

ASX Announcement

12 January 2015

Brookfield Prime Property Fund (ASX: BPA) Conditional agreement to lease vacant space

Brookfield Capital Management Limited (BCML) as Responsible Entity for Brookfield Prime Property Fund (BPA or the Fund) announces that a conditional agreement for lease has been executed in relation to part of the vacant space in its 50% owned property at 108 St Georges Terrace, Perth.

The agreement for lease for approximately 8,300 square metres is with a BHP Billiton entity that would be part of South32, the new company which BHP Billiton plans to create via a demerger. A final decision on the proposed demerger is subject to BHP Billiton Board and shareholder approval. The shareholder vote is expected to take place in May 2015.

The lease will be for a period of 10.5 years commencing May 2015, and will be entered into if the BHP Billiton Board and shareholders proceed with the demerger. The agreement for lease may also be terminated by BHP Billiton in other circumstances with appropriate compensation being payable.

If the conditions are satisfied, the agreement represents an important step in de-risking part of the vacant space at 108 St Georges Terrace. However, BCML does not consider that execution of the agreement will have a material effect on the value of the 50% interest in the property (\$166 million as at 30 June 2014) as the proposed transaction is broadly in line with current valuation assumptions. From a cashflow perspective, any short term requirements to meet capital expenditure for the lease are expected to be funded from cash reserves and debt facilities.

In the event that the lease takes effect, occupancy at the property will increase to 75%. The weighted average lease expiry of the property (by area) will increase to 7 years.

Additional information about the Fund and its assets can be found at www.au.brookfield.com.

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