

ASX Announcement

24 January 2012

Multiplex European Property Fund (ASX: MUE) Valuation of Properties and Cash Lock Up

Brookfield Capital Management Limited (BCML), as Responsible Entity for Multiplex European Property Fund (Fund), announces that independent valuations of the Fund's properties have been obtained by the Fund's financier which impact the Fund's financing arrangements.

As provided under the Fund's debt facility, the Fund's financier, Eurohypo AG (Bank), has obtained a valuation of the Fund's properties. As at 31 December 2011, the portfolio value was €230.92 million, representing a 9% reduction from the 30 June 2011 valuation adopted by the Fund and is approximately equal to the principal amount owing under the debt facility.

The Loan to Value (LVR) ratio calculated for the purposes of the debt facility is approximately 100.2%. As the LVR exceeds 95% the terms of the debt facility provide that the cash and cash flow within the partnerships that own the Fund's property interests be retained within those entities, and financier consent will be required to pay certain expenses. However, no event of default arises as a direct consequence of the reduced valuation and increased LVR. The restrictions on cash remittances from the partnerships will be eliminated if certain conditions are met prior to 15 April 2013 including a reduction in the LVR to 95% or below and an Interest Cover Ratio of greater than 140% for the two immediately preceding interest payment dates.

Next Steps

The accounts for the half year ended 31 December 2011 are being prepared for review and it is anticipated that they will be released in late February. BCML will give consideration to the valuations obtained by the Bank in the course of preparation of those accounts.

BCML is considering the effect of the cash lock up on the Fund. BCML is continuing its discussions with the Bank and will advise unitholders of the outcome of those discussions. The Fund currently retains available cash balances of approximately \$42 million (17 cents per unit) in Australia. Cash held in Australia is not provided as security for the debt facility.

Declaration of any future distributions will remain subject to BCML's assessment of the effects of the cash lock up, operating and/or market conditions in Germany and Australia and taxation requirements including the outcome of the German taxation audit which is continuing. Further information in this regard will be provided to unitholders in due course.

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Brookfield Customer Service
Ph: 1800 570 000