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Multiplex European Property Fund
ARSN 124 527 206

ASX Announcement

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MULTIPLEX EUROPEAN PROPERTY FUND (ASX: MUE)
2010 ANNUAL RESULTS ANNOUNCEMENT

Brookfield Multiplex Capital Management Limited (BMCML), as Responsible Entity for Multiplex European Property Fund (Fund), announces a net profit after tax of $40.1 million for the year ended 30 June 2010. The result includes $15.3 million unrealised valuation decrement on the property portfolio and $28.3 million unrealised gain in fair value adjustments on the Fund's derivative instruments.

Normalised net profit after tax for the year was $18.0 million (down from $21.2 million in 2009). The significant appreciation of the Australian dollar during the financial year has impacted the comparability of financial information between the financial years. On a euro-denominated basis, normalised net profit after tax was €12.7 million compared to €12.1 million for the previous financial year.

Key financial highlights are as follows:

- net profit after tax of $40.1 million (2009: net loss after tax of $149.0 million);
- total revenue and other income of $79.1 million (2009: $54.1 million);
- property rental income of $38.7 million (2009: $47.8 million);
- earnings per unit (EPU) of 16.3 cents (2009: loss of 60.3 cents);
- distributions to Unitholders for the year ended 30 June 2010 were $11.1 million (2009: $12.3 million) and distributions per unit (DPU) of 4.5 cents per unit (2009: 5.0 cents per unit);
- net assets of $77.5 million (2009: $63.4 million) and net tangible assets per unit (NTA) of $0.31 (2009: $0.26);
- the portfolio occupancy remains at 96% with a weighted average lease expiry (by income) of 6.8 years; and
- the Fund remains in compliance with all financing covenants.

Financial Results

The Fund recorded a net profit after tax of $40.1 million for the year ended 30 June 2010 (2009: net loss after tax of $149.0 million). The reported net profit after tax includes an unrealised loss of $15.3 million (2009: unrealised loss of $115.1 million) on property revaluations.

The significant volatility in exchange rates and currencies worldwide during the year have impacted the Australian-denominated reported results and the comparability of information to previous financial years.

The Fund is significantly hedged on its income and equity and this hedging insulates Unitholders from volatility despite these changes being recorded in the financial statements.

Property Portfolio

The Initial Properties were independently valued during the period by DTZ Zadelhoff Tie Leung GmbH in Frankfurt. Their valuation of €271.3 million as at 30 June 2010 represents a 3.5% decline from their 30 June 2009 valuation of €281.2 million, and 1.6% decline from the 31 December 2009 valuation of €275.7 million.

The portfolio's weighted average initial yield increased by 1bps to 7.40% (from 7.39% at June 2009). The decline in property values predominantly represents the impending vacancy at the Dusseldorf asset from April 2011.

The weighted average lease expiry (by income) of the portfolio is 6.8 years and the tenant mix is still dominated by major German national and multi-national tenants who contribute approximately 75% of the Fund's net property income.

Debt and Hedging

During the year, BMCML monetised 25% of the Fund's cross-currency interest rate swap in order to take advantage of the relative strength of the Australian Dollar (against the euro) and to better align the Fund's hedged equity position. This resulted in the declaration of a special distribution of 2.0 cpu that was paid to Unitholders on 30 July 2010.

There have been no other changes to the Fund's derivative instruments during the year and further details on these can be found in the accompanying results presentation.

The Fund remains in compliance with all financing covenants. The Term Facility is fully drawn and no part of the Term Facility is due to be refinanced before expiry in April 2014.

Distribution Guidance

The Fund's current distribution policy is to ensure that it is distributing at least its taxable income each year and this will be impacted by the level of realised foreign exchange gains/losses that the Fund realises on its existing derivative contracts, through the ordinary course of business or if terminated early.

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

Further information in relation to the Fund's annual results can be found in the annual results presentation lodged with the ASX today. It is recommended that investors review this document.

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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.