

Brookfield Property Partners Reports Solid Third Quarter 2013 Results

NOV 07, 2013

November 7, 2013 – Brookfield Property Partners L.P. (NYSE: BPY; TSX: BPY.UN) today announced financial results for the quarter ended September 30, 2013.

Pro Forma Financial Results⁽¹⁾

US\$ millions (except per unit amounts), unaudited	Three months ended Sep. 30,		Nine months ended Sep. 30,	
	2013	2012	2013	2012
Fully-diluted funds from operations ("fully-diluted FFO"), on a comparative basis ^{(2) (3)}	\$ 134	\$ 107	\$ 420	\$ 318
- per unit	\$ 0.29	\$ 0.23	\$ 0.90	\$ 0.68
Fully-diluted FFO ^{(2) (3)}	\$ 128	\$ 143	\$ 411	\$ 371
- per unit	\$ 0.27	\$ 0.31	\$ 0.88	\$ 0.80
Net income ⁽²⁾	\$ 235	\$ 376	\$ 805	\$ 1,031
- per unit	\$ 0.50	\$ 0.81	\$ 1.73	\$ 2.21

⁽¹⁾ Pro forma financial results reflect the International Financial Reporting Standards ("IFRS") financial statements with adjustments to give effect to the spinoff of Brookfield Property Partners ("the Partnership") for the periods presented prior to April 15, 2013, when the spinoff was effectuated and the acquisition by Brookfield Property Partners of its business and assets from Brookfield Asset Management Inc. for the periods presented. A reconciliation of the Partnership's IFRS financial results to pro forma financial results is provided in Appendix A.

⁽²⁾ Fully-diluted FFO, and net income represent interests attributable to LP units and REUs (defined as Redeemable/Exchangeable and special limited partner units of the operating partnership). The interests attributable to REUs are presented as non-controlling interests in the IFRS statement of income. See "Reconciliation of Non-IFRS Measures" below in this news release for the components.

⁽³⁾ Non IFRS measure. See definition under "Basis of Presentation"

Brookfield Property Partners posted solid results with fully-diluted FFO, on a comparative basis, of \$134 million (\$0.29 per unit) versus \$107 million (\$0.23 per unit) in 2012. The comparative results exclude one-time items, primarily a dividend of \$31 million from the Partnership's Canary Wharf Group plc ("Canary Wharf") investment received in 2012. Fully-diluted FFO including all items was \$128 million (\$0.27 per unit) for the quarter ended September 30, 2013 compared with \$143 million (\$0.31 per unit) during the same period in 2012.

Net income was \$235 million (\$0.50 per unit) for the quarter ended September 30, 2013, compared with \$376 million (\$0.81 per unit) in the prior year period. The decrease was a result of greater valuation gains recorded in the prior year. Equity per unit at September 30, 2013 increased to \$26.09 from \$25.32 as at December 31, 2012.

"Our financial results for the third quarter were solid during a period of uncertainty in the global economy, demonstrating the earnings power of our diversified portfolio of high-quality real estate assets," said Ric Clark, Chief Executive Officer. "In recent months, we announced progress towards our principal goals with two major strategic initiatives: our intention to make an offer to acquire Brookfield Office Properties and a significant increase of our ownership in General Growth Properties. Upon successful completion of these transactions, we will increase our investment in two premier real estate portfolios and solidify our foundation for growth."

Segment Performance

Brookfield Property Partners' office platform generated fully-diluted FFO, on a comparative basis, of \$84 million for the quarter ended September 30, 2013, versus \$74 million in the same period last year. The increase in comparative results was driven by modest growth in same property NOI and a significant reduction in interest expense as a result of refinancing activities. Including one-time items, which primarily relate to a break fee on a refinancing in the current year and a dividend from the Partnership's interest in Canary Wharf in the prior year, fully-diluted FFO was \$80 million in the current quarter compared with \$110 million in the third quarter of 2012.

The retail platform produced fully-diluted FFO of \$72 million in the current quarter compared with \$63 million in the third quarter of 2012. This significant increase in results was primarily driven by higher occupancy, which improved to 95.5% from 94.4% for its portfolio, and a

12% rise in suite-to-suite lease spreads, in addition to interest expense savings from refinancings.

Brookfield Property Partners' multi-family, industrial and other platform produced fully-diluted FFO of \$17 million in the current quarter compared with \$2 million in the third quarter of 2012. The increase was largely a result of acquisitions of industrial and multi-family assets during the year, which enabled the Partnership to deploy approximately \$290 million of equity capital.

<i>US\$ millions, unaudited</i>	<i>Three months ended Sep. 30,</i>		<i>Nine months ended Sep. 30,</i>	
	2013	2012	2013	2012
	BPY	BPY-Pro forma	BPY-Pro forma	BPY-Pro forma
<hr/>				
Fully-diluted FFO by segment				
Office, on a comparative basis	\$ 84	\$ 74	\$ 263	\$ 226
Office - one-time items	(4)	36	(5)	53
<hr/>				
Office - total	80	110	258	279
Retail	72	&n		

Associated Files