

Brookfield Property Partners Reports Solid 2013 Fourth Quarter & Full-year Results

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February 6, 2014 - Brookfield Property Partners L.P. (NYSE: BPY; TSX: BPY.UN) today announced financial results for the quarter and year ended December 31, 2013.

Pro Forma Financial Results⁽¹⁾

(US Millions, except per share amounts)	Three Months Ended		Year Ended, Dec 31	
	2013	2012	2013	2012
Fully-diluted FFO ⁽²⁾⁽³⁾	\$150	\$135	\$561	\$506
- per unit	\$0.29	\$0.29	\$1.17	\$1.09
Net Income ⁽²⁾	\$190	\$312	\$995	\$506
- per unit	\$0.37	\$0.67	\$2.10	\$2.88

⁽¹⁾ Pro forma financial results reflect the International Financial Reporting Standards ("IFRS") financial statements of Brookfield Property Partners L.P. with adjustments to give effect to the spinoff of the Partnership from Brookfield Asset Management Inc. for the periods presented prior to April 15, 2013, when the spinoff was effectuated.

⁽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 reported fully-diluted FFO of \$561 million (\$1.17 per unit) for the year ended December 31, 2013 versus \$506 million (\$1.09 per unit) in 2012.

For the quarter ended December 31, 2013, fully-diluted FFO increased to \$150 million (\$0.29 per unit) versus \$135 million (\$0.29 per unit) for the same period in 2012. These results reflect a strong performance from the Partnership's retail assets and significant investments in its retail and industrial platforms, which were offset by the expiration of a significant lease within its office platform.

For the year ended December 31, 2013, net income was \$995 million (\$2.10 per unit) versus \$1,343 million (\$2.88 per unit) in 2012. Net income was \$190 million (\$0.37 per unit) for the quarter ended December 31, 2013 versus \$312 million (\$0.67 per unit) in the same period in 2012. The Partnership booked fair value gains of \$872 million and \$95 million, respectively, for the year and the quarter ended December 31, 2013, which were less than the fair value gains in comparable periods in 2012, primarily accounting for the decrease in net income.

"In 2013 we made significant progress advancing our vision of becoming the leading globally-diversified owner and operator of high-quality real estate assets. We made a number of acquisitions that expanded the footprints of our industrial and multi-family platforms, and we invested \$1.4 billion to increase our stake in General Growth Properties," said Ric Clark, Chief Executive Officer. "Looking forward to 2014, we are excited to formally launch our offer to acquire "any and all" of the shares of Brookfield Office Properties that we don't own, and we are optimistic that we will be able to acquire 100% of BPO, which will further accelerate our business plan."

Segment Performance

Brookfield Property Partners' office platform generated fully-diluted FFO of \$339 million for the year ended December 31, 2013 versus \$364 million in 2012. This is primarily due to a \$26 million decrease in dividends received on our investment in Canary Wharf Group plc in 2013. Excluding Canary Wharf dividends, fully diluted FFO was \$325 million for the year ended December 31, 2013 versus \$324 million in 2012. The results reflected a significant reduction in interest expense as a result of refinancing activities offset by a major lease expiry at Brookfield Place New York in Q4 2013. In the fourth quarter of 2013, fully diluted FFO was \$81 million versus \$85 million in the same period last year as a \$14 million dividend from Canary Wharf in Q4 2013 largely offset the impact of the aforementioned lease expiration.

The Partnership's retail platform produced fully-diluted FFO of \$325 million for the year ended December 31, 2013 versus \$262 million in 2012. In the fourth quarter of 2013, fully-diluted FFO was \$110 million versus \$88 million in same quarter of 2012. The increase in results for the quarter and year were driven by the acquisition of additional interests in General Growth Properties, Inc. (GGP) and Rouse Properties, Inc. (RSE) in November 2013, higher occupancy levels, which improved to 95.9%, a 10% increase in suite-to-suite lease spreads, and interest expense savings from refinancings.

Brookfield Property Partners' multi-family, industrial and other platform posted fully-diluted FFO of \$50 million for the year ended December 31, 2013 compared with \$7 million in 2012. In the fourth quarter of 2013, fully-diluted FFO was nil compared with a loss of \$6 million in the same period in 2012. The increase in results for the quarter and the year was largely due to acquisitions of industrial and multi-family assets during the year, in which the Partnership deployed approximately \$325 million of equity.

US Millions	Three Months Ended		Year Ended, Dec 31	
	2013 BPY	2012 BPY-Pro Forma	2013 BPY-Pro Forma	2012 BPY-Pro Forma
Fully-diluted FFO by Segment ⁽²⁾⁽³⁾				

Office	81	85	325	262
Retail	110	88	325	262
Multi Family, Industrial & Other	(3)	(14)	50	(27)
Corporate	(41)	(32)	(153)	(127)
Fully-diluted FFO ⁽¹⁾⁽²⁾	\$150	\$135	\$561	\$506
Net Income By Segment				
Office	\$69	\$160	\$723	\$701
Retail	110	88	325	262
Multi Family, Industrial & Other	(3)	(14)	50	(27)
Corporate	(74)	(13)	(223)	(51)
Net Income ¹	\$190	\$312	\$995	\$506

⁽¹⁾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.

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Update on Brookfield Office Properties ("BPO") Acquisition

In September of 2013, Brookfield Property Partners announced its intention to make an offer to acquire "any and all" of the outstanding shares of BPO that it does not own in exchange for a combination of BPY units and cash (the "Offer"). In December, the Partnership agreed to increase the cash portion of the Offer. Under the terms of the Offer, BPO shareholders can elect to receive consideration for each BPO common share tendered of either 1.0 Limited Partnership Unit of Brookfield Property Partners or \$20.34 in cash, subject in each case to proration based on the maximum number of BPY Limited Partnership Units and the maximum cash consideration equating to 67% and 33%, respectively, of the total number of BPO common shares that are tendered under the Offer. Brookfield Property Partners is pleased to report that the BPO Board of Directors intends to unanimously recommend the Offer and that the mid-point of the value of our units and the value of the cash consideration in the Offer are each higher than the mid-point of the value of the BPO common shares, as determined by BPO's independent valuator. Brookfield Property Partners has filed its offer documents with the U.S. Securities and Exchange Commission (the "SEC"), and it plans to formally launch the Offering shortly.

Significant Transactions during the Fourth Quarter

During the fourth quarter of 2013, Brookfield Property Partners, directly or through affiliates, disposed of 23 assets, raising \$190 million of net proceeds and generating \$8 million of net gains above its IFRS carrying value for these assets. Brookfield Property Partners recycled this capital into 22 acquisitions, deploying \$2.2 billion of net equity. Highlights from the quarter include:

Office

- Acquired One North End Avenue, which is a 509,000 square foot office building in downtown Manhattan that will be integrated in Brookfield Place New York; acquired the remaining 50% interest in 125 Old Broad Street in London.
- Closed on the acquisition of MPG Office Trust, Inc. through a fund, with institutional investors, which now owns seven Class A office properties totaling 8.3 million square feet in Downtown Los Angeles.

Retail

- Closed on the acquisition of additional interests in GGP and RSE for \$1.4 billion, increasing ownership on a fully-diluted basis to 32% and 39%, respectively.
- Closed on the acquisition of 17 apartment communities adding approximately 4,300 multi-family units located primarily in the southeastern United States.

Multi-family, Industrial and Other

- Closed acquisition of Industrial Developments International with institutional partners for an aggregate investment of \$1.1 billion.
- Completed over 2.1 million square feet of regional mall acquisitions in the U.S.

Distribution Declaration

The Board of Directors has declared a quarterly distribution of \$0.25 per unit payable on March 31, 2014 to unitholders of record at the close of business on February 28, 2014. Unitholders resident in the United States will receive payment in U.S. dollars and unitholders resident in Canada will receive their distributions in Canadian dollars at the exchange rate on the record date, unless they elect otherwise. The distribution represents an annualized distribution of \$1.00 per unit

Additional Important Information

This News Release relates, in part, to Brookfield Property Partners' previously announced proposal to acquire BPO through a tender offer for any or all of the common shares of BPO that it does not currently own (the "Offer"). Brookfield Property Partners has filed a Registration Statement on Form F-4 and a Transaction Statement on Schedule 13e-3, and intends to file a Tender Offer Statement on Schedule 14D-1F (collectively, with the accompanying letter of transmittal and related documents, the "Exchange Offer Documents"), with

the Securities and Exchange Commission (the "SEC") in connection with the Offer. The Offer has not yet formally commenced and may not be completed until the registration statement filed with the SEC is effective. This communication is for informational purposes only and does not constitute an offer to exchange, or a solicitation of an offer to exchange, any securities, nor is it a substitute for the Exchange Offer Documents. The Offer will be made only through the Exchange Offer Documents.

Security holders and investors will be able to obtain free copies of the Exchange Offer Documents (when they become available), as well as other filings containing information about Brookfield Property Partners, BPO and the Offer, without charge, at the SEC's web site at www.sec.gov, at the Canadian securities regulatory authorities' web site at www.sedar.com and from Brookfield Property Partners. These documents will also be available for inspection and copying at the public reference room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, US. For further information about the public reference room, call the SEC at 1-800-732-0330. SECURITY HOLDERS AND INVESTORS ARE URGED TO READ ANY SUCH DOCUMENTS CAREFULLY IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISION WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Brookfield Property Partners is a commercial real estate owner, operator and investor operating globally. Our diversified portfolio includes interests in over 300 office and retail properties encompassing approximately 250 million square feet. In addition, we have interests in over 25,000 multi-family units, 68 million square feet of industrial space and a 19 million square foot office development pipeline. Our goal is to be the leading global investor in best in class commercial property assets. For more information, please visit www.brookfieldpropertypartners.com.

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Associated Files