

Brookfield Multiplex Capital New Zealand Limited

17 December 2008

Dear Valued Tasman Fund Investor

**RE: Multiplex Tasman Property Fund (Tasman Fund) Update**

Today the attached letter was sent to all investors in Multiplex New Zealand Property Fund. As the Tasman Fund invests solely into Multiplex New Zealand Property Fund, I would like to draw your attention to the valuation update and distribution guidance that has been provided.

If you have any questions or wish to discuss this matter, please don't hesitate to contact Link Market Services on 0800 800 899 or myself on +61 2 9256 5139.

Yours sincerely



**Tina Raftopoulos**  
Fund Manager  
Multiplex Tasman Property Fund

17 December 2008

Dear Valued Investor

**Re: Multiplex New Zealand Property Fund (ARSN 110 281 055)**

Brookfield Multiplex Capital Management Limited (BMCML) as responsible entity for Multiplex New Zealand Property Fund (Fund) today announced some measures to address the pressures of the current global financial crisis with the aim of preserving the longer term value of the Fund for investors.

**Background**

The Fund owns a quality, diversified and well leased portfolio of 36 properties comprising office, retail and industrial assets throughout New Zealand.

Notwithstanding difficult economic circumstances, the Fund's portfolio fundamentals still remain solid with high occupancy levels, quality tenant covenants and a weighted average lease term to expiry of approximately 6 years. Despite this, declines in property valuations may result in the Fund's Loan to Value Ratio (LVR) covenant being breached. The Fund has been in active dialogue with its financiers for some time in relation to the potential breach and the scheduled maturity of the debt in August 2009.

In response to the external environment, BMCML commenced a process earlier this year to dispose of a number of provincial shopping centres. This process is well progressed and offers have been received on a number of properties. Proceeds from the sale of these centres will be applied to reduce debt.

**Valuation Update**

To advance discussions with the Fund's financiers, BMCML has requested valuations on the entire portfolio from two valuers. The results of these updated valuations will be incorporated into the Fund's accounts for the period ended 31 December 2008 but initial indications are that asset values may have declined by up to 8%.

**Immediate Strategy**

BMCML is implementing the following capital management strategies for the Fund:

- 1. Distributions:** In light of the above, BMCML believes it is prudent and in the best interests of unitholders not to pay a distribution for the December 2008 quarter.

Cash retained from not paying distributions this quarter will be used to repay debt and /or essential maintenance capital expenditure as required.

Given it is likely that ongoing maintenance capital expenditure requirements will be met for the foreseeable future from the Fund's net operating income, and given the importance of preserving cash in the current environment, it is also likely that no further distributions will be paid for the remainder of the financial year. However BMCML will continue to assess this on a quarterly basis, having regard to prevailing market conditions.
- 2. Asset Sales:** In addition to completing the sale of the assets currently being marketed, BMCML is currently considering the possibility of further asset sales. BMCML is also assessing other alternatives in order to strengthen the Fund's balance sheet.

### **Future Direction**

The immediate priority for BMCML is to conclude discussions with the Fund's financiers regarding the Fund's existing facility. BMCML is committed to preserving the capital value of the Fund and achieving the best possible long term outcome for investors in these unprecedented times, and will provide further updates to investors on a regular basis.

If you have any questions or wish to discuss this matter, please don't hesitate to contact Brookfield Multiplex Capital Customer Service on 1800 570 000, or email [clientservices@brookfieldmultiplex.com](mailto:clientservices@brookfieldmultiplex.com). For regular Fund updates, please refer to our quarterly *Capital* magazine, or our website [www.brookfieldmultiplexcapital.com](http://www.brookfieldmultiplexcapital.com).

Yours sincerely



**Tina Raftopoulos**  
Fund Manager  
Multiplex New Zealand Property Fund