

ASX Announcement

30 July 2009

Multiplex Prime Property Fund (ASX: MAFCA) Fund Update

Brookfield Multiplex Capital Management Limited (BMCML), the Responsible Entity for Multiplex Prime Property Fund (MAFCA or the Fund), today announced an update for Fund investors.

Key messages of the announcement are as follows:

- The four direct properties of the Fund have been independently revalued as at 30 June 2009 at \$567.4 million, reflecting a \$47.7 million or 7.8% decline from the prior independent valuations as at 31 December 2008;
- Based on these valuations, the Loan to Value (LVR) financial covenant ratios under the Fund's existing debt facility will not be met; and
- The financiers of the Fund have agreed to an interim waiver of the LVR breach to enable BMCML to pursue alternatives to address the Fund's current challenges.

Independent Valuations

Independent valuations have been completed for the Fund's four direct properties as at 30 June 2009. These revaluations resulted in a 7.8% decrease in the market value of the portfolio from \$615.1 million (31 December 2008) to \$567.4 million.

The results of the June 2009 independent valuations are summarised below:

Property	Fund share (%)	Valuation date	Valuation (\$m)	Valuation cap rate (%)	Previous valuation (\$m)	Previous cap rate (%)
Ernst & Young Centre, Sydney	50	30 June 09	259.20	7.38	282.25	6.63
American Express Building, Sydney	100	30 June 09	124.40	7.25	130.00	6.50
Southern Cross Tower, Melbourne	25	30 June 09	127.13	7.50	136.25	6.50
Defence Plaza, Melbourne	100	30 June 09	56.70	8.50	66.60	7.25
Total			567.43	7.49	615.10	6.64

Earnings from the Fund's direct properties continue to be a secure source of income for the Fund as demonstrated by the following characteristics:

- 100% portfolio occupancy
- No major lease expiry until FY11
- Approximately 78% of property income derived from government and major corporate tenants
- 85% of the property income is subject to fixed and average rent review increases of 4.2% per annum

The above valuations have been issued by the Fund's independent valuers as at 30 June 2009 and the amounts have been considered by the Directors of BMCML as at the date of this announcement. BMCML will carry out a further review of these valuations prior to the 30 June 2009 reporting date in late August 2009 to determine if any material changes in market conditions have occurred since the date of this release.

Should the Directors adopt valuations at the 30 June 2009 reporting date which materially differ from those detailed above, an announcement will be released to the market.

Debt Covenants and Interim Waiver

The debt facility of the Fund requires financial covenants to be tested on 30 June and 31 December in each year for the term of the facility.

The term facility LVR limit states that term facility total borrowing must not exceed the sum of 67.5% of the value of investment properties (including investment properties held through associates) and 50% of the A-REIT portfolio value. Based on valuations as at 30 June 2009, the Fund did not meet the term facility LVR limit as the drawn debt on the term facility of \$407.7 million exceeds the term facility LVR limit of \$385.6 million as calculated under the above methodology.

The LVR limit on the partly paid facility states that the total borrowing on both the term and partly paid tranche jointly must not exceed the sum of 85.0% of the value of investment properties (including investment properties held through associates) and the A-REIT portfolio. The Fund did not meet the partly paid facility LVR covenant limit as the LVR based on the valuations as at 30 June 2009 is 90.9%.

The financiers of the Fund have agreed to a waiver of the breach in LVR covenants until 31 August 2009. This will enable BMCML to pursue alternatives to address this situation.

Financial Results for the year ended 30 June 2009

Audited financial statements for the Fund are expected to be available on our website www.brookfieldmultiplex.com in late August 2009.

Future Direction

BMCML is in confidential discussions with the Fund's financiers as well as a number of other parties as it explores various options to meet its current challenges. The Independent Directors have appointed advisors to assist in this process and to assess the viability and benefits of any proposal to the Fund and its stakeholders. These discussions are incomplete and BMCML will update investors as matters progress.

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