

ASX Announcement

2 March 2015

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), provides the following update to investors in relation to the tax audit of the Fund's wholly owned German partnerships in which the Fund's properties are held.

German tax audit 2004-2006

The German Tax Office issued a Trade Tax assessment to a German partnership in July 2012 of approximately €2 million. At the time, objections were lodged against the assessment and a request for deferral of the Trade Tax payable was also lodged. As no decision to permit the deferral was made prior to the payment due date, €2 million was paid to avoid the risk of debt recovery action.

Correspondence received from the German Tax Office indicates that the deferral of payment has been granted subject to relevant regional government not requiring any further security to be deposited. Depending on the views of the regional government, part or all of the €2 million (plus accrued interest) will be refunded to the German partnership.

It is important to note that, whilst this decision may provide the partnerships with a cashflow benefit, independent advice received confirms that the approval of the deferral of payment does not impact on the decision making process for the objection to the Trade Tax assessment. This objection remains under review by the German Tax Office and it is expected that further discussions will take place prior to any final decision being issued. In the event that the objection is rejected in the future, the assessment may be due and payable plus interest from a revised date.

Trade Tax assessment 2011

The German Tax Office have confirmed that the Trade Tax assessment issued for 2011 was issued in error and a refund of the €35,000 paid in respect of that year will be received.

Investors will be further updated in due course.

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