

Multiplex Prime Property Fund
(ARSN 110 096 663)Brookfield Multiplex Capital Management Limited
(ABN 32 094 936 866)

ASX Announcement

23 February 2009

Multiplex Prime Property Fund (ASX: MAFCA) Interim Results 2009 and Fund Update

The Directors of Brookfield Multiplex Capital Management Limited (BMCML) as Responsible Entity for Multiplex Prime Property Fund (MAFCA or the Fund) announce the results for the 6 month period to 31 December 2008.

The key messages of the announcement are as follows:

- distributable income was \$2.5 million for the period, a decrease of 51.9% from the previous corresponding period;
- a net loss of \$38.0 million was recorded, including fair value losses on property revaluations and impairment losses on the A-REIT portfolio, representing a decrease of \$84.6 million from the previous corresponding period;
- a total net revaluation loss of \$25.3 million was recorded on the property portfolio for the period;
- independent valuations of the Fund's A-grade assets decreased 4.0% to \$615.1 million as at 31 December 2008;
- the Net Tangible Asset (NTA) as at 31 December 2008 was 17 cents per unit, representing a decrease of 71.1% from 30 June 2008. The NTA is 35 cents per unit when the mark-to-market on financial derivatives is excluded;
- a distribution of 1c per unit was declared during the period - this was for the September 2008 quarter. No distribution was declared for the December 2008 quarter; and
- gearing was 64.8% as at 31 December 2008 excluding the Partly Paid Facility. This increases to 82.7% if the Partly Paid Facility is included.

Net Tangible Assets (NTA)

The Fund's NTA per unit as at 31 December 2008 was \$0.17 (including) and \$0.35 (excluding) the mark-to-market on financial derivatives. The corresponding NTA per unit as at 30 June 2008 was \$0.59 and \$0.49. The main contributors to the movements in NTA are:

- a decrease in property valuations of \$25.3 million or 9.0c cents per unit;
- a decrease in the valuation of the A-REIT portfolio of \$14.7 million or 5.2c per unit; and
- the mark-to-market movement on financial derivatives of \$79.6 million or -28.3 cpu, which has been recognised directly in equity.

Debt and Financial Covenant Update

The Fund is in compliance with its financial covenants as at 31 December 2008. At present, no events have occurred to cause the final instalment of \$0.40 per unit (which is scheduled to be paid on 15 June 2011) to be accelerated.

The Fund has two financial covenants on each of the two bank facilities, an interest coverage ratio (ICR) and a loan to value ratio (LVR). At 31 December 2008, the Fund was in compliance with both financial covenants on both of the debt facilities.

The LVR limit on the term facility states that the total borrowing on the term facility must not exceed the sum of 67.5% of the value of investment properties (including investment properties held through associates) and 50% of the value of the A-REIT portfolio. The term facility limit based on actual results at 31 December 2008 indicates that the total value based on the above criteria exceeds the borrowing on the

term facility by \$7.8 million. The LVR limit on the partly paid facility is 85.0% and the LVR based on actual results at 31 December 2008 is 84.3%.

The ICR covenant on the term facility is a minimum of 1.40 times and the partly paid minimum is 1.15 times. The actual ICR for the period is 1.59 and 1.23 respectively.

Financial Results as at 31 December 2008

The financial statements which have been reviewed by the Fund's auditors for the six month period to 31 December 2008 are now available on our website www.brookfieldmultiplexcapital.com.

Future Direction

The Fund remains highly geared and further declines in property values will put pressure on the Fund's LVR covenants.

BMCML is working towards implementing a strategy that sees debt reduced and the capital position of the Fund strengthened in anticipation that the debt covenants can be met at 30 June 2009. These include, but are not limited to, assets sales, an equity raising, convertible notes or subordinated debt. The current conditions, however, have a significant impact on the options being considered.

BMCML will keep investors appraised as the strategy develops.

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For more information please contact:

Lawrence Wong
Fund Manager
(02) 9256 5013

Appendix 4D – Additional Disclosure

Multiplex Prime Property Fund

For the period ended 31 December 2008

Name of Fund:	Multiplex Prime Property Fund (MAF)
Details of reporting period	
Current reporting period:	1 July 2008 to 31 December 2008
Prior corresponding period:	1 July 2007 to 31 December 2007

This Financial Report should be read in conjunction with the Financial Report for the period ended 31 December 2008. It is also recommended that the Financial Report be considered together with any public announcements made by the Fund during the period ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Results for announcement to the market

	Period ended 31 December 2008 \$m	Period ended 31 December 2007 \$m	Change %
Total revenue and other income	12,180	66,477	(82)
Total expenses	(50,187)	(19,871)	153
Net (loss)/profit attributable to the unitholders of MAF	(38,007)	46,606	(182)
Property fair value adjustments included in the above			
Directly held property investments	(15,000)	1,100	(1,464)
Equity accounted property investments	(10,250)	40,500	(125)
Earnings per unit (cents)	(13.49)	16.50	(182)

Distributions

Distributions paid/payable to unitholders were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Ordinary units			
September 2008 distribution	1.00	2,818	31 October 2008
December 2008 distribution	—	—	—
Total distribution for the six months ended 31 December 2008	1.00	2,818	
Ordinary units			
September 2007 distribution	1.20	3,381	31 October 2007
December 2007 distribution	1.20	3,381	31 January 2008
Total distribution for the six months ended 31 December 2007	2.40	6,762	

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

Commentary and analysis of the result for the current period can be found in the attached Multiplex Prime Property Fund ASX release dated 23rd February 2009. This ASX release forms part of the Appendix 4D.

The Fund has a formally constituted Audit Committee of the Board of Directors. The release of the report was approved by resolution of the Board of Directors on 23rd February 2009.

Multiplex Prime Property Fund
Interim Financial Report
For the half year ended
31 December 2008

Multiplex Prime Property Fund

ARSN 110 096 663

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For the half year ended 31 December 2008

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Directory

Multiplex Prime Property Fund

For the half year ended 31 December 2008

Responsible Entity

Brookfield Multiplex Capital Management Limited
1 Kent Street
Sydney NSW 2000
Telephone: (02) 9256 5000
Facsimile: (02) 9256 5001

Directors of Brookfield Multiplex Capital Management Limited

Peter Morris
Brian Motteram
Robert McCuaig
Brian Kingston
Mark Wilson

Company Secretary of Brookfield Multiplex Capital Management Limited

Neil Olofsson

Principal Registered Office

1 Kent Street
Sydney NSW 2000
Telephone: (02) 9256 5000
Facsimile: (02) 9256 5001

Custodian

Brookfield Multiplex Funds Management Limited
1 Kent Street
Sydney NSW 2000
Telephone: (02) 9256 5000
Facsimile: (02) 9256 5001

Stock Exchange

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

Location of Share Registry

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Telephone: (02) 8280 7100
Facsimile: (02) (02) 9287 0303

Auditor

KPMG
10 Shelley Street
Sydney NSW 2000
Telephone: (02) 9335 7000
Facsimile: (02) 9299 7077

Directors' Report

Multiplex Prime Property Fund

For the half year ended 31 December 2008

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Introduction

The Directors of Brookfield Multiplex Capital Management Limited (ABN 32 094 936 866), the Responsible Entity of Multiplex Prime Property Fund (ARSN 110 096 663) (Fund), present their report together with the financial report of the Consolidated Entity, being the Fund and its subsidiaries, for the six months ended 31 December 2008 and the review report thereon.

Responsible Entity

The Responsible Entity of the Fund is Brookfield Multiplex Capital Management Limited (BMCML), which has been the Responsible Entity since inception of the Fund.

The registered office and principal place of business of the Responsible Entity and the Fund is 1 Kent Street, Sydney.

Directors

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

Name	Capacity
Peter Morris (Director since 14 April 2004)	Non-Executive Independent Chairman
Brian Motteram (Director since 21 February 2007)	Non-Executive Independent Director
Robert McCuaig (Director since 31 March 2004)	Non-Executive Independent Director
Brian Kingston (Director since 27 August 2008)	Executive Director
Mark Wilson (Director since 27 August 2008)	Executive Director
Bob McKinnon (Director since 7 December 2007 – resigned 18 July 2008)	Non-Executive Director
Robert Rayner (Director since 31 October 2000 – resigned 22 August 2008)	Executive Director

Information on Company Secretary

Neil Olofsson

Neil has over 13 years international company secretarial experience including having worked at KPMG, Clifford Chance and Schroder Investment Management prior to joining Brookfield Multiplex Group Company Secretariat.

Principal activities

The principal activity of the Consolidated Entity is the investment in a portfolio of CBD office assets and listed property trusts.

Review of operations

The Fund has recorded a net loss of \$38,007,000 for the six month period ended 31 December 2008 (2007: profit of \$46,606,000). The reported net loss of \$38,007,000 includes \$8,965,000 in impairment losses on the listed property trust portfolio and \$15,000,000 in unrealised losses on revaluations of the investment property portfolio. The Fund's associates recognised the full amount of unrealised losses on underlying investment properties, of which the Fund's share was \$10,250,000.

As communicated to investors in the ASX announcement dated 17th December 2008, the Fund did not pay a distribution for the quarter ended 31 December 2008 in order to preserve the capital position of the Fund. BMCML will assess the payment of distributions for the second half of the fiscal year after considering prevailing market conditions and the financial position of the Fund at that time.

Some of the significant events during the period are as follows:

- total revenue and other income of \$12,180,000 (2007: \$66,477,000);
- net loss of \$38,007,000 (2007: net profit \$46,606,000);
- earnings per unit (EPU) of (13.5) (2007: 16.5);
- distributions to unitholders of \$2,818,000 (2007: \$6,762,000) and distributions per unit (DPU) of 1.00 cent (2007: 2.40 cents);
- net assets of \$152,367,000 (30 June 2008: 258,897,000) and NTA of \$0.17 (30 June 2008: \$0.59);
- property portfolio value of \$615,100,000 as at 31 December 2008, including \$25,250,000 in losses on revaluations of investment properties recorded during the period (including investment properties held by Associates);
- listed property trust portfolio value of \$4,621,000 as at 31 December 2008, including \$8,965,000 of impairment losses recorded during the period;
- disposal of investments for total consideration of \$1,074,000;
- rent reviews completed over 33% of the property portfolio resulting in an average increase of 4.0%; and
- portfolio occupancy remains at 100%, with a weighted average lease expiry of 7.8 years as at 31 December 2008.

Directors' Report

Multiplex Prime Property Fund

For the half year ended 31 December 2008

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Rounding of amounts

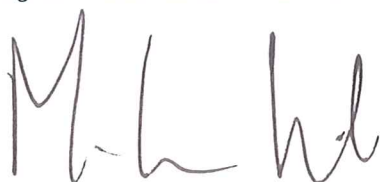
The Fund is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand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

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 31 December 2008.

Dated at Sydney this 23rd day of February 2009.

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

A handwritten signature in dark ink, appearing to read 'M. L. Wilson', with a stylized, cursive script.

Mark Wilson

Director

Brookfield Multiplex Capital Management Limited



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Brookfield Multiplex Capital Management Limited, as the responsible entity of Multiplex Prime Property Fund

I declare that, to the best of my knowledge and belief, in relation to the review for the interim period ended 31 December 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in purple ink that reads 'KPMG'.

KPMG

A handwritten signature in purple ink that reads 'T. Gilerman'.

Tanya Gilerman
Partner

Sydney
23 February 2009

Consolidated Interim Income Statement

Multiplex Prime Property Fund

For the half year ended 31 December 2008

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	Note	Consolidated Six months ended 31 December 2008 \$'000	Six months ended 31 December 2007 \$'000
Revenue			
Share of net profit of investments accounted for using the equity method		3,152	53,567
Property rental income		8,395	4,293
Distribution income from listed property trusts		520	2,871
Net gain on disposal of listed property trusts		–	1,154
Interest income		113	3,492
Net gain on revaluation of investment property	7	–	1,100
Total revenue and other income		12,180	66,477
Expenses			
Property expenses		1,107	535
Impairment expense	8	8,965	–
Finance costs to external parties		18,738	17,664
Net loss on disposal of listed property trusts		4,643	–
Net loss on revaluation of investment property	7	15,000	–
Management fees		1,368	1,474
Other expenses		366	198
Total expenses		50,187	19,871
Net (loss)/profit		(38,007)	46,606
Earnings per unit			
Basic and diluted earnings per ordinary unit (cents)		(13.5)	16.5

The Income Statement should be read in conjunction with the Notes to the Financial Statements.

Consolidated Interim Balance Sheet

Multiplex Prime Property Fund

As at 31 December 2008

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	Note	Consolidated 31 December 2008 \$'000	30 June 2008 \$'000
Assets			
Current assets			
Cash and cash equivalents		1,308	3,485
Trade and other receivables		1,243	4,217
Total current assets		2,551	7,702
Non-current assets			
Investment properties	7	196,600	211,600
Investments – available for sale	8	4,621	19,303
Investments accounted for using the equity method		428,260	429,360
Trade and other receivables		104,156	92,153
Fair value of financial derivatives		–	27,400
Total non-current assets		733,637	779,816
Total assets		736,188	787,518
Liabilities			
Current liabilities			
Trade and other payables		12,419	2,468
Distribution payable		–	3,387
Total current liabilities		12,419	5,855
Non-current liabilities			
Interest bearing liabilities	9	520,162	522,766
Fair value of financial derivatives		51,240	–
Total non-current liabilities		571,402	522,766
Total liabilities		583,821	528,621
Net assets		152,367	258,897
Equity			
Units on issue		252,839	240,837
Reserves		(55,993)	21,714
Undistributed losses		(44,479)	(3,654)
Total equity		152,367	258,897

The Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

Consolidated Interim Statement of Changes in Equity

Multiplex Prime Property Fund

For the half year ended 31 December 2008

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		Consolidated Six months ended 31 December 2008 \$'000	Six months ended 31 December 2007 \$'000
	Note		
Opening equity		258,897	303,351
Movement in units on issue			
Equity receivable		12,002	2,694
Movement in hedge reserve			
Fair value movement in financial derivatives		(77,707)	8,357
Movement in available for sale reserve			
Fair value movement in listed investments	8	(13,205)	(19,963)
Net change in fair value of available for sale investments recognised as impairment expense	8	13,205	–
Movement in undistributed (losses)/income			
Net (loss)/profit		(38,007)	46,606
Distributions paid or payable	6	(2,818)	(6,762)
Closing equity		152,367	334,283

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Consolidated Interim Cash Flow Statement

Multiplex Prime Property Fund

For the half year ended 31 December 2008

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	Note	Six months ended 31 December 2008 \$'000	Consolidated Six months ended 31 December 2007 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations		8,361	9,150
Cash payments in the course of operations		(1,176)	(3,721)
Interest received		99	3,473
Financing costs paid		(17,688)	(16,417)
Net cash flows used in operating activities		(10,404)	(7,515)
Cash flows from investing activities			
Payments for purchase of investments in listed property trusts		–	(9,182)
Proceeds from sale of investments in listed property trusts		1,074	9,413
Loans to related parties		–	(15,719)
Loans from related parties		8,387	–
Distributions received from investments in listed property trusts		1,251	3,099
Distributions received from investments accounted for using the equity method		6,713	11,220
Net cash flows from/(used in) investing activities		17,425	(1,169)
Cash flows from financing activities			
Proceeds from interest bearing liabilities	9	–	15,719
Repayments of interest bearing liabilities	9	(3,000)	–
Distributions paid	6	(6,199)	(6,630)
Net cash flows (used in)/from financing activities		(9,199)	9,089
Net (decrease)/increase in cash and cash equivalents		(2,177)	405
Cash and cash equivalents at 1 July		3,485	3,705
Cash and cash equivalents at 31 December		1,308	4,110

The Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements.

Condensed Notes to the Consolidated Interim Financial Statements continued

Multiplex Prime Property Fund

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For the half year ended 31 December 2008

1 Reporting entity

Multiplex Prime Property Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Multiplex Capital Management Limited, the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated financial statements of the Fund as at and for the six months ended 31 December 2008 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity) and the Consolidated Entity's interest in associates.

2 Basis of preparation

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting*. The consolidated interim financial report does not include all the information required for a full year report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2008.

The financial statements are presented in Australian dollars, which is the Fund's presentation currency. The Fund's functional currency is Australian dollars.

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

3 Significant accounting policies

The accounting policies applied by the Consolidated Entity in this consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report as at and for the year ended 30 June 2008.

4 Segment reporting

The Consolidated Entity operates in a single, primary business and geographical segment, being investment in a portfolio of CBD office assets and listed property trusts.

5 Estimates

The preparation of interim financial reports 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.

Please refer to Note 7, Investment Properties, for further detail on the use of judgments, estimates and assumptions in valuing the Consolidated Entity's investment property portfolio.

6 Distributions

Distributions paid/payable to unitholders were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Ordinary units			
September 2008 distribution	1.00	2,818	31 October 2008
December 2008 distribution	–	–	–
Total distribution for the six months ended 31 December 2008	1.00	2,818	
Ordinary units			
September 2007 distribution	1.20	3,381	31 October 2007
December 2007 distribution	1.20	3,381	31 January 2008
Total distribution for the six months ended 31 December 2007	2.40	6,762	

Condensed Notes to the Consolidated Interim Financial Statements continued

Multiplex Prime Property Fund

For the half year ended 31 December 2008

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7 Investment properties

The Consolidated Entity holds the following categories of investment properties at the reporting date:

Description	Cost including additions \$'000	Consolidated Latest external valuation \$'000	December 2008 book value \$'000	June 2008 book value \$'000
Total commercial investment properties	191,986	196,600	196,600	211,600
Total investment properties	191,986	196,600	196,600	211,600

The Consolidated Entity owns 50% of Latitude Landowning Trust and 25% of Multiplex Development No. 6A Unit Trust. These investments are accounted for using the equity method. The Consolidated Entity holds a proportionate value ownership of the following properties through these associates at the reporting date:

Description	December 2008 book value \$'000	June 2008 book value \$'000
Total commercial investment properties	418,500	428,750
Total investment properties held by associates	418,500	428,750

Independent valuations

The Consolidated Entity's policy is to value properties at each reporting date internally or externally. When internal valuations performed indicate a change in carrying value greater than 5%, or 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, external valuations are obtained. External valuations are obtained at least every 3 years. Generally, all external valuations are adopted as the fair value of the investment property at the relevant reporting date. When internal valuations indicate a change from the carrying value between 2% and 5% the internal valuation is adopted.

The entire property portfolio (including properties held through associates) has been independently valued as at 31 December 2008 by Colliers International (NSW) and CB Richard Ellis (Victoria) in accordance with the Australian Property Institute's Code of Professional Practice 2002. The Directors of the board have been guided by these valuations in assessing the fair value of these properties as at the reporting date.

The external valuations have been undertaken using a discounted cash flow (DCF) 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 rental and forecast net annual cash flows receivable from the properties.

	Consolidated 31 December 2008 \$'000
Reconciliation of the carrying amount of investment properties is set out below:	
Carrying amount as at 1 July 2008	211,600
Net loss from fair value adjustments to investment properties	(15,000)
Carrying amount at end of period	196,600

Condensed Notes to the Consolidated Interim Financial Statements continued Multiplex Prime Property Fund

For the half year ended 31 December 2008

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	Consolidated 31 December 2008 \$'000	30 June 2008 \$'000
8 Investments – available for sale		
Cost of investments – listed property trusts	58,304	64,021
Impairment – listed property trusts	(53,683)	(44,718)
Total investment properties – available for sale	4,621	19,303
		Consolidated 31 December 2008 \$'000
Reconciliation of the carrying amount of impairment is set out below:		
Carrying amount as at 1 July 2008		(44,718)
Reduction of impairment balance due to disposal of investments	4,240	
Impairment expense recognised in the current period	(13,205)	(8,965)
Carrying amount at end of period		(53,683)

Impairment

The Responsible Entity has determined there is objective evidence at the date of this report that the value of the Consolidated Entity's listed property trust portfolio is impaired. This determination has arisen due to the significant and prolonged decline in value of listed property trusts during the period. As such, any declines in value recognised in the available for sale reserve have been recognised directly in the income statement. The net impairment expense recorded in the income statement, after the reduction of impairment balance due to disposed securities as shown above, is \$8,965,000. No impairment loss was recognised during the half year ended 31 December 2007.

Condensed Notes to the Consolidated Interim Financial Statements continued Multiplex Prime Property Fund

For the half year ended 31 December 2008

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		Consolidated 31 December 2008 \$'000	30 June 2008 \$'000
9 Interest bearing liabilities			
Non current			
Secured bank debt		522,514	525,514
Debt establishment fees		(2,352)	(2,748)
Total interest bearing liabilities		520,162	522,766
	Expiry Date	Consolidated 31 December 2008 \$'000	30 June 2008 \$'000
Finance arrangements			
Facilities available			
Bank debt facilities			
- Term facility	December 2011	420,000	420,000
- Partly paid facility	December 2011	112,800	112,800
Total interest bearing liabilities		532,800	532,800
Less: facilities utilised			
- Term facility		409,714	412,714
- Partly paid facility		112,800	112,800
Total facilities utilised		522,514	525,514
Unused facilities at reporting date			
- Term facility		10,286	7,286
- Partly paid facility		-	-
Total facilities utilised		10,286	7,286

The security granted in favour of the banks in support of the obligations under the Term and Partly Paid facilities are limited to the assets and income of the Fund and include real property mortgages over the relevant properties. Security for the Partly Paid Facility also includes a fixed charge over the Fund's right to receive the Final Instalment of equity in accordance with the terms of the Constitution.

The Fund has two financial covenants on each of the two facilities, an interest coverage ratio (ICR) and a loan to value ratio (LVR). At 31 December 2008, the Fund was in compliance with both financial covenants on both of the debt facilities. The LVR limit on the term facility states that the total borrowing on the term facility must not exceed the sum of 67.5% of the value of investment properties (including investment properties held through associates) and 50% of the value of the A-REIT portfolio. The term facility limit based on actual results at 31 December 2008 indicates that the total value based on the above criteria exceeds the borrowing on the term facility by \$7,789,386. The LVR limit on the partly paid facility is 85.0% and the LVR based on actual results at 31 December 2008 is 84.3%. Should property and available for sale asset values continue to fall at 30 June 2009 the Fund may be in breach of its LVR covenants.

A repayment of \$3,000,000 was made on 29 December 2008 from the proceeds received from the sale of holdings in the listed property trust portfolio to reduce the total value of debt drawn. The Fund continues to monitor its covenants on a regular basis for compliance. The Fund is exploring a range of alternative solutions as a part of the ongoing monitoring of the debt covenants.

Condensed Notes to the Consolidated Interim Financial Statements continued Multiplex Prime Property Fund

For the half year ended 31 December 2008

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	Six months ended 31 December 2008 \$'000	Six months ended 31 December 2008 Units	Six months ended 31 December 2007 \$'000	Six months ended 31 December 2007 Units
10 Units on issue				
Units on issue				
Opening balance	240,837	281,764,877	237,395	281,764,877
Equity receivable	12,002	—	2,694	—
Closing balance	252,839	281,764,877	240,089	281,764,877

11 Related parties

There have been no significant changes to the related party transactions disclosed in the annual report for the year ended 30 June 2008.

12 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2008 (30 June 2008: nil).

13 Capital and other commitments

At 31 December 2008, the Consolidated Entity had a commitment of \$1,015,000 related to works to be performed on the Defence Plaza property as required under the lease agreement. \$485,000 of this amount is held in escrow. These works are expected to be completed by August 2009. The Consolidated Entity had no capital or other commitments at 30 June 2008.

14 Events subsequent to the reporting date

The fair value of the Consolidated Entity's listed property trust portfolio at close of business on the business day immediately prior to the date the financial statements were approved was \$3,296,314, which represents a change of \$1,324,897 from the fair value at 31 December 2008. The financial statements have not been amended to reflect this change in fair value. Had the financial statements been amended, the impact would have been to increase impairment expense and decrease available for sale assets by \$1,324,897.

Other than the matter disclosed above, there are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

Directors' Declaration

Multiplex Prime Property Fund

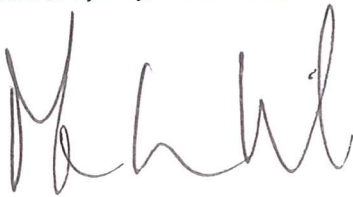
For the half year ended 31 December 2008

In the opinion of the Directors of Brookfield Multiplex Capital Management Limited, the Responsible Entity of Multiplex Prime Property Fund:

- a The consolidated interim financial statements and notes, set out in pages 7 to 15, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2008 and of its performance for the six month period ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- b There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Brookfield Multiplex Capital Management Limited.

Dated at Sydney, this 23rd day of February 2009.



Mark Wilson

Director

Brookfield Multiplex Capital Management Limited



Independent auditor's review report to the unitholders of Multiplex Prime Property Fund

Report on the financial report

We have reviewed the accompanying interim financial report of Multiplex Prime Property Fund (the "Fund"), which comprises the interim balance sheet as at 31 December 2008, income statement, statement of changes in equity and cash flow statement for the interim period ended on that date, a statement of accounting policies, other explanatory notes 1 to 14 and the directors' declaration of the Consolidated Entity comprising the Fund and the entities it controlled at the interim period's end or from time to time during the interim period.

Directors' responsibility for the financial report

The directors of Brookfield Multiplex Capital Management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports 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 interim 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 31 December 2008 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Multiplex Prime Property Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Multiplex Prime Property Fund 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 31 December 2008 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Tanya Gilerman
Partner

Sydney
23 February 2009