

ASX Announcement

25 August 2016

Brookfield Prime Property Fund (ASX: BPA) Annual Results 2016

Brookfield Capital Management Limited (BCML) as Responsible Entity for Brookfield Prime Property Fund (the Fund) announces the Fund's annual results for the financial year ended 30 June 2016.

The Fund reported a net profit of \$149.8 million for the period, compared to a net profit of \$34.3 million for the same period last year. The increase was largely due to the gain from the sale of the Fund's interests in the Southern Cross East and West properties.

Key financial results include:

- net assets of \$373.6 million (30 June 2015: \$352.9 million) or \$7.62 per unit (30 June 2015: \$7.20);
- cash and cash equivalents of \$50.8 million (30 June 2015: \$17.1 million);
- portfolio value of \$644.5 million (30 June 2015: \$950.2 million or \$615.0 million excluding Southern Cross East and West); and
- loan (total debt) to value ratio of 45% (30 June 2015: 60%).

Property Portfolio

All three properties were externally valued as at 30 June 2016. The total property portfolio increased in value by 4.8% from \$615.0 million to \$644.5 million during the 12 month period. Portfolio occupancy was 92% (31 December 2015: 92%) and weighted average lease expiry (WALE) by ownership and income was 3.6 years (31 December 2015: 3.4 years).

A summary of the property valuations as at 30 June 2016 is as follows:

PROPERTY	LOCATION	FUND SHARE %	30 JUNE 2016 \$M	30 JUNE 2015 \$M	% CHANGE 12 MTHS
680 George Street and 50 Goulburn Street	Sydney	50	305.0	287.0	6.3
American Express House, 12 Shelley Street	Sydney	100	174.5	158.0	10.4
108 St Georges Terrace	Perth	50	165.0	170.0	-2.9
Total			644.5	615.0	4.8

Debt

Following the completion of the two asset sales in December 2015, Brookfield's subordinated debt facility of \$60.3 million was fully repaid and the senior bank debt facility was partially repaid by \$201.1 million.

A new four year \$340 million debt facility was executed on 8 July 2016. The facility comprises Tranche A of \$300 million, which was fully drawn on financial close and Tranche B of \$40 million which was drawn to \$15 million.

A new four year \$50 million subordinated debt facility with Brookfield was also executed on 9 July 2016.

Capital management

BCML presently intends to retain the portfolio of three properties. The properties have current or short to medium term leasing risk and capital expenditure requirements. During the period, Brookfield has been active in executing new lease deals and maximising operating performance.

During the year, the Fund's distribution rate per quarter increased from 2 cents per unit to 6 cents per unit from the March 2016 quarter. The Fund's capacity to further increase distribution rates is constrained by conservative cashflow management in light of leasing risks associated with the Fund's property portfolio. BCML will periodically assess potential distribution levels and advise unitholders accordingly.

Further information

Further information regarding the Fund's annual results is available in the 2016 Annual Report. It is recommended that investors review this document. Additionally, the financial report for the year ended 30 June 2016 is available at www.au.brookfield.com.

-- ends--

Brookfield Customer Service
Ph: 1800 570 000