

Appendix 4D

Multiplex SITES Trust

For the half-year ended 30 June 2012

Name of entity:	Multiplex SITES Trust (MXU) ARSN 111 903 747
------------------------	---

Details of reporting period

Current reporting period: 1 January 2012 to 30 June 2012

Prior corresponding period: 1 January 2011 to 30 June 2011

Multiplex SITES Trust (Trust) was registered on 12 November 2004 and commenced operations upon listing for trading on the Australian Securities Exchange (ASX) on 20 January 2005.

This Appendix 4D should be read in conjunction with the Financial Report for the half-year ended 30 June 2012. It is also recommended that this Appendix 4D be considered together with any public announcements made by the Trust during the half-year ended 30 June 2012 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Results for announcement to the market

	Half-year ended 30 June 2012 \$'000	Half-year ended 30 June 2011 \$'000
Total revenue and other income	18,450	19,665
Net profit before income tax	18,450	19,665
Net profit attributable to unitholders	18,450	19,665
Net tangible asset backing per unit (\$)	100	100
Earnings per unit (cents per unit)	410	437

Distributions

Multiplex SITES unitholders

Distributions to Multiplex SITES unitholders paid or declared by the Trust during the current period were as follows:

	\$'000
Quarterly distribution for the period from 1 January 2012 to 31 March 2012 of 8.31% per annum and paid on 18 April 2012	9,315
Quarterly distribution for the period from 1 April 2012 to 30 June 2012 of 8.16% per annum and paid on 16 July 2012	9,135
Total	18,450

On 1 July 2012, the Trust announced to the ASX that the distribution rate for the period from 1 July 2012 to 30 September 2012 is 7.4467% per annum.

This preliminary final report is given to the ASX in accordance with Listing Rule 4.2A.

Commentary and analysis of the result for the current period can be found in the forthcoming Multiplex SITES Trust ASX release.

The Trust has a formally constituted Audit Committee and Board Risk & Compliance Committee of the Board of Directors of the Responsible Entity. The release of this report was approved by resolution of the Board of Directors of the Responsible Entity on 22 August 2012.

Multiplex SITES Trust
Interim financial statements
for the half year ended
30 June 2012

Step-up
Income-distributing
Trust-issued
Exchangeable
Securities

Multiplex SITES Trust

ARSN 111 903 747

Table of Contents

Multiplex SITES Trust

For the half year ended 30 June 2012

Directory	3
Directors' Report	4
Auditor's Independence Declaration	6
Financial Statements	7
Condensed Interim Statement of Comprehensive Income.....	7
Condensed Interim Statement of Financial Position.....	8
Condensed Interim Statement of Changes in Equity	9
Condensed Interim Statement of Cash Flows	10
Notes to the Financial Statements	11
1 Reporting entity.....	11
2 Basis of preparation.....	11
3 Significant accounting policies	11
4 Segment reporting.....	12
5 Investments accounted for using the equity method.....	12
6 Auditor's remuneration.....	12
7 Distributions.....	12
8 Units on issue.....	12
9 Financial instruments.....	13
10 Key Management Personnel.....	14
11 Contingent liabilities and assets.....	14
12 Capital and other commitments.....	14
13 Events subsequent to the reporting date.....	14
Directors' Declaration	15
Independent Auditor's Report	16

Directory

Multiplex SITES Trust

For the half year ended 30 June 2012

Responsible Entity

Brookfield Funds Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: (02) 9322 2000
Facsimile: (02) 9322 2001

Directors of Brookfield Funds Management Limited

Mr F Allan McDonald
Ms Barbara K Ward
Mr Russell T Proutt

Registered Office of Brookfield Funds Management Limited

Level 22, 135 King Street
Sydney NSW 2000
Telephone: (02) 9322 2000
Facsimile: (02) 9322 2001

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place, 225 George Street
Sydney NSW 2000
Telephone: (02) 9322 7000
Facsimile: (02) 9322 7001

Directors' Report continued

Multiplex SITES Trust

4

For the half year ended 30 June 2012

Introduction

The Directors of Brookfield Funds Management Limited (ACN: 105 371 917), the Responsible Entity of Multiplex SITES Trust (Trust) present their report together with the financial statements of the Trust for the half year ended 30 June 2012 and the Independent Auditor's Report thereon.

Responsible Entity

The Responsible Entity is a wholly owned subsidiary of Brookfield Australia Investments Limited and forms part of the consolidated Brookfield Australia Investments Group (Group). The registered office and principal place of business of the Responsible Entity is Level 22, 135 King Street, Sydney.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the half year:

Name	Capacity
Mr F Allan McDonald (appointed 22 October 2003)	Non-Executive Chairman
Ms Barbara K Ward (appointed 22 October 2003)	Non-Executive Director
Mr Russell T Proutt (appointed 17 March 2010)	Executive Director

Principal activities

The Trust is a registered managed investment scheme domiciled in Australia and the Step-up Income-distributing Trust-issued Exchangeable securities (Multiplex SITES) are listed on the Australian Securities Exchange.

The investment activities of the Trust continue to be in accordance with the policies outlined in the original Product Disclosure Statement for the Trust dated 29 November 2004. During the half year ended 30 June 2012 the Trust's sole activity was holding units in Multiplex Hybrid Investment Trust and the payment of distributions to unitholders.

The Trust did not have any employees during the half year.

Review of operations

The Trust earned a net profit attributable to unitholders of \$18,450,000 for the half year ended 30 June 2012 (half year ended 30 June 2011: \$19,665,000). Total quarterly distributions paid or payable in respect of the half year ended 30 June 2012 were \$18,450,000 (half year ended 30 June 2011: \$19,665,000). The carrying value of the Trust's net assets at the end of the half year ended 30 June 2012 was \$450,000,000 (half year ended 31 December 2011: \$450,000,000).

The Trust's only activity is an investment in units in Multiplex Hybrid Investment Trust.

Distributions

Distributions paid or declared by the Trust were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Half year ended 30 June 2012			
Distributions for the period ended 31 March 2012	207.00	9,315	18 April 2012
Distributions for the period ended 30 June 2012	203.00	9,135	16 July 2012
Total distributions	410.00	18,450	
Half year ended 30 June 2011			
Distributions for the period ended 31 March 2011	218.00	9,810	15 April 2011
Distributions for the period ended 30 June 2011	219.00	9,855	15 July 2011
Total distributions	437.00	19,665	

On 2 April 2012, the Trust announced to the ASX that the distribution rate for the period from 1 April 2012 to 30 June 2012 is 8.16% per annum.

Events subsequent to the reporting date

To the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the half year that has significantly affected, or may affect, the Trust's operations in future financial periods, the results of those operations or the Trust's state of affairs in future financial periods.

Rounding of amounts

The Trust is of a kind referred to in Class Order 98/0100, dated 10 July 1998, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and the financial statements. Amounts in the Directors' Report and the financial statements have been rounded off in accordance with that Class Order to the nearest hundred thousand or thousand dollars, or in certain cases, to the nearest dollar.

Directors' Report continued Multiplex SITES Trust

5

For the half year ended 30 June 2012

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 30 June 2012.

Signed in accordance with a resolution of the Directors, made pursuant to Section 306(3) of the Corporations Act 2001, on behalf of the Directors of Brookfield Funds Management Limited.

Dated at Sydney this 22nd day of August 2012



Russell T Prutt
Executive Director
Brookfield Funds Management Limited
as Responsible Entity for Multiplex SITES Trust

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
Brookfield Funds Management Limited
(as Responsible Entity for Multiplex SITES Trust)
Level 22, 135 King Street
Sydney, NSW 2000

22 August 2012

Dear Board Members

Multiplex SITES Trust

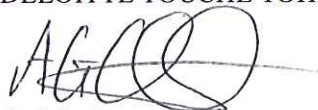
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Brookfield Funds Management Limited as responsible entity for Multiplex SITES Trust.

As lead audit partner for the review of the financial statements of Multiplex SITES Trust for the half-year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



A G Collinson
Partner
Chartered Accountants

Condensed Statement of Comprehensive Income

Multiplex SITES Trust

7

For the half year ended 30 June 2012

	Half Year ended 30 Jun 2012 \$'000	Half Year ended 30 Jun 2011 \$'000
Share of net profit of associates accounted for using the equity method	18,450	19,665
Net profit for the period from continuing operations	18,450	19,665
Other comprehensive income for the period	-	-
Total comprehensive income for the period attributable to SITES unitholders	18,450	19,665
Earnings per unit		
Basic and diluted earnings per ordinary unit (cents)	410.00	437.00

The Condensed Statement of Comprehensive Income should be read in conjunction with the Notes to the financial statements.

Condensed Statement of Financial Position

Multiplex SITES Trust

8

As at 30 June 2012

	Note	30 Jun 2012 \$'000	31 Dec 2011 \$'000
Non-current assets			
Investments accounted for using the equity method	5	459,135	459,765
Total non-current assets		459,135	459,765
Total assets		459,135	459,765
Current liabilities			
Distributions payable	7	9,135	9,765
Total current liabilities		9,135	9,765
Total liabilities		9,135	9,765
Net assets		450,000	450,000
Equity			
Units on issue	8	450,000	450,000
Total equity		450,000	450,000

The Condensed Statement of Financial Position should be read in conjunction with the Notes to the financial statements.

Condensed Statement of Changes in Equity

Multiplex SITES Trust

9

For the half year ended 30 June 2012

	Note	Units on issue \$'000	Accumulated profit/ (losses) \$'000	Total equity \$'000
Opening equity – 1 January 2012		450,000	–	450,000
Net profit		–	18,450	18,450
Other comprehensive income		–	–	–
Total comprehensive income for the half year		–	18,450	18,450
Distributions to unitholders	7	–	(18,450)	(18,450)
Total transactions with unitholders in their capacity as unitholders		–	(18,450)	(18,450)
Closing equity – 30 June 2012		450,000	–	450,000
Opening equity – 1 January 2011		450,000	–	450,000
Net profit		–	19,665	19,665
Other comprehensive income		–	–	–
Total comprehensive income for the half year		–	19,665	19,665
Distributions to unitholders	7	–	(19,665)	(19,665)
Total transactions with unitholders in their capacity as unitholders		–	(19,665)	(19,665)
Closing equity – 30 June 2011		450,000	–	450,000

The Condensed Statement of Changes in Equity should be read in conjunction with the Notes to the financial statements.

Condensed Statement of Cash Flows

Multiplex SITES Trust

10

For the half year ended 30 June 2012

Note	Half Year ended 30 Jun 2012 \$'000	Half Year ended 30 Jun 2011 \$'000
Cash flows from operating activities		
Net cash inflows from operating activities	–	–
Cash flows from investing activities		
Dividends and distributions received	19,080	19,755
Net cash inflows from investing activities	19,080	19,755
Cash flows from financing activities		
Distributions paid to Multiplex SITES holders	(19,080)	(19,755)
Net cash outflows from financing activities	(19,080)	(19,755)
Net increase in cash held	–	–
Cash at the beginning of the financial period	–	–
Cash at the end of the financial period	–	–

The Condensed Statement of Cash Flows should be read in conjunction with the Notes to the financial statements.

Notes to the Condensed Interim Financial Statements

continued

Multiplex SITES Trust

11

For the half year ended 30 June 2012

1 Reporting entity

Multiplex SITES Trust (Trust) is a unit trust domiciled in Australia and is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Funds Management Limited, the Responsible Entity of the Trust, is incorporated and domiciled in Australia. The units of the Trust have been listed on the Australian Securities Exchange (ASX) and are guaranteed on a subordinated and unsecured basis by Brookfield Australia Investments Limited and Brookfield Funds Management Limited (Guarantors). The Trust was registered on 12 November 2004.

The interim financial statements of the Trust for the half year ended 30 June 2012 were authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 20th August 2012.

2 Basis of preparation

Statement of compliance

The Condensed financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*. Accounting standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with AASB 134 ensures compliance with International Financial reporting Standard IAS 34 Interim Financial Reporting. The half year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent financial report.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars. The Trust is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 relating to the "rounding off" of amounts in the annual financial statements. In accordance with that Class Order amounts in the annual financial statements have been rounded off to the nearest thousand dollars or in certain cases, to the nearest dollar, unless stated otherwise.

Due to the classification of distributions payable as current liabilities at 30 June 2012, the Trust is in a net current liability position of \$9.1 million. The Trust has non-current assets of \$459.1 million and a net asset position of \$450 million. In accordance with AASB 101, an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. The accounts of the Trust have been prepared on a going concern basis as the net current asset deficiency is due to the classification of distributions payable as current liabilities. There are agreements in place that ensure the receipt of distributions by the Trust occur at the same time as the payment of distributions to the Trust's unitholders, and hence the classification of the distributions payable as current do not impact the ability of the Trust to continue as a going concern.

Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted in the Company's 2011 annual report for the financial year ended 31 December 2011

Associates

The Trust's investment in its associates is accounted for using the equity method of accounting in the financial statements. The associate is an entity in which the Trust has significant influence, but not condensed control, over the financial and operating policies. Under the equity method, an investment in associates is carried in the Statement of Financial Position at cost plus post-acquisition changes in the Trust's share of net assets of the associate. After application of the equity method, the Trust determines whether it is necessary to recognise any additional impairment loss with respect to the Trust's net investment in the associate. The Condensed Statement of Comprehensive Income reflects the Trust's share of the results of operations of the associate.

When the Trust's share of losses exceeds its interest in an associate, the Trust's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Trust has incurred legal or constructive obligations or made payments on behalf of an associate.

Distributions

A provision for distribution is recognised in the Condensed Statement of Financial Position if the distribution has been declared prior to balance date. Distributions paid are included in cash flows from financing activities and distributions received are included in cash flows from investing activities in the Condensed Statement of Cash Flows.

Units on issue

Issued and paid up units are recognised at face value, being the consideration of \$100 received by the Trust for each unit on issue.

Notes to the Condensed Interim Financial Statements

continued

Multiplex SITES Trust

12

For the half year ended 30 June 2012

3 Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Trust that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Trust operates in a single segment, being an investment in Multiplex Hybrid Investment Trust in Australia. All items of the Condensed Statement of Comprehensive Income and Condensed Statement of Financial Position are derived from this single segment. The chief operating decision maker of the Trust, the Board of Directors of the Responsible Entity, reviews and assesses performance using information displayed as set out in these statements.

	30 Jun 2012 \$'000	31 Dec 2011 \$'000
4 Investments accounted for using the equity method		
Non-current		
Units in unlisted associates	459,135	459,765
Total	459,135	459,765

Details of material interests in associates are as follows:

Name	Principal activities	Voting interest %	Carrying value 30 June 2012 \$'000	Carrying value 31 Dec 2011 \$'000
Multiplex Hybrid Investment Trust	Investment	25	459,135	459,765

5 Auditor's remuneration

During the current and prior periods, all amounts paid to the auditor of the Trust, Deloitte Touche Tohmatsu, were borne by the Responsible Entity in its capacity as responsible entity of Multiplex SITES Trust.

	Cents per unit	Total amount \$'000	Date of payment
6 Distributions			
Half Year ended 30 June 2012			
Distributions for the period ended 31 March 2012	207.00	9,315	18 April 2012
Distributions for the period ended 30 June 2012	203.00	9,135	16 July 2012
Total distributions	410.00	18,450	
Half Year ended 30 June 2011			
Distributions for the period ended 31 March 2011	218.00	9,810	15 April 2011
Distributions for the period ended 30 June 2011	219.00	9,855	15 July 2011
Total distributions	437.00	19,665	

Distributions are payable at the discretion of the Responsible Entity at the three month bank bill rate on the issue date plus a margin of 3.90%. The rate is determined on the first business day of each quarter.

	30 June 2012 \$'000	30 June 2012 Units	31 Dec 2011 \$'000	31 Dec 2011 Units
7 Units on issue				
Units on issue				
Amounts owing to Multiplex SITES holders	450,000	4,500,000	450,000	4,500,000

Terms and conditions

Multiplex SITES is a fully paid unit issued by the Trust and is entitled to income that is derived by the Trust.

Multiplex SITES rank in priority to other units in the Trust, but behind creditors of the Trust.

The Responsible Entity, in its capacity as responsible entity of Brookfield Australia Property Trust and Brookfield Australia Investments Limited, guarantee the face value and unpaid distribution amount on redemption (being not more than the distribution payments for the four preceding but unpaid distributions). In addition, while the Responsible Entity of the Trust is a member of Brookfield Australia Investments Group, the Responsible Entity in its capacity as responsible entity of Brookfield Australia Property Trust and Brookfield Australia Investments Limited guarantee any distributions which have been declared payable by the Trust. As there is discretion not to pay particular distributions, the guarantee does not ensure that priority distribution payments will be paid in all circumstances.

Notes to the Condensed Interim Financial Statements

continued

Multiplex SITES Trust

13

For the half year ended 30 June 2012

8 Units on issue continued

Under the guarantee, Multiplex SITES rank in priority to units in Brookfield Australia Property Trust and shares in Brookfield Australia Investments Limited but are subordinated to senior creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited.

Multiplex SITES have an unsecured and subordinated guarantee of the face value and unpaid distribution amount (not being more than the distribution payments for the four preceding but unpaid distributions).

Assets pledged as security

The guarantee, which ranks in priority to units in Brookfield Australia Property Trust and shares in Brookfield Australia Investments Limited, is subordinated to senior creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited and ranks equally with other creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited who are not senior creditors.

Holder redemption

Holders have the right to initiate redemption of Multiplex SITES, by issue of a holder realisation notice, in the following limited circumstances:

- where a priority distribution payment to Multiplex SITES Trust is not paid in full; or
- the occurrence of a winding-up event, with respect to either of the Guarantors, Multiplex SITES Trust (for as long as the responsible entity of Multiplex SITES Trust is a member of Brookfield Australia Investments Group) or Multiplex Hybrid Investment Trust (MHIT) (for as long as the trustee of MHIT is a member of Brookfield Australia Investments Group).

The request for redemption is effective and will be implemented if made by holders who cumulatively hold 5% or more of Multiplex SITES on issue.

Holder redemption

Upon redemption, holders will receive the aggregate of \$100 plus the unpaid distribution amount, not being more than the distribution payments for the four preceding but unpaid distributions.

Issuer redemption

Subject to approval of the Responsible Entity and Brookfield Australia Investments Limited, the Trust may initiate redemption of all or some of the Multiplex SITES for cash, by sending a realisation notice to holders, in the following circumstances:

- the step-up date or the last day of each distribution period after the step-up date;
- an increased costs event;
- an accounting event;
- where the responsible entity of the Trust is no longer a member of Brookfield Australia Investments Limited;
- a change of control event; or
- there are less than \$50 million of Multiplex SITES remaining on issue.

Holder exchange

Holders have no right to request exchange.

Issuer exchange

Brookfield Australia Investments Group was delisted on 20 December 2007. For so long as Brookfield Australia Investments Group is not listed, the Responsible Entity will not be entitled to exercise its option to exchange Multiplex SITES for Brookfield Australia Investments Group stapled securities.

9 Financial instruments

Financial risk management

The Trust has responsibility for the establishment and monitoring of a risk management framework. This framework seeks to minimise the potential adverse impact of the above risks on the Trust's financial performance.

The Board regularly reviews procedures in respect of compliance with the maintenance of statutory, legal, ethical and environmental obligations through the Audit & Risk Committee. Management also reports to the Board through the Audit & Risk Committee as to the effectiveness of the Trust's management of its material business risks. As risks are primarily concerned with compliance rather than an operational nature, the existing risk management approach will continue to be enforced.

Notes to the Condensed Interim Financial Statements

continued

Multiplex SITES Trust

14

For the half year ended 30 June 2012

10 Key management personnel

No compensation is paid by the Trust or the Responsible Entity to Directors or directly to any of the key management personnel of the Responsible Entity. Compensation is paid by entities within the Brookfield Australia Investments Group.

11 Contingent liabilities and assets

No contingent liabilities or assets existed 30 June 2012 (30 June 2011: nil).

12 Capital and other commitments

No capital or other commitment existed at 30 June 2012 (30 June 2011: nil).

13 Events subsequent to the reporting date

Other than matters previously disclosed in this report and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may affect, the Trust's operations in future financial periods, the results of those operations or the Trust's state of affairs in future financial periods.

Directors' Declaration Multiplex SITES Trust

15

For the half year ended 30 June 2012

The directors of the Responsible Entity of Multiplex SITES Trust (Brookfield Funds Management Limited) declare that:

- a. in the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- b. in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Trust.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.303(5) of the Corporations Act 2001.

Dated at Sydney this 22nd day of August 2012



Russell T Proutt
Executive Director
Brookfield Funds Management Limited
as Responsible Entity for Multiplex SITES Trust

Independent Auditor's Review Report to the members of Multiplex SITES Trust

We have reviewed the accompanying half-year financial report of Multiplex SITES Trust, which comprises the condensed statement of financial position as at 30 June 2012, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of Multiplex SITES Trust as set out on pages 7 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Funds Management Limited, as responsible entity for Multiplex SITES Trust, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Multiplex SITES Trust's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Multiplex SITES Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Funds Management Limited, as responsible entity for Multiplex SITES Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex SITES Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of Multiplex SITES Trust's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



A G Collinson
Partner
Chartered Accountants
Sydney, 22 August 2012

Brookfield Australia Property Trust and its controlled entities
Half-year report
For the half-year ended
30 June 2012

Brookfield Australia Property Trust

ARSN 106 643 387

Table of Contents

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2012

	Page
Directory	3
Directors' Report	4
Auditor's Independence Declaration	6
 Financial Statements	
Condensed Consolidated Statement of Comprehensive Income	7
Condensed Consolidated Statement of Financial Position	8
Condensed Consolidated Statement of Changes in Unitholder Interests	9
Condensed Consolidated Statement of Cash Flows	10
 Notes to the Condensed Consolidated Financial Statements	
1 Reporting entity	11
2 Basis of preparation	11
3 Distributions	11
4 Other financial assets	12
5 Interest bearing receivables	12
6 Investments accounted for using the equity method	13
7 Investment property	13
8 Interest bearing loans and borrowings	14
9 Contributed equity	15
10 Related parties	15
11 Events occurring after the reporting date	15
 Directors' Declaration	 16
Independent Auditor's Review Report	17

Directory

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2012

Responsible Entity

Brookfield Funds Management Limited
Level 22, 135 King Street,
Sydney NSW 2000
Telephone: +61 (0) 2 9322 2000
Facsimile: +61 (0) 2 9322 2001

Directors of Brookfield Funds Management Limited

Mr F Allan McDonald
Ms Barbara K Ward
Mr Russell T Proutt

Registered Office of Brookfield Funds Management Limited

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0) 2 9322 2000
Facsimile: +61 (0) 2 9322 2001

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place, 225 George Street
Sydney NSW 2000
Telephone: + 61 (0) 2 9322 7000
Fax: + 61 (0) 2 9322 7001

Directors' Report

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2012

Introduction

The Directors of Brookfield Funds Management Limited (BFML), the Responsible Entity of Brookfield Australia Property Trust (the Trust), present their report together with the financial report of the Consolidated Entity, being the Trust and its controlled entities, for the half-year ended 30 June 2012 and the Independent Auditor's Review Report thereon.

Brookfield Australia Investments Limited (BAIL) (the Company) and its controlled entities, the Trust and its controlled entities are referred to as Brookfield Australia Investments Group (the Group) in this report.

Responsible Entity

The Responsible Entity of the Trust is Brookfield Funds Management Limited, which has been the Responsible Entity since inception of the Trust.

The registered office and principal place of business of the Responsible Entity is as follows:

Registered office	Level 22, 135 King Street, Sydney NSW 2000
Principal place of business	Level 22, 135 King Street, Sydney NSW 2000

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the half-year ended 30 June 2012:

Name	Capacity
Mr F Allan McDonald (Director since 22 October 2003)	Non-Executive Chairman
Ms Barbara K Ward (Director since 22 October 2003)	Non-Executive Director
Mr Russell T Prutt (Director since 17 March 2010)	Executive Director

Principal activities

The principal activity of the Consolidated Entity during the course of the half-year ended 30 June 2012 was the investment in income producing retail, commercial and industrial properties. The Consolidated Entity principally operates in Australia and New Zealand.

There has been no significant change in the nature of the activities of the Consolidated Entity during the half-year ended 30 June 2012.

Group structure

Ordinary shares in the Company and ordinary units in the Trust are stapled together so that neither can be dealt without the other. A transfer, issue or reorganisation of an ordinary share or an ordinary unit in one of the component parts is accompanied by a transfer, issue or reorganisation of an ordinary share or ordinary unit in the other component part.

Distributions

During the half-year ended 30 June 2012, no distributions were declared or paid to unitholders of the Trust (half-year ended 30 June 2011: nil).

Review of operations and results

[Operating results for the financial period](#)

The Consolidated Entity reported a net profit attributable to unitholders of \$59.2 million for the half-year ended 30 June 2012 (half-year ended 30 June 2011: \$126.1 million).

Events subsequent to the reporting date

On 20 July 2012, Brookfield entered into a sale agreement for Pittwater Place for gross consideration of \$56.6 million. Settlement occurred on 31 July 2012.

At 30 June 2012, the Consolidated Entity's investment in the ASB Bank Centre building has been classified as held for sale. The sale of the building was settled post financial half-year end, on 27 July 2012, for gross consideration of \$80.1 million or NZ\$104.0 million. The net proceeds from sale was used to repay debt.

On 22 August 2012, the Directors of the Responsible Entity for the Brookfield Australia Opportunities Fund, a subsidiary of the Consolidated Entity, issued a Notice of Meeting and Explanatory Memorandum to unitholders with a proposal to wind up the Fund. The unitholder meeting will be held on 24 September 2012.

Directors' Report continued

Brookfield Australia Property Trust and its controlled entities

5

For the half-year ended 30 June 2012

Events subsequent to the reporting date – continued

Refinancing of debt

Subsequent to the half-year end, in August 2012, Multiplex New Zealand Property Fund, a subsidiary of the Consolidated Entity, entered into a revised NZ\$150 million, 3 year term facility.

Other than as disclosed in this report and to the best knowledge of the Directors, there has been no other matter or circumstance that has arisen since the end of the half-year that have significantly affected, or may affect, the Consolidated Entity's operations in future financial periods, the results of those operations or the Consolidated Entity's state of affairs in future financial periods.

Likely developments and expected results of operations

It is envisaged that the Consolidated Entity will continue to operate in its current form.

Environmental regulation

The Consolidated Entity has systems in place to manage its environmental obligations.

Register of unitholders

The register of unitholders has, during the half-year ended 30 June 2012, been properly drawn up and maintained so as to give a true account of the unitholders of the Trust.

Rounding of amounts

The Consolidated Entity is of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest hundred thousand dollars, unless otherwise stated.

Auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half-year ended 30 June 2012.

Signed in accordance with a resolution of directors made pursuant to s 306(3) of the Corporations Act 2001.

Dated at Sydney, this 22nd day of August 2012



Russell T Proutt
Executive Director
Brookfield Funds Management Limited

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
Brookfield Funds Management Limited
(as Responsible Entity for Brookfield Australia Property Trust)
Level 22, 135 King Street
SYDNEY, NSW 2000
Australia

22 August 2012

Dear Board Members

Brookfield Australia Property Trust

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Brookfield Funds Management Limited as responsible entity for Brookfield Australia Property Trust.

As lead partner for the review of the financial statements of Brookfield Australia Property Trust for the half-year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review;
and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



A G Collinson
Partner
Chartered Accountants

Condensed Consolidated Statement of Comprehensive Income

7

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2012

	Note	Consolidated	
		Half-year ended 30-Jun-12 \$m	Half-year ended 30-Jun-11 \$m
Continuing operations			
Revenue		121.6	116.8
Cost of operations		(29.9)	(31.1)
Gross profit		91.7	85.7
Other income		4.4	6.6
Property finance income	4	60.2	104.4
Share of net profit of investments accounted for using the equity method		2.5	0.5
Net (loss)/gain on revaluation of investment property and derivatives		(9.2)	31.2
Finance costs		(62.9)	(79.0)
Other expenses		(10.0)	(7.4)
Profit before income tax		76.7	142.0
Income tax benefit		0.5	3.9
Profit from continuing operations for the period		77.2	145.9
Profit attributable to:			
Unitholders of the Brookfield Australia Property Trust		59.2	126.1
Non-controlling interests		18.0	19.8
Net profit for the period		77.2	145.9
Other comprehensive income			
Currency translation differences		3.9	1.4
Changes in fair value of available for sale financial assets		(1.0)	2.1
Effective portion of changes in fair value of cash flow hedges		(5.3)	(4.7)
Other comprehensive expense for the period		(2.4)	(1.2)
Total comprehensive income for the period		74.8	144.7
Total comprehensive income attributable to:			
Unitholders of Brookfield Australia Property Trust		54.7	124.9
Non-controlling interests		20.1	19.8
Total comprehensive income for the period		74.8	144.7

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Financial Position 8

Brookfield Australia Property Trust and its controlled entities

As at 30 June 2012

	Note	Consolidated	
		30-Jun-12	31-Dec-11
		\$m	\$m
Current assets			
Cash and cash equivalents		64.9	62.3
Trade and other receivables		93.4	43.5
Derivative financial instruments		0.7	0.1
Other financial assets	4	1,333.3	1,332.3
Other assets		2.9	3.6
Assets held for sale	7	81.4	-
Total current assets		1,576.6	1,441.8
Non-current assets			
Interest bearing receivables	5	2.9	179.5
Other financial assets	4	1,547.9	1,430.5
Investments accounted for using the equity method	6	2.5	7.7
Investment property	7	1,960.1	2,220.9
Derivative financial instruments		-	0.2
Total non-current assets		3,513.4	3,838.8
Total assets		5,090.0	5,280.6
Current liabilities			
Trade and other payables		55.5	76.0
Derivative financial instruments		21.0	0.1
Interest bearing loans and borrowings	8	515.9	219.9
Non-interest bearing loans and borrowings		199.8	5.3
Provisions		12.0	12.2
Total current liabilities		804.2	313.5
Non-current liabilities			
Trade and other payables		1.1	1.1
Derivative financial instruments		13.0	24.9
Interest bearing loans and borrowings	8	926.6	1,651.2
Deferred tax liabilities		12.2	12.3
Total non-current liabilities		952.9	1,689.5
Total liabilities		1,757.1	2,003.0
Net assets		3,332.9	3,277.6
Equity			
Contributed equity	9	2,441.8	2,441.8
Reserves		(39.2)	(34.7)
Undistributed income		313.8	254.6
Total parent interests		2,716.4	2,661.7
Non-controlling interest		616.5	615.9
Total equity		3,332.9	3,277.6

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Changes in Unitholder Interests

9

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2012

	Attributable to Unitholders of the Trust					Total equity \$m
	Issued Units (refer to Note 9) \$m	Undistributed profits/losses \$m	Reserves \$m	Total \$m	Non- controlling interest \$m	
As at 1 January 2012	2,441.8	254.6	(34.7)	2,661.7	615.9	3,277.6
Currency translation differences	-	-	1.0	1.0	2.9	3.9
Change in fair value of available for sale financial assets	-	-	(0.3)	(0.3)	(0.7)	(1.0)
Effective portion of changes in fair value of cash flow hedges	-	-	(5.2)	(5.2)	(0.1)	(5.3)
Expense recognised directly in equity	-	-	(4.5)	(4.5)	2.1	(2.4)
Profit for the period	-	59.2	-	59.2	18.0	77.2
Total comprehensive income	-	59.2	(4.5)	54.7	20.1	74.8
Transactions with unitholders in their capacity as unitholders:						
Dividends/distributions	-	-	-	-	(19.5)	(19.5)
Total transactions with unitholders in their capacity as unitholders	-	-	-	-	(19.5)	(19.5)
As at 30 June 2012	2,441.8	313.8	(39.2)	2,716.4	616.5	3,332.9
As at 1 January 2011	2,441.8	123.0	(2.9)	2,561.9	609.4	3,171.3
Currency translation differences	-	-	1.4	1.4	-	1.4
Change in fair value of available for sale financial assets	-	-	2.1	2.1	-	2.1
Effective portion of changes in fair value of cash flow hedges	-	-	(4.7)	(4.7)	-	(4.7)
Expense recognised directly in equity	-	-	(1.2)	(1.2)	-	(1.2)
Profit for the period	-	126.1	-	126.1	19.8	145.9
Total comprehensive income	-	126.1	(1.2)	124.9	19.8	144.7
Transactions with unitholders in their capacity as unitholders:						
Dividends/distributions	-	-	-	-	(21.1)	(21.1)
Total transactions with unitholders in their capacity as unitholders	-	-	-	-	(21.1)	(21.1)
As at 30 June 2011	2,441.8	249.1	(4.1)	2,686.8	608.1	3,294.9

The Condensed Consolidated Statement of Changes in Unitholder Interests should be read in conjunction with the Notes to the Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Cash Flows

Brookfield Australia Property Trust and its controlled entities

10

For the half-year ended 30 June 2012

	Note	Consolidated	
		Half-year ended 30-Jun-12 \$m	Half-year ended 30-Jun-11 \$m
Cash flows from operating activities			
Receipts from customers		146.3	121.7
Payments to suppliers and employees		(67.1)	(61.5)
		79.2	60.2
Property finance income		38.1	35.5
Interest received		1.0	1.1
Finance costs paid		(60.2)	(75.8)
Distributions received		11.0	6.9
Net cash inflow from operating activities		69.1	27.9
Cash flows from investing activities			
Net proceeds from sale of investment properties		199.5	45.5
Net payments for investment property capital expenditure		(13.8)	(27.8)
Net proceeds/(payments for) investments		4.3	(79.1)
Net cash inflow/(outflow) from investing activities		190.0	(61.4)
Cash flows from financing activities			
Net repayments of external borrowings		(431.0)	(47.7)
Net proceeds from loans advanced to related parties		194.5	95.8
Distributions paid to non-controlling interests		(19.5)	(21.1)
Net cash (outflow)/inflow from financing activities		(256.0)	27.0
Net increase/(decrease) in cash and cash equivalents held		3.1	(6.5)
Cash and cash equivalents at the beginning of the financial period		62.3	55.6
Effects of exchange rate changes on cash		(0.5)	-
Cash and cash equivalents at the end of the financial period		64.9	49.1

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Consolidated Financial Statements.

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2012

1 Reporting entity

Brookfield Australia Property Trust, (the Trust) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Funds Management Limited, the Responsible Entity of the Trust, is incorporated and domiciled in Australia. Brookfield Australia Investments Limited (the Company), the Trust and their controlled entities are referred to as the Group in this report.

A Group stapled security consists of one ordinary unit in the Trust and one ordinary share in the Company. The stapled securities cannot be traded or dealt with separately. A transfer, issue or reorganisation of an ordinary share or a unit in one of the component parts is accompanied by a transfer, issue or reorganisation of an ordinary share or unit in the other component part.

This half-year financial report comprises the results and operations of the Trust and its controlled entities (the Consolidated Entity) for the half-year ended 30 June 2012.

2 Basis of preparation

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Unless otherwise stated, the principal accounting policies adopted in the preparation of the financial report are consistent with those applied to all periods presented.

The condensed consolidated financial statements were authorised for issue in accordance with a resolution of the directors of the Responsible Entity on 22 August 2012.

Basis of measurement

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Trust is a fund of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest hundred thousand dollars, unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Consolidated Entity's 2011 annual financial report for the financial year ended 31 December 2011. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is provided in Note 4, other financial assets, Note 6, investments accounted for using the equity method and Note 7, investment property.

Comparatives

Where deemed necessary, the comparatives have been reclassified to enhance comparability.

3 Distributions

During the half-year ended 30 June 2012, no distributions were declared or paid to unitholders of the Trust (half-year to 30 June 2011: nil).

Notes to the Condensed Consolidated Financial Statements

continued

12

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2012

4 Other Financial Assets

	Consolidated	
	30-Jun-12	31-Dec-11
	\$m	\$m
Current		
Investment in promissory note ¹	1,300.0	1,300.0
Available for sale investments	33.3	32.3
Total other financial assets - current	1,333.3	1,332.3
Non-current		
Available for sale investments	102.7	110.3
Property financial assets²		
Brookfield Prime Property Fund ³	168.2	155.0
King Street Wharf Retail ³	92.0	45.9
Southern Cross East Tower ³	467.3	459.0
World Square Retail and Carpark ³	129.6	67.4
KMPG Tower ³	59.3	63.3
Darling Park Complex ³	342.0	343.2
Bourke Place Tower ³	186.8	186.4
Total other financial assets - non current	1,547.9	1,430.5
Total other financial assets	2,881.2	2,762.8

¹The promissory note is non-interest bearing and repayable on demand. It is subordinate to a syndicated facility that matures in April 2013 between Brookfield (GP) Australia Inc in its capacity as general partner of Brookfield Finance (Australia) LP.

²During the half-year, six of the underlying properties were externally valued.

³Properties from which property finance income is determined.

	30-Jun-12	30-Jun-11
	\$m	\$m
Property finance income		
Realised property finance income	38.1	35.6
Fair value gain on property financial assets	22.1	68.8
Total property finance income for the period	60.2	104.4

5 Interest bearing receivables

	30-Jun-12	31-Dec-11
	\$m	\$m
Non-current		
Interest bearing receivables from related parties	2.9	179.5
Total interest bearing receivables	2.9	179.5

Notes to the Condensed Consolidated Financial Statements

continued

13

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2012

6 Investments accounted for using the equity method

	Consolidated	
	30-Jun-12	31-Dec-11
	\$m	\$m
Investment in associates	11.8	17.0
Less: impairment in investments in associates	(9.3)	(9.3)
Total investments accounted for using the equity method	2.5	7.7

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

Investment	Principal activities	Country of incorporation	Equity Ownership		Carrying Value	
			30-Jun-12 %	31-Dec-11 %	30-Jun-12 \$m	31-Dec-11 \$m
Multiplex European Property Fund	Investment	Australia	25.0	25.0	2.5	7.7
Total investments in associates			25.0	25.0	2.5	7.7

7 Investment property

	30-Jun-12	31-Dec-11
Reconciliation of the carrying amount of investment properties:	\$m	\$m
Carrying amount at the beginning of the year	2,220.9	2,220.0
Transfer to assets held for sale	(81.4)	-
Capital expenditure	27.4	50.8
Disposals ¹	(200.6)	(57.5)
Net (loss)/gain from fair value adjustments to investment properties	(7.5)	9.5
Impact of foreign exchange rates	1.3	(1.9)
Carrying amount at end of period	1,960.1	2,220.9

¹Disposals relate to the sale of 10 Eagle Street and The Hub.

Property valuations

Property investments are stated at fair value. An external valuation company, having an appropriately recognised professional qualification and recent experience in the location and category of the property being valued, values the portfolio whenever it is believed that the fair value of a property differs significantly from its carrying value, based on a material change to the assumptions and market conditions underlying the valuation. In the current financial year, the external valuations were performed by Colliers International, Knight Frank, Savills, JLL and CBRE. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller, in an arm's length transaction after appropriate marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

Valuations reflect, where appropriate, the same type of tenants, future rent reviews and market conditions. A change in any of these factors could have a significant impact on the value of the Company's property investments. The valuations have been undertaken using a discounted cash flow approach and a capitalisation method. The key assumptions adopted under these methods include assessment of the capitalisation rate, discount rate, terminal yield, current passing/market rent and forecast net annual cash flows receivable from properties. The capitalisation rates utilised in the 30 June 2012 valuations ranged from 7.00% to 9.75%.

Notes to the Condensed Consolidated Financial Statements

continued

14

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2012

7 Investment property – continued

Property valuations - continued

Any gain or loss from a change in fair value is recognised in the Condensed Consolidated Statement of Comprehensive Income. All property acquisition costs in respect of properties acquired are capitalised into the value of the property investments at the time of purchase to reflect the total acquisition cost in the Consolidated Statement of Financial Position. Additions and other expenditure on property investments which are capital in nature are capitalised as incurred. Where independent valuations are undertaken prior to the reporting date, the assumptions on which the valuation is based are reviewed in light of the prevailing market conditions at the reporting date to ensure that any material change is reflected in the valuation. As at 30 June 2012, fifteen properties were externally valued.

Assets held for sale

During the period, the Trust entered into a sales agreement for the ASB Centre. Settlement occurred on 27 July 2012 and gross proceeds received were NZ\$104.0 million (A\$80.1 million).

8 Interest bearing loans and borrowings

	Consolidated	
	30-Jun-12	31-Dec-11
	\$m	\$m
Carrying amounts		
Current interest bearing loans and borrowings	517.0	220.4
<i>Less: deferred borrowing costs</i>	(1.1)	(0.5)
Total current interest bearing loans and borrowings	515.9	219.9
Non-current interest bearing loans and borrowings	933.6	1,660.2
<i>Less: deferred borrowing costs</i>	(7.0)	(9.0)
Total non-current interest bearing loans and borrowings	926.6	1,651.2
Total interest bearing loans and borrowings	1,442.5	1,871.1

Summary of borrowing arrangements

All debt facilities are bilateral and are secured by relevant mortgages and charges directly relating to specific investment properties. The Consolidated Entity has bank loans denominated in Australian dollars and New Zealand dollars. Interest on bank loans is charged at the prevailing market rate. There were no overdraft facilities in place at 30 June 2012 (2011: nil).

	30-Jun-12	31-Dec-11
	\$m	\$m
Total financing facilities available		
Property facilities	1,236.7	1,646.9
Consolidated property fund investments	233.6	233.7
Total facilities available	1,470.3	1,880.6
Facilities utilised at reporting date		
Property facilities	1,217.0	1,646.9
Consolidated property fund investments	233.6	233.7
Total facilities utilised at reporting date	1,450.6	1,880.6
Total facilities not utilised at reporting date	19.7	-

As at 30 June 2012, the Consolidated Entity is in compliance with all of its debt covenants.

Notes to the Condensed Consolidated Financial Statements

continued

15

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2012

9 Contributed equity

	30-Jun-12	31-Dec-11
	\$m	\$m
Issued and fully paid up capital		
Units issued	2,441.8	2,441.8
Total	2,441.8	2,441.8

There are 837,402,185 units on issue at 30 June 2012 (30 June 2011: 837,402,185). There has been no movement in the number of units on issue during the half-year ended 30 June 2012 (half-year ended 30 June 2011: nil).

Terms and conditions of units in the Trust

Ordinary units in the Trust are stapled with ordinary shares in the Company and are collectively known as Brookfield Australia Investments Group. Ordinary units in Brookfield Australia Property Trust entitles holders to participate in distributions as declared and, in the event of winding up the Trust, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on units held. Each unit entitles the holder to one vote either in person or by proxy, at a meeting of the Trust.

10 Related parties

There have been no significant changes to the related party transactions as disclosed in the last audited set of financial statements for the year ended 31 December 2011. Related party loans that are not intended to be called within 12 months have been classified as non-current.

11 Events occurring after the reporting date

On 20 July 2012, Brookfield entered into a sale agreement for Pittwater Place for gross consideration of \$56.6 million. Settlement occurred on 31 July 2012.

At 30 June 2012, the Consolidated Entity's investment in the ASB Bank Centre building has been classified as held for sale. The sale of the building was settled post financial half-year end, on 27 July 2012, for gross consideration of \$80.1 million or NZ\$104.0 million. The net proceeds from sale was used to repay debt.

On 22 August 2012, the Directors of the Responsible Entity for the Brookfield Australia Opportunities Fund, a subsidiary of the Consolidated Entity, issued a Notice of Meeting and Explanatory Memorandum to unitholders with a proposal to wind up the Fund. The unitholder meeting will be held on 24 September 2012.

Refinancing of debt

Subsequent to the half-year end, in August 2012, Multiplex New Zealand Property Fund, a subsidiary of the Consolidated Entity, entered into a revised NZ\$150 million, 3 year term facility.

Other than as disclosed in this report and to the best knowledge of the Directors, there has been no other matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may affect, the Consolidated Entity's operations in future financial periods, the results of those operations or the Consolidated Entity's state of affairs in future financial periods.

Directors' Declaration

16

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2012

The Directors of the Responsible Entity declare that:

- a. in the Directors' opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable; and
- b. in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Entity.

Signed in accordance with a resolution of the directors made pursuant to s 303(5) of the Corporations Act 2001.

On behalf of the Directors of the Responsible Entity, Brookfield Funds Management Limited.

Dated at Sydney, this 22nd day of August 2012.



Russell T Proutt
Executive Director
Brookfield Funds Management Limited

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Review Report to the unitholders of Brookfield Australia Property Trust

We have reviewed the accompanying half-year financial report of Brookfield Australia Property Trust, which comprises the condensed statement of financial position as at 30 June 2012, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in unitholder interests for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising of the Trust and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Funds Management Limited, the responsible entity of Brookfield Australia Property Trust, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Brookfield Australia Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Funds Management Limited, the responsible entity of Brookfield Australia Property Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Brookfield Australia Property Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



A G Collinson
Partner
Chartered Accountants
Sydney, 22 August 2012

Brookfield Australia Investments Group
Half-year report
for the half-year ended
30 June 2012

Brookfield Australia Investments Group

ABN 96 008 687 063

Contents

Brookfield Australia Investments Group

For the half-year ended 30 June 2012

	Page
Directory	3
Directors' Report.....	4
Auditor's Independence Declaration.....	6
Financial Statements	7
Condensed Consolidated Statement of Comprehensive Income.....	7
Condensed Consolidated Statement of Financial Position.....	8
Condensed Consolidated Statement of Changes in Equity	9
Condensed Consolidated Statement of Cash Flows	10
Notes to the Condensed Consolidated Financial Statements	11
1. Reporting entity	11
2. Basis of preparation.....	11
3. Dividends and distributions	11
4. Inventories	12
5. Other financial assets.....	12
6. Investments accounted for using the equity method.....	13
7. Investment property	14
8. Interest bearing loans and borrowings.....	15
9. Equity	16
10. Related parties.....	16
11. Events occurring after the reporting date.....	16
Directors' Declaration	18
Independent Auditor's Review	19

Directory

Brookfield Australia Investments Group

For the half-year ended 30 June 2012

Directors of Brookfield Australia Investments Limited

Mr Richard B Clark
Mr Thomas F Farley
Mr Brian W Kingston
Mr Ross A McDiven
Mr Russell T Proutt

Registered Office

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0)2 9322 2000
Facsimile: +61 (0)2 9322 2001

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place, 225 George Street
Sydney NSW 2000
Telephone: +61 (0)2 9322 7000
Facsimile: +61 (0)2 9322 7001

Directors' Report

Brookfield Australia Investments Group

For the half-year ended 30 June 2012

Introduction

The Directors of Brookfield Australia Investments Limited (Parent Entity or Company) submit herewith the condensed consolidated interim financial statements and the Independent Auditor's Review Report of the Consolidated Entity (Brookfield Australia Investments Group or Group), being the Company and its controlled entities and Brookfield Australia Property Trust (Trust) and its controlled entities, for the half-year ended 30 June 2012.

Group structure

The Consolidated Entity comprises of the Company and its controlled entities and the Trust and its controlled entities. Ordinary shares in the Company and ordinary units in the Trust are stapled together so that neither can be dealt without the other. A transfer, issue or reorganisation of an ordinary share or an ordinary unit in one of the component parts is accompanied by a transfer, issue or reorganisation of a share or unit in the other component part.

Directors

The names of the directors of the Company during or since the end of the half-year are:

Name	Capacity
Mr Richard B Clark	Non-Independent Non-Executive Director
Mr Thomas F Farley	Non-Independent Non-Executive Director
Mr Ross A McDiven	Executive Director
Mr Brian W Kingston	Executive Director
Mr Russell T Proutt	Executive Director

Principal activities

The principal activities of the Consolidated Entity during the course of the half-year ended 30 June 2012 include:

- construction services and project management;
- property development;
- property services;
- property related funds management and property syndication; and
- investment in income producing retail, commercial and industrial properties.

The Consolidated Entity principally operates in Australia, New Zealand, United Kingdom and the Middle East.

Review of operations and results

Operating results for the financial period

The Consolidated Entity recorded a net profit after tax attributable to stapled security holders of \$175.5 million for the half-year ended 30 June 2012 (2011: net profit of \$182.7 million).

Events subsequent to the reporting date

On 20 July 2012, Brookfield entered into a sale agreement for Pittwater Place for gross consideration of \$56.6 million. Settlement occurred on 31 July 2012.

At 30 June 2012, the Consolidated Entity's investment in the ASB Bank Centre building has been classified as held for sale. The sale of the building was settled post financial half-year end, on 27 July 2012, for gross consideration of \$80.1 million or NZ\$104.0 million. The net proceeds from the sale was used to repay debt.

On 22 August 2012, the Directors of the Responsible Entity for the Brookfield Australia Opportunities Fund, a subsidiary of the Consolidated Entity, issued a Notice of Meeting and Explanatory Memorandum to unitholders with a proposal to wind up the Fund. The unitholder meeting will be held on 24 September 2012.

Refinancing of debt

Subsequent to the half-year end, in August 2012, Multiplex New Zealand Property Fund, a subsidiary of the Consolidated Entity, entered into a revised NZ\$150 million, 3 year term facility.

Other than as disclosed in this report and to the best knowledge of the Directors, there has been no other matter or circumstance that has arisen since the end of the half-year that have significantly affected, or may affect, the Consolidated Entity's operations in future financial periods, the results of those operations or the Consolidated Entity's state of affairs in future financial periods.

Directors' Report continued

Brookfield Australia Investments Group

5

For the half-year ended 30 June 2012

Likely developments and expected results of operations

It is envisaged that the Consolidated Entity will continue to operate in its current form.

Environmental regulation

As an integrated property business, the Consolidated Entity's operations are subject to significant environmental regulation under international, Australian Commonwealth and state legislation. This is particularly the case in relation to the Consolidated Entity's construction, development and property investment activities. The Consolidated Entity has systems in place to manage its environmental obligations within its activities.

Dividends from the Company

There were no dividends paid or declared during the half-year ended 30 June 2012 (half-year ended 30 June 2011: nil).

Distributions from the Trust

There were no distributions paid or declared during the half-year ended 30 June 2012 (half-year ended 30 June 2011: nil).

Rounding of amounts

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest hundred thousand dollars, unless otherwise stated.

Auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half-year ended 30 June 2012.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the Corporations Act 2001.

Dated at Sydney this 22nd day of August 2012



Brian Kingston
Executive Director
Brookfield Australia Investments Limited



Russell Proutt
Executive Director
Brookfield Australia Investments Limited

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
Brookfield Australia Investments Limited
Level 22, 135 King Street
Sydney, NSW 2000

22 August 2012

Dear Board Members

Brookfield Australia Investments Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Brookfield Australia Investments Group.

As lead audit partner for the review of the financial statements of Brookfield Australia Investments Group for the half-year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



A G Collinson
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Condensed Consolidated Statement of Comprehensive Income

7

Brookfield Australia Investments Group

For the half-year ended 30 June 2012

	Note	Consolidated	
		Half-year ended 30-Jun-12 \$m	Half-year ended 30-Jun-11 \$m
Continuing operations			
Revenue		1,714.5	1,426.3
Cost of operations		(1,479.2)	(1,189.2)
Gross profit		235.3	237.1
Other income		9.8	9.4
Property finance income	5	165.3	142.8
Share of net profit of investments accounted for using the equity method		3.4	1.8
Net (loss)/gain on revaluation of investment property and derivatives		(5.6)	26.7
Finance costs		(75.5)	(88.7)
Other expenses		(88.3)	(106.9)
Profit before income tax		244.4	222.2
Income tax expense		(50.4)	(19.5)
Profit from continuing operations for the period		194.0	202.7
Profit attributable to:			
Stapled security holders of Brookfield Australia Investments Group		175.5	182.7
Non-controlling interests		18.5	20.0
Net profit for the period		194.0	202.7
Other comprehensive income			
Currency translation differences		4.0	(4.6)
Changes in fair value of available for sale financial assets		(0.8)	2.1
Effective portion of changes in fair value of cash flow hedges		(8.4)	(4.3)
Other comprehensive income for the period		(5.2)	(6.8)
Total comprehensive income for the period		188.8	195.9
Total comprehensive income attributable to:			
Stapled security holders of Brookfield Australia Investments Group		168.4	175.9
Non-controlling interests		20.4	20.0
Total comprehensive income for the period		188.8	195.9

The Condensed Consolidated Statement of Comprehensive income should be read in conjunction with the Notes to the half-year financial statements.

Condensed Consolidated Statement of Financial Position 8

Brookfield Australia Investments Group

As at 30 June 2012

	Note	Consolidated	
		30-Jun-12	31-Dec-11
		\$m	\$m
Current assets			
Cash and cash equivalents		283.1	252.3
Restricted cash and cash equivalents		86.8	120.7
Trade and other receivables		800.5	842.1
Derivative financial instruments		0.7	0.1
Inventories	4	142.1	162.9
Other financial assets	5	1,334.5	1,332.6
Other assets		54.3	50.4
Assets held for sale	7	109.4	-
Total current assets		2,811.4	2,761.1
Non-current assets			
Trade and other receivables		35.9	266.8
Derivative financial instruments		-	0.2
Inventories	4	259.8	260.6
Other financial assets	5	2,329.1	2,115.2
Investments accounted for using the equity method	6	19.2	24.1
Investment property	7	2,317.0	2,654.7
Property, plant and equipment		83.0	31.3
Deferred tax assets		2.4	25.8
Intangible assets		18.4	20.5
Other assets		26.7	40.8
Total non-current assets		5,091.5	5,440.0
Total assets		7,902.9	8,201.1
Current liabilities			
Trade and other payables		576.7	591.3
Derivative financial instruments		21.1	0.5
Interest bearing loans and borrowings	8	737.2	457.6
Non-interest bearing loans and borrowings		23.3	5.6
Provisions		65.0	79.8
Current tax liabilities		0.6	-
Contract work in progress		301.9	318.3
Total current liabilities		1,725.8	1,453.1
Non-current liabilities			
Trade and other payables		25.3	32.8
Derivative financial instruments		16.1	24.9
Interest bearing loans and borrowings	8	1,065.7	1,819.3
Deferred tax liabilities		16.4	23.3
Provisions		53.7	50.9
Total non-current liabilities		1,177.2	1,951.2
Total liabilities		2,903.0	3,404.3
Net assets		4,999.9	4,796.8
Equity			
Contributed equity	9	4,841.0	4,841.0
Reserves		(193.5)	(220.2)
Accumulated losses		(243.3)	(418.8)
Total parent interests		4,404.2	4,202.0
Non-controlling interest		595.7	594.8
Total equity		4,999.9	4,796.8

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Notes to the half-year financial statements.

Condensed Consolidated Statement of Changes in Equity 9

Brookfield Australia Investments Group

For the half-year ended 30 June 2012

Attributable to Equityholders of the Parent

	Preference shares \$m	Issued Capital \$m	Accumulated losses \$m	Reserves \$m	Total \$m	Non- controlling interest \$m	Total equity \$m
As at 1 January 2012	2,075.1	2,765.9	(418.8)	(220.2)	4,202.0	594.8	4,796.8
Currency translation differences	-	-	-	1.5	1.5	2.5	4.0
Change in fair value of available for sale financial assets	-	-	-	(0.3)	(0.3)	(0.5)	(0.8)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(8.3)	(8.3)	(0.1)	(8.4)
Expense recognised directly in equity	-	-	-	(7.1)	(7.1)	1.9	(5.2)
Profit for the period	-	-	175.5	-	175.5	18.5	194.0
Total comprehensive income	-	-	175.5	(7.1)	168.4	20.4	188.8
Transactions with equityholders in their capacity as equityholders:							
Dividends/distributions	-	-	-	-	-	(19.5)	(19.5)
Tax consolidation reserve	-	-	-	33.8	33.8	-	33.8
Total transactions with equityholders in their capacity as equityholders	-	-	-	33.8	33.8	(19.5)	14.3
As at 30 June 2012	2,075.1	2,765.9	(243.3)	(193.5)	4,404.2	595.7	4,999.9
As at 1 January 2011	1,665.0	2,765.9	(688.1)	(198.5)	3,544.3	597.2	4,141.5
Currency translation differences	-	-	-	(4.6)	(4.6)	-	(4.6)
Change in fair value of available for sale financial assets	-	-	-	2.1	2.1	-	2.1
Effective portion of changes in fair value of cash flow hedges	-	-	-	(4.3)	(4.3)	-	(4.3)
Expense recognised directly in equity	-	-	-	(6.8)	(6.8)	-	(6.8)
Profit for the period	-	-	182.7	-	182.7	20.0	202.7
Total comprehensive income	-	-	182.7	(6.8)	175.9	20.0	195.9
Transactions with equityholders in their capacity as equityholders:							
Dividends/distributions	-	-	-	-	-	(21.3)	(21.3)
Tax consolidation reserve	-	-	-	8.7	8.7	-	8.7
Total transactions with equityholders in their capacity as equityholders	-	-	-	8.7	8.7	(21.3)	(12.6)
As at 30 June 2011	1,665.0	2,765.9	(505.4)	(196.6)	3,728.9	595.9	4,324.8

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the half-year financial statements.

Condensed Consolidated Statement of Cash Flows

Brookfield Australia Investments Group

10

For the half-year ended 30 June 2012

	Note	Consolidated	
		Half-year ended 30-Jun-2012	Half-year ended 30-Jun-2011
		\$m	\$m
Cash flows from operating activities			
Receipts from customers		1,908.5	1,447.8
Payments to suppliers and employees		(1,787.6)	(1,303.6)
		120.9	144.2
Property finance income	5	47.3	41.6
Interest received		4.8	5.5
Finance costs paid		(72.7)	(92.5)
Distributions received		11.0	6.9
Income taxes paid		-	(0.4)
Net cash inflow from operating activities		111.3	105.3
Cash flows from investing activities			
Net proceeds/(payments) for property, plant and equipment		1.9	(3.4)
Net proceeds from sale of investment properties		199.5	45.5
Net payments for investment property capital expenditure		(18.7)	(41.8)
Net proceeds/(payments for) investments		4.3	(79.1)
Cash received from acquisition of UK operations		-	30.3
Net cash inflow/(outflow) from investing activities		187.0	(48.5)
Cash flows from financing activities			
Net (repayments of)/proceeds from external borrowings		(475.9)	(52.5)
Net (repayments of)/proceeds from loans advanced to related parties		194.5	133.4
Distributions paid to unitholders and non-controlling interests in controlled entities		(19.5)	(21.1)
Net cash (outflow)/inflow from financing activities		(300.9)	59.8
Net (decrease)/increase in cash and cash equivalents held		(2.6)	116.6
Cash and cash equivalents at the beginning of the financial year		373.0	213.5
Effects of exchange rate changes on cash		(0.5)	(3.9)
Cash and cash equivalents at the end of the financial period		369.9	326.2

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the half-year financial statements.

Notes to the Condensed Consolidated Financial Statements

11

Brookfield Australia Investments Group

For the half-year ended 30 June 2012

1. Reporting entity

Brookfield Australia Investments Group (Consolidated Entity) is domiciled in Australia. The Consolidated Entity comprises Brookfield Australia Property Trust (Trust) and its controlled entities and Brookfield Australia Investments Limited (Company) and its controlled entities. Brookfield Australia Investments Limited is the parent entity of the Group, with the ultimate Australian parent being Brookfield HoldCo (Australia) Pty Ltd. The ultimate parent of the Consolidated Entity is Brookfield Asset Management Inc., an entity domiciled in Canada.

The Consolidated Entity comprises the Company and its controlled entities and the Trust and its controlled entities. Ordinary shares in the Company and ordinary units in the Trust are stapled together so that neither can be dealt without the other. A transfer, issue or reorganisation of an ordinary share or an ordinary unit in one of the component parts is accompanied by a transfer, issue or reorganisation of a share or unit in the other component part.

2. Basis of preparation

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of measurement

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair value of the consideration given in exchange of assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the director's report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Basis of preparation

The accounting policies applied by the Consolidated Entity in this condensed interim financial report are the same as those applied by the Consolidated Entity in its annual financial report as at and for the year ended 31 December 2011, except for the following.

The company uses the revaluation method of accounting for certain classes of property, plant and equipment, including hotel assets, as well as certain assets which are under development for future use as property, plant and equipment. Property, plant and equipment measured using the revaluation method is initially measured at cost and subsequently carried at its revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Where the carrying amount of an asset increases as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity in revaluation surplus, unless the increase reverses a previously recognized impairment recorded through net income, in which case that portion of the increase is recognized in net income. Where the carrying amount of an asset decreases, the decrease is recognized in other comprehensive income to the extent of any balance existing in revaluation surplus in respect of the asset, with the remainder of the decrease recognized in net income. Depreciation of an asset commences when it is available for use.

Comparatives

Where deemed necessary, the comparatives have been reclassified to enhance comparability.

3. Dividends and distributions

Dividends from the Company

There were no dividends paid or declared during the half-year ended 30 June 2012 (30 June 2011: nil).

Distributions from the Trust

There were no distributions paid or declared during the half year ended 30 June 2012 (30 June 2011: nil).

Notes to the Condensed Consolidated Financial Statements continued

12

Brookfield Australia Investments Group

For the half-year ended 30 June 2012

4. Inventories

	Consolidated	
	30-Jun-12	31-Dec-11
	\$m	\$m
Development projects under construction	270.8	230.4
Development projects completed	105.3	180.5
Total development projects	376.1	410.9
Contract work in progress – amounts due from customers	25.8	12.6
Total inventories	401.9	423.5
Aggregate carrying amount of inventories:		
Current	142.1	162.9
Non-current	259.8	260.6
Total inventories	401.9	423.5

5. Other financial assets

	Consolidated	
	30-Jun-12	31-Dec-11
	\$m	\$m
Current		
Available for sale & other investments	34.5	32.6
Investment in promissory note ¹	1,300.0	1,300.0
Total current other financial assets	1,334.5	1,332.6
Non-current		
Available for sale investments	119.2	126.6
Property financial assets²		
Macquarie Bank Building & Shelley St Car Park ³	155.9	148.0
52 Goulburn Street ³	44.0	44.3
235 St Georges Terrace ³	28.9	28.9
Bishops See Development ³	14.9	14.5
Brookfield Place Perth (Prior Year: "City Square") ³	449.4	361.1
Brookfield Prime Property Fund ³	168.2	155.0
King Street Wharf ³	92.0	45.9
World Square Retail ³	129.6	67.4
KPMG Tower ³	59.3	63.3
Darling Park ³	342.0	343.2
Bourke Place Tower ³	186.8	186.4
Southern Cross East Tower ³	467.3	459.0
Southern Cross West Tower ³	71.6	71.6
Total non-current other financial assets	2,329.1	2,115.2
Total other financial assets	3,663.6	3,447.8

¹ The promissory note is non-interest bearing and repayable on demand. It is subordinate to a syndicated facility that matures in April 2013, between Brookfield (GP) Australia Inc. in its capacity as general partner of Brookfield Finance (Australia).

² During the period, nine of the underlying properties were externally valued.

³ Property financial income is determined from these properties.

Notes to the Condensed Consolidated Financial Statements continued

13

Brookfield Australia Investments Group

For the half-year ended 30 June 2012

5. Other financial assets continued

	Consolidated	
	30-Jun-12	30-Jun-11
	\$m	\$m
Property finance income		
Realised property finance income	47.3	41.6
Fair value gain on property financial asset	118.0	101.2
Total property finance income	165.3	142.8

6. Investments accounted for using the equity method

Investments in associates

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

Details of material interests in associates are as follows:

	Principal activities	Country of incorporation	Ownership interest		Carrying value	
			30-Jun-12	31-Dec-11	30-Jun-12	31-Dec-11
			%	%	\$m	\$m
Equity Accounted Investments						
Multiplex European Property Fund	Property Trust	Australia	25.0	25.0	2.5	7.7
Other interests	Various	Various	Various	Various	-	0.4
Total investments in associates					2.5	8.1
Investment in associates					13.3	18.9
Impairment in investments in associates					(10.8)	(10.8)
					2.5	8.1
Investment in joint venture entities					16.7	16.0
Total investments accounted for using the equity method					19.2	24.1

The balance date of all associates is 30 June 2012

Investments in joint venture entities

Investments in the below joint venture entities are accounted for in the consolidated financial statements using the equity method of accounting. Details of material interests in joint venture entities are as follows:

	Principal activities	Country of incorporation	Ownership interest		Carrying value	
			30-Jun-12	31-Dec-11	30-Jun-12	31-Dec-11
			%	%	\$m	\$m
Consolidated Investment						
Little Bay South	Development	Australia	50.0	50.0	11.9	12.2
Other interests	Various	Various	50.0	50.0	4.8	3.8
Total investments in joint venture entities					16.7	16.0

Notes to the Condensed Consolidated Financial Statements continued

14

Brookfield Australia Investments Group

For the half-year ended 30 June 2012

7. Investment property

Investment properties indicate the directly owned and partially owned investments held to either earn a rental income or for capital appreciation or for both.

Independent valuations

Property investments are stated at fair value. An external valuation company, having an appropriately recognised professional qualification and recent experience in the location and category of the property being valued, values the portfolio whenever it is believed that the fair value of a property differs significantly from its carrying value, based on a material change to the assumptions and market conditions underlying the valuation. In the current financial period, the external valuations were performed by Colliers International, Knight Frank, Savills, JLL, and CBRE. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller, in an arm's length transaction after appropriate marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

Valuations reflect, where appropriate, the type of tenants, future rent reviews and market conditions. A change in any of these factors could have a significant impact on the value of the Consolidated entity's property investments. The valuations have been undertaken using a discounted cash flow approach and a capitalisation method. The key assumptions adopted under these methods include assessment of the capitalisation rate, discount rate, terminal yield, current passing/market rent and forecast net annual cash flows receivable from properties. The capitalisation rates utilised in the 30 June 2012 valuations ranged from 6.50% to 9.75%.

Any gain or loss from a change in fair value is recognised in the Condensed Consolidated Statement of Comprehensive Income. All property acquisition costs in respect of properties acquired are capitalised into the value of the property investments at the time of purchase to reflect the total acquisition cost in the Condensed Consolidated Statement of Financial Position. Additions and other expenditure on property investments which are capital in nature are capitalised as incurred. Where independent valuations are undertaken prior to the reporting date, the assumptions on which the valuation is based are reviewed in light of the prevailing market conditions at the reporting date to ensure that any material change is reflected in the valuation. As at 30 June 2012, fifteen properties were externally valued.

	Consolidated	
	30-Jun-12	31-Dec-11
	\$m	\$m
Reconciliation of the carrying amount of investment properties:		
Carrying amount at beginning of period	2,654.7	2,581.3
Transfers from inventories	-	57.1
Transfers to property, plant and equipment ¹	(57.1)	-
Transfers to assets held for sale	(109.4)	-
Capital expenditure	32.0	70.2
Disposals ²	(200.6)	(57.5)
(Loss)/gain from fair value adjustments to investment properties	(3.9)	5.5
Impact of foreign exchange rates	1.3	(1.9)
Carrying amount at end of period	2,317.0	2,654.7

¹ During the period, the Hilton Hotel Surfers Paradise was reclassified to property, plant and equipment.

² Disposals relate to the sale of 10 Eagle Street and The Hub.

Assets held for sale

During the period, the Consolidated Entity entered into a sales agreement for a property located on Clarence Street in Sydney. Gross proceeds to be received are \$28.0 million and settlement will occur on 31 August 2012.

The Consolidated Entity entered into a sales agreement for the ASB Centre. Settlement occurred on 27th of July 2012 and gross proceeds received were NZ\$104.0 million (A\$80.1million).

Notes to the Condensed Consolidated Financial Statements continued

15

Brookfield Australia Investments Group

For the half year ended 30 June 2012

8. Interest bearing loans and borrowings

	Consolidated	
	30-Jun-12	31-Dec-11
	\$m	\$m
Carrying amounts		
Current interest bearing loans and borrowings	738.3	458.2
<i>Less</i> : deferred borrowing costs	(1.1)	(0.6)
	737.2	457.6
Non-current interest bearing loans and borrowings	1,075.1	1,828.9
<i>Less</i> : deferred borrowing costs	(9.4)	(9.6)
	1,065.7	1,819.3
Total interest bearing loans and borrowings	1,802.9	2,276.9

Summary of borrowing arrangements

All debt facilities are bilateral and are secured by relevant mortgages and charges directly relating to specific investment properties and inventories. The Consolidated Entity has bank loans denominated in Australian dollars and New Zealand dollars. Interest on bank loans is charged at the prevailing market price. There were no overdraft facilities in place at 30 June 2012 (31 December 2011: nil).

	Consolidated	
	30-Jun-12	31-Dec-11
	\$m	\$m
Total financing facilities available		
Property facilities	1,677.8	2,086.3
Consolidated property fund investments	233.6	233.7
Other	3.0	3.0
Total facilities available	1,914.4	2,323.0
Facilities utilised at reporting date		
Property facilities	1,577.3	2,050.4
Consolidated property fund investments	233.6	233.7
Other	2.5	3.0
Total facilities utilised at reporting date	1,813.4	2,287.1
Total facilities not utilised at reporting date	101.0	35.9

At 30 June 2012 the Consolidated Entity is in compliance with all of their debt covenants.

Notes to the Condensed Consolidated Financial Statements continued

16

Brookfield Australia Investments Group

For the half-year ended 30 June 2012

9. Equity

	Consolidated	
	30-Jun-12	31-Dec-11
	\$m	\$m
Issued and fully paid up capital		
Shares issued	324.1	324.1
Units issued	2,441.8	2,441.8
Stapled securities	2,765.9	2,765.9
Preference shares	2,075.1	2,075.1
Total	4,841.0	4,841.0

Stapled securities on issue

There are 837,402,185 stapled securities on issue at 30 June 2012 (2011: 837,402,185). There has been no movement in the number of stapled securities in issue during half-year ended 30 June 2012 (year ended 31 December 2011: nil).

Movements of preference shares

There has been no movements in the number of preference shares on issue during the half-year ended 30 June 2012 (year ended 31 December 2011: nil).

Terms and conditions of equity instruments

Stapled securities

The stapled securities include an ordinary share in the Company stapled with units of the Trust. Stapled security holders have the right to receive dividends and distributions as declared and, in the event of winding up of the Company and Trust, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on stapled securities held. Stapled securities entitle the holder to one vote either in person or by proxy, at a meeting of the Company and/or the Trust.

Class A preference shares

The Class A preference shares issued by the Company entitle preference shareholders to vote in limited circumstances. Class A preference shares are entitled to dividends as declared by the directors of the Company.

10. Related parties

There have been no significant changes to the related party transactions as disclosed in the last audited set of financial statements for the year ended 31 December 2011. Related party loans that have not been intended to be called within 12 months have been classified as non-current.

11. Events occurring after the reporting date

On 20 July 2012, Brookfield entered into a sale agreement for Pittwater Place for gross consideration of \$56.6 million. Settlement occurred on 31 July 2012.

At 30 June 2012, the Consolidated Entity's investment in the ASB Bank Centre building has been classified as held for sale. The sale of the building was settled post financial half-year end, on 27 July 2012, for gross consideration of \$80.1 million or NZ\$104.0 million. The net proceeds from sale was used to repay debt.

On 22 August 2012, the Directors of the Responsible Entity for the Brookfield Australia Opportunities Fund, a subsidiary of the Consolidated Entity, issued a Notice of Meeting and Explanatory Memorandum to unitholders with a proposal to wind up the Fund. The unitholder meeting will be held on 24 September 2012.

Notes to the Condensed Consolidated Financial Statements continued

17

Brookfield Australia Investments Group

For the half year ended 30 June 2012

11. Events occurring after the reporting date continued

Refinancing of debt

Subsequent to the half-year end, in August 2012, Multiplex New Zealand Property Fund, a subsidiary of the Consolidated Entity, entered into a revised NZ\$150 million, 3 year term facility.

Other than as disclosed in this report and to the best knowledge of the Directors, there has been no other matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may affect, the Consolidated Entity's operations in future financial periods, the results of those operations or the Consolidated Entity's state of affairs in future financial periods.

Directors' Declaration

Brookfield Australia Investments Group

18

For the half-year ended 30 June 2012

The Directors of Brookfield Australia Investments Limited declare that:

- a. in the Directors' opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable; and
- b. in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors,

Dated at Sydney, this 22nd day of August 2012



Brian Kingston
Executive Director
Brookfield Australia Investments Limited



Russel Proutt
Executive Director
Brookfield Australia Investments Limited



Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Review Report to the Securityholders of Brookfield Australia Investments Group

We have reviewed the accompanying half-year financial report of Brookfield Australia Investments Group, which comprises the condensed consolidated statement of financial position as at 30 June 2012, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the stapled entity comprising Brookfield Australia Investments Limited and Brookfield Australia Property Trust and the entities they controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 18.

Directors' Responsibility for the Half-Year Financial Report

The directors of the stapled entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the stapled entity's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Brookfield Australia Investments Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

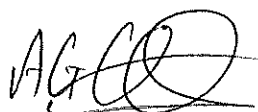
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Australia Investments Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Brookfield Australia Investments Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the stapled entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



A G Collinson
Partner
Chartered Accountants
Sydney, 22 August 2012