

Appendix 4D

Multiplex SITES Trust

For the half-year ended 30 June 2013

Name of entity:	Multiplex SITES Trust (MXU) ARSN 111 903 747
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Details of reporting period

Current reporting period: 1 January 2013 to 30 June 2013

Prior corresponding period: 1 January 2012 to 30 June 2012

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 2013. 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 2013 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Results for announcement to the market

	Half-year ended 30 June 2013 \$'000	Half-year ended 30 June 2012 \$'000
Total revenue and other income	15,435	18,450
Net profit before income tax	15,435	18,450
Net profit attributable to unitholders	15,435	18,450
Net tangible asset backing per unit (\$)	100	100
Earnings per unit (cents per unit)	343	410

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 2013 to 31 March 2013 of 6.91% per annum and paid on 16 April 2013	7,650
Quarterly distribution for the period from 1 April 2013 to 30 June 2013 of 6.95% per annum and paid on 15 July 2013	7,785
Total	15,435

On 1 July 2013, the Trust announced to the ASX that the distribution rate for the period from 1 July 2013 to 30 September 2013 is 6.7075% 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 19th August 2013.

Multiplex SITES Trust
Financial Statements
for the half year ended
30 June 2013

Step-up
Income-distributing
Trust-issued
Exchangeable
Securities

Multiplex SITES Trust

ARSN 111 903 747

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Multiplex SITES Trust

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Multiplex SITES Trust

For the half year ended 30 June 2013

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

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For the half year ended 30 June 2013

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 2013 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 2013 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 \$15,435,000 for the half year ended 30 June 2013 (half year ended 30 June 2012: \$18,450,000). Total quarterly distributions paid or payable in respect of the half year ended 30 June 2013 were \$15,435,000 (half year ended 30 June 2012: \$18,450,000). The carrying value of the Trust's net assets at the end of the half year ended 30 June 2013 was \$450,000,000 (half year ended 31 December 2012: \$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 2013			
Distributions for the period ended 31 March 2013	170.00	7,650	16 April 2013
Distributions for the period ended 30 June 2013	173.00	7,785	15 July 2013
Total distributions	343.00	15,435	
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	

On 2 April 2013, the Trust announced to the ASX that the distribution rate for the period from 1 April 2013 to 30 June 2013 is 6.95% 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 in certain cases, to the nearest dollar.

Directors' Report continued Multiplex SITES Trust

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For the half year ended 30 June 2013

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 2013.

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 19th day of August 2013



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

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

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

19 August 2013

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 review of the financial statements of Multiplex SITES Trust for the half-year ended 30 June 2013, 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



AG Collinson
Partner
Chartered Accountants

Condensed Statement of Comprehensive Income

Multiplex SITES Trust

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For the half year ended 30 June 2013

	Half Year ended 30 Jun 2013 \$'000	Half Year ended 30 Jun 2012 \$'000
Share of net profit of associates accounted for using the equity method	15,435	18,450
Net profit for the period from continuing operations	15,435	18,450
Other comprehensive income for the period	-	-
Total comprehensive income for the period attributable to SITES unitholders	15,435	18,450
Earnings per unit		
Basic and diluted earnings per ordinary unit (cents)	343.00	410.00

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

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As at 30 June 2013

	Note	30 Jun 2013 \$'000	31 Dec 2012 \$'000
Non-current assets			
Investments accounted for using the equity method	5	457,785	458,145
Total non-current assets		457,785	458,145
Total assets		457,785	458,145
Current liabilities			
Distributions payable	7	7,785	8,145
Total current liabilities		7,785	8,145
Total liabilities		7,785	8,145
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

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For the half year ended 30 June 2013

	Note	Units on issue \$'000	Accumulated profit/ (losses) \$'000	Total equity \$'000
Opening equity – 1 January 2013		450,000	–	450,000
Net profit		–	15,435	15,435
Other comprehensive income		–	–	–
Total comprehensive income for the half year		–	15,435	15,435
Distributions to unitholders	7	–	(15,435)	(15,435)
Total transactions with unitholders in their capacity as unitholders		–	(15,435)	(15,435)
Closing equity – 30 June 2013		450,000	–	450,000
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

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

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For the half year ended 30 June 2013

Note	Half Year ended 30 Jun 2013 \$'000	Half Year ended 30 Jun 2012 \$'000
Cash flows from operating activities		
Net cash inflows from operating activities	-	-
Cash flows from investing activities		
Dividends and distributions received	15,795	19,080
Net cash inflows from investing activities	15,795	19,080
Cash flows from financing activities		
Distributions paid to Multiplex SITES holders	(15,795)	(19,080)
Net cash outflows from financing activities	(15,795)	(19,080)
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 Financial Statements continued 11

Multiplex SITES Trust

For the half year ended 30 June 2013

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 2013 were authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 19th August 2013.

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 2013, the Trust is in a net current liability position of \$7.785 million. The Trust has non-current assets of \$457.785 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.

3 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 2012 annual report for the financial year ended 31 December 2012.

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 payable 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 Financial Statements continued 12

Multiplex SITES Trust

For the half year ended 30 June 2013

4 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 2013 \$'000	31 Dec 2012 \$'000
5 Investments accounted for using the equity method		
Non-current		
Units in unlisted associates	457,785	458,145
Total	457,785	458,145

Details of material interests in associates are as follows:

Name	Principal activities	Voting interest %	Carrying value 30 June 2013 \$'000	Carrying value 31 Dec 2012 \$'000
Multiplex Hybrid Investment Trust	Investment	25	457,785	458,145

6 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
7 Distributions			
Half Year ended 30 June 2013			
Distributions for the period ended 31 March 2013	170.00	7,650	16 April 2013
Distributions for the period ended 30 June 2013	173.00	7,785	15 July 2013
Total distributions	343.00	15,435	
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	

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 3.05%. The rate is determined on the first business day of each quarter.

8 Units on issue	30 June 2013 \$'000	30 June 2013 Units	31 Dec 2012 \$'000	31 Dec 2012 Units
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

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For the half year ended 30 June 2013

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 Committee and Risk and Compliance 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

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For the half year ended 30 June 2013

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 2013 (30 June 2012: nil).

12 Capital and other commitments

No capital or other commitment existed at 30 June 2013 (30 June 2012: 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
continued
Multiplex SITES Trust
For the half year ended 30 June 2013

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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 19th day of August 2013



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

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

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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 2013, 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 as set out on pages 7 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of the 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 the Multiplex SITES Trust's financial position as at 30 June 2013 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 the Multiplex SITES Trust's financial position as at 30 June 2013 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



AG Collinson
Partner
Chartered Accountants
Sydney, 19 August 2013

Brookfield Australia Property Trust and its controlled entities
Half-year financial report
For the half-year ended
30 June 2013

Brookfield Australia Property Trust

ARSN 106 643 387

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Brookfield Australia Property Trust and its controlled entities

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Directory

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2013

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 Prutt

Registered Office of Brookfield Funds Management Limited

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Sydney NSW 2000
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Auditor

Deloitte Touche Tohmatsu
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Sydney NSW 2000
Telephone: + 61 (0) 2 9322 7000
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Directors' Report

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2013

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 2013 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 2013:

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 Proutt (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 2013 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 2013.

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 2013, no distributions were declared or paid to unitholders of the Trust (half-year ended 30 June 2012: nil). On 28 March 2013 the Trust returned \$1,073.2m of capital on a pro rata basis to Brookfield Australia Pty Ltd (half-year ended 30 June 2012: nil). Therefore, the units on issue remains same as 837,402,185 at 30 June 2013 (30 June 2012: 837,402,185).

Review of operations and results

[Operating results for the financial period](#)

The Consolidated Entity reported a net profit attributable to unitholders of \$169.5m for the half-year ended 30 June 2013 (half-year ended 30 June 2012: \$59.2m).

The Trust's investment in a promissory note with Brookfield (GP) Australia Inc. matured during the period. As a result, on 28 March 2013 the Trust returned \$1.1b of capital to Brookfield Australia Pty Ltd. Additionally, the Trust received \$232.2m from Brookfield Property Finance Pty Ltd and on lent this debt to Brookfield Australia Pty Ltd.

On 15 April 2013 a BAM subsidiary entered into a total return swap and option (with an initial ten year term) with a Brookfield Property Partners (BPY) subsidiary whereby BPY obtained the economic rights and obligations of several properties at a strike price which was calculated on the fair value of the assets at that date. As a result, a financial asset has been recorded in the Consolidated Entity. The value of this financial asset has been determined with reference to the fair value of the underlying properties less the debt allocated to the assets. No material gain or loss was recognised with respect to this transaction. The Property Financial Assets are designated fair value through the profit and loss.

Directors' Report continued

Brookfield Australia Property Trust and its controlled entities

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For the half-year ended 30 June 2013

Events subsequent to the reporting date

On 12 July 2013 the Trust returned \$14.6m of capital to Brookfield Australia Pty Ltd to discharge an existing loan.

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 2013, 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 2013.

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

Dated at Sydney, this 19th day of August 2013



Russell T Proutt
Executive Director
Brookfield Funds Management Limited

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

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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

19 August 2013

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 audit partner for the review of the financial statements of Brookfield Australia Property Trust for the half-year ended 30 June 2013, 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



AG Collinson
Partner
Chartered Accountants

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

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Brookfield Australia Property Trust and its controlled entities

For the half year ended 30 June 2013

	Note	Consolidated	
		Half-year ended 30-Jun-13 \$m	Half-year ended 30-Jun-12 \$m
Continuing operations			
Revenue		80.5	121.6
Cost of operations		(19.4)	(29.9)
Gross profit		61.1	91.7
Other income		3.8	4.4
Property finance income	4	146.2	60.2
Share of net (loss)/profit of investments accounted for using the equity method		(0.8)	2.5
Net gain/(loss) on revaluation of investment property and derivatives		29.5	(9.2)
Net foreign exchange loss		(5.6)	-
Finance costs		(35.7)	(62.9)
Other expenses		(10.5)	(10.0)
Profit before tax		188.0	76.7
Income tax (expense)/benefit		(3.0)	0.5
Net profit for the period		185.0	77.2
Profit attributable to:			
Unitholders of Brookfield Australia Investments Group		169.5	59.2
Non-controlling interests		15.5	18.0
Net profit for the period		185.0	77.2
Profit from continuing operations for the period		185.0	77.2
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Total Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		5.6	3.9
Net fair value (loss) on available-for-sale financial assets		(0.5)	(1.0)
Net fair value gain/(loss) on hedging instruments entered into for cash flow hedges		9.2	(5.3)
Other comprehensive income for the period		14.3	(2.4)
Total comprehensive income for the period, net of income tax		199.3	74.8
Total comprehensive income attributable to:			
Unitholders of Brookfield Australia Investments Group		183.8	54.7
Non-controlling interests		15.5	20.1
Total comprehensive income for the period, net of income tax		199.3	74.8

The Condensed Consolidated Statement of Profit or Loss and Other 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 2013

	Note	Consolidated	
		30-Jun-13	31-Dec-12
		\$m	\$m
Current assets			
Cash and cash equivalents		46.7	32.8
Trade and other receivables		141.1	56.5
Interest bearing receivables	5	-	75.4
Other financial assets	4	-	1,300.0
Other assets		2.2	3.8
Total current assets		190.0	1,468.5
Non-current assets			
Interest bearing receivables	5	522.2	-
Derivative financial instruments		0.6	-
Other financial assets	4	1,896.7	1,552.4
Investments accounted for using the equity method	6	-	4.3
Investment property	7	1,121.3	1,908.3
Total non-current assets		3,540.8	3,465.0
Total assets		3,730.8	4,933.5
Current liabilities			
Trade and other payables		14.3	42.2
Derivative financial instruments		1.7	14.6
Interest bearing loans and borrowings	8	-	296.0
Non-interest bearing loans and borrowings		7.5	218.8
Provisions		11.3	11.6
Total current liabilities		34.8	583.2
Non-current liabilities			
Trade and other payables		-	1.2
Derivative financial instruments		17.5	11.5
Interest bearing loans and borrowings	8	1,333.1	984.4
Deferred tax liabilities		-	12.2
Total non-current liabilities		1,350.6	1,009.3
Total liabilities		1,385.4	1,592.5
Net assets		2,345.4	3,341.0
Equity			
Contributed equity	9	1,368.6	2,441.8
Reserves		(14.2)	(28.5)
Undistributed income		535.6	366.1
Total parent interests		1,890.0	2,779.4
Non-controlling interest		455.4	561.6
Total equity		2,345.4	3,341.0

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 Equity 9

Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2013

	Attributable to Equityholders of the Trust							
	Contributed		Foreign	Available	Cash		Non-	Total
	Equity	Undistributed	Currency	for sale	flow	controlling	equity	
	(Note 9)	Income	Translation	reserve	Hedge	interest	equity	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
As at 1 January 2013	2,441.8	366.1	(5.6)	0.5	(23.4)	2,779.4	561.6	3,341.0
Other Comprehensive income for the period	-	-	5.6	(0.5)	9.2	14.3	-	14.3
Profit for the financial period	-	169.5	-	-	-	169.5	15.5	185.0
Total comprehensive income	-	169.5	5.6	(0.5)	9.2	183.8	15.5	199.3
Transactions with equityholders in their capacity as equityholders:								
Return of capital	(1,073.2)	-	-	-	-	(1,073.2)	(105.9)	(1,179.1)
Dividends/distributions	-	-	-	-	-	-	(15.8)	(15.8)
Increase in non-controlling interest	-	-	-	-	-	-	-	-
Total transactions with equityholders in their capacity as equityholders	(1,073.2)	-	-	-	-	(1,073.2)	(121.7)	(1,194.9)
As at 30 June 2013	1,368.6	535.6	-	-	(14.2)	1,890.0	455.4	2,345.4
As at 1 January 2012	2,441.8	254.6	(12.1)	2.4	(25.0)	2,661.7	615.9	3,277.6
Other Comprehensive income for the period	-	-	1.0	(0.3)	(5.2)	(4.5)	2.1	(2.4)
Profit for the period	-	59.2	-	-	-	59.2	18.0	77.2
Total comprehensive income	-	59.2	1.0	(0.3)	(5.2)	54.7	20.1	74.8
Transactions with equityholders in their capacity as equityholders:								
Redemption of unit capital	-	-	-	-	-	-	-	-
Dividends/distributions	-	-	-	-	-	-	(19.5)	(19.5)
Increase in non-controlling interest	-	-	-	-	-	-	-	-
Total transactions with equityholders in their capacity as equityholders	-	-	-	-	-	-	(19.5)	(19.5)
As at 30 June 2012	2,441.8	313.8	(11.1)	2.1	(30.2)	2,716.4	616.5	3,332.9

The Condensed Consolidated Statement of Changes in Equity 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

For the half-year ended 30 June 2013

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	Consolidated	
	Year Ended 30-Jun-2013	Year Ended 30-Jun-2012
	\$m	\$m
Cash flows from operating activities		
Receipts from customers	80.9	146.3
Payments to suppliers and employees	(23.5)	(67.1)
	57.4	79.2
Property finance income	51.9	38.1
Distributions received	1.0	11.0
Interest received	4.6	1.0
Finance costs paid	(33.7)	(60.2)
Net cash inflow from operating activities	81.2	69.1
Cash flows from investing activities		
Net payment for investment property capital expenditure	(11.6)	(13.8)
Proceeds from sale of investment properties	74.2	199.5
Net proceeds for investments	1,301.0	4.3
Cash on deconsolidation of subsidiary	(17.1)	-
Net cash inflow from investing activities	1,346.5	190.0
Cash flows from financing activities		
Proceeds from borrowings	12.6	-
Repayment of borrowings	(44.1)	(431.0)
Loan (repayment)/proceeds from related parties	(309.1)	194.5
Payment for capital return	(1,073.2)	-
Distributions paid to unitholders and non-controlling interests in controlled entities	-	(19.5)
Net cash outflow from financing activities	(1,413.8)	(256.0)
Net increase in cash and cash equivalents held	13.9	3.1
Cash and cash equivalents at the beginning of the financial period	32.8	62.3
Effects of exchange rate changes on cash	-	(0.5)
Cash and cash equivalents at the end of the financial period	46.7	64.9

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 2013

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 2013.

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 19th August 2013.

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 2012 annual financial report for the financial year ended 31 December 2012. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Changes in accounting policy

The Company had to change some of its accounting policies as the result of new and revised accounting standards which became effective for the first time commencing on 1 January 2013. AASB 10 Consolidated Financial Statements affected the Group's principles of consolidation and AASB 11 Joint Arrangements resulted in the Group changing its accounting for joint ventures from proportionate consolidation to the equity method.

Other new and amended accounting policies and standards that apply for the first time to the 30 June 2013 condensed consolidated financial statements include the following:

- AASB 12 Disclosure of Interests in Other Entities;
- AASB 13 Fair Value Measurement: effective 1 January 2013;
- AASB 128 Investments in Associates and Joint ventures: effective 1 January 2013;
- AASB 2011.9 Amendments to Australian Accounting Standards - Presentation of items of Other Comprehensive Income: effective 1 July 2012;
- AASB 2011.7 Amendments to AAS arising from the Consolidation and Joint Arrangements Standards: effective 1 July 2012;
- AASB 2011.8 Amendments to AAS arising from AASB 13; and

Notes to the Condensed Consolidated Financial Statements

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2013

2 Basis of preparation – continued

Changes in accounting policy - continued

- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.

These standards have introduced new disclosures for the interim report but did not affect the entity's accounting policies or any of the amounts recognised in the financial statements.

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 2013, no distributions were declared or paid to unitholders of the Trust (half-year to 30 June 2012: nil).

Notes to the Condensed Consolidated Financial Statements

continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2013

4 Other Financial Assets

	Consolidated	
	30-Jun-13	31-Dec-12
	\$m	\$m
Current		
Investment in promissory note ¹	-	1,300.0
Total current financial assets	-	1,300.0
Non-Current		
Available for sale investments	-	69.4
Property financial assets²		
Brookfield Prime Property Fund ³	216.0	184.1
BAO Trust ^{3,4}	46.7	-
Multiplex New Zealand Property Fund ^{3,4}	30.1	-
King Street Wharf ³	91.5	90.5
World Square Retail ³	145.5	137.0
KPMG Tower ³	61.3	58.8
Darling Park ³	358.5	349.3
Bourke Place Tower ³	189.2	187.0
Southern Cross East Tower ³	498.8	476.3
ANZ Centre ^{3,4}	24.3	-
CBA Bulding ^{3,4}	113.0	-
Sydney Water Headquarters ^{3,4}	75.5	-
JH Rosehill ^{3,4}	46.3	-
Total non-current other financial assets	1,896.7	1,552.4
Total other financial assets	1,896.7	2,852.4

¹ The promissory note was realised as consideration on return of capital to Bidco as part of ALP2 debt refinance on 28 March 2013.

² During the half-year, twelve of the underlying properties were externally valued, including five properties within Multiplex New Zealand Property Fund.

³ Properties from which property finance income is determined.

⁴ On 15 April 2013 a BAM subsidiary entered into a transaction whereby BPY acquired an option over these assets.

	Consolidated	
	30-Jun-13	30-Jun-12
	\$m	\$m
Property finance income		
Realised property finance income	51.9	38.1
Fair value gain on property financial asset	94.3	22.1
Total property finance income	146.2	60.2

Notes to the Condensed Consolidated Financial Statements

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2013

5 Interest bearing receivables

	Consolidated	
	30-Jun-13	31-Dec-12
	\$m	\$m
Current		
Interest bearing receivables from related parties	-	75.4
Total current interest bearing receivables from related parties	-	75.4
Non-current		
Interest bearing receivables from related parties	522.2	-
Total non-current interest bearing receivables from related parties	522.2	-
Total interest bearing receivables from related parties	522.2	75.4

6 Investments accounted for using the equity method

	Consolidated	
	30-Jun-13	31-Dec-12
	\$m	\$m
Investment in associates	-	13.6
Impairment in investments in associates	-	(9.3)
Total investments accounted for using the equity method	-	4.3

7 Investment property

Reconciliation of the carrying amount of investment properties is set out below:	Consolidated	
	30-Jun-2013	31-Dec-12
	\$m	\$m
Carrying amount at beginning of the financial period	1,908.3	2,220.9
Capital expenditure	6.4	55.8
Disposals ¹	(76.0)	(357.0)
Transfers to financial assets ²	(747.7)	-
Net gain/(loss) from fair value adjustments to investment properties	30.3	(9.1)
Impact of foreign exchange rates	-	(1.7)
Change due to impact of straight-lining of rental income and other	-	(0.6)
Carrying amount at the end of the financial period	1,121.3	1,908.3

¹ Disposals relate to the sales of Carol Park and Great Western Super Centre.

² Refer to Note 10 for further information regarding derecognition of these assets.

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 period, the external valuations were performed by 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.

Notes to the Condensed Consolidated Financial Statements

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2013

7 Investment property – continued

Property valuations - continued

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 2013 valuations ranged from 7.00% to 9.00%.

Any gain or loss from a change in fair value is recognised in the Condensed Consolidated Statement of Profit or Loss and Other 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 2013, three properties were externally valued.

8 Interest bearing loans and borrowings

	Consolidated	
	30-Jun-13	31-Dec-12
	\$m	\$m
Carrying amounts		
Current interest bearing loans and borrowings	-	296.4
<i>Less: deferred borrowing costs</i>	-	(0.4)
Net Current interest bearing loans and borrowings	-	296.0
Non-current interest bearing loans and borrowings	1,337.8	990.0
<i>Less: deferred borrowing costs</i>	(4.7)	(5.6)
Net non-current interest bearing loans and borrowings	1,333.1	984.4
Total interest bearing loans and borrowings	1,333.1	1,280.4

Summary of borrowing arrangements

Gross debt balance of \$1,105.7m relates to investment properties debt facilities which are bilateral and are secured by relevant mortgages and charges directly relating to specific investment properties. Remaining debt \$232.1m is interest bearing loan payable to related party Brookfield Property Finance Pty Ltd (Finco). The Consolidated Entity has bank loans denominated in Australian dollars. Interest on bank loans is charged at the prevailing market rate. There were no overdraft facilities in place at 30 June 2013 (2012: nil).

Notes to the Condensed Consolidated Financial Statements

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Brookfield Australia Property Trust and its controlled entities
For the half-year ended 30 June 2013

8 Interest bearing loans and borrowings – continued

Summary of borrowing arrangements - Continued

	Consolidated	
	30-Jun-13	31-Dec-12
	\$m	\$m
Total financing facilities available		
Property facilities	1,333.1	1,182.1
Multiplex New Zealand Property Fund facility	-	104.3
Total facilities available	1,333.1	1,286.4
Facilities utilised at reporting date		
Property facilities	1,333.1	1,182.1
Multiplex New Zealand Property Fund facility	-	104.3
Total facilities utilised at reporting date	1,333.1	1,286.4
Facilities not utilised at reporting date		
Property facilities	-	-
Multiplex New Zealand Property Fund facility	-	-
Total facilities not utilised at reporting date	-	-

As at 30 June 2013, the Consolidated Entity is in compliance with all of its debt covenants.

9 Contributed equity

	Consolidated	
	30-Jun-13	31-Dec-12
	\$m	\$m
Issued and fully paid up capital		
Units issued	1,368.6	2,441.8

The Trust's investment in a promissory note with Brookfield (GP) Australia Inc. matured during the period. As a result, on 28 March 2013 the Trust returned \$1,073.2m of capital on a pro rata basis to Brookfield Australia Pty Ltd. Therefore, the units on issue remains same as 837,402,185 at 30 June 2013 (30 June 2012: 837,402,185).

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 Loss of Control

On 15 April 2013 a BAM subsidiary entered into a total return swap and option (with an initial ten year term) with a BPY subsidiary whereby BPY obtained the economic rights and obligations of several properties at a strike price which was calculated on the fair value of the assets at that date. As a result, a financial asset has been recorded in the Consolidated Entity. The value of this financial asset has been determined with reference to the fair value of the underlying properties less the debt allocated to the assets. No material gain or loss was recognised with respect to this transaction. The Property Financial Assets are designated fair value through the profit and loss.

Notes to the Condensed Consolidated Financial Statements

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2013

11 Related parties

There have been no other significant changes except as discussed elsewhere in this report to the related party transactions as disclosed in the last audited set of financial statements for the year ended 31 December 2012. Related party loans that are not intended to be called within 12 months have been classified as non-current.

12 Financial instruments

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of all financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed investments); and
- the fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities;
- level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 June, 2013	Level 1	Level 2	Level 3	Total
Consolidated	\$m	\$m	\$m	\$m
Financial assets				
Derivative instruments – Interest rate swaps	-	0.6	-	0.6
Investments				
- Listed	-	-	-	-
- Unlisted	-	-	-	-
- Property financial assets	-	-	1,896.7	1,896.7
Total financial assets at fair value	-	0.6	1,896.7	1,897.3
Financial liabilities				
Derivative instruments – interest rate swaps	-	(19.2)	-	(19.2)
Total financial liabilities at fair value	-	(19.2)	-	(19.2)
Net financial assets at fair value	-	(18.6)	1,896.7	1,878.1
31 December, 2012				
Consolidated				
Financial assets				
Derivative instruments – Interest rate swaps	-	-	-	-
Investments				
- Listed	-	-	-	-
- Unlisted	-	-	69.4	69.4
- Property financial assets	-	-	1,483.0	1,483.0
Total financial assets at fair value	-	-	1,552.4	1,552.4
Financial liabilities				
Derivative instruments – interest rate swaps	-	(26.1)	-	(26.1)
Total financial liabilities at fair value	-	(26.1)	-	(26.1)
Net financial assets at fair value	-	(26.1)	1,552.4	1,526.3

The carrying value of investments and interest bearing loans and borrowings approximates their fair value.

Notes to the Condensed Consolidated Financial Statements

continued

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2013

12 Financial instruments – continued

Property financial assets are financial assets recognised at fair value through profit and loss. The fair value of the property financial assets is determined with reference to the fair value of, and the funds from operations generated from, the underlying investment properties (per note 4), less any external debt related to that property. External debt is held at amortised cost and is refinanced at regular intervals at market rates. The carrying value of the external debt is equivalent to its fair value. The underlying properties are valued in accordance with the methodology described in the investment property note as per note 7. Management performs a discounted cash flow calculation on each investment property to determine its fair value each quarter, and the unobservable inputs deemed to be significant in these calculations are the discount rates and terminal capitalisation rates used in determining the fair value of the underlying properties. The discount rates and terminal capitalisation rates utilised in the 30 June 2013 valuations of the underlying properties of the property financial assets ranged from 8.15% to 10.25% and 7.00% to 9.00% respectively.

A property financial asset sensitivity assessment has been performed by considering the movement in the fair value of the underlying properties if the discount rate and terminal capitalisation rate were to increase or decrease by 25bps. A 25bps increase in the discount rate is estimated to cause a 2.45% decrease in the property financial asset value, while a 25bps decrease in the discount rate is estimated to cause a 3.48% increase in the property financial asset value. A 25bps increase in the terminal capitalisation rate is estimated to cause a 3.28% decrease in the property financial asset value, while a 25bps decrease in the terminal capitalisation rate is estimated to cause a 3.80% increase in the property financial asset value.

The finance department of the Trust includes a team that perform the fair value assessment of property financial assets required for financial reporting purposes. This team reports to the chief operating officer (COO), the valuation committee and the Board. Discussions of valuation processes and results are held between the CFO, COO and the valuation committee at least once every six months, in line with the Trust's half-yearly reporting dates.

Reconciliation of level 3 fair value measurements:

	Property Financial Assets	Investment in unlisted securities	Total
30 June, 2013	\$m	\$m	\$m
Consolidated			
Opening balance	1,483.0	69.4	1,552.4
Transfer to financial assets ¹	323.2	(69.4)	253.8
Fair value gain on property asset	94.3	-	94.3
Other ²	(3.8)	-	(3.8)
Closing balance at the end of the financial period	1,896.7	-	1,896.7

	Property Financial Assets	Investment in unlisted securities	Total
31 December, 2012	\$m	\$m	\$m
Consolidated			
Opening balance	1,320.2	110.3	1,430.5
Acquisitions/Dispositions	-	(30.5)	(30.5)
Fair value gain on property asset	57.0	-	57.0
Other ²	105.8	(10.4)	95.4
Closing balance at the end of the financial period	1,483.0	69.4	1,552.4

¹ Refer to Note 10 for further information on property financial assets.

² Balance in Other for Property financial assets includes debt repayments and deinvest in funds during the financial period.

13 Events occurring after the reporting date

On 12 July 2013 the Trust returned \$14.6m of capital to Brookfield Australia Pty Ltd to discharge an existing loan.

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' Declaration

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Brookfield Australia Property Trust and its controlled entities

For the half-year ended 30 June 2013

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 19th day of August 2013.



Russell T Prutt
Executive Director
Brookfield Funds Management Limited

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 2013, 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 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 19.

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* (ASRE 2410), 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 2013 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 2013 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



AG Collinson
Partner
Chartered Accountants
Sydney, 19 August 2013