

Multiplex Development and Opportunity Fund
Interim financial report
For the half year ended
31 December 2011

Multiplex Development and Opportunity Fund

ARSN 100 563 488

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Multiplex Development and Opportunity Fund

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Directory

Multiplex Development and Opportunity Fund

For the half year ended 31 December 2011

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
Brian Motteram
Barbara Ward
Russell Proutt
Shane Ross

Company Secretary of Brookfield Capital Management Limited

Neil Olofsson

Registered Office

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

Brookfield Funds Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
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Location of Share Registry

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Telephone: +61 1300 737 760
Facsimile: + 61 1300 653 459

Auditor

Deloitte Touche Tohmatsu
The Barrington
Level 10, 10 Smith Street
Parramatta NSW 2150
Telephone: + 61 2 9840 7000
Facsimile: + 61 2 9840 7001

Directors' Report

Multiplex Development and Opportunity Fund

For the half year ended 31 December 2011

Introduction

The Directors of Brookfield Capital Management Limited (BCML) (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 condensed consolidated interim financial statements of the Consolidated Entity, being the Fund and its subsidiaries, and the Consolidated Entity's interest in associates, for the six months ended 31 December 2011 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 (appointed 21 February 2007)	Non-Executive Independent Director
Barbara Ward (appointed 1 January 2010)	Non-Executive Independent Director
Russell Proutt (appointed 1 January 2010)	Executive Director
Shane Ross (appointed 16 May 2011)	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.

Review of operations

The Consolidated Entity has recorded a profit before income tax of \$252,000 for the six month period ended 31 December 2011 (2010: net profit of \$4,487,000).

On 1 July 2011 the Fund sold the remaining inventory at Vale 7-11 and Whiteman Edge for consideration of \$127,157,000. The Fund utilised the proceeds to repay the interest bearing liabilities of \$60,251,000 in full and make a capital return of 40.84 cents per unit;

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

- total revenue and other income of \$133,321,000 (2010: \$30,284,000)
- no impairment expense has been recognised during the period (2010: \$346,000);
- net assets of \$73,248,000 (30 June 2011: \$141,583,000); and
- net assets attributable to ordinary unitholders \$68,000,000 (30 June 2011: \$135,026,000).

Events subsequent to the reporting date

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.

Rounding of amounts

The Consolidated Entity 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.

Directors' Report continued
Multiplex Development and Opportunity Fund

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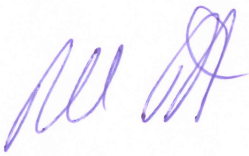
For the half year ended 31 December 2011

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 2011.

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

Dated at Sydney this 24th day of February 2012



Russell Proutt
Director

Brookfield Capital Management Limited

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

24 February 2012

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 Capital Management Limited as the Responsible Entity of 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 2011, 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



Helen Hamilton-James
Partner
Chartered Accountants

Condensed Consolidated Interim Statement of Comprehensive Income

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2011

	Consolidated	
	Half year ended 31 December 2011 \$'000	Half year ended 31 December 2010 \$'000
Revenue and other income		
Revenue from the sale of land held for development	131,431	28,420
Interest income	1,730	1,484
Other income	–	180
Reversal of performance fees	160	200
Total revenue and other income	133,321	30,284
Expenses		
Share of net loss of investments accounted for using the equity method	764	–
Cost of sale of land held for development	130,359	22,140
Marketing and selling costs	755	1,435
Management fees	801	1,633
Impairment expense	–	346
Other expenses	390	243
Total expenses	133,069	25,797
Profit before income tax	252	4,487
Income tax expense	(368)	(1,127)
Net (loss)/profit after tax	(116)	3,360
Finance costs attributable to unitholders		
Increase in net assets attributable to minority interests	203	856
(Decrease)/increase in net assets attributable to ordinary unitholders	(319)	2,504
Net (loss)/profit for the period	(116)	3,360
Total comprehensive income/(loss) attributable to:		
Minority interest	203	856
Ordinary unitholders	(319)	2,504
Total comprehensive (loss)/income for the period	(116)	3,360

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

Multiplex Development and Opportunity Fund

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As at 31 December 2011

	Note	31 December 2011 \$'000	Consolidated 30 June 2011 \$'000
Current assets			
Cash and cash equivalents	6	26,255	9,446
Trade and other receivables		980	19,755
Inventories – land held for development	7	5,740	134,633
Income tax asset		429	483
Total current assets		33,404	164,317
Non-current assets			
Investments accounted for using the equity method		47,648	46,887
Total non-current assets		47,648	46,887
Total assets		81,052	211,204
Current liabilities			
Trade and other payables		5,530	7,146
Deferred tax liabilities		274	64
Interest bearing liabilities		–	37,700
Performance fee		2,000	2,160
Total current liabilities		7,804	47,070
Non-current liabilities			
Interest bearing liabilities		–	22,551
Total non-current liabilities		–	22,551
Total liabilities (excluding net assets attributable to unitholders' interests)		7,804	69,621
Net assets	10	73,248	141,583
Minority interests	10	5,248	6,557
Net assets attributable to ordinary unitholders	10	68,000	135,026
Liability attributable to ordinary unitholders		(68,000)	(135,026)
Net assets attributable to ordinary unitholders		–	–

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 Development and Opportunity Fund

For the half year ended 31 December 2011

As the Consolidated Entity and the Fund have no equity, the financial statements do not include a Statement of Changes in Equity for the current or comparative period.

Condensed Consolidated Interim Statement of Cash Flows

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2011

	Consolidated	
	Half year ended 31 December 2011 \$'000	Half year ended 31 December 2010 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	144,567	29,813
Cash payments in the course of operations	(17,245)	(23,495)
Interest received	1,745	849
Financing costs paid	(757)	–
Income taxes paid	(105)	(14)
Net cash flows from operating activities	128,205	7,153
Cash flows from investing activities		
Investments in associates	(1,526)	(4,008)
Net proceeds on mezzanine loan	18,600	1,672
Loans to associates	–	2,325
Net cash flows from / (used in) investing activities	17,074	(11)
Cash flows from financing activities		
Repayments of interest bearing liabilities	(60,251)	(1,055)
Distributions paid – minority interest	–	(2,267)
Return of capital – minority interest	(1,512)	(3,579)
Return of capital – ordinary shareholders	(66,707)	–
Net cash flows used in financing activities	(128,470)	(6,901)
Net increase in cash and cash equivalents	16,809	241
Cash and cash equivalents at beginning of the period	9,446	14,861
Cash and cash equivalents at 31 December	26,255	15,102

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

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2011

1 Reporting entity

Multiplex Development and Opportunity 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 2011 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity) and the Consolidated Entity's interest in associates.

2 Basis of preparation

Statement of compliance

The consolidated interim financial 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 2011.

The consolidated interim financial report is presented in Australian dollars, which is the Fund's presentation and functional currency.

The Consolidated Entity 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 consolidated interim financial report are the same as those applied in the consolidated financial report as at and for the year ended 30 June 2011, except for the impact of the new or revised Standards and Interpretations that are first effective in the current reporting period, as described below.

AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual reporting periods beginning on or after 1 January 2011)

AASB 2010-4 amends a number of pronouncements as a result of the International Accounting Standards Board's (IASB's) 2008-2010 cycle of annual improvements. Key amendments include clarification of content of statement of changes in equity, financial instrument disclosures and significant events and transactions in interim reports.

AASB 2010-5 *Amendments to Australian Accounting Standards* (effective for annual reporting periods beginning on or after 1 January 2011)

AASB 2010-5 makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB.

AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)

AASB 2010-6 makes amendments to AASB 7 *Financial Instruments: Disclosures* to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect, in particular, entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties.

Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards*

The amendment clarifies the definition of a related party and includes an explicit requirement to disclose commitments involving related parties.

The adoption of the above amendments have not resulted in any material changes to the Consolidated Entity's accounting policies or adjustments to amounts reported in the current or prior periods.

4 Estimates

The preparation of the consolidated interim 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 expense. Actual results may differ from those estimates.

5 Distributions

During the six months ended 31 December 2011 there were no distributions paid by the Consolidated Entity to unitholders (2010: \$2,267,000 to minority interests).

A capital return of \$66,707,000 or 40.84 cents per share was made to ordinary shareholders on 5 October 2011 (2010: nil).

A capital return of \$1,512,000 or 10 cents per share was made to the minority interest on 30 November 2011 (2010: \$3,579,000 or 23.66 cents per share).

Notes to the Condensed Consolidated Interim Financial Statements continued

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Multiplex Development and Opportunity Fund

For the half year ended 31 December 2011

	Consolidated 31 December 2011 \$'000	30 June 2011 \$'000
6 Cash and cash equivalents		
Cash and cash equivalents	25,566	8,598
Restricted cash	689	848
Total cash and cash equivalents	26,255	9,446

Restricted cash

The Consolidated Entity issues bank guarantees as part of its development operations. The bank guarantees are supported by cash held in escrow.

	Consolidated 31 December 2011 \$'000	30 June 2011 \$'000
7 Inventories – land held for development		
Current		
Vale Stages 2-6	5,740	7,775
Henley Brook	–	74,788
Vale Stages 7-11	–	52,070
Total current	5,740	134,633

In July 2011, all inventory related to the Henley Brook (Whiteman Edge) and Vale Stages 7-11 projects were sold for consideration of \$127,157,000. The Consolidated Entity used the proceeds to repay interest bearing liabilities of \$60,251,000, and make a return of capital to shareholders of \$66,707,000.

	Consolidated 31 December 2010 \$'000	30 June 2010 \$'000
8 Interest bearing liabilities		
Current		
Secured bank debt – Henley Brook	–	37,700
Total interest bearing liabilities	–	37,700

	Consolidated 31 December 2011 \$'000	30 June 2011 \$'000
Non - Current		
Secured bank debt – Vale 7-11	–	22,551
Total interest bearing liabilities	–	22,551

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex Development and Opportunity Fund

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For the half year ended 31 December 2011

8 Interest bearing liabilities continued

	Expiry Date	Consolidated	
		31 December 2011 \$'000	30 June 2011 \$'000
Finance arrangements			
Facilities available			
Bank guarantee facility – Vale 2-6	29 February 2012	3,000	3,000
Bank debt facility – Vale 7-11	30 June 2013	–	27,000
Bank debt facility – Henley Brook	30 June 2011	–	37,700
Less: Facilities utilised		–	(60,251)
Less: Guarantees utilised		(689)	(848)
Facilities not utilised		2,311	6,601

Both the floating rate cash facility for Vale 7-11 and the floating rate cash facility for Henley Brook were repaid during the period, resulting from the sale of the developments these borrowings had financed.

The bank guarantee facility was extended to 29 February 2012. The facility limit on the bank guarantee is \$3,000,000 of which \$689,000 was utilised at 31 December 2011 (30 June 2011: \$848,000). It is supported by cash held in escrow.

9 Units on issue

	Half year ended 31 December 2011 \$'000	Half year ended 31 December 2011 Units	Year ended 30 June 2011 \$'000	Year ended 30 June 2011 Units
Units on issue				
Opening balance	158,649	163,336,831	158,649	163,336,831
Return of capital	(66,707)	–	–	–
Closing balance	91,942	163,336,831	158,649	163,336,831

	Consolidated	
	31 December 2011 \$'000	30 June 2011 \$'000
10 Net assets attributable to unitholders		
Units on issue	91,942	158,649
Share issue costs	(1,698)	(1,698)
Undistributed losses	(22,244)	(21,925)
Net assets attributable to ordinary unitholders	68,000	135,026
Minority interests	5,248	6,557
Net assets attributable to unitholders	73,248	141,583

	Consolidated	
	Half year ended 31 December 2011 \$'000	Year ended 30 June 2011 \$'000
Opening balance of net assets attributable to unitholders – 1 July	141,583	154,711
Units on issue		
Return of capital	(66,707)	–
Undistributed income		
Net loss from operations before distributions to unitholders	(319)	(6,437)
Minority interests		
Share of net profit	203	740
Share of dividend	–	(3,852)
Share of return of capital	(1,512)	(3,579)
Closing balance of net assets attributable to unitholders	73,248	141,583

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex Development and Opportunity Fund

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For the half year ended 31 December 2011

11 Related parties

During the period the Consolidated Entity paid a capital return to related party shareholders, Brookfield Australia Opportunities Fund ("BAO") and Brookfield Capital Management Limited ("BCML"). The amounts paid to BAO and BCML were \$3,806,000 and \$8,406,000 respectively.

Other than the matters discussed above, there have been no significant changes to the related party transactions as disclosed in the annual report for the year ended 30 June 2011.

12 Tax assets

Consistent with 30 June 2011, in accordance with AASB 112 *Income taxes*, a deferred tax asset of \$7,125,000 (2011: deferred tax asset of \$7,133,000) in respect of tax losses has not been recognised as it has been determined that realisation of this asset in the short term is not probable.

13 Contingent liabilities and assets

As at 31 December 2011, the Consolidated Entity had bank guarantees on issue as part of its development operations. The bank guarantees were issued in favour of third parties, who may call on the bank guarantees should the Consolidated Entity fail to meet its obligations under the terms of contracts with these counterparties.

The face value of bank guarantees issued as at 31 December 2011 is \$689,000 (30 June 2011: \$848,000). The bank guarantees are supported by cash held in escrow.

Other than the matter discussed above, no other contingent liabilities or assets existed at 31 December 2011 (30 June 2011: nil).

14 Capital and other commitments

There were no capital or other commitments at 31 December 2011 (30 June 2011: \$853,000).

15 Events subsequent to the reporting date

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

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For the half year ended 31 December 2011

In the opinion of the Directors of Brookfield Capital Management Limited, the Responsible Entity of Multiplex Development and Opportunity 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 Consolidated Entity's financial position as at 31 December 2011 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 2012



Russell Proutt
Director
Brookfield 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 2011, and the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of cash flows and the condensed consolidated interim statement of changes in equity 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 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 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 2011 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*. 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 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 2011 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
Parramatta, 24 February 2012