

# ASX Announcement

18 January 2013

## **Multiplex European Property Fund (ASX: MUE) German tax audit**

Brookfield Capital Management Limited (BCML), as Responsible Entity for Multiplex European Property Fund (Fund), provides an update in relation to the audit by German tax authorities of a number of partnerships in which the Fund holds a 94.9% interest.

Notice has been received from the German tax authorities stating that an audit of the partnerships for the 2007 to 2010 years will commence on 11 February 2013. The scope of the audit will include determination of the partnership profit, German trade tax and value added tax. Presently, it is not known how long the audit will take to complete.

As announced previously, an assessment from the German tax authority was received by a partnership for approximately €2 million (including interest and penalties) for trade tax payable for the 2004 to 2006 income years. This assessment was paid and in line with independent advice an objection has been lodged.

Whilst each year is considered separately, if the tax authorities were to adopt the same views to 2007 as applied to 2004 to 2006 the current estimate of potential trade tax payable for that year would be approximately €27.6 million (including approximately €5.3 million interest and penalties calculated as at 1 February 2013). Such liability would be payable by the respective German partnership and ultimately its partners. The assets of this partnership and its partners are limited to the value of interests held in the partnership's German property portfolio, related operating cashflows and nominal capital of the partners.

The Fund currently retains available cash balances of approximately \$31 million (12.5 cents per unit) in Australia which is held outside of the partnerships and its partners.

As soon as there are further updates, BCML will advise investors.

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