

# ASX Announcement

17 March 2011

## **Multiplex SITES Trust – 31 December 2010 Annual Report**

Please find attached for release to the market the Multiplex SITES Trust (“the Trust”) 31 December 2010 Annual Report.

As the Trust’s main asset is the investment in units of Multiplex Hybrid Investment Trust, also attached is the special purpose financial report of Multiplex Hybrid Investment Trust to be released to the market in accordance with Listing Rule 4.8.

Multiplex SITES trade on the Australian Securities Exchange under the symbol “MXUPA”.

-- ends --

## **Multiplex SITES Investor Enquiries:**

Link Market Services  
1800 68 54 55



## MULTIPLEX SITES TRUST

ARSN 111 903 747

---

# Annual Report 31 December 2010

Step-up  
Income-distributing  
Trust-issued  
Exchangeable  
Securities



Funds from operations for the year to  
December 2010 were \$192 million, compared  
to \$141 million for the 2009 year.

1	Chairman's Letter
2	Directors' Report
11	Auditor's Independence Declaration
12	Statement of Comprehensive Income
13	Statement of Financial Position
14	Statement of Changes in Equity
15	Statement of Cash Flows
16	Notes to the Financial Statements
22	Directors' Declaration
23	Independent Auditor's Report
25	Information on Securityholders
27	Investor Relations
IBC	Corporate Directory

# Chairman's Letter

Dear Multiplex SITES holder,

Multiplex SITES Trust has been trading on the ASX since January 2005 under the code "MXUPA". Distributions are discretionary, although have been paid on a quarterly basis since listing.

In accordance with the PDS, the sole asset of the Trust remains the investment in units in Multiplex Hybrid Investment Trust. The Board of Directors does not anticipate any change to this situation.

As outlined in the Product Disclosure Statement when Multiplex SITES Trust was launched (Multiplex SITES PDS), the distribution rate is set at the start of each quarter and represents the three month bank bill rate determined on the first business day of the relevant distribution period plus a margin of 1.9% until the Step-Up date.

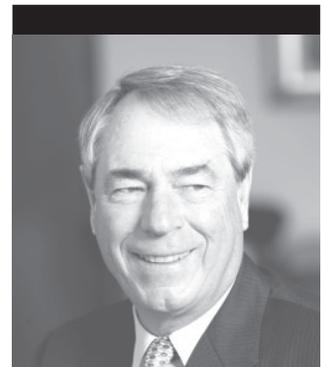
As determined in 2010, the margin used to calculate the distribution rate increased by 2%. Therefore, the distribution rate for Multiplex SITES from 1 April 2010 was 3.9% above the three month bank bill rate.

#### Further information

Further SITES information, including ASX releases, can be found at [www.au.brookfield.com](http://www.au.brookfield.com). Alternatively, if you have any queries in relation to your investment, please contact Link Market Services on 1800 68 54 55.



F. Allan McDonald  
Chairman  
Brookfield Funds  
Management Limited  
(Responsible Entity of  
Multiplex SITES Trust)



# Directors' Report

For the year ended 31 December 2010

## INTRODUCTION

The Directors of Brookfield Funds Management Limited (ACN: 105 371 917), the Responsible Entity of Multiplex SITES Trust (Trust) present their report together with the annual financial statements of the Trust for the year ended 31 December 2010 and the Independent Auditor's Report thereon.

## RESPONSIBLE ENTITY

The Responsible Entity is a wholly owned subsidiary of Brookfield Australia Investments Limited (Company), formerly Brookfield Multiplex Limited and forms part of the consolidated Brookfield Australia Investments Group (Group), formerly Brookfield Multiplex Group. The registered office and principal place of business of the Responsible Entity is 135 King Street, Sydney.

## DIRECTORS

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

NAME	CAPACITY
Mr F. Allan McDonald (appointed 22 October 2003)	Non-Executive Chairman
Ms Barbara K Ward (appointed 22 October 2003)	Non-Executive Director
Mr Russell T Proutt (appointed 17 March 2010)	Executive Director
Mr Brian W Kingston (resigned 17 March 2010)	Executive Director
Mr Jeffery M Blidner (resigned 4 January 2010)	Non-Executive Director
Mr Richard B Clark (resigned 4 January 2010)	Non-Executive Director
Mr Ross A McDiven (resigned 4 January 2010)	Executive Director

## INFORMATION ON DIRECTORS

DIRECTOR	EXPERIENCE	SPECIAL RESPONSIBILITIES
<b>Non-Executive Directors</b>		
F. Allan McDonald	<p>Mr McDonald was appointed to the Board on 22 October 2003 and was appointed Non-Executive Chairman of Brookfield Funds Management Limited in May 2005. Mr McDonald has had extensive experience in the role of Chairman and is presently associated with a number of companies as a consultant and Company Director. Mr McDonald's other directorships of listed companies are Astro Japan Property Management Limited (responsible entity of Japan Property Trust) (appointed November 2004) and Billabong International Limited (appointed July 2000).</p> <p>During the past three years Mr McDonald has also served as a director of Ross Human Directions Limited (April 2000 to February 2011).</p>	Non-Executive Chairman
Barbara K Ward	<p>Ms Ward was appointed as a Non-Executive Director of Brookfield Funds Management Limited on 22 October 2003. Ms Ward has gained extensive business and finance experience through her role as Chief Executive Officer of Ansett Worldwide Aviation Services, as General Manager Finance for the TNT Group and as a Senior Ministerial Advisor. Ms Ward is Chairman of Country Energy, and a Director of Qantas Airways Limited (appointed June 2008).</p> <p>During the past three years Ms Ward has also served as a Director of Lion Nathan Limited (February 2003 to October 2009) and Allco Finance Group Limited (April 2005 to January 2008).</p>	Non-Executive Director Chairperson of the Audit Committee and Risk and Compliance Committee
<b>Executive Director</b>		
Russell Proutt	<p>Mr Proutt is the Chief Financial Officer of Brookfield Australia. Mr Proutt joined Brookfield Asset Management, the ultimate parent company, in 2006 and has held various senior management positions within Brookfield, including managing the Bridge Lending Fund, mergers and acquisitions involving subsidiaries as well as transactions involving Brookfield's restructuring fund, Tricap Partners.</p>	Executive Director
<b>Company Secretary</b>		
Neil Olofsson	<p>Mr Olofsson has over 14 years' international company secretarial experience, including having worked at KPMG, Clifford Chance and Schroder Investment Management prior to joining Brookfield Australia Investments Group Company Secretariat.</p>	Company Secretary

# Directors' Report

For the year ended 31 December 2010

## DIRECTORS' AND EXECUTIVES' EQUITY INTERESTS

	MULTIPLEX SITES HELD AT THE START OF THE PERIOD	CHANGES DURING THE PERIOD	MULTIPLEX SITES HELD AT THE END OF THE PERIOD
Mr F. Allan McDonald	705	–	705

The number of Directors' meetings (including meetings of committees of Directors) for the Responsible Entity during the financial year, and the number of meetings attended by each of the Directors, is as follows:

DIRECTOR	BOARD MEETINGS		AUDIT COMMITTEE MEETINGS		RISK AND COMPLIANCE COMMITTEE MEETINGS	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Mr F. Allan McDonald	5	5	2	2	2	2
Ms Barbara K Ward	5	5	2	2	2	2
Mr Russell T Prutt	3	3	n/a	n/a	n/a	n/a
Mr Brian W Kingston (resigned 17 March 2010)	2	0	n/a	n/a	n/a	n/a
Mr Jeffrey M Blidner (resigned 4 January 2010)	0	0	0	0	n/a	n/a
Mr Richard B Clark (resigned 4 January 2010)	0	0	n/a	n/a	n/a	n/a
Mr Ross A McDiven (resigned 4 January 2010)	0	0	n/a	n/a	n/a	n/a

## PRINCIPAL ACTIVITIES

The Trust is a registered managed investment scheme domiciled in Australia and the Step-up Income-distributing Trust-issued Exchangeable Securities (Multiplex SITES) are listed on the Australian Securities Exchange.

The investment activities of the Trust continue to be in accordance with the policies outlined in the original Product Disclosure Statement for the Trust dated 29 November 2004. During the year ended 31 December 2010 the Trust's sole activity was holding units in Multiplex Hybrid Investment Trust and the payment of distributions to unitholders.

The Trust did not have any employees during the year.

## REVIEW OF OPERATIONS

The Trust earned a net profit attributable to unitholders of \$35,820,000 for the year ended 31 December 2010 (year ended 31 December 2009: \$23,670,000). Total quarterly distributions paid or payable in respect of the year ended 31 December 2010 were \$35,820,000 (year ended 31 December 2009: \$23,670,000). The carrying value of the Trust's net assets at the end of the financial year was \$450,000,000 (31 December 2009: \$450,000,000).

The Trust's only activity is an investment in units in Multiplex Hybrid Investment Trust.

## CORPORATE GOVERNANCE

This section outlines the main corporate governance practices that are currently in place for Brookfield Funds Management Limited (the Company) in its capacity as Responsible Entity for the Trust. The Company as Responsible Entity of the Trust is committed to maintaining the required standards of corporate governance.

As a wholly owned subsidiary of Brookfield Australia Investments Limited the Company aims to make best use of the existing governance expertise and framework within Brookfield Australia Investments Group as it applies to the Trust's operations wherever possible.

### **BEST PRACTICE PRINCIPLES**

The Australian Securities Exchange (the ASX) has established best practice guidelines that are embodied in eight principles (the Principles). The Board is supportive of the Principles and has applied these Principles to the extent relevant to the Trust. The Board's approach has been guided by the Principles and practices which are in the best interests of investors while ensuring compliance with legal requirements. In pursuing its commitment to these governance standards, the Board will continue to review its governance practices.

The Principles as set out by the Corporate Governance Council are intended only as guidelines. Due to the investment structure of the Trust with its only investment being units in Multiplex Hybrid Investment Trust, there are several Principles that are neither relevant nor practically applicable to the Trust. The ASX Listing Rules require listed companies (or in the case of a listed trust, the responsible entity of that trust) to include in their annual report a statement disclosing the extent to which they have followed the Principles during the financial period.

The Principles have been adopted, where appropriate, to ensure that the Company as Responsible Entity of the Trust continues to protect stakeholder interests. This Corporate Governance Statement sets out each Principle and provides details of how these Principles have been addressed by the Company as Responsible Entity of the Trust for the year ended 31 December 2010.

#### **Principle 1: Lay solid foundations for management and oversight**

It is the responsibility of the Board to ensure that the foundations for management and oversight of the Trust are established and appropriately documented.

##### ***Role of the Board***

The Board has formalised its role and responsibilities in a charter (Board Charter). The Board Charter clearly defines the matters reserved for the Board. The Board determines and monitors the Trust's policies and considers its future strategic direction in accordance with the terms of SITES. The Board is also responsible for presenting a balanced and understandable assessment of the Trust's position and, where appropriate, its prospects in the annual report and other forms of public reporting. The role of the Board is to act as the guardian of securityholder value for the Trust's investors. To the extent possible the Board as a whole is collectively responsible for promoting the success of the Trust by directing and supervising the Trust's affairs.

The role of the Board is summarised as follows:

- provision of guidance on and approval of the strategy and performance of the Trust;
- monitoring the progress of the financial situation of the Trust and other objectives;
- approving and monitoring the progress of major investments;
- oversight and approval of the risk, control and accountability systems;
- monitoring compliance with legal, constitutional and ethical standards; and
- ensuring effective communications with holders of Multiplex SITES and other stakeholders.

In essence, the Board Charter identifies the role of the Board, its committees and the powers reserved for the Board.

#### **Principle 2: Structure the Board to add value**

The ASX views independence of Board members as a key element of an effective corporate governance regime. It recommends that a majority of the Board be independent, that the Chairperson be independent, that the roles of Chairperson and Chief Executive Officer be split and further that the Board establish a Nomination Committee with a charter in line with best practice recommendations.

The Board believes that sound corporate governance is crucial to protecting the interests of investors. The Board has a broad range of relevant financial and other skills, experience, expertise and gender diversification necessary to meet its objectives and is subject to a continuous review of its composition. The Board meets formally at least four times per year and whenever necessary to deal with specific matters needing attention between scheduled meetings. As at 31 December 2010 the Board consisted of three Directors.

Profiles of each of the Directors may be found on page 3.

# Directors' Report

For the year ended 31 December 2010

## *Independence*

The Chairman of the Board, Allan McDonald, is an independent director. The roles of Chairman and Chief Executive Officer are not exercised by the same individual. This is in line with the ASX best practice principle. The Board also identified non-executive director Barbara Ward as being independent in accordance with the relationships affecting independent status listed by the ASX Corporate Governance Principles.

Since 4 January 2010 a majority of the members of the Board are independent directors.

In accordance with the Corporations Act the Company has established a Risk and Compliance Committee. On 4 January 2010 the Company changed the composition of the Risk and Compliance Committee. The Risk and Compliance Committee comprises the two independent directors Barbara Ward (Chairperson) and Allan McDonald. The Risk and Compliance Committee is governed by a formal Charter which includes a Compliance Plan, compliance, risk management and internal control matters; and reports its findings to the Board.

The Board has deemed that the operations as Responsible Entity of the Trust do not warrant a separate Nomination Committee.

The structure of the Trust is such that the Company does not receive a management fee for its services and as such there are no performance related criteria or measures to assess performance.

## *Access to information and advice*

All Directors have unrestricted access to records of the Company and Trust and receive regular detailed financial and operational reports from senior management to enable them to carry out their duties. The Board collectively, and each Director individually, has the right to seek independent professional advice at the Group's expense to help them carry out their responsibilities.

The Company Secretary supports the effectiveness of the Board by monitoring Board policies and procedures followed, and co-ordinating the timely completion and dispatch of Board agendas and briefing material. All directors have access to the Company Secretary.

## **Principle 3: Promote ethical and responsible decision making**

The Board has established both a Code of Business Conduct and Ethics and a Security Trading Policy.

### *Code of business conduct and ethics*

The Trust does not employ individuals, however, all Directors, managers and employees involved in the operation of the Trust and the Company are employees of Brookfield Australia Investments Limited and, along with all other employees in Brookfield Australia Investments Group, are required to act honestly and with integrity. The Board is committed to recognising the interests of investors and other stakeholders as well as all staff involved in the management and operation of the Company and Trust. The Board acknowledges that all Brookfield Australia Investments Group employees are subject to a Code of Business Conduct and Ethics that governs workplace and human resource practices, risk management and legal compliance. This Code therefore applies to the Directors of the Company and to all Directors, managers and employees of Brookfield Australia Investments Limited involved in the operation of the Trust and the Company. The Code is aligned to Brookfield Australia Investments Group's core values of teamwork, integrity and performance and is fully supported by the Board.

### *Security trading policy*

All Directors of the Company and Brookfield Australia Investments Group employees are subject to restrictions under the law relating to dealing in certain financial products, including securities in a company or trust, if they are in possession of inside information.

The Brookfield Australia Investments Group Security Trading Policy has been formally adopted by the Board and specifically lists securities issued by the Trust as restricted securities for the purposes of the policy. A summary of the Securities Trading Policy is available at [www.au.brookfield.com](http://www.au.brookfield.com) under Investment, About Us – Corporate Governance, Company Policies.

#### Principle 4: Safeguard integrity in financial reporting

The approach adopted by the Board is consistent with the Principle. The Board requires the Chief Executive Officer and the Chief Financial Officer to provide a written statement that the financial statements of the Trust present a true and fair view, in all material aspects, of the financial position and operational results.

#### Audit Committee

The Board has established an Audit Committee with its own charter specifically for the Trust. Following the establishment of the Risk and Compliance Committee, the Board amended the Charter of the Audit and Risk Committee. The purpose of the Audit Committee is now to oversee, on behalf of the Board, the integrity of the financial reporting controls and procedures utilised by the Company as Responsible Entity of the Trust.

It achieves this by:

- overseeing financial reporting to ensure balance, transparency and integrity; and
- evaluating and monitoring the effectiveness of the external audit function.

The Charter sets out the Audit Committee's role and responsibilities, composition, structure and membership requirements. The members of the Audit Committee throughout the financial period are set out below:

NAME	POSITION	HELD	AUDIT COMMITTEE MEETINGS		RISK AND COMPLIANCE COMMITTEE MEETINGS
			ATTENDED	ATTENDED	ATTENDED
Barbara Ward	Chairperson	2	2	2	2
Jeffrey Blidner (resigned 4 January 2010)	Member	0	0		n/a
Allan McDonald	Member	2	2	2	2

Both members, Barbara Ward and Allan McDonald, are not substantial shareholders of the Company or the Trust or an officer of, or otherwise associated directly with, a substantial shareholder of the Company or the Trust and therefore are deemed independent. A summary of the Audit Committee's charter is available at [www.au.brookfield.com](http://www.au.brookfield.com) under About Brookfield under the heading About Us – Corporate Governance.

#### Principle 5: Make timely and balanced disclosure

The Company is committed to the promotion of investor confidence by providing full and timely information to all investors about the Trust's activities and by complying with the continuous disclosure obligations contained in the *Corporations Act 2001* and the ASX Listing Rules. The Board has adopted a Continuous Disclosure Policy which governs how the Company as Responsible Entity communicates with investors and the market. This policy applies to all Directors, managers and employees of Brookfield Australia Investments Group involved in the operation of the Trust and the Company.

There are likely to be few events that require disclosure for the Trust as its only investment is in the units of the Multiplex Hybrid Investment Trust.

# Directors' Report

For the year ended 31 December 2010

## Principle 6: Respect the rights of Multiplex SITES Trust Holders

In addition to its statutory reporting obligations, the Trust and the Company are committed to timely and ongoing communication with Multiplex SITES holders. The Company's communication strategy is incorporated into the Brookfield Multiplex Continuous Disclosure Policy, a summary of which is available at [www.au.brookfield.com](http://www.au.brookfield.com) under Investment, About Us – Corporate Governance, Company Policies.

The Company also seeks to ensure ongoing communication through the distribution of annual reports each year and through updates to all investors whenever significant developments occur.

The Trust has its own section on the Brookfield Multiplex website that provides up-to-date Trust information including any continuous disclosure notices given by the Trust, financial reports and distribution information.

## Principle 7: Recognise and manage risk

An important role of the Company is to effectively manage the risks inherent in its business while supporting the reputation, performance and success of the Trust. The Board regularly reviews procedures in respect of compliance with the maintenance of statutory, legal, ethical and environmental obligations through the Risk and Compliance Committee. Management also reports to the Board through the Risk and Compliance Committee as to the effectiveness of the Company's management of its material business risks. As risks are primarily concerned with compliance rather than an operational nature, the existing risk management approach will continue to be enforced.

The procedures adopted by the Company are consistent with those in Principle 7, in that the Chief Executive Officer and the Chief Financial Officer approve the sign off of financial statements based upon a sound system of risk management and confirm that the internal compliance and control system is operating efficiently in all material respects in relation to financial reporting risks.

## Principle 8: Remunerate fairly and responsibly

Principle 8 suggests that the Company should establish a dedicated Remuneration Committee. As neither the Trust nor the Company have employees of their own, no remuneration committee has been established.

With the exception of the departures from the ASX Corporate Governance Principles detailed above, the Company as Responsible Entity of the Trust believes that it has followed the best practice recommendations set by the ASX.

## Distributions

Distributions paid or declared by the Trust were as follows:

	CENTS PER UNIT	TOTAL AMOUNT \$'000	DATE OF PAYMENT
<b>Year ended 31 December 2010</b>			
Distributions for the period ended 31 March 2010	148.00	6,660	19 April 2010
Distributions for the period ended 30 June 2010	207.00	9,315	15 July 2010
Distributions for the period ended 30 September 2010	220.00	9,900	18 October 2010
Distributions for the period ended 31 December 2010	221.00	9,945	18 January 2011
<b>Total distributions</b>	<b>796.00</b>	<b>35,820</b>	
<b>Year ended 31 December 2009</b>			
Distributions for the period ended 31 March 2009	143.00	6,435	16 April 2009
Distributions for the period ended 30 June 2009	124.00	5,580	15 July 2009
Distributions for the period ended 30 September 2009	127.00	5,715	15 October 2009
Distributions for the period ended 31 December 2009	132.00	5,940	18 January 2010
<b>Total distributions</b>	<b>526.00</b>	<b>23,670</b>	

On 4 January 2011, the Trust announced to the ASX that the distribution rate for the period from 1 January 2011 to 31 March 2011 is 8.86% per annum.

#### EVENTS SUBSEQUENT TO THE REPORTING DATE

Other than the above, and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may affect, the Trust's operations in future financial periods, the results of those operations or the Trust's state of affairs in future financial periods.

#### INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has entered into deeds of access and indemnity with each of its Directors, Company Secretary and other nominated Officers. The terms of the deeds are in accordance with the provisions of the *Corporations Act 2001* and will indemnify these executives (to the extent permitted by law) for up to seven years after serving as an Officer against legal costs incurred in defending civil or criminal proceedings against the executives, except where proceedings result in unfavourable decisions against the executives, and in respect of reasonable legal costs incurred by the executives in good faith in obtaining legal advice in relation to any issue relating to the executives being an officer of the Group.

Under the deeds of access and indemnity, the Company has agreed to indemnify these persons (to the extent permitted by law) against:

- liabilities incurred as a director or officer of the Company or a company in the Group, except for those liabilities incurred in relation to the matters set out in section 199A(2) of the *Corporations Act 2001*; and
- reasonable legal costs incurred in defending an action for a liability or alleged liability as a director or officer, except for costs incurred in relation to the matters set out in section 199A(3) of the *Corporations Act 2001*.

The Company has also agreed to effect, maintain and pay the premium on a directors' and officers' insurance policy.

This policy does not seek to insure against liabilities (other than for legal costs) arising out of:

- conduct involving a wilful breach of duty in relation to the Company or a company in the Group; or
- a contravention of sections 182 or 183 of the *Corporations Act 2001*.

The obligation to effect, maintain and pay the premium on a policy continues for a period of seven years after the director or officer has left office.

#### Contract of insurance

The Company has paid or agreed to pay a premium in respect of a contract insuring the Directors and officers of the Company against a liability. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liabilities, as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

#### ROUNDING OF AMOUNTS

The Trust is of a kind referred to in Class Order 98/0100, dated 10 July 1998, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and the annual financial statements. Amounts in the Directors' Report and the annual financial statements have been rounded off in accordance with that Class Order to the nearest hundred thousand or thousand dollars, or in certain cases, to the nearest dollar.

# Directors' Report

For the year ended 31 December 2010

## LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 11 and forms part of the Directors' Report for the year ended 31 December 2010.

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*, on behalf of the Directors of Brookfield Funds Management Limited.

Dated at Sydney this 22nd day of February 2011



**F. Allan McDonald**  
Non-Executive Director  
Brookfield Funds Management Limited  
as Responsible Entity for Multiplex SITES Trust



**Russell T Proutt**  
Executive Director  
Brookfield Funds Management Limited  
as Responsible Entity for Multiplex SITES Trust

# Auditor's Independence Declaration

For the year ended 31 December 2010

## Deloitte.

Deloitte Touche Tohmatsu  
A.B.N. 74 490 121 060

Grosvenor Place  
225 George Street  
Sydney NSW 2000  
PO Box N250 Grosvenor Place  
Sydney NSW 1220 Australia

DX 10307SSE  
Tel: +61 (0) 2 9322 7000  
Fax: +61 (0) 2 9322 7001  
www.deloitte.com.au

The Board of Directors  
Brookfield Funds Management Limited  
(as Responsible Entity for Multiplex SITES Trust)  
Level 22, 135 King Street  
Sydney, NSW 2000  
Australia

22 February 2011

Dear Board Members

### Multiplex SITES Trust

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 Funds Management Limited as responsible entity for Multiplex SITES Trust.

As lead audit partner for the audit of the financial statements of Multiplex SITES Trust for the financial year ended 31 December 2010, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU  
DELOITTE TOUCHE TOHMATSU



A G Collinson  
Partner  
Chartered Accountants

# Statement of Comprehensive Income

For the year ended 31 December 2010

	YEAR ENDED 31 DEC 2010 \$'000	YEAR ENDED 31 DEC 2009 \$'000
Share of net profit of associates accounted for using the equity method	35,820	23,670
<b>Net profit for the period from continuing operations</b>	<b>35,820</b>	<b>23,670</b>
Other comprehensive income for the period	–	–
<b>Total comprehensive income for the period attributable to SITES unitholders</b>	<b>35,820</b>	<b>23,670</b>
<b>Earnings per unit</b>		
<b>Basic and diluted earnings per ordinary unit (cents)</b>	<b>796.00</b>	<b>526.00</b>

The Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

# Statement of Financial Position

As at 31 December 2010

	NOTE	31 DEC 2010 \$'000	31 DEC 2009 \$'000
<b>Non-current assets</b>			
Investments accounted for using the equity method	5	459,945	455,940
<b>Total non-current assets</b>		<b>459,945</b>	<b>455,940</b>
<b>Total assets</b>		<b>459,945</b>	<b>455,940</b>
<b>Current liabilities</b>			
Distributions payable	7	9,945	5,940
<b>Total current liabilities</b>		<b>9,945</b>	<b>5,940</b>
<b>Total liabilities</b>		<b>9,945</b>	<b>5,940</b>
<b>Net assets</b>		<b>450,000</b>	<b>450,000</b>
<b>Equity</b>			
Units on issue	8	450,000	450,000
<b>Total equity</b>		<b>450,000</b>	<b>450,000</b>

The Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

# Statement of Changes in Equity

For the year ended 31 December 2010

	NOTE	UNITS ON ISSUE \$'000	ACCUMULATED PROFIT/(LOSSES) \$'000	TOTAL EQUITY \$'000
<b>Opening equity – 1 January 2010</b>		<b>450,000</b>	<b>–</b>	<b>450,000</b>
Net profit		–	35,820	35,820
Other comprehensive income		–	–	–
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>35,820</b>	<b>35,820</b>
Distributions to unitholders	7	–	(35,820)	(35,820)
<b>Total transactions with unitholders in their capacity as unitholders</b>		<b>–</b>	<b>(35,820)</b>	<b>(35,820)</b>
<b>Closing equity – 31 December 2010</b>		<b>450,000</b>	<b>–</b>	<b>450,000</b>
<b>Opening equity – 1 July 2009</b>		<b>450,000</b>	<b>–</b>	<b>450,000</b>
Net profit		–	23,670	23,670
Other comprehensive income		–	–	–
<b>Total comprehensive income for the half year</b>		<b>–</b>	<b>23,670</b>	<b>23,670</b>
Distributions to unitholders	7	–	(23,670)	(23,670)
<b>Total transactions with unitholders in their capacity as unitholders</b>		<b>–</b>	<b>(23,670)</b>	<b>(23,670)</b>
<b>Closing equity – 31 December 2009</b>		<b>450,000</b>	<b>–</b>	<b>450,000</b>

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

# Statement of Cash Flows

For the year ended 31 December 2010

	YEAR ENDED 31 DEC 2010 \$'000	YEAR ENDED 31 DEC 2009 \$'000
<b>Cash flows from operating activities</b>	–	–
<b>Net cash inflow from operating activities</b>	–	–
<b>Cash flows from investing activities</b>		
Dividends and distributions received	31,815	27,779
<b>Net cash inflow from investing activities</b>	<b>31,815</b>	<b>27,779</b>
<b>Cash flows from financing activities</b>		
Distributions paid to Multiplex SITES holders	(31,815)	(27,779)
<b>Net cash outflow from financing activities</b>	<b>(31,815)</b>	<b>(27,779)</b>
Net increase in cash held	–	–
Cash at the beginning of the financial period	–	–
<b>Cash at the end of the financial period</b>	<b>–</b>	<b>–</b>

The Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

# Notes to the Financial Statements

For the year ended 31 December 2010

## 1 REPORTING ENTITY

Multiplex SITES Trust (Trust) is a unit trust domiciled in Australia. Brookfield Funds Management Limited, the Responsible Entity of the Trust, is incorporated and domiciled in Australia. The units of the Trust have been listed on the Australian Securities Exchange (ASX) and are guaranteed on a subordinated and unsecured basis by Brookfield Australia Investments Limited and Brookfield Funds Management Limited (Guarantors). The Trust was registered on 12 November 2004.

## 2 BASIS OF PREPARATION

### Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. Accounting standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with Australian equivalents to IFRS ensures that the financial statements and notes of the Trust comply with IFRS.

The financial report has been prepared on the historical cost basis.

The financial report is presented in Australian dollars. The Trust is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 relating to the "rounding off" of amounts in the annual financial statements. In accordance with that Class Order amounts in the annual financial statements have been rounded off to the nearest thousand dollars or in certain cases, to the nearest dollar, unless stated otherwise.

Due to the liability for distributions to SITES unit holders as at 31 December 2010, the Trust is in a net current liability position of \$9.9 million. On 18 January 2011, the Trust received a distribution from Multiplex Hybrid Investment Trust, its equity accounted investment, of \$9.9 million which was used to satisfy its liability for distributions to SITES unit holders on the same day. In accordance with AASB 101, an entity shall prepare its financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. Given the above and that the Trust has non-current assets of \$459.9 million and a net asset position of \$450.0 million, the financial statements have been prepared on a going concern basis.

### Estimates

The preparation of annual 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.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements of the Trust for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 22 February 2011.

### Associates

The Trust's investment in its associates is accounted for using the equity method of accounting in the annual financial statements. The associate is an entity in which the Trust has significant influence, but not control, over the financial and operating policies. Under the equity method, an investment in associates is carried in the Statement of Financial Position at cost plus post-acquisition changes in the Trust's share of net assets of the associate. After application of the equity method, the Trust determines whether it is necessary to recognise any additional impairment loss with respect to the Trust's net investment in the associate. The Statement of Comprehensive Income reflects the Trust's share of the results of operations of the associate.

When the Trust's share of losses exceeds its interest in an associate, the Trust's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Trust has incurred legal or constructive obligations or made payments on behalf of an associate.

### Distributions

A provision for distribution is recognised in the Statement of Financial Position if the distribution has been declared prior to balance date. Distributions paid are included in cash flows from financing activities and distributions received are included in cash flows from investing activities in the Statement of Cash Flows.

### Units on issue

Issued and paid up units are recognised at face value, being the consideration of \$100 received by the Trust for each unit on issue.

#### 4 SEGMENT REPORTING

The Trust has adopted AASB 8 Operating Segments with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Trust that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. AASB 8 is a disclosure standard which has no impact on the reported results or financial position of the Trust. The Trust operates in a single segment, being investment in Multiplex Hybrid Investment Trust in Australia. All items of the Statement of Comprehensive Income and Statement of Financial Position are derived from this single segment. The chief operating decision maker of the Trust, the Board of Directors of the Responsible Entity, reviews and assesses performance using information displayed as set out in these statements.

#### 5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31 DEC 2010 \$'000	31 DEC 2009 \$'000
<b>Non-current</b>		
Units in unlisted associates	459,945	455,940
<b>Total</b>	<b>459,945</b>	<b>455,940</b>

Details of material interests in associates are as follows:

NAME	PRINCIPAL ACTIVITIES	VOTING INTEREST %	CARRYING VALUE 31 DEC 2010 \$'000	CARRYING VALUE 31 DEC 2009 \$'000
Multiplex Hybrid Investment Trust	Investment	25	459,945	455,940

	31 DEC 2010 \$'000	31 DEC 2009 \$'000
<b>Movement in the carrying value</b>		
Carrying amount at the beginning of the period	455,940	460,049
Profit accounted for using the equity method	35,820	23,670
Distribution received during the period	(31,815)	(27,779)
<b>Carrying amount at the end of the period</b>	<b>459,945</b>	<b>455,940</b>
<b>Other disclosures</b>		
Associates' revenues and profits		
Revenues and profits of associates	35,820	23,670
Associates'		
Net profit before tax	35,820	23,670
Income tax expense attributable to net profit	–	–
<b>Total associates' net profit after tax accounted for using the equity method</b>	<b>35,820</b>	<b>23,670</b>
<b>Associates' assets and liabilities</b>		
Assets	459,945	455,940
Liabilities	(9,945)	(5,940)
<b>Net assets</b>	<b>450,000</b>	<b>450,000</b>

#### 6 AUDITOR'S REMUNERATION

During the current and prior periods, all amounts paid to the auditor of the Trust, Deloitte Touche Tohmatsu, were borne by the Responsible Entity in its capacity as responsible entity of Multiplex SITES Trust.

# Notes to the Financial Statements

For the year ended 31 December 2010

## 7 DISTRIBUTIONS

	CENTS PER UNIT	TOTAL AMOUNT \$'000	DATE OF PAYMENT
<b>Year ended 31 December 2010</b>			
Distributions for the period ended 31 March 2010	148.00	6,660	19 April 2010
Distributions for the period ended 30 June 2010	207.00	9,315	15 July 2010
Distributions for the period ended 30 September 2010	220.00	9,900	18 October 2010
Distributions for the period ended 31 December 2010	221.00	9,945	18 January 2011
<b>Total distributions</b>	<b>796.00</b>	<b>35,820</b>	
<b>Year ended 31 December 2009</b>			
Distributions for the period ended 31 March 2009	143.00	6,435	16 April 2009
Distributions for the period ended 30 June 2009	124.00	5,580	15 July 2009
Distributions for the period ended 30 September 2009	127.00	5,715	15 October 2009
Distributions for the period ended 31 December 2009	132.00	5,940	18 January 2010
<b>Total distributions</b>	<b>526.00</b>	<b>23,670</b>	

Distributions are payable at the discretion of the Responsible Entity at the three month bank bill rate on the issue date plus a margin of 3.90%. The rate is determined on the first business day of each quarter.

## 8 UNITS ON ISSUE

	31 DEC 2010 \$'000	31 DEC 2010 UNITS	31 DEC 2009 \$'000	31 DEC 2009 UNITS
<b>Units on issue</b>				
Amounts owing to Multiplex SITES holders	450,000	4,500,000	450,000	4,500,000

### Terms and conditions

Multiplex SITES is a fully paid unit issued by the Trust and is entitled to income that is derived by the Trust.

Multiplex SITES rank in priority to other units in the Trust, but behind creditors of the Trust.

The Responsible Entity in its capacity as responsible entity of Brookfield Australia Property Trust and Brookfield Australia Investments Limited guarantees the face value and unpaid distribution amount on redemption (being not more than the distribution payments for the four preceding but unpaid distributions). In addition, while the Responsible Entity of the Trust is a member of Brookfield Australia Investments Group, the Responsible Entity in its capacity as responsible entity of Brookfield Australia Property Trust and Brookfield Australia Investments Limited guarantee any distributions which have been declared payable by the Trust. As there is discretion not to pay particular distributions, the guarantee does not ensure that priority distribution payments will be paid in all circumstances.

Under the guarantee, Multiplex SITES rank in priority to units in Brookfield Australia Property Trust and shares in Brookfield Australia Investments Limited but are subordinated to senior creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited.

Multiplex SITES have an unsecured and subordinated guarantee of the face value and unpaid distribution amount (not being more than the distribution payments for the four preceding but unpaid distributions).

**Assets pledged as security**

The guarantee ranks in priority to units in Brookfield Australia Property Trust and shares in Brookfield Australia Investments Limited, is subordinated to senior creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited and ranks equally with other creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited who are not senior creditors.

**Holder redemption**

Holders have the right to initiate redemption of Multiplex SITES, by issue of a holder realisation notice, in the following limited circumstances:

- where a priority distribution payment is not paid in full; or
- the occurrence of a winding-up event, with respect to either of the Guarantors, Multiplex SITES Trust (for as long as the responsible entity of Multiplex SITES Trust is a member of Brookfield Australia Investments Group) or Multiplex Hybrid Investment Trust (MHIT) (for as long as the trustee of MHIT is a member of Brookfield Australia Investments Group).

The request for redemption is effective and will be implemented if made by holders who cumulatively hold 5% or more of Multiplex SITES on issue.

**Holder redemption**

Upon redemption, holders will receive the aggregate of \$100 plus the unpaid distribution amount, not being more than the distribution payments for the four preceding but unpaid distributions.

**Issuer redemption**

Subject to approval of the Responsible Entity and Brookfield Australia Investments Limited, the Trust may initiate redemption of all or some of the Multiplex SITES for cash, by sending a realisation notice to holders, in the following circumstances:

- the step-up date or the last day of each distribution period after the step-up date;
- an increased costs event;
- an accounting event;
- where the responsible entity of the Trust is no longer a member of Brookfield Australia Investments Limited;
- a change of control event; or
- there are less than \$50 million of Multiplex SITES remaining on issue.

**Holder exchange**

Holders have no right to request exchange.

**Issuer exchange**

Brookfield Australia Investments Group was delisted on 20 December 2007. For so long as Brookfield Australia Investments Group is not listed, the Responsible Entity will not be entitled to exercise its option to exchange Multiplex SITES for Brookfield Australia Investments Group stapled securities.

# Notes to the Financial Statements

For the year ended 31 December 2010

## 9 FINANCIAL INSTRUMENTS

### Financial risk management

#### Overview

The Trust is exposed to financial risks in the course of its operations. These risks can be summarised as follows:

- credit risk;
- liquidity risk; and
- market risk.

The Trust has responsibility for the establishment and monitoring of a risk management framework. This framework seeks to minimise the potential adverse impact of the above risks on the Trust's financial performance.

The Board regularly reviews procedures in respect of compliance with the maintenance of statutory, legal, ethical and environmental obligations through the Risk and Compliance Committee. Management also reports to the Board through the Risk and Compliance Committee as to the effectiveness of the Company's management of its material business risks. As risks are primarily concerned with compliance rather than being of an operational nature, the existing risk management approach will continue to be enforced.

#### a Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty defaults on its contractual obligations. Credit risk arises principally from the Trust's investment in Multiplex Hybrid Investment Trust.

#### b Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting its financial obligations. The Trust's principal financial instruments comprise Multiplex SITES, the face value of which is guaranteed on an unsecured and subordinated basis by Brookfield Australia Investments Limited and Brookfield Australia Property Trust. Liquidity risks for which the Trust may be exposed are regularly reviewed and monitored by the Responsible Entity. The Trust manages its liquidity risk by monitoring the performance of its investment in order to meet the distribution payments to investors.

#### c Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: currency risk, interest rate risk and other price risk. The primary market risk of the Trust relates to interest rate risk.

## 10 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	YEAR ENDED 31 DEC 2010 \$000	YEAR ENDED 31 DEC 2009 \$000
<b>Change in operating assets and liabilities:</b>		
Decrease/(Increase) in assets	(4,005)	4,109
(Decrease)/Increase in liabilities	4,005	(4,109)
<b>Net cash inflow from operating activities</b>	<b>–</b>	<b>–</b>

## 11 RELATED PARTIES

### Associates

Interests in associates are set out in note 5.

### Key management personnel

No compensation is paid by the Trust or the Responsible Entity to Directors or directly to any of the key management personnel of the Responsible Entity. Compensation is paid by entities within the Brookfield Australia Investments Group.

The number of Multiplex SITES held by key management personnel of the Responsible Entity, including their personally related entities, is set out below:

	UNITS HELD AT 31 DEC 2010	UNITS HELD AT 31 DEC 2009
Mr F. Allan McDonald	705	705

### Transactions with related parties

#### *Transactions between Multiplex SITES Trust and Multiplex Hybrid Investment Trust*

- an investment in Multiplex Hybrid Investment Trust of \$450,000,000 (2009: \$450,000,000); and
- distributions received of \$31,815,000 for the year ended 31 December 2010 (year ended 31 December 2009: \$27,779,000).

### *Responsible Entity*

The Responsible Entity of the Trust is Brookfield Funds Management Limited, whose immediate parent company is Brookfield Australia Investments Limited.

## 12 CONTINGENT LIABILITIES AND ASSETS

No contingent liabilities or assets existed at 31 December 2010 (2009: nil).

## 13 CAPITAL AND OTHER COMMITMENTS

No capital or other commitments existed at 31 December 2010 (2009: nil).

## 14 EVENTS SUBSEQUENT TO THE REPORTING DATE

Other than matters previously disclosed in this report and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may affect, the Trust's operations in future financial periods, the results of those operations or the Trust's state of affairs in future financial periods.

# Directors' Declaration

For the year ended 31 December 2010

In the opinion of the Directors of Brookfield Funds Management Limited, the Responsible Entity of Multiplex SITES Trust:

- a The financial statements and notes set out on pages 16 to 21 are in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the financial position of the Trust as at 31 December 2010 and of its performance for the year ended on that date; and
  - ii the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements; and
  - iii complying with Accounting Standards and the *Corporations Act 2001* in Australia and the Corporations Regulations 2001;
- b There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors of Brookfield Funds Management Limited as required by Section 295A of the *Corporations Act 2001*.



**F. Allan McDonald**  
Non-Executive Director  
Brookfield Funds Management Limited  
as Responsible Entity for Multiplex SITES Trust



**Russell T Proutt**  
Executive Director  
Brookfield Funds Management Limited  
as Responsible Entity for Multiplex SITES Trust

# Independent Auditor's Report

For the year ended 31 December 2010

## Deloitte.

Deloitte Touche Tohmatsu  
A.B.N. 74 490 121 060

Grosvenor Place  
225 George Street  
Sydney NSW 2000  
PO Box N250 Grosvenor Place  
Sydney NSW 1220 Australia

DX 10307SSE  
Tel: +61 (0) 2 9322 7000  
Fax: +61 (0) 2 9322 7001  
[www.deloitte.com.au](http://www.deloitte.com.au)

## Independent Auditor's Report to the Members of Multiplex SITES Trust

We have audited the accompanying financial report of Multiplex SITES Trust, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 12 to 21.

### *Directors' Responsibility for the Financial Report*

The directors of Brookfield Funds Management Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# Independent Auditor's Report

For the year ended 31 December 2010

## *Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Multiplex SITES Trust, would be in the same terms if given to the directors as at the time of this auditor's report.

## *Opinion*

In our opinion:

- (a) the financial report of Multiplex SITES Trust is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Multiplex SITES Trust's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



A G Collinson  
Partner  
Chartered Accountants  
Sydney, 22 February 2011

# Information on Securityholders

Multiplex SITES Trust securities trade on the Australian Securities Exchange under the symbol “MXUPA”. The securities were first listed on 19 January 2005 with the home exchange being Sydney.

**NUMBER OF ISSUED SECURITIES** 4,500,000

## SECURITYHOLDER DISTRIBUTION RANGES (as at 7 March 2011)

RANGE	NUMBER OF HOLDERS	NUMBER OF SECURITIES	PERCENTAGE OF ISSUED SECURITIES
1–1,000	4,477	1,251,203	27.81
1,001–5,000	362	770,103	17.11
5,001–10,000	39	288,920	6.42
10,001–100,000	35	1,034,613	22.99
100,001 and Over	3	1,155,161	25.67
<b>Total</b>	<b>4,916</b>	<b>4,500,000</b>	<b>100.00</b>

There are two investors holding less than a marketable parcel of seven securities (\$80.90 on 7 March 2011).

## TOP 20 SECURITYHOLDINGS (as at 7 March 2011)

NAME	NUMBER OF SECURITIES	PERCENTAGE OF ISSUED SECURITIES
JP Morgan Nominees Australia Limited	800,823	17.80
HSBC Custody Nominees (Australia) Limited	227,491	5.06
Karatal Holdings Pty Ltd	126,847	2.82
UBS Wealth Management Australia Nominees Pty Ltd	85,011	1.89
Goldman Sachs JBWere Capital Markets Ltd	79,480	1.77
Citicorp Nominees Pty Limited	72,540	1.61
M F Custodians Ltd	69,281	1.54
National Nominees Limited	65,144	1.45
Perpetual Trustees Consolidated Limited	59,440	1.32
RBC Dexia Investor Services Australia Nominees Pty Limited	43,840	0.97
RBC Dexia Investor Services Australia Nominees Pty Limited	37,109	0.82
Cogent Nominees Pty Limited	32,747	0.73
Equity Trustees Limited	32,717	0.73
AET Structured Finance Services Pty Ltd	28,717	0.64
Manatee Pty Ltd	28,320	0.63
Mr Andrew Lenox Hewitt	26,575	0.59
Ms Christine Maree Windeyer & Mr Gordon Phillip Windeyer	26,389	0.59
Netwealth Investments Limited	25,322	0.56
Brispot Nominees Pty Ltd	25,001	0.56
Woodross Nominees Pty Ltd	24,760	0.55
<b>Total</b>	<b>1,917,554</b>	<b>42.63</b>
<b>Balance of Register</b>	<b>2,582,446</b>	<b>57.37</b>
<b>Grand Total</b>	<b>4,500,000</b>	<b>100.00</b>

# Information on Securityholders

## SUBSTANTIAL SECURITYHOLDING NOTICES

As at the date of this report there were no substantial securityholder notices received by Multiplex SITES Trust, during the year ended 31 December 2010.

## SECURITYHOLDER DOMICILE REPORT (as at 7 March 2011)

DOMICILE	NUMBER OF HOLDERS	NUMBER OF SECURITIES	PERCENTAGE
NSW	1,496	2,323,316	51.63
VIC	1,419	1,207,051	26.82
QLD	991	490,786	10.91
WA	449	208,316	4.63
SA	224	116,725	2.59
ACT	154	70,357	1.56
TAS	133	42,299	0.94
Overseas	52	38,600	0.86
NT	2	2,550	0.06
<b>Total</b>	<b>4,920</b>	<b>4,500,000</b>	<b>100.00</b>

## ON-MARKET BUY BACK

There is no current on-market buy-back programme.

# Investor Relations

## **ELECTRONIC INVESTORS**

Brookfield continually strives to improve its environmental performance and, securityholders were encouraged to assist with this effort. The electronic investor service allows investors to receive annual reports electronically. Electronic investors will be notified by email when the Annual Report becomes available for them to view online at [www.au.brookfield.com](http://www.au.brookfield.com). This option reduces our impact on the environment by minimising paper usage, while also providing investors with a cost-effective, user-friendly alternative.

If you would like to elect to become an electronic investor contact our security registrar, Link Market Services Limited, by telephone on 1800 68 54 55 (within Australia) or by mail at Locked Bag A14, Sydney South, NSW 1235.

## **SECURITY REGISTRAR CONTACT DETAILS**

If you have any queries regarding your investment, please contact our security registrar:

Link Market Services Limited  
Level 12, 680 George Street Sydney NSW 2000  
Locked Bag A14, Sydney South NSW 1235  
Tel (within Australia): 1800 68 54 55  
Tel (outside Australia): +61 2 8280 7141  
Fax: +61 2 9287 0303

Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## **UNCLAIMED DISTRIBUTIONS**

Distribution cheques that are not banked are required to be handed over to the State Trustee under the Unclaimed Monies Act so you are reminded to bank cheques immediately.

## **DIRECT CREDIT ELECTION**

By electing for direct credit of distributions you can have immediate access to your distribution payments. Distribution payments can be credited directly into any nominated bank, building society or credit union account in Australia. Distributions paid by direct credit reach your account as cleared funds, allowing you to access them on the payment date.

If you would like to receive your future distributions by direct credit please access your information securely online via our website or our security registry website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or company name) and postcode (must be the postcode recorded on your holding record).

Once you have accessed your information you can print and complete the form to enter amend your payment instructions.

This page has been left blank intentionally

# Corporate Directory

## Responsible Entity

Brookfield Funds Management Limited  
Level 22  
135 King Street  
Sydney NSW 2000  
Telephone: (02) 9322 2000  
Facsimile: (02) 9322 2001

## Directors of Brookfield Funds Management Limited

Mr F. Allan McDonald  
Ms Barbara K Ward  
Mr Russell T Proutt

## Registered Office

Level 22  
135 King Street  
Sydney NSW 2000  
Telephone: (02) 9322 2000  
Facsimile: (02) 9322 2001

## Auditor

Deloitte Touche Tohmatsu  
Grosvenor Place  
225 George Street  
Sydney NSW 2000  
Telephone: (02) 9322 7000  
Fax: (02) 9322 7001



[www.au.brookfield.com](http://www.au.brookfield.com)

Multiplex Hybrid Investment Trust  
Special purpose financial report  
for the year ended  
31 December 2010

# Multiplex Hybrid Investment Trust

ABN: 75 067 051 044

# Table of Contents

## Multiplex Hybrid Investment Trust

For the year ended 31 December 2010

	<b>Page</b>
<b>Directory .....</b>	<b>3</b>
<b>Financial Statements .....</b>	<b>4</b>
Statement of Comprehensive Income .....	4
Statement of Financial Position .....	5
Statement of Changes in Equity .....	6
Statement of Cash Flows .....	7
<b>Notes to the Financial Statements .....</b>	<b>8</b>
1 Reporting entity .....	8
2 Basis of preparation .....	8
3 Significant accounting policies .....	9
4 Revenue .....	9
5 Receivables .....	9
6 Payables .....	10
7 Units on issue .....	10
8 Undistributed losses .....	10
9 Distributions .....	10
10 Remuneration of auditors .....	10
11 Reconciliation of cash flows from operating activities .....	11
12 Contingent liabilities and assets .....	11
13 Capital and other commitments .....	11
14 Related parties .....	11
15 Events occurring after reporting date .....	11
<b>Directors' Declaration .....</b>	<b>12</b>
<b>Independent Audit Report .....</b>	<b>13</b>

# Directory

## Multiplex Hybrid Investment Trust

For the year ended 31 December 2010

### **Directors of Multiplex Hybrid Investment Pty Limited**

Mr Russell Proutt  
Mr Timothy Harris

### **Registered Office**

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

### **Auditor**

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

# Statement of Comprehensive Income

## Multiplex Hybrid Investment Trust

4

For the year ended 31 December 2010

	Note	Year ended 31 Dec 2010 \$'000	Year ended 31 Dec 2009 \$'000
Revenue	4	35,820	23,670
<b>Net profit before income tax</b>		<b>35,820</b>	<b>23,670</b>
Income tax expense		–	–
<b>Net profit attributable to unitholders</b>		<b>35,820</b>	<b>23,670</b>
Other comprehensive income for the year		–	–
<b>Total comprehensive income for the year attributable to unitholders</b>		<b>35,820</b>	<b>23,670</b>

The Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

# Statement of Financial Position

## Multiplex Hybrid Investment Trust

5

As at 31 December 2010

	Note	31 Dec 2010 \$'000	31 Dec 2009 \$'000
<b>Current assets</b>			
Receivables	5	10,883	6,878
<b>Total current assets</b>		<b>10,883</b>	<b>6,878</b>
<b>Non-current assets</b>			
Receivables	5	450,000	450,000
<b>Total non-current assets</b>		<b>450,000</b>	<b>450,000</b>
<b>Total assets</b>		<b>460,883</b>	<b>456,878</b>
<b>Current liabilities</b>			
Payables	6	10,877	6,872
<b>Total current liabilities</b>		<b>10,877</b>	<b>6,872</b>
<b>Total liabilities</b>		<b>10,877</b>	<b>6,872</b>
<b>Net assets</b>		<b>450,006</b>	<b>450,006</b>
<b>Equity</b>			
Units on issue	7	451,005	451,005
Undistributed losses	8	(999)	(999)
<b>Total equity</b>		<b>450,006</b>	<b>450,006</b>

The Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

# Statement of Changes in Equity

## Multiplex Hybrid Investment Trust

For the year ended 31 December 2010

	Units on issue \$'000	Undistributed profits \$'000	Total \$'000
<b>As at 1 January 2010</b>	<b>451,005</b>	<b>(999)</b>	<b>450,006</b>
Profit for the year	–	35,820	<b>35,820</b>
<b>Transactions with unitholders in their capacity as unitholders:</b>			
Distributions	–	(35,820)	<b>(35,820)</b>
<b>As at 31 December 2010</b>	<b>451,005</b>	<b>(999)</b>	<b>450,006</b>
	Units on issue \$'000	Undistributed profits \$'000	Total \$'000
<b>As at 1 January 2009</b>	<b>451,005</b>	<b>(999)</b>	<b>450,006</b>
Profit for the year	–	23,670	<b>23,670</b>
<b>Transactions with unitholders in their capacity as unitholders:</b>			
Distributions	–	(23,670)	<b>(23,670)</b>
<b>As at 31 December 2009</b>	<b>451,005</b>	<b>(999)</b>	<b>450,006</b>

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

# Statement of Cash Flows

## Multiplex Hybrid Investment Trust

For the year ended 31 December 2010

	Note	Year ended 31 Dec 2010 \$'000	Year ended 31 Dec 2009 \$'000
<b>Cash flows from operating activities</b>			
Interest received		31,815	23,670
<b>Net cash inflow from operating activities</b>	11	<b>31,815</b>	<b>23,670</b>
<b>Cash flows from investing activities</b>			
<b>Net cash flow from investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Distributions paid		(31,815)	(23,670)
<b>Net cash outflow from financing activities</b>		<b>(31,815)</b>	<b>(23,670)</b>
Net increase in cash held		-	-
Cash at the beginning of the financial period		-	-
<b>Cash at the end of the financial period</b>		<b>-</b>	<b>-</b>

The Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

# Notes to the Financial Statements

## Multiplex Hybrid Investment Trust

8

For the year ended 31 December 2010

### 1 Reporting entity

The financial report of Multiplex Hybrid Investment Trust (Trust) for the year ended 31 December 2010 was authorised for issue in accordance with a resolution of the Directors of Multiplex Hybrid Investment Pty Ltd (as Trustee of the Trust) on 14th March 2011.

The registered office of the Trust is 32 Lincoln Square North, Carlton, Victoria and the principal place of business is Level 22, 135 King Street, Sydney, NSW 2000, which is also the registered office and principal place of business of Multiplex Hybrid Investment Pty Ltd.

### 2 Basis of preparation

#### Statement of compliance

In the opinion of the directors of the Trustee, the Trust is not a reporting entity because there are no users dependent on general purpose financial reports.

The financial report is a special purpose financial report prepared for the sole purpose of complying with reporting requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The directors of the Trustee have determined that the accounting policies adopted are appropriate to meet the needs of the relevant users.

This report has been prepared in accordance with the recognition and measurement requirements specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards *AASB 101 Presentation of Financial Statements*, *AASB 107 Statement of Cash Flows* and *AASB 108 Accounting policies, Changes in Accounting Estimates and Errors*.

The financial statements (report) were authorised for issue by the directors on 14th March 2011.

#### Basis of measurement

The report has been prepared on the historical cost basis.

The report is presented in Australian dollars. The Trust 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 hundred thousand dollars, unless otherwise stated.

#### Use of estimates and judgements

Preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

# Notes to the Financial Statements continued

## Multiplex Hybrid Investment Trust

9

For the year ended 31 December 2010

### 3 Significant accounting policies

The significant policies set out below have been applied consistently to all periods presented in these financial statements.

#### Receivables

Receivables are stated at cost less any identified impairment losses.

#### Payables

Payables are stated at cost and represent liabilities for goods and services provided to the Trust prior to the end of the financial period and which are unpaid.

#### Revenue recognition

##### Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

#### New standards and interpretations not yet adopted

AASB 9 *Financial Instruments* is effective from annual periods beginning on or after 1 January 2013 introduces new requirements for classifying and measuring financial assets, as follows, debt instruments meeting both a business model test and a cash flow characteristics test are measured at amortised cost and investments in equity instruments can be designated as fair value through other comprehensive income with only dividends being recognised in profit or loss.

	Year ended 31 Dec 2010 \$'000	Year ended 31 Dec 2009 \$'000
<b>4 Revenue</b>		
Interest from Brookfield Australia Property Trust	35,820	23,670
<b>Total revenue</b>	<b>35,820</b>	<b>23,670</b>
	31 Dec 2010 \$'000	31 Dec 2009 \$'000
<b>5 Receivables</b>		
<b>Current</b>		
Interest receivable from Brookfield Australia Property Trust	10,883	6,878
<b>Total current receivables</b>	<b>10,883</b>	<b>6,878</b>
<b>Non-current</b>		
Loan to Brookfield Australia Property Trust	450,000	450,000
<b>Total non-current receivables</b>	<b>450,000</b>	<b>450,000</b>

The loan to Brookfield Australia Property Trust is interest bearing. Interest on this loan is payable at an amount equal to the Priority Distribution Payment applicable to Multiplex SITES which, up until 31 March 2010, had been calculated using a distribution rate equal to the three month bank bill rate on the issue date plus a margin of 1.90%. Due to the decision of the Board of Directors of Brookfield Funds Management Limited as Responsible Entity of Multiplex SITES Trust made on 19 February 2010 not to redeem Multiplex SITES at the last business day before 1 April 2010, the margin used to calculate the distribution rate applicable to Multiplex SITES and therefore the amount of interest on this loan increased by 2% to 3.9% which took effect from 1 April 2010.

# Notes to the Financial Statements continued

## Multiplex Hybrid Investment Trust

10

For the year ended 31 December 2010

	31 Dec 2010 \$'000	31 Dec 2009 \$'000
<b>6 Payables</b>		
<b>Current</b>		
Distributions payable on Class A units	10,877	6,872
<b>Total payables</b>	<b>10,877</b>	<b>6,872</b>

	31 Dec 2010 \$'000	31 Dec 2009 \$'000
<b>7 Units on issue</b>		
4,500,000 Class A units issued at \$100 each	450,000	450,000
19,242,118 Class B units issued at \$1 each	19,242	19,242
	<b>469,242</b>	<b>469,242</b>
Less issue costs paid	(18,237)	(18,237)
<b>Total</b>	<b>451,005</b>	<b>451,005</b>

### Terms and conditions of ordinary capital

Class A and B units entitle the holder to participate in distributions and the proceeds on winding up of the Trust in proportion to the number of and amounts paid on the units held. Class A units represent 25% of the voting rights while Class B units have 75% of the voting rights.

	31 Dec 2010 \$'000	31 Dec 2009 \$'000
<b>8 Undistributed losses</b>		
Undistributed losses at the start of the year	(999)	(999)
Net profit attributable to unitholders	35,820	23,670
Distributions recognised during the year	(35,820)	(23,670)
<b>Undistributed losses at the end of the year</b>	<b>(999)</b>	<b>(999)</b>

	Cents per unit	Total Amount \$'000	Date of Payment
<b>9 Distributions</b>			
<b>For the year ended 31 December 2010</b>			
Distributions paid for the period ended 31 March 2010	148.00	6,660	19 April 2010
Distributions paid for the period ended 30 June 2010	207.00	9,315	15 July 2010
Distributions paid for the period ended 30 September 2010	220.00	9,900	18 October 2010
Distributions paid for the period ended 31 December 2010	221.00	9,945	18 January 2011
<b>Total distributions paid/payable</b>	<b>796.00</b>	<b>35,820</b>	
<b>For the year ended 31 December 2009</b>			
Distributions paid for the period ended 31 March 2009	143.00	6,435	16 April 2009
Distributions paid for the period ended 30 June 2009	124.00	5,580	15 July 2009
Distributions paid for the period ended 30 September 2009	127.00	5,715	15 October 2009
Distributions paid for the period ended 31 December 2009	132.00	5,940	15 January 2010
<b>Total distributions paid/payable</b>	<b>526.00</b>	<b>23,670</b>	

### 10 Remuneration of auditors

During the current and comparative periods, all amounts paid to the auditor of the Trust were borne by Brookfield Australia Investments Limited.

# Notes to the Financial Statements continued

## Multiplex Hybrid Investment Trust

11

For the year ended 31 December 2010

	Year ended 31 Dec 2010 \$'000	Year ended 31 Dec 2009 \$'000
<b>11 Reconciliation of cash flows from operating activities</b>		
<b>Profit from ordinary activities</b>	<b>35,820</b>	<b>23,670</b>
<b>Change in operating assets and liabilities:</b>		
Decrease/(Increase) in assets	(4,005)	3,177
(Decrease)/Increase in liabilities	-	(3,177)
<b>Net cash inflow from operating activities</b>	<b>31,815</b>	<b>23,670</b>

### 12 Contingent liabilities and assets

There are no contingent liabilities or assets requiring recognition at 31 December 2010 (2009: nil).

### 13 Capital and other commitments

There were no capital or other commitments at 31 December 2010 (2009: nil).

### 14 Related parties

#### Transactions between Multiplex SITES Trust and Multiplex Hybrid Investment Trust

- Multiplex SITES Trust has an investment (100% of the Class A units) in Multiplex Hybrid Investment Trust of \$450,000,000 (2009: \$450,000,000); and
- Distributions paid or payable to Multiplex SITES Trust (the Class A unitholder) totalled \$35,820,000 for the year ended 31 December 2010 (year ended 31 December 2009: \$23,670,000).

#### Transactions between Multiplex Hybrid Investment Trust and other related parties

- Multiplex Hybrid Holdings Trust holds 100% of the Class B units of the Trust which are valued at \$19,242,018 (2009: \$19,242,018); and
- The Trust has a loan of \$450,000,000 to Brookfield Australia Property Trust. The Trust earned interest revenue on this loan amounting to \$35,820,000 during the year ended 31 December 2010 (year ended 2009: \$23,670,000).

### Trustee

The Trustee of the Trust is Multiplex Hybrid Investment Pty Ltd, whose immediate parent entity is Brookfield Funds Management Limited, which is owned by Brookfield Australia Investments Limited. Brookfield Australia Investments Limited's ultimate parent entity and the Trust's ultimate parent entity is Brookfield Asset Management Inc which is incorporated and domiciled in Canada.

### 15 Events occurring after reporting date

Other than the above, there have been no significant events or transactions that have arisen since the end of the financial year which, in the opinion of the Trustee, would significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

# Directors' Declaration

## Multiplex Hybrid Investment Trust

12

For the year ended 31 December 2010

As detailed in note 2 to the financial statements, the Trust is not a reporting entity because, in the opinion of the Directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this special purpose financial report has been prepared to satisfy the Directors' reporting requirements under the Trust Constitution.

In the opinion of the Directors of Multiplex Hybrid Investment Pty Ltd, the Trustee of the Trust:

- a the Financial Statements and the notes to the Financial Statements, as set out on pages 4 to 11, are in accordance with the Trust Constitution, including:
  - i giving a true and fair view of the financial position of the Trust as at 31 December 2010 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
  - ii complying with Australian Accounting Standards;
- b there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- c the Trust has operated during year ended 31 December 2010 in accordance with the provisions of the Trust Constitution dated 24 November 2004; and
- d the register of unitholders has, during the year ended 31 December 2010, been properly drawn up and maintained so as to give a true account of the unitholders of the Trust.

Signed in accordance with a resolution of the Trustee.

Dated at Sydney this 14th day of March 2011



**Timothy M Harris**  
Director  
Multiplex Hybrid Investment Pty Ltd

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Grosvenor Place  
225 George Street  
Sydney NSW 2000  
PO Box N250 Grosvenor Place  
Sydney NSW 1217 Australia

DX 10307SSE  
Tel: +61 (0) 2 9322 7000  
Fax: +61 (0) 2 9322 7001  
[www.deloitte.com.au](http://www.deloitte.com.au)

## **Independent Auditor's Report to the Unitholders of Multiplex Hybrid Investment Trust**

We have audited the accompanying financial report, being a special purpose financial report, of Multiplex Hybrid Investment Trust (the "Trust"), which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 4 to 12.

### *Directors' Responsibility for the Financial Report*

The directors of the Trustee, Multiplex Hybrid Investment Pty Ltd, the responsible entity of Multiplex Hybrid Investment Trust, are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the Trust Constitution and are appropriate to meet the needs of the unitholders. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial report gives a true and fair view of the financial position of Multiplex Hybrid Investment Trust as at 31 December 2010 and its financial performance for the year then ended in accordance with the financial reporting requirements of the Trust Constitution.

*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Trust Constitution. As a result, the financial report may not be suitable for another purpose.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink, appearing to read 'AG Collinson', with a horizontal line drawn through it.

A G Collinson  
Partner  
Chartered Accountants  
Sydney, 14 March 2011