

ASX Announcement

22 February 2010

Multiplex European Property Fund (ASX: MUE) 2010 Interim Results

Brookfield Multiplex Capital Management Limited (BMCML), as Responsible Entity for Multiplex European Property Fund (Fund), announces the results for the six month period to 31 December 2009.

The key messages in the financial results of the Fund are as follows:

- a net profit after tax of \$13.4 million for the period ended 31 December 2009;
- normalised earnings (i.e. excluding fair value adjustments on property and financial derivatives) of \$9.5 million, or 3.8 cents per unit for the period;
- Net Tangible Assets (NTA) of \$67 million or \$0.27 per unit;
- NTA excluding the mark-to-market value of the Fund's financial derivatives is \$85.8 million or \$0.35 per unit;
- total property rental income of \$19.8 million for the period ended 31 December 2009;
- €5.6 (\$8.9) million valuation decrement recorded across the Initial Properties to €275.6 million, which represents a decrease of 2% on the 30 June 2009 valuation of €281.2 million;
- portfolio weighted average lease expiry (by income) is 7.0 years;
- the portfolio occupancy remains at 96%;
- distributions paid or payable for the period to investors of \$3.1 million, or 1.25 cents per unit; and
- the Fund remains in compliance with all financing covenants.

Financial Results

The Fund reported a net profit after tax of \$13.4 million, which included a \$8.9 million property valuation decrement and \$13.2 million in financial derivative mark-to-market gains. The normalised net profit after tax of \$9.5 million is in line with expectations.

Property Portfolio

The Initial Properties were independently valued during the period by DTZ International Property Advisors GmbH in Frankfurt. Their valuation of €275.6m as at 31 December 2009 represents a 2% decline from their 30 June 2009 valuation of €281.2m. Importantly, some assets increased in value during the period as market conditions have started to improve.

The portfolio's weighted average initial yield has increased another 19bps to 7.58% representing a peak-to-trough movement of 177bps. The quality of the Fund's tenants and assets, combined with high occupancy and long WALE, has ensured that its normalised financial results have remained consistent since settlement (April 2007), despite significant changes in the Fund's operating environment.

Debt and Hedging

The Fund's debt and hedging arrangements remain unchanged from previous periods. The Fund remains in compliance with all financing covenants.

The Term Facility is fully drawn and no part of the Term Facility is due to be refinanced before expiry in April 2014.

The Fund is currently in compliance with all term facility and financial derivative obligations. Specifically the Fund's Loan to Value Ratio (LVR) is 84% compared to the required LVR covenant limit of 95% and Interest Cover Ratio (ICR) is 2.06x compared to the covenant limit of 1.30x (all figures as reported to Eurohypo AG on 15 January 2010).

Distribution Guidance

The Fund's current distribution policy is to ensure that it is distributing at least its taxable income each year and this will be impacted by the level of realised foreign exchange gains/losses that the Fund makes on the realisation of its existing derivative contracts, either in the ordinary course of business or if terminated early. Whilst this makes forward distribution guidance difficult in periods of high currency volatility, BMCML has endeavoured to provide some reasonable level of guidance to Unitholders for the remainder of FY2010:

Quarter ending 31 March 2010	MUE
<i>Estimated</i> distribution rate (cents per unit)	0.625
Quarter ending 30 June 2010	MUE
<i>Estimated</i> distribution rate (cents per unit)	0.625

The declaration of distributions remains subject to BMCML's assessment of the Fund's operating results, future financial commitments, and operating or market conditions in Europe and Australia.

Further information in relation to the Fund's interim results can be found in the interim results presentation lodged with the ASX today. It is recommended that investors review this document.

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For more information please contact:

David Newling
Head of Direct Property Funds
(02) 9322 2000

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.

Appendix 4D – Additional Disclosure Multiplex European Property Fund

For the period ended 31 December 2009

Name of Fund:	Multiplex European Property Fund (MUE)
Details of reporting period	
Current reporting period:	1 July 2009 to 31 December 2009
Prior corresponding period:	1 July 2008 to 31 December 2008

This Financial Report should be read in conjunction with the Financial Report for the period ended 31 December 2009. It is also recommended that the Financial Report be considered together with any public announcements made by the Fund during the period ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Results for announcement to the market

	Period ended 31 December 2009 \$m	Period ended 31 December 2008 \$m	Change %
Total revenue and other income	36,329	24,249	50
Total expenses	(22,684)	(190,173)	88
Net profit/(loss) attributable to the unitholders of MUE	13,433	(150,611)	109
Property fair value adjustments included in the above Directly held property investments	(8,998)	(85,638)	89
Earnings per unit (cents)	5.4	(61.0)	109

Distributions

Distributions paid/payable to unitholders were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Ordinary units			
September 2009 distribution	0.625	1,543	30 October 2009
December 2009 distribution	0.625	1,543	29 January 2010
Total distribution for the six months ended 31 December 2009	1.250	3,086	
Ordinary units			
September 2008 distribution	1.875	4,630	31 October 2008
December 2008 distribution	1.875	4,630	30 January 2009
Total distribution for the six months ended 31 December 2008	3.750	9,260	

This preliminary final report is given to the ASX in accordance with Listing Rule 4.2.A.

Commentary and analysis of the result for the current period can be found in the attached Multiplex European Property Fund ASX release dated 22 February 2010. This ASX release forms part of the Appendix 4D.

The Fund has a formally constituted Audit Committee of the Board of Directors. The release of the report was approved by resolution of the Board of Directors on 22 February 2010.

Multiplex European Property Fund
Interim financial report
For the half year ended
31 December 2009

Multiplex European Property Fund

ARSN 124 527 206

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Multiplex European Property Fund

For the half year ended 31 December 2009

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Directory

Multiplex European Property Fund

For the half year ended 31 December 2009

Responsible Entity

Brookfield Multiplex Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0) 2 9322 2000
Facsimile: +61 (0) 2 9322 2001

Directors of Brookfield Multiplex Capital Management Limited

F. Allan McDonald
Brian Motteram
Barbara Ward
Brian Kingston
Russell Prutt

Company Secretary of Brookfield Multiplex Capital Management Limited

Neil Olofsson

Registered Office

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0) 2 9322 2000
Facsimile: +61 (0) 2 9322 2001

Custodian

Brookfield Multiplex Funds Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0) 2 9322 2000
Facsimile: +61 (0) 2 9322 2001

Stock Exchange

The Fund is listed on the Australian Securities Exchange (ASX Code: MUE). The Home Exchange is Sydney.

Location of Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Telephone: +61 (0) 2 8280 7100
Facsimile: +61 (0) 2 9287 0303

Auditor

Deloitte Touche Tohmatsu
225 George Street, Grosvenor Place
Sydney NSW 2000
Telephone: + 61 (0) 2 9322 7000
Fax: + 61 (0) 2 9322 7001

Directors' Report

Multiplex European Property Fund

For the half year ended 31 December 2009

Introduction

The Directors of Brookfield Multiplex Capital Management Limited (BMCML) (ABN 32 094 936 866), the Responsible Entity of Multiplex European Property Fund (ARSN 124 527 206) (Fund), present their report together with the financial statements of the Consolidated Entity, being the Fund and its subsidiaries, for the six months ended 31 December 2009 and the Independent Auditor's Review Report thereon.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the financial period:

Name	Capacity
F. Allan McDonald (appointed 1 January 2010)	Non-Executive Independent Chairman
Brian Motteram (Director since 21 February 2007)	Non-Executive Independent Director
Barbara Ward (appointed 1 January 2010)	Non-Executive Independent Director
Brian Kingston (Director since 27 August 2008)	Executive Director
Russell Proutt (appointed 1 January 2010)	Executive Director
Peter Morris (Director since 14 April 2004 – resigned 1 January 2010)	Non-Executive Independent Chairman
Robert McCuaig (Director since 31 March 2004 – resigned 1 January 2010)	Non-Executive Independent Director
Mark Wilson (Director since 27 August 2008 – resigned 1 January 2010)	Executive Director

Principal activities

The principal activity of the Consolidated Entity is the investment in properties in Europe.

Review of operations

The Fund recorded a net profit after tax of \$13,433,000 for the six month period ended 31 December 2009 (2008: net loss after tax: \$150,611,000). The reported net profit after tax includes an unrealised loss of \$8,998,000 on property revaluations.

As communicated to investors in the ASX announcement dated 16 December 2009, the Fund paid a distribution for the quarter ended 31 December 2009. 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 2010 and June 2010 quarters.

An unrealised gain of \$13,215,000 was also recorded by the Fund on account of marking-to-market value the Fund's derivatives. The practice of marking-to-market the Fund's derivatives at each balance date will continue to introduce volatility into the Fund's Statement of Comprehensive Income and Statement of Financial Position. However, these adjustments are non-cash related as the Fund's derivative obligations were fixed at the time of entering into the derivatives in November 2006, and these obligations do not change during the term of the derivative.

Some of the significant events during the period are detailed below.

- property rental income of \$19,772,000 (2008: \$21,677,000);
- total revenue and other income of \$36,329,000 (2008: \$24,249,000);
- net profit after tax of \$13,433,000 (2008: net loss of \$150,611,000)
- earnings per unit (EPU) of 5.4 cents (2008: (61.0) cents);
- distributions to unitholders for the half year ended 31 December 2009 were \$3,086,000 (2008: \$9,260,000) and distributions per unit (DPU) of 1.25 cents per unit (2008: 3.75);
- net assets of \$66,597,000 and NTA of \$0.27 (30 June 2009: \$63,438,000 and NTA of \$0.26); and
- property portfolio value of \$441,676,000 (30 June 2009: \$488,988,000) and unrealised revaluation decrement of \$8,998,000 (2008: \$85,638,000).

Directors' Report

Multiplex European Property Fund

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For the half year ended 31 December 2009

Rounding of amounts

The Fund is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 31 December 2009.

Dated at Sydney this 22nd day of February 2010.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



Russell Prutt

Director

Brookfield Multiplex Capital Management Limited

The Board of Directors
Brookfield Multiplex Capital Management Limited
(as Responsible Entity for Multiplex European Property Fund)
135 King Street
SYDNEY NSW 2000

22 February 2010

Dear Directors

MULTIPLEX EUROPEAN PROPERTY FUND

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Brookfield Multiplex Capital Management Limited as the Responsible Entity for Multiplex European Property Fund.

As lead audit partner for the review of the financial statements of Multiplex European Property Fund for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants

Condensed Consolidated Interim Statement of Comprehensive Income

Multiplex European Property Fund

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For the half year ended 31 December 2009

	Note	Consolidated	
		Six months ended 31 December 2009 \$'000	Six months ended 31 December 2008 \$'000
Revenue and other income			
Property rental income		19,772	21,677
Interest income		2,926	2,458
Net gain on revaluation of financial derivatives		13,215	–
Other income		416	114
Total revenue and other income		36,329	24,249
Expenses			
Property expenses		2,887	1,439
Finance costs to external parties		9,081	9,934
Management fees		982	1,645
Net loss on revaluation of investment property	7	8,998	85,638
Net loss on revaluation of financial derivatives		–	89,776
Other expenses		736	1,741
Total expenses		22,684	190,173
Profit/(loss) before income tax		13,645	(165,924)
Income tax (expense)/benefit		(212)	15,313
Net profit/(loss) after tax		13,433	(150,611)
Other comprehensive income			
Currency translation differences		(7,188)	48,824
Other comprehensive income for the period		(7,188)	48,824
Total comprehensive profit/(loss) for the period		6,245	(101,787)
Net profit/(loss) attributable to ordinary unitholders		13,433	(150,611)
Total comprehensive profit/(loss) attributable to ordinary unitholders		6,245	(101,787)
Earnings per unit			
Basic and diluted earnings per ordinary unit (cents)		5.4	(61.0)

The Condensed Consolidated Interim Statement of Comprehensive Income should be read in conjunction with the Notes to the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

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Multiplex European Property Fund

As at 31 December 2009

	Note	Consolidated 31 December 2009 \$'000	30 June 2009 \$'000
Assets			
Current assets			
Cash and cash equivalents		24,474	18,735
Trade and other receivables		1,671	2,396
Fair value of financial derivatives		847	308
Total current assets		26,992	21,439
Non-current assets			
Investment properties	7	441,676	488,988
Fair value of financial derivatives		1,128	–
Total non-current assets		442,804	488,988
Total assets		469,796	510,427
Liabilities			
Current liabilities			
Trade and other payables		6,752	7,324
Distribution payable	6	1,543	1,543
Provisions		1,203	1,311
Total current liabilities		9,498	10,178
Non-current liabilities			
Interest bearing liabilities	8	369,334	400,619
Deferred income tax liability		40	44
Fair value of financial derivatives		21,124	32,672
Minority interest payable		3,203	3,476
Total non-current liabilities		393,701	436,811
Total liabilities		403,199	446,989
Net assets		66,597	63,438
Equity			
Units on issue	9	227,228	227,228
Reserves		9,167	16,355
Undistributed losses		(169,798)	(180,145)
Total equity		66,597	63,438

The Condensed Consolidated Interim Statement of Financial Position should be read in conjunction with the Notes to the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Changes in Equity

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Multiplex European Property Fund

For the half year ended 31 December 2009

	Attributable to Unitholders of the Fund			
	Ordinary units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000
Opening equity - 1 July 2009	227,228	(180,145)	16,355	63,438
Currency translation differences	–	–	(7,188)	(7,188)
Loss recognised directly in equity	–	–	(7,188)	(7,188)
Net profit for the period	–	13,433	–	13,433
Total comprehensive income/(loss) for the period	–	13,433	(7,188)	6,245
Transactions with unitholders in their capacity as unitholders:				
Distributions paid	–	(3,086)	–	(3,086)
Total transactions with unitholders in their capacity as unitholders	–	(3,086)	–	(3,086)
Closing equity - 31 December 2009	227,228	(169,798)	9,167	66,597

	Attributable to Unitholders of the Fund			
	Ordinary units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000
Opening equity - 1 July 2008	227,228	(18,835)	(5,713)	202,680
Currency translation differences	–	–	48,824	48,824
Profit recognised directly in equity	–	–	48,824	48,824
Net loss for the period	–	(150,611)	–	(150,611)
Total comprehensive (loss)/income for the period	–	(150,611)	48,824	(101,787)
Transactions with unitholders in their capacity as unitholders:				
Distributions paid	–	(9,260)	–	(9,260)
Total transactions with unitholders in their capacity as unitholders	–	(9,260)	–	(9,260)
Closing equity - 31 December 2008	227,228	(178,706)	43,111	91,633

The Condensed Consolidated Interim Statement of Changes in Equity should be read in conjunction with the Notes to the condensed consolidated interim financial statements

Condensed Consolidated Interim Statement of Cash flows

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Multiplex European Property Fund

For the half year ended 31 December 2009

	Consolidated	
	Six months ended 31 December 2009 \$'000	Six months ended 31 December 2008 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	20,101	23,635
Cash payments in the course of operations	(5,149)	(6,160)
Interest received	3,589	2,926
Financing costs paid	(8,492)	(8,808)
Net cash flows from operating activities	10,049	11,593
Cash flows from investing activities		
Payments for purchase of, and additions to, investment properties	(101)	(327)
Net cash flows used in investing activities	(101)	(327)
Cash flows from financing activities		
Distributions paid	(3,086)	(9,821)
Net cash flows used in financing activities	(3,086)	(9,821)
Net increase in cash and cash equivalents	6,862	1,445
Impact of foreign exchange	(1,123)	1,342
Cash and cash equivalents at 1 July	18,735	15,442
Cash and cash equivalents at 31 December	24,474	18,229

The Condensed Consolidated Interim Statement of Cash Flows should be read in conjunction with the Notes to the condensed consolidated interim financial statements.

Condensed Notes to the Consolidated Interim Financial Statements

Multiplex European Property Fund

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For the half year ended 31 December 2009

1 Reporting entity

Multiplex European Property Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Multiplex Capital Management Limited (BMCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated financial statements of the Fund as at and for the six months ended 31 December 2009 comprise the Fund and its subsidiaries (together know as the Consolidated Entity).

2 Basis of preparation

Statement of compliance

The financial report (report) is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting*. The consolidated interim financial report does not include all the information required for a full year report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2009.

The financial statements are presented in Australian dollars, which is the Fund's presentation currency. The Fund's functional currency is Australian dollars, however, the Consolidated Entity is predominantly comprised of operations that are located in Europe. The functional currency of the controlled entities that hold these operations is Euros.

The Fund is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

3 Significant accounting policies

The accounting policies applied in this condensed consolidated interim financial report are the same as those applied in its consolidated financial report as at and for the year ended 30 June 2009 except for the adoption of amendments to the Australian Accounting Standards as of 1 January 2009 noted below.

The presentation of the report has been changed to reflect AASB 101 *Presentation of Financial Statements* as updated by AASB 2007-8 *Amendments to Australian Accounting Standards*. This amendment introduced the Statement of Comprehensive Income which displays components of profit or loss and components of other comprehensive income.

As a result of the amendments to this standard the Consolidated Entity has made the following changes to the primary statements for the half year ended 31 December 2009:

Previous primary statement:	Current primary statement:
Consolidated Interim Income Statement	Condensed Consolidated Interim Statement of Comprehensive Income
Consolidated Interim Balance Sheet	Condensed Consolidated Interim Statement of Financial Position
Consolidated Interim Statement of Changes in Equity	Condensed Consolidated Interim Statement of Changes in Equity
Consolidated Interim Cash flow statement	Condensed Consolidated Interim Statement of Cash flows

The Fund has adopted AASB 8 *Operating Segments* with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Fund that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. Management have identified this function is performed by the Board of Directors of the Responsible Entity (Board). In contrast the predecessor standard (AASB 114 *Segment Reporting*) required an entity to identify two sets of segments using a risks and returns approach. As a result, following adoption of AASB 8, the identification of the Fund's reportable segments has changed.

4 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

Condensed Notes to the Consolidated Interim Financial Statements Multiplex European Property Fund

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For the half year ended 31 December 2009

5 Segment reporting

Management have identified the Chief Operating Decision Maker function is performed by the Board of Directors of the Responsible Entity (Board). The Board assesses the performance of the Fund in its entirety. The allocation of resources is not performed in separate segments by the Board. The Board review and assess the information in relation to the performance of the Fund as set out in the Statement of Comprehensive Income and Statement of Financial Position therefore no further segment reporting is required.

6 Distributions

Distributions paid/payable to unitholders were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Ordinary units			
September 2009 distribution	0.625	1,543	30 October 2009
December 2009 distribution	0.625	1,543	29 January 2010
Total distribution for the six months ended 31 December 2009	1.250	3,086	
Ordinary units			
September 2008 distribution	1.875	4,630	31 October 2008
December 2008 distribution	1.875	4,630	30 January 2009
Total distribution for the six months ended 31 December 2008	3.750	9,260	

7 Investment properties

The Consolidated Entity holds the following categories of investment properties at the reporting date:

Description	Consolidated		
	Latest external valuation \$'000	December 2009 book value \$'000	June 2009 book value \$'000
Total retail investment properties	259,491	259,491	286,912
Total commercial investment properties	47,540	47,540	52,929
Total logistics investment properties	40,041	40,041	44,209
Total nursing home investment properties	94,604	94,604	104,938
Total investment properties	441,676	441,676	488,988

Last valuation in Euro has been converted at the 31 December 2009 exchange rate of €0.6241 to \$1.00. The Euro valuation totals €275,650,000.

Independent valuations

The Consolidated Entity's policy is to value properties at each reporting date internally or externally. When internal valuations performed indicate a change in carrying value greater than 5%, or whenever it is believed that the fair value of a property differs significantly from its carrying value, based on a material change to the assumptions and market conditions underlying the valuation, external valuations are obtained. External valuations are obtained at least every 3 years. Generally, all external valuations are adopted as the fair value of the investment property at the relevant reporting date. When internal valuations indicate a change from the carrying value between 2% and 5% the internal valuation is adopted.

The entire property portfolio has been independently valued at 31 December 2009 by DTZ International Property Advisors. The valuation conducted by DTZ Zadelhoff Tie Leung GmbH has been prepared in accordance with the appropriate sections of the Practice Statements contained within the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Standards, 6th Edition, and in accordance with the relevant sections of the European Valuation Standards prepared by the European Group of Valuers Association (TEGoVA). Both these standards are internationally accepted standards of valuation.

The methodology utilises the principle of the cold multiplier. The cold multiplier is the estimate of market conditions that is multiplied by the gross rent to derive the value of the assets in the German portfolio. The cold multipliers utilised in the 31 December 2009 valuation range from 0 – 13.6.

Condensed Notes to the Consolidated Interim Financial Statements

Multiplex European Property Fund

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For the half year ended 31 December 2009

7 Investment properties continued

Valuations reflect, where appropriate, the type of tenants, future rent reviews and market conditions. Any change in any of these factors could have a significant impact on the value of the Consolidated Entity's property investments. Any gain or loss from a change in fair value is recognised in the Statement of Comprehensive Income. All property acquisition costs in respect of properties acquired are capitalised into the value of the property investments at the time of purchase to reflect the total acquisition cost in the Statement of Financial Position. Additions and other expenditure on property investments which are capital in nature are capitalised as incurred.

	Consolidated 31 December 2009 \$'000
Carrying amount at beginning of period	488,988
Capital expenditure	78
Net loss from fair value adjustments to investment properties	(8,998)
Foreign currency translation exchange adjustment	(38,392)
Carrying amount at end of period	441,676

	Consolidated 31 December 2009 \$'000	30 June 2009 \$'000
8 Interest bearing liabilities		
Non-current		
Secured bank debt	370,774	402,365
Debt establishment fees	(1,440)	(1,746)
Total interest bearing liabilities	369,334	400,619

	Consolidated 31 December 2009 \$'000	30 June 2009 \$'000
Finance arrangements		
Facilities available		
Bank debt facility	370,774	402,365
Less: Facilities utilised	(370,774)	(402,365)
Facilities not utilised	-	-

The bank debt facility consists of a €231,400,000 facility financed by Eurohypo AG. At 31 December 2009, the facility was fully drawn (30 June 2009: fully drawn). The movement in the balance between 30 June 2009 and 31 December 2009 is solely due to changes in foreign exchange rates. The 31 December 2009 debt balance has been translated at the 31 December 2009 foreign exchange rate, or €0.6241 to A\$1.00 (30 June 2009: €0.5751 to A\$1.00).

The Consolidated Entity has granted the lender a first ranking security over its interest in the relevant investment properties.

At 31 December 2009, the Fund was in compliance with its loan covenant ratios.

Condensed Notes to the Consolidated Interim Financial Statements

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Multiplex European Property Fund

For the half year ended 31 December 2009

	Six months ended 31 December 2009 \$'000	Six months ended 31 December 2009 Units	Six months ended 31 December 2008 \$'000	Six months ended 31 December 2008 Units
9 Units on issue				
Opening balance	227,228	246,950,150	227,228	246,950,150
Closing balance	227,228	246,950,150	227,228	246,950,150

10 Related parties

There have been no significant changes to the related party transactions as disclosed in the annual report for the period ended 30 June 2009.

11 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2009 (30 June 2009: nil).

12 Capital and other commitments

The Consolidated Entity had no capital or other commitments at 31 December 2009 (30 June 2009: nil).

13 Events subsequent to the reporting date

There are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

Directors' Declaration

Multiplex European Property Fund

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For the half year ended 31 December 2009

In the opinion of the Directors of Brookfield Multiplex Capital Management Limited, the Responsible Entity of Multiplex European Property Fund:

- a The consolidated interim financial statements and notes, set out in pages 7 to 14, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2009 and of its performance for the six month period ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- b There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Brookfield Multiplex Capital Management Limited.

Dated at Sydney, this 22nd day of February 2010.



Russell Prutt
Director
Brookfield Multiplex Capital Management Limited

Independent Auditor's Review Report to the unitholders of Multiplex European Property Fund

We have reviewed the accompanying half-year financial report of Multiplex European Property Fund (the "Fund"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2009, and the condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the Fund and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Multiplex Capital Management Limited, the responsible entity of the Fund, are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review

procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

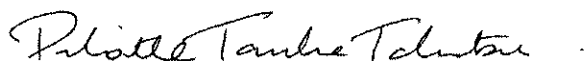
Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex European Property Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants
Sydney, 22 February 2010