Brookfield MULTIPLEX

Level 4
1 Kent Street
Sydney NSW 2000

GPO Box 172
Sydney NSW 2001

Telephone: +61 2 9256 5000
Facsimile: +61 2 9256 5001
www.brookfieldmultiplex.com

Multiplex SITES Trust
(ARSN 111 903 747)

Brookfield Multiplex Funds Management Limited
(ABN 15 105 371 917)

23 February 2009

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY
NSW 2000

Dear Madam

MULTIPLEX SITES TRUST FINANCIAL RESULTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2008

Please find attached the Appendix 4E Financial Report for the 6 months ended 31 December 2008 for Multiplex SITES Trust for release to the market.

As the Brookfield Multiplex Group (the Group) ceased trading on the Australian Securities Exchange on 20 December 2007, following its acquisition by Brookfield Bidco (Australia) Pty Ltd (Brookfield), it would not normally release to the market a financial report. However, to ensure that SITES security holders continue to have up to date information available to them regarding the financial position and performance of the Group, the Board has approved for release to the market a Brookfield Multiplex Group General Purpose Financial Report for the 6 months ended 31 December 2008 (Group Financial Report) and a Brookfield Multiplex Property Trust General Purpose Financial Report 6 months ended 31 December 2008 (Trust Financial Report). These Reports are also attached.

It should be noted that the Group has changed its financial year end to 31 December in order to align with the financial year end of its ultimate parent entity, Brookfield Asset Management Inc. Accordingly, these accounts have been prepared for the 6 months ended 31 December 2008 to facilitate this realignment. The next set of annual financial statements to be prepared for the Group will be for the year ended 31 December 2009. In order to comply with accounting standards, the comparatives presented in these financial reports are for the 12 months ending 30 June 2008 and the balance sheet as at 30 June 2008.

The Group recorded a net loss after tax attributable to stapled security holders of $266.6 million for the 6 months ended 31 December 2008.

The result was impacted by a number of significant items. These results include the unfavourable fair value adjustments (FVAs) relating to the Group's directly held and equity accounted investment properties totalling $291.1 million. The impact of the current period's adjustments was partially offset by the $73.7 million gain recorded on the disposition of certain European assets and Middle East management rights to subsidiaries of our parent company Brookfield Asset Management Inc. This gain also included a gain made on the sale of our interests in the Peterborough Hospital and Long Bay Prison PPP projects which were sold to Brookfield Infrastructure Partners.

The Group generated over $1.7 billion of liquidity with the proceeds on sale of the European Assets and Middle East management rights, the issuance of $340 million of preference shares and the refinancing of over $1.0 billion of debt.

Key financial highlights of the Group for the 6 months are:

- Net loss attributable to stapled security holders was $266.6 million (12 months ending 30 June 2008: loss $401.6 million)
- Loss per stapled security was (31.8) Cents for the 6 months ending 31 December 2008 compared to a loss of (48.0) cents for the 12 months ending 30 June 2008.
- Operating revenue for the 6 months ending 31 December 2008 was $1,558.9 million compared to $2,833.8 million for the 12 months ending 30 June 2008.
- Fair value adjustments to property assets (before taxes) was a decrement of $291.1 million for the 6 months ending 31 December 2008 compared to an increment of $143.3 million for the12 months ending 30 June 2008 .
- Net assets increased to $4.40 billion at 31 December 2008 (30 June 2008: $4.36 billion).
- Net tangible assets per stapled security increased to $4.53 at 31 December 2008 (30 June 2008:$ 4.48)

Subsequent to year end, on 2 February 2009, the Group sold its interests in the Melbourne Showgrounds PPP project, for consideration of $4.6 million, to Brookfield Infrastructure L.P..

Conference Call

Brookfield Multiplex Funds Management Limited as responsible entity of Multiplex SITES Trust has scheduled a teleconference for investors and analysts to discuss the results for the 6 months ended 31 December 2008.

The teleconference will be held on Tuesday 3 March 2009 at 2.00pm AEST.

Dial in details are as follows:

Within Australia	1800 701 269
Canada	1888 4473085
Germany	0800 1821244
Malaysia	1800 812564
Netherlands	0800 0224523
New Zealand	0800 446041
Singapore	8006 163092
Thailand	0018 0061360689
United Kingdom	0808 2347860
United States	1866 2421388

It is intended that the teleconference will be recorded and made available on the Brookfield Multiplex website.

Further details are set out in the attached Reports.

For further information, please contact Brian Kingston, Chief Financial Officer, on (02)9256 5000.

Multiplex SITES trade on the Australian Securities Exchange under the symbol “MXUPA”.

Yours faithfully
Brookfield Multiplex Funds Management Limited

Karen Pedersen
Company Secretary

Appendix 4E
Multiplex SITES Trust

For the 6 months ended 31 December 2008

Name of entity:	Multiplex SITES Trust (MXU) ARSN 111 903 747
Details of reporting period	
Current reporting period:	1 July 2008 to 31 December 2008
Prior corresponding period:	1 July 2007 to 30 June 2008

Multiplex SITES Trust (the Trust) was registered on 12 November 2004 and commenced operations upon listing for trading on the Australian Securities Exchange (ASX) on 20 January 2005.

This financial report should be read in conjunction with the financial report for the period ended 31 December 2008. It is also recommended that the financial report be considered together with any public announcements made by the Trust during the 6 months ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Results Announcement to the Market

	6 months ended 31 December 2008 $000	12 months ended 30 June 2008 $000
Total revenue and other income	–	–
Net profit before income tax	–	–
Net profit attributable to unitholders	–	–
Net tangible asset backing per SITES	–	–

This preliminary final report is given to the ASX in accordance with Listing Rule 4.3.A.

Distributions
Ordinary unitholders

There have been no distributions to ordinary unitholders during the financial period.

Multiplex SITES unitholders

Distributions per Multiplex SITES paid or declared by the Trust during the 6 months were as follows:

	$000's
Quarterly distribution for the period from 1 July 2008 to 30 September 2008 of 9.66% per annum and paid on 16 October 2008	10,936
Quarterly distribution for the period from 1 October 2008 to 31 December 2008 of 8.86% per annum and paid on 16 January 2009	10,049
Total	**20,985**

On 2 January 2009, the Trust announced to the ASX that the distribution rate for the period from 1 January 2009 to 31 March 2009 is 5.80% per annum.

The Trust has a formally constituted Audit & Risk Committee of the Board of Directors of the Responsible Entity. The information on which this announcement is based has been audited by the Trust's auditor, Deloitte Touche Tohmatsu. The release of this report was approved by resolution of the Board of Directors of the Responsible Entity on 20 February 2009.

Multiplex SITES Trust
Financial Report
for the 6 months ended
31December 2008

Step-up
Income-distributing
Trust-issued
Exchangeable
Securities

Multiplex SITES Trust

ARSN 111 903 747

Table of Contents

Multiplex SITES Trust

For the 6 months ended 31 December 2008

Directors' Report
Multiplex SITES Trust

For the 6 months ended 31 December 2008

Introduction

The Directors of Brookfield Multiplex Funds Management Limited (ACN: 105 371 917), the Responsible Entity of the Multiplex SITES Trust (the Trust) present their Report together with the financial report of the Trust, for the 6 months ended 31 December 2008 and the Independent Audit Report thereon.

The Responsible Entity is a wholly owned subsidiary of Brookfield Multiplex Limited (Brookfield Multiplex) and forms part of the consolidated Brookfield Multiplex Group (the Group).

Change of balance date

The Brookfield Multiplex Group has changed its financial year end to the period ending 31 December in order to align with the financial year end of its ultimate parent entity, Brookfield Asset Management Inc. Accordingly, the financial year end of the Multiplex SITES Trust has also been changed to the period ending 31 December. These accounts have been prepared for the 6 months ended 31 December 2008 to facilitate this realignment. The next set of annual financial statements to be prepared for the Multiplex SITES Trust will be for the year ended 31 December 2009.

Directors

The Directors of the Responsible Entity in office during the financial period and until the date of this report are set out below:

Name	Capacity	Title
Mr F Allan McDonald	Non-Executive Chairman	Non-Executive Chairman
Ms Barbara K Ward	Non-Executive Director	Independent Director
Mr Ross A McDiven	Executive Director	Chief Executive Officer
Mr Brian W Kingston	Executive Director	Chief Financial Officer
Mr Jeffrey M Blidner	Non-Executive Director	Director
Mr Richard B Clark	Non-Executive Director	Director

Information on Directors

Director (of Brookfield Multiplex Limited)	Experience	Special Responsibilities
Non-Executive Director		
F Allan McDonald BEcon, FCPA, FAIM, FCIS	Mr McDonald was appointed to the Board on 22 October 2003 and was appointed Non-Executive Chairman of Brookfield Multiplex Funds Management Limited in May 2005. Mr McDonald has had extensive experience in the role of Chairman and is presently associated with a number of companies as a consultant and Company Director. Mr McDonald's other directorships of listed companies are Babcock & Brown Japan Property Management Limited (responsible entity of Babcock & Brown Japan Property Trust) (appointed November 2004), Billabong International Limited (appointed July 2000), and Ross Human Directions Limited (appointed April 2000). During the past three years Mr McDonald has also served as a director of the following listed companies: Multiplex Limited (December 2003 to October 2007 – delisted December 2007), Brambles Industries Limited (August 1981 to November 2005), Brambles Industries plc (August 2001 to November 2005), and DCA Group Limited (May 1988 to December 2006).	Non-Executive Chairman

Directors continued

Information on Directors

Director (of Brookfield Multiplex Funds Management Limited, as the Responsible Entity)	**Experience**	**Special Responsibilities**
Other Non-Executive Directors		
Barbara K Ward B.Econ, M.Pol.Econ, MAICD	Ms Ward was appointed as a Non-Executive Director of Brookfield Multiplex Funds Management Limited on 22 October 2003. Ms Ward has gained extensive business and finance experience through her role as Chief Executive Officer of Ansett Worldwide Aviation Services, as General Manager Finance for the TNT Group and as a Senior Ministerial Advisor. Ms Ward is Chairman of Country Energy, a Director of Lion Nathan Limited (appointed February 2003) and a Director of Qantas (June 2008). In addition, Ms Ward is a trustee of the Sydney Opera House Trust. During the past three years Ms Ward has also served as a Director of Multiplex Limited (December 2003 to October 2007 – delisted December 2007), Director of the Commonwealth Bank of Australia (April 1994 to November 2006), and Allco Finance Group Limited (April 2005 to January 2008).	Chairperson of the Audit and Risk Committee
Jeffrey M Blidner	Mr Blidner is a Non-Executive Director and Chairman of Brookfield Multiplex Limited and Non-Executive Director of Brookfield Multiplex Funds Management Limited and was appointed to both Boards on 15 October 2007. Mr Blidner is a Senior Managing Partner of Brookfield Asset Management Inc. and is responsible for strategic planning and corporate operations. From 1998 to March 2008, Mr Blidner served on the board of directors of Teknion Corporation which was listed on the Toronto Stock Exchange (TSX) and Multiplex Limited (delisted December 2007). Both companies are no longer listed.	Non-Executive Director
Richard B Clark	Mr Clark is a Non-Executive Director of Brookfield Multiplex Limited and Brookfield Multiplex Funds Management Limited and was appointed to both Boards on 15 October 2007. Mr Clark is the Senior Managing Partner of Brookfield Asset Management's Property Operations, the Chief Executive Officer of Brookfield Properties and formerly was the President of Brookfield Asset Management's U.S. Commercial Operations. Mr Clark has been a Director of Brookfield Properties Corporation, which is listed on the New York and Toronto Stock Exchanges, since 2002. He has also been a Director of BPO Properties Ltd, which is listed on the New York and Toronto Stock Exchanges, since 2002.	Non-Executive Director

Directors continued
Information on Directors continued

Director (of Brookfield Multiplex Funds Management Limited, as the Responsible Entity)	Experience	Special Responsibilities
Executive Directors		
Ross A McDiven BCom	Mr McDiven is the Chief Executive Officer of Brookfield Multiplex Group. Mr McDiven was appointed as an executive director of Brookfield Multiplex Limited on 18 January 1986 and Brookfield Multiplex Funds Management Limited on 18 August 2003 respectively. Mr McDiven has over 38 years' experience with Brookfield Multiplex. He spent his early years at Brookfield Multiplex in the Construction business and for 18 years led the company's operations in New South Wales. Mr McDiven was also responsible for overseeing significant growth of Brookfield Multiplex's Development operations and is now responsible for the Group's Construction, Development and Services businesses worldwide. During the past three years Mr McDiven has served as a Director of Multiplex Limited (delisted December 2007).	Chief Executive Officer
Brian W Kingston	Mr Kingston is the Chief Financial Officer of Brookfield Multiplex. Mr Kingston joined Brookfield Asset Management in 2001 and has held various senior management positions within Brookfield and its affiliates, including mergers and acquisitions, merchant banking and real estate advisory services.	Chief Financial Officer

Company Secretary (of Brookfield Multiplex Funds Management Limited, as the Responsible Entity)	Experience
Karen Pedersen	Ms Pedersen is the General Counsel and Group General Manager, Corporate for Brookfield Multiplex Limited. Ms Pedersen has been with the company for almost thirteen years. Ms Pedersen is Company Secretary for Brookfield Multiplex Limited and Brookfield Multiplex Funds Management Limited.

Directors' and executives' equity interests

	Multiplex SITES held at the start of the period	Changes during the period	Multiplex SITES held at the end of the period
Mr F Allan McDonald securities held	705	–	705

For the 6 months ended 31 December 2008

Directors continued

Information on Directors continued

The number of Directors' meetings (including meetings of committees of Directors) for the Responsible Entity, and the number of meetings attended by each of the Directors, during the financial period were:

	Board Meetings		Audit and Risk Committee Meetings	
Director	Held	Attended	Held	Attended
Mr F Allan McDonald	2	2	1	1
Mr Jeffrey M Blidner	2	2	1	1
Mr Richard B Clark	2	1	n/a	n/a
Mr Brian W Kingston	2	2	n/a	n/a
Mr Ross A McDiven	2	2	n/a	n/a
Ms Barbara K Ward	2	2	1	1

Principal activities

The Trust is a registered managed investment scheme domiciled in Australia and the Step-up Income-distributing Trust-issued Exchangeable securities (Multiplex SITES) are listed on the Australian Securities Exchange.

The investment activities of the Trust continue to be in accordance with the policies outlined in the original Product Disclosure Statement for the Trust, dated 29 November 2004. During the 6 months ended 31 December 2008 the Trust's sole activity was holding units in the Multiplex Hybrid Investment Trust and payment of distributions to unit holders.

Review of operations

Multiplex SITES Trust earned a net profit attributable to unitholders of $nil for the 6 months ended 31 December 2008 (12 months ended 30 June 2008: $nil). Total quarterly distributions paid or payable in respect of the 6 months to 31 December 2008 was $20,985,190 (12 months to 30 June 2008: $40,457,510).

The Trust's only activity is an investment in the units of the Multiplex Hybrid Investment Trust, there were no other relevant operations during the financial period.

Remuneration report – audited

The Trust nor its Responsible Entity has employees of its own and accordingly there is no information to be disclosed in the remuneration report.

Events occurring after the Balance Sheet date

Other than as disclosed in this report and to the knowledge of the directors, there has been no matter or circumstance that has arisen since the end of the 6 month period that has significantly affected, or may affect, the Trust's operations in future financial periods, the results of those operations or the Trust's state of affairs in future financial periods.

Likely developments and expected results of operations

Information on likely developments in the operations of the Trust in future financial years and the expected results of those operations has been included in the Brookfield Multiplex Group Financial Report for the 6 months ended 31 December 2008. In the opinion of the Directors, further information has not been included in this report because the Directors believe that to do so would be likely to result in unreasonable prejudice to the Trust and the Brookfield Multiplex Group.

Environmental regulation

The Trust has systems in place to manage its environmental obligations. Based upon the results of inquiries made, the Board is not aware of any significant breaches or non-compliance issues during the period covered by this report.

Distributions

Distributions per Multiplex SITES paid or declared by the Trust during the 6 months were as follows:

	$000's
Quarterly distribution for the period from 1 July 2008 to 30 September 2008 of 9.66% per annum and paid on 16 October 2008	10,936
Quarterly distribution for the period from 1 October 2008 to 31 December 2008 of 8.86% per annum and paid on 16 January 2009	10,049
Total	**20,985**

On 2 January 2009, the Trust announced to the ASX that the distribution rate for the period from 1 January 2009 to 31 March 2009 is 5.80% per annum.

Register of unitholders

The register of unitholders has, during the 6 months ended 31 December 2008, been properly drawn up and maintained so as to give a true account of the unitholders of the Trust.

Directors' interests

As the Brookfield Multiplex Group is no longer listed on the Australian Stock Exchange, there are no securities or instruments issued by the Group over which the Directors have an interest.

Indemnification and insurance of officers and auditors

Brookfield Multiplex Limited has entered into deeds of access and indemnity with each of its Directors, Company Secretary and other nominated Officers. The terms of the deed are in accordance with the provisions of the *Corporations Act 2001* and will indemnify these executives (to the extent permitted by law) for up to seven years after serving as an Officer against legal costs incurred in defending civil or criminal proceedings against the executives, except where proceedings result in unfavourable decisions against the executives, and in respect of reasonable legal costs incurred by the executives in good faith in obtaining legal advice in relation to any issue relating to the executives being an officer of the Group.

Under the deeds of access and indemnity, Brookfield Multiplex Limited has agreed to indemnify these persons (to the extent permitted by law) against:

- liabilities incurred as a director or officer of Brookfield Multiplex Limited or a company in the Brookfield Multiplex Group, except for those liabilities incurred in relation to the matters set out in section 199A(2) of the *Corporations Act 2001*; and
- reasonable legal costs incurred in defending an action for a liability or alleged liability as a director or officer, except for costs incurred in relation to the matters set out in section 199A(3) of the *Corporations Act 2001*.

Brookfield Multiplex Limited has also agreed to effect, maintain and pay the premium on a director's and officer's insurance policy.
This policy does not seek to insure against liabilities (other than for legal costs) arising out of:

- conduct involving a wilful breach of duty in relation to a company in the Group; or
- a contravention of sections 182 or 183 of the *Corporations Act 2001*.

The obligation to effect, maintain and pay the premium on a policy continues for a period of seven years after the director or officer has left office.

Contract of insurance

Brookfield Multiplex Limited has paid or agreed to pay a premium in respect of a contract insuring the Directors and officers of Brookfield Multiplex Limited against a liability. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liabilities, as such disclosure is prohibited under the terms of the contract.

The Trust has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Trust or of any related body corporate against a liability incurred as such an officer or auditor.

Corporate governance

This section outlines the main corporate governance practices that are currently in place for Brookfield Multiplex Funds Management Limited (the Company) in its capacity as responsible entity for the Trust. The Company as responsible entity of the Trust is committed to maintaining the required standards of corporate governance.

As a wholly owned subsidiary of Brookfield Multiplex Limited the Company aims to make best use of the existing governance expertise and framework within Brookfield Multiplex Group as it applies to the Trust's operations wherever possible.

Best practice principles

The Australian Securities Exchange (the ASX) has established best practice guidelines that are embodied in eight principles (the Principles). The Board is supportive of the Principles and has applied these Principles to the extent relevant to the Trust. The Board's approach has been guided by the Principles and practices which are in the best interests of investors while ensuring compliance with legal requirements. In pursuing its commitment to these governance standards, the Board will continue to review and improve its governance practices.

The Principles as set out by the Corporate Governance Council are intended only as guidelines. Due to the investment structure of the Trust with its only investment being units in Multiplex Hybrid Investment Trust, there are several Principles that are neither relevant nor practically applicable to the Trust. The ASX Listing Rules require listed companies (or in the case of a listed trust, the responsible entity of that trust) to include in their annual report a statement disclosing the extent to which they have followed the Principles during the financial period.

For the 6 months ended 31 December 2008

Best practice principles continued
The Principles have been adopted, where appropriate, to ensure that the Company as responsible entity of the Trust continues to protect stakeholder interests. This Corporate Governance Statement sets out each Principle and provides details of how these Principles have been addressed by the Company as responsible entity of the Trust for the period ended 31 December 2008.

Principle 1: Lay solid foundations for management and oversight
It is the responsibility of the Board to ensure that the foundations for management and oversight of the Trust are established and appropriately documented.

Role of the Board
The Board has formalised its role and responsibilities in a charter ("the Board Charter"). The Board Charter clearly defines the matters reserved for the Board. The Board determines and monitors the Trust's policies and considers its future strategic direction. The Board is also responsible for presenting a balanced and understandable assessment of the Trust's position and, where appropriate, its prospects in the annual report and other forms of public reporting. The role of the Board is to act as the guardian of securityholder value for the Trust's investors. The Board as a whole is collectively responsible for promoting the success of the Trust by directing and supervising the Trust's affairs.

The role of the Board is summarised as follows:

- provision of guidance on and approval of the strategy and performance of the Trust;
- monitoring the progress of the financial situation of the Trust and other objectives;
- approving and monitoring the progress of major investments;
- oversight and approval of the risk, control and accountability systems;
- monitoring compliance with legal, constitutional and ethical standards; and
- ensuring effective communications with holders of Multiplex SITES and other stakeholders.

In essence, the Board Charter identifies the role of the Board, its committees and the powers reserved for the Board.

Management are employees of Brookfield Multiplex Limited, and therefore all senior management responsible for the operation of the Trust are subject to Brookfield Multiplex Group's performance evaluation.

Principle 2: Structure the Board to add value
The ASX views independence of Board members as a key element of an effective corporate governance regime. It recommends that a majority of the Board be independent, that the Chairperson be independent, that the roles of Chairperson and the Chief Executive Officer be split and further that the Board establish a Nomination Committee with a charter in line with best practice recommendations.

The Board believes that sound corporate governance is crucial to protecting the interests of investors. The Board has a broad range of relevant financial and other skills, experience and expertise necessary to meet its objectives and is subject to a continuous review of its composition. The Board meets formally at least four times per year and whenever necessary to deal with specific matters needing attention between scheduled meetings. As at 31 December 2008 the Board consists of six Directors.

Profiles of each of the Directors may be found on pages 3 to 5.

Independence
The Chairman of the Board, Allan McDonald is an independent director. The roles of Chairman and Chief Executive Officer are not exercised by the same individual. This is in line with the ASX best practice principle. The Board also identified non-executive director, Barbara Ward as being independent in accordance with the relationships affecting independent status listed by the ASX Corporate Governance Principles.

A majority of the members of the Board are not independent directors. Notwithstanding that, the Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company and the Trust on all matters.

The Company has also established a Risk and Compliance Committee. The Risk and Compliance Committee comprises two external members and one internal member. The Risk and Compliance Committee is governed by a formal Charter which includes compliance, risk management and internal control matters and reports its findings to the Board.

The Board has deemed that the operations as responsible entity of the Trust do not warrant a separate Nomination Committee.

The structure of the Trust is such that the Company does not receive a management fee for its services and as such there are no performance related criteria or measures to assess performance.

Access to information and advice
All Directors have unrestricted access to records of the Company and Trust and receive regular detailed financial and operational reports from senior management to enable them to carry out their duties. The Board collectively, and each Director individually, has the right to seek independent professional advice at the Trust's expense to help them carry out their responsibilities.

The company secretary supports the effectiveness of the Board by monitoring Board policies and procedures followed, and co-ordinating the timely completion and dispatch of board agenda and briefing material. All directors have access to the company secretary.

Principle 3: Promote ethical and responsible decision making
The Board has established both a Code of Business Conduct and Ethics and a Security Trading Policy.

Code of business conduct and ethics
Neither the Trust nor the Company employs individuals. However, all Directors, managers and employees involved in the operation of the Trust and the Company are employees of Brookfield Multiplex Limited and, along with all other employees in Brookfield Multiplex Group, are required to act honestly and with integrity. The Board is committed to recognising the interests of investors and other stakeholders as well as all staff involved in the management and operation of the Company and Trust. The Board acknowledges that all Brookfield Multiplex Group employees are subject to a Code of Business Conduct and Ethics that governs workplace and human resource practices, risk management and legal compliance. This Code of Business Conduct and Ethics therefore applies to all Directors, managers and employees of Brookfield Multiplex Limited involved in the operation of the Trust and the Company.

Security trading policy
All Directors of the Company and Brookfield Multiplex Group employees are subject to restrictions under the law relating to dealing in certain financial products, including securities in a company, if they are in possession of inside information. The Brookfield Multiplex Group Security Trading Policy has been formally adopted by the Board and specifically lists securities issued by the Trust as restricted securities for the purposes of the policy. A summary of the Security Trading Policy is available at www.brookfieldmultiplex.com under About Brookfield Multiplex under the heading About Us – Corporate Governance.

Principle 4: Safeguard integrity in financial reporting
The approach adopted by the Board is consistent with the Principle. The Board requires the Chief Executive Officer and the Chief Financial Officer to provide a written statement that the financial statements of the Trust present a true and fair view, in all material aspects, of the financial position and operational results.

Audit & Risk Committee
The Board has established an Audit & Risk Committee. The purpose of the Audit & Risk Committee is to oversee, on behalf of the Board, the integrity of the financial reporting controls and procedures and the effectiveness of the risk control framework utilised by the Company as responsible entity of the Trust.

It achieves this by:

- assessing the risk and control environment;
- overseeing financial reporting to ensure balance, transparency and integrity; and
- evaluating and monitoring the effectiveness of the external audit function.

The Charter sets out the Audit & Risk Committee's role and responsibilities, composition, structure and membership requirements. The members of the Audit & Risk Committee throughout the financial period are set out below:

			Board Meetings
Name	Position	Held	Attended
Barbara Ward	Chairperson	1	1
Jeffrey Blidner	Member	1	1
Alan McDonald	Member	1	1

The majority of the members, Barbara Ward and Allan McDonald, are not a substantial shareholder of the Company or the Trust or an officer of, or otherwise associated directly with, a substantial shareholder of the Company or the Trust and therefore are deemed independent. A summary of the Audit & Risk Committee's charter is available at www.brookfieldmultiplex.com under About Brookfield Multiplex under the heading About Us – Corporate Governance.

Principle 5: Make timely and balanced disclosure
The Company is committed to the promotion of investor confidence by providing full and timely information to all investors about the Trust's activities and by complying with the continuous disclosure obligations, contained in the Corporations Act 2001 and the ASX Listing Rules. The Board has adopted a Continuous Disclosure Policy which governs how the Company as responsible entity communicates with investors and the market. This policy applies to all Directors, managers and employees of Brookfield Multiplex Group involved in the operation of the Trust and the Company.

There are likely to be few events that are discloseable for the Trust as its only investment is in the units of the Multiplex Hybrid Investment Trust.

Principle 6: Respect the rights of Multiplex SITES Trust Holders
In addition to its statutory reporting obligations, the Trust and the Company are committed to timely and ongoing communication with Multiplex SITES holders. The Company's communication strategy is incorporated into the Brookfield Multiplex Continuous Disclosure Policy, a summary of which is available at www.brookfieldmultiplex.com under About Brookfield Multiplex under the heading About Us – Corporate Governance.

The Company also seeks to ensure ongoing communication through the distribution of the annual reports each year and through updates to all investors whenever significant developments occur.

The Trust has its own section on the Brookfield Multiplex website that provides up to date Trust information including any continuous disclosures notices given by the Trust, financial reports and distribution information.

Principle 7: Recognise and manage risk
An important role of the Company is to effectively manage the risks inherent in its business while supporting the reputation, performance and success of the Trust. The Board regularly reviews procedures in respect of compliance with the maintenance of statutory, legal, ethical and environmental obligations through the Audit & Risk Committee. Management also reports to the Board through the Audit & Risk Committee as to the effectiveness of the Company's management of its material business risks. As risks are primarily concerned with compliance rather than an operational nature, the existing risk management approach will continue to be enforced.

The procedures adopted by the Company are consistent with those in Principle 7, in that the Chief Executive Officer and the Chief Financial Officer approve the sign off of financial statements based upon a sound system of risk management and confirm that the internal compliance and control system is operating efficiently in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly
Principle 8 suggests that the Company should establish a dedicated Remuneration Committee. As neither the Trust nor the Company have employees of their own no remuneration committee has been established.

With the exception of the departures from the ASX Corporate Governance Guidelines detailed above, the Company as responsible entity of the Trust believes that it has followed the best practice recommendations set by the ASX.

Rounding of amounts
The Trust is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and the financial report. Amounts in the directors' report and the financial report have been rounded off in accordance with that Class Order to the nearest hundred thousand or thousand dollars, or in certain cases, to the nearest dollar.

Auditor independence and non-audit services

Independence

The Directors received the declaration on page 12 from the auditor.

Non-audit services

During the financial period, there were no amounts paid to Deloitte Touche Tohmatsu for the provision of non-audit services.

This Report is signed in accordance with a resolution of the Board of Directors, and for and on behalf of the Directors, pursuant to section 298(2) of the Corporations Act (2001).

F Allan McDonald
Non-Executive Chairman
Brookfield Multiplex Funds Management Limited
as Responsible Entity for Multiplex SITES Trust

Brian W Kingston
Chief Financial Officer
Brookfield Multiplex Funds Management Limited
as Responsible Entity for Multiplex SITES Trust

20 February 2009

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
Brookfield Multiplex Funds Management Limited
(as Responsible Entity for Multiplex SITES Trust)
1 Kent Street
SYDNEY, NSW 2000

20 February 2009

Dear Directors

AUDITORS INDEPENDENCE DECLARATION TO MULTIPLEX SITES TRUST

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 Funds Management Limited, as responsible entity for Multiplex SITES Trust.

As audit partner for the audit of the financial statements of the Multiplex SITES Trust for the 6 months ended 31 December 2008, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit .

Yours faithfully

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants

Member of
Deloitte Touche Tohmatsu

Income Statement
Multiplex SITES Trust

For the 6 months ended 31 December 2008

	Note	6 months ended 31 Dec 2008 $000	12 months ended 30 Jun 2008 $000
Revenue			
Share of net profit of associates accounted for using the equity method	3c	20,985	40,458
Finance cost – interest paid and payable to Multiplex SITES holders	2	(20,985)	(40,458)
Net profit before income tax		**–**	**–**
Income tax expense		–	–
Net profit attributable to unitholders		**–**	**–**
Basic and diluted earnings per unit		**–**	**–**

The Income Statement should be read in conjunction with the Notes to the Financial Statements.

Balance Sheet
Multiplex SITES Trust

As at 31 December 2008

	Note	31 Dec 2008 $000	30 Jun 2008 $000
Non-current assets			
Investments accounted for using the equity method	3b	460,049	460,894
Total non-current assets		**460,049**	**460,894**
Total assets		**460,049**	**460,894**
Current liabilities			
Payables	4	10,049	10,894
Total current liabilities		**10,049**	**10,894**
Non-current liabilities			
Interest bearing liabilities	5	450,000	450,000
Total non-current liabilities		**450,000**	**450,000**
Total liabilities		**460,049**	**460,894**
Net assets		–	–
Equity		–	–

The Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

Cash Flow Statement
Multiplex SITES Trust

For the 6 months ended 31 December 2008

	Note	6 months ended 31 Dec 2008 $000	12 months ended 30 Jun 2008 $000
Cash flows from operating activities			
Dividends and distributions received		21,830	38,992
Borrowing costs paid to Multiplex SITES holders		(21,830)	(38,992)
Net cash inflow from operating activities	10	**-**	**–**
Cash flows from investing activities		-	-
Net cash outflow from investing activities		**-**	**–**
Cash flows from financing activities		-	-
Net cash inflow from financing activities		**-**	**–**
Net increase in cash held		-	-
Cash at the beginning of the financial period		-	-
Cash at the end of the financial period		**-**	**–**

The Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements.

1 Summary of principal accounting policies

The financial report of Multiplex SITES Trust (the Trust) for the 6 months ended 31 December 2008 was authorised for issue in accordance with a resolution of the directors of Brookfield Multiplex Funds Management Limited (the Responsible Entity) on 23 February 2009.

a Trust structure

The Multiplex SITES Trust is a unit trust and is domiciled in Australia. The units of the Trust have been listed on the Australian Securities Exchange (ASX) and are guaranteed on a subordinated and unsecured basis by Brookfield Multiplex Limited and Brookfield Multiplex Funds Management Limited (the Guarantors). The Trust was registered on 12 November 2004.

b Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards.

Accounting standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Trust comply with International Financial Reporting Standards ('IFRS').

This financial report should be read in conjunction with the Brookfield Multiplex Group Product Disclosure Statement issued and lodged with the Australian Securities & Investments Commission (ASIC) on 29 November 2004 and the Supplementary Product Disclosure Statement issued and lodged with the Australian Securities & Investments Commission (ASIC) on 9 December 2004 and any public announcements by the Brookfield Multiplex Group during the period in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

The financial report has been prepared using the historical cost basis except for the assets and liabilities that are stated at their fair value.

The financial report is presented in Australian dollars. The Trust is of a kind referred to in Class Order 98/100, issued by ASIC, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest hundred thousand or thousand dollars, or in certain cases, to the nearest dollar. The Trust was registered on 12 November 2004. As there is no unitholder equity in the Trust, there is no Statement of Changes in Equity.

Unless otherwise stated, the accounting policies set out below have been applied consistently to all periods presented in the financial report, and have been applied consistently by the Trust.

c Changes in accounting policies

The Trust has elected to early adopt AASB 8 Operating Segments from 1 July 2008. As a result segment information is no longer presented in these financial statements.

d Accounting standards issued but not yet applicable

As at the date of this financial report the following accounting standards have been issued, which will be applicable to the Trust, but were not effective and as a consequence were not adopted in the preparation of the financial statements:

Accounting Standard Name		Issue Date	Operative Date (Annual reporting periods beginning on or after)
AASB 101	Presentation of Financial Statements (revised September 2007)	September 2007	1 January 2009
AASB 123	Borrowing Costs (revised)	June 2007	1 January 2009
AASB 127	Separate and Consolidated Financial Statements	March 2008	1 July 2009
AASB 2008-2	Amendements to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation	March 2008	1 January 2009

If these accounting standards had been adopted, it is not expected that there would have been a material impact to either the Income Statement for the 6 months ended 31 December 2008 or the Balance Sheet as at 31 December 2008.

For the 6 months ended 31 December 2008

1 Summary of principal accounting policies continued

e Principles of consolidation

Associates

The Trust's investment in its associates is accounted for using the equity method of accounting in the financial report. The associate is an entity in which the Trust has significant influence, but not control, over their financial and operating policies.

Under the equity method, the investment in the associates is carried in the balance sheet at cost plus post-acquisition changes in the Trust's share of net assets of the associate. After application of the equity method, the Trust determines whether it is necessary to recognise any additional impairment loss with respect to the Trust's net investment in the associate. The Income Statement reflects the Trust's share of the results of operations of the associate.

When the Trust's share of losses exceeds its interest in an associate, the Trust's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Trust has incurred legal or constructive obligations or made payments on behalf of an associate.

f Interest bearing liabilities and payables

Interest bearing borrowings are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest basis.

Refer to Note 5 for terms and conditions.

g Comparatives

Where deemed necessary, the comparatives have been reclassified to achieve consistency with the current period.

h Change in balance date

The Brookfield Multiplex Group has changed its financial year end to the period ending 31 December in order to align with the financial year end of its ultimate parent entity, Brookfield Asset Management Inc. Accordingly the financial year end of the Multiplex SITES Trust has also been changed to the period ending 31 December. The financial statements have been prepared for the 6 months ended 31 December 2008 to facilitate this realignment. The next set of financial statements to be prepared for the Multiplex SITES Trust will be for the half year ended 30 June 2009.

Comparative numbers presented in the financial statements are for the 12 months to 30 June 2008 for the Income Statement, and the Cash Flow Statement. Current financial period balances for these statements are for the 6 months period to 31 December 2008.

	Cents per unit	Total Amount $000	Date of Payment
2 Finance costs			
For the 6 months ended 31 December 2008			
Finance cost paid for the period ended 30 September 2008	243.02	10,936	16 October 2008
Finance cost paid for the period ended 31 December 2008	223.32	10,049	16 January 2009
Total finance cost paid/payable	**466.34**	**20,985**	
For the year ended 30 June 2008			
Finance cost paid for the period ended 30 September 2007	209.79	9,441	15 October 2007
Finance cost paid for the period ended 31 December 2007	220.80	9,936	15 January 2008
Finance cost paid for the period ended 31 March 2008	226.38	10,187	15 April 2008
Finance cost paid for the period ended 30 June 2008	242.08	10,894	15 July 2008
Total finance cost paid/payable	**899.05**	**40,458**	

Finance costs are payable at the discretion of the Responsible Entity at the three month bank bill rate on the issue date plus a margin of 1.90%. The rate is determined on the first business day of each quarter.

	31 Dec 2008 $000	30 Jun 2008 $000
3 Investments accounted for using the equity method		
Non-current		
Units in unlisted associates	460,049	460,894
Total	**460,049**	**460,894**

a Carrying value

Details of material interests in associates are as follows:

Name	Principal Activities	Voting Interest %	Carrying Value 31 Dec 2008 $000	Carrying Value 30 Jun 2008 $000
Multiplex Hybrid Investment Trust	Investment	25	460,049	460,894
Total			**460,049**	**460,894**

	31 Dec 2008 $000	30 Jun 2008 $000
b Movement in the carrying value		
Carrying amount at the beginning of the financial period	460,894	459,428
Share of profit accounted for using the equity method	20,985	40,458
Distribution received during the period	(21,830)	(38,992)
Carrying amount at the end of the financial period	**460,049**	**460,894**
c Other disclosures		
Share of associates' revenues and profits		
Share of profits of associates	**20,985**	**40,458**
Share of associates:		
Net profit before tax	20,985	40,458
Income tax expense attributable to net profit	–	–
Total share of associates' net profit after tax accounted for using the equity method	**20,985**	**40,458**
Share of associates' assets and liabilities		
Assets	460,049	460,894
Liabilities	(10,049)	(10,894)
Net Assets	**450,000**	**450,000**

d Commitments and contingencies

There are no commitments or contingencies requiring disclosure.

	31 Dec 2008 $000	30 Jun 2008 $000
4 Payables		
Current		
Interest payable on Multiplex SITES	**10,049**	**10,894**

	31 Dec 2008 $000	30 Jun 2008 $000
5 Interest bearing liabilities		
Non-current		
Unsecured		
Amounts owing to Multiplex SITES holders	450,000	450,000

Terms and conditions

Multiplex SITES is a fully paid unit issued by the Multiplex SITES Trust and is entitled to income that is derived by Multiplex SITES Trust.

Multiplex SITES rank in priority to other units in Multiplex SITES Trust, but behind creditors of the Multiplex SITES Trust.

The Responsible Entity in its capacity as responsible entity of the Brookfield Multiplex Property Trust and Brookfield Multiplex Limited guarantee the Face Value and Unpaid Distribution Amount on Redemption (not being more than the distribution payments for the four preceding but unpaid distributions). In addition, while the Responsible Entity of the Multiplex SITES Trust is a member of Brookfield Multiplex Group, the Responsible Entity in its capacity as responsible entity of the Brookfield Multiplex Property Trust and Brookfield Multiplex Limited guarantee any distributions which have been declared payable by the Multiplex SITES Trust. As there is discretion not to pay particular distributions, the guarantee does not ensure that Priority Distribution Payments will be paid in all circumstances.

Under the Guarantee, Multiplex SITES rank in priority to units in the Brookfield Multiplex Property Trust and shares in Brookfield Multiplex Limited but are subordinated to senior creditors of the Brookfield Multiplex Property Trust and Brookfield Multiplex Limited.

Assets pledged as security

Multiplex SITES have an unsecured and subordinated guarantee of the Face Value and Unpaid Distribution Amount (not being more than the distribution payments for the four preceding but unpaid distributions).

The guarantee ranks in priority to units in the Brookfield Multiplex Property Trust and Shares in Brookfield Multiplex Limited, is subordinated to senior creditors of the Brookfield Multiplex Property Trust and Brookfield Multiplex Limited and ranks equally with other creditors of the Brookfield Multiplex Property Trust and Brookfield Multiplex Limited who are not senior creditors.

Holder redemption

Holders have the right to initiate redemption of Multiplex SITES, by issue of a holder realisation notice, in the following limited circumstances:

- where a priority distribution payment is not paid in full; or
- the occurrence of a winding-up event, with respect to either of the guarantors, Multiplex SITES Trust (for as long as the responsible entity of Multiplex SITES Trust is a member of Brookfield Multiplex Group) or Multiplex Hybrid Investment Trust (MHIT) (for as long as MHIT Trustee is a member of Brookfield Multiplex Group)

The request for redemption is effective and will be implemented if made by holders who cumulatively hold 5% or more of Multiplex SITES on issue.

Upon redemption, holders will receive the aggregate of $100 plus the unpaid distribution amount, not being more than the distribution payments for the four preceding but unpaid distributions.

Issuer redemption

Subject to the approval of the Responsible Entity and Brookfield Multiplex Limited, the Issuer may initiate redemption of all or some of the Multiplex SITES for cash, by sending a realisation notice to holders, in the following circumstances:

- The step-up date or the last day of each distribution period after the step-up date;
- An increased costs event;
- An Accounting Event;
- Where the responsible entity of the Multiplex SITES Trust is no longer a member of the Brookfield Multiplex Group;
- A change of control event; or
- There are less than $50 million of Multiplex SITES remaining on issue.

Holder exchange

Holders have no right to request exchange

5 Interest bearing liabilities continued

Issuer exchange

The Brookfield Multiplex Group was delisted on 20 December 2007.

For so long as the Brookfield Multiplex Group is not listed, the Responsible Entity will not be entitled to exercise its option to exchange Multiplex SITES for Brookfield Multiplex Group stapled securities.

6 Financial instruments

The Trust's principal financial instruments comprise Multiplex SITES, the face value of which is guaranteed on an unsecured and subordinated basis by Brookfield Multiplex Limited and Brookfield Multiplex Property Trust.

Interest rate and liquidity risks for which the Trust may be exposed are regularly reviewed and monitored by the Responsible Entity.

The Trust's sensitivity to a 1% movement in interest rates in relation to discretionary priority distribution payments is as follows:

	31 December 2008 Impact on Profit		30 June 2008 Impact on Profit	
	+100 bps	-100 bps	+100 bps	-100 bps
Interest bearing liabilities	2,250	(2,250)	4,542	(4,458)

The "Amounts owing to Multiplex SITES holders" represents the Multiplex SITES held by the Multiplex SITES holders in the Multiplex SITES Trust and the "Interest payable on Multiplex SITES" represents the discretionary quarterly distribution payment owing for the period from 1 October 2008 to 31 December 2008 (30 June 2008 – owing for the period 1 April 2008 to 30 June 2008). The Multiplex SITES held by the SITES holders in the Multiplex SITES Trust are shown as a liability for the purpose of these accounts due to the life of the Trust being limited to 80 years by its Constitution, creating a de-facto "repayment" obligation on the Trust with respect to its capital which therefore precludes the units from being classified as equity under the requirements of *AASB 132 Financial Instruments: Presentation*. The terms and conditions of the SITES instruments, including the redemption options, are detailed in Note 5.

7 Remuneration of auditors

During the financial period all amounts paid to the auditor of the Trust were borne by the Responsible Entity, in its capacity as responsible entity of the Multiplex SITES Trust.

8 Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets requiring recognition.

9 Related party disclosures

a Associates

Interests in associates are set out in Note 3.

b Key management personnel

No compensation is paid by the Trust nor the Responsible Entity to directors or directly to any of the Key Management Personnel of the Responsible Entity. Compensation is paid by entities within the Brookfield Multiplex Group.

The numbers of Multiplex SITES held by the Key Management Personnel of the Responsible Entity, including their personally related entities, are set out below:

	Held at 1 July 2008	Held at 31 December 2008
Mr F Allan McDonald	705	705

	Held at 1 July 2007	Held at 30 June 2008
Mr F Allan McDonald	705	705

9 Related party disclosures continued

c Transactions with related parties

Transactions between Multiplex SITES Trust and Multiplex Hybrid Investment Trust

- An investment in Multiplex Hybrid Investment Trust of $450,000,000 (30 June 2008: $450,000,000); and
- Distributions received of $21,830,000 for the 6 months ended 31 December 2008 (12 months ended 30 June 2008: $38,992,000).

Responsible Entity

The Responsible Entity of the Trust is Brookfield Multiplex Funds Management Limited whose immediate parent entity is Brookfield Multiplex Limited.

	6 months ended 31 Dec 2008 $000	12 months ended 30 Jun 2008 $000
10 Reconciliation of profit from ordinary activities after income tax to net cash inflow/outflow from operating activities		
Profit from ordinary activities	–	–
Change in operating assets and liabilities, net of effects from purchase and disposal of controlled entities:		
Decrease/(increase) in other assets	845	(1,466)
(Decrease)/increase in payables	(845)	1,466
Net cash inflow from operating activities	–	–

11 Events occurring after the Balance Sheet date

Other than as disclosed in this report and to the knowledge of the directors, there has been no matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may affect, the Trust's operations in future financial periods, the results of those operations or the Trust's state of affairs in future financial periods.

Directors' Declaration
Multiplex SITES Trust

For the 6 months ended 31 December 2008

In the opinion of the directors of Brookfield Multiplex Funds Management Limited, the Responsible Entity of Multiplex SITES Trust:

a the financial statements and notes set out on pages 13 to 21, are in accordance with the *Corporations Act 2001*, including:

  i giving a true and fair view of the financial position of the Trust as at 31 December 2008 and of its performance, as represented by the results of its operations and its cash flows, for the period ended on that date; and

  ii complying with Accounting Standards in Australia and the Corporations Regulations 2001;

b there are reasonable grounds to believe that the Trust will be able to pay is debts as and when they become due and payable; and

The Trust has operated during the 6 months in accordance with the provisions of the Trust Constitution dated 12 November 2004.

The Directors have been given the declaration by the Chief Executive Officer and the Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

F Allan McDonald
Non-Executive Chairman
Brookfield Multiplex Funds Management Limited
as Responsible Entity for Multiplex SITES Trust

Brian W Kingston
Chief Financial Officer
Brookfield Multiplex Funds Management Limited
as Responsible Entity for Multiplex SITES Trust

20 February 2009

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Report to the Unitholders of Multiplex SITES Trust

We have audited the accompanying financial report of the Multiplex SITES Trust, which comprises the balance sheet as at 31 December 2008, and the income statement and cash flow statement for the 6 months ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of Multiplex SITES Trust set out on pages 13 to 22.

Directors' Responsibility for the Financial Report

The Directors of Brookfield Multiplex Funds Management Limited, the responsible entity of Multiplex SITES Trust, are responsible for the preparation and fair presentation of the 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 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's Opinion

In our opinion:

(a) the financial report of Multiplex SITES Trust is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the Multiplex SITES Trust financial position as at 31 December 2008 and of its performance for the 6 months ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the Multiplex SITES Trust financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants
Sydney, 20 February 2009

The Brookfield Multiplex Group
Financial Report
For the 6 months ended
31 December 2008

Brookfield Multiplex Limited

ABN 96 008 687 063

Table of Contents
Brookfield Multiplex Group
For the 6 months ended 31 December 2008

Directors' Report
Brookfield Multiplex Group
For the 6 months ended 31 December 2008

Introduction
The Directors of Brookfield Multiplex Limited (the Parent Entity or Company) present their report together with the financial report of the 'Consolidated Entity', being the Company and its subsidiaries and Brookfield Multiplex Property Trust (Trust) and its subsidiaries (Brookfield Multiplex Group or the Group), for the 6 months ended 31 December 2008 and the independent audit report thereon. Brookfield Multiplex Limited has been elected as the Parent Entity of the Group.

Change of balance date
The Brookfield Multiplex Group has changed its financial year end to the period ending 31 December in order to align with the financial year end of its ultimate parent entity, Brookfield Asset Management Inc. Accordingly, the financial year end of the Consolidated Entity has also been changed to the period ending 31 December. These accounts have been prepared for the 6 months ended 31 December 2008 to facilitate this realignment. The next set of annual financial statements to be prepared for the Consolidated Entity will be for the year ended 31 December 2009.

Directors

Name	Capacity	Title
Mr Jeffrey M Blidner	Non-Executive Director	Director
Mr Richard B Clark	Non-Executive Director	Director
Mr Brian W Kingston	Executive Director	Chief Financial Officer
Mr Ross A McDiven	Executive Director	Chief Executive Officer

Information on Directors

Director (Brookfield Multiplex Limited)	Experience	Special Responsibilities
Jeffrey M Blidner	Mr Blidner is a non-executive Director and Chairman of Brookfield Multiplex Limited and Non-Executive Director of Brookfield Multiplex Funds Management Limited and was appointed to both Boards on 15 October 2007. Mr Blidner is a Senior Managing Partner of Brookfield Asset Management Inc. and is responsible for strategic planning and corporate operations. From 1998 to March 2008, Mr Blidner served on the board of directors of Teknion Corporation which was listed on the Toronto Stock Exchange and Brookfield Multiplex Limited. Both companies are no longer listed.	Non-Executive Director
Richard B Clark	Mr Clark is a Non-Executive Director of Brookfield Multiplex Limited and Brookfield Multiplex Funds Management Limited and was appointed to both Boards on 15 October 2007. Mr Clarke is the Senior Managing Partner of Brookfield Asset Management's Property Operations, the Chief Executive Officer of Brookfield Properties and formerly was the President of Brookfield Asset Management's U.S Commercial Operations. Mr Clark has been a Director of Brookfield Properties Corporation, which is listed on the New York and Toronto Stock Exchanges, since 2002. He has also been a Director of BPO Properties Ltd, which is listed on the New York and Toronto Stock Exchanges, since 2002.	Non-Executive Director

Directors continued

Information on Directors continued

Director (Brookfield Multiplex Limited)	Experience	Special Responsibilities
Ross A McDiven	Mr McDiven is the Chief Executive Officer of the Brookfield Multiplex Group. Mr McDiven was appointed as an executive director of Brookfield Multiplex Limited on 18 January 1986 and Brookfield Multiplex Funds Management Limited on 18 August 2003 respectively. Mr McDiven has over 38 years' experience with the Brookfield Multiplex Group. He spent his early years at Brookfield Multiplex Group in the Construction business and for 18 years led the company's operations in New South Wales. Mr McDiven was also responsible for overseeing significant growth of Brookfield Multiplex Group Development operations and is now responsible for the Brookfield Multiplex Group Construction, Development and Services businesses worldwide. During the past three years Mr McDiven has served as a Director of Brookfield Multiplex Limited (delisted December 2007).	Chief Executive Officer
Brian W Kingston	Mr Kingston is the Chief Financial Officer of Brookfield Multiplex Group. Mr Kingston joined Brookfield Asset Management in 2001 and has held various senior management positions within Brookfield and its affiliates, including mergers and acquisitions, merchant banking and real estate advisory services. There are no listed companies other than Brookfield Multiplex Limited (delisted December 2007) of which Mr Kingston has served as a director during the past three years.	Chief Financial Officer

Company Secretary (Brookfield Multiplex Limited)	**Experience**
Karen Pedersen	Ms Pedersen is the General Counsel and Group General Manager, Corporate for Brookfield Multiplex Limited. Ms Pedersen has been with the Group for almost 13 years. Ms Pedersen is Company Secretary for Brookfield Multiplex Limited and Brookfield Multiplex Funds Management Limited.

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) for Brookfield Multiplex Limited (the Company), and the number of meetings attended by each of the Directors during the 6 month period ended 31 December 2008 were:

Director	Board Meetings Held	Board Meetings Attended
Mr Jeffrey M Blidner	3	3
Mr Richard B Clark	3	2
Mr Brian W Kingston	3	3
Mr Ross A McDiven	3	3

Principal activities
The principal activities of the Consolidated Entity during the course of the 6 months ended 31 December 2008 include:

- construction services and project management;
- property development;
- services;
- property related funds management and property syndication; and
- investment in income producing retail, commercial and industrial properties.

The Consolidated Entity principally operates in Australia, New Zealand and the Middle East.

During the 6 months ended 31 December 2008, the Consolidated Entity disposed of its interests in its UK Constructions business, the majority of its European development business assets and its Middle East management rights to Brookfield Europe LP (a subsidiary of Brookfield Asset Management Inc) and its subsidiaries. Simultaneously, the Consolidated Entity's interests in the Peterborough and Long Bay PPP projects was sold to Brookfield Infrastructure LP. The proceeds from this sale were used to make a loan to Brookfield Bidco (Australia) Pty Ltd (Brookfield Australia)).

Group structure
The Brookfield Multiplex Group (Group) comprises Brookfield Multiplex Limited (the Company) and its subsidiaries, and Brookfield Multiplex Property Trust (the Trust) and its subsidiaries. Ordinary shares in the Company and ordinary units in the Trust are stapled together so that neither can be dealt with without the other. A transfer, issue or reorganisation of an ordinary share or an ordinary unit in one of the component parts is accompanied by a transfer, issue or reorganisation of a share or unit in the other component part.

Operating profit
The Group recorded a net loss after tax attributable to stapled security holders of $266.6 million for the 6 months ended 31 December 2008 (12 months to 30 June 2008: loss of $401.6 million).

Earnings per stapled security

	6 months ended 31 Dec 2008 cents	12 months ended 30 Jun 2008 cents
Basic and diluted (losses)/earnings per stapled security	**(31.8)**	**(48.0)**

Distributions
The Group did not pay any cash distributions to securityholders during the 6 months ended 31 December 2008 (12 months to 30 June 2008: $58.6 million; 7.0 cents per stapled security).

Dividends from the Company
There were no dividends paid or declared during the financial period (year ended 30 June 2008: nil).

Review of operations and results
Operating results for the period
The Group recorded a net loss after tax of $247.1 million for the 6 months ended 31 December 2008 (12 months to 30 June 2008: loss $345.0 million).

The result was impacted by a number of significant items. These results include the unfavourable fair value adjustments (FVAs) relating to the Group's directly held and equity accounted investment properties totalling $291.1 million (12 months ended 30 June 2008 favourable $143.3 million). The impact of the current period's adjustments was partially offset by the $73.7 million gain recorded on the disposition of certain European assets and Middle East management rights to subsidiaries of the Company's ultimate parent company Brookfield Asset Management Inc. This gain also included a gain made on the sale of our interests in the Peterborough Hospital and Long Bay Prison PPP projects which were sold to Brookfield Infrastructure L.P..

Property Development Division
The Property Development division contributed an EBIT loss to the Group of $24.7 million (30 June 2008: loss $348.2 million), on divisional revenue of $333.1 million for the 6 months ended 31 December 2008 (12 months ended 30 June 2008: $515.8 million). The Australian operations returned an EBIT of $7.8 million, which included an impairment charge of $3.0 million. The UK operations had an EBIT loss of $31.8 million. However this included some one off charges for losses on interest rate hedges and foreign currency losses totalling $30.4 million.

Review of operations and results continued

Property Development Division continued

Key activities during the period include:

Australia and New Zealand

Commercial

- The acquisition of the retail component of the Foundry project, 399 Bourke Street, Melbourne (Vic) for $23.5 million.
- The sale of Highett site in Melbourne (Vic).
- Brookfield Multiplex remains short-listed for the Barangaroo project in Sydney (NSW).
- Secured development facility finance for the joint venture redevelopment of the Claremont Arcade Shopping Centre, Perth (WA).
- Macquarie Bank Building at King Street Wharf (NSW) has achieved a 6 star Green Star design rating and Sydney Water (NSW) achieved a 5 star Green Star design rating, both of which are tracking ahead of programme and scheduled for completion in early 2009.
- Construction commenced on the 75,000 square metre tower at City Square in Perth (WA).

Residential

- The completion of 129 beachfront apartments in the Cotton Beach development on the Tweed Coast, NSW
- Precinct 2A of Port Adelaide Waterfront redevelopment joint venture commenced stage completion of 228 dwellings with 162 settled at December 2008.
- Construction commenced on The Precinct, Altitude apartment joint venture in Adelaide, SA.
- Promenade, apartments at Portside Wharf in Brisbane, Qld and The Manors, exclusive heritage residences at Little Bay, NSW.
- Acquisition of Greenvale (Vic).

United Kingdom and Europe

- Planning permission has been granted on the mixed use development in Gibraltar and negotiations are ongoing to secure granting of the requisite lease.
- All other Projects were sold to Brookfield Europe LP in December 2008.

Construction Division

The Construction division contributed EBIT to the Group of $22.2 million (12 months ended 30 June 2008: $91.1 million) on divisional revenue of $1,087.6 million (12 months ended 30 June 2008: $2,524.3 million).

Australia and New Zealand

- Current workbook as at 31 December 2008 included 19 projects with a value of $3.2 billion (30 June 2008: $3.7 billion).
- Successful completion of 8 projects with a value of approximately $756.9 million including Long Bay Prison & Forensic Hospital (NSW), Centro Bankstown (NSW), Cotton Beach (NSW), 430 St Kilda Rd – Lucient Apartments (VIC), 538 Bourke Street (VIC), Port Adelaide Stage 2A (SA), Sylvia Park Car Park (NZ) and Mangatawhiri Road (NZ).
- 5 new projects with a combined contract value of $231.6 million were secured including Sydney Water Potts Hill (NSW), TCC WSUP (NQ Water) (NSW), Altitude (VIC), Alkimos WWTP (WA) and Project Forrester (NZ).
- Work continues on major projects including Macquarie Bank Building at King Street Wharf (NSW), Auburn Hospital (NSW), Sydney Water (NSW), Claremont Shopping Centre (WA), Bishops See Stage 1 (WA), Century City (WA), City Square (WA), 111 Burke Street (Southern Cross West) (VIC), 131-135 Bourke Street (VIC), Melbourne Convention Centre (VIC), Southbank One (VIC) and the Deloitte Centre in Auckland (NZ).
- Melbourne Convention Centre (VIC) phase 1 received client acceptance on 2 Jan 2009. The Phase 2 Hotel is expected to be completed in March 2009 and is on programme.
- Auburn Hospital (NSW), Macquarie Bank Building at King Street Wharf (NSW), Bishops See Stage 1 (WA), Century City (WA) is expected to be completed in the first half of 2009.

United Kingdom and Europe

- Brookfield Constructions UK Limited was sold to Brookfield Europe in December 2008.

Review of operations and results continued

Construction Division continued

Middle East

- Work-in-hand as at 31 Dec 2008 included 7 projects with a value of $2.5 billion (June 2008: $1.8 billion).
- New projects secured during calendar year 2008 include the Renaissance Hotel, Courtyard Hotel, Dubai Waterfront Design & Early Works and the Opus project.
- The W Hotel and Apartments in Qatar were completed ready for handover December 2008.
- Work on the Emirates Airlines twin 80 story hotel towers continues on programme
- The Index residential & commercial is due for completion in 4th quarter 2009
- UP Motor City Automall and office tower in Dubai are on schedule for 2nd quarter completion 2009.
- The management rights to the Middle East were sold to Brookfield Europe LP in December 2008 and as a result, management fees totalling $10.1 million were paid to Brookfield Europe during the 6 months to 31 December 2008 (12 months ended 30 June 2008: $Nil).

Services Division (formerly Facilities Management)

The Services division contributed EBIT to the Group of $2.4million (12 months ended 30 June 2008: $9.8 million) on divisional revenue of $56.7 million (12 months ended 30 June 2008: $85.3 million).

- The division's contracts have an average weighted contract term in excess of 7 years.
- During the period, Services commenced delivery of two major PPP projects (Perth Courts and Melbourne Exhibition and Convention Centre in Australia). These contracts had been converted over two years prior, highlighting the long gestation period from conversion to income generation for the Services business.
- There has also been a major focus on transition and delivering the three corporate real estate contracts won in the previous six months. This is to ensure that we are well placed to capitalise on the growing number of opportunities in this market forced by organisations looking for significant cost savings due to global economic pressures.
- Services over the period also converted a number of internal opportunities including Bishop's See and Southern Cross West Tower as well as a number of minor external contracts.

Funds Management Division

The Funds Management division contributed a loss before interest and tax to the Group of $1.9 million (12 months ended 30 June 2008: profit $38.7 million) on revenue of $11.3 million (12 months ended 30 June 2008: $56 million).

Total revenue recorded for the period was solely derived from management fees from the external Funds with a small amount of leasing fees also receivable. For the prior period, revenue was higher due to a profit on the sale of the Group's management rights in the AMP New Zealand Office Trust associated management company together with transaction fees receivable from the sale or purchase of assets.

Management fees have also declined over the period as a result of falling property and investment prices. In addition, there were no fees relating to disposals or acquisitions in the period indicative of the difficulty to complete transactions in the current market.

Infrastructure Division

The Infrastructure Division contributed an EBIT loss of $0.5 million (12 months ended 30 June 2008: profit $2.0 million), excluding the gain on sale of Peterborough and Long Bay.

Corporate Division

Corporate expenses in the period were adversely affected by a number of one-off costs totalling $43.5 million (12 months ended 30 June 2008: $98.9 million) including legal fees, professional fees and other costs associated with Wembley recoveries and defence of the Class Action, as well as foreign currency losses.

Review of operations and results continued

Brookfield Multiplex Property Trust / other investment properties

The Trust contributed an EBIT loss to the Group of $156.3 million (12 months ended 30 June 2008: profit $66.3 million), inclusive of negative FVAs of $291.1 million (12 months ended June 2008: positive FVA's $160.3 million). Trust FVAs include negative $236.6 million in respect of direct property (12 months ended 30 June 2008: positive $115.3 million) and a further $54.5 million in respect of indirect property investments (via investments in associates) (12 months ended June 2008: $45.0 million). The Trust independently valued 41% of its investment properties for the period ended December 2008.

Key highlights for the year include:

- Retained strong occupancy at 99%.
- An investment portfolio with a value of over $3.1 billion.
- Concluded 305 rent reviews in respect of 161,550 sqm or 20% of the portfolio's net lettable area, at an average increase of 4.9%.
- Achieved a tenant retention rate of 70% by net income, with 40 new and renewed leases commencing during the period in respect of more than 76,119 sqm.
- The weighted average lease term (by income) across the Trust's portfolio is 7.1 years.

As at 31 December 2008, the Trust held an interest in 24 completed properties (22 directly with a consolidated carrying value of $2,613.4 million and 2 indirectly with a share of equity accounted value of $533.6 million) valued at over $3.1 billion.

Other matters

As previously reported, in December 2006, the Company and Brookfield Multiplex Funds Management Limited (BMFML), were served with a statement of claim in respect of a Class Action claiming unquantified damages. The statement of claim alleges that, in connection with the Wembley project, the Company and BMFML breached their continuous disclosure obligations and /or engaged in misleading or deceptive conduct during 2004 and 2005.

The Company and BMFML denies that it has any liability and continues to defend the Class Action. It is expected, given the issues involved in the Class Action, that it will be a complex and protracted litigation matter. It should be noted that the Group has not made any provision in its accounts for the payment of any claim in the event that the Class Action is successful.

Financial condition

Total assets decreased $490.2 million to $8,992.9 million at 31 December 2008 compared to $9,483.1 million at 30 June 2008. Net tangible assets and net tangible assets per stapled security increased to $3,789.4 million and $4.53 per stapled security respectively at 31 December 2008 compared to $3,752.2 million and $4.48 respectively at 30 June 2008.

At 31 December 2008 the existing debt facilities totalled approximately $3,405.4 million (30 June 2008:$ 3,938.1 million) of which $3,047.1 million was drawn (30 June 2008: $3,312.0 million).

Total equity (excluding minority interests) increased $36.8 million to $3,802.8 million at 31 December 2008 compared to $3,766.0 million at 30 June 2008.

The Group's net debt gearing ratio (calculated as total interest bearing liabilities less cash assets, divided by total assets) was 30.2% at 31 December 2008 compared to 31.2% at 30 June 2008.

The Group manages interest rate exposure on debt facilities through the use of interest rate swap contracts.
At 31 December 2008, $1,820.7 million (30 June 2008: $1,918.1 million) or 60% (30 June 2008: 62%) of total debt was covered by interest rate swap arrangements at an average fixed rate (including bank margins) of 7.03% (30 June 2008: 6.64%) and an average term to maturity of 1.34 years (30 June 2008:1.32 years).

At 31 December 2008 the Group had available $358.3 million (June 2008: $626.1 million) of undrawn committed borrowing facilities in respect of which all conditions precedent have currently been met, other than, for example, conditions relating to cost to complete tests.

Events occurring after the Balance Sheet date
On 2 February 2009, the Group sold its interests in the Melbourne Showgrounds PPP project, for consideration of $4.6 million, to Brookfield Infrastructure L.P.. The proceeds from this sale were used to make a loan to Brookfield Australia.

Other than as disclosed in this report and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may affect, the Group's operations in future financial periods, the results of those operations or the Group's state of affairs in future financial periods.

Likely developments and expected results of operations
Information on likely developments in the operations of the Group in future financial years and the expected results of those operations has been included in the Group Annual Financial Report. In the opinion of the Directors, further information has not been included in this report because the Directors believe that to do so would be likely to result in unreasonable prejudice to the Company and the Group.

Environmental regulation
As an integrated property group, the Group's operations are subject to significant environmental regulation under international, Australian Commonwealth and State legislation. This is particularly the case in relation to the Group's Construction, Development and Property Investment activities.

The Group has systems in place to manage its environmental obligations within its construction activities. As a developer and property investor, the Group is also subject to and operates under other environmental regulations.

In June 2008, a subsidiary of the Company was served with an Enforcement Notice under the Integrated Planning Act 1997, in respect of alleged breaches at Keperra, Qld. At balance date, no provision was recognised in relation to the alleged breaches.

Apart from the alleged breach noted above and based on the results of enquires made, the Board is not aware of any other significant breaches or non-compliance with environmental issues during the period covered by this report.

Key management personnel compensation
The aggregate compensation made to directors and other members of key management personnel of the Company and the Group is set out below:

	Consolidated		Brookfield Multiplex Limited	
	6 months ended 31 Dec 2008 $	12 months ended 30 Jun 2008 $	6 months ended 31 Dec 2008 $	12 months ended 30 Jun 2008 $
Short-term employee benefits	3,424,869	14,228,143	3,424,869	10,577,577
Post-employment benefits	109,503	191,646	109,503	125,015
Other long-term benefits	858,333	1,350,734	858,333	306,667
Termination benefits	1,935,429	8,539,414	1,935,429	6,738,281
Share based payment	454,030	4,708,224	454,030	2,045,250
	6,782,164	**29,018,161**	**6,782,164**	**19,792,790**

To the extent that key management personnel of the Group are not employees of the Parent Entity, the aggregate compensation disclosed will differ between the consolidated financial statements and the separate financial statements of the parent.

Indemnification and insurance of officers and auditors

The Company has entered into deeds of access and indemnity with each of its Directors, Company Secretary and other nominated Officers. The terms of the deeds are in accordance with the provisions of the *Corporations Act 2001* and will indemnify these executives (to the extent permitted by law) for up to seven years after serving as an Officer against legal costs incurred in defending civil or criminal proceedings against the executives, except where proceedings result in unfavourable decisions against the executives, and in respect of reasonable legal costs incurred by the executives in good faith in obtaining legal advice in relation to any issue relating to the executives being an officer of the Company.

Under the deeds of access and indemnity, the Company has agreed to indemnify these persons (to the extent permitted by law) against:

- liabilities incurred as a director or officer of the Company or a company in the Group, except for those liabilities incurred in relation to the matters set out in section 199A(2) of the *Corporations Act 2001*; and
- reasonable legal costs incurred in defending an action for a liability or alleged liability as a director or officer, except for costs incurred in relation to the matters set out in section 199A(3) of the *Corporations Act 2001*.

The Company has also agreed to effect, maintain and pay the premium on a director's and officer's insurance policy.

This policy does not seek to insure against liabilities (other than for legal costs) arising out of:

- conduct involving a wilful breach of duty in relation to the Company or a company in the Group; or
- a contravention of sections 182 or 183 of the *Corporations Act 2001*.

The obligation to effect, maintain and pay the premium on a policy continues for a period of seven years after the director or officer has left office.

Contract of insurance

The Company has paid or agreed to pay a premium in respect of a contract insuring the Directors and officers of the Company against a liability. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liabilities, as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100 (10 July 1998), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and the financial report. Amounts in the directors' report and the financial report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, or in certain cases, to the nearest dollar.

Auditor independence and non-audit services

Independence

The Directors received the declaration on page 12 from the auditor of the Company.

Non-audit services

Non-audit services were provided by the Company's auditor, Deloitte Touche Tohmatsu, during the period as set out below. Following a review by, and upon the advice of the Company's Board of the level of non-audit services provided to the Company by Deloitte Touche Tohmatsu the Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

During the period the following amounts were paid and payable to the auditor and its related practices for non-audit services:

	$000s
Audit related	790.0
Other audit related	-
Tax advisory and compliance matters	60.9
Total	**850.9**

This Report is signed in accordance with a resolution of the Board of Directors, and for and on behalf of the Directors, pursuant to section 298(2) of the Corporations Act (2001).

Ross A McDiven
Chief Executive Officer
Brookfield Multiplex Limited

Brian W Kingston
Chief Financial Officer
Brookfield Multiplex Limited

20 February 2009

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
Brookfield Multiplex Group
1 Kent Street
SYDNEY, NSW 2000

20 February 2009

Dear Directors

AUDITORS INDEPENDENCE DECLARATION TO BROOKFIELD MULTIPLEX GROUP

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 Limited and the directors of Brookfield Multiplex Funds Management Limited being the Responsible Entity for Brookfield Multiplex Property Trust.

As lead audit partner for the audit of the financial statements of Brookfield Multiplex Group for the six month period ended 31 December 2008, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants

Income Statement
Brookfield Multiplex Group
For the 6 months ended 31 December 2008

	Note	Consolidated 6 months ended 31 Dec 2008 $m	Consolidated 12 months ended 30 Jun 2008 $m	Brookfield Multiplex Limited 6 months ended 31 Dec 2008 $m	Brookfield Multiplex Limited 12 months ended 30 Jun 2008 $m
Continuing operations					
Revenues	2a i	1,364.7	2,502.3	21.6	79.4
Cost of operations	2a iii,3	(1,212.7)	(2,367.8)	(8.7)	(1.2)
		152.0	**134.5**	**12.9**	**78.2**
Other income	2a ii, 3	95.8	171.1	10.2	2.8
Finance costs	2a iv	(75.0)	(140.6)	(2.3)	(16.1)
Expenses (excluding finance costs and cost of operations)	2a v, 3	(376.8)	(522.5)	(257.3)	(181.9)
Share of net profits/(losses) of equity accounted entities	14c	(33.3)	92.2	–	–
Net loss before income tax		**(237.3)**	**(265.3)**	**(236.5)**	**(117.0)**
Income tax (expense)/benefit	4a	(1.4)	78.3	(37.2)	32.8
Net loss for the period from continuing operations		**(238.7)**	**(187.0)**	**(273.7)**	**(84.2)**
Discontinued operations					
Loss for the period from discontinued operations	2b,36	(8.4)	(158.0)	–	–
Loss for the period		**(247.1)**	**(345.0)**	**(273.7)**	**(84.2)**
Attributable to:					
Securityholders of Brookfield Multiplex Group		(266.6)	(401.6)	(273.7)	(84.2)
Minority interest		19.5	56.6	–	–
Net loss for the period		**(247.1)**	**(345.0)**	**(273.7)**	**(84.2)**
Basic and diluted (losses)/earnings per stapled security (cents per security)	5	**(31.8)**	**(48.0)**		

	Note	Consolidated 6 months ended 31 Dec 2008 $m	Consolidated 12 months ended 30 Jun 2008 $m
Statement of Distribution			
Net loss attributable to stapled securityholders of Brookfield Multiplex Group		(266.6)	(401.6)
Net transfer of undistributed income from/(to) accumulated profits/(losses)		266.6	460.2
Distributions paid and payable	6	**–**	**58.6**
Distributions per stapled security (cents)	6	**–**	**7.0**
Weighted average number of stapled securities		**837,402,185**	**837,402,185**

The Income Statement should be read in conjunction with the Notes to the Financial Statements.

Balance Sheet
Brookfield Multiplex Group

As at 31 December 2008

	Note	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
Current assets					
Cash and cash equivalents	8	322.9	349.5	88.0	90.6
Trade and other receivables	9	1,079.1	701.7	2,419.2	2,110.2
Derivative financial instruments	10	–	0.8	–	0.5
Inventories	11	692.4	1,147.4	–	–
Other financial assets	12a	1,300.0	1,300.0	–	–
Prepayments	13	32.1	25.6	2.1	1.8
Total current assets		**3,426.5**	**3,525.0**	**2,509.3**	**2,203.1**
Non-current assets					
Trade and other receivables	9	69.2	97.2	70.5	0.2
Derivative financial instruments	10	–	19.1	–	–
Inventories	11	1,499.0	1,269.3	–	–
Other financial assets	12a	23.8	9.3	0.8	0.8
Investments in subsidiaries	12b	–	–	1,373.6	1,480.7
Prepayments	13	40.8	29.4	–	–
Investments accounting for using the equity method	14	1,044.8	1,239.2	–	–
Investment property	15	2,707.9	3,111.1	–	–
Property, plant and equipment	16	59.8	43.1	8.0	8.3
Deferred tax assets	17	107.7	126.6	9.4	38.9
Intangible assets	18	13.4	13.8	–	–
Total non-current assets		**5,566.4**	**5,958.1**	**1,462.3**	**1,528.9**
Total assets		**8,992.9**	**9,483.1**	**3,971.6**	**3,732.0**
Current liabilities					
Trade and other payables	19	633.7	821.0	33.7	36.0
Derivative financial instruments	10	27.3	–	–	–
Interest bearing loans and borrowings	20	726.9	1,285.9	95.1	82.4
Non-interest bearing loans and borrowings	21	375.1	395.7	1,529.2	1,325.9
Current tax liabilities	22	1.8	1.1	–	–
Provisions	23	110.8	126.8	25.2	35.9
Contract work in progress	24	339.3	390.2	–	–
Total current liabilities		**2,214.9**	**3,020.7**	**1,683.2**	**1,480.2**
Non-current liabilities					
Trade and other payables	19	40.8	68.6	–	–
Derivative financial instruments	10	13.2	1.2	–	–
Interest bearing loans and borrowings	20	2,313.0	2,019.2	–	16.0
Non-interest bearing loans and borrowings	21	–	1.5	–	8.7
Provisions	23	6.1	8.7	1.9	1.9
Total non-current liabilities		**2,373.1**	**2,099.2**	**1.9**	**26.6**
Total liabilities		**4,588.0**	**5,119.9**	**1,685.1**	**1,506.8**
Net assets		**4,404.9**	**4,363.2**	**2,286.5**	**2,225.2**
Equity					
Contributed equity	26	4,405.9	4,065.9	2,964.0	2,624.0
Reserves	27	(199.6)	(163.0)	(61.2)	(56.2)
Accumulated losses	28	(403.5)	(136.9)	(616.3)	(342.6)
Total parent interests		**3,802.8**	**3,766.0**	**2,286.5**	**2,225.2**
Minority interests	29	602.1	597.2	–	–
Total equity		**4,404.9**	**4,363.2**	**2,286.5**	**2,225.2**

The Balance Sheets should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity
Brookfield Multiplex Group
For the 6 months ended 31 December 2008

	Attributable to Equityholders of the Parent					
	Contributed Equity (refer to Note 26) $m	Accumulate Profits/ (Losses) (refer to Note 28) $m	Reserves (refer to Note 27) $m	Total $m	**Minority** Interests $m	**Total Equity $m**
Consolidated						
As at 1 July 2007	**2,765.9**	**323.3**	**(11.3)**	**3,077.9**	**573.2**	**3,651.1**
Currency translation differences	–	–	(72.6)	(72.6)	–	(72.6)
Change in fair value available-for-sale financial assets	–	–	(16.5)	(16.5)	–	(16.5)
Effective portion of changes in fair value of cash flow hedges	–	–	19.5	19.5	–	19.5
Change in taxation consolidation reserve	–	–	(78.9)	(78.9)	–	(78.9)
Change in share based payments reserve	–	–	(3.2)	(3.2)	–	(3.2)
Expense recognised directly in equity	**–**	**–**	**(151.7)**	**(151.7)**	**–**	**(151.7)**
(Loss)/profit for the year	–	(401.6)	–	(401.6)	56.6	(345.0)
Total recognised income and expenses for the year	**–**	**(401.6)**	**(151.7)**	**(553.3)**	**56.6**	**(496.7)**
Transactions with equityholders in their capacity as equityholders:						
Dividends/distributions	–	(58.6)	–	(58.6)	(48.0)	(106.6)
Issue of share capital[1]	1,300.0	–	–	1,300.0	–	1,300.0
Increase in minority interest in subsidiary[2]	–	–	–	–	15.4	15.4
Total transactions with equityholders in their capacity as equityholders	**1,300.0**	**(58.6)**	**–**	**1,241.4**	**(32.6)**	**1,208.8**
As at 30 June 2008	**4,065.9**	**(136.9)**	**(163.0)**	**3,766.0**	**597.2**	**4,363.2**

1 Refer to Note 26 for details of movements in contributed equity.
2 Relates to increase in minority interest in Multiplex Diversified Property Fund.

The amounts recognised directly in equity are disclosed net of tax.

The Statements of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity continued
Brookfield Multiplex Group
For the 6 months ended 31 December 2008

	Attributable to Equityholders of the Parent					
	Contributed Equity (refer to Note 26) $m	Accumulated Profits/ (Losses) (refer to Note 28) $m	Reserves (refer to Note 27) $m	Total $m	**Minority** Interests $m	**Total** Equity $m
Consolidated						
As at 1 July 2008	**4,065.9**	**(136.9)**	**(163.0)**	**3,766.0**	**597.2**	**4,363.2**
Currency translation differences	–	–	36.0	36.0	–	36.0
Change in fair value available-for-sale financial assets	–	–	(4.8)	(4.8)	–	(4.8)
Change in taxation consolidation reserve	–	–	16.8	16.8	–	16.8
Effective portion of changes in fair value of cash flow hedges	–	–	(84.6)	(84.6)	–	(84.6)
Expense recognised directly in equity	**–**	**–**	**(36.6)**	**(36.6)**	**–**	**(36.6)**
(Loss)/profit for the period	–	(266.6)	–	(266.6)	19.5	(247.1)
Total recognised income and expenses for the period	**–**	**(266.6)**	**(36.6)**	**(303.2)**	**19.5**	**(283.7)**
Transactions with equityholders in their capacity as equityholders:						
Issue of Class A preference shares	340.0	–	–	340.0	–	340.0
Dividends/distributions	–	–	–	–	(21.3)	(21.3)
Increase in minority interest in subsidiary	–	–	–	–	6.7	6.7
Total transactions with equityholders in their capacity as equityholders	**340.0**	**–**	**–**	**340.0**	**(14.6)**	**325.4**
As at 31 December 2008	**4,405.9**	**(403.5)**	**(199.6)**	**3,802.8**	**602.1**	**4,404.9**

The amounts recognised directly in equity are disclosed net of tax.

The Statements of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity continued
Brookfield Multiplex Group
For the 6 months ended 31 December 2008

	Contributed Equity (refer to Note 26) $m	Accumulated Losses (refer to Note 28) $m	Reserves (Refer to Note 27) $m	Total $m
Brookfield Multiplex Limited				
As at 1 July 2007	**1,324.0**	**(258.4)**	**3.8**	**1,069.4**
Currency translation differences	–	–	–	–
Share based payments reserve	–	–	(3.2)	(3.2)
Tax consolidation reserve	–	–	(69.8)	(69.8)
Net gains on cash flow hedges	–	–	13.0	13.0
Income and expense recognised directly in equity	**–**	**–**	**(60.0)**	**(60.0)**
Loss for the year	–	(84.2)	–	(84.2)
Total recognised income and expenses for the year	**–**	**(84.2)**	**(60.0)**	**(144.2)**
Transactions with equityholders in their capacity as equityholders:				
Issue of class A preference shares	1,300.0	–	–	1,300.0
Total transactions with equityholders in their capacity as equityholders	**1,300.0**	**–**	**–**	**1,300.0**
As at 30 June 2008	**2,624.0**	**(342.6)**	**(56.2)**	**2,225.2**

	Contributed Equity (refer to Note 26) $m	Accumulated Losses (refer to Note 28) $m	Reserves (Refer to Note 27) $m	Total $m
Brookfield Multiplex Limited				
As at 1 July 2008	**2,624.0**	**(342.6)**	**(56.2)**	**2,225.2**
Currency translation differences	–	–	0.3	0.3
Tax consolidation reserve	–	–	7.7	7.7
Effective portion of changes in fair value of cash flow hedges	–	–	(13.0)	(13.0)
Income and expense recognised directly in equity	–	–	**(5.0)**	**(5.0)**
Loss for the period	–	(273.7)	–	(273.7)
Total recognised income and expenses for the year	**–**	**(273.7)**	**(5.0)**	**(278.7)**
Transactions with equityholders in their capacity as equityholders:				
Issue of Class A preference shares	340.0	–	–	340.0
Total transactions with equityholders in their capacity as equityholders	**340.0**	**–**	**–**	**340.0**
As at 31 December 2008	**2,964.0**	**(616.3)**	**(61.2)**	**2,286.5**

The amounts recognised directly in equity are disclosed net of tax.

The Statements of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Cash Flow Statement
Brookfield Multiplex Group
For the 6 months ended 31 December 2008

	Note	Consolidated 6 months ended 31 Dec 2008 $m	Consolidated 12 months ended 30 Jun 2008 $m	Brookfield Multiplex Limited 6 months ended 31 Dec 2008 $m	Brookfield Multiplex Limited 12 months ended 30 Jun 2008 $m
Cash flows from operating activities					
Receipts from customers		1,464.7	3,467.0	14.5	273.7
Payments to suppliers and employees		(2,033.0)	(3,670.5)	(71.8)	(192.1)
		(568.3)	**(203.5)**	**(57.3)**	**81.6**
Dividends and distributions received		22.2	–	2.6	–
Interest received		11.9	41.1	10.9	41.6
Finance costs paid		(83.8)	(152.8)	(2.3)	(17.6)
Income taxes received/(paid)		3.4	(3.3)	3.4	–
Net cash (outflow)/inflow from operating activities	8	**(614.6)**	**(318.5)**	**(42.7)**	**105.6**
Cash flows from investing activities					
Payments for property, plant and equipment		(19.5)	(29.5)	(0.8)	–
Payments for investments		(16.0)	(8.3)	–	–
Payments for investments in controlled entities		–	–	–	(120.8)
Payments for investments in associates		(5.7)	(1.3)	–	–
Payments for investment properties		(18.7)	(250.5)	–	–
Payments for investments in joint ventures		(4.4)	(21.4)	–	–
Proceeds from sale of property, plant and equipment		–	24.0	–	–
Proceeds from sale of investments		113.9	115.6	7.6	–
Proceeds from sale of controlled entities, net of cash disposed		264.3	–	34.6	–
Net cash inflow/(outflow) from investing activities		**313.9**	**(171.4)**	**41.4**	**(120.8)**
Cash flows from financing activities					
Proceeds from other related parties		128.3	16.0	21.2	59.5
Proceeds from borrowings external		1,109.6	1,679.6	–	–
Repayment of borrowings external		(714.0)	(1,030.4)	–	–
Loans made to other related parties		(513.3)	–	(406.1)	–
Repayment of loans to controlled entities		–	–	(304.3)	(2,395.4)
Proceeds of loans from controlled entities		–	–	363.9	2,430.7
Repayment of loans to other related parties		(16.0)	–	(16.0)	–
Repayments of loans to associates		(100.9)	(116.8)	–	–
Proceeds from issue of preference shares		340.0	–	340.0	–
Dividends and distributions paid to securityholders and minority interests in subsidiaries		(15.1)	(147.6)	–	–
Net cash inflow from financing activities		**218.6**	**400.8**	**(1.3)**	**94.8**
Net (decrease)/increase in cash and cash equivalents held		(82.1)	(89.1)	(2.6)	79.6
Cash and cash equivalents at the beginning of the period		349.5	451.1	90.6	11.0
Effects of exchange rate changes on cash		55.5	(12.5)	–	–
Cash and cash equivalents at the end of the period	8	**322.9**	**349.5**	**88.0**	**90.6**

The Cash Flow Statements should be read in conjunction with the Notes to the Financial Statements.

Cash Flow Statement continued
Brookfield Multiplex Group
For the 6 months ended 31 December 2008

	Note	Consolidated 6 months ended 31 Dec 2008 $m	Consolidated 12 months ended 30 Jun 2008 $m	Brookfield Multiplex Limited 6 months ended 31 Dec 2008 $m	Brookfield Multiplex Limited 12 months ended 30 Jun 2008 $m
Non-cash financing and investing activities					
Investment in promissory note		–	(1,300.0)	–	(1,300.0)
Issue of preference shares		–	1,300.0	–	1,300.0
Net cash inflow/(outflow) from financing activities		**–**	**–**	**–**	**–**

The Cash Flow Statements should be read in conjunction with the Notes to the Financial Statements.

1 Summary of significant accounting policies

The financial report of Brookfield Multiplex Limited and its subsidiaries and the Brookfield Multiplex Property Trust and its subsidiaries (Trust) for the 6 months ended 31 December 2008 was authorised for issue in accordance with a resolution of the directors on 20 February 2009.

a Group structure

The Group comprises the Company and its subsidiaries including the Trust and its subsidiaries.

The Group's stapled securities comprise one ordinary Company share and one Trust unit. The stapled securities cannot be traded or dealt with separately. A transfer, issue or reorganisation of an ordinary share or an ordinary unit in one of the component parts is accompanied by a transfer, issue or reorganisation of a share or unit in the other component part.

Both the Company and the Trust are domiciled in Australia.

b Basis of preparation

The general-purpose financial report has been prepared in accordance with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and the *Corporations Act 2001.*

Accounting standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The Financial Report has been prepared on the historical cost basis except for the following assets and liabilities that are stated at their fair value: derivative financial instruments, financial instruments held for trading, financial instruments classified as available for sale and investment property. Any non-current assets which are held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The Financial Report is presented in Australian dollars. The Group is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 relating to the "rounding off" of amounts in the Financial Report. In accordance with that Class Order amounts in the Financial Report have been rounded off to the nearest hundred thousand dollars unless otherwise stated.

Unless otherwise stated, the principal accounting policies adopted in the preparation of the Financial Report are consistent with those applied to all periods presented.

As a result of the acquisition of the Group by Brookfield Australia, the Group has changed its financial year reporting period to a 12 month period from 1 January to 31 December. Accordingly, these financial statements are presented for the 6 months ended 31 December 2008, being a transitional period and the first full year under the changed financial reporting period will be 1 January 2009 to 31 December 2009.

c Changes in accounting policies

The Group has elected to early adopt AASB 8 Operating Segments from 1 July 2008. As a result, segment information is no longer presented in these financial statements.

d Accounting standards issued but not yet applicable

As at the date of this financial report the following accounting standards have been issued, which will be applicable to the Group, but were not effective and as a consequence were not adopted in the preparation of the financial statements:

Accounting Standard Name		Issue Date	Operative Date (Annual reporting periods beginning on or after)
AASB 101	Presentation of Financial Statements (revised September 2007)	September 2007	1 January 2009
AASB 123	Borrowing Costs (revised)	June 2007	1 January 2009
AASB 127	Separate and Consolidated Financial Statements	March 2008	1 July 2009
Interpretation 15	Agreement for the Construction of Real Estate	July 2008	1 January 2009

If these accounting standards had been adopted, it is not expected that there would have been a material impact to either the Income Statement for the 6 months ended 31 December 2008 or the Balance Sheet as at 31 December 2008.

1 Summary of significant accounting policies continued

e Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 31 December 2008 and the results of all subsidiaries for the 6 months then ended.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the financial report from the date control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are carried at their cost at acquisition in the Company financial statements.

Associates

The Group's investment in associates is accounted for using the equity method of accounting in the consolidated financial report. An associate is an entity in which the Group has significant influence, but not control, over their financial and operating policies.

Under the equity method, investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets, net profits and reserves of the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in an associate. The consolidated Income Statement reflects the Group's share of the results of operations of an associate, after applying consistent accounting policies to the associate.

When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this in the consolidated Statement of Changes in Equity.

In Company's financial statements, investments in associates are accounted for at historical cost.

Joint ventures

Joint ventures are those entities over whose activities the Consolidated Entity has joint control, which is established by contractual agreement.

Jointly controlled entities

Investments in jointly controlled entities, including incorporated partnerships, are accounted for using equity accounting principles. Investments in joint venture entities are carried at the lower of the equity accounted amount and the recoverable amount.

The general purpose financial report of the Consolidated Entity includes the share of the Consolidated Entity's total recognised profits and losses of joint ventures on an equity accounted basis, from the date joint control commenced until the date joint control ceases. Other movements in reserves are recognised directly in consolidated reserves.

Jointly controlled operations and assets

The interest of the Consolidated Entity in unincorporated joint ventures and jointly controlled assets are brought to account in the financial report by recognising the assets it controls and the liabilities that it incurs, and the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

1 Summary of significant accounting policies continued

e Principles of consolidation continued

Transactions eliminated on consolidation

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the financial reports of the Group.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the interest of the Group in the entity, with adjustments made to the "Investment in Associates" and "Share of Associates Net Profit" accounts. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Gains or losses are recognised as the contributed assets are consumed or sold by the associates and jointly controlled entities or, if not consumed or sold by the associate or jointly controlled entity, when the interest of the Group in such entities is disposed of.

Where accounting policies of associates differ from those of the Group, equity accounted results are adjusted to ensure consistency with the policies adopted by the Group.

f Significant accounting judgements, estimates and assumptions

The preparation of the financial report in conformity with the Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Impairment of goodwill and intangibles with indefinite useful life

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

Investment properties

The discounted cash flow approach applied for investment properties usually includes assumptions in relation to current and recent investment property prices. If such prices are not available, then the fair value of investment properties is determined using assumptions that are mainly based on market conditions existing at each balance date.

The principal assumptions underlying management's estimation of fair value are those related to the receipt of contractual rentals, expected future market rentals, void periods, maintenance requirements and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

Refer to Note 1(x) for policy on investment properties.

Construction contracts

Project profitability is estimated at a project's inception based on the agreed contract value with the client and the budgeted total costs. Profitability is then reviewed and reassessed on a regular basis.

Unapproved variation revenue is recognised where it is probable that the revenue will be certified by the client and approved. Claim recoveries against clients are recognised when:

- negotiations have reached an advanced stage such that it is probable that the client will accept the claim; and
- the amount can be measured reliably.

With regard to recognising claim recoveries against third parties, the key requirements that must be met are the same as those listed above for claims against clients. Where the matters are in dispute, the test of probability is normally supported by a legal opinion and/or independent expert's opinion.

Costs are recognised on a commitment basis for trade costs, and a forecast basis for other costs. Unapproved variations from subcontractors are recognised where it is probable that the Group will be liable to incur the costs.

1 Summary of significant accounting policies continued

g Foreign currency

Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using their functional currency, being the currency of the primary economic environment in which the entity operates. This financial report is presented in Australian dollars, which is the presentation currency of the Group.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency using the relevant exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency using the relevant exchange rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement in the period in which they arise.

Translation of foreign operations

The results and financial position of all foreign operations in the Group that have a functional currency that is different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each Income Statement are translated at an average rate for the period that approximates the rates at the dates of the transactions; and
- all resulting exchange differences are recognised as a separate component of equity.

Net investment in foreign operations

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the Income Statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

h Derivative financial instruments and hedging

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, which documents policies and limits approved by the Board of Directors in respect of the use of derivative financial instruments to hedge cash flows subject to interest rate and currency risks of the relevant entity, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured on a fair value basis. The gain or loss on re-measurement to fair value is recognised immediately in the Income Statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the Balance Sheet date, being the present value of the quoted forward price.

Hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

1 Summary of significant accounting policies continued

h Derivative financial instruments and hedging continued

Hedging activities

The Group enters into hedges of actual and highly probable forecast transactions (cash flow hedges). It may also enter into hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges) or hedges of net investments in foreign operations (net investment hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of the hedged items.

The effective portion of changes in the fair value of cash flow hedges is recognised directly in equity. Movements in the hedging reserve are shown in the Statement of Changes in Equity. The gain or loss relating to any ineffective portion is recognised immediately in the Income Statement.

Amounts accumulated in equity are recycled to the Income Statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a liability, the gains or losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Income Statement.

i Financial guarantee contracts

Liabilities arising from financial guarantee contracts are initially recognised at fair value and subsequently at the higher of the amount determined in accordance with the measurement requirements of a provision (see Note 1(cc)) and the amount initially recognised less cumulative amortisation.

For financial guarantee contract liabilities, the fair value at initial recognition is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument, and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation. Where guarantees in relation to loans of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

j Revenue and expense recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised. Where amounts do not meet the recognition criteria, they are deferred and recognised in the period in which the recognition criteria are met.

Revenues are recognised at the fair value of the consideration received for the sale of goods and services, net of the amount of Goods and Services Tax, rebates and discounts and after sales within the Group are eliminated. Exchange of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Revenue and expenses are recognised for the major business activities as follows:

Construction contracts

For fixed price contracts, construction contract revenues and expenses are recognised on an individual contract basis using the percentage of completion method. Once the outcome of a construction contract can be estimated reliably, contract revenues and expenses are recognised in the Income Statement in proportion to the stage of completion of the contract. The stage of completion is measured by reference to actual costs incurred to date as a percentage of estimated total costs for each contract.

1 Summary of significant accounting policies continued

j Revenue and expense recognition continued

Construction contracts continued

Where the outcome of a contract cannot be reliably determined, contract costs are expensed as incurred. Where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred. Where it is probable that a loss will arise from a construction contract the excess of total expected costs over revenue is recognised as an expense immediately.

For cost plus contracts, construction contract revenue is recognised by reference to the recoverable costs incurred during the reporting period plus the margin entitled to be charged on those recoverable costs.

For fee generating contracts, construction contract revenue is measured by the proportion that cost incurred to date compare to the estimated total cost of the contract multiplied by the expected total fee to be earned on the contract. Early completion bonuses are recognised only when construction projects are substantially complete.

Contract costs comprise:

– costs that relate directly to the contract;
– costs that are related to construction activities in general and can be allocated to the contract on a reasonable basis (such as insurance, costs of design and technical assistance);
– other costs that are specifically chargeable to a customer in accordance with the terms of a contract; and
– costs expected to be incurred under penalty clauses and rectification provisions are also included.

Development projects

Revenue from the sale of development projects is recognised in the Income Statement only when each of the following conditions has been satisfied:

– the transfer of the significant risks and rewards of ownership from the group to the buyer;
– that there is no continuing managerial involvement by the group to the degree usually associated with ownership, nor effective control over the goods sold;
– the amount of revenue can be measured reliably;
– it is probable that economic benefits associated with the transaction will flow to the group; and
– the costs incurred and to be incurred in respect of the transaction can be reliably measured.

The conditions are generally satisfied with the entering into of an unconditional contract which transfers legal title in addition to construction being substantially complete.

Sale of interests in developments

The proceeds received in respect of the sale of an economic interest in a development project by way of a development sale agreement with a co-investor are recognised as revenue once all of the above conditions have been satisfied, based on the specific terms and conditions of each agreement.

The transfer of the significant risks and rewards of ownership to the co-investor, and the satisfaction of a number of the other conditions detailed above, typically occurs upon the establishment of the agreement. However, the condition that there be no continuing managerial involvement by the Group to the degree usually associated with ownership, nor effective control over the goods sold, is generally not satisfied until practical completion is achieved, effectively deferring the recognition of the sale proceeds until such time. Any sales proceeds received before practical completion is recognised as deferred income.

Upon practical completion, the Group continues to account for any residual interest in the development project in accordance with the revenue and profit recognition policies in this note.

Equity accounted development projects

Development projects carried out by associates are accounted for using equity accounting principles. The share of associates' profits recognised reflects only the share attributable to the Group under the co-investor agreements.

Controlled development projects

Development projects carried out in controlled entities are consolidated in accordance with the principles of consolidation as a majority of the risks and benefits associated with the developments are retained by the Group. Development profits recognised reflects only the share attributable to the Group under the development agreements.

1 Summary of significant accounting policies continued

j Revenue and expense recognition continued

Property rental revenue

Rental income from investment property leased out under an operating lease is recognised in the Income Statement on a straight-line basis over the term of the lease.

In accordance with Interpretation 115 “Operating Leases – Incentives”, lease incentives granted are recognised by the Group as an integral part of the total rental income and are amortised on a straight-line basis and deducted from rental income over the term of the lease.

Gains and losses arising from fair value adjustments to investment properties are accounted for in accordance with Note 1(x).

Contingent rents are recorded as income by the Group in the periods in which they are earned.

Fees from funds management

Revenues from the rendering of property funds management, property advisory and facilities management services are recognised upon the delivery of the service to the customer or where there is a signed unconditional contract for sale or purchase of assets.

The periodic funds and facilities management fees are received for management services provided for income producing assets either owned by third parties or the Trust. These fees are recognised as revenues as the management services are provided, and the Group controls the right to be compensated for the services provided. Any fees earned on asset sales or property advisory services are recognised when the Group controls the right to receive the fee.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Dividends and distributions

Income from dividends and distributions is recognised when the right of the Group to receive payment is established. The Parent Entity receives dividends and distributions out of post-acquisition profits from its subsidiaries.

Dividends and distributions received from associates, where the equity method of accounting is used, reduce the carrying amount of the investment of the Group in that associate and are not recognised as revenue.

k Expenses

Expenses including rates, taxes and other property outgoings are brought to account on an accruals basis, and any related payables are carried at amortised cost.

l Income tax

The Company and the Trust and all wholly-owned Australian subsidiaries are members of the Brookfield Holdco (Austrtalia) Pty Ltd (Holdco (Australia)) income tax consolidated group.

On entry to the Holdco Australia tax consolidated group, the wholly-owned Australian entities of the Brookfield Multiplex Group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of default by Holdco Australia head company.

The tax sharing agreement also contains tax funding provisions. Pursuant to the tax funding provisions, the wholly-owned tax paying Australian entities within the Brookfield Multiplex Group fully compensate the Holdco Australia head company for any current tax payable assumed. The Holdco Australian head company is not required to compensate wholly-owned Australian entities for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the Holdco Australia head company under the tax consolidation legislation.

The amounts payable under the tax funding provisions are due upon receipt of the tax funding advice from the head entity which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay income tax instalments.

The Group has recognised a deemed equity distribution of $21.9m.

The non-Australian operations and non-wholly owned subsidiaries of the Group are subject to tax on their taxable earnings based on local tax law.

1 Summary of significant accounting policies continued

l Income tax continued

Trust income tax – Brookfield Multiplex Property Trust

Under current income tax legislation, the Trust and its subsidiaries are not liable for Australian income tax, provided that the taxable income is fully distributed to unitholders each year, and any taxable capital gain derived from the sale of an asset acquired after 19 September 1985 is fully distributed to unitholders.

The Trust fully distributes its taxable income each year, calculated in accordance with the Trust Constitution and applicable legislation, to unitholders who are presently entitled to income under the Constitution. Realised capital losses and tax losses are not distributed to unitholders but are carried forward in the Trust to be offset against any future realised capital gains and taxable income of the Trust subject to Australian income tax legislation.

Tax allowances for building and plant and equipment depreciation may be distributed to unitholders in the form of a tax deferred component of distributions.

The New Zealand operations of the Trust are subject to New Zealand tax on their taxable earnings.

Company income tax – Brookfield Multiplex Limited

Income tax in the Income Statement for the periods represented comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the date of the balance sheet, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the balance sheet.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group comprises taxable and non-taxable entities. A liability for current and deferred taxation and tax expense is only recognised in respect of taxable entities that are subject to income and potential capital gains tax.

m Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

n Trade and other receivables

Trade debtors and other receivables are stated at their amortised cost less any identified impairment losses. Impairment charges are brought to account as described in Note 1(z).

Non-current receivables are measured at amortised cost using the effective interest rate method.

o Inventories

Development projects

Development projects are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Where it is likely the project will be exited prior to completion, fair value is used to determine net realisable value. Cost includes direct materials, direct labour, borrowing costs, other direct variable costs and allocated overheads necessary to bring inventories to their present location and condition.

1 Summary of significant accounting policies continued

o Inventories continued

Development projects

Costs incurred in the initial phase of development projects are capitalised and are emerged against the associated sales on the same basis as the recognition of sales and profit for development projects, as set out in Note 1(j), while marketing costs incurred subsequent to the commencement of the development of the project are expensed as incurred. When a development project is completed, subsequent borrowing costs and other holding charges are expensed as incurred.

Construction work in progress on construction contracts is stated at cost plus profit recognised to date calculated in accordance with the percentage of completion method, including retentions payable and receivable, less a provision for foreseeable losses and progress payments received to date.

A contract is not considered complete until the defects liability period has expired and monies withheld have been received. Any expected losses on a contract are recognised immediately in the period the loss becomes foreseeable. That is, when it becomes probable that total contract costs will exceed total contract revenues.

Cost includes all variable and fixed costs directly related to specific construction contracts, those costs related to contract activity in general which can be allocated to specific contracts on a reasonable basis and other costs specifically chargeable under the contract. Costs expected to be incurred under penalty clauses and rectification provisions, and borrowing costs where contracts are classified as qualifying assets (refer to Note 1(q)) are also included.

Contract work in progress

The gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings, are generally presented as an asset. Progress billings not yet paid by customers and retention are included within the "Trade and Other Receivables" balance.

The gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses), are generally presented as a liability.

Land held for resale

Land held for resale is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, and development and borrowing costs during development.

p New business and tender costs

New business and tender costs are deferred to the extent they can be separately identified and measured reliably and that the costs:

- are recoverable out of future revenue;
- do not relate to revenue which has already been brought to account; and
- will contribute to the future earning capacity of the Group.

New business and tender costs are reviewed on a regular basis, being at least six monthly, to determine the amount, if any, which is no longer recoverable. Any such amount is subsequently expensed.

When costs associated with securing a contract are recognised as an expense in the period in which they are incurred, they are not subsequently included in contract costs, when the contract is obtained in a future period.

q Financing costs

Financing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of inventories (refer to Note 1(o)) or investment properties under development (refer to Note 1(s)). Where borrowings are specific to particular inventory assets or investment properties under development, the rate at which borrowing costs are capitalised is determined by reference to the actual borrowing costs incurred.

Financing costs include:

- interest on bank overdrafts and short-term and long-term borrowings, including amounts paid or received on interest rate swaps;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- finance lease charges; and
- certain exchange differences arising from foreign currency borrowings.

1 Summary of significant accounting policies continued

r Cash and cash equivalents

For purposes of the Cash Flow Statement, cash includes cash balances, deposits at call with financial institutions and other highly liquid investments, with short periods to maturity, which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

s Acquisitions of assets

Items of property, plant and equipment, including leasehold improvements, are initially recorded at cost, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition and, where relevant, the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located. After initial recognition property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses.

Items of property, plant and equipment are depreciated and amortised as described in Note 1(t).

The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate individual items of property, plant and equipment.

Subsequent costs are included in the carrying amount of the asset or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these costs will flow to the Group and the amount of these costs can be measured reliably. All repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost (including borrowing costs incurred during construction of those assets) until construction or development is complete, at which time it is reclassified as investment property.

Goodwill arising from the acquisition of businesses is brought to account as described in Note 1(y).

t Depreciation of property, plant and equipment

Depreciation is charged to the Income Statement on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment, taking into account estimated residual values.

Freehold land is not depreciated.

The cost of leasehold improvements is amortised over the shorter of either the unexpired period of the lease or the estimated useful life of the improvement to the Group.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time that an asset is completed and held ready for use.

The residual values and useful lives of the assets are reviewed, and the depreciation and amortisation rates and methods adjusted if appropriate, on an annual basis. When these changes are made the adjustments are reflected prospectively in current and future periods only.

The depreciation rates used for each class of asset (in both the current and prior year) are as follows:

Asset class	Rate	Method
Buildings	2.5 – 4 %	Straight-line
Plant and equipment	6 – 33 %	Straight-line
Leasehold improvements	10 – 33 %	Straight-line

u Investments and other financial assets

Financial instruments classified as held for trading are disclosed as current assets and are stated at fair value, with any resultant gain or loss recognised in the Income Statement.

Other financial instruments held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised directly in equity, except for impairment losses and, in the case of monetary items, foreign exchange gains and losses. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the Income Statement. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the Income Statement.

1 Summary of significant accounting policies continued

u Investments and other financial assets continued

The fair value of exchange traded financial instruments classified as held for trading and available-for-sale is their quoted bid price at the balance sheet date.

Other investments are carried at the lower of cost and estimated recoverable amount.

Purchases and sales of financial assets that require delivery of assets are recognised on the trade date i.e. the date that the Group commits itself to purchase or sell the assets.

v Leased assets

Lease payments made under operating leases are recognised as an expense in the Income Statement on a straight-line basis over the term of the lease.

In accordance with Interpretation 115 "Operating Leases – Incentives" lease incentives received are recognised in the Income Statement on a straight-line basis as they are an integral part of the total lease expense over the lease term.

w Sale of non-current assets

Non-current assets held for sale at reporting date

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale if the assets meet the requirements of AASB 5 Non-current Asset Held for Sale and Discontinued Operations. The assets are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets classified as held for sale are presented separately from the other current assets in the Balance Sheet.

In the course of its ordinary activities, other transactions (including the sale of non-current assets such as investments and operating assets) may be undertaken that are incidental to the main revenue generating activities of the Group.

The results of such transactions are presented by netting the sale proceeds on disposal less selling cost and the carrying value of the asset at the date control of the asset passes to the buyer.

x Investment properties

Investment properties are properties that are held to earn long-term rental yields and/or for capital appreciation.

Land and buildings are considered to have the function of an investment and are therefore regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than diminution in the value of the building component due to the passing of time. Accordingly, the buildings and all components thereof, including integral plant and equipment, are not depreciated.

Investment properties acquired are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Investment properties are subsequently carried at fair value based on the principles outlined below.

The costs of assets constructed/redeveloped internally include the costs of materials, direct labour, directly attributable overheads, financing costs (see Note 1(q)) and other incidental costs.

Where the contracts of purchase include a deferred payment arrangement, amounts payable are recorded at their present value, discounted at the rate applicable to the Group if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Valuations

Investment properties are stated at their fair value at the balance sheet date.

The investment properties of the Group are internally valued at every reporting date and independently valued once a year or whenever it is believed that the fair value of a property differs significantly from its carrying value, based on a material change to the assumptions and market conditions underlying the valuation. These valuations are considered by the Directors when determining fair value.

1 Summary of significant accounting policies continued

x Investment properties continued

The fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction, and is determined:

- without any deduction for transaction costs the entity may incur on sale or other disposal;
- reflecting market conditions at the reporting date;
- reflecting rental income from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental income from future leases in the light of current conditions. It also reflects, on a similar basis, any cash outflows that could be expected in respect of the property;
- assuming simultaneous exchange and completion of the contract for sale without any variation in price that might be made in an arm's length transaction between knowledgeable, willing parties if exchange and completion are not simultaneous;
- ensuring that there is no double counting of assets or liabilities that are recognised as separate assets or liabilities; and
- without inclusion of uncommitted future capital expenditure that will improve or enhance the property. The valuation does not reflect the related future benefits from this future expenditure.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses arising from a change in the fair value of investment property are recognised in the Income Statement in the period in which they arise.

Rental income from investment property is accounted for in accordance with Note 1(j).

y Intangible assets (Goodwill)

All business combinations are accounted for by applying the purchase method. In respect of business acquisitions that have occurred since 1 July 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment (refer to Note 1(z)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

A discount arising on an acquisition is recognised immediately in the Income Statement.

z Impairment

If any indication of impairment exists, the carrying amounts of the applicable assets of the Group, other than investment property (refer to Note 1(x)), inventories (refer to Note 1(o)), construction contracts (refer to Note 1(j)) and deferred tax assets (refer to Note 1(l)), are reviewed and the asset's recoverable amount is estimated.

For determining impairment of goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is reviewed annually.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in equity is recognised in the Income Statement. The amount of the cumulative loss that is recognised in the Income Statement is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement.

Calculation of recoverable amount

The recoverable amount of loans and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows, discounted at the original effective interest rate (being the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that an impairment event has occurred. Significant receivables are individually assessed for impairment. Receivables that are not assessed as impaired or are not significant are placed into portfolios of assets with similar risk profiles and a collective assessment of impairment is performed.

1 Summary of significant accounting policies continued

z Impairment continued

Calculation of recoverable amount

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of loans and receivables is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is reversed through the Statement of Changes in Equity. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss shall be reversed, with the amount of the reversal recognised in the Income Statement.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

aa Trade and other payables

Payables are stated at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

bb Interest bearing liabilities

Interest bearing borrowings are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest basis.

cc Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

dd Dividends and distributions

The Trust seeks to fully distribute its taxable income to its unitholders. Distributions may also include capital gains arising from the disposal of investments and tax deferred income. Unrealised gains and losses on investments that are recognised as income (for example, fair value adjustments relating to investment properties) are usually retained and are generally not assessable or distributed until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains.

A liability is recognised for the amount of any dividend or distribution declared by the Directors of Brookfield Multiplex Funds Management Limited as the Responsible Entity of the Trust and declared by the Directors of the Company on or before the end of the reporting period but not distributed or paid at the reporting date.

ee Employee benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised as current provisions in respect of employees' services provided up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long-term service benefits

The net obligation of the Group in respect of long-term service benefits, other than superannuation, is the amount of future benefit that employees have earned in return for their service in current and prior periods.

The obligation for long-term service benefits expected to be settled within 12 months of the reporting date is recognised in the current provision for employee benefits and is measured in accordance with the paragraph above. The obligation for long-term service benefits expected to be settled more than 12 months from the reporting date is recognised in the

Summary of significant accounting policies continued

ee Employee benefits continued

Long-term service benefits

non-current provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to anticipated future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Post-employment benefits

Obligations for contributions to accumulation superannuation plans are recognised as an expense in the Income Statement as incurred.

Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

ff Contributed equity

Stapled securities and preference shares are classified as equity. Incremental costs directly attributable to the issue of new stapled securities are shown in equity as a deduction, net of tax, from the proceeds.

Other instruments that were classified as equity instruments in accordance with AASB 132 Financial Instruments: Disclosure and Presentation are disclosed as other equity securities within contributed equity.

Minority interest represents the portion of profit or loss and net assets in entities not wholly owned by the Group and are presented separately in the Income Statement and within equity in the Balance Sheet.

gg Earnings per security

Basic earnings per security is calculated as net profit after tax attributable to stapled securityholders divided by the weighted average number of ordinary stapled securities outstanding during the financial year. Diluted earnings per security is calculated as net profit after tax attributable to stapled securityholders divided by the weighted average number of ordinary stapled securities and dilutive potential ordinary stapled securities.

hh Transfers to/(from) total equity

In respect of the Group, revaluation increments and decrements arising from changes in the fair value of investment properties and derivative financial investments, unrealised gains and losses in the net value of investments, accrued income not yet assessable and expenses provided for or accrued and not yet deductible, net capital losses and tax free or tax deferred amounts may be transferred to equity and may not be included in the determination of distributable income.

ii Comparatives

Where deemed necessary, the comparatives have been reclassified to achieve consistency with the current period.

2 a Revenues and expenses
Continuing operations

	Note	Consolidated 6 months ended 31 Dec 2008 $m	Consolidated 12 months ended 30 Jun 2008 $m	Brookfield Multiplex Limited 6 months ended 31 Dec 2008 $m	Brookfield Multiplex Limited 12 months ended 30 Jun 2008 $m
i Revenues					
Revenue from the sale of development properties		248.9	407.0	–	–
Construction revenue		895.3	1,684.8	10.3	38.1
Property rental revenue		153.7	272.6	0.4	1.0
Property funds management revenue		57.9	104.5	–	–
Infrastructure revenue		0.3	1.1	–	–
Interest revenue – loans and receivables	2a vii	8.6	32.3	10.9	40.3
Total revenues		**1,364.7**	**2,502.3**	**21.6**	**79.4**
ii Other income					
Net fair value adjustments of investment properties	2a vi	–	108.1	–	–
Profit/(loss) on sale of non-current assets	2a ix	73.7	31.2	7.6	0.4
Dividend and Distributions - Controlled entities		–	–	2.6	–
Other income		22.1	31.8	–	2.4
Total other income		**95.8**	**171.1**	**10.2**	**2.8**
iii Costs of operations					
Subcontractor and consumable costs		1,013.5	1,742.6	8.2	–
Movement in development property inventories		145.5	533.6	–	–
Rental property rates, taxes and other property outgoings		53.7	91.6	0.5	1.2
Total cost of operations		**1,212.7**	**2,367.8**	**8.7**	**1.2**
iv Finance costs					
Interest and finance charges					
Related parties		0.7	0.8	1.2	15.5
External parties		70.4	134.5	1.1	0.6
Amortisation of borrowing costs		1.4	4.5	–	–
Other		2.5	0.8	–	–
Total finance costs		**75.0**	**140.6**	**2.3**	**16.1**
v Expenses (excluding finance costs and cost of operations)					
Employee expenses		50.4	99.0	14.4	28.8
Depreciation and amortisation expenses	2a viii	5.3	8.8	1.1	2.6
Unrealised foreign exchange losses/(gains)		5.0	2.4	(38.3)	17.2
Realised foreign exchange losses		3.0	0.2	(1.8)	11.0
Tender cost expensed		7.6	4.1	–	–
Derivative decrement		18.5	–	–	–
Project related overhead costs		0.2	15.5	–	13.8
Legal and consultancy fees		26.8	53.9	6.6	46.4
Advance pricing agreement recharges from UK Constructions		–	–	19.6	61.5
Net fair value adjustments in investment properties	2a vi	236.6	–	–	–
Loss on sale of non-current assets	2a ix	–	–	72.5	–
Impairment of goodwill	3	–	301.2	–	–
Other impairments		–	16.0	178.6	–
Other expenses		23.4	21.4	4.6	0.6
Total expenses (excluding finance costs and cost of operations)		**376.8**	**522.5**	**257.3**	**181.9**

The information presented in the following note has been restated to include the results from continuing operations only. Refer to note 2b for the information relating to discontinued operations.

2 a Revenues and expenses
Continuing operations continued

	Note	Consolidated 6 months ended 31 Dec 2008 $m	Consolidated 12 months ended 30 Jun 2008 $m	Brookfield Multiplex Limited 6 months ended 31 Dec 2008 $m	Brookfield Multiplex Limited 12 months ended 30 Jun 2008 $m
vi Other disclosure information					
Net fair value (decrements)/increments on investment property:					
Net fair value (decrements)/increments on directly held investment property	15b	(236.6)	108.1	–	–
Net fair value (decrements)/increments on investment property recorded within share of net profits of equity accounted entities	14d	(54.5)	45.0	–	–
Total Fair Value Adjustments within the Group		**(291.1)**	**153.1**	**–**	**–**
vii Interest revenue					
Interest income					
Related party		–	1.9	8.9	35.3
External parties		8.6	30.4	2.0	5.0
Total interest revenue		**8.6**	**32.3**	**10.9**	**40.3**
viii Depreciation and amortisation expenses					
Depreciation of property, plant and equipment		4.7	7.7	0.9	2.1
Amortisation of leasehold improvements		0.6	1.1	0.2	0.5
Total depreciation and amortisation expenses		**5.3**	**8.8**	**1.1**	**2.6**
ix Profit on sale of non-current assets					
Net gain on disposal of investment properties		–	0.7	–	–
Net gain on disposal if infrastructure projects		–	–	–	–
Net gain on disposal of UK operations		70.7	–	–	–
Net (loss)/gain on disposal of investments		(4.6)	30.2	–	–
Net gain on disposal of management rights		7.6	–	7.6	–
Net loss on disposal of controlled entities		–	–	(72.5)	–
Net gain on disposal of property, plant and equipment		–	0.3	–	0.4
Total profit/(loss) on sale of non-current assets		**73.7**	**31.2**	**(64.9)**	**0.4**
x Other					
Profit from ordinary activities before income tax expenses includes the following specific items:					
Dividends and distributions		–	–	2.6	–
Operating lease payments		–	0.3	–	0.2
Superannuation payments		1.0	1.9	0.5	1.0
Amounts recognised in Income Statement for investment property:					
Rental income		132.7	230.6	0.4	0.9
Direct operating expenses from property that generated rental income		51.4	88.2	0.5	1.2

2 b Revenues and expenses
Discontinued operations

	Note	6 months ended 31 Dec 2008 $m	Consolidated 12 months ended 30 Jun 2008 $m
i Revenues			
Construction revenue		179.4	312.3
Property rental revenue		12.2	10.4
Interest revenue – loans and receivables		2.6	8.8
Total revenues		**194.2**	**331.5**
ii Costs of operations			
Subcontractor and consumable costs		165.7	312.2
Movement in development property inventories		3.8	67.4
Rental property rates, taxes and other property outgoings		4.2	3.3
Total cost of operations		**173.7**	**382.9**
iii Finance costs			
Interest and finance charges		10.7	9.3
Amortisation of borrowing costs		–	0.1
Total finance costs		**10.7**	**9.4**
iv Expenses (excluding finance costs and cost of operations)			
Employee expenses		9.5	18.0
Depreciation and amortisation expenses		2.6	1.7
Net fair value adjustments in investment properties		–	9.8
Other impairments		–	43.5
Other expenses		6.1	11.1
Total expenses (excluding finance costs and cost of operations)		**18.2**	**84.1**
v Other disclosure information			
Net fair value (decrements)/increments on investment property:			
Net fair value (decrements)/increments on directly held investment property	15b	–	(9.8)
Total fair value adjustments		**–**	**(9.8)**
vi Depreciation and amortisation expenses			
Depreciation of property, plant and equipment		0.1	0.4
Amortisation of leasehold improvements		2.5	1.3
Total depreciation and amortisation expenses		**2.6**	**1.7**
vii Other			
Amounts recognised in Income Statement for investment property:			
Rental income		12.2	10.4
Direct operating expenses from property that generated rental income		6.4	6.7

Please refer to Note 36 Discontinued Operations for additional information.

3 Individually significant items

Individually significant items included in net (loss)/profit before tax includes:

	Consolidated 6 months ended 31 Dec 2008 $m	12 months ended 30 Jun 2008 $m
Investment property fair value adjustments (FVAs)[1]	(291.1)	143.3
Impairment of goodwill[2]	–	(301.2)
Provisions against development inventories[3]	(21.7)	(342.5)
Impairment of other assets[4]	(15.9)	(59.5)
Non-recurring corporate consultancy costs[5]	–	(35.0)
Gain on sale of subsidiaries[6]	66.1	–
Gain on sale of management rights for the Middle East business[7]	7.6	–

1 Investment property fair value decrements include $236.6 million (June 2008: increments of $98.3 million) relating to directly held investment properties and decrements of $54.5 million (June 2008: increments of $45.0 million) relating to FVAs recorded through the share of net profit of equity accounted entities.
2 Goodwill carried by the Trust was written off in light of the increases in interest rates and the Group's cost of capital which increased the discount rate to be applied to the Group's future cash flows when assessing the carrying amount of goodwill.
3 Relates to adjustments to the carrying value of certain development inventories arising from the assessment of cost versus net realisable value.
4 Aggregate of impairments to receivables, investments in joint ventures and other assets.
5 Relates to investment bank advisory costs and other costs associated with the Brookfield Australia Pty Ltd acquisition of the Group which was completed in January 2008.
6 Relates to gain on sale of European operations to Brookfield Europe LP and Peterborough and Long Bay Prison PPP projects to Brookfield Infrastructure LP.. Please refer to Note 36 for additional information.
7 Relates to gain on sale of management rights relating to Middle East business to Brookfield Europe Holdings Limited.

	Consolidated 6 months ended 31 Dec 2008 $m	12 months ended 30 Jun 2008 $m	Brookfield Multiplex Limited 6 months ended 31 Dec 2008 $m	12 months ended 30 Jun 2008 $m
4 Income tax				
a Income tax (expense)/benefit				
Current income tax				
Current income tax expense	(0.7)	(1.1)	–	(1.3)
Adjustments in respect of current income tax of previous years	(23.4)	–	(12.1)	–
Deferred income tax				
Relating to origination and reversal of temporary differences and tax losses	22.7	61.1	(25.1)	34.1
Income tax (expense)/benefit reported in Income Statement	**(1.4)**	**60.0**	**(37.2)**	**32.8**
Deferred income tax benefit/(expense) included in income tax expense comprises:				
(Decrease)/increase in deferred tax assets	12.8	(0.4)	(29.5)	26.3
Decrease/(increase) in deferred tax liabilities	(12.1)	60.4	–	6.5
	0.7	**60.0**	**(29.5)**	**32.8**

4 Income tax continued

	Consolidated 6 months ended 31 Dec 2008 $m	Consolidated 12 months ended 30 Jun 2008 $m	Brookfield Multiplex Limited 6 months ended 31 Dec 2008 $m	Brookfield Multiplex Limited 12 months ended 30 Jun 2008 $m
b Numerical reconciliation of income tax expense to prima facie tax payable				
Accounting (loss)/profit before income tax from continuing operations	**(237.3)**	**(265.3)**	**(236.5)**	**(117.0)**
Accounting (loss)/profit before income tax from discontinuing operations	**(8.4)**	**(139.7)**	**–**	**–**
Prima facie income tax benefit/(expense) on (loss)/profit using the domestic corporation tax rate of 30% (30 June 2008: 30%)	**73.7**	**121.5**	**70.9**	**35.1**
Tax effect of amounts which are not (deductible) /assessable in calculating taxable income:				
Effect of tax rates in foreign jurisdiction	(0.1)	(7.9)	–	–
Non-deductible expenses	(0.1)	(6.3)	–	(2.3)
Non-taxable income	22.1	–	(73.3)	–
Non-taxable Trust profit and consolidation adjustments	(76.2)	(3.3)	–	–
Tax losses not booked	2.6	(44.0)	–	–
Under provision in previous year	(23.4)	–	(34.8)	–
Income tax (expense)/benefit	**(1.4)**	**60.0**	**(37.2)**	**32.8**

c Tax consolidation

Brookfield Multiplex and Brookfield Multiplex Property Trust and all wholly-owned Australian subsidiaries are members of the Brookfield Australia income tax consolidated group.

On entry to the Brookfield Australia tax consolidated group, the wholly-owned Australian entities of the Brookfield Multiplex Group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of default by Brookfield Australia head company.

The tax sharing agreement also contains tax funding provisions. Pursuant to the tax funding provisions, the wholly-owned tax paying Australian entities within the Brookfield Multiplex Group fully compensate the Brookfield Australia head company for any current tax payable assumed. The Brookfield Australian head company is not required to compensate wholly-owned Australian entities for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the Brookfield Australia head company under the tax consolidation legislation.

The amounts payable under the tax funding provisions are due upon receipt of the tax funding advice from the head entity which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay income tax instalments.

The Brookfield Multiplex Group has recognised a deemed equity distribution of $21.9million.

The non-Australian operations ands non-wholly owned subsidiaries of the Brookfield Multiplex Group are subject to tax on their taxable earnings based on local tax law.

	6 months ended 31 Dec 2008 Cents	Consolidated 12 months ended 30 Jun 2008 Cents
5 Earnings per stapled security		
Basic and diluted (losses)/earnings per stapled security	**(31.8)**	**(48.0)**

	6 months ended 31 Dec 2008 Number	Consolidated 12 months ended 30 Jun 2008 Number
Weighted average number of stapled securities used as the denominator (basic) and diluted	**837,402,185**	**837,402,185**

	6 months ended 31 Dec 2008 $m	Consolidated 12 months ended 30 Jun 2008 $m
Reconciliation of losses used in calculating earnings per stapled security		
Net loss	(247.1)	(345.0)
Less: Net (profit) attributable to minority interest	(19.5)	(56.6)
Losses used in calculating earnings per stapled security	**(266.6)**	**(401.6)**

Earnings per stapled security is determined by dividing net profit after income tax attributable to stapled securityholders by the weighted average number of stapled securities outstanding during the financial half year.

There have been no other transactions involving stapled securities or potential stapled securities which would impact on the earnings per stapled security since the reporting period date and before the completion of these financial statements.

6 Dividends and distributions

No Dividends or distributions were paid to securityholders or declared during the period.

Dividends and distributions paid to security holders or declared during the year ended 30 June 2008 were:

	Cents per Share/Unit	Total Amount $m	Date of Payment	Tax Rate for Franking Credit	Percentage Franked %
12 months ended 30 June 2008					
Ordinary shares					
Interim dividend	Nil	Nil	N/A	N/A	N/A
Final dividend	Nil	Nil	N/A	N/A	N/A
Total dividend	**Nil**	**Nil**			
Units					
Interim distribution	3.5	29.3	31 December 2007	25%	(tax deferred)
Final distribution	3.5	29.3	30 June 2008	14%	(tax deferred)
Total distributions	**7.0**	**58.6**			
Total per stapled security					
Interim distribution	3.5	29.3	31 December 2007	25%	(tax deferred)
Final distribution	3.5	29.3	30 June 2008	14%	(tax deferred)
Total distribution	**7.0**	**58.6**			

	Consolidated 31 Dec 2008 $	30 Jun 2008 $
7 Net tangible asset backing		
Net tangible assets per stapled security	**4.53**	**4.48**

Net tangible assets per stapled security is calculated by dividing net assets less minority interest less intangible assets by the number of stapled securities on issue. The number of stapled securities on issue used in the calculation of net tangible assets per stapled security is 837,402,185 stapled securities (30 June 2008: 837,402,185 stapled securities).

	Consolidated 31 Dec 2008 $m	30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	30 Jun 2008 $m
8 Cash and cash equivalents				
Cash at bank and on hand[1]	126.7	202.5	28.0	20.5
Deposits at call[2]	196.2	147.0	60.0	70.1
Total cash and cash equivalents	**322.9**	**349.5**	**88.0**	**90.6**
For the purposes of the Cash Flow Statement, cash assets comprise:				
Balances as above	322.9	349.5	88.0	90.6
Balance per Cash Flow Statement	**322.9**	**349.5**	**88.0**	**90.6**

1 Cash at bank and on hand balances bear floating interest rates based on daily bank deposit rates within the range nil to 3.6% p.a. (2008: nil and 7.2% p.a.)
2 Deposits at call are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group and earn interest at the respective deposit at call rates.

8 Cash and cash equivalents continued

The fair value of cash and cash equivalents of the Group at balance date was $322.9 million (30 June 2008: $349.5 million). The fair value of cash and cash equivalents of the Company was $88.0 million (30 June 2008: $90.6 million).

At balance date, the Group had available $358.3 million (30 June 2008: $626.1 million) of undrawn committed borrowing facilities in respect of which all conditions precedent are currently met, other than, for example, conditions relating to cost to complete tests.

	Consolidated		Brookfield Multiplex Limited	
	31 Dec 2008 $m	30 Jun 2008 $m	31 Dec 2008 $m	30 Jun 2008 $m
Reconciliation of net (loss)/profit to net cash (outflow)/inflow from operating activities				
Losses from ordinary activities after income tax	(247.1)	(345.0)	(273.7)	(84.2)
Depreciation and amortisation	7.9	10.5	1.1	2.6
Amortisation of capitalised borrowing costs	1.4	–	–	–
Net profit on sale of investments	(73.7)	(30.2)	(7.6)	(0.4)
Net loss on sale of subsidiaries	–	–	72.5	–
Fair value adjustments on investment properties	236.6	(98.4)	–	–
Unrealised fair value movements in ineffective derivatives	18.5	–	–	–
Net profit on sale of investment property	–	(0.7)	–	–
Net profit on sale of property and equipment	–	(0.6)	–	–
Share of profits/(losses) of associates and joint venture entities	33.3	(92.2)	–	–
Impairment of goodwill	–	301.2	–	–
Other impairments	–	59.5	178.6	–
Provisions against development inventories	21.7	361.5	–	–
Unrealised foreign exchanges losses/(gain)	5.0	2.4	(38.3)	17.2
Change in operating assets and liabilities				
Decrease/(increase) in trade and other debtors	(104.9)	233.3	14.9	103.6
(Increase)/decrease in inventories	(430.1)	(897.3)	–	–
(Increase)/decrease in deferred tax balances	5.7	(60.0)	29.5	32.8
Increase/(decrease) in taxes payable	0.7	–	–	–
(Increase)/decrease in other assets	(29.7)	14.3	(0.3)	(4.1)
Increase/(decrease) in trade and other and other creditors	(47.1)	58.2	(8.7)	9.3
Increase/(decrease) in contract work in progress	3.5	100.6	–	(0.8)
Increase/(decrease) in other liabilities	–	0.8	–	–
Increase/(decrease) in other provisions	(16.3)	63.6	(10.7)	29.6
Net cash (outflow)/inflow from operating activities	**(614.6)**	**(318.5)**	**(42.7)**	**105.6**

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
9 Trade and other receivables				
Current				
Trade receivables[1]	182.1	179.9	–	–
Less: Allowance for doubtful debts	(1.0)	(5.4)	–	–
	181.1	**174.5**	**–**	**–**
Amounts due from associates[2]	35.6	59.1	–	–
Receivables – intercompany tax sharing	0.1	–	–	–
Amounts due from subsidiaries	–	–	2,418.6	2,105.9
Amounts due from external parties[3]	28.1	12.4	–	–
Amounts due from related parties	678.5	189.0	–	–
Retentions receivable	14.2	22.4	–	–
Other debtors[4]	141.5	244.3	0.6	4.3
Total current trade and other receivables	**1,079.1**	**701.7**	**2,419.2**	**2,110.2**
Non-current				
Amounts due from subsidiaries	–	–	70.4	–
Retentions receivable	–	7.0	–	–
Amounts due from external parties	18.1	12.6	–	–
Other debtors[4]	51.1	77.6	0.1	0.2
Total non-current trade and other receivables	**69.2**	**97.2**	**70.5**	**0.2**
Total trade and other receivables	**1,148.3**	**798.9**	**2,489.7**	**2,110.4**

1 Trade receivables are non-interest bearing and generally on 30-90 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. An allowance of $1.0 million (June 2008: $5.4 million) has been recognised for specific debtors.
2 No interest is charged on amounts due from associates, and there are no fixed repayment terms as amounts are repayable when called.
3 Interest charged ranges from 15-20% with normal monthly repayments. The date upon which these loans mature varies over the next 12 months.
4 These amounts represent accrued income on projects and property which have not been invoiced as yet and other amounts receivable from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

As of 31 December 2008, trade receivables of $1.8 million (30 June 2008: $15.2 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of defaults and the amounts are still considered recoverable. The ageing analysis is as follows:

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
1 – 30 days	95.6	155.2	–	–
30 – 60 days	53.6	8.1	–	–
60 – 90 days	31.1	1.4	–	–
> 90 days	1.8	15.2	–	–
	182.1	**179.9**	**–**	**–**

9 Trade and other receivables continued

There are no receivables that have had renegotiated terms that would otherwise have been past due or impaired.

During the financial half year ended 31 December 2008, trade receivables of the Group with a nominal value of $0.3 million (30 June 2008: $2.3 million) were impaired. At balance date, the amount of the allowance was $1.0 million (30 June 2008: $5.4 million). The individually impaired receivables mainly relate to customers which are in unexpectedly difficult economic situations. The Group is of the view that these receivables cannot be recovered. The Group does not hold any collateral against these trade receivables.

Movements in provision for the impairment of receivables are as follows:

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
Balance at beginning of the period	(5.4)	(10.4)	–	–
Impairment recognised during the period	(0.3)	(2.3)	–	–
Receivables written off during the period as uncollectable	0.6	3.0	–	–
Unused amounts reversed	4.1	4.3	–	–
Balance at end of the period	**(1.0)**	**(5.4)**	**–**	**–**

The creation and release of the provision for impaired receivables has been included in the Expenses (excluding finance costs and costs of operations) line in the income statement.

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
10 Derivative financial instruments				
Current assets				
Forward foreign exchange contracts	–	0.5	–	0.5
Interest rate swap contracts	–	0.3	–	–
Total current derivative assets	**–**	**0.8**	**–**	**0.5**
Non-current assets				
Interest rate swap contracts	–	19.1	–	–
Total non-current derivative assets	–	**19.1**	**–**	–
Total derivative assets	**–**	**19.9**	**–**	**0.5**
Current liabilities				
Interest rate swap contracts	27.3	–	–	–
Total current derivative liabilities	**27.3**	**–**	**–**	**–**
Non-current liabilities				
Interest rate swap contracts	13.2	1.2	–	–
Total non-current derivative liabilities	**13.2**	**1.2**	–	**–**
Total derivative liabilities	**40.5**	**1.2**	**–**	**–**

Refer to Note 37 for further information regarding derivative financial instruments.

	Note	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
11 Inventories					
Development projects under construction		1,847.2	1,673.5	–	–
Development projects completed		268.9	572.0	–	–
Total development projects		**2,116.1**	**2,245.5**	**–**	**–**
Contract work in progress – amounts due from customers	24	75.3	171.2	–	–
		2,191.4	**2,416.7**	**–**	**–**
Aggregate carrying amount of inventories:					
Current		692.4	1,147.4	–	–
Non-current		1,499.0	1,269.3	–	–
Total inventories		**2,191.4**	**2,416.7**	**–**	**–**

In the current period borrowing costs of $40.4 million (30 June 2008: $55.1 million) directly attributable to inventory were capitalised into inventories.

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
12 a Other financial assets				
Current				
Investment in Promissory Note[1]	1,300.0	1,300.0	–	–
Non-current				
Other investments	23.8	9.3	0.8	0.8
Total other financial assets	**1,323.8**	**1,309.3**	**0.8**	**0.8**

1 Whilst the promissory note is repayable on demand, it is subordinate to a $1.1 billion syndicated facility that matures in April 2010 between Brookfield (GP) Australia Inc, in its capacity as general partner of Brookfield Finance (Australia) LP, Barclays Bank PLC, and others (acquisition facility).

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
12 b Investments in subsidiaries				
Non-current				
Shares in subsidiaries	–	–	1,373.6	1,480.7
Total non-current investments in subsidiaries	**–**	**–**	**1,373.6**	**1,480.7**

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
13 Prepayments				
Current				
Prepayments[1]	8.8	9.5	0.8	1.1
New business and tender costs[2]	14.9	11.6	–	–
Other	8.4	4.5	1.3	0.7
Total current prepayments	**32.1**	**25.6**	**2.1**	**1.8**
Non-current				
Prepayments[1]	35.4	22.1	–	–
New business and tender costs[2]	5.4	7.3	–	–
Total non-current prepayments	**40.8**	**29.4**	**–**	**–**
Total prepayments	**72.9**	**55.0**	**2.1**	**1.8**

1 Prepayments relate to payments for services due to be incurred in subsequent years.
2 New business and tender costs are capitalised and deferred to the extent that it is probable that a construction or development contract will be entered into and that the costs will be recoverable from future revenue. New business and tender costs are assessed for recoverability at reporting date to determine the amount, if any, which would require recognition as an expense in the Income Statement. If the expected project revenue is not recognised or pursued, these costs are recognised as an expense in the Income Statement.

	Note	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
14 Investments accounted for using the equity method					
Non-current					
Investment in associates	a	653.9	815.1	–	–
Investment in joint venture entities	b	390.9	424.1	–	–
Total investments accounted for using the equity method		**1,044.8**	**1,239.2**	**–**	**–**

a Investments in associates

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

Details of material interests in associates are as follows:

	Principal Activities	Country of Incorporation	Equity Ownership 31 Dec 08 %	Equity Ownership 30 Jun 08 %	Carrying Value 31 Dec 08 $m	Carrying Value 30 Jun 08 $m
Consolidated						
Investment						
R&M Investments (BVI) Limited	Investment	British Virgin Islands	50	50	359.8	461.9
Bourke Place Trust	Property Investment	Australia	43	43	185.6	179.1
Multiplex New Zealand Property Fund	Property Investment	Australia	27	24	41.4	54.2
Multiplex Acumen Property Fund	Property Investment	Australia	21	21	22.2	45.1
Multiplex Prime Property Fund	Property Investment	Australia	22	22	19.8	43.9
Multiplex European Property Fund	Property Investment	Australia	20	20	24.2	30.0
Other interests	Various	Various	–	–	0.9	0.9
Total investments in associates					**653.9**	**815.1**

The balance date of all associates, except for Bourke Place Trust is 30 June.

	31 Dec 2008 $m	Consolidated 30 Jun 2008 $m
14 Investments accounted for using the equity method continued		
a Investments in associates continued		
Share of associates' revenues and profits		
Revenues	20.4	82.1
Share of associates:		
Net profit/(loss) before income tax	(37.0)	38.8
Income tax expense attributable to net profit	1.3	(1.8)
Total share of associates' net profit after tax accounted for using the equity method	**(35.7)**	**37.0**
Share of associates' assets and liabilities		
Assets	1,083.1	1,254.1
Liabilities	(394.4)	(332.0)
Net assets	**688.7**	**922.1**

Commitments and contingencies

Contingent liabilities and contingent assets exist in respect of guarantees and insurance bonds issued to clients and guarantees received by associates from its subcontractors in lieu of cash retentions on building contracts. In addition, insurance performance bonds have also been issued to some clients in support of the associate's performance under its building contracts.

b Investments in joint venture entities

Details of material interests in joint venture entities are as follows:

	Principal Activities	Country of Incorporation	Ownership Interest 31 Dec 08 %	Ownership Interest 30 Jun 08 %	Carrying Value 31 Dec 08 $m	Carrying Value 30 Jun 08 $m
Investment						
Darling Park Trust[1]	Property Investment	Australia	50	50	348.0	362.7
Pegasus Town Limited	Development	New Zealand	50	50	24.0	21.9
RHB Development (Stages 2-8) [2]	Development	Australia	–	50	–	22.3
Little Bay South	Development	Australia	50	50	5.1	5.0
Other interests					13.8	12.2
Total investments in joint venture entities					**390.9**	**424.1**

1 Brookfield Multiplex Group does not have joint power to govern the financial and operating policies of this entity

2 The RHB developments consist of a number of joint venture entities which are owned and accounted for on the same basis. These entities have been grouped for presentation purposes. This operation is now proportionally consolidated.

	31 Dec 2008 $m	Consolidated 30 Jun 2008 $m
14 Investments accounted for using the equity method continued		
b Investments in joint venture entities continued		
Share of joint venture entities revenues, expenses and profit		
Revenues	30.4	116.2
Expenses	(28.1)	(61.0)
Profit before income tax	**2.3**	**55.2**
Income tax benefit	0.1	–
Total share of joint venture's net profit/(loss) after tax accounted for using the equity method	**2.4**	**55.2**
Share of joint venture entities assets and liabilities		
Assets	581.2	554.2
Liabilities	(30.1)	(139.8)
Net assets	**551.1**	**414.4**

Commitments and contingencies

Contingent liabilities and contingent assets exist in respect of guarantees and insurance bonds issued to clients and guarantees received by the joint venture entities from its subcontractors in lieu of cash retentions on building contracts. In addition, insurance performance bonds have also been issued to some clients in support of the joint venture's performance under its bank guarantees and building contracts.

	31 Dec 2008 $m	Consolidated 30 Jun 2008 $m
c Material contribution to net loss/profit		
Associates	(35.7)	37.0
Joint ventures	2.4	55.2
Contributions to net (loss)/profit	**(33.3)**	**92.2**
The material individual associate contributions to net loss/profit were:		
Bourke Place Trust	12.4	24.1
Multiplex New Zealand Property Fund	(19.2)	7.9
AMP New Zealand Office Trust (sold 19/2/08)	–	3.0
Multiplex Prime Property Fund	(6.5)	2.8
Multiplex Acumen Property Fund	(12.3)	8.2
Multiplex European Property Fund	(3.0)	(5.8)
R&M Investment (BVI) Limited	(3.0)	(6.8)
Others	(4.1)	3.6
Contributions to net (loss)/profit	**(35.7)**	**37.0**
The material individual joint venture contributions to net (loss)/profit were:		
Darling Park Trust	(3.9)	62.3
Others	6.3	(7.1)
Contributions to net profit	**2.4**	**55.2**

	31 Dec 2008 $m	Consolidated 30 Jun 2008 $m
14 Investments accounted for using the equity method continued		
d Fair Value Adjustments included in contribution to net profit		
Associates	(39.7)	13.4
Joint ventures	(14.8)	31.6
Fair Value Adjustments included in contributions to net profit	**(54.5)**	**45.0**
Included in associate and joint venture contribution to net profit are the following fair value adjustments:		
Bourke Place Trust	7.1	13.7
Multiplex Prime Property Fund	(5.4)	1.4
Darling Park Trust	(14.8)	31.6
Multiplex Acumen Property Fund	(12.4)	1.3
Multiplex New Zealand Property Fund	(20.8)	5.2
Multiplex European Property Fund	(6.4)	(8.2)
Other	(1.8)	–
Total	**(54.5)**	**45.0**

	Consolidated		Brookfield Multiplex Limited	
	31 Dec 2008 $m	30 Jun 2008 $m	31 Dec 2008 $m	30 Jun 2008 $m
15 Investment property				
Investment property	**2,707.9**	**3,111.1**	**–**	**–**

a Carrying value of investment properties

Valuations of investment property are based on prevailing market conditions for the properties being the fair value for which the properties could be exchanged between willing parties in an arm's length transaction in an active market for similar properties in the same location and condition and subject to similar leases. In assessing the value of the investment properties, the independent valuers have considered two basis of valuation being:

- Discounted cash flow; and
- Capitalisation approach.

Where independent valuations are undertaken prior to reporting date, the assumptions on which the valuation is based are reviewed in light of the prevailing market conditions at reporting date to ensure that any material change is reflected in the valuation.

Details of the individual properties are set out below. Investment properties are 100% owned except where indicated.

15 Investment property continued

a Carrying value of investment properties continued

	Note	Title	Independent Valuation Date	Independent Valuation $m	Carrying Value 31 Dec 2008 $m	Carrying Value 30 Jun 2008 $m
Consolidated						
Southern Cross East Tower, Melbourne, Victoria[1]	ii	Freehold	Dec – 08	545.0	545.0	555.0
Commonwealth Bank Building, Brisbane, Qld	iv	Freehold	Dec – 07	255.0	228.0	243.0
KPMG Tower, Sydney, NSW (50%)	ii	Freehold	Mar – 08	149.0	145.0	150.0
ANZ Centre, Brisbane, Qld (50%)	iv	Freehold	Mar – 08	85.0	77.9	85.0
Ernst & Young Building, Perth, WA	iv	Freehold	Dec – 08	62.5	62.5	80.0
National Australia Bank House, Sydney, NSW (25%)	v	Freehold	Oct – 08	101.3	101.3	105.0
IAG House, Sydney, NSW (50%)	iv	Freehold	Apr – 08	194.0	185.0	200.0
15 Blue Street, North Sydney, NSW	iii	Leasehold	Dec – 07	110.0	100.0	108.3
AMP Place, Brisbane, Qld	i	Freehold	Apr – 08	245.0	200.0	245.0
111 Alinga Street, Canberra, ACT	i	Leasehold	Nov – 08	68.5	68.5	72.0
Jessie Street Centre, Parramatta, NSW	v	Freehold	Apr – 08	261.0	251.0	266.0
BankWest Tower, Perth, WA (50%)	iii	Freehold	Apr – 08	185.0	161.5	185.0
King Street Wharf, Sydney, NSW	ii	Freehold	Dec – 07	106.3	96.0	104.7
Pittwater Place Shopping Centre, Sydney, NSW	iii	Freehold	Dec – 07	78.0	64.0	77.0
Great Western Super Centre, Keperra and Peach Quarry, Brisbane, Qld[2]	iii	Freehold	Dec – 07	73.3	67.3	73.8
Carillon City Shopping Centre, CityArcade, Perth, WA (50%)	iii	Freehold	Dec – 07	66.1	58.5	64.9
Bracken Ridge Plaza, Brisbane, Qld	iii	Freehold	Dec – 07	24.0	21.0	23.5
Latitude Retail, George Street, Sydney, NSW (50%)	iii	Freehold	Oct – 08	97.5	97.5	100.0
Cnr Devon & Durham Streets, Rosehill, Sydney, NSW	v	Freehold	Oct – 08	100.0	100.0	115.0
Cnr Cobalt & Silica Streets, Carole Park, Brisbane, Qld	ii	Freehold	Oct – 08	15.4	15.4	23.0
46 Randle Road, Meeandah, Brisbane, Qld	ii	Freehold	Oct – 08	8.0	8.0	10.0
Luna Park Car Park, Sydney, NSW	ii	Leasehold	Feb – 08	10.0	6.2	8.5
Friars Square, Aylesbury, UK	v	Freehold	Oct – 07	187.9	–	186.1
Latitude Commercial (ATO), George Street, Sydney, NSW (50%)		Freehold		104.5	104.5	80.5
					2,764.1	**3,161.3**
Impact of straight-lining of rental income disclosed as non-current receivables					(46.2)	(40.2)
Less: Peachy Land currently under development					(10.0)	(10.0)
Total investment properties					**2,707.9**	**3,111.1**

1 Represents 100 % of the value of Southern Cross and there is a 25% minority interest. The Trust owns 75% of a trust which owns 100% of the Southern Cross asset.
2 This includes Peachy land currently under development, valued at $11.3 million in December 2007.

15 Investment property continued

a Carrying value of investment properties continued

Names of independent valuers

i Colliers International
ii CBRE
iii Jones Lang LaSalle
iv Knight Frank
v Savills

Assets pledged as security

Refer to Note 20 c for information on non-current assets pledged as security by the Group.

	Consolidated		Brookfield Multiplex Limited	
	31 Dec 2008 $m	30 Jun 2008 $m	31 Dec 2008 $m	30 Jun 2008 $m
b Movement in Investment Properties				
Reconciliations of the carrying amounts of investment properties at the beginning and end of the current period are set out below:				
Carrying amount at beginning of the period	**3,111.1**	**2,634.7**	**–**	**–**
Additions				
High Wycombe (UK)	301.1	–	–	–
Jessie Street	11.6	38.4	–	–
National Australia Bank House	1.3	–	–	–
Rosehill	–	12.8	–	–
Alinga Street	0.4	3.5	–	–
Aylesbury (UK)	–	195.9	–	–
Other minor additions	6.2	16.8	–	–
Total additions	**320.6**	**267.4**	**–**	**–**
Disposals				
Aylesbury (UK) [1]	(206.6)	–	–	–
High Wycombe (UK) [1]	(313.9)	–	–	–
Total disposals	**(520.5)**	**–**	**–**	**–**
Transfers				
Transfers from/(to) property, plant and equipment				
Rosehill Fosters	–	25.6	–	–
Transfers to inventories				
Peachy Land	–	(10.0)	–	–
Transfers from inventories				
Latitude Commercial (ATO)	–	87.7	–	–
Total transfers	**–**	**103.3**	–	**–**
Fair value adjustments on investment properties	(230.6)	109.8	–	–
Impact of movement in foreign exchange rates	33.3	–	–	–
Change in the impact of straight-lining of rental income disclosed as non-current receivables	(6.0)	(11.5)	–	–
Unwinding of lease support	–	7.4	–	–
Carrying amount at the end of the period	**2,707.9**	**3,111.1**	**–**	**–**

1 Refer to Note 36 for additional information.

15 Investment property continued

c Leasing arrangements

Completed investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease receivables under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
Within one year	200.6	219.7	–	–
Later than one year but not later than five years	729.3	917.3	–	–
Later than five years	950.8	837.3	–	–
	1,880.7	**1,974.3**	**–**	**–**

Annual rent receivable by the Consolidated Entity under current leases from tenants is from commercial, industrial, retail and car park assets held. The average lease term is 7.1 years (30 June 2008: 7.4 years) and rent reviews are generally performed based on either market rent on an annual basis or fixed percentage increase in accordance with the lease agreements.

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
16 Property, plant and equipment				
a Carrying value				
Buildings				
At cost	1.9	1.9	–	–
Accumulated depreciation	(1.3)	(1.0)	–	–
	0.6	**0.9**	**–**	**–**
Leasehold improvements				
At cost	6.2	10.3	3.1	3.1
Accumulated amortisation	(3.4)	(5.2)	(1.9)	(1.7)
	2.8	**5.1**	**1.2**	**1.4**
Plant and equipment				
At cost	81.0	57.4	12.6	11.8
Accumulated depreciation	(24.6)	(20.3)	(5.8)	(4.9)
	56.4	**37.1**	**6.8**	**6.9**
Total property, plant and equipment	**59.8**	**43.1**	**8.0**	**8.3**

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
16 Property, plant and equipment continued				
b Reconciliation of carrying value				
Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current year are set out below.				
Buildings				
Carrying amount at beginning of the year	0.9	0.3	–	–
Additions	0.1	0.6	–	–
Depreciation expense	(0.4)	–	–	–
Carrying amount at the end of the year	**0.6**	**0.9**	**–**	**–**
Buildings under construction and development				
Carrying amount at beginning of the year	–	48.2	–	–
Additions	–	–	–	–
Disposals	–	(22.6)	–	–
Transfer to investment property	–	(25.6)	–	–
Carrying amount at the end of the year	**–**	**–**	**–**	**–**
Leasehold improvements				
Carrying amount at beginning of the year	5.1	6.6	1.4	1.7
Additions	2.8	0.8	–	0.2
Disposals	(2.1)	(0.4)	–	–
Depreciation expense	(3.0)	(1.5)	(0.2)	(0.5)
Foreign exchange	–	(0.4)	–	–
Carrying amount at the end of the year	**2.8**	**5.1**	**1.2**	**1.4**
Plant and equipment				
Carrying amount at beginning of the year	37.1	13.5	6.9	7.4
Additions	20.3	28.7	0.8	1.9
Disposals	(3.9)	(0.4)	–	(0.4)
Depreciation expense	(4.5)	(4.6)	(0.9)	(2.0)
Foreign exchange	7.4	(0.1)	–	–
Carrying amount at the end of the year	**56.4**	**37.1**	**6.8**	**6.9**

In the current half year, borrowing costs of $Nil million (12 months to 30 June 2008: $1.6 million) directly attributable to construction and development were capitalised to buildings under construction and development.

	Assets 31 Dec 2008 $m	Assets 30 Jun 2008 $m	Liabilities 31 Dec 2008 $m	Liabilities 30 Jun 2008 $m	Net 31 Dec 2008 $m	Net 30 Jun 2008 $m
17 Deferred tax assets and liabilities						
Deferred tax assets and liabilities are attributable to the following:						
Consolidated						
Unrealised foreign exchange	14.7	10.2	–	–	14.7	10.2
Provisions	98.6	137.7	–	–	98.6	137.7
Deferred revenue	–	–	(11.2)	(43.8)	(11.2)	(43.8)
Tax loss carryforwards	–	22.5	–	–	–	22.5
Other reserves	5.6	–	–	–	5.6	–
Tax assets (liabilities)	**118.9**	**170.4**	**(11.2)**	**(43.8)**	**107.7**	**126.6**
Set off of tax	(11.2)	(43.8)	11.2	43.8	–	–
Net tax assets (liabilities)	**107.7**	**126.6**	**–**	**–**	**107.7**	**126.6**
Company						
Unrealised foreign exchange	–	0.7	(0.4)	–	(0.4)	0.7
Provisions	9.8	38.2	–	–	9.8	38.2
Tax assets (liabilities)	**9.8**	**38.9**	**(0.4)**	**–**	**9.4**	**38.9**
Set off of tax	(0.4)	–	0.4	–	–	–
Net tax assets (liabilities)	**9.4**	**38.9**	**–**	**–**	**9.4**	**38.9**

	Balance 30 Jun 2008 $m	Recognised in profit or loss $m	Recognised in equity $m	Other $m	Transferred to subsidiaries $m	Balance 31 Dec 2008 $m
17 Deferred tax assets and liabilities continued						
Movement in temporary differences for the half year ended 31 December 2008:						
Consolidated						
Unrealised foreign exchange	10.2	1.5	(14.6)	17.6	–	14.7
Provisions	157.1	11.3	–	(69.8)	–	98.6
Deferred revenue	(43.8)	(12.1)	–	44.7	–	(11.2)
Other reserves	(8.6)	–	12.4	1.8	–	5.6
Tax losses carried forward	11.7	–	–	–	(11.7)	–
	126.6	**0.7**	**(2.2)**	**(5.7)**	**(11.7)**	**107.7**
Company						
Unrealised foreign exchange	0.7	(3.4)	–	2.3	–	(0.4)
Provisions	38.2	(3.4)	–	(25.0)	–	9.8
	38.9	**(6.8)**	**–**	**(22.7)**	**–**	**9.4**

	Balance 30 June 2007 $m	Recognised in profit or loss $m	Recognised in equity $m	Other $m	Transferred to subsidiaries $m	Balance 30 June 2008 $m
17 Deferred tax assets and liabilities continued						
Movement in temporary differences for the year ended 30 June 2008:						
Consolidated						
Unrealised foreign exchange	(2.7)	–	12.9	–	–	10.2
Provisions	82.1	55.6	–	19.4	–	157.1
Deferred revenue	(45.7)	1.9	–	–	–	(43.8)
Deferred expenditure	(3.5)	3.5	–	–	–	–
Other	(0.1)	0.1	–	(8.6)	–	(8.6)
Tax losses carried forward	102.5	(1.1)	(78.9)	(10.8)	–	11.7
	132.6	**60.0**	**(66.0)**	**–**	**–**	**126.6**
Company						
Unrealised foreign exchange	0.7	–	–	–	–	0.7
Provisions	7.2	31.0	–	–	–	38.2
Deferred revenue	–	–	–	–	–	–
Deferred expenditure	(3.0)	3.0	–	–	–	–
Prepayments	–	–	–	–	–	–
Other	(0.1)	0.1	–	–	–	–
Tax losses carried forward	71.1	(1.3)	(69.8)	–	–	–
	75.9	**32.8**	**(69.8)**	**–**	**–**	**38.9**

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
18 Intangible assets				
Goodwill				
Beginning of the financial year				
Goodwill costs (gross carrying amount)	310.0	322.9	–	–
Accumulated impairment	(301.2)	–	–	–
Net carrying amount	**8.8**	**322.9**	**–**	**–**
Movement during the period				
At 1 July 2008, net of accumulated impairment	8.8	322.9	–	–
Other acquisitions	–	0.2	–	–
Impairment	–	(301.2)	–	–
Disposals	–	(13.1)	–	–
At 31 Dec 2008, net of accumulated impairment	**8.8**	**8.8**	**–**	**–**
As at reporting date				
Goodwill – cost (gross carrying amount)	8.8	310.0	–	–
Accumulated impairment	–	(301.2)	–	–
Net carrying amount	**8.8**	**8.8**	**–**	**–**
Other intangible assets				
Beginning of the financial year	–	–	–	–
Management rights costs (gross carrying amount)	5.5	0.9	–	–
Accumulated impairment	(0.5)	–	–	–
Net carrying amount	**5.0**	**0.9**	**–**	**–**
Movement during the period				
At 1 July 2008, net of impairment	5.0	0.9	–	–
Impairment	–	(0.5)	–	–
Amortisation	(0.4)	–	–	
Other acquisitions	–	5.5	–	–
Disposals	–	(0.9)	–	–
At 31 Dec 2008, net of accumulated impairment	**4.6**	**5.0**	**–**	**–**
As at reporting date				
Management rights costs (gross carrying amount)	5.5	5.5	–	–
Accumulated impairment	(0.5)	(0.5)	–	–
Accumulated amortisation	(0.4)	–	–	–
Net carrying amount	**4.6**	**5.0**	**–**	**–**
Total intangible assets	**13.4**	**13.8**	**–**	**–**

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
19 Trade and other payables				
Current				
Trade creditors[1]	228.1	220.7	0.8	1.1
Other creditors and accruals[2]	394.1	511.6	26.1	29.5
Total Payables	**622.2**	**732.3**	**26.9**	**30.6**
Amounts due to subsidiaries	–	–	6.8	5.4
Project expenses	11.5	88.7	–	–
Total current trade and other payables	**633.7**	**821.0**	**33.7**	**36.0**
Non-Current				
Other creditors and accruals	40.8	68.6	–	–
Total non-current trade and other payables	**40.8**	**68.6**	**–**	**–**
Total trade and other payables	**674.5**	**889.6**	**33.7**	**36.0**

1 Trade creditors are non-interest bearing and are normally settled on 60-day terms.
2 Mainly attributable to construction and development related accruals made at reporting date.

Information regarding the effective interest rate and credit risk of current payables is set out in Note 37.

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
20 Interest bearing loans and borrowings				
a Carrying amounts				
Current Interest bearing loans and borrowings				
Secured				
Project facilities	409.5	501.0	–	–
Debt facilities	268.8	163.9	–	–
Multi-option facilities	–	500.0	–	–
Finance lease liabilities	0.4	–	–	–
	678.7	**1,164.9**		**–**
Unsecured				
Loans from subsidiaries	–	–	73.9	82.4
Loans from associates	27.0	103.8	–	–
Other related parties	21.2	–	21.2	–
Project facilities	–	17.2	–	–
	48.2	**121.0**	**95.1**	**82.4**
Total current interest bearing loans and borrowings	**726.9**	**1,285.9**	**95.1**	**82.4**
Non-Current Interest Bearing Liabilities				
Secured				
Commercial Mortgage Backed Securities (CMBS)	463.0	463.0	–	–
Investment finance facility	475.0	475.0	–	–
Syndicated facility	450.0	–	–	–
Debt facilities	5.1	72.6	–	–
Project facilities	902.8	926.4	–	–
Finance lease liabilities	2.2	–	–	–
Less: Attributable transaction costs	(7.2)	(6.9)	–	–
	2,290.9	**1,930.1**	–	–
Unsecured				
Loan from associates	22.1	73.1	–	–
Loans from other related parties	–	16.0	–	16.0
	22.1	**89.1**	**–**	**16.0**
Total non-current interest bearing loans and borrowings	**2,313.0**	**2,019.2**	**–**	**16.0**
Total interest bearing loans and borrowings	**3,039.9**	**3,305.1**	**95.1**	**98.4**

20 Interest bearing loans and borrowings continued

b Terms and conditions

The Group draws down on certain project facilities as a result of entering into certain development and construction projects. These project facilities are with certain banks and credit financial institutions and are secured by a first charge over certain individual project's assets including land and development costs.

		Consolidated Facility amount		Consolidated Carrying Value/Facility Utilised		Brookfield Multiplex Limited Carrying Value/Facility Utilised			
Facility	Note	31 Dec 2008 $m	30 Jun 2008 $m	31 Dec 2008 $m	30 Jun 2008 $m	31 Dec 2008 $m	30 Jun 2008 $m	Interest Rate	Maturity
Bank Guarantees and Insurance Bonds	1	1,292.4	1,275.1	734.2	866.2	734.2	866.2	N/A	Generally subject to annual review
CMBS Series 2	2	463.0	463.0	463.0	463.0	–	–	3MBBSW* +0.25% to +0.95%	May 2010
Investment finance facility	3	475.0	475.0	475.0	475.0	–	–	Refer 3	May 2010
Multi-option Facility	4a	–	500.0	–	500.0	–	–	Refer 4a	
Syndicated Facility	4b	450.0	–	450.0	–	–	–	Refer 4b	Dec 2010
Debt facilities	5	311.9	348.3	273.9	236.5	–	–	Prevailing market rate	May 2009-Mar 2011
Project facilities	6	1,606.4	1,998.0	1,314.9	1,444.6	–	–	Prevailing market rate	Feb 2009- Feb 2012
Loans from associates	7	49.1	103.8	49.1	176.9	–	–	Refer 7	
Loans from subsidiaries	8	–	–	–	–	73.9	82.4	Refer 8	
Loans from other related parties	9	50.0	50.0	21.2	16.0	21.2	16.0	Refer 9	
Less: Attributable Transaction Cost (net of amortisation)	10	–	–	(7.2)	(6.9)	–	–	N/A	
		4,697.8	**5,213.2**	**3,774.1**	**4,171.3**	**829.3**	**964.6**		

* BBSW – Australian bank bill swap.

1 Refer Note (d) for details of bank guarantees and insurance bonds.
2 Series 2 is secured by three office buildings and three retail centres. The rating is AAA/Aaa/AAA to BBB-/BBB.
3 Interest rates for the Investment Finance Facility based on BBSY +0.6%. After May 2009, interest rate steps up by 1.8%.
4a Interest rates for the Multi-option facility are as follows: AUD BBSW + 0.65% to 0.90%; New Zealand BKB + 0.65% to 0.90%
4b Interest rates for the syndicated facility are BBSY +0.75%.
5 Interest on loans is charged at the prevailing market rate. Maturity is in accordance with the underlying project.
6 The Group has loans denominated in Australian dollars and in other currencies. Interest on loans is charged at the prevailing market rate. Maturity is in accordance with the underlying project. Project facilities are procured from a range of sources (i.e. banks, financial institutions, etc.) and customary limited support, such as,structured in accordance with the specific requirements of the underlying project. Recourse is typically limited to the assets of the individual project with Brookfield Multiplex Limited providing interest servicing support in limited circumstances. Project facilities contain a range of terms and conditions typical with facilities of this nature.
7 Maturity in accordance with the underlying project and the interest rate is 16.8%.
8 $73.9 million is repayable on demand and the rates vary between 8% and 10%.
9 The interest rate is BBSY + 2%.
10 Interest bearing borrowings are recognised initially at fair value less the respective attributable transaction costs. These costs are amortised over the period of the facility.

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
20 Interest bearing loans and borrowings continued				
c Assets pledged as security				
The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:				
Current				
Floating charge				
Cash and cash equivalents	136.9	97.6	–	–
Derivative assets	–	0.8	–	–
Total current assets pledged as security	**136.9**	**98.4**	**–**	**–**
Non-Current				
Fixed charge				
Inventories	1,499.0	1,269.3	–	–
Derivative assets	–	19.1	–	–
Investment property	2,571.7	2,972.4	–	–
Equity accounted investments	533.6	541.7	–	–
Total non-current assets pledged as security	**4,604.3**	**4,802.5**	**–**	**–**
Total assets pledged as security	**4,741.2**	**4,900.9**	**–**	**–**
Total secured liabilities (current and non-current) are:				
Debt Facilities	273.9	236.5	–	–
Syndicated facility	450.0	–	–	–
Multi-option facility	–	500.0	–	–
Commercial Mortgage Backed Securities	463.0	463.0	–	–
Investment finance facility	475.0	475.0	–	–
Project Facilities	1,314.9	1,427.4	–	–
Total secured liabilities	**2,976.8**	**3,101.9**	**–**	**–**

The Group's facilities are secured by a number of the above pledged assets. The Group has bank loans denominated in Australian dollars and New Zealand dollars. Interest on bank loans is charged at the prevailing market rate. There were no overdraft facilities in place at 31 December 2008.

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
20 Interest bearing loans and borrowings continued				
d Financing facilities available				
At reporting date the following finance facilities had been negotiated and were available:				
Total facilities available				
Multi-option facility	–	500.0	–	–
Syndicated facilities	450.0	–	–	–
Debt facilities	311.9	348.3	–	–
Commercial Mortgage Backed Securities	463.0	463.0	–	–
Investment finance facility	475.0	475.0	–	–
Project facilities	1,606.4	1,924.9	–	–
Loans from subsidiaries	–	–	73.9	82.4
Loans from associates	49.1	176.9	–	–
Loans from other related parties	50.0	50.0	50.0	50.0
Bank guarantees and insurance bonds	1,292.4	1,275.1	1,292.4	1,275.1
Total facilities available	**4,697.8**	**5,213.2**	**1,416.3**	**1,407.5**
Facilities utilised at reporting date				
Multi-option facility	–	500.0	–	–
Syndicated facilities	450.0	–	–	–
Debt facilities	273.9	236.5	–	–
Commercial Mortgage Backed Securities	463.0	463.0	–	–
Investment finance facility	475.0	475.0	–	–
Project facilities	1,314.9	1,444.6	–	–
Loans from subsidiaries	–	–	73.9	82.4
Loans from associates	49.1	176.9	–	–
Loans from other related parties	21.2	16.0	21.2	16.0
Bank guarantees and insurance bonds	734.2	866.2	734.2	866.2
Total facilities utilised at reporting date	**3,781.3**	**4,178.2**	**829.3**	**964.6**
Facilities not utilised at reporting date				
Debt facilities	38.0	111.8	–	–
Project facilities	291.5	480.3	–	–
Loans from other related parties	28.8	34.0	28.8	34.0
Bank guarantees and insurance bonds	558.2	408.9	558.2	408.9
Total facilities not utilised at reporting date	**916.5**	**1,035.0**	**587.0**	**442.9**
Total facilities	**4,697.8**	**5,213.2**	**1,416.3**	**1,407.5**
Facilities utilised at reporting date	(3,781.3)	(4,178.2)	(829.3)	(964.6)
	916.5	**1,035.0**	**587.0**	**442.9**

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
21 Non-interest bearing loans and borrowings				
Current				
Secured				
Loans from external parties	331.9	329.6	–	–
	331.9	**329.6**	**–**	**–**
Unsecured				
Loans from subsidiaries	–	–	1,515.7	1,312.4
Loans from other related parties	29.1	13.5	13.5	13.5
Loans from associates and joint venture entities	14.1	52.6	–	–
	43.2	**66.1**	**1,529.2**	**1,325.9**
Total current non-interest bearing loans and borrowings	**375.1**	**395.7**	**1,529.2**	**1,325.9**
Non current				
Unsecured				
Amounts owing to subsidiaries	–	–	–	8.7
Other loans	–	1.5	–	–
	–	**1.5**	**–**	**8.7**
Total non-current non-interest bearing loans and borrowings	**–**	**1.5**	**–**	**8.7**
Total non-interest bearing loans and borrowings	**375.1**	**397.2**	**1,529.2**	**1,334.6**

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
22 Current tax liabilities				
Income tax payable	1.8	1.1	–	–

This balance represents a current tax liability in the New Zealand subsidiaries of the Group.

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
23 Provisions				
Current				
Employee benefits	28.6	25.5	18.9	20.4
Rental guarantees	4.0	5.2	–	–
Defects and others	78.2	96.1	6.3	15.5
Total current provisions	**110.8**	**126.8**	**25.2**	**35.9**
Non-current				
Employee benefits	2.1	2.1	1.9	1.9
Rental guarantees	3.7	2.9	–	–
Defects and others	0.3	3.7	–	–
Total non-current provisions	**6.1**	**8.7**	**1.9**	**1.9**
Total provisions	**116.9**	**135.5**	**27.1**	**37.8**

23 Provisions continued

Movements in provisions

Movements in each class of provision during the financial year are set out below.

	Employee Benefits $m	Rental Guarantees $m	Defects and Other $m	Total $m
Consolidated				
Carrying amount at 1 July 2008	27.6	8.1	99.8	135.5
Additional provisions recognised	13.8	0.8	11.9	26.5
Provisions utilised	(10.7)	(1.2)	(30.9)	(42.8)
Provisions derecognised due to disposal of subsidiary	–	–	(2.3)	(2.3)
Carrying amount at 31 December 2008	**30.7**	**7.7**	**78.5**	**116.9**

	Employee Benefits $m	Rental Guarantees $m	Defects and Other $m	Total $m
Parent				
Carrying amount at 1 July 2008	**22.3**	**–**	**15.5**	**37.8**
Additional provisions recognised	7.9	–	–	7.9
Provisions utilised	(9.4)	–	(9.2)	(18.6)
Carrying amount at 31 December 2008	**20.8**	**–**	**6.3**	**27.1**

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
24 Contract work in progress				
Contract costs incurred to date	6,693.7	9,257.6	–	–
Profit/(losses) recognised to date (less recognised losses)	395.4	(57.2)	–	–
	7,089.1	**9,200.4**	–	–
Less: Progress billings	(7,353.1)	(9,419.4)	–	–
Net contract work in progress	**(264.0)**	**(219.0)**	**–**	**–**
Net contract work in progress comprises:				
Amounts due to customers – contract work in progress[1]	(339.3)	(390.2)	–	–
Amounts due from customers – inventories[2]	75.3	171.2	–	–
	(264.0)	**(219.0)**	**–**	**–**
Advances on construction projects in progress included in trade creditors	**(66.7)**	**(44.7)**	**–**	**–**
Retentions on construction projects in progress included in progress billings	**124.1**	**114.1**	**–**	**–**

1 Represents billings raised to clients in excess of costs and profits recognised on these projects.
2 Represents construction costs incurred on projects in excess of that billed to clients.

	Note	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
25 Employee benefits					
Employee benefit and related on-costs liabilities					
Included in payables	19	35.1	38.8	18.9	23.1
Provision for employee benefits – current	23	28.6	25.5	18.9	20.4
Provision for employment benefits – non-current	23	2.1	2.1	1.9	1.9
Total employee benefits		**65.8**	**66.4**	**39.7**	**45.4**

25 Employee benefits continued

Brookfield Multiplex Group Employees' Superannuation Fund

The Group contributes to defined contributions superannuation funds in Australia and other regions in which it operates. There are no defined benefit plans. All employees are entitled to benefits on retirement, temporary disability, permanent disability or death.

Employees

At 31 December 2008, the Group employed 3,273 employees (including Directors) (30 June 2008: 3,350 employees).

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
26 Contributed equity				
a Issued and fully paid up capital				
Stapled securities	2,765.9	2,765.9	1,324.0	1,324.0
Preference shares	1,640.0	1,300.0	1,640.0	1,300.0
Stapled securities	**4,405.9**	**4,065.9**	**2,964.0**	**2,624.0**

b Movements of stapled securities on issue

Date	Details	Number of securities	Consolidated $m	Brookfield Multiplex Limited $m
1 Jul 2007	**Balance at the beginning of the comparative period**	**837,402,185**	**2,765.9**	**1,324.0**
30 Jun 2008	**Balance at the end of the comparative period**	**837,402,185**	**2,765.9**	**1,324.0**
31 Dec 2008	**Balance at the end of the current period**	**837,402,185**	**2,765.9**	**1,324.0**

c Movements of preference shares

Date	Details	Number of shares	Consolidated $m
30 Jun 2008	**Balance at the beginning of the comparative period**	**1,300,000,000**	**1,300.0**
29 Aug 2008	**Contributions of equity, net of transaction costs**	**220,000,000**	**220.0**
28 Nov 2008	**Contributions of equity, net of transaction costs**	**70,000,000**	**70.0**
22 Dec 2008	**Contributions of equity, net of transaction costs**	**50,000,000**	**50.0**
31 Dec 2008	**Balance at the end of the current period**	**1,640,000,000**	**1,640.0**

d Terms and conditions of equity instruments

Stapled securities

The stapled securities include an ordinary share in the Company stapled with units of the Trust, known as Brookfield Multiplex Group. The Trust's results are included in the Group result as explained in Note 1. Stapled security holders have the right to receive dividends, and distributions as declared and, in the event of winding up of the Company and Trust, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on stapled securities held. Stapled securities entitle their holder to one vote either in person or by proxy, at a meeting of the Company and/or the Trust.

Class A preference shares

The Class A preference shares issued by the Company entitle preference shareholders to vote in limited circumstances which include, while a Class A preference share dividend is unpaid. Class A preference shares are entitled to dividends as declared by the directors of the Company.

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
27 Reserves				
Foreign currency translation reserve	(76.7)	(112.7)	0.9	0.6
Available for sale assets reserve	(11.5)	(6.7)	–	–
Cash flow hedge reserve	(49.3)	35.3	–	13.0
Taxation consolidation reserve	(62.1)	(78.9)	(62.1)	(69.8)
Total reserves	**(199.6)**	**(163.0)**	**(61.2)**	**(56.2)**
Movements comprise:				
Foreign currency translation reserve				
Balance at the beginning of the period	(112.7)	(40.1)	0.6	0.6
Net exchange differences on net investment in foreign operations	36.0	(72.6)	0.3	–
Balance at the end of the period	**(76.7)**	**(112.7)**	**0.9**	**0.6**
Available-for-sale assets reserve				
Balance at the beginning of the period	(6.7)	9.8	–	–
Change in fair value	(4.8)	(16.5)	–	–
Balance at the end of the period	**(11.5)**	**(6.7)**	**–**	**–**
Cash flow hedge reserve				
Balance at the beginning of the period	35.3	15.8	13.0	–
Change in fair value	(84.6)	19.5	(13.0)	13.0
Balance at the end of the period	**(49.3)**	**35.3**	**–**	**13.0**
Taxation consolidation reserve				
Balance at the beginning of the period	(78.9)	–	(69.8)	–
Tax distributions	16.8	(78.9)	7.7	(69.8)
Balance at the end of the period	**(62.1)**	**(78.9)**	**(62.1)**	**(69.8)**
Share based payments reserve				
Balance at the beginning of the period	–	3.2	–	3.2
Tax distributions	–	(3.2)	–	(3.2)
Balance at the end of the period	**–**	**–**	**–**	**–**
Total reserves:				
Balance at the beginning of the period	(163.0)	(11.3)	(56.2)	3.8
Net movement for the period	(36.6)	(151.7)	(5.0)	(60.0)
Balance at the end of the period	**(199.6)**	**(163.0)**	**(61.2)**	**(56.2)**

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve records the foreign currency differences arising from the translation of foreign operations and related hedging instruments. Refer to accounting policy Note 1(g).

Available-for-sale assets reserve

This reserve records fair value changes on available-for-sale investments.

Cash flow hedge reserve

This reserve records the portion of the gain or loss on the effective portion of a cash flow hedging instrument.

Tax consolidation reserve

This reserve records tax distributions to the head entity in the Holdco consolidated tax group.

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
28 Accumulated (losses)/profits				
Accumulated profit/(losses) at the beginning of the period	(136.9)	323.3	(342.6)	(258.4)
Net loss attributable to stapled securityholders	(266.6)	(401.6)	(273.7)	(84.2)
Dividends and distributions recognised during the period	–	(58.6)	–	–
Accumulated losses at the end of the period	**(403.5)**	**(136.9)**	**(616.3)**	**(342.6)**

	Consolidated 31 Dec 2008 $m	Consolidated 30 Jun 2008 $m	Brookfield Multiplex Limited 31 Dec 2008 $m	Brookfield Multiplex Limited 30 Jun 2008 $m
29 Minority interests				
Interest in:				
Multiplex Hybrid Investment Trust				
Units issued	432.1	432.1	–	–
Retained profits	10.1	11.0	–	–
	442.2	**443.1**	**–**	**–**
Multiplex Southern Cross East Investment Trust				
Units issued	128.4	128.4	–	–
Retained profits	11.1	9.2	–	–
	139.5	**137.6**	**–**	**–**
Multiplex Diversified Property Fund				
Units issued	20.3	13.6	–	–
Retained (loss)/profit	(2.3)	0.3	–	–
	18.0	**13.9**	**–**	**–**
Morton & Morton				
Reserves	2.6	2.6	–	–
Retained loss	(0.2)	–	–	–
	2.4	**2.6**	**–**	**–**
Total minority interests	**602.1**	**597.2**	**–**	**–**

Multiplex Hybrid Investment Trust

25% of Class A Units in the Multiplex Hybrid Investment Trust (MHIT) are owned by the Multiplex SITES Trust which entitles the Multiplex SITES Trust to 25% of the voting rights in MHIT.

The Multiplex SITES Trust issued Multiplex SITES in January 2005. Multiplex SITES represent Step-up Income-distributing Trust-issued Exchangeable Securities. A fully paid security in Multiplex SITES Trust is entitled to income that is derived by Multiplex SITES Trust being a discretionary non-cumulative, floating distribution payment, payable quarterly in arrears.

Holder Redemption

Holders have the right to initiate redemption of Multiplex SITES by issue of a holder realisation notice, in the following limited circumstances:

- A breach of the restrictions imposed on stapled securities, where a priority distribution payment is not paid in full; or
- The occurrence of a winding-up event, with respect to either of the Guarantors, the Responsible Entity of the Multiplex SITES Trust (for as long as the Responsible Entity of Multiplex SITES Trust is a member of the Brookfield Multiplex Group) or Multiplex Hybrid Investment Trust (MHIT) (for as long as MHIT Trustee is a member of the Brookfield Multiplex Group).

The request for redemption is effective and will be implemented if made by holders who cumulatively hold 5% or more of Multiplex SITES on issue.

Upon redemption, holders will have a claim for the aggregate of $100 per security plus an amount equal to any unpaid distributions in the year before redemption.

29 Minority interest continued

Issuer Redemption

Subject to the approval of BMFML as responsible entity for the Trust and the Company, the Issuer may initiate redemption of all or some of the Multiplex SITES, by sending a realisation notice to holders, in the following circumstances:

- the step-up date or the last day of each distribution period after the step-up date;
- an increased costs event;
- an accounting event;
- where the responsible entity of the trust is no longer a member of the Brookfield Multiplex Group;
- a change of control event; or
- there are less than $50.0 million of Multiplex SITES remaining on issue.

Holder Exchange

Holders have no right to request exchange.

Issuer Exchange

The Brookfield Multiplex Group was delisted from the Australian Securities Exchange on 20 December 2007.

For so long as the Brookfield Multiplex Group is not listed, the BMFML as responsible entity for the Trust will not be entitled to exercise its option to exchange Multiplex SITES for Brookfield Multiplex Group stapled securities.

Multiplex Southern Cross East Investment Trust

This minority interest relates to an effective 25% of Multiplex Southern Cross East Investment Trust not held by the Group.

Multiplex Diversified Property Fund

This minority interest relates to an effective 29.56% of Multiplex Diversified Property Fund not held by the Group.

Morton & Morton

This minority interest related to an effective 40% of outside equity interests of Morton & Morton not held by the Group.

	Consolidated		Brookfield Multiplex Limited	
	31 Dec 2008 $000	30 Jun 2008 $000	31 Dec 2008 $000	30 Jun 2008 $000
30 Audit and other services				
Audit services				
Audit and review of financial reports	1,110.0	1,400.0	698.0	988.0
Other services				
Other audit services	790.0	1,153.0	–	–
Taxation services	60.9	42.0	–	–
Total audit and other services	**1,960.9**	**2,595.0**	**698.0**	**988.0**

The auditor of the Brookfield Multiplex Group is Deloitte Touche Tohmatsu.

31 Contingent liabilities and contingent assets

Details and estimated maximum amounts of contingent assets and liabilities (for which no amounts are recognised in the financial statements) are as follows:

a Bank guarantees and insurance bonds

Contingent liabilities and contingent assets exist in respect of bank guarantees and insurance bonds issued to clients and guarantees received by Brookfield Multiplex from its subcontractors in lieu of cash retentions. The guarantees and bonds issued to clients are secured by indemnities. All of the bank guarantees and bonds are received and issued in Brookfield Multiplex's ordinary course of business.

Bank guarantees and insurance bonds outstanding at 31 December 2008 were:

	Consolidated		Brookfield Multiplex Limited	
	31 Dec 2008 $m	30 Jun 2008 $m	31 Dec 2008 $m	30 Jun 2008 $m
Bank guarantees and letters of credit outstanding	638.7	677.7	638.7	677.7
Insurance bonds outstanding	95.5	188.5	95.5	188.5
	734.2	**866.2**	**734.2**	**866.2**

31 Contingent liabilities and contingent assets continued

b Duelguide tax indemnity

In October 2004, the Group, together with its joint venture partner, provided an indemnity to a third party in relation to certain tax-related issues which may arise from the Group's investment in an associated entity. There has been no quantification of any claim and no claims have been made under the indemnity. On that basis, and because the Directors believe no liability is likely, no provision or other liability has been raised by the Group in the financial statements at 31 December 2008 (30 June 2008: nil).

c Class action

In December 2006, the Company and Brookfield Multiplex Funds Management Limited (BMFML) were served with a statement of claim in respect of a class action claming unquantified damages. The statement of claim alleges that, in connection with the Wembley project, the Company and BMFML breached their continuous disclosure obligations and/or engaged in misleading or deceptive conduct in 2004 and 2005.

The Company and BMFML deny that they have any liability and continue to defend the Class Action. It is expected, given the issues involved in the class action, that it will be a complex and protracted litigation matter. It should be noted that Brookfield Multiplex has not made any provision in its accounts for the payment of any claim in the event that the class action is successful.

d Wembley costs indemnity

In December 2008, the Company sold Brookfield Construction (UK) Limited (BCUK) (formerly Multiplex Constructions (UK) Ltd), including all of its assets and liabilities at that time, to Brookfield Europe LP, a subsidiary of Brookfield Asset Management Inc for market value. The assets of BCUK included a receivable of £81.9m in respect of anticipated litigation and settlement proceeds relating to the construction of Wembley National Stadium. Consequently, as part of the sale, the Company agreed to indemnify BCUK to the extent that those proceeds are less than £81.9m. BCUK has agreed to pay to the Company any proceeds from litigation and settlements relating to the construction of Wembley National Stadium exceeding £81.9m.

On the basis that the Directors believe no liability is likely, no provision or other liability has been raised by the Company in the financial statements for the period to 31 December 2008.

The Company has also agreed to indemnify BCUK for any costs and other expenses relating to claims in connection with the construction of Wembley National Stadium.

e Acquisition Facility

In December 2008, the Trust guaranteed the syndicated facility between Brookfield GP (Australia) Inc. in its capacity as general partner of Brookfield Finance (Australia) LP and others which partially funded Brookfield Australia's acquisition of the Group. The facility is currently drawn to approximately $1.1 billion. Subject to a pay down of $200 million in April 2009, the maturity date of the facility has been extended to 27 April 2010.

f Other

- In the ordinary course of business, the Group provides rental guarantees and income support arrangements to tenants and owners of various residential and commercial buildings, in respect of which the Group is developing or has completed development. These arrangements require the Company to guarantee the rental income of these properties for certain periods of time. As at the date of this report, the Directors are of the opinion that based on the current sub-lease proposals and forecast sub-lease commitments, together with the allowances made within the development budgets for these property developments, adequate allowance has been made in the financial statements for these potential obligations.
- Contingent liabilities and contingent assets exist as a consequence of the arrangements contained in the Stapling Deed between the Company and BMFML as responsible entity for the Trust, as the responsible entity of the Brookfield Multiplex Property Trust. The Stapling Deed is described further in Note 38.
- The Company and the Trust are called upon to give, in the ordinary course of business, guarantees and indemnities in respect of the performance of subsidiaries, associates and related parties of their contractual obligations. The value of these guarantees and indemnities is indeterminate in amount. Any known losses have been brought to account.
- In the ordinary course of business, the Company and the Trust, their subsidiaries and associates become involved in litigation, pertaining to normal design liability in relation to completed design and construction projects, normal contractor's liability in relation to construction contracts, public liability, workers' compensation, etc, the majority of which falls within the Group's insurance arrangements and/or contractual indemnities with consultants and subcontractors. The Company and the Trust, their subsidiaries and associates also become involved in contractual disputes in relation to property development activities and property ownership issues.

  Whilst the outcomes of these proceedings are uncertain, contingent liabilities exist in respect of amounts not specifically provided for, which, based on legal advice, should not be material either individually or in the aggregate.

31 Contingent liabilities and contingent assets continued

f Other continued

– Subsidiaries of the Company have entered into joint venture arrangements under which the subsidiary may be jointly and severally liable for the liabilities of the joint venture arrangement. The assets of each partnership or joint venture vehicle are anticipated to be sufficient to meet any such liabilities.

	Consolidated		Brookfield Multiplex Limited	
	31 Dec 2008 $m	30 Jun 2008 $m	31 Dec 2008 $m	30 Jun 2008 $m
32 Commitments for expenditure				
Capital commitments				
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	52.9	134.7	–	–
Later than one year but not later than five years	26.8	–	–	–
Later than five years	–	–	–	–
	79.7	**134.7**	**–**	**–**
Lease commitments				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	7.6	9.6	4.7	3.7
Later than one year but not later than five years	10.0	24.2	6.9	8.3
Later than five years	1.0	5.6	1.0	1.6
	18.6	**39.4**	**12.6**	**13.6**
Representing:				
Cancellable operating leases	–	5.9	–	–
Non-cancellable operating leases	15.2	30.1	12.6	13.6
Future finance charges on finance leases	3.4	3.4	–	–
	18.6	**39.4**	**12.6**	**13.6**
Operating leases				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	7.6	7.6	4.7	3.7
Later than one year but not later than five years	10.0	18.0	6.9	8.3
Later than five years	1.0	4.5	1.0	1.6
Commitments not recognised in the financial statements	**18.6**	**30.1**	**12.6**	**13.6**

33 Related party disclosure

a Key Management Personnel disclosures

Key Management Personnel

The following were Key Management Personnel of the Group at any time during the reporting period and unless otherwise indicated were Key Management Personnel for the entire period:

Name	Title
Mr R McDiven	Chief Executive Officer
Mr B Kingston	Chief Financial Officer
Ms K Pedersen	General Counsel and Group General Manager Corporate
Ms S Warburton	Group General Manager (Strategy and Operations) (ceased employment 30 September 2008)
Mr M Wilson	CEO – Funds Management and Infrastructure
Mr R Rayner	CEO – Funds Management (ceased employment 22 August 2008)
Mr J McGreevy	CEO – Australasia Property
Mr S O'Donoghue	Group General Manager, Finance (ceased employment 31 October 2008)

The Key Management Personnel compensation included in 'employee expenses' (see note 2a v) is as follows:

	Consolidated		Brookfield Multiplex Limited	
	31 Dec 2008 $	30 Jun 2008 $m	31 Dec 2008 $	30 Jun 2008 $m
Short-term employee benefits	3,424,869	14,228,143	3,424,869	10,577,577
Post-employment benefits	109,503	191,646	109,503	125,015
Other long-term benefits	858,333	1,350,734	858,333	306,667
Termination benefits	1,935,429	8,539,414	1,935,429	6,738,281
Share based payment	454,030	4,708,224	454,030	2,045,250
	6,782,164	**29,018,161**	**6,782,164**	**19,792,790**

The Key Management Personnel receive no compensation in relation to the management of the Brookfield Multiplex Property Trust. The compensation disclosed above represents an allocation of the Key Management Personnel's estimated compensation from the Group in relation to their services rendered to Brookfield Multiplex Limited.

Loans to Key Management Personnel and their related parties

Individuals with advances above $100,000

	Balance at 1 Jul 2008 $	Interest paid and payable for the period $	Balance at 31 Dec 2008 $	Interest not charged $	Highest indebtedness during the period $
Key Management Personnel					
Mr J McGreevy	–	15,328	600,000	–	750,000

There were no other loans made, guaranteed or secured by any entity in the Group to Key Management Personnel and their related parties during the year.

Rights over equity instruments

There were no rights over equity instruments granted or exercised by Key Management Personnel, including their related parties, during the period.

Share options

Following the acquisition of the Group by Brookfield Australia, certain Key Management Personnel and senior executives of the Group were issued with options for the purchase of shares in the ultimate parent entity, Brookfield Asset Management Inc., by the ultimate parent entity. A charge of $444,354 (30 June 2008: $338,911) will be incurred by the Group for the cost of these options.

33 Related party disclosure continued

b Non-Key Management Personnel disclosures

Ultimate parent

Brookfield Holdco (Australia) Pty Limited is the ultimate Australian parent entity and is domiciled in Australia.

The ultimate parent entity is Brookfield Asset Management Inc.

Ownership interest in related parties

Interests held in the following classes of related parties are set out in the following notes:

- subsidiaries – Notes 12b and 34
- associates and joint venture entities – Note 14

Transactions within related parties

i Transaction between Trust/Company with their subsidiaries

All transactions between the Trust and the Company have been eliminated in full. Details of dealings with entities within the Group are set out below:

	6 months ended 31 Dec 2008 $000	12 months ended 30 Jun 2008 $000
Distributions/dividends		
Distributions received or due and receivable by the Trust from subsidiaries	65,389	210,026
Dividends received or due and receivable by the Company from Company subsidiaries	–	–
Intercompany loans		
Aggregate amounts receivable from/(payable to) subsidiaries of the Trust and the Company at the end of the year and end of the previous financial year:		
Brookfield Multiplex Property Trust	(606,932)	(1,066,628)
Brookfield Multiplex Limited	936,445	848,743

ii Transactions within the Group

The loans from the Trust to entities in the Trust wholly-owned group are non-interest bearing.

33 Related party disclosure continued

b Non-Key Management Personnel disclosures continued

iii Transactions between the Company and its subsidiaries (excluding the Trust) with the Trust and its subsidiaries.

	6 months ended 31 Dec 2008 $000	12 months ended 30 Jun 2008 $000
Provision of services to the Trust and its subsidiaries by Brookfield Multiplex Limited and its subsidiaries		
Responsible Entity cost recovery paid	–	14,000
Property management expense	3,782	7,232
Leasing fee paid	337	643
Rental guarantee received	307	1,456

	6 months ended 31 Dec 2008 $000	12 months ended 30 Jun 2008 $000
Construction and development of properties by Brookfield Multiplex Limited and its subsidiaries for the Trust and its subsidiaries		
Total amount paid	88,607	44,467
Interest received by the Trust and its subsidiaries from Brookfield Multiplex Limited and its subsidiaries		
Interest income	2,537	19,143

Brookfield Multiplex Limited and its subsidiaries have unsecured loans payable to the Trust and its subsidiaries of $14,900,000 (30 June 2008: $99,000,000).

iv Transactions with other related parties

	Note	31 Dec 2008 $000	30 Jun 2008 $000
Interest received and receivable	2a vii	–	309.9
Distributions paid	6	–	(58,618.2)
Amounts due from related parties	9	678,554.4	189,011.3
Interest bearing loans from other related parties	20	(21,238.2)	(16,010.6)
Non-interest bearing loans from other related parties	21	(29,063.7)	(13,461.0)
Promissory Note	12a	1,300,000.0	1,300,000.0
Fees paid from Associates	2a i	6,311.1	18,886.6
Management fees paid to other related parties	2a v	(10,146.1)	–
Management fees received from subsidiaries	2a ii	10,347.1	38,095.4
Profit on sale of majority of UK assets, NASA Multiplex management rights and Infrastructure assets	2a ii	73,745.5	–

34 Significant subsidiaries

The Company's significant investments in subsidiaries are in legal entities that are:

- the key holding and operating entities within the businesses in each of the geographical regions in which the Group has a significant presence; and
- the entities that held licences allowing the Group to carry out certain specified investing activities and management functions.

At 31 December 2008 the significant subsidiaries are shown below:

Entity Name	Equity Ownership 31 Dec 2008 %	30 Jun 2008 %	Country of Incorporation	Date of Acquisition/ Incorporation (If During period)
A.C.N. 007 154 449 Pty Ltd	100%	100%	Australia	
Multiplex Freshwater Pty Ltd	100%	100%	Australia	
A.C.N. 009 415 007 Pty Ltd	100%	100%	Australia	
Multiplex Raffles Holdings Pty Ltd	100%	100%	Australia	
A.C.N. 067 081 716 Pty Ltd	100%	100%	Australia	
Multiplex (Renewing Homebush Bay) Holdings Pty Limited	100%	100%	Australia	
Multiplex (Renewing Homebush Bay) Pty Limited	100%	100%	Australia	
Multiplex Latitude Retail Investment Pty Ltd	100%	100%	Australia	
Multiplex Latitude Retail Landowner Pty Ltd	100%	100%	Australia	
Multiplex W9&10 Stage 3B Holdings Pty Limited	100%	100%	Australia	
Multiplex Stage 3B Landowning Trust	100%	100%	Australia	
Multiplex W9&10 Stage 3C Holdings Pty Limited	100%	100%	Australia	
Multiplex Stage 3C Landowning Trust	100%	100%	Australia	
Multiplex W9&10 Construction Stage 4 Pty Limited	100%	100%	Australia	
A.C.N. 097 170 208 Pty Ltd	100%	100%	Australia	
Multiplex Portside Wharf Pty Ltd	100%	100%	Australia	
Multiplex Portside Carpark Pty Ltd	100%	100%	Australia	
Multiplex Portside East Pty Ltd	100%	100%	Australia	
Multiplex Portside Retail Pty Ltd	100%	100%	Australia	
Multiplex Portside Retail Stage 2 Pty Ltd	100%	100%	Australia	
Bluegate Nominees Pty. Ltd.	100%	100%	Australia	
Brookfield Multiplex Capital Holdings Pty Limited	100%	100%	Australia	
Brookfield Multiplex Capital Investments Limited	100%	100%	Australia	
Brookfield Multiplex Capital Management Limited	100%	100%	Australia	
Multiplex 235 St Georges South Investments Pty Ltd	100%	100%	Australia	
Multiplex 235 St Georges South Landowner Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Capital Pty Ltd	100%	100%	Australia	
Multiplex German Holding Pty Ltd	100%	100%	Australia	
Multiplex Notes Limited	100%	100%	Australia	
Brookfield Multiplex Capital Securities Limited	100%	100%	Australia	
Brookfield Multiplex Constructions (NZ) Limited	100%	100%	New Zealand	
Brookfield Multiplex Developments (NZ) Limited	100%	100%	New Zealand	
Multiplex Developments (The Valley Stage 2) Limited	100%	100%	New Zealand	
Multiplex Pegasus Town Holdings Limited	100%	100%	New Zealand	
Multiplex Pegasus Town Limited	100%	100%	New Zealand	
Multiplex Takapuna Holdings Limited	100%	100%	New Zealand	
Multiplex Takapuna Limited	100%	100%	New Zealand	

Entity Name	Equity Ownership 31 Dec 2008 %	Equity Ownership 30 Jun 2008 %	Country of Incorporation	Date of Acquisition/ Incorporation (If During period)
34 Significant subsidiaries continued				
Multiplex Engineering (NZ) Limited	100%	100%	New Zealand	
Brookfield Multiplex Constructions Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Developments Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Developments Australia Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Greenvale Holdings Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Greenvale Pty Ltd	100%	100%	Australia	
Multiplex Bathurst Street Holdings Pty Ltd	100%	100%	Australia	
Multiplex Bathurst Street Pty Ltd	100%	100%	Australia	
Multiplex Bishops See Bishops House Holdings Pty Ltd	100%	100%	Australia	
Multiplex Bishops See Bishops House Holdings Trust	100%	100%	Australia	
Multiplex Bishops See Bishops House Landowning Trust	100%	100%	Australia	
Multiplex Bishops See Bishops House Landowner Pty Ltd	100%	100%	Australia	
Multiplex Bishops See North Tower Holdings Pty Ltd	100%	100%	Australia	
Multiplex Bishops See North Tower Holdings Trust	100%	100%	Australia	
Multiplex Bishops See North Tower Landowning Trust	100%	100%	Australia	
Multiplex Bishops See North Tower Landowner Pty Ltd	100%	100%	Australia	
Multiplex Bishops See St Georges House Holdings Pty Ltd	100%	100%	Australia	
Multiplex Bishops See St Georges House Holdings Trust	100%	100%	Australia	
Multiplex Bishops See St Georges House Landowning Trust	100%	100%	Australia	
Multiplex Bishops See St Georges House Landowner Pty Ltd	100%	100%	Australia	
Multiplex Bluewater Stages 1 - 4 Holdings Pty Ltd	100%	100%	Australia	
Multiplex Bouquet Holdings Pty Ltd	100%	100%	Australia	
Multiplex Bouquet Pty Ltd	100%	100%	Australia	
Multiplex Eden Investments Pty Ltd	100%	100%	Australia	
Multiplex Hurstville Holdings Pty Ltd	100%	100%	Australia	
Multiplex Hurstville Pty Ltd	100%	100%	Australia	
Multiplex Hurstville Financier Pty Ltd	100%	100%	Australia	
Multiplex Kent & Clarence Holdings Pty Limited	100%	100%	Australia	
Multiplex Kent & Clarence Pty Limited	100%	100%	Australia	
Multiplex Little Bay South Holdings Pty Ltd	100%	100%	Australia	
Multiplex Little Bay South Pty Ltd	100%	100%	Australia	
Multiplex Montague Holdings Pty Ltd	100%	100%	Australia	
Multiplex Montague Pty Ltd	100%	100%	Australia	
Multiplex Port Adelaide Property Management Pty Ltd	100%	100%	Australia	
Multiplex Vale Town Centre Holdings Pty Ltd	100%	100%	Australia	
Multiplex Vale Town Centre Pty Ltd	100%	100%	Australia	
Multiplex W9&10 Construction Stage 4B Investment Holdings Pty Ltd	100%	100%	Australia	

Entity Name	Equity Ownership 31 Dec 2008 %	30 Jun 2008 %	Country of Incorporation	Date of Acquisition/ Incorporation (If During period)
34 Significant subsidiaries continued				
Multiplex West Central Holdings Pty Ltd	100%	100%	Australia	
Multiplex West Central Pty Ltd	100%	100%	Australia	
Multiplex West Central Stage 4 Holdings Pty Ltd	100%	100%	Australia	
Multiplex West Central Stage 4 Pty Ltd	100%	100%	Australia	
Multiplex West Central Stage 4A Holdings Pty Ltd	100%	100%	Australia	
Multiplex West Central Stage 4A Pty Ltd	100%	100%	Australia	
Multiplex West Central Stage 4B Holdings Pty Ltd	100%	100%	Australia	
Multiplex West Central Stage 4B Pty Ltd	100%	100%	Australia	
Shop 1, 163-165 Clarence St Holdings Pty Limited	100%	100%	Australia	
Shop 1, 163-165 Clarence St Pty Limited	100%	100%	Australia	
Multiplex Castle House Pty Ltd	100%	100%	Australia	
Multiplex Developments (UK Projects) Pty Ltd	100%	100%	Australia	
Brookfield Malta Aylesbury Limited	100%	100%	Malta	
Multiplex Developments Qld Pty Ltd	100%	100%	Australia	
Multiplex Cotton Beach Holdings Pty Ltd	100%	100%	Australia	
Multiplex Developments SA Pty Ltd	100%	100%	Australia	
Multiplex Port Adelaide Stage 2B Holdings Pty Ltd	100%	100%	Australia	
Multiplex Port Adelaide Stage 2B Pty Ltd	100%	100%	Australia	
Multiplex Port Adelaide Stage 4 Holdings Pty Ltd	100%	100%	Australia	
Multiplex Port Adelaide Stage 4 Pty Ltd	100%	100%	Australia	
Multiplex Developments Vic Pty Ltd	100%	100%	Australia	
Multiplex Tarneit Development Manager Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Engineering Pty Ltd	100%	100%	Australia	
MPX Engineering (SA) (Proprietary) Limited	100%	100%	South Africa	
Multiplex Engineering (Mauritius) Limited	100%	100%	Mauritius	
Brookfield Multiplex Finance No. 2 Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Funds Management Limited	100%	100%	Australia	
Multiplex Claremont Investments Pty Ltd	100%	100%	Australia	
Multiplex Foundry Holdings Pty Ltd	100%	100%	Australia	
Multiplex Foundry Landowner Pty Ltd	100%	100%	Australia	
Multiplex MPT CMBS Investment Pty Ltd	100%	100%	Australia	
Multiplex Reed Street Landowner Pty Ltd	100%	100%	Australia	
Onyx Property Holdings Limited	100%	100%	Australia	
Multiplex Property Funds Management Limited	100%	100%	Australia	
Brookfield Multiplex Infrastructure Pty Ltd	100%	100%	Australia	
Multiplex Infrastructure Investment Management No. 1 Ltd	100%	100%	Australia	
Brookfield Infrastructure Showgrounds Investments Pty Ltd (formally Multiplex Showgrounds Holding Pty Ltd)	100%	100%	Australia	

Entity Name	Equity Ownership 31 Dec 2008 %	Equity Ownership 30 Jun 2008 %	Country of Incorporation	Date of Acquisition/ Incorporation (If During period)
34 Significant subsidiaries continued				
Research Environments (BMG) Pty Limited	100%	100%	Australia	
Brookfield Multiplex Property Trust	100%	100%	Australia	
Brookfield Multiplex 450 SF Borrower Pty Ltd	100%	100%	Australia	
KPMGDT Development Trust	100%	100%	Australia	
Multiplex Stage 3A Holdings Trust	100%	100%	Australia	
Multiplex Stage 3A Landowning Trust	100%	100%	Australia	
MPT Note Purchaser Pty Ltd	100%	100%	Australia	
MPT Subscriber Pty Ltd	100%	100%	Australia	
Multiplex 240 Queen Street Investment Trust	100%	100%	Australia	
Brookfield Multiplex 240 Queen Street Landowning Trust	100%	100%	Australia	
Multiplex 324 Queen Street Investment Trust	100%	100%	Australia	
Brookfield Multiplex 324 Queen Street Landowning Trust	100%	100%	Australia	
Multiplex APF Investment Trust	100%	100%	Australia	
Multiplex APF Trust	100%	100%	Australia	
Multiplex Diversified Property Fund	100%	100%	Australia	
Multiplex Bracken Ridge Investment Trust	100%	100%	Australia	
Brookfield Multiplex Bracken Ridge Landowning Trust	100%	100%	Australia	
Multiplex City Arcade Investment Trust	100%	100%	Australia	
Brookfield Multiplex City Arcade Landowning Trust	100%	100%	Australia	
Multiplex Claremont Investments Trust	100%	100%	Australia	
Multiplex Foundry Holdings Trust	100%	100%	Australia	
Multiplex Foundry Landowning Trust	100%	100%	Australia	
Multiplex Colt Investments Trust	100%	100%	Australia	
Multiplex DT 100 Investments Trust	100%	100%	Australia	
Brookfield Multiplex DT 100 Landowning Trust	100%	100%	Australia	
Multiplex German Investment Trust	100%	100%	Australia	
Multiplex Hybrid Holdings Trust	100%	100%	Australia	
Multiplex Hybrid Investment Trust[1]	75%	75%	Australia	
Multiplex JH Holdings Trust	100%	100%	Australia	
Multiplex JH Trust	100%	100%	Australia	
Multiplex Aust Investment Trust	100%	100%	Australia	
Brookfield Multiplex Meeandah Landowning Trust	100%	100%	Australia	
Brookfield Multiplex Rosehill Landowning Trust	100%	100%	Australia	
Multiplex Luna Park Carpark Investment Trust	100%	100%	Australia	
Brookfield Multiplex Luna Park Carpark Landowning Trust	100%	100%	Australia	
Multiplex MPT CMBS Investment Trust	100%	100%	Australia	
Multiplex MPT CMBS Issuer Limited	100%	100%	Australia	
Multiplex PCEC Office Investment Trust	100%	100%	Australia	
Brookfield Multiplex PCEC Office Landowning Trust	100%	100%	Australia	
Multiplex Pittwater Place Investments Trust	100%	100%	Australia	

1 Multiplex SITES Trust owns 25% of the Multiplex Hybrid Investment Trust

Entity Name	Equity Ownership 31 Dec 2008 %	Equity Ownership 30 Jun 2008 %	Country of Incorporation	Date of Acquisition/ Incorporation/disposal (If During period)
34 Significant subsidiaries continued				
Multiplex W 9 & 10 Stage 1 Investment Trust	100%	100%	Australia	
Brookfield Multiplex W 9 & 10 Stage 1 Landowning Trust	100%	100%	Australia	
Multiplex W 9 & 10 Stage 4 Investment Trust	100%	100%	Australia	
Brookfield Multiplex W 9 & 10 Stage 4 Landowning Trust	100%	100%	Australia	
Multiplex WS Retail Investment Trust	100%	100%	Australia	
Brookfield Multiplex WS Retail Landowning Trust	100%	100%	Australia	
Onyx Property Trust	100%	100%	Australia	
Ronin New Zealand Property Trust	100%	100%	Australia	
Multiplex SW Investment Trust	100%	100%	Australia	
Multiplex SW Landowning Trust	100%	100%	Australia	
Multiplex SW Financier Pty Ltd	100%	100%	Australia	
The Multiplex Developments No. 6A Unit Trust	100%	100%	Australia	
The Multiplex Developments No. 6 Unit Trust	100%	100%	Australia	
Brookfield Multiplex BASX Unit Trust No. 3	100%	100%	Australia	
Brookfield Multiplex Services Pty Ltd	100%	100%	Australia	
Multiplex Property Services Pty Limited	100%	100%	Australia	
Antrose Building Management Pty Ltd	60%	60%	Australia	
Morton & Morton Executive Apartments Pty Ltd	60%	60%	Australia	
Multiplex (Latitude Holdings) Pty Limited	100%	100%	Australia	
Multiplex (Latitude) Pty Limited	100%	100%	Australia	
Multiplex Latitude Site C Pty Ltd	100%	100%	Australia	
Latitude Site C Developer Pty Ltd	100%	100%	Australia	
Multiplex Egerton Pty Ltd	100%	100%	Australia	
Multiplex Finance Pty Ltd	100%	100%	Australia	
Multiplex Parramatta Justice Pty Ltd	100%	100%	Australia	
Multiplex Middle East Holdings Pty Ltd	100%	100%	Australia	
Multiplex GCC Holdings WLL	100%	100%	Bahrain	
Multiplex (LLC)	100%	100%	UAE	
Multiplex Constructions (Mauritius) Limited	100%	100%	Mauritius	
Multiplex Plant And Equipment (L.L.C)	100%	100%	UAE	
Multiplex Services (L.L.C)	100%	100%	UAE	
Multiplex CI Holdings Pty Ltd	100%	100%	Australia	
Multiplex CI Pty Ltd	100%	100%	Australia	
NASA Multiplex LLC[2]	97%	97%	UAE	

2 Brookfield Multiplex Group has the power to govern the financial and operating policies of this entity so as to obtain benefits from its activities.

35 Business combinations

a Summary of acquisitions

6 months ended 31 December 2008

No significant acquisitions occurred during the 6 months ended 31 December 2008.

Year ended 30 June 2008

No significant acquisitions occurred during the financial year ended 30 June 2008.

35 Business combinations continued

b Summary of disposals

6 months ended 31 December 2008

During the 6 months ended 31 December 2008, the Consolidated Entity disposed of its interests in its UK Constructions business, the majority of its European development business assets and its Middle East management rights to Brookfield Europe LP (a subsidiary of Brookfield Asset Management Inc) and its subsidiaries. Simultaneously, the Consolidated Entity's interests in the Peterborough and Long Bay PPP projects were sold to Brookfield Infrastructure LP. The proceeds received of $298.3 million were advanced as a loan to Brookfield Australia.

The following subsidiaries were disposed of during the current period:

Name	Principal Activities	Date Disposed
Brookfield Construction (UK) Limited	Construction	8 Dec 2008
Brookfield Multiplex Capital Investments Limited (formally Multiplex Investments Limited)	Construction	4 Dec 2008
Brookfield Infrastructure (Europe) Limited (formally Multiplex Investments Limited)	Construction	4 Dec 2008
Brookfield Developments (UK) Limited	Property Development	4 Dec 2008
Brookfield Cricklewood (UK) Investments	Property Development	4 Dec 2008
Brookfield Europe Corporate Services Limited (formally Brookfield Living Limited)	Property Development	4 Dec 2008
Brookfield Property (UK) Limited	Property Development	4 Dec 2008
Brookfield Cricklewood (UK) Limited	Property Development	4 Dec 2008
Brookfield Services (UK) Limited	Property Development	4 Dec 2008
Brookfield Oxford Holding Limited	Property Development	4 Dec 2008
Brookfield Oxford Limited	Property Development	4 Dec 2008
Castle House Developments Limited	Property Development	4 Dec 2008
Strata SE1 (Isle of Man) Developments Limited	Property Development	4 Dec 2008
Brookfield Europe Holding Limited	Property Development	4 Dec 2008
Castle House Developments Limited	Property Development	4 Dec 2008
Brookfield Eden Unit Trust	Property Development	4 Dec 2008
D Cubed Holdings Limited	Property Development	4 Dec 2008
D Cubed Property Limited	Property Development	4 Dec 2008
Brookfield Holding (NCC) S.a.r.l	Property Development	4 Dec 2008
Brookfield (NCC) S.a.r.l	Property Development	4 Dec 2008
Brookfield Aylesbury Holding S.a.r.l	Property Development	4 Dec 2008
Brookfield Aylesbury S.a.r.l	Property Development	4 Dec 2008
Brookfield Facilities Management Limited	Property Services	4 Dec 2008
Brookfield Europe Asset Management Limited	Property Services	4 Dec 2008
Brookfield Property Services Limited	Property Services	4 Dec 2008
Brookfield Services (UK) Limited (formally Multiplex Facilities Management (UK) Limited)	Property Services	4 Dec 2008
Brookfield Capital (UK) Limited	Funds Management	4 Dec 2008
Brookfield Infrastructure Long Bay Investments Pty Ltd (formally Multiplex Infrastructure Fund Long Bay Investments Pty Ltd)	Infrastructure	5 Dec 2008
Brookfield Infrastructure Long Bay Pty Ltd (formally Multiplex Long Bay Pty Ltd)	Infrastructure	5 Dec 2008
Multiplex Infrastructure Investment Management No. 2 Limited	Infrastructure	5 Dec 2008
Brookfield Infrastructure Long Bay Trust (formally Brookfield Multiplex Long Bay Trust)	Infrastructure	5 Dec 2008
Brookfield Peterborough (UK) Limited (formally Brookfield Infrastructure (UK) Limited)	Infrastructure	5 Dec 2008

Refer to Note 36 for further information regarding the discontinued operation.

35 Business combinations continued

b Summary of disposals continued

Year ended 30 June 2008

On 27 June 2008 Ronin New Zealand Property Trust sold 100% of Onyx Property NZ Limited (OPNZ) to Brookfield NZ Holdings Limited. In consideration for the sale of OPNZ shares, the Trust received Promissory Notes of NZD$88.7 million from related parties which were then used to repay the amount payable it had to OPNZ.

Name	Principal Activities	Date Disposed
Onyx Property NZ Limited	Investment	27 Jun 2008

36 Discontinued operations

Disposal of UK operations

In December 2008 the Consolidated Entity disposed of its interests in its UK Constructions business, the majority of its European development business assets to Brookfield Europe LP (a subsidiary of Brookfield Asset Management Inc) and its subsidiaries. Simultaneously, the Consolidated Entity's interest in the Peterborough PPP project was sold to Brookfield Infrastructure LP. The segment was not a discontinued operation or classified as held for sale as at 30 June 2008 and the comparative income statement has been represented to show the discontinued operation separately from continuing operations.

	Note	6 months ended 31 Dec 2008 $'000	Consolidated 12 months ended 30 June 2008 $'000
Loss for the period from discontinued operations:			
Revenue		194.2	331.5
Other income		–	5.2
		194.2	**336.7**
Expenses			
Cost of operations		(173.7)	(382.9)
Finance costs		(10.7)	(9.4)
Other expenses		(18.2)	(84.1)
Expenses		**(202.6)**	**(476.4)**
Loss before tax		(8.4)	(139.7)
Income tax expense		–	(18.3)
Loss for the period from discontinued operations		**(8.4)**	**(158.0)**
Cash flows from discontinued operations:			
Net cash flows from operating activities		(13.1)	12.8
Effects of exchange rate on cash		3.0	(5.2)
Net cash flows from financing activities		15.1	(27.0)
Net cash generated/(used) in discontinued operations		**5.0**	**(19.4)**
Effect of disposal on the financial position of the Consolidated Entity			
Investment properties		520.5	
Inventories		333.5	
Trade and other receivables		210.7	
Property, plant and equipment		5.1	
Deferred tax assets		13.2	
Other assets		11.8	
Cash and cash equivalents		27.9	
Investments accounted for using the equity method		120.1	
Interest bearing loans		(584.1)	
Non interest bearing loans		(58.6)	
Trade and other payables		(198.6)	
Provisions		(2.3)	
Contract work in progress		(54.4)	
Derivative liabilities		(19.0)	
Net assets and liabilities		**325.8**	
Consideration received, satisfied in cash		390.3	
Cash disposed of		(27.9)	
Net cash inflow		**362.4**	
Gain on sale		**64.5**	

37 Financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage the interest rate and currency risks arising from the Group's operations and its sources of finance. It is the Group's policy that no trading in financial instruments shall be undertaken nor will the Group enter into transactions that could be construed as speculative.

The Group's principal financial instruments, other than derivatives, comprise receivables, bank loans, cash and short-term deposits.

The main purpose of these financial instruments is to provide funds for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk, and credit risk. These financial risks are the responsibility of the following groups in the context outlined below:

– Group Treasury – responsible for centrally managing the above risks both on a regional and global basis in accordance with the Group Treasury Risk Management Policy, which contains the written principles for management of the above risks. Transactions relating to debt funding, bonding facilities or exposures to other material financial risks should be signed off by Group Treasury prior to consideration by the following committee.
– Group Investment and Risk Committee (GIRC) – responsible for regulating the risk and capital approval framework for the Group.
– Brookfield Multiplex Investment Committee (BMIC) – responsible for approving the Group Treasury Risk Management policy.

Details of the significant accounting policies and methods, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

a Market risk

Interest rate risk contracts – financial assets

The income and associated operating cash flows of the Group's assets are substantially independent of changes in market interest rates. The Group's loans are primarily provided to investments in joint ventures and associates as a means of funding Development projects. These loans are generally provided at arms length terms with interest rates charged ranging from 15.0% to 20% (30 June 2008: 6.2% to 20%). The Group does not undertake any specific hedging of loan receivables except to monitor the loan outstanding to strategies in the underlying investment portfolio and the cash flow at risk as a result of interest rate fluctuations on scheduled interest rate resets for the next reporting period.

Interest rate risk contracts – financial liabilities

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations that are subject to floating interest rates. The Group maintains a practice of hedging up to 100% of its exposure to changes in interest rates for drawn debt where term is certain. The Group has entered into various interest rate swap agreements (in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount) used primarily to convert certain variable interest rate borrowings to fixed rates. The swaps are entered into with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings.

The Group seeks to minimise interest within approved risk profiles whilst ensuring that an appropriate level of flexibility exists to accommodate potential changes in funding requirements. Interest rate exposure is analysed and measured by the effect of interest rate movements on the total portfolio of current and forecast debt (comprising estimated drawdown schedules), and interest rate hedging transactions.

37 Financial instruments continued

a Market risk continued

Interest rate risk contracts – financial liabilities continued

The Group's exposure to interest rate risk at the reporting date and the periods in which they mature or, if earlier, reprice, for classes of financial assets and financial liabilities is set out below:

	Floating interest rate $m	Fixed interest maturing in Less than 1 year $m	Between 1 – 5 years $m	Over 5 years $m	Total $m
Consolidated – At 31 December 2008					
Financial assets					
Cash and cash equivalents	322.9	–	–	–	322.9
Receivables	–	28.4	–	–	28.4
Total financial assets	**322.9**	**28.4**	**–**	**–**	**351.3**
Financial liabilities					
Interest-bearing liabilities	2,836.9	39.8	170.4	–	3,047.1
Effect of interest rate swaps	(1,820.7)	1,166.4	654.3	–	–
Total financial liabilities	**1,016.2**	**1,206.2**	**824.7**	**–**	**3,047.1**
Consolidated – At 30 June 2008					
Financial assets					
Cash and cash equivalents	349.5	–	–	–	349.5
Receivables	33.1	13.9	–	–	47.0
Total financial assets	**382.6**	**13.9**	**–**	**–**	**396.5**
Financial liabilities					
Interest-bearing liabilities	3,170.3	23.9	117.8	–	3,312.0
Effect of interest rate swaps	(1,918.0)	1,222.4	554.8	140.8	–
Total financial liabilities	**1,252.3**	**1,246.3**	**672.6**	**140.8**	**3,312.0**

	Floating interest rate $m	Fixed interest maturing in Less than 1 year $m	Between 1 – 5 years $m	Over 5 years $m	Total $m
Brookfield Multiplex Limited – At 31 December 2008					
Financial assets					
Cash and cash equivalents	88.0	–	–	–	88.0
Receivables	1,019.9	–	–	–	1,019.9
Total financial assets	**1,107.9**	**–**	**–**	**–**	**1,107.9**
Financial liabilities					
Interest-bearing liabilities	–	73.9	–	–	73.9
Effect of interest rate swaps	–	–	–	–	–
Total financial liabilities	**–**	**73.9**	**–**	**–**	**73.9**
Brookfield Multiplex Limited – At 30 June 2008					
Financial assets					
Cash and cash equivalents	90.6	–	–	–	90.6
Receivables	1,073.5	–	–	–	1,073.5
Total financial assets	**1,164.1**	**–**	**–**	**–**	**1,164.1**
Financial liabilities					
Interest-bearing liabilities	16.0	82.4	–	–	98.4
Effect of interest rate swaps	–	–	–	–	–
Total financial liabilities	**16.0**	**82.4**	**–**	**–**	**98.4**

37 Financial instruments continued

a Market risk continued

Interest rate sensitivity

The Group's sensitivity to a 1% movement in AUD, NZD and UK pound interest rates in relation to cash and cash equivalents, receivables, derivatives, and interest bearing loans and borrowings:

	Consolidated 31 December 2008				Consolidated 30 June 2008			
	Impact on Profit		Impact on Equity		Impact on Profit		Impact on Equity	
	+100 bps	-100 bps	+100 bps	-100 bps	+100 bps	-100 bps	+100 bps	-100 bps
Consolidated								
Australian Dollar	(10.9)	10.9	13.6	(13.9)	6.0	(6.0)	12.4	(12.6)
New Zealand Dollar	(0.1)	0.1	0.9	(0.9)	0.5	(0.5)	1.0	(1.0)
United Kingdom Pound	–	–	–	–	2.2	(2.2)	8.3	(8.6)
AED	3.8	(3.8)	–	–	–	–	–	–

	Company 31 December 2008				Company 30 June 2008			
	Impact on Profit		Impact on Equity		Impact on Profit		Impact on Equity	
	+100 bps	-100 bps	+100 bps	-100 bps	+100 bps	-100 bps	+100 bps	-100 bps
Brookfield Multiplex Limited								
Australian Dollar	10.3	(10.3)	–	–	(5.8)	5.8	–	–
New Zealand Dollar	–	–	–	–	(0.2)	0.2	–	–

Set out below is the notional principal of interest rate swaps and the outstanding principal of fixed rate loans in their local currency, and the weighted average interest rate of those contracts in each currency at 31 December 2008:

		Periods in which they mature or, if earlier, reprice					
31 December 2008	Total $m	Less than 1 year $m	1-2 years $m	2-3 years $m	3-4 years $m	4-5 years $m	More than 5 years $m
Australian Dollars							
Interest rate swaps	1,721.3	1,067.0	612.3	42.0	–	–	–
Fixed rate borrowings	210.2	39.8	154.2	–	–	16.2	–
Total	**1,931.5**	**1,106.8**	**766.5**	**42.0**	–	**16.2**	**–**
Weighted average fixed rate	**6.45%**	**7.23%**	**5.08%**	**6.80%**	**–**	**–**	**–**
New Zealand Dollars							
Interest rate swaps	99.4	99.4	–	–	–	–	–
Fixed rate borrowings	–	–	–	–	–	–	–
Total	**99.4**	**99.4**	**–**	**–**	**–**	**–**	**–**
Weighted average fixed rate	8.35%	8.35%	–	–	–	–	–

37 Financial instruments continued

a Market risk continued

Interest rate sensitivity continued

30 June 2008	Total $m	Less than 1 year $m	1-2 years $m	2-3 years $m	3-4 years $m	4-5 years $m	More than 5 years $m
		Periods in which they mature or, if earlier, reprice					
Australian Dollars							
Interest rate swaps	1,472.1	1,048.6	423.5	–	–	–	–
Fixed rate borrowings	141.7	23.9	117.8	–	–	–	–
Total	**1,613.8**	**1,072.5**	**541.3**	**–**	**–**	**–**	**–**
Weighted Average fixed rate	6.94%	7.30%	6.05%	–	–	–	–
New Zealand Dollars							
Interest rate swaps	50.3	–	50.3	–	–	–	–
Fixed rate borrowings	–	–	–	–	–	–	–
Total	**50.3**	**–**	**50.3**	**–**	**–**	**–**	**–**
Weighted Average fixed rate	8.27%	–	8.27%	–	–	–	–
United Kingdom Pound							
Interest rate swaps	395.6	173.8	47.1	33.9	–	–	140.8
Fixed rate borrowings	–	–	–	–	–	–	–
Total	**395.6**	**173.8**	**47.1**	**33.9**	**–**	**–**	**140.8**
Weighted Average fixed rate	5.31%	5.22%	5.96%	5.43%	–	–	5.17%

b Foreign currency risk

Foreign exchange risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group's foreign exchange risk arises primarily from:

- borrowings denominated in foreign currencies;
- firm commitments of highly probable forecast transactions for receipts and payments settled in foreign currencies or with prices dependent on foreign currencies; and
- investments in foreign operations.

The Group and the Company operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the AED and NZ dollar (30 June 2008: the UK pound and NZ dollar).

The risk is measured by projecting the net foreign currency flows of each currency to which the Group has an exposure for a minimum period of two years. Beyond two years, exposures will be recognised on a case by case basis by analysing the cash flows attached to the projects.

Foreign exchange transactional risk

The Group's foreign exchange transaction exposure arises from the transfer of funds from one currency to another as a result of working capital funding requirements, purchase or sale of property, payment of fees, return of profits or equity, and intercompany loans.

The Group maintains a practice of hedging forecast income and costs designated in foreign currency in accordance with specified limits under the Groups Treasury Risk Management Policy, using forward exchange agreements to buy and sell specified amounts of foreign currencies in the future at predetermined rates. The objective is to minimise the risk of exchange rate fluctuation in respect of its foreign currency denominated assets, liabilities, revenues and expenses. The forward currency contracts must be in the same currency as the hedged item. It is the Group's policy not to enter into forward contracts until a firm commitment is in place. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness. The Group classifies all of these forward foreign exchange contracts as cash flow hedges.

37 Financial instruments continued

b Foreign currency risk continued

Net investment in a foreign operation

The Group manages its foreign currency risk for its assets and liabilities denominated in foreign currency by borrowing in the same functional currency of its investment to form a natural economic hedge against any foreign currency fluctuations as well as using forward exchange contracts where funds were borrowed in the local currency.

For accounting purposes, net foreign operations and interests in joint ventures and associates are revalued at the end of each reporting period with the fair value movement reflected in equity as a movement in the foreign currency translation reserve. The interests in joint ventures and associates are then equity accounted to reflect the underlying net assets of the entities with changes reflected in the income statement as a share of after tax profits of equity accounted entities. Refer to accounting policy note 1(e).

The Group's exposure to foreign currency risk at the reporting date was as follows:

	31 December 2008			30 June 2008		
	AED $m	GBP $m	NZD $m	AED $m	GBP $m	NZD $m
Consolidated						
Financial assets						
Cash and cash equivalents	148.7	–	2.1	141.9	22.9	1.2
Receivables	230.1	–	10.8	153.4	161.8	19.0
Total financial assets	**378.8**	**–**	**12.9**	**295.3**	**184.7**	**20.2**
Financial liabilities						
Payables	268.6	0.7	20.2	331.0	207.3	21.6
Interest-bearing loans and borrowings	–	–	97.9	–	503.0	68.3
Non-interest bearing loans and borrowings	9.8	331.9	–	–	381.4	–
Total financial liabilities	**278.4**	**332.6**	**118.1**	**331.0**	**1,091.7**	**89.9**

	31 December 2008			30 June 2008		
	AED $m	GBP $m	NZD $m	AED $m	GBP $m	NZD $m
Brookfield Multiplex Limited						
Financial assets						
Cash and cash equivalents	–	–	–	–	10.6	0.3
Receivables	–	–	–	27.4	785.8	17.9
Total financial assets	**–**	**–**	**–**	**27.4**	**796.4**	**18.2**
Financial liabilities						
Interest-bearing loans and borrowings	–	–	–	–	6.7	23.7
Total financial liabilities	**–**	**–**	**–**	**–**	**6.7**	**23.7**

37 Financial instruments continued

b Foreign currency risk continued

Foreign currency sensitivity

The table below shows the Group's sensitivity to foreign exchange rates on its NZ dollar, UK pounds and United Arab Emirates Dirham, cash and cash equivalents, receivables, payables, interest and non-interest bearing loans and borrowings and intercompany loans. These three currencies are the major foreign currencies in which the Group's financial instruments are denominated. The Group has considered that a 5% movement in rates is a reasonable benchmark. In this table, financial instruments are only considered sensitive to foreign exchange rates where they are not in the functional currency of the entity that holds them.

	Brookfield Multiplex Limited 31 December 2008				Brookfield Multiplex Limited 30 June 2008			
	Impact on Profit		Impact on Equity		Impact on Profit		Impact on Equity	
	+5%	-5%	+5%	-5%	+5%	-5%	+5%	-5%
New Zealand Dollar	0.1	(0.1)	–	–	0.3	(0.3)	–	–
United Arab Emirates Dirham	(1.3)	1.5	–	–	(1.3)	14.4	–	–
United Kingdom Pounds	(1.6)	2.0	–	–	(37.1)	41.1	–	–

The exposure to foreign currency risk on the Consolidated Entity's balances represent an exposure to the net investment in foreign currency subsidiaries. The impact of this exposure is reflected in the foreign exchange currency translation reserve. The only transactional foreign currency exposure which the Consolidated Entity has is on loans with foreign currency subsidiaries. A portion of this exposure is realised and impacts on the Income Statement and a portion of this exposure is unrealised and is reflected in the foreign currency translation reserve.

c Commodity and equity price risk

The Group's exposure to commodity price risk and equity price risk is minimal.

d Credit risk

Credit risk represents the loss that would be recognised if a counterparty failed to perform as contracted. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as exposures to business customers, including outstanding receivables and committed transactions.

The Group manages this risk by:

- establishing credit limits for customers that the Group trades with and managing its exposure to individual entities (it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures).
- transacting with multiple derivative counterparties that have a long term credit rating of at least an "A" from S&P, or as otherwise approved by the Board.
- providing loans as an investment into joint ventures, associates and third parties where it is comfortable with the underlying property exposure within that entity.
- regularly monitoring loans and receivables balances on an ongoing basis; and
- obtaining collateral as security (where appropriate).

At the reporting date, the Group had no significant concentration of credit risk with any single counterparty or group of counterparties. In accordance with the policies determined by the Board of Directors, credit risk is spread among a number of counterparties. The counterparties to derivative financial instruments consist of a number of prime financial institutions.

The Group's maximum exposure to credit risk at the reporting date, in relation to each recognised financial asset, is the carrying value of the asset recognised in the Balance Sheet. The Group and Company hold no significant collateral as security and the credit quality of all financial assets that are neither past due or impaired is constantly monitored in order to identify any potential adverse changes in the credit quality.

37 Financial instruments continued

e Liquidity and capital risk management

Capital risk management

The Group's objective when managing capital and risk is to optimise the cost of capital having regard to the markets in which it operates.

Capital management is monitored in two main ways:

- Balance Sheet management – fundamentally concerned with the capital mix of equity and debt and maintaining its gearing levels in accordance with the policies established by the Brookfield Multiplex Investment Committee (BMIC) as approved by the Board.
  Protection of the Group's foreign denominated financial assets and liabilities is achieved by borrowing in the same functional currency as the investments to form a natural economic hedge against foreign currency fluctuations or by using forward foreign exchange contracts where funds are borrowed in a different currency.
  The Group also protects its equity in assets by taking out insurance cover with credit worthy insurers.
- Income Statement management – principally concerned with supporting the delivery of financial targets by protecting the Group's exposure to net foreign income and interest rate volatility through the use of forward foreign exchange contracts and interest rate swaps.

As part of the Group's strategy to maintain its capital strength, the Group is committed to ensuring:

- a maximum of 50% of interest bearing net debt to total assets. At 31 December 2008, the percentage of interest bearing net debt to total assets is 30.2% (30 June 2008: 31.2%).

Liquidity risk

The Group is exposed to liquidity risk, being the risk of encountering difficulties in meeting obligations relating to the Group's financial liabilities. The Group's main liquidity risk is its ability to refinance its current borrowings. The Group is exposed to refinancing risks arising from the availability of finance as well as the interest rates and credit margins at which financing is available. The Group manages this risk by spreading maturities of borrowings and interest rate swaps, using interest rate derivatives to hedge known and forecast positions and reviewing potential transactions to understand the impact on the Group's liquidity.

As part of its liquidity risk management, the Group is also required to obtain sufficient cash resources to maintain operations, meet its financial obligations and liabilities in a timely manner and provide funds for capital expenditure and investment opportunities as they arise.

The Group measures liquidity risk by comparing net projected debt levels for the next two years against total committed facilities. Projected net debt levels take into account: existing debt; operating cash flows including interest payments; committed and forecast project/investment capital expenditure; and dividend, tax and distribution payments. The level of cash and undrawn but committed facilities projected over time is used to indicate the Group's liquidity position going forward.

Financing arrangements

It is the Group's Treasury Risk Management policy that the Group holds a liquidity buffer in the form of undrawn, committed facilities and/or cash identified as surplus to normal requirements or available for repayment against debt. This provides sufficient time to identify and implement more permanent funding solutions in the event of an unforeseen adverse liquidity event. Minimum liquidity buffer requirements are approved by the BMIC and reviewed by Group Treasury on a quarterly basis

The Group and Company had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated		Brookfield Multiplex Limited	
	31 Dec 2008 $m	30 Jun 2008 $m	31 Dec 2008 $m	30 Jun 2008 $m
Floating rate				
Expiring within one year (cash advance and bill facility)	186.3	514.3	–	–
Expiring beyond one year (bank loans)	172.0	111.8	–	–
	358.3	**626.1**	**–**	**–**

The Group's long-term borrowings mature at dates between 2009 and 2013.

37 Financial instruments continued

e Liquidity and capital risk management continued

Maturities of financial liabilities

The tables below analyse the Group's and the Company's financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been estimated using current interest rates applicable at the reporting date. The table includes both interest and principal cash flows.

	Less than 1 year $m	Between 1 – 2 years $m	Between 2 – 3 years $m	Between 3 – 4 years $m	Between 4 – 5 years $m	Over 5 years $m	Total $m
Consolidated – At 31 December 2008							
Non-derivatives							
Payables	630.5	40.8	–	–	–	–	671.3
Interest bearing loans and borrowings	780.8	2,549.6	6.2	69.1	21.8	–	3,427.5
Non-interest bearing loans and borrowings	375.1	–	–	–	–	–	375.1
Total non derivatives	**1,786.4**	**2,590.4**	**6.2**	**69.1**	**21.8**	**–**	**4,473.9**
Derivatives							
Net settled – interest rate swaps	29.6	6.8	0.8	–	–	–	37.2
Gross settled – forward foreign exchange contracts:							
(Inflow)	(221.1)	–	–	–	–	–	(221.1)
Outflow	218.2	–	–	–	–	–	218.2
Total derivatives	**26.7**	**6.8**	**0.8**	**–**	**–**	**–**	**34.3**
Consolidated – At 30 June 2008							
Non-derivatives							
Payables	821.0	46.5	22.1	–	–	–	889.6
Interest bearing loans and borrowings	1,549.1	1,864.8	190.7	19.9	19.1	147.1	3,790.7
Non-interest bearing loans and borrowings	395.7	1.5	–	–	–	–	397.2
Total non derivatives	**2,765.8**	**1,912.8**	**212.8**	**19.9**	**19.1**	**147.1**	**5,077.5**
Derivatives							
Net settled – interest rate swaps	(12.8)	(9.0)	(0.9)	(0.6)	(0.3)	–	(23.6)
Gross settled – forward foreign exchange contracts:							
(Inflow)	(208.1)	–	–	–	–	–	(208.1)
Outflow	207.1	–	–	–	–	–	207.1
Total derivatives	**(13.8)**	**(9.0)**	**(0.9)**	**(0.6)**	**(0.3)**	**–**	**(24.6)**

37 Financial instruments continued

e Liquidity and capital risk management continued

Maturities of financial liabilities continued

	Less than 1 year $m	Between 1 – 2 years $m	Between 2 – 3 years $m	Between 3 – 4 years $m	Between 4 – 5 years $m	Over 5 years $m	Total $m
Brookfield Multiplex Limited – At 31 December 2008							
Non-derivatives							
Payables	30.6	–	–	–	–	–	30.6
Interest bearing loans and borrowings	103.6	–	–	–	–	–	103.6
Non-interest bearing loans and borrowings	2,529.2	–	–	–	–	–	2,529.2
Total non derivatives	**2,663.4**	**–**	**–**	**–**	**–**	**–**	**2,663.4**
Derivatives							
Net settled – interest rate swaps	–	–	–	–	–	–	–
Gross settled – forward foreign exchange contracts:							
(Inflow)	(221.1)	–	–	–	–	–	(221.1)
Outflow	218.2	–	–	–	–	–	218.2
Total derivatives	**(2.9)**	–	–	–	–	–	**(2.9)**
Brookfield Multiplex Limited – At 30 June 2008							
Non-derivatives							
Payables	36.0	–	–	–	–	–	36.0
Interest bearing loans and borrowings	93.9	17.6	1.6	1.6	–	–	114.7
Non-interest bearing loans and borrowings	2,325.9	8.7	–	–	–	–	2,334.6
Total non derivatives	**2,455.8**	**26.3**	**1.6**	**1.6**	**–**	**–**	**2,485.3**
Derivatives							
Net settled – interest rate swaps	–	–	–	–	–	–	–
Gross settled – forward foreign exchange contracts:							
(Inflow)	(208.1)	–	–	–	–	–	(208.1)
Outflow	207.1	–	–	–	–	–	207.1
Total derivatives	**(1.0)**	**–**	**–**	**–**	**–**	**–**	**(1.0)**

f Fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of the Group's derivatives have been determined as follows:

- forward foreign exchange contracts – using market forward foreign exchange rates at the reporting date.
- interest rate swaps – calculated as the net present value of the estimated future cash flows using market interest rates at the reporting date.

The fair value of loans and other financial assets have been calculated using market interest rates, where applicable.

All of the fair values of financial assets and liabilities in the Group are equal to their carrying values with the exception of Interest bearings loans and borrowings – Debt facilities which are only different due to the carrying amount not including the unamortised balance of transaction costs. These balances are:

37 Financial instruments continued
f Fair value continued

	Note	Consolidated 31 December 2008 Carrying amount $m	Fair Value $m	Consolidated 30 June 2008 Carrying amount $m	Fair Value $m
Financial liabilities					
Interest bearing loans and borrowings:					
Debt facilities		(463.0)	(470.1)	(463.0)	(469.9)
Unrecognised (losses)			**(7.1)**		**(6.9)**

All of the fair values of financial assets and liabilities in the Parent Entity are equal to their carrying value.

38 Stapling arrangements
The Stapling Deed between BMFML, as the Responsible Entity of the Trust, and the Company, is dated 8 October 2003. It sets out the terms of the relationship between the Responsible Entity and the Company in respect of the units in the Trust and the shares in the Company that comprise the securities. The aspects of that relationship include the following:

- Stapling: the units and shares will remain stapled unless special resolutions of stapled securityholders approve unstapling or unless stapling becomes unlawful or prohibited by the Listing Rules;
- Co-operation and consultation: the Responsible Entity and the Company agree to share accounting and other information, and to co-operate in operating the Trust and Company in providing information to investors, valuing assets, preparing financial reports, holding meetings, issuing securities and making distributions;
- Dealings in securities: units and shares may only be issued or transferred as part of securities;
- Acquisitions, disposals and borrowings: these require consultation procedures between the Responsible Entity and the Company to be followed;
- Sale of assets: the Company agrees to notify the Responsible Entity of any assets that it intends to sell which are within the investment criteria of the Trust and will reasonably consider any proposals put to it by the Responsible Entity to purchase these assets;
- Allocation of issue price: the Responsible Entity and the Company must agree what proportion of the issue price of a security is allocated to each of the Trust and Company. Generally, this is by reference to the respective market values of the units and the shares (as determined by agreement between the Responsible Entity and the Company);
- Financial benefits: the Trust and the Company must provide to the other or its subsidiaries upon request any financial benefit which is requested;
- Registers: these are to be kept jointly;
- Duties: when carrying out their duties, the Responsible Entity and the Company may consider the interests of holders of securities as a whole, not only the interests of the members of the Trust and Company separately; and
- Dispute resolution: if there are disagreements about stapling issues, the Responsible Entity and the Company must use their best efforts to resolve them and negotiate in good faith before instituting proceedings.

The stapled security structure will cease to operate on the first to occur of:

- either of the Company or the Trust resolving by special resolution in general meeting and in accordance with its Constitution to terminate the stapling provisions; or
- the winding up of either the Company or the Trust.

39 Events occurring after the Balance Sheet date
On 2 February 2009, the Group sold its interests in the Melbourne Showgrounds PPP project, for consideration of $4.6 million, to a subsidiary, Brookfield Infrastructure L.P. The proceeds from this sale were used to make a loan to Brookfield Australia.

Other than as disclosed in this report and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the financial period that has significantly affected, or may affect, the Group's operations in future financial periods, the results of those operations or the Group's state of affairs in future financial periods.

In the opinion of the Directors of Brookfield Multiplex Limited:

a the financial statements and notes set out on pages 13 to 89 are in accordance with the *Corporations Act 2001*, including:

  i giving a true and fair view of the financial position of the Company and the Consolidated Entity as at 31 December 2008 and of their performance for the six month period ended on that date; and

  ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors under section 295A of the Corporations Act 2001.

Ross A McDiven
Chief Executive Officer
Brookfield Multiplex Limited

Brian W Kingston
Chief Financial Officer
Brookfield Multiplex Limited

20 February 2009

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Report
to the Securityholders of Brookfield Multiplex Group

We have audited the accompanying financial report of the Brookfield Multiplex Group, which comprises the balance sheet as at 31 December 2008, and the income statement, cash flow statement and statement of changes in equity for the six month period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the stapled entity comprising Brookfield Multiplex Limited and its controlled entities and Brookfield Multiplex Property Trust and its controlled entities at the period's end or from time to time during the financial period as set out on pages 13 to 90.

Directors' Responsibility for the Financial Report

The directors of Brookfield Multiplex Limited and its controlled entities and the directors of Brookfield Multiplex Funds Management Limited being the Responsible Entity for Brookfield Multiplex Property Trust are responsible for the preparation and fair presentation of the 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 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's Opinion

In our opinion:

(a) the financial report of Brookfield Multiplex Group is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the Brookfield Multiplex Group's financial position as at 31 December 2008 and of its performance for the six month period ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the Brookfield Multiplex Group's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants
Sydney, 20 February 2009