10.7%	15.1%	6.1%	7.5%	4.9%
Dividend yield	**5.1%**	4.6%	3.8%	4.8%	8.1%	8.1%
Dividend payout ratio	**44.9%**	45.2%	25.3%	59.6%	48.1%	76.9%
Closing common share price to book value	**87.9%**	103.5%	129.9%	117.9%	79.6%	72.8%
Economic Data						
$US/$Cdn. exchange rate:						
Average	**1.48**	1.48	1.38	1.36	1.37	1.37
At year end	**1.45**	1.53	1.43	1.37	1.36	1.40
Average Canadian prime rate	**6.4%**	6.7%	5.0%	6.1%	8.6%	6.9%
Change in Cdn. consumer price index	**1.6%**	1.0%	1.6%	1.6%	2.1%	0.2%
Change in Cdn. gross domestic product	**4.2%**	2.9%	3.8%	1.5%	2.3%	4.1%
TSE index at year end	**8,413.7**	6,485.9	6,699.4	5,954.3	4,713.5	4,213.6
Average Product Prices						
Zinc ($US/lb, LME cash)	**$ 0.49**	$ 0.46	$ 0.60	$ 0.47	$ 0.47	$ 0.45
Copper ($US/lb, LME cash)	**0.71**	0.75	1.03	1.04	1.33	1.05
Aluminum ($US/lb, LME cash)	**0.62**	0.62	0.73	0.68	0.82	0.67
Nickel ($US/lb, LME cash)	**2.71**	2.10	3.14	3.40	3.73	2.88
Lumber ($US/Mfbm)	**343**	288	354	353	251	341
OSB ($US/Msf 1/16")	**260**	202	142	185	245	264
Softwood pulp ($US/tonne)	**542**	544	592	600	877	566
Woodfree paper ($US/tonne)	**818**	848	842	951	1,155	810
Groundwood paper ($US/tonne)	**788**	849	816	929	877	725
Oil ($US/barrel)	**19.25**	14.41	22.49	22.01	18.40	17.18
Natural gas ($Cdn./Mcf)	**2.48**	1.94	1.84	1.75	1.31	1.90

1 *The amounts prior to 1997 are for The Edper Group Limited prior to amalgamating with Brascan Limited*

Shareholder Information

Shareholder Enquiries

Enquiries relating to the operations of the company should be directed to the company's head office:

EdperBrascan Corporation
Suite 4400, BCE Place
Box 762, 181 Bay Street
Toronto, Ontario M5J 2T3

Telephone: (416) 363-9491
Facsimile: (416) 363-2856
Web Site: **www.edperbrascan.com**

Enquires relating to dividends, address changes and share certificates should be directed to the company's Transfer Agent:

Montreal Trust Company of Canada
8th Floor, 151 Front Street West
Toronto, Ontario M5J 2N1

Telephone: (416) 981-9633 or
1-800-663-9097 (Toll free in Canada and U.S.A.)
Facsimile: (416) 981-9507
Web Site: www.montrealtrust.ca

Communications

The company endeavours to keep its shareholders informed of its progress through a comprehensive annual report, quarterly interim reports and periodic press releases. It also maintains a web site that provides summary information on the company and ready access to its published reports, press releases and statutory filings. Directors and management meet with the company's shareholders at the Annual Meeting and are available to respond to questions at that time.

The company also maintains an investor relations program to respond to enquiries in a timely manner. Management meets on a regular basis with investment analysts and financial advisors to ensure that accurate information is available to investors, including quarterly conference calls to discuss the company's financial results. The company also endeavours to ensure that the media are kept informed of developments as they occur, and have an opportunity to meet and discuss these developments with the company's Chairman.

Stock Exchange Listings

	Symbol	Stock Exchange
Class A Limited Voting Shares	EBC.A	Toronto, American, Brussels
Class A Preference Shares		
Series 1	EBC.PR.A	Toronto
Series 2	EBC.PR.B	Toronto
Series 3	EBC.PR.F	Alberta
Series 4	EBC.PR.C	Toronto
Series 8	EBC.PR.E	Toronto

Dividend Record and Payment Dates[1]

	Record Date	Payment Date
Class A Limited Voting Shares	First day of February, May, August and November	Last day of February, May, August and November
Class A Preference Shares		
Series 1, 2 and 4	15th day of March, June, September and December	Last day of March, June, September and December
Series 3	2nd Wednesday of each month	Thursday following second Wednesday of each month
Series 8	15th day of January, April, July and October	First day of February, May, August and November

1 *All dividend payments are subject to declaration by the Board of Directors.*

Dividend Reinvestment Plan

Holders of Class A Limited Voting Shares who are resident in Canada may elect to receive their dividends in the form of newly issued Class A Limited Voting Shares at a price equal to the weighted average price at which the shares traded on The Toronto Stock Exchange during the five trading days immediately preceding and including the payment date of such dividends. The utilization of the Plan allows current shareholders to acquire additional shares in the company without payment of commissions. Further details on the Plan and a Participation Form can be obtained from the company's head office.

EDPERBRASCAN
CORPORATION

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Toronto, Ontario M5J 2T3
Tel.: (416) 363-9491
Fax: (416) 363-2856
Web Site: www.edperbrascan.com

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