

Brookfield Residential

A LAND DEVELOPMENT AND HOMEBUILDING COMPANY
Active in Ten North American Markets



Corporate Profile | February 2013

Notice to Recipients

This corporate profile contains “forward-looking statements” within the meaning of applicable Canadian securities laws and United States federal securities laws. Certain statements in this corporate profile that are not historical facts, including information concerning the current business and economic environment and outlook, possible or assumed future results of operations of the company, intrinsic value and future cash flows, favourable long-term fundamentals, future lot availability and our ability to bring lots to market, the company’s goals, business strategy and growth plans, factors affecting our competitive position within the homebuilder industry, land development value creation, costs to complete, liquidity and the ability to participate in opportunities, project and development timelines and those statements preceded by, followed by, or that include the words “may,” “believe,” “planned,” “anticipate,” “should,” “goals,” “expected,” “potential,” “estimate,” “targeted,” “scheduled,” or similar expressions, constitute “forward-looking statements”. Undue reliance should not be placed on forward looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the actual results to differ materially from the anticipated future results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forward in the forward-looking statements include, but are not limited to: changes in general economic, real estate and other conditions; changes in interest rates; mortgage rate and availability changes; availability of suitable undeveloped land at acceptable prices; adverse legislation or regulation, including change to tax laws; ability to obtain necessary permits and approvals for the development of our land; availability of labour or material or increases in their costs; ability to develop and market our master-planned communities successfully; laws and regulations related to property development and related to the environment that could lead to additional costs and delays, including laws and regulations that may limit municipality growth in the areas in which we operate; ability to obtain regulatory approvals; confidence levels of consumers; ability to raise capital on favourable terms; our debt and leverage; adverse weather conditions and natural disasters; relations with the residents of our communities; risks associated with increased insurance costs or unavailability of adequate coverage and ability to obtain surety bonds; competitive conditions in the homebuilding industry, including product and pricing pressures; ability to retain our executive officers; relationships with our affiliates; the seasonal nature of our business and its impact on operating results; changes to foreign currency exchange rates; and additional risks and uncertainties referred to in our filings with the securities regulators in Canada and the United States, many of which are beyond our control. Except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further discussions made on related subjects in subsequent reports should be consulted.

Unless otherwise noted, all references to “\$” or “Dollars” are to U.S. Dollars.

Company Overview



In Summary

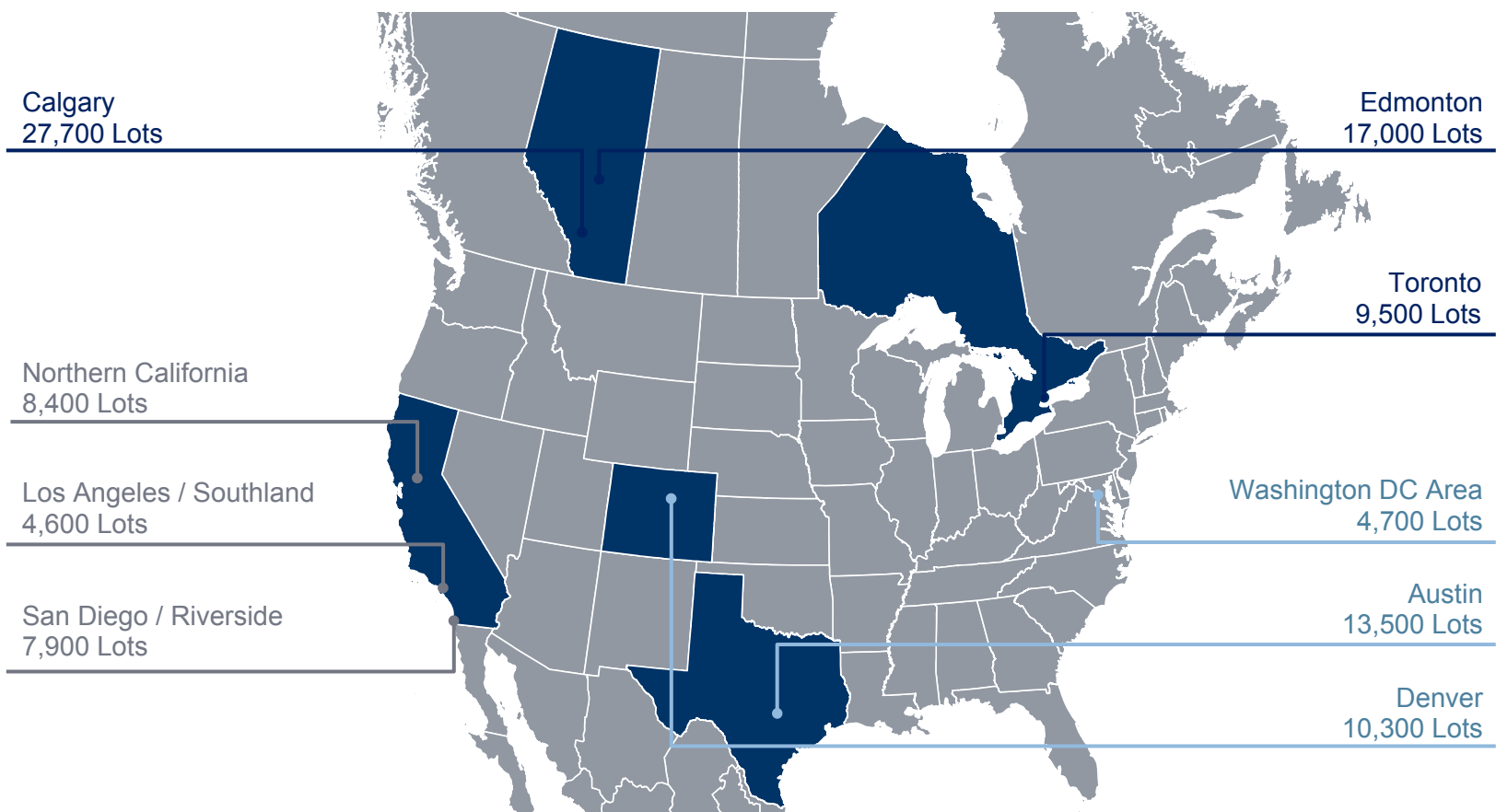
Brookfield Residential was launched as a new North American public company on March 31, 2011 by way of a merger between Brookfield Office Properties' residential land and housing division (BPO Residential) and Brookfield Homes Corporation.



- Fifth largest North American residential platform by land and housing assets, with over 100,000 lots controlled
- Land developer and homebuilder, with three active operating segments and approximately US\$2.8 billion in assets: Canada (3 markets), California (4 markets) and Central and Eastern U.S. (3 markets)
 - Land developer: Entitle and develop land in all ten of our markets
 - Homebuilder: Currently build homes in eight of our ten markets (Calgary, Edmonton, Greater Toronto Area, San Francisco Bay Area, Los Angeles/Southland, San Diego/Riverside, Washington D.C. Area and Denver)
 - Dominant developer in Western Canada; approximately 1 in 5 Calgary residents live in a Brookfield community
- Geographically diverse portfolio provides the benefit of strong Canadian markets, while positioning the company for a recovery in the U.S.

Market Diversity

- With assets split almost equally between Canada and the United States, Brookfield Residential's North American portfolio provides the benefits of strong and profitable Canadian markets while being well-positioned for a recovery in future growth markets in the U.S.
- Invest in markets with resilient economies created by employment and quality of life
- Purchase land in growth corridors taking long range view of where master-planned opportunities exist



Note: Does not include 167 acres of multi-family, commercial and industrial parcels under development.

Brookfield Residential Key Differentiators

Balance between land development and homebuilding

- Diversified operations with both land and home development
- Value created at each stage of land entitlement and development
- Ability to bring lots to market quickly and not rely on third party providers
- Top-tier gross margins promotes strong profitability and cash flow flexibility to opportunistically pursue homebuilding or land investment

Large and well located land supply

- 100,000 lots controlled in supply-constrained markets with attractive employment and quality of life characteristics
- Negligible development of lots in the U.S. since 2006 – significant demand from homebuilders who have transitioned to “land lite” model
- Well-positioned in Canada to provide lots in markets where supplies are tightening
- Ability to participate in larger transactions to acquire purchase premium assets to take advantage of improving market conditions

Unique geographic balance

- Benefits of strong and profitable Canadian markets while positioning for a recovery in future growth markets in the U.S.
- Located in dynamic and resilient markets with historically strong housing demand, barriers to entry, strong population and employment growth and positive long-term demographics

Operating expertise

- Deep management team with more than 20 years average experience and in-depth local industry knowledge
- High customer satisfaction acknowledged through satisfaction surveys, industry awards and peer recognition *

* Please visit http://www.brookfieldrp.com/content/our_markets/our_markets_overview-25864.html to view award rankings by market

Long-Term Fundamentals Favourable

- Constrained capital in the homebuilding industry will result in a shortage of available developed lots
- Continued increase in environmental concerns and other restrictions on obtaining entitlements and development permits will constrain lot supply
- Owning developed or entitled lots in strategic market areas places the company in a strong position when U.S. markets rebound; Canadian markets continue to be strong
- Continue to leverage management's experience on creating value through the entitlement and development process

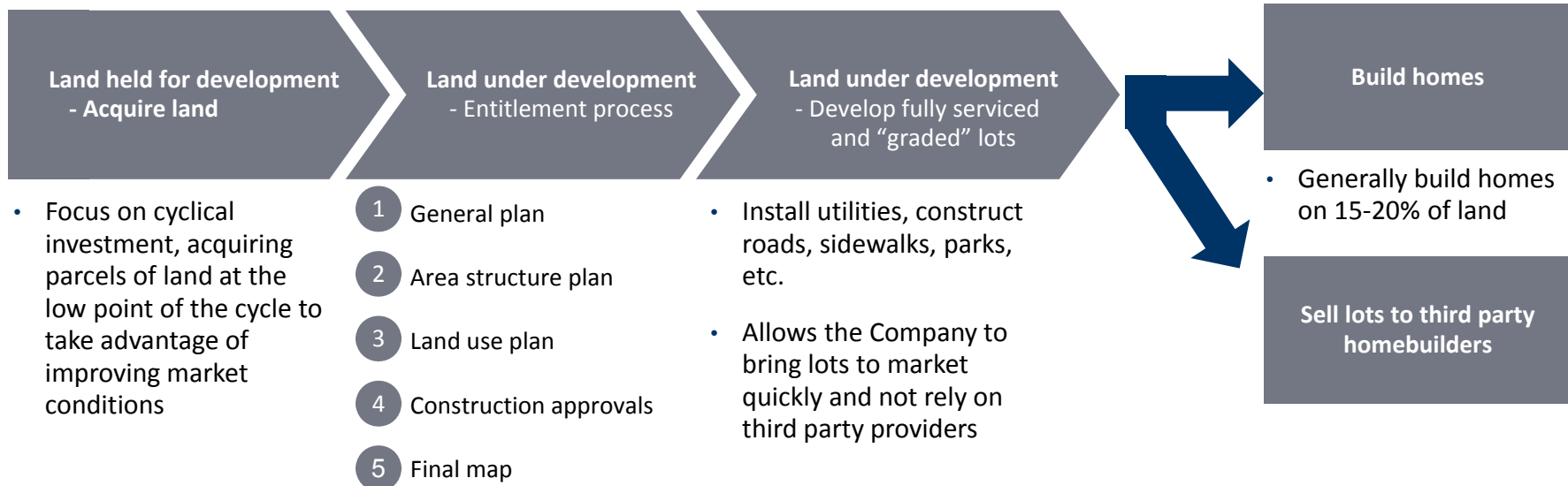
Land Development



Diversified operations with both land and home development

- Brookfield Residential develops land for its own communities and sells lots to other homebuilders and third parties
 - In each of its markets, Brookfield Residential operates through local business units which are involved in all phases of the planning, building and marketing of the Company’s master-planned communities, infill and mixed-use developments
- Brookfield Residential constructs homes on lots it has developed or purchased from others
 - Having a homebuilding operation allows Brookfield Residential the opportunity to extract the value from the land and provides the Company with market knowledge through direct contact with the homebuyers
 - In markets where Brookfield Residential has significant land holdings, homebuilding is carried out on a portion of its land (typically 15%-20%) in specific market segments and the balance of lots are sold to and built on by third party builders

Brookfield Residential’s land and development business model



A General Overview of Land Entitlement and Development

- Land development is the process of taking land from a raw undeveloped stage through to a finished lot stage where it is available for the construction of homes, shopping centres, schools, parks and other structures
- In order to develop land, entitlements are required; entitlements are the legal method of obtaining approvals for the right to develop property for a particular use
- There are many different entitlements required through the regulatory approval process in order to develop land; most jurisdictions require similar approvals although they vary in what they are called
- The first level of entitlement is a General Plan which designates what general uses (residential, commercial, office, etc.) will be allowed on the lands under study; it also designates the general location of significant roads and school sites
- The second level of entitlement, usually called an Area Structure Plan, Community Plan or Specific Plan, is similar to a General Plan but is a more detailed look at the sequence of development, general land uses proposed for the area, the density of population, general location of major transportation routes and public utilities, school sites and other matters City Council considers necessary
- The next level of entitlements generally involves obtaining a Land Use Plan or Zoning or Tentative Map; this designates what use is allowed on a specific piece of land (single family housing, multi-family housing, shopping centre, park, etc.); once zoning is in place no other use on the piece of land will be allowed unless it is re-zoned; an Outline Plan may accompany the Land Use Plan; this plan identifies the road and utility layout for a community as well as the specific location of each Land Use

A General Overview of Land Entitlement and Development cont'd

- Another level of entitlements involves obtaining engineering approval; engineering approval involves preparing detailed engineering drawings that outline the location and size of sanitary sewer, water and storm water pipes. It also designates the size and location of roads required and the size and location of storm water ponds
- The final level of entitlements involves preparing a Legal Survey Plan or Final Map, which is prepared by qualified Land Surveyors and the mechanism through which an individual titled lot is created
- Obtaining entitlements can be a difficult and lengthy process involving many studies and public engagement and often takes years to complete
- Once entitlements have been achieved, the land developer can physically install utilities, construct roads, sidewalks, parks etc. to create a finished lot available to homebuilders to construct homes on; in certain situations a developer may allow the homebuilder to install the infrastructure by selling the builder what's known as "graded lots"; the developer completes only the backbone infrastructure for the community and allows the homebuilder to complete the specific onsite servicing for the "graded lots" purchased
- In Canada, developers sell fully serviced lots to homebuilders; in the United States developers sell both fully serviced lots and "graded lots"

Land Entitlement and Development – Examples of Land Development Stages in Alberta

- Value is created at each stage of land entitlement and development
 - Lots are entitled in markets that have barriers to entry (entitlement includes municipal approval of a master-planned community)
 - Development plans are prepared with final engineering, and includes completion of grading, sewers, utilities, parks, roads and sidewalks
- The following are generic examples of the metrics we have experienced in the past in Alberta. Results will vary project by project depending on parcel size, location and other market variables:

Year	Activity	2 Year Hold Period		
		\$	\$	\$
		Per Front Foot	Per Acre	Per Lot
0	Purchase land	(1,545)	(340,000)	(49,455)
1		–	–	–
2	Entitle land	(40)	(8,800)	(1,280)
3	Develop land	(1,800)	(396,000)	(57,600)
4	Sell lots	4,800	1,056,000	153,600
	Margin \$	1,415	311,200	45,265
	Margin %	29%	29%	29%

Front Feet Per Acre – 220

Front Feet Per Lot – 32

Year	Activity	7 Year Hold Period		
		\$	\$	\$
		Per Front Foot	Per Acre	Per Lot
0	Purchase land	(591)	(130,000)	(18,909)
1		–	–	–
2		–	–	–
3		–	–	–
4		(10)	(2,200)	(320)
5		(10)	(2,200)	(320)
6		(10)	(2,200)	(320)
7	Entitle land	(10)	(2,200)	(320)
8	Develop land	(1,800)	(396,000)	(57,600)
9	Sell lots	4,800	1,056,000	153,600
	Margin \$	2,369	521,200	75,811
	Margin %	49%	49%	49%

Intrinsic Value



Cash Flow and Valuation Methodologies

- The following is an example of an approach to value the company:

Stage of Development	Methodology
Housing Inventory	Market price less cost to complete
Land Under Development	Market price less cost to complete
Land Held for Development	Discounted cash flow at 12% to 25% rate

- The discount rates used for Land Held For Development are directly correlated with risk. For example, where land is in a raw unentitled state, the appropriate discount rate could be in the 12% to 25% range to account for entitlement, development, timing and market risk

Land and Housing Inventory

<i>(lots)</i>	Single Family Housing & Land Under and Held for Development (1)								Multi-Family, Industrial & Commercial Parcels Under Development	
	Land & Housing		Unconsolidated Entities		Total Lots		Status of Lots 31-Dec-12		Total Acres	
	Owned	Options	Owned	Options	31-Dec-12	31-Dec-11	Entitled	Unentitled	31-Dec-12	31-Dec-11
Calgary	25,433	-	2,359	-	27,792	27,957	6,337	21,455	73	153
Edmonton	17,083	-	-	-	17,083	16,728	10,071	7,012	63	86
Toronto	9,592	-	-	-	9,592	9,369	819	8,773	3	8
Canada	52,108	-	2,359	-	54,467	54,054	17,227	37,240	139	247
Northern California	3,461	4,950	-	-	8,411	8,288	2,261	6,150	-	-
Southland/Los Angeles	1,430	-	1,336	1,916	4,682	4,216	2,068	2,614	-	-
San Diego/Riverside	7,940	-	1	-	7,941	8,999	5,141	2,800	-	-
Other	194	-	51	-	245	249	245	-	-	-
California	13,025	4,950	1,388	1,916	21,279	21,752	9,715	11,564	-	-
Denver	10,349	-	-	-	10,349	10,580	10,349	-	10	10
Austin	13,551	-	-	-	13,551	14,921	5,293	8,258	-	-
Washington D.C. Area	2,640	1,066	1,007	-	4,713	5,085	4,679	34	18	-
Central and Eastern U.S.	26,540	1,066	1,007	-	28,613	30,586	20,321	8,292	28	10
Total December 31, 2012	91,673	6,016	4,754	1,916	104,359		47,263	57,096	167	257
Entitled lots December 31, 2012	44,500	1,066	1,234	463	47,263					
Unentitled lots December 31, 2012	47,173	4,950	3,520	1,453	57,096					
Total December 31, 2012	91,673	6,016	4,754	1,916	104,359					
Total December 31, 2011	94,831	6,016	3,703	1,842		106,392				

(1) Land held for development will include some multi-family, industrial & commercial parcels once entitled

<i>(millions, except per unit activity)</i>	Land & Unconsolidated		Total 12/31/2012		Total 12/31/2011	
	Housing	Entities	Units	\$	Units	\$
Land Held For Development (lots)	1,360	131	89,855	1,491	91,446	1,856
Land Under Development - Single Family (lots)	558	15	5,785	573	6,291	52
Optioned (lots)	69	33	7,932	102	7,858	95
Housing inventory (lots)	160	4	677	164	702	144
Model homes (lots)	31	1	110	32	95	27
Unconsolidated entity debt	-	(29)	-	(29)	-	(16)
Sub total	2,178	155	104,359	2,333	106,392	2,158
Multi Family, Commercial & Industrial Parcels (Acres)	72	-	167	72	257	99
Total	2,250	155		2,405		2,257

Housing Inventory

- Our Housing Inventory at December 31, 2012 consisted of the following:

	Model Homes	Housing Inventory
City	Units	Units
Calgary	37	227
Edmonton	21	167
Toronto	9	101
Northern California	10	42
Los Angeles / Southland	13	49
San Diego / Riverside	11	43
Denver	3	-
Washington D.C. Area	6	47
Other	-	1
Total	110	677
Book Value	\$32 million	\$164 million

- Housing Inventory is defined as completed housing or in the process of being constructed
- Included in Housing Inventory is associated land as well as construction costs
- As at December 31, 2012 the cost to complete Housing Inventory was approximately \$95 million. Cost to complete is defined as the costs required to bring partially finished homes to a completed stage
- Having a homebuilding operation allows us the opportunity to monetize our land and provides us with market knowledge through direct contact with the homebuyers

Land Under Development

- Our Land Under Development Inventory at December 31, 2012 consisted of the following:

	Single Family	Multi-Family / Industrial / Commercial Parcels
City	Lots	Acres
Calgary	897	73
Edmonton	988	63
Toronto	207	3
Northern California	305	-
Los Angeles / Southland	991	-
San Diego / Riverside	997	-
Austin	157	-
Denver	917	10
Washington D.C. Area	299	18
Other	27	-
Total	5,785	167
Book Value	\$573 million	\$72 million

- We develop land for our own communities and then sell lots to other homebuilders and third parties. In our own and others' communities, we may also design, construct and market single family and multi-family homes
- Once development of a phase begins, the associated costs with that phase are transferred from Land Held for Development to Land Under Development, which includes all underlying costs that are attributable to the phase of saleable lots, including costs of the underlying land, consulting costs and backbone infrastructure of major roads, parks and sewers
- As at December 31, 2012 the cost to complete for single family and multi-family Land Under Development was approximately \$216 million and \$28 million, respectively. Cost to complete is defined as the costs required to bring partially finished lots and parcels to a completed stage
- In markets where the Company has significant land holdings, homebuilding is carried out on a portion of the land in specific market segments and the balance of lots are sold to and built on by third-party builders

Land Held for Development

- Our Land Held for Development Inventory at December 31, 2012 consisted of the following:

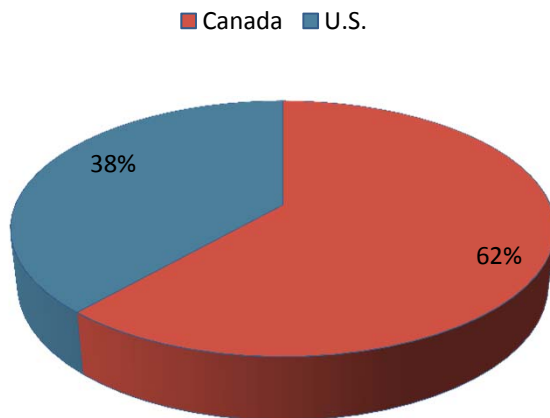
City	Acres	Lot Unit Equivalents*
Calgary	3,804	26,631
Edmonton	2,272	15,907
Toronto	1,529	9,275
Northern California	648	3,104
Los Angeles / Southland	716	1,713
San Diego / Riverside	4,021	6,890
Austin	3,348	13,394
Denver	2,357	9,429
Washington D.C. Area	1,270	3,295
Other	22	217
Total	19,987	89,855
Book Value	\$1.462 billion	

- Lot unit equivalents for most regions have been calculated using an assumed conversion rate of between 4 to 7 units per acre. The final plan may change through the entitlement process

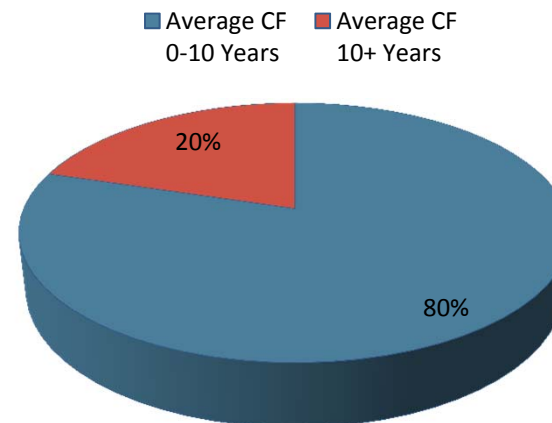
Land Held for Development - Continued

- Our projections for cash flow from our Land Held for Development and Optioned Land totals over \$5 billion with an average life of 10 years
- Cash flows are based on current projections taking into account many variables and assumptions and as a result are subject to change
- The projected undiscounted cash flow for land held for development and optioned lands split out by country and average life is as follows:

Undiscounted Cashflow Split



Undiscounted Cashflow Split by Year



Optioned Land

- Our inventory of optioned land at December 31, 2012 consisted of the following:

City	Land and Housing	Unconsolidated Entities
Northern California	4,950	-
Los Angeles / Southland	-	1,916
Washington D.C. Area	1,066	-
Total	6,016	1,916
Book Value	\$69 million	\$33 million

- In the ordinary course of business, and where market conditions permit, we use land and lot option contracts and unconsolidated entities to acquire control of land to mitigate the risk of declining land values and entitlements
- Option contracts for the purchase of land permit us to control the land for an extended period of time until options expire; this reduces our financial risk associated with these land holdings
- As at December 31, 2012 the total remaining exercise price of these consolidated and unconsolidated options was \$22 million and \$127 million, respectively

Financial Profile



Selected Financial Information

<i>(Millions, except unit activity and per share amounts)</i>	Three Months Ended December 31		Twelve Months Ended December 31	
	2012	2011	2012	2011
Results of Operations				
Total revenue	\$ 715	\$ 365	\$ 1,340	\$ 1,008
Land revenue - total	407	166	622	524
Land revenue - normalized	407	130	622	335
Land revenue - normalized (w/out Playa Vista)	143	130	358	335
Land revenue - non-recurring	-	36	-	189
Housing revenue	308	199	718	484
Gross margin - total (\$)	112	88	293	268
Gross margin - normalized (\$)	112	96	293	219
Gross margin - normalized (w/out Playa Vista) (\$)	111	96	292	219
Gross margin - non-recurring (\$)	-	(8)	-	49
Gross margin - total (%)	16%	24%	22%	27%
Gross margin - normalized (%)	16%	29%	22%	27%
Gross margin - normalized (w/out Playa Vista) (%)	25%	29%	27%	27%
Gross margin - non-recurring (%)	-	-	-	26%
Income before income taxes	65	49	129	130
Income tax expense	(9)	(24)	(36)	(125)
Net income attributable to Brookfield Residential	56	26	93	7
Basic income per share	\$ 0.52	\$ 0.25	\$ 0.92	\$ 0.07
Diluted income per share	\$ 0.52	\$ 0.25	\$ 0.91	\$ 0.07

Selected Financial Information (Continued)

<i>(Millions, except unit activity and average selling price)</i>	Three Months Ended December 31		Twelve Months Ended December 31	
	2012	2011	2012	2011
Operating Data				
Lot closings - normalized (single family units)	1,019	733	2,142	1,869
Lot closings - normalized w/o Playa Vista (single family units)	824	733	1,947	1,869
Lot closings - non-recurring (single family units)	-	201	-	1,043
Lot closings - for unconsolidated entities (single family units)	140	-	140	179
Acres closings - normalized (multi-family, industrial and commercial parcels)	79	26	104	34
Acres closings - normalized w/o Playa Vista (multi-family, industrial and commercial parcels)	57	26	82	34
Acres closings - non-recurring (multi-family, industrial and commercial parcels)	-	3	-	19
Average land selling price - normalized (single family units)	\$ 159,000	\$ 139,000	\$ 155,000	\$ 160,000
Average land selling price - normalized w/o Playa Vista (single family units)	\$ 123,000	\$ 139,000	\$ 139,000	\$ 160,000
Average land selling price - non-recurring (single family units)	-	\$ 165,000	-	\$ 166,000
Average land selling price - for unconsolidated entities (single family units)	\$ 131,000	\$ -	\$ 131,000	\$ 63,000
Average per acre selling price - normalized (multi-family, industrial and commercial parcels)	\$ 3,110,000	\$ 1,037,000	\$ 2,619,000	\$ 1,010,000
Average per acre selling price - normalized w/o Playa Vista (multi-family, industrial and commercial parcels)	\$ 711,000	\$ 1,037,000	\$ 828,000	\$ 1,010,000
Average per acre selling price - non-recurring (multi-family, industrial and commercial parcels)	\$ -	\$ 1,089,000	\$ -	\$ 848,000
Home closings for Brookfield Residential (units)	725	528	1,808	1,295
Home closings for unconsolidated entities (units)	30	21	74	35
Average home selling price (per unit)	\$ 425,000	\$ 378,000	\$ 397,000	\$ 374,000
Average home selling price for unconsolidated entities (per unit)	\$ 412,000	\$ 392,000	\$ 415,000	\$ 386,000
Net new orders for Brookfield Residential (units)	447	358	1,980	1,584
Net new orders for unconsolidated entities (units)	19	12	77	51
Backlog for Brookfield Residential (units at end of period)	817	645	817	645
Backlog for unconsolidated entities (units at end of period)	17	14	17	14

For the three months ended December 31, 2012, land revenue totalled \$407 million, compared to \$166 million during the same period in 2011. Included in 2012 land revenue was approximately \$264 million from the sale of three apartment sites totalling approximately 22 acres and 195 for-sale residential lots at the recently acquired Playa Vista community. Approximately \$36 million of the land revenue from 2011 was due to the non-recurring change in business practice for lot sales in Alberta. Taking both of these into account, land revenue increased by \$13 million over the same period of 2011 and was driven by increased lot sales in the U.S. as our markets improved.

For the twelve months ended December 31, 2012, land revenue totalled \$622 million, compared to \$524 million during the same period in 2011. Approximately \$189 million of the land revenue from 2011 was due to the change in business practice referred to above, while, \$264 million of the 2012 revenue was from the sales at Playa Vista. Taking this into account land revenue for the twelve months ended December 31, 2012 increased by \$23 million or 7% over the same period of 2011, driven by the sale of multi-family and commercial parcels in Canada and additional lot closings in both Canada and the U.S.

Quarterly Financial Information

(millions, except per share amounts)	2012				2011			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Lots closings - normalized (single family lots)	1,019	386	463	274	733	413	489	234
Lots closings - non-recurring (single family lots)	-	-	-	-	201	237	270	335
Acre sales - normalized (multi-family, industrial and commercial parcels)	79	2	22	1	25	7	2	-
Acre sales - non-recurring (multi-family, industrial and commercial parcels)	-	-	-	-	3	6	6	3
Acre sales (raw and partially finished parcels)	1	-	438	-	-	-	41	-
Home closings	725	477	355	251	528	307	240	220
Revenue	\$ 715.1	\$ 244.9	\$ 248.3	\$ 132.1	\$ 364.5	\$ 227.9	\$ 235.5	\$ 180.1
Direct cost of sales	(603.3)	(175.9)	(175.1)	(93.4)	(276.7)	(157.8)	(180.7)	(124.8)
Gross Margin	111.8	69.0	73.2	38.7	87.8	70.1	54.8	55.3
Selling, general and administrative expense	(40.7)	(32.2)	(29.4)	(26.1)	(28.7)	(26.7)	(19.2)	(26.4)
Interest expense	(10.4)	(10.6)	(10.3)	(10.2)	(11.6)	(11.3)	(10.9)	(3.3)
Other income / (expense)	4.4	(0.9)	0.8	1.5	1.5	(3.1)	1.5	0.3
Income before income taxes	65.1	25.3	34.3	3.9	49.0	29.0	26.2	25.9
Income tax expense	(8.8)	(10.8)	(12.8)	(3.7)	(24.0)	(10.3)	(7.4)	(83.7)
Net income / (loss)	56.3	14.5	21.5	0.2	25.0	18.7	18.8	(57.8)
Net loss attributable to non-controlling interest and other interests in consolidated subsidiaries	(0.4)	0.4	0.3	0.4	0.8	0.5	0.4	0.8
Net income / (loss) attributable to Brookfield Residential	\$ 55.9	\$ 14.9	\$ 21.8	\$ 0.6	\$ 25.8	\$ 19.2	\$ 19.2	\$ (57.0)
Foreign currency translation	(4.2)	6.2	(3.0)	3.1	1.5	(4.0)	0.3	13.4
Comprehensive income / (loss) attributable to Brookfield Residential	\$ 51.7	\$ 21.1	\$ 18.8	\$ 3.7	\$ 27.3	\$ 15.2	\$ 19.5	\$ (43.6)
Earnings / (loss) per common share attributable to Brookfield Residential								
Basic	\$ 0.52	\$ 0.15	\$ 0.22	\$ 0.01	\$ 0.25	\$ 0.19	\$ 0.19	\$ (0.56)
Diluted	\$ 0.52	\$ 0.15	\$ 0.22	\$ 0.01	\$ 0.25	\$ 0.19	\$ 0.19	\$ (0.56)
Weighted average common shares outstanding (in thousands)								
Basic	107,160	99,819	99,812	99,606	99,343	99,343	101,187	101,343
Diluted	107,759	100,335	100,200	99,945	99,611	99,410	101,356	101,343
Non-Recurring								
Land revenue	\$ -	\$ -	\$ -	\$ -	\$ 36.0	\$ 43.0	\$ 49.0	\$ 61.0
Direct cost of sales (\$)	-	-	-	-	(44.0)	(26.0)	(34.0)	(35.0)
Gross margin (%)	\$ -	\$ -	\$ -	\$ -	\$ (8.0)	\$ 17.0	\$ 15.0	\$ 26.0
	-	-	-	-	-	40%	31%	43%

Condensed Consolidated Balance Sheets

<i>(thousands)</i>	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011
Assets					
Land and housing inventory	\$ 2,250,256	\$ 2,327,819	\$ 2,212,184	\$ 2,194,447	\$ 2,113,245
Investments in unconsolidated entities	155,352	155,544	153,654	150,746	143,821
Receivables and other assets	335,611	306,495	328,891	303,921	310,443
Restricted cash	13,596	8,511	8,600	8,578	9,128
Cash and cash equivalents	49,826	10,373	7,801	12,667	2,162
Deferred income tax assets	10,552	-	-	-	-
	\$ 2,815,193	\$ 2,808,742	\$ 2,711,130	\$ 2,670,359	\$ 2,578,799
Liabilities and Equity					
Project specific and other financings	\$ 459,329	\$ 972,380	\$ 932,724	\$ 928,993	\$ 825,687
Notes payable	590,845	488,016	472,128	481,248	469,776
Total financings	1,050,174	1,460,396	1,404,852	1,410,241	1,295,463
Accounts payable and other liabilities	425,179	262,928	243,357	216,259	247,420
Deferred income tax liabilities	-	22,912	22,619	24,948	27,773
Total liabilities	1,475,353	1,746,236	1,670,828	1,651,448	1,570,656
Other interests in consolidated subsidiaries	32,445	31,047	31,801	31,235	32,434
Total equity	1,307,395	1,031,459	1,008,501	987,676	975,709
	\$ 2,815,193	\$ 2,808,742	\$ 2,711,130	\$ 2,670,359	\$ 2,578,799
Debt to Total Capitalization	43%	58%	57%	58%	56%

Condensed Consolidated Statements of Operations

<i>(thousands, except per share amounts)</i>	Three Months Ended December 31		Twelve Months Ended December 31	
	2012	2011	2012	2011
Revenue				
Land	\$ 406,746	\$ 165,116	\$ 621,905	\$ 524,095
Housing	308,303	199,385	718,465	483,990
	715,049	364,501	1,340,370	1,008,085
Direct Cost of Sales				
Land	(345,464)	(106,483)	(449,313)	(326,712)
Housing	(257,844)	(170,257)	(598,340)	(413,429)
	111,741	87,761	292,717	267,944
Selling, general and administrative expense	(40,681)	(28,691)	(128,377)	(101,030)
Equity in earnings from unconsolidated entities	6,383	191	9,882	4,119
Depreciation	(912)	(810)	(3,386)	(3,544)
Interest expense	(10,405)	(11,625)	(41,406)	(37,077)
Other (expense) / income	(1,007)	2,151	(800)	(252)
	65,119	48,977	128,630	130,160
Current income tax expense	(14,149)	(4,645)	(45,879)	(22,240)
Deferred income tax recovery / (expense)	5,345	(19,305)	9,788	(103,085)
Net Income	56,315	25,027	92,539	4,835
Net (income) / loss attributable to noncontrolling interest and other interests in consolidated subsidiaries	(414)	777	622	2,453
Net Income Attributable to Brookfield Residential	\$ 55,901	\$ 25,804	\$ 93,161	\$ 7,288
Other Comprehensive Income				
Unrealized foreign exchange gain / (loss) on translation of:				
The net investment in Canadian subsidiaries	(4,200)	15,705	20,369	(13,648)
The Canadian dollar denominated debt designated as a hedge of the net investment in Canadian subsidiaries	-	(14,230)	(18,240)	24,768
Comprehensive Income Attributable to Brookfield Residential	\$ 51,701	\$ 27,279	\$ 95,290	\$ 18,408
Earnings per Common Share Attributable to Brookfield Residential				
Basic	\$ 0.52	\$ 0.25	\$ 0.92	\$ 0.07
Diluted	\$ 0.52	\$ 0.25	\$ 0.91	\$ 0.07
Weighted Average Common Shares Outstanding (in thousands)				
Basic	107,160	99,343	101,609	99,949
Diluted	107,759	99,611	102,054	100,217

Selected Operating Information - Land

	Three Months Ended December 31				Twelve Months Ended December 31			
	2012		2011		2012		2011	
	Units	\$	Units	\$	Units	\$	Units	\$
<i>(millions, except per unit activity)</i>								
Lot Closings (single family lots)								
Canada - normalized	453	\$ 73	462	\$ 77	1,381	\$ 228	1,335	\$ 219
Canada - non-recurring	-	-	201	33	-	-	1,043	173
California	345	70	159	13	345	71	317	56
Central and Eastern U.S.	221	19	112	12	416	33	217	23
	1,019	162	934	135	2,142	332	2,912	471
Unconsolidated Entities	140	18	-	-	140	18	179	11
Total	1,159	\$ 180	934	\$ 135	2,282	\$ 350	3,091	\$ 482

Acre Sales (multi-family, industrial and commercial parcels)

Canada - normalized	57	\$ 40	26	\$ 27	82	\$ 67	34	\$ 35
Canada - non-recurring	-	-	3	3	-	-	19	16
California	22	204	-	-	22	204	-	-
Central and Eastern U.S.	-	-	-	-	-	-	-	-
	79	244	29	30	104	271	53	51
Unconsolidated Entities	-	-	-	-	-	-	-	-
Total	79	\$ 244	29	\$ 30	104	\$ 271	53	\$ 51

Acre Sales (raw and partially finished parcels)

Canada	1	\$ 1	-	\$ -	1	\$ 1	41	\$ 1
California	-	-	-	-	438	18	-	-
Central and Eastern U.S.	-	-	-	-	-	-	-	-
	1	1	-	-	439	19	41	1
Unconsolidated Entities	-	-	-	-	-	-	-	-
Total	1	\$ 1	-	\$ -	439	\$ 19	41	\$ 1

	Three Months Ended December 31				Twelve Months Ended December 31			
	2012	2011	Non-Recurring Timing Difference	Adjusted 2011	2012	2011	Non-Recurring Timing Difference	Adjusted 2011
Land Sales								
Lot closings	1,159	934	201	733	2,282	3,091	1,043	2,048
Acres closings (multi-family, industrial, commercial parcels)	79	29	3	26	104	53	19	34
Acres closings (raw and partially finished parcels)	1	-	-	-	439	41	-	41
Revenue	\$ 407	\$ 165	\$ 36	\$ 129	\$ 622	\$ 524	\$ 189	\$ 335
Direct cost of sales	(345)	(106)	(44)	(62)	(449)	(327)	(140)	(187)
Gross margin	\$ 62	\$ 59	\$ (8)	\$ 67	\$ 173	\$ 197	\$ 49	\$ 148

Selected Operating Information – Land (Continued)

(in units, except average selling price)	Three Months Ended December 31		Twelve Months Ended December 31	
	2012	2011	2012	2011
Average Land Selling Price (single family lots)				
Canada - normalized	\$ 160,000	\$ 166,000	\$ 165,000	\$ 165,000
Canada - non-recurring	-	165,000	-	166,000
California	205,000	84,000	207,000	178,000
Central and Eastern U.S.	85,000	103,000	78,000	108,000
	159,000	144,000	155,000	162,000
Unconsolidated Entities	131,000	-	131,000	63,000
Average selling price	\$ 140,000	\$ 144,000	\$ 145,000	\$ 157,000
Average Per Acre Selling Price (multi-family, industrial and commercial parcels)				
Canada- normalized	\$ 711,000	\$ 1,037,000	\$ 828,000	\$ 1,010,000
Canada- non-recurring	-	1,089,000	-	848,000
California	9,723,000	-	9,723,000	-
Central and Eastern U.S.	-	-	-	-
	3,110,000	1,042,000	2,619,000	952,000
Unconsolidated Entities	-	-	-	-
Average selling price	\$ 3,110,000	\$ 1,042,000	\$ 2,619,000	\$ 952,000
Average Per Acre Selling Price (raw and partially finished parcels)				
Canada	\$ 533,000	\$ -	\$ 533,000	\$ 28,000
California	-	-	41,000	-
Central and Eastern U.S.	-	-	-	-
	533,000	-	42,000	28,000
Unconsolidated Entities	-	-	-	-
Average selling price	\$ 533,000	\$ -	\$ 42,000	\$ 28,000
Active Land Communities				
			12/31/2012	12/31/2011
Canada			11	11
California			2	1
Central and Eastern U.S.			7	8
			20	20
Unconsolidated Entities			1	1
Total			21	21

Selected Operating Information - Housing

<i>(in millions, except per units activity and average selling price)</i>	Three Months Ended December 31				Twelve Months Ended December 31			
	2012		2011		2012		2011	
	Units	\$	Units	\$	Units	\$	Units	\$
Home Closings								
Canada	484	\$ 177	405	\$ 149	1,275	\$ 450	941	\$ 323
California	152	95	59	25	285	161	220	107
Central and Eastern U.S.	89	36	64	25	248	107	134	54
	725	308	528	199	1,808	718	1,295	484
Unconsolidated Entities	30	12	21	8	74	31	35	13
Total	755	\$ 320	549	\$ 207	1,882	\$ 749	1,330	\$ 497

Average Home Selling Price	Three Months Ended December 31		Twelve Months Ended December 31	
	2012	2011	2012	2011
Canada	\$ 366,000	\$ 370,000	\$ 353,000	\$ 343,000
California	624,000	425,000	565,000	486,000
Central and Eastern U.S.	408,000	383,000	432,000	405,000
	425,000	378,000	397,000	374,000
Unconsolidated Entities	412,000	392,000	415,000	386,000
Average selling price	\$ 416,000	\$ 378,000	\$ 392,000	\$ 374,000

Net New Home Orders (units)	Three Months Ended December 31		Twelve Months Ended December 31	
	2012	2011	2012	2011
Canada	289	277	1,340	1,205
California	110	42	379	215
Central and Eastern U.S.	48	39	261	164
	447	358	1,980	1,584
Unconsolidated Entities	19	12	77	51
Total	466	370	2,057	1,635

Active Housing Communities / Backlog at End of Period	Active Housing Communities		Backlog (units)	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Canada	14	14	619	554
California	8	8	118	24
Central and Eastern U.S.	9	8	80	67
	31	30	817	645
Unconsolidated Entities	2	3	17	14
Total	33	33	834	659

Selected Operating Information - Gross Margin

	Three Months Ended December 31				Twelve Months Ended December 31			
	2012		2011		2012		2011	
<i>(millions, except percentages)</i>	\$	%	\$	%	\$	%	\$	%
Land Gross Margin								
Canada - normalized	\$ 60	53%	\$ 71	68%	\$ 170	57%	\$ 157	62%
Canada - non-recurring	-	0%	(8)	-22%	-	-	49	26%
California	1	0%	(2)	-15%	6	2%	(5)	-9%
Central and Eastern U.S.	1	5%	(2)	-17%	(3)	-9%	(4)	-17%
Total	\$ 62	15%	\$ 59	36%	\$ 173	28%	\$ 197	38%
Housing Gross Margin								
Canada	\$ 33	19%	\$ 26	17%	\$ 85	19%	\$ 55	17%
California	11	12%	-	0%	18	11%	9	8%
Central and Eastern U.S.	6	17%	3	12%	17	16%	7	13%
Total	\$ 50	16%	\$ 29	15%	\$ 120	17%	\$ 71	15%
Total Gross Margin								
Canada - normalized	\$ 93	32%	\$ 97	38%	\$ 255	34%	\$ 212	37%
Canada - non-recurring	-	-	(8)	-22%	-	-	49	26%
California	12	3%	(2)	-5%	24	5%	4	2%
Central and Eastern U.S.	7	13%	1	-	14	10%	3	4%
Total	\$ 112	16%	\$ 88	24%	\$ 293	22%	\$ 268	27%

Included in normalized land revenue and gross margin, was a concurrent land sale of 195 single family lots and 22 multi-family acre parcels for total revenue of \$264 million in the Playa Vista community in California. This transaction had gross margin of \$nil on the sale of these assets. The sale occurred immediately subsequent to the acquisition of Playa Capital Company for \$258 million in Los Angeles, California.

Note: 2012 Land Gross Margin without Playa Vista for the three and twelve months is 43% and 48% respectively
2012 Total Gross Margin without Playa Vista for the three and twelve months is 25% and 27% respectively

Market Areas and Projects



Note: Multi-family, Industrial and Commercial parcels under development have been disclosed using acres
Single family units and land held for development remain classified as lots and lot equivalents

Market Areas and Projects — Calgary, Alberta



Number of Lots: 27,792
 Entitled: 6,337
 Unentitled: 21,455
Acres: 73

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
Auburn Bay	2,003	2,003	-	-
Bearspaw	1,295	-	1,295	-
Cranston	2,511	2,511	-	-
McKenzie Towne	63	63	-	-
New Brighton	363	363	-	1
North Stoney	12,926	-	12,926	-
Seton	1,180	1,180	-	56
South Seton	4,579	-	4,579	-
Other	2,872	217	2,655	16



Cranston



Seton

Market Areas and Projects — Edmonton, Alberta



Number of Lots: 17,083
Entitled: 10,071
Unentitled: 7,012
Acres: 63

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
Chappelle Gardens	2,878	2,878	-	10
Ellerslie	7,012	-	7,012	-
Gateway Industrial	134	134	-	34
Lake Summerside	1,320	1,320	-	4
Orchards	2,821	2,821	-	5
Paisley Park	1,120	1,120	-	-
Parkland	128	128	-	-
West Edmonton	707	707	-	-
Other	963	963	-	10

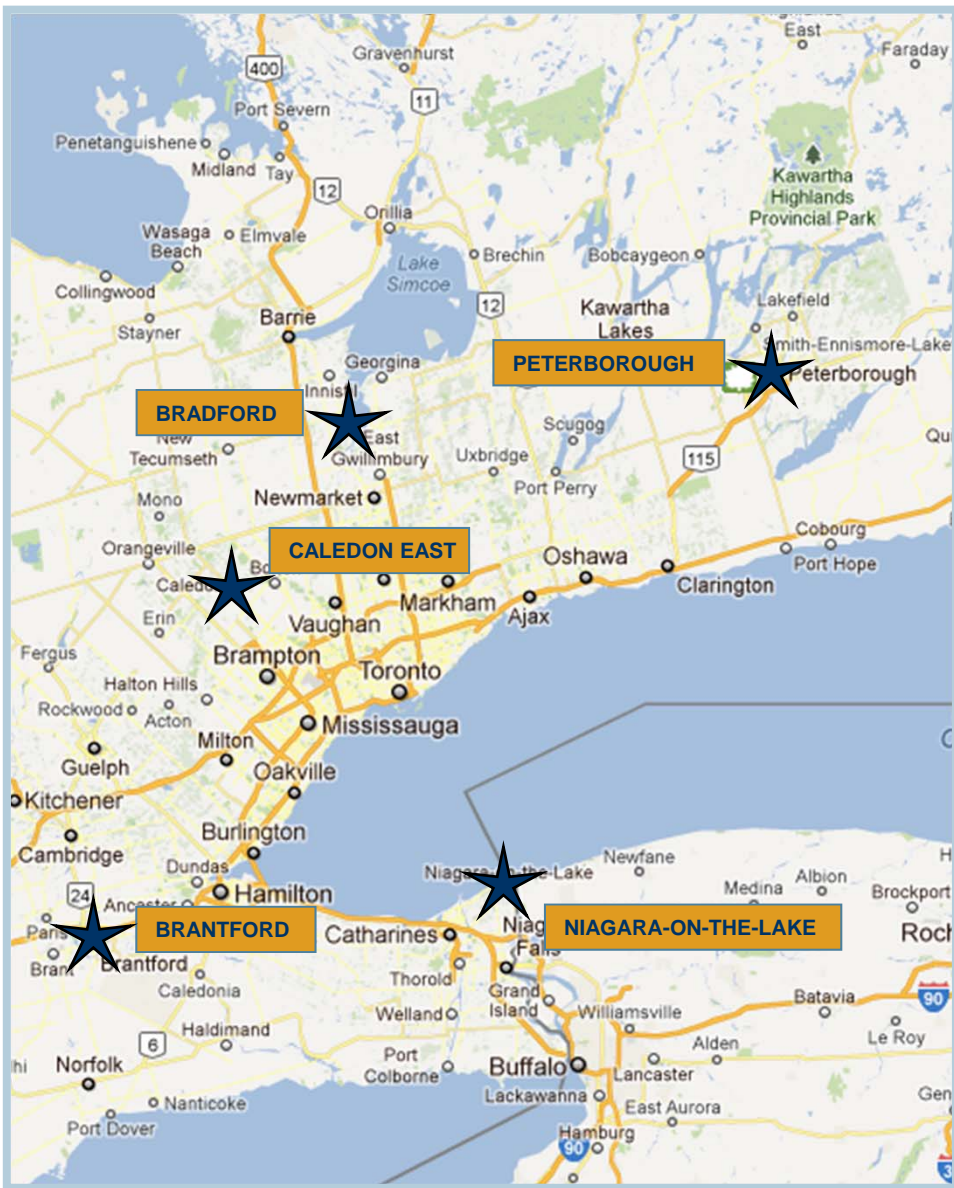


Chappelle Gardens, Axio



Lake Summerside

Market Areas and Projects — Greater Toronto Area



Number of Lots: 9,592
Entitled: 819
Unentitled: 8,773
Acres: 3

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
Bradford	97	97	-	-
Brantford	57	57	-	2
Caledon East	13	13	-	-
Niagara-On-The-Lake	107	61	46	1
Peterborough	7,768	-	7,768	-
Other	1,550	591	959	-

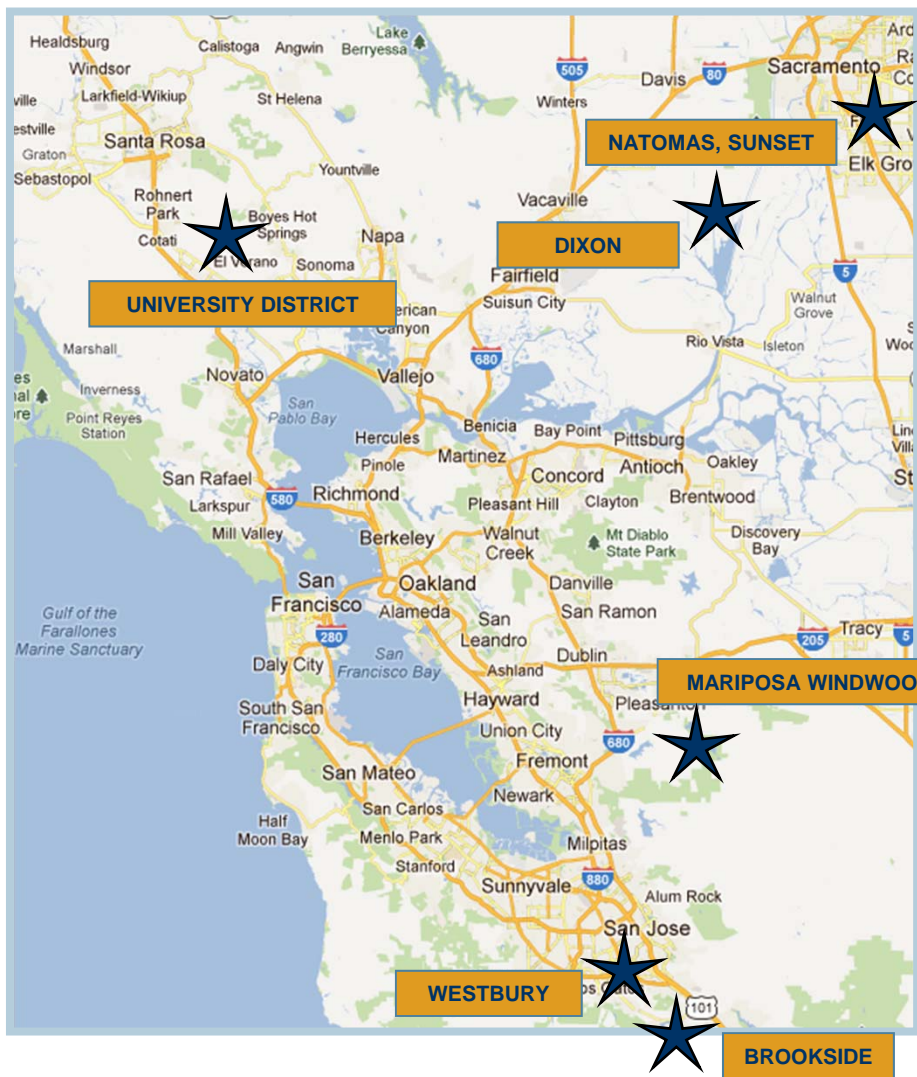


Bradford, Grand Central



Niagara-on-the-Lake, The Village

Market Areas and Projects — Northern California



Number of Lots: 8,411
 Entitled: 2,261
 Unentitled: 6,150

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Brookside	89	89	-
Dixon	900	450	450
Mariposa Windwood	121	121	-
Westbury	67	67	-
Natomas, Sunset	5,700	-	5,700
University District	1,454	1,454	-
Other	80	80	-

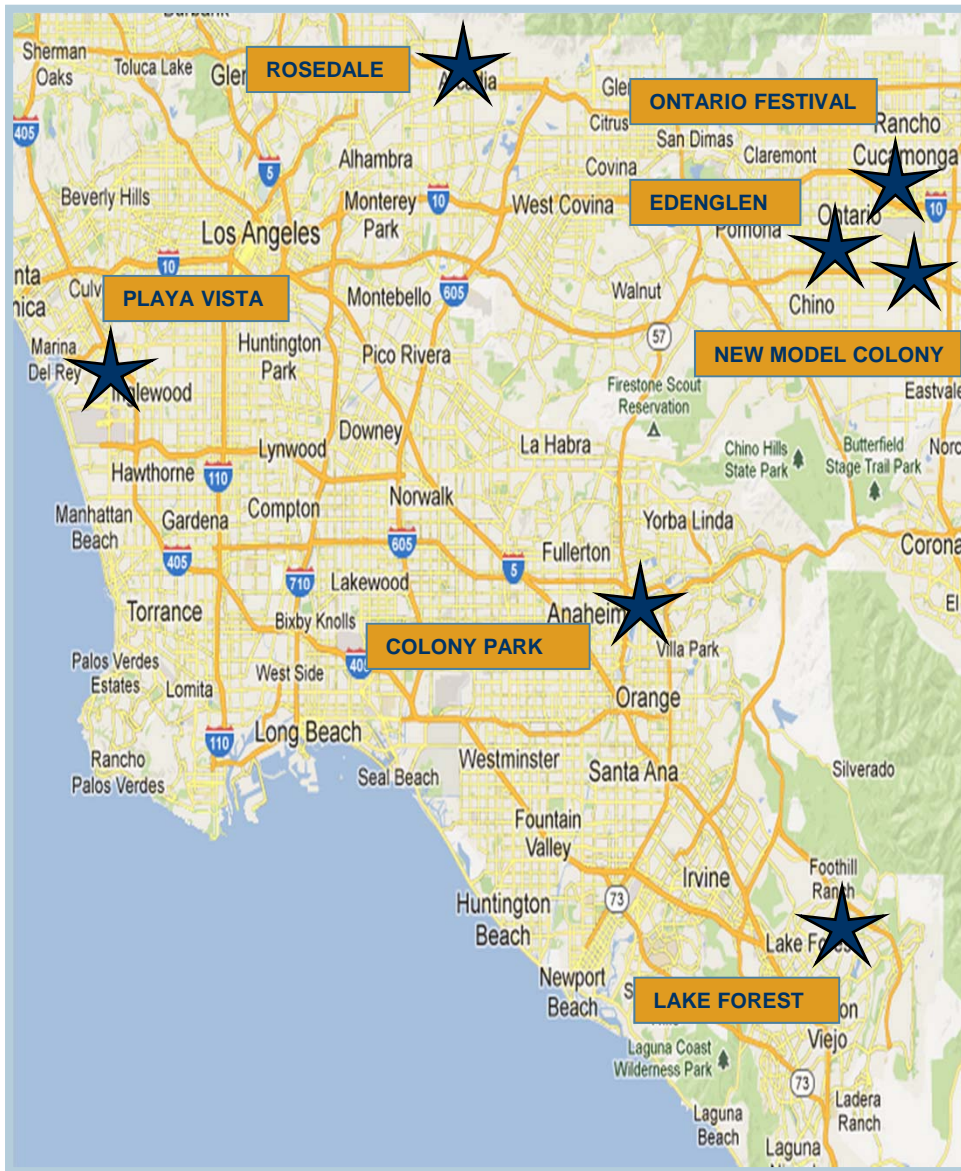


Windwood, Jordan Ranch



Brookside

Market Areas and Projects — Los Angeles/Southland



Number of Lots: 4,682
 Entitled: 2,068
 Unentitled: 2,614

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Colony Park	36	36	-
Edenglen	239	239	-
Lake Forest	78	-	78
New Model Colony	2,753	537	2,216
Ontario Festival	54	54	-
Playa Vista	505	505	-
Rosedale	180	180	-
Other	837	517	320

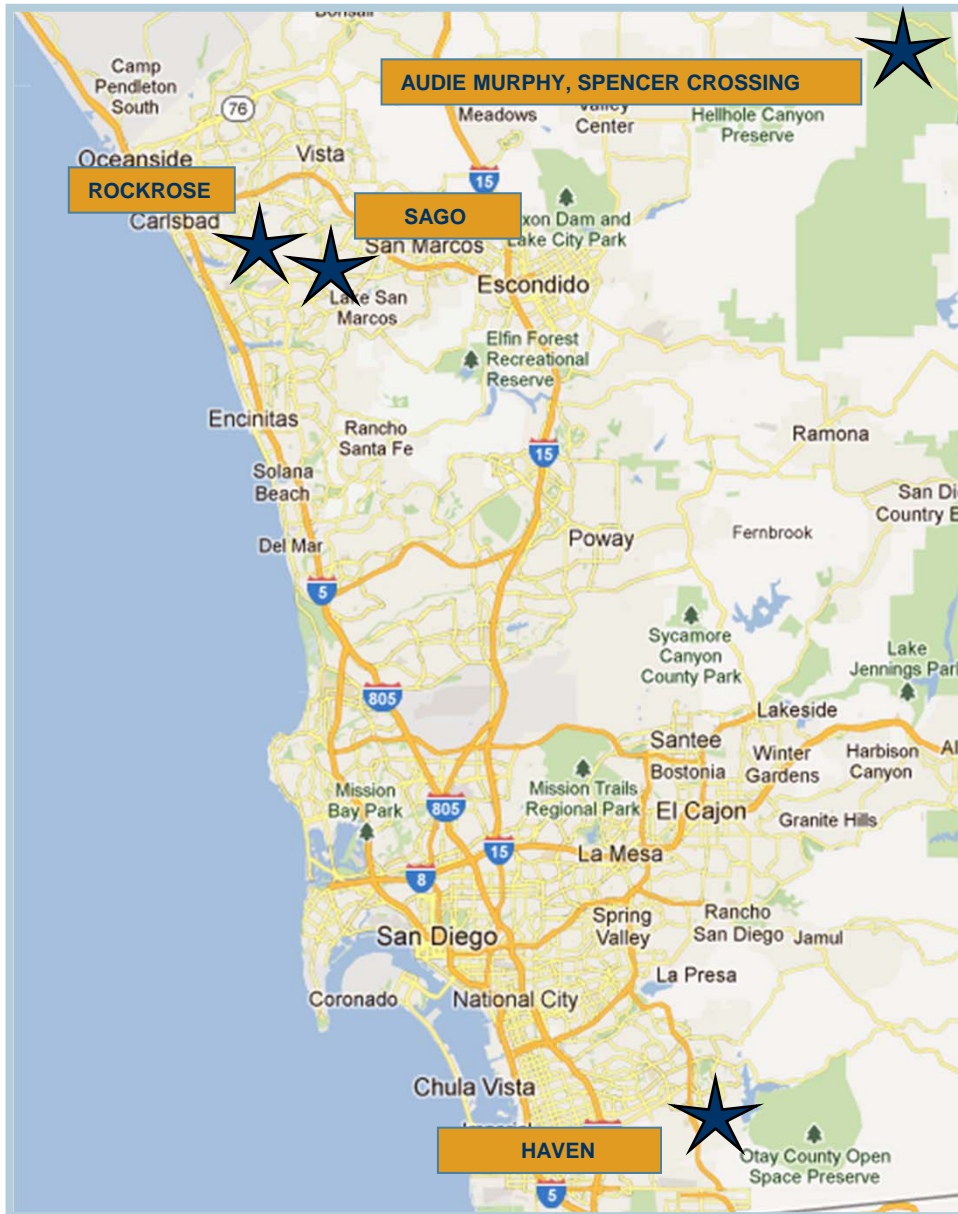


Rosedale, Azusa



Compass Park, New Model Colony

Market Areas and Projects — San Diego/Riverside



Number of Lots: 7,941
Entitled: 5,141
Unentitled: 2,800

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Audie Murphy, Spencer's Crossing	3,022	3,022	-
Haven	61	61	-
Rockrose	22	22	-
Sago	26	26	-
Other	4,810	2,010	2,800

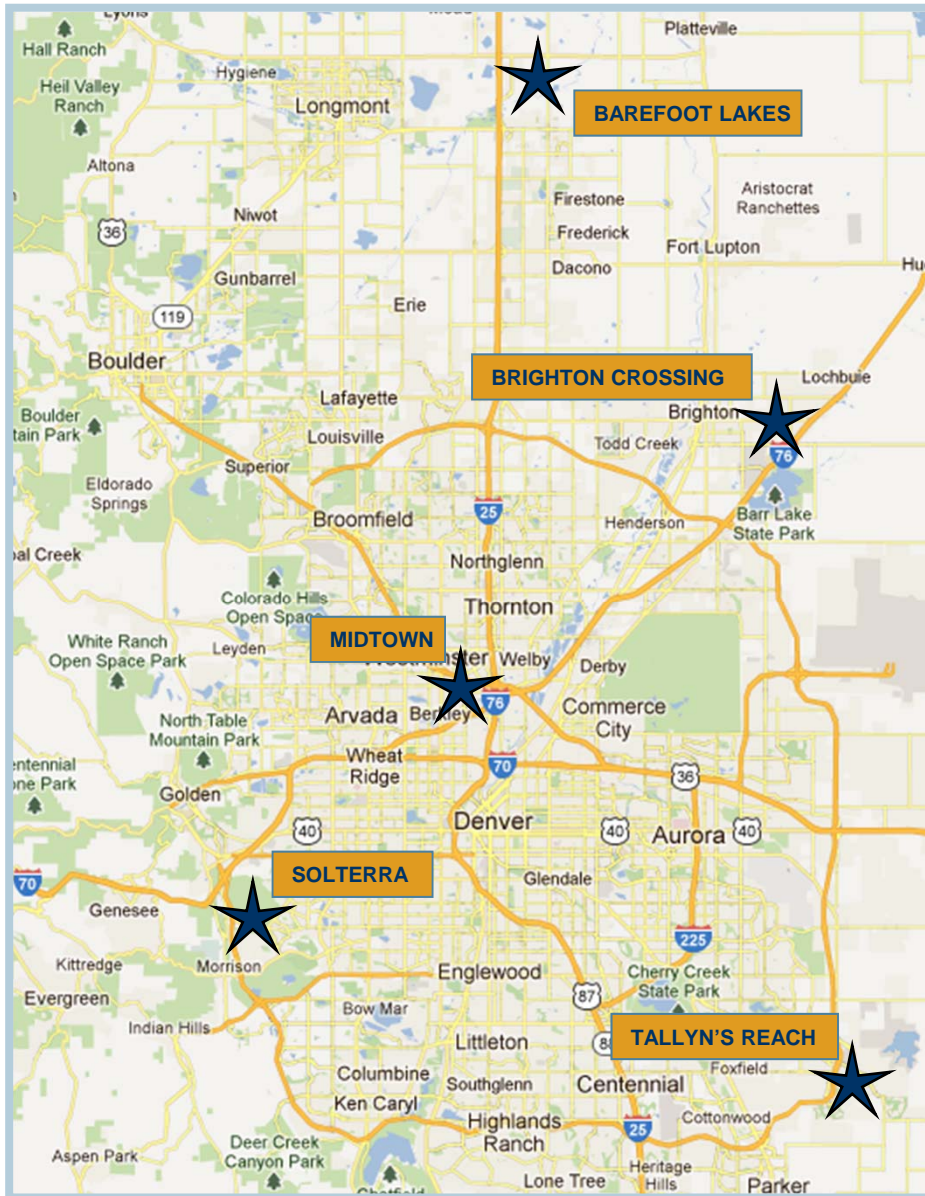


Rockrose at The Foothills



Sago at The Foothills

Market Areas and Projects — Denver, Colorado



Number of Lots: 10,349
Entitled: 10,349
Unentitled: -
Acres: 10

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
Barefoot Lakes	4,053	4,053	-	-
Brighton Crossing	2,499	2,499	-	10
Midtown	562	562	-	-
Solterra	653	653	-	-
Tallyn's Reach	220	220	-	-
Other	2,362	2,362	-	-

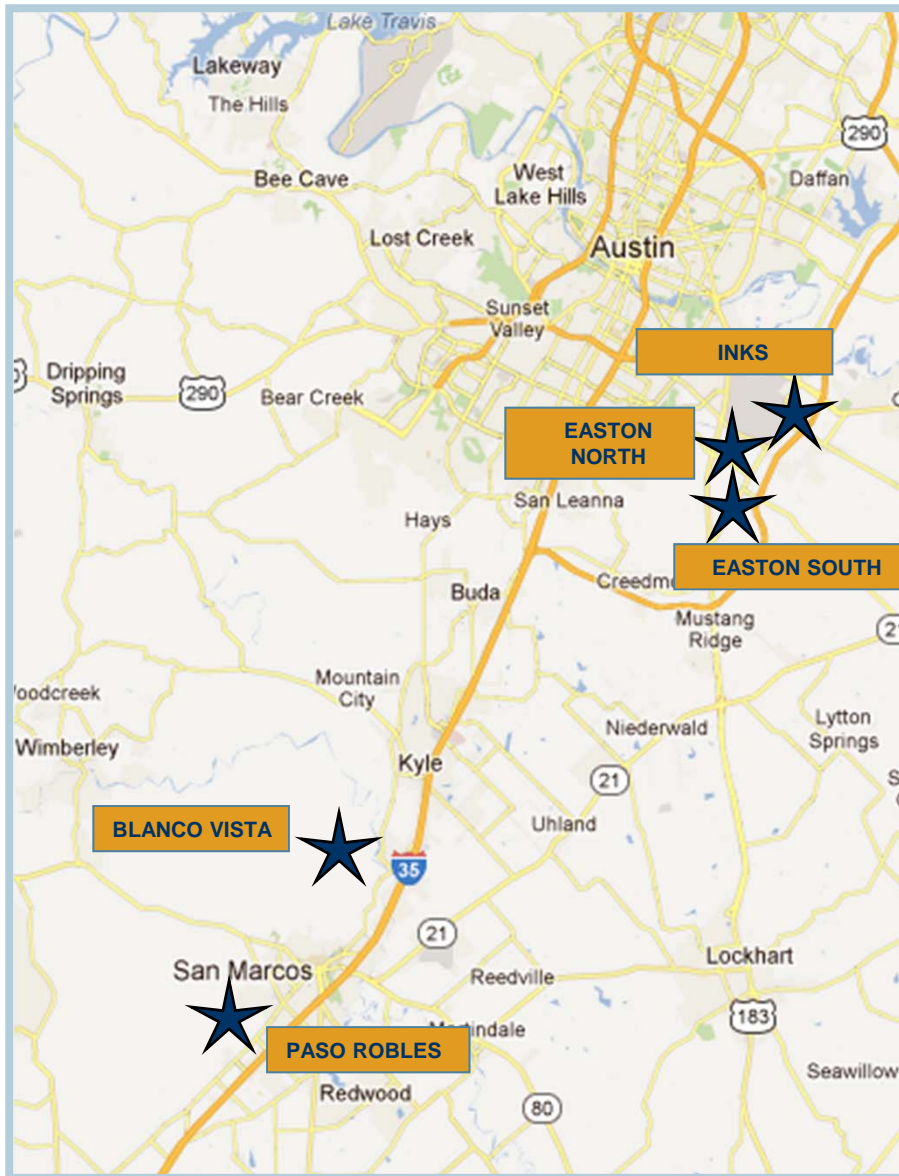


Brighton Crossing



Solterra

Market Areas and Projects — Austin, Texas



Number of Lots: 13,551
 Entitled: 5,293
 Unentitled: 8,258

Project Name	Total Lots	Entitled Lots	Unentitled Lots
Blanco Vista	1,625	1,625	-
Easton North	5,298	-	5,298
Easton South	2,213	-	2,213
Inks	747	-	747
Paso Robles	3,668	3,668	-

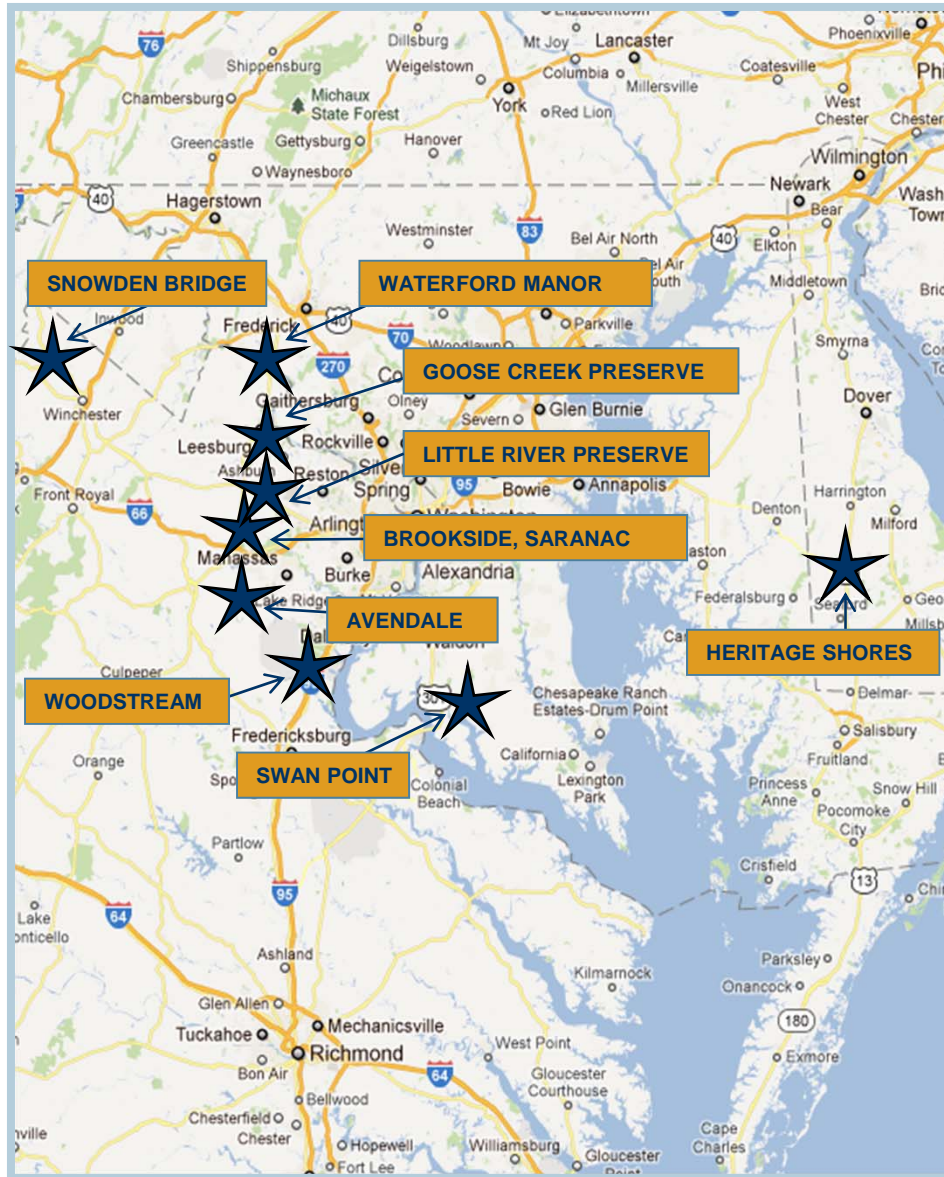


Blanco Vista



Blanco Vista

Market Areas and Projects — Washington, D.C. Area



Number of Lots: 4,713
 Entitled: 4,679
 Unentitled: 34
 Acres: 18

Project Name	Total Lots	Entitled Lots	Unentitled Lots	Developed Acres
Avendale	295	295	-	-
Brookside, Saranac	38	38	-	-
Heritage Shores	1,467	1,467	-	-
Little River Preserve	15	15	-	-
Goose Creek Preserve	235	235	-	-
Snowden Bridge	1,098	1,098	-	-
Swan Point	765	765	-	-
Waterford Manor	32	32	-	-
Woodstream	230	230	-	-
Other	538	504	34	18



Woodstream



Goose Creek

Brookfield Residential – By the Numbers

ANNOUNCEMENT OF RESULTS

- 2013 quarterly results are expected to be announced as noted below:
 - First Quarter: May 2013
 - Second Quarter: August 2013
 - Third Quarter: November 2013
 - Fourth Quarter: February 2014
- Press releases and other investor information are available on the Company's website at:
www.brookfieldrp.com.

MAJOR INSTITUTIONAL SHAREHOLDERS *

Owning over 0.5 million common shares:

Horizon Kinetics LLC
Marcato Capital Management
RBC Global Asset Management
WEDGE Capital Management
Polar Securities
Davenport Asset Management

Note:

Brookfield Asset Management owns approx. 69% of Brookfield Residential

* As at September 30, 2012

Share Information

Common Shares

Brookfield Residential is listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "BRP".

Brookfield Residential Trading Statistics - New York Stock Exchange <i>Source: NYSE</i>		For The Three Months Ended				
		31-Dec-12	30-Sep-12	30-Jun-12	31-Mar-12	31-Dec-11
Share Price						
High	\$ 18.90	\$ 15.39	\$ 11.95	\$ 11.72	\$ 8.10	
Low	\$ 14.02	\$ 10.60	\$ 10.10	\$ 7.99	\$ 6.27	
Close	\$ 17.94	\$ 13.98	\$ 10.90	\$ 10.58	\$ 7.81	
Total Volume	15,726,478	6,863,100	6,776,400	6,505,354	4,777,623	
Brookfield Residential Trading Statistics - Toronto Stock Exchange <i>Source: TSX</i>		For The Three Months Ended				
		31-Dec-12	30-Sep-12	30-Jun-12	31-Mar-12	31-Dec-11
Share Price						
High	\$ 19.04	\$ 14.84	\$ 11.69	\$ 11.66	\$ 8.28	
Low	\$ 14.14	\$ 10.85	\$ 10.30	\$ 7.98	\$ 6.44	
Close	\$ 17.69	\$ 13.81	\$ 11.00	\$ 10.67	\$ 8.08	
Total Volume	1,358,298	988,000	365,556	528,957	549,343	
Common Shares Issued		As at				
		31-Dec-12	30-Sep-12	30-Jun-12	31-Mar-12	31-Dec-11
Common shares issued	118,279,534	101,839,540	101,813,683	101,811,659	101,342,718	
Unexercised options	3,284,187	3,299,485	3,814,485	3,814,485	3,173,426	
Total common shares issued	121,563,721	105,139,025	105,628,168	105,626,144	104,516,144	
Convertible Preferred Shares Issued and Outstanding		As at				
		31-Dec-12	30-Sep-12	30-Jun-12	31-Mar-12	31-Dec-11
Convertible preferred shares outstanding	65,286	65,286	69,261	70,002	70,002	
Common share equivalent at a conversion rate of 2.731787607	178,347	178,347	189,206	191,231	191,231	

Contact Information

Contact	Telephone	E-mail
Alan Norris <i>President & CEO</i>	403-231-8905	alan.norris@brookfieldrp.com
Craig Laurie <i>Executive Vice President & CFO</i>	212-417-7040	craig.laurie@brookfieldrp.com
Nicole French <i>Manager, Investor Relations & Communications</i>	403-231-8952	nicole.french@brookfieldrp.com
Thomas Lui <i>Corporate Controller</i>	403-231-8938	thomas.lui@brookfieldrp.com

Offices

Calgary, Alberta (Corporate Office)
Edmonton, Alberta
Markham, Ontario
Austin, Texas
Englewood, Colorado

Danville, California
Roseville, California
Costa Mesa, California
Del Mar, California
Fairfax, Virginia

Brookfield

Residential