



Multiplex Prime Property Fund

2008 Full Year Results

28 August 2008

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Agenda

- Review of operations
- 2008 full year results summary
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- A-REIT portfolio summary
- A-REIT portfolio update
- Capital management
- Brookfield Asset Management
- Fund snapshot as at 30 June 2008
- Distribution guidance for FY09
- Future strategy
- Outlook



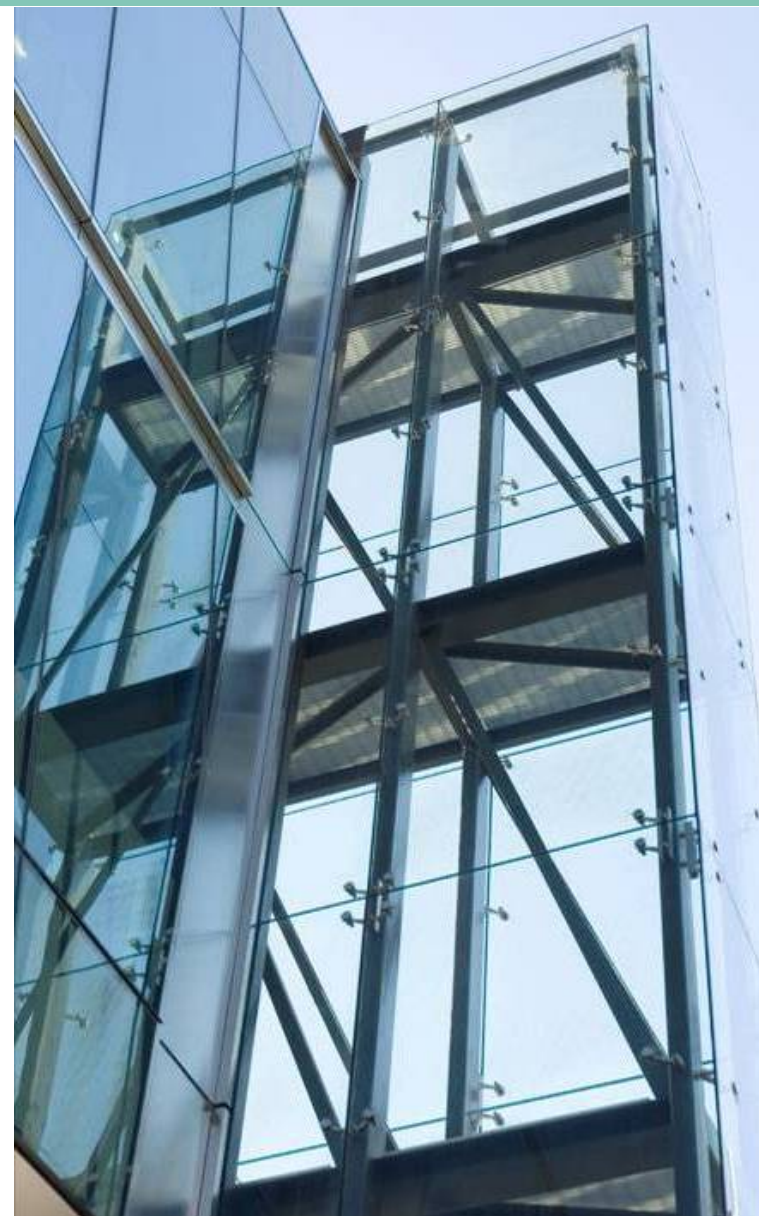
- Net loss of \$37.0 million for the year (post impairment losses recorded on the A-REIT Portfolio)
- Distributions of \$13.5 million for the year, equivalent to 4.80 cpu (in line with PDS forecast)
- Total net revaluation gains of \$2.5 million recorded on the property portfolio (including equity accounted investments)
- The American Express Building reached practical completion in December 2007 and settled in January 2008
- Portfolio occupancy increased to 100%
- Rent reviews completed over 92% of portfolio at an average increase of 4.1%
- Value of the A-REIT portfolio closed at \$19.3 million (\$68.9 million as at 30 June 2007)
- NTA per unit of \$0.59 as at 30 June 2008 (\$0.76 as at 30 June 2007)
- Total Fund return of -23.0% for the year to 30 June 2008, compared with the S&P/ASX 300 A-REIT Index return of -37.7%

2008 full year results summary

- Net loss - \$37.0 million*
- Normalised profit - \$4.8 million
- Distributable income - \$9.0 million
- NTA - \$0.59 per unit (down 22.4% from pcp)
- EPU – (13.14 cpu)
- DPU – 4.80 cpu (in line with PDS forecast)
- Gearing (total debt/total assets)
 - 59.0% (excluding Partly Paid Facility**)
 - 75.2% (including Partly Paid Facility)

*Includes \$44.7 million in impairment losses, \$2.5 million of fair value gains and \$0.4 million in other one off items.

**Partly Paid Facility is equivalent to the Final Instalment of \$0.40 per unit



Income Statement – full year 30 June 2008

Revenue	30 June 2008 \$'000	30 June 2007 \$'000
Share of net profit of investments accounted for using the equity method	21,225	72,517
Property rental income	12,675	6,972
Net gain from fair value adjustment of investment property	6,614	13,000
Distribution income	4,257	5,359
Gain on disposal of listed property securities	1,153	-
Interest income	3,652	4,366
Other income	63	279
Total Revenues	49,639	102,493
Expenses		
Property expenses	1,811	1,056
Finance costs to external parties	36,248	31,247
Impairment expense	44,718	-
Responsible entity fees	2,983	2,640
Establishment fees	-	6,093
Other expenses	913	264
Total Expenses	86,673	41,300
Net Profit	(37,034)	61,193

Balance Sheet – as at 30 June 2008

Assets	30 June 2008 \$'000	30 June 2007 \$'000
Cash	3,485	3,705
Receivables	96,370	182,401
Investments – property portfolio*	640,960	513,714
Investments – A-REIT portfolio	19,303	68,883
Other	27,400	20,809
Total assets	787,518	789,512
Liabilities		
Debt	522,766	476,374
Other	5,855	9,787
Total liabilities	528,621	486,161
Net assets	258,897	303,351
Equity		
Units on issue	240,837	237,395
Reserves	21,714	19,051
Undistributed income	(3,654)	46,905
Total equity	258,897	303,351
Net tangible assets per unit	\$0.59	\$0.76

* Including net assets from equity accounted investments

2008 full year normalised results

	30 June 2008 Actual \$m	30 June 2008 PDS forecast \$m	Variance \$m
Net profit	(37.0)	5.7	(42.7)
Adjust for:			
Revaluation gains on property portfolio	(2.5)	-	(2.5)
Impairment loss on A-REIT portfolio	44.7	-	44.7
Gain on sale of listed property securities	(1.2)	-	(1.2)
Other	0.8	-	0.8
Normalised profit	4.8	5.7	(0.9)
Adjust for:			
Amortisation	2.7	2.7	-
Management fee deferral	1.5	0.6	0.9
Distributable cash	9.0	9.0	-
Distribution paid/payable	(13.5)	(13.5)	-
Capital top-up	4.5	4.5	-
DPU (cents)	4.80	4.80	-
Normalised EPU (cents)	1.71	2.01	(0.30)

Property portfolio summary

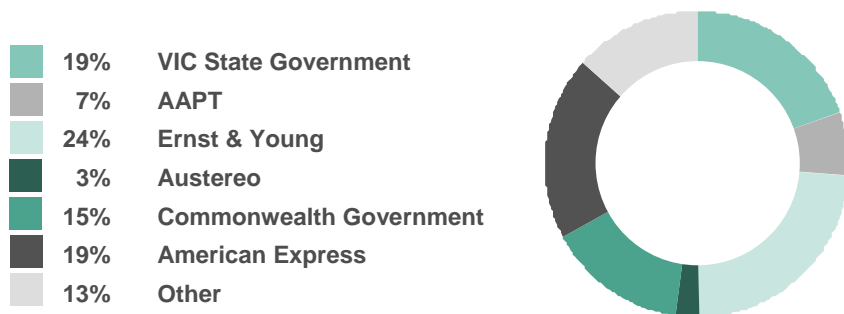
Property	Fund Interest %	Valuation date	Valuation \$m	Cap Rate %	Increase/ (Decrease) from Dec 07 valuations %	Portfolio allocation %
Ernst & Young Centre, Sydney	50	Jun 08	290.0	6.25	(12.1)	45.3
Southern Cross Tower, Melbourne	25	Jun 08*	138.75	n/a	(3.5)	21.7
Defence Plaza, Melbourne	100	Jun 08	74.6	7.25	(8.0)	11.6
American Express Building, Sydney	100	Jun 08	137.0	6.00	(9.9)	21.4
Total			640.35	6.20	(9.4)	100.0

* Directors' valuation

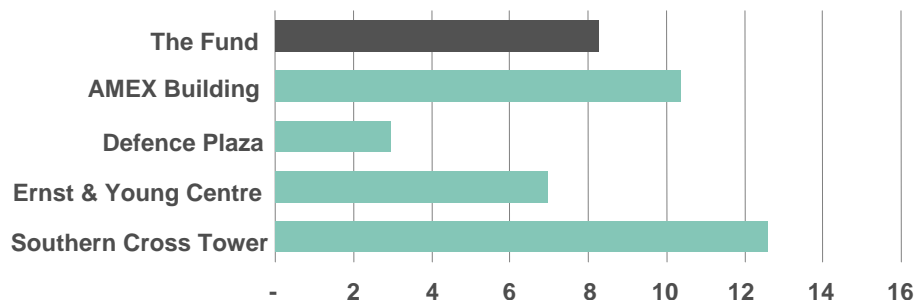
- Portfolio weighted average cap rate increased 65bp from 5.55% in December 2007 to 6.20%
- Carrying value of portfolio decreased 9.4% from December 2007 to \$640.4 million as at 30 June 2008
- The American Express Building at Sydney's King Street Wharf reached practical completion on schedule in December 2007
- The American Express Building has since been revalued to \$137.0 million as at 30 June 2008, representing a 9.8% uplift on purchase price

Property portfolio summary

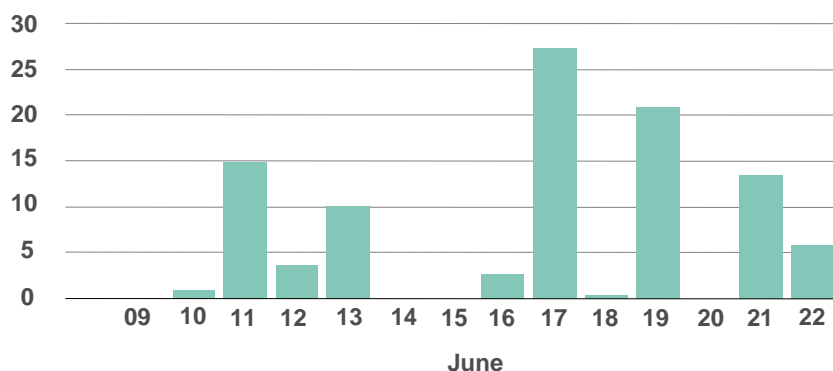
Tenant Split by Income



Weighted Average Lease Expiry (Years)



Lease Expiry Profile by Income (%)



- Portfolio weighted average lease expiry 8.3 years
- Portfolio occupancy at 100%
- Less than 5% of leases expire prior to FY11
- 80% of portfolio subject to fixed rent reviews between 3.50% and 4.75% per annum

Significant portfolio events

- Total net revaluation gains of \$2.5 million recorded on the property portfolio
- Leases executed at the American Express Building take portfolio to full occupancy
- Rent reviews completed over 167,000sqm or 92% of the portfolio, generating an average increase of 4.1% from previous passing rentals
- Completion and subsequent settlement of the American Express Building in January 2008



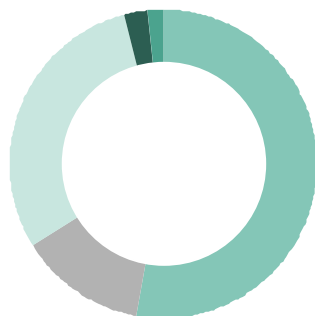
A-REIT portfolio summary

Listed Investments	Location	Sector	Investment Allocation (%)	Value at Market \$m	Purchase Price \$m	Increase/ (Decrease) (%)
Abacus Property Group	Australia	Diversified	14.1	2.7	3.7	(27.3)
APN/UKA European Retail Trust	Europe	Retail	10.3	2.0	8.7	(77.3)
Centro Retail Trust	US	Retail	7.7	1.5	8.3	(82.1)
Challenger Diversified Property Trust	Australia	Diversified	4.5	0.9	1.5	(41.7)
ING Real Estate Community Living Fund	Aust/NZ/US	Other	12.8	2.5	7.1	(65.3)
Macquarie Countrywide Trust	Aust/NZ/US	Retail	5.6	1.1	2.3	(53.4)
Macquarie DDR Trust	US	Retail	6.9	1.3	3.9	(67.9)
Macquarie Office Trust	Aust/US	Office	17.9	3.4	6.2	(45.1)
Mirvac Industrial Trust	US	Industrial	5.4	1.0	4.5	(78.9)
Reckson New York Property Trust	US	Office	7.7	1.5	5.7	(74.1)
Rubicon Europe Trust Group	Europe	Office	3.2	0.6	6.2	(90.1)
Rubicon Japan Trust	Japan	Diversified	2.4	0.5	5.1	(90.7)
Valad Property Group	Australia	Diversified	1.5	0.3	0.7	(59.4)
Total			100	19.3	63.9	(69.8)

A-REIT portfolio summary

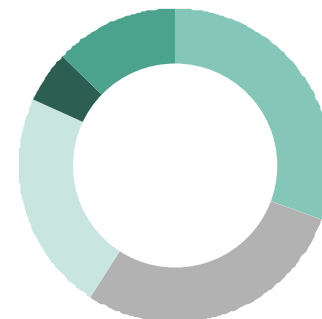
Geographic Diversification

53%	USA
13%	Europe
30%	Australia
2%	Japan
2%	New Zealand



Sector Diversification

31%	Retail
28%	Office
23%	Diversified
5%	Industrial
13%	Other



Top Five Managers by Funds Invested

30%	Macquarie
6%	Rubicon
10%	APN
13%	ING
8%	Centro
33%	Other



- Portfolio closed with market value of \$19.3 million, representing 69.8% unrealised loss on cost
- An impairment loss of \$44.7 million has been recorded in the income statement due to the prolonged decline in the A-REIT sector from October last year
- The impairment loss represents the difference between the market value as at 30 June 2008 and the portfolio's original cost base
- The impairment loss is a **non-cash** item which has been added back to arrive at the Fund's distributable income
- Total distributions of \$4.3 million received on the A-REIT portfolio (blended annualised yield of 6.7%), which is circa 25% less than the PDS forecast
- \$3.1 million in distributions forecast for FY09 due to further distribution downgrades announced by the Fund's investments
- Strategy to maintain composition of the A-REIT portfolio in the medium term



- Fund gearing (total debt/total assets)
 - 59.0% excluding Partly Paid Facility
 - 75.2% including Partly Paid Facility
- Interest rate management
 - 99% of interest expense hedged at base rate of 5.68% (excl margin) until June 2011 (mark to market \$27.4 million)
- Debt profile
 - Both the Term and Partly Paid debt facilities have a weighted duration of 3.5 years (expiry in December 2011)

- Brookfield Asset Management (BAM) focuses on property, power and infrastructure assets
- Listed on Toronto, New York and Euronext stock exchanges
- Total Assets Under Management US \$95 billion; real estate portfolio: US \$40 billion
- More than 10,000 employees in the Americas, Europe and Australasia, including 380 investment professionals
- Brookfield Multiplex (ultimately BAM) investment interest in the Fund
 - 100% ownership of Fund's Responsible Entity
 - 21.6% ownership of Fund's units
- Complementary strategy with Brookfield Multiplex Capital
 - Expertise in real estate investment
 - Extends geographic footprint

Fund snapshot as at 30 June 2008

Market capitalisation	\$125.4 million
Funds under management	\$695.4 million
Net tangible asset (NTA) per unit	\$0.59
Portfolio occupancy	100%
Portfolio weighted average lease term	8.3 years
Portfolio weighted average capitalisation rate	6.20%
FY08 yield on \$0.445 closing price at 4.80cpu distribution	10.8%
S&P/ASX 300 A-REIT Index yield	8.7%
ASX daily trading volumes	75,000 per day
Distributions paid	Quarterly
Tax advantaged status	Forecast 100%
Fund gearing (excluding Partly Paid Facility)	59.0%
Fund gearing (total debt/total assets)	75.2%
Loan to valuation ratio (LVR)	62.1%
Management fee	0.40% per annum of gross assets

- Due to the forecast loss of income on the A-REIT portfolio for FY09, the Manager has revised the Fund's forecast distribution for the 2009 financial year
- The Manager believes it is prudent to lower the Fund's distributions to preserve the capital position of the Fund
- The estimated forecast distribution for the 2009 financial year is 4.00 cents per unit (or 1.00 cent per unit per quarter), a decrease of 16.7% from the current rate of 4.80 cents per unit
- The distribution is still forecast to be 100% tax deferred

- Maintain composition of existing property portfolio to:
 - Derive stable income streams
 - Provide high tax deferred distributions
- Portfolio income remains secure:
 - 80% of income subject to fixed rent reviews between 3.50% and 4.75% per annum
 - No major lease expiry until FY11
- Maintain conservative debt position
 - Reduce reliance on debt facilities to fund a component of distributions





Property market outlook

- Capital values forecast to fall further in the next 6-12 months
- Supply conditions remain tight for Sydney and Melbourne
- Forecast rental growth to slow, but remain positive

Macro economic conditions

- Domestic GDP growth to slow to <3% per annum
- Interest rate cuts forecast over the next 12 months
- Inflation forecast to trend down averaging 3.2% per annum over 2008 to 2012

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