

Multiplex European Property Fund
Interim financial report
For the half year ended
31 December 2009

Multiplex European Property Fund

ARSN 124 527 206

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Multiplex European Property Fund

For the half year ended 31 December 2009

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Directory

Multiplex European Property Fund

For the half year ended 31 December 2009

Responsible Entity

Brookfield Multiplex Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0) 2 9322 2000
Facsimile: +61 (0) 2 9322 2001

Directors of Brookfield Multiplex Capital Management Limited

F. Allan McDonald
Brian Motteram
Barbara Ward
Brian Kingston
Russell Prutt

Company Secretary of Brookfield Multiplex Capital Management Limited

Neil Olofsson

Registered Office

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0) 2 9322 2000
Facsimile: +61 (0) 2 9322 2001

Custodian

Brookfield Multiplex Funds Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 (0) 2 9322 2000
Facsimile: +61 (0) 2 9322 2001

Stock Exchange

The Fund is listed on the Australian Securities Exchange (ASX Code: MUE). The Home Exchange is Sydney.

Location of Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Telephone: +61 (0) 2 8280 7100
Facsimile: +61 (0) 2 9287 0303

Auditor

Deloitte Touche Tohmatsu
225 George Street, Grosvenor Place
Sydney NSW 2000
Telephone: + 61 (0) 2 9322 7000
Fax: + 61 (0) 2 9322 7001

Directors' Report

Multiplex European Property Fund

For the half year ended 31 December 2009

Introduction

The Directors of Brookfield Multiplex Capital Management Limited (BMCML) (ABN 32 094 936 866), the Responsible Entity of Multiplex European Property Fund (ARSN 124 527 206) (Fund), present their report together with the financial statements of the Consolidated Entity, being the Fund and its subsidiaries, for the six months ended 31 December 2009 and the Independent Auditor's Review Report thereon.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the financial period:

| Name | Capacity |
|---|------------------------------------|
| F. Allan McDonald (appointed 1 January 2010) | Non-Executive Independent Chairman |
| Brian Motteram (Director since 21 February 2007) | Non-Executive Independent Director |
| Barbara Ward (appointed 1 January 2010) | Non-Executive Independent Director |
| Brian Kingston (Director since 27 August 2008) | Executive Director |
| Russell Proutt (appointed 1 January 2010) | Executive Director |
| Peter Morris (Director since 14 April 2004 – resigned 1 January 2010) | Non-Executive Independent Chairman |
| Robert McCuaig (Director since 31 March 2004 – resigned 1 January 2010) | Non-Executive Independent Director |
| Mark Wilson (Director since 27 August 2008 – resigned 1 January 2010) | Executive Director |

Principal activities

The principal activity of the Consolidated Entity is the investment in properties in Europe.

Review of operations

The Fund recorded a net profit after tax of \$13,433,000 for the six month period ended 31 December 2009 (2008: net loss after tax: \$150,611,000). The reported net profit after tax includes an unrealised loss of \$8,998,000 on property revaluations.

As communicated to investors in the ASX announcement dated 16 December 2009, the Fund paid a distribution for the quarter ended 31 December 2009. BMCML will consider the Fund's net profit after providing for maintenance capital expenditure, the prevailing market conditions and tax considerations before declaring any distribution for the March 2010 and June 2010 quarters.

An unrealised gain of \$13,215,000 was also recorded by the Fund on account of marking-to-market value the Fund's derivatives. The practice of marking-to-market the Fund's derivatives at each balance date will continue to introduce volatility into the Fund's Statement of Comprehensive Income and Statement of Financial Position. However, these adjustments are non-cash related as the Fund's derivative obligations were fixed at the time of entering into the derivatives in November 2006, and these obligations do not change during the term of the derivative.

Some of the significant events during the period are detailed below.

- property rental income of \$19,772,000 (2008: \$21,677,000);
- total revenue and other income of \$36,329,000 (2008: \$24,249,000);
- net profit after tax of \$13,433,000 (2008: net loss of \$150,611,000)
- earnings per unit (EPU) of 5.4 cents (2008: (61.0) cents);
- distributions to unitholders for the half year ended 31 December 2009 were \$3,086,000 (2008: \$9,260,000) and distributions per unit (DPU) of 1.25 cents per unit (2008: 3.75);
- net assets of \$66,597,000 and NTA of \$0.27 (30 June 2009: \$63,438,000 and NTA of \$0.26); and
- property portfolio value of \$441,676,000 (30 June 2009: \$488,988,000) and unrealised revaluation decrement of \$8,998,000 (2008: \$85,638,000).

Directors' Report

Multiplex European Property Fund

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For the half year ended 31 December 2009

Rounding of amounts

The Fund is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 31 December 2009.

Dated at Sydney this 22nd day of February 2010.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



Russell Proutt

Director

Brookfield Multiplex Capital Management Limited

The Board of Directors
Brookfield Multiplex Capital Management Limited
(as Responsible Entity for Multiplex European Property Fund)
135 King Street
SYDNEY NSW 2000

22 February 2010

Dear Directors

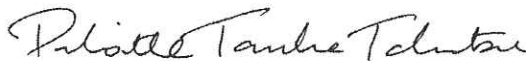
MULTIPLEX EUROPEAN PROPERTY FUND

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Brookfield Multiplex Capital Management Limited as the Responsible Entity for Multiplex European Property Fund.

As lead audit partner for the review of the financial statements of Multiplex European Property Fund for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants

Condensed Consolidated Interim Statement of Comprehensive Income

Multiplex European Property Fund

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For the half year ended 31 December 2009

| | Note | Consolidated | |
|---|------|---|---|
| | | Six months ended 31 December 2009 \$'000 | Six months ended 31 December 2008 \$'000 |
| Revenue and other income | | | |
| Property rental income | | 19,772 | 21,677 |
| Interest income | | 2,926 | 2,458 |
| Net gain on revaluation of financial derivatives | | 13,215 | – |
| Other income | | 416 | 114 |
| Total revenue and other income | | 36,329 | 24,249 |
| Expenses | | | |
| Property expenses | | 2,887 | 1,439 |
| Finance costs to external parties | | 9,081 | 9,934 |
| Management fees | | 982 | 1,645 |
| Net loss on revaluation of investment property | 7 | 8,998 | 85,638 |
| Net loss on revaluation of financial derivatives | | – | 89,776 |
| Other expenses | | 736 | 1,741 |
| Total expenses | | 22,684 | 190,173 |
| Profit/(loss) before income tax | | 13,645 | (165,924) |
| Income tax (expense)/benefit | | (212) | 15,313 |
| Net profit/(loss) after tax | | 13,433 | (150,611) |
| Other comprehensive income | | | |
| Currency translation differences | | (7,188) | 48,824 |
| Other comprehensive income for the period | | (7,188) | 48,824 |
| Total comprehensive profit/(loss) for the period | | 6,245 | (101,787) |
| Net profit/(loss) attributable to ordinary unitholders | | 13,433 | (150,611) |
| Total comprehensive profit/(loss) attributable to ordinary unitholders | | 6,245 | (101,787) |
| Earnings per unit | | | |
| Basic and diluted earnings per ordinary unit (cents) | | 5.4 | (61.0) |

The Condensed Consolidated Interim Statement of Comprehensive Income should be read in conjunction with the Notes to the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

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Multiplex European Property Fund

As at 31 December 2009

| | Note | Consolidated 31 December 2009 \$'000 | 30 June 2009 \$'000 |
|--------------------------------------|------|---|---------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 24,474 | 18,735 |
| Trade and other receivables | | 1,671 | 2,396 |
| Fair value of financial derivatives | | 847 | 308 |
| Total current assets | | 26,992 | 21,439 |
| Non-current assets | | | |
| Investment properties | 7 | 441,676 | 488,988 |
| Fair value of financial derivatives | | 1,128 | – |
| Total non-current assets | | 442,804 | 488,988 |
| Total assets | | 469,796 | 510,427 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 6,752 | 7,324 |
| Distribution payable | 6 | 1,543 | 1,543 |
| Provisions | | 1,203 | 1,311 |
| Total current liabilities | | 9,498 | 10,178 |
| Non-current liabilities | | | |
| Interest bearing liabilities | 8 | 369,334 | 400,619 |
| Deferred income tax liability | | 40 | 44 |
| Fair value of financial derivatives | | 21,124 | 32,672 |
| Minority interest payable | | 3,203 | 3,476 |
| Total non-current liabilities | | 393,701 | 436,811 |
| Total liabilities | | 403,199 | 446,989 |
| Net assets | | 66,597 | 63,438 |
| Equity | | | |
| Units on issue | 9 | 227,228 | 227,228 |
| Reserves | | 9,167 | 16,355 |
| Undistributed losses | | (169,798) | (180,145) |
| Total equity | | 66,597 | 63,438 |

The Condensed Consolidated Interim Statement of Financial Position should be read in conjunction with the Notes to the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Changes in Equity

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Multiplex European Property Fund

For the half year ended 31 December 2009

| | Attributable to Unitholders of the Fund | | | |
|---|---|---|--------------------|-----------------|
| | Ordinary units \$'000 | Undistributed profits/(losses) \$'000 | Reserves \$'000 | Total \$'000 |
| Opening equity - 1 July 2009 | 227,228 | (180,145) | 16,355 | 63,438 |
| Currency translation differences | – | – | (7,188) | (7,188) |
| Loss recognised directly in equity | – | – | (7,188) | (7,188) |
| Net profit for the period | – | 13,433 | – | 13,433 |
| Total comprehensive income/(loss) for the period | – | 13,433 | (7,188) | 6,245 |
| Transactions with unitholders in their capacity as unitholders: | | | | |
| Distributions paid | – | (3,086) | – | (3,086) |
| Total transactions with unitholders in their capacity as unitholders | – | (3,086) | – | (3,086) |
| Closing equity - 31 December 2009 | 227,228 | (169,798) | 9,167 | 66,597 |

| | Attributable to Unitholders of the Fund | | | |
|---|---|---|--------------------|------------------|
| | Ordinary units \$'000 | Undistributed profits/(losses) \$'000 | Reserves \$'000 | Total \$'000 |
| Opening equity - 1 July 2008 | 227,228 | (18,835) | (5,713) | 202,680 |
| Currency translation differences | – | – | 48,824 | 48,824 |
| Profit recognised directly in equity | – | – | 48,824 | 48,824 |
| Net loss for the period | – | (150,611) | – | (150,611) |
| Total comprehensive (loss)/income for the period | – | (150,611) | 48,824 | (101,787) |
| Transactions with unitholders in their capacity as unitholders: | | | | |
| Distributions paid | – | (9,260) | – | (9,260) |
| Total transactions with unitholders in their capacity as unitholders | – | (9,260) | – | (9,260) |
| Closing equity - 31 December 2008 | 227,228 | (178,706) | 43,111 | 91,633 |

The Condensed Consolidated Interim Statement of Changes in Equity should be read in conjunction with the Notes to the condensed consolidated interim financial statements

Condensed Consolidated Interim Statement of Cash flows

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Multiplex European Property Fund

For the half year ended 31 December 2009

| | Consolidated | |
|---|---|---|
| | Six months ended 31 December 2009 \$'000 | Six months ended 31 December 2008 \$'000 |
| Cash flows from operating activities | | |
| Cash receipts in the course of operations | 20,101 | 23,635 |
| Cash payments in the course of operations | (5,149) | (6,160) |
| Interest received | 3,589 | 2,926 |
| Financing costs paid | (8,492) | (8,808) |
| Net cash flows from operating activities | 10,049 | 11,593 |
| Cash flows from investing activities | | |
| Payments for purchase of, and additions to, investment properties | (101) | (327) |
| Net cash flows used in investing activities | (101) | (327) |
| Cash flows from financing activities | | |
| Distributions paid | (3,086) | (9,821) |
| Net cash flows used in financing activities | (3,086) | (9,821) |
| Net increase in cash and cash equivalents | 6,862 | 1,445 |
| Impact of foreign exchange | (1,123) | 1,342 |
| Cash and cash equivalents at 1 July | 18,735 | 15,442 |
| Cash and cash equivalents at 31 December | 24,474 | 18,229 |

The Condensed Consolidated Interim Statement of Cash Flows should be read in conjunction with the Notes to the condensed consolidated interim financial statements.

Condensed Notes to the Consolidated Interim Financial Statements Multiplex European Property Fund

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For the half year ended 31 December 2009

1 Reporting entity

Multiplex European Property Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Multiplex Capital Management Limited (BMCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated financial statements of the Fund as at and for the six months ended 31 December 2009 comprise the Fund and its subsidiaries (together know as the Consolidated Entity).

2 Basis of preparation

Statement of compliance

The financial report (report) is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting*. The consolidated interim financial report does not include all the information required for a full year report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2009.

The financial statements are presented in Australian dollars, which is the Fund's presentation currency. The Fund's functional currency is Australian dollars, however, the Consolidated Entity is predominantly comprised of operations that are located in Europe. The functional currency of the controlled entities that hold these operations is Euros.

The Fund is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

3 Significant accounting policies

The accounting policies applied in this condensed consolidated interim financial report are the same as those applied in its consolidated financial report as at and for the year ended 30 June 2009 except for the adoption of amendments to the Australian Accounting Standards as of 1 January 2009 noted below.

The presentation of the report has been changed to reflect AASB 101 *Presentation of Financial Statements* as updated by AASB 2007-8 *Amendments to Australian Accounting Standards*. This amendment introduced the Statement of Comprehensive Income which displays components of profit or loss and components of other comprehensive income.

As a result of the amendments to this standard the Consolidated Entity has made the following changes to the primary statements for the half year ended 31 December 2009:

| Previous primary statement: | Current primary statement: |
|---|--|
| Consolidated Interim Income Statement | Condensed Consolidated Interim Statement of Comprehensive Income |
| Consolidated Interim Balance Sheet | Condensed Consolidated Interim Statement of Financial Position |
| Consolidated Interim Statement of Changes in Equity | Condensed Consolidated Interim Statement of Changes in Equity |
| Consolidated Interim Cash flow statement | Condensed Consolidated Interim Statement of Cash flows |

The Fund has adopted AASB 8 *Operating Segments* with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Fund that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. Management have identified this function is performed by the Board of Directors of the Responsible Entity (Board). In contrast the predecessor standard (AASB 114 *Segment Reporting*) required an entity to identify two sets of segments using a risks and returns approach. As a result, following adoption of AASB 8, the identification of the Fund's reportable segments has changed.

4 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

Condensed Notes to the Consolidated Interim Financial Statements Multiplex European Property Fund

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For the half year ended 31 December 2009

5 Segment reporting

Management have identified the Chief Operating Decision Maker function is performed by the Board of Directors of the Responsible Entity (Board). The Board assesses the performance of the Fund in its entirety. The allocation of resources is not performed in separate segments by the Board. The Board review and assess the information in relation to the performance of the Fund as set out in the Statement of Comprehensive Income and Statement of Financial Position therefore no further segment reporting is required.

6 Distributions

Distributions paid/payable to unitholders were as follows:

| | Cents per unit | Total amount \$'000 | Date of payment |
|---|----------------|---------------------|-----------------|
| Ordinary units | | | |
| September 2009 distribution | 0.625 | 1,543 | 30 October 2009 |
| December 2009 distribution | 0.625 | 1,543 | 29 January 2010 |
| Total distribution for the six months ended 31 December 2009 | 1.250 | 3,086 | |
| Ordinary units | | | |
| September 2008 distribution | 1.875 | 4,630 | 31 October 2008 |
| December 2008 distribution | 1.875 | 4,630 | 30 January 2009 |
| Total distribution for the six months ended 31 December 2008 | 3.750 | 9,260 | |

7 Investment properties

The Consolidated Entity holds the following categories of investment properties at the reporting date:

| Description | Consolidated | | |
|--|----------------------------------|---------------------------------|-----------------------------|
| | Latest external valuation \$'000 | December 2009 book value \$'000 | June 2009 book value \$'000 |
| Total retail investment properties | 259,491 | 259,491 | 286,912 |
| Total commercial investment properties | 47,540 | 47,540 | 52,929 |
| Total logistics investment properties | 40,041 | 40,041 | 44,209 |
| Total nursing home investment properties | 94,604 | 94,604 | 104,938 |
| Total investment properties | 441,676 | 441,676 | 488,988 |

Last valuation in Euro has been converted at the 31 December 2009 exchange rate of €0.6241 to \$1.00. The Euro valuation totals €275,650,000.

Independent valuations

The Consolidated Entity's policy is to value properties at each reporting date internally or externally. When internal valuations performed indicate a change in carrying value greater than 5%, or whenever it is believed that the fair value of a property differs significantly from its carrying value, based on a material change to the assumptions and market conditions underlying the valuation, external valuations are obtained. External valuations are obtained at least every 3 years. Generally, all external valuations are adopted as the fair value of the investment property at the relevant reporting date. When internal valuations indicate a change from the carrying value between 2% and 5% the internal valuation is adopted.

The entire property portfolio has been independently valued at 31 December 2009 by DTZ International Property Advisors. The valuation conducted by DTZ Zadelhoff Tie Leung GmbH has been prepared in accordance with the appropriate sections of the Practice Statements contained within the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Standards, 6th Edition, and in accordance with the relevant sections of the European Valuation Standards prepared by the European Group of Valuers Association (TEGoVA). Both these standards are internationally accepted standards of valuation.

The methodology utilises the principle of the cold multiplier. The cold multiplier is the estimate of market conditions that is multiplied by the gross rent to derive the value of the assets in the German portfolio. The cold multipliers utilised in the 31 December 2009 valuation range from 0 – 13.6.

Condensed Notes to the Consolidated Interim Financial Statements

Multiplex European Property Fund

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For the half year ended 31 December 2009

7 Investment properties continued

Valuations reflect, where appropriate, the type of tenants, future rent reviews and market conditions. Any change in any of these factors could have a significant impact on the value of the Consolidated Entity's property investments. Any gain or loss from a change in fair value is recognised in the Statement of Comprehensive Income. All property acquisition costs in respect of properties acquired are capitalised into the value of the property investments at the time of purchase to reflect the total acquisition cost in the Statement of Financial Position. Additions and other expenditure on property investments which are capital in nature are capitalised as incurred.

| | Consolidated 31 December 2009 \$'000 |
|---|---|
| Carrying amount at beginning of period | 488,988 |
| Capital expenditure | 78 |
| Net loss from fair value adjustments to investment properties | (8,998) |
| Foreign currency translation exchange adjustment | (38,392) |
| Carrying amount at end of period | 441,676 |

| | Consolidated 31 December 2009 \$'000 | 30 June 2009 \$'000 |
|---|---|---------------------------|
| 8 Interest bearing liabilities | | |
| Non-current | | |
| Secured bank debt | 370,774 | 402,365 |
| Debt establishment fees | (1,440) | (1,746) |
| Total interest bearing liabilities | 369,334 | 400,619 |

| | Consolidated 31 December 2009 \$'000 | 30 June 2009 \$'000 |
|--------------------------------|---|---------------------------|
| Finance arrangements | | |
| Facilities available | | |
| Bank debt facility | 370,774 | 402,365 |
| Less: Facilities utilised | (370,774) | (402,365) |
| Facilities not utilised | - | - |

The bank debt facility consists of a €231,400,000 facility financed by Eurohypo AG. At 31 December 2009, the facility was fully drawn (30 June 2009: fully drawn). The movement in the balance between 30 June 2009 and 31 December 2009 is solely due to changes in foreign exchange rates. The 31 December 2009 debt balance has been translated at the 31 December 2009 foreign exchange rate, or €0.6241 to A\$1.00 (30 June 2009: €0.5751 to A\$1.00).

The Consolidated Entity has granted the lender a first ranking security over its interest in the relevant investment properties.

At 31 December 2009, the Fund was in compliance with its loan covenant ratios.

Condensed Notes to the Consolidated Interim Financial Statements

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Multiplex European Property Fund

For the half year ended 31 December 2009

| | Six months ended 31 December 2009 \$'000 | Six months ended 31 December 2009 Units | Six months ended 31 December 2008 \$'000 | Six months ended 31 December 2008 Units |
|-------------------------|--|---|--|---|
| 9 Units on issue | | | | |
| Opening balance | 227,228 | 246,950,150 | 227,228 | 246,950,150 |
| Closing balance | 227,228 | 246,950,150 | 227,228 | 246,950,150 |

10 Related parties

There have been no significant changes to the related party transactions as disclosed in the annual report for the period ended 30 June 2009.

11 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2009 (30 June 2009: nil).

12 Capital and other commitments

The Consolidated Entity had no capital or other commitments at 31 December 2009 (30 June 2009: nil).

13 Events subsequent to the reporting date

There are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

Directors' Declaration

Multiplex European Property Fund

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For the half year ended 31 December 2009

In the opinion of the Directors of Brookfield Multiplex Capital Management Limited, the Responsible Entity of Multiplex European Property Fund:

- a The consolidated interim financial statements and notes, set out in pages 7 to 14, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2009 and of its performance for the six month period ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- b There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Brookfield Multiplex Capital Management Limited.

Dated at Sydney, this 22nd day of February 2010.



Russell Prutt
Director
Brookfield Multiplex Capital Management Limited

Independent Auditor's Review Report to the unitholders of Multiplex European Property Fund

We have reviewed the accompanying half-year financial report of Multiplex European Property Fund (the "Fund"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2009, and the condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the Fund and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Multiplex Capital Management Limited, the responsible entity of the Fund, are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review

procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

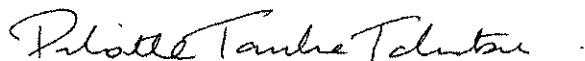
Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex European Property Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants
Sydney, 22 February 2010