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Multiplex European Property Fund
(ARSN 124 527 206)

Brookfield Multiplex Capital Management Limited
(ABN 32 094 936 866)

ASX Announcement

27 August 2009

MULTIPLEX EUROPEAN PROPERTY FUND (ASX CODE: MUE)
2009 ANNUAL RESULTS ANNOUNCEMENT
3% INCREASE IN NORMALISED EARNINGS; 18% INCREASE IN NET PROPERTY INCOME

Brookfield Multiplex Capital Management Limited (BMCML), the Responsible Entity of Multiplex European Property Fund (Fund), today announces a net loss of $148.9 million for the year ended 30 June 2009. The result includes $115.1 million valuation decrement on the property portfolio and $58.8 million in fair value adjustments on the Fund's derivative instruments, both of which are non-cash items. Normalised net profit after tax for the year was $21.2 million.

Some of the significant events for the Fund during the year are as follows:

- total revenue and other income was $54.1 million;
- net loss after tax attributable to unitholders, including fair value adjustments to the carrying value of investment properties and financial derivatives, totalled $148.9 million;
- annualised normalised earnings per unit (EPU) of 8.56 cents is in line with the Fund's budgets and forecasts;
- distributions paid or payable per unit (DPU) of 5.00 cents is in line with the Fund's previous guidance;
- Net Tangible Assets (NTA) per unit at 30 June 2009 of $0.26 compared to 30 June 2008 of $0.82;
- the Fund remains in compliance with all debt covenants during the year and at today's date; and
- the portfolio weighted average lease expiry (by income) remains strong at 7.5 years.

Property portfolio
The property portfolio was independently valued at 30 June 2009 at €281.2 million. This reflected a downward movement of approximately €58.8 million on the 30 June 2008 valuation of €340.0 million as capitalisation rates and market rents continue to change amidst the economic downturn.

The portfolio's weighted average capitalisation rate increased by 117bps during the past year with larger increases recorded on some assets. In particular, revisions to market rents and rental growth factors had a significant impact on the portfolio's valuation with the Estimated Rental Value (ERV is a market rent comparison) decreasing by approximately 7% across the portfolio during the year.

The majority of the revaluation decrement was recorded in the period from July 2008 to December 2008, resulting in the portfolio declining from €340.0 million to €298.1 million. During the past six months the speed of decline has slowed as some positive signs have emerged from the German and European economy.

The weighted average lease expiry (by income) of 7.5 years remains one of the longest in the A-REIT sector. One of the Fund's strongest features is its high quality portfolio of major national and multi-national tenants who contribute approximately 75% of the Fund's net property income.

Debt and Hedging
The Fund has maintained its hedging strategy during the year, and has hedged the following until April 2014:

- 100% of interest rate exposure on the term facility at an all-in rate of 4.48% per annum
- 100% of invested equity at an exchange rate of $AUD1 = €0.5922
- Approximately 90% of distributable income (based on 8.50 cents per unit distribution) from the Initial Portfolio at an exchange rate of $AUD1 = €0.5476

The Fund also has in place a fully drawn term facility with Eurohypo AG which expires in April 2014. No part of that facility is due to be refinanced before expiry. At balance date, the Fund's gearing stands at 82% at the relevant borrowing level. At a Fund level, gearing stands at 78%. These measures are below the loan to value ratio required by Eurohypo AG of 95%.

The Fund's overall cost of finance on the term facility (4.48% fully hedged) remains extremely competitive in today's market even though official cash rates and reference rates have decreased in Europe during the year. Offsetting this decrease has been the upward pressure on credit margins imposed by financiers, reflecting both the scarcity of available credit and their renewed risk appetite for real estate financing.

Economic Outlook
There is currently mixed commentary surrounding where the European economies are in their economic cycles. Some commentators point to the bottoming out of industrial orders in February 2009 as signs that economic recovery is now emerging whilst others point to the continued nationalisation of the banking sector and fiscal stimulus as signs that there is more bad news to come. Within Germany, what is clear is that recovery will be slow despite the recent increase in private consumption statistics.

Looking to the year ahead, the German budget is likely to fall further into deficit as the Government tries to stimulate demand and continues with its policy of wage subsidies to limit unemployment. Interest rates are forecast to remain low (currently 1%) and there may be some unorthodox policy measures to increase money supply (possibly fuelling inflation).

Distribution policy
BMCML reaffirms that unitholders will continue to receive the current level of distributions (2.50 cents per unit on an annualised basis) for the remainder of 2009 provided that the operational performance of the Fund does not change during this time.

Distribution guidance for 2010 will be provided in the Fund's 2010 Interim Results which will be released to the market on or around 25 February 2010.

Further information in relation to the Fund's annual results can be found in the Results Presentation also lodged with the ASX today.

For more information please contact:

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About the Fund
Multiplex European Property Fund is a listed property trust that aims to offer investors attractive income distributions and the potential for capital growth over the medium to long term through a stable and diversified property portfolio in Europe.

The Fund currently owns a 94.9% interest in 67 properties located throughout Germany. The properties are diversified by asset class, tenant and geographical location.