

ASX Announcement

28 August 2015

Multiplex European Property Fund (ASX: MUE) Tax Audit of German Partnerships

Brookfield Capital Management Limited (BCML), as Responsible Entity for Multiplex European Property Fund (the Fund), provides the following update to investors in relation to the tax audit of the Fund's wholly owned German partnerships in which the Fund's properties are held.

German tax audit 2004 to 2006

Correspondence has been received from the German tax office indicating that the German partnerships have been successful in the determination that no German Trade Tax should be payable for the 2004 to 2006 years. The assessments issued show that the previous assessments issued in 2012 for amounts of approximately €2 million have been cancelled and that no Trade Tax basis exists for those years. It is expected that final assessments from the City of Munich should issue shortly to complete the process.

German tax audit 2007 to 2010

Final findings for the German tax audit for 2007 to 2010 have been received for all seven German partnerships and assessments have been issued for two of the seven partnerships.

The final findings indicate that in relation to Trade Tax that no place of management was considered to be in existence in Germany in the 2007 to 2010 years. Independent advice is that this conclusion means that no Trade Tax should be payable by any of the partnerships.

Assessments issued to two of the seven partnerships confirm that no Trade Tax basis has been assessed. However, no assessment has as yet been received for the partnership that was subjected to the previous Trade Tax assessment for the 2004 to 2006 years (and which has now been overturned as set out above). As the final findings are subject to further review in the German tax office before assessments are issued there is the possibility that the final findings may be altered before being issued although independent advice is that such course of action is not likely in the present circumstances.

In addition, the final findings and assessments received indicate a liability of approximately €0.1 million (A\$0.15million) for corporate income tax which would be payable by the Fund's subsidiaries who are partners in the partnerships. There is no liability for VAT payable.

Once a final assessment as a result of a tax audit has been issued and the relevant liability paid the German tax office will generally be unable to re-assess or make any further amendments for those years.

Settlement of sale of properties

As previously announced settlement of the sale of the Fund's properties is expected to occur on 12 September 2015 with trading in the Fund's securities on ASX ceasing at close of trading on Monday, 14 September 2015. De-listing of the Fund will take place following settlement of all ASX trades.

Impact on potential returns to investors

In assessing potential returns upon sale of the properties and wind up of the Fund, investors should have regard to all the factors set out in the Notice of Meeting and Explanatory Memorandum previously issued to investors dated 1 July 2015.

Investors will be further updated in due course.

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