

Results for the year ended 30 June 2010  
26 August 2010





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# Review of Period

- ▶ The Fund recorded a consolidated net loss of \$15.9 million for the year to 30 June 2010 compared to a consolidated net loss of \$103.4 million for the prior year.
  - Includes impairment loss of \$12.4 million (June 2009: \$78.4 million) from revaluation of the Fund's unlisted and listed portfolio
  - Consolidated distribution income fell 35% to \$6.5 million from prior year as listed and unlisted investments cut distributions to fund higher financing charges and / or repair capital structures
  
- ▶ NTA per unit for the Fund remains unchanged at \$0.39 as at 30 June 2010.
  - Gross unlisted divestments generated \$16.0 million of cash proceeds which was primarily used to repay debt
  - \$5.0 million investment was made in Multiplex Prime Property Fund. This was funded by a limited recourse loan from Brookfield Multiplex Group
  - Consolidated unlisted portfolio valued at \$162.5 million as at 30 June 2010
  - Gross A-REIT portfolio valued at \$28.0 million as at 30 June 2010
  
- ▶ A recapitalisation of the Fund was announced on 10 June 2010, and is comprises of three parts \$30.4 million rights issue, \$20.0 million Investment Facility and \$37.1 million New Debt Facility.
  
- ▶ The Fund did not declare a distribution for the period. The distribution stopper from the investment in Multiplex Property Income Fund (Income Fund) remains in effect.



# Recapitalisation of the Fund

**BMCML is implementing a strategy to recapitalise and reposition the Fund. This strategy is comprised of three parts:**

## **1. The Rights Issue:**

- Represents a 3 for 1 entitlement offer to existing unitholders at \$0.05 per unit to raise approximately \$30.4 million
- Is fully underwritten by Brookfield Multiplex Capital Securities Limited as trustee for Brookfield Multiplex PPF Investment No. 2 Trust, a wholly owned member of Brookfield Multiplex Group
- Proceeds from the Rights Issue to predominantly repay tranche B debt of the Fund's debt facility, pay costs associated with the Rights Issue and provide working capital for the Fund.

## **2. The Investment Facility:**

- Brookfield will provide a new \$20.0 million Investment Facility to the Fund (subject to certain conditions precedent)
- Allow the Fund to capitalise on investment opportunities in the current environment

## **3. A New Debt Facility:**

- Completion of the Rights Issue will allow the Fund to refinance the residual debt with a New Debt Facility
- Facility limit of \$37.1 million with a maturity date of 1 December 2012 (subject to certain conditions precedent and revised financial covenants being met)



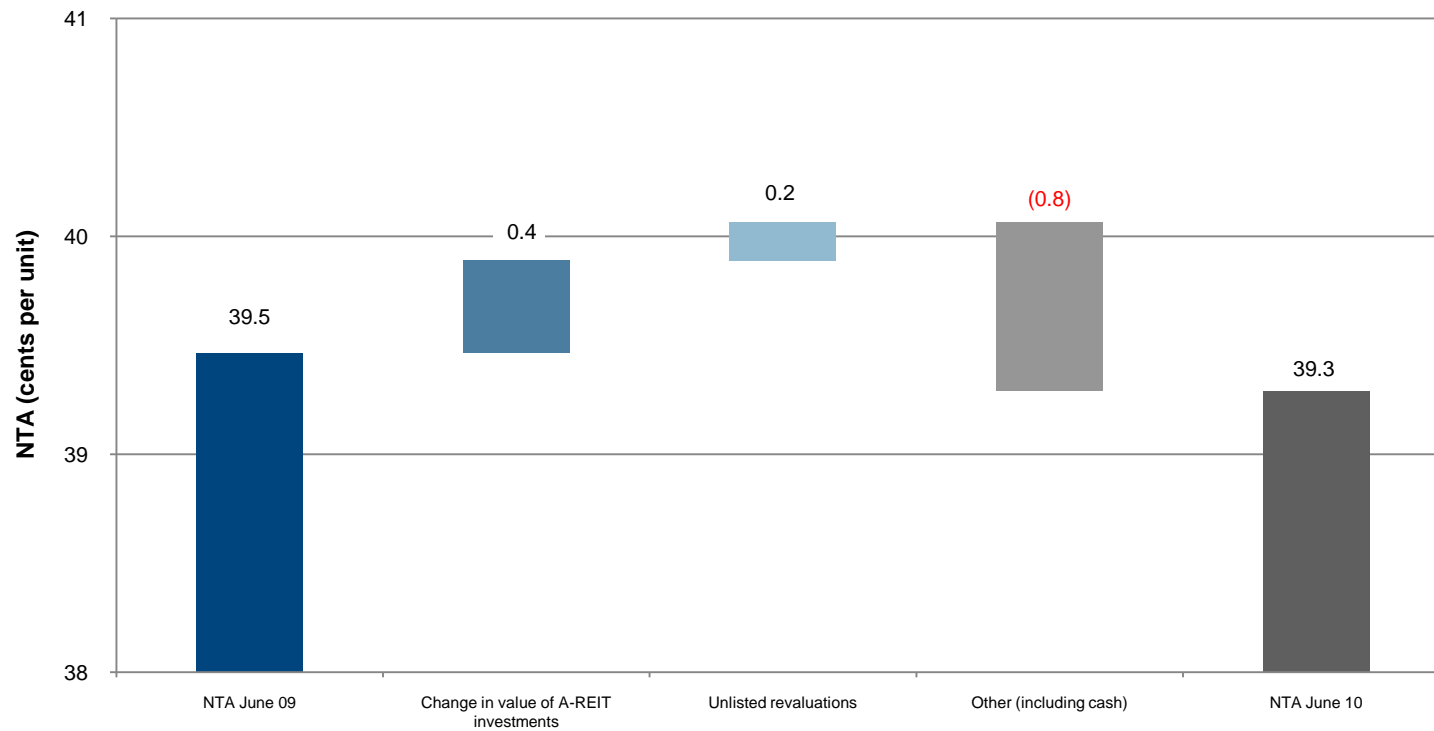
## Fund Snapshot (as at 30 June 2010)

Reported consolidated loss per unit	(7.9 cpu)
Distributions paid per unit	0.0 cpu
NTA per unit	\$0.39
Closing unit price	\$0.05
Market capitalisation	\$10.1 million
Liquidity (12 month average daily trading volume)	circa 159,000 units
Number of unlisted investments (consolidated)	34 <sup>1</sup>
Value of unlisted investments (consolidated)	\$162.5 million
Number of A-REIT investments (consolidated)	16
Value of A-REIT investments (consolidated)	\$28.0 million
Investment portfolio (consolidated)	\$190.4 million
LVR(net debt / MPF standalone investment portfolio)	42.9%
Management fee	0.50% (incl. GST) of gross asset value
Performance fee	20% of benchmark <sup>2</sup> outperformance

1. Includes Rubicon America Trust, Rubicon Europe Trust and Rubicon Japan Trust that were listed on the Australian Stock Exchange, but are now de-listed.

2. S&P/ASX 200 A-REIT Accumulation Index

# NTA Reconciliation (MPF Standalone)



	June 2010 (A\$ m)	June 2009 (A\$ m)
Reported consolidated net assets	119.0	125.3
Income Fund net assets <sup>1</sup>	(39.2)	(45.2)
MPF standalone net assets	79.8	80.1
Units on issue (millions)	202.9	202.9
NTA per unit (cents) <sup>2</sup>	39.3	39.5

1. Multiplex Property Income Fund (Income Fund) net assets are excluded from the NTA per unit calculation because the ordinary units in the Income Fund held by MPF have no value as this time.
2. The NTA per unit at June 2010 and June 2009 has in this presentation been calculated using the same method and assumptions regarding the Income Fund



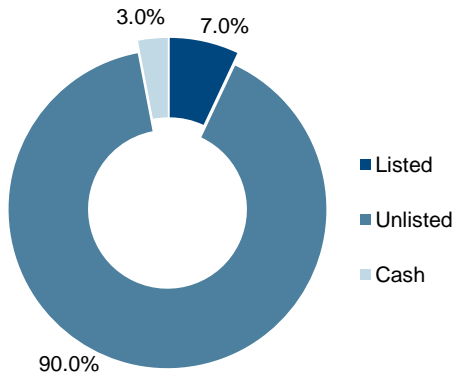


# Significant Portfolio Events

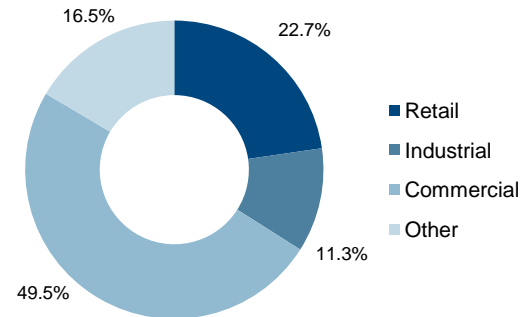
- ▶ Distribution income
  - 42.1% reduction in distribution income from investments of the MPF standalone portfolio for the prior year
  - Underlying investments have reduced distributions to repair their capital structures and / or meet financiers' requirements during the economic downturn
  - The outlook for distribution income improved in the second half of the period as a number of underlying investments resumed distributions after resolving issues surrounding their capital structures
  
- ▶ Unlisted valuations
  - The value of the MPF standalone portfolio decreased to \$128.8 million including a \$4.3 million impairment charge recorded for the period
  - Redemptions from open ended funds remain suspended
  
- ▶ Divestments from the MPF standalone unlisted portfolio generated \$13.2 million of proceeds
  - Wind-up of Northgate Property Trust realised \$9.4 million
  - Redemptions from the Multiplex New Zealand Property Fund and Stockland Direct Property Trust No 1 realised a further \$4.4 million
  - Proceeds from these divestments were applied against debt in November 2009 (\$12 million was repaid)
  
- ▶ The net value of the A-REIT portfolio increased to \$10.0 million
  - The A-REIT portfolio was rebalanced during the period. The Fund reduced its exposure to the Cromwell Group and proceeds were reinvested in Charter Hall Office, Abacus Property Group, Challenger Diversified Property Fund, ING Office Fund, Mirvac Group, GPT Group and Stockland.
  - The Fund participated in an entitlement offer in Multiplex Prime Property Fund (MAFCB) in November 2009. The value of the investment is \$5 million and was funded by a non-recourse loan from Brookfield Multiplex Group for 12 months. The security for the loan is limited to the additional units acquired in MAFCB and interest payable under the loan is capitalised

# Portfolio by June 2010 Market Value (MPF Standalone)

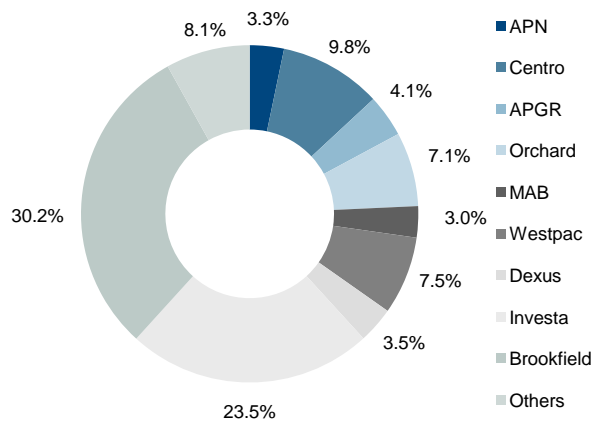
## Portfolio by Sector



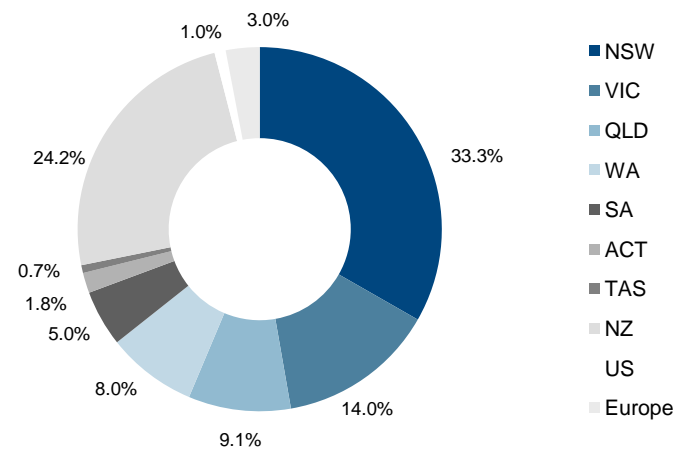
## Portfolio by Asset



## Portfolio by Manager



## Portfolio by Region





# Investment Portfolio (MPF Standalone as at 30 June 2010)

Investments (MPF Standalone) <sup>3</sup>	Manager	Asset Location	Sector	Investment Allocation (by value) %	Value at Market \$m	Number of Properties <sup>1</sup>	Weighted average lease expiry <sup>1</sup> Years
APN Champion Retail Fund	APN	Europe	Retail	0.9%	1.4	16	7.9
APN National Storage Property Trust	APN	Australia	Other	0.8%	1.2	37	9.7
APN Regional Property Fund	APN	Australia	Diversified	1.4%	2.1	4	6.1
APN UKA Poland Retail Fund	APN	Europe	Retail	0.0%	-	1	4.9
APN UKA Vienna Retail Fund	APN	Europe	Retail	0.0%	-	1	3.6
Austock Childcare Fund	Austock	Australia	Other	0.8%	1.2	24	11.0
Centro MCS 21	Centro	Australia	Retail	6.5%	9.7	1	4.9
Centro MCS 22	Centro	Australia	Industrial	1.7%	2.5	1	5.8
Centro MCS 28	Centro	Australia	Retail	1.1%	1.6	2	5.1
FKP Core Plus Fund	FKP	Australia	Diversified	1.1%	1.7	9	2.2
Gordon Property Trust	Dexus	Australia	Retail	2.3%	3.5	1	7.4
Investa Diversified Office Fund	Investa	Australia	Office	13.9%	20.8	9	5.4
Investa Fifth Commercial Trust	Investa	Australia	Office	7.2%	10.7	4	5.8
Investa Second Industrial Trust	Investa	Australia	Industrial	1.0%	1.6	3	3.3
MAB Diversified Property Trust	MAB	Aust / New Zealand	Diversified	2.8%	4.2	11	4.7
PFA Diversified Property Trust	AGPF	Australia	Diversified	3.9%	5.8	17	4.9
Multiplex Development and Opportunity Fund	Brookfield Multiplex	Aust / New Zealand	Development	5.4%	8.1	7	0.0
Multiplex New Zealand Property Fund	Brookfield Multiplex	New Zealand	Diversified	21.4%	31.9 <sup>4</sup>	16	5.1
Multiplex Property Income Fund	Brookfield Multiplex	Australia	Diversified	0.0%	-	120 <sup>2</sup>	6.5
Pengana Credo European Property Trust	Pengana Credo	Europe	Retail	0.0%	-	29	7.0
Rimcorp Property Trust No. 3	Wellington	Australia	Industrial	0.4%	0.5	2	7.9
St Hilliers Enhanced Property Fund No. 2	St Hilliers	Australia	Development	0.5%	0.7	2	2.3
The Child Care Property Fund	Orchard	Australia	Other	1.8%	2.7	206	9.7
The Essential Health Care Trust	Orchard	Australia	Other	4.9%	7.3	12	15.1
Westpac Diversified Property Fund	Westpac	Australia	Diversified	7.1%	10.5	15	7.8
<b>Unlisted Total / Weighted Average</b>				<b>86.9%</b>	<b>129.5</b>	<b>550</b>	<b>5.7</b>
<b>A-REIT Total / Weighted Average</b>				<b>16.4%</b>	<b>15.4 <sup>5</sup></b>		
<b>Cash</b>				<b>2.8%</b>	<b>4.2</b>		
<b>Total Portfolio / Weighted Average</b>				<b>100.0%</b>	<b>149.1 <sup>6</sup></b>		

## Notes:

1. Last stated or manager estimate
2. Additional properties held by Multiplex Property Income Fund (Income Fund) not already held by MPF
3. Excludes Rubicon Europe Trust, Rubicon America Trust and Rubicon Japan Trust.
4. Equity accounted value is \$31.4m
5. Balance sheet value excludes deferred settlement of \$10.7 million as the present value of the final instalment due June 2011 on the Multiplex Prime Property Fund, further the Income Fund values A-REIT investments of \$1.8 million on a gross basis
6. Balance sheet value of property investments of \$190.4m includes Income Fund unlisted investment of \$33.0 million and those items in Notes 4 and 5. MPF standalone investment portfolio is \$155.9 million



# Multiplex Property Income Fund (Income Fund)

- ▶ The carrying value of the Income Fund ordinary units is zero.
  - The initial investment was \$30.1 million.
  
- ▶ The Income Fund continues to experience a decline in its income and value of its underlying portfolio.
  - The gross asset value of the Income Fund fell \$5.7 million during the period to \$39.5 million at 30 June 2010;
  - The income of the Income Fund for the period was \$1.8 million, a reduction of 28% from prior corresponding period; and
  - The Income Fund is currently closed for applications and redemptions.
  
- ▶ The distribution stopper has been in effect since December 2009. The shortfall in the priority distribution payment is approximately \$2.8 million (July 2009 to June 2010).
  
- ▶ For reporting purposes, the Income Fund is consolidated into the Fund's accounts as a result of its 100% ownership of Ordinary Units in the Income Fund.
  
- ▶ Whilst it is possible that the distribution stopper may be lifted through an increase in investment return in the Income Fund, and therefore without a cost to MPF, this may take considerable time.
  
- ▶ BMCML is considering options to resolve the Fund's relationship with the Income Fund. This may include a permanent separation between the two funds to remove, among other items, the distribution stopper and, possibly, the exchange of Income Fund Income Units into the Fund. There are no assurances that a resolution will be reached or that the resolution may not include a financial compensation payable by the Fund to the Income Fund.



# Future Direction

- ▶ The key focus for the next financial year is to:
  - Stabilise the capital structure of the Fund by successfully completing the Rights Issue and New Debt Facility
  - Maximise the performance of the underlying portfolio through active management
  - Build unitholder value by capitalising on investment opportunities in the current environment with the financial flexibility provided by the Investment Facility; and
  - Resolve structural restrictions relating to distributions from its investment in the Income Fund.
  
- ▶ To reflect the ongoing support of the Brookfield Multiplex Group, it is proposed that the Fund will be renamed **Brookfield Australian Opportunities Fund** on completion of the Rights Issue.
  
- ▶ The Fund is not expected to make a distribution to unitholders whilst:
  - distribution stopper remains in effect
  - income from investments from the underlying portfolio remain under pressure as those investments focus on repairing their capital structures and / or meeting financiers requirements.
  
- ▶ BMCML will continue to keep investors updated on the progress of the Fund's activities.



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