

Appendix A: Reconciliation of carve-out financial results to pro forma financial results

As at December 31, 2012 <i>(US\$ Millions)</i>	Brookfield Property Partners L.P. ⁽¹⁾	Brookfield Carve-out	Pro Forma Adjustments							Total Pro Forma Adjustments	Pro Forma Brookfield Property Partners L.P.	
			Australian Investments (a)	Australian Exclusions (b)	Capital Securities (c)	Preferred Shares (d)	Equity (e)	Tax Impact of Reorganization (f)	HHC (h)			
Assets												
Non-current assets												
Investment properties	\$ -	\$ 31,859	\$ (740)	\$ (163)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (903)	\$ 30,956
Equity accounted investments	-	8,110	(568)	(3)	-	-	-	-	-	-	(571)	7,539
Participating loan notes	-	-	775	-	-	-	-	-	-	-	775	775
Other non-current assets	-	5,636	-	-	-	-	-	-	-	(99)	(99)	5,537
Loans and notes receivable	-	246	-	-	-	-	-	-	-	-	-	246
	-	45,851	(533)	(166)	-	-	-	-	-	(99)	(798)	45,053
Current assets												
Loans and notes receivable	-	237	-	(25)	-	-	-	-	-	-	(25)	212
Accounts receivable and other	-	1,022	-	(47)	-	-	-	-	-	-	(47)	975
Cash and cash equivalents	-	910	(3)	(2)	-	-	-	-	-	-	(5)	905
	-	2,169	(3)	(74)	-	-	-	-	-	-	(77)	2,092
Total assets	\$ -	\$ 48,020	\$ (536)	\$ (240)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (99)	\$ (875)	\$ 47,145
Liabilities and equity in net assets												
Non-current liabilities												
Property debt	\$ -	\$ 16,358	\$ (526)	\$ (47)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (573)	\$ 15,785
Capital securities	-	664	-	-	1,250	-	-	-	-	-	1,250	1,914
Other non-current liabilities	-	441	-	(2)	-	-	-	-	-	-	(2)	439
Deferred tax liability	-	997	59	(16)	-	-	-	-	43	(8)	78	1,075
	-	18,460	(467)	(65)	1,250	-	-	-	43	(8)	753	19,213
Current liabilities												
Property debt	-	3,366	-	-	-	-	-	-	-	-	-	3,366
Capital securities	-	202	-	-	-	-	-	-	-	-	-	202
Accounts payable and other liabilities	-	1,747	(33)	(11)	-	-	-	-	-	(13)	(57)	1,690
	-	5,315	(33)	(11)	-	-	-	-	-	(13)	(57)	5,258
Equity in net assets												
Non-controlling interests												
Interests of others in consolidated subsidiaries	-	10,870	-	(13)	-	25	-	-	-	(17)	(5)	10,865
Redeemable/exchangeable operating partnership units held by parent	-	-	-	-	-	-	9,923	-	-	-	9,923	9,923
Total non-controlling interests	-	10,870	-	(13)	-	25	9,923	-	-	(17)	9,918	20,788
Equity in net assets attributable to parent company	-	13,375	(36)	(151)	(1,250)	(25)	(11,809)	(43)	(61)	-	(13,375)	-
Limited partnership units	-	-	-	-	-	-	1,886	-	-	-	1,886	1,886
Total equity in net assets	-	24,245	(36)	(164)	(1,250)	-	-	(43)	(78)	-	(1,571)	22,674
Total liabilities and equity in net assets	\$ -	\$ 48,020	\$ (536)	\$ (240)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (99)	\$ (875)	\$ 47,145

⁽¹⁾ Includes Brookfield Property Partners L.P. balance sheet as at January 15, 2013 which includes partnership equity of \$0.001 which is not presented due to rounding.

See notes for an explanation of each adjustment.

For the year ended December 31, 2012 <i>(US\$ Millions)</i>	Brookfield Property Partners L.P.	Brookfield Carve-out	Pro Forma Adjustments							Total Pro Forma Adjustments	Pro Forma Brookfield Property Partners L.P.	
			Australian Investments (a)	Australian Exclusions (b)	Capital Securities (c)	Preferred Shares (d)	Equity (e)	Tax Impact of Reorganization (f)	Management Fee (g)			HHC (h)
Commercial property revenue	\$ -	\$ 2,889	\$ (78)	\$ (31)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (109)	\$ 2,780
Hospitality revenue	-	743	-	-	-	-	-	-	-	-	-	743
Investment and other revenue	-	169	54	(2)	-	-	-	-	-	-	52	221
Net commercial property income	-	3,801	(24)	(33)	-	-	-	-	-	-	(57)	3,744
Direct commercial property expense	-	1,201	(18)	(12)	-	-	-	-	-	-	(30)	1,171
Direct hospitality expense	-	687	-	-	-	-	-	-	-	-	-	687
Investment and other expense	-	36	-	-	-	-	-	-	-	-	-	36
Interest expense	-	1,028	(45)	(8)	77	-	-	-	-	-	24	1,052
Administration expense	-	171	-	(2)	-	-	-	-	-	50	48	219
Total expenses	-	3,123	(63)	(22)	77	-	-	-	-	50	42	3,165
Fair value gains	-	1,330	-	(63)	-	-	-	-	-	(40)	(103)	1,227
Share of net earnings from equity accounted investments	-	1,235	(39)	-	-	-	-	-	-	-	(39)	1,196
Income before income taxes	-	3,243	-	(74)	(77)	-	-	-	-	(50)	(40)	3,002
Income tax (expense) benefit	-	(535)	-	27	-	-	-	(18)	13	22	44	(491)
Net income	\$ -	\$ 2,708	\$ -	\$ (47)	\$ (77)	\$ -	\$ -	\$ (18)	\$ (37)	\$ (18)	\$ (197)	\$ 2,511
Net income attributable to:												
Non-controlling interests:												
Interests of others in consolidated subsidiaries	\$ -	\$ 1,209	\$ -	\$ (38)	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ (7)	\$ (44)	\$ 1,165
Redeemable/exchangeable operating partnership units held by parent	-	-	-	-	-	1,131	-	-	-	-	1,131	1,131
Total non-controlling interests	-	1,209	-	(38)	-	1,131	-	-	-	(7)	1,087	2,296
Parent company	-	1,499	(9)	(77)	(1)	(1,346)	(18)	(37)	(11)	-	(1,499)	-
Limited partnership units	-	-	-	-	-	215	-	-	-	-	215	215
	\$ -	\$ 2,708	\$ -	\$ (47)	\$ (77)	\$ -	\$ -	\$ (18)	\$ (37)	\$ (18)	\$ (197)	\$ 2,511

See notes for an explanation of each adjustment.

For the year ended December 31, 2011

(US\$ Millions)	Brookfield Property Partners L.P.	Brookfield Carve-out	Pro Forma Adjustments							Total Pro Forma Adjustments	Pro Forma Brookfield Property Partners L.P.
			Australian Investments (a)	Australian Exclusions (b)	Capital Securities (c)	Preferred Shares (d)	Equity (e)	Tax Impact of Reorganization (f)	Management Fee (g)		
Commercial property revenue	\$ -	\$ 2,425	\$ (123)	\$ (45)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (168)	\$ 2,257
Hospitality revenue	-	164	-	-	-	-	-	-	-	-	164
Investment and other revenue	-	231	36	-	-	-	-	-	-	36	267
Total revenue	-	2,820	(87)	(45)	-	-	-	-	-	(132)	2,688
Direct commercial property expense	-	944	(62)	(19)	-	-	-	-	-	(81)	863
Direct hospitality expense	-	138	-	-	-	-	-	-	-	-	138
Investment and other expense	-	54	-	-	-	-	-	-	-	-	54
Interest expense	-	977	(61)	(12)	77	-	-	-	-	4	981
Administration expense	-	104	-	-	-	-	-	-	50	50	154
Total expenses	-	2,217	(123)	(31)	77	-	-	-	50	(27)	2,190
Fair value gains	-	1,112	9	32	-	-	-	-	-	41	1,153
Realized gains	-	365	-	-	-	-	-	-	-	-	365
Share of net earnings from equity accounted investments	-	2,104	(45)	-	-	-	-	-	-	(45)	2,059
Income before income taxes	-	4,184	-	18	(77)	-	-	-	(50)	(109)	4,075
Income tax (expense) benefit	-	(439)	-	4	-	-	-	(341)	13	(324)	(763)
Net income	\$ -	\$ 3,745	\$ -	\$ 22	\$ (77)	\$ -	\$ -	\$ (341)	\$ (37)	\$ (433)	\$ 3,312
Net income attributable to:											
Non-controlling interests:											
Interests of others in consolidated subsidiaries	\$ -	\$ 1,422	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ 1,423
Redeemable/exchangeable operating partnership units held by parent	-	-	-	-	-	-	1,582	-	-	1,582	1,582
Total non-controlling interests	-	1,422	-	-	-	1	1,582	-	-	1,583	3,005
Parent company	-	2,323	-	22	(77)	(1)	(1,889)	(341)	(37)	(2,323)	-
Limited partnership units	-	-	-	-	-	-	307	-	-	307	307
	-	\$ 3,745	\$ -	\$ 22	\$ (77)	\$ -	\$ -	\$ (341)	\$ (37)	\$ (433)	\$ 3,312

See notes for an explanation of each adjustment.

Note regarding pro forma financial information:

The pro forma financial information in this release has been prepared to give effect to the acquisition by Brookfield Property Partners of Brookfield's commercial property operations (the "reorganization"), including its office, retail, multi-family and industrial and opportunistic assets, located in the United States, Canada, Australia, Brazil and Europe, that have historically been owned and operated, both directly and through its operating entities. The commercial property operations transferred to the company through the reorganization includes all of the commercial property operations of Brookfield included in the Brookfield carve-out financial statements except for (i) its interest in the Howard Hughes Corporation ("HHC"), a publicly listed real estate entity; and (ii) certain assets within Brookfield's Australian operations which are not being transferred.

In addition, the pro forma information was prepared reflecting adjustments for the following:

- Acquisition of interests in Brookfield's Australian properties through participating loan notes.
- Exclusion of certain assets within Brookfield's Australian operations which are not being transferred to the company as part of the reorganization.
- Issuance of \$1.25 billion of Capital Securities to Brookfield as partial consideration for the Business acquired by the company.
- Issuance of \$25 million of Preferred Shares by certain holding entities of Brookfield Property Partners.
- Issuance of partnership units by Brookfield Property Partners as partial consideration for the business acquired, and issuance of approximately 76 million units of the company in the spin-off based on the number of Class A limited voting shares and Class B limited voting shares of Brookfield as of December 31, 2012.
- Reorganization of the legal structure through which the business is held, including the issuance of certain inter-company debt between the property partnership and the holding entities, resulting in changes in the effective tax rate and the tax basis of certain investments.
- Annual management fees of \$50 million paid by the company to Brookfield pursuant to a Master Services Agreement.
- Exclusion of Brookfield's 3% investment in Howard Hughes Corporation, which is not being transferred to the company as part of the reorganization.

The unaudited pro forma information has been prepared based upon currently available information and assumptions deemed appropriate by management. The unaudited pro forma financial information is provided for information purposes only and is not intended to represent, or be indicative of, the results that would have occurred had the transactions reflected in the pro forma adjustments been effected on the dates indicated.