



# BROOKFIELD AUSTRALIAN OPPORTUNITIES FUND

ARSN 104 341 988

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## Interim Report 2012

**Responsible Entity**  
Brookfield Capital  
Management Limited  
ACN 094 936 866  
AFSL 223809

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# Message from the Chairman

On behalf of the Board of Brookfield Capital Management Limited (BCML), enclosed are the interim financial results for the six month period to 31 December 2011 for Brookfield Australian Opportunities Fund (the Fund).

## FINANCIAL RESULTS

The Fund reported a consolidated net loss of \$2.4 million for the six month period ended 31 December 2011, compared to a loss of \$3.2 million for the same period in 2010.

Key financial results as at 31 December 2011 include:

- consolidated net loss includes \$5.7 million in net impairment losses on a number of the unlisted and listed property securities investments (2010: \$2.2 million)
- consolidated reserves decreased by \$0.2 million and include \$0.3 million of unrealised gains in respect of the Fund's investments and \$0.5 million reduction in foreign currency translation and other reserves
- net assets on a Fund standalone basis (excluding Multiplex Property Income Fund) of approximately \$110.3 million with Net Tangible Asset (NTA) per unit of \$0.136 (30 June 2011: \$0.135)

Whilst the results for the period indicate improvement in performance in certain sectors, the Fund's exposure to foreign markets through its underlying investments has adversely affected overall performance.

## STRATEGY

BCML continues to pursue the strategies for the Fund set out for investors in the Fund's June 2011 Annual report.

During November 2011 the Fund secured a new three year debt facility with its financiers and thereby has mitigated the risk associated with refinancing the facility in the current economic conditions.

Resolution of structural issues associated with the Fund's investment in Multiplex Property Income Fund (MPIF), and the effects of the restriction on distributions by the Fund, continue to be a priority for the Fund. An offer was made by the Fund to resolve these structural issues; however this was rejected by MPIF unitholders in November 2011.

Further consideration is being given to options open to the Fund to resolve these issues. As noted to investors previously in relation to the offer made to MPIF, BCML will ensure that resolution of these issues only occurs in circumstances where it is considered to be in the best interests of investors and the Fund.

Please visit [www.au.brookfield.com](http://www.au.brookfield.com) for the Fund's half year financial report. On behalf of the Board, thank you for your ongoing support.



**F. Allan McDonald**  
Independent Chairman



# Half Year Review

Brookfield Capital Management Limited (BCML), the Responsible Entity of Brookfield Australian Opportunities Fund (the Fund), provides a review of the half year ended 31 December 2011.

## FINANCIAL RESULTS

The Fund recorded a consolidated net loss of \$2.4 million for the six months to 31 December 2011, compared to a consolidated net loss of \$3.2 million for the previous comparable six month period to 31 December 2010. This includes an impairment loss of \$5.7 million from revaluation of the Fund's unlisted and A-REIT portfolio.

For statutory reporting purposes, Multiplex Property Income Fund (MPIF) is consolidated into the Fund's accounts due to its 100% ownership of the ordinary units in MPIF.

On a standalone basis (excluding MPIF), the Fund recorded a net profit of \$0.6 million for the period compared to a net loss of \$4.0 million for the same period in 2010.

For purposes of preparation of the financial statements, unrealised gains are taken to reserves whilst unrealised losses are generally reflected in the calculation of net profit or loss.

On a standalone basis, reserves increased by \$0.2 million largely as a result of the valuation increase on the Fund's investments of \$0.6 million offset by a reduction in foreign currency translation reserve of \$0.4 million.

As at 31 December 2011, the NTA per unit of the Fund, on a standalone basis, was \$0.136. This has increased from the NTA at 30 June 2011 of \$0.135.

On a standalone basis, the Fund's investment portfolio has a carrying value of \$130.5 million as at 31 December 2011 compared to \$138.4 million at 30 June 2011. The standalone cash balance of the Fund as at 31 December 2011 was \$14.0 million compared to \$7.8 million as at 30 June 2011.

## FUND SNAPSHOT (as at 31 December 2011)

Market capitalisation	\$38.9 million
Closing price	\$0.048
NTA per unit	\$0.136
ASX daily trading volumes (12 month average)	204,180
LVR (net debt/BAO standalone investment portfolio)	15.8%
Management fee	0.5% (including GST) of gross asset value
Performance fee	20% of benchmark <sup>1</sup> outperformance

### Notes:

<sup>1</sup> S&P/ASX A-REIT Accumulation Index.

Distribution income for the six month period was \$5.4 million (\$3.2 million in the six months to 30 June 2011). Excluding one-off distributions, income has remained steady.

#### DEBT POSITION

In November 2011, the Fund agreed to a new three year \$35 million debt facility with its existing financier (National Australia Bank) subject to various conditions including a Loan to Value Ratio (LVR) limit of 30% and Interest Cover Ratio (ICR) of at least 1.6 times. In addition, the Fund entered into an interest rate swap for a two year period to hedge \$26.25 million (75% of the facility limit) at a fixed rate of 3.75% resulting in an effective rate of 6.75% for the hedged amount.

As at 31 December 2011, the Fund was in compliance with both its LVR and ICR loan covenants.

The \$20 million investment facility provided by Brookfield Australia Investments Group was undrawn as at 31 December 2011.

As at 31 December 2011, the NTA per unit of the Fund, on a standalone basis, was \$0.136. This has increased from the NTA at 30 June 2011 of \$0.135.

#### NET TANGIBLE ASSET (NTA)

	31 DEC 2010 \$M	30 JUNE 2011 \$M	31 DEC 2011 \$M
Reported consolidated net assets	149.2	150.5	146.9
MPIF net assets	(40.9)	(41.0)	(36.6)
BAO standalone net assets	108.3	109.5	110.3
Units on issue (millions)	811.4	811.4	811.4
NTA per unit (cents)	0.133	0.135	0.136

# Half Year Review

## PROPOSED ACQUISITION OF MPIF ASSETS

During the period, the Directors of BCML as Responsible Entity of the Fund, made a conditional offer to BCML as responsible entity of MPIF to acquire a number of assets from MPIF. Following a unitholder vote on 22 November 2011, the offer was rejected by MPIF unitholders and the assets remain with MPIF.

## MPIF

The distribution stopper arising from the Fund's investment in MPIF remains in effect. The Fund did not declare a distribution for the period.

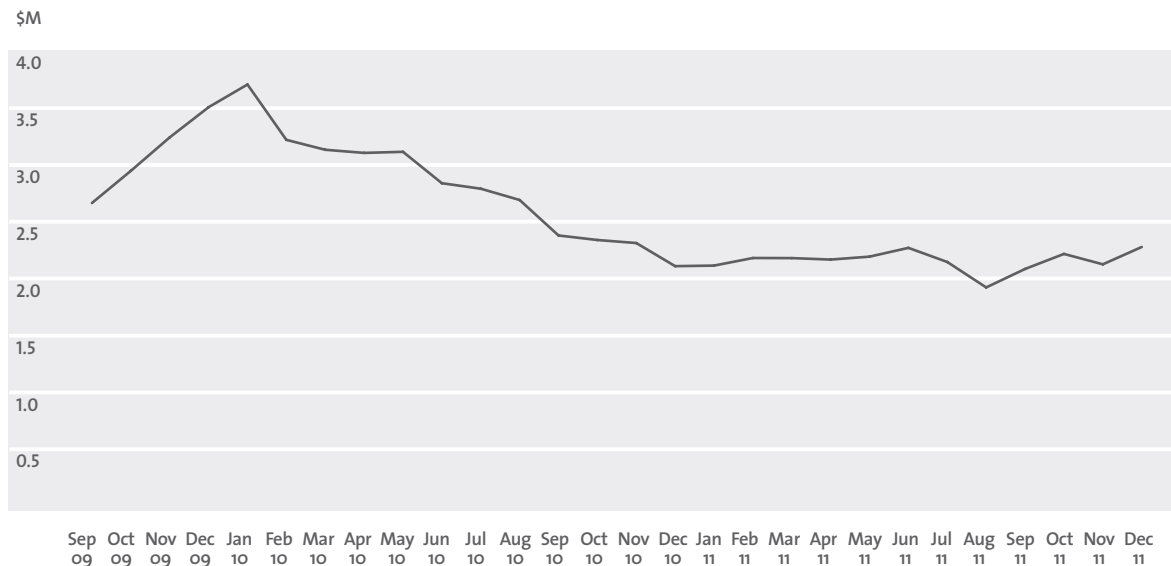
The Fund owns 100% of ordinary units in MPIF. Income unitholders in MPIF have a targeted monthly priority distribution payment (PDP). In circumstances where MPIF distributes less than the PDP, the Fund is prevented from making distributions to its unitholders unless the shortfall has been met. The distribution

stopper will remain in place until any shortfall in the PDP for the preceding 12 months has been paid to income unitholders of MPIF. The PDP shortfall for the 12 months to 31 December 2011 was \$2.3 million, which is unchanged from 30 June 2011.

The graph below shows distribution shortfall movement to the level of the PDP for the period from September 2009 to December 2011.

BCML continues to review strategies to allow distributions to be restored to investors.

## MOVEMENT IN PDP SHORTFALL



### INVESTMENT PORTFOLIO UPDATE

The total investment portfolio of the Fund on a standalone basis was valued at \$130.5 million as at 31 December 2011 compared to \$138.4 million as at 30 June 2011.

### A-REIT INVESTMENTS

The carrying value of the Fund's A-REIT portfolio increased from \$26.5 million to \$27.5 million during the six months to 31 December 2011. This is partly a result of a net increase of \$0.5 million through the acquisition and disposal of securities and a \$0.4 million net gain in the value of the portfolio. The primary contributor to the gain in portfolio value was the Fund's investment in Brookfield Prime Property Fund which closed 18% higher.

The gross return for the A-REIT portfolio for the December 2011 quarter was 12.55% against the S&P/ASX300 A-REIT Accumulation Index gross return of 3.81%.

The carrying value of the A-REIT portfolio reflects the ASX closing price as at 31 December 2011 with the exception of Multiplex European Property Fund (MUE) which reflects the security closing price as at 24 January 2012, post that fund's announcement regarding a 9% reduction in valuation of the fund's assets as at 31 December 2011 and cash lock up.

### UNLISTED INVESTMENTS

The standalone carrying value of the unlisted portfolio was \$103.0 million compared with \$112.0 million as at 30 June 2011. The decline can be attributed to a return of capital by a number of funds (\$4.6 million), participation in redemption facilities (\$1.6 million) and a net decrease in the portfolio value. There were no acquisitions of unlisted investments during the period.

### *Redemptions and return of capital*

During the period, the Fund received \$1.6 million from redeeming two million Australian Unity Diversified Property Fund units (\$0.79 cents per unit which is on par with the Fund's June 2011 NTA of \$0.7881 cents per unit).

Multiplex Development and Opportunity Fund made a return of capital of \$3.8 million (\$0.41 cpu) in October 2011 post the sale of Whiteman Edge and Vale Stages 7 to 11. As a result, the Fund's carrying value of this investment has declined from \$7.7 million to \$3.9 million.

### *Wind up of underlying funds*

The following funds are in wind up:

- MAB Diversified Property Fund has completed the sale of three assets enabling a return of capital of \$0.2 million to the Fund. MAB also entered into conditional contracts to sell two New Zealand assets, which, if conditions are satisfied, would settle during the first quarter of 2012. MAB is considering postponing divesting of the balance of the portfolio until market conditions improve.
- FKP Core Plus Fund completed the sale of assets other than two industrial subdivision sites.
- Orchard Essential Health Care Trust completed its wind up in July 2011.

# Half Year Review

## Major changes in value of Fund standalone investments

The carrying value of the Fund's investment in the following funds increased:

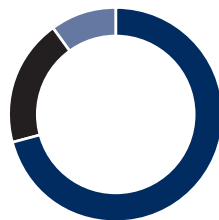
- Australian Unity Fifth Commercial Trust (AUFCT) achieved valuation increases across its property portfolio as a result of two new leases signed during the December 2011 quarter; a five year lease with Telstra at 80 Stirling Street, Perth (of which AUFCT owns a 50% interest) and a five year lease over the balance of the vacant space at 5 Eden Park Drive, North Ryde. Despite the negative impact of derivatives, higher property valuations have resulted in a 9% increase in the fund's NTA from \$1.50 per unit at 30 June 2011 to \$1.64 per unit (unaudited) at 31 December 2011.
- Australian Unity Office Property Fund (AUOPF) finalised four new leases, the two major leases being; 10 Valentine Avenue, Parramatta and 80 Stirling Street, Perth (of which the fund owns a 50% interest). This has resulted in a valuation uplift on both assets, however the NTA for the fund is materially in line with that reported in June 2011 due to the uplift being offset by the impact of interest rate derivatives and unamortised stamp duty write offs.

The carrying value of the Fund's investment in the following funds experienced a decline:

- Multiplex New Zealand Property Fund's property portfolio has generally held its values from June 2011. The decline in carrying value by \$1.2 million is predominantly due to the impact of foreign exchange movements and accounting for deferred tax liabilities.
- The carrying value of the Fund's interest in APN Champion Fund has reduced by \$0.8 million to \$0.6 million due to a significant drop in the value of its portfolio of 16 supermarkets across Greece. The fund has suspended distributions and APN will continue to closely monitor the Greek market and evaluate prospects for a managed exit and wind-down over the next 18 months.
- The carrying value of the Fund's interest in Centro MCS 22 declined by \$0.2 million to \$1.0 million. Centro MCS 22 notified investors that the trust is to be wound up and as a result, a sales campaign has been completed for the Kidman Park Distribution Centre in South Australia. Offers have been below book value and the syndicate has written down the carrying value of the property to reflect the offers received.

## ASSET CLASS ALLOCATION (by value)

- 71% Unlisted
- 19% AREITs
- 10% Cash



## SECTOR ALLOCATION (by value)

- 62% Commercial
- 19% Retail
- 10% Industrial
- 9% Other





### Future liquidity

- Centro MCS 28 syndicate has a review date of 30 June 2012. The responsible entity informed its investors in January 2012 that the sale of the fund's 50% interest in Perth City Central settled on 24 January 2012 for \$57.0 million, which was in line with the December 2011 book value and 0.5% above the 30 June 2011 independent valuation of \$56.7 million. The Fund is expecting to receive a return of capital of approximately \$0.2 million in February 2012. One asset remains in the syndicate, a 50% interest in Centro Bankstown. The responsible entity will advise on the future of the syndicate and liquidity strategies prior to the syndicate's review date. There is potential for a return of capital of approximately \$1.9 million during the calendar year 2012 from this syndicate.
- A sales campaign for Kidman Park Distribution Centre contained in the Centro MCS 22 syndicate has been completed and negotiations are currently underway with a prospective purchaser. There is a potential for a return of capital of circa \$1.0 million from this syndicate during the calendar year 2012.

- Centro MCS 21 has notified investors that the syndicate will be wound up at the earlier of the sale of the syndicate's 50% interest in Centro Roselands or at 31 July 2012. A sale of the asset is currently being considered by the owner of the other 50% interest, Centro Australia Wholesale Fund (CAWF) or a joint sale of the 100% interest together with CAWF. There is potential for a return of capital of circa \$9.9 million from this syndicate during the calendar year 2012.

### Other significant investment updates

- APN Poland Retail Fund held a unitholder meeting in September 2011, where unitholders voted in favour of extending the fund for up to five years until December 2016, unless terminated earlier by APN. Although the term of the extension is for up to five years, APN intends to convene a meeting of unitholders within two years to report on fund progress and prospects for recovery. The Fund's investment in this fund is carried at nil value.

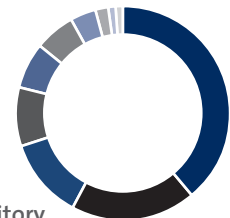
### MANAGER ALLOCATION (by value)

33%	Australian Unity
31%	Brookfield
10%	Centro
5%	Others
4%	APN
4%	APGR
3%	Colonial First State
3%	Investa
2%	Dexus
2%	MAB
2%	Orchard
1%	Charter Hall



### GEOGRAPHIC ALLOCATION (by value)

39%	New South Wales
19%	New Zealand
12%	Western Australia
9%	Victoria
7%	Queensland
6%	South Australia
4%	Europe
2%	Australian Capital Territory
1%	Tasmania
1%	United States



# Half Year Review


## *Distribution income*

On a standalone basis, of the 22 unlisted investments held by the Fund at 31 December 2011, 14 are paying regular distributions. Distribution income from the Fund's standalone portfolio for the six month period was \$5.4 million compared to \$3.2 million for the six months to 30 June 2011.

The increase in distribution income was mainly due to AUFCT paying a special distribution of circa \$1.5 million post the sale of 595 Collins Street, Melbourne and the Multiplex European Property Fund paying a special distribution of \$1.2 million due to its unwinding of a cross currency interest rate swap.

Other distribution highlights include:

- AUFCT increased its distribution rate from 7.4 cents per unit (cpu) to 10.0 cpu per annum as two positive lease deals were signed during the December 2011 quarter. This increase will contribute an additional \$0.2 million of income per year to the Fund.
- AUOPF increased its distribution rate from 6.0 cpu to 7.0 cpu per annum as a consequence of positive lease deals. This increase will contribute an additional \$0.24 million of income per year to the Fund.
- APN National Storage Property Trust announced the sale of nine storage property assets, allowing for full repayment of their mezzanine debt facility and a portion of senior debt. The reduction in financing costs has enabled the fund to increase distributions from 2.0 cpu to 6.4 cpu per annum, contributing an additional \$0.05 million of income per year to the Fund.
- Centro MCS 21 forecast income distribution for financial year end 2012 increased from 1.5 cpu to 5.0 cpu per annum reflecting an increase in rental income and decline in debt costs and capital expenditure requirements. This will provide an additional \$0.17 million income for the 12 months to June 2012.



During November 2011 the Fund secured a new three year debt facility with its financiers and thereby has mitigated the risk associated with refinancing the facility in the current economic conditions.

## **OUTLOOK AND INVESTMENT OPPORTUNITIES**

Appropriate investment opportunities continue to be reviewed for the Fund with a focus on maximising total returns and retaining secure options to liquidate investments within defined timeframes.

BCML will continue to keep investors updated on the progress of the Fund.

Southern Cross  
East Tower, Melbourne  
Brookfield Prime  
Property Fund



8 Hereford Street, Auckland  
Multiplex New Zealand  
Property Fund



Claremont Residences, Western Australia  
Multiplex Development and Opportunity Fund

# Investment Portfolio (Standalone)

UNLISTED PROPERTY FUNDS	DECEMBER 2011 CARRYING VALUE \$M	JUNE 2011 CARRYING VALUE \$M	CHANGE \$M	DISTRIBUTION YIELD <sup>1</sup> %
APN Champion Retail Fund	0.6	1.4	(0.8)	0.0
APN National Storage Property Trust	1.1	1.2	(0.1)	6.6
APN Poland Retail Fund	0.0	0.0	0.0	0.0
APN Regional Property Fund <sup>2</sup>	1.9	2.0	(0.1)	4.8
APN Vienna Retail Fund	1.8	2.1	(0.3)	0.0
Austock Childcare Fund	1.2	1.2	0.0	6.0
Australian Unity Diversified Property Fund	7.1	8.6	(1.5)	5.3
Australian Unity Fifth Commercial Trust	12.5	11.5	1.0	6.1
Australian Unity Office Property Fund	21.9	22.1	(0.2)	7.8
Australian Unity Second Industrial trust	1.5	1.5	0.0	6.3
Centro MCS 21 Roselands Holdings Trust	8.7	8.6	0.1	2.5
Centro MCS 21 Roselands Property Trust	1.2	1.2	0.0	2.5
Centro MCS 22 Kidman Park Investment Trust	0.1	0.1	0.0	18.0
Centro MCS 22 Kidman Park Property Trust	0.9	1.1	(0.2)	19.7
Centro MCS 28	2.1	2.2	(0.1)	2.0
FKP Core Plus Fund <sup>3</sup>	0.2	0.7	(0.5)	0.0
MAB Diversified Property Trust <sup>3</sup>	3.1	3.4	(0.3)	6.3
Multiplex Development and Opportunity Fund	3.9	7.7	(3.8)	0.0
Multiplex New Zealand Property Fund <sup>4</sup>	24.1	25.3	(1.2)	0.0
Orchard Child Care Property Fund	2.9	2.8	0.1	5.3
Pengana Credo European Property Trust	0.0	0.0	0.0	0.0
PFA Diversified Property Trust	4.9	5.5	(0.6)	8.4
Rimcorp Property Trust No. 3	0.6	0.6	0.0	9.9
St Hilliers Enhanced Property Fund No. 2	0.8	1.1	(0.3)	0.0
The Essential Health Care Trust <sup>3</sup>	0.0	0.1	(0.1)	0.0
<b>Total/Weighted Average</b>	<b>103.0</b>	<b>112.0</b>	<b>(9.0)</b>	<b>4.3</b>

#### Notes:

- 1 Distribution yields are based on recurring distribution rates as at 31 December 2011 and the unlisted property funds' unaudited net tangible asset values at 31 December 2011. The yield excludes any special or one-off distributions.
- 2 APN Regional Property Fund is listed on the National Stock Exchange of Australia. Despite its listed status, the fund is relatively illiquid due to its nominal trading history. Therefore, the fund is treated as an unlisted property fund.
- 3 As at 31 December 2011 these funds have either wound up or are in the process of winding up.
- 4 Reflects the value of the investment accounted for by using the equity method of accounting on a standalone basis (excludes the 0.5% owned by the consolidated MPIF subsidiary).

A-REIT	DECEMBER 2011 CARRYING VALUE \$M	JUNE 2011 CARRYING VALUE \$M	CHANGE \$M	DISTRIBUTION YIELD <sup>1</sup> \$M%
Abacus Property Group	0.2	0.3	(0.1)	8.7
Australand Property Group	0.3	0.3	0.0	9.2
Brookfield Prime Property Fund	9.7	8.3	1.4	0.0
CFS Retail Property Trust	0.3	0.3	0.0	7.7
Challenger Diversified Property Group	0.2	0.3	(0.1)	8.5
Charter Hall Retail REIT	1.0	1.0	0.0	8.1
Commonwealth Property Office Fund	3.9	3.9	0.0	6.1
Dexus Property Group	3.0	3.2	(0.2)	6.4
GPT Group	0.8	0.9	(0.1)	5.7
Investa Office Fund	3.7	3.9	(0.2)	6.5
Mirvac Group	2.4	1.3	1.1	6.8
Multiplex European Property Fund <sup>2</sup>	1.8	2.3	(0.5)	17.2
Stockland	0.0	0.5	(0.5)	N/A
<b>Total/Weighted Average</b>	<b>27.5</b>	<b>26.5</b>	<b>1.0</b>	<b>5.0</b>

## Notes:

- 1 Distribution yields are based on recurring distribution rates as at 31 December 2011 and the A-REIT's closing bid prices as at 31 December 2011. The yield excludes any special or one-off distributions. The above schedule excludes Rubicon Europe Trust and Rubicon Japan Trust, both of which are insolvent and in liquidation.
- 2 The carrying value and yield of Multiplex European Fund is based on the closing price on 24 January 2012 when the Fund announced a decline in property valuation and cash lock up. The carrying value of all other A-REITs is based on the closing price as at 31 December 2011.

# Condensed Consolidated Interim Statement of Comprehensive Income

For the half year ended 31 December 2011

	CONSOLIDATED HALF YEAR ENDED 31 DECEMBER 2011 \$'000	CONSOLIDATED HALF YEAR ENDED 31 DECEMBER 2010 \$'000
<b>Revenue and other income</b>		
Distribution income from ASX listed and unlisted property trusts	6,607	3,610
Gain on disposal of ASX listed and unlisted property trusts	–	379
Interest income	300	1,063
<b>Total revenue and other income</b>	<b>6,907</b>	<b>5,052</b>
<b>Expenses</b>		
Share of net loss of investment accounted for using the equity method	883	1,843
Impairment expense	5,742	2,217
Finance costs to external parties	1,366	3,324
Loss on disposal of ASX listed and unlisted property trusts	5	–
Management fees	338	390
Other expenses	944	479
<b>Total expenses</b>	<b>9,279</b>	<b>8,253</b>
<b>Net loss for the period</b>	<b>(2,372)</b>	<b>(3,201)</b>
<b>Other comprehensive income</b>		
Change in reserves of investment accounted for using the equity method	(436)	(1,669)
Change in fair value of available for sale financial assets	279	7,584
Change in the fair value of cash flow hedge	(20)	–
<b>Other comprehensive (loss)/income for the period</b>	<b>(177)</b>	<b>5,915</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,549)</b>	<b>2,714</b>
<b>Net profit/(loss) attributable to:</b>		
Ordinary unitholders	588	(3,976)
Minority interest – MPIF income unitholders	(2,960)	775
<b>Net loss for the period</b>	<b>(2,372)</b>	<b>(3,201)</b>
<b>Total comprehensive income/(loss) attributable to:</b>		
Ordinary unitholders	740	224
Minority interest – MPIF income unitholders	(3,289)	2,490
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,549)</b>	<b>2,714</b>
<b>Earnings per unit</b>		
<b>Basic and diluted earnings per ordinary unit (cents)</b>	<b>0.07</b>	<b>(0.65)</b>

The Condensed Consolidated Interim Statement of Comprehensive Income should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements, available at [www.au.brookfield.com](http://www.au.brookfield.com).

# Condensed Consolidated Interim Statement of Financial Position

As at 31 December 2011

	CONSOLIDATED 31 DECEMBER 2011 \$'000	CONSOLIDATED 30 JUNE 2011 \$'000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	18,512	10,573
Trade and other receivables	1,995	1,897
Investments – available for sale	32,215	31,209
<b>Total current assets</b>	<b>52,722</b>	<b>43,679</b>
<b>Non-current assets</b>		
Investments – available for sale	105,411	119,172
Investment accounted for using the equity method	24,678	25,997
<b>Total non-current assets</b>	<b>130,089</b>	<b>145,169</b>
<b>Total assets</b>	<b>182,811</b>	<b>188,848</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	1,058	1,054
Distribution payable	–	205
<b>Total current liabilities</b>	<b>1,058</b>	<b>1,259</b>
<b>Non-current liabilities</b>		
Fair value of financial derivative	20	–
Interest bearing liabilities	34,809	37,100
<b>Total non-current liabilities</b>	<b>34,829</b>	<b>37,100</b>
<b>Total liabilities</b>	<b>35,887</b>	<b>38,359</b>
<b>Net assets</b>	<b>146,924</b>	<b>150,489</b>
<b>Equity</b>		
<b>Attributable to ordinary unitholders</b>		
Units on issue – ordinary units	231,827	231,827
Reserves	2,530	2,378
Undistributed losses	(124,101)	(124,689)
<b>Attributable to MPIF income unitholders</b>		
Minority interest – MPIF income units	52,960	52,960
Reserves	4,245	4,574
Undistributed losses	(20,537)	(16,561)
<b>Total equity</b>	<b>146,924</b>	<b>150,489</b>

The Condensed Consolidated Interim Statement of Financial Position should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements, available at [www.au.brookfield.com](http://www.au.brookfield.com).

# Condensed Standalone Interim Statement of Comprehensive Income

For the half year ended 31 December 2011

	STANDALONE HALF YEAR ENDED 31 DECEMBER 2011 \$'000	STANDALONE HALF YEAR ENDED 31 DECEMBER 2010 \$'000
<b>Revenue and other income</b>		
Distribution income from ASX listed and unlisted property trusts	5,369	2,532
Gain on disposal of ASX listed and unlisted property trusts	13	329
Interest income	234	948
<b>Total revenue and other income</b>	<b>5,616</b>	<b>3,809</b>
<b>Expenses</b>		
Share of net loss of investment accounted for using the equity method	861	1,797
Impairment expense	1,642	1,781
Finance costs to external parties	1,366	3,324
Management fees	339	390
Other expenses	829	468
<b>Total expenses</b>	<b>5,037</b>	<b>7,760</b>
<b>Net profit/(loss) for the period</b>	<b>579</b>	<b>(3,951)</b>
<b>Other comprehensive income</b>		
Change in reserves of investment accounted for using the equity method	(425)	(1,627)
Change in fair value of available for sale financial assets	607	5,783
Change in the fair value of cash flow hedge	(20)	–
Other comprehensive income for the period	162	4,156
<b>Total comprehensive income for the period</b>	<b>741</b>	<b>205</b>
<b>Net profit/(loss) attributable to ordinary unitholders</b>	<b>579</b>	<b>(3,951)</b>
<b>Total comprehensive income attributable to ordinary unitholders</b>	<b>741</b>	<b>205</b>
<b>Earnings per unit</b>		
<b>Basic and diluted earnings per ordinary unit (cents)</b>	<b>0.07</b>	<b>(0.65)</b>

The Condensed Standalone Interim Statement of Comprehensive Income should be read in conjunction with the Notes to the Condensed Standalone Interim Financial Statements, available at [www.au.brookfield.com](http://www.au.brookfield.com).



# Condensed Standalone Interim Statement of Financial Position

As at 31 December 2011

	STANDALONE 31 DECEMBER 2011 \$'000	STANDALONE 30 JUNE 2011 \$'000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	14,027	7,764
Trade and other receivables	1,547	1,446
Investments – available for sale	27,482	26,531
<b>Total current assets</b>	<b>43,056</b>	<b>35,741</b>
<b>Non-current assets</b>		
Investments – available for sale	78,982	86,632
Investment accounted for using the equity method	24,061	25,347
<b>Total non-current assets</b>	<b>103,043</b>	<b>111,979</b>
<b>Total assets</b>	<b>146,099</b>	<b>147,720</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	1,003	1,094
<b>Total current liabilities</b>	<b>1,003</b>	<b>1,094</b>
<b>Non-current liabilities</b>		
Fair value of financial derivative	20	–
Interest bearing liabilities	34,809	37,100
<b>Total non-current liabilities</b>	<b>34,829</b>	<b>37,100</b>
<b>Total liabilities</b>	<b>35,832</b>	<b>38,194</b>
<b>Net assets</b>	<b>110,267</b>	<b>109,526</b>
<b>Equity</b>		
Attributable to ordinary unitholders		
Units on issue – ordinary units	231,827	231,827
Reserves	2,546	2,384
Undistributed losses	(124,106)	(124,685)
<b>Total equity</b>	<b>110,267</b>	<b>109,526</b>

The Condensed Standalone Interim Statement of Financial Position should be read in conjunction with the Notes to the Condensed Standalone Interim Financial Statements, available at [www.au.brookfield.com](http://www.au.brookfield.com).

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# Corporate Directory

## RESPONSIBLE ENTITY

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

## DIRECTORS

F. Allan McDonald  
Barbara Ward  
Brian Motteram  
Russell Proutt  
Shane Ross

## COMPANY SECRETARY

Neil Olofsson

## REGISTERED OFFICE

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

## CUSTODIAN

JP Morgan Nominees Australia Limited  
Level 35  
Suncorp Building  
259 George Street  
Sydney NSW 2000

## STOCK EXCHANGE

The Fund is listed on the Australian Securities Exchange (ASX Code: BAO).  
The Home Exchange is Sydney.

## AUDITOR

Deloitte Touche Tohmatsu  
The Barrington  
Level 10  
10 Smith Street  
Parramatta NSW 2150  
Telephone: (02) 9840 7000  
Facsimile: (02) 9840 7001



[www.au.brookfield.com](http://www.au.brookfield.com)

