Brookfield

MULTIPLEX NEW ZEALAND PROPERTY FUND

ARSN 110 281 055

Year In Review 2011

Responsible Entity
Brookfield Capital
Management Limited
ACN 094 936 866
AFSL 223809

Multiplex New Zealand Property Fund consists of nine office assets, one retail asset and one industrial asset located predominantly in Auckland and Wellington. The total portfolio is valued at NZ$454.15 million.

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Cover image: Conservation House, Wellington.

Message from the Chairman

On behalf of the Board of Brookfield Capital Management Limited, enclosed is the Multiplex New Zealand Property Fund (the Fund) year in review for the year ended 30 June 2011.

FINANCIAL RESULTS (A$ unless otherwise specified)

The Fund reported a net loss of $10.4 million which reflects a declining property market in New Zealand.

Net assets of the Fund as at 30 June 2011 were $128.5 million and the Net Tangible Assets (NTA) were $0. 59 per unit.

DEBT REDUCTION

During the year the strategy was to continue to reduce gearing of the Fund. This was achieved by reducing the size of the property portfolio where an appropriate price could be obtained.

The Fund settled the sale of 180 Molesworth Street, ANZ Business Centre, Valley Mega Centre Stages 1 and 2 and 70 Symonds Street, Auckland. The combined net proceeds from settlement of these properties was approximately NZ$115.4 million, which was applied to further reduce debt.

Refinancing the debt facility with a 12 month extension to 30 August 2012 was an important outcome for the Fund. It allowed the Board to consider the optimal way for investors to exit the Fund and permits the Fund to maximise proceeds from the sale of any other properties.

As at 30 June 2011 the Fund was in compliance with all covenants under its debt facility.

EXIT STRATEGY FOR INVESTORS

In May 2011, investors were advised that the Board resolved to extend the Fund by 12 months. Investors will be provided with a notice before 30 May 2012 asking them to advise whether or not they want to continue to own units in the Fund for a further specified period (which will be no more than seven years) or whether they want to sell or withdraw from the Fund.

Subsequent to investors advising of their decision, the Board will determine the appropriate strategy to meet investor requirements. Properties may be required to be sold in order to facilitate investors exiting the Fund. Therefore, the amount to be received by investors and timing of receipt will be subject to market conditions at the time.

BOARD AND MANAGEMENT

Tim Harris resigned from the Board and was replaced by Shane Ross, Brookfield Australia Investments Group General Manager, Treasury. The Board is otherwise unchanged with a majority of independent directors. Details of the directors of BCML are included in the Fund's financial report.

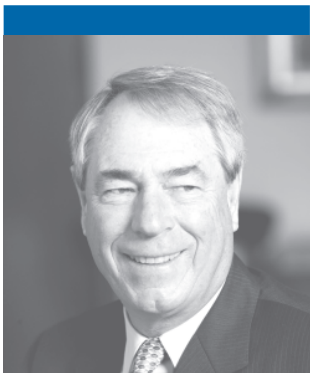
OUTLOOK

Together with managing the Fund's debt position, the Board is committed to securing the value of the Fund's properties through active management of major lease expiries and maximising unitholder value as we approach the Fund review in May 2012.

The Fund's debt facility currently restricts payment of distributions. Any excess cashflow from the Fund's operations is used to secure new leases in Fund properties where there are vacancies and to meet ongoing capital expenditure requirements.

Please visit www.au.brookfield.com for the Fund's annual financial report. On behalf of the Board, thank you for your ongoing support.

F. Allan McDonald,
Independent Chairman



Year in Review

Brookfield Capital Management Limited (BCML) the responsible entity of Multiplex New Zealand Property Fund (the Fund) provides a review of the financial year ended 30 June 2011.

FINANCIAL RESULTS (A$ unless otherwise specified)

The Fund reported a net loss of $10.4 million, which includes $25.3 million of unrealised losses on revaluations of the Fund's property portfolio. This is a reflection of the declining New Zealand property market.

Key financial results for the financial year ended 30 June 2011 include:

- total revenue and other income of $49.1 million (2010: $66.6 million);
- Net assets attributable to unitholders of $128.5 million (2010: $148.3 million);
- Net tangible asset (NTA) per unit of $0.59 (2010: $0.68); and
- weighted average lease term of 4.84 years (2010: 4.92 years) and portfolio occupancy rate is 95% (2010: 99%).

ASSET MANAGEMENT

As at 30 June 2011, the Fund's portfolio consisted of:

- 9 commercial assets valued at NZ$348.65 million;
- 1 retail asset valued at NZ$36.0 million; and
- 1 industrial asset valued at NZ$69.5 million.

After signing the Hereford Street lease the portfolio occupancy was 95%. The portfolio weighted average lease term was 4.84 years and weighted average market capitalisation rate was 8.81%.

Five asset sales were settled during the financial year for total gross sale proceeds of NZ$117 million. In addition, 1-11 Short Street in Auckland was sold in July 2011 for net proceeds of NZ$8.3 million.

The entire portfolio was externally valued as at 30 June 2011 at NZ$454.15 million ($350.6 million). This equates to a reduction of 4.4% compared to 30 June 2010. The reduction in value was primarily a result of an increase in the portfolio's weighted average market capitalisation rate by 0.8% and a reduction in net effective market rents. The greatest reduction in portfolio value on a sector basis was for the office assets, with a decrease in value of 5% compared to 30 June 2010.

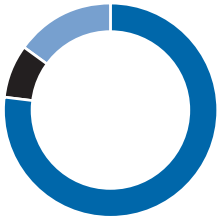
An important milestone for the Fund, and one of the largest leasing transactions in 2011, was leasing 72% (11,232 sqm) of previously vacant 8 Hereford Street (Telecom House) to Auckland Council for an initial three year term. The deal reflects the quality of the property and Brookfield's commitment to deliver on the requirements of tenants.

The Fund leased approximately 34,000 square metres, predominantly in its Auckland office portfolio during 2011, with significant transactions including Hereford Street, the Plaza Building, 70 Symonds Street and 1-11 Short Street.

Portfolio Analysis

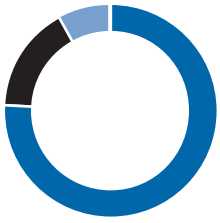
SECTOR ALLOCATION (by value)

- 77% Commercial
- 8% Retail
- 15% Industrial



GEOGRAPHIC ALLOCATION (by value)

- 76% Auckland
- 16% Wellington
- 8% Provincial



NEW ZEALAND PROPERTY MARKET

The Auckland Office market to 30 June 2011 generally exhibited the same trends as 2010. This is seen through a firming level of leasing enquiry, stabilised capitalisation rates, transactional activity dominated by private investors/syndicates and competitive incentives subduing net effective rentals. The Wellington office market shows indications of lagging behind Auckland, with an expanding forecast vacancy, capitalisation rates and increasing incentives against a backdrop of limited tenant enquiry.

Overall, the Auckland CBD vacancy rate has expanded to 13.3% from 12.7% in June 2010. Forecasts show continual improvement over the next five years on historically low net supply and regional economic growth. Wellington's overall CBD vacancy is 9.8%, forecast to expand to 13.8% by the end of 2011 on confirmed new supply, where it is forecast to remain on the expectation of limited Government and Institutional demand for the next three years before gradually improving.

DEBT UPDATE

During the year the Fund entered into a new facility with its financiers for a total of NZ$288.5 million. A key term of this facility includes repayment of debt by 30 August 2012.

Also included in the new facility was a revision of covenants to reflect loan to value ratio (LVR) requirements, as follows:

- 65% on commencement;
- 60% by 30 June 2011; and
- 55% by 30 June 2012.

The Fund leased approximately 34,000 square metres, predominantly in its Auckland office portfolio during 2011, with significant transactions including Hereford Street, the Plaza Building, 70 Symonds Street and 1-11 Short Street

As at 30 June 2011 the LVR of the Fund was 59.5% and the Fund was in compliance will all covenants in the facility.

The Fund is restricted from paying any management fees until the LVR is below 60%. Management fees have not been paid since March 2008, although they continue to be accrued in the Fund's accounts. The amount to-date is approximately $14.6 million.

DISTRIBUTIONS

No distributions were paid during the period and the terms of the Fund's debt facility restrict payment of distributions until the LVR reduces below 55% (assuming all other covenants are satisfied).

Performance at a Glance

FUND STATISTICS

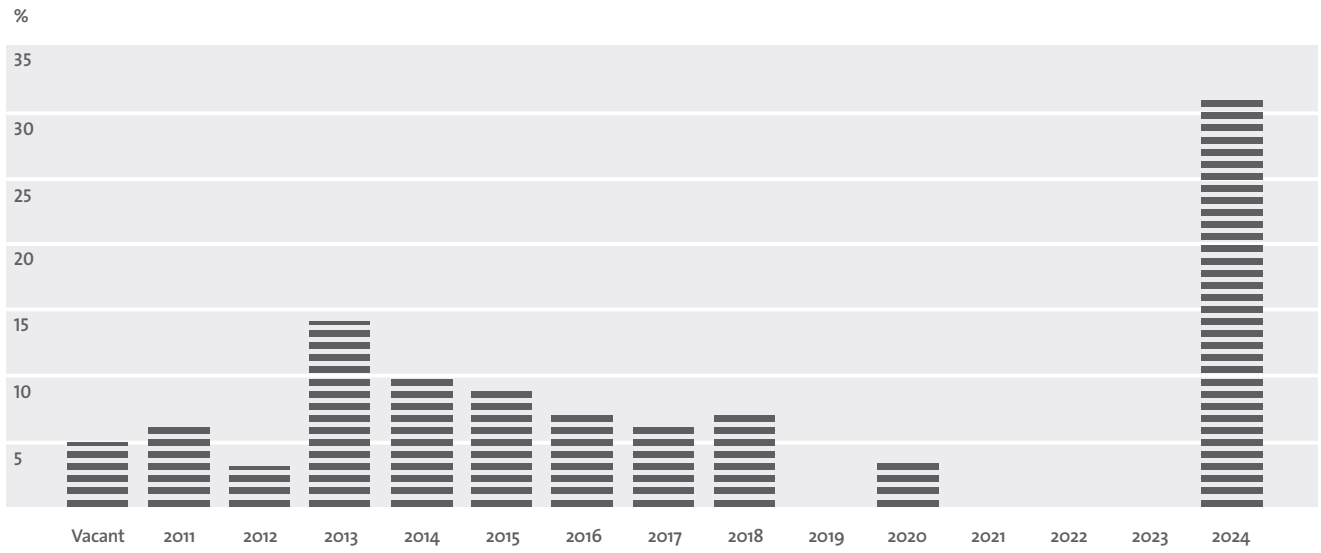
	FY2011	FY2010
Total assets (including cash) (A$)	370.6 million	503.74 million
Value of property assets (A$)	350.6 million	486.12 million
Value of property assets in (NZ$)	454.15 million	597 million
Net Tangible Assets (NTA) per unit (A$)	0.59	0.68
Foreign exchange rate	1.2953	1.2321
Cash distribution paid (for the year ended 30 June) CPU	nil	nil
Portfolio occupancy (%)	95	99
Portfolio weighted average lease term (years)	4.84	4.9
Portfolio weighted average capitalisation rate (%)	8.8	8.7

FUND SNAPSHOT (as at 30 June 2010)

Fund inception date	7 September 2004
Fund loan to value ratio (%)	59.5
Management fee (%)	0.7 (excluding GST) of gross asset value
Performance fee (%)[1]	2.0 of gross asset value
Number of office assets	9
Number of retail assets	1
Number of industrial assets	1
Total number of assets	11

1. This is only applicable if net asset value exceeds the capital subscribed. An additional 2% of gross asset value is payable provided unitholders have achieved a 50% premium on capital subscribed (less any capital returns).

LEASE EXPIRY PROFILE (by area)

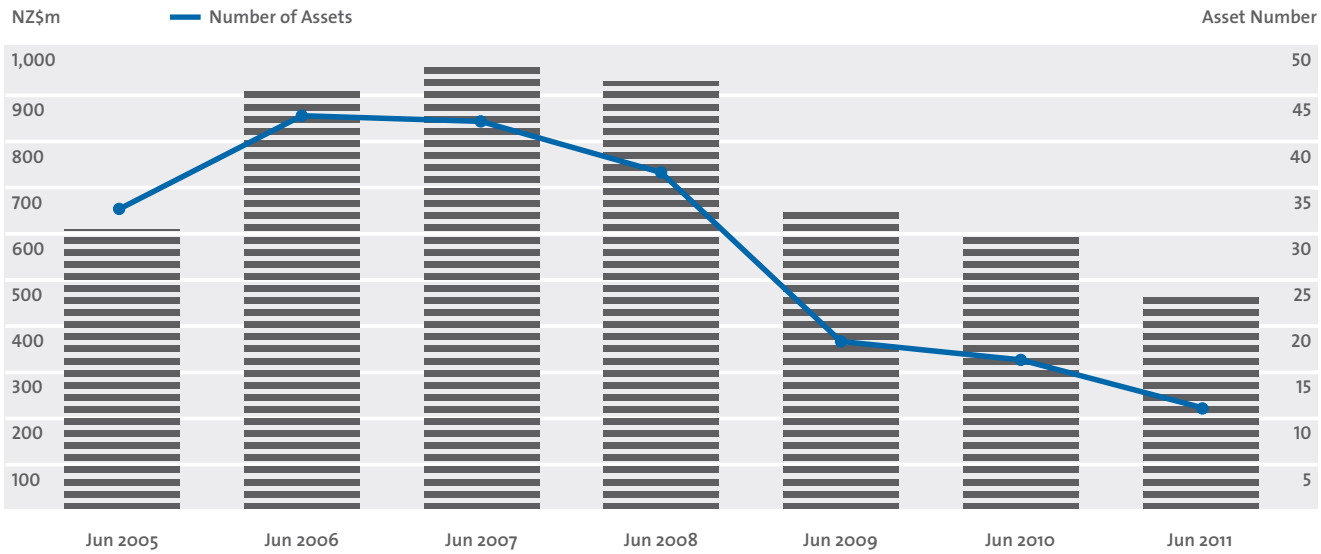


INVESTMENT PORTFOLIO (as at 30 June 2011)

OFFICE	LOCATION	CAPITALISATION RATE %	% OF PORTFOLIO	PURCHASE PRICE NZ$M	CURRENT VALUATION NZ$M
1-11 Short Street*	Auckland	10.00	2.0	9.6	8.30
8 Hereford Street	Auckland	9.50	9.2	55.5	41.90
143 Willis Street	Wellington	9.75	2.9	19.0	13.30
ASB Bank Centre	Auckland	8.625	24.6	113.9	112.0
Conservation House	Wellington	8.35	7.5	37.7	34.30
EDS House	Wellington	9.00	5.4	26.1	24.40
Gen-i Tower	Auckland	8.50	17.1	63.7	78.00
The AIA Building	Auckland	9.25	5.8	24.6	26.20
The Plaza	Auckland	9.50	2.3	10.5	10.25
			76.8	**360.6**	**348.65**
INDUSTRIAL					
Mangere Distribution Centre	Auckland	8.50	15.3	55.5	69.50
			15.3	**55.5**	**69.50**
RETAIL					
The Hub	Whakatane	9.00	7.9	42.8	36.00
			7.9	**42.8**	**36.00**
Total Portfolio		**8.81**	**100**	**458.9**	**454.15**

* 1-11 Short Street was sold 19 July 2011.

VALUE OF INVESTMENT PORTFOLIO



Property Analysis

LOCATION

The property is located in the suburb of Takapuna, approximately eight kilometres from the Auckland CBD. Takapuna is a commercial and retail centre located on Auckland's North Shore.

PROPERTY DESCRIPTION

The property comprises a 17 level office tower completed in 1989, with 13 office floors and four levels of parking providing 190 car spaces. Two of the parking levels also comprise retail accommodation. The building's service core is centrally positioned to the western elevation, providing good natural light and exceptional views across urban areas to the ocean.

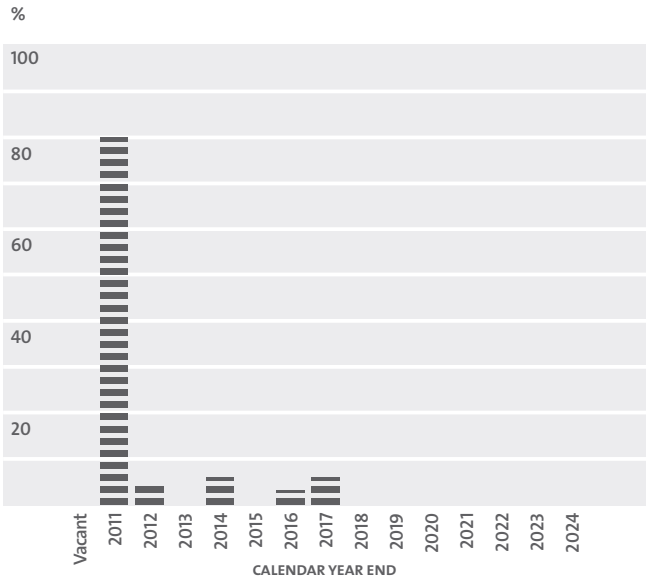
PROPERTY DETAILS

Property type	Commercial Office
Building completion date	1989
Net lettable area (sqm)	9,484
Purchase date	May 2005
Purchase price (NZ$m)	24.6
Current valuation (NZ$m)	26.2
Market capitalisation rate (%)	9.25
Current valuation date	30 June 2011
Valuer	Colliers International New Zealand

TENANCY PROFILE

Occupancy (%)	100
Weighted average lease expiry (years)	1.28
Major tenants	IRD
Net lettable area (%)	81

LEASE EXPIRY (by area)



The AIA Building, Auckland

LOCATION

The landmark ASB Bank Centre occupies a prominent position in the Auckland CBD. The building is located on the upper end of Albert Street, and with visual dominance of the city and harbour, it makes an imposing contribution to Auckland's skyline. The site has frontages to Albert, Wellesley and Federal Streets and is close to key city services.

PROPERTY DESCRIPTION

ASB Bank Centre is a premium quality landmark property. The building features four levels of basement parking, a prestige quality entry foyer and 30 levels of column-free office accommodation. The building has a central core allowing for tenant flexibility. Services are premium grade, including a full back-up emergency generator.

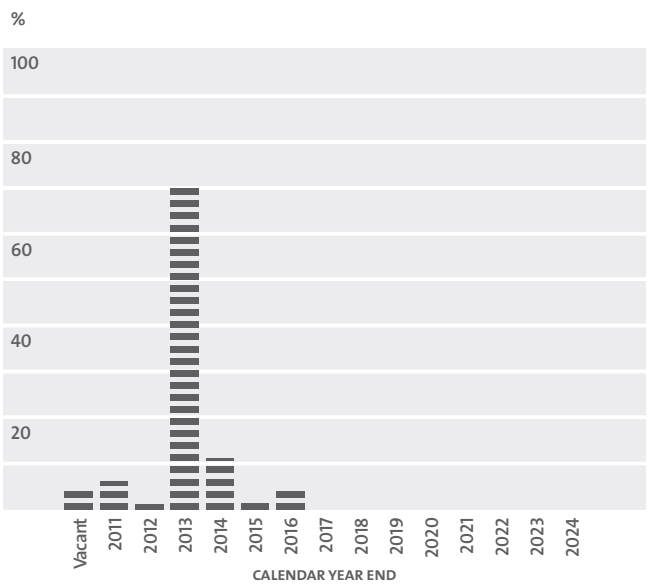
PROPERTY DETAILS

Property type	Prime Commercial Office
Building completion date	1991
Net lettable area (sqm)	33,446
Purchase date	September 2004
Purchase price (NZ$m)	113.9
Current valuation (NZ$m)	112.0
Market capitalisation rate (%)	8.625
Current valuation date	30 June 2011
Valuer	Colliers International New Zealand

TENANCY PROFILE

Occupancy (%)	96
Weighted average lease expiry (years)	2.18
Major tenants	ASB
Net lettable area (%)	61

LEASE EXPIRY (by area)



ASB Bank Centre, Auckland

Property Analysis

LOCATION

The property is located in a prominent CBD location close to the Queen Street retail centre which is widely recognised as the core of the Auckland CBD. The property is also close to the Viaduct Harbour precinct and Princess Wharf which provides entertainment areas, office accommodation, apartment dwellings and marina.

PROPERTY DESCRIPTION

Completed in 1990, the building has 19 levels of A grade office accommodation, ground floor retail and three basement levels of parking. The building has a large canopy and colonnade area surrounding the ground floor and water feature on the corner of Wyndham and Hobson Streets. The upper floors enjoy excellent views of the harbour.

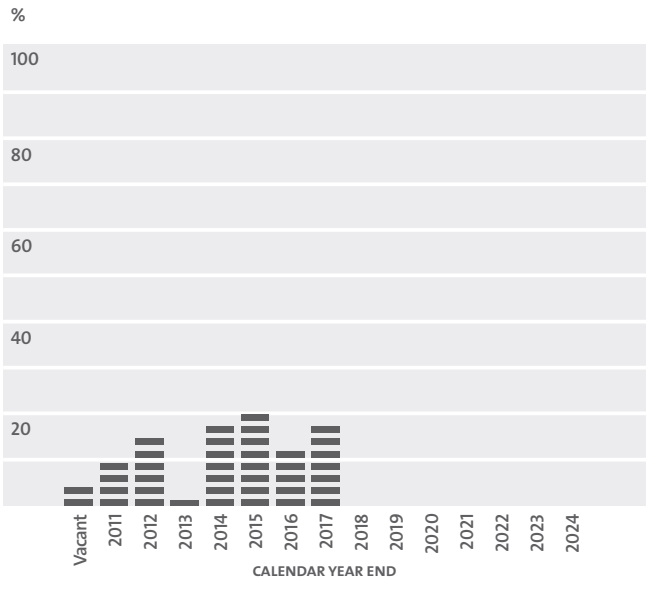
PROPERTY DETAILS

Property type	A Grade Commercial Office
Building completion date	1990
Net lettable area (sqm)	22,614
Purchase date	May 2005
Purchase price (NZ$m)	63.7
Current valuation (NZ$m)	78.0
Market capitalisation rate (%)	8.50
Current valuation date	30 June 2011
Valuer	Colliers International New Zealand

TENANCY PROFILE

Occupancy (%)		95
Weighted average lease expiry (years)		3.27
Major tenants	Gen-i	Ministry of Justice
Net lettable area (%)	14	17

LEASE EXPIRY (by area)



Gen-i Tower, Auckland

The Plaza, Auckland

LOCATION

The property is situated to the northern side of Karangahape Road on the southern fringe of the Auckland CBD. The property has considerable street frontage that enjoys significant exposure to pedestrian and vehicle traffic.

PROPERTY DESCRIPTION

The property comprises a historic building completed in the early 1900s that underwent a major refurbishment in the 1980s. It contains 22 street level retail and restaurant tenancies and two levels of high specification office space. The building also provides basement level parking.

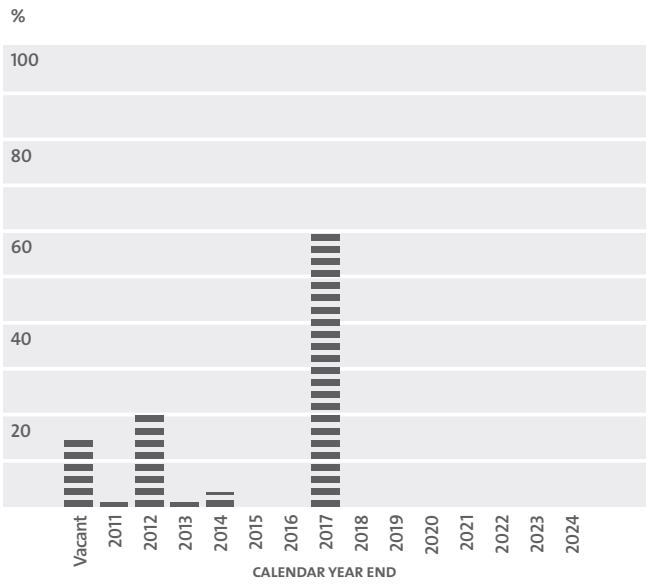
PROPERTY DETAILS

Property type	Commercial Office/Retail
Building completion date	Early 1900s Refurbished 1980s
Net lettable area (sqm)	4,693
Purchase date	May 2005
Purchase price (NZ$m)	10.5
Current valuation (NZ$m)	10.25
Market capitalisation rate (%)	9.50
Current valuation date	30 June 2011
Valuer	Colliers International New Zealand

TENANCY PROFILE

Occupancy (%)	85
Weighted average lease expiry (years)	4.15
Major tenants	Fairfax Media
Net lettable area (%)	60

LEASE EXPIRY (by area)



Property Analysis

LOCATION

The property is situated on the eastern side of Hereford Street and the south side of Hopetown Street approximately one kilometre from the Auckland CBD. The building has extensive street frontage and enjoys significant exposure to both pedestrian and vehicle traffic.

PROPERTY DESCRIPTION

Completed in 1989, the 15 level office building has extensive panoramic views. The interior has been extensively refurbished according to high specifications.

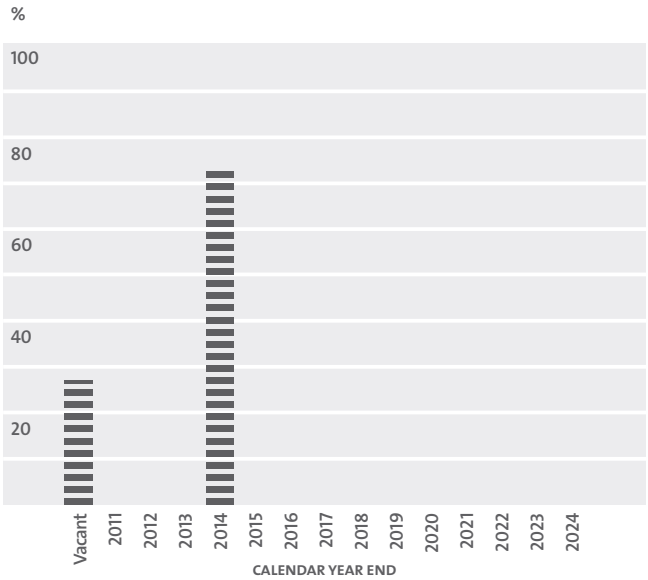
PROPERTY DETAILS

Property type	Commercial Office
Building completion date	1989
Net lettable area (sqm)	15,665
Purchase date	May 2005
Purchase price (NZ$m)	55.5
Current valuation (NZ$m)	41.9
Market capitalisation rate (%)	9.50
Current valuation date	30 June 2011
Valuer	Colliers International New Zealand

TENANCY PROFILE

Occupancy (%)	72
Weighted average lease expiry (years)	3.17
Major tenants	Auckland Council
Net lettable area (%)	72

LEASE EXPIRY (by area)



8 Hereford Street, Auckland

1-11 Short Street, Auckland

LOCATION

The property is situated on the eastern fringe of the Auckland CBD and northern extent of the main campus of the University of Auckland. The property has good access to main arterial roads providing links to the motorway systems and is close to public transport. It is also well located to take advantage of the Britomart commercial development and central transport precinct.

PROPERTY DESCRIPTION

The property comprises a nine level office tower originally completed in 1971, with seven office floors and two levels of parking for 46 cars. The building was refurbished in circa 1995 for educational use. The upper office floors enjoy views over the Auckland port area.

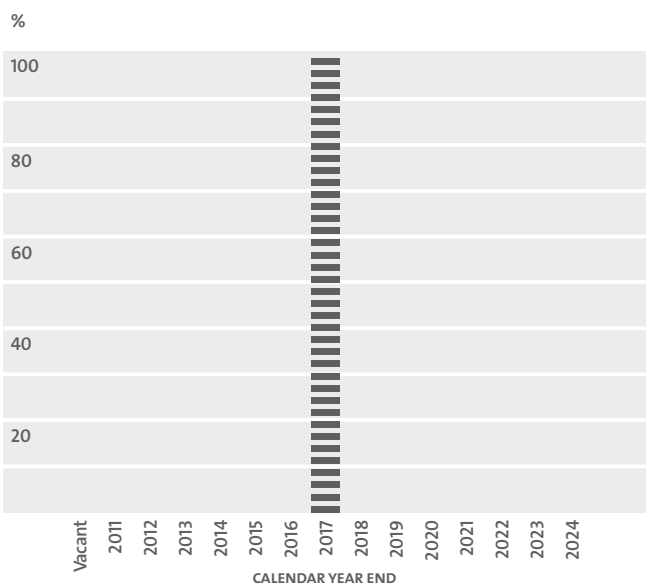
PROPERTY DETAILS

Property type	Commercial Office
Building completion date	1971
Net lettable area (sqm)	5,088
Purchase date	May 2005
Purchase price (NZ$m)	9.6
Current valuation (NZ$m)	8.3
Market capitalisation rate (%)	10.0
Current valuation date	30 June 2011
Valuer	Colliers International New Zealand

TENANCY PROFILE

Occupancy (%)	100
Weighted average lease expiry (years)	6.51
Major tenants	University of Auckland
Net lettable area (%)	100

LEASE EXPIRY (by area)



*Property has been sold since publication of this Annual Report.

Property Analysis

LOCATION

The property is situated on the eastern side of Willis Street and is located in the southern sector of the Wellington CBD.

PROPERTY DESCRIPTION

The property is a 14 level office building located above a podium that is Conservation House.

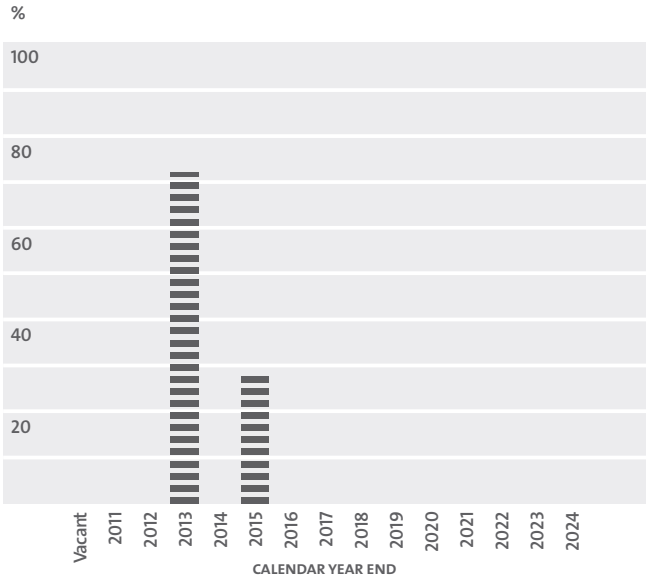
PROPERTY DETAILS

Property type	Commercial Office
Building completion date	1985
Net lettable area (sqm)	7,595
Purchase date	June 2007
Purchase price (NZ$m)	19.0
Current valuation (NZ$m)	13.3
Market capitalisation rate (%)	9.75
Current valuation date	30 June 2011
Valuer	Colliers International New Zealand

TENANCY PROFILE

Occupancy (%)		100
Weighted average lease expiry (years)		2.57
Major tenants	Telecom	Medical Council
Net lettable area (%)	72	18

LEASE EXPIRY (by area)



143 Willis Street, Wellington

LOCATION
The property is situated on the western side of Manners Street. The property is located in the southern sector of the Wellington CBD.

PROPERTY DESCRIPTION
The building is a 5 Star equivalent Green Building, having undergone extensive refurbishment in 2007. The property's design is focused on environmental sustainability and in 2008 won a NZ Institute of Architecture Supreme Award Citation.

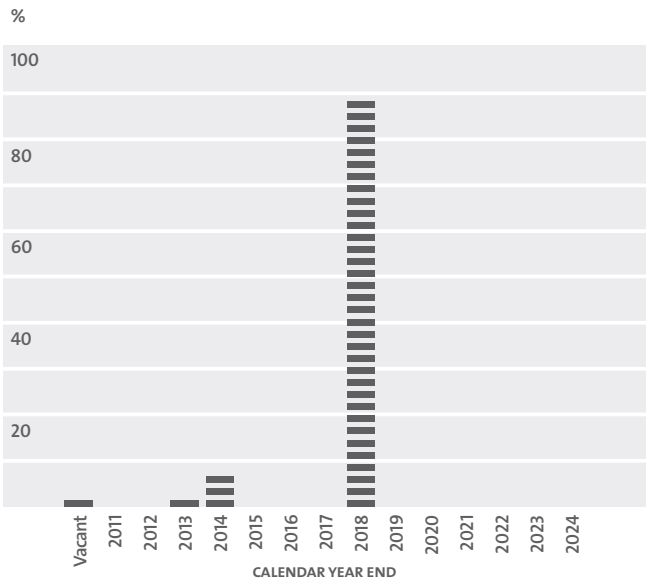
PROPERTY DETAILS

Property type	Commercial Office
Building completion date	Refurbished 2007
Net lettable area (sqm)	8,616
Purchase date	June 2007
Purchase price (NZ$m)	37.7
Current valuation (NZ$m)	34.3
Market capitalisation rate (%)	8.35
Current valuation date	30 June 2011
Valuer	Colliers International New Zealand

TENANCY PROFILE

Occupancy (%)	98
Weighted average lease expiry (years)	6.72
Major tenants	Department of Conservation
Net lettable area (%)	87

LEASE EXPIRY (by area)



Conservation House, Wellington

Property Analysis

EDS House, Wellington

LOCATION
The property is situated on the eastern side of Gilmer Terrace, Wellington.

PROPERTY DESCRIPTION
The property comprises 14 office levels and a basement car park, providing a good standard of accommodation after being extensively refurbished in 2008.

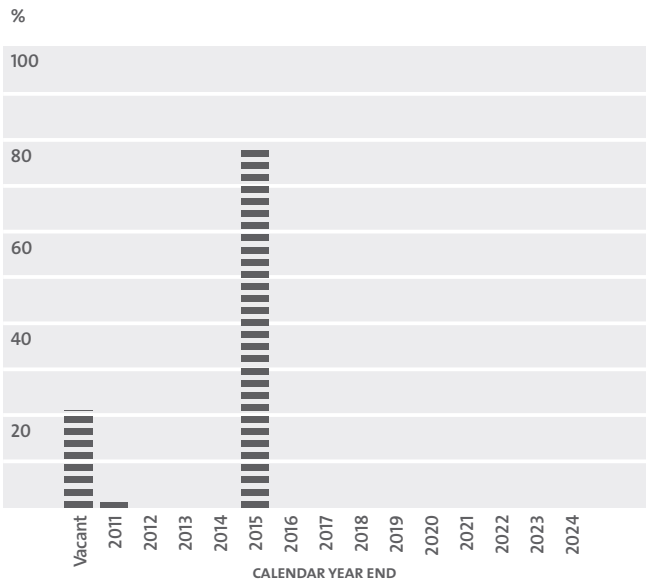
PROPERTY DETAILS

Property type	Commercial Office
Building completion date	1988
Net lettable area (sqm)	9,940
Purchase date	April 2006
Purchase price (NZ$m)	26.1
Current valuation (NZ$m)	24.4
Market capitalisation rate (%)	9
Current valuation date	30 June 2011
Valuer	Colliers International New Zealand

TENANCY PROFILE

Occupancy (%)	79
Weighted average lease expiry (years)	3.77
Major tenants	EDS
Net lettable area (%)	78

LEASE EXPIRY (by area)



Mangere Distribution Centre, Auckland

LOCATION

The property is located on the northern side of Favona Road, approximately five minutes travel from Auckland International Airport. The property will benefit from increased accessibility to Manukau and Wiri with the proposed extensions and redirections of State Highway 20. The area immediately surrounding Favona Road comprises residential development and established industrial and commercial premises.

PROPERTY DESCRIPTION

The property comprises a large integrated distribution centre and head office complex. It includes a new office building, completed to a high standard and extensive car parking. The total building area of 65,274 sqm provides a site coverage of approximately 49%.

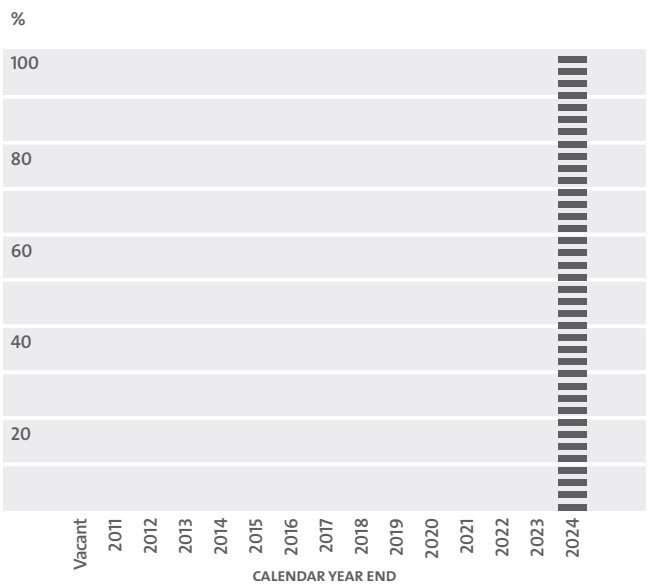
PROPERTY DETAILS

Property type	Office/Distribution Centre
Building completion date	Refurbished 1995
Net lettable area (sqm)	65,274
Purchase date	September 2004
Purchase price (NZ$m)	55.5
Current valuation (NZ$m)	69.5
Market capitalisation rate (%)	8.50
Current valuation date	30 June 2011
Valuer	Colliers International New Zealand

TENANCY PROFILE

Occupancy (%)	100
Weighted average lease expiry (years)	13.18
Major tenants	General Distributors
Net lettable area (%)	100

LEASE EXPIRY (by area)



Property Analysis

LOCATION

The property is located in the provincial town of Whakatane, located in the Bay of Plenty District. Whakatane is in the North Island, approximately 310 kilometres from the Auckland CBD, 85 kilometres from Rotorua and 160 kilometres from Taupo.

PROPERTY DESCRIPTION

The Hub retail complex is a large Bulky Goods complex that is anchored by significant tenants such as Bunnings, Farmers, Harvey Norman, Briscoes and Rebel Sports

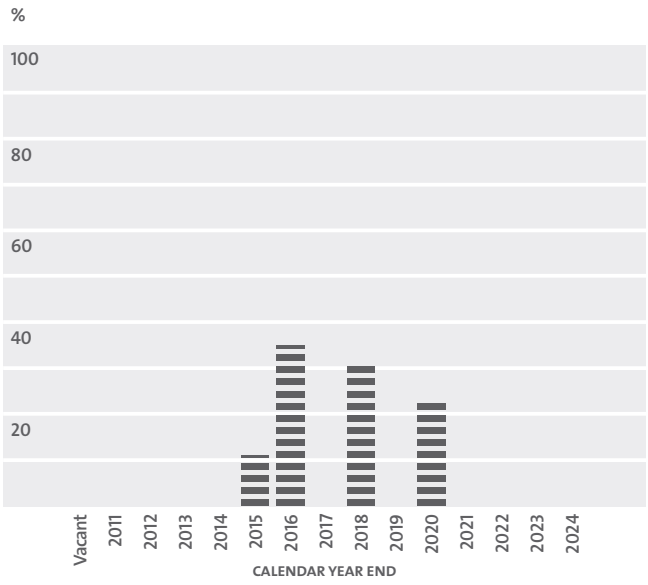
PROPERTY DETAILS

Property type	Bulky Goods Retail Centre
Building completion date	2006
Net lettable area (sqm)	26,674
Purchase date	September 2006
Purchase price (NZ$m)	42.8
Current valuation (NZ$m)	36
Market capitalisation rate (%)	9
Current valuation date	30 June 2011
Valuer	Colliers International New Zealand

TENANCY PROFILE

Occupancy (%)		100
Weighted average lease expiry (years)		6.44
Major tenants	Bunnings	Farmers
Net lettable area (%)	30	22

LEASE EXPIRY (by area)



The Hub, Whakatane

Investor Relations

ONLINE SERVICES
Accessing investments online is one of the many ways that Brookfield is ensuring convenience and accessibility to unitholder investment holdings. Links to the registry providers are available via the Brookfield website. Unitholders can access their account balance, transaction history and distribution details.

E-COMMUNICATIONS
The default for Brookfield annual and interim reports is now electronic. Online versions of the annual and interim reports are available at www.au.brookfield.com.

Investors who have elected to receive hard copy reports will continue to receive them. Should you wish to change your preference, please contact the share registry on 1800 766 011.

CONTACT THE REGISTRY
Queries relating to individual unit holdings or requests to change investment record details such as:
- change of address (issuer sponsored holdings only)
- update method of payment for receiving distributions
- tax file number notification
- annual report election

should be addressed to:

Boardroom (Victoria) Pty Ltd
GPO Box 3993
Sydney NSW 2000
Freecall: 1800 766 011
Email: brookfield@boardroomlimited.com.au

INVESTOR SERVICES
Investors wishing to register a complaint should direct it to:

The Manager
Brookfield
GPO Box 172
Sydney NSW 2001

CONTACT US
Brookfield has personnel to assist with all investor and financial adviser enquiries.

There are several ways of accessing information about the fund and providing feedback to Customer Service:

By post
GPO Box 172
Sydney NSW 2001

By phone
1800 570 000 (within Australia)
+61 2 9322 2000 (outside Australia)

By fax
+61 2 9322 2001

By email
clientenquiries@au.brookfield.com

By internet
The Brookfield website provides investors with up-to-date information on all funds as well as reports, media releases, fund performance, unit price information and corporate governance guidelines.

www.au.brookfield.com

ISO CERTIFICATION · ECO BLEACHING PROCESS · EMS ENVIRONMENTAL MANAGEMENT SYSTEMS · FOREST MANAGEMENT · RECYCLED CONTENT

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