

24 March 2010

Dear Investor

RE: Multiplex Development and Opportunity Fund (Fund) – Investor Update

Brookfield Multiplex Capital Management Limited (BMCML), as Responsible Entity of the Fund, provides the following update to investors.

Key messages in this update are as follows:

- a distribution payment of 6.1223 cents per unit has been declared and will be paid to investors on 24 March 2010;
- as at 31 December 2009, on a consolidated basis, net assets of the Fund are \$177.7 million, which equates to \$1.09 per unit (compared to \$1.09 at 30 June 2009);
- an impairment charge of \$2.4 million has been taken against the Fund's loan to the Pegasus project as a result of the project timeframe increasing, reduced consumer confidence in New Zealand and slower than expected sales; and
- as at 31 December 2009, the Fund has four equity investments, each with external financing facilities, which are all currently in compliance with their loan covenants.

Distributions and return of capital

As communicated recently, BMCML has resolved to pay a distribution of \$2.5 million being 1.5216 cents per unit from the current year's profit. The balance of \$7.5 million (or 4.6007 cents per unit) will be a return of capital. This equates to a total of 6.1223 cents per unit which was paid today.

Having regard to the current economic environment, BMCML believes that investors considering their future cashflows from the Fund should adopt a conservative approach and assume the stated realisation date of the project as per the Investment Update. BMCML will continue to explore opportunities for the Fund to realise its investments prior to natural termination dates where such action is considered to be in the best interests of investors.

To assist investors, BMCML has prepared a high level forecast of the future distribution payments of the Fund. The forecast represents current expectations and changes may occur from time to time as a result of market conditions impacting the underlying projects. In that respect it is anticipated that distributions in the range of approximately 5 to 6 cents per unit will (which may be a combination of distribution of income and return of capital) be distributed to investors annually until the last investment realisation date in 2015.

Investment Update

	Investment Type	Status of investment	Forecast realisation date¹	Capital invested (A\$ million)
King Street Wharf, New South Wales	Mezzanine loan	100% leased	March 2010	13.1
	The loan was refinanced on expiry at 31 December 2009 to roll on a monthly. Interest is paid at the end of the term as per the existing facility. This loan was repaid during March 2010.			
Claremont Residences, Western Australia	Mezzanine loan	100% pre-sold/ residential/construction	Monthly	41.5
	The loan was refinanced on expiry at 31 December 2009 to roll on a monthly basis. Interest is paid quarterly consistent with the existing facility.			
Pegasus Town, Christchurch, New Zealand	Mezzanine	Pre-selling/ settlement/construction	June 2013	16.4
	The revised programme forecasts final settlement extending to June 2013. The extended timeframe is a result of reduced consumer confidence and slower sales than expected in New Zealand due to the financial crisis. As at 31 December 2009, 625 lots have been titled and 547 lots have settled. The project debt facility expires in December 2010 and an extension is currently being sought.			
Multiplex Acumen Vale Syndicate, Western Australia	Equity	Pre-selling/ settlement/construction	2010	18.4
	<p>148 lots were sold during the six months to 31 December 2009. This is a 57.4% increase over the comparative six month period to 31 December 2008. The project is 86.2% settled with 1,346 lots sold out of a total of 1,562. The Syndicate has 60 exchanged unconditional contracts and 63 contracts issued valued at \$23.9 million at the end 31 December 2009. The project is estimated to complete during 2010.</p> <p>On 11 December 2009, the Syndicate fully repaid the Bill component of the facility and extended the Bank Guarantee component to mature in March 2010. The Bank Guarantee facility limit is \$1.0 million and this is fully drawn at 31 December 2009. Bank Guarantees in excess of the limit and on expiry of the facility in March 2010 will be supported by cash.</p>			
Little Bay South, New South Wales	Equity	Planning / pre-selling	August 2015	16.8
	The revised strategy for the project is to produce lower priced product. This will increase lot yield and reduce dwelling sizes to meet the market demand.			
	The redesigned concept for Stage 1 (East Village) was lodged with council and is anticipated to be approved before August 2010. East Village will yield 58 one and two bedroom apartments. These were released in an off-market campaign in October 2008 and were well received. To date there have been 45 holding deposits taken with 30 exchanged contracts.			
	<p>Stage 2 is forecast to consist of 53 terraced homes, expected to complete in July 2014. Stage 3 will consist of a total of 140 apartments and will be launched in mid 2010 up to four stages. Stage 4 is currently in Concept Design and expects to commence in late 2010.</p> <p>The debt facility has been extended to April 2010. BMCML anticipates the credit approval process to extend the facility further to be completed prior to the end of April 2010.</p>			

	Investment Type	Status if investment	Forecast realisation date ¹	Capital invested (A\$ million)
Vale Stages 7 to 11, Western Australia	Equity	Planning phase with approval	October 2013	28.9
	<p>Vale Stages 7 to 11 is located on land next to Multiplex Acumen Vale Syndicate. Given the solid sales the Syndicate has experienced this year, it is anticipated that construction will commence on Vale Stages 7 to 11 mid 2010. This will ensure that, as the inventory level in the Syndicate reduces, Vale Stages 7 to 11 will be positioned to meet the additional demand in the market.</p> <p>The debt facility has been extended to 30 June 2010 on the same terms and conditions as per the existing facility. Discussions with the financier have recommenced and BMCML anticipates the financier will provide an indicative term sheet before the end of April 2010.</p>			
Henley Brook, Western Australia	Equity	Planning phase	November 2015	32.5
	<p>The Western Australian Planning Commission has approved and provided a permit for the subdivision of the 19 rural lots. The project is estimated to yield 1,126 residential lots. Negotiations continue with the authorities to facilitate subdivision approval for an early first stage release.</p>			

1. The realisation dates contained in this update are based on current project feasibilities as provided by the Development Manager

Key Financial Results

	As at 31 December 2009	As at 30 June 2009	Six months movement
Total assets (\$'000) *	248,717	268,916	7.5% decrease
Total liabilities (\$'000)	71,068	90,974	21.9% decrease
Net assets (\$'000)	177,649	177,942	0.2% decrease
Number of shares on issue	163,337	163,337	No change
Net tangible assets	\$1.09	\$1.09	No change
	For the interim period ended 31 December 2009	For the interim period ended 31 December 2008	Variance
Total revenue (\$'000)	34,887	27,312	27.7% increase
Total expenses (\$'000)	35,069	24,685	42.1% increase
Net profit before tax (\$'000)	(182)	2,627	106.9% decrease

*Calculating Asset Values

Most assets in the Fund are held as land to be developed and are valued on an inventory basis. These inventories are carried at the lower of cost or net realisable value. For development properties, net realisable value is determined by assessing value over the course of the development and would not necessarily reflect the current value if the properties were to be divested prior to development.

At every reporting period the inventories are assessed and an impairment charge will be taken against those investments where the carrying value exceeds the net realisable value of the project.

Financial Results as at 31 December 2009

The Financial statements for the six month period to 31 December 2009 have been reviewed by the Fund's auditors and are available at www.brookfieldmultiplex.com.

Future Updates

We will continue to keep you informed of updates in relation to the Fund. Alternatively, please refer to www.brookfieldmultiplex.com for regular Fund information.

Yours sincerely



Sue Ly
Fund Manager
Multiplex Development and Opportunity Fund