

ASX Announcement

18 August 2011

Multiplex Sites Trust Financial Results for the Half Year Ended 30 June 2011

Please find attached the Appendix 4D Financial Report for the half year ended 30 June 2011 for Multiplex SITES Trust for release to the market.

To ensure that SITES securityholders continue to have up-to-date information regarding the financial position and performance of the Group, a Brookfield Australia Investments Group Financial Report for the half year ended 30 June 2011 and a Brookfield Australia Property Trust Financial Report for the half year ended 30 June 2011 are also attached.

Conference Call

Brookfield Funds Management Limited as responsible entity of Multiplex SITES Trust has scheduled a teleconference for investors and analysts to discuss the results for the half year ended 30 June 2011.

The teleconference will be held on **Thursday, 25 August 2011 at 2.00pm AEST**.

Dial in details are as follows:

Within Australia	1800 354715
Canada	1888 4473085
Germany	0800 1821244
Malaysia	1800 812564
Netherlands	0800 0224523
New Zealand	0800 452569
Singapore	8006 162236
Thailand	0018 0061360689
United Kingdom	0808 2347860
United States	1866 2421388

Conference Code: 82126043

The teleconference will be recorded and made available on the Brookfield Australia website.

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

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Multiplex SITES Investor Enquiries:

Link Market Services
Phone: 1800 68 54 55

Appendix 4D

Multiplex SITES Trust

For the half year ended 30 June 2011

Name of entity:	Multiplex SITES Trust (MXU) ARSN 111 903 747
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Details of reporting period

Current reporting period: 1 January 2011 to 30 June 2011

Prior corresponding period: 1 January 2010 to 30 June 2010

Multiplex SITES Trust (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 Appendix 4D should be read in conjunction with the Financial Report for the half-year ended 30 June 2011. It is also recommended that this Appendix 4D be considered together with any public announcements made by the Trust during the half-year ended 30 June 2011 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Results for announcement to the market

	Half year ended 30 June 2011 \$'000	Half year ended 30 June 2010 \$'000
Total revenue and other income	19,665	15,975
Net profit before income tax	19,665	15,975
Net profit attributable to unitholders	19,665	15,975
Net tangible asset backing per unit (\$)	100	100
Earnings per unit (cents per unit)	437	355

Distributions

Multiplex SITES unitholders

Distributions to Multiplex SITES unitholders paid or declared by the Trust during the current period were as follows:

	\$'000
Quarterly distribution for the period from 1 January 2011 to 31 March 2011 of 8.86% per annum and paid on 15 April 2011	9,810
Quarterly distribution for the period from 1 April 2011 to 30 June 2011 of 8.79% per annum and paid on 15 July 2011	9,855
Total	19,665

On 1 July 2011, the Trust announced to the ASX that the distribution rate for the period from 1 July 2011 to 30 September 2011 is 8.8767% per annum.

This preliminary final report is given to the ASX in accordance with Listing Rule 4.2A.

Commentary and analysis of the result for the current period can be found in the forthcoming Multiplex SITES Trust ASX release.

The Trust has a formally constituted Audit Committee and Board Risk & Compliance Committee of the Board of Directors of the Responsible Entity. The release of this report was approved by resolution of the Board of Directors of the Responsible Entity on 17 August 2011.

Multiplex SITES Trust
Interim financial statements
for the half year ended
30 June 2011

Step-up
Income-distributing
Trust-issued
Exchangeable
Securities

Multiplex SITES Trust

ARSN 111 903 747

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Directory

Multiplex SITES Trust

For the half year ended 30 June 2011

Responsible Entity

Brookfield Funds Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: (02) 9322 2000
Facsimile: (02) 9322 2001

Directors of Brookfield Funds Management Limited

Mr F Allan McDonald
Ms Barbara K Ward
Mr Russell T Proutt

Registered Office

Level 22, 135 King Street
Sydney NSW 2000
Telephone: (02) 9322 2000
Facsimile: (02) 9322 2001

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place, 225 George Street
Sydney NSW 2000
Telephone: (02) 9322 7000
Fax: (02) 9322 7001

Directors' Report

Multiplex SITES Trust

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For the half year ended 30 June 2011

Introduction

The Directors of Brookfield Funds Management Limited (ACN: 105 371 917), the Responsible Entity of Multiplex SITES Trust (Trust) present their report together with the financial statements of the Trust for the half year ended 30 June 2011 and the Independent Auditor's Report thereon.

Responsible Entity

The Responsible Entity is a wholly owned subsidiary of Brookfield Australia Investments Limited and forms part of the consolidated Brookfield Australia Investments Group (Group). The registered office and principal place of business of the Responsible Entity is 135 King Street, Sydney.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the financial half year:

Name	Capacity
Mr F Allan McDonald (appointed 22 October 2003)	Non-Executive Chairman
Ms Barbara K Ward (appointed 22 October 2003)	Non-Executive Director
Mr Russell T Proutt (appointed 17 March 2010)	Executive Director

Information on Directors

Director	Experience	Special responsibilities
Non-Executive Directors		
F Allan McDonald	<p>Mr McDonald was appointed to the Board on 22 October 2003 and was appointed Non-Executive Chairman of Brookfield Funds Management Limited (BFML) 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 is also a director of Brookfield Capital Management Limited (BCML) (appointed January 2010), the Responsible Entity for listed funds Brookfield Prime Property Fund (BPA), Brookfield Australian Opportunities Fund (BAO) and Multiplex European Property Fund (MUE). Mr McDonald's other directorships of listed companies are Astro Japan Property Management Limited (Responsible Entity of Astro Japan Property Trust) (appointed February 2005), Billabong International Limited (appointed July 2000) and Brookfield Office Properties Inc. (appointed May 2011).</p> <p>During the past three years Mr McDonald has also served as a director of Ross Human Directions Limited (April 2000 to February 2011).</p>	Non-Executive Chairman
Barbara K Ward	<p>Ms Ward was appointed as a Non-Executive Director of Brookfield 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 Essential Energy, and a Director of Qantas Airways Limited (appointed June 2008). Ms Ward is also a director of BCML (appointed January 2010), the Responsible Entity for listed funds BPA, BAO, and MUE.</p> <p>During the past three years Ms Ward has also served as a Director of Lion Nathan Limited (February 2003 to October 2009).</p>	Non-Executive Director Chairperson of the Audit Committee and Risk and Compliance Committee

Directors' Report continued

Multiplex SITES Trust

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For the half year ended 30 June 2011

Information on Directors continued

Director	Experience	Special responsibilities
Executive Director		
Russell T Proutt	Russell Proutt is the Chief Financial Officer of Brookfield Australia and was appointed as an Executive Director of Brookfield Funds Management Limited on 17 March 2010. Russell joined Brookfield Asset Management, the ultimate parent company of Brookfield Funds Management Limited, in 2006 and has held various senior management positions within Brookfield, including managing the Bridge Lending Fund, mergers and acquisitions involving subsidiaries as well as transactions involving Brookfield's restructuring fund, Tricap Partners. Mr Proutt is also a director of Brookfield Capital Management Limited (appointed January 2010), the Responsible Entity,	Executive Director

Company Secretary

Neil Olofsson	Neil has over 15 years' international company secretarial experience and has been with the Brookfield Australia group since 2005.	Company Secretary
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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	705	–	705

The number of Directors' meetings (including meetings of committees of Directors) for the Responsible Entity during the half year, and the number of meetings attended by each of the Directors, is as follows:

Director	Board meetings		Audit Committee meetings		Risk and Compliance Committee meetings	
	Held	Attended	Held	Attended	Held	Attended
Mr F Allan McDonald	3	3	1	1	1	1
Ms Barbara K Ward	3	3	1	1	1	1
Mr Russell T Proutt	3	3	n/a	n/a	n/a	n/a

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 half year ended 30 June 2011 the Trust's sole activity was holding units in Multiplex Hybrid Investment Trust and the payment of distributions to unitholders.

The Trust did not have any employees during the half year.

Directors' Report continued

Multiplex SITES Trust

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For the half year ended 30 June 2011

Review of operations

The Trust earned a net profit attributable to unitholders of \$19,665,000 for the half year ended 30 June 2011 (half year ended 30 June 2010: \$15,975,000). Total quarterly distributions paid or payable in respect of the half year ended 30 June 2011 were \$19,665,000 (half year ended 30 June 2010: \$15,975,000). The carrying value of the Trust's net assets at the end of the half year ended 30 June 2011 was \$450,000,000 (30 June 2010: \$450,000,000).

The Trust's only activity is an investment in units in Multiplex Hybrid Investment Trust.

Corporate governance

This section outlines the main corporate governance practices that are currently in place for Brookfield 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 Australia Investments Limited, the Company aims to make best use of the existing governance expertise and framework within Brookfield Australia Investments 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 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 financial report a statement disclosing the extent to which they have followed the Principles during the financial period.

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 half year ended 30 June 2011.

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 (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 in accordance with the terms of SITES. 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. To the extent possible 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.

Directors' Report continued

Multiplex SITES Trust

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For the half year ended 30 June 2011

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 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, expertise and gender diversification 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 30 June 2011 the Board consisted of three Directors.

Profiles of each of the Directors may be found on pages 4 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.

Since 4 January 2010 a majority of the members of the Board are independent directors.

In accordance with the Corporations Act the Company has established a Risk and Compliance Committee. On 4 January 2010 the Company changed the composition of the Risk and Compliance Committee. The Risk and Compliance Committee comprises the two independent directors Barbara Ward (Chairperson) and Allan McDonald. The Risk and Compliance Committee is governed by a formal charter which includes a compliance plan, 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 Group'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

The Trust does not employ individuals, however, all Directors, managers and employees involved in the operation of the Trust and the Company are employees of Brookfield Australia Investments Limited and, along with all other employees in Brookfield Australia Investments 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 Australia Investments 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 therefore applies to the Directors of the company and to all directors, managers and employees of Brookfield Australia Investments Limited involved in the operation of the Trust and the Company. The Code is aligned to Brookfield Australia Investments Group's core values of team work, integrity and performance and is fully supported by the Board.

Directors' Report continued

Multiplex SITES Trust

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For the half year ended 30 June 2011

Security trading policy

All Directors of the Company and Brookfield Australia Investments Group employees are subject to restrictions under the law relating to dealing in certain financial products, including securities in a company or trust, if they are in possession of inside information.

The Brookfield Australia Investments 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.

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 Committee

The Board has established an Audit Committee with its own charter specifically for the Trust. Following the establishment of the Risk and Compliance Committee, the Board amended the Charter of the Audit and Risk Committee. The purpose of the Audit Committee is now to oversee, on behalf of the Board, the integrity of the financial reporting controls and procedures utilised by the Company as Responsible Entity of the Trust.

It achieves this by:

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

Name	Position	Held	Audit Committee meetings Attended	Risk and Compliance Committee meetings Attended
Barbara Ward	Chairperson	1	1	1
Allan McDonald	Member	1	1	1

Both members, Barbara Ward and Allan McDonald, are not substantial shareholders 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 Committee's charter is available at www.au.brookfield.com under Investor Platforms.

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 Australia Investments Group involved in the operation of the Trust and the Company.

There are likely to be few events that require disclosure 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.

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

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

Directors' Report continued

Multiplex SITES Trust

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For the half year ended 30 June 2011

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 Risk and Compliance Committee. Management also reports to the Board through the Risk and Compliance 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 Principles detailed above, the Company as Responsible Entity of the Trust believes that it has followed the best practice recommendations set by the ASX.

Distributions

Distributions paid or declared by the Trust were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Half Year ended 30 June 2011			
Distributions for the period ended 31 March 2011	218.00	9,810	15 April 2011
Distributions for the period ended 30 June 2011	219.00	9,855	15 July 2011
Total distributions	437.00	19,665	
Half Year ended 30 June 2010			
Distributions for the period ended 31 March 2010	148.00	6,660	19 April 2010
Distributions for the period ended 30 June 2010	207.00	9,315	15 July 2010
Total distributions	355.00	15,975	

On 1 July 2011, the Trust announced to the ASX that the distribution rate for the period from 1 July 2011 to 30 September 2011 is 8.8767% per annum.

Events subsequent to the reporting date

Other than the above, and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year 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' Report continued

Multiplex SITES Trust

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For the half year ended 30 June 2011

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 Group.

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 Trust is of a kind referred to in Class Order 98/0100, dated 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 statements. Amounts in the Directors' Report and the financial statements 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.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 11 and forms part of the Directors' Report for the half year ended 30 June 2011.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*, on behalf of the Directors of Brookfield Funds Management Limited.

Dated at Sydney this 18th day of August 2011



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



Russell T Proutt
Executive Director
Brookfield Funds Management Limited
as Responsible Entity for Multiplex SITES Trust



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The Board of Directors
Brookfield Funds Management Limited
(as Responsible Entity for Multiplex SITES Trust)
Level 22, 135 King Street
Sydney, NSW 2000
Australia

18 August 2011

Dear Board Members

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 Funds Management Limited as responsible entity for Multiplex SITES Trust.

As lead audit partner for the review of the financial statements of Multiplex SITES Trust for the half-year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely,

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A G Collinson
Partner
Chartered Accountants

Condensed Interim Statement of Comprehensive Income 12

Multiplex SITES Trust

For the half year ended 30 June 2011

	Half Year ended 30 Jun 2011 \$'000	Half Year ended 30 Jun 2010 \$'000
Share of net profit of associates accounted for using the equity method	19,665	15,975
Net profit for the period from continuing operations	19,665	15,975
Other comprehensive income for the period	-	-
Total comprehensive income for the period attributable to SITES unitholders	19,665	15,975
Earnings per unit		
Basic and diluted earnings per ordinary unit (cents)	437.00	355.00

The Statement of Comprehensive Income should be read in conjunction with the Notes to the financial statements.

Condensed Interim Statement of Financial Position

Multiplex SITES Trust

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As at 30 June 2011

	Note	30 Jun 2011 \$'000	31 Dec 2010 \$'000
Non-current assets			
Investments accounted for using the equity method	5	459,855	459,945
Total non-current assets		459,855	459,945
Total assets		459,855	459,945
Current liabilities			
Distributions payable	6	9,855	9,945
Total current liabilities		9,855	9,945
Total liabilities		9,855	9,945
Net assets		450,000	450,000
Equity			
Units on issue	7	450,000	450,000
Total equity		450,000	450,000

The Statement of Financial Position should be read in conjunction with the Notes to the financial statements.

Condensed Interim Statement of Changes in Equity

Multiplex SITES Trust

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For the half year ended 30 June 2011

	Note	Units on issue \$'000	Accumulated profit/(losses) \$'000	Total equity \$'000
Opening equity – 1 January 2011		450,000	–	450,000
Net profit		–	19,665	19,665
Other comprehensive income		–	–	–
Total comprehensive income for the half year		–	19,665	19,665
Distributions to unitholders	6	–	(19,665)	(19,665)
Total transactions with unitholders in their capacity as unitholders		–	(19,665)	(19,665)
Closing equity – 30 June 2011		450,000	–	450,000
Opening equity – 1 January 2010		450,000	–	450,000
Net profit		–	15,975	15,975
Other comprehensive income		–	–	–
Total comprehensive income for the half year		–	15,975	15,975
Distributions to unitholders	6	–	(15,975)	(15,975)
Total transactions with unitholders in their capacity as unitholders		–	(15,975)	(15,975)
Closing equity – 30 June 2010		450,000	–	450,000

The Statement of Changes in Equity should be read in conjunction with the Notes to the financial statements.

Condensed Interim Statement of Cash Flows

Multiplex SITES Trust

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For the half year ended 30 June 2011

	Half Year ended 30 Jun 2011 \$'000	Half Year ended 30 Jun 2010 \$'000
Cash flows from operating activities	-	-
Net cash inflow from operating activities	-	-
Cash flows from investing activities		
Dividends and distributions received	19,755	12,600
Net cash inflow from investing activities	19,755	12,600
Cash flows from financing activities		
Distributions paid to Multiplex SITES holders	(19,755)	(12,600)
Net cash outflow from financing activities	(19,755)	(12,600)
Net increase in cash held	-	-
Cash at the beginning of the financial period	-	-
Cash at the end of the financial period	-	-

The Statement of Cash Flows should be read in conjunction with the Notes to the financial statements.

Notes to the Condensed Interim Financial Statements

Multiplex SITES Trust

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For the half year ended 30 June 2011

1 Reporting entity

Multiplex SITES Trust (Trust) is a unit trust domiciled in Australia and is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Funds Management Limited, the Responsible Entity of the Trust, is incorporated and 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 Australia Investments Limited and Brookfield Funds Management Limited (Guarantors). The Trust was registered on 12 November 2004.

2 Basis of preparation

Statement of compliance

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars. The Trust 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 annual financial statements. In accordance with that Class Order amounts in the annual financial statements have been rounded off to the nearest thousand dollars or in certain cases, to the nearest dollar, unless stated otherwise.

Due to the classification of distributions receivable as non-current investments at 30 June 2011, the Trust is in a net current liability position of \$9.8 million. The Trust has non-current assets of \$459.8 million and a net asset position of \$450 million. In accordance with AASB 101, an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. The accounts of the Trust have been prepared on a going concern basis as the net current asset deficiency is due to the classification of distributions receivable. There are agreements in place that ensure the receipt of distributions by the Trust occur at the same time as the payment of their distributions to unitholders, and hence the classification of the distributions payable as current do not impact the ability of the Trust to continue as a going concern.

Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

3 Significant accounting policies

The accounting policies applied by the Trust in these condensed interim financial statements are the same as those applied by the Trust in its annual financial statements as at and for the year ended 31 December 2010.

Associates

The Trust's investment in its associates is accounted for using the equity method of accounting in the financial statements. The associate is an entity in which the Trust has significant influence, but not control, over the financial and operating policies. Under the equity method, an investment in associates is carried in the Statement of Financial Position 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 Statement of Comprehensive Income 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.

Distributions

A provision for distribution is recognised in the Statement of Financial Position if the distribution has been declared prior to balance date. Distributions paid are included in cash flows from financing activities and distributions received are included in cash flows from investing activities in the Statement of Cash Flows.

Units on issue

Issued and paid up units are recognised at face value, being the consideration of \$100 received by the Trust for each unit on issue.

Notes to the Condensed Interim Financial Statements

continued

Multiplex SITES Trust

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For the half year ended 30 June 2011

4 Segment reporting

The Trust has adopted AASB 8 *Operating Segments* with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Trust that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. AASB 8 is a disclosure standard which has no impact on the reported results or financial position of the Trust. The Trust operates in a single segment, being investment in Multiplex Hybrid Investment Trust in Australia. All items of the Statement of Comprehensive Income and Statement of Financial Position are derived from this single segment. The chief operating decision maker of the Trust, the Board of Directors of the Responsible Entity, reviews and assesses performance using information displayed as set out in these statements.

	30 Jun 2011 \$'000	31 Dec 2010 \$'000
5 Investments accounted for using the equity method		
Non-current		
Units in unlisted associates	459,855	459,945
Total	459,855	459,945

6 Distributions

	Cents per unit	Total amount \$'000	Date of payment
Half Year ended 30 June 2011			
Distributions for the period ended 31 March 2011	218	9,810	15 April 2011
Distributions for the period ended 30 June 2011	219	9,855	15 July 2011
Total distributions	437	19,665	
Half Year ended 30 June 2010			
Distributions for the period ended 31 March 2010	148	6,660	19 April 2010
Distributions for the period ended 30 June 2010	207	9,315	15 July 2010
Total distributions	355	15,975	

Distributions are payable at the discretion of the Responsible Entity at the three month bank bill rate on the issue date plus a margin of 3.90%. The rate is determined on the first business day of each quarter.

7 Units on issue	30 Jun 2011 \$'000	30 Jun 2011 Units	31 Dec 2010 \$'000	31 Dec 2010 Units
Units on issue	450,000	4,500,000	450,000	4,500,000

Terms and conditions

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

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

The Responsible Entity in its capacity as responsible entity of Brookfield Australia Property Trust and Brookfield Australia Investments Limited guarantee the face value and unpaid distribution amount on redemption (being not more than the distribution payments for the four preceding but unpaid distributions). In addition, while the Responsible Entity of the Trust is a member of Brookfield Australia Investments Group, the Responsible Entity in its capacity as responsible entity of Brookfield

Notes to the Condensed Interim Financial Statements

continued

Multiplex SITES Trust

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For the half year ended 30 June 2011

7 Units on issue continued

Australia Property Trust and Brookfield Australia Investments Limited guarantee any distributions which have been declared payable by the 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 Brookfield Australia Property Trust and shares in Brookfield Australia Investments Limited but are subordinated to senior creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited.

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).

Assets pledged as security

The guarantee, which ranks in priority to units in Brookfield Australia Property Trust and shares in Brookfield Australia Investments Limited, is subordinated to senior creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited and ranks equally with other creditors of Brookfield Australia Property Trust and Brookfield Australia Investments 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 Australia Investments Group) or Multiplex Hybrid Investment Trust (MHIT) (for as long as the trustee of MHIT is a member of Brookfield Australia Investments 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 approval of the Responsible Entity and Brookfield Australia Investments Limited, the Trust 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 Trust is no longer a member of Brookfield Australia Investments Limited;
- 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.

Issuer exchange

Brookfield Australia Investments Group was delisted on 20 December 2007. For so long as Brookfield Australia Investments Group is not listed, the Responsible Entity will not be entitled to exercise its option to exchange Multiplex SITES for Brookfield Australia Investments Group stapled securities.

Notes to the Condensed Interim Financial Statements

continued

Multiplex SITES Trust

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For the half year ended 30 June 2011

8 Related parties

There have been no significant changes to the related party transactions as disclosed in the last audited financial statements for the year ended 31 December 2010.

9 Contingent liabilities and assets

No contingent liabilities or assets existed at 30 June 2011 (31 Dec 2010: nil).

10 Capital and other commitments

No capital or other commitment existed at 30 June 2011 (31 Dec 2010: nil).

11 Events subsequent to the reporting date

Other than matters previously 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 year 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

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For the half year ended 30 June 2011

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

- a The financial statements and notes set out on pages 12 to 19 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 30 June 2011 and of its performance for the year ended on that date; and
 - ii complying with Accounting Standards and the *Corporations Act 2001* in Australia and the Corporations Regulations 2001;
- b There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

Dated at Sydney this 18th day of August 2011



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



Russell T Proutt
Executive Director
Brookfield Funds Management Limited
as Responsible Entity for Multiplex SITES Trust

Independent Auditor's Review Report to the Members of Multiplex SITES Trust

We have reviewed the accompanying half-year financial report of Multiplex SITES Trust, which comprises the condensed statement of financial position as at 30 June 2011, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of Multiplex SITES Trust as set out on pages 12 to 20.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Funds Management Limited, as responsible entity for Multiplex SITES Trust, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Trust's financial position as at 30 June 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Multiplex SITES Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Multiplex SITES Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex SITES Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of Multiplex SITES Trust's financial position as at 30 June 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'AGC' followed by a stylized flourish.

A G Collinson
Partner
Chartered Accountants
Sydney, 18 August 2011

Brookfield Australia Investments Group
and its subsidiaries
Interim financial statements
For the half year ended
30 June 2011

Brookfield Australia Investments Group

ABN 96 008 687 063

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Brookfield Australia Investments Group

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Directory

Brookfield Australia Investments Group

For the half year ended 30 June 2011

Directors of Brookfield Australia Investments Limited

Mr Richard B Clark
Mr Thomas F Farley
Mr Ross A McDiven
Mr Brian W Kingston
Mr Russell T Proutt

Registered Office

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0) 2 9322 2000
Facsimile: +61 (0) 2 9322 2001

Auditor

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

Brookfield Australia Investments Group

For the half year ended 30 June 2011

Introduction

The Directors of Brookfield Australia Investments Limited (the Company) present their report together with the financial report of the Consolidated Entity (Brookfield Australia Investments Group or Group), being the Company and its controlled entities and Brookfield Australia Property Trust (Trust) and its controlled entities for the half year ended 30 June 2011. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Group structure

The Group comprises the Company and its controlled entities and the Trust and its controlled entities. Ordinary shares in the Company and ordinary units in the Trust are stapled together so that neither can be dealt 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.

Directors

The names of the directors of the company during or since the end of the half-year are:

Name	Capacity
Mr Timothy M Harris	Executive Director
Mr Richard B Clark	Non-Independent, Non-Executive Director
Mr Thomas F Farley	Executive Director
Mr Ross A McDiven	Executive Director
Mr Brian W Kingston	Executive Director
Mr Russell T Prout	Executive Director

The above named directors held office during and since the end of the financial year except for:

Mr Timothy M Harris – resigned 18 May 2011

Mr Russell Proutt – appointed 18 May 2011

Review of operations and results

The Group recorded a net profit after tax attributable to stapled security holders of \$182.7 million for the half year ended 30 June 2011 (half year to 30 June 2010: \$2.1 million).

During the half year there was an amendment to the total return swap and option agreement with respect to the property finance assets which require the procurement of the optioned properties at fair market value on exercise of the option. As a result of these amendments an increment of \$101.3 million was recorded resulting from the changes in the underlying property fair value.

During the period the company acquired a UK constructions operation from a related party. The acquisition was based on net tangible assets and was financed through a non-interest bearing loan from a related party. During the period the Group also disposed of their investment in R+M Investments. A loss on sale of \$0.6 million was recorded on this disposition.

During the period the company also acquired a Middle Eastern management company from a related party for book value, this acquisition lead to an increase in intangibles held.

Events occurring after the reporting date

On the 1 July 2011, the sale of Western Australia communities project settled.

Indemnification and insurance of officers and auditors

During the half year, the company paid a premium in respect of a contract insuring the Directors and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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.

Directors' Report continued

Brookfield Australia Investments Group

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For the half year ended 30 June 2011

Rounding of amounts

The Company is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest hundred thousand dollars, unless otherwise stated.

Auditor's Independence declaration under Section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 30 June 2011.

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

Dated at Sydney this 18th day of August 2011

Russell T Prutt
Executive Director
Brookfield Australia Investments Limited

Brian W Kingston
Executive Director
Brookfield Australia Investments Limited

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Brookfield Australia Investments Group
Level 22, 135 King Street
Sydney, NSW 2000

18 August 2011

Dear Directors,

Brookfield Australia Investments 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 Australia Investments Group.

As lead audit partner for the review of the financial statements of Brookfield Australia Investments Group for the half-year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



J A Leotta
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Condensed Consolidated Interim Statement of Comprehensive Income

Brookfield Australia Investments Group

For the half year ended 30 June 2011

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	Note	Consolidated	
		Half year ended 30-Jun-11 \$m	Half year ended 30-Jun-10 \$m
Continuing operations			
Revenue		1,426.3	1203.4
Cost of operations		(1,189.2)	(996.9)
Gross profit		237.1	206.5
Other income		9.4	5.1
Property finance income	5	142.8	-
Net income on revaluation of investment property	7	26.7	29.5
Finance costs		(88.7)	(105.3)
Other expenses		(106.9)	(156.9)
Share of net gain/loss of investments accounted for using the equity method		1.8	28.5
Net profit before income tax		222.2	7.4
Income tax (expense)/benefit		(19.5)	12.9
Net profit for the period		202.7	20.3
Profit attributable to:			
Unitholders of Brookfield Australia Investments Group		182.7	2.1
Non-controlling interests		20.0	18.2
Net gain for the period		202.7	20.3
Other comprehensive income			
Currency translation differences		(4.6)	(2.1)
Changes in fair value of available for sale financial assets		2.1	(0.6)
Effective portion of changes in fair value of cash flow hedges		(4.3)	0.8
Other comprehensive income for the period		(6.8)	(1.9)
Total comprehensive income for the period		195.9	18.4
Total comprehensive income attributable to:			
Unitholders of Brookfield Australia Investments Group		175.9	0.2
Non-controlling interests		20.0	18.2
Total comprehensive income for the period		195.9	18.4

The Condensed Consolidated Interim Statement of Comprehensive Income should be read in conjunction with the Notes to the Condensed Consolidated Financial Statements.

Condensed Consolidated Interim Statement of Financial Position

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Brookfield Australia Investments Group

As at 30 June 2011

	Note	Consolidated	
		30-Jun-11 \$m	31-Dec-10 \$m
Assets			
Current assets			
Cash and cash equivalents		326.2	213.7
Trade and other receivables		720.3	387.9
Derivative financial instruments		-	-
Inventories	4	200.0	136.0
Other financial assets	5	1,300.0	1,300.0
Other assets		62.7	60.4
Assets held for sale	4	119.5	-
Total current assets		2,728.7	2,098.0
Non-current assets			
Trade and other receivables		255.1	229.8
Derivative financial instruments		1.0	6.7
Inventories	4	269.7	423.1
Other financial assets	5	2,136.6	2,116.0
Investments accounted for using the equity method	6	35.4	282.6
Investment property	7	2,599.1	2,581.3
Property, plant and equipment		28.1	33.2
Deferred tax assets		43.7	51.2
Intangible assets		17.7	17.2
Other assets		30.2	16.6
Total non-current assets		5,416.6	5,757.7
Total assets		8,145.3	7,855.7
Liabilities			
Current liabilities			
Trade and other payables		616.4	612.0
Derivative financial instruments		1.1	4.5
Interest bearing loans and borrowings	8	554.8	494.5
Non-interest bearing loans and borrowings		26.4	238.0
Current tax liabilities		0.2	-
Provisions		95.8	141.2
Contract work in progress		350.6	278.5
Total current liabilities		1,645.3	1,768.7
Non-current liabilities			
Trade and other payables		27.1	13.0
Derivative financial instruments		4.0	-
Interest bearing loans and borrowings	8	1,794.3	1,904.4
Non-interest bearing loans and borrowings		302.1	-
Deferred tax liabilities		20.9	24.1
Provisions		25.0	2.2
Total non-current liabilities		2,173.4	1,943.7
Total liabilities		3,818.7	3,712.4
Net assets		4,326.6	4,143.3
Equity			
Issued Capital	9	4,430.9	4,430.9
Reserves		(196.6)	(198.5)
Accumulated losses		(505.4)	(688.1)
Total parent interests		3,728.9	3,544.3
Non-controlling interests		597.7	599.0
Total equity		4,326.6	4,143.3

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

Condensed Consolidated Interim Statement of Changes in Equity

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Brookfield Australia Investments Group

For the half year ended 30 June 2011

	Preference shares	Contributed equity	Accumulated losses	Reserves	Total	Non-controlling interest	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
As at 1 January 2011	1,665.0	2,765.9	(688.1)	(198.5)	3,544.3	599.0	4,143.3
Currency translation differences	-	-	-	(4.6)	(4.6)	-	(4.6)
Change in fair value of available for sale financial assets	-	-	-	2.1	2.1	-	2.1
Effective portion of changes in fair value of cash flow hedges	-	-	-	(4.3)	(4.3)	-	(4.3)
Total other comprehensive income	-	-	-	(6.8)	(6.8)	-	(6.8)
Profit for the period	-	-	182.7	-	182.7	20.0	202.7
Total Comprehensive Income	-	-	182.7	(6.8)	175.9	20.0	195.9
Transactions with equityholders in their capacity as equityholders:							
Change in taxation consolidation reserve	-	-	-	8.7	8.7	-	8.7
Distributions to non-controlling interest	-	-	-	-	-	(21.3)	(21.3)
Total transactions with equityholders in their capacity as equityholders	-	-	-	8.7	8.7	(21.3)	(12.6)
As at 30 June 2011	1,665.0	2,765.9	(505.4)	(196.6)	3,728.9	597.7	4,326.6
As at 1 January 2010	1,665.0	2,765.9	(745.2)	(181.0)	3,504.7	517.3	4,022.0
Currency translation differences	-	-	-	(2.1)	(2.1)	-	(2.1)
Change in fair value of available for sale financial assets	-	-	-	(0.6)	(0.6)	-	(0.6)
Effective portion of changes in fair value of cash flow hedges	-	-	-	0.8	0.8	-	0.8
Total other comprehensive income	-	-	-	(1.9)	(1.9)	-	(1.9)
Profit for the period	-	-	2.1	-	2.1	18.2	20.3
Total comprehensive income	-	-	2.1	(1.9)	0.2	18.2	18.4
Transactions with equityholders in their capacity as equityholders:							
Change in taxation consolidation reserve	-	-	-	(24.5)	(24.5)	-	(24.5)
Distributions to non controlling interest	-	-	(4.9)	-	(4.9)	(19.3)	(24.2)
Total transactions with equityholders in their capacity as equityholders	-	-	(4.9)	(24.5)	(29.4)	(19.3)	(48.7)
As at 30 June 2010	1,665.0	2,765.9	(748.0)	(207.4)	3,475.3	516.2	3,991.5

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

Condensed Consolidated Interim Statement of Cash Flows

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Brookfield Australia Investments Group

For the half year ended 30 June 2011

	Note	Consolidated	
		Half Year Ended 30- Jun-11	Half Year ended 30- Jun-10
		\$m	\$m
Cash flows from operating activities			
Receipts from customers		1,447.8	1,269.4
Payments to suppliers and employees		(1,303.5)	(1,012.0)
		144.3	257.4
Property finance income	5	41.5	-
Distributions received		6.9	15.8
Interest received		5.5	3.9
Finance costs paid		(92.5)	(102.4)
Income taxes paid		(0.4)	(0.4)
Net cash inflow from operating activities		105.3	174.3
Cash flows from investing activities			
Net payments for property, plant and equipment		(3.5)	(14.3)
Payments for Investment properties		(41.6)	(188.4)
Distributions from investments		-	6.2
(Payments)/proceeds for investments		(79.2)	5.2
Proceeds from sale of investment properties		45.5	139.0
Cash received from acquisition of UK operations	11	30.3	-
Net cash outflow from investing activities		(48.5)	(52.3)
Cash flows from financing activities			
Net repayments of external borrowings		(52.5)	(402.9)
Net proceeds from loans with related parties		133.4	297.5
Dividends and distributions paid		(21.1)	(24.7)
Net cash inflow/(outflow) from financing activities		59.8	(130.1)
Net increase/(decrease) in cash and cash equivalents held		116.4	(8.1)
Cash and cash equivalents at the beginning of the financial period		213.7	265.8
Effects of exchange rate changes on cash		(3.9)	6.4
Cash and cash equivalents at the end of the financial period		326.2	264.1

The Condensed Consolidated Interim Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Consolidated Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

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Brookfield Australia Investments Group

1 General Information

Brookfield Australia Investments Group (Group) is domiciled in Australia. The Group comprises Brookfield Australia Property Trust (Trust) and its controlled entities and Brookfield Australia Investments Limited (Company) and its controlled entities.

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.

2 Significant Accounting Policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities that are stated at fair value: derivative financial instruments, financial instruments classified as available for sale, property financial assets 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, except investment property.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2010 annual financial report for the financial year ended 31 December 2010, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The accounting policies applied by the Company in this condensed interim financial report are the same as those applied by the Company in its annual financial report as at and for the year ended 31 December 2010.

Revenue recognition

Property Finance Income

Property finance assets have a realised and unrealised portion of income attributable. Realised property finance income is the declared distributions of each underlying sub-trust/company that is party to the loan note arrangement, distributions are declared and paid quarterly. Unrealised returns represent the underlying fair value movements within the property value for each of the assets.

3 Dividends and distributions

Dividends from the Company

There were no dividends paid or declared during the half year ended 30 June 2011 (30 June 2010: nil).

Distributions from the Trust

During the half year ended 30 June 2011, no distribution was paid to unitholders of the Trust (half year to 30 June 2010: \$5.4 million).

Notes to the Condensed Consolidated Interim Financial Statements

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Brookfield Australia Investments Group

4 Inventory

	Consolidated	
	30-Jun-11	31-Dec-10
	\$m	\$m
Development projects under construction	388.0	484.8
Development projects completed	54.8	49.1
Total development projects	442.8	533.9
Contract work in progress – amounts due from customers	26.9	25.2
Total inventories	469.7	559.1
Aggregate carrying amount of inventories:		
Current	200.0	136.0
Non-current	269.7	423.1
Total inventories	469.7	559.1

Note that the Western Australia Community assets have been disclosed as assets held for sale. Settlement of the assets occurred on 1 July 2011.

5 Other financial assets

	Consolidated	
	30-Jun-11	31-Dec-10
	\$m	\$m
Current		
Investment in Promissory Note ¹	1,300.0	1,300.0
Total other financial assets - current	1,300.0	1,300.0
Non current		
Available for sale investments	169.8	179.5
Other Investments ³	-	47.5
Property finance assets²		
Macquarie Bank Building ⁴	139.1	166.6
52 Goulburn Street	44.3	40.5
235 St Georges Terrace	25.8	22.9
Bishop See North Tower	14.9	15.2
Southern Cross West	71.6	50.6
City Square	361.1	361.1
Brookfield Prime Property Fund	155.0	145.9
King Street Wharf Retail	46.3	43.2
World Square Retail & Carpark	64.3	56.5
KPMG Tower	65.8	62.3
Darling Park Complex	342.8	336.1
Bourke Place Trust	185.8	175.6
Southern Cross East Tower	450.0	412.5
Total other financial assets – non-current	2,136.6	2,116.0
Total other financial assets	3,436.6	3,416.0

¹ The promissory note is non-interest bearing and repayable on demand. It is subordinate to a syndicated facility that matures in April 2013 between Brookfield (GP) Australia Inc in its capacity as general partner of Brookfield Finance (Australia).

² The property finance assets were designated at fair value through the profit and loss on initial recognition. During the half year there was an amendment to the option agreement requiring the procurement of the optioned properties to be at fair value rather than at the price as set out in the original agreement. The change in the procurement pricing mechanism is reflected in the determination of the fair value of the property finance asset at the balance sheet date.

³ Other investments were sold during the period to a related party.

⁴ Movement relates to the drawdown of additional debt on asset refinancing.

Notes to the Condensed Consolidated Interim Financial Statements

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Brookfield Australia Investments Group

5 Other financial assets continued

	Consolidated	
	30-Jun-11 \$m	30-Jun-10 \$m
Property finance income		
Realised property finance income	41.6	-
Unrealised property finance income	101.2	-
Total Property finance income	142.8	-

6 Investments accounted for using the equity method

	Consolidated	
	30-Jun-11 \$m	31-Dec-10 \$m
Non-current		
Investments in associates	21.1	270.6
Investment in joint venture entities	14.3	12.0
Total investments accounted for using the equity method	35.4	282.6

An additional loan of \$19.8m relates to the Rhodes joint venture (50% ownership), this loan is accounted for in Trade and other receivables.

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		Carrying value	
			30-Jun-11 %	31-Dec-10 %	30-Jun-11 \$m	31-Dec-10 \$m
R&M Investments (BVI) Limited ¹	Investment	British Virgin Islands	-	50	0	252.0
Multiplex European Property Fund	Property Trust	Australia	25	25	20.9	16.6
Other interests	Various	Various	Various	Various	0.2	2.0
Total investments in associates					21.1	270.6

¹At 31 December 2010 the company held a 50% interest in R&M Investment Limited (BVI) and accounted for the investment as an associate. In January 2011 the company transferred the 50% interest to a third party for a loss of \$0.6m.

Investments in joint venture entities

Investments in the below joint venture entities are accounted for in the condensed consolidated interim financial statements using the equity method of accounting. Details of material interests in joint venture entities are as follows:

	Principal activities	Country of incorporation	Ownership interest		Carrying value	
			30-Jun-11 %	31-Dec-10 %	30-Jun-11 \$m	31-Dec-10 \$m
Little Bay South	Development	Australia	20.0	20.0	11.7	9.9
Other interests	Various	Various	Various	Various	2.6	2.1
Total investments in joint venture entities					14.3	12.0

Notes to the Condensed Consolidated Interim Financial Statements

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Brookfield Australia Investments Group

7 Investment property

Investment properties indicate the directly owned and partially owned investments held to either earn a rental income or for capital appreciation or for both.

Independent valuations

Property investments are investments in properties which are held either to earn rental income or for capital appreciation or both. Property investments are stated at fair value. The current year carrying value listed includes straight line receivables against each property. An external valuation company, having an appropriately recognised professional qualification and recent experience in the location and category of the property being valued, values the portfolio at least every three years, investment properties that were externally valued were valued by Colliers and CBRE. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller, in an arm's length transaction after appropriate marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

Valuations reflect, where appropriate, the type of tenants, future rent reviews and market conditions. A change in any of these factors could have a significant impact on the value of the Group property investments. The valuations have been undertaken using a discounted cash flow approach and a capitalisation method. The key assumptions adopted under these methods include assessment of the capitalisation rate, discount rate, terminal yield, current passing/market rent and forecast net annual cash flows receivable from properties. The capitalisation rates utilised in the 30 June 2011 valuations ranged from 6.5% to 10%. During the period three properties were valued externally.

Any gain or loss from a change in fair value is recognised in the Statement of Comprehensive Income. All property acquisition costs in respect of properties acquired are capitalised into the value of the property investments at the time of purchase to reflect the total acquisition cost in the Consolidated Statement of Financial Position. Additions and other expenditure on property investments which are capital in nature are capitalised as incurred. Where independent valuations are undertaken prior to the reporting date, the assumptions on which the valuation is based are reviewed in light of the prevailing market conditions at the reporting date to ensure that any material change is reflected in the valuation.

Reconciliation of the carrying amount of investment properties is set out below:	Consolidated	
	30-Jun-11	31-Dec-10
Carrying amount as at 31 December 2010	2,581.3	4,125.1
Disposals	(45.5)	(163.7)
Additions	-	469.8
Properties recognised as financial assets	-	(2,176.8)
Capital expenditure	31.3	284.9
Net gain from fair value adjustments to investment properties	26.7	55.7
Impact of foreign exchange rates	5.3	(13.7)
Carrying amount at 30 June 2011	2,599.1	2,581.3

Notes to the Condensed Consolidated Interim Financial Statements

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Brookfield Australia Investments Group

8 Interest bearing loans and borrowings

	Consolidated	
	30-Jun-11 \$m	31-Dec-10 \$m
Carrying amounts		
Current interest bearing loans and borrowings	555.3	496.7
Less: deferred borrowing costs	(0.5)	(2.2)
	554.8	494.5
Non-current interest bearing loans and borrowings	1,804.7	1,917.7
Less: deferred borrowing costs	(10.4)	(13.3)
	1,794.3	1,904.4
Total interest bearing loans and borrowings	2,350.1	2,398.9

	Consolidated	
	30-Jun-11 \$m	31-Dec-10 \$m
Total facilities available	2,480.8	2,436.2
Less: total facilities utilised at reporting date	2,360.0	2,414.4
Total facilities not utilised at reporting date	120.8	21.8

The Group's facilities are secured by a number of the Group's inventory and investment property assets. The Group has bank loans denominated in both Australian and New Zealand dollars. There were no overdraft facilities in place at 30 June 2011 (30 December 2010: nil).

Notes to the Condensed Consolidated Interim Financial Statements

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Brookfield Australia Investments Group

9 Contributed equity

	Consolidated	
	30-Jun-11	31-Dec-10
	\$m	\$m
Issued and fully paid up capital		
Stapled securities	2,765.9	2,765.9
Preference shares	1,665.0	1,665.0
Stapled securities	4,430.9	4,430.9

Stapled securities on issue

There are 837,402,185 stapled securities on issue at 30 June 2011 (31 December 2010: 837,402,185) valued at \$2,765.9 million (31 December 2010: \$2,765.9 million).

Movements of preference shares

Date	Details	Consolidated	
		Number of shares	\$m
30 June 2010	Balance at the end of the comparative half year	1,665,000,000	1,665.0
30 June 2011	Balance at the end of the current half year	1,665,000,000	1,665.0

The stapled securities of the Group includes ordinary shares in the Company stapled with ordinary units of the Trust. Stapled securities have the right to receive dividends, and distributions as declared and, in the event of winding up the Company, 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 Brookfield Australia Investments Limited and/or Brookfield Australia Property Trust.

10 Contingent liabilities and assets

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

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 subsidiaries of Brookfield Australia Investments Group 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 Australia Investments Group's ordinary course of business.

Bank guarantees and insurance bonds outstanding at 30 June 2011 were:

	Consolidated	
	30-Jun-11	31-Dec-10
	\$m	\$m
Bank guarantees and letters of credit outstanding	303.5	349.3
Insurance bonds outstanding	226.1	190.3
	529.6	539.6

Other

- The Company is called upon to give, in the ordinary course of business, guarantees and indemnities in respect of the performance of controlled entities, 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, their controlled entities 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 Company's insurance arrangements and/or contractual indemnities with consultants and subcontractors.
- The Company, their controlled entities and associates also become involved in contractual disputes in relation to property development activities and property ownership issues.
- Whilst the outcome 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.

Notes to the Condensed Consolidated Interim Financial Statements

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Brookfield Australia Investments Group

10 Contingent liabilities and assets continued

- Controlled entities 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.

Capital commitments

	Consolidated	
	30-Jun-11 \$m	31-Dec-10 \$m
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities are as follows:		
Within one year	29.8	13.3
After one year but not more than five years	0.5	0.8
Longer than five years	-	-
Total capital and other commitments	30.3	14.1

11 Acquisition of subsidiaries

On the 1 January 2011, the Company acquired 100% of a UK constructions operation from a related party. The acquisition was based on net tangible assets and was financed through a non-interest bearing loan from a related party. The consideration was for a \$110.6 million non-interest bearing intercompany loan. There was no acquisition-related cost associated with the purchase. The net cash inflow arising on acquisition was \$30.3 million

Assets acquired and liabilities assumed at the date of acquisition

Current Assets	\$m
Cash & cash equivalents	30.3
Trade receivables ¹	178.7
Inventories	1.7
Other Current Assets	0.9
	<u>211.6</u>
Non-current assets	
Receivables ¹	2.0
Property, plant & equipment	2.1
Deferred Tax Asset	6.0
Other non-current assets	16.1
	<u>26.2</u>
Current liabilities	
Trade & other payables	52.9
Interest bearing loans and borrowings	1.0
Non interest bearing loans and borrowings	38.1
Provisions	1.5
Contract work in progress	16.1
	<u>109.6</u>
Non-current liabilities	
Payables	16.4
Interest Bearing Loans and Borrowings	1.2
	<u>17.6</u>
	<u>110.6</u>

¹ Trade receivables acquired was with a fair value of \$180.7m.

Impact of acquisition on the results of the Group

As a result of the Group's acquisition of the UK constructions business, the Group now controls 100% of these entities and consolidates the revenue, profit or loss, assets and liabilities since the acquisition date of 1 January 2011.

Notes to the Condensed Consolidated Interim Financial Statements

Brookfield Australia Investments Group

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11 Acquisition of Subsidiaries cont.

During the period the company also acquired a Middle Eastern management company from a related party for book value, this acquisition lead to an increase in intangibles held.

12 Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report ending 31 December 2010.

13 Related parties

Related party loans that are not intended to be called within 12 months have been classified as non-current.

There have been no significant changes to the related party transactions as disclosed in the last audited set of financial statements for the year ended 31 December 2010.

14 Events occurring after the reporting date

On the 1 July 2011, the sale of Western Australia communities project was settled.

Directors' Declaration

Brookfield Australia Investments Group

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In the opinion of the Directors of Brookfield Australia Investments Limited:

- a The Condensed Consolidated Interim Financial Statements and Notes, set out on pages 7 to 18, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2011 and of its performance, for the half year ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* in Australia and the Corporations Regulations 2001;
- b There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*.

Dated at Sydney, this 18th day of August 2011.



Russell T Prutt
Executive Director
Brookfield Australia Investments Limited



Brian W Kingston
Executive Director
Brookfield Australia Investments Limited

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Review Report to the Securityholders of Brookfield Australia Investments Group

We have reviewed the accompanying half-year financial report of Brookfield Australia Investments Group, which comprises the condensed consolidated statement of financial position as at 30 June 2011, and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the stapled entity comprising Brookfield Australia Investments Limited and Brookfield Australia Property Trust and the entities they controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 19.

Directors' Responsibility for the Half-Year Financial Report

The directors of the stapled entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the stapled entity's financial position as at 30 June 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Brookfield Australia Investments Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance

that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Australia Investments Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Brookfield Australia Investments Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the stapled entity's financial position as at 30 June 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DeLoitte Touche Tomatsu
DELOITTE TOUCHE TOHMATSU



J A Leotta
Partner
Chartered Accountants
Sydney, 18 August 2011

Brookfield Australia Property Trust
and its controlled entities
Interim financial report
for the half year ended
30 June 2011

Brookfield Australia Property Trust

ARSN 106 643 387

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Brookfield Australia Property Trust and its controlled entities

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Directory

Brookfield Australia Property Trust and its controlled entities

For the half year ended 30 June 2011

Responsible Entity

Brookfield Funds Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0) 2 9322 2000
Facsimile: +61 (0) 2 9322 2001

Directors of Brookfield Funds Management Limited

Mr F Allan McDonald
Ms Barbara K Ward
Mr Russell T Proutt

Registered Office of Brookfield Funds Management Limited

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Sydney NSW 2000
Telephone: +61 (0) 2 9322 2000
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Registered Office of Brookfield Australia Property Trust

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Auditor

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Facsimile: + 61 (0) 2 9322 7001

Directors' Report

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Brookfield Australia Property Trust and its controlled entities

For the half year ended 30 June 2011

Introduction

The Directors of Brookfield Funds Management Limited, the Responsible Entity of Brookfield Australia Property Trust (the Trust) present their interim report together with the condensed consolidated interim financial report of the Consolidated Entity, being the Trust and its controlled entities, for the half year ended 30 June 2011 and the Independent Auditor's Review Report thereon. Brookfield Australia Investments Limited (BAL) (the Company), the Trust and their controlled entities are referred to as Brookfield Australia Investments Group (the Group) in this report.

Responsible Entity

The Responsible Entity of the Trust is Brookfield Funds Management Limited, which has been the Responsible Entity since inception of the Trust.

The registered office and principal place of business of the Responsible Entity and the Trust are as follows:

	Brookfield Funds Management Limited	Brookfield Australia Property Trust
Registered office	Level 22, 135 King Street, Sydney NSW 2000	Level 22, 135 King Street, Sydney NSW 2000
Principal place of business	Level 22, 135 King Street, Sydney NSW 2000	Level 22, 135 King Street, Sydney NSW 2000

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the half year ended 30 June 2011:

Name	Capacity
Mr F Allan McDonald (Director since 22 October 2003)	Non-Executive Chairman
Ms Barbara K Ward (Director since 22 October 2003)	Non-Executive Director
Mr Jeffery M Blinder (Resigned 4 January 2010)	Executive Director
Mr Richard B Clark (Resigned 4 January 2010)	Executive Director
Mr Brian W Kingston (Resigned 17 March 2010)	Executive Director
Mr Russell T Proutt (Director since 17 March 2010)	Executive Director

Principal activities

The principal activity of the Consolidated Entity during the course of the half year ended 30 June 2011 was the investment in income producing retail, commercial and industrial properties. The Consolidated Entity principally operates in Australia and New Zealand.

There has been no significant change in the nature of the activities of the Consolidated Entity during the half year ended 30 June 2011.

Review of operations and results

The Consolidated Entity reported a net profit attributable to unitholders of \$126.1 million for the half year ended 30 June 2011 (half year to 30 June 2010: \$53.6 million). The result included the favourable impact of fair value adjustments relating to the Consolidated Entity's investment properties of \$28.1 million (half year to 30 June 2010: \$16.6 million).

During the half year there was an amendment to the total return swap and option agreement with respect to the property finance assets which require the procurement of the optioned properties at fair market value on exercise of the option. As a result of these amendments an increment of \$68.8 million was recorded resulting from the changes in the underlying property fair value.

The Trust paid no distributions to unitholders during the half year ended 30 June 2011 (half year to 30 June 2010: \$5.4 million).

Events subsequent to the reporting 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 half year ended 30 June 2011 that has significantly affected, or may affect, the Consolidated Entity's operations in future financial years, the results of those operations or the Consolidated Entity's state of affairs in future financial years.

Rounding of amounts

The Trust 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, unless otherwise indicated.

Directors' Report continued

Brookfield Australia Property Trust and its controlled entities

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For the half year ended 30 June 2011

Auditor's independence declaration under Section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 30 June 2011.

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

Dated at Sydney, this 18th day of August 2011.



F Allan McDonald
Non-Executive Chairman
Brookfield Funds Management Limited



Russell T Proutt
Executive Director
Brookfield Funds Management Limited

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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The Board of Directors
Brookfield Funds Management Limited
(as Responsible Entity for Brookfield Australia Property Trust)
Level 22, 135 King Street
SYDNEY, NSW 2000

18 August 2011

Dear Board Members

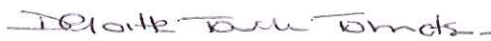
Brookfield Australia Property Trust

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 Funds Management Limited as responsible entity for Brookfield Australia Property Trust.

As lead partner for the review of the financial statements of the Brookfield Australia Property Trust for the half-year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review;
and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully


DELOITTE TOUCHE TOHMATSU



J A Leotta
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Condensed Consolidated Interim Statement of Comprehensive Income

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Brookfield Australia Property Trust and its controlled entities

For the half year ended 30 June 2011

	Note	Consolidated	
		Half year ended 30 Jun 2011 \$m	Half year ended 30 Jun 2010 \$m
Revenue		116.8	148.9
Property finance income	5	104.4	–
Other income		6.6	–
Net gain on revaluation of investment property	7	28.1	16.6
Rates, taxes and property outgoings		(31.1)	(34.8)
Finance costs		(79.0)	(78.4)
Other expenses		(7.4)	(5.0)
Ineffective portion of changes in fair value of derivatives		3.1	(2.1)
Share of net profit on investments accounted for using the equity method		0.5	26.7
Net profit for the period before income tax		142.0	71.9
Income tax benefit		3.9	–
Net profit for the period		145.9	71.9
Other comprehensive income			
Currency translation differences		1.4	(1.8)
Changes in fair value of available for sale financial assets		2.1	(0.3)
Effective portion of changes in fair value of cash flow hedges		(4.7)	(0.1)
Other comprehensive income for the period		(1.2)	(2.2)
Total comprehensive income for the period		144.7	69.7
Profit attributable to:			
Unitholders of the Brookfield Australia Property Trust		126.1	53.6
Non-controlling interest		19.8	18.3
Net profit for the period		145.9	71.9
Total comprehensive income attributable to:			
Unitholders of the Brookfield Australia Property Trust		124.9	51.4
Non-controlling interest		19.8	18.3
Total comprehensive income for the period		144.7	69.7

The Condensed Consolidated Interim Statement of Comprehensive Income should be read in conjunction with the Notes to the financial statements.

Condensed Consolidated Interim Statement of Financial Position

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Brookfield Australia Property Trust and its controlled entities

As at 30 June 2011

	Note	Consolidated	
		30 Jun 2011 \$m	31 Dec 2010 \$m
Current assets			
Cash and cash equivalents		49.1	55.6
Trade and other receivables		22.2	313.8
Other financial assets	5	1,300.0	1,300.0
Other assets		3.0	4.7
Total current assets		1,374.3	1,674.1
Non-current assets			
Derivative financial instruments		1.0	6.7
Other financial assets	5	1,460.0	1,392.0
Interest bearing receivables		178.8	178.8
Non-interest bearing loans and receivables		39.3	–
Investments accounted for using the equity method	6	20.9	16.6
Investment property	7	2,224.9	2,220.0
Total non-current assets		3,924.9	3,814.1
Total assets		5,299.2	5,488.2
Current liabilities			
Trade and other payables		63.0	160.0
Derivative financial instruments		1.1	3.9
Interest bearing loans and borrowings	8	225.6	296.4
Non-interest bearing loans and borrowings		26.4	188.6
Provisions		12.7	12.7
Total current liabilities		328.8	661.6
Non-current liabilities			
Trade and other payables		0.9	0.8
Derivative financial instruments		3.8	–
Interest bearing loans and borrowings	8	1,661.5	1,641.1
Deferred tax liability		9.3	13.4
Total non-current liabilities		1,675.5	1,655.3
Total liabilities		2,004.3	2,316.9
Net assets		3,294.9	3,171.3
Equity			
Issued equity	9	2,441.8	2,441.8
Reserves		(4.1)	(2.9)
Undistributed income		249.1	123.0
Total parent interests		2,686.8	2,561.9
Non-controlling interests		608.1	609.4
Total equity		3,294.9	3,171.3

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

Condensed Consolidated Interim Statement of Changes in Unitholder Interests

9

Brookfield Australia Property Trust and its controlled entities

For the half year ended 30 June 2011

	Attributable to Unitholders of the Trust					
	Issued Units (refer to Note 9) \$m	Undistrib- -uted profits \$m	Reserves \$m	Total \$m	Non- controlling Interests \$m	Total Equity \$m
Consolidated						
As at 1 January 2011	2,441.8	123.0	(2.9)	2,561.9	609.4	3,171.3
Currency translation differences	-	-	1.4	1.4	-	1.4
Change in fair value of available for sale financial assets	-	-	2.1	2.1	-	2.1
Effective portion of changes in fair value of cash flow hedges	-	-	(4.7)	(4.7)	-	(4.7)
Income and expense recognised directly in equity	-	-	(1.2)	(1.2)	-	(1.2)
Profit for the period	-	126.1	-	126.1	19.8	145.9
Total recognised income and expenses for the period	-	126.1	(1.2)	124.9	19.8	144.7
Transactions with unitholders in their capacity as unitholders:						
Distributions for the period	-	-	-	-	(21.1)	(21.1)
Total transactions with unitholders in their capacity as unitholders	-	-	-	-	(21.1)	(21.1)
As at 30 June 2011	2,441.8	249.1	(4.1)	2,686.8	608.1	3,294.9
As at 1 January 2010	2,441.8	10.0	(37.3)	2,414.5	518.2	2,932.7
Currency translation differences	-	-	(1.8)	(1.8)	-	(1.8)
Change in fair value of available for sale financial assets	-	-	(0.3)	(0.3)	-	(0.3)
Effective portion of changes in fair value of cash flow hedges	-	-	(0.1)	(0.1)	-	(0.1)
Income and expense recognised directly in equity	-	-	(2.2)	(2.2)	-	(2.2)
Profit for the period	-	53.6	-	53.6	18.3	71.9
Total recognised income and expenses for the period	-	53.6	(2.2)	51.4	18.3	69.7
Transactions with unitholders in their capacity as unitholders:						
Distributions for the period	-	(5.4)	-	(5.4)	(19.3)	(24.7)
Total transactions with unitholders in their capacity as unitholders	-	(5.4)	-	(5.4)	(19.3)	(24.7)
As at 30 June 2010	2,441.8	58.2	(39.5)	2,460.5	517.2	2,977.7

The Condensed Consolidated Interim Statement of Changes in Unitholder Interests should be read in conjunction with the Notes to the financial statements.

Condensed Consolidated Interim Statement of Cash Flows

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Brookfield Australia Property Trust and its controlled entities

For the half year ended 30 June 2011

	Consolidated	
	Half year ended 30 Jun 2011 \$m	Half year ended 30 Jun 2010 \$m
Cash flows from operating activities		
Receipts from customers	121.7	134.6
Payments to suppliers	(61.5)	(48.9)
	60.2	85.7
Property finance income	35.5	-
Distributions received	6.9	15.8
Interest received	1.1	0.9
Finance costs paid	(75.8)	(77.2)
Net cash inflow from operating activities	27.9	25.2
Cash flows from investing activities		
Net payments for investments	(79.1)	5.2
Payments for investment properties	(27.8)	(47.6)
Proceeds from sale of investment properties	45.5	-
Net cash outflow for investing activities	(61.4)	(42.4)
Cash flows from financing activities		
Proceeds from borrowings	-	888.6
Repayment of borrowings	(47.7)	(907.2)
Loans advanced to related parties	95.8	(3.4)
Loans repaid by related parties	-	43.3
Distributions paid to unitholders and non-controlling interests in controlled entities	(21.1)	(24.7)
Net cash inflow/(outflow) for financing activities	27.0	(3.4)
Net decrease in cash and cash equivalents held	(6.5)	(20.6)
Cash and cash equivalents at the beginning of the period	55.6	56.2
Cash and cash equivalents at the end of the period	49.1	35.6

The Condensed Consolidated Interim Statement of Cash Flows should be read in conjunction with the Notes to the financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

11

Brookfield Australia Property Trust and its controlled entities

For the half year ended 30 June 2011

1 Reporting entity

Brookfield Australia Property Trust (Trust) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Funds Management Limited, the Responsible Entity of the Trust, is incorporated and domiciled in Australia. Brookfield Funds Management Limited, the Responsible Entity of the Trust, is incorporated and domiciled in Australia. Brookfield Australia Investments Limited (the Company), the Trust and their controlled entities are referred to as the Group in this report.

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

This financial report comprises the results and operations of the Trust and its controlled entities (the Consolidated Entity) for the half year ended 30 June 2011.

The condensed consolidated interim financial report of the Consolidated Entity for the half year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors of the Responsible Entity on 18 August 2011.

2 Basis of preparation

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of measurement

The report has been prepared on the historical cost basis except for the following assets and liabilities that are stated at fair value: derivative financial instruments, financial instruments classified as available for sale, property financial assets 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, except investment property.

The report is presented in Australian dollars. The Trust is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest hundred thousand dollars, unless otherwise stated.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is provided in Note 5, other financial assets, Note 6, investments accounted for using the equity method and Note 7, investment property.

3 Significant accounting policies

The accounting policies applied by the Consolidated Entity in this condensed consolidated report are the same as those applied by the Consolidated Entity in its consolidated financial report as at and for the year ended 31 December 2010.

c Revenue recognition

Property Finance Income

Property finance assets have a realised and unrealised portion of income attributable. Realised property finance income is the declared distributions of each underlying sub-trust/company that is party to the loan note arrangement, distributions are declared and paid quarterly. Unrealised returns represent the underlying fair value movements within the property value for each of the assets.

4 Distributions

Distributions from the Trust

During the half year ended 30 June 2011, no distribution was paid to unitholders of the Trust (half year to 30 June 2010: \$5.4 million).

Notes to the Condensed Consolidated Interim Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half year ended 30 June 2011

	Consolidated	
	30 Jun 2011 \$m	31 Dec 2010 \$m
5 Other financial assets		
Current		
Investment in Promissory Note ¹	1,300.0	1,300.0
Total other financial assets - current	1,300.0	1,300.0
Non current		
Available for sale investments	150.0	159.9
Property financial assets²		
Brookfield Prime Property Fund ³	155.0	145.9
King Street Wharf Retail ³	46.3	43.2
World Square Retail & Carpark ³	64.3	56.5
KPMG Tower ³	65.8	62.3
Darling Park Complex ³	342.8	336.1
Bourke Place Trust ³	185.8	175.6
Southern Cross East Tower ³	450.0	412.5
Total other financial assets - non current	1,460.0	1,392.0

¹The promissory note is non-interest bearing and repayable on demand. It is subordinate to a syndicated facility that matures in April 2013 between Brookfield (GP) Australia Inc in its capacity as general partner of Brookfield Finance (Australia) LP.

²The property finance assets were designated at fair value through the profit and loss on initial recognition. During the half year there was an amendment to the option agreement requiring the procurement of the optioned properties to be at fair value rather than at the price as set out in the original agreement. The change in the procurement pricing mechanism is reflected in the determination of the fair value of the property finance asset at the balance sheet date. During the period 9 of the underlying properties were externally valued.

³ Properties from which property finance income is determined.

	30 Jun 2011 \$m	30 Jun 2010 \$m
Property finance income		
Realised property finance income	35.6	-
Fair value gain on property finance assets	68.8	-
Total property finance income for the period	104.4	-

	Consolidated	
	30 Jun 2011 \$m	31 Dec 2010 \$m
6 Investments accounted for using the equity method		
Investment in associates	30.3	26.0
<i>Less: Accumulated impairment of investments in associates</i>	<i>(9.4)</i>	<i>(9.4)</i>
Carrying value of investments in associates	20.9	16.6
Investment in joint venture entities	-	-
Total investments accounted for using the equity method	20.9	16.6

Notes to the Condensed Consolidated Interim Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half year ended 30 June 2011

6 Investments accounted for using the equity method (continued)

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		Carrying value		
			30 Jun 2011 %	31 Dec 2010 %	30 Jun 2011 \$m	31 Dec 2010 \$m	
Investment							
Multiplex European Property Fund	Property Investment	Australia	25	25	20.9	16.6	
Total investments in associates						20.9	16.6

	30 Jun 2011 \$m	31 Dec 2010 \$m
Allowance for impairment related to investments in associates		
Carrying amount at beginning of year	9.4	31.5
Derecognition of impairment recognised in relation to Multiplex New Zealand Property Fund	-	(16.3)
Derecognition of impairment recognised in relation to Brookfield Australian Opportunities Fund	-	(5.8)
Carrying amount at end of period	9.4	9.4

In accordance with AASB 128 *Investments in Associates* and AASB 139 *Financial Instruments: Recognition and Measurement*, an assessment must be made at each reporting date whether there is an indication that an asset is impaired. A review of each investment accounted for using the equity method was performed at the reporting date and no indicators of impairment were noted at 30 June 2011. The balance date of all associates is 30 June.

7 Investment property

Investment properties are directly owned and partially owned investments held to earn a rental income or for capital appreciation or for both.

	Carrying value 30 Jun 2011 \$m	Carrying value 31 Dec 2010 \$m
Fair value of investment property	2,224.9	2,220.0

Property valuations

Property investments are stated at fair value. An external valuation company, having an appropriately recognised professional qualification and recent experience in the location and category of the property being valued, values the portfolio 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. In the half year, a number of investment properties were valued externally by Colliers International, JLL, Savills and Knight Frank. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller, in an arm's length transaction after appropriate marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

Valuations reflect, where appropriate, the type of tenants, future rent reviews and market conditions. A change in any of these factors could have a significant impact on the value of the Consolidated Entity's property investments. The valuations have been undertaken using a discounted cash flow approach and a capitalisation method. The key assumptions adopted under these methods include assessment of the capitalisation rate, discount rate, terminal yield, current passing/market rent and forecast net annual cash flows receivable from properties. The capitalisation rates utilised in the 30 June 2011 valuations ranged from 6.75% to 9.25%. During the period 7 of the underlying properties were externally valued.

Any gain or loss from a change in fair value is recognised in the Condensed Consolidated Interim Statement of Comprehensive Income. All property acquisition costs in respect of properties acquired are capitalised into the value of the property investments at the time of purchase to reflect the total acquisition cost in the Condensed Consolidated Interim Statement of Financial Position. Additions and other expenditure on property investments which are capital in nature are capitalised as incurred. Where independent valuations are undertaken prior to the reporting date, the assumptions on which the valuation is based are reviewed in light of the prevailing market conditions at the reporting date to ensure that any material change is reflected in the valuation.

Notes to the Condensed Consolidated Interim Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half year ended 30 June 2011

7 Investment property (continued)

	Consolidated	
	30 Jun 2011 \$m	31 Dec 2010 \$m
Reconciliation of the carrying amount of investment properties is set out below:		
Carrying amount as at beginning of year	2,220.0	2,780.3
Capital expenditure	17.0	47.4
Additions	-	469.8
Disposals ⁽¹⁾	(45.5)	(24.7)
Transfer to property financial assets	-	(1,074.0)
Net gain from fair value adjustments to investment properties	28.8	49.2
Change due to impact of straight-lining of rental income	(0.7)	(14.3)
Impact of foreign exchange rates	5.3	(13.7)
Carrying amount at end of period	2,224.9	2,220.0

⁽¹⁾ During the period there were 3 properties disposed of from the Multiplex New Zealand Property Fund (Uniservices House, Valley Mega Centre (Stage 1), and Valley Mega Centre (Stage 2)).

	Consolidated	
	30 Jun 2011 \$m	31 Dec 2010 \$m
8 Interest bearing loans and borrowings		
Carrying amounts		
Current interest bearing loans and borrowings	226.1	298.5
Less: deferred borrowing costs	(0.5)	(2.1)
Total current interest bearing loans and borrowings	225.6	296.4
Non-current interest bearing loans and borrowings	1,672.0	1,654.4
Less: deferred borrowing costs	(10.5)	(13.3)
Total non-current interest bearing loans and borrowings	1,661.5	1,641.1
Total interest bearing loans and borrowings	1,887.1	1,937.5

Summary of borrowing arrangements

All debt facilities are bilateral and are secured by relevant mortgages and charges directly relating to specific investment properties. The Consolidated Entity has bank loans denominated in Australian dollars. Interest on bank loans is charged at the prevailing market rate. There were no overdraft facilities in place at 30 June 2011 (31 December 2010: nil).

	Consolidated	
	30 Jun 2011 \$m	31 Dec 2010 \$m
Total facilities available	1,898.1	1,952.9
Less: total facilities utilised at reporting date	1,898.1	1,952.9
Total facilities not utilised at reporting date	-	-

At 30 June 2011, the Consolidated Entity is in compliance with all of its debt covenants.

	Consolidated	
	30 Jun 2011 \$m	31 Dec 2010 \$m
9 Issued units		
Units issued and fully paid up capital	2,441.8	2,441.8

There are 837,402,185 units on issue at 30 June 2011 (31 December 2010: 837,402,185). There has been no movement in the number of units on issue during the half year ended 30 June 2011 (year ended 31 December 2010: nil).

Terms and conditions of units in the Trust

Ordinary units in the Trust are stapled with ordinary shares in the Company and are collectively known as Brookfield Australia Investments Group. Ordinary units in Brookfield Australia Property Trust entitles holders to participate in distributions as declared and, in the event of winding up the Trust, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on units held. Each unit entitles the holder to one vote either in person or by proxy, at a meeting of the Trust.

Notes to the Condensed Consolidated Interim Financial Statements continued

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Brookfield Australia Property Trust and its controlled entities

For the half year ended 30 June 2011

10 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:

- Contingent liabilities and contingent assets exist as a consequence of the arrangements contained in the Stapling Deed between the Company and Brookfield Funds Management Limited, as the Responsible Entity of the Brookfield Australia Property Trust.
- The Trust is called upon to give, in the ordinary course of business, guarantees and indemnities in respect of the performance of controlled entities, associates and related parties of their contractual and financial obligations. The value of these guarantees and indemnities are indeterminate in amount. Any known losses have been brought to account.
- In the ordinary course of business, the Group, the Consolidated Entity, its controlled entities and associates may become involved in litigation, the majority of which falls within the Trust's insurance arrangements. 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.

	Consolidated	
	30 June 2011	31 Dec 2010
	\$m	\$m
11 Capital and other commitments		
Capital commitments		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities are as follows:		
Within one year	29.8	13.3
After one year but not more than five years	0.5	0.8
Longer than five years	-	-
Total capital and other commitments	30.3	14.1

12 Related party disclosure

In a change to related party agreements, loans that are not intended to be called within 12 months have been classified as non-current.

Other than the change above there have been no other significant changes to the related party transactions as disclosed in the last audited financial report for the year ended 31 December 2010.

13 Events occurring after reporting 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 half year ended 30 June 2011 that has significantly affected, or may affect, the Consolidated Entity's operations in future financial years, the results of those operations or the Consolidated Entity's state of affairs in future financial years.

Directors' Declaration

Brookfield Australia Property Trust and its controlled entities

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For the half year ended 30 June 2011

In the opinion of the Directors of Brookfield Funds Management Limited, the Responsible Entity of Brookfield Australia Property Trust:

- a The Condensed Consolidated Interim Financial Statements and Notes, set out on pages 7 to 15, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2011 and of its performance, for the half year ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* in Australia and the Corporations Regulations 2001;
- b There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*.

Dated at Sydney, this 18th day of August 2011.



F Allan McDonald
Non-Executive Chairman
Brookfield Funds Management Limited



Russell T Proutt
Executive Director
Brookfield Funds Management Limited

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Review Report to the unitholders of Brookfield Australia Property Trust

We have reviewed the accompanying half-year financial report of Brookfield Australia Property Trust, which comprises the condensed statement of financial position as at 30 June 2011, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising of the Trust and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Funds Management Limited, the responsible entity of Brookfield Australia Property Trust, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Brookfield Australia Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance

that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Australia Property Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Brookfield Australia Property Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DeLoitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



J A Leotta
Partner
Chartered Accountants
Sydney, 18 August 2011