

ASX Announcement

24 March 2011

Brookfield Prime Property Fund (ASX: BPACB) Defence Plaza Lease and Distribution Payment

Brookfield Capital Management Limited (BCML) as Responsible Entity for the Brookfield Prime Property Fund (the Fund) is pleased to announce it has signed a 10 year lease renewal at Defence Plaza, Melbourne with the Commonwealth of Australia. The lease covers 100% of the building (19,027 square metres) and commences in June 2011. With this lease renewal, the Fund's portfolio is 100% occupied with a weighted average lease expiry of 7.72 years.

BCML has resolved to make a distribution of 1.5 cents to be paid on or around 29 April 2011.

ASX code	BPACB
Estimated Distribution rate (cents per unit)	1.5
Ex-distribution date	4 April 2011
Record date	8 April 2011
Payment date (approximately)	29 April 2011

The renewal of the Defence Plaza lease and recommencement of distributions are important milestones for the Fund and reflect the high quality nature of the properties owned by the Fund. Since the Fund's recapitalisation in November 2009, its capital structure has been stabilised, conditions in the broader prime property sector have improved and the Fund's properties have continued to perform at or above expected levels. As a result of these improved conditions and greater visibility over the Fund's future capital requirements, BCML has also determined to recommence payment of management fees to the Fund's manager.

As recently reported, the net tangible assets (NTA) of the Fund at 31 December 2010 were \$2.66 per unit (excluding the final instalment). The remainder of 2011 brings two further significant events for the Fund, being the payment of the final instalment of \$2.237 per unit (due on 15 June 2011) and the refinancing of the Fund's debt facility due in December 2011.

In that regard, BCML will give further consideration to paying additional distributions during 2011. However, any decision to pay distributions will be subject to a number of factors including but not limited to:

- refinancing of the Fund's debt facility;
- a review of the value of the direct properties and the position of the Fund's debt covenants;
- requirements of the Fund's Constitution;
- tax requirements of the Fund; and
- prevailing market conditions.

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About Brookfield

Brookfield is a global asset manager focused on property, renewable power and infrastructure with approximately US\$100 billion of assets under management. Brookfield is focused on owning and managing high-quality assets that produce sustainable cash flows and generate attractive long-term returns.

In Australasia, the group employs approximately 2,200 people and has a reputation for quality, innovation and the successful delivery of major commercial projects. Brookfield offers clients and investors the benefit of a fully integrated property capability with activities in commercial office, retail, residential, construction, property management and infrastructure.