

24 February 2009

Dear Valued Investor

**RE: Multiplex Acumen Vale Syndicate Limited (Syndicate) Update**

The Directors of the Syndicate provide the following update to investors.

The key messages in this update are as follows:

- the Syndicate is in compliance with its debt covenants as at 31 December 2008;
- the Syndicate expects to pay the next dividend no earlier than 2010 after the Syndicate's borrowings are fully repaid;
- the Government's First Home Owners Grant has helped to increase sales activity in a flat property market; and
- there were 94 lots settled in the 6 months to 31 December 2008 compared to 59 lots settled for the 6 months to 31 December 2007.

**Debt Management**

As at 31 December 2008, the Syndicate was in compliance with its debt covenants. The Syndicate's debt level has remained largely constant with the debt level at 30 June 2008, with proceeds from the sale of the 94 lots being used to fund capital works of the project. These capital works are needed to prepare the remaining lots for sale.

The Syndicate is actively managing the debt level to ensure that, where possible, proceeds from sales less capital works are used to reduce debt.

**Dividends**

As advised previously, the financier is entitled to full repayment of its loan prior to any further dividends being paid. Therefore, the Syndicate expects to pay the next dividend no earlier than 2010 after the Syndicate's borrowings are fully repaid.

Settlements forecast for the next 12 months will be used where possible to fund civil and landscaping works, and any surplus will be used to repay debt. This will ensure the Syndicate is well positioned going forward.

**Sales status**

Sales activity slowed in the September quarter of 2008, but has since steadily increased as a result of the Government's First Home Owners Grant and the 'First Start Shared Equity Home Loan Scheme' provided by the West Australian Government in October 2008. This increase in sales activity has been largely achieved without having to reduce sales prices. The Syndicate is well positioned to capitalise on continuing solid demand for property below the \$250,000 price range.

**Settlements**

During the six months to December 2008, the Syndicate settled on 94 lots - consisting of 3 lots in Stage 2, 8 lots in Stage 4, 15 lots in Stage 5 and 68 lots in Stage 6. A total of 1,079 lots have settled to date.

## Project status

As advised in our letter dated 21 August 2008, the project is estimated to complete in mid 2010. The table below provides an updated forecast of the civil works per each stage.

Stages	No of lots	Civil Works
Stage 3C	124	Forecast to commence in April 2009
Stage 6C	48	Forecast to commence in mid 2009
Stage 6E	39	Forecast to commence in mid 2009
Tavern Lot	1	Estimated to complete in September 2009
Town Centre 2 - Retirement	1	Forecast to commence in October 2009
Town Centre 2	1	Forecast to commence in October 2009

## Key Financial Update

	As at 31 December 2008	As at 30 June 2008	Six months movement
Company size <sup>(1)</sup> (\$'000)	20,331	20,331	No Change
Debt drawn <sup>(2)</sup> (\$'000)	31,600	31,374	0.7% increase
Number of shares on issue	30,000	30,000	No change
Value per share <sup>(1)</sup>	\$0.65	\$0.65	No change
	For the interim period ended 31 December 2008	For the interim period ended 31 December 2007	Variance
Total revenue (\$'000)	22,606	14,521	55.7% increase
Total expenses (\$'000)	19,741	12,550	57.3% increase
Net profit before tax (\$'000)	2,865	1,971	45.4% increase

<sup>(1)</sup> Contributed equity less capital raising costs per the prospectus dated 16 August 2005 of 15 cents per share and less capital returns made to shareholders to date of 20 cents per share.

<sup>(2)</sup> Debt drawn includes Bank Guarantee as at 31 December 2008 of \$1.9 million and 30 June 2008 of \$1.8 million.

## Total Revenue

Total revenue of the Syndicate as at 31 December 2008 is \$22.6 million compared to \$14.5 million at 31 December 2007. This is an increase of 55.7% from 31 December 2007 as a result of more settlements.

### **Total Expenses**

Total expenses of the Syndicate as at 31 December 2008 were \$19.7 million compared to \$12.6 million at 31 December 2007. This is an increase of 57.3% from 31 December 2007 as a result of costs directly attributable to settlement of lots.

### **Financial Results as at 31 December 2008**

The financial statements for the six month period to 31 December 2008 which have been reviewed by the Syndicate's auditors are now available on our website [www.brookfieldmultiplexcapital.com](http://www.brookfieldmultiplexcapital.com).

### **Future Updates**

Our next Syndicate update will be contained in the bi-annual Capital magazine which is due to be distributed by mid May 2009. Alternatively, please refer to our website [www.brookfieldmultiplexcapital.com](http://www.brookfieldmultiplexcapital.com) for regular updates.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Sue Ly'.

**Sue Ly**  
Fund Manager  
Multiplex Acumen Vale Syndicate Limited