

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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For the half year ended 31 December 2011

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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  
Facsimile: +61 2 9322 2001

### **Custodian**

Brookfield Funds Management Limited  
Level 22, 135 King Street  
Sydney NSW 2000  
Telephone: +61 2 9322 2000  
Facsimile: +61 2 9322 2001

### **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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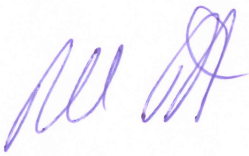
For the half year ended 31 December 2011

### **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

Auditor's Independence Declaration  
Multiplex Development and Opportunity Fund  
For the half year ended 31 December 2011

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**Auditor's Independence Declaration**

# 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
<b>Revenue and other income</b>		
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
<b>Total revenue and other income</b>	<b>133,321</b>	<b>30,284</b>
<b>Expenses</b>		
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
<b>Total expenses</b>	<b>133,069</b>	<b>25,797</b>
<b>Profit before income tax</b>	<b>252</b>	<b>4,487</b>
Income tax expense	(368)	(1,127)
<b>Net (loss)/profit after tax</b>	<b>(116)</b>	<b>3,360</b>
<b>Finance costs attributable to unitholders</b>		
Increase in net assets attributable to minority interests	203	856
(Decrease)/increase in net assets attributable to ordinary unitholders	(319)	2,504
<b>Net (loss)/profit for the period</b>	<b>(116)</b>	<b>3,360</b>
Total comprehensive income/(loss) attributable to:		
Minority interest	203	856
Ordinary unitholders	(319)	2,504
<b>Total comprehensive (loss)/income for the period</b>	<b>(116)</b>	<b>3,360</b>

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

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## Multiplex Development and Opportunity Fund

As at 31 December 2011

	Note	31 December 2011 \$'000	Consolidated 30 June 2011 \$'000
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>33,404</b>	<b>164,317</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method		47,648	46,887
<b>Total non-current assets</b>		<b>47,648</b>	<b>46,887</b>
<b>Total assets</b>		<b>81,052</b>	<b>211,204</b>
<b>Current liabilities</b>			
Trade and other payables		5,530	7,146
Deferred tax liabilities		274	64
Interest bearing liabilities		–	37,700
Performance fee		2,000	2,160
<b>Total current liabilities</b>		<b>7,804</b>	<b>47,070</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities		–	22,551
<b>Total non-current liabilities</b>		<b>–</b>	<b>22,551</b>
<b>Total liabilities (excluding net assets attributable to unitholders' interests)</b>		<b>7,804</b>	<b>69,621</b>
<b>Net assets</b>	10	<b>73,248</b>	<b>141,583</b>
<b>Minority interests</b>	10	<b>5,248</b>	<b>6,557</b>
<b>Net assets attributable to ordinary unitholders</b>	10	<b>68,000</b>	<b>135,026</b>
<b>Liability attributable to ordinary unitholders</b>		<b>(68,000)</b>	<b>(135,026)</b>
<b>Net assets attributable to ordinary unitholders</b>		<b>–</b>	<b>–</b>

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
<b>Cash flows from operating activities</b>		
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)
<b>Net cash flows from operating activities</b>	<b>128,205</b>	<b>7,153</b>
<b>Cash flows from investing activities</b>		
Investments in associates	(1,526)	(4,008)
Net proceeds on mezzanine loan	18,600	1,672
Loans to associates	–	2,325
<b>Net cash flows from / (used in) investing activities</b>	<b>17,074</b>	<b>(11)</b>
<b>Cash flows from financing activities</b>		
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)	–
<b>Net cash flows used in financing activities</b>	<b>(128,470)</b>	<b>(6,901)</b>
Net increase in cash and cash equivalents	16,809	241
Cash and cash equivalents at beginning of the period	9,446	14,861
<b>Cash and cash equivalents at 31 December</b>	<b>26,255</b>	<b>15,102</b>

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
<b>6 Cash and cash equivalents</b>		
Cash and cash equivalents	25,566	8,598
Restricted cash	689	848
<b>Total cash and cash equivalents</b>	<b>26,255</b>	<b>9,446</b>

### 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
<b>7 Inventories – land held for development</b>		
<b>Current</b>		
Vale Stages 2-6	5,740	7,775
Henley Brook	–	74,788
Vale Stages 7-11	–	52,070
<b>Total current</b>	<b>5,740</b>	<b>134,633</b>

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
<b>8 Interest bearing liabilities</b>		
<b>Current</b>		
Secured bank debt – Henley Brook	–	37,700
<b>Total interest bearing liabilities</b>	<b>–</b>	<b>37,700</b>

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

# 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
<b>Finance arrangements</b>			
<b>Facilities available</b>			
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)
<b>Facilities not utilised</b>		<b>2,311</b>	<b>6,601</b>

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
<b>Units on issue</b>				
Opening balance	158,649	163,336,831	158,649	163,336,831
Return of capital	(66,707)	–	–	–
<b>Closing balance</b>	<b>91,942</b>	<b>163,336,831</b>	<b>158,649</b>	<b>163,336,831</b>

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

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

# 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.



Independent Auditor's Review Report  
Multiplex Development and Opportunity Fund  
For the half year ended 31 December 2011

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Independent Auditor's Review Report continued  
Multiplex Development and Opportunity Fund  
For the half year ended 31 December 2011

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