

Multiplex Development and Opportunity Fund
Interim financial report
For the half year ended
31 December 2009

Multiplex Development and Opportunity Fund

ARSN 100 563 488

Table of Contents

Multiplex Development and Opportunity Fund

For the half year ended 31 December 2009

	Page
Directory	3
Directors' Report	4
Auditor's Independence Declaration	6
Financial Statements	7
Condensed Consolidated Interim Statement of Comprehensive Income.....	7
Condensed Consolidated Interim Statement of Financial Position.....	8
Condensed Consolidated Interim Statement of Changes in Equity.....	9
Condensed Consolidated Interim Statement of Cash Flows.....	10
Condensed Notes to the Consolidated Interim Financial Statements	11
1 Reporting entity.....	11
2 Basis of preparation	11
3 Significant accounting policies	11
4 Estimates	11
5 Distributions.....	12
6 Inventories – land held for development.....	12
7 Interest receivable	12
8 Interest bearing liabilities.....	13
9 Units on issue.....	13
10 Net assets attributable to unitholders	14
11 Related parties	14
12 Contingent liabilities and assets	14
13 Capital and other commitments.....	14
14 Events subsequent to the reporting date	14
Directors' Declaration	15
Independent Auditor's Review Report.....	16

Directory

Multiplex Development and Opportunity 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 Proutt

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
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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

Location of Share Registry

Registries (Victoria) Pty Limited
Level 7, 207 Kent Street,
Sydney NSW 2000
Telephone: +61 (0) 2 9290 9600
Facsimile: +61 (0) 2 9279 0664

Auditor

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

Multiplex Development and Opportunity 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 Development and Opportunity Fund (ARSN 100 563 488) (Fund), present their report together with the financial statements of the Consolidated Entity, being the Fund and its subsidiaries and associate, 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 during the period has been to provide investors with exposure to a range of property development projects at various stages of the development cycle, as well as other forms of direct and indirect property investments in Australia and New Zealand.

Review of operations

The Fund's investment pipeline has traditionally been sourced from Brookfield Multiplex Limited, however under the current economic environment, many of these investments may not be suitable for the Fund. As a result, during the period the Fund remained closed to new applications. The timing and quantum of future distributions will be linked solely to the realisation of investments. There were no distributions paid in the six months ended 31 December 2009. On 12 February 2010, the Board of Directors of Multiplex Acumen Vale Syndicate Limited, a subsidiary of the Fund, resolved to approve the declaration of a dividend of \$3,000,010, or 10 cents per share. This dividend was paid to shareholders on 17 February 2010.

The Fund has recorded a net loss before income tax of \$182,000 for the six month period ended 31 December 2009 (2008: profit of \$2,627,000).

Some of the significant events during the period are as follows:

- total revenue and other income of \$34,887,000 (2008: \$27,312,000);
- impairment expense of \$2,141,000 (2008: \$2,748,000); and
- net assets of \$177,649,000 (30 June 2009: \$177,942,000).

The Fund made no significant acquisitions or disposals during the period.

Directors' Report

Multiplex Development and Opportunity Fund

5

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.

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

Dated at Sydney this 1 day of March 2010



Russell Proutt

Director

Brookfield Multiplex Capital Management Limited

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

1 March 2010

Dear Directors

MULTIPLEX DEVELOPMENT AND OPPORTUNITY 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 Development and Opportunity Fund.

As lead audit partner for the review of the financial statements of Multiplex Development and Opportunity 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 Development and Opportunity Fund

For the half year ended 31 December 2009

	Consolidated	
	Six months ended 31 December 2009 \$'000	Six months ended 31 December 2008 \$'000
Revenue		
Revenue from the sale of land held for development	32,537	22,594
Interest income	2,332	3,879
Other income	18	839
Total revenue and other income	34,887	27,312
Expenses		
Cost of sale of land held for development	26,774	17,129
Marketing and selling costs	1,873	2,077
Management fees	1,648	1,572
Impairment expense	2,141	2,748
Net loss on revaluation of financial derivatives	–	259
Performance fee expense	1,307	142
Other expenses	1,326	758
Total expenses	35,069	24,685
(Loss)/profit before income tax	(182)	2,627
Income tax expense	(111)	(700)
Net (loss)/profit for the period	(293)	1,927
Total comprehensive (loss)/income for the period	(293)	1,927
Net (loss)/profit attributable to:		
Minority interest	472	993
Ordinary unitholders	(765)	934
Net (loss)/profit for the period	(293)	1,927
Total comprehensive (loss)/income attributable to:		
Minority interest	472	993
Ordinary unitholders	(765)	934
Total comprehensive (loss)/income for the period	(293)	1,927

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

8

Multiplex Development and Opportunity Fund

As at 31 December 2009

		Consolidated 31 December 2009 \$'000	30 June 2009 \$'000
	Note		
Assets			
Current assets			
Cash and cash equivalents		14,349	21,792
Trade and other receivables		55,431	49,124
Accrued income		1,129	955
Inventories – land held for development	6	21,046	40,856
Income tax asset		–	2,815
Total current assets		91,955	115,542
Non-current assets			
Trade and other receivables		16,422	18,530
Inventories – land held for development	6	120,525	118,252
Investments accounted for using the equity method		16,800	14,829
Deferred income tax asset		3,015	1,763
Total non-current assets		156,762	153,374
Total assets		248,717	268,916
Liabilities			
Current liabilities			
Trade and other payables		9,498	16,109
Interest bearing liabilities		58,071	72,674
Performance fee		3,499	2,191
Total current liabilities		71,068	90,974
Total liabilities (excluding net assets attributable to unitholders' interests)		70,321	90,974
Net assets	10	177,649	177,942
Minority Interests	10	12,958	12,486
Net assets attributable to ordinary unitholders	10	164,691	165,456

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

Statement of Changes in Equity

Multiplex Development and Opportunity Fund

9

For the half year ended 31 December 2009

As the Consolidated Entity or the Fund has no equity, no Statement of Changes in Equity for the current or comparative period is included.

Condensed Consolidated Interim Statement of Cash Flows

10

Multiplex Development and Opportunity 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	33,126	22,598
Cash payments in the course of operations	(12,642)	(19,633)
Interest received	1,743	1,672
Income taxes paid	(405)	(3,646)
Financing costs paid	(1,642)	(2,318)
Net cash flows from/(used in) operating activities	20,180	(1,327)
Cash flows from investing activities		
Investments in associates	(1,971)	-
Investments in mezzanine loans	(7,468)	-
Net cash flows used in investing activities	(9,439)	-
Cash flows from financing activities		
Proceeds from interest bearing liabilities	1,402	8,966
Repayments of interest bearing liabilities	(19,586)	(6,554)
Distributions paid	-	(2,298)
Net cash flows (used in)/from financing activities	(18,184)	114
Net decrease in cash and cash equivalents	(7,443)	(1,213)
Cash and cash equivalents at 1 July	21,792	22,459
Cash and cash equivalents at 31 December	14,349	21,246

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 Development and Opportunity Fund

11

For the half year ended 31 December 2009

1 Reporting entity

Multiplex Development and Opportunity 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 referred to as the Consolidated Entity) and the Consolidated Entity's interest in associate.

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 annual financial statements 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.

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 July 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

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

12

Multiplex Development and Opportunity Fund

For the half year ended 31 December 2009

5 Distributions

During the six months ended 31 December 2009 there were no distributions paid by the Fund to unitholders (2008: nil).

	Consolidated 31 December 2009 \$'000	30 June 2009 \$'000
6 Inventories – land held for development		
Current		
Portside Wharf	1,919	8,581
Vale Stages 2-6	19,127	32,275
Total current	21,046	40,856
Non-current		
Henley Brook	69,891	68,301
Vale Stages 7-11	50,634	49,951
Total non-current	120,525	118,252
Total inventories – land held for development	141,571	159,108

7 Interest receivable

The Responsible Entity has determined there is objective evidence at the date of this report that the value of the Consolidated Entity's interest receivable from Multiplex Pegasus Town Ltd is impaired. This determination has arisen due to the delay in development of the project and continued extension of the completion date of the project. As such, the non-current interest receivable balance, which is comprised of the interest receivable related to this investment, has been impaired at the reporting date. Accordingly, \$2,141,000 impairment expense has been recorded in the Statement of Comprehensive Income and the interest receivable balance has been reduced by that amount (2008: \$2,748,000).

	Consolidated 31 December 2009 \$'000	30 June 2009 \$'000
Reconciliation of the carrying amount of the interest receivable is set out below:		
Interest receivable from Multiplex Pegasus Town Holdings Limited	5,970	6,028
Opening impairment	(2,748)	–
Impairment expense recognised in the current period	(2,141)	(2,748)
Total interest receivable, non-current	1,081	3,280

Condensed Notes to the Consolidated Interim Financial Statements Multiplex Development and Opportunity Fund

13

For the half year ended 31 December 2009

	Consolidated	
	31 December 2009 \$'000	30 June 2009 \$'000
8 Interest bearing liabilities		
Current		
Secured bank debt – Vale 2-6	–	16,005
Secured bank debt – Vale 7-11	21,705	21,097
Secured bank debt – Henley Brook	36,366	35,572
Total interest bearing liabilities	58,071	72,674

		Consolidated	
	Expiry Date	31 December 2009 \$'000	30 June 2009 \$'000
Finance arrangements			
Facilities available			
Bank debt facility – Vale 2-6	31 March 2010	1,064	36,000
Bank debt facility – Vale 7-11	30 June 2010	22,000	22,000
Bank debt facility – Henley Brook	30 June 2010	37,700	37,700
Less: Facilities utilised		(58,071)	(72,674)
Less: Guarantees utilised		(1,064)	(1,708)
Facilities not utilised		1,629	21,318

The outstanding balance of the debt facility was repaid during the period with the bank guarantee component of the facility extended to 31 March 2010. The facility limit on the bank guarantee is \$1,064,424 and is fully drawn at 31 December 2009. On expiry of the facility all guarantees will be supported by cash held in escrow. The facility is secured by a first charge over all assets of Brookfield Multiplex Vale Landowner Pty Limited and is subject to a limit of the lesser of \$1,064,424 or 55% loan to value ratio.

The floating rate cash facility for Vale 7-11 is for a maximum commitment of \$22,000,000 and is secured by a first charge over all assets of Brookfield Vale Stages 7-11 Landowner Pty Ltd.

The floating rate cash facility for Henley Brook is for a maximum commitment of \$37,700,000 and is secured by a first charge over all assets of Brookfield Multiplex Henley Brook Landowner Pty Ltd. The Fund has an option to extend this facility to 31 December 2010.

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

9 Units on issue

	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
Units on issue				
Opening balance	166,164	163,336,831	166,164	163,336,831
Closing balance	166,164	163,336,831	166,164	163,336,831

Condensed Notes to the Consolidated Interim Financial Statements

14

Multiplex Development and Opportunity Fund

For the half year ended 31 December 2009

	Consolidated	
	31 December 2009 \$'000	30 June 2009 \$'000
10 Net assets attributable to unitholders		
Units on issue	166,164	166,164
Share issue costs	(1,698)	(1,698)
Undistributed income	225	990
Parent interests	164,691	165,456
Minority interests	12,958	12,486
Net assets attributable to unitholders	177,649	177,942
	Consolidated	
	Six months ended 31 December 2009 \$'000	Six months ended 31 December 2008 \$'000
Opening balance of net assets attributable to unitholders - 1 July	177,942	174,395
Undistributed income		
Net loss/(profit) attributable to unitholders	(765)	934
Minority interests		
Net profit attributable to minority interests	472	993
Closing balance of net assets attributable to unitholders	177,649	176,322

11 Related parties

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

12 Contingent liabilities and assets

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

13 Capital and other commitments

Brookfield Multiplex Vale Landowner Pty Limited, a subsidiary of the Fund, has a commitment for inventory development costs at 31 December 2009 of \$4,075,000 (30 June 2009: \$3,774,000).

14 Events subsequent to the reporting date

On 12 February 2010, the Board of Directors of Multiplex Acumen Vale Syndicate Limited, a subsidiary of the Fund, resolved to approve the declaration of a dividend of \$3,000,010, or 10 cents per share. This dividend was paid to shareholders on 17 February 2010.

Other than the above there were 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 periods.

Directors' Declaration

Multiplex Development and Opportunity Fund

15

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 Development and Opportunity 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 1 day of March 2010



Russell Proutt
Director
Brookfield Multiplex Capital Management Limited

Independent Auditor's Review Report to the unitholders of Multiplex Development and Opportunity Fund

We have reviewed the accompanying half-year financial report of Multiplex Development and Opportunity 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 Development and Opportunity 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, 1 March 2010