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Multiplex SITES Trust
(ARSN 111 903 747)

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

25 August 2008

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

Dear Madam

MULTIPLEX SITES TRUST FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008

Please find attached the Appendix 4E Financial Report for the year ended 30 June 2008 for Multiplex SITES Trust for release to the market.

As the Brookfield Multiplex Group (the Group) was de-listed from the Australian Securities Exchange on 20 December 2007, following its acquisition by Brookfield Asset Management (Brookfield), it would not normally release to the market a financial report as at 30 June 2008. However, to ensure that SITES securityholders continue to have up to date information available to them regarding the financial position and performance of the Group, the Board has approved for release to the market a Brookfield Multiplex Group General Purpose Financial Report for the year ended 30 June 2008 (Group Financial Report) and a Brookfield Multiplex Property Trust General Purpose Financial Report year ended 30 June 2008 (Trust Financial Report). These Reports are also attached.

It should be noted that the Group and Trust Financial Reports have been prepared in the context of the Group's acquisition by Brookfield during the year.

The underlying results from the business were strong, however due to a number of significant one-time and non-cash accounting adjustments associated with the acquisition of the Group by Brookfield in January 2008, a net loss after tax attributable to stapled securityholders of $401.6 million was recorded for the year ended 30 June 2008. This compares with adjusted net profit of $82m for the year when excluding these items. All operating divisions, other than property development, contributed positive results. As previously highlighted, the underlying development result reflects the continued bias in the delivery profile of our development portfolio toward 2009 and 2010.

Key financial highlights of the Group for the year are:

- Net loss attributable to stapled security holders was $401.6 million (June 2007: profit $539.4 million)
- Loss per stapled security was (48.0) cents for June 2008 compared to earnings of 64.4 cents for June 2007.
- Operating revenue decreased 7% or $226.2 million to $2,833.8 million for June 2008 compared to $3,060.0 million for June 2007.
- Fair value adjustments to property assets (before taxes) decreased 68% or $297.8 million to $143.3 million for June 2008 compared to $441.1 million for June 2007
- Net assets were $4.36 billion (June 2007: $3.65 billion).
- Net tangible assets per stapled security increased by 119 cents or 36% to $4.48 (June 2007:$3.29)

As noted above, there were a number of key transactions / events impacting the Group's result for the financial year including:

- A write down of goodwill totalling $301 million;
- Brookfield acquisition related negative adjustments against development inventory & receivables totalling $362 million (before tax)
- Significant "one-off" Corporate costs totalling $99 million (before tax)

Excluding the after tax impacts of these non-recurring or non-cash items, "Adjusted" profit after tax decreased $59.5 million to $82.0 million for June 2008 compared to $141.5 million for June 2007.

The table below outlines the Group's "Adjusted Net Profit" for the year ended June 2008:

	Consolidated	
After tax	June 2008	June 2007
Net (loss) / profit attributable to stapled security holders	(401.6)	539.4
Impairment of goodwill	301.2	-
Development inventory adjustments associated with Brookfield acquisition (tax effected)	229.9	-
Fair Value Adjustments (1)	(138.3)	(441.1)
"One-off" corporate costs (after tax)	69.2	40.7
Adjusted Net Profit after Tax	82.0	141.5

(1) includes adjustments to values of listed investments and is after tax and minority interest

Conference Call

Brookfield Multiplex Funds Management Limited as responsible entity of Multiplex SITES Trust has scheduled a teleconference for investors and analysts to discuss the results for the year ended 30 June 2008.

The teleconference will be held on **Monday 1 September 2008 at 4.30pm** AEST.

Dial in details are as follows:

Within Australia	1800 701 269
Singapore	800 6163 092
Hong Kong	800 968 831
Tokyo	00531 250 068

Divisional Results

Property Trust

Brookfield Multiplex Trust ("Trust") contributed EBIT to the Group of $66.3 million (June 2007: $640.8 million), inclusive of FVAs of $160.3 million (June 2007: $441.1 million). Trust FVAs include $115.3 million in respect of direct property (June 2007: $390.7 million) and a further $45.0 million in respect of indirect property investments (via investments in associates) (June 2007: $50.4 million). In addition, negative FVAs were recorded in respect of the Group's 50% interest in the ATO Building and the Aylesbury Retail Centre (held in Brookfield Multiplex Limited), totalling $16.9 million. The Trust's result included a charge for the impairment of goodwill of $301.2 million and a $15.4 million charge for impairment of certain listed investments.

The Trust independently valued all of its investment properties during the year. Further, internal valuations were performed in relation to all investment properties at June 2008 and the results for the year reflect the outcome of these valuations.

Key highlights for the year include:

- Strong occupancy of Trust properties continued at 99%;
- The carrying value of the Group's investment properties is approximately $3.6 billion (including ATO and Aylesbury).
- 628 rent reviews in respect to 616,299 sqm or 76% of the portfolio's net lettable area were concluded at an average increase of 3.1%.
- A tenant retention rate of 87% by net income was achieved, with 53 new and renewed leases commencing during the year in respect of more than 81,199 sqm.
- Significant leasing transactions include:
    - 51,039 sqm for CBA at Darling Park Tower 1 (lease commences July 2008 with terms of between 12.5 years to 13.5 years from commencement);
    - 30,655 sqm for Fosters Australia at Rosehill commencing September 2007 and
    - 20,378 sqm to NAB (19,607 sqm renewed and 771 sqm of new lease) at NAB House.

  These leasing transactions significantly reduced the risk associated with the lease expiry profile of the Trust.
- The weighted average lease term (by income) across the Group's portfolio is 7.4 years.

Property Development

Adjusted Development EBITV (excluding the impact of negative adjustments noted below) decreased $20.0 million to a loss of $(3.0) million for June 2008 compared to a profit of $17.0 million for June 2007 reflecting the continued bias in the delivery of development profits from the current portfolio towards 2009 and 2010 – in particular, current period EBITV included profits from only two major projects – a sale of a 50% interest in Latitude East and the completion of the Esplanade, Nedlands apartments project. Prior year results included profits on sale of Vale 7-11, Portside Wharf, Union Square and American Express Building.

While the total Developments EBITV result is a loss of $(348.2) million, it reflects $361.5 million of negative inventory/receivable adjustments essentially arising out of the Brookfield acquisition purchase accounting process. These adjustments were non-cash in nature and significantly distorted the Division's operating result for the year. Further, it should be noted that valuation increments totalling $255.2 million arising out of the acquisition accounting process have not been booked in this result due to accounting guidelines.

Property Development continued

Key activities during the year include:

Australia and New Zealand

Commercial

- Completion of construction of the American Express Building at King Street Wharf and Latitude East at World Square (NSW) (a 23,000 sqm A Grade building which is 99.5% leased).
- The acquisition of Bathurst Street, Sydney; the Foundry – 399 Bourke Street, Melbourne; Bouquet Street, Brisbane; City South Parmalat, Brisbane; and adjoining sites of Clarence Street, Sydney.
- Sale of 50% of Latitude East (a 23,000 sqm A Grade building which is 99.5% leased).
- BHP Billiton's selection of 125 St Georges Terrace in Perth, WA as its preferred site to locate all of its operating divisions in WA, leading to a commitment to lease 60,000 sqm of office space in the yet to be developed building.
- Bishops See Stage 1 and 80 Queen Street (Deloitte Centre), Auckland (NZ) projects are both now 100% pre-leased and 80 Queen Street has been certified with a NZGBC 5 star rating.
- Brookfield Multiplex remains preferred bidder for the North Bank project in Brisbane (QLD).

Residential

- The Vale project in Perth's Swan valley was awarded the 2007 Urban Development Institute of Australia (WA) award for Environmental Excellence.
- The completion of 37 luxury apartments in the Esplanade, Nedlands in Perth
- The sale of all 29 luxury apartments off-the-plan for the second and final stage of the residential component of the joint venture redevelopment of the Claremont Arcade Shopping Centre in Perth WA.
- Commenced pre-sales at the Leighton, a luxury residential joint venture.
- Precinct 1 of Port Adelaide Waterfront redevelopment joint venture reached practical completion with settlement of all pre-sales occurring prior to December 2007.
- Construction commenced on Port Adelaide Stage 2.
- Acquisition of Takapuna (NZ) and Little Bay South (NSW).

United Kingdom and Europe

- Friars Square, an existing shopping centre with development potential in Aylesbury, South East England was acquired in November 2007 and planning continues in relation to the centre.
- Eden, High Wycombe, a 77,000 sqm retail shopping centre development in the South east of England successfully opened in March 2008 with letting amounting to 88% of total rental income secured.
- Planning permission has been granted on the mixed use development in Gibraltar and work is progressing to secure granting of the requisite lease.
- Construction on the Castle House development, a 43 storey residential tower in London commenced in December 2007 and is progressing to programme. Sales contracts have been exchanged for 99% of the 408 apartments.
- Pre-construction work continues on two major urban regeneration projects, being the Newcastle City Centre retail development and the large regeneration project in Cricklewood.

Funds Management

The Funds Management division contributed EBIT to the Group of $38.7 million (June 2007: $27.8 million) on segment revenue of $84.6 million (June 2007: $100.0 million).

In January 2008, and as a consequence of the Brookfield acquisition of the Group, AMP Capital Advisors (New Zealand) Ltd exercised its pre-emptive rights to acquire both the Group's 15% interest in the AMP New Zealand Property Trust (ANZO) for NZ$1.30 per unit and the Group's 50% interest in the associated management company. The transaction settled in February 2008. Earnings for the year reflect a profit on the sale of the Group's management rights in the ANZO associated management company, offset by a lower level of fund origination activity and hence transaction fees for the year.

Total funds under management (FUM) declined to $6.1 billion (June 2007: $7.6 billion) largely reflecting the sale of the Group's 50% interest in the ANZO associated management company and units in ANZO in February 2008 and a general reduction in property values over the course of the year.

Construction

EBITV from our construction division increased $18.9 million to $91.1 million for June 2008 compared to $72.2 million for June 2007 largely due to strong results from our Middle Eastern operations the successful completion of several large projects in Australia.

Australia and New Zealand

- Work-in-hand as at June 2008 included 23 projects with a value of $3.7 billion (June 2007: $3.8 billion).
- Successful completion of 17 projects with a value of approximately $1.4 billion including King Street Wharf 3B American Express Building (NSW), Latitude East (NSW), Regent Stage II (NSW), St Luke's Prince Henry (NSW), Sydney Wharves (NSW), Parramatta Justice Centre (NSW), Port Adelaide Stage 1 (SA), IKEA (WA), Esplanade (WA), the Docks (NZ).
- 6 new projects with a combined contract value of $0.8 billion were secured including Centro Bankstown (NSW), Southbank One (VIC), 131-135 Bourke Street (VIC), and City Square (WA).
- Work continues on major projects, including Macquarie Bank Building at King Street Wharf (NSW), Auburn Hospital (NSW), Sydney Water (NSW), Claremont Shopping Centre (WA), Bishops See Stage 1 (WA), Century City (WA), 111 Burke Street (Southern Cross West) (VIC), Melbourne Convention Centre (VIC), 538 Bourke Street (VIC), Southbank One (VIC) and the Deloitte Centre in Auckland (NZ).

United Kingdom and Europe

- Work-in-hand as at June 2008 included 3 projects and one preconstruction contract with a value of $0.9 billion (June 2007: $1.4 billion).
- A PFI hospital project in Peterborough successfully achieved financial close in July 2007 with construction commencing soon after.
- Work continues on the construction of Castle House, a 43 storey residential tower in south London.
- In August 2007, a pre-contract services agreement was signed in connection with the design and construction of The Pinnacle, a 62 storey office tower in the City of London. A project team is working towards finalising a GMP contract in September 2008 with a value in the order of $1.2 billion.
- Practical completion of Eden, High Wycombe shopping centre was achieved in February 2008 and the centre opened for trading in March 2008. In addition, practical completion was achieved on Chesham Place, a project involving the construction of six luxury apartments in London's exclusive Belgravia in February 2008.

Constructions continued

Middle East

- Work-in-hand as at June 2008 included 7 projects with a value of $1.8 million (June 2007: $2.2 billion).
- Practical completion of the Burj Residences Phase 2 (3 towers) was achieved in December 2007 and Burj Residences Phase 3 (6 towers) and Dubai Marina 7WX (6 towers) were both completed February 2008.
- New projects secured during the year include the Renaissance Hotel, Courtyard Hotel, Dubai Waterfront Design & Early Works and the Opus project.
- The W Hotel and Apartments in Qatar are on programme for completion at the end of 2008, while the Index and UP Motor City Automall and office tower in Dubai are also on schedule to be complete 2009 respectively.

Services

The Services division contributed EBIT to the Group of $9.8 million (June 2007: $8.1 million) on segment revenue of $85.3 million (June 2007: $64.1 million).

New facilities management contracts within Australia include: Wyeth, Overseas Passenger Terminal, SA Water Regional Portfolio and St Luke's Aged Care Facility.

New corporate real estate contracts within Australia include: Attorney Generals Department NSW, Victorian Rail Corporation, Department of Treasury and Finance (VIC) and City of Sydney.

A new property services contract for Deloitte Tower in New Zealand was secured.

The Services division continues operations in the United Kingdom with interim services on the Peterborough Hospital PPP and Aylesbury Retail Centre and in the United Arab Emirates with Emaar Burj Dubai Square Business Centre.

Corporate

Corporate expenses in the period were adversely affected by a number of one-off costs totalling $98.9 million (after tax: $69.2 million) including and largely relating to investment bank advisory costs and other costs associated with the Bidco (Australia) Pty Ltd ("Brookfield Australia") acquisition of the Group which was completed in January 2008 and by legal fees, professional fees and other costs associated with Wembley recoveries and defence of the Class Action.

In December 2007, following the acquisition of the Group by Brookfield Australia and de-listing from the Australian Securities Exchange, Brookfield Multiplex Limited (BMXL) issued $1.3 billion of preference shares to its immediate parent entity, in exchange for a Promissory Note as consideration for the issue, to simplify the capital structure and internal funding arrangements. The Promissory Note was then assigned to a subsidiary of BMXL as consideration for the issue of ordinary shares. The subsidiary of BMXL then assigned the Promissory Note to the Trust as repayment of the existing inter-staple loan between BMXL and the Trust, payment of accrued interest and redemption of the $1.0 billion Convertible Non-Share Equity Instrument that was issued by BMXL in June 2007 and amounts owing under a loan from the Trust.

In late August 2008, the Company will issue $220 million of preference shares to its immediate parent entity, Brookfield Australia. The subscription price of the preference shares will be paid for by $120 million cash and a $100 million on demand Promissory Note issued by Brookfield Australia. The Promissory Note is not interest bearing.

In January 2008, pursuant to the Tax Sharing Agreement between BMXL and its ultimate Australian parent entity, Brookfield HoldCo (Australia) Pty Limited ("HoldCo"), BMXL transferred approximately $80 million of tax losses to HoldCo for no consideration.

The issue of the preference shares will provide BMXL with an additional $120 million of working capital and will negate the transfer of the tax losses to HoldCo.

Other matters

On 1 January 2008 the Group became a wholly owned subsidiary of Brookfield Australia.

As previously reported, in December 2006, BMXL and Brookfield Multiplex Funds Management Limited (BMFML), as responsible entity for the Trust, were served with a statement of claim in respect of a Class Action claiming unquantified damages. The statement of claim alleges that, in connection with the Wembley project, BMXL and BMFML breached their continuous disclosure obligations and /or engaged in misleading or deceptive conduct during the period 2 August 2004 and 30 May 2005.

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

Outlook

While recent turmoil in the global financial markets continues to present a challenging environment in which to operate, the high quality nature of our assets ensures that our underlying businesses continue to perform well even in these difficult conditions. Our portfolio of commercial office properties is over 99% occupied with an average remaining lease term of 7.4 years, ensuring a predictable and growing cashflow stream, many of our development projects currently under construction are substantially pre-leased or pre-sold and our long operating history in the construction industry ensures risks in that business are well-managed.

Further details are set out in the attached Reports.

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

Yours faithfully

Brookfield Multiplex Funds Management Limited

Karen Pedersen
Company Secretary

For further details contact:
Sean O’Donoghue
Group General Manager, Finance
+ 61 2 9256 5000

Appendix 4E
Multiplex SITES Trust

For the year ended 30 June 2008

Name of entity:	Multiplex SITES Trust (MXU) ARSN 111 903 747
Details of reporting period	
Current reporting period:	1 July 2007 to 30 June 2008
Prior corresponding period:	1 July 2006 to 30 June 2007

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

This financial report should be read in conjunction with the half year financial report for the period ending 31 December 2007. It is also recommended that the financial report be considered together with any public announcements made by the Trust during the year ended 30 June 2008 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Results Announcement to the Market

	Year ended 30 June 2008 $000	Year ended 30 June 2007 $000
Total revenue and other income	–	–
Net profit before income tax	–	–
Net profit attributable to unitholders	–	–
Net tangible asset backing per SITES	–	–

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

There have been no distributions to ordinary unitholders during the year.

The Trust has a formally constituted Audit & Risk Committee of the Board of Directors of the Responsible Entity. The information on which this announcement is based has been audited by the Trust's auditor, Deloitte Touche Tohmatsu. The release of this report was approved by resolution of the Board of Directors of the Responsible Entity on 25 August 2008.

Multiplex SITES Trust
Financial Report 2008

Step-up
Income-distributing
Trust-issued
Exchangeable
Securities

Multiplex SITES Trust

ARSN 111 903 747

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Multiplex SITES Trust

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Directors' Report
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Introduction
The Directors of Brookfield Multiplex Funds Management Limited (ACN: 105 371 917), the Responsible Entity of the Multiplex SITES Trust (the Trust) present their Report together with the financial report of the Trust, for the year ended 30 June 2008 and the Independent Audit Report thereon.

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

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

Name	Capacity	Title
Mr F Allan McDonald	Non-Executive Chairman	Non-Executive Chairman
Ms Barbara K Ward	Non-Executive Director	Independent Director
Mr Ross A McDiven	Executive Director	Chief Executive Officer
Mr Brian W Kingston (appointed 31 March 2008)	Executive Director	Chief Financial Officer
Mr Jeffrey M Blidner (appointed 15 October 2007)	Non-Executive Director	Director
Mr Richard B Clark (appointed 15 October 2007)	Non-Executive Director	Director
Mr Alan J Cameron (resigned 15 October 2007)	Non-Executive Director	Independent Director
Mr Peter J Dransfield (resigned 15 October 2007)	Non-Executive Director	Independent Director
Mr John H Poynton (resigned 15 October 2007)	Non-Executive Director	Independent Director
Mr Robert V McKinnon (resigned 31 March 2008)	Executive Director	Joint Managing Director, Chief Financial Officer
Mr Ian O'Toole (resigned 15 October 2007)	Executive Director	Executive Director
Mr James L Tuckey (resigned 15 October 2007)	Executive Director	Chairman – UK Operations

Information on Directors

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

Directors continued

Information on Directors

Director (of Brookfield Multiplex Funds Management Limited, as the Responsible Entity)	Experience	Special Responsibilities
Other Non-Executive Directors		
Barbara K Ward B.Econ, M.Pol.Econ, MAICD	Ms Ward was appointed as a Non-Executive Director of Brookfield Multiplex Funds Management Limited on 22 October 2003. Ms Ward has gained extensive business and finance experience through her role as Chief Executive Officer of Ansett Worldwide Aviation Services, as General Manager Finance for the TNT Group and as a Senior Ministerial Advisor. Ms Ward is Chairman of Country Energy, a Director of Lion Nathan Limited (appointed February 2003) and a Director of Qantas (June 2008). In addition, Ms Ward is a trustee of the Sydney Opera House Trust. During the past three years Ms Ward has also served as a Director of Multiplex Limited (December 2003 to October 2007), Director of the Commonwealth Bank of Australia (April 1994 to November 2006), and Allco Finance Group Limited (April 2005 to January 2008).	Chairman of the Audit and Risk Committee
Jeffrey M Blidner	Mr Blidner is a Non-Executive Director and Chairman of Brookfield Multiplex Limited and Non-Executive Director of Brookfield Multiplex Funds Management Limited and was appointed to both Boards on 15 October 2007. Mr Blidner is a Senior Managing Partner of Brookfield Asset Management Inc. and is responsible for strategic planning and corporate operations. From 1998 to March 2008, Mr Blidner served on the board of directors of Teknion Corporation which was listed on the TSX. From 2000 to 2005 he was the Vice Chairman of Trilon Financial Corporation which was listed on the TSX. Both companies are no longer listed.	Non-Executive Director
Richard B Clark	Mr Clark is a Non-Executive Director of Brookfield Multiplex Limited and Brookfield Multiplex Funds Management Limited and was appointed to both Boards on 15 October 2007. Mr Clark is Chief Executive Officer and President of Brookfield Properties Corporation and Managing Partner of Brookfield Asset Management's Real Estate Operations. There are no other listed companies of which Mr Clark has served as a director during the past three years.	Non-Executive Director

Directors continued
Information on Directors continued

Director (of Brookfield Multiplex Funds Management Limited, as the Responsible Entity)	Experience	Special Responsibilities
Executive Directors		
Ross A McDiven BCom	Mr McDiven is the Chief Executive Officer of Brookfield Multiplex Group. Mr McDiven was appointed as an executive director of Brookfield Multiplex Limited on 18 January 1986 and Brookfield Multiplex Funds Management Limited on 18 August 2003 respectively. Mr McDiven has over 37 years' experience with Brookfield Multiplex. He spent his early years at Brookfield Multiplex in the Construction business and for 18 years led the company's operations in New South Wales. Mr McDiven was also responsible for overseeing significant growth of Brookfield Multiplex's Development operations and is now responsible for the Group's Construction, Development and Services businesses worldwide. During the past three years Mr McDiven has served as a Director of Multiplex Limited (delisted December 2007).	Chief Executive Officer
Brian W Kingston	Mr Kingston is the Chief Financial Officer of Brookfield Multiplex. Mr Kingston joined Brookfield Asset Management in 2001 and has held various senior management positions within Brookfield and its affiliates, including mergers and acquisitions, merchant banking and real estate advisory services.	Chief Financial Officer

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

Directors' and executives' equity interests

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

Directors continued

Information on Directors continued

Director	Board Meetings Held	Board Meetings Attended	Audit and Risk Committee Meetings* Held	Audit and Risk Committee Meetings* Attended
Mr F Allan McDonald	8	8	4	4
Mr Jeffrey M Blidner[1]	5	4	2	2
Mr Alan F Cameron AM[4]	3	2	N/A	N/A
Mr Richard B Clark[1]	5	4	N/A	N/A
Mr Peter J Dransfield[4]	3	3	2	2
Mr Brian W Kingston[3]	1	1	N/A	N/A
Mr Ross A McDiven	8	6	N/A	N/A
Mr Robert V McKinnon[2]	7	7	N/A	N/A
Mr Ian O'Toole[4]	3	2	N/A	N/A
Mr John H Poynton AM[4]	3	2	N/A	N/A
Mr James L Tuckey[4]	2	2	N/A	N/A
Ms Barbara K Ward	8	8	4	4

* On 4 February 2008 the Audit Committee was changed to the Audit and Risk Committee and the composition changed to the following committee members: Ms BK Ward (Chair), Mr FA McDonald and Mr JM Blidner. On 4 February 2008 the Governance and Risk Committee was disbanded.

1 Appointed 15 October 2007.
2 Resigned 31 March 2008.
3 Appointed 31 March 2008.
4 Resigned 15 October 2007.

Principal activities

The Trust is a registered managed investment scheme domiciled in Australia and is 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 year ended 30 June 2008 the Trust's sole activity was holding units in the Multiplex Hybrid Investment Trust.

Review of operations

Multiplex SITES Trust earned a net profit attributable to unitholders of $nil for the year ended 30 June 2008 (June 2007: $nil).

Total quarterly distributions paid or payable in respect of the period were $40,457,510 (2007: $36,733,977).

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

Significant changes in state of affairs

On 11 June 2007, the Brookfield Multiplex Group (Multiplex Group as it was formerly known) entered into an implementation agreement with Brookfield Asset Management in relation to the acquisition of all Brookfield Multiplex Group stapled securities by means of an off market takeover offer (Brookfield Offer). The Brookfield Offer became unconditional on 15 October 2007. Brookfield BidCo (Australia) Pty Ltd (Brookfield Australia), a wholly owned subsidiary of Brookfield Asset Management Inc. issued a notice of compulsory acquisition to acquire all remaining Brookfield Multiplex Group stapled securities subject to the offer on 2 November 2007.

The compulsory acquisition process was completed on 17 December 2007 and the securities of the Brookfield Multiplex Group ceased trading on the Australia Securities Exchange on 20 December 2007. For as long as the Brookfield Multiplex Group is not listed, the Responsible Entity will not be entitled to exercise its option to exchange Multiplex SITES for Brookfield Multiplex Group stapled securities. On 1 January 2008 the Multiplex Group became wholly owned by Brookfield Australia.

Events occurring after the Balance Sheet date

Other than as disclosed in this report and to the knowledge of the directors, there has been no matter or circumstance that has arisen since the end of the financial 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.

For the year ended 30 June 2008

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

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

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

	$000's
Quarterly distribution for the period from 1 July 2007 to 30 September 2007 of 8.3233% per annum and paid on 15 October 2007	9,441
Quarterly distribution for the period from 1 October 2007 to 31 December 2007 of 8.7600% per annum and paid on 15 January 2008	9,936
Quarterly distribution for the period from 1 January 2008 to 31 March 2008 of 9.0800% per annum and paid on 15 April 2008	10,187
Quarterly distribution for the period from 1 April 2008 to 30 June 2008 of 9.7100% per annum and paid on 15 July 2008	10,894
Total	**40,458**

On 1 July 2008, the Trust announced to the ASX that the distribution rate for the period from 1 July 2008 to 30 September 2008 is 9.6600% per annum.

Register of unitholders
The register of unitholders has, during the year ended 30 June 2008, been properly drawn up and maintained so as to give a true account of the unitholders of the Trust.

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

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

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

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

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

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

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

Indemnification and insurance of officers and auditors continued

Contract of insurance

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

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

Corporate governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Group both support and adhere to the principles of corporate governance.

Rounding of amounts

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

Auditor independence and non-audit services

Independence

The Directors received the declaration on page 9 from the auditor.

Non-audit services

During the year, there were no amounts paid to Deloitte Touche Tohmatsu for the provision of non-audit services. Deloitte Touche Tohmatsu were appointed auditors in accordance with Section 327 of the *Corporation Act 2001*.

This Report is signed in accordance with a resolution of the Board of Directors, and for and on behalf of the Directors.

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

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

25 August 2008

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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

25 August 2008

Dear Directors

AUDITORS INDEPENDENCE DECLARATION TO MULTIPLEX SITES TRUST

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Brookfield Multiplex Funds Management Limited, as responsible entity for Multiplex SITES Trust .

As audit partner for the audit of the financial statements of the Multiplex SITES Trust for the financial year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Yours faithfully

Deloitte Touche Tohmatsu..

DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants

Member of
Deloitte Touche Tohmatsu

Income Statement
Multiplex SITES Trust

For the year ended 30 June 2008

	Note	2008 $000	2007 $000
Revenue		**–**	**–**
Share of net profit of associates accounted for using the equity method	3c	40,458	36,734
Finance cost – interest paid and payable to Multiplex SITES holders	2	(40,458)	(36,734)
Net profit before income tax		**–**	**–**
Income tax expense		–	–
Net profit attributable to unitholders		**–**	**–**
Basic and diluted earnings per unit		**–**	**–**

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

Balance Sheet
Multiplex SITES Trust

As at 30 June 2008

	Note	2008 $000	2007 $000
Non-current assets			
Investments accounted for using the equity method	3b	460,894	459,428
Total non-current assets		**460,894**	**459,428**
Total assets		**460,894**	**459,428**
Current liabilities			
Payables	4	10,894	9,428
Total current liabilities		**10,894**	**9,428**
Non-current liabilities			
Interest bearing liabilities	5	450,000	450,000
Total non-current liabilities		**450,000**	**450,000**
Total liabilities		**460,894**	**459,428**
Net assets		**–**	**–**
Equity		**–**	**–**

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

Cash Flow Statement
Multiplex SITES Trust

For the year ended 30 June 2008

	2008 $000	2006 $000
Cash flows from operating activities		
Dividends and distributions received	38,992	35,713
Borrowing costs paid to Multiplex SITES holders	(38,992)	(35,713)
Net cash inflow from operating activities	**–**	**–**
Cash flows from investing activities	–	–
Net cash outflow from investing activities	**–**	**–**
Cash flows from financing activities	–	–
Net cash inflow from financing activities	**–**	**–**
Net increase in cash held	–	–
Cash at the beginning of the financial year	–	–
Cash at the end of the financial year	**–**	**–**

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

1 Summary of principal accounting policies

The financial report of Multiplex SITES Trust for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors of Brookfield Multiplex Funds Management Limited (the Responsible Entity) on 25 August 2008.

a Trust structure

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

b Basis of preparation

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

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

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

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

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

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

c Changes in accounting standards

Australian Accounting Standards that have recently been amended and are effective for the Trust from 1 July 2007 are outlined in the table below.

Reference	Title	Summary	Application Date	Impact on Trust Accounting Policies	Application Date
AASB 7	Financial Instruments: Disclosures	Specific levels of disclosure around financial instruments, particularly those relating to the nature and extent of risks.	For annual reporting periods beginning on or after 1 July 2007	Additional disclosures are as identified in Note 5	1 July 2007

1 Summary of principal accounting policies

d Accounting standards issued but not yet applicable

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

Accounting Standard Name		Issue Date	Operative Date (Annual reporting periods beginning on or after)
AASB 101	Presentation of Financial Statements (revised September 2007)	September 2007	1 January 2009
AASB 123	Borrowing Costs (revised)	June 2007	1 January 2009
IFRS 3	Business Combinations	March 2008	1 July 2009
IAS 27	Separate and Consolidated Financial Statements	March 2008	1 July 2009
AASB 8	Operating Segments	February 2007	1 January 2009
AASB 2008-2	Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation	March 2008	1 January 2009

e Principles of consolidation

Associates

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

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

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

f Interest bearing liabilities and payables

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

Refer to Note 5 for terms and conditions.

	Cents per unit	Total Amount $000	Date of Payment
2 Finance costs			
For the year ended 30 June 2008			
Finance cost paid for the period ended 30 September 2007	209.79	9,441	15 October 2007
Finance cost paid for the period ended 31 December 2007	220.80	9,936	15 January 2008
Finance cost paid for the period ended 31 March 2008	226.38	10,187	15 April 2008
Finance cost paid for the period ended 30 June 2008	242.08	10,894	15 July 2008
Total finance cost paid/payable	**899.05**	**40,458**	
For the year ended 30 June 2007			
Finance cost paid for the period ended 30 September 2006	198.11	8,915	17 October 2006
Finance cost paid for the period ended 31 December 2006	203.70	9,167	16 January 2007
Finance cost paid for the period ended 31 March 2007	204.99	9,224	18 April 2007
Finance cost paid for the period ended 30 June 2007	209.51	9,428	16 July 2007
Total finance cost paid/payable	**816.31**	**36,734**	

Finance costs on Multiplex SITES are payable at the discretion of the Responsible Entity at the greater of 5.40% per annum or the three month bank bill rate on the issue date plus a margin of 1.90%. The rate is determined on the first business day of each quarter.

	2008 $000	2007 $000
3 Investments accounted for using the equity method		
Non-current		
Units in unlisted associates	460,894	459,428
Total	**460,894**	**459,428**

a Carrying value

Details of material interests in associates are as follows:

Name	Principal Activities	Voting Interest %	Carrying Value 2008 $000	Carrying Value 2007 $000
Multiplex Hybrid Investment Trust	Investment	25	460,894	459,428
Total			**460,894**	**459,428**

For the year ended 30 June 2008

	2008 $000	2007 $000
3 Investments accounted for using the equity method continued		
b Movement in the carrying value		
Carrying amount at the beginning of the year	459,428	458,407
Share of profit accounted for using the equity method	40,458	36,734
Distribution received during the period	(38,992)	(35,713)
Carrying amount at the end of the year	**460,894**	**459,428**
c Other disclosures		
Share of associates' revenues and profits		
Share of profits of associates	**40,458**	**36,734**
Share of associates:		
Net profit before tax	40,458	36,734
Income tax expense attributable to net profit	–	–
Total share of associates' net profit after tax accounted for using the equity method	**40,458**	**36,734**
Share of associates' assets and liabilities		
Assets	460,894	460,756
Liabilities	(10,894)	(10,756)
Net Assets	**450,000**	**450,000**

d Commitments and contingencies

There are no commitments or contingencies requiring disclosure.

	2008 $000	2007 $000
4 Payables		
Current		
Interest payable on Multiplex SITES	**10,894**	**9,428**

	2008 $000	2007 $000
5 Interest bearing liabilities		
Non-current		
Unsecured		
Amounts owing to Multiplex SITES holders	**450,000**	**450,000**

Terms and conditions

Multiplex SITES represents Step-up Income-distributing Trust-issued Exchangeable Securities. A fully paid unit issued by the Multiplex SITES Trust is entitled to income that is derived by Multiplex SITES Trust.

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

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

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

5 Interest bearing liabilities continued

Assets pledged as security

Multiplex SITES have an unsecured and subordinated guarantee of the Face Value and Unpaid Distribution Amount.

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

Holder redemption

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

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

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

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

Issuer redemption

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

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

Holder exchange

Holders have no right to request exchange

Issuer exchange

The Brookfield Multiplex Group was delisted on 20 December 2007.

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

6 Financial instruments

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

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

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

	2008 Impact on Profit		2007 Impact on Profit	
	+100 bps	-100 bps	+100 bps	-100 bps
Interest bearing liabilities	4,542	(4,458)	4,666	(4,334)

The "Amounts owing to Multiplex SITES holders" represents the units held by the SITES holders in the Multiplex SITES Trust and the "Interest payable on Multiplex SITES" represents the discretionary quarterly distribution payment owing for the period from 1 April 2008 to 30 June 2008 (2007 – owing for the period 1 April 2007 to 30 June 2007). The units held by the SITES holders in the Multiplex SITES Trust are shown as a liability for the purpose of these accounts due to the life of the Trust being limited to 80 years by its Constitution, creating a de-facto "repayment" obligation on the Trust with respect to its capital which therefore precludes the units from being classified as equity under the requirements of *AASB 132 Financial Instruments: Presentation*. The terms and conditions of the SITES instruments, including the redemption options, are detailed in Note 5.

7 Segment information

Primary segment

The Trust operates in a single, primary segment being investment in the Multiplex Hybrid Investment Trust. The Trust derives income solely from distributions from the Multiplex Hybrid Investment Trust.

Secondary segment

The Trust operates in one geographical segment being Australia.

8 Remuneration of auditors

During the year all amounts paid to the auditor of the Trust were borne by the Responsible Entity, in its capacity as responsible entity of the Brookfield Multiplex Property Trust.

9 Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets requiring recognition.

10 Related party disclosures

a Associates

Interests in associates are set out in Note 3.

b Key management personnel

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

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

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

	Held at 1 July 2006	Held at 30 June 2007
Mr F Allan McDonald	705	705

c Transactions with related parties

Transactions between Multiplex SITES Trust and Multiplex Hybrid Investment Trust

- An investment in Multiplex Hybrid Investment Trust of $450,000,000 (2007: $450,000,000); and
- Distributions received of $38,992,000 (2007: $35,713,000).

Responsible Entity

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

	2008 $000	2007 $000
11 Reconciliation of profit from ordinary activities after income tax to net cash inflow/outflow from operating activities		
Profit from ordinary activities	–	–
Change in operating assets and liabilities, net of effects from purchase and disposal of controlled entities:		
Decrease/(increase) in other assets	(1,466)	(1,021)
(Decrease)/increase in other operating liabilities	1,466	1,021
Net cash inflow from operating activities	–	–

12 Events occurring after the Balance Sheet date

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

Directors' Declaration
Multiplex SITES Trust

For the year ended 30 June 2008

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

a the financial statements and notes set out on pages 10 to 18, 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 2008 and of its performance, as represented by the results of its operations and its cash flows, for the period ended on that date; and

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

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

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

The Directors have been given the declaration by the Joint Managing Director required by Section 295A of the *Corporations Act 2001*.

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

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

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

25 August 2008

Deloitte.

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

We have audited the accompanying financial report of the Multiplex SITES Trust, which comprises the balance sheet as at 30 June 2008, and the income statement and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of Multiplex SITES Trust as set on out pages 10 to 19.

Directors' Responsibility for the Financial Report

The Directors of Brookfield Multiplex Funds Management Limited, the Responsible Entity of Multiplex SITES Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

(a) the financial report of Multiplex SITES Trust is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the Multiplex SITES Trust financial position as at 30 June 2008 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants
Sydney, 25 August 2008

The Brookfield Multiplex Group
Financial Report
For the year ended
30 June 2008

Brookfield Multiplex Limited

(formerly Multiplex Limited)
ABN 96 008 687 063

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Brookfield Multiplex Group

For the year ended 30 June 2008

Introduction

The Directors of Brookfield Multiplex Limited (formerly Multiplex Limited) (the Parent Entity) present their Report together with the financial report of the 'Consolidated Entity', being Brookfield Multiplex Limited and its subsidiaries (Brookfield Multiplex Group or the Group), for the year ended 30 June 2008 and the independent audit report thereon.

Brookfield Multiplex Limited has been elected as the Parent Entity of the Group. The financial report of the Group for the year ended 30 June 2008 comprises the consolidated financial reports of Brookfield Multiplex Limited and its subsidiaries and Brookfield Multiplex Property Trust (formerly Multiplex Property Trust) and its subsidiaries.

Directors

Name	Capacity	Title
Mr F Allan McDonald (resigned 31 October 2007)	Non-Executive Chairman	Non-Executive Chairman
Mr Alan J Cameron (resigned 15 October 2007)	Non-Executive Director	Independent Director
Mr Jeffrey M Blidner (appointed 15 October 2007)	Non-Executive Director	Director
Mr Richard B Clark (appointed 15 October 2007)	Non-Executive Director	Director
Mr Peter J Dransfield (resigned 15 October 2007)	Non-Executive Director	Independent Director
Mr Brian W Kingston (appointed 31 March 2008)	Executive Director	Chief Financial Officer
Mr Ross A McDiven	Executive Director	Chief Executive Officer
Mr Robert V McKinnon (resigned 31 March 2008)	Executive Director	Joint Managing Director, Chief Financial Officer
Mr John H Poynton (resigned 15 October 2007)	Non-Executive Director	Independent Director
Mr James L Tuckey (resigned 15 October 2007)	Executive Director	Chairman – UK Operations
Ms Barbara K Ward (resigned 31 October 2007)	Non-Executive Director	Independent Director

Information on Directors

Director (of Brookfield Multiplex Limited)	Experience	Special Responsibilities
Jeffrey M Blidner	Mr Blidner is a non-executive Director and Chairman of Brookfield Multiplex Limited and Non-Executive Director of Brookfield Multiplex Funds Management Limited and was appointed to both Boards on 15 October 2007. Mr Blidner is a Senior Managing Partner of Brookfield Asset Management Inc. and is responsible for strategic planning and corporate operations. From 1998 to March 2008, Mr Blidner served on the board of directors of Teknion Corporation which was listed on the Toronto Stock Exchange (TSX). From 2000 to 2005 he was the Vice Chairman of Trilon Financial Corporation which was listed on the Toronto Stock Exchange. Both companies are no longer listed.	Non-Executive Director
Richard B Clark	Mr Clark is a Non-Executive Director of Brookfield Multiplex Limited and Brookfield Multiplex Funds Management Limited and was appointed to both Boards on 15 October 2007. Mr Clark is Chief Executive Officer and President of Brookfield Properties Corporation and Senior Managing Partner of Brookfield Asset Management's Real Estate Operations. There are no other listed companies of which Mr Clark has served as a director during the past three years.	Non-Executive Director

Directors continued

Information on Directors continued

Director (of Brookfield Multiplex Limited)	Experience	Special Responsibilities
Ross A McDiven BCom	Mr McDiven is the Chief Executive Officer of the Brookfield Multiplex Group. Mr McDiven was appointed as an executive director of Brookfield Multiplex Limited on 18 January 1986 and Brookfield Multiplex Funds Management Limited on 18 August 2003 respectively. Mr McDiven has over 37 years' experience with Brookfield Multiplex. He spent his early years at Brookfield Multiplex in the Construction business and for 18 years led the company's operations in New South Wales. Mr McDiven was also responsible for overseeing significant growth of Brookfield Multiplex's Development operations and is now responsible for the Group's Construction, Development and Services businesses worldwide. During the past three years Mr McDiven has served as a Director of Multiplex Limited (delisted December 2007).	Chief Executive Officer
Brian W Kingston	Mr Kingston is the Chief Financial Officer of Brookfield Multiplex. Mr Kingston joined Brookfield Asset Management in 2001 and has held various senior management positions within Brookfield and its affiliates, including mergers and acquisitions, merchant banking and real estate advisory services. Mr Kingston has not served as a Director of any listed entity.	Chief Financial Officer

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

Directors continued

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) for Brookfield Multiplex Limited (the Company), and the number of meetings attended by each of the Directors during the financial year were:

Director	Board Meetings Held	Board Meetings Attended	Audit Committee Meetings* Held	Audit Committee Meetings* Attended
Mr F Allan McDonald[2]	4	4	4	4
Mr Alan F Cameron[1]	3	2	N/A	N/A
Mr Jeffrey M Blidner[5]	4	4	2	2
Mr Richard B Clark[5]	4	4	N/A	N/A
Mr Peter J Dransfield[1]	3	3	N/A	N/A
Mr Brian W Kingston[4]	1	1	N/A	N/A
Mr Ross A McDiven	7	7	N/A	N/A
Mr Robert V McKinnon[3]	6	6	N/A	N/A
Mr John H Poynton[1]	3	2	N/A	N/A
Mr James L Tuckey[1]	3	3	N/A	N/A
Ms Barbara K Ward[2]	4	4	4	4

* The Audit Committee and Governance and Risk Committee were disbanded on 4 February 2008.

0 Resigned 15 October 2007.
1 Resigned 31 October 2007.
2 Resigned 31 March 2008.
3 Appointed 31 March 2008.
4 Appointed 15 October 2007.

Principal activities

The principal activities of the Consolidated Entity during the course of the year ended 30 June 2008 include:

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

The Consolidated Entity principally operates in Australia, New Zealand, United Arab Emirates and the United Kingdom.

There has been no significant change in the nature of the activities of the Consolidated Entity during the year ended 30 June 2008.

Group structure

The Brookfield Multiplex Group comprises Brookfield Multiplex Limited (the Company) and its subsidiaries and Brookfield Multiplex Property Trust (the Trust) and its subsidiaries. Shares in the Company and units in the Trust are stapled together so that neither can be dealt with without the other. A transfer, issue or reorganisation of a share or a 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.

Significant changes in the state of affairs

On 11 June 2007, the Multiplex Group entered into an implementation agreement with Brookfield Asset Management Inc. in relation to the acquisition of all Multiplex Group stapled securities by means of an off market takeover offer (Brookfield Offer). The Brookfield Offer became unconditional on 15 October 2007. Brookfield BidCo (Australia) Pty Ltd (Brookfield Australia), a wholly owned subsidiary of Brookfield Asset Management Inc. issued a notice of compulsory acquisition to acquire all remaining Multiplex Group stapled securities subject to the Brookfield Offer on 2 November 2007.

The compulsory acquisition process was completed on 17 December 2007 and the securities of the Multiplex Group ceased trading on the Australian Securities Exchange on 20 December 2007. On 1 January 2008, the Multiplex Group became wholly owned by Brookfield Australia.

Operating profit
The Brookfield Multiplex Group recorded a net loss after tax attributable to stapled securityholders of $401.6 million for the year ended 30 June 2008 (30 June 2007: profit $539.4 million).

Earnings per stapled security

	Year ended 30 June 2008 cents	Year ended 30 June 2007 cents
Basic and diluted (losses)/earnings per stapled security	**(48.0)**	**64.4**

Distributions
The Group paid cash distributions to stapled securityholders of $113.0 million (13.5 cents per stapled security) during the year ended 30 June 2008 (June 2007: $217.8 million; 26.0 cents per stapled security). In addition, a final distribution of $29.3 million (3.5 cents per stapled security) was declared and paid by a reduction in the loan with the Group's parent entity.

The Brookfield Multiplex Property Trust funded all distributions to stapled securityholders of Brookfield Multiplex Group for the year ended 30 June 2008.

Distributions paid or payable in respect of the year ended 30 June 2008 to stapled securityholders as follows:

	Cents	$m
Interim distribution paid 31 December 2007	3.5	29.3
Final distribution payable 30 June 2008	3.5	29.3
Total	**7.0**	**58.6**

Dividends from the Company
There were no dividends paid or declared during the financial year.

The Directors have decided that there would be no final dividend declared for the year ended 30 June 2008.

Review of operations and results
Operating results for the year
Brookfield Multiplex Group (the Group) recorded a net loss after tax attributable to stapled security holders of $401.6 million for the year ended 30 June 2008 (June 2007: profit $539.4 million).

The result was impacted by a number of significant items. The results include the favourable impact of fair value adjustments (FVAs) relating to the Group's directly held and equity accounted investment properties totalling $143.3 million (June 2007: $441.1 million). However, the impact of these FVAs was more than offset by the unfavourable impact of certain adjustments. Given the context of the Group's acquisition by Brookfield Australia, in particular the potential consequential changes to strategies around the realisation of development assets, both the balance sheet and the income statement contain a number of significant adjustments to the carrying value of various assets. These adjustments, which are non-cash in nature, have significantly distorted the Group's operating results for the year as follows:

- A write down of $301.2 million to the carrying value of goodwill arising from the Ronin acquisition;
- Negative adjustments to the value of development inventory and receivables totalling $361.5 million made to bring the Group's valuations in line with those used in the Brookfield Australia acquisition purchase price accounting process. While Brookfield Australia's valuation of other of the Group's development inventory for these purposes was assessed as $255.2 million greater than book value, accounting standards require that only inventory valuation decrements be brought to account by this Group. Accordingly, offsetting inventory valuation increments of $255.2 million have not been booked in this Financial Report.

In addition, significant one-off costs were incurred relating to the acquisition for advisory and other related costs of approximately $35 million.

In December 2007, following the acquisition of the Group by Brookfield Australia, Brookfield Multiplex Limited issued $1.3 billion of preference shares to its immediate parent entity, in exchange for a Promissory Note as consideration for the issue.

Review of operations and results continued

Property Development Division

The Property Development division contributed an EBIT loss to the Group of $348.2 million (June 2007: profit $17.0 million), on segment revenue of $515.8 million for the year ended 30 June 2008 (June 2007: $392.2 million). As noted above, this loss included negative adjustments totalling $361.5 million to the carrying value of certain inventories and development receivables.

Key activities during the year include:

Australia and New Zealand

Commercial

- Completion of construction of the American Express Building at King Street Wharf and Latitude East at World Square (NSW) (a 23,000 sqm A Grade building which is 99.5% leased).
- The acquisition of Bathurst Street, Sydney; the Foundry – 399 Bourke Street, Melbourne; Bouquet Street, Brisbane; City South Parmalat, Brisbane; and adjoining sites of Clarence Street, Sydney.
- Sale of 50% of Latitude East.
- BHP Billiton's selection of 125 St Georges Terrace in Perth, WA as its preferred site to locate all of its operating divisions in WA, leading to a commitment to lease 60,000 sqm of office space in the yet to be developed building.
- Bishops See Stage 1 and 80 Queen Street (Deloitte Centre), Auckland (NZ) projects are both now 100% pre-leased and 80 Queen Street has been certified with a NZGBC 5 star rating.
- Brookfield Multiplex remains preferred bidder for the North Bank project in Brisbane (Qld).

Residential

- The Vale project in Perth's Swan valley was awarded the 2007 Urban Development Institute of Australia (WA) award for Environmental Excellence.
- The completion of 37 luxury apartments in the Esplanade, Nedlands in Perth
- The sale of all 29 luxury apartments off-the-plan for the second and final stage of the residential component of the joint venture redevelopment of the Claremont Arcade Shopping Centre in Perth WA.
- Commenced pre-sales at the Leighton, a luxury residential joint venture.
- Precinct 1 of Port Adelaide Waterfront redevelopment joint venture reached practical completion with settlement of all pre-sales occurring prior to December 2007.
- Construction commenced on Port Adelaide Stage 2.
- Acquisition of Takapuna (NZ) and Little Bay South (NSW).

United Kingdom and Europe

- Friars Square, an existing shopping centre with development potential in Aylesbury, South East England was acquired in November 2007 and planning continues in relation to the centre.
- Eden, High Wycombe, a 77,000 sqm retail shopping centre development in the South east of England successfully opened in March 2008 with letting amounting to 88% of total rental income secured.
- Planning permission has been granted on the mixed use development in Gibraltar and work is progressing to secure granting of the requisite lease.
- Construction on the Castle House development, a 43 storey residential tower in London commenced in December 2007 and is progressing to programme. Sales contracts have been exchanged for 99% of the 408 apartments.
- Pre-construction work continues on two major urban regeneration projects, being the Newcastle City Centre retail development and the large regeneration project in Cricklewood.

Review of operations and results continued

Construction Division

The Construction division contributed EBIT to the Group of $91.1 million (June 2007: $72.2 million) on segment revenue of $2,524.3 million (June 2007: $2,677.9 million).

Australia and New Zealand

- Work-in-hand as at 30 June 2008 included 23 projects with a value of $3.7 billion (June 2007: $3.8 billion).
- Successful completion of 17 projects with a value of approximately $1.4 billion including King Street Wharf 3B American Express Building (NSW), Latitude East (NSW), Regent Stage II (NSW), St Luke's Prince Henry (NSW), Sydney Wharves (NSW), Parramatta Justice Centre (NSW), Port Adelaide Stage 1 (SA), IKEA (WA), Esplanade (WA), the Docks (NZ).
- 6 new projects with a combined contract value of $0.8 billion were secured including Centro Bankstown (NSW), Southbank One (VIC), 131-135 Bourke Street (VIC), and City Square (WA).
- Work continues on major projects including Macquarie Bank Building at King Street Wharf (NSW), Auburn Hospital (NSW), Sydney Water (NSW), Claremont Shopping Centre (WA), Bishops See Stage 1 (WA), Century City (WA), 111 Burke Street (Southern Cross West) (VIC), Melbourne Convention Centre (VIC), 538 Bourke Street (VIC), Southbank One (VIC) and the Deloitte Centre in Auckland (NZ).

United Kingdom and Europe

- Work-in-hand as at 30 June 2008 included 3 projects and one preconstruction contract with a value of $0.9 billion (June 2007: $1.4 billion).
- A PFI hospital project in Peterborough successfully achieved financial close in July 2007 with construction commencing soon after.
- Work continues on the construction of Castle House, a 43 storey residential tower in south London.
- In August 2007, a pre-contract services agreement was signed in connection with the design and construction of The Pinnacle, a 62 storey office tower in the City of London. A project team is working towards finalising a guaranteed maximum price (GMP) contract in September 2008 with a value in the order of $1.2 billion.
- Practical completion of Eden, High Wycombe shopping centre was achieved in February 2008 and the centre opened for trading in March 2008. In addition, practical completion was achieved on Chesham Place, a project involving the construction of six luxury apartments in London's exclusive Belgravia in February 2008.

Middle East

- Work-in-hand as at 30 June 2008 included 7 projects with a value of $1.8 billion (June 2007: $2.2 billion).
- Practical completion of the Burj Residences Phase 2 (3 towers) was achieved in December 2007 and Burj Residences Phase 3 (6 towers) and Dubai Marina 7WX (6 towers) were both completed February 2008.
- New projects secured during the year include the Renaissance Hotel, Courtyard Hotel, Dubai Waterfront Design & Early Works and the Opus project.
- The W Hotel and Apartments in Qatar are on programme for completion at the end of 2008, while the Index and UP Motor City Automall and office tower in Dubai are also on schedule to be complete 2009 respectively.

Services Division (formerly Facilities Management)

The Services division contributed EBIT to the Group of $9.8 million (June 2007: $8.1 million) on segment revenue of $85.3 million (June 2007: $64.1 million).

The underlying base earnings for the division continue to grow steadily reflecting ongoing growth in the portfolio. The division's 110 contracts have an average weighted contract term of over 7 years.

New facilities management contracts within Australia include Wyeth, Overseas Passenger Terminal, SA Water Regional Portfolio and St Luke's Aged Care Facility. New corporate real estate contracts within Australia include Attorney Generals Department NSW, Victorian Rail Corporation, Department of Treasury and Finance (VIC) and City of Sydney. A new property services contract Deloitte Tower, was secured in New Zealand.

The Services division continues operations in the United Kingdom with interim services on the Peterborough Hospital PPP and Aylesbury Retail Centre and in the United Arab Emirates with Emaar Burj Dubai Square Business Centre.

Review of operations and results continued

Funds Management Division

The Funds Management division contributed EBIT to the Group of $38.7 million (June 2007: $27.8 million) on segment revenue of $84.6 million (June 2007: $100.0 million).

In January 2008, and as a consequence of the Brookfield acquisition of the Group, AMP Capital Advisors (New Zealand) Ltd exercised its pre-emptive rights to acquire both the Group's 15% interest in the AMP New Zealand Property Trust (ANZO) for NZ$1.30 per unit and the Group's 50% interest in the associated management company. The transaction settled in February 2008.

Earnings for the year reflect a profit on the sale of the Group's management rights in the ANZO associated management company of $15.7 million, offset by a lower level of fund origination activity and hence transaction fees for the year.

Total funds under management (FUM) declined to $6.1 billion (June 2007: $7.6 billion) largely reflecting the sale of the Group's 50.6% interest in the ANZO associated management company and units in ANZO in February 2008 and a general reduction in property values over the course of the year.

Corporate Division

Corporate expenses in the period were adversely affected by a number of one-off costs totalling $98.9 million (June 2007: $55.2 million) including investment bank advisory costs and other costs associated with the Brookfield Australia acquisition of the Group which was completed in January 2008 and by legal fees, professional fees and other costs associated with Wembley recoveries and defence of the Class Action.

In December 2007, following the acquisition of the Group by Brookfield Australia and delisting from the Australian Securities Exchange, Brookfield Multiplex Limited (BMXL) issued $1.3 billion of preference shares to its immediate parent entity, in exchange for a Promissory Note as consideration for the issue, to simplify the capital structure and internal funding arrangements. The Promissory Note was then assigned to a subsidiary of BMXL as consideration for the issue of ordinary shares. The subsidiary of BMXL then assigned the Promissory Note to the Trust as repayment of the existing inter-staple loan between BMXL and the Trust, payment of accrued interest and redemption of the $1.0 billion Convertible Non-Share Equity Instrument that was issued by BMXL in June 2007 and amounts owing under a loan from the Trust.

In January 2008, pursuant to the Tax Sharing Agreement between BMXL and its ultimate Australian parent entity, Brookfield Holdco (Australia) Limited (Holdco), BMXL transferred approximately $80 million of tax losses to Holdco for no consideration.

Brookfield Multiplex Property Trust / other investment properties

The Trust contributed EBIT to the Group of $66.3 million (June 2007: $640.8 million), inclusive of FVAs of $160.3 million (June 2007: $441.1 million). Trust FVAs include $115.3 million in respect of direct property (June 2007: $390.7 million) and a further $45.0 million in respect of indirect property investments (via investments in associates) (June 2007: $50.4 million). In addition, negative FVAs were recorded in respect of the Group's 50% interest in the ATO Building and the Aylesbury Retail Centre, totalling $17.0 million. This result included a charge for the impairment of goodwill of $301.2 million and a $15.4 million charge for impairment of certain listed investments.

The Trust independently valued all of its investment properties during the year. Further, internal valuations were performed in relation to all investment properties at 30 June 2008 and the results for the year reflect the outcome of these valuations.

Key highlights for the year include:

- Strong occupancy of Trust properties continued at 99%;
- The carrying value of the Group's investment properties is approximately $3.6 billion (including ATO and Aylesbury).
- 628 rent reviews in respect to 616,299 sqm or 76% of the portfolio's net lettable area were concluded at an average increase of 3.1%.
- A tenant retention rate of 87% by net income was achieved, with 53 new and renewed leases commencing during the year in respect of more than 81,199 sqm.
- Some significant lease deals – 51,039 sqm for CBA at Darling Park Tower 1 (lease commences July 2008 with term of between 12.5 years to 13.5 years from commencement); 30,655 sqm for Fosters Australia at Rosehill commencing September 2007 and 20,378 sqm to NAB (19,607 sqm renewed and 771 sqm of new lease) at NAB House. These leasing transactions significantly reduced the risk associated with the lease expiry profile of the Trust.
- The weighted average lease term (by income) across the Group's portfolio is now 7.4 years.

Review of operations and results continued

Other matters

On 1 January 2008 the Brookfield Multiplex Group became a wholly owned subsidiary of Brookfield Australia.

As previously reported, in December 2006, Brookfield Multiplex Limited (BMXL) and Brookfield Multiplex Funds Management Limited (BMFML), as Responsible Entity for the Brookfield Multiplex Property Trust, were served with a statement of claim in respect of a Class Action claiming unquantified damages. The statement of claim alleges that, in connection with the Wembley project, BMXL and BMFML breached their continuous disclosure obligations and /or engaged in misleading or deceptive conduct during the period 2 August 2004 and 30 May 2005.

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

Financial condition

Total assets increased $1,477.3 million to $9,483.1 million at 30 June 2008 compared to $8,005.8 million at 30 June 2007. Net tangible assets and net tangible assets per stapled security increased to $3,752.2 million and $4.48 per stapled security respectively at 30 June 2008 compared to $2,754.1 million and $3.29 respectively at 30 June 2007.

At 30 June 2008 the existing bank loan and CMBS facilities totalled approximately $4,044.6 million (June 2007:$ 3,093.8 million) of which $3,192.2 million was drawn (June 2007: $2,455.5 million).

Total equity (excluding minority interests) increased $688.1 million to $3,766.0 million at 30 June 2008 compared to $3,077.9 million at 30 June 2007.

The Group's net debt gearing ratio (calculated as total interest bearing liabilities less cash assets, divided by total assets) was 31.2% at 30 June 2008 compared to 28.0% at 30 June 2007.

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

At 30 June 2008 the Group had available $626.1 million (June 2007: $660.6 million) of undrawn committed bank borrowing facilities in respect of which all conditions precedent, other than, for example, incurrence of costs on project facilities, had been met.

Events occurring after the Balance Sheet date

In late August 2008, the Company will issue $220 million of preference shares to its immediate parent entity, Brookfield Australia. The subscription price of the preference shares will be paid for by $120 million cash and a $100 million on demand Promissory Note issued by Brookfield Australia. The Promissory Note is non interest bearing.

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

Likely developments and expected results of operations

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

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

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

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

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

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

	Consolidated 2008 $	Consolidated 2007 $	Brookfield Multiplex Limited 2008 $	Brookfield Multiplex Limited 2007 $
Short-term employee benefits	14,228,143	11,406,749	10,577,577	5,881,191
Post-employment benefits	191,646	120,207	125,015	75,900
Other long-term benefits	1,350,734	922,710	306,667	507,897
Termination benefits	8,539,414	–	6,738,281	–
Share based payment	4,708,224	3,609,769	2,045,250	1,895,928
	29,018,161	**16,059,435**	**19,792,790**	**8,360,916**

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

Indemnification and insurance of officers and auditors
Brookfield Multiplex Limited has entered into deeds of access and indemnity with each of its Directors, Company Secretary and other nominated Officers. The terms of the 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 Brookfield Multiplex Group.

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

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

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

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

- conduct involving a wilful breach of duty in relation to Brookfield Multiplex Limited or a company in the Brookfield Multiplex 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.

Indemnification and insurance of officers and auditors continued

Contract of insurance

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

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

Rounding of amounts

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

Auditor independence and non-audit services

Independence

The Directors received the declaration on page 13 from the auditor of Brookfield Multiplex Limited.

Non-audit services

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

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

	$000s
Audit related	1,400.0
Other audit related	1,153.0
Tax advisory and compliance matters	42.0
Total	**2,595.0**

Deloitte Touche Tohmatsu have been appointed as auditors in accordance with section 327 of the *Corporations Act 2001*.

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

Ross A McDiven
Chief Executive Officer
Brookfield Multiplex Limited

Brian W Kingston
Chief Financial Officer
Brookfield Multiplex Limited

25 August 2008

Deloitte.

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

25 August 2008

Dear Directors

AUDITORS INDEPENDENCE DECLARATION TO BROOKFIELD MULTIPLEX GROUP

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Brookfield Multiplex Limited and the directors of Brookfield Multiplex Funds Management Limited being the Responsible Entity for Brookfield Multiplex Property Trust.

As lead audit partner for the audit of the financial statements of the Brookfield Multiplex Group for the financial year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants

Member of
Deloitte Touche Tohmatsu

Income Statement
Brookfield Multiplex Group
For the year ended 30 June 2008

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
Revenues	2a	2,833.8	3,060.0	79.4	190.1
Cost of operations	2c, 4	(2,750.7)	(2,579.2)	(1.2)	(20.1)
		83.1	**480.8**	**78.2**	**170.0**
Other income	2b	166.5	492.3	2.8	13.4
Finance costs	2d	(150.0)	(148.6)	(16.1)	(118.9)
Expenses (excluding finance costs and cost of operations)	2e, 4	(596.8)	(362.1)	(181.9)	(146.3)
Share of net profits of equity accounted entities	15c	92.2	113.6	–	–
Net (loss)/profit before income tax		**(405.0)**	**576.0**	**(117.0)**	**(81.8)**
Income tax benefit	5a	60.0	11.3	32.8	21.7
Net (loss)/profit for the year		**(345.0)**	**587.3**	**(84.2)**	**(60.1)**
Attributable to:					
Securityholders of Brookfield Multiplex Group		(401.6)	539.4	(84.2)	(60.1)
Minority interest		56.6	47.9	–	–
Net (loss)/profit for the year		**(345.0)**	**587.3**	**(84.2)**	**(60.1)**
Basic and diluted (losses)/earnings per stapled security (cents per security)	6	**(48.0)**	**64.4**		

	Note	Consolidated 2008 $m	Consolidated 2007 $m
Statement of Distribution			
Net (loss)/profit attributable to stapled securityholders of Brookfield Multiplex Group		(401.6)	539.4
Net transfer of undistributed income from/(to) accumulated profits/(losses)		460.2	(384.5)
Distributions paid and payable	7	**58.6**	**154.9**
Distributions per stapled security (cents)	7	**7.0**	**18.5**
Weighted average number of stapled securities		**837,402,185**	**837,402,185**

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

Balance Sheet
Brookfield Multiplex Group
As at 30 June 2008

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
Current assets					
Cash and cash equivalents	9	349.5	451.1	90.6	11.0
Trade and other receivables	10	701.7	909.8	2,110.2	1,977.3
Derivative financial instruments	11	0.8	2.7	0.5	–
Inventories	12	1,147.4	823.8	–	–
Other financial assets	13(a)	1,300.0	–	–	–
Prepayments	14	25.6	32.1	1.8	2.7
Total current assets		**3,525.0**	**2,219.5**	**2,203.1**	**1,991.0**
Non-current assets					
Trade and other receivables	10	97.2	122.4	0.2	0.2
Derivative financial instruments	11	19.1	10.4	–	–
Inventories	12	1,269.3	1,000.8	–	–
Other financial assets	13(a)	9.3	1.0	0.8	1.0
Investments in subsidiaries	13(b)	–	–	301.5	180.7
Prepayments	14	29.4	35.0	–	3.2
Investments accounting for using the equity method	15	1,239.2	1,457.0	–	–
Investment property	16	3,111.1	2,634.7	–	–
Property, plant and equipment	17	43.1	68.6	8.3	9.1
Deferred tax assets	18	126.6	132.6	38.9	75.9
Intangible assets	19	13.8	323.8	–	–
Total non-current assets		**5,958.1**	**5,786.3**	**349.7**	**270.1**
Total assets		**9,483.1**	**8,005.8**	**2,552.8**	**2,261.1**
Current liabilities					
Trade and other payables	20	821.0	791.2	36.0	26.7
Interest bearing loans and borrowings	21	1,285.9	1,264.4	82.4	62.8
Non-interest bearing loans and borrowings	22	395.7	395.7	1,146.7	824.5
Current tax liabilities	23	1.1	4.5	–	26.5
Provisions	24	126.8	68.2	35.9	8.0
Contract work in progress	25	390.2	289.6	–	0.8
Total current liabilities		**3,020.7**	**2,813.6**	**1,301.0**	**949.3**
Non-current liabilities					
Trade and other payables	20	68.6	40.2	–	–
Derivative financial instruments	11	1.2	0.4	–	–
Interest bearing loans and borrowings	21	2,019.2	1,492.4	16.0	242.2
Non-interest bearing loans and borrowings	22	1.5	6.1	8.7	–
Provisions	24	8.7	2.0	1.9	0.2
Total non-current liabilities		**2,099.2**	**1,541.1**	**26.6**	**242.4**
Total liabilities		**5,119.9**	**4,354.7**	**1,327.6**	**1,191.7**
Net assets		**4,363.2**	**3,651.1**	**1,225.2**	**1,069.4**
Equity					
Contributed equity	27	4,065.9	2,765.9	1,624.0	1,324.0
Reserves	28	(163.0)	(11.3)	(56.2)	3.8
Accumulated (losses)/profits	29	(136.9)	323.3	(342.6)	(258.4)
Total parent interests		**3,766.0**	**3,077.9**	**1,225.2**	**1,069.4**
Minority interests	30	597.2	573.2	–	–
Total equity		**4,363.2**	**3,651.1**	**1,225.2**	**1,069.4**

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

Statement of Changes in Equity
Brookfield Multiplex Group
For the year ended 30 June 2008

	Attributable to Equityholders of the Parent				Minority Interests	Total Equity
	Contributed Equity $m	Accumulated Profits/ (Losses) $m	Reserves (refer to Note 28) $m	Total $m	$m	$m
Consolidated						
As at 1 July 2006	**2,765.9**	**(61.2)**	**(1.9)**	**2,702.8**	**457.2**	**3,160.0**
Currency translation differences	–	–	(26.6)	(26.6)	–	(26.6)
Change in fair value available-for-sale financial assets	–	–	8.3	8.3	–	8.3
Effective portion of changes in fair value of cash flow hedges	–	–	5.7	5.7	–	5.7
Change in share based payments reserve	–	–	3.2	3.2	–	3.2
Expense recognised directly in equity	–	–	**(9.4)**	**(9.4)**	–	**(9.4)**
Profit for the year	–	539.4	–	539.4	47.9	587.3
Total recognised income and expenses for the year	–	**539.4**	**(9.4)**	**530.0**	**47.9**	**577.9**
Transactions with equityholders in their capacity as equityholders:						
Dividends/distributions	–	(154.9)	–	(154.9)	(43.6)	(198.5)
Minority interest on acquisition of subsidiary[1]	–	–	–	–	128.6	128.6
Loss of control of subsidiary[2]	–	–	–	–	(16.9)	(16.9)
Total transactions with equityholders in their capacity as equityholders	**–**	**(154.9)**	**–**	**(154.9)**	**68.1**	**(86.8)**
As at 30 June 2007	**2,765.9**	**323.3**	**(11.3)**	**3,077.9**	**573.2**	**3,651.1**

1 Relates to a net 25% minority interest in Southern Cross following the listing of Multiplex Prime Property Fund in September 2006 and acquisition of Multiplex Diversified Property Fund.
2 Relates listing of the Multiplex Prime Property Fund in September 2006.

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

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

Statement of Changes in Equity continued
Brookfield Multiplex Group
For the year ended 30 June 2008

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

1 Refer to Note 27 for details of movements in contributed equity.
2 Relates to increase in minority interest in Multiplex Diversified property Fund.

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

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

Statement of Changes in Equity continued
Brookfield Multiplex Group
For the year ended 30 June 2008

	Contributed Equity $m	Accumulated Losses $m	Reserves (Refer to Note 28) $m	Total $m
Brookfield Multiplex Limited				
As at 1 July 2006	**324.0**	**(198.3)**	**0.5**	**126.2**
Currency translation differences	–	–	0.1	0.1
Share based payments reserve	–	–	3.2	3.2
Income and expense recognised directly in equity	**–**	**–**	**3.3**	**3.3**
Loss for the year	–	(60.1)	–	(60.1)
Total recognised income and expenses for the year	**–**	**(60.1)**	**3.3**	**(56.8)**
Transactions with equityholders in their capacity as equityholders:				
Issue of non-share equity instruments	1,000.0	–	–	1,000.0
Total transactions with equityholders in their capacity as equityholders	**1,000.0**	**–**	**–**	**1,000.0**
As at 30 June 2007	**1,324.0**	**(258.4)**	**3.8**	**1,069.4**

	Contributed Equity $m	Accumulated Losses $m	Reserves (Refer to Note 28) $m	Total $m
Brookfield Multiplex Limited				
As at 1 July 2007	**1,324.0**	**(258.4)**	**3.8**	**1,069.4**
Currency translation differences	–	–	–	–
Share based payments reserve	–	–	(3.2)	(3.2)
Tax consolidation reserve	–	–	(69.8)	(69.8)
Net gains on cash flow hedges	–	–	13.0	13.0
Income and expense recognised directly in equity	**–**	**–**	**(60.0)**	**(60.0)**
Loss for the year	–	(84.2)	–	(84.2)
Total recognised income and expenses for the year	**–**	**(84.2)**	**(60.0)**	**(144.2)**
Transactions with equityholders in their capacity as equityholders:				
Issue of class A preference shares	1,300.0	–	–	1,300.0
Redemption of non-share equity instruments	(1,000.0)	–	–	(1,000.0)
Total transactions with equityholders in their capacity as equityholders	**300.0**	**–**	**–**	**300.0**
As at 30 June 2008	**1,624.0**	**(342.6)**	**(56.2)**	**1,225.2**

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

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

Cash Flow Statement
Brookfield Multiplex Group

For the year ended 30 June 2008

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
Cash flows from operating activities					
Receipts from customers		3,467.0	3,127.2	273.7	99.3
Payments to suppliers and employees		(3,670.5)	(3,379.3)	(192.1)	(192.0)
		(203.5)	(252.1)	81.6	(92.7)
Dividends and distributions received		–	60.3	–	–
Interest received		41.1	39.2	41.6	163.4
Finance costs paid		(152.8)	(143.4)	(17.6)	(117.4)
Income taxes paid		(3.3)	(2.2)	–	0.1
Net cash (outflow)/inflow from operating activities	9	**(318.5)**	**(298.2)**	**105.6**	**(46.6)**
Cash flows from investing activities					
Payments for property, plant and equipment		(29.5)	(38.2)	–	(5.0)
Payments for investments		(8.3)	–	–	–
Payments for investments in controlled entities		–	–	(120.8)	–
Payments for investments in Associates		(1.3)	(1.9)	–	–
Payments for investment properties		(250.5)	(24.7)	–	–
Payments for investments in Joint Ventures		(21.4)	(54.2)	–	–
Payments for purchase of controlled entities, net of cash acquired		–	(209.8)	–	–
Proceeds from sale of property, plant and equipment		24.0	8.0	–	–
Proceeds from sale of investments		115.6	11.3	–	1.5
Proceeds from sale of controlled entities, net of cash disposed		–	281.0	–	–
Net cash (outflow)/inflow from investing activities		**(171.4)**	**259.3**	**(120.8)**	**(3.5)**
Cash flows from financing activities					
Proceeds from issue of NSEI		–	–	–	1,000.0
Proceeds from Roberts Family Indemnity		–	48.6	–	48.6
Proceeds from related parties		16.0	–	59.5	–
Proceeds from borrowings external		1,679.6	1,144.0	–	–
Repayment of borrowings external		(1,030.4)	(1,047.6)	–	–
Repayments of loans to controlled entities		–	–	(2,395.4)	(3,393.1)
Proceeds of loans from controlled entities		–	–	2,430.7	2,400.5
Repayments of loans to Associates		(116.8)	(139.0)	–	–
Proceeds of loans from Associates		–	253.7	–	1.6
Dividends and distributions paid to securityholders and minority interests in subsidiaries		(147.6)	(261.4)	–	–
Net cash inflow/(outflow) from financing activities		**400.8**	**(1.7)**	**94.8**	**57.6**
Net (decrease)/increase in cash and cash equivalents held		(89.1)	(40.6)	79.6	7.5
Cash and cash equivalents at the beginning of the financial year		451.1	491.7	11.0	3.5
Effects of exchange rate changes on cash		(12.5)	–	–	–
Cash and cash equivalents at the end of the financial year	9	**349.5**	**451.1**	**90.6**	**11.0**

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

Cash Flow Statement continued
Brookfield Multiplex Group
For the year ended 30 June 2008

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
Non-cash financing and investing activities					
Investment in promissory note		(1,300.0)	–	–	–
Issue of preference shares		1,300.0	–	–	–
Net cash inflow/(outflow) from financing activities		**–**	**–**	**–**	**–**

In December 2007, following the acquisition of the Group by Brookfield Australia, Brookfield Multiplex Limited (formerly Multiplex Limited) (BML) issued $1.3 billion preference shares to Brookfield Australia in exchange for a Promissory Note to simplify its capital management structure and internal funding arrangements. The Promissory Note was then assigned to a subsidiary of BML as consideration for the issue of ordinary shares. The subsidiary of BML assigned the Promissory Note to Brookfield Multiplex Property Trust (the Trust) as repayment of the existing interstaple loan between BML and the Trust, payment of accrued interest and redemption of the $1.0 billion Convertible Non-Share Equity Instrument that was issued by BML in June 2007 and amounts owing under a loan from the Trust.

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

1 Summary of significant accounting policies

The financial report of Brookfield Multiplex Limited and its subsidiaries (Brookfield Multiplex Group) for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 25 August 2008.

a Group structure

The Brookfield Multiplex Group (the Group or the Consolidated Entity) comprises of Brookfield Multiplex Limited (the Company or the Parent Entity) and its subsidiaries including Brookfield Multiplex Property Trust (the Trust) and its subsidiaries.

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

Both the Parent Entity and the Trust are domiciled in Australia.

The nature of the operations and principal activities of the Brookfield Multiplex Group are described in Note 3.

b Basis of preparation

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

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

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

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

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

c Changes in accounting policies

Australian Accounting Standards and Interpretations that have recently been amended and are effective for the Group from 1 July 2007 are outlined in the table below.

Reference	Title	Summary	Application Date	Impact on Group Accounting Policies	Application Date
AASB 7	Financial Instruments: Disclosures	Specifies levels of disclosure around financial instruments, particularly those relating to the nature and extent of risks.	For annual reporting periods beginning on or after 1 July 2007.	Additional disclsoures as are identified in Notes 10 and 37 to the accounts.	1 July 2007

1 Summary of significant accounting policies continued

d Accounting standards issued but not yet applicable

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

Accounting Standard Name		Issue Date	Operative Date (Annual reporting periods beginning on or after)
AASB 101	Presentation of Financial Statements (revised September 2007)	September 2007	1 January 2009
AASB 123	Borrowing Costs (revised)	June 2007	1 January 2009
AASB 3	Business Combinations	March 2008	1 July 2009
AASB 127	Separate and Consolidated Financial Statements	March 2008	1 July 2009
AASB 8	Operating Segments	February 2007	1 January 2009

If these accounting standards had been adopted, it is not expected that there would have been a material impact to either the Income Statement for the year ended 30 June 2008 or the Balance Sheet as at 30 June 2008.

e Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Brookfield Multiplex Group as at 30 June 2008 and the results of all subsidiaries for the year then ended.

Subsidiaries

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

Investments in subsidiaries are carried at their cost at acquisition in the Parent Entity's financial statements.

Associates

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

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

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

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

In the Parent Entity's financial statements, investments in associates are carried at fair value with resulting revaluation gains and losses recognised in equity.

Joint ventures

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

1 Summary of significant accounting policies continued

e Principles of consolidation continued

Joint ventures continued

Jointly controlled entities

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

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

Jointly controlled operations and assets

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

Transactions eliminated on consolidation

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

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

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

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

f Significant accounting judgements, estimates and assumptions

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

Impairment of goodwill and intangibles with indefinite useful life

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

The assumptions used in the estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 19.

Investment properties

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

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

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

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

1 Summary of significant accounting policies continued

f Significant accounting judgements, estimates and assumptions continued

Construction contracts

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

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

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

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

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

g Foreign currency

Functional and presentation currency

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

Foreign currency transactions

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

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

Translation of foreign operations

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

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

Net investment in foreign operations

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

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

1 Summary of significant accounting policies continued

h Derivative financial instruments and hedging

Derivative financial instruments

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

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

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

Hedging activities

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

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

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

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

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

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

Derivatives that do not qualify for hedge accounting

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

1 Summary of significant accounting policies continued

i Financial guarantee contracts

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

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

j Segment reporting

A segment is a distinguishable component of the Consolidated Entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

k Revenue and expense recognition

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

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

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

Construction contracts

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

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

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

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

Contract costs comprise:

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

1 Summary of significant accounting policies continued

k Revenue and expense recognition continued

Development projects

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

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

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

Sale of interests in developments

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

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

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

Equity accounted development projects

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

Controlled development projects

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

Property rental revenue

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

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

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

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

Fees from funds management

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

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

1 Summary of significant accounting policies continued

k Revenue and expense recognition continued

Interest revenue

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

Dividends and distributions

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

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

l Expenses

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

m Income tax

Brookfield Multiplex Limited and Brookfield Multiplex Property Trust and all wholly-owned Australian resident subsidiaries joined the Brookfield Australia income tax consolidated group on 1 January 2008.

Trust income tax – Brookfield Multiplex Property Trust

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

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

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

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

Company income tax – Brookfield Multiplex Limited

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

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

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

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

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

Tax consolidation legislation

The head entity, Brookfield Australia, and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

1 Summary of significant accounting policies continued

m Income tax continued

Tax consolidation legislation continued

The head entity also recognises the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities within the tax consolidated group. Liabilities arising under tax funding agreements are recognised as amounts payable to the head entity. Details of the tax funding agreements are disclosed at Note 5.

n Goods and services tax

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

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

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

o Trade and other receivables

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

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

p Inventories

Development projects

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

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

Contract work in progress

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

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

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

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

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

Land held for resale

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

1 Summary of significant accounting policies continued

q New business and tender costs

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

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

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

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

r Financing costs

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

Financing costs include:

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

s Cash and cash equivalents

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

t Acquisitions of assets

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

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

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

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

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

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

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

1 Summary of significant accounting policies continued

u Depreciation of property, plant and equipment

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

Freehold land is not depreciated.

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

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

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

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

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

v Investments and other financial assets

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

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

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

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

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

w Leased assets

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

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

x Sale of non-current assets

Non-current assets held for sale at reporting date

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

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

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

1 Summary of significant accounting policies continued

x Sale of non-current assets continued

Non-current assets sold during the year

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

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

y Investment properties

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

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

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

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

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

Valuations

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

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

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

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

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

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

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

1 Summary of significant accounting policies continued

z Intangible assets (Goodwill)

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

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

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

aa Impairment

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

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

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

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

Calculation of recoverable amount

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

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

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

Reversals of Impairment

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

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

1 Summary of significant accounting policies continued

aa Impairment continued

Reversals of impairment continued

An impairment loss in respect of goodwill is not reversed.

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

bb Trade and other payables

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

cc Interest bearing liabilities

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

dd Provisions

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

ee Dividends and distributions

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

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

ff Employee benefits

Wages, salaries and annual leave

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

Long-term service benefits

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

The obligation for long-term service benefits expected to be settled within 12 months of the reporting date is recognised in the current provision for employee benefits and is measured in accordance with the paragraph above. The obligation for long-term service benefits expected to be settled more than 12 months from the reporting date is recognised in the non-current provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

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

Post-employment benefits

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

Employee benefit on-costs

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

1 Summary of significant accounting policies continued

gg Contributed equity

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

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

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

hh Earnings per security

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

ii Transfers to/(from) total equity

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

jj Comparatives

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

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
2 Revenues and expenses					
a Revenues					
Revenue from the sale of development properties		407.0	340.3	–	–
Construction revenue		1,997.1	2,301.1	38.1	24.2
Property rental revenue		283.0	248.0	1.0	1.2
Property funds management revenue		104.5	130.1	–	–
Infrastructure revenue		1.1	–	–	–
Interest revenue – loans and receivables	2g	41.1	40.5	40.3	164.7
Total revenues		**2,833.8**	**3,060.0**	**79.4**	**190.1**
b Other income					
Net fair value adjustments of investment properties	2f	99.3	390.7	–	–
Profit/(loss) on sale of non-current assets	2i	31.5	48.0	0.4	(2.2)
Other income		35.7	53.6	2.4	15.6
Total other income		**166.5**	**492.3**	**2.8**	**13.4**
c Costs of operations					
Subcontractor and consumable costs		2,054.9	2,223.2	–	19.0
Movement in development property inventories		600.9	277.0	–	–
Rental property rates, taxes and other property outgoings		94.9	79.0	1.2	1.1
Total cost of operations		**2,750.7**	**2,579.2**	**1.2**	**20.1**
d Finance costs					
Interest and finance charges					
Related parties		0.8	–	15.5	118.4
External parties		143.8	142.1	0.6	0.5
Amortisation of borrowing costs		4.6	5.1	–	–
Other		0.8	1.4	–	–
Total finance costs		**150.0**	**148.6**	**16.1**	**118.9**
e Expenses (excluding finance costs and cost of operations)					
Employee expenses		117.0	122.6	28.8	37.8
Depreciation and amortisation expenses	2h	10.5	9.0	2.6	4.0
Unrealised foreign exchange losses/(gains)		2.4	1.7	17.2	25.5
Realised foreign exchange losses		0.2	2.9	11.0	4.2
Tender cost expensed		4.1	5.9	–	–
Project related overhead costs		15.5	47.6	13.8	–
Legal and consultancy fees		53.9	42.2	46.4	14.7
Advance pricing agreement recharges from UK Constructions		–	–	61.5	31.9
Impairment of goodwill		301.2	21.8	–	–
Other impairments		59.5	–	–	–
Other expenses		32.5	108.4	0.6	28.2
Total expenses (excluding finance costs and cost of operations)		**596.8**	**362.1**	**181.9**	**146.3**

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
2 Revenues and expenses continued					
f Other disclosure information					
Net fair value adjustments on investment property:					
Net fair value adjustments on directly held investment property	15b	99.3	390.7	–	–
Net fair value adjustments on investment property recorded within share of net profits of equity accounted entities	15d	45.0	50.4	–	–
Total Fair Value Adjustments within the Group		**144.3**	**441.1**	**–**	**–**
g Interest revenue					
Interest income					
Related party		1.9	5.4	35.3	159.7
External parties		39.2	35.1	5.0	5.0
Total interest revenue		**41.1**	**40.5**	**40.3**	**164.7**
h Depreciation and amortisation expenses					
Depreciation of property, plant and equipment		8.1	6.8	2.1	3.5
Amortisation of leasehold improvements		2.4	2.2	0.5	0.5
Total depreciation and amortisation expenses		**10.5**	**9.0**	**2.6**	**4.0**
i Profit on sale of non-current assets					
Net gain on disposal of investment properties		0.7	2.0	–	–
Net gain on sale of controlled entities		–	42.0	–	–
Net gain on disposal of investments		30.2	5.2	–	–
Net gain/(losses) on disposal of property, plant and equipment		0.6	(1.2)	0.4	(2.2)
Total profit/(loss) on sale of non-current assets		**31.5**	**48.0**	**0.4**	**(2.2)**
j Other					
Profit from ordinary activities before income tax expenses includes the following specific items:					
Dividends and distributions		–	0.6	–	–
Operating lease payments		0.3	0.2	0.2	–
Superannuation payments		1.9	1.6	1.0	1.0
Amounts recognised in Income Statement for investment property:					
Rental income		241.0	219.0	0.9	1.1
Direct operating expenses from property that generated rental income		86.3	79.0	1.2	1.1

3 Segment information

Primary Segment – Business Information

As the Group is organised on a global basis into divisions by product and service type, its primary segmentation is by business segment.

Primary Segment	Description of Activities
Construction	Construction projects across the commercial, retail, industrial, residential, hospitality, sporting, health care, entertainment, education, engineering, and government sectors.
Property Development	Development projects in the commercial, retail, residential, hospitality, maritime, car parking, entertainment and land sectors.
Services	Facilities management, property management services, project works management, investment in and management of infrastructure projects.
Property Funds Management	Management of property investment vehicles and property syndication.
Property Investment	Direct investment in investment properties and indirect investment in property trusts holding investment properties.
Infrastructure	Construction, development and management of infrastructure projects.
Corporate	Executive management of the Group and other general Group related functions including, for example, internal and external reporting, company secretarial and legal, treasury and risk management functions.

	Construction $m	Property Development $m	Services $m	Property Funds Management $m	Property Trust $m	Corporate $m	Infrastructure $m	Inter-segment Eliminations $m	Total Consolidated $m
3 Segment information continued									
30 June 2008									
Revenue									
Sales to external customers	2,030.7	424.8	75.4	37.4	235.7	0.7	1.1	(13.1)	2,792.7
Other income	9.2	(7.9)	0.8	31.9	117.5	3.0	4.1	7.9	166.5
Inter-segment sales	484.4	98.9	9.1	15.3	1.5	38.0	–	(647.2)	–
Total segment revenue	**2,524.3**	**515.8**	**85.3**	**84.6**	**354.7**	**41.7**	**5.2**	**(652.4)**	**2,959.2**
Interest revenue									41.1
Total revenue									**3,000.3**
Result									
Segment result	104.4	(350.0)	9.4	37.1	(36.0)	(138.8)	2.3	(16.7)	(388.3)
Share of associates' profit	(13.3)	1.8	0.4	1.6	102.3	–	(0.6)	–	92.2
Total segment result	**91.1**	**(348.2)**	**9.8**	**38.7**	**66.3**	**(138.8)**	**1.7**	**(16.7)**	**(296.1)**
Net unallocated revenue/(expenses)									–
Profit before tax and finance costs									**(296.1)**
Net finance costs									(108.9)
Income tax benefit									60.0
Net loss for the year									**(345.0)**
Assets and liabilities									
Segment assets	2,262.5	2,813.2	48.7	250.0	4,547.0	2,167.4	21.9	(3,992.3)	8,118.4
Equity accounted investments	3.4	517.8	0.5	–	735.7	–	–	(18.2)	1,239.2
Unallocated assets									125.5
Total assets									**9,483.1**
Segment liabilities	(2,254.2)	(3,624.6)	(20.1)	(135.3)	(1,753.8)	(853.6)	(24.3)	3,546.0	(5,119.9)
Unallocated liabilities									–
Total liabilities									**(5,119.9)**
Other segment information									
Capital expenditure	5.0	2.7	1.7	–	79.3	2.0	–	(60.6)	**30.1**
Depreciation and amortisation	3.7	0.2	1.0	0.7	–	4.9	–	–	**10.5**
Other non-cash expenses	–	388.0	–	12.9	316.7	13.1	–	–	**730.7**

	Construction $m	Property Development $m	Services $m	Property Funds Management $m	Property Trust $m	Corporate $m	Inter-segment Eliminations $m	Total Consolidated $m
3 Segment information continued								
30 June 2007								
Revenue								
Sales to external customers	2,336.6	363.7	52.7	92.6	222.2	2.0	(50.3)	3,019.5
Other income	13.9	24.7	0.3	7.4	383.1	13.4	49.5	492.3
Inter-segment sales	327.4	3.8	11.1	–	6.0	26.2	(374.5)	–
Total segment revenue	**2,677.9**	**392.2**	**64.1**	**100.0**	**611.3**	**41.6**	**(375.3)**	**3,511.8**
Interest revenue								40.5
Total revenue								**3,552.3**
Result								
Segment result	73.3	1.1	8.2	26.3	543.4	(108.6)	26.8	570.5
Share of associates' profit	(1.1)	15.9	(0.1)	1.5	97.4	–	–	113.6
Total segment result	**72.2**	**17.0**	**8.1**	**27.8**	**640.8**	**(108.6)**	**26.8**	**684.1**
Net unallocated revenue/(expenses)								–
Profit before tax and finance costs								**684.1**
Net finance costs								(108.1)
Income tax benefit								11.3
Net profit for the year								**587.3**
Assets and liabilities								
Segment assets	2,167.0	2,634.6	33.3	181.7	4,654.0	2,959.8	(6,374.6)	6,255.8
Equity accounted investments	72.4	633.6	2.2	3.5	837.1	–	(24.4)	1,524.4
Unallocated assets								134.5
Total assets								**7,914.7**
Segment liabilities	(2,206.6)	(3,552.1)	(19.7)	(126.0)	(1,733.6)	(882.8)	4,261.5	(4,259.3)
Unallocated liabilities								(4.3)
Total liabilities								**(4,263.6)**
Other segment information								
Capital expenditure	1.9	0.6	0.4	0.1	81.4	3.7	–	88.1
Depreciation and amortisation	3.1	1.5	0.3	0.1	–	4.0	–	9.0
Other non-cash expenses	3.8	24.8	0.1	2.3	8.1	10.9	–	50.0

3 Segment information continued

Secondary Segment – Geographic Information

Secondary segmentation is by geographical area, with the Group operations split between Australasia, Europe and Middle East. The Group's geographical segments are determined by the location of the Group's assets and operations.
The following table presents revenue, capital expenditure and certain asset information regarding geographical segments.

	Australasia $m	Europe & Middle East $m	Inter-segment Elimination $m	Total $m
Year ended 30 June 2008				
Revenue				
Segment revenue	2,797.1	809.3	(647.2)	2,959.2
Other segment information				
Segment assets	10,599.3	1,511.4	(3,992.8)	8,118.4
Capital expenditure	86.6	4.1	(60.6)	30.1
Year ended 30 June 2007				
Revenue				
Segment revenue	2,762.8	1,124.3	(375.3)	3,511.8
Other segment information				
Segment assets	7,396.7	1,076.2	(2,217.1)	6,255.8
Capital expenditure	86.8	1.3	–	88.1

4 Individually significant items

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

	Consolidated June 2008 $m	June 2007 $m
Investment property fair value adjustments (FVAs)[1]	143.3	441.1
Impairment of goodwill[2]	(301.2)	–
Provisions against development inventories[3]	(342.5)	–
Impairment of other assets[4]	(59.5)	–
Non-recurring corporate consultancy costs[5]	(35.0)	–

1 Investment property FVAs include $98.3 million (June 2007: $390.7 million) relating to directly held investment properties and $45.0 million (June 2007: $50.4 million) relating to FVAs recorded through the Share of net profit of equity accounted entities.
2 Goodwill carried by the Trust has been written off in light of recent increases in interest rates and the Group's cost of capital which increased the discount rate to be applied to the Group's future cash flows when assessing the carrying amount of goodwill.
3 Relates to adjustments to the carrying value of certain development inventories arising from the assessment of fair value where there is more than a remote chance of exiting the project prior to completion. Offsetting fair value increments have not been brought to account in this financial report.
4 Aggregate of impairments to receivables, investments in joint ventures and other assets.
5 Relates to investment bank advisory costs and other costs associated with the Brookfield Australia acquisition of the Group which was completed in January 2008.

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
5 Income tax				
a Income tax (expense)/benefit				
Current income tax				
Current income tax expense	(1.1)	(1.1)	(1.3)	–
Adjustments in respect of current income tax of previous years	–	1.7	–	–
Deferred income tax				
Relating to origination and reversal of temporary differences and tax losses	61.1	10.7	34.1	21.7
Income tax benefit reported in Income Statement	**60.0**	**11.3**	**32.8**	**21.7**
Deferred income tax benefit/(expense) included in income tax expense comprises:				
(Decrease)/increase in deferred tax assets	(0.4)	30.3	26.3	(0.7)
Decrease/(increase) in deferred tax liabilities	60.4	(19.6)	6.5	22.4
	60.0	**10.7**	**32.8**	**21.7**
b Numerical reconciliation of income tax expense to prima facie tax payable				
Accounting (loss)/profit before income tax	**(405.0)**	**576.0**	**(117.0)**	**(81.8)**
Prima facie income tax benefit/(expense) on loss/profit using the domestic corporation tax rate of 30% (2007: 30%)	**121.5**	**(172.8)**	**35.1**	**24.5**
Tax effect of amounts which are not (deductible) /assessable in calculating taxable income:				
Effect of tax rates in foreign jurisdiction	(7.9)	0.7	–	1.3
Non-deductible expenses	(6.3)	(17.9)	(2.3)	(3.4)
Non-taxable income	–	4.8	–	–
Non-taxable Trust profit and consolidation adjustments	(3.3)	205.8	–	–
Effect of larger taxable gain on sale of assets	–	(5.3)	–	–
Tax losses not booked	(44.0)	–	–	–
Other	–	(1.3)	–	(0.7)
Under provision in previous year	–	(2.7)	–	–
Income tax benefit	**60.0**	**11.3**	**32.8**	**21.7**

5 Income tax continued

c Tax consolidation

Brookfield Multiplex Limited and Brookfield Multiplex Property Trust and all wholly-owned Australian resident subsidiaries joined the Brookfield Australia income tax consolidated group on 1 January 2008.

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

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

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

The Brookfield Multiplex Group recognised a tax consolidation distribution of $78.9 million on entering the Brookfield Australia income tax consolidated group. Franking credits previously available to the Company have also been transferred to Brookfield Australia.

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

		Consolidated
	2008 Cents	2007 Cents
6 Earnings per stapled security		
Basic and diluted (losses)/earnings per stapled security	**(48.0)**	**64.4**

		Consolidated
	2008 Number	2007 Number
Weighted average number of stapled securities used as the denominator (basic)	**837,402,185**	**837,402,185**
Effects of rights on issue	–	351,659
Weighted average number of stapled securities used as the denominator (diluted)	**837,402,185**	**837,753,844**

		Consolidated
	2008 $m	2007 $m
Reconciliation of (losses)/earnings used in calculating earnings per stapled security		
Net (loss)/profit	(345.0)	587.3
Less: Net (profit) attributable to minority interest	(56.6)	(47.9)
(Losses)/earnings used in calculating earnings per stapled security	**(401.6)**	**539.4**

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

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

7 Dividends and distributions

Dividends and distributions paid to stapled securityholders or declared during the financial year were as follows:

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

	Cents per Share/Unit	Total Amount $m	Date of Payment	Tax Rate for Franking Credit	Percentage Franked %
2007					
Ordinary shares					
Interim dividend	Nil	Nil	N/A	N/A	N/A
Final dividend	Nil	Nil	N/A	N/A	N/A
Total dividend	**Nil**	**Nil**			
Units					
Interim distribution	8.5	71.2	28 February 2007	17%	(tax deferred)
Final distribution	10.0	83.7	31 August 2007	17%	(tax deferred)
Total distribution	18.5	154.9			
Total per Stapled Security					
Interim distribution	8.5	71.2	28 February 2007	17%	(tax deferred)
Final distribution	10.0	83.7	31 August 2007	17%	(tax deferred)
Total distribution	**18.5**	**154.9**			

	Consolidated 2008 $m	2007 $m
Franking credits available for subsequent financial years based on a tax rate of 30%	**–**	**34.3**

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the current tax liability;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- franking credits that may be prevented from being distributed in subsequent financial years.

	Consolidated 2008 $	2007 $
8 Net tangible asset backing		
Net tangible assets per stapled security	**4.48**	**3.29**

Net tangible assets per stapled security is calculated by dividing net assets less minority interest less intangible assets by the number of stapled securities on issue. The number of stapled securities on issue used in the calculation of net tangible assets per stapled security is 837,402,185 stapled securities (June 2007: 837,402,185 stapled securities).

	Consolidated 2008 $m	2007 $m	Brookfield Multiplex Limited 2008 $m	2007 $m
9 Cash and cash equivalents				
Cash at bank and on hand[1]	202.5	175.8	20.5	6.4
Deposits at call[2]	147.0	275.3	70.1	4.6
Total cash and cash equivalents	**349.5**	**451.1**	**90.6**	**11.0**
For the purposes of the Cash Flow Statement, cash assets comprise:				
Balances as above	349.5	451.1	90.6	11.0
Balance per Cash Flow Statement	**349.5**	**451.1**	**90.6**	**11.0**

1 Cash at bank and on hand balances bear floating interest rates based on daily bank deposit rates within the range nil to 7.2% p.a. (2007: nil and 5.55% p.a.)
2 Deposits at call are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group and earn interest at the respective deposit at call rates.

The fair value of cash and cash equivalents of the Group at balance date was $349.5 million (June 2007: $451.1 million). The fair value of cash and cash equivalents of Brookfield Multiplex Limited was $90.6 million (June 2007: $11.0 million).

At balance date, the Group had available $626.1 million (2007: $660.6 million) of undrawn committed bank and CMBS borrowing facilities in respect of which all conditions precedent, other than, for example, incurrence of costs on project facilities, had been met.

	Consolidated 2008 $m	2007 $m	Brookfield Multiplex Limited 2008 $m	2007 $m
9 Cash and cash equivalents continued				
Reconciliation of net (loss)/profit to net cash (outflow)/inflow from operating activities				
(Losses)/profit from ordinary activities after income tax	(345.0)	587.3	(84.2)	(60.1)
Depreciation and amortisation	10.5	14.2	2.6	4.0
Net profit on sale of investments	(30.2)	(5.2)	(0.4)	–
Fair value adjustment	(98.4)	(390.7)	–	–
Net profit on sale of investment property	(0.7)	(44.0)	–	–
Net loss/(profit) on sale of property and equipment	(0.6)	1.2	–	2.2
Share of profits of associates and joint venture entities	(92.2)	(53.3)	–	–
Impairment of goodwill	301.2	–	–	–
Other impairments	59.5	–	–	–
Provisions against development inventories	361.5	–	–	–
Unrealised foreign exchanges losses	2.4	1.7	17.2	23.0
Interest on Roberts Family Indemnity	–	(1.3)	–	(1.3)
Change in operating assets and liabilities				
Decrease in trade debtors	233.3	49.8	103.6	11.6
(Increase)/decrease in inventories	(897.3)	(301.9)	–	12.3
(Increase)/decrease in deferred tax balances	(60.0)	(11.1)	32.8	(9.2)
(Increase)/decrease in other assets	14.3	31.4	(4.1)	0.3
Increase/(decrease) in trade creditors	58.2	(161.9)	9.3	(24.9)
Increase/(decrease) in contract work in progress	100.6	16.9	(0.8)	(10.7)
Increase/(decrease) in other liabilities	0.8	(48.9)	–	3.8
Increase in other provisions	63.6	17.6	29.6	2.4
Net cash (outflow)/inflow from operating activities	**(318.5)**	**(298.2)**	**105.6**	**(46.6)**

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
10 Trade and other receivables				
Current				
Trade receivables[1]	179.9	164.9	–	–
Less: Allowance for doubtful debts	(5.4)	(10.4)	–	–
	174.5	**154.5**	**–**	**–**
Amounts due from associates[2]	59.1	109.5	–	–
Receivables – intercompany tax sharing	–	–	–	115.1
Amounts due from subsidiaries	–	–	2,105.9	1,843.7
Amounts due from external parties[3]	12.4	70.9	–	2.3
Amounts due from related parties	189.0	–	–	–
Retentions receivable	22.4	73.2	–	1.0
Other debtors[4]	244.3	501.7	4.3	15.2
Total current trade and other receivables	**701.7**	**909.8**	**2,110.2**	**1,977.3**
Non-current				
Amounts due from associates and joint venture entities[2]	–	1.8	–	–
Retentions receivable	7.0	8.3	–	–
Amounts due from external parties	12.6	3.2	–	–
Other debtors[4]	77.6	109.1	0.2	0.2
Total non-current trade and other receivables	**97.2**	**122.4**	**0.2**	**0.2**
Total trade and other receivables	**798.9**	**1,032.2**	**2,110.4**	**1,977.5**

1 Trade receivables are non-interest bearing and generally on 30-90 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. An allowance of $5.4 million (2007: $10.4 million) has been recognised for specific debtors.
2 No interest is charged on amounts due from associates, and there are no fixed repayment terms as amounts are repayable when called.
3 Interest charged ranges from 6.2-20% with normal monthly repayments. The date upon which these loans mature varies over the next 12 months.
4 These amounts represent accrued income on projects and property which have not been invoiced as yet and other amounts receivable from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

As of 30 June 2008, trade receivables of $15.2 million (2007: $7.7 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of defaults and the amounts are still considered recoverable. The ageing analysis is as follows:

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
1 – 30 days	149.8	142.9	–	–
30 – 60 days	8.1	0.8	–	–
60 – 90 days	1.4	3.1	–	–
> 90 days	15.2	7.7	–	–
	174.5	**154.5**	**–**	**–**

10 Trade and other receivables continued

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

During the financial year ended 30 June 2008, trade receivables of the Group with a nominal value of $2.3 million (2007: $6.3 million) were impaired. At balance date, the amount of the allowance was $5.4 million (2007: $10.4 million). The individually impaired receivables mainly relate to customers which are in unexpectedly difficult economic situations. The Group is of the view that these receivables cannot be recovered. The Group does not hold any collateral against these trade receivables.

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

	Consolidated		Brookfield Multiplex Limited	
	2008 $m	2007 $m	2008 $m	2007 $m
Balance at beginning of the financial year	(10.4)	(4.8)	–	–
Impairment recognised during the year	(2.3)	(6.3)	–	–
Receivables written off during the year as uncollectable	3.0	0.5	–	–
Unused amounts reversed	4.3	0.2	–	–
Balance at end of the financial year	**(5.4)**	**(10.4)**	**–**	**–**

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

	Consolidated		Brookfield Multiplex Limited	
	2008 $m	2007 $m	2008 $m	2007 $m
11 Derivative financial instruments				
Current assets				
Forward foreign exchange contracts	0.5	–	0.5	–
Interest rate swap contracts	0.3	2.7	–	–
Total current derivative assets	**0.8**	**2.7**	**0.5**	**–**
Non-current assets				
Interest rate swap contracts	19.1	10.4	–	–
Total non-current derivative assets	**19.1**	**10.4**	–	**–**
Total derivative assets	**19.9**	**13.1**	**0.5**	**–**
Non-current liabilities				
Interest rate swap contracts	1.2	0.4	–	–
Total non-current derivative liabilities	**1.2**	**0.4**	**–**	**–**

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

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
12 Inventories					
Development projects under construction		1,673.5	1,517.2	–	–
Development projects completed		572.0	149.8	–	–
Total development projects		**2,245.5**	**1,667.0**	**–**	**–**
Contract work in progress – amounts due from customers	25	171.2	157.6	–	–
		2,416.7	**1,824.6**	**–**	**–**
Aggregate carrying amount of inventories:					
Current		1,147.4	823.8	–	–
Non-current		1,269.3	1,000.8	–	–
Total inventories		**2,416.7**	**1,824.6**	**–**	**–**

In the current year borrowing costs of $55.1million (June 2007: $38.5 million) directly attributable to inventory were capitalised into inventory balance.

Significant negative, non-cash, adjustments were made to the value of development inventories totalling $342.5 million. Refer Note 4 for details.

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
13 (a) Other financial assets				
Current				
Investment in Promissory Note[1]	1,300.0	–	–	–
Total current other financial assets	**1,300.0**	**–**	**–**	**–**
Non-current				
Other investments	9.3	1.0	0.8	1.0
Total non-current other financial assets	**9.3**	**1.0**	**0.8**	**1.0**
Total other financial assets	**1,309.3**	**1.0**	**0.8**	**1.0**

1 In December 2007 following the acquisition of the Group by Brookfield Australia, all rights under a $1.3 billion Promissory Note issued by Brookfield Australia were assigned to the Trust and applied as repayment of the inter-staple loan between a subsidiary of Multiplex Limited and the Trust, payment of accrued interest and redemption of the NSEI. Whilst the Promissory Note is repayable on demand, it is subordinate to a $1.8 billion syndicated facility that matures in April 2009 between Brookfield GP (Australia) Inc, in its capacity as general partner of Brookfield Finance (Australia) LP, Barclays Bank PLC and others (Acquisition Facility). The Acquisition Facility includes a borrower's option which, if exercised, would extend the maturity of the Acquisition Facility by six months. The Promissory Note was interest bearing until the Multiplex Group became wholly owned by Brookfield Australia.

13 (b) Investments in subsidiaries	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
Non-current				
Shares in subsidiaries	–	–	301.5	180.7
Total non-current investments in subsidiaries	**–**	**–**	**301.5**	**180.7**

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
14 Prepayments				
Current				
Prepayments[1]	9.5	9.9	1.1	1.2
New business and tender costs[2]	11.6	21.8	–	0.7
Other	4.5	0.4	0.7	0.8
Total current prepayments	**25.6**	**32.1**	**1.8**	**2.7**
Non-current				
Prepayments[1]	22.1	–	–	–
New business and tender costs[2]	7.3	35.0	–	3.2
Total non-current prepayments	**29.4**	**35.0**	**–**	**3.2**
Total prepayments	**55.0**	**67.1**	**1.8**	**5.9**

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

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
15 Investments accounted for using the equity method					
Non-current					
Investment in associates	a	1,177.8	1,432.4	–	–
Investment in joint venture entities	b	61.4	24.6	–	–
		1,239.2	**1,457.0**	**–**	**–**

a Investments in associates

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

Details of material interests in associates are as follows:

	Principal Activities	Country of Incorporation	Equity Ownership 2008 %	Equity Ownership 2007 %	Carrying Value 2008 $m	Carrying Value 2007 $m
Consolidated						
Investment						
R&M Investments (BVI) Limited[1]	Investment	British Virgin Islands	50	50	461.9	536.3
Darling Park Trust[1]	Property Investment	Australia	50	50	362.7	318.9
Bourke Place Trust	Property Investment	Australia	43	43	179.1	163.2
AMP New Zealand Office Trust[2]	Property Investment	New Zealand	–	15	–	121.9
Multiplex New Zealand Property Fund	Property Investment	Australia	24	23	54.2	70.3
MCB (Gibraltar) Limited[1,3]	Development	Gibraltar	–	51	–	60.8
Multiplex Acumen Property Fund[4]	Property Investment	Australia	21	21	45.1	54.6
Multiplex Prime Property Fund	Property Investment	Australia	22	22	43.9	55.0
Multiplex European Property Fund	Property Investment	Australia	20	20	30.0	46.0
Other interests	Various	Various			0.9	5.4
Total investments in associates					**1,177.8**	**1,432.4**

1 Brookfield Multiplex Group does not have joint power to govern the financial and operating policies of these entities.
2 Senior employees of Brookfield Multiplex Group held two out of six positions on the Board of Directors of AMP New Zealand Office Trust.
3 Reclassified to development inventory.
4 Multiplex Acumen Property Fund was previously classified as non-current investments – shares in listed entities. It became an associate during the year ended 30 June 2007.

The balance date of all associates, except for R&M Investments (BVI) Limited, Bourke Place Trust and Darling Park Trust, is 30 June.

	Consolidated 2008 $m	Consolidated 2007 $m
15 Investments accounted for using the equity method continued		
a Investments in associates continued		
Share of associates' revenues and profits		
Revenues	153.2	190.4
Share of associates:		
Net profit before income tax	101.1	114.2
Income tax expense attributable to net profit	(1.8)	(0.7)
Total share of associates' net profit after tax accounted for using the equity method	**99.3**	**113.5**
Share of associates' assets and liabilities		
Assets	1,631.1	2,259.5
Liabilities	(824.7)	(926.1)
Net assets	**806.4**	**1,333.4**

Commitments and contingencies

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

b Investments in joint venture entities

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

	Principal Activities	Country of Incorporation	Ownership Interest 2008 %	Ownership Interest 2007 %	Carrying Value 2008 $m	Carrying Value 2007 $m
Investment						
Pegasus Town Limited	Development	New Zealand	50	50	21.9	20.5
RHB Stage 2 Lessor Partnership	Development	Australia	50	50	7.6	2.8
Little Bay South Development	Development	Australia	50	50	5.0	–
RHB Stage 2 Contractor	Development	Australia	50	50	4.2	–
RHB Stage 3 Lessor Partnership	Development	Australia	50	50	1.9	0.3
RHB Stage 4 Lessor Partnership	Development	Australia	50	50	2.0	0.2
RHB Stage 5 Lessor Partnership	Development	Australia	50	50	1.3	0.2
RHB Stage 6 Lessor Partnership	Development	Australia	50	50	1.5	0.2
RHB Stage 7 Lessor Partnership	Development	Australia	50	50	1.7	0.2
RHB Stage 8 Lessor Partnership	Development	Australia	50	50	2.1	0.2
Other interests					12.2	–
Total investments in joint venture entities					**61.4**	**24.6**

1 Brookfield Multiplex Group controls 50% of voting power in jointly controlled entity.

	2008 $m	Consolidated 2007 $m
15 Investments accounted for using the equity method continued		
b Investments in joint venture entities continued		
Share of joint venture entities revenues, expenses and profit		
Revenues	45.1	87.3
Expenses	(52.2)	(87.2)
Profit before income tax	**(7.1)**	**0.1**
Income tax (expense)	–	–
Total share of joint venture's net profit after tax accounted for using the equity method	**(7.1)**	**0.1**
Share of joint venture entities assets and liabilities		
Current assets	68.8	68.2
Non-current assets	108.4	122.9
Current liabilities	(39.2)	(31.2)
Non-current liabilities	(97.6)	(84.7)
Net assets	**40.4**	**75.2**

Commitments and contingencies

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

	2008 $m	Consolidated 2007 $m
c Material contribution to net profit		
Associates	99.3	113.5
Joint ventures	(7.1)	0.1
Contributions to net profit	**92.2**	**113.6**
The material individual associate contributions to net profit were:		
Darling Park Trust	62.3	28.0
Bourke Place Trust	24.1	19.1
Multiplex NZ Property Fund	7.9	11.3
AMP NZ Office Trust	3.0	26.2
Multiplex Prime Property Fund	2.8	5.7
Multiplex Acumen Property Fund	8.2	5.9
Multiplex European Property Fund	(5.8)	1.2
R&M Investment (BVI) Limited	(6.8)	14.5
Others	3.6	1.6
Contributions to net profit	**99.3**	**113.5**

	Consolidated 2008 $m	2007 $m
15 Investments accounted for using the equity method continued		
d Fair Value Adjustments included in contribution to net profit		
Associates		
Fair Value Adjustments included in contributions to net profit	**45.0**	**50.4**
Included in associate contribution to net profit are the following fair value adjustments:		
Bourke Place Trust	13.7	10.1
Multiplex Prime Property Fund	1.4	5.7
Darling Park Trust	31.6	4.8
AMP NZ Office Trust	–	20.3
Multiplex Acumen Property Fund	1.3	0.9
Multiplex NZ Property Trust	5.2	8.6
Multiplex European Property Fund	(8.2)	–
Total	**45.0**	**50.4**

	Consolidated 2008 $m	2007 $m	Brookfield Multiplex Limited 2008 $m	2007 $m
16 Investment property				
Investment property	**3,111.1**	**2,634.7**	**–**	**–**

a Carrying value of investment properties

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

- Discounted cash flow; and
- Capitalisation approach.

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

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

16 Investment property continued

a Carrying value of investment properties continued

	Note	Title	Independent Valuation Date	Independent Valuation $m	Carrying Value 2008 $m	Carrying Value 2007 $m
Consolidated						
Southern Cross East Tower, Melbourne, Victoria[1]	ii	Freehold	Dec – 07	575.0	555.0	523.4
Commonwealth Bank Building, Brisbane, Qld	iv	Freehold	Dec – 07	255.0	243.0	235.0
KPMG Tower, Sydney, NSW (50%)	ii	Freehold	Mar – 08	149.0	150.0	147.5
ANZ Centre, Brisbane, Qld (50%)	iv	Freehold	Mar – 08	85.0	85.0	79.5
Ernst & Young Building, Perth, WA	v	Freehold	Dec – 07	82.7	80.0	73.5
National Australia Bank House, Sydney, NSW (25%)	v	Freehold	Dec – 07	108.0	105.0	92.1
IAG House, Sydney, NSW (50%)	iv	Freehold	Apr – 08	194.0	200.0	187.5
15 Blue Street, North Sydney, NSW	iiii	Leasehold	Dec – 07	110.0	108.3	102.4
AMP Place, Brisbane, Qld	i	Freehold	Apr – 08	245.0	245.0	230.0
111 Alinga Street, Canberra, ACT	i	Leasehold	Dec – 07	74.0	72.0	69.3
Jessie Street Centre, Parramatta, NSW	v	Freehold	Apr – 08	261.0	266.0	252.0
BankWest Tower, Perth, WA (50%)	iii	Freehold	Apr – 08	185.0	185.0	132.5
King Street Wharf, Sydney, NSW	ii	Freehold	Dec – 07	106.3	104.7	107.5
Pittwater Place Shopping Centre, Sydney, NSW	iii	Freehold	Dec – 07	78.0	77.0	75.0
Great Western Super Centre, Keperra and Peach Quarry, Brisbane, Qld[2]	iii	Freehold	Dec – 07	73.3	73.8	71.3
Carillon City Shopping Centre, CityArcade, Perth, WA (50%)	iii	Freehold	Dec – 07	66.1	64.9	60.5
Bracken Ridge Plaza, Brisbane, Qld	iii	Freehold	Dec – 07	24.0	23.5	24.0
Latitude Retail, George Street, Sydney, NSW (50%)	iii	Freehold	Dec – 07	110.0	100.0	96.3
Cnr Devon & Durham Streets, Rosehill, Sydney, NSW	v	Freehold	Dec – 07	111.5	115.0	88.6
Cnr Cobalt & Silica Streets, Carole Park, Brisbane, Qld	v	Freehold	Dec – 07	23.0	23.0	23.3
46 Randle Road, Meeandah, Brisbane, Qld	v	Freehold	Dec – 07	10.0	10.0	9.3
Luna Park Car Park, Sydney, NSW	ii	Leasehold	Feb – 08	10.5	8.5	8.5
Friars Square, Aylesbury, UK	v	Freehold	Oct – 07	187.9	186.1	–
Latitude Commercial (ATO), George Street, Sydney, NSW (50%)	vi	Freehold	Apr – 08	111.0	80.5	–
					3,161.3	2,689.0
Impact of straight-lining of rental income disclosed as non-current receivables					(40.2)	(28.7)
Less: Development Properties classified as property, plant and equipment (Rosehill Fosters)					–	(25.6)
Less: Peachy Land currently under development					(10.0)	–
Total investment properties					**3,111.1**	2,634.7

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

16 Investment property continued

a Carrying value of investment properties continued

Names of independent valuers

i Colliers International.
ii CBRE.
iii Jones Lang LaSalle.
iv Knight Frank.
v Savills.
vi Directors' valuation.

Assets pledged as security

Refer to Note 21(c) for information on non-current assets pledged as security by the Group.

	Consolidated		Brookfield Multiplex Limited	
	2008 $m	2007 $m	2008 $m	2007 $m
b Movement in Investment Properties				
Reconciliations of the carrying amounts of investment properties at the beginning and end of the current financial year are set out below:				
Carrying amount at beginning of year	**2,634.7**	**2,300.2**	**–**	**–**
Additions				
Jessie Street	38.4	7.4	–	–
Rosehill	12.8	26.0	–	–
Alinga Street	3.5	6.1	–	–
Aylesbury	195.9	–	–	–
Other minor additions	16.8	14.7	–	–
Total additions	**267.4**	**54.2**	**–**	**–**
Disposals				
Lot 55 & 56 Rutland Avenue, Welshpool, Perth	–	(10.2)	–	–
Total disposals	**–**	**(10.2)**	**–**	**–**
Transfers				
Transfers from/(to) property, plant and equipment				
Rosehill Fosters	25.6	(25.6)	–	–
Transfers to inventories				
Vale	–	(74.6)	–	–
Peachy Land	(10.0)	–	–	–
Transfers from inventories				
Latitude Commercial (ATO)	87.7	–	–	–
Total transfers	**103.3**	**(100.2)**	**–**	**–**
Fair value adjustments on investment properties	109.8	407.5	–	–
Change of the impact for straight-lining of rental income disclosed as non-current receivables	(11.5)	(16.8)	–	–
Unwinding of lease support	7.4	–	–	–
Carrying amount at the end of the financial year	**3,111.1**	**2,634.7**	**–**	**–**

16 Investment property continued

c Leasing arrangements

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

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
Within one year	219.7	205.1	–	–
Later than one year but not later than five years	917.3	656.4	–	–
Later than five years	837.3	753.3	–	–
	1,974.3	**1,614.8**	**–**	**–**

Annual rent receivable by the Consolidated Entity under current leases from tenants is from commercial, industrial, retail and car park assets held. The average lease term is 7.4 years (2007: 7.2 years) and rent reviews are generally performed based on either market rent on an annual basis or fixed percentage increase in accordance with the lease agreements.

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
17 Property, plant and equipment				
a Carrying value				
Buildings				
At cost	1.9	1.3	–	–
Accumulated depreciation	(1.0)	(1.0)	–	–
	0.9	**0.3**	**–**	**–**
Property under construction and development				
At cost	–	48.2	–	–
Accumulated depreciation	–	–	–	–
	–	**48.2**	**–**	**–**
Leasehold improvements				
At cost	10.3	11.9	3.1	2.9
Accumulated amortisation	(5.2)	(5.3)	(1.7)	(1.2)
	5.1	**6.6**	**1.4**	**1.7**
Plant and equipment				
At cost	57.4	29.8	11.8	10.3
Accumulated depreciation	(20.3)	(16.3)	(4.9)	(2.9)
	37.1	**13.5**	**6.9**	**7.4**
Total property, plant and equipment	**43.1**	**68.6**	**8.3**	**9.1**

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
17 Property, plant and equipment continued				
b Reconciliation of carrying value				
Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current year are set out below.				
Buildings				
Carrying amount at beginning of the year	0.3	49.5	–	–
Additions	0.6	–	–	–
Transfer to inventory	–	(48.2)	–	–
Depreciation expense	–	(1.0)	–	–
Carrying amount at the end of the year	**0.9**	**0.3**	**–**	**–**
Buildings under construction and development				
Carrying amount at beginning of the year	48.2	–	–	–
Additions	–	48.2	–	–
Disposals	(22.6)	–	–	–
Transfer to investment property	(25.6)	–	–	–
Carrying amount at the end of the year	**–**	**48.2**	**–**	**–**
Leasehold improvements				
Carrying amount at beginning of the year	6.6	8.7	1.7	2.0
Additions	0.8	1.3	0.2	0.2
Disposals	(0.4)	(1.0)	–	–
Depreciation expense	(1.5)	(2.2)	(0.5)	(0.5)
Foreign exchange	(0.4)	(0.2)	–	–
Carrying amount at the end of the year	**5.1**	**6.6**	**1.4**	**1.7**
Plant and equipment				
Carrying amount at beginning of the year	13.5	18.7	7.4	8.3
Additions	28.7	5.4	1.9	4.7
Disposals	(0.4)	(4.6)	(0.4)	(2.1)
Depreciation expense	(4.6)	(5.8)	(2.0)	(3.5)
Foreign exchange	(0.1)	(0.2)	–	–
Carrying amount at the end of the year	**37.1**	**13.5**	**6.9**	**7.4**

In the current year, borrowing costs of $1.6 million (June 2007: $0.3 million) directly attributable to construction and development were capitalised to buildings under construction and development.

	Assets 2008 $m	Assets 2007 $m	Liabilities 2008 $m	Liabilities 2007 $m	Net 2008 $m	Net 2007 $m
18 Deferred tax assets and liabilities						
Deferred tax assets and liabilities are attributable to the following:						
Consolidated						
Unrealised foreign exchange	10.2	8.5	–	(11.2)	10.2	(2.7)
Provisions	137.7	82.1	–	–	137.7	82.1
Deferred revenue	–	–	(43.8)	(45.7)	(43.8)	(45.7)
Deferred expenditure	–	–	–	(3.5)	–	(3.5)
Other	–	(0.1)	–	–	–	(0.1)
Tax loss carryforwards	22.5	102.5	–	–	22.5	102.5
Tax assets (liabilities)	**170.4**	**193.0**	**(43.8)**	**(60.4)**	**126.6**	**132.6**
Set off of tax	(43.8)	(60.4)	(43.8)	60.4	–	–
Net tax assets (liabilities)	**126.6**	**132.6**	**–**	**–**	**126.6**	**132.6**
Company						
Unrealised foreign exchange	0.7	4.2	–	(3.5)	0.7	0.7
Provisions	38.2	7.2	–	–	38.2	7.2
Deferred expenditure	–	–	–	(3.0)	–	(3.0)
Other	–	(0.1)	–	–	–	(0.1)
Tax loss carryforwards	–	71.1	–	–	–	71.1
Tax assets (liabilities)	**38.9**	**82.4**	**–**	**(6.5)**	**38.9**	**75.9**
Set off of tax	–	(6.5)	–	6.5	–	–
Net tax assets (liabilities)	**38.9**	**75.9**	**–**	**–**	**38.9**	**75.9**

On 1 January 2008, Brookfield Multiplex Limited and Brookfield Multiplex Property Trust became wholly owned by Brookfield Holdco (Australia) Pty Limited. A new tax-consolidated group was formed with Brookfield Holdco (Australia) Pty Limited as the head entity. As a consequence, Brookfield Holdco (Australia) Pty Limited assumed the deferred tax assets and liabilities of the Consolidated Entity.

The deferred tax asset benefit will be obtained only if:

- Future assessable income is derived of a nature and amount sufficient to enable the benefit to be realised;
- The conditions for deductibility imposed by tax legislation are complied with; and
- No changes in tax legislation adversely affect the Consolidated Entity in realising the benefit.

	Balance 30 June 2007 $m	Recognised in profit or loss $m	Recognised in equity $m	Other $m	Transferred to subsidiaries $m	Balance 30 June 2008 $m
18 Deferred tax assets and liabilities continued						
Movement in temporary differences for the year ended 30 June 2008:						
Consolidated						
Unrealised foreign exchange	(2.7)	–	12.9	–	–	10.2
Provisions	82.1	55.6	–	–	–	137.7
Deferred revenue	(45.7)	1.9	–	–	–	(43.8)
Deferred expenditure	(3.5)	3.5	–	–	–	–
Other	(0.1)	0.1	–	–	–	–
Tax losses carried forward	102.5	(1.1)	(78.9)	–	–	22.5
	132.6	**60.0**	**(66.0)**	**–**	**–**	**126.6**
Company						
Unrealised foreign exchange	0.7	–	–	–	–	0.7
Provisions	7.2	31.0	–	–	–	38.2
Deferred revenue	–	–	–	–	–	–
Deferred expenditure	(3.0)	3.0	–	–	–	–
Prepayments	–	–	–	–	–	–
Other	(0.1)	0.1	–	–	–	–
Tax losses carried forward	71.1	(1.3)	(69.8)	–	–	–
	75.9	**32.8**	**(69.8)**	**–**	**–**	**38.9**

	Balance 30 June 2006 $m	Recognised in profit or loss $m	Recognised in equity $m	Other $m	Transferred to subsidiaries $m	Balance 30 June 2007 $m
18 Deferred tax assets and liabilities continued						
Movement in temporary differences for the year ended 30 June 2007:						
Consolidated						
Unrealised foreign exchange	2.3	(5.0)	–	–	–	(2.7)
Provisions	59.5	22.6	–	–	–	82.1
Deferred revenue	(20.5)	(25.2)	–	–	–	(45.7)
Deferred expenditure	(0.6)	(2.9)	–	–	–	(3.5)
Other	8.2	(7.5)	–	(0.8)	–	(0.1)
Tax losses carried forward	75.2	28.7	(1.4)	–	–	102.5
	124.1	**10.7**	**(1.4)**	**(0.8)**	**–**	**132.6**
Company						
Unrealised foreign exchange	3.6	(2.9)	–	–	–	0.7
Provisions	23.7	(3.9)	–	–	(12.6)	7.2
Deferred revenue	(14.2)	14.2	–	–	–	–
Deferred expenditure	(1.3)	(1.7)	–	–	–	(3.0)
Prepayments	(1.9)	1.9	–	–	–	–
Other	(5.3)	6.0	–	(0.8)	–	(0.1)
Tax losses carried forward	63.0	8.1	–	–	–	71.1
	67.6	**21.7**	**–**	**(0.8)**	**(12.6)**	**75.9**

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
19 Intangible assets				
Goodwill				
Beginning of the financial year				
Goodwill costs (gross carrying amount)	322.9	322.9	–	–
Accumulated impairment	–	–	–	–
Net carrying amount	**322.9**	**322.9**	**–**	**–**
Movement during the year				
At 1 July 2007, net of accumulated impairment	322.9	322.9	–	–
Other acquisitions	0.2	–	–	–
Impairment	(301.2)	–	–	–
Disposals	(13.1)	–	–	–
At 30 June 2008, net of accumulated impairment	**8.8**	**322.9**	**–**	**–**
As at Reporting Date				
Goodwill – cost (gross carrying amount)	310.0	322.9	–	–
Accumulated impairment	(301.2)	–	–	–
Net carrying amount	**8.8**	**322.9**	**–**	**–**
Other intangible assets				
Beginning of the financial year	–	–	–	–
Management Rights costs (gross carrying amount)	0.9	–	–	–
Accumulated impairment	–	–	–	–
Net carrying amount	**0.9**	**–**	**–**	**–**
Movement during the year				
At 1 July 2007, net of impairment	0.9	–	–	–
Impairment	(0.5)	–	–	–
Other acquisitions	5.5	0.9	–	–
Disposals	(0.9)	–	–	–
At 30 June 2008, net of accumulated impairment	**5.0**	**0.9**	**–**	**–**
As at Reporting Date				
Management Rights costs (gross carrying amount)	5.5	0.9	–	–
Accumulated impairment	(0.5)	–	–	–
Net carrying amount	**5.0**	**0.9**	**–**	**–**
Total intangible assets	**13.8**	**323.8**	**–**	**–**

Brookfield Multiplex Property Trust cash generating unit

Goodwill carried by the Trust has been written back in light of recent increases in interest rates and the Trust's cost of capital which increased the discount rate to be applied to the Trust's future cash flows when assessing the carrying amount of goodwill.

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
20 Trade and other payables				
Current				
Trade creditors[1]	220.7	165.7	1.1	5.9
Other creditors and accruals[2]	511.6	525.2	29.5	16.6
Total Payables	**732.3**	**690.9**	**30.6**	**22.5**
Amounts due to subsidiaries	–	–	5.4	4.2
Dividends and distributions[3]	–	83.7	–	–
Project expenses	88.7	13.4	–	–
Lease incentives	–	3.2	–	–
Total current trade and other payables	**821.0**	**791.2**	**36.0**	**26.7**
Non-Current				
Other creditors and accruals	68.6	37.8	–	–
Lease incentives	–	2.4	–	–
Total non-current trade and other payables	**68.6**	**40.2**	**–**	**–**
Total trade and other payables	**889.6**	**831.4**	**36.0**	**26.7**

1 Trade creditors are non-interest bearing and are normally settled on 60-day terms.
2 Mainly attributable to construction and development related accruals made at reporting date.
3 A liability is recognised for dividends and distributions declared by the Company and the Trust, respectively. Refer to Notes 1(ee) and 7 for further details.

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

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
21 Interest bearing loans and borrowings				
a Carrying amounts				
Current Interest bearing loans and borrowings				
Secured				
Project facilities	501.0	420.0	–	–
Commercial Mortgage Backed Securities (CMBS)	–	537.0	–	–
Debt facilities	163.9	75.5	–	–
Multi-option facilities	500.0	–	–	–
Loans from associates	–	87.9	–	–
	1,164.9	**1,120.4**	**–**	**–**
Unsecured				
Loans from subsidiaries	–	–	82.4	62.8
Loans from associates	103.8	128.4	–	–
Project facilities	17.2	15.6	–	–
	121.0	**144.0**	**82.4**	**62.8**
Total current interest bearing loans and borrowings	**1,285.9**	**1,264.4**	**82.4**	**62.8**
Non-Current Interest Bearing Liabilities				
Secured				
Commercial Mortgage Backed Securities (CMBS)	463.0	463.0	–	–
Investment finance facility	475.0	–	–	–
Debt facilities	72.6	12.4	–	–
Multi-option facility	–	415.9	–	–
Project facilities	926.4	580.7	–	–
Less: Attributable Transaction Cost	(6.9)	(7.8)	–	–
	1,930.1	**1,464.2**	–	**–**
Unsecured				
Loans from subsidiaries	–	–	–	242.2
Project facilities	73.1	28.2	–	–
Loans from other related parties	16.0	–	16.0	–
	89.1	**28.2**	**16.0**	**242.2**
Total non-current interest bearing loans and borrowings	**2,019.2**	**1,492.4**	**16.0**	**242.2**
Total interest bearing loans and borrowings	**3,305.1**	**2,756.8**	**98.4**	**305.0**

21 Interest bearing loans and borrowings continued

b Terms and conditions

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

		Consolidated Facility amount		Consolidated Carrying Value/Facility Utilised		Brookfield Multiplex Limited Carrying Value/Facility Utilised			
Facility	Note	2008 $m	2007 $m	2008 $m	2007 $m	2008 $m	2007 $m	Interest Rate	Maturity
Bank Guarantees and Insurance Bonds	1	1,275.1	988.2	866.2	774.1	866.2	774.1	N/A	Generally subject to annual review
CMBS Series 1		–	537.0	–	537.0	–	–	Refer 2	
CMBS Series 2	2	463.0	463.0	463.0	463.0	–	–	3MBBSW* +0.25% to +0.95%	May 2010
Investment finance facility	3	475.0	–	475.0	–	–	–	Refer 3	May 2010
Multi-Option Facility	4	500.0	500.0	500.0	415.9	–	–	Refer 4	Nov 2008
Debt Facilities	5	348.3	262.9	236.5	87.9	–	–	Prevailing market rate	Nov 2008 – Mar 2011
Project Facilities	6	1,998.0	1,446.0	1,517.7	1,044.5	–	–	Prevailing market rate	Jul 2008–Nov 2013
Loans from associates	7	103.8	216.3	103.8	216.3	–	–	Refer 7	
Loans from subsidiaries	8	–	–	–	–	82.4	305.0	Refer 8	
Loans from other related parties	9	50.0	–	16.0	–	16.0	–	Refer 9	Jun 2010
Less: Attributable Transaction Cost (net of amortisation)	10	–	–	(6.9)	(7.8)	–	–		
		5,213.2	**4,413.4**	**4,171.3**	**3,530.9**	**964.6**	**1,079.1**		

* BBSW – Australian bank bill swap.

1 Refer Note (d) for details of bank guarantees and insurance bonds.
2 Series 2 is secured by three office buildings and three retail centres. The rating is AAA/Aaa/AAA to BBB-/BBB. Series 1 was repaid in May 2008.
3 Interest rates for the Investment Finance Facility based on BBSY +0.6%. After May 2009, interest rate steps up by 1.2%.
4 Interest rates for the Multi-Option facility are as follows: AUD BBSW* +0.65% to 0.90%; NZD BKB* +0.65% to 0.90%.
5 Interest on loans is charged at the prevailing market rate. Maturity is in accordance with the underlying project.
6 The Group has loans denominated in Australian dollars and in other currencies. Interest on loans is charged at the prevailing market rate. Maturity is in accordance with the underlying project. Project facilities are procured from a range of sources (i.e. banks, financial institutions, etc.) and structured in accordance with the specific requirements of the underlying project. Recourse is typically limited to the assets of the individual project with Brookfield Multiplex Limited providing interest servicing support in limited circumstances. Project facilities contain a range of terms and conditions typical with facilities of this nature.
7 $88.5 million is repayable on demand and the rate is Base + 2%. (Base was 5% at 30 June 2008). Maturity of the remaining $15.3 million is in accordance with the underlying project and the interest rate is 16.8%.
8 $82.4 million is repayable on demand and the rates vary between 8% and 10%.
9 The interest rate is updated on a quarterly basis and was 9.8633% at 30 June 2008.
10 Interest bearing borrowings are recognised initially at fair value less the respective attributable transaction costs. These costs are amortised over the period of the facility.

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
21 Interest bearing loans and borrowings continued				
c Assets pledged as security				
The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:				
Current				
Floating charge				
Cash and cash equivalents	97.6	168.0	–	–
Derivative assets	0.8	2.7	–	–
Assets held for sale	–	–	–	–
Total current assets pledged as security	**98.4**	**170.7**	**–**	**–**
Non-Current				
Fixed charge				
Inventories	1,269.3	856.3	–	–
Derivative assets	19.1	10.4	–	–
Investment property	2,972.4	2,558.2	–	–
Equity accounted investments	541.7	604.0	–	–
Total non-current assets pledged as security	**4,802.5**	**4,028.9**	**–**	**–**
Total assets pledged as security	**4,900.9**	**4,199.6**	**–**	**–**
Total secured liabilities (current and non-current) are:				
Debt facilities	236.5	87.9	–	–
Multi-option facilities	500.0	415.9	–	–
Commercial Mortgage Backed Securities	463.0	1,000.0	–	–
Investment finance facility	475.0	–	–	–
Project facilities	1,427.4	1,000.7	–	–
Loans from associates	–	87.9	–	–
Total secured liabilities	**3,101.9**	**2,592.4**	**–**	**–**

The Group's facilities are secured by a number of the above pledged assets. The Group has bank loans denominated in Australian dollars, New Zealand dollars and Pounds Sterling. Interest on bank loans is charged at the prevailing market rate. There were no overdraft facilities in place at 30 June 2008.

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
21 Interest bearing loans and borrowings continued				
d Financing Facilities Available				
At reporting date the following finance facilities had been negotiated and were available:				
Total facilities available				
Multi-option facilities	500.0	500.0	–	–
Debt facilities	348.3	262.9	–	–
Commercial Mortgage Backed Securities	463.0	1,000.0	–	–
Investment finance facility	475.0	–	–	–
Project facilities	1,998.0	1,446.0	–	–
Loans from subsidiaries	–	–	82.4	305.0
Loans from associates	103.8	216.3	–	–
Loans from other related parties	50.0	–	50.0	–
Bank guarantees and insurance bonds	1,275.1	988.2	1,275.1	988.2
	5,213.2	**4,413.4**	**1,407.5**	**1,293.2**
Facilities utilised at reporting date				
Multi-option facilities	500.0	415.9	–	–
Debt facilities	236.5	87.9	–	–
Commercial Mortgage Backed Securities	463.0	1,000.0	–	–
Investment finance facility	475.0	–	–	–
Project facilities	1,517.7	1,044.5	–	–
Loans from subsidiaries	–	–	82.4	305.0
Loans from associates	103.8	216.3	–	–
Loans from other related parties	16.0	–	16.0	–
Bank guarantees and insurance bonds	866.2	774.1	866.2	774.1
	4,178.2	**3,538.7**	**964.6**	**1,079.1**
Facilities not utilised at reporting date				
Multi-option facilities	–	84.1	–	–
Debt facilities	111.8	175.0	–	–
Project facilities	480.3	401.5	–	–
Loans from other related parties	34.0	–	34.0	–
Bank guarantees and insurance bonds	408.9	214.1	408.9	214.1
	1,035.0	**874.7**	**442.9**	**214.1**
Total facilities	**5,213.2**	**4,413.4**	**1,407.5**	**1,293.2**
Facilities utilised at reporting date	(4,178.2)	(3,538.7)	(964.6)	(1,079.1)
	1,035.0	**874.7**	**442.9**	**214.1**

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
22 Non-interest bearing loans and borrowings				
Current				
Secured				
Loans from external parties	329.6	375.7	–	–
	329.6	**375.7**	**–**	**–**
Unsecured				
Loans from subsidiaries	–	–	1,133.2	824.5
Loans from other related parties	13.5	–	13.5	–
Loans from associates and joint venture entities	52.6	20.0	–	–
	66.1	**20.0**	**1,146.7**	**824.5**
Total current non-interest bearing loans and borrowings	**395.7**	**395.7**	**1,146.7**	**824.5**
Non-Current				
Secured				
Amounts owing to associates and joint venture entities	–	4.5	–	–
	–	**4.5**	**–**	**–**
Unsecured				
Amounts owing to subsidiaries	–	–	8.7	–
Other loans	1.5	1.6	–	–
	1.5	**1.6**	**8.7**	**–**
Total non-current non-interest bearing loans and borrowings	**1.5**	**6.1**	**8.7**	**–**
Total non-interest bearing loans and borrowings	**397.2**	**401.8**	**1,155.4**	**824.5**

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
23 Current tax liabilities				
Income tax payable	**1.1**	**4.5**	**–**	**26.5**

In accordance with the tax consolidation legislation, Brookfield Holdco (Australia) Pty Limited, as the head entity of the Australian tax – consolidated group has assumed the current tax liability initially recognised by the members in the tax consolidated group.

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
24 Provisions				
Current				
Employee benefits	25.5	22.4	20.4	2.3
Rental guarantees	5.2	1.8	–	–
Defects and others	96.1	44.0	15.5	5.7
Total current provisions	**126.8**	**68.2**	**35.9**	**8.0**
Non-current				
Employee benefits	2.1	2.0	1.9	0.2
Rental guarantees	2.9	–	–	–
Defects and others	3.7	–	–	–
Total non-current provisions	**8.7**	**2.0**	**1.9**	**0.2**
Total provisions	**135.5**	**70.2**	**37.8**	**8.2**

24 Provisions continued

Movements in provisions

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

	Employee Benefits $m	Rental Guarantees $m	Defects and Other $m	Total $m
Consolidated				
Carrying amount at the beginning of the year	**24.4**	**1.8**	**44.0**	**70.2**
Additional provisions recognised	2.7	7.2	60.2	70.1
Provisions used	(16.3)	–	(4.6)	(20.9)
Acquired	16.8	(0.9)	0.2	16.1
Carrying amount at end of year	**27.6**	**8.1**	**99.8**	**135.5**

	Employee Benefits $m	Rental Guarantees $m	Defects and Other $m	Total $m
Parent				
Carrying amount at the beginning of the year	**2.5**	**–**	**5.7**	**8.2**
Additional provisions recognised	19.8	–	9.8	29.6
Carrying amount at end of year	**22.3**	**–**	**15.5**	**37.8**

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
25 Contract work in progress				
Contract costs incurred to date	9,257.6	9,506.3	–	481.1
Profit recognised to date (less recognised losses)	(57.2)	(166.0)	–	36.9
	9,200.4	**9,340.3**	–	**518.0**
Less: Progress billings	(9,419.4)	(9,472.3)	–	(518.8)
Net contract work in progress	**(219.0)**	**(132.0)**	**–**	**(0.8)**
Net contract work in progress comprises:				
Amounts due to customers – contract work in progress[1]	(390.2)	(289.6)	–	(0.8)
Amounts due from customers – inventories[2]	171.2	157.6	–	–
	(219.0)	**(132.0)**	**–**	**(0.8)**
Advances on construction projects in progress included in trade creditors	**(44.7)**	**(60.1)**	**–**	**–**
Retentions on construction projects in progress included in progress billings	**114.1**	**77.6**	**–**	**–**

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

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
26 Employee benefits					
Employee benefit and related on-costs liabilities					
Included in payables	20	38.8	34.0	23.1	12.4
Provision for employee benefits – current	24	25.5	22.4	20.4	2.3
Provision for employment benefits – non-current	24	2.1	2.0	1.9	0.2
Total employee benefits		**66.4**	**58.4**	**45.4**	**14.9**

26 Employee benefits continued

Brookfield Multiplex Group Employees' Superannuation Fund

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

Employees

At 30 June 2008, the Group employed 1,447 employees (including Directors) (June 2007: 1,377 employees).

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
27 Contributed equity				
a Issued and fully paid up capital				
Stapled securities	2,765.9	2,765.9	324.0	324.0
Preference shares	1,300.0	–	1,300.0	–
Stapled securities	**4,065.9**	**2,765.9**	**1,624.0**	**324.0**
b Other equity securities				
Non-Share Equity Instruments	–	–	–	1,000.0
Total contributed equity	**4,065.9**	**2,765.9**	**1,624.0**	**1,324.0**

c Movements of stapled securities on issue

Date	Details	Number of securities	Consolidated $m	Brookfield Multiplex Limited $m
1 July 2006	**Balance at the beginning of the comparative year**	**837,402,185**	**2,765.9**	**324.0**
30 June 2007	**Balance at the end of the comparative year**	**837,402,185**	**2,765.9**	**324.0**
30 June 2008	**Balance at the end of the current financial year**	**837,402,185**	**2,765.9**	**324.0**

d Movements of preference shares

Date	Details	Number of shares	Consolidated $m
1 July 2006	**Balance at the beginning of the comparative year**	–	–
30 June 2007	**Balance at the end of the comparative year**	–	–
31 December 2007	**Contributions of equity, net of transaction costs**	**1,300,000,000**	**1,300.0**
30 June 2008	**Balance at the end of the current period**	**1,300,000,000**	**1,300.0**

27 Contributed equity continued

e Movements of other equity securities

Date	Details	Number of securities	Consolidated $m	Brookfield Multiplex Limited $m
1 July 2006	**Balance at the beginning of the comparative year**	–	–	–
30 June 2007	**Balance at the end of the comparative year**	**1,000,000,000**	–	**1,000.0**
1 December 2007	**Redemption of other equity securities**	**(1,000,000,000)**	–	**(1,000.0)**
30 June 2008	**Balance at the end of the current financial year**	–	–	–

In December 2007, following the acquisition of the Group by Brookfield Australia, Brookfield Multiplex Limited (formerly Multiplex Limited) (BML) issued $1.3 billion preference shares to Brookfield Australia in exchange for a Promissory Note to simplify its capital management structure and internal funding arrangements. The Promissory Note was then assigned to a subsidiary of BML as consideration for the issue of ordinary shares. The subsidiary of BML assigned the Promissory Note to Brookfield Multiplex Property Trust (BMPT) as repayment of the existing interstaple loan between BML and BMPT, payment of accrued interest and redemption of the $1.0 billion Convertible Non-Share Equity Instrument that was issued by BML in June 2007 and amounts owing under a loan from BMPT.

f Terms and conditions of equity instruments

Stapled securities

The stapled securities of the Consolidated Entity include shares in Brookfield Multiplex Limited stapled with units of Brookfield Multiplex Property Trust, known as Brookfield Multiplex Group. The Trust's results are included in the Group result as explained in Note 1. Stapled securities have the right to receive dividends, and distributions as declared and, in the event of winding up the Consolidated Entity, 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 Multiplex Limited and/or Brookfield Multiplex Property Trust.

Class A preference shares

The preference shares of the Consolidated Entity comprise preference shares of Brookfield Multiplex Limited. Class A preference shareholders are entitled to vote in respect of reductions in share capital and while a Class A preference share dividend is unpaid. Class A preference shares are entitled to dividends declared by the directors of Brookfield Multiplex Limited.

g Terms and conditions of Non-Share Equity Instruments (NSEI)

The NSEI holder has no right to receive distributions unless the Company declares a distribution on the NSEI. The Company has absolute discretion as to whether a distribution is declared on the NSEI. The NSEI currently carries a coupon distribution rate of 13.5% p.a. based on independent valuation and is renewed every two years with a step up after five years.

On a winding up of the Company, each NSEI holder has a right to receive in respect of each NSEI that it holds an amount not exceeding the redemption value of the NSEI. The holder of each NSEI has no rights to require the NSEI to be redeemed by the Company. The holder of each NSEI is not entitled to vote at any meeting of the Company.

	Consolidated 2008 $m	2007 $m	Brookfield Multiplex Limited 2008 $m	2007 $m
28 Reserves				
Foreign currency translation reserve	(112.7)	(40.1)	0.6	0.6
Available for sale assets reserve	(6.7)	9.8	–	–
Cash flow hedge reserve	35.3	15.8	13.0	–
Taxation consolidation reserve	(78.9)	–	(69.8)	–
Share based payments reserve	–	3.2	–	3.2
Total reserves	**(163.0)**	**(11.3)**	**(56.2)**	**3.8**
Movements comprise:				
Foreign currency translation reserve				
Balance at the beginning of the year	(40.1)	(13.5)	0.6	0.5
Net exchange differences on net investment in foreign operations	(72.6)	(26.6)	–	0.1
Balance at the end of the year	**(112.7)**	**(40.1)**	**0.6**	**0.6**
Available-for-sale assets reserve				
Balance at the beginning of the year	9.8	1.5	–	–
Change in fair value	(16.5)	8.3	–	–
Balance at the end of the year	**(6.7)**	**9.8**	**–**	**–**
Cash flow hedge reserve				
Balance at the beginning of the year	15.8	10.1	–	–
Change in fair value	19.5	5.7	13.0	–
Balance at the end of the year	**35.3**	**15.8**	**13.0**	**–**
Taxation consolidation reserve				
Balance at the beginning of the year	–	–	–	–
Tax distributions	(78.9)	–	(69.8)	–
Balance at the end of the year	**(78.9)**	**–**	**(69.8)**	**–**
Share based payments reserve				
Balance at the beginning of the year	3.2	–	3.2	–
Equity settled transactions	(3.2)	3.2	(3.2)	3.2
Balance at the end of the year	**–**	**3.2**	**–**	**3.2**
Total reserves:				
Balance at the beginning of the year	(11.3)	(1.9)	3.8	0.5
Net movement for the year	(151.7)	(9.4)	(60.0)	3.3
Balance at the end of the year	**(163.0)**	**(11.3)**	**(56.2)**	**3.8**

Nature and purpose of reserves

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

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

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

Tax consolidation reserve
This reserve records tax distributions to the head entity in the Brookfield Australia consolidated tax group.

Share based payments reserve
The share based payments reserve is used to recognise the fair value of shares, options and rights issued to employees.

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
29 Accumulated (losses)/profits				
Accumulated profit/(losses) at the beginning of the year	323.3	(61.2)	(258.4)	(198.3)
Net (loss)/profit attributable to stapled securityholders	(401.6)	539.4	(84.2)	(60.1)
Dividends and distributions recognised during the year	(58.6)	(154.9)	–	–
Accumulated (losses)/profits at the end of the year	**(136.9)**	**323.3**	**(342.6)**	**(258.4)**

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
30 Minority interests				
Interest in:				
Multiplex Hybrid Investment Trust				
Share capital	432.1	432.1	–	–
Retained profits	11.0	9.4	–	–
	443.1	**441.5**	**–**	**–**
Multiplex Southern Cross East Investment Trust				
Share capital	128.4	128.4	–	–
Retained profits	9.2	2.9	–	–
	137.6	**131.3**	**–**	**–**
Multiplex Diversified Property Fund				
Share capital	13.6	0.2	–	–
Retained profits	0.3	0.2	–	–
	13.9	**0.4**	**–**	**–**
Morton & Morton				
Reserves	2.6	–	–	–
	2.6	**–**	**–**	**–**
Total minority interests	**597.2**	**573.2**	**–**	**–**

Multiplex Hybrid Investment Trust

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

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

Holder Redemption

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

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

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

Upon redemption, holders will receive the aggregate of $100 per security plus the unpaid distribution amount in cash.

30 Minority interest continued

Issuer Redemption

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

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

Holder Exchange

Holders have no right to request exchange.

Issuer Exchange

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

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

Multiplex Southern Cross East Investment Trust

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

Multiplex Diversified Property Fund

This minority interest relates to an effective 26% of Multiplex Diversified Property Fund not held by the Group.

Morton & Morton

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

	Consolidated		Brookfield Multiplex Limited	
	2008 $000	2007 $000	2008 $000	2007 $000
31 Audit and other services				
Audit services				
Audit and review of financial reports	1,400	2,899	988	3,343
Other regulatory audit services	–	38	–	38
	1,400	**2,937**	**988**	**3,381**
Other services				
Other audit services	1,153	229	–	229
Taxation services	42	372	–	372
Total audit and other services	**1,195**	**601**	**–**	**601**

The auditor of Brookfield Multiplex Group is Deloitte Touche Tohmatsu (2007: KPMG).

32 Contingent liabilities and contingent assets

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

a Bank guarantees and insurance bonds

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

Bank guarantees and insurance bonds outstanding at 30 June 2008 were:

	Consolidated		Brookfield Multiplex Limited	
	2008 $m	2007 $m	2008 $m	2007 $m
Bank guarantees and letters of credit outstanding	677.7	586.8	677.7	586.8
Insurance bonds outstanding	188.5	187.3	188.5	187.3
	866.2	**774.1**	**866.2**	**774.1**

b Duelguide tax indemnity

In October 2004, the Group, together with its joint venture partner, provided an indemnity to a third party in relation to certain tax-related issues which may arise from the Group's investment in an associated entity. There has been no quantification of any claim and no claims have been made under the indemnity. On that basis, and because the Directors believe no liability is likely, no provision or other liability has been raised by the Group in the financial statements at 30 June 2008 (30 June 2007: nil).

c Class Action

In December 2006, Brookfield Multiplex Limited (BMXL) and Brookfield Multiplex Funds Management Limited (BMFML), as Responsible Entity for the Brookfield Multiplex Property Trust, were served with a statement of claim in respect of a Class Action claming unquantified damages. The statement of claim alleges that, in connection with the Wembley project, BMXL and BMFML breached their continuous disclosure obligations and/or engaged in misleading or deceptive conduct during the period 2 August 2004 and 30 May 2005.

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

d Other

- In the ordinary course of business, the Group provides rental guarantees and income support arrangements to tenants and owners of various residential and commercial buildings, in respect of which the Group is developing or has completed development. These arrangements require the Company to guarantee the rental income of these properties for certain periods of time. As at the date of this report, the Directors are of the opinion that based on the current sub-lease proposals and forecast sub-lease commitments, together with the allowances made within the development budgets for these property developments, adequate allowance has been made in the financial statements for these potential obligations.
- Contingent liabilities and contingent assets exist as a consequence of the arrangements contained in the Stapling Deed between the Company and Brookfield Multiplex Funds Management Ltd, as the responsible entity of the Brookfield Multiplex Property Trust. The Stapling Arrangement is described further in Note 38.
- The Company and the Trust are called upon to give, in the ordinary course of business, guarantees and indemnities in respect of the performance of subsidiaries, associates and related parties of their contractual obligations. The value of these guarantees and indemnities is indeterminate in amount. Any known losses have been brought to account.

32 Contingent liabilities and contingent assets continued

d Other continued

– In the ordinary course of business, the Company and the Trust, their subsidiaries and associates become involved in litigation, pertaining to normal design liability in relation to completed design and construction projects, normal contractor's liability in relation to construction contracts, public liability, workers' compensation, etc, the majority of which falls within the Group's insurance arrangements and/or contractual indemnities with consultants and subcontractors. The Company and the Trust, their subsidiaries and associates also become involved in contractual disputes in relation to property development activities and property ownership issues.

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

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

	Consolidated		Brookfield Multiplex Limited	
	2008 $m	2007 $m	2008 $m	2007 $m
33 Commitments for expenditure				
Capital commitments				
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	134.7	118.2	–	–
Later than one year but not later than five years	–	89.4	–	–
Later than five years	–	–	–	–
	134.7	**207.6**	**–**	**–**
Lease commitments				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	9.6	10.3	3.7	3.6
Later than one year but not later than five years	24.2	27.4	8.3	12.0
Later than five years	5.6	9.1	1.6	1.6
	39.4	**46.8**	**13.6**	**17.2**
Representing:				
Cancellable operating leases	5.9	25.9	–	–
Non-cancellable operating leases	30.1	20.9	13.6	17.2
Future finance charges on finance leases	3.4	–	–	–
	39.4	**46.8**	**13.6**	**17.2**
Operating leases				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	7.6	4.9	3.7	3.6
Later than one year but not later than five years	18.0	10.7	8.3	12.0
Later than five years	4.5	5.3	1.6	1.6
Commitments not recognised in the financial statements	**30.1**	**20.9**	**13.6**	**17.2**

34 Related party disclosure

Key Management Personnel disclosures

a Key Management Personnel

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

Name	Title
Mr R McDiven	Chief Executive Officer
Mr B Kingston	Chief Financial Officer
Ms K Pedersen	General Counsel and Group General Manager Corporate
Ms S Warburton	Group General Manager (Strategy and Operations)
Mr M Wilson	CEO – Asia Pacific Infrastructure
Mr R Rayner	CEO – Funds Management
Mr J McGreevy	CEO – Australasia Property
Mr S O'Donoghue	Group General Manager, Finance
Mr R McKinnon	Chief Financial Officer and Joint Managing Director (resigned 31 March 2008)

b Key Management Personnel compensation

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

	Consolidated 2008 $	Consolidated 2007 $	Brookfield Multiplex Limited 2008 $	Brookfield Multiplex Limited 2007 $
Short-term employee benefits	14,228,143	11,406,749	10,577,577	5,881,191
Post-employment benefits	191,646	120,207	125,015	75,900
Other long-term benefits	1,350,734	922,710	306,667	507,897
Termination benefits	8,539,414	–	6,738,281	–
Share based payment	4,708,224	3,609,769	2,045,250	1,895,928
	29,018,161	**16,059,435**	**19,792,790**	**8,360,916**

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

c Loans to Key Management Personnel and their related parties

Individuals with advances above $100,000

	Balance at 1 July 2007 $	Interest paid and payable for the period $	Balance at 30 June 2008 $	Interest not charged $	Highest indebtedness during the period $
Key Management Personnel					
Mr I R O'Toole	500,000	–	–	11,750	500,000
Total advances	**500,000**	**–**	**–**	**11,750**	**500,000**

The loan was effectively repaid on 31 October 2007.

	Balance at 1 July 2006 $	Interest paid and payable for the period $	Balance at 30 June 2007 $	Interest not charged $	Highest indebtedness during the period $
Key Management Personnel					
Mr I R O'Toole	**500,000**	**–**	**500,000**	**35,250**	**500,000**

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

34 Related party disclosure continued

Key Management Personnel disclosures continued

d Rights over equity instruments

The movement during the reporting period in the number of rights over securities in the Group held, directly, indirectly or beneficially, by Key Management Personnel, including their related parties, is as follows:

	Held at 1 July 2007	Granted as comp-ensation	Exercised	Expired / forfeited	Held at 30 June 2008	Vested during the year	Vested and exercisable at 30 June 2008
Mr R A McDiven	162,271	–	162,271	–	–	–	–
Mr R V McKinnon	131,845	405,000	536,845	–	–	–	–
Mr I R O'Toole	152,129	–	152,129	–	–	–	–

e Share Options

Following the acquisition of the Group by Brookfield Australia, certain Key Management Personnel and senior executives of the Group were issued with options for the purchase of shares in the ultimate parent entity, Brookfield Asset Management Inc., by the ultimate parent entity. A charge of $338,911 (2007: $ Nil) will be incurred by the Group for the cost of these options.

Non-Key Management Personnel disclosures

a Ultimate parent

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

b Ownership interest in related parties

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

– Subsidiaries – Notes 13 and 35
– Associates and joint venture entities – Note 15

c Transactions within related parties

i Transaction between Trust/Company with their subsidiaries

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

	2008 $000	2007 $000
Distributions/dividends		
Distributions received or due and receivable by the Trust from subsidiaries	210,026	204,300
Dividends received or due and receivable by the Company from Company subsidiaries	–	–
Intercompany loans		
Aggregate amounts receivable from/(payable to) subsidiaries of the Trust and the Company at the end of the year and end of the previous financial year:		
Brookfield Multiplex Property Trust	(1,066,628)	(720,100)
Brookfield Multiplex Limited	934,733	712,131

ii Transactions within the Group

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

34 Related party disclosure continued

Key Management Personnel disclosures continued

c Transactions within related parties continued

iii Transactions between Brookfield Multiplex Limited and its subsidiaries (excluding the Trust) with Brookfield Multiplex Property Trust and its subsidiaries

	2008 $000	2007 $000
Provision of services to the Trust and its subsidiaries by Brookfield Multiplex Limited and its subsidiaries		
Responsible Entity cost recovery paid[1]	14,000	12,000
Property management expense	7,232	7,534
Leasing fee paid	643	2,542
Rental guarantee received	1,456	6,021

1 This equates to a Management Expense Ratio of 0.3% of gross assets.

	2008 $000	2007 $000
Construction and development of properties by Brookfield Multiplex Limited and its subsidiaries for the Trust and its subsidiaries		
Total amount paid	44,467	21,631
Interest received by the Trust and its subsidiaries from Brookfield Multiplex Limited and its subsidiaries		
Interest income	19,143	122,607

Brookfield Multiplex Limited and its subsidiaries have unsecured loans payable to the Trust and its subsidiaries of $136,900,000 (30 June 2007: $287,900,000).

iv Transactions with other related parties

	Note	2008 $000	2007 $000
Interest received and receivable	2g	309.9	–
Distributions paid	7	(58,618.2)	–
Amounts due from related parties	10	189,011.3	–
Interest bearing loans from other related parties	21	(16,010.6)	–
Non-interest bearing loans from other related parties	22	(13,461.0)	–
Promissory Note	13(a)	1,300,000.0	–

35 Significant subsidiaries

Brookfield Multiplex Limited's significant investments in subsidiaries are in legal entities that are:

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

At 30 June 2008 the significant subsidiaries are shown below:

Entity Name	Equity Ownership 2008 %	Equity Ownership 2007 %	Country of Incorporation	Date of Acquisition/ Incorporation (If During Current Year)
A.C.N. 007 154 449 Pty Ltd	100%	100%	Australia	
Multiplex Freshwater Pty Ltd	100%	100%	Australia	
A.C.N. 009 415 007 Pty Ltd	100%	100%	Australia	
Multiplex Raffles Holdings Pty Ltd	100%	100%	Australia	
A.C.N. 067 081 716 Pty Ltd	100%	100%	Australia	
Multiplex (Renewing Homebush Bay) Holdings Pty Limited	100%	100%	Australia	
Multiplex (Renewing Homebush Bay) Pty Limited	100%	100%	Australia	
Multiplex Latitude Retail Investment Pty Ltd	100%	100%	Australia	
Multiplex Latitude Retail Landowner Pty Ltd	100%	100%	Australia	
Multiplex W9 & 10 Stage 3B Holdings Pty Limited	100%	100%	Australia	
Multiplex Stage 3B Landowning Trust	100%	100%	Australia	
Multiplex W9 & 10 Stage 3C Holdings Pty Limited	100%	100%	Australia	
Multiplex Stage 3C Landowning Trust	100%	100%	Australia	
A.C.N. 097 170 208 Pty Ltd	100%	100%	Australia	
Multiplex Portside Wharf Pty Ltd	100%	100%	Australia	
Multiplex Portside Carpark Pty Ltd	100%	100%	Australia	
Multiplex Portside Retail Pty Ltd	100%	100%	Australia	
Multiplex Portside East Pty Ltd	100%	–	Australia	24/08/2007
Multiplex Portside Wharf Stage 2 Pty Ltd	100%	–	Australia	13/08/2007
Bluegate Nominees Pty. Ltd.	100%	100%	Australia	
Brookfield Constructions (UK) Limited	100%	100%	UK	
Brookfield Multiplex Capital Holdings Pty Limited	100%	100%	Australia	
Brookfield Multiplex Capital Investments Limited	100%	100%	Australia	
Brookfield Multiplex Capital Management Limited	100%	100%	Australia	
Multiplex 235 St Georges South Investments Pty Ltd	100%	–	Australia	12/11/2007
Multiplex 235 St Georges South Landowner Pty Ltd	100%	–	Australia	12/11/2007
Brookfield Multiplex Capital Pty Ltd	100%	100%	Australia	
Multiplex Notes Limited	100%	100%	Australia	
Multiplex German Holding Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Capital Securities Limited	100%	100%	Australia	
Brookfield Multiplex Constructions Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Constructions (NZ) Limited	100%	100%	New Zealand	
Brookfield Multiplex Developments (NZ) Limited	100%	100%	New Zealand	
Multiplex Developments (The Valley Stage 2) Limited	100%	–	New Zealand	5/10/2007
Multiplex Pegasus Town Holdings Limited	100%	100%	New Zealand	
Multiplex Pegasus Town Limited	100%	100%	New Zealand	
Multiplex Takapuna Holdings Limited	100%	–	New Zealand	29/02/2008
Multiplex Takapuna Limited	100%	–	New Zealand	29/02/2008

Entity Name	Equity Ownership 2008 %	Equity Ownership 2007 %	Country of Incorporation	Date of Acquisition/ Incorporation (If During Current Year)
35 Significant subsidiaries continued				
Multiplex Engineering (NZ) Limited	100%	100%	New Zealand	
Brookfield Multiplex Developments Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Developments (UK Limited	100%	100%	UK	
Brookfield Oxford Holding Limited	100%	–	UK	25/07/2007
Brookfield Oxford Limited	100%	–	UK	25/07/2007
Multiplex Castle House Pty Ltd	100%	100%	Australia	
Castle House Developments Limited	100%	100%	Isle of Man	
Strata SE1 (Isle Of Man) Developments Limited	100%	–	Isle of Man	23/07/2007
Multiplex Developments (UK Projects) Pty Ltd	100%	–	Australia	6/07/2007
Brookfield Malta Aylesbury Limited	100%	–	Malta	26/07/2007
Brookfield Aylesbury Holding S.A.R.L.	100%	–	Luxembourg	3/08/2007
Brookfield Aylesbury S.A.R.L.	100%	–	Luxembourg	3/08/2007
Brookfield Multiplex Developments Australia Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Greenvale Holdings Pty Ltd	100%	–	Australia	20/12/2007
Brookfield Multiplex Greenvale Pty Ltd	100%	–	Australia	20/12/2007
Multiplex Bathurst Street Holdings Pty Ltd	100%	–	Australia	7/11/2007
Multiplex Bathurst Street Pty Ltd	100%	–	Australia	7/11/2007
Multiplex Bishops See Bishops House Holdings Pty Ltd	100%	–	Australia	29/10/2007
Multiplex Bishops See Bishops House Holdings Trust	100%	–	Australia	29/10/2007
Multiplex Bishops See Bishops House Landowning Trust	100%	–	Australia	29/10/2007
Multiplex Bishops See Bishops House Landowner Pty Ltd	100%	–	Australia	29/10/2007
Multiplex Bishops See North Tower Holdings Pty Ltd	100%	–	Australia	29/10/2007
Multiplex Bishops See North Tower Holdings Trust	100%	–	Australia	29/10/2007
Multiplex Bishops See North Tower Landowning Trust	100%	–	Australia	29/10/2007
Multiplex Bishops See North Tower Landowner Pty Ltd	100%	–	Australia	29/10/2007
Multiplex Bishops See St Georges House Holdings Pty Ltd	100%	–	Australia	29/10/2007
Multiplex Bishops See St Georges House Holdings Trust	100%	–	Australia	29/10/2007
Multiplex Bishops See St Georges House Landowning Trust	100%	–	Australia	29/10/2007
Multiplex Bishops See St Georges House Landowner Pty Ltd	100%	–	Australia	29/10/2007
Multiplex Bluewater Stages 1 - 4 Holdings Pty Ltd	100%	100%	Australia	
Multiplex Bouquet Holdings Pty Ltd	100%	–	Australia	15/10/2007
Multiplex Bouquet Pty Ltd	100%	–	Australia	15/10/2007
Multiplex Hurstville Holdings Pty Ltd	100%	100%	Australia	
Multiplex Hurstville Pty Ltd	100%	100%	Australia	
Multiplex Hurstville Financier Pty Ltd	100%	–	Australia	10/07/2007
Multiplex Kent & Clarence Holdings Pty Limited	100%	–	Australia	12/11/2007
Multiplex Kent & Clarence Pty Limited	100%	–	Australia	12/11/2007
Multiplex Montague Holdings Pty Ltd	100%	–	Australia	13/08/2007
Multiplex Montague Pty Ltd	100%	–	Australia	13/08/2007
Multiplex Port Adelaide Property Management Pty Ltd	100%	–	Australia	29/11/2007
Multiplex Vale Town Centre Holdings Pty Ltd	100%	100%	Australia	
Multiplex Vale Town Centre Pty Ltd	100%	100%	Australia	
Multiplex W9 & 10 Construction Stage 4B Investments Holdings Pty Ltd	100%	100%	Australia	

Entity Name	Equity Ownership 2008 %	2007 %	Country of Incorporation	Date of Acquisition/ Incorporation (If During Current Year)
35 Significant subsidiaries continued				
Multiplex West Central Holdings Pty Ltd	100%	100%	Australia	
Multiplex W9 & 10 Construction Stage 4 Pty Limited	100%	100%	Australia	
Multiplex West Central Pty Ltd	100%	100%	Australia	
Multiplex West Central Stage 4 Holdings Pty Ltd	100%	–	Australia	30/10/2007
Multiplex West Central Stage 4 Pty Ltd	100%	–	Australia	30/10/2007
Multiplex West Central Stage 4A Holdings Pty Ltd	100%	–	Australia	5/05/2008
Multiplex West Central Stage 4A Pty Ltd	100%	–	Australia	5/05/2008
Multiplex West Central Stage 4B Holdings Pty Ltd	100%	–	Australia	5/05/2008
Multiplex West Central Stage 4B Pty Ltd	100%	–	Australia	5/05/2008
Shop 1, 163-165 Clarence St Holdings Pty Limited	100%	–	Australia	20/12/2007
Shop 1, 163-165 Clarence St Pty Limited	100%	–	Australia	20/12/2007
Multiplex Developments QLD Pty Ltd	100%	100%	Australia	
Multiplex Cotton Beach Holdings Pty Ltd	100%	100%	Australia	
Multiplex Developments SA Pty Ltd	100%	100%	Australia	
Multiplex Port Adelaide Stage 2B Holdings Pty Ltd	100%	–	Australia	5/09/2007
Multiplex Port Adelaide Stage 2B Pty Ltd	100%	–	Australia	5/09/2007
Multiplex Port Adelaide Stage 4 Holdings Pty Ltd	100%	–	Australia	5/09/2007
Multiplex Port Adelaide Stage 4 Pty Ltd	100%	–	Australia	5/09/2007
Multiplex Developments VIC Pty Ltd	100%	100%	Australia	
Multiplex Tarneit Development Manager Pty Ltd	100%	100%	Australia	
Multiplex Little Bay South Holdings Pty Ltd	100%	–	Australia	26/11/2007
Multiplex Little Bay South Pty Ltd	100%	–	Australia	27/11/2007
Brookfield Multiplex Engineering Pty Ltd	100%	100%	Australia	
MPX Engineering (SA) (Proprietary) Limited	100%	100%	South Africa	
Multiplex Engineering (Mauritius) Limited	100%	100%	Mauritius	
Brookfield Multiplex Finance No. 2 Pty Ltd	100%	100%	Australia	
Brookfield Multiplex Funds Management Limited	100%	100%	Australia	
MPT Note Purchaser Pty Ltd	100%	100%	Australia	
MPT Subscriber Pty Ltd	100%	100%	Australia	
Multiplex Claremont Investment Pty Ltd	100%	100%	Australia	
Multiplex Foundry Holdings Pty Ltd	100%	–	Australia	12/12/2007
Multiplex Foundry Landowner Pty Ltd	100%	–	Australia	12/12/2007
Multiplex MPT CMBS Investment Pty Ltd	100%	100%	Australia	
Multiplex Reed Street Landowner Pty Ltd	100%	100%	Australia	
Onyx Property Holdings Limited	100%	100%	Australia	
Multiplex Property Funds Management Limited	100%	100%	Australia	
Brookfield Multiplex Infrastructure Pty Ltd	100%	100%	Australia	
Brookfield Infrastructure (UK) Limited	100%	100%	UK	
Multiplex Infrastructure Investment Management No. 1 Ltd	100%	100%	Australia	
Multiplex Infrastructure Fund Long Bay Investments Pty Ltd	100%	100%	Australia	
Multiplex Long Bay Pty Ltd	100%	100%	Australia	
Multiplex Long Bay Trust	100%	100%	Australia	
Multiplex Infrastructure Fund Showgrounds Investments Pty Ltd	100%	100%	Australia	
Multiplex Showgrounds Holding Pty Ltd	100%	100%	Australia	

Entity Name	Equity Ownership 2008 %	2007 %	Country of Incorporation	Date of Acquisition/ Incorporation (If During Current Year)
35 Significant subsidiaries continued				
Research Environments (BMG) Pty Limited	100%	–	Australia	28/05/2008
Brookfield Multiplex Property Trust	100%	100%	Australia	
KPMG Development Trust	100%	100%	Australia	
Multiplex Stage 3A Holdings Trust	100%	100%	Australia	
Multiplex Stage 3A Landowning Trust	100%	100%	Australia	
Multiplex 240 Queen Street Investment Trust	100%	100%	Australia	
Brookfield Multiplex 240 Queen Street Landowning Trust	100%	100%	Australia	
Multiplex 324 Queen Street Investment Trust	100%	100%	Australia	
Brookfield Multiplex 324 Queen Street Landowning Trust	100%	100%	Australia	
Multiplex APF Investment Trust	100%	100%	Australia	
Multiplex APF Trust	100%	100%	Australia	
Multiplex Diversified Property Fund	100%	100%	Australia	
Multiplex Bracken Ridge Investment Trust	100%	100%	Australia	
Brookfield Multiplex Bracken Ridge Landowning Trust	100%	100%	Australia	
Multiplex City Arcade Investment Trust	100%	100%	Australia	
Brookfield Multiplex City Arcade Landowning Trust	100%	100%	Australia	
Multiplex Claremont Investment Trust	100%	100%	Australia	
Multiplex Foundry Holdings Trust	100%	–	Australia	13/12/2007
Multiplex Foundry Landowning Trust	100%	–	Australia	13/12/2007
Multiplex Colt Investment Trust	100%	100%	Australia	
Multiplex DT 100 Investments Trust	100%	100%	Australia	
Brookfield Multiplex DT 100 Landowning Trust	100%	100%	Australia	
Multiplex German Investment Trust	100%	100%	Australia	
Multiplex Hybrid Holdings Trust	100%	100%	Australia	
Multiplex Hybrid Investment Trust[1]	75%	75%	Australia	
Multiplex JH Holdings Trust	100%	100%	Australia	
Multiplex JH Trust	100%	100%	Australia	
Multiplex Aust Investment Trust	100%	100%	Australia	
Brookfield Multiplex Meeandah Landowning Trust	100%	100%	Australia	
Brookfield Multiplex Rosehill Landowning Trust	100%	100%	Australia	
Multiplex Luna Park Carpark Investment Trust	100%	100%	Australia	
Brookfield Multiplex Luna Park Carpark Landowning Trust	100%	100%	Australia	
Multiplex MPT CMBS Investment Trust	100%	100%	Australia	
Multiplex MPT CMBS Issuer Limited	100%	100%	Australia	
Multiplex PCEC Office Investment Trust	100%	100%	Australia	
Brookfield Multiplex PCEC Office Landowning Trust	100%	100%	Australia	
Multiplex Pittwater Place Investments Trust	100%	100%	Australia	
Multiplex W 9 and 10 Stage 1 Investment Trust	100%	100%	Australia	
Brookfield Multiplex W 9 and 10 Stage 1 Landowning Trust	100%	100%	Australia	
Multiplex W 9 and 10 Stage 4 Investment Trust	100%	100%	Australia	
Multiplex W 9 and 10 Stage 4 Landowning Trust	100%	100%	Australia	
Multiplex WS Retail Investment Trust	100%	100%	Australia	
Brookfield Multiplex WS Retail Landowning Trust	100%	100%	Australia	
Onyx Property Trust	100%	100%	Australia	

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

Entity Name	Equity Ownership 2008 %	2007 %	Country of Incorporation	Date of Acquisition/ Incorporation (If During Current Year)
35 Significant subsidiaries continued				
Ronin New Zealand Property Trust	100%	100%	Australia	
Onyx Property NZ Limited	100%	100%	New Zealand	
Multiplex SW Investment Trust	100%	100%	Australia	
Multiplex SW Landowning Trust	100%	100%	Australia	
Multiplex SW Financier Pty Ltd	100%	–	Australia	17/09/2007
The Multiplex Developments No. 6A Unit Trust	100%	80%	Australia	
The Multiplex Developments No. 6 Unit Trust	100%	100%	Australia	
Brookfield Multiplex BASX Unit Trust No. 3	100%	100%	Australia	
Brookfield Multiplex Services Pty Ltd	100%	100%	Australia	
Brookfield Services (UK) Limited	100%	100%	UK	
Multiplex Property Service Pty Limited	100%	100%	Australia	
Antrose Building Management Pty Ltd	60%	–	Australia	17/12/2007
Morton & Morton Executive Apartments Pty Ltd	60%	–	Australia	9/07/2007
Latitude Site C Developer Pty Ltd	100%	100%	Australia	
Multiplex (Latitude Holdings) Pty Limited	100%	100%	Australia	
Multiplex (Latitude) Pty Limited	100%	100%	Australia	
Multiplex Latitude Site C Pty Ltd	100%	100%	Australia	
Multiplex Egerton Pty Ltd	100%	100%	Australia	
Multiplex Finance Pty Ltd	100%	100%	Australia	
Multiplex MPT CMBS Issuer Limited	100%	100%	Australia	
Multiplex Parramatta Justice Pty Ltd	100%	100%	Australia	
Multiplex Middle East Holdings Pty Ltd	100%	100%	Australia	
Multiplex GCC Holdings W.L.L.	100%	100%	Bahrain	
Multiplex Constructions (Mauritius) Limited	100%	–	Mauritius	2/10/2007
Multiplex Plant And Equipment (L.L.C)	100%	–	UAE	11/12/2007
Multiplex Services (L.L.C)	100%	–	UAE	11/12/2007
Multiplex (LLC)	100%	–	UAE	3/06/2008
Multiplex CI Holdings Pty Ltd	100%	100%	Australia	
Multiplex CI Pty Ltd	100%	100%	Australia	
NASA Multiplex LLC[1]	49%	49%	UAE	

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

36 Business combinations
a Summary of acquisitions
Year ended 30 June 2008

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

Year ended 30 June 2007

On 15 March 2007, the Brookfield Multiplex Group purchased 52,991,055 units in the Multiplex Diversified Property Fund for $53.0 million. A further 1,138,945 units were purchased in April 2007 for $1.2 million. As at 30 June 2007, the Brookfield Multiplex Group owned 99.6% of the Multiplex Diversified Property Fund.

On 2 April 2007, Brookfield Multiplex Group acquired 94.9% interest in the issued capital of the Multiplex European Property Fund (MEPF). This Fund holds 67 German retail office, industrial and nursing home properties valued at €363.4 million. The total cost of the combination was €355.0 million and the consideration was comprised of cash and debt. The Fund was subsequently sold down to external unit holders on 27 June 2007. The Brookfield Multiplex Group currently holds a 20% interest in the Multiplex European Property Fund which is disclosed as an equity accounted investment in Note 15. The sell down of MEPF resulted in a $1.7 million loss to the Brookfield Multiplex Group.

36 Business combinations continued

b Name of entity and ownership acquired

The following material subsidiaries were incorporated/ acquired during the year:

Name	Principal Activities	Date Acquired 2008 Year	Date Acquired 2007 Year	Ownership Interest % 2008 Year	Ownership Interest % 2007 Year
Multiplex Diversified Property Fund	Property Investment	N/A	15 Mar 2007	N/A	99.6
Multiplex European Property Fund	Property Investment	N/A	2 Apr 2007	N/A	94.9

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
c Fair values on acquisition				
The fair value of the identifiable assets and liabilities as a result of all the acquisitions noted above as at the respective date of acquisition are:				
Consideration				
Cash	–	209.8	–	–
Investments in other equity instruments	–	54.1	–	–
Total consideration	**–**	**263.9**	**–**	**–**
Change in fair value of net assets as a result of the above acquisitions:				
Current assets				
Cash and cash equivalents	–	–	–	–
Receivables	–	0.5	–	–
Other	–	11.2	–	–
Non-current assets				
Investments	–	3.1	–	–
Investments accounted for using the equity method	–	51.0	–	–
Property, plant and equipment	–	–	–	–
Investment properties	–	609.4	–	–
Current liabilities				
Payables	–	(0.7)	–	–
Provisions	–	(0.5)	–	–
Non-current liabilities				
Interest bearing liabilities	–	(388.2)	–	–
Non-interest bearing liabilities	–	(9.1)	–	–
Equity				
Outside equity interests in subsidiaries	–	(12.8)	–	–
Total book value of net assets acquired	**–**	**263.9**	**–**	**–**
Net cash outflow	**–**	**(209.8)**	**–**	**–**

36 Business combinations continued

d Summary of disposals

Year ended 30 June 2008

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

Year ended 30 June 2007

On 2 April 2007, Brookfield Multiplex Group sold 100% of the Multiplex Welshpool Landowning Trust to a third party.

On 13 September 2006, as a result of listing the Multiplex Prime Property Fund on the Australian Securities Exchange, Brookfield Multiplex Group disposed of 78.4% of the entities that comprised the Fund.

On 27 June 2007, as a result of the listing of the units in the Multiplex European Property Fund on the Australian Securities Exchange, the Brookfield Multiplex Group disposed of 79.85% of the entities that comprised the Fund.

The following subsidiaries were disposed of during the current and comparative years:

Name	Principal Activities	Date Disposed 2008 Year	Date Disposed 2007 Year	Ownership Interest Disposed % 2008 Year	Ownership Interest Disposed % 2007 Year
Onyx Property NZ Limited	Investment	27 June 2008	N/A	100	100
Multiplex Welshpool Landowning Trust	Investment	N/A	2 April 2007	N/A	100
Multiplex Prime Property Fund	Investment	N/A	13 Sep 2006	N/A	68
Multiplex Southern Cross East Investment Trust	Investment	N/A	13 Sep 2006	N/A	68
Multiplex Defence Plaza Investment Trust	Investment	N/A	13 Sep 2006	N/A	68
Multiplex Defence Plaza Landowning Trust	Investment	N/A	13 Sep 2006	N/A	68
Multiplex Acumen Latitude Investment Trust	Investment	N/A	13 Sep 2006	N/A	68
Multiplex King Street Wharf	Investment	N/A	13 Sep 2006	N/A	68
Site 3B Landowning Trust	Investment	N/A	13 Sep 2006	N/A	68
Multiplex European Property Fund	Investment	N/A	27 Jun 2007	N/A	75

36 Business combinations continued

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
e Fair values on disposals				
The fair value of the identifiable assets and liabilities as a result of all the disposals noted above as at the respective date of disposal are:				
Consideration				
Cash	–	296.8	–	–
Investment in other equity instruments	–	86.3		
Total consideration	**–**	**383.1**	**–**	**–**
Book value of net assets sold				
Current assets				
Cash and cash equivalents	–	15.8	–	–
Receivables	–	22.1	–	–
Other	–	11.7	–	–
Non-current assets				
Investment in subsidiaries	–	125.6	–	–
Investment accounted for using the equity method	–	238.7	–	–
Investment properties	–	651.5	–	–
Current liabilities				
Payables	–	(22.4)	–	–
Non-current liabilities				
Interest bearing liabilities	–	(652.9)	–	–
Non-interest bearing liabilities	–	(0.1)	–	–
Equity				
Outside equity interests in subsidiaries	–	(28.9)	–	–
Foreign currency translation reserve	–	12.9	–	–
Total book value of net assets sold	**–**	**374.0**	**–**	**–**
Net cash inflow	–	281.0	–	–
Book gain on disposal	**–**	**9.1**	**–**	**–**
Profit recognised on prior period Constructions and Development profit eliminated	–	32.9	–	–
Net book gain on disposal	**–**	**42.0**	**–**	**–**

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Limited 2008 $m	Brookfield Multiplex Limited 2007 $m
e Gain/(loss) on disposals				
Gain on disposal	**–**	**9.1**	**–**	**–**
Profit recognised on prior period Constructions and Development profit eliminated	–	32.9	–	–
Net gain on disposal	**–**	**42.0**	**–**	**–**

37 Financial instruments

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

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

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

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

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

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

a Market risk

Interest rate risk contracts – financial assets

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

Interest rate risk contracts – financial liabilities

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

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

37 Financial instruments continued

a Market risk continued

Interest rate risk contracts – financial liabilities continued

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

		Fixed interest maturing in			
	Floating interest rate $m	Less than 1 year $m	Between 1 – 5 years $m	Over 5 years $m	Total $m
Consolidated – At 30 June 2008					
Financial assets					
Cash and cash equivalents	349.5	–	–	–	349.5
Receivables	33.1	13.9	–	–	47.0
Total financial assets	**382.6**	**13.9**	**–**	**–**	**396.5**
Financial liabilities					
Interest-bearing liabilities	3,163.4	23.9	117.8	–	3,305.1
Effect of interest rate swaps	(1,918.0)	1,222.4	554.8	140.8	–
Total financial liabilities	**1,245.4**	**1,246.3**	**672.6**	**140.8**	**3,305.1**
Consolidated – At 30 June 2007					
Financial assets					
Cash and cash equivalents	451.1	–	–	–	451.1
Receivables	–	60.4	–	–	60.4
Total financial assets	**451.1**	**60.4**	**–**	**–**	**511.5**
Financial liabilities					
Interest-bearing liabilities	2,505.2	159.0	92.6	–	2,756.8
Effect of interest rate swaps	(1,401.1)	731.4	669.7	–	–
Total financial liabilities	**1,104.1**	**890.4**	**762.3**	**–**	**2,756.8**

		Fixed interest maturing in			
	Floating interest rate $m	Less than 1 year $m	Between 1 – 5 years $m	Over 5 years $m	Total $m
Brookfield Multiplex Limited – At 30 June 2008					
Financial assets					
Cash and cash equivalents	90.6	–	–	–	90.6
Receivables	603.3	–	–	–	603.3
Total financial assets	**693.9**	**–**	**–**	**–**	**693.9**
Financial liabilities					
Interest-bearing liabilities	16.0	82.4	–	–	98.4
Effect of interest rate swaps	–	–	–	–	–
Total financial liabilities	**16.0**	**82.4**	**–**	**–**	**98.4**
Brookfield Multiplex Limited – At 30 June 2007					
Financial assets					
Cash and cash equivalents	11.0	–	–	–	11.0
Receivables	738.1	2.3	–	–	740.4
Total financial assets	**749.1**	**2.3**	**–**	**–**	**751.4**
Financial liabilities					
Interest-bearing liabilities	–	62.8	242.2	–	305.0
Effect of interest rate swaps	–	–	–	–	–
Total financial liabilities	**–**	**62.8**	**242.2**	**–**	**305.0**

37 Financial instruments continued

a Market risk continued

Interest rate sensitivity

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

	Consolidated 2008				Consolidated 2007			
	Impact on Profit		Impact on Equity		Impact on Profit		Impact on Equity	
	+100 bps	-100 bps	+100 bps	-100 bps	+100 bps	-100 bps	+100 bps	-100 bps
Consolidated								
Australian Dollar	6.0	(6.0)	12.4	(12.6)	7.1	(7.1)	18.3	(18.7)
New Zealand Dollar	0.5	(0.5)	1.0	(1.0)	0.3	(0.3)	0.5	(0.5)
United Kingdom Pound	2.2	(2.2)	8.3	(8.6)	0.1	(0.1)	2.5	(2.6)

	Company 2008				Company 2007			
	Impact on Profit		Impact on Equity		Impact on Profit		Impact on Equity	
	+100 bps	-100 bps	+100 bps	-100 bps	+100 bps	-100 bps	+100 bps	-100 bps
Brookfield Multiplex Limited								
Australian Dollar	(5.8)	5.8	–	–	(6.6)	6.6	–	–
New Zealand Dollar	(0.2)	0.2	–	–	(0.3)	0.3	–	–

Set out below is the notional principal of interest rate swaps and the outstanding principal of fixed rate loans in their local currency, and the weighted average interest rate of those contracts in each currency at 30 June 2008:

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

37 Financial instruments continued
a Market risk continued
Interest rate sensitivity continued

2007	Total $m	Less than 1 year $m	1-2 years $m	2-3 years $m	3-4 years $m	4-5 years $m	More than 5 years $m
		Periods in which they mature or, if earlier, reprice					
Australian Dollars							
Interest rate swaps	1,341.1	671.4	319.7	350.0	–	–	–
Fixed rate borrowings	228.7	159.0	69.7	–	–	–	–
Total	**1,569.8**	**830.4**	**389.4**	**350.0**	**–**	**–**	**–**
Weighted average fixed rate	6.88%	7.04%	7.53%	5.78%	–	–	–
New Zealand Dollars							
Interest rate swaps	60.0	60.0	–	–	–	–	–
Fixed rate borrowings	22.9	–	–	–	–	22.9	–
Total	**82.9**	**60.0**	**–**	**–**	**–**	**22.9**	**–**
Weighted average fixed rate	9.48%	6.69%	–	–	–	16.80%	–

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

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

The Group and the Company operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the UK pound and NZ dollar.

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

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

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

Net Investment in a foreign operation
The Group's net investment in the Multiplex UK foreign operations exposes it to foreign currency risk.

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

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

37 Financial instruments continued

b Foreign currency risk continued

Net Investment in a foreign operation continued

In 2008, the Group entered into a forward exchange contract to hedge its net direct investment in the Brookfield Multiplex UK operation. This complies with the Group Treasury policies of the new ultimate parent entity.

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

			30 June 2008			30 June 2007
	AED $m	GBP $m	NZD $m	AED $m	GBP $m	NZD $m
Consolidated						
Financial assets						
Cash and cash equivalents	141.9	22.9	1.2	65.1	42.2	6.5
Receivables	153.4	161.8	19.0	170.5	217.5	32.0
Total financial assets	**295.3**	**184.7**	**20.2**	**235.6**	**259.7**	**38.5**
Financial liabilities						
Payables	331.0	207.3	21.6	254.6	143.6	45.3
Interest-bearing loans and borrowings	–	503.0	68.3	–	604.2	20.8
Non-interest bearing loans and borrowings	–	381.4	–	–	478.5	–
Total financial liabilities	**331.0**	**1,091.7**	**89.9**	**254.6**	**1,226.3**	**66.1**

			30 June 2008			30 June 2007
	AED $m	GBP $m	NZD $m	AED $m	GBP $m	NZD $m
Brookfield Multiplex Limited						
Financial assets						
Cash and cash equivalents	–	10.6	0.3	–	0.2	0.1
Receivables	27.4	785.8	17.9	8.5	791.9	44.9
Total financial assets	**27.4**	**796.4**	**18.2**	**8.5**	**792.1**	**45.0**
Financial liabilities						
Interest-bearing loans and borrowings	–	6.7	23.7	–	–	37.0
Total financial liabilities	**–**	**6.7**	**23.7**	**–**	**–**	**37.0**

Foreign Currency Sensitivity

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

				Brookfield Multiplex Limited 2008				Brookfield Multiplex Limited 2007
	Impact on Profit		Impact on Equity		Impact on Profit		Impact on Equity	
	+5%	-5%	+5%	-5%	+5%	-5%	+5%	-5%
New Zealand Dollar	0.3	(0.3)	–	–	(0.4)	0.4	–	–
United Arab Emirates Dirham	(1.3)	14.4	–	–	(0.4)	0.4	–	–
United Kingdom Pounds	(37.1)	41.1	–	–	(37.7)	41.7	–	–

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

37 Financial instruments continued

c Commodity and equity price risk

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

d Credit risk

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

The Group manages this risk by:

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

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

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

e Liquidity and capital risk management

Capital risk management

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

Capital management is monitored in two main ways:

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

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

– a maximum of 50% of interest bearing net debt to total assets. At 30 June 2008, the percentage of interest bearing net debt to total assets is 31.2% (June 2007: 28.8%).

Liquidity risk

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

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

37 Financial instruments continued

e Liquidity and capital risk management continued

Liquidity risk continued

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

Financing arrangements

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

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

	Consolidated		Brookfield Multiplex Limited	
	2008 $m	2007 $m	2008 $m	2007 $m
Floating rate				
Expiring within one year (cash advance and bill facility)	514.3	401.5	–	–
Expiring beyond one year (bank loans)	111.8	259.1	–	–
	626.1	**660.6**	**–**	**–**

The Group had a Commercial Mortgage Backed Security Program Series 1 of $537 million, which matured on 20 May 2008. The Group has secured a one year facility with a further one year option for $475 million, with the balance being paid by the cash retained as security from the Goldfields House sale.

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

37 Financial instruments continued

e Liquidity and capital risk management continued

Maturities of financial liabilities

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

	Less than 1 year $m	Between 1 – 2 years $m	Between 2 – 3 years $m	Between 3 – 4 years $m	Between 4 – 5 years $m	Over 5 years $m	Total $m
Consolidated – At 30 June 2008							
Non-derivatives							
Payables	821.0	46.5	22.1	–	–	–	889.6
Interest bearing loans and borrowings	1,549.1	1,864.8	190.7	19.9	19.1	147.1	3,790.7
Non-interest bearing loans and borrowings	395.7	1.5	–	–	–	–	397.2
Total non derivatives	**2,765.8**	**1,912.8**	**212.8**	**19.9**	**19.1**	**147.1**	**5,077.5**
Derivatives							
Net settled – interest rate swaps	(12.8)	(9.0)	(0.9)	(0.6)	(0.3)	–	(23.6)
Gross settled – forward foreign exchange contracts:							
(Inflow)	(208.1)	–	–	–	–	–	(208.1)
Outflow	207.1	–	–	–	–	–	207.1
Total derivatives	**(13.8)**	**(9.0)**	**(0.9)**	**(0.6)**	**(0.3)**	**–**	**(24.6)**
Consolidated – At 30 June 2007							
Non-derivatives							
Payables	791.2	21.0	19.2	–	–	–	831.4
Interest bearing loans and borrowings	1,213.3	931.6	662.6	–	–	–	2,807.5
Non-interest bearing loans and borrowings	395.7	6.1	–	–	–	–	401.8
Total non derivatives	**2,400.2**	**958.7**	**681.8**	**–**	**–**	**–**	**4,040.7**
Derivatives							
Net settled – interest rate swaps	(8.0)	(5.1)	(4.3)	–	–	–	(17.4)
Gross settled – forward foreign exchange contracts:							
(Inflow)	(2.6)	(0.7)	–	–	–	–	(3.3)
Outflow	2.7	0.7	–	–	–	–	3.4
Total derivatives	**(7.9)**	**(5.1)**	**(4.3)**	**–**	**–**	**–**	**(17.3)**

37 Financial instruments continued

e Liquidity and capital risk management continued

Maturities of financial liabilities continued

	Less than 1 year $m	Between 1 – 2 years $m	Between 2 – 3 years $m	Between 3 – 4 years $m	Between 4 – 5 years $m	Over 5 years $m	Total $m
Brookfield Multiplex Limited – At 30 June 2008							
Non-derivatives							
Payables	36.0	–	–	–	–	–	36.0
Interest bearing loans and borrowings	93.9	17.6	1.6	1.6	–	–	114.7
Non-interest bearing loans and borrowings	1,146.7	8.7	–	–	–	–	1,155.4
Total non derivatives	**1,276.6**	**26.3**	**1.6**	**1.6**	**–**	**–**	**1,306.1**
Derivatives							
Net settled – interest rate swaps	–	–	–	–	–	–	–
Gross settled – forward foreign exchange contracts:							
(Inflow)	(208.1)	–	–	–	–	–	(208.1)
Outflow	207.1	–	–	–	–	–	207.1
Total derivatives	**(1.0)**	**–**	**–**	**–**	**–**	**–**	**(1.0)**
Brookfield Multiplex Limited – At 30 June 2007							
Non-derivatives							
Payables	26.7	–	–	–	–	–	26.7
Interest bearing loans and borrowings	68.8	256.2	–	–	–	–	325.0
Non-interest bearing loans and borrowings	824.5	–	–	–	–	–	824.5
Total non derivatives	**920.0**	**256.2**	**–**	**–**	**–**	**–**	**1,176.2**
Derivatives							
Net settled – interest rate swaps	–	–	–	–	–	–	–
Gross settled – forward foreign exchange contracts:							
(Inflow)	–	–	–	–	–	–	–
Outflow	–	–	–	–	–	–	–
Total derivatives	**–**	**–**	**–**	**–**	**–**	**–**	**–**

f Fair value

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

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

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

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

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

37 Financial instruments continued
f Fair value continued

	Note	Consolidated 2008 Carrying amount $m	Consolidated 2008 Fair Value $m	Consolidated 2007 Carrying amount $m	Consolidated 2007 Fair Value $m
Financial liabilities					
Interest bearing loans and borrowings:					
Debt facilities		(463.0)	(469.9)	(496.0)	(503.8)
Unrecognised (losses)			**(6.9)**		**(7.8)**

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

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

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

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

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

39 Events occurring after the Balance Sheet date
In late August 2008, the Company will issue $220 million of preference shares to its immediate parent entity, Brookfield Australia. The subscription price of the preference shares will be paid for by $120 million cash and $100 million on demand Promissory Note issued by Brookfield Australia. The Promissory Note is not interest bearing.

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

Directors' Declaration
Brookfield Multiplex Group
For the year ended 30 June 2008

In the opinion of the Directors of Brookfield Multiplex Limited:

a the financial statements and notes set out on pages 14 to 96 are in accordance with the *Corporations Act 2001*, including:

  i giving a true and fair view of the financial position of the Company and the Consolidated Entity as at 30 June 2008 and of their performance for the year ended on that date; and

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

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

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

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

Ross A McDiven
Chief Executive Officer
Brookfield Multiplex Limited

Brian W Kingston
Chief Financial Officer
Brookfield Multiplex Limited

25 August 2008

Deloitte.

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

We have audited the accompanying financial report of the Brookfield Multiplex Group, which comprises the balance sheet as at 30 June 2008, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the stapled entity comprising Brookfield Multiplex Limited and its controlled entities and Brookfield Multiplex Property Trust and its controlled entities at the year's end or from time to time during the financial year as set out on pages 14 to 97.

Directors' Responsibility for the Financial Report

The directors of Brookfield Multiplex Limited and its controlled entities and the directors of Brookfield Multiplex Funds Management Limited being the Responsible Entity for Brookfield Multiplex Property Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

(a) the financial report of Brookfield Multiplex Group is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the Brookfield Multiplex Group's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants
Sydney, 25 August 2008

Brookfield Multiplex Property Trust
and its subsidiaries
Financial Report
For the year ended
30 June 2008

Brookfield Multiplex Property Trust

ARSN 106 643 387

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Brookfield Multiplex Property Trust and its subsidiaries

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Introduction

The Directors of Brookfield Multiplex Funds Management Limited (formerly Multiplex Funds Management Limited), the Responsible Entity of the Brookfield Multiplex Property Trust (the Trust) present their Report together with the consolidated financial report of the Consolidated Entity, being the Trust and its subsidiaries, for the year ended 30 June 2008 and the independent audit report thereon.

Directors

Name	Capacity	Title
Mr F Allan McDonald	Non-Executive Chairman	Non-Executive Chairman
Ms Barbara K Ward	Non-Executive Director	Independent Director
Mr Ross A McDiven	Executive Director	Chief Executive Officer
Mr Brian W Kingston (appointed 31 March 2008)	Executive Director	Chief Financial Officer
Mr Jeffrey M Blidner (appointed 15 October 2007)	Non-Executive Director	Director
Mr Richard B Clark (appointed 15 October 2007)	Non-Executive Director	Director
Mr Peter J Dransfield (resigned 15 October 2007)	Non-Executive Director	Independent Director
Mr John H Poynton (resigned 15 October 2007)	Non-Executive Director	Independent Director
Mr Robert V McKinnon (resigned 31 March 2008)	Executive Director	Joint Managing Director, Chief Financial Officer
Mr Ian O'Toole (resigned 15 October 2007)	Executive Director	Executive Director
Mr James L Tuckey (resigned 15 October 2007)	Executive Director	Chairman – UK Operations
Mr Alan J Cameron (resigned 15 October 2007)	Non Executive Director	Independent Director

Information on Directors

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

Directors continued

Information on Directors continued

Director (of Brookfield Multiplex Funds Management Limited, as the Responsible Entity)	**Experience**	**Special Responsibilities**
Other Non-Executive Directors		
Barbara K Ward B.Econ, M.Pol.Econ, MAICD	Ms Ward was appointed as a Non-Executive Director of Brookfield Multiplex Funds Management Limited on 22 October 2003. Ms Ward has gained extensive business and finance experience through her role as Chief Executive Officer of Ansett Worldwide Aviation Services, as General Manager Finance for the TNT Group and as a Senior Ministerial Advisor. Ms Ward is Chairman of Country Energy, a Director of Lion Nathan Limited (appointed February 2003) and a Director of Qantas Airways Limited (appointed June 2008). In addition, Ms Ward is a trustee of the Sydney Opera House Trust. During the past three years Ms Ward has also served as a Director of Multiplex Limited (December 2003 to October 2007), Director of the Commonwealth Bank of Australia (April 1994 to November 2006), and Allco Finance Group Limited (April 2005 to January 2008).	Chairman of the Audit and Risk Committee
Jeffrey M Blidner	Mr Blidner is a Non-Executive Director and Chairman of Brookfield Multiplex Limited and Non-Executive Director Brookfield Multiplex Funds Management Limited and was appointed to both Boards on 15 October 2007. Mr Blidner is a Senior Managing Partner of Brookfield Asset Management Inc. and is responsible for strategic planning and corporate operations. From 1998 to March 2008, Mr Blidner served on the board of directors of Teknion Corporation which was listed on the Toronto Stock Exchange (TSX). From 2000 to 2005 he was the Vice Chairman of Trilon Financial Corporation which was listed on the TSX. Both companies are no longer listed.	Non-Executive Director
Richard B Clark	Mr Clark is a Non-Executive Director of Brookfield Multiplex Limited and Brookfield Multiplex Funds Management Limited and was appointed to both Boards on 15 October 2007. Mr Clark is Chief Executive Officer and President of Brookfield Properties Corporation and Senior Managing Partner of Brookfield Asset Management's Real Estate Operations. There are no other listed companies of which Mr Clark has served as a director during the past three years.	Non-Executive Director

Directors continued

Information on Directors continued

Director (of Brookfield Multiplex Funds Management Limited, as the Responsible Entity)	Experience	Special Responsibilities
Executive Directors		
Ross A McDiven BCom	Mr McDiven is the Chief Executive Officer of Brookfield Multiplex Group. Mr McDiven was appointed as an executive director of Brookfield Multiplex Limited on 18 January 1986 and Brookfield Multiplex Funds Management Limited on 18 August 2003 respectively. Mr McDiven has over 37 years' experience with Brookfield Multiplex. He spent his early years at Brookfield Multiplex in the Construction business and for 18 years led the company's operations in New South Wales. Mr McDiven was also responsible for overseeing significant growth of Brookfield Multiplex's Development operations and is now responsible for the Group's Construction, Development and Services businesses worldwide. During the past three years Mr McDiven has served as a Director of Multiplex Limited (delisted from the Australian Securities Exchange in December 2007).	Chief Executive Officer
Brian W Kingston	Mr Kingston is the Chief Financial Officer of Brookfield Multiplex. Mr Kingston joined Brookfield Asset Management in 2001 and has held various senior management positions within Brookfield and its affiliates, including mergers and acquisitions, merchant banking and real estate advisory services. Mr Kingston has not served as a Director of any listed entities.	Chief Financial Officer

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

Directors continued

Directors' meetings

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

Director	Board Meetings Held	Board Meetings Attended	Audit Committee Meetings* Held	Audit Committee Meetings* Attended
Mr F Allan McDonald	8	8	4	4
Mr Jeffrey M Blidner[1]	5	4	2	2
Mr Alan F Cameron AM[3]	3	2	N/A	N/A
Mr Richard B Clark[1]	5	4	N/A	N/A
Mr Peter J Dransfield[3]	3	3	2	2
Mr Brian W Kingston[2]	1	1	N/A	N/A
Mr Ross A McDiven	8	6	N/A	N/A
Mr Robert V McKinnon[4]	7	7	N/A	N/A
Mr Ian O'Toole[3]	3	2	N/A	N/A
Mr John H Poynton AM[3]	3	2	N/A	N/A
Mr James L Tuckey[3]	2	2	N/A	N/A
Ms Barbara K Ward	8	8	4	4

* The Audit Committee and Governance and Risk Committee were disbanded on 4 February 2008.

1 Appointed 15 October 2007.
2 Appointed 31 March 2008.
3 Resigned 15 October 2007.
4 Resigned 31 March 2008.

Principal activities

The principal activities of the Consolidated Entity during the course of the year ended 30 June 2008 was investment in income producing retail, commercial and industrial properties. The Consolidated Entity principally operates in Australia.

There has been no significant change in the nature of the activities of the Consolidated Entity during the year ended 30 June 2008.

Group structure

The Brookfield Multiplex Property Trust (the Trust) and its subsidiaries and Brookfield Multiplex Limited (the Company) and its subsidiaries together form the Brookfield Multiplex Group (the Group). Shares in the Company and units in the Trust are stapled together so that neither can be dealt with without the other. A transfer, issue or reorganisation of a share or a 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.

Significant changes in the state of affairs

On 11 June 2007, the Multiplex Group entered into an implementation agreement with Brookfield Asset Management Inc. in relation to the acquisition of all Group stapled securities by means of an off market takeover offer (Brookfield Offer). The Brookfield Offer became unconditional on 15 October 2007. Brookfield BidCo (Australia) Pty Ltd (Brookfield Australia), a wholly owned subsidiary of Brookfield Asset Management Inc. issued a notice of compulsory acquisition to acquire all remaining Multiplex Group stapled securities subject to the Brookfield Offer on 2 November 2007.

The compulsory acquisition process was completed on 17 December 2007 and the securities of the Multiplex Group ceased trading on the Australian Securities Exchange on 20 December 2007. On 1 January 2008 the Multiplex Group became wholly owned by Brookfield Australia.

Operating profit

Brookfield Multiplex Property Trust recorded a net loss attributable to unitholders of $79.5 million for the year ended 30 June 2008 (June 2007: $619.3 million net profit).

Earnings per unit

	Year ended 30 June 2008 cents	Year ended 30 June 2007 cents
Basic (loss)/earnings per unit	**(9.5)**	**74.0**
Diluted (loss)/earnings per unit	**(9.5)**	**73.9**

Distributions

The Trust paid cash distributions to unitholders of $113.0 million (13.5 cents per unit) during the year ended 30 June 2008 (June 2007: $217.8 million; 26.0 cents per unit). In addition, a final distribution of $29.3 million (3.5 cents per unit) was declared and paid by reduction in the loan with its parent entity.

The Trust funded all distributions to stapled securityholders of Brookfield Multiplex Group for the year ended 30 June 2008.

Distributions were paid or payable in respect of the year ended 30 June 2008 to unitholders as follows:

	Cents	$m
Interim distribution paid 31 December 2007	3.5	29.3
Final distribution paid 30 June 2008	3.5	29.3
Total	**7.0**	**58.6**

Review of operations and results

Operating results for the year

Set out below are the key financial results for the year ended 30 June 2008:

		June 2008	June 2007
Net (loss)/profit after tax attributable to unitholders	($m)	(79.5)	619.3
(Losses)/earnings per unit	(cents)	(9.5)	74.0
Distribution paid and payable	($m)	58.6	154.9
Distribution per unit	(cents)	7.0	18.5

The Trust reported a net loss attributable to unitholders of $79.5 million for the year ended 30 June 2008 (June 2007: net profit of $619.3 million). The result was impacted by a number of significant items. The result included the favourable impact of fair value adjustments (FVAs) relating to the Trust's directly owned and equity accounted investment properties of $160.3 million (June 2007: $426.1 million). However, the impact of these FVAs was more than offset by a $301.2 million charge for the impairment of goodwill and a $15.4 million charge for impairment of certain listed investments.

The net profit attributable to minority interests of $56.7 million (June 2007: $47.9million) for the year ended 30 June 2008 relates to distributions payable to unitholders of the Multiplex SITES Trust ($40.6 million), 25% of the profits and fair value adjustments of Southern Cross ($14.5 million), and 26% of the profits of Multiplex Diversified Property Fund ($1.6 million).

The Trust paid cash distributions to unitholders of $113.0 million (13.5 cents per unit) during the year ended 30 June 2008 (June 2007: $217.8 million; 26.0 cents per unit).

Review of operations and results continued

Operating results for the year continued

During the period the Trust has:

- Retained strong occupancy at 99%.
- Maintained the value of its investment portfolio at over $3.3 billion.
- Concluded 628 rent reviews in respect of 616,299 sqm or 78% of the portfolio's net lettable area, at an average increase of 3.1%.
- Achieved a tenant retention rate of 87% by net income, with 53 new and renewed leases commencing during the period in respect of more than 81,199 sqm.
- The weighted average lease term (by income) across the Trust's portfolio is 7.1 years.

As at 30 June 2008, the Trust held an interest in 24 properties (22 directly with a consolidated carrying value of $2,854.5 million and 2 indirectly with a share of equity accounted value of $541.8 million) valued at over $3.3 billion.

In January 2008, and as a consequence of the Brookfield acquisition of the Group, AMP Capital Advisers (New Zealand) Ltd exercised its pre-emptive rights to acquire the Consolidated Entity's 15% interest in the AMP New Zealand Property Trust (ANZ0) for NZ$1.30 per unit. The transaction settled in February 2008.

Financial condition

Total assets decreased $96.7 million to $5,394.2 million at 30 June 2008 compared to $5,490.9 million at 30 June 2007. Net tangible assets and net tangible assets per unit increased to $3,011.0 million and $3.60 per unit respectively at 30 June 2008 compared to $2,879.5 million and $3.44 per unit respectively at 30 June 2007.

At 30 June 2008 existing debt facilities totalled $1,852.9 million (June 2007: $1,885.0 million) of which $1,687.2 million was drawn (June 2007: $1,547.4 million). At 30 June 2008 the Trust had available $165.7 million (June 2007: $337.6 million) of undrawn committed borrowing facilities in respect of which all conditions precedent, other than, for example, incurrence of costs or project facilities, had been met.

Total equity (excluding minority interests) decreased $169.7 million to $3,011.0 million at 30 June 2008 compared to $3,180.7 million at 30 June 2007.

The Trust's net debt gearing ratio (calculated as total interest bearing liabilities less cash assets, divided by total assets) was 30.6% at 30 June 2008 compared to 23.4% at 30 June 2007.

Other Matters

On 1 January 2008 the Brookfield Multiplex Property Trust became a wholly owned subsidiary of Brookfield Australia.

As previously reported, in December 2006, Brookfield Multiplex Limited (BMXL) and Brookfield Multiplex Funds Management Limited (BMFML), as Responsible Entity for the Brookfield Multiplex Property Trust, were served with a statement of claim in respect of a Class Action claiming unquantified damages. The statement of claim alleges that, in connection with the Wembley project, BMXL and BMFML breached their continuous disclosure obligations and/or engaged in misleading or deceptive conduct during the period 2 August 2004 to 30 May 2005.

Brookfield Multiplex denies that it has any liability and continues to defend the Class Action. It is expected, given the issues involved in the Class Action, that it will be a complex and protracted litigation matter. It should be noted that Brookfield Multiplex has not made any provision in its accounts as at 30 June 2008 for the payment of any claim in the event that the Class Action is successful.

Events occurring after the Balance Sheet date

Other than as disclosed in this report and to the knowledge of the directors, there has been no matter or circumstance that has arisen since the end of the financial 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.

Likely developments and expected results of operations

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

Environmental regulation

The Trust has systems in place to manage its environmental obligations. Apart from an alleged breach of the Integrated Planning Act 1997 by a subsidiary of Brookfield Multiplex Limited, based upon the results of inquiries made, the Board is not aware of any other significant breaches or non-compliance issues during the period covered by this report.

Key management personnel compensation
The Consolidated Entity or the Trust do not employ key management personnel in their own right. The Trust is, however, required to have an incorporated Responsible Entity to manage its activities and personnel of this entity are considered the Key Management Personnel of the Trust.

The aggregate compensation made to directors and other members of key management personnel of the Responsible Entity and the Brookfield Multiplex Group is set out below:

	Consolidated		Brookfield Multiplex Limited	
	2008 $	2007 $	2008 $	2007 $
Short-term employee benefits	14,228,143	11,406,749	10,577,577	5,881,191
Post-employment benefits	191,646	120,207	125,015	75,900
Other long-term benefits	1,350,734	922,710	306,667	507,897
Termination benefits	8,539,414	–	6,738,281	–
Share based payment	4,708,224	3,609,769	2,045,250	1,895,928
	29,018,161	**16,059,435**	**19,792,790**	**8,360,916**

Register of unitholders
The register of unitholders has, during the year ended 30 June 2008, been properly drawn up and maintained so as to give a true account of the unitholders of the Trust.

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

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

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

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

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

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

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

The 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.

Corporate governance
In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Responsible Entity both support and adhere to the principles of corporate governance.

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.

Auditor independence and non-audit services

Independence
The Directors received the declaration on page 11 from the auditor of the Trust.

Non-audit services
During the year, all amounts paid to Deloitte Touche Tohmatsu for the provision of non-audit services were borne by the Responsible Entity.

Deloitte Touche Tohmatsu have been appointed as auditors in accordance with section 327 of the *Corporations Act 2001*.

This Report is signed in accordance with a resolution of the Board of Directors, and for and on behalf of the Directors.

Ross A McDiven
Chief Executive Officer
Brookfield Multiplex Funds Management Limited

Brian W Kingston
Chief Financial Officer
Brookfield Multiplex Funds Management Limited

25 August 2008

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Brookfield Multiplex Funds Management Limited
as Responsible Entity for Brookfield Multiplex Property Trust
1 Kent Street
SYDNEY, NSW 2000

25 August 2008

Dear Directors

AUDITORS INDEPENDENCE DECLARATION TO BROOKFIELD MULTIPLEX 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 Multiplex Funds Management Limited, as responsible entity for Brookfield Multiplex Property Trust.

As audit partner for the audit of the financial statements of the Brookfield Multiplex Property Trust for the financial year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants

Income Statement

Brookfield Multiplex Property Trust and its subsidiaries

For the year ended 30 June 2008

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
Revenues	2a	279.6	368.8	37.7	134.7
Other income	2b	117.6	383.9	224.9	203.8
Expenses (excluding finance costs and rates, taxes and property outgoings)	4	(335.9)	(18.1)	(15.4)	(14.6)
Rates, taxes and property outgoings	2c	(54.9)	(50.5)	–	–
Finance costs	2d	(131.5)	(114.3)	(167.7)	(142.9)
Share of net profit of associates accounted for using the equity method	13b	102.3	97.4	-	–
Net (loss)/profit for the year		**(22.8)**	**667.2**	**79.5**	**181.0**
Attributable to:					
Unitholders of the Brookfield Multiplex Property Trust		(79.5)	619.3	79.5	181.0
Minority interest		56.7	47.9	–	–
Net (loss)/profit for the year		**(22.8)**	**667.2**	**79.5**	**181.0**
Basic (loss)/earnings per unit (cents per unit)	5	**(9.5)**	**74.0**		
Diluted (loss)/earnings per unit (cents per unit)	5	**(9.5)**	**73.9**		

		Consolidated 2008 $m	Consolidated 2007 $m
Statement of Distribution			
Net (loss)/profit attributable to unitholders of Brookfield Multiplex Property Trust		(79.5)	619.3
Net transfer of undistributed income from/(to) undistributed income reserve		138.1	(464.4)
Distributions paid and payable	6	**58.6**	**154.9**
Distributions per security (cents)	6	**7.0**	**18.5**
Weighted average number of securities		**837,402,185**	**837,402,185**

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

Balance Sheet

Brookfield Multiplex Property Trust and its subsidiaries

As at 30 June 2008

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
Current assets					
Cash and cash equivalents	8	27.5	255.3	11.3	243.6
Trade and other receivables	9	307.4	115.7	601.5	1,197.2
Derivative assets	10	0.2	2.7	0.2	0.7
Prepayments	11	2.1	1.7	0.5	0.1
Other financial assets	12(a)	1,300.0	–	1,300.0	–
Total current assets		**1,637.2**	**375.4**	**1,913.5**	**1,441.6**
Non-current assets					
Trade and other receivables	9	51.9	276.7	9.0	242.2
Derivative assets	10	13.0	10.3	–	0.2
Other financial assets	12(a)	–	1,000.0	–	1,000.0
Investments in subsidiaries	12(b)	–	–	3,541.8	3,219.5
Investments accounted for using the equity method	13	735.7	837.1	56.1	56.1
Investment property	14	2,854.5	2,642.0	–	–
Property, plant and equipment	15	101.9	48.2	–	–
Intangible assets	16	–	301.2	–	–
Total non-current assets		**3,757.0**	**5,115.5**	**3,606.9**	**4,518.0**
Total assets		**5,394.2**	**5,490.9**	**5,520.4**	**5,959.6**
Current liabilities					
Trade and other payables	17	43.7	163.8	20.8	102.6
Interest bearing loans and borrowings	18	663.9	656.1	1,113.9	1,055.9
Non-interest bearing loans and borrowings	19	29.0	0.9	925.0	1,422.4
Current tax liabilities		–	0.4	–	–
Provisions	20	8.8	4.0	5.8	0.9
Total current liabilities		**745.4**	**825.2**	**2,065.5**	**2,581.8**
Non-current liabilities					
Trade and other payables	17	23.0	20.7	–	–
Interest bearing loans and borrowings	18	1,016.4	883.5	933.0	871.5
Non-interest bearing loans and borrowings	19	–	4.5	–	4.5
Total non-current liabilities		**1,039.4**	**908.7**	**933.0**	**876.0**
Total liabilities		**1,784.8**	**1,733.9**	**2,998.5**	**3,457.8**
Net assets		**3,609.4**	**3,757.0**	**2,521.9**	**2,501.8**
Equity					
Issued units	21	2,441.8	2,441.8	2,441.8	2,441.8
Reserves	22	(9.1)	22.5	(7.1)	(6.3)
Undistributed income	23	578.3	716.4	87.2	66.3
Total parent interests		**3,011.0**	**3,180.7**	**2,521.9**	**2,501.8**
Minority interests	24	598.4	576.3	–	–
Total equity		**3,609.4**	**3,757.0**	**2,521.9**	**2,501.8**

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

Statement of Changes in Unitholder Interests
Brookfield Multiplex Property Trust and its subsidiaries
For the year ended 30 June 2008

	Attributable to Unitholders of the Trust				Minority Interests	Total Equity
	Issued Units $m	Undistributed Profits/ (Losses) $m	Reserves (Refer to Note 22) $m	Total $m	$m	$m
Consolidated						
As at 1 July 2006	**2,441.8**	**252.0**	**2.3**	**2,696.1**	**457.2**	**3,153.3**
Currency translation differences	–	–	6.0	6.0	–	6.0
Change in fair value of available-for-sale financial assets	–	–	8.3	8.3	–	8.3
Effective portion of changes in fair value of cash flow hedges	–	–	5.9	5.9	–	5.9
Income and expense recognised directly in equity	–	–	**20.2**	**20.2**	–	**20.2**
Profit for the year	–	619.3	–	619.3	47.9	667.2
Total recognised income and expenses for the year	**–**	**619.3**	**20.2**	**639.5**	**47.9**	**687.4**
Transactions with unitholders in their capacity as unitholders:						
Distributions	–	(154.9)	–	(154.9)	(43.6)	(198.5)
Minority interest on acquisition of subsidiary[1]	–	–	–	–	131.7	131.7
Loss of control of subsidiary[2]	–	–	–	–	(16.9)	(16.9)
Total transactions with unitholders in their capacity as unitholders	**–**	**(154.9)**	**–**	**(154.9)**	**71.2**	**(83.7)**
As at 30 June 2007	**2,441.8**	**716.4**	**22.5**	**3,180.7**	**576.3**	**3,757.0**

1 Relates to net 25% minority interest in Southern Cross following the listing of Multiplex Prime Property Fund in September 2006, and acquisition of Multiplex Diversified Property Fund.
2 Relates to listing of Multiplex Prime Property Fund in September 2006.

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

Brookfield Multiplex Property Trust and its subsidiaries

For the year ended 30 June 2008

	Attributable to Unitholders of the Trust				Minority Interests	Total Equity
	Issued Units $m	Undistributed Profits/ (Losses) $m	Reserves (Refer to Note 22) $m	Total $m	$m	$m
Consolidated						
As at 1 July 2007	**2,441.8**	**716.4**	**22.5**	**3,180.7**	**576.3**	**3,757.0**
Currency translation differences	–	–	(11.9)	(11.9)	–	(11.9)
Change in fair value of available-for-sale financial assets	–	–	(15.8)	(15.8)	–	(15.8)
Effective portion of changes in fair value of cash flow hedges	–	–	(3.9)	(3.9)	–	(3.9)
Income and expense recognised directly in equity	**–**	**–**	**(31.6)**	**(31.6)**	**–**	**(31.6)**
(Loss)/profit for the year	–	(79.5)	–	(79.5)	56.7	(22.8)
Total recognised income and expenses for the year	**–**	**(79.5)**	**(31.6)**	**(111.1)**	**56.7**	**(54.4)**
Transactions with unitholders in their capacity as unitholders:						
Distributions	–	(58.6)	–	(58.6)	(48.0)	(106.6)
Increase in minority interest in subsidiary[1]	–	–	–	–	13.4	13.4
Total transactions with unitholders in their capacity as unitholders	**–**	**(58.6)**	**–**	**(58.6)**	**(34.6)**	**(93.2)**
As at 30 June 2008	**2,441.8**	**578.3**	**(9.1)**	**3,011.0**	**598.4**	**3,609.4**

1 Relates to increase in minority interest of the Multiplex Diversified Property Fund.

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

Statement of Changes in Unitholder Interests continued
Brookfield Multiplex Property Trust and its subsidiaries
For the year ended 30 June 2008

	Issued Units $m	Undistributed Profits/ (Losses) $m	Reserves (Refer to Note 22) $m	Total $m
Brookfield Multiplex Property Trust				
As at 1 July 2006	**2,441.8**	40.2	**(6.9)**	**2,475.1**
Currency translation differences	–	–	–	–
Effective portion of changes in fair value of cash flow hedges	–	–	0.6	0.6
Income and expense recognised directly in equity	–	**–**	**0.6**	**0.6**
Profit for the year	–	181.0	–	181.0
Total recognised income and expenses for the year	**–**	**181.0**	**0.6**	**181.6**
Transactions with unitholders in their capacity as unitholders:				
Distributions	–	(154.9)	–	(154.9)
Total transactions with unitholders in their capacity as unitholders	**–**	**(154.9)**	**–**	**(154.9)**
As at 30 June 2007	**2,441.8**	**66.3**	**(6.3)**	**2,501.8**

	Issued Units $m	Undistributed Profits/ (Losses) $m	Reserves (Refer to Note 22) $m	Total $m
Brookfield Multiplex Property Trust				
As at 1 July 2007	**2,441.8**	**66.3**	**(6.3)**	**2,501.8**
Currency translation differences	–	–	0.5	0.5
Effective portion of changes in fair value of cash flow hedges	–	–	(1.3)	(1.3)
Income and expense recognised directly in equity	–	**–**	**(0.8)**	**(0.8)**
Profit for the year	–	79.5	–	79.5
Total recognised income and expenses for the year	**–**	**79.5**	**(0.8)**	**78.7**
Transactions with unitholders in their capacity as unitholders:				
Distributions	–	(58.6)	–	(58.6)
Total transactions with unitholders in their capacity as unitholders	–	**(58.6)**	**–**	**(58.6)**
As at 30 June 2008	**2,441.8**	**87.2**	**(7.1)**	**2,521.9**

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

Cash Flow Statement
Brookfield Multiplex Property Trust and its subsidiaries
For the year ended 30 June 2008

		Consolidated		Trust	
	Note	2008 $m	2007 $m	2008 $m	2007 $m
Cash flows from operating activities					
Receipts from customers		223.5	223.7	3.3	–
Payments to suppliers		(78.0)	(61.9)	(11.4)	(15.0)
		145.5	**161.8**	**(8.1)**	**(15.0)**
Distributions received		48.6	47.9	214.6	208.8
Interest received		22.4	134.2	37.1	133.5
Borrowing costs paid		(133.0)	(103.3)	(167.6)	(138.4)
Net cash inflow from operating activities	8	**83.5**	**240.6**	**76.0**	**188.9**
Cash flows from investing activities					
Payments for investments in associates		(1.3)	(49.8)	–	–
Payments for investments		–	(1,000.0)	–	(1,065.7)
Payments for investment property		(74.7)	(24.7)	–	–
Payments for property, plant and equipment		(48.4)	(31.5)	–	–
Proceeds from the sale of investments		115.6	–	–	–
Proceeds from sale of controlled entity, net of cash disposed		–	133.1	–	–
Proceeds from the sale of investment property		1.2	274.1	–	–
Net cash outflow from investing activities		**(7.6)**	**(698.8)**	–	**(1,065.7)**
Cash flows from financing activities					
Proceeds from borrowings		799.4	230.0	746.9	230.0
Repayment of borrowings		(597.8)	(384.9)	(596.6)	(381.0)
Loans advanced to subsidiaries		–	–	–	410.0
Loans advanced to Brookfield Multiplex Limited and its subsidiaries		(1,051.8)	(905.5)	(936.4)	(856.7)
Loans repaid by Brookfield Multiplex Limited and its subsidiaries		694.1	1,804.5	590.8	1,715.2
Distributions paid to unitholders and minority interests in subsidiary		(147.6)	(261.3)	(113.0)	(217.7)
Net cash (outflow)/inflow from financing activities		**(303.7)**	**482.8**	**(308.3)**	**899.8**
Net (decrease)/increase in cash and cash equivalents held		**(227.8)**	**24.6**	**(232.3)**	**23.0**
Cash and cash equivalents at the beginning of the financial year		255.3	230.7	243.6	220.6
Cash and cash equivalents at the end of the financial year	8	**27.5**	**255.3**	**11.3**	**243.6**

	Consolidated	
	2008 $m	2007 $m
Non-cash financing and investing activities		
Investment in promissory note	(1,300.0)	-
Redemption of CNSEI	1,000.0	-
Settlement of related party loans	300.0	-
	–	**–**

In December 2007, following the acquisition of the Trust by Brookfield Australia, Brookfield Multiplex Limited (BMXL) issued $1.3 billion preference shares to Brookfield Australia in exchange for a Promissory Note to simplify its capital management structure and internal funding arrangements. The Promissory Note was then assigned to a subsidiary of BMXL as consideration for the issue of ordinary shares. The subsidiary of BMXL assigned the Promissory Note to Brookfield Multiplex Property Trust (BMPT) as repayment of the existing interstaple loan between BMXL and BMPT, payment of accrued interest and redemption of the $1.0 billion Convertible Non-Share Equity Instrument that was issued by BMXL in June 2007 and amounts owing under a loan from BMPT.

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

1 Summary of significant accounting policies

The financial report of Brookfield Multiplex Property Trust (the Trust) and its subsidiaries (the Consolidated Entity) for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors of the Responsible Entity on 25 August 2008.

a Trust structure

Brookfield Multiplex Property Trust is a unit trust and is domiciled in Australia. The units of the Trust are stapled with the ordinary shares of Brookfield Multiplex Limited (the Company) to form the Brookfield Multiplex Group (the Group). A Group stapled security consists of one 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 subsidiaries (the Consolidated Entity) for the year ended 30 June 2008.

b Basis of preparation

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

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

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

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 financial report. In accordance with that Class Order amounts in the financial report have been rounded off to the nearest hundred thousand dollars unless otherwise stated.

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

c Changes in accounting policies

Australian Accounting Standards and Interpretations that have recently been amended and are effective for the Trust from 1 July 2007 are outlined in the table below.

Reference	Title	Summary	Application Date	Impact on Group Accounting Policies	Application Date
AASB 7	Financial Instruments: Disclosures	Specifies levels of disclosure around financial instruments, particularly those relating to the nature and extent of risks.	For annual reporting periods beginning on or after 1 July 2007.	Additional disclsoures as are identified in Notes 9 and 31 to the accounts.	1 July 2007

1 Summary of significant accounting policies continued

d Accounting standards issued but not yet applicable

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

Accounting Standard Name		Issue Date	Operative Date (Annual reporting periods beginning on or after)
AASB 101	Presentation of Financial Statements (revised September 2007)	September 2007	1 January 2009
AASB 123	Borrowing Costs (revised)	June 2007	1 January 2009
AASB 3	Business Combinations	March 2008	1 July 2009
AASB 127	Separate and Consolidated Financial Statements	March 2008	1 July 2009
AASB 8	Operating Segments	February 2007	1 January 2009

If these accounting standards had been adopted, it is not expected that there would have been a material impact to either the Income Statement for the year ended 30 June 2008 or the Balance Sheet as at 30 June 2008.

e Principles of consolidation

Subsidiaries

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

Investments in subsidiaries are carried at their cost of acquisition in the Trust's financial statements.

Associates

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

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

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

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

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

Joint ventures

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

1 Summary of significant accounting policies continued

e Principles of consolidation continued

Joint ventures continued

Jointly controlled entities

In the financial report of the Consolidated Entity, investments in jointly controlled entities, including partnerships, are accounted for using equity accounting principles. After application of the equity method, the Consolidated Entity determines whether it is necessary to recognise an impairment loss with respect to the Consolidated Entity's investment in a jointly controlled entity.

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

Jointly controlled operations and assets

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

Transactions eliminated on consolidation

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

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

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

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

f Significant accounting judgements, estimates and assumptions

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

Impairment of goodwill and intangibles with indefinite useful life

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

The assumptions used in the estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 16.

Investment properties

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

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

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

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

1 Summary of significant accounting policies continued

g Foreign currency

Functional and presentation currency

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

Foreign currency transactions

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

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

Translation of foreign operations

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

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

Net investment in foreign operations

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

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

h Derivative financial instruments and hedging

Derivative financial instruments

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

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

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

1 Summary of significant accounting policies continued

h Derivative financial instruments and hedging continued

Hedging activities

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

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

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

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

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

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

Derivatives that do not qualify for hedge accounting

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

i Financial guarantee contracts

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

j Segment reporting

A segment is a distinguishable component of the Consolidated Entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

k Revenue and expense recognition

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

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

1 Summary of significant accounting policies continued

k Revenue and expense recognition continued

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

Property rental revenue

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

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

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

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

Interest revenue

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

Dividends and distributions

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

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

l Expenses

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

m Income tax

Trust Income Tax

On 1 January 2008, Brookfield Multiplex Property Trust and its resident Australian wholly owned subsidiaries joined the Australian tax consolidated group of Brookfield Holdco (Australia) Pty Limited.

On entry to the Brookfield Holdco (Australia) Pty Limited Australian tax consolidated group, Brookfield Multiplex Property Trust and its resident Australian wholly owned subsidiaries entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liability of the wholly owned entities in the case of default by Brookfield Holdco (Australia) Pty Limited.

The tax sharing agreement also contains tax funding provisions. Pursuant to the tax funding provisions, Brookfield Multiplex Property Trust and its wholly owned Australian subsidiaries are not required to compensate Brookfield Holdco (Australia) Pty Limited on the basis that all taxable income is distributed by Brookfield Multiplex Property Trust.

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

n Goods and services tax

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

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

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

o Trade and other receivables

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

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

1 Summary of significant accounting policies continued

p Financing Costs

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

Financing costs include:

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

q Cash and cash equivalents

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

r Acquisitions of assets

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

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

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

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

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

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

s Investments and other financial assets

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

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

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

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

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

1 Summary of significant accounting policies continued

t Leased assets

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

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

u Sale of non-current assets

Non-current assets held for sale at reporting date

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. The assets are measured at the lower of their carrying amount and fair value less costs to sell.

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

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

Non-current assets sold during the year

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

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

v Investment properties

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

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

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

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

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

Valuations

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

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

1 Summary of significant accounting policies continued

v Investment properties continued

Valuations continued

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

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

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

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

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

w Intangible assets (Goodwill)

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

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

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

x Impairment

If any indication of impairment exists, the carrying amounts of the applicable assets of the Consolidated Entity, other than investment property (refer to Note 1(v)), are reviewed and the asset's recoverable amount is estimated.

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

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

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

1 Summary of significant accounting policies continued

x Impairment continued

Calculation of recoverable amount

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

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

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

Reversals of impairment

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

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

An impairment loss in respect of goodwill is not reversed.

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

y Trade and other payables

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

z Interest bearing liabilities

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

aa Provisions

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

bb Distributions

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

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

1 Summary of significant accounting policies continued

cc Contributed equity

Units are classified as equity. Incremental costs directly attributable to the issue of new units are shown in equity as a deduction, net of tax, from the proceeds.

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

dd Earnings per unit

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

ee Transfers to/(from) total equity

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

ff Comparatives

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

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
2 Revenues and expenses					
a Revenues					
Property rental revenue		203.7	199.2	1.7	1.1
Recoverable outgoings		33.5	28.9	–	–
Interest revenue	2e	42.4	140.7	36.0	133.6
Total revenues		**279.6**	**368.8**	**37.7**	**134.7**
b Other income					
Fair value adjustments of investment properties	14b	115.3	375.7	–	–
Distributions from controlled entities		–	–	210.0	204.3
Other income	2f	1.1	0.7	14.9	(0.5)
Net profit on sale of non-current assets	2g	1.2	7.5	–	–
Total other income		**117.6**	**383.9**	**224.9**	**203.8**
c Rates, taxes and outgoings		**54.9**	**50.5**	**–**	**–**

This includes direct operating expenses (including repairs and maintenance) arising from rental earning investment property. On complying with the tenant rental agreements, the Consolidated Entity recovers certain outgoings which are included in Note (a) above.

	Note	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
d Finance costs					
Interest and finance charges					
Related parties		5.3	6.2	118.0	36.7
External parties		120.4	101.7	44.0	100.1
Amortisation of borrowing costs		4.6	5.1	4.5	4.8
Other		1.2	1.3	1.2	1.3
Total finance costs		**131.5**	**114.3**	**167.7**	**142.9**
e Interest revenue					
Interest income					
Related parties					
Other loans and receivables		19.6	125.1	13.7	118.2
External parties					
Bank deposits		22.8	15.6	22.3	15.4
Total interest income		**42.4**	**140.7**	**36.0**	**133.6**
f Other Income					
Unrealised foreign exchange (losses)/gains		(2.4)	0.7	(0.6)	(5.2)
Realised foreign exchange gains/(losses)		2.7	–	10.3	–
Other		0.8	–	5.2	4.7
Total other revenues		**1.1**	**0.7**	**14.9**	**(0.5)**
g Profit on sale of non-current assets					
Net gain on disposal of investment properties		1.2	0.3	–	–
Net gain on disposal of controlled entities		–	10.8	–	–
Net (loss)/gain on disposal of investments		–	(3.6)	–	–
Total profit on sale of non-current assets		**1.2**	**7.5**	**–**	**–**

3 Segment information

Primary segment – business information

The Consolidated Entity operates in a primary business segment being direct investment in investment property and indirect investment in property trusts holding investment property or property related investments.

Secondary segment

The Consolidated Entity operates in one geographical segment being Australasia.

		Consolidated
	June 2008 $m	June 2007 $m
4 Individually significant items		
Investment property fair value adjustments (FVAs)[1]	160.3	426.1
Impairment of goodwill[2,3]	(301.2)	–

1 Investment property fair value adjustments include $115.3 million (June 2007: $375.7 million) relating to directly held investment properties within the Consolidated Entity and $45.0 million (June 2007: $50.4 million) relating to FVAs recorded within the Share of net profit of equity accounted entities within the Consolidated Entity.

2 Goodwill carried by the Trust has been written off in light of increases in interest rates during the year and the Trust's cost of capital which increased the discount rate to be applied to the Group's future cash flows when assessing the carrying amount of goodwill.

3 This number is included in the *Expenses (excluding finance costs and rates, taxes and property outgoings* on the Income Statement.

		Consolidated
	June 2008 Cents	June 2007 Cents
5 Earnings per unit		
Basic earnings per unit		
Basic (loss)/earnings per unit	**(9.5)**	**74.0**

		Consolidated
	June 2008 Number	June 2007 Number
Weighted average number of ordinary units used as the denominator	**837,402,185**	**837,402,185**

		Consolidated
	June 2008 $m	June 2007 $m
Reconciliation of earnings used in calculating earnings per unit		
Net (loss)/profit for the year	(22.8)	667.2
Less: Net profit attributable to minority interest	(56.7)	(47.9)
Earnings used in calculating earnings per unit	**(79.5)**	**619.3**

Earnings per unit is determined by dividing net profit/(loss) after income tax and minority interest attributable to unitholders by the weighted average number of ordinary units outstanding during the financial year.

		Consolidated
	June 2008 cents	June 2007 cents
Diluted earnings per unit		
Diluted earnings per unit	**(9.5)**	**73.9**

		Consolidated
	June 2008 Number	June 2007 Number
Weighted average number of units (diluted)		
Weighted average number of units (basic)	837,402,185	837,402,185
Effect of rights on issue	–	351,659
Weighted average number of units (diluted)	**837,402,185**	**837,753,844**

The average market value of the Consolidated Entity's units for purposes of calculating the dilutive effect of the rights was based on the quoted market prices for the period that the rights were outstanding.

5 Earnings per unit continued

Diluted earnings per unit continued

There was no dilutive effect on the earnings attributable to unitholders. The earnings used in calculating diluted earnings per unit are a loss $79.5 million for 2008 and a profit of $619.3 million for 2007.

Multiplex SITES are not dilutive as they are contingently issuable securities. For further details, refer to Note 24.

There have been no other transactions involving ordinary units or potential ordinary units which would impact on the earnings per unit since the reporting date and before the completion of these financial statements.

6 Distributions

Distributions paid to unitholders or declared during the financial year were as follows:

	Cents per Unit	Total Amount $m	Date of Payment	Tax Deferred %	
2008					
Units					
Interim distribution	3.5	29.3	31 December 2007	25	(tax deferred)
Final distribution	3.5	29.3	30 June 2008	14	(tax deferred)
Total distribution	**7.0**	**58.6**			
2007					
Units					
Interim distribution	8.5	71.2	28 February 2007	17	(tax deferred)
Final distribution	10.0	83.7	31 August 2007	17	(tax deferred)
Total distribution	**18.5**	**154.9**			

Distribution Reinvested Plan (DRP)

The DRP was not active for the year ended 30 June 2008.

	Consolidated 2008 $	2007 $
7 Net tangible asset backing		
Net tangible assets per unit	**3.60**	**3.44**

Net tangible assets per unit increased 16 cents or 5% to $3.60 at 30 June 2008 compared to $3.44 at 30 June 2007.

Net tangible assets backing per unit is calculated by dividing net assets less minority interest less intangible assets by the number of units on issue. The number of units on issue used in the calculation of net tangible assets per unit is 837,402,185 units (June 2007: 837,402,185 units).

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
8 Cash and cash equivalents				
Cash at bank and on hand[1]	27.5	23.9	11.3	12.5
Deposits at call[2]	–	231.4	–	231.1
Total cash and cash equivalents	**27.5**	**255.3**	**11.3**	**243.6**
For the purposes of the Cash Flow Statement, cash assets comprise:				
Balances as above	27.5	255.3	11.3	243.6
Balance per Cash Flow Statement	**27.5**	**255.3**	**11.3**	**243.6**

1 Cash at bank and on hand balances bear floating interest rates based on daily bank deposit rates within the range nil to 7.2% p.a. (June 2007: nil to 5.5% p.a.)
2 Deposits at call are made for varying periods of between one day and one month depending on the immediate cash requirement of the Consolidated Entity and earn interest at the respective deposit or call rates.

The fair value of cash and cash equivalents of the Consolidated Entity is $27.5 million (June 2007: $255.3 million). The fair value of cash and cash equivalents of the Trust is $11.3 million (June 2007: $243.6 million).

At 30 June 2008, the Consolidated Entity had available $165.7 million (June 2007: $337.6 million) of undrawn committed bank and related party borrowing facilities in respect of which all conditions precedent, other than, for example, incurrence of costs on project facilities, had been met.

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
Reconciliation of net profit to net cash flows from operating activities				
Net (loss)/profit for the year	**(22.8)**	**667.2**	**79.5**	**181.0**
Amortisation	7.7	6.4	4.5	4.8
Fair value adjustments	(115.3)	(375.7)	–	–
Net profit on sale of non-current assets	(1.2)	(7.5)	–	–
Unrealised foreign exchange (gains)/losses	2.4	(0.7)	0.6	5.2
Share of profits of associates	(102.3)	(97.4)	–	–
Impairment of goodwill	301.2	–	–	–
Impairment of investments	15.4	–	–	–
Change in operating assets and liabilities, net of effects from purchase and disposal of subsidiaries:				
Decrease/(increase) in trade debtors	(2.8)	2.1	–	–
Decrease/(increase) in other assets	(3.0)	43.0	(8.6)	(2.1)
Increase in trade creditors	4.2	3.2	–	–
Net cash inflow from operating activities	**83.5**	**240.6**	**76.0**	**188.9**

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
9 Trade and other receivables				
Current				
Trade receivables[1]	8.2	5.4	–	–
Less: provision for impairment	(2.0)	(1.7)	–	–
	6.2	**3.7**	**–**	**–**
Amounts due from Brookfield Multiplex Limited and its subsidiaries[2]	128.0	66.3	–	–
Amounts due from other related parties	164.8	–	164.8	–
Amounts due from subsidiaries[3]	–	–	433.4	1,161.8
Amounts due from associates[4]	3.3	8.6	1.3	1.1
Amounts due from external parties[5]	–	30.0	–	30.0
Other debtors[6]	5.1	7.1	2.0	4.3
Total current trade and other receivables	**307.4**	**115.7**	**601.5**	**1,197.2**
Non-current				
Amounts due from Brookfield Multiplex Limited and its subsidiaries	8.7	242.2	8.7	242.2
Other debtors	43.2	34.5	0.3	–
Total non-current trade and other receivables	**51.9**	**276.7**	**9.0**	**242.2**
Total trade and other receivables	**359.3**	**392.4**	**610.5**	**1,439.4**

1 Trade receivables are non-interest bearing and generally on 30 day terms. An allowance for impairment is made when there is objective evidence that a trade receivable is impaired. An allowance of $2.0 million (June 2007: $1.7 million) has been recognised for specific trade receivables.
2 Brookfield Multiplex Limited is the Parent Entity of Brookfield Multiplex Property Trust. Amounts classified as current receivables relating to amounts due from Brookfield Multiplex Limited and its subsidiaries are unsecured and are repayable when called.
3 No interest is charged and there are no fixed payment terms on amounts due from subsidiaries.
4 Represents distributions receivable from associates. No interest is charged and the amounts are due within the normal receivable terms.
5 Interest was charged at 8.25% with normal monthly repayments. The loan matured and was repaid in July 2007.
6 These amounts generally arise from transactions outside the usual operating activities of the Consolidated Entity. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

As of 30 June 2008, trade receivables of $2.5 million (2007: $2.8 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of defaults and the amounts are still considered recoverable. The ageing analysis is as follows:

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
1 – 30 days	3.8	0.9	–	–
30 – 60 days	0.3	–	–	–
60 – 90 days	–	1.6	–	–
> 90 days	2.1	1.2	–	–
	6.2	**3.7**	**–**	**–**

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

As of 30 June 2008, trade receivables of the Group and the Trust with a nominal value of $0.4 million (2007: $0.4 million) were impaired. The amount of the allowance was $2.0 million (2007: $1.7 million). The individually impaired receivables mainly relate to customers which are in unexpectedly difficult economic situations. The Trust is of the view that this receivable cannot be recovered. The Trust does not hold any collateral against these trade receivables.

9 Trade and other receivables continued

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

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
Balance at beginning of the financial year	(1.7)	(1.3)	–	–
Impairment recognised during the year	(0.4)	(0.4)	–	–
Receivables written off during the year as uncollectable	0.1	–	–	–
Balance at end of the financial year	**(2.0)**	**(1.7)**	**–**	**–**

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

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
10 Derivative assets				
Current assets				
Interest rate swaps contracts	0.2	2.7	0.2	0.7
Total current derivative assets	**0.2**	**2.7**	**0.2**	**0.7**
Non-current assets				
Interest rate swaps contracts	13.0	10.3	–	0.2
Total non-current derivative assets	**13.0**	**10.3**	**–**	**0.2**
Total derivative assets	**13.2**	**13.0**	**0.2**	**0.9**

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
11 Prepayments				
Current				
Prepayments	2.1	1.7	0.5	0.1
Total prepayments	**2.1**	**1.7**	**0.5**	**0.1**

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
12(a) Other financial assets				
Current				
Investment in Promissory Note[1]	1,300.0	–	1,300.0	–
Total other financial assets	**1,300.0**	**–**	**1,300.0**	**–**
Non-current				
Investment in Convertible Non-Share Equity Instrument (CNSEI)[2]	–	1,000.0	–	1,000.0
Total non-current other financial assets	–	**1,000.0**	–	**1,000.0**
Total other financial assets	**1,300.0**	**1,000.0**	**1,300.0**	**1,000.0**

1 In December 2007 following the acquisition of the Trust by Brookfield Australia, all rights under a $1.3 billion Promissory Note issued by Brookfield Australia were assigned to the Trust and applied as repayment of the inter-staple loan between a subsidiary of Brookfield Multiplex Limited and the Trust, payment of accrued interest and redemption of the CNSEI. Whilst the Promissory Note is repayable on demand, it is subordinate to a $1.8 billion syndicated facility that effectively matures in April 2009 between Brookfield GP (Australia) Inc, in its capacity as general partner of Brookfield Finance (Australia) LP, Barclays Bank PLC and others (Acquisition Facility). The Acquisition Facility includes a borrower's option which, if exercised, would extend the maturity of the Acquisition Facility by six months. The Promissory Note was interest bearing until the Brookfield Multiplex Group became wholly owned by Brookfield Australia.

2 In June 2007, a subsidiary of Brookfield Multiplex Limited (the Issuer) issued a $1.0 billion CNSEI to the Trust. The proceeds of the CNSEI issue were used to repay $1.0 billion of the inter-staple loan between Brookfield Multiplex Limited and the Trust. In December 2007, the CNSEI was redeemed with the issuance of the Promissory Note outlined above.

12 (b) Investments in subsidiaries	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
Non-current				
Shares in subsidiaries	–	–	3,541.8	3,219.5
Total non-current investments in subsidiaries	**–**	**–**	3,541.8	3,219.5

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
13 Investments accounted for using the equity method				
Non-current				
Investments in associates	**735.7**	**837.1**	**56.1**	**56.1**

a Investments in associates

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Details of material interests in associates are as follows:

Name	Principal Activities	Country of Incorporation	Ownership Interest 2008 %	Ownership Interest 2007 %	Carrying Value 2008 $m	Carrying Value 2007 $m
Consolidated						
Investment						
AMP New Zealand Office Trust[1]	Property investment	New Zealand	–	15	–	121.9
Bourke Place Trust	Property investment	Australia	43	43	179.1	163.2
Darling Park Trust[2]	Property investment	Australia	50	50	362.7	318.9
Multiplex New Zealand Property Fund	Property investment	Australia	24	23	68.1	70.7
Multiplex Acumen Property Fund	Property investment	Australia	21	21	45.1	54.7
Multiplex Prime Property Fund	Property investment	Australia	22	22	49.3	60.4
Multiplex European Property Fund	Property investment	Australia	20	20	31.4	47.3
Total investment in associates					**735.7**	**837.1**
Brookfield Multiplex Property Trust						
Multiplex New Zealand Property Fund	Property investment	Australia	22	22	56.1	56.1
Total investment in associates					**56.1**	**56.1**

1 In January 2008, and as a consequence of the Brookfield acquisition of the Group, AMP Capital Advisors (New Zealand) Ltd exercised its pre-emptive rights to acquire the Trust's 15% interest in AMP New Zealand Property Trust (ANZO) for NZ$1.30 per unit. The transaction settled in February 2008.
2 The Consolidated Entity does not have joint power to govern the financial and operating policies of this entity.

The balance date of all associates, except Bourke Place Trust and Darling Park Trust, is 30 June.

	June 2008 $m	Consolidated June 2007 $m
13 Investments accounted for using the equity method continued		
b Material contribution to net profit/(loss)		
Associates		
Contributions to net profit	**102.3**	**97.4**
The material individual associate contributions to net profit/(loss) were:		
Darling Park Trust	62.3	28.0
Bourke Place Trust	24.1	19.1
Multiplex NZ Property Trust	7.9	11.3
AMP NZ Office Trust	2.8	26.2
Multiplex Prime Property Fund	2.8	5.7
Multiplex Acumen Property Fund	8.2	5.9
Multiplex European Property Fund	(5.8)	1.2
Contributions to net profit	**102.3**	**97.4**
c Fair Value Adjustments included in contribution to net profit/(loss)		
Associates		
Fair Value Adjustments included in contributions to net profit/(loss)	**45.0**	**50.4**
Included in associate contribution to net profit/(loss) (as disclosed above) are the following fair value adjustments:		
Darling Park Trust	31.6	4.8
Bourke Place Trust	13.7	10.1
Multiplex NZ Property Trust	5.2	8.6
AMP NZ Office Trust	–	20.3
Multiplex Prime Property Fund	1.4	5.7
Multiplex Acumen Property Fund	1.3	0.9
Multiplex European Property Fund	(8.2)	–
Total	**45.0**	**50.4**
d Investments in associates		
Share of associates' revenues and profits		
Revenues	153.4	97.4
Share of associates:		
Net profit before income tax	102.3	97.4
Income tax benefit/(expense) attributable to net profit	–	–
Total share of associates' net profit after tax accounted for using the equity method	**102.3**	**97.4**
Share of associates' assets and liabilities		
Assets	1,169.8	1,496.0
Liabilities	(335.0)	(417.0)
Net assets	834.8	1,079.0

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
14 Investment property				
Investment property	**2,854.5**	**2,642.0**	**–**	**–**

14 Investment property continued

a Carrying value of investment properties

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

- Discounted cash flow; and
- Capitalisation approach.

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

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

			Independent Valuation		Carrying Value	
Description	Note	Title	Date	$m	2008 $m	2007 $m
Southern Cross East Tower, Melbourne, Victoria[1]	ii	Freehold	Dec-07	575.0	555.0	530.1
Commonwealth Bank Building, Brisbane, Queensland	iv	Freehold	Dec-07	255.0	243.0	235.0
KPMG Tower, Sydney, New South Wales (50%)	ii	Freehold	Mar-08	149.0	150.0	147.5
ANZ Centre, Brisbane, Queensland (50%)	iv	Freehold	Mar-08	85.0	85.0	79.5
Ernst & Young Building, Perth, Western Australia	iv	Freehold	Dec-07	82.7	80.0	73.5
National Australia Bank House, Sydney, New South Wales (25%)	v	Freehold	Dec-07	108.0	105.0	92.1
IAG House, Sydney, New South Wales (50%)	iv	Freehold	Apr-08	194.0	200.0	187.5
15 Blue Street, North Sydney, New South Wales	iii	Leasehold	Dec-07	110.0	108.3	102.4
AMP Place, Brisbane, Queensland	i	Freehold	Apr-08	245.0	245.0	230.0
111 Alinga Street, Canberra, Australian Capital Territory	i	Leasehold	Dec-07	74.0	72.0	69.3
Jessie Street Centre, Parramatta, New South Wales	v	Freehold	Apr-08	261.0	266.0	252.6
BankWest Tower, Perth, Western Australia (50%)	iii	Freehold	Apr-08	185.0	185.0	132.5
King Street Wharf, Sydney, New South Wales	ii	Freehold	Dec-07	106.3	104.7	107.5
Pittwater Place Shopping Centre, Sydney, New South Wales	iii	Freehold	Dec-07	78.0	77.0	75.0
Great Western Super Centre, Keperra and Peach Quarry, Brisbane, Queensland[2]	iii	Freehold	Dec-07	73.3	73.8	71.3
Carillon City Shopping Centre, City Arcade, Perth, Western Australia (50%)	iii	Freehold	Dec-07	66.1	64.9	60.5
Bracken Ridge Plaza, Brisbane, Queensland	iii	Freehold	Dec-07	24.0	23.5	24.0
Latitude Retail, George Street, Sydney, New South Wales (50%)	iii	Freehold	Dec-07	110.0	100.0	96.3
Cnr Devon & Durham Streets, Rosehill, Sydney, New South Wales	v	Freehold	Dec-07	111.5	115.0	88.6
Cnr Cobalt & Silica Streets, Carole Park, Brisbane, Queensland	v	Freehold	Dec-07	23.0	23.0	23.3
46 Randle Road, Meeandah, Brisbane, Queensland	v	Freehold	Dec-07	10.0	10.0	9.3
Luna Park Car Park, Sydney, New South Wales	ii	Leasehold	Feb-08	10.0	8.5	8.5
				2,935.9	**2,894.7**	**2,696.3**
Impact of straight-lining of rental income disclosed as non-current receivables					(40.2)	(28.7)
Less: Development properties classified as property, plant and equipment (Rosehill Fosters)					–	(25.6)
Total investment properties					**2,854.5**	**2,642.0**

1 Represents 100% of the value of Southern Cross and there is a 25% minority interest. Brookfield Multiplex Property Trust owns 75% of a Trust which owns 100% of the Southern Cross asset.
2 Includes Peach land currently under development valued at $11.3 million in June 2008.

14 Investment property continued

a Carrying value of Investment Properties continued

Names of independent valuers

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

Assets pledged as security

Refer to Note 18c for information on non-current assets pledged as security by the Consolidated Entity.

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
b Movement in investment property				
Reconciliations of the carrying amounts of investment property at the beginning and end of the year are set out below:				
Carrying amount at beginning of the year	**2,642.0**	**2,243.3**	**–**	**–**
Additions				
Jessie Street	38.4	7.4	–	–
Rosehill	12.8	26.0	–	–
Alinga Street	3.5	6.1	–	–
Other minor additions	16.9	19.3	–	–
Total additions	**71.6**	**58.8**	**–**	**–**
Disposals				
Lot 55 and 56 Rutland Avenue, Welshpool, Perth	–	(10.2)	–	–
Total disposals	**–**	**(10.2)**	**–**	**–**
Transfers				
Transfer from/(to) PPE of Rosehill Fosters	25.6	(25.6)	–	–
Total transfers	**25.6**	**(25.6)**	**–**	**–**
Fair value adjustments on investment properties	126.8	392.5	–	–
Change of the impact straight-lining of rental income disclosed as non-current receivables	(11.5)	(16.8)	–	–
Total fair value adjustments	**115.3**	**375.7**	–	–
Carrying amount at end of the year	**2,854.5**	**2,642.0**	**–**	**–**

14 Investment property continued

c Leasing arrangements

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

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
Within one year	204.9	205.1	–	–
Later than one year but not later than five years	861.7	656.4	–	–
Later than five years	698.3	753.3	–	–
	1,764.9	**1,614.8**	**–**	–

Annual rent receivable by the Consolidated Entity under current leases from tenants is from commercial, industrial, retail and car park assets held. The average lease term is 7.1 years (June 2007: 7.2 years) and rent reviews are generally performed based on either market rent on an annual basis or fixed percentage increase in accordance with the lease agreements.

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
15 Property, plant and equipment				
Property under construction and development				
At cost	**101.9**	**48.2**	**–**	**–**
Reconciliation of the carrying amount of property, plant and equipment at the beginning and the end of the financial year:				
Carrying amount at the beginning of the year	48.2	–	–	–
Additions	79.3	48.2	–	–
Transfer to investment property	(25.6)	–	–	–
Carrying amount at the end of the year	**101.9**	**48.2**	**–**	**–**

In the current year, borrowing costs of $1.6 million (June 2007: $0.3 million) directly attributable to construction and development were capitalised to property under construction and development.

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
16 Intangible assets				
Goodwill				
Carrying amount at beginning of year	301.2	301.2	–	–
Impairment	(301.2)	–	–	–
Net carrying amount at end of the year	**–**	**301.2**	**–**	**–**

Brookfield Multiplex Property Trust cash generating unit

Goodwill carried by the Trust has been written back in light of recent increases in interest rates and the Trust's cost of capital which increased the discount rate to be applied to the Trust's future cash flows when assessing the carrying amount of goodwill.

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
17 Trade and other payables				
Current				
Trade payables[1]	4.9	0.7	–	–
Distributions[2]	–	83.7	–	83.7
Other creditors and accruals[3]	38.8	79.4	20.8	18.9
Total current trade and other payables	**43.7**	**163.8**	**20.8**	**102.6**
Non-current				
Other creditors and accruals	23.0	20.7	–	–
Total non-current trade and other payables	**23.0**	**20.7**	**–**	**–**
Total trade and other payables	**66.7**	**184.5**	**20.8**	**102.6**

1 Trade payables are non-interest bearing and are normally settled on 60-day terms.
2 A liability is recognised for distributions declared by the Consolidated Entity. Refer to Note 1(bb) and Note 6 for further details.
3 Other creditors mainly include accruals for property related costs at reporting date.

Information regarding the effective interest rate and credit risk of current payables is set out in Note 31.

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
18 Interest bearing loans and borrowings				
a Carrying amounts				
Current				
Secured				
Trust loans	663.9	75.2	70.0	68.9
Commercial mortgage backed securities	–	537.0	–	–
Amounts payable to subsidiaries	–	–	593.9	537.0
Unsecured				
Amounts due to Brookfield Multiplex Limited and its subsidiaries	–	43.9	450.0	450.0
Total current interest bearing loans and borrowings	**663.9**	**656.1**	**1,113.9**	**1,055.9**
Non-current				
Secured				
Trust loans	85.3	428.3	–	–
Commercial Mortgage Backed Securities	463.0	463.0	–	–
Investment finance facility	475.0	–	–	–
Amounts payable to subsidiaries	–	–	938.0	878.9
Less: Attributable transaction costs (net of amortisation)	(6.9)	(7.8)	(5.0)	(7.4)
Total non-current interest bearing loans and borrowings	**1,016.4**	**883.5**	**933.0**	**871.5**
Total interest bearing loans and borrowings	**1,680.3**	**1,539.6**	**2,046.9**	**1,927.4**

18 Interest bearing loans and borrowings continued

b Terms and conditions

Facility	Facility amount 2008 $m	Facility amount 2007 $m	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m	Interest rate	Maturity
Trust Facilities								
CMBS Series 1[1]	–	537.0	–	537.0	–	–	N/A	May 08
CMBS Series 2[1]	463.0	463.0	463.0	463.0	–	–	3MBBSW* +0.25% to +0.95%	May 10
Multi-Option Facility[2]	500.0	500.0	500.0	415.9	–	–	Refer to 2	Nov 08
Investment finance facility[3]	475.0	–	475.0	–	–	–	Refer to 3	May 10
Debt Facilities[4]	414.9	262.6	249.2	87.6	70.0	68.9	Prevailing market rate	May 09 – Mar 11
Loan from Brookfield Multiplex Limited and its subsidiaries	–	122.4	–	43.9	–	–	N/A	N/A
Amounts due to subsidiaries	–	–	–	–	450.0	450.0	AUD 3 month bank bill rate	N/A
Amounts due to subsidiaries[6]	–	–	–	–	463.0	1,000.0	3MBBSW* +0.2% to +0.95%	May 08 – May 10
Amounts due to subsidiaries[6]	–	–	–	–	475.0	–	Refer to 3	
Amounts due to subsidiaries[6]	–	–	–	–	500.0	415.9	Refer to 2	
Amounts due to subsidiaries	–	–	–	–	93.9	–	Prevailing market rate	May 09 – Mar 11
Attributable transaction costs (net of amortisation)[5]	–	–	(6.9)	(7.8)	(5.0)	(7.4)	N/A	N/A
	1,852.9	**1,885.0**	**1,680.3**	**1,539.6**	**2,051.9**	**1,927.4**		

* Three month bank bill swap.
1 Series 1 has been repaid in May 2008. Series 2 is secured by four office buildings and three retail centres. The rating is AAA/Aaa/AAA to BBB-/BBB-.
2 Interest rates for the Multi-Option facility are as follows:
AUD BBSY +0.65% to +0.90%
NZD BKB +0.65% to +0.90%. The NZ$69.2m facility was repaid in February 2008.
3 Interest rates for the investment finance facility based on BBSY +0.6%. After May 2009, interest rate steps up by 1.2%.
4 Interest on loans is charged at the prevailing market rate. Maturity varies according to the facility.
5 Interest bearing borrowings are recognised initially at fair value less any attributable transaction costs. These costs are amortised over the period of the facility.
6 Represents amounts due to subsidiaries. Subsidiaries hold external debt. Facility amount would be the same as the external facility amount

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
18 Interest bearing loans and borrowings continued				
c Assets pledged as security				
Fixed charge:				
Derivative assets	13.2	13.0	–	0.9
Investment property	2,854.5	2,642.0	–	–
Equity accounted investments	735.6	837.1	–	–
Total assets pledged as security	**3,603.3**	**3,492.1**	**–**	**0.9**

The Trust's facilities are secured by a number of the above pledged assets. The Trust has bank loans denominated in Australian dollars and New Zealand dollars. Interest on bank loans is charged at the prevailing market rate. There were no overdraft facilities in place at 30 June 2008.

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
d Financing arrangements				
At reporting date the following finance facilities had been negotiated and were available:				
Total facilities available				
Multi-option Facilities	500.0	500.0	–	–
Debt Facilities	414.9	262.6	70.0	68.9
Commercial Mortgage Backed Securities	463.0	1,000.0	–	–
Investment finance facility	475.0	–	–	–
Loans from Brookfield Multiplex Limited and its subsidiaries	–	122.4	–	–
Amounts payable to subsidiaries	–	–	1,981.9	1,865.9
	1,852.9	**1,885.0**	**2,051.9**	**1,934.8**
Facilities utilised at reporting date				
Multi-option Facilities	500.0	415.9	–	–
Debt Facilities	249.2	87.6	70.0	68.9
Commercial Mortgage Backed Securities	463.0	1,000.0	–	–
Investment finance facility	475.0	–	–	–
Loans from Brookfield Multiplex Limited and its subsidiaries	–	43.9	–	–
Amounts payable to subsidiaries	–	–	1,981.9	1,865.9
	1,687.2	**1,547.4**	**2,051.9**	**1,934.8**
Facilities not utilised at reporting date				
Multi-option Facilities	–	84.1	–	–
Debt Facilities	165.7	175.0	–	–
Loans from Brookfield Multiplex Limited and its subsidiaries	–	78.5	–	–
	165.7	**337.6**	**–**	**–**
Total facilities	**1,852.9**	**1,885.0**	**2,051.9**	**1,934.8**
Facilities utilised at reporting date	(1,687.2)	(1,547.4)	(2,051.9)	(1,934.8)
	165.7	**337.6**	**–**	**–**

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
19 Non-interest bearing loans and borrowings				
Current				
Unsecured				
Amounts due to Brookfield Multiplex Limited and subsidiaries	29.0	–	–	–
Amounts due to subsidiaries	–	–	925.0	1,422.1
Loans due to associates	–	0.9	–	0.3
Total current non-interest bearing loans and borrowings	**29.0**	**0.9**	**925.0**	**1,422.4**
Non-current				
Unsecured				
Loans due to associates	–	4.5	–	4.5
Total non-current non-interest bearing loans and borrowings	**–**	**4.5**	**–**	**4.5**
Total non-interest bearing loans and borrowings	**29.0**	**5.4**	**925.0**	**1,426.9**

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
20 Provisions				
Current				
Other	8.8	4.0	5.8	0.9
Total provisions	**8.8**	**4.0**	**5.8**	**0.9**

Movements in provisions

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

	Total $m
Consolidated	
Carrying amount at the beginning of the year	4.0
Additional provisions recognised	5.8
Provisions used	(1.0)
Carrying amount at the end of the year	**8.8**
Brookfield Multiplex Property Trust	
Carrying amount at the beginning of the year	0.9
Additional provisions recognised	5.8
Provisions used	(0.9)
Carrying amount at the end of the year	**5.8**

	Consolidated 2008 $m	2007 $m	Trust 2008 $m	2007 $m
21 Issued Units				
a Units issued and fully paid up capital	2,441.8	2,441.8	2,441.8	2,441.8

b Movements of units on issue

Date	Details	Number of Units	Consolidated	Trust
1 July 2006	Balance at the beginning of the comparative year	837,402,185	2,441.8	2,441.8
30 June 2007	Balance at the end of the comparative year	837,402,185	2,441.8	2,441.8
30 June 2008	Balance at the end of the current year	837,402,185	2,441.8	2,441.8

c Terms and conditions of units in the Trust

Ordinary units in Brookfield Multiplex Property Trust are stapled with ordinary shares in Brookfield Multiplex Limited and are collectively known as the Brookfield Multiplex Group.

Ordinary units in Brookfield Multiplex Property Trust entitles holders to participate in distributions as declared and, in the event of winding up the Trust, to participate in the process 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.

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
22 Reserves				
Foreign currency translation reserve	(15.2)	(3.3)	(6.7)	(7.2)
Available for sale assets reserve	(6.0)	9.8	–	–
Cash flow hedge reserve	12.1	16.0	(0.4)	0.9
Total reserves	**(9.1)**	**22.5**	**(7.1)**	**(6.3)**
Movements comprise:				
Foreign currency translation reserve				
Balance at the beginning of the year	(3.3)	(9.3)	(7.2)	(7.2)
Net exchange difference on net investment in foreign operations	(11.9)	6.0	0.5	–
Balance at the end of the year	**(15.2)**	**(3.3)**	**(6.7)**	**(7.2)**
Available-for-sale assets reserve				
Balance at the beginning of the year	9.8	1.5	–	–
Change in fair value	(15.8)	8.3	–	–
Balance at the end of the year	**(6.0)**	**9.8**	**–**	**–**
Cash flow hedge reserve				
Balance at the beginning of the year	16.0	10.1	0.9	0.3
Changes in fair value	(3.9)	5.9	(1.3)	0.6
Balance at the end of the year	**12.1**	**16.0**	**(0.4)**	**0.9**
Total reserves				
Balance at the beginning of the year	22.5	2.3	(6.3)	(6.9)
Net movement for the year	(31.6)	20.2	(0.8)	0.6
Balance at the end of the year	**(9.1)**	**22.5**	**(7.1)**	**(6.3)**

Nature and purpose of reserves

Foreign Currency Translation Reserve

The foreign currency translation reserve records the foreign currency differences arising from the translation of foreign operations, the translation of transactions that hedge the Consolidated Entity's net investment in a foreign operation, the translation of foreign currency monetary items forming part of the net investment in foreign operations and the Consolidated Entity's share of the foreign currency transaction reserves forming part of the Consolidated Entity's investment in associates. Refer to accounting policy Note 1(g).

Available-for-sale Assets Reserve

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

Cash Flow Hedge Reserve

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
23 Undistributed income				
Undistributed profits at the beginning of the year	716.4	252.0	66.3	40.2
Net (loss)/profit attributable to unitholders	(79.5)	619.3	79.5	181.0
Distributions recognised during the year	(58.6)	(154.9)	(58.6)	(154.9)
Undistributed income at the end of the year	**578.3**	**716.4**	**87.2**	**66.3**

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
24 Minority interest				
Interest in:				
Multiplex Hybrid Investment Trust				
Share capital	432.1	432.1	–	–
Retained profits	11.0	9.4	–	–
	443.1	**441.5**	**–**	**–**
Multiplex Southern Cross East Investment Trust				
Share capital	128.4	128.4	–	–
Retained profits	9.2	2.9	–	–
	137.6	**131.3**		
Multiplex Diversified Property Trust				
Share capital	16.7	3.3	–	–
Retained profits	1.0	0.2	–	–
	17.7	**3.5**	**–**	**–**
	598.4	**576.3**	**–**	**–**

Multiplex Hybrid Investment Trust

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

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

Holder redemption

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

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

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

Upon redemption, holders will receive the aggregate of $100 per security plus the unpaid distribution amount in cash.

Issuer redemption

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

The step-up date or the last day of each distribution period after the step-up date:

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

24 Minority interests continued

Multiplex Hybrid Investment Trust continued

Holder exchange

Holders have no right to request exchange.

Issuer exchange

The Brookfield Multiplex Group was delisted on 20 December 2007.

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

Multiplex Southern Cross East Investment Trust

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

Multiplex Diversified Property Fund

This minority interest relates to an effective 26% of Multiplex Diversified Property Fund not held by the Consolidated Entity.

25 Auditor's remuneration

The auditor of the Consolidated Entity is Deloitte Touche Tohmatsu. The auditor of the Consolidated Entity in respect of the year ended 30 June 2007 was KPMG. No amount was paid to related practices of the auditor of the Trust during the year. During the year, all amounts paid to the auditor of the Consolidated Entity were borne by the Responsible Entity. This amounted to $154,000 (June 2007: $290,000).

26 Contingent liabilities and contingent assets

a Class action

In December 2006, Brookfield Multiplex Limited and Brookfield Multiplex Funds Management Limited were served with a statement of claim in respect of a class action claiming unquantified damages. The statement of claim alleges that, in connection with the Wembley Project, Brookfield Multiplex Limited and Brookfield Multiplex Funds Management Limited breached their continuous disclosure obligations and/or engaged in misleading or deceptive conduct during the period 2 August 2004 to 30 May 2005.

The Group intends to vigorously defend these proceedings and no provision for loss has been made in the financial statements at 30 June 2008 (30 June 2007: nil).

b Other

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 Brookfield Multiplex Limited and Brookfield Multiplex Funds Management Limited, as the Responsible Entity of the Brookfield Multiplex Property Trust. The Stapling Arrangement is described further in Note 32.
- The Trust is called upon to give, in the ordinary course of business, guarantees and indemnities in respect of the performance of subsidiaries, associates and related parties of their contractual and financial 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 Consolidated Entity, its subsidiaries 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.

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

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
27 Commitments for expenditure				
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	119.4	118.2	–	–
After one year but not more than five years	–	89.4	–	–
Longer than five years	–	–	–	–
	119.4	**207.6**	**–**	**–**

28 Related party disclosure

The Responsible Entity of Brookfield Multiplex Property Trust is Brookfield Multiplex Funds Management Limited (ACN 105 371 917) whose immediate and ultimate parent entity is Brookfield Multiplex Limited (ABN 96 008 687 063). Accordingly transactions with entities related to Brookfield Multiplex Limited are disclosed below.

Brookfield Multiplex Funds Management Limited also acts as the manager of the Trust.

Transactions with related parties have taken place at arms length and in the ordinary course of business.

a Fees payable to the Responsible Entity

Under the terms of the Trust Constitution and subject to the Corporations Act, the Responsible Entity is entitled to be:

- Paid an application fee by the applicant of 2% in respect of each application for units in the Trust;
- Paid a management fee by the Trust equal to the Responsible Entity's reasonable estimate of its costs in providing its services as the Responsible Entity;
- Paid an acquisition fee by the Trust of 1.5% of the acquisition price of properties acquired by the Trust;
- Reimbursed by the Trust for all expenses incurred in relation to the performance of its duties; and

The Responsible Entity is also entitled to waive or defer any of its fees. During the year, the Trust paid an amount of $14.0 million (June 2007: $12.0 million).

b Key management personnel

The Trust does not employee key management personnel in its own right. However it is required to have an incorporated Responsible Entity to manage the activities of the Trust and personnel of this entity are considered the Key Management Personnel of the Trust.

The names of the key management personnel of the Responsible Entity during the financial year were:

- Mr Ross McDiven (Chief Executive Officer)
- Mr Brian Kingston (Chief Financial Officer)
- Ms Karen Pedersen (General Counsel and Group General Manager (Corporate))
- Ms Sharon Warburton (Group General Manager, Strategy and Operations)
- Mr Mark Wilson (CEO Asia Pacific Infrastructure)
- Mr Robert Rayner (CEO Funds Management)
- Mr James McGreevy (CEO Australasia Property)
- Mr Sean O'Donoghue (Group General Manager, Finance)
- Mr Robert McKinnon (Chief Financial Officer and Joint Managing Director) (resigned 31 March 2008)
- Mr F Allan McDonald (Non-Executive Chairman)
- Ms Barbara K Ward (Non-Executive Director)

The positions noted above for the Trust's key management personnel are the positions held within the Responsible Entity and not the Trust itself.

28 Related party disclosure continued

b Key management personnel continued

Key management personnel compensation

Key management personnel are paid by the parent of the Responsible Entity for services provided to Brookfield Multiplex Limited. Payments made from the fund to the Responsible Entity do not included any amounts attributable to the compensation of key management personnel in respect of services rendered to the Trust itself.

Related party investments held by the trust

During or since the end of the financial year, none of the key management personnel held units in the Trust, either directly, indirectly, or beneficially

Directors' loans

No loans were made by the Trust to the key management personnel and/or their related parties.

c Transactions with related parties

i Transactions within the Consolidated Entity

All transactions between the Trust and its subsidiaries have been eliminated in full. Details of dealings with entities within the Consolidated Entity are set out below:

	2008 $000	2007 $000
Distributions		
Distributions received or due and receivable by Trust from subsidiaries	210,026	204,300
Intercompany loans		
Aggregate amounts receivable from/(payable to) subsidiaries of the Trust at the end of the financial year and end of the previous financial year:		
Brookfield Multiplex Property Trust	(1,066,628)	(720,100)

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

ii Transactions with Brookfield Multiplex Limited and its subsidiaries

	2008 $000	2007 $000
Provision of services to the Trust and its subsidiaries by Brookfield Multiplex Limited and its subsidiaries		
Responsible Entity cost recovery paid	14,000	12,000
Property management expense	7,232	7,534
Leasing fee	643	2,542
Rental guarantee received	1,456	6,021

	2008 $000	2007 $000
Construction and development of properties by Brookfield Multiplex Limited and its subsidiaries for the Trust and its subsidiaries		
Total purchase price	44,467	21,631
Interest received by the Trust and its subsidiaries from Brookfield Multiplex Limited and its subsidiaries		
Interest income	19,143	122,607

Brookfield Multiplex Limited and its subsidiaries have unsecured loans payable to the Trust and its subsidiaries of $136,900,000 (June 2007: $287,900,000).

Brookfield Multiplex Property Trust and its subsidiaries have unsecured loans payable to Brookfield Multiplex Limited and its subsidiaries of $29.0 million (June 2007: $nil).

The rental guarantee provision is provided in the normal course of business and on normal terms and conditions.

28 Related party disclosure continued

c Transactions with related parties

iii Transactions with parent companies and other related parties

At balance date, Brookfield Multiplex Trust and its subsidiaries have current receivables, from other related parties amounting to $164,800,000 (June 2007: $nil).

Brookfield Multiplex Trust acquired an investment of $1,300,000,000 representing Promissory Note receivable from Brookfield Bidco (Australia) Pty Limited.

During the year, interest received and receivable from Brookfield Bidco (Australia) Pty Ltd was $309,863 (June 2007: $nil).

Distributions to Brookfield Bidco (Australia) Pty Ltd during the current financial year were $58,618,149 (June 2007: $nil).

29 Significant subsidiaries

Brookfield Multiplex Property Trust's significant investments in subsidiaries are in legal entities that are the key holding and operating entities within the business segments and the geographical segments in which the Consolidated Entity has a significant presence. At 30 June 2008, the significant subsidiaries are shown below:

	Date of Acquisition/ Incorporation (If During Current Year)	Country of Incorporation	Equity Ownership 2008 %	Equity Ownership 2007 %
KPMG Development Trust		Australia	100%	100%
Multiplex Stage 3A Holdings Trust		Australia	100%	100%
Multiplex Stage 3A Landowning Trust		Australia	100%	100%
Multiplex 240 Queen Street Investment Trust		Australia	100%	100%
Brookfield Multiplex 240 Queen Street Landowning Trust		Australia	100%	100%
Multiplex 324 Queen Street Investment Trust		Australia	100%	100%
Brookfield Multiplex 324 Queen Street Landowning Trust		Australia	100%	100%
Multiplex APF Investment Trust		Australia	100%	100%
Multiplex APF Trust		Australia	100%	100%
Multiplex Bracken Ridge Investment Trust		Australia	100%	100%
Brookfield Multiplex Bracken Ridge Landowning Trust		Australia	100%	100%
Multiplex City Arcade Investment Trust		Australia	100%	100%
Brookfield Multiplex City Arcade Landowning Trust		Australia	100%	100%
Multiplex DT 100 Investments Trust		Australia	100%	100%
Brookfield Multiplex DT 100 Landowning Trust		Australia	100%	100%
Multiplex Notes Limited		Australia	100%	100%
Multiplex MPT CMBS Issuer Limited		Australia	100%	100%
Multiplex JH Holdings Trust		Australia	100%	100%
Multiplex JH Trust		Australia	100%	100%
Multiplex Aust Investment Trust		Australia	100%	100%
Brookfield Multiplex Carole Park Landowning Trust		Australia	100%	100%
Brookfield Multiplex Meeandah Landowning Trust		Australia	100%	100%
Brookfield Multiplex Rosehill Landowning Trust		Australia	100%	100%
Multiplex Luna Park Carpark Investment Trust		Australia	100%	100%
Brookfield Multiplex Luna Park Carpark Landowning Trust		Australia	100%	100%
Multiplex PCEC Office Investment Trust		Australia	100%	100%
Brookfield Multiplex PCEC Office Landowning Trust		Australia	100%	100%
Multiplex Pittwater Place Investments Trust		Australia	100%	100%
Brookfield Multiplex Pittwater Place Landowning Trust		Australia	100%	100%
Multiplex WS Retail Investment Trust		Australia	100%	100%
Brookfield Multiplex WS Retail Landowning Trust		Australia	100%	100%
Multiplex W 9 and 10 Stage 1 Investment Trust		Australia	100%	100%
Brookfield Multiplex W 9 and 10 Stage 1 Landowning Trust		Australia	100%	100%
Multiplex W 9 and 10 Stage 4 Investment Trust		Australia	100%	100%
Brookfield Multiplex W 9 and 10 Stage 4 Landowning Trust		Australia	100%	100%

29 Significant subsidiaries continued

	Date of Acquisition/ Incorporation (If During Current Year)	Country of Incorporation	Equity Ownership 2008 %	2007 %
Onyx Property Trust		Australia	100%	100%
Multiplex BNZ Investment Holding Trust		Australia	100%	100%
Multiplex BNZ Investment Trust		Australia	100%	100%
Multiplex BNZ Landowning Trust		Australia	100%	100%
Multiplex SW Investment Trust		Australia	100%	100%
Multiplex SW Landowning Trust		Australia	100%	100%
Ronin New Zealand Property Trust		Australia	100%	100%
Onyx Property NZ Limited		New Zealand	–	100%
The Multiplex Developments No. 6A Unit Trust		Australia	75%	75%
The Multiplex Developments No. 6 Unit Trust		Australia	75%	75%
Brookfield Multiplex BASX Unit Trust No. 3		Australia	75%	75%
Multiplex Hybrid Holdings Trust		Australia	100%	100%
Multiplex Hybrid Investment Trust[1]		Australia	75%	75%
Multiplex Colt Investment Trust		Australia	100%	100%
Multiplex Bishop's See Holding Trust		Australia	100%	100%
Multiplex German Investment Trust		Australia	100%	100%

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

30 Business combinations

a Summary of acquisitions

Year ended 30 June 2008

There have been no material acquisitions during this financial year.

Year ended 30 June 2007

On 15 March 2007, the Consolidated Entity purchased 51,027,821 units in the Multiplex Diversified Property Fund for $51.0 million. A further 1,138,945 units were purchased in April 2007 for $1.2 million.

As at 30 June 2007 the Consolidated Entity owned 94% of the Multiplex Diversified Property Fund.

b Name of entity and ownership acquired

The following subsidiaries were acquired during the year:

Name	Principal Activities	Date Acquired 2008 Year	2007 Year	Ownership Interest 2008 %	2007 %
Multiplex Diversified Property Fund	Property Investment		15 March 2007	74%	94%

30 Business combinations continued

c Fair values on acquisition

The fair value of the identifiable assets and liabilities as a result of all the acquisitions noted above as at the respective date of the acquisition are:

	Consolidated 2008 $m	Consolidated 2007 $m	Brookfield Multiplex Property Trust 2008 $m	Brookfield Multiplex Property Trust 2007 $m
Consideration				
Cash	–	–	–	–
Investment in other equity instruments	–	51.0	–	–
Total consideration	**–**	**51.0**	**–**	**–**
Book value of net assets acquired				
Current assets				
Non-current assets				
Investments accounted for using the equity method	–	48.1	–	–
Unlisted investment	–	2.9	–	–
Total book value of net assets acquired	**–**	**51.0**	**–**	**–**
Net cash outflow	**–**	**–**	**–**	**–**

d Summary of disposals

Year ended 30 June 2008

On 27 June 2008 Ronin New Zealand Property Trust sold 100% of Onyx Property NZ Limited (OPNZ) to Brookfield NZ Holdings Limited. In consideration for the sale of OPNZ shares, the Trust received Promissory Notes of NZD88.7 million from related parties which were then used to repay the amount payable it had to OPNZ.

Year ended 30 June 2007

On 13 September 2006, as a result of listing the Fund on the Australian Securities Exchange, the Consolidated Entity disposed of 68% of the entities that comprised the Multiplex Prime Property Fund.

On 2 April 2007 the Consolidated Entity sold 100% of the Multiplex Welshpool Landowning Trust to a third party.

e Name of entity and ownership disposed

The following subsidiaries were disposed during the year:

Name	Principal Activities	Date Disposed 2008 Year	Date Disposed 2007 Year	Ownership Interest Disposed % 2008 Year	Ownership Interest Disposed % 2007 Year
Onyx Property NZ Limited	Investment	27 June 2008	–	100	–
Multiplex Prime Property Fund	Investment	–	13 Sep 2006	–	68
Multiplex Southern Cross East Investment Trust	Investment	–	13 Sep 2006	–	68
Multiplex Defence Plaza Investment Trust	Investment	–	13 Sep 2006	–	68
Multiplex Defence Plaza Landowning Trust	Investment	–	13 Sep 2006	–	68
Multiplex Acumen Latitude Investment Trust		–	13 Sep 2006	–	68
Multiplex King Street Wharf	Investment	–	13 Sep 2006	–	68
Suite 3B Landowning Trust	Investment	–	13 Sep 2006	–	68
Multiplex Welshpool Landowning Trust	Investment	–	2 April 2007	–	100

	Consolidated 2008 $m	Consolidated 2007 $m	Trust 2008 $m	Trust 2007 $m
30 Business combinations continued				
f Fair values on disposals				
The fair value of the identifiable assets and liabilities as a result of all the disposals noted above as at the respective date of disposal are:				
Consideration				
Cash	–	136.8	–	–
Units in other equity instruments	–	36.5	–	–
Minority interest	–	16.7	–	–
Receivable from related party	–	–	–	–
Total consideration	**–**	**190.0**	**–**	**–**
Book value of net assets sold				
Current Assets				
Cash	–	3.7	–	–
Amounts due from related parties	–	39.0	–	–
Receivables	–	13.2	–	–
Other	–	11.7	–	–
Non-current assets				
Investment properties	–	77.2	–	–
Investment in subsidiary	–	130.0	–	–
Equity accounted investment	–	256.3	–	–
Current liabilities				
Payables	–	(3.4)	–	–
Amounts due to related parties	–	(61.0)	–	–
Non-current liabilities				
Interest bearing liabilities	–	(287.4)	–	–
Non interest bearing liabilities	–	(0.1)	–	–
Total book value of net assets sold	**–**	**179.2**	**–**	**–**
Net cash inflow	**–**	**133.1**	**–**	**–**
Prima facie gain on disposal	–	10.8	–	–
Book gain on disposal	**–**	**10.8**	**–**	**–**

31 Financial instruments

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

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

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

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

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

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

a Market risk

Interest rate risk contracts – financial assets

The income and associated operating cash flows of the Consolidated Entity's assets are substantially independent of changes in market interest rates. The Consolidated Entity's loans are primarily provided to investments in joint ventures and associates as a means of funding Development projects. The Consolidated Entity does not undertake any specific hedging of loan receivables except to monitor the loan outstanding to strategies in the underlying investment portfolio and the cash flow at risk as a result of interest rate fluctuations on scheduled interest rate resets for the next reporting period.

Interest rate risk contracts – financial liabilities

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

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

31 Financial instruments continued

a Market risk continued

Interest rate risk contracts – financial liabilities continued

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

		Fixed interest maturing in			
	Floating interest rate $m	Less than 1 year $m	Between 1 – 5 years $m	Over 5 years $m	Total $m
Consolidated – At 30 June 2008					
Financial assets					
Cash and cash equivalents	27.5	–	–	–	27.5
Receivables	–	133.1	8.7	–	141.8
Total financial assets	**27.5**	**133.1**	**8.7**	**–**	169.3
Financial liabilities					
Interest-bearing liabilities	1,680.3	–	–	–	1,680.3
Effect of interest rate swaps	(1,087.8)	737.8	350.0	–	–
Total financial liabilities	**592.5**	**737.8**	**350.0**	**–**	1,680.3
Consolidated – At 30 June 2007					
Financial assets					
Cash and cash equivalents	255.3	–	–	–	255.3
Receivables	–	103.4	242.2	–	345.6
Total financial assets	**255.3**	**103.4**	**242.2**	**–**	600.9
Financial liabilities					
Interest-bearing liabilities	1,539.6	–	–	–	1,539.6
Effect of interest rate swaps	(1,182.0)	582.0	600.0	–	–
Total financial liabilities	**357.6**	**582.0**	**600.0**	**–**	1,539.6

		Fixed interest maturing in			
	Floating interest rate $m	Less than 1 year $m	Between 1 – 5 years $m	Over 5 years $m	Total $m
Trust – At 30 June 2008					
Financial assets					
Cash and cash equivalents	11.3	–	–	–	11.3
Receivables	–	2.0	8.7	–	10.7
Total financial assets	**11.3**	**2.0**	**8.7**	**–**	22.0
Financial liabilities					
Interest-bearing liabilities	2,046.9	–	–	–	2,046.9
Total financial liabilities	**2,046.9**	**–**	**–**	**–**	2,046.9
Trust – At 30 June 2007					
Financial assets					
Cash and cash equivalents	243.6	–	–	–	243.6
Receivables	–	34.3	242.2	–	276.5
Total financial assets	**243.6**	**34.3**	**242.2**	**–**	520.1
Financial liabilities					
Interest-bearing liabilities	1,927.4	–	–	–	1,927.4
Total financial liabilities	**1,927.4**	**–**	**–**	**–**	1,927.4

31 Financial instruments continued

a Market risk continued

Interest rate sensitivity

The Consolidated Entity's sensitivity to a 1% movement in Australian dollar and New Zealand dollar interest rates in relation to cash and cash equivalents, receivables, derivatives, and interest bearing loans and borrowings:

	Consolidated 2008				Consolidated 2007			
	Impact on Profit		Impact on Equity		Impact on Profit		Impact on Equity	
	+100 bps	-100—bps	+100 bps	-100—bps	+100 bps	-100—bps	+100 bps	-100—bps
Consolidated								
Australian Dollar	4.2	(4.2)	9.1	(9.3)	3.1	(3.1)	14.3	(14.7)
New Zealand Dollar	–	–	–	–	0.7	(0.7)	0.5	(0.5)

	Trust 2008				Trust 2007			
	Impact on Profit		Impact on Equity		Impact on Profit		Impact on Equity	
	+100 bps	-100—bps	+100 bps	-100—bps	+100 bps	-100—bps	+100 bps	-100—bps
Trust								
Australian Dollar	20.2	(20.2)	–	–	13.4	(13.4)	–	–
New Zealand Dollar	–	–	–	–	0.7	(0.7)	–	–

Set out below is the notional principal of interest rate swaps and the outstanding principal of fixed rate loans in their local currency, and the weighted average interest rate of those contracts in each currency at 30 June 2008:

		Periods in which they mature or, if earlier, reprice					
2008	Total $m	Less than 1 year $m	1-2 years $m	2-3 years $m	3-4 years $m	4-5 years $m	More than 5 years $m
Australian Dollars							
Interest rate swaps	1,087.8	737.8	350.0	–	–	–	–
Fixed rate borrowings	–	–	–	–	–	–	–
Total	**1,087.8**	**737.8**	**350.0**	**–**	**–**	**–**	**–**
Weighted Average fixed rate	6.87%	7.39%	5.78%	–	–	–	–
New Zealand Dollars							
Interest rate swaps	–	–	–	–	–	–	–
Fixed rate borrowings	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Weighted Average fixed rate	–	–	–	–	–	–	–

31 Financial instruments continued

a Market risk continued

Interest rate sensitivity continued

			Periods in which they mature or, if earlier, reprice				
2007	Total $m	Less than 1 year $m	1-2 years $m	2-3 years $m	3-4 years $m	4-5 years $m	More than 5 years $m
Australian Dollars							
Interest rate swaps	1,122.0	522.0	250.0	350.0	–	–	–
Fixed rate borrowings	–	–	–	–	–	–	–
Total	**1,122.0**	**522.0**	**250.0**	**350.0**	**–**	**–**	**–**
Weighted average fixed rate	6.0%	6.1%	6.6%	5.8%	–	–	–
New Zealand Dollars							
Interest rate swaps	60.0	60.0	–	–	–	–	–
Fixed rate borrowings	–	–	–	–	–	–	–
Total	**60.0**	**60.0**	**–**	**–**	**–**	**–**	**–**
Weighted average fixed rate	6.7%	6.7%	–	–	–	–	–

b Foreign currency risk

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

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

The Consolidated Entity and the Trust operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the NZ dollar.

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

Foreign exchange transactional risk

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

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

Net investment in a foreign operation

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

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

31 Financial instruments continued

b Foreign currency risk continued

Net Investment in a foreign operation continued

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

	30 June 2008 NZD $m	30 June 2007 NZD $m
Consolidated		
Financial assets		
Cash and cash equivalents	–	4.7
Receivables	–	7.6
Total financial assets	**–**	12.3
Financial liabilities		
Payables	–	(4.3)
Interest-bearing loans and borrowings	–	(43.9)
Non-interest bearing loans and borrowngs	–	–
Total financial liabilities	**–**	(48.2)

The Trust has no exposure to foreign currency risk (2007: nil).

Foreign Currency Sensitivity

The Consolidated Entity and the Trust do not hold financial instruments which are not in the functional currency of the entity holding these instruments. Consequently, the profit and equity balances of the Consolidated Entity and the Trust are not sensitive to fluctuations in foreign exchange rates (2007: nil).

c Commodity and equity price risk

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

d Credit risk

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

The Consolidated Entity manages this risk by:

- transacting with multiple derivative counterparties that have a long term credit rating of at least A from S&P, or as otherwise approved by the Board
- providing loans as an investment into joint ventures, associates and third parties where it is comfortable with the underlying property exposure within that entity
- regularly monitoring loans and receivables balances on an ongoing basis; and
- obtaining collateral as security (where appropriate).

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

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

31 Financial instruments continued

e Liquidity and capital risk management

Capital risk management

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

Capital management is monitored in two main ways:

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

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

- a maximum of 50% of interest bearing net debt to total assets. At 30 June 2008, the percentage of interest bearing net debt to total assets is 31% (June 2007: 23%).

Liquidity risk

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

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

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

Financing arrangements

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

The Consolidated Entity and the Trust had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated		Trust	
	2008 $m	2007 $m	2008 $m	2007 $m
Floating rate				
Expiring within one year (cash advance and bill facility)	–	–	–	–
Expiring beyond one year (bank loans)	165.7	337.6	–	–
	165.7	**337.6**	**–**	**–**

The Consolidated Entity had a Commercial Mortgage Backed Security Program Series 1 of $537m, which matured on 20 May 2008 and was refinanced by a secured one year facility with a further one year option for $475m, with the balance being paid by the cash retained as security from the Goldfields House sale.

The Consolidated Entity's borrowings mature at dates between 2008 and 2011.

31 Financial instruments continued

e Liquidity and capital risk management continued

Maturities of financial liabilities

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

	Less than 1 year $m	Between 1 – 2 years $m	Between 2 – 3 years $m	Between 3 – 4 years $m	Between 4 – 5 years $m	Over 5 years $m	Total $m
Consolidated – At 30 June 2008							
Non-derivatives							
Payables	43.7	23.0	–	–	–	–	66.7
Interest bearing loans and borrowings	787.0	1,079.6	6.1	–	–	–	1,872.7
Non-interest bearing loans and borrowings	29.0	–	–	–	–	–	29.0
Total non derivatives	**859.7**	**1,102.6**	**6.1**	**–**	**–**	–	**1,968.4**
Derivatives							
Net settled – interest rate swaps	(8.3)	(7.4)	–	–	–	–	(15.7)
Gross settled – forward foreign exchange contracts:	–	–	–	–	–	–	–
(Inflow)	–	–	–	–	–	–	–
Outflow	–	–	–	–	–	–	–
Total derivatives	**(8.3)**	**(7.4)**	**–**	**–**	**–**	–	**15.7**
Consolidated – At 30 June 2007							
Non-derivatives							
Payables	163.8	20.7	–	–	–	–	184.5
Interest bearing loans and borrowings	745.3	449.6	503.9	–	–	–	1,698.8
Non-interest bearing loans and borrowings	0.9	4.5	–	–	–	–	5.4
Total non derivatives	**910.0**	**474.8**	**503.9**	**–**	**–**	**–**	**1,888.7**
Derivatives							
Net settled – interest rate swaps	(6.7)	(3.9)	(4.3)	–	–	–	(14.9)
Gross settled – forward foreign exchange contracts:	–	–	–	–	–	–	–
(Inflow)	–	–	–	–	–	–	–
Outflow	–	–	–	–	–	–	–
Total derivatives	**(6.7)**	**(3.9)**	**(4.3)**	**–**	**–**	**–**	**(14.9)**

31 Financial instruments continued

e Liquidity and capital risk management continued

Maturities of financial liabilities continued

	Less than 1 year $m	Between 1 – 2 years $m	Between 2 – 3 years $m	Between 3 – 4 years $m	Between 4 – 5 years $m	Over 5 years $m	Total $m
Trust							
– At 30 June 2008							
Non-derivatives							
Payables	20.8	–	–	–	–	–	20.8
Interest bearing loans and borrowings	1,194.1	1,079.6	6.1	–	–	–	2,279.8
Non-interest bearing loans and borrowings	925.0	–	–	–	–	–	925.0
Total non derivatives	**2,139.9**	**1,079.6**	**6.1**	**–**	**–**	**–**	**3,225.6**
Derivatives							
Net settled – interest rate swaps	–	–	–	–	–	–	–
Gross settled – forward foreign exchange contracts:	–	–	–	–	–	–	–
(Inflow)	–	–	–	–	–	–	–
Outflow	–	–	–	–	–	–	–
Total derivatives	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Trust							
– At 30 June 2007							
Non-derivatives							
Payables	102.6	–	–	–	–	–	102.6
Interest bearing loans and borrowings	1,170.0	449.6	503.9	–	–	–	2,123.5
Non-interest bearing loans and borrowings	1,422.4	4.5	–	–	–	–	1,426.9
Total non derivatives	**2,695.0**	**454.1**	**503.9**	**–**	**–**	**–**	**3,653.0**
Derivatives							
Net settled – interest rate swaps	–	–	–	–	–	–	–
Gross settled – forward foreign exchange contracts:	–	–	–	–	–	–	–
(Inflow)	(2.6)	(0.7)	–	–	–	–	(3.3)
Outflow	2.7	0.7	–	–	–	–	3.4
Total derivatives	**0.1**	**–**	**–**	**–**	**–**	**–**	**0.1**

f Fair value

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

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

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

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

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

31 Financial instruments continued

f Fair value continued

	Consolidated 2008		Consolidated 2007	
	Carrying amount $m	Fair Value $m	Carrying amount $m	Fair Value $m
Financial liabilities				
Interest bearing loans and borrowings:				
Debt facilities	(463.0)	(469.9)	(496.0)	(503.8)
Unrecognised losses		**(6.9)**		(7.8)

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

32 Stapling arrangements

The Stapling Deed between Brookfield Multiplex Funds Management Limited, as the Responsible Entity of the Trust, and Brookfield Multiplex Limited (the Company) is dated 8 October 2003. It sets out the terms of the relationship between the Responsible Entity and the Company in respect of the units in the ordinary Trust and the ordinary shares in the Company that comprise the securities. The aspects of that relationship include the following:

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

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

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

33 Events occurring after the Balance Sheet date

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

Directors' Declaration

Brookfield Multiplex Property Trust and its subsidiaries

For the year ended 30 June 2008

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

- a the financial statements and notes, set out on pages 12 to 62, are in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the financial position of the Trust and the Consolidated Entity as at 30 June 2008 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
  - ii complying with Accounting Standards in Australia and the Corporations Regulations 2001;
- b the Trust has operated during the financial year in accordance with the provisions of the Trust Constitution dated 19 September 2003 (as amended);
- c there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2008 pursuant to section 295A of the *Corporations Act 2001*.

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

Ross A McDiven
Chief Executive Officer
Brookfield Multiplex Funds Management Limited

Brian W Kingston
Chief Financial Officer
Brookfield Multiplex Funds Management Limited

25 August 2008

Deloitte.

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Independent Auditor's Report to the Unitholders of Brookfield Multiplex Property Trust

We have audited the accompanying financial report of the Brookfield Multiplex Property Trust, which comprises the balance sheet as at 30 June 2008, and the income statement, cash flow statement and statement of changes in Unitholder Interests for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of Brookfield Multiplex Property Trust as set on out pages 12 to 63 of the consolidated entity comprising Brookfield Multiplex Property Trust and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The Directors of Brookfield Multiplex Funds Management Limited, the Responsible Entity of Brookfield Multiplex Property Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

(a) the financial report of Brookfield Multiplex Property Trust is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the Brookfield Multiplex Property Trust financial position as at 30 June 2008 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

J A Leotta
Partner
Chartered Accountants
Sydney, 25 August 2008