

2009 Annual Results - Multiplex Acumen Property Fund

31 August 2009

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2009 consolidated results - actual

- ▶ Revenue \$10.8 million down 75.1% on \$43.3 million pcp*
 - Distribution income from investments \$10.0 million down 58.2% on \$23.9 million pcp
 - Share of loss from associate \$22.4 million compared to gain of \$4.2 million pcp
 - Brokerage income nil compared to \$1.4 million pcp
 - Loss on disposal of investments \$2.5 million compared to gain of \$10.2 million pcp
- ▶ Net loss on ordinary units \$107.0 million
 - Compared to a net loss on ordinary units of \$21.3 million pcp
 - Impairment loss** of \$78.4 million compared to \$51.7 million pcp
- ▶ EPU on ordinary units (52.8) cents
 - Compared to (10.5) cents pcp
- ▶ DPU 2.25 cents
 - Down 79.9% on 11.17 cents pcp
 - Nil paid for December 2008, March 2009 and June 2009 quarters
- ▶ NTA \$0.36 per unit
 - Down 67.3% on \$1.10 per unit pcp
 - Down 41.0% on \$0.61 per unit as at 31 December 2008
- ▶ Gearing (net debt / total assets)
 - 34.4% up 15.6% on 18.8% pcp

* The previous corresponding period (pcp) for the Income Statement and Balance Sheet is 30 June 2008.

** An unrealised impairment loss totalling \$78.4 million in relation to the unlisted property securities portfolio and A-REIT portfolio was recorded as an expense in the Fund's income statement. The impairment loss is a non-cash item representing the difference between the previous valuation and the market value as at 30 June 2009.

2009 net profit reconciliation (consolidated)

	30 June 2009 (\$'000)	30 June 2008 (\$'000)
Net (loss) / profit for the year	(\$103,357)	(\$17,826)
Profit attributable to minority interest – MPIF income unitholders	(\$3,664)	(\$3,464)
Net (loss) / profit for the year attributable to ordinary unitholders	(\$107,021)	(\$21,290)
Adjustments:		
Impairment expense	\$78,443	\$51,723
Share of net (profit)/loss of investments accounted for using the equity method	\$22,420	(\$4,180)
Net loss on settlement/(net gain on revaluation) of financial derivatives	\$3,623	(\$2,785)
(Gain)/loss on disposal of investments	\$2,468	(\$10,210)
Distributions from equity accounted investments	\$1,061	\$5,037
Amortisation of borrowing costs	\$54	\$51
Brokerage Income	\$0	(\$1,402)
Normalised net profit for the period	\$1,048	\$16,944
EPU (cents per ordinary unit)	(52.76)	(10.49)
Normalised EPU (cents per ordinary unit)	0.52	8.35
DPU (cents per ordinary unit)	2.25	11.17

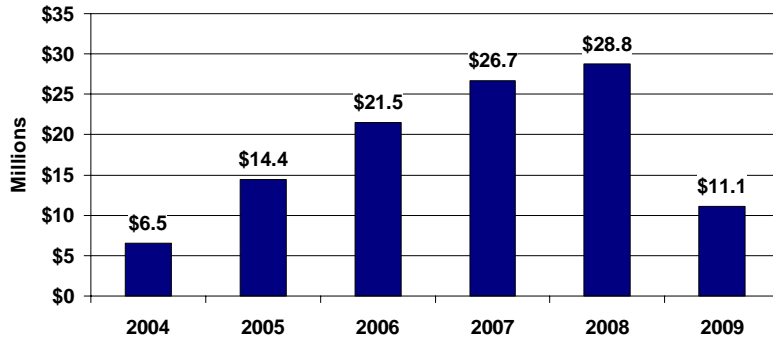
Key drivers

- ▶ Global financial crisis has severely impacted equity and property markets
 - Increased scarcity and cost of debt
 - Few transactions
 - Increasing cap rates + moderating rental growth = lower property valuations
- ▶ Value of MPF's investments impacted by:
 - Lower underlying asset values
 - Impact on gearing at both investment and Fund level
- ▶ Distribution income was \$11.1* million, a decrease of 61.6% on the pcp
 - 46 of the Fund's 47 investments reduced distributions for the 2009 financial year.
 - 24 investments did not pay a distribution for the June period.
 - Distributions retained in underlying funds for capex and/or debt reduction in light of potential covenant breaches

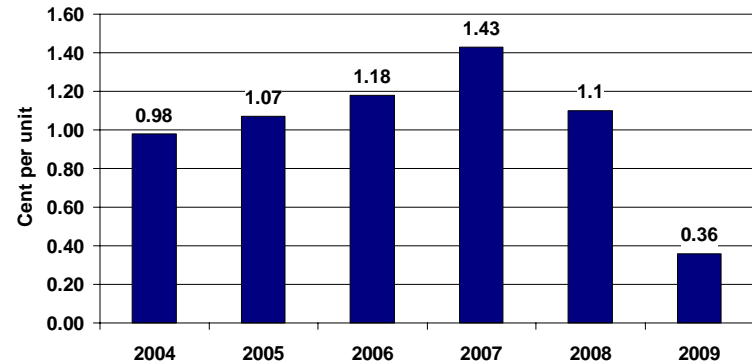
* Multiplex New Zealand Property Fund non equity accounted basis

Key graphs

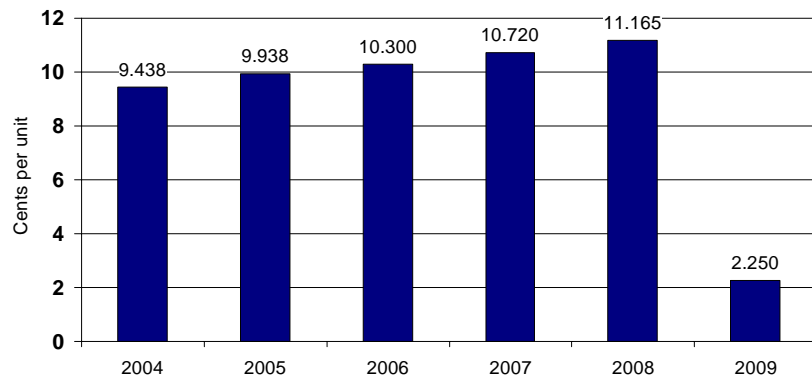
Distribution Income from Fund Investments



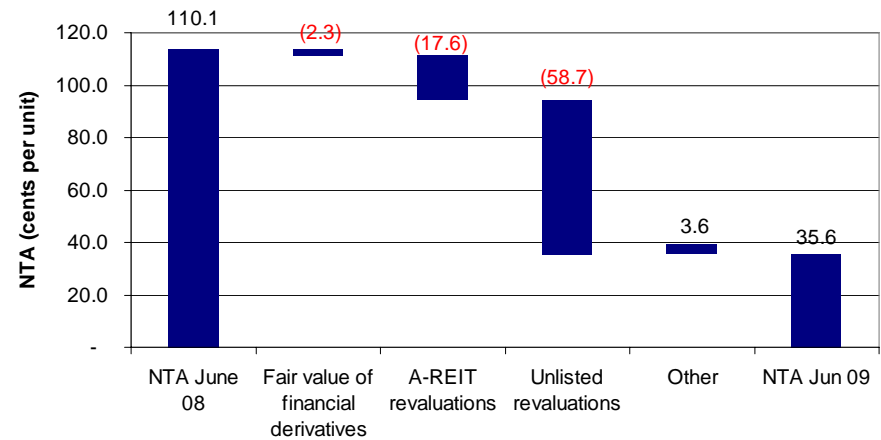
Fund NTA



Distributions from the Fund



NTA reconciliation



Finance and capital management

- ▶ Borrowings reduced 7.5% or \$6.0 million to \$74.2 million in the 12 months to 30 June 2009
 - In addition to \$6.8 million repaid in the six months to June 2008.
- ▶ Interest rate swaps and currency hedging unwound for a net loss of \$80,000
- ▶ Subject to documentation and conditions precedent, term sheet entered into which
 - extends the borrowing facility for a further two years to 1 December 2011
 - Extension Ratio Limit covenant (ERL), gearing and Interest Cover Ratio (ICR) breaches waived until 30 September 2009 when new facility documents are intended to be formally entered into
 - removes ERL and Gearing covenants
 - Rebased ICR covenant now sole covenant, requiring EBIT including cash at hand to be greater than 1.0 times interest charged.
- ▶ Key terms:
 - line fee of 3.00% p.a. plus the bench rate (equating to a total of circa 6.5% at the current variable rate) while the amount owing under the facility is \$37.1 million or greater, reducing to 2.50% p.a. plus the bench rate thereafter;
 - all amounts owing under the facility that exceed \$37.1 million attract an additional coupon of 10% p.a. which will compound monthly and may be capitalised;
 - net proceeds from the natural wind up of unlisted property securities and sales of investments must be used to reduce debt in line with agreed step down targets which are \$64.2 million (plus capitalised coupon interest) at 31 March 2010, \$55.0 million (plus capitalised coupon interest) at 31 December 2010 and \$40.0 million (plus capitalised coupon interest) at 30 June 2011. If the Fund's forecasts show it cannot meet a step down target, there will be a 30 day review period within which to agree a plan to meet the step down or agree an alternative strategy. Cash in excess of operational requirements will be used to reduce debt every 6 months;
 - subject to applicable laws and regulations, at 1 December 2011 (or earlier if an event of default occurs), the financier will have the option to convert any amounts of greater than \$37.1 million owing under the facility to equity, or a debt instrument having the characteristics of equity, up to a maximum of 40% of the total securities on issue after the issue of the additional securities to the financier;
 - income returns to investors only resume when the amount owing under the facility has been reduced to \$37.1 million or less; and
 - only 50% of management fees can be paid whilst the amount owing under the facility is \$37.1 million or greater (100% of fees may be accrued).
- ▶ Extended facility will provide a basis for the Fund to “trade through” current market weakness
 - Fund may reduce the additional coupon payable and remove the conversion option entirely should the first half of debt be repaid in full by 1 December 2011
 - Terms reflect current poor market conditions, nature of the Fund's investment portfolio and covenant breaches

Multiplex Property Income Fund (MPIF)

- ▶ Currently closed for applications and redemptions
- ▶ Reduced distribution income has reduced distribution payments below Priority Distribution Payment (PDP)
 - Distribution Stopper came into effect in MPF in February 2009 meaning MPF is not able to pay cash distributions until PDP has been met in MPIF
 - MPF's RE has not considered it in the best interests of MPF unitholders to pay the PDP shortfall given current market conditions and MPF's financial position
 - The PDP shortfall from December 2008 to June 2009 is approximately \$1.7 million
 - Likely to increase as term sheet for extended facility provides that distributions cannot be paid until debt owing under the facility has been reduced to less than \$37.1 million
- ▶ Impact of reduced A-REIT prices and unlisted property securities
 - Value of MPIF ordinary units held by MPF considered fully impaired (valued at zero per unit)
- ▶ MPIF future strategy under review



Significant portfolio events

- ▶ Lower distribution income
 - 61.6%* reduction in distribution income from investments in 2009 compared to 2008
- ▶ Lower valuations
 - 65.0% reduction in value of A-REIT portfolio to \$20.9 million
 - Valued at market value rather than NTA
 - 40.5% weighted average decrease in like-on-like NTA for unlisted property securities leading to a 36.1% reduction in the total value of the unlisted securities portfolio to \$184.1 million
 - Internal analysis to estimate June 2009 NTAs if external NTAs unavailable
- ▶ Impairment expense of \$78.4 million on property securities investment portfolio
 - Additional discounts of 20% to 100% used for those assets considered partially or fully impaired
 - Recorded as an expense in the Fund's income statement
 - Non-cash item: difference between the previous investment portfolio valuation and market value as at 30 June 2009.
- ▶ Redemptions now largely frozen in underlying unlisted funds
 - \$9.3 million redeemed prior to freezing
 - Other impacts from poor market conditions
 - No wind-ups/mergers
 - No further investments
 - No brokerage income
- ▶ Sale of 11 underperforming A-REITs
 - Poor earnings and/or capital growth outlook
 - \$2.7 million in proceeds used to reduce borrowings

* Multiplex New Zealand Property Fund non equity accounted basis

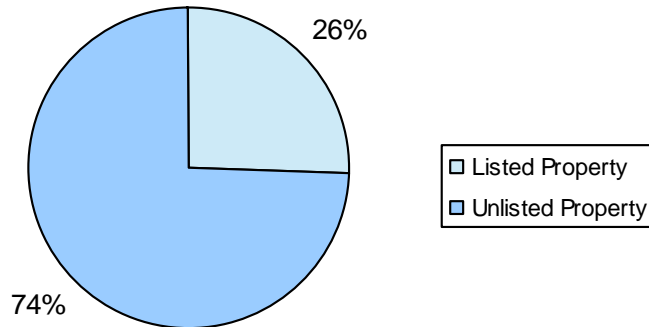
Investment Portfolio (MPF “standalone” as at 30 June 2009)

Fund (MPF Standalone) Investments	Manager	Asset location	Sector	Investment Allocation %	Value at Market \$m	Number of properties ¹	Weighted Ave Lease Expiry ¹ years
Unlisted Property Funds							
APN Champion Retail Fund	APN	Europe	Retail	0.0	2.4	16	8.5
APN National Storage Property Trust	APN	Australia	Other	0.0	1.1	38	10.4
APN Regional Property Fund	APN	Australia	Diversified	1.4	1.7	4	6.6
APN UKA Poland Retail Fund	APN	Europe	Retail	0.0	0.0	1	3.7
APN UKA Vienna Retail Fund	APN	Europe	Retail	0.0	1.4	1	2.8
Austock Childcare Fund	Austock	Australia	Other	0.2	1.2	31	6.4
Centro MCS 21	CentroMCS	Australia	Retail	4.4	8.0	1	4.9
Centro MCS 22	CentroMCS	Australia	Industrial	1.5	1.3	1	6.5
Centro MCS 28	CentroMCS	Australia	Retail	0.6	1.2	3	4.6
FKP Core Plus Fund	FKP	Australia	Development	0.5	1.6	11	2.3
Gordon Property Trust	Dexus	Australia	Retail	2.2	3.8	1	7.4
Investa Diversified Office Fund	Investa	Australia	Office	6.6	22.2	12	4.3
Investa Fifth Commercial Trust	Investa	Australia	Office	5.4	10.3	4	4.0
Investa Second Industrial Trust	Investa	Australia	Industrial	0.8	1.6	4	4.0
MAB Diversified Property Trust	MAB	Australia	Diversified	3.0	4.6	11	4.0
Mirvac PFA Diversified Property Trust	Mirvac	Australia	Diversified	4.7	6.2	19	6.1
Multiplex Development and Opportunity Fund	Brookfield Multiplex	Australia	Development	0.0	10.3	4	0.0
Multiplex New Zealand Property Fund	Brookfield Multiplex	New Zealand	Diversified	12.3	31.5 ³	18	6.0
Multiplex Property Income Fund	Brookfield Multiplex	Australia	Diversified	0.0	0.0	422 ²	6.8
Northgate Property Trust	Dexus	Australia	Retail	9.2	11.6	1	2.5
Pengana Credo European Property Trust	Pengana Credo	Europe	Retail	0.0	0.0	29	7.1
Rimcorp Property Trust #3	Wellington	Australia	Industrial	0.6	0.5	2	7.8
St Hilliers Enhanced Property Fund #2	St Hilliers	Australia	Development	0.0	1.0	2	0.0
Stockland Direct Retail Trust No 1	Stockland	Australia	Retail	1.1	0.8	4	6.5
The Child Care Property Fund	Orchard	Australia	Other	1.1	2.1	216	6.2
The Essential Health Care Trust	Orchard	Australia	Other	7.4	6.2	13	20.8
Westpac Diversified Property Fund	Westpac	Australia	Diversified	11.5	10.0	15	6.9
Unlisted Total/Weighted Average				74.5	142.6	884	5.9
A-REIT Total/Weighted Average				25.5	9.1 ⁴	1185	6.1
Cash					1.2		
Total Portfolio/Weighted Average				100.0	152.9 ⁵	2069	5.9

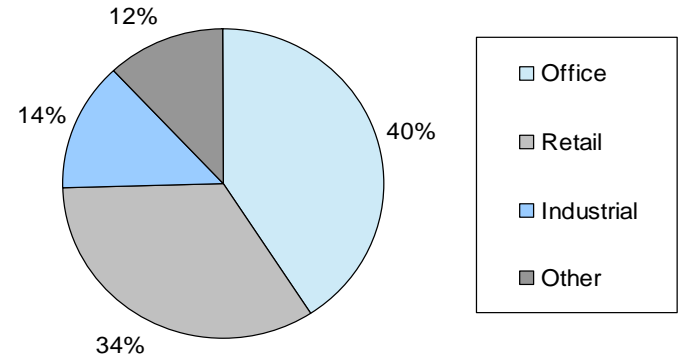
Notes: 1. Last stated or manager estimate. 2. Additional properties held by Multiplex Property Income Fund (MPIF) not already held by MPF. MPIF and MPF are co-investors in 24 of the 48 funds held by the consolidated entity. MPF owns 100% of MPIF ordinary equity. 3. Equity accounting value is \$32.0m. 4. Balance sheet value of \$20.9m includes deferred settlement of \$10.3m as the present value of the final call of \$0.40 per unit due June 2011 on the Multiplex Prime Property Fund and MPIF investments of \$1.5m on a gross basis. 5. Balance sheet value of property investments of \$205.0m includes MPIF investments of \$42.5m and those items in Notes 3 and 4. Parent entity investment portfolio value is \$211.0m including cash of \$1.2m.

Diversification by 2009 income (consolidated entity; by income)

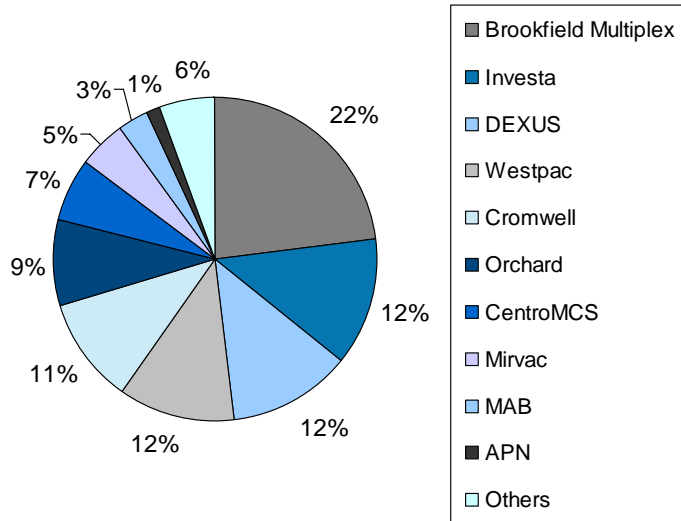
Diversification by Sector



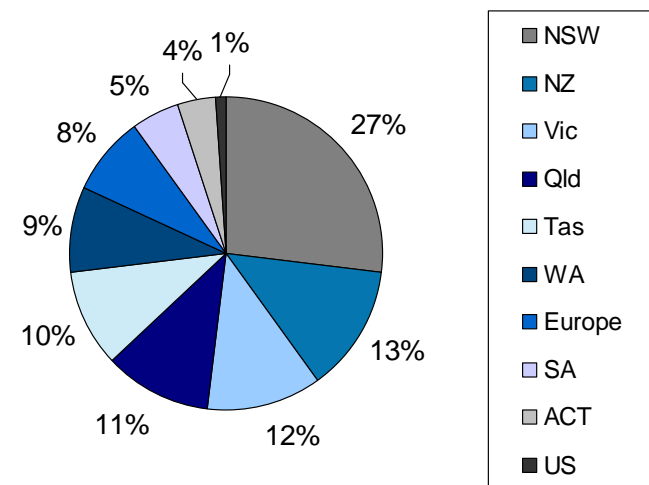
Diversification by Asset



Diversification by Manager



Diversification by Location

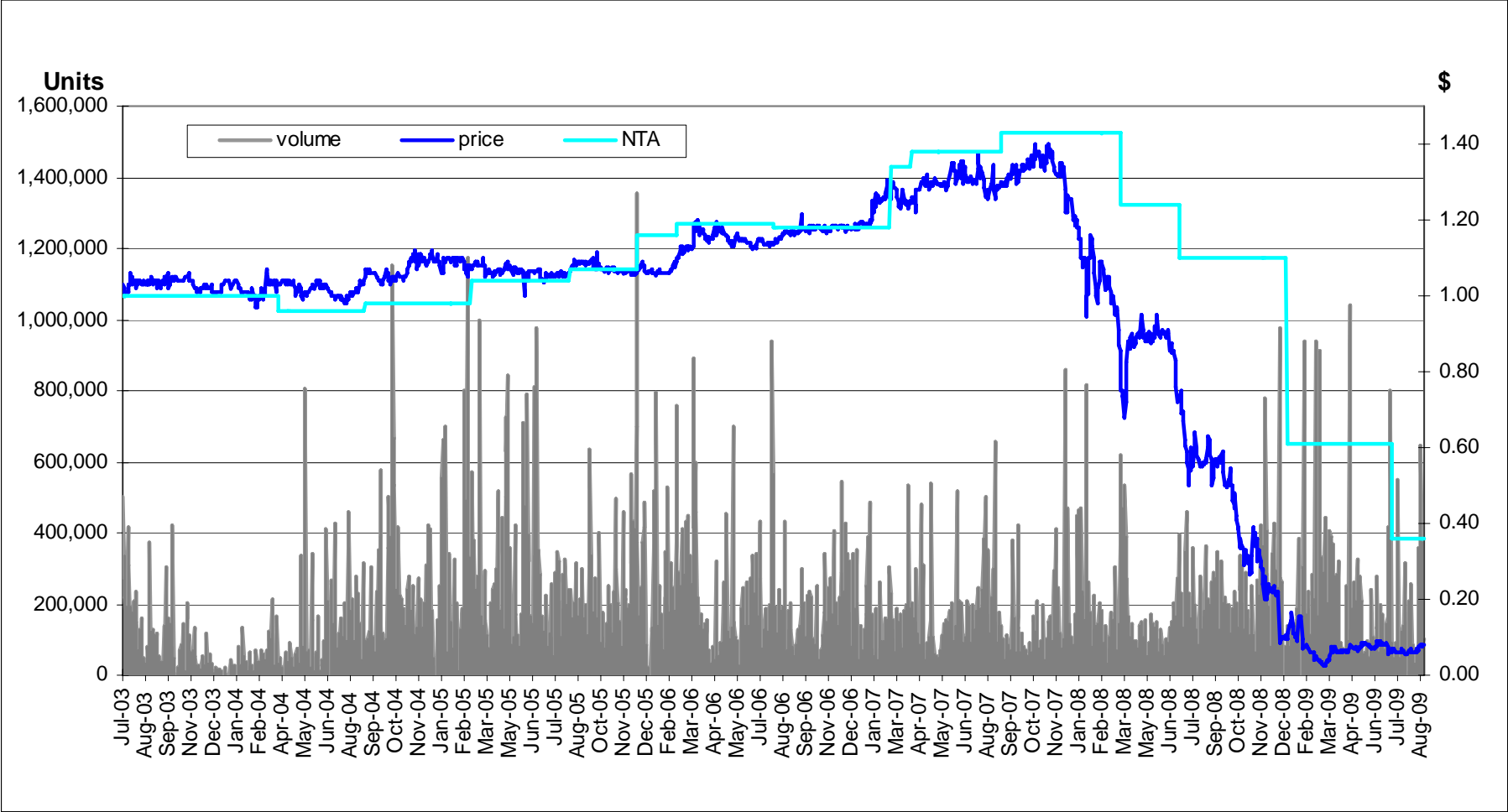


Fund snapshot at 28 August 2009 (unaudited)

Normalised earnings per unit	0.52cpu
Cash distributions paid per unit	2.25cpu
Market capitalisation	\$16.2 million
Closing unit price	\$0.08
Liquidity (12 month average daily trading volume)	167,500 units
Number of unlisted investments	30
Value of unlisted investments	\$184.1 million
Number of A-REIT investments	17
Value of A-REIT investments	\$20.9 million
Property investment portfolio	\$205.0 million
Portfolio weighted average lease term	5.9 years
Fund gearing (net debt / total assets)	34.4%
Management fee	0.50% (incl. GST) of gross asset value
Performance fee	20% of benchmark* outperformance

** S&P/ASX 200 A-REIT Accumulation Index

Unit price performance to 28 August 2009



Source: IRESS

Distribution guidance

- ▶ Distribution income was \$11.1* million, a decrease of 61.6% on the pcp
 - 46 of the Fund's 47 investments reduced distributions for the 2009 financial year.
 - 24 investments did not pay a distribution for the June period.
 - due to underlying funds':
 - Reliance on sales process to repay debt and return to paying distributions
 - Existing or potential covenant breaches

- ▶ The term sheet for the proposed extended facility does not permit BMCML to pay distributions to unitholders until debt owing is less than \$37.1 million
 - Subject to Distribution Stopper and Fund's expected low level of net operating income
 - Opportunity that distributions may return sooner if the first half of debt is repaid more quickly as a result of any:
 - improvement in the earnings of both the Fund and the Income Fund and
 - the positive effect of a restructure of the Fund via a possible combination of asset sales and capital raisings to reduce the first half of debt

- ▶ Under the term sheet 50% of management fees are to be deferred whilst amount owing is \$37.1 million or greater. This is in addition to the:
 - relatively low management fee rate (0.50 bps of gross assets); and
 - exclusion of the value of the Fund's investments in other Brookfield Multiplex funds gross asset calculation.

* Multiplex New Zealand Property Fund non equity accounted basis

Conclusion and outlook

- ▶ Interim 2009 results reflect uncertainty in equity, financial and property markets
 - Weak conditions likely to continue for at least financial year 2010
 - Some signs of improvement
- ▶ Domestic real estate sector fundamentals still fairly sound
 - Vacancy low but likely to have bottomed
 - Restrained supply of new space
- ▶ Term sheet proposes to extend borrowing facility until December 2011
 - Only ICR covenant remains and on a more flexible basis
 - Provides a basis for the Fund to “trade through” current market weakness
 - Subject to formal documentation and certain conditions precedent by 30 September 2009
- ▶ Focus:
 - Maximise income from the diversified investment portfolio
 - Reduce debt as quickly as possible by combination of asset sales and capital raising subject to market conditions
- ▶ Any future action by the Fund, including those listed above, may require the consent of the Fund’s financier.
- ▶ BMCML will of course continue to keep investors updated on the progress of the restructuring proposal over the next few months.

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Appendices

- ▶ 2009 consolidated income statement
- ▶ 2009 consolidated balance sheet

Income statement – consolidated (year to 30 June 2009)

	30 June 2009 (\$'000)	30 June 2008 (\$'000)
Income		
Distribution income	10,015	23,908
Share of profit from associate	-	4,180
Interest income	803	819
Brokerage Income	-	1,402
Gain on disposal of investments	-	10,210
Net gain on revaluation of financial derivatives	-	2,785
Total income	10,818	43,304
Expenses		
Share of loss from associate	22,420	-
Finance costs – external	4,995	6,120
Responsible entity fees	1,030	1,608
Impairment expense	78,443	51,723
Loss on disposal of investment	2,468	-
Net loss on settlement of financial derivatives	3,623	-
Other	1,196	1,679
Total Expenses	114,175	61,130
Net loss	(103,357)	(17,826)
Ordinary unitholders	(107,021)	(21,290)
Minority Interests – distributions on MPIF Income units	3,664	3,464
Net profit	(103,357)	(17,826)
Earnings per ordinary unit (cents per unit)	(52.8)	(10.5)

Balance sheet – consolidated (as at 30 June 2009)

	30 June 2009 (\$'000)	30 June 2008 (\$'000)
Cash	2,439	10,518
Receivables	3,551	17,610
Investments	205,028	347,776
Other	-	5,983
Total assets	211,018	381,887
Debt	74,200	80,200
Payables	1,265	6,958
Deferred settlement	10,299	9,123
Total liabilities	85,764	96,281
Net assets	125,254	285,606
Units on issue	203,381	203,381
Minority Interest – MPIF Income units	52,960	62,260
Reserves	(10,503)	28,964
Undistributed Income	(120,584)	(8,999)
Total Equity	125,254	285,606
Net tangible assets per ordinary unit	\$0.36	\$1.10