

Brookfield Residential Properties Inc.

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

Supplemental Information
For the Year Ended December 31, 2011

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All amounts denominated in U.S. dollars

Forward-Looking Statements

This Supplemental Information contains forward-looking information within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Certain statements in this supplemental information package that are not historical facts, including those statements preceded by, followed by, or that include the words “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; mortgage rate changes; availability of suitable undeveloped land at acceptable prices; adverse legislation or regulation; 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; confidence levels of consumers; ability to raise capital on favourable terms; 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; 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. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Profile

Brookfield Residential Properties Inc. (“Brookfield Residential”) is a North American land developer and homebuilder, active in ten principal markets with over 100,000 lots controlled. We entitle and develop land and build homes for our own communities, as well as sell lots to third-party builders. The company is listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol BRP. For more information, please visit our website at www.brookfieldrp.com.

Selected Financial Information

<i>(millions, except per unit activity and per share amounts)</i>	Three Months Ended December 31		Twelve Months Ended December 31	
	2011	2010	2011	2010
Results of Operations				
Total revenue	\$ 365	\$ 299	\$ 1,008	\$ 954
Land revenue	165	108	524	355
Housing revenue	199	191	484	599
Gross margin - \$	88	72	268	267
Gross margin - %	24%	24%	27%	28%
Income before income taxes	49	59	130	189
Income tax expense	(24)	(19)	(125)	(58)
Net income attributable to Brookfield Residential	26	41	7	132
Basic earnings per share	\$ 0.25	\$ 0.36	\$ 0.07	\$ 1.11
Diluted earnings per share	\$ 0.25	\$ 0.35	\$ 0.07	\$ 1.11
Operating Data				
Lot closings (units)	1,135	617	3,474	2,548
Average land selling price (per lot equivalent)	\$ 145,000	\$ 175,000	\$ 151,000	\$ 139,000
Net new orders (units)	358	316	1,584	1,400
Backlog (units at end of period)	645	376	645	376
Home closings (units)	528	505	1,295	1,600
Average home selling price (per unit)	\$ 378,000	\$ 379,000	\$ 374,000	\$ 375,000

Quarterly Financial Information

	2011				2010			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(millions, except per share amounts)</i>								
Revenue	\$ 364.5	\$ 227.9	\$ 235.5	\$ 180.1	\$ 299.5	\$ 240.2	\$ 273.1	\$ 141.4
Direct cost of sales	(276.7)	(157.8)	(180.7)	(124.8)	(227.5)	(166.4)	(193.4)	(99.9)
Gross margin	87.8	70.1	54.8	55.3	72.0	73.8	79.7	41.5
Selling, general and administrative expense	(28.7)	(26.7)	(19.2)	(26.4)	(26.8)	(23.7)	(25.6)	(23.2)
Other income	1.5	(3.1)	1.5	0.3	14.3	2.2	3.1	2.1
Interest expense	(11.6)	(11.3)	(10.9)	(3.3)	-	-	-	-
Income before income taxes	49.0	29.0	26.2	25.9	59.5	52.3	57.2	20.4
Income tax expense	(24.0)	(10.3)	(7.4)	(83.7)	(18.7)	(17.9)	(17.9)	(4.0)
Net income / (loss)	25.0	18.7	18.8	(57.8)	40.8	34.4	39.3	16.4
Net (income) / loss attributable to non-controlling interest and other interests in consolidated subsidiaries	0.8	0.5	0.4	0.8	0.2	0.1	(0.1)	1.3
Net income / (loss) attributable to Brookfield Residential	\$ 25.8	\$ 19.2	\$ 19.2	\$ (57.0)	\$ 41.0	\$ 34.5	\$ 39.2	\$ 17.7
Earnings / (loss) per common share attributable to Brookfield Residential								
Basic	\$ 0.25	\$ 0.19	\$ 0.19	\$ (0.56)	\$ 0.36	\$ 0.29	\$ 0.34	\$ 0.13
Diluted	\$ 0.25	\$ 0.19	\$ 0.19	\$ (0.56)	\$ 0.35	\$ 0.29	\$ 0.34	\$ 0.13
Weighted average common shares outstanding (in thousands)								
Basic	99,343	99,343	101,187	101,343	101,343	101,343	101,343	101,343
Diluted	99,611	99,410	101,356	101,343	101,431	101,426	101,540	101,586

Condensed Consolidated Balance Sheets

<i>(thousands)</i>	As at December 31, 2011	As at September 30, 2011	As at June 30, 2011	As at March 31, 2011	As at December 31, 2010
Assets					
Land and housing inventory	\$ 2,113,245	\$ 2,129,333	\$ 2,192,157	\$ 2,186,416	\$ 2,193,947
Investments in unconsolidated entities	143,821	141,850	136,585	130,906	137,203
Receivables and other assets	310,443	262,389	233,963	204,844	217,972
Restricted cash	9,128	9,128	18,048	20,629	7,366
Cash and cash equivalents	2,162	1,276	2,165	12,245	4,345
Deferred income tax assets	-	-	-	-	75,225
	\$ 2,578,799	\$ 2,543,976	\$ 2,582,918	\$ 2,555,040	\$ 2,636,058
Liabilities and Equity					
Project specific and other financings	\$ 825,687	\$ 842,490	\$ 873,797	\$ 845,503	\$ 1,025,339
Notes payable	469,776	457,152	498,235	494,539	-
Total financings	1,295,463	1,299,642	1,372,032	1,340,042	1,025,339
Accounts payable and other liabilities	247,420	254,211	234,210	244,407	288,456
Deferred income tax liabilities	27,773	9,371	13,609	7,108	-
Total liabilities	1,570,656	1,563,224	1,619,851	1,591,557	1,313,795
Other interests in consolidated subsidiaries	32,434	34,326	34,117	36,269	42,461
Total equity	975,709	946,426	928,950	927,214	1,279,802
	\$ 2,578,799	\$ 2,543,976	\$ 2,582,918	\$ 2,555,040	\$ 2,636,058

Condensed Consolidated Statements of Operations

<i>(thousands, except per share amounts)</i>	Three Months Ended December 31		Twelve Months Ended December 31	
	2011	2010	2011	2010
Revenue				
Land	\$ 165,116	\$ 108,152	\$ 524,095	\$ 354,822
Housing	199,385	191,342	483,990	599,352
	364,501	299,494	1,008,085	954,174
Direct Cost of Sales				
Land	(106,483)	(69,644)	(326,712)	(194,313)
Housing	(170,257)	(157,891)	(413,429)	(492,968)
	87,761	71,959	267,944	266,893
Selling, general and administrative expense	(28,691)	(26,777)	(101,030)	(99,206)
Equity in earnings / (loss) from unconsolidated entities	191	38	4,119	(261)
Depreciation	(810)	(739)	(3,544)	(3,107)
Interest expense	(11,625)	-	(37,077)	-
Other income / (expense)	2,151	14,962	(252)	25,111
Income Before Income Taxes	48,977	59,443	130,160	189,430
Current income tax expense	(4,645)	(12,349)	(22,240)	(42,782)
Deferred income tax expense	(19,305)	(6,311)	(103,085)	(15,633)
Net Income	25,027	40,783	4,835	131,015
Net loss attributable to noncontrolling interest and other interests in consolidated subsidiaries	777	198	2,453	1,464
Net Income Attributable to Brookfield Residential	\$ 25,804	\$ 40,981	\$ 7,288	\$ 132,479
Other Comprehensive Income				
Unrealized foreign exchange gain / (loss) on:				
Translation of the net investment in Canadian subsidiaries	14,099	18,259	(13,648)	35,209
Translation of the Canadian dollar denominated debt designated as a hedge of the net investment in Canadian subsidiaries	(12,624)	-	24,768	-
Comprehensive Income Attributable to Brookfield Residential	\$ 27,279	\$ 59,240	\$ 18,408	\$ 167,688
Earnings per Common Share Attributable to Brookfield Residential				
Basic	\$ 0.25	\$ 0.36	\$ 0.07	\$ 1.11
Diluted	\$ 0.25	\$ 0.35	\$ 0.07	\$ 1.11
Weighted Average Common Shares Outstanding (in thousands)				
Basic	99,343	101,343	99,949	101,343
Diluted	99,611	101,431	100,217	101,431

Condensed Consolidated Statements of Cash Flow

<i>(thousands)</i>	Twelve Months Ended December 31	
	2011	2010
Cash Flows From / (Used in) Operating Activities		
Net income	\$ 4,835	\$ 131,015
Adjustments to reconcile net income to net cash from operating activities:		
(Undistributed) / distributed income from unconsolidated entities	(4,127)	204
Deferred income taxes	103,085	15,633
Non-cash interest converted into equity	1,674	-
Share-based compensation costs	5,680	1,105
Depreciation	3,544	3,107
Changes in operating assets and liabilities:		
(Increase) / decrease in receivables and other assets	(119,298)	31,323
Decrease in land and housing inventory	70,860	33,593
Decrease in accounts payable and other liabilities	(40,347)	(538)
Other	(2,909)	(195)
Net cash from operating activities	<u>22,997</u>	<u>215,247</u>
Cash Flows (Used in) / From Investing Activities		
Investments in unconsolidated entities	(16,102)	(42,604)
Distributions from unconsolidated entities	12,222	7,668
Change in restricted cash	(1,762)	1,155
Net cash used in investing activities	<u>(5,642)</u>	<u>(33,781)</u>
Cash Flows (Used in) / From Financing Activities		
Drawings under project specific and other financings	187,097	147,890
Repayments under project specific and other financings	(176,314)	(337,151)
(Repayments) / drawings on bank indebtedness	(63,819)	316,992
Drawings from affiliate	66,000	10,000
Net distributions to non-controlling interest and other interests in consolidated subsidiaries	(5,799)	(3,492)
Exercise of stock options	107	93
Purchase of common shares for escrowed stock plan	(19,280)	-
Dividends paid to preferred shareholders	(10,062)	(73)
Distributions	-	(319,720)
Other	2,532	-
Net cash used in financing activities	<u>(19,538)</u>	<u>(185,461)</u>
Decrease in cash and cash equivalents	(2,183)	(3,995)
Cash and cash equivalents at beginning of year	4,345	8,015
Foreign exchange on cash	-	325
Cash and cash equivalents at end of year	<u>\$ 2,162</u>	<u>\$ 4,345</u>
Supplemental Cash Flow Information		
Interest paid	\$ 77,420	\$ 62,495
Income taxes recovered	\$ 2,736	\$ 42,842

Selected Operating Information

<i>(in units, except average selling price)</i>	Three Months Ended December 31		Twelve Months Ended December 31	
	2011	2010	2011	2010
Lot Closings				
Canada	864	391	2,940	1,990
California	159	140	317	192
Central and Eastern U.S.	112	86	217	366
	1,135	617	3,474	2,548
Unconsolidated Entities	-	-	179	-
Total	1,135	617	3,653	2,548
Average Land Selling Price (per lot equivalent)				
Canada	\$ 162,000	\$ 180,000	\$ 151,000	\$ 147,000
California	84,000	206,000	178,000	159,000
Central and Eastern U.S.	103,000	105,000	108,000	88,000
	145,000	175,000	151,000	139,000
Unconsolidated Entities	-	-	63,000	-
Average selling price	\$ 145,000	\$ 175,000	\$ 147,000	\$ 139,000
Active Land Communities				
Canada			11	13
California			1	3
Central and Eastern U.S.			8	8
			20	24
Unconsolidated Entities			1	-
Total			21	24

Selected Operating Information cont'd

<i>(in units, except average selling price)</i>	Three Months Ended December 31		Twelve Months Ended December 31	
	2011	2010	2011	2010
Net New Home Orders				
Canada	277	217	1,205	930
California	42	72	215	294
Central and Eastern U.S.	39	27	164	176
	358	316	1,584	1,400
Unconsolidated Entities	12	1	51	2
Total	370	317	1,635	1,402
Home Closings				
Canada	405	319	941	1,025
California	59	115	220	365
Central and Eastern U.S.	64	71	134	210
	528	505	1,295	1,600
Unconsolidated Entities	21	-	35	1
Total	549	505	1,330	1,601
Average Home Selling Price				
Canada	\$ 370,000	\$ 310,000	\$ 343,000	\$ 300,000
California	425,000	579,000	486,000	581,000
Central and Eastern U.S.	383,000	363,000	405,000	381,000
	378,000	379,000	374,000	375,000
Unconsolidated Entities	392,000	-	386,000	1,245,000
Average selling price	\$ 378,000	\$ 379,000	\$ 374,000	\$ 375,000
Active Housing Communities / Backlog at End of Period				
	Active Housing Communities		Backlog	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Canada	14	13	554	292
California	8	10	24	47
Central and Eastern U.S.	8	7	67	37
	30	30	645	376
Unconsolidated Entities	3	2	14	1
Total	33	32	659	377

Selected Operating Information cont'd

(\$ millions, except unit activity)	Three Months Ended December 31				Twelve Months Ended December 31				
	2011		2010		2011		2010		
	Units	\$	Units	\$	Units	\$	Units	\$	
Land Revenue									
Canada	864	\$ 139	391	\$ 70	2,940	\$ 444	1,990	\$ 292	
California	159	14	140	29	317	56	192	31	
Central and Eastern U.S.	112	12	86	9	217	24	366	32	
Total	1,135	\$ 165	617	\$ 108	3,474	\$ 524	2,548	\$ 355	
Housing Revenue									
Canada	405	\$ 149	319	\$ 98	941	\$ 323	1,025	\$ 307	
California	59	25	115	67	220	107	365	212	
Central and Eastern U.S.	64	25	71	26	134	54	210	80	
Total	528	\$ 199	505	\$ 191	1,295	\$ 484	1,600	\$ 599	
Gross Margin									
Canada		\$ 89		\$ 56		\$ 261		\$ 220	
California		(2)		12		4		38	
Central and Eastern U.S.		1		4		3		9	
Total		\$ 88		\$ 72		\$ 268		\$ 267	

Land Sales	Three Months Ended December 31				Twelve Months Ended December 31			
	2011	Non-Recurring Timing Difference	Adjusted 2011	2010	2011	Non-Recurring Timing Difference	Adjusted 2011	2010
Lot closings	1,135	223	912	617	3,474	1,173	2,301	2,548
Revenue	\$ 165	\$ 36	\$ 129	\$ 108	\$ 524	\$ 189	\$ 335	\$ 355
Direct cost of sales	(106)	(44)	(62)	(70)	(327)	(140)	(187)	(194)
Gross margin	\$ 59	\$ (8)	\$ 67	\$ 38	\$ 197	\$ 49	\$ 148	\$ 161
	36%	-22%	52%	35%	38%	26%	44%	45%

Residential Building Lots

Ownership

<i>(lots)</i>	Land & Housing		Unconsolidated Entities		Total Lots 31-Dec-11	Status of Lots 31-Dec-11		Total Lots 31-Dec-10
	Owned	Options	Owned	Options		Entitled	Unentitled	
Calgary	27,963	-	1,064	-	29,027	8,853	20,174	28,643
Edmonton	17,331	-	-	-	17,331	10,551	6,780	18,229
Toronto	9,461	-	-	-	9,461	720	8,741	9,320
Canada	54,755	-	1,064	-	55,819	20,124	35,695	56,192
Northern California	3,338	4,950	-	-	8,288	2,138	6,150	8,223
Los Angeles/Southland	848	-	1,526	1,842	4,216	1,876	2,340	4,734
San Diego/Riverside	8,966	-	33	-	8,999	6,199	2,800	8,761
Other	194	-	55	-	249	249	-	253
California	13,346	4,950	1,614	1,842	21,752	10,462	11,290	21,971
Denver	10,620	-	-	-	10,620	10,620	-	10,828
Austin	14,921	-	-	-	14,921	5,373	9,548	15,870
Washington D.C. Area	2,994	1,066	1,025	-	5,085	4,838	247	4,846
Central and Eastern U.S.	28,535	1,066	1,025	-	30,626	20,831	9,795	31,544
Total	96,636	6,016	3,703	1,842	108,197	51,417	56,780	
Entitled lots	48,210	1,066	1,678	463	51,417			
Unentitled lots	48,426	4,950	2,025	1,379	56,780			
Total December 31, 2011	96,636	6,016	3,703	1,842	108,197			
Total December 31, 2010	97,381	6,435	3,132	2,759				109,707

Book Value

<i>(millions, except per unit activity)</i>	Land & Unconsolidated		Total 12/31/2011		Total 12/31/2010	
	Housing ⁽¹⁾	Entities	Lots	\$	Lots	\$
Land & land under development	\$ 1,883	\$ 125	99,542	\$ 2,008	99,500	\$ 2,026
Optioned lots	66	28	7,858	94	9,194	81
Housing inventory	138	6	702	144	899	204
Model homes	26	1	95	27	114	34
Unconsolidated entity debt	-	(16)	-	(16)	-	(14)
	\$ 2,113	\$ 144	108,197	\$ 2,257	109,707	\$ 2,331

⁽¹⁾ Includes consolidated options

Investor Information

Common Shares

Brookfield Residential is listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "BRP". Brookfield Residential commenced trading on April 1, 2011.

Brookfield Residential Trading Statistics - New York Stock Exchange

Source: NYSE

	For The Three Months Ended		
	31-Dec-11	30-Sep-11	30-Jun-11
Share Price			
High	\$ 8.10	\$ 10.27	\$ 14.32
Low	\$ 6.27	\$ 6.42	\$ 9.70
Close	\$ 7.81	\$ 6.65	\$ 9.92
Total Volume	4,777,623	6,609,696	11,310,665

Brookfield Residential Trading Statistics - Toronto Stock Exchange

Source: TSX

	For The Three Months Ended		
	31-Dec-11	30-Sep-11	30-Jun-11
Share Price			
High	\$ 8.28	\$ 9.86	\$ 13.75
Low	\$ 6.44	\$ 6.59	\$ 9.50
Close	\$ 8.08	\$ 6.97	\$ 9.50
Total Volume	549,343	873,547	718,316

Common Shares Issued

	As at			
	31-Dec-11	30-Sep-11	30-Jun-11	1-Apr-11
Common shares issued	101,342,718	101,342,718	101,342,718	101,342,718
Unexercised options	3,173,426	3,173,426	3,173,426	2,098,426
Total common shares issued	104,516,144	104,516,144	104,516,144	103,441,144

Convertible Preferred Shares Issued and Outstanding

	As at			
	31-Dec-11	30-Sep-11	30-Jun-11	1-Apr-11
Convertible preferred shares outstanding	70,002	70,002	70,002	70,002
Common share equivalent at a conversion rate of 2.731787607	191,231	191,231	191,231	191,231

Announcement of Results

- 2012 quarterly results are expected to be announced as noted below:
 - First Quarter May 2012
 - Second Quarter August 2012
 - Third Quarter November 2012
 - Fourth Quarter February 2013
- Press releases and other investor information are available on the company's web site at:
www.brookfieldrp.com.

Inquiries

Brookfield Residential Properties Inc. welcomes inquiries from shareholders, analysts, media representatives and other interested parties. Questions relating to investor relations or media inquiries can be directed to Linda Northwood, Director, Investor Relations at (416) 359-8647 or via e-mail at linda.northwood@brookfieldrp.com. Inquiries regarding financial results should be directed to Craig Laurie, Executive Vice President and Chief Financial Officer at (212) 417-7040 or via e-mail at craig.laurie@brookfieldrp.com.