

ASX Announcement

19 June 2013

Multiplex European Property Fund (ASX: MUE) Special Distribution and Fund Update

Brookfield Capital Management Limited (BCML), as Responsible Entity for Multiplex European Property Fund (the Fund), provides the following update to investors.

Key messages are as follows:

- BCML has resolved to make a special distribution to investors of 10 cents per unit payable on or around 23 July 2013; and
- Discussions with the financier continue in relation to the debt facility.

Financier discussions regarding extension of debt facility

The Fund has a 94.9% interest in certain German partnerships (Monti Partnerships).

The debt facility provided by Hypothekbank Frankfurt AG (formerly known as Eurohypo AG) (Financier) to the Monti Partnerships is due to mature on 15 April 2014.

Management of the Monti Partnerships continue discussions with the Financier regarding an extension of the debt facility. To date, no agreement has been reached for an extension of the facility past the due date and there is no assurance that this will occur, or, if it were to occur, what additional conditions may be imposed.

German tax audit

During 2012, Monti Partnerships received and paid an assessment for German trade tax for the 2004 to 2006 income years of approximately €2 million including interest and penalties.

In line with independent advice, the relevant entities have lodged an objection to the assessment. To date, no response has been received from the German tax authority.

As previously disclosed, a German tax audit has commenced for the 2007 to 2010 income years. Whilst each year is considered separately by the tax authorities, if they were to apply the same approach to 2007 to 2010 as was applied to 2004 to 2006, the current estimate of potential trade tax payable would be approximately €28.0 million (including approximately €5.8 million in interest and penalties calculated as at 1 June 2013). If a tax liability was to arise following completion of the audit, such liability would be payable by the respective Monti Partnership and ultimately its partners, being a number of the Fund's European subsidiaries. The German tax authorities may require immediate payment.

An assessment for trade tax for the 2011 year has been received. The assessment has no connection to the tax audit of 2007 to 2010. The amount payable under the assessment is approximately €35,000 and is payable by 15 July 2013. It is intended to object against the assessment and to seek a deferral of payment of the amount payable.

Consistent with prior reporting periods, having obtained independent advice, BCML's view remains that, in the event that the tax matter was pursued through to court appeal, the relevant entities are more likely than not to successfully defend their position and no trade tax would ultimately be payable.

Impact on the Fund

The Fund's Australian entities are not party to the debt facility and the Financier has no recourse to the Fund assets held in Australia. Further, the Fund's Australian entities are not partners in the Monti Partnerships.

Prior to any distribution, the Fund currently retains net cash of approximately A\$32 million (13 cents per unit) in Australia. Expenses incurred by the Fund outside of Europe are largely being met from earnings on cash retained in Australia and net proceeds of the forward foreign exchange contracts which remain in place until April 2014.

Proposed course of action and special distribution

BCML has resolved to distribute an amount of 10 cents per unit to investors (\$24.7 million), payable in accordance with the timetable below.

BCML has determined to retain the balance of the cash held in Australia to meet ongoing obligations for the cross currency forward rate agreements that remain in place until April 2014, costs associated with management of the Fund and to retain commercial flexibility in ongoing discussions with the Financier.

Future distributions remain subject to BCML's assessment of operating and/or market conditions in Germany and Australia, ongoing discussions with the financier and taxation requirements including the outcome of the appeal process arising from German tax assessments.

Further information will be provided to investors in due course.

Distribution timetable

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| ASX code | MUE |
| Estimated Distribution rate (cents per unit) | 10 |
| Ex-distribution date | 24 June 2013 |
| Record date | 28 June 2013 |
| Payment date (approximately) | 23 July 2013 |

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