

Multiplex European Property Fund
(ARSN 124 527 206)Brookfield Multiplex Capital Management Limited
(ABN 32 094 936 866)

ASX Announcement

17 December 2008

Multiplex European Property Fund (ASX: MUE) December 2008 Quarterly Distribution and Fund Update

The Directors of Brookfield Multiplex Capital Management Limited (BMCML), as Responsible Entity for Multiplex European Property Fund (Fund) announce the distribution details for the quarter ended 31 December 2008 and provide a Fund update to investors.

The key messages of the announcement are as follows:

- cash distribution of 1.875 cents per unit for the December 2008 quarter as previously announced to investors will be paid on or around 30 January 2009;
- the Fund's Term Facility does not require refinancing until April 2014 and the Fund is in compliance with covenant limits;
- the distribution policy has been revised and subject to market conditions at the time, an estimated distribution of 0.625 cents per unit is provided for each of the March and June 2009 quarters;
- BMCML is currently exploring various alternatives to strengthen the Fund's capital position. BMCML expects to provide investors with an update on these alternatives in the first half of 2009.

Current Distribution (December 2008 quarter)

ASX code	MUE
Estimated distribution rate (cents per unit)	1.875
Ex-distribution date	Tuesday, 23 December 2008
Record date	Wednesday, 31 December 2008
Payment date (approximately)	Friday, 30 January 2009

Debt and Financial Covenant Update

Based on the current portfolio valuation, the Fund is well within its covenant requirements of a 95% loan-to-value ratio (LVR).

The Fund has in place a fully drawn Term Facility with Eurohypo AG that expires in April 2014, with no part of this facility due to be refinanced before this date. In addition, the Fund 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 net invested equity at an exchange rate of AUD\$1 = €0.5922
- Approximately 90% of income from the Fund's initial property portfolio at an exchange rate of AUD\$1 = €0.5476

Management Fee Update

The Chairman's letter dated 14 June 2007 foreshadowed changes to the German tax system which came into effect earlier this year. It also detailed an arrangement whereby BMCML would waive a portion of its management fees on account of unitholders being adversely affected by reason of these changes.

As a result, the management fee has reduced from 0.615% to 0.410% and the Fund will continue to be liable for German tax based on the current laws.

BMCML is considering alternatives to address this issue as outlined below.

Revised Distribution Policy and Guidance

BMCML will consider the Fund's net profit after providing for maintenance capital expenditure, the prevailing market conditions and tax considerations, before declaring any distribution for the March and June 2009 quarters.

However, at this time, the estimated distributions are as follows:

Quarter ending 31 March 2009	MUE
<i>Estimated</i> distribution rate (cents per unit)	0.625
Quarter ending 30 June 2009	MUE
<i>Estimated</i> distribution rate (cents per unit)	0.625

The Term Facility is currently fully drawn and with limited prospects of being able to secure other sources of debt in the current (and forecast) global environment, it is considered prudent to move to a position where the Fund can self-finance any property-related works. Previously, it was forecast that the Fund could rely on debt funding to proportionately finance these works. BMCML considers that the reduction in distributions will provide the Fund with a more suitable amount of capital to preserve the value of the portfolio.

Future Direction

In addition to revising the distribution policy, BMCML is considering a number of options available in order to strengthen the Fund's capital position. BMCML expects to be in a position to provide an update to investors in the first half of 2009.

The Board wishes to assure investors that they are committed to the best possible long term outcome for investors in these unprecedented times.

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For more information please contact:

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