

Multiplex European Property Fund
Interim financial report
For the half year ended
31 December 2015

Multiplex European Property Fund

ARSN 124 527 206

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Multiplex European Property Fund

For the half year ended 31 December 2015

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Directory

Multiplex European Property Fund

For the half year ended 31 December 2015

Responsible Entity

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

Directors of Brookfield Capital Management Limited

F. Allan McDonald
Barbara Ward
Shane Ross

Company Secretary of Brookfield Capital Management Limited

Neil Olofsson

Registered Office of Brookfield Capital Management Limited

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

Custodian

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

Stock Exchange

The Fund delisted from the Australian Securities Exchange (ASX) from the close of trading on 17 September 2015. Prior to that, the Fund was listed on the ASX under the code of MUE.

Location of Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Telephone: +61 1300 554 474
Facsimile: +61 2 9287 0303

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000
Telephone: + 61 2 9322 7000
Facsimile: + 61 2 9322 7001

Directors' Report

Multiplex European Property Fund

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For the half year ended 31 December 2015

Introduction

The Directors of Brookfield Capital Management Limited (BCML) (ABN 32 094 936 866), the Responsible Entity of Multiplex European Property Fund (ARSN 124 527 206) (Fund), present their report together with the condensed consolidated interim financial statements of the Consolidated Entity, being the Fund and its subsidiaries, for the six months ended 31 December 2015 and the Independent Auditor's Review Report thereon.

The Fund was constituted on 16 November 2006 and it was registered as a Managed Investment Scheme on 3 April 2007.

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited (BCML). BCML has been the Responsible Entity since inception of the Fund. The registered office and principal place of business of the Responsible Entity is Level 22, 135 King Street, Sydney NSW 2000.

Directors

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

<u>Name</u>	<u>Capacity</u>
F. Allan McDonald	Non-Executive Independent Chairman
Barbara Ward	Non-Executive Independent Director
Shane Ross	Executive Director

Principal activities

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

Wind up of the Fund

At a meeting of unitholders held on 27 July 2015, an ordinary resolution was passed by unitholders in relation to the approval of sale of the remaining assets and the subsequent wind up of the Fund in accordance with its Constitution and the *Corporations Act 2001*. The Responsible Entity has commenced steps consistent with those detailed in the Notice of Meetings and Explanatory Memorandum dated 1 July 2015 including the sale and settlement of the remaining properties and the repayment of the debt facility held with Hypothekbank Frankfurt AG (Hypothekbank or Financier). It is expected that the wind up process will take a number of years to complete.

Review of operations

The Consolidated Entity recorded a net loss after tax of \$3,671,000 for the half year ended 31 December 2015 (2014: net profit after tax \$20,177,000).

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

- property rental income of \$5,211,000 (2014: \$16,238,000);
- total revenue and other income of \$5,267,000 (2014: \$33,529,000);
- (loss)/earnings per unit (EPU) of (1.49) cents (2014: earnings 8.17 cents); and
- net assets of \$27,388,000 and net asset per unit of \$0.11 (30 June 2015: \$30,110,000 and net asset per unit of \$0.12).

On 12 September 2015 the Consolidated Entity settled the sale of all of its remaining properties for total gross sales proceeds of €168,000,000 (A\$268,499,000 at 11 September 2015 spot rate). A portion of cash from the sale of the properties €3,500,000 (A\$5,222,000 at 31 December 2015 closing rate) has been retained in escrow for the purposes of guarantees and warranties.

On 14 September 2015, trading in the Fund's securities on the Australian Securities Exchange (ASX) was suspended. The Fund delisted from the ASX on the close of trading on 17 September 2015.

The net sales proceeds and available cash were used to fully repay and extinguish the outstanding debt facility between Hypothekbank and the German Partnerships (being controlled entities of the Fund) of €169,763,000 (A\$271,317,000). On repayment of the bank debt facility cash previously restricted in accordance with the facility agreement was released.

Tax audit

German tax audit 2004 to 2006

Correspondence was 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.

Directors' Report continued

Multiplex European Property Fund

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For the half year ended 31 December 2015

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 six 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 six 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 was successfully 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\$0.15 million) 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.

Rounding of amounts

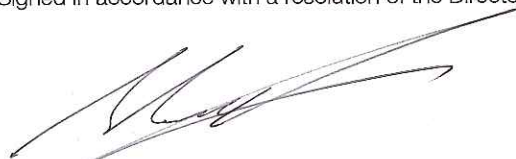
The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

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 2015.

Dated at Sydney this 24th day of February 2016.

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



Shane Ross

Director

Brookfield Capital Management Limited

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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The Board of Directors
Brookfield Capital Management Limited
(as Responsible Entity for Multiplex European Property Fund)
Level 22, 135 King St
Sydney NSW 2000

24 February 2016

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 Capital Management Limited as the Responsible Entity of 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 2015, 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 sincerely

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



AG Collinson
Partner
Chartered Accountants

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

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Multiplex European Property Fund

For the half year ended 31 December 2015

	Note	Consolidated Half year ended 31 December 2015 \$'000	Half year ended 31 December 2014 \$'000
Revenue and other income			
Property rental income		5,211	16,238
Interest income		56	116
Net gain on revaluation of investment properties	6	–	17,175
Total revenue and other income		5,267	33,529
Expenses			
Property expenses		1,554	3,452
Finance costs to external parties		1,447	4,969
Management fees		78	740
Loss on sale of properties held for sale		4,901	3,202
Other expenses		890	1,101
Total expenses		8,870	13,464
(Loss)/profit before income tax		(3,603)	20,065
Income tax (expense)/benefit		(68)	112
Net (loss)/profit after tax		(3,671)	20,177
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Changes in foreign currency translation reserve		949	214
Other comprehensive income for the period, net of income tax		949	214
Total comprehensive (loss)/income for the period		(2,722)	20,391
Net (loss)/profit attributable to ordinary unitholders		(3,671)	20,177
Total comprehensive (loss)/income attributable to ordinary unitholders		(2,722)	20,391
(Loss)/earnings per unit			
Basic and diluted (loss)/earnings per ordinary unit (cents)		(1.49)	8.17

The Condensed Consolidated Interim Statement of Profit or Loss and Other 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 2015

	Note	Consolidated 31 December 2015 \$'000	30 June 2015 \$'000
Assets			
Current assets			
Cash and cash equivalents	5	23,948	6,091
Restricted cash	5	3,730	32,341
Trade and other receivables		1,189	502
Properties held for sale	6	–	244,720
Total current assets		28,867	283,654
Non-current assets			
Restricted cash	5	1,492	–
Total non-current assets		1,492	–
Total assets		30,359	283,654
Liabilities			
Current liabilities			
Trade and other payables		2,971	6,256
Interest bearing liabilities	7	–	247,288
Total current liabilities		2,971	253,544
Total liabilities		2,971	253,544
Net assets		27,388	30,110
Equity			
Units on issue	9	202,533	202,533
Reserves		(401)	(1,350)
Undistributed losses		(174,744)	(171,073)
Total equity		27,388	30,110

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 2015

Consolidated Entity	Attributable to Unitholders of the Fund			
	Ordinary units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000
Opening equity - 1 July 2015	202,533	(171,073)	(1,350)	30,110
Changes in foreign currency translation reserve	-	-	949	949
Other comprehensive income for the period, net of income tax	-	-	949	949
Net loss for the period	-	(3,671)	-	(3,671)
Total comprehensive (loss)/income for the period	-	(3,671)	949	(2,722)
Total transactions with unitholders in their capacity as unitholders	-	-	-	-
Closing equity - 31 December 2015	202,533	(174,744)	(401)	27,388

Consolidated Entity	Attributable to Unitholders of the Fund			
	Ordinary units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000
Opening equity - 1 July 2014	202,533	(194,537)	(1,421)	6,575
Changes in foreign currency translation reserve	-	-	214	214
Other comprehensive income for the period, net of income tax	-	-	214	214
Net profit for the period	-	20,177	-	20,177
Total comprehensive income for the period	-	20,177	214	20,391
Total transactions with unitholders in their capacity as unitholders	-	-	-	-
Closing equity - 31 December 2014	202,533	(174,360)	(1,207)	26,966

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 2015

	Consolidated	
	Half year ended 31 December 2015 \$'000	Half year ended 31 December 2014 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	4,159	17,261
Cash payments in the course of operations	(4,423)	(5,431)
Interest received	56	88
Financing costs paid	(2,946)	(6,417)
Net cash flows (used in)/from operating activities	(3,154)	5,501
Cash flows from investing activities		
Proceeds from sale of properties	263,876	95,478
Payments for additions to investment properties	–	(4,541)
Net cash flows from investing activities	263,876	90,937
Cash flows from financing activities		
Repayment of interest bearing liabilities	(271,317)	(12,776)
Net cash flows used in financing activities	(271,317)	(12,776)
Net (decrease)/increase in cash and cash equivalents	(10,595)	83,662
Impact of foreign exchange	1,333	344
Cash and cash equivalents at beginning of the period	38,432	31,972
Cash and cash equivalents at 31 December	29,170	115,978
Reconciliation of cash to cash and cash equivalents:		
Cash and cash equivalents	23,948	6,956
Restricted cash	5,222	109,022
Cash at 31 December	29,170	115,978

The Condensed Consolidated Interim Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements

Notes to the Condensed Consolidated Interim Financial Statements

Multiplex European Property Fund

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For the half year ended 31 December 2015

1 Reporting entity

Multiplex European Property Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Capital Management Limited (BCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated interim financial report of the Fund as at and for the six months ended 31 December 2015 comprises the Fund and its subsidiaries (together referred to as the Consolidated Entity).

2 Significant accounting policies

Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The consolidated interim financial report does not include notes of the type normally included in annual financial statements and should be read in conjunction with the most recent annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2015. For the purpose of preparing the consolidated financial statements the Fund is a for profit entity.

Basis of preparation

The consolidated interim financial report is presented in Australian dollars, which is the Fund's presentation and functional currency, 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 Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998, 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.

The accounting policies and methods of computation adopted in the preparation of the consolidated interim financial report are consistent with those adopted and disclosed in the consolidated financial report as at and for the year ended 30 June 2015.

AASB 1031 *Materiality* has been effectively withdrawn from 1 July 2015.

Wind up of the Fund and going concern

At a meeting of unitholders held on 27 July 2015, an ordinary resolution was passed by unitholders in relation to the approval of sale of the remaining assets and the subsequent wind up of the Fund in accordance with its Constitution and the *Corporations Act 2001*. The Responsible Entity has commenced steps consistent with those detailed in the Notice of Meetings and Explanatory Memorandum dated 1 July 2015 including the sale and settlement of the remaining properties and the repayment of the debt facility held with Hypothekenbank Frankfurt AG (Hypothekenbank or Financier). It is expected that the wind up process will take a number of years to complete.

Based on the above, the Directors of the Responsible Entity believe it is appropriate to continue to adopt the going concern basis for this set of financial statements. The financial statements do not include adjustments relating to the recoverability and classification of asset accounts, nor to the amounts and classification of liabilities that might be necessary should the Fund and Consolidated Entity not continue as a going concern.

3 Estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are provided in financial instruments (refer to Note 8).

4 Distributions and returns of capital

During the current and prior periods, no distributions or capital returns were declared to unitholders.

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex European Property Fund

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For the half year ended 31 December 2015

5 Cash and cash equivalents

	Consolidated 31 December 2015 \$'000	30 June 2015 \$'000
Cash at bank	23,948	6,091
Total cash and cash equivalents	23,948	6,091
Current restricted cash		
Locked cash	–	28,699
Cash in escrow	3,730	3,642
Total current restricted cash	3,730	32,341
Non-current restricted cash		
Cash in escrow	1,492	–
Total non-current restricted cash	1,492	–
Total restricted cash	5,222	32,341
Total cash	29,170	38,432

During the financial year ended 30 June 2012 the Consolidated Entity received a notice from its Financier regarding the operation of the rental accounts held within Germany. The provision of this notice restricted the cash that is generated and held within the partnerships that own the Consolidated Entity's investment properties. This restriction continued up until the repayment and extinguishment of the debt facility on 11 September 2015 whereby the previously locked cash became unrestricted.

Total restricted cash includes cash held in escrow in relation to the sale of the properties of A\$5,222,000 or €3,500,000 (30 June 2015: \$3,642,000 or €2,500,000).

6 Properties held for sale

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

	Consolidated 31 December 2015 book value \$'000	30 June 2015 book value \$'000
Description		
Total properties held for sale	–	244,720

The 30 June 2015 valuation in Euro were converted at the 30 June 2015 exchange rate of €0.6865 to \$1.00. The 30 June 2015 Euro valuation totalled €168,000,000.

Sale of properties

On 12 September 2015, the Consolidated Entity settled the sale all of its remaining properties for total gross sales proceeds of €168,000,000 (A\$268,499,000). A portion of cash from the sale of the properties €3,500,000 (A\$5,222,000) has been retained in escrow for the purposes of guarantees and warranties.

Reconciliation of the carrying amount of properties held for sale is set out below:

	Consolidated 31 December 2015 \$'000	30 June 2015 \$'000
Carrying amount at beginning of period	244,720	316,722
Disposal of properties held for sale	(268,499)	(95,356)
Capital expenditure, incentives and amortisation of incentives	(157)	5,680
Net gain from fair value adjustments to investment properties	–	15,485
Foreign currency translation exchange adjustment	23,936	2,189
Carrying amount at end of period	–	244,720

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex European Property Fund

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For the half year ended 31 December 2015

7 Interest bearing liabilities

	Consolidated 31 December 2015 \$'000	30 June 2015 \$'000
Current		
Secured bank debt	–	247,288
Total current	–	247,288

	Expiry Date	Consolidated 31 December 2015 \$'000	30 June 2015 \$'000
Finance arrangements			
Facilities available			
Bank debt facility	30 Sep 2015	–	247,288
<i>Less:</i> Facilities utilised		–	(247,288)
Facilities not utilised		–	–

During September 2015, the Consolidated Entity fully repaid and extinguished the outstanding debt facility between Hypothekenbank and the German Partnerships (being controlled entities of the Fund) using net proceeds from the property sales and available cash.

8 Financial instruments

Methods for determining fair values

A number of the Consolidated Entity's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Cash and cash equivalents and trade and other receivables

Fair value, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair values versus carrying amounts

The Consolidated Entity is required to disclose fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables are assumed to reasonably approximate their fair values due to their short-term nature. Accordingly, fair value disclosures are not provided for such assets and liabilities.

During the current and prior periods, there were no financial assets or liabilities which transferred between levels 1, 2 or 3.

9 Units on issue

	Half year ended 31 December 2015 \$'000	Half year ended 31 December 2015 Units	Year ended 30 June 2015 \$'000	Year ended 30 June 2015 Units
Opening balance	202,533	246,950,150	202,533	246,950,150
Closing balance	202,533	246,950,150	202,533	246,950,150

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

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For the half year ended 31 December 2015

10 Related parties

During the current half year period, the Consolidated Entity Fund paid Brookfield Private Advisors LP (Brookfield Financial) a €1,699,000 (A\$2,715,000) advisory fee to manage the sale of the 61 commercial properties portfolio.

There have been no other significant changes to the related party transactions as disclosed in the annual report for the year ended 30 June 2015.

11 Contingent liabilities and assets

German tax audit 2004 to 2006

Correspondence was 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.

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 six 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 six 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 was successfully 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\$0.15 million) 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.

12 Events subsequent to the reporting date

There are no matters or circumstances which have arisen since the end of the financial half year 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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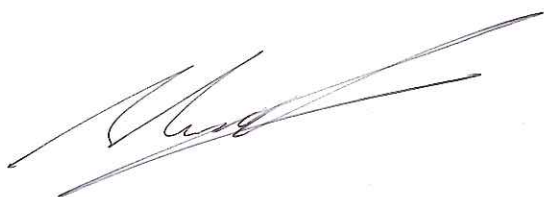
For the half year ended 31 December 2015

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

- a The condensed 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 financial position of the Consolidated Entity as at 31 December 2014 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 Capital Management Limited.

Dated at Sydney, this 24th day of February 2016



Shane Ross
Director
Brookfield Capital Management Limited

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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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 statement of financial position as at 31 December 2015, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 Capital Management Limited, the Responsible Entity of the Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 2015 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 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Capital Management Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 2015 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*.

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AG Collinson
Partner
Chartered Accountants
Sydney, 24 February 2016