

ASX Announcement

19 December 2014

Re: Multiplex European Property Fund (ASX: MUE) – Tax Audit of German Partnerships

Brookfield Capital Management Limited (BCML), as Responsible Entity for Multiplex European Property Fund (the Fund), advises that correspondence has been received from the German Tax Office in relation to the objection lodged for the 2004-06 tax audit of the Fund's wholly owned German partnerships (Monti Partnerships).

The correspondence indicates that the current opinion of the Tax Office is to confirm the previous findings of the tax audit and reject the objection lodged by Monti Partnerships.

The correspondence is not in the form of a final decision and it is intended, at the request of the Tax Office, to meet with representatives of the Tax Office prior to any final findings being issued. It is also intended to discuss the objection outstanding for the 2011 Trade Tax assessment (issued in June 2013) for approximately €35,000 which has no connection to any tax audit being undertaken.

In the event that the objection is formally rejected, no further Trade Tax should be payable for those years as the assessment of approximately €2 million has been paid prior to the objection being lodged. Consideration will be given as to whether an appeal will be made to the German Tax Courts.

The correspondence makes no mention of the ongoing tax audit of the 2007-10 years and no further correspondence has been received in relation to the preliminary findings for that tax audit received in May this year. It is noted that if the German Tax Office were to apply the same approach for 2007-10 as was applied to 2004-06 the estimate of Trade Tax payable as at 30 June 2014 would be approximately €28.6 million (including €6.8 million in interest and penalties).

Further updates will be provided in due course.

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Brookfield Customer Service
Ph: 1800 570 000