

24 February 2012

Dear Investor

Re: Multiplex Development and Opportunity Fund (Fund) - Investor update for the half year ended 31 December 2011

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

Key messages in this update are as follows:

- net loss after tax of \$0.1 million (31 December 2010: \$3.4 million profit);
- total assets decreased by 61.6% to \$81.1 million (June 2011: \$211.2 million);
- net assets decreased by 49.6% to \$0.42 per unit;
- the Fund settled the sale of its interest in two projects - Whiteman Edge and Vale Stages 7 to 11 for net proceeds of \$66.7 million; and
- return of capital of 41 cents per unit paid to investors in October 2011.

Distributions and return of capital

On 6 October 2011, the Fund paid a return of capital of 41 cents per unit to unitholders from the proceeds of the Fund's interest in Whiteman Edge and Vale Stages 7 to 11 assets.

The Australian Taxation Office (ATO) provided the Fund with a class ruling on 13 October 2011, confirming that the payment is capital in nature. The ruling can be found on the ATO website using reference CR 2011/90.

During December 2011, Brookfield repaid the \$17.7 million Claremont loan plus interest of \$0.27 million. The amount received was invested in a term deposit for 90 days at 5.75% per annum maturing on 15 March 2012.

Future distributions and capital returns will be dependent on completion of the Little Bay South project. BCML will continue to assess the capital required by this project prior to returning further funds to investors. Little Bay South is expected to complete in 2014 and it is likely that capital may be returned to investors periodically as the project approaches completion.

Investment Update

	Investment type	Status of investment	Forecast realisation date ¹	Capital invested (A\$ million)
Claremont Residences, Western Australia	Mezzanine loan	100% pre-sold/ residential/construction	Realised in December 2011	17.7
	The loan was fully repaid to the Fund in December 2011 and the proceeds have been invested in a term deposit.			
Multiplex Acumen Vale Syndicate (MAVSL), Western Australia	Equity	Pre-selling/settlement/ construction	2012	5.2
	<p>The Fund has a 49.58% interest in this Syndicate. For the half year ending 31 December 2011 the Fund received a capital return of \$1.49 million. This amount was retained to fund the Little Bay South development.</p> <p>During the period, the Syndicate settled on 22 lots, bringing the total number of lots settled to date to 1,566. The project is 97.8% settled and is estimated to complete in mid 2012, however the investment may remain in place beyond that date as the Syndicate progressively winds up.</p>			
Little Bay South, New South Wales	Equity	Planning/pre-selling / settlement	2014	48.0
	<p>East Village (Stage 1) has a total of 42 apartments with a mixture of one and two bedroom apartments. As at 31 December 2011, all apartments were sold. One Theatre building remains to be sold and completion is forecast to be mid 2012.</p> <p>Bay Terraces (Stage 2) have a total of 53 apartments with a mixture of three and four bedroom apartments with double lock up garages. As at 31 December 2011, 39 apartments were marketed for sale with the balance yet to be released. Of the 39 apartments, 71.8% have been sold with a total value of circa \$38.9 million. There are currently two contracts issued and nine available for sale. Subject to market conditions, completion of this stage is forecast to be early to mid 2013. In January 2012, the Display Terrace settled for \$2.15 million of which \$1.1 million was used to repay debt. The balance was returned to the joint venture partners and the Fund received \$0.84 million for its share.</p> <p>A sales launch for sub-stages 1 and 2 of the Stage 3 development occurred in November 2011. The launch resulted in 12 exchanged contracts for an estimated value of \$17.8 million, two holding deposits and 12 contracts were issued. Sub-stages 3 and 4 are yet to start. Discussions with a financier to obtain a development facility have commenced.</p> <p>Completion of the entire stage 3 development is forecast for June 2014 (subject to market conditions).</p>			

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

Key Financial Results

	For the half year ended 31 December 2011	For the half year ended 31 December 2010	Movement
Total revenue (\$'000)	133,321	30,284	340.2% increase
Total expenses (\$'000)	133,437	26,924	395.6% increase
Net profit after tax / (loss) (\$'000)	(116)	3,360	103.5% decrease
	As at 31 December 2011	As at 30 June 2011	Movement
Total assets (\$'000)	81,052	211,204	61.6% decrease
Total liabilities (\$'000)	7,804	69,621	88.8% decrease
Net assets (\$'000)	73,248	141,583	48.3% decrease
Minority Interest (\$'000)	5,248	6,557	20.0% decrease
Net assets attributable to ordinary unitholders (\$'000)	68,000	135,026	49.6% decrease
Number of shares on issue	163,337	163,337	No change
Net tangible assets (after minority interest)	\$0.42	\$0.83	49.4% decrease

Financial results

The interim financial report for the half year ended 31 December 2011 is available at www.au.brookfield.com. It is recommended that investors review the financial statements.

Future Updates

We will continue to keep investors informed of updates in relation to the Fund. Alternatively, please visit www.au.brookfield.com for further information.

Yours sincerely



Sue Ly
Fund Manager
Multiplex Development and Opportunity Fund