

# ASX Announcement

6 October 2011

## **Brookfield Australian Opportunities Fund (ASX: BAO) Update on Proposed Transaction with Multiplex Property Income Fund and New Debt Facility**

### **Update on Proposed Transaction with Multiplex Property Income Fund (MPIF)**

On 27 September 2011 Brookfield Capital Management Limited (**BCML**), the Responsible Entity of Brookfield Australian Opportunities Fund (**BAO** or the **Fund**), notified investors of a restructuring proposal between the Fund and MPIF (**Proposal**). As set out in that announcement, BCML intends to circulate a Notice of Meeting and Explanatory Memorandum, together with a copy of an Independent Expert's Report prepared by KPMG Corporate Finance (Aust) Pty Ltd, to unitholders in October 2011 (**Meeting Documents**).

The proposed Meeting Documents have now been lodged with ASIC for review as required under section 218 of the *Corporations Act* 2001 (Cth) and the proposed form of Independent Expert's Report provides an opinion that the Proposal is:

- a) fair and reasonable to unitholders that are eligible to vote on the Proposal;
- b) in the best interests of those unitholders; and
- c) on arm's length terms.

Meeting documents for the MPIF unitholder meeting to consider the Proposal have also been lodged with ASIC.

A copy of the final Independent Expert's Report will be provided to unitholders as an appendix to the Notice of Meeting and Explanatory Memorandum. The Meeting Documents will also be lodged with ASX at that time.

In determining how they will vote on the Proposal, unitholders should read the final Notice of Meeting and Explanatory Memorandum.

### **New Debt Facility**

BCML announces that it has agreed, subject to documentation, a new three year \$35 million debt facility with the Fund's current financier.

The current debt facility of \$37.1 million carries a maturity of 1 December 2012 subject to satisfaction of a number of financial covenants. BCML sought a new three year term to provide certainty to the Fund.

Key terms of the new debt facility are as follows:

- Facility limit of \$35 million, a term of three years from execution of documentation and subject to terms including the following financial covenants:
  - Loan to Value Ratio limit at 30%; and
  - Interest Cover Ratio no greater than 1.60.
- Margin of 3% per annum over BBSY.

In addition, the Fund has 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 for this period.

For more information please contact:

**Brookfield Customer Service**

Ph: 1800 570 000

Email: [clientenquiries@au.brookfield.com](mailto:clientenquiries@au.brookfield.com)