

ASX Announcement

17 June 2010

Multiplex European Property Fund (ASX: MUE) Fund Update and Special Distribution

The Directors of Brookfield Multiplex Capital Management Limited (BMCML), as Responsible Entity of Multiplex European Property Fund (Fund), today provide the following update for unitholders.

The key messages of the announcement are as follows:

- Appointment of Corpus Sireo Asset Management GmbH as the new German property and asset manager of the Fund's portfolio until 2014;
- Leasing update in relation to Hallbergmoos and Dusseldorf;
- BMCML has approved a 25% reduction in the principal of the Fund's Cross-Currency Interest Rate Swap (CCIRS) for total proceeds of \$5.4 million (net of all transaction costs);
- The proportional reduction of the Fund's CCIRS will result in the declaration of a special distribution of 2.0 cents per unit payable to all eligible unitholders in accordance with the distribution details below; and
- As a result of the above, BMCML has also resolved to declare a distribution of 0.625 cents per unit for the quarter ending 30 June 2010 in line with previous guidance.

Appointment of Corpus Sireo Asset Management GmbH

BMCML has agreed to appoint Corpus Sireo Asset Management GmbH (Corpus) as the Fund's new German property and asset manager.

The appointment is the culmination of a selective tender process conducted over the past 9 months. Corpus has been awarded a broader mandate than the existing Property Services Agreement, and these additional regional asset management services will supplement the existing asset management resources of the Fund.

BMCML believes that this is a key appointment and allows the Fund to partner with a well-known commercially-focussed German asset management firm over the next four years.

More information about the Corpus Sireo Asset Management GmbH group is provided below.

About Corpus Sireo Asset Management GmbH Group

Corpus Sireo is a Cologne/Frankfurt based property asset manager who looks after property valued at approximately €20 billion on behalf of large corporations, international investors and banks. With some 530 employees, a network of branch offices in most large German cities and an office in Luxembourg, Corpus Sireo ranks as one of Europe's largest asset managers for commercial and residential real estate.

Brookfield

Leasing update

Hallbergmoos, Munich

The TNT lease at Hallbergmoos near Munich, as reported in the Fund's 2009 Annual Report, is due to expire in April 2011. Management successfully renegotiated this lease with TNT to extend the lease until May 2014 (a 3 year extension). TNT will also be required to provide 18 months notice if they intend to vacate at expiry, otherwise the lease will automatically extend until May 2017.

TNT currently provides approximately 5% of the rental income of the portfolio per annum.

Landesamt für Besoldung, Dusseldorf

Landesamt für Besoldung (LBV), the anchor tenant for the Dusseldorf asset, has notified Management of their intention to vacate the building at the expiry of their lease in May 2011. They will be relocating to a new purpose-built building as part of a municipal Governmental consolidation. This will leave the Dusseldorf asset predominantly vacant from May 2011.

The building itself is approximately 30 years old and requires significant refurbishment. Corpus has already commenced planning works for the refurbishment and a portion of the Fund's existing cash reserves will be deployed in the refurbishment.

LBV currently provides approximately 5% of the rental income of the portfolio per annum.

Principal reduction of the CCIRS

With the relative weakening of the Euro against the Australian dollar, the mark-to-market value of the Fund's CCIRS has increased considerably since the Fund's latest financial report for the period ended 31 December 2009.

This appreciation, combined with the current over-hedged equity position of the Fund, has resulted in the decision to partially reduce the CCIRS. Accordingly, BMCML has approved a 25% principal reduction on both Australian receipts and Euro payments of the CCIRS (including interest receipts and payments). The amount of principal reduction is approximately \$62.4 million and €36.9 million respectively. All other terms of the CCIRS remain in place. The result of this action is that the Fund will receive proceeds of approximately \$5.4 million (net of transaction costs).

BMCML will continue to monitor current market conditions and consider whether it is appropriate if further principal reductions of the CCIRS should be undertaken to better align the Fund's equity position.

There has been no change to the Fund's other derivative instruments.

Special Distribution

The Fund's current distribution policy is to approximately distribute only its taxable income each year. Based on current full-year forecasts (including the quarterly distribution for June 2010), approximately \$4.9 million of the \$5.4 million in proceeds received from the CCIRS reduction will be required to be declared as a special distribution of 2.00 cents per unit to eligible Unitholders on the basis outlined below.

The remaining proceeds will be retained within the Fund for working capital purposes.

Distribution for the June 2010 quarter

BMCML has resolved that, including the above matters, there has not been any significant change in the Fund's operating results or future financial commitments that would prevent the Fund from meeting its previous distribution guidance for the June 2010 quarter.

Accordingly, BMCML has declared an estimated distribution of 0.625 cents per unit for the June 2010 quarter (Ordinary Distribution).

BMCML has continued to waive a portion of its management fees for the quarter under the existing management fee waiver arrangements outlined in the Chairman's letter dated 14 June 2007.

The declaration of any future distributions will remain subject to BMCML's assessment of the Fund's operating results, future financial commitments and operating and/or market conditions in Europe and Australia.

Distribution details

Details of the Ordinary and Special Distributions payable to all eligible Unitholders is as follows:

ASX code	MUE
Estimated Ordinary Distribution rate (cents per unit)	0.625
Estimated Special Distribution rate (cents per unit)	2.000
Ex-distribution date	Thursday, 24 June 2010
Record date	Wednesday, 30 June 2010
Payment date (approximately)	Friday, 30 July 2010

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For more information please contact:

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About the Fund

Multiplex European Property Fund is a listed property trust that aims to offer investors attractive income distributions and the potential for capital growth over the medium to long term through a stable and diversified property portfolio in Europe.

The Fund currently owns a 94.9% interest in 67 properties located throughout Germany. The properties are diversified by asset class, tenant and geographical location.