

19 November 2012

Dear Unitholder

RE Wind up of Multiplex New Zealand Property Fund (Fund)

Further to previous correspondence regarding your decision to continue to remain invested or dispose of units in the Fund, we wish to inform you of the responsible entity's decision to wind up the Fund.

This update also reports on the sale of the AIA Building and **an interim distribution of five cents per unit** to be paid on 20 November 2012.

Election results

Unitholders representing over 88% of units on issue elected to exit the Fund.

Unitholders representing 2% have expressly opted to remain invested in the Fund and those representing the balance of 10% have not responded and are therefore deemed to have opted to remain invested in the Fund.

Decision to wind up the Fund

The election results indicate that the majority of Unitholders do not wish to remain invested in the Fund.

Brookfield Capital Management Limited (BCML), as responsible entity of the Fund, has carefully considered the options available to the Fund including the sale of units and the sale of all or some of the assets to facilitate the withdrawal of Unitholders. It has been decided that it is in the best interests of Unitholders, and in particular will maximise the value that can be returned to all Unitholders, for the Fund to be wound up.

Timing and process for winding up

In accordance with the Fund's Constitution BCML has determined to wind up the Fund.

BCML will now proceed with winding up the Fund, which consists of selling assets, deducting costs and then distributing the balance to Unitholders. In this regard, BCML is currently in the process of appointing appropriately qualified advisors to conduct the sale of the Fund's assets.

As communicated previously, it may take a number of years to realise the assets at values which BCML considers to be in the best interests of Unitholders. The Fund's debt facility requires repayment of the facility prior to any further distributions being made to Unitholders.

BCML will provide updates to Unitholders as the sale of the Fund's properties progresses. It is not possible to predict when the sale process will be completed and when future distributions will be paid beyond the interim distribution payment.

Interim distribution

An interim distribution of five cents per unit will be made to all Unitholders on 20 November 2012.

Sale of AIA Building

The AIA Building, Auckland was sold for NZ\$25 million with net proceeds being used to retire debt and fund the interim distribution to Unitholders.

Based on the Fund's portfolio values as at 30 June 2012, post the sale of the AIA Building and interim distribution of five cents per unit, the current Fund net assets is approximately 51 cents per unit. Cash reserves will be utilised for capital expenditure relevant to the properties and meeting Fund expenses. A summary of the Fund's adjusted balance sheet is included in Appendix A.

BCML will continue to update Unitholders with further information in the future.

Regards

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Appendix A

Multiplex New Zealand Property Fund - Proforma Balance Sheet

	Consolidated Proforma Positions	Adjustments	Consolidated Proforma Positions	Notes
	31 October 2012		Post sale of AIA and Distribution	1
	\$'000	\$'000	\$'000	
Assets				
Current assets				
Cash and cash equivalents	15,541	(5,760)	9,781	2 & 3
Trade and other receivables	507	-	507	
Total current assets	16,048	(5,760)	10,288	
Non-current assets				
Investment properties	255,860	(21,384)	234,476	2
Total non-current assets	255,860	(21,384)	234,476	
Total assets	271,908	(27,144)	244,764	
Liabilities				
Current liabilities				
Trade and other payables	12,629	-	12,629	2
Estimated asset selling / wind up costs	-	4,690	4,690	4
Total current liabilities	12,629	4,690	17,319	
Non-current liabilities				
Interest bearing liabilities	118,122	(14,616)	103,506	2
Deferred tax liability	12,702	(443)	12,259	5
Total non-current liabilities	130,824	(15,059)	115,765	
Total liabilities	143,453	(10,369)	133,084	
Net assets	128,455	(16,775)	111,680	

Assumptions

- 1) The opening proforma position presented in the table above represents unaudited 31 October 2012 positions adjusted to reflect certain known and expected balances as the date of this letter. Adjusting positions have been retranslated at the 31 October 2012 NZD/AUD spot rate, where applicable.
- 2) Sale of the AIA Building for gross proceeds of NZ\$25.0 million. Net proceeds were used to retire debt and in part fund the distribution to unitholders.
- 3) An interim distribution of five cents per unit will be made to all unitholders on 20 November 2012.
- 4) Costs associated with realising the assets and wind up of the Fund have been estimated at 2% of the gross asset values.
- 5) The deferred tax positions above have been presented net, adjusted for the impact of the sale of AIA Building.