

# PRODUCT DISCLOSURE STATEMENT

## MULTIPLEX SITES

For the issue of **Step-up Income-distributing Trust-issued Exchangeable Securities (Multiplex SITES)** in the **Multiplex SITES Trust** at an issue price of \$100 each to raise up to \$400 million – with the ability to accept oversubscriptions for up to \$50 million

Applications must be for a minimum of 50 Multiplex SITES (\$5,000)

# MULTIPLEX



#### Issuer

**Multiplex Funds Management Limited (ABN 15 105 371 917, AFSL 231141), as responsible entity for Multiplex SITES Trust (ARSN 111 903 747)**

#### Subordinated Guarantors

**Multiplex Funds Management Limited (ABN 15 105 371 917), as responsible entity for Multiplex Property Trust (ARSN 106 643 387), and Multiplex Limited (ABN 96 008 687 063)**

#### Lead Manager & Bookrunner



#### Co-managers

**ANZ Securities Limited**

**Bell Potter Securities Limited**

**Commonwealth Securities Limited**

**National OnLine Trading Limited**

**UBS Private Clients Australia Limited**

# IMPORTANT INFORMATION

## MULTIPLEX SITES

Multiplex SITES are **Step-up Income-distributing Trust-issued Exchangeable Securities** issued by Multiplex Funds Management Limited, as responsible entity of Multiplex SITES Trust (Issuer). Each Multiplex SITES is a fully paid unit in Multiplex SITES Trust that is, at the election of the Issuer (subject to approval of Trust RE and Multiplex), in certain circumstances, Redeemable for cash or Exchangeable into fully paid Stapled Securities.

## OFFER DOCUMENT

This Offer Document is a product disclosure statement, issued by Multiplex Funds Management Limited, as responsible entity of Multiplex SITES Trust (Issuer), for the issue of Multiplex SITES.

This Offer Document is dated 29 November 2004. A copy of this Offer Document was lodged with the Australian Securities and Investments Commission (ASIC) on that date. ASIC takes no responsibility for the contents of this Offer Document.

## OFFER DOCUMENT AVAILABILITY

This Offer Document will be made generally available from 29 November 2004 until the Closing Date. You can obtain a copy electronically on Multiplex Group's website at [www.multiplex.biz](http://www.multiplex.biz). You can obtain a printed copy of this Offer Document free of charge during the Offer Period by calling the **Multiplex InfoLine on 1800 68 54 55** (Monday to Friday – 8.30am to 5.30pm Sydney time). Application Forms will be available during the Offer Period with printed copies of this Offer Document and electronically, after the Exposure Period. There is no facility for Applications to be submitted electronically except where it may be provided by a Co-manager or Participating Broker.

## APPLICATIONS

You may only make an Application for Multiplex SITES as described in this Offer Document during the Offer Period and only on the Application Forms accompanying this Offer Document (including an electronic copy of this Offer Document).

Applications will not be accepted by the Issuer prior to the opening of the Offer Period and, in any case, until after the expiry of the Exposure Period. The Exposure Period generally runs for seven days after lodgment of this Offer Document with ASIC. However, ASIC may extend it by up to a further seven days. No preference will be conferred on persons who lodge Applications before the expiry of the Exposure Period.

## FOREIGN JURISDICTIONS

The distribution of this Offer Document (including an electronic copy) in jurisdictions outside Australia may be restricted by law. Persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Offer Document does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register

or qualify Multiplex SITES or to otherwise permit a public offering of Multiplex SITES outside Australia. In particular, Multiplex SITES have not been registered under the United States Securities Act of 1933 (Securities Act), and may not be offered or sold in the United States or to, or for the account or benefit of, a US person (as defined in Regulation S of the Securities Act). Multiplex SITES may be offered in a jurisdiction outside Australia where such an offer is made in accordance with the laws in that jurisdiction. If you are located in jurisdictions outside Australia, you should refer to Section 10.11.

## DEFINED WORDS AND EXPRESSIONS

Some words and expressions used in this Offer Document have defined meanings. The Glossary in Appendix B and clause 8 of the Terms in Appendix A define these words and expressions. A reference to time in this Offer Document is to Sydney time, unless otherwise stated. A reference to \$, A\$, dollars or cents is to Australian currency, unless otherwise stated.

## FORECASTS

This Offer Document contains forecasts based on Best Estimate assumptions. While these Best Estimate assumptions are considered appropriate at the time of preparing this Offer Document, you should appreciate that many factors, which may affect the results of Multiplex Group, are outside the control of the Directors or may not be capable of being foreseen or accurately predicted. Accordingly, actual results may vary materially from forecast. You are advised to review the Best Estimate assumptions in Section 6.

## DISCLAIMER

No person is authorised to give any information or to make any representation in connection with the Offer described in this Offer Document that is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Issuer or Multiplex Group in connection with the Offer. None of the Issuer, Multiplex Group or any other person warrants the future performance of the Issuer or Multiplex Group or any return on any investment made pursuant to this Offer Document.

Any statement as to the suitability of Multiplex SITES offered under this Offer Document is general only and does not take into account your particular needs, objectives, financial circumstances and investment preferences. You should read this Offer Document in its entirety and where appropriate you should obtain independent advice, particularly about such individual matters as taxation, retirement planning and investment risk tolerance. If you have any questions about the Offer, you should contact your stockbroker, accountant or other financial adviser.

# LETTER FROM THE CHAIRMAN OF MULTIPLEX GROUP



ON BEHALF OF THE ISSUER, I AM PLEASED TO OFFER YOU THIS OPPORTUNITY TO INVEST IN MULTIPLEX SITES TO BE ISSUED BY THE MULTIPLEX SITES TRUST.

29 November 2004

Dear Investor

On behalf of the Issuer, I am pleased to offer you this opportunity to invest in Multiplex SITES. The Issuer is Multiplex Funds Management Limited, as responsible entity of Multiplex SITES Trust. Under the Offer the Issuer intends to issue up to \$400 million of Multiplex SITES, with the ability to accept oversubscriptions of up to \$50 million. Multiplex SITES have an issue price of \$100 and Applications must be for a minimum of 50 Multiplex SITES (\$5,000).

The proceeds of the Offer will be applied to refinance acquisition finance facilities relating to Multiplex Group's joint bid for Duelguide plc. The issue of Multiplex SITES is within Multiplex Group's capital management strategy to identify and capitalise on opportunities to enhance financial flexibility and to implement strategies to strengthen the Multiplex Group's balance sheet.

Multiplex SITES offer a non-cumulative, floating Priority Distribution Payment, payable quarterly in arrears. The Distribution Rate will be calculated each Distribution Period based on the three month Bank Bill Rate plus the Margin. For the first Distribution Period, the Distribution Rate will be the greater of the Bank Bill Rate determined on the last day of the Bookbuild and the Bank Bill Rate on the Issue Date, plus the Margin.

The Margin will be determined by the Bookbuild and will be in the range of 1.65% – 2.15% per annum. Multiplex SITES have no stated maturity date. Subject to approval from Trust RE and Multiplex, the Issuer may require Multiplex SITES to be Redeemed for cash or Exchanged for Multiplex Group Stapled Securities on or after the Step-up Date (1 April 2010) or under other specified circumstances. Should Multiplex SITES not be Redeemed or Exchanged by the Step-up Date, the Margin will increase by a one time step-up of 2.00% per annum for the remainder of the period that Multiplex SITES are on issue.

Payments which become due and payable on Redemption or Exchange of Multiplex SITES are guaranteed on an unsecured and subordinated basis by the Trust and Multiplex. This guarantee ranks ahead of payments to Stapled Securityholders, but is subordinated to Senior Creditors.

The Offer includes an offer to Eligible Stapled Securityholders. If you were a registered Stapled Securityholder with an address in Australia at 7.00 pm on 29 November 2004, you are eligible to apply for Multiplex SITES under the Stapled Securityholder Offer.

The key dates are summarised on page 2. It is possible that the Offer will close earlier, so I encourage you to lodge your Application promptly.

Please call the **Multiplex InfoLine on 1800 68 54 55** if you have any questions about how to apply for Multiplex SITES.

On behalf of the Directors of the Issuer, I invite you to consider this investment opportunity.

Yours faithfully

A handwritten signature in black ink, which appears to read 'J. Roberts'.

John C Roberts AO  
Chairman of Multiplex Group

# KEY DATES

EVENT	DATE
RECORD DATE FOR STAPLED SECURITYHOLDER OFFER	7.00PM 29 NOVEMBER 2004
OFFER DOCUMENT LODGED WITH ASIC	29 NOVEMBER 2004
BOOKBUILD	7 DECEMBER–8 DECEMBER 2004
MARGIN ANNOUNCED	9 DECEMBER 2004
OPENING DATE	9 DECEMBER 2004
STAPLED SECURITYHOLDER AND GENERAL OFFER CLOSING DATE	5.00PM 12 JANUARY 2005
BROKER FIRM OFFER CLOSING DATE	10.00AM 17 JANUARY 2005
ISSUE DATE	19 JANUARY 2005
MULTIPLEX SITES BEGIN TRADING ON ASX (DEFERRED SETTLEMENT BASIS)	20 JANUARY 2005
HOLDING STATEMENTS DESPATCHED	20 JANUARY–24 JANUARY 2005
MULTIPLEX SITES BEGIN TRADING ON ASX (NORMAL SETTLEMENT BASIS)	25 JANUARY 2005
FIRST DISTRIBUTION PERIOD	ISSUE DATE TO 31 MARCH 2005
FIRST DISTRIBUTION PAYMENT DATE	15 APRIL 2005
STEP-UP DATE	1 APRIL 2010

## DATES MAY CHANGE

These dates (except for the end of the first Distribution Period, the first Distribution Payment Date and the Step-up Date) are indicative only and are subject to change. The Issuer has the right, subject to agreement with the Lead Manager, to extend the Offer or close the Offer early without notice. Accordingly, you are encouraged to submit your Application Form as soon as possible after the Opening Date. If the Offer is extended, the subsequent dates above (except for the end of the first Distribution Period, the first Distribution Payment Date and the Step-up Date) will also be extended.

## QUOTATION

Application will be made to ASX within seven days after the date of this Offer Document for Multiplex SITES to be admitted for quotation on ASX. Unless ASIC exempts Trust RE from, or modifies, section 1013H of the Corporations Act, Trust RE will apply for admission to quotation of Units to be issued on any Exchange within seven days of the date of this Offer Document.

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<b>1. Read</b>	<p><b>Read this Offer Document in full</b>, paying particular attention to:</p> <ul style="list-style-type: none"> <li>important information on the inside front cover;</li> <li>answers to key questions about the Offer, in Section 2; and</li> <li>investment risks that may be relevant to an investment in Multiplex SITES, in Section 7.</li> </ul>										
<b>2. Consider</b>	<p><b>Consider all risks and other information</b> about Multiplex SITES in light of your particular investment objectives and circumstances.</p>										
<b>3. Consult</b>	<p><b>Consult with your stockbroker, accountant or other financial adviser</b> if you are uncertain whether Multiplex SITES are a suitable investment for you.</p>										
<b>4. Complete</b>	<p><b>Complete the Application Form accompanying this Offer Document.</b></p> <ul style="list-style-type: none"> <li>If you are a registered Stapled Securityholder with an Australian address at 7.00pm on 29 November 2004 (Eligible Stapled Securityholder), you are eligible to apply for Multiplex SITES under the <b>Stapled Securityholder Offer</b>. Eligible Stapled Securityholders may obtain a copy of this Offer Document and a personalised blue Application Form by responding to the card mailed to them on or around 2 December 2004, by contacting the <b>Multiplex InfoLine on 1800 68 54 55</b> or by registering online at the Multiplex Group website <a href="http://www.multiplex.biz">www.multiplex.biz</a> Eligible Stapled Securityholders may apply through the General Offer, but should they do so, they will not receive any preferential treatment in the allocation of Multiplex SITES.</li> <li>If you are not an Eligible Stapled Securityholder and you want to apply for Multiplex SITES through the <b>General Offer</b>, then you need to complete the green Application Form in the back of this Offer Document. You can receive a copy of this Offer Document and an Application Form online at <a href="http://www.multiplex.biz">www.multiplex.biz</a>. To obtain a paper copy of this Offer Document, including an Application Form, contact the <b>Multiplex InfoLine on 1800 68 54 55</b> or register online at the Multiplex Group website <a href="http://www.multiplex.biz">www.multiplex.biz</a></li> </ul> <p>There is no facility for Applications to be submitted electronically except where it may be provided by a Co-manager or Participating Broker. Completed Application Forms must be accompanied by a cheque(s) and/or money order(s) (or both) in Australian dollars drawn on an Australian branch of an Australian financial institution. Cheques should be crossed 'not negotiable' and made payable to '<b>Multiplex SITES Offer</b>'. Cash payments will not be accepted.</p> <p>If you are a <b>Broker Firm Applicant</b>, you should contact your Co-manager or Participating Broker for instructions on how to submit your Application Form and Application payment.</p>										
<b>5. Mail or deliver</b>	<p><b>Mail or deliver your completed Application Form together with your Application payment</b> (unless you are a Broker Firm Applicant):</p> <table> <tr> <td><b>mail to:</b></td><td><b>hand deliver to:</b></td></tr> <tr> <td>ASX Perpetual Registrars Limited</td><td>ASX Perpetual Registrars Limited</td></tr> <tr> <td>Multiplex SITES Offer</td><td>Multiplex SITES Offer</td></tr> <tr> <td>Reply Paid 1503</td><td>Level 8, 580 George Street</td></tr> <tr> <td>Sydney South NSW 1234</td><td>Sydney NSW 2000</td></tr> </table> <p>Completed Application Forms and Application payments must be received by ASX Perpetual Registrars Limited by no later than:</p> <ul style="list-style-type: none"> <li><b>if you are an Applicant under the Stapled Securityholder Offer or the General Offer</b> – on the Stapled Securityholder Offer and General Offer Closing Date – by 5.00pm (Sydney time) on 12 January 2005; and</li> <li><b>if you are a Broker Firm Applicant</b> – once you have forwarded your Application Form and Application payment to your Co-manager or Participating Broker they will arrange settlement on your behalf by the Broker Firm Closing Date – by 10.00am (Sydney time) 17 January 2005.</li> </ul> <p>It is possible that the Offer will close early, so you should lodge your Application promptly.</p>	<b>mail to:</b>	<b>hand deliver to:</b>	ASX Perpetual Registrars Limited	ASX Perpetual Registrars Limited	Multiplex SITES Offer	Multiplex SITES Offer	Reply Paid 1503	Level 8, 580 George Street	Sydney South NSW 1234	Sydney NSW 2000
<b>mail to:</b>	<b>hand deliver to:</b>										
ASX Perpetual Registrars Limited	ASX Perpetual Registrars Limited										
Multiplex SITES Offer	Multiplex SITES Offer										
Reply Paid 1503	Level 8, 580 George Street										
Sydney South NSW 1234	Sydney NSW 2000										

For further details on how to apply for Multiplex SITES, see Section 3 and the guide to completing Application Forms accompanying this Offer Document. To answer any further questions you may have on how to apply for Multiplex SITES, call the **Multiplex InfoLine on 1800 68 54 55**, Monday to Friday (8.30am – 5.30pm, Sydney time).



# WHO IS MULTIPLEX GROUP?\*

MULTIPLEX GROUP IS A FULLY INTEGRATED AND DIVERSIFIED BUSINESS, WITH OPERATIONS IN PROPERTY DEVELOPMENT, CONSTRUCTION, PROPERTY FUNDS MANAGEMENT AND FACILITIES AND INFRASTRUCTURE MANAGEMENT.

Multiplex Group has offices located throughout Australia along with offices in the United Kingdom, New Zealand and the United Arab Emirates.

## WHAT WE DO

### DEVELOP PROPERTY DEVELOPMENT

**Locations:** Australia, New Zealand, United Kingdom

**Selection of current projects:**

- Bluewater development (Cairns, Australia)
- Britomart redevelopment (Auckland, New Zealand)
- Casuarina Beach (Tweed Coast, Australia)
- City Square (Perth, Australia)
- Ettalong Beach Resort (NSW Central Coast, Australia)
- King Street Wharf (Sydney, Australia)
- Lakelands Signature Living (Gold Coast, Australia)
- Latitude at World Square (Sydney, Australia)
- Maroubra Bay Hotel (Sydney, Australia)
- Monument Apartments (Sydney, Australia)
- Portside Wharf (Brisbane, Australia)
- Raffles (Perth, Australia)
- Southern Cross (Melbourne, Australia)
- The Chancellor (Sydney, Australia)
- Vale Broadacre (Perth, Australia)
- West Cromwell Road (London, United Kingdom)

### BUILD CONSTRUCTION

**Locations:** Australia, New Zealand, United Kingdom, United Arab Emirates

**Selection of current projects:**

- Burj Residences (Dubai, United Arab Emirates)
- Concept Blue (Melbourne, Australia)
- Festival Towers (Brisbane, Australia)
- Freshwater Place (Melbourne, Australia)
- Grosvenor House Hotel (Dubai, United Arab Emirates)
- Latitude at World Square (Sydney, Australia)
- Lighter Quay (Auckland, New Zealand)
- Melbourne City Towers (Melbourne, Australia)
- Southern Cross (Melbourne, Australia)
- The Gate (Dubai, United Arab Emirates)
- The Knightsbridge (London, United Kingdom)
- Victoria Point (Melbourne, Australia)
- Wembley National Stadium (London, United Kingdom)
- White City (London, United Kingdom)

### OWN PROPERTY FUNDS MANAGEMENT

**Locations:** Australia, New Zealand, United Kingdom

**Acquisitions / Investments in 2004:**

- Formation of Multiplex Property Trust
- 21 owned or contracted properties at 30 June 2004
- Acquisition of James Hardie Industrial portfolio
- Acquisition of retail assets (South City Shopping Centre and Bracken Ridge Plaza)
- 25% interest in Sapphire Retail Fund Limited
- 33% interest in Stannifer Corovest Funds Management Limited
- 7.4% interest in Duelguide plc
- External funds under management:
  - Multiplex Development and Opportunity Fund
  - Acumen Capital Property Securities Fund
  - Four Acumen unlisted property funds
- 25% interest in Multiplex New Zealand Property Fund

### MANAGE FACILITIES AND INFRASTRUCTURE MANAGEMENT

**Locations:** Australia, New Zealand, United Kingdom

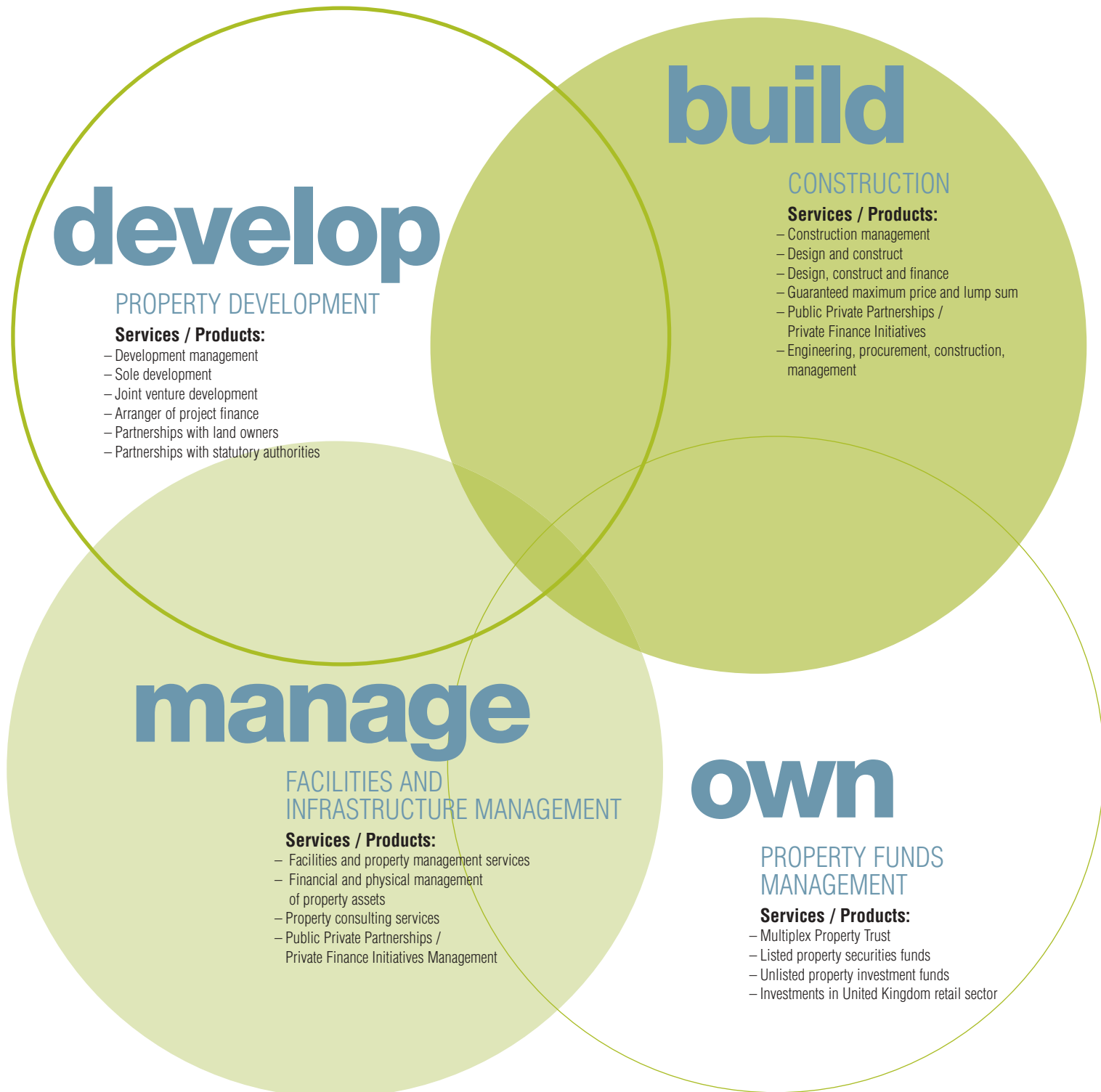
**Selection of current contracts in 2004:**

- 240 Queen Street (Brisbane, Australia)
- 324 Queen Street (Brisbane, Australia)
- Australian Taxation Office (Adelaide, Australia)
- Casey Community Hospital (Berwick, Australia)
- James Hardie portfolio (Australia and New Zealand)
- Jones Bay Wharf (Sydney, Australia)
- KPMG Tower, King Street Wharf (Sydney, Australia)
- Luna Park (Sydney, Australia)
- Manhattan Apartments (Sydney, Australia)
- National Archives (Canberra, Australia)
- NSW Police Headquarters (Sydney, Australia)
- Old Swan Brewery (Perth, Australia)
- Pittwater Place (Sydney, Australia)
- Queen Victoria Building (Sydney, Australia)
- Telstra Stadium (Sydney, Australia)
- The Horizon (Sydney, Australia)
- Vale land sales (Perth, Australia)
- Wharf at Woolloomooloo (Sydney, Australia)

Note:

\* If your Application for Multiplex SITES is successful, you will be making an investment in the Multiplex SITES Trust, and not directly in Multiplex Property Trust and Multiplex Limited.

## MULTIPLEX GROUP'S INTEGRATED AND DIVERSIFIED PROPERTY MODEL



# SUMMARY OF TERMS

This Section sets out a summary of the terms of Multiplex SITES. The Terms are set out in full in Appendix A. This information is a summary only and should be read in conjunction with other information contained in this Offer Document. There are particular risks attaching to investing in Multiplex SITES, as well as general risks associated with investing in Multiplex Group. A summary of these risks is set out in Section 7. Section 2 sets out answers to key questions about the Offer.

## GENERAL

### Multiplex SITES

**Step-up Income-distributing Trust-issued Exchangeable Securities.** A fully paid unit in Multiplex SITES Trust that is entitled to income that is derived by Multiplex SITES Trust being a non-cumulative, floating Priority Distribution Payment, payable quarterly in arrears (see 'Payment discretion' below).

Multiplex SITES are in certain circumstances, Redeemable or Exchangeable at the election of the Issuer (subject to approval of Trust RE and Multiplex).

<b>Offer</b>	Up to \$400 million of Multiplex SITES with the ability to accept up to \$50 million of oversubscriptions. The Offer comprises an offer to Eligible Stapled Securityholders, a General Offer to Australian resident retail investors, a Broker Firm Offer open to Australian resident retail investors through the Co-managers and Participating Brokers and an institutional offer conducted through the Lead Manager.
<b>Face Value</b>	\$100 per Multiplex SITES.
<b>Issuer</b>	Multiplex Funds Management Limited, as responsible entity of Multiplex SITES Trust.
<b>Guarantors</b>	Trust RE and Multiplex.
<b>Quotation</b>	Application will be made by the Issuer within seven days after this Offer Document is lodged with ASIC for Multiplex SITES to be admitted for quotation on ASX – application has been made for Multiplex SITES to trade under ASX Code 'MXUPA'.

## PRIORITY DISTRIBUTION PAYMENTS

<b>Priority Distribution Payment</b>	<p>Holders have an entitlement on the last day of each Distribution Period, to receive payments of distributions of all income of the Multiplex SITES Trust up to the Priority Distribution Payment for that period.</p> <p>The Priority Distribution Payment is determined with reference to the Distribution Rate for that period.</p> <p>It is important to note that a Priority Distribution Payment may not be made (see 'Payment discretion' below).</p>
<b>Distribution Rate</b>	<p>The Distribution Rate for the first Distribution Period will be the greater of the three month Bank Bill Rate on the last day of the Bookbuild and the three month Bank Bill Rate on the Issue Date, plus the Margin determined through the Bookbuild.</p> <p>After the first Distribution Period, the Distribution Rate will be the three month Bank Bill Rate determined on the first Business Day of each relevant Distribution Period, plus the Margin.</p> <p>The Distribution Rate may increase or decrease through movements in the Bank Bill Rate.</p>
<b>Margin</b>	<p>The Margin will initially be the rate determined by the Bookbuild, and will be within the range of 1.65% – 2.15% per annum. If Multiplex SITES have not been Redeemed or Exchanged prior to the Step-up Date, the Margin will increase by a one time step-up of 2.00% per annum, for the remainder of the period that the Multiplex SITES are on issue.</p>
<b>Step-up Date</b>	<p>1 April 2010 – the first day of the first Distribution Period commencing after the fifth anniversary of the Issue Date.</p>
<b>Franking</b>	<p>Distributions will not be franked.</p>
<b>Distribution Period</b>	<p>Each quarterly period ending 31 March, 30 June, 30 September and 31 December each year, but in the case of the first Distribution Period, the period commencing on and including the Issue Date and ending on and including 31 March 2005.</p> <p>In the case of the last Distribution Period for any Multiplex SITES, the Distribution Period ends on the Realisation Date.</p>
<b>Record Date for each Distribution Period</b>	<p>The last day of each Distribution Period.</p>
<b>Distribution Payment Date</b>	<p>11 Business Days after the end of each Distribution Period and the Realisation Date on any Redemption or Exchange.</p>
<b>Payment discretion</b>	<p>A Priority Distribution Payment is only payable if Multiplex Group, at its discretion, determines that the Priority Distribution Payment is payable (see Sections 2.6.6 and 4.1 for an explanation of how Multiplex Group regulates payments to Multiplex SITES Trust and, through it, to Holders).</p> <p>If a Priority Distribution Payment is not made, it will not be paid subsequently unless it forms part of an Optional Distribution Payment or an Unpaid Distribution Amount (see below).</p> <p>Where a Priority Distribution Payment is not made, there are restrictions on Stapled Securities (see 'Restrictions on Stapled Securities' below and Section 2.6.7).</p>
<b>Non-cumulative</b>	<p>Priority Distribution Payments are non-cumulative.</p> <p>However, upon Redemption or Exchange, Holders will be entitled to:</p> <ul style="list-style-type: none"> <li>• a Final Distribution Payment – which represents the accrued Priority Distribution Payment for the final Distribution Period; and</li> <li>• a Make-Up Distribution Payment – which represents any unpaid Priority Distribution Payments in the preceding four Distribution Periods, not being more than the total amount of those preceding four Priority Distribution Payments less the Final Distribution Payment.</li> </ul> <p>This Holder entitlement is referred to in this Offer Document as the Unpaid Distribution Amount.</p>
<b>Restrictions on Stapled Securities</b>	<p>If a Priority Distribution Payment is not paid in full, the Trust and Multiplex must not pay distributions on Stapled Securities, or reduce or buy back any Stapled Securities.</p> <p>This does not prevent distributions of Multiplex Group in respect of Stapled Securities being reinvested into further Stapled Securities.</p> <p>These restrictions, if activated, will be lifted where an amount equivalent to the Priority Distribution Payments for the preceding four Distribution Periods is, or has been, paid in full.</p>

# SUMMARY OF TERMS CONTINUED

## REDEMPTION

### Holder Redemption

Holders have the right to initiate Redemption of Multiplex SITES, by issue of a Holder Realisation Notice, in the following limited circumstances:

- a breach of the restrictions imposed on Stapled Securities, 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 Multiplex Group) or Multiplex Hybrid Investment Trust (MHIT) (for as long as MHIT Trustee is a member of Multiplex 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.

Upon Redemption, Holders will receive the aggregate of \$100 plus the Unpaid Distribution Amount in cash.

### Issuer Redemption

Subject to the approval of Trust RE and Multiplex, the Issuer may initiate Redemption of all or some of 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 Multiplex SITES Trust is no longer a member of Multiplex Group;
- a Change of Control Event; or
- there are less than \$50 million of Multiplex SITES remaining on issue.

## EXCHANGE

### Holder Exchange

Holders have no right to request Exchange.

### Issuer Exchange

Subject to the approval of Trust RE and Multiplex, the Issuer may initiate Exchange of all or some Multiplex SITES for Stapled Securities in the same circumstances as those where the Issuer may initiate Redemption.

The Exchange Process will be effected on the Realisation Date.

If the Issuer initiates one or more of Redeem or Exchange, then, if they do not Redeem or Exchange all Multiplex SITES then on issue, they may do so in such proportions as they determine as long as they treat all Holders equally.

### Exchange Ratio

The Exchange Ratio is used to calculate the number of Stapled Securities received by a Holder on Exchange of each Multiplex SITES. It is calculated by dividing:

- the aggregate of the Face Value plus the Unpaid Distribution Amount; by
- the average of the daily volume weighted average sale prices of Stapled Securities sold on ASX (VWAP) during the 20 Business Days immediately before the Realisation Date, reduced by the Exchange Discount of 2.5%.

In the case of a Change of Control Event, the Face Value plus the Unpaid Distribution Amount will generally be divided by 97.5% of the offer price under the takeover bid or scheme of arrangement.

## RANKING AND GUARANTEE

### Ranking

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

### Guarantee

The Guarantors guarantee the Face Value and Unpaid Distribution Amount on Redemption or Exchange. In addition, while the responsible entity of the Multiplex SITES Trust is a member of Multiplex Group, the Guarantors guarantee any distributions which have been declared payable by Multiplex SITES 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 the Trust and Shares in Multiplex, but are subordinated to Senior Creditors.

**You should read the whole of this Offer Document carefully. If you are unclear in relation to any matter or uncertain if Multiplex SITES are a suitable investment, you should consult your stockbroker, accountant or other financial adviser.**

# 2

## ANSWERS TO KEY QUESTIONS

This Section answers some key questions you may have about Multiplex SITES regarding:

- description of Multiplex SITES;
- use of proceeds;
- risks;
- taxation;
- Applications;
- Priority Distribution Payments;
- Redemption and Exchange;
- participation and voting rights; and
- where to obtain more information on Multiplex SITES.

The answers to these key questions are intended as a guide only. Further details are provided in other Sections of this Offer Document and in the Terms set out in full in Appendix A.

If you are unclear in relation to any matter or uncertain if Multiplex SITES are a suitable investment for you, you should consult your stockbroker, accountant or other financial adviser.

You should read the whole of this Offer Document carefully.

### 2.1 DESCRIPTION OF MULTIPLEX SITES

#### 2.1.1 What are Multiplex SITES?

Multiplex SITES are **Step-up Income-distributing Trust-issued Exchangeable Securities** issued by the Issuer.

Multiplex SITES:

- entitle Holders, on the last day of each Distribution Period, to receive non-cumulative payments of distributions of all income of the Multiplex SITES Trust, up to the Priority Distribution Payment, for the Distribution Period, being the quarterly periods ending 31 March, 30 June, 30 September and 31 December (see Section 2.6). There is no guarantee that the Multiplex SITES Trust will have any or sufficient income to make Priority Distribution Payments in any quarter;
- may be Redeemed or Exchanged into Stapled Securities by the Issuer in certain circumstances (see Section 2.7.1). Upon Redemption or Exchange, Holders will receive an amount of cash or Stapled Securities (or both) equivalent to the Face Value and the Unpaid Distribution Amount;

- may be Redeemed by Holders in limited circumstances (see Section 2.7.2);
- have the benefit of an unsecured and subordinated Guarantee in priority to Stapled Securityholders with respect to the Face Value and Unpaid Distribution Amount (see Section 2.2.5); and
- will only be issued if an approval is given by ASX for listing (see Section 4.4.1).

## 2.2 USE OF PROCEEDS

### 2.2.1 Who is issuing Multiplex SITES?

Multiplex SITES will be issued by Multiplex Funds Management Limited as responsible entity of the newly established Multiplex SITES Trust. The Face Value and any Unpaid Distribution Amount are guaranteed on an unsecured and subordinated basis by the Guarantors – Multiplex Funds Management Limited, as the responsible entity for the Trust, and Multiplex. A summary of the Multiplex SITES investment structure is set out in the diagram in Section 4.1.

### 2.2.2 How will the proceeds be used by the Issuer?

The proceeds of the Offer will be used by Multiplex SITES Trust to subscribe for units in MHIT. MHIT will use these proceeds to make a loan to the Trust under the Loan Agreement, which is summarised in Section 10.6. This investment structure is set out in the diagram in Section 4.1.

### 2.2.3 How will Multiplex Group use the net proceeds of the Offer?

The net proceeds of the issue of Multiplex SITES will be applied to refinance acquisition finance facilities relating to Multiplex Group's joint bid for Duelguide, a public limited company in the United Kingdom.

The issue of Multiplex SITES is within Multiplex Group's capital management policy, two key elements of which are to identify and capitalise on opportunities to enhance financial flexibility and to implement strategies to strengthen Multiplex Group's balance sheet.

Section 5 sets out Multiplex Group's strategy and Section 6 sets out Multiplex Group pro forma historical and forecast financial information to show the effect of the issue of Multiplex SITES. Section 7 sets out risks associated with an investment in Multiplex SITES and Multiplex Group.

### 2.2.4 When do amounts become due and payable?

The Face Value and any Unpaid Distribution Amount become due and payable in the following scenarios:

- if a Holder Realisation Notice is issued by 5% or more of Holders:
  - where there has been a breach on a restriction in relation to Stapled Securities in the case of non-payment of Priority Distribution Payments (see section 2.6.7); or
  - on the occurrence of a Winding-Up Event with respect to either of the Guarantors, or with respect to Multiplex SITES Trust, (for so long as the responsible entity of the Multiplex SITES Trust is a member of Multiplex Group) or MHIT (for so long as MHIT Trustee is a member of Multiplex Group).
- if a Realisation Notice is issued by the Issuer in relation to the following occasions:
  - 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 Multiplex SITES Trust is no longer a member of Multiplex Group;
  - a Change of Control Event; or
  - there are less than \$50 million Multiplex SITES remaining on issue.

Amounts do not become due and payable from Multiplex SITES Trust to the extent there is insufficient income available in Multiplex SITES Trust to make a distribution.

### 2.2.5 What is guaranteed by the Guarantors?

The Guarantors guarantee the Face Value and Unpaid Distribution Amount. In addition, while the responsible entity of the Multiplex SITES Trust is a member of Multiplex Group, the Guarantors guarantee any distributions which have been declared payable by Multiplex SITES Trust. As there is a discretion not to pay particular distributions prior to a Realisation Date, the Guarantee does not ensure that Priority Distribution Payments will be paid in all circumstances.

The Guarantee ranks in priority to Units in the Trust and Shares in Multiplex, is subordinated to Senior Creditors of the Trust and Multiplex and ranks equally with other creditors of the Trust and Multiplex who are not Senior Creditors. See Section 10.7 for a summary of the Guarantee.

## 2.3 RISKS

### 2.3.1 What are the risks of investing in Multiplex SITES?

An investment in Multiplex Group through Multiplex SITES will involve certain risks. See Section 7 for particular risks attaching to an investment in Multiplex SITES, as well as general risks attaching to an investment in Multiplex Group.

## 2.4 TAXATION

### 2.4.1 What are the taxation implications of holding or selling Multiplex SITES?

The taxation implications of investing in Multiplex SITES for you will depend on your individual circumstances. You should obtain your own taxation advice before investing in Multiplex SITES. A summary of some of the relevant taxation implications for Holders is in the taxation report from PricewaterhouseCoopers in Section 9.

## 2.5 APPLICATIONS

### 2.5.1 How can you apply for Multiplex SITES?

Details of how to apply for Multiplex SITES are provided in Section 3. Application Forms and a guide on how to complete the Application Forms accompany this Offer Document.

### 2.5.2 What are you required to pay for Multiplex SITES?

The issue price for each Multiplex SITES is its Face Value of \$100. No further payments are required from you to apply for Multiplex SITES. The minimum number of Multiplex SITES that you can apply for is 50, requiring a minimum investment of \$5,000. Applications for greater than the minimum Application amount must be in increments of 10 Multiplex SITES (or \$1,000).

### 2.5.3 Is brokerage or stamp duty payable on your Application?

No brokerage or stamp duty is payable on your Application.

### 2.5.4 Will you be required to pay any ongoing fees?

No. You will not be required to pay any ongoing fees. Multiplex Group is meeting the costs of establishing the Issuer, the costs of the Offer and, for as long as the responsible entity of the Multiplex SITES Trust is a part of Multiplex Group, the ongoing management costs of the Multiplex SITES Trust.

## 2.6 PRIORITY DISTRIBUTION PAYMENTS

### 2.6.1 When will Priority Distribution Payments be paid?

Holders are entitled to income in Multiplex SITES Trust up to the Priority Distribution Payment. To the extent that income is available in the Trust, Priority Distribution Payments will be payable 11 Business Days after the end of each Distribution Period, being the quarterly periods ending 31 March, 30 June, 30 September and 31 December.

The first Distribution Payment will accrue from the Issue Date to and including 31 March 2005. After 31 March 2005, Distribution Payments will accrue from the first day of each Distribution Period to and including the last day of that Distribution Period.

### 2.6.2 How will the Priority Distribution Payments be calculated?

Priority Distribution Payments for each Multiplex SITES for each Distribution Period will be calculated in accordance with the following formula:

$$\text{Priority Distribution Payment} = \frac{\text{Distribution Rate} \times \text{Face Value} \times \text{number of days in the Distribution Period}}{365}$$

Any fraction of a cent is disregarded when calculating Priority Distribution Payments on a Holder's aggregate holding of Multiplex SITES.

# ANSWERS TO KEY QUESTIONS CONTINUED

## 2.6.3 How will the Distribution Rate be calculated?

The Distribution Rate is a floating rate and will be calculated on the first Business Day of each Distribution Period, except for the first Distribution Period when it will be determined at the Issue Date. The Distribution Rate will be the Bank Bill Rate plus the Margin determined by the Bookbuild and will be within a range of 1.65% – 2.15% per annum.

The Distribution Rate for the first Distribution Period, which is from the Issue Date to and including 31 March 2005, will be the greater of the Bank Bill Rate on the last day of the Bookbuild and the Bank Bill Rate on the Issue Date, plus the Margin determined by the Bookbuild. The Bank Bill Rate is explained in Section 2.6.4.

Within three Business Days of each Distribution Period, Multiplex Group will announce a Distribution Rate for that Distribution Period to ASX.

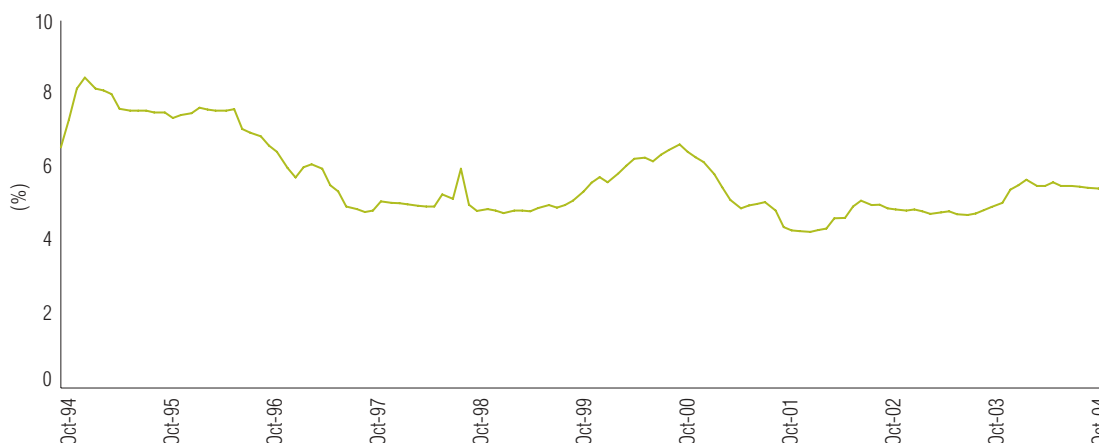
At the Step-up Date (1 April 2010), unless the Multiplex SITES are Redeemed or Exchanged, the Margin will increase by a one time step-up of 2.00% per annum, for the remainder of the period that Multiplex SITES are on issue. The Step-up Date is the first day of the first Distribution Period commencing after the fifth anniversary of the Issue Date.

## 2.6.4 What is the Bank Bill Rate?

The Bank Bill Rate is a benchmark interest rate in the Australian money market commonly used by Australian Banks to lend cash to each other over a three month period. The Bank Bill Rate is defined in clause 8.1 of the Terms.

The graph below shows movements in the Bank Bill Rate over the past ten years. The movement in the Bank Bill Rate in the future may be greater or less than that shown in the graph. The graph should not be taken as an indication of future movements in the Bank Bill Rate.

**Bank Bill Rate – October 1994 to October 2004**



Source: IRESS

## 2.6.5 Will Priority Distribution Payments be franked?

Priority Distribution Payments will not be franked.

## 2.6.6 Will Priority Distribution Payments always be paid?

Priority Distribution Payments are expected to be paid. If a Priority Distribution Payment is missed, it will not be paid subsequently unless it forms part of the Optional Distribution Payment or the Unpaid Distribution Amount. Payment of less than the full Priority Distribution Payments however, triggers restrictions in relation to Stapled Securities (see Section 2.6.7).

The Issuer is required to provide a notice to Holders if some or all of a Priority Distribution Payment will not be paid. This notice must be given at least five Business Days prior to the Distribution Payment Date.

See Section 4.1 for an explanation of how Multiplex Group may exercise its discretion not to pay a Priority Distribution Payment.

### **2.6.7 Are there any consequences for Multiplex Group if a Priority Distribution Payment is not paid in full?**

If for any reason a Priority Distribution Payment has not been paid in full within five Business Days after its Distribution Payment Date, distributions on Stapled Securities must not be paid, without approval of an Extraordinary Resolution. In this case, Multiplex dividends must not be declared and paid (except a dividend which is reinvested in Shares or Units), and to the extent that Trust distributions must be made, the responsible entity of the Trust must cause all Trust distributions payable to Stapled Securityholders, or an equivalent amount, to be reinvested in new Stapled Securities. In addition, Stapled Securities may not be cancelled, bought back or redeemed.

Thereafter, distributions to Stapled Securityholders (or Corporate Actions described above) can only be reinstated upon the occurrence of:

- the payment in full of the aggregate amount of the Priority Distribution Payments for the four preceding Distribution Payment Dates via an Optional Distribution Payment;
- the payment in full of the Priority Distribution Payments for the four preceding Distribution Periods; or
- all Multiplex SITES have been Redeemed or Exchanged.

### **2.6.8 How will Priority Distribution Payments be paid?**

Priority Distribution Payments will be paid by the Issuer in Australian currency by cheque or direct credit and a notice of the payment will be mailed to your registered address.

To be entitled to a Priority Distribution Payment, you must be recorded as a registered Holder on the Record Date.

## **2.7 REDEMPTION AND EXCHANGE**

### **2.7.1 When can the Issuer Redeem or Exchange?**

Subject to approval of Trust RE and Multiplex, the Issuer may Redeem or Exchange some or all Multiplex SITES, at its discretion, on the Business Day prior to the Step-up Date or the last Business Day of each Distribution Period after the Step-up Date.

Subject to approval of Trust RE and Multiplex, the Issuer also has the right to Redeem or Exchange where:

- there has been a change or proposed change in a law, interpretation or governmental ruling which will increase the costs of keeping Multiplex SITES in issue, or result in the denial of a deduction or other tax benefit in relation to Multiplex SITES (Increased Costs Event);
- any change in Australian Accounting Standards which results in:
  - the Multiplex SITES being treated as a liability for the purpose of the consolidated accounts of Multiplex Group; or
  - the units owned by the Issuer in MHIT being treated as a liability for the purpose of the consolidated accounts of Multiplex Group, in the event that a change in Australian Accounting Standards results in Multiplex SITES Trust no longer being a member of Multiplex Group (Accounting Event);
- a takeover bid or scheme of arrangement is successful in respect of the Stapled Securities (Change of Control Event);
- at any time the responsible entity of Multiplex SITES Trust is no longer a member of Multiplex Group; and
- there are less than \$50 million Multiplex SITES remaining on issue.

### **2.7.2 Can a Holder request Redemption or Exchange?**

Holders have a right to request Redemption in limited circumstances:

- where there is a breach of the restrictions on Stapled Securities, where a Priority Distribution Payment is not paid in full; and
- if a Winding-Up Event occurs with respect to either of the Guarantors, Multiplex SITES Trust (for so long as the responsible entity of Multiplex SITES Trust is a member of Multiplex Group) or MHIT (for so long as the MHIT Trustee is a member of Multiplex Group).

Holders have no right to request Exchange.

### **2.7.3 What happens to unpaid Priority Distribution Payments on Redemption or Exchange?**

The Face Value plus Unpaid Distribution Amount becomes due and payable on the relevant Realisation Date. In the event of Exchange, such amounts will be applied to subscribe for Stapled Securities.

### **2.7.4 How many Stapled Securities will Holders receive on Exchange?**

If the Issuer elects to Exchange, Holders will receive a number of Stapled Securities per Multiplex SITES, calculated in accordance with the Exchange Ratio.

# ANSWERS TO KEY QUESTIONS CONTINUED

Except as otherwise provided in the Terms, the Exchange Ratio is calculated according to the following formula:

$$\text{Exchange Ratio (number of Stapled Securities)} = \frac{\text{Face Value} + \text{Unpaid Distribution Amount}}{\text{VWAP} - (\text{Exchange Discount} \times \text{VWAP})}$$

where:

**Unpaid Distribution Amount**

means the aggregate of:

- a Final Distribution Payment – which represents the accrued Priority Distribution Payment for that current period; and
- a Make-Up Distribution Payment – which represents any unpaid Priority Distribution Payments in the preceding four Distribution Periods, not being more than the total amount of those preceding four Priority Distribution Payments less the Final Distribution Payment.

**VWAP**

subject to the adjustments described in clause 8 of the Terms, means the average of the daily volume weighted average sale prices of Stapled Securities sold on ASX during the 20 Business Days immediately preceding the Realisation Date.

In the case of a Change of Control Event, the denominator in the above formula will be equal to 97.5% of the offer price under the takeover bid, or the consideration under the scheme of arrangement. In the case of non-cash consideration, the amount will be the value of that consideration as reasonably determined by an independent expert appointed by the Issuer.

**Exchange Discount**

2.50%

The relevant terms regarding the Exchange Ratio formula are set out in clause 5.2 of the Terms.

If the total number of Stapled Securities to be issued to you on Exchange includes a fraction of a Stapled Security, then the fraction will be disregarded.

On Exchange, the Stapled Securities that you receive will rank equally in all respects with all other Stapled Securities then on issue.

## 2.7.5 What happens if Multiplex SITES are not Redeemed or Exchanged by the Step-up Date?

If Multiplex SITES are not Redeemed or Exchanged by the Step-up Date (1 April 2010), the Margin for each Distribution Period will be increased by a one time step-up of 2.00% per annum for the remainder of the period that Multiplex SITES are on issue.

## 2.7.6 How will you be able to realise your investment in Multiplex SITES?

The Issuer will within seven days after the date of this Offer Document apply for Multiplex SITES to be listed on ASX. Once quoted, Multiplex SITES can be purchased or sold on ASX through any stockbroker at the prevailing market price. That price may be higher or lower than the Face Value, and will depend, among other things, on the level of supply and demand for Multiplex SITES.

If quotation is not granted within three months from the date of this Offer Document, Multiplex SITES will not be issued and all Application monies will be returned to Applicants. No interest will be paid to Applicants on Application monies refunded.

## 2.8 PARTICIPATION AND VOTING RIGHTS

### 2.8.1 Do Multiplex SITES carry any participation rights?

No. Multiplex SITES do not carry a right to participate in any offering of securities in Multiplex Group.

### 2.8.2 Do Multiplex SITES have voting rights?

As a Holder, you are not expected to have voting rights at general meetings of the members of the Trust. You will not have any voting rights in respect of Multiplex. You will be entitled to vote at any Multiplex SITES meeting.

Stapled Securities issued pursuant to Exchange will give you voting rights at meetings of members of the Trust and Multiplex.

## 2.9 WHERE CAN I GET MORE INFORMATION ON MULTIPLEX SITES?

A number of relevant documents are available free of charge from Multiplex Group during the Offer Period (see Section 10.1).

If after reading this Offer Document you have further questions on how to apply, please call the **Multiplex InfoLine on 1800 68 54 55**, (Monday to Friday 8:30am – 5:30pm, Sydney time).

# APPLYING FOR MULTIPLEX SITES

This Section sets out what you must do if you wish to apply for Multiplex SITES, including:

- who may apply for Multiplex SITES;
- when you can apply;
- how to apply;
- how you pay for Multiplex SITES;
- how to complete your Application Forms; and
- where to send Application Forms and Application payments.

## 3.1 WHO MAY APPLY?

You may apply for Multiplex SITES if you are:

- an Eligible Stapled Securityholder – through the Stapled Securityholder Offer;
- an Australian resident retail investor – through the General Offer;
- an Australian resident retail client of a Co-manager or Participating Broker – through the Broker Firm Offer; or
- an institution – through the institutional offer via the Lead Manager.

No action has been, or will be, taken to register or qualify Multiplex SITES or otherwise permit a public offering of Multiplex SITES in any jurisdiction outside Australia. Multiplex SITES may be offered in a jurisdiction outside Australia where such an offer is made in accordance with the laws in that jurisdiction.

The Offer constituted by this Offer Document in electronic form is available only to persons receiving this Offer Document in electronic form in Australia.

# APPLYING FOR MULTIPLEX SITES CONTINUED

## 3.2 WHEN CAN YOU APPLY?

You can apply during the Offer Period, which is expected to begin on 9 December 2004. The Stapled Securityholder Offer and the General Offer have a different closing date to the Broker Firm Offer. The closing date for:

- the Stapled Securityholder Offer and the General Offer is expected to be 5.00pm on 12 January 2005. Application Forms and Application payments must be received by the Multiplex Registry no later than 5.00pm on 12 January 2005; and
- the Broker Firm Offer is expected to be 10.00am on 17 January 2005. Application Forms and Application payments must be received by Co-managers and Participating Brokers in accordance with arrangements made between them and their clients.

The Issuer, in consultation with the Lead Manager, may close the Offer early, extend the Broker Firm Offer Closing Date and/or the Stapled Securityholder Offer and General Offer Closing Date or withdraw the Offer without notice. You are encouraged to submit your Application Forms and Application payments as soon as possible after the Opening Date. If the Closing Dates are varied, subsequent dates may also be varied accordingly.

## 3.3 HOW CAN YOU APPLY?

### 3.3.1 Eligible Stapled Securityholders

Eligible Stapled Securityholders may obtain a copy of this Offer Document and a personalised blue Application Form by responding to the card mailed to them on or around 2 December 2004, by contacting the **Multiplex InfoLine on 1800 68 54 55** (Monday to Friday 8.30am – 5.30pm, Sydney time), or by registering online at Multiplex Group website [www.multiplex.biz](http://www.multiplex.biz)

Eligible Stapled Securityholders may apply through the General Offer, but should they do so, they will not receive any preferential treatment in the allocation of Multiplex SITES.

There is no assurance that Stapled Securityholders will receive an allocation of Multiplex SITES.

### 3.3.2 General Applications

If you are an Australian resident retail investor and want to apply for Multiplex SITES, you must complete the green Application Form accompanying this Offer Document according to the instructions set out in the back of this Offer Document. You can also obtain a copy of this Offer Document and an Application Form at the Multiplex Group website at [www.multiplex.biz](http://www.multiplex.biz). Your completed Application Form and Application payment should be returned to the addresses set out in Section 3.6.

### 3.3.3 Broker Firm Applicants

If you are a Broker Firm Applicant, which means you have received a firm allocation of Multiplex SITES from a Co-manager or Participating Broker, you should contact your Co-manager or Participating Broker for information about how to submit an Application Form and Application payment.

The process of applying for Multiplex SITES for Broker Firm Applicants differs in two important respects from the process described for Applicants under the Stapled Securityholder Offer and the General Offer:

- the Application payments must be made payable to the Co-manager or Participating Broker (not to 'Multiplex SITES Offer'); and
- the completed Application Form and Application payments must be delivered to the Co-manager or Participating Broker directly (not to the Multiplex Registry).

Commonwealth Securities Limited is a Co-manager who will have an online application facility for its clients. Clients of Commonwealth Securities Limited should follow instructions provided by that Co-manager in making their Application – this will include transmitting funds to Commonwealth Securities Limited equal to the value of your Application and submitting an electronic Application available at [www.commsec.com.au](http://www.commsec.com.au).

These differences and any other requirements can be explained to Broker Firm Applicants in further detail by either a Co-manager or Participating Broker.

## 3.4 HOW DO YOU PAY FOR MULTIPLEX SITES?

### 3.4.1 Minimum Application amount

The Face Value and Issue Price of each Multiplex SITES is \$100. Applications must be for a minimum of 50 Multiplex SITES (\$5,000). If your Application is for more than 50 Multiplex SITES, you must apply in incremental multiples of 10 Multiplex SITES – that is, for incremental multiples of at least \$1,000.

### 3.4.2 Application payments

If you are an Eligible Stapled Securityholder, or an Australian resident retail investor applying under the General Offer, your completed Application Form(s) must be accompanied by a cheque(s) and/or money order(s) (or both) in Australian dollars drawn on an Australian branch of a financial institution. Cheques should be crossed 'not negotiable' and made payable to **'Multiplex SITES Offer'**. Cash payments will not be accepted.

If you are a Broker Firm Applicant, you should make your Application payment in accordance with arrangements made between you and either a Co-manager or Participating Broker.

All Application payments received before Multiplex SITES are issued will be held by the Issuer on trust in an account established solely for the purpose of depositing Application payments received. Any interest that accrues will be retained by the Issuer.

### 3.4.3 Brokerage and stamp duty

You do not have to pay brokerage or stamp duty on your Application. Under current law, you will not have to pay stamp duty if you transfer Multiplex SITES on ASX at a later date. However, you may have to pay brokerage on later transfers of Multiplex SITES.

### 3.4.4 Refunds

If you are an Eligible Stapled Securityholder or an Applicant under the General Offer, who is not allocated any Multiplex SITES or you are allocated fewer Multiplex SITES than the number that you applied for, including being allocated less than the minimum Application of 50 Multiplex SITES, you will receive a refund cheque for the amount of your Application payment (without interest) that was not used to pay for Multiplex SITES as soon as practicable.

In addition, if the Offer does not proceed for any reason, all Applicants will have their Application payments refunded to them (without interest) as soon as practicable.

## 3.5 HOW DO YOU COMPLETE APPLICATION FORMS?

Application Forms and a guide on how to complete the Application Forms accompany this Offer Document.

### 3.5.1 Provision of Tax File Number and/or Australian Business Number

If you are allocated Multiplex SITES, the Multiplex Registry will provide you with a form when your Holding Statement is despatched to you that will request your Tax File Number (TFN) and/or Australian Business Number (ABN). You do not have to provide your TFN or ABN. However, the Issuer may be required to withhold Australian tax at the maximum marginal tax rate (currently 48.5% including the Medicare Levy) on the amount of any Priority Distribution Payments unless one of the following is provided:

- TFN;
- TFN exemption details (if applicable); or
- ABN (if Multiplex SITES are held in the course of an enterprise carried on by a Holder).

Institutional investors who do not have a registered address in Australia with the Multiplex Registry may be subject to Australian withholding tax on the amount of any Priority Distribution Payments.

### 3.5.2 Acknowledgment and privacy statement

By returning an Application Form, you acknowledge that you have received and read this Offer Document.

The information about you included on an Application Form is used for the purposes of processing your Application and, if it is successful, to administer your Multiplex SITES holding. By submitting an Application Form, you agree that Multiplex Group may use the information provided by you on the Application Form for the purposes set out in this privacy statement and may disclose it for those purposes to the Lead Manager, Multiplex Registry and Multiplex Group's related entities, agents, contractors and third party services providers, including mail houses and financial advisers, and to ASX and regulatory authorities.

If you become a Holder, the Corporations Act requires the Issuer to include information about Holders (including name, address and details of the securities held) in its public register (Register). The information contained in the Register must remain there even if you cease to be a Holder. Information contained in the Register is also used to facilitate payments including Priority Distribution Payments and corporate communications (including Multiplex Group's financial results, annual reports and other information that Multiplex Group wishes to communicate to Holders) and to ensure compliance by Multiplex Group with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Issuer may not be able to accept or process the Application.

Under the Privacy Act 1988 (Cwlth), you may request access to information that Multiplex Group holds about you, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Multiplex Group's registered office, 1 Kent Street, Sydney NSW 2000. Multiplex Group privacy policy is available on the Multiplex Group website, [www.multiplex.biz](http://www.multiplex.biz) or by contacting Multiplex Group.

# APPLYING FOR MULTIPLEX SITES CONTINUED

## 3.6 WHERE DO YOU SEND COMPLETED APPLICATION FORMS?

If you are an Eligible Stapled Securityholder or Applicant under the General Offer, your completed Application Forms and Application payments should be:

**mailed to:**

or

**hand delivered to:**

ASX Perpetual Registrars Limited  
Multiplex SITES Offer  
Reply Paid 1503  
Sydney South NSW 1234

ASX Perpetual Registrars Limited  
Multiplex SITES Offer  
Level 8, 580 George Street  
Sydney NSW 2000

Application Forms and Application payments for the above mentioned types of Applicants will not be accepted at any other address (including Multiplex Group's registered office or any other Multiplex office) or by any other means.

Broker Firm Applicants should return completed Application Forms and Application payments in accordance with arrangements made between them and either a Co-manager or Participating Broker.

## 3.7 ENQUIRIES

If you require assistance to complete the Application Form or additional copies of this Offer Document you should call the **Multiplex InfoLine on 1800 68 54 55** (Monday to Friday 8.30am – 5.30pm, Sydney time).

**If you are unclear in relation to any matter or are uncertain if Multiplex SITES are a suitable investment, you should contact your stockbroker, accountant or other financial adviser. If you are a Broker Firm Applicant and you are in any doubt what action you should take, you should immediately contact your Co-manager or Participating Broker.**

# DETAILS OF THE OFFER

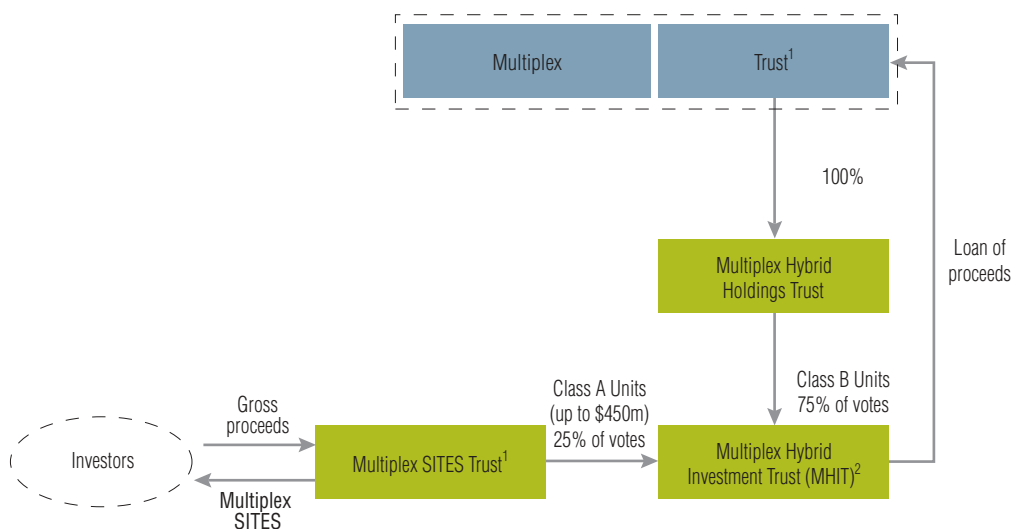
This Section sets out details of Multiplex Group's intentions in relation to:

- who is making the Offer;
- the summary of the Offer and the allocation policy relating to the Offer;
- the process for Multiplex SITES to be admitted to ASX for quotation; and
- details about ASX quotation, trading and despatch of Holding Statements.

## 4.1 ISSUER OF MULTIPLEX SITES

The Offer is being made by the Issuer, Multiplex Funds Management Limited, as responsible entity of the Multiplex SITES Trust. If Exchange occurs, Stapled Securities will be issued to Holders. Accordingly, this Offer Document includes information in relation to the Guarantors which would be relevant to a person acquiring Stapled Securities. Trust RE and Multiplex are the Guarantors of Multiplex SITES.

A summary of the Multiplex SITES investment structure is as follows:



Notes:

<sup>1</sup> Multiplex Funds Management Limited is the responsible entity for Multiplex SITES Trust and the Trust

<sup>2</sup> Multiplex Hybrid Investment Pty Limited is MHIT Trustee

# DETAILS OF THE OFFER CONTINUED

The proceeds of the Multiplex SITES issue will be used by Multiplex SITES Trust to subscribe for Class A Units in MHIT. MHIT will then lend these proceeds to the Trust under the Loan Agreement. The bulk of the proceeds of the Class B subscription will be used to pay costs associated with the Offer.

MHIT will receive interest payments from the Trust, which will be distributed as income distributions on Class A and/or B Units. Distributions on Class A Units will be distributed to Holders.

MHIT will receive interest income under the Loan Agreement. In the event Multiplex Group wishes to exercise its discretion not to make a payment to the Multiplex SITES Trust, it will direct the trustee of MHIT to pay the interest income to Multiplex Hybrid Holdings Trust, on the Class B Units, instead of Class A Units. In this case, the income distributions on Class A Units may be nil or less than the amount equal to the Priority Distribution Payment and Holders will not be entitled to a Priority Distribution Payment or a full Priority Distribution Payment for that Distribution Period. Should Multiplex Group exercise this discretion, restrictions on Stapled Securities will apply (see Section 2.6.7).

## 4.2 SUMMARY OF THE OFFER

The offer of up to \$400 million of Multiplex SITES with the ability to accept oversubscriptions of up to \$50 million, comprises:

- a Stapled Securityholder Offer, made to Eligible Stapled Securityholders;
- a General Offer, made to Australian resident retail investors;
- a Broker Firm Offer, made to Australian resident retail clients of Co-managers or Participating Brokers who apply for a broker firm allocation from a Co-manager or Participating Broker; and
- an institutional offer, which consists of an invitation to certain institutional investors by the Lead Manager to bid for Multiplex SITES in the Bookbuild.

There is no minimum amount to be raised by the Offer. The Issuer may accept any Applications.

## 4.3 ALLOCATION POLICY

The Issuer intends to issue up to four million Multiplex SITES to raise up to \$400 million. If there is sufficient demand, the Issuer, Trust RE and Multiplex in consultation with the Lead Manager, will consider accepting oversubscriptions of up to 500,000 Multiplex SITES to raise up to an additional \$50 million.

### 4.3.1 Bookbuild

The Bookbuild is a process conducted by the Lead Manager after this Offer Document is lodged with ASIC and prior to the Opening Date. In this process, institutional investors, Co-managers and Participating Brokers are invited to lodge bids for Multiplex SITES. The Lead Manager and the Issuer will assess those bids to determine the Margin and firm allocations of Multiplex SITES to institutional investors, Co-managers and certain other brokers (those brokers will become Participating Brokers following acceptance of a firm allocation through the Bookbuild).

The Bookbuild will be conducted in accordance with the terms and conditions agreed by the Issuer and the Lead Manager.

The Margin will be determined by the Issuer and the Lead Manager on the basis of the outcome of the Bookbuild and announced at that time to ASX.

### 4.3.2 Settlement underwriting

On and subject to the successful completion of the Bookbuild, the Lead Manager has agreed to underwrite settlement of the number of Multiplex SITES allocated to institutional investors, Co-managers and Participating Brokers through the Bookbuild.

The Offer Management Agreement may be terminated by the Lead Manager in certain circumstances. If it does terminate, institutional investors, Co-managers and Participating Brokers who participated in the Bookbuild can withdraw their firm allocations.

A summary of the Offer Management Agreement is set out in Section 10.8.

### 4.3.3 Allocations

#### Stapled Securityholder Offer

Eligible Stapled Securityholders who submit a personalised blue Application Form and Application payment may receive an allocation of Multiplex SITES, subject to the rights of the Lead Manager and the Issuer.<sup>1</sup>

Applications under the Stapled Securityholder Offer will be given preferential treatment in allocations over Applications received through the General Offer.

No assurance is given that any Eligible Stapled Securityholder will receive an allocation.

#### General Offer

Australian resident retail investors who submit a green Application Form may receive an allocation of Multiplex SITES subject to the rights of the Lead Manager and the Issuer.<sup>1</sup>

The Issuer reserves the right, in consultation with the Lead Manager, to allocate no Multiplex SITES to Applicants under the General Offer in the event of excess demand for Multiplex SITES.

Eligible Stapled Securityholders may apply through the General Offer but should they do so they will not receive any preferential treatment in the allocation of Multiplex SITES.

No assurance is given that any Applicant under the General Offer will receive an allocation.

#### Broker Firm Offer

Allocations to Broker Firm Applicants by a Co-manager or Participating Broker will be at the discretion of that Co-manager or Participating Broker. Allocations to Co-managers and Participating Brokers are subject to the terms and conditions of the Bookbuild.

#### Institutional Offer

Allocations to institutional investors will be at the discretion of the Lead Manager subject to the terms and conditions of the Bookbuild.

Note:

<sup>1</sup> The Issuer and the Lead Manager reserve the right (at their discretion) to: allocate all Multiplex SITES for which an Application is made; reject any Application; or, allocate to any Applicant through the Stapled Securityholder Offer or General Offer, a lesser number of Multiplex SITES than that applied for.

Where no allocation is made to Applicants under the Stapled Securityholder Offer or General Offer, or the value of Multiplex SITES allocated is less than the value for which an Application is made, surplus Application payments will be returned to the Applicant, without interest as soon as practicable. After Multiplex SITES are allotted to any Applicants, the Application payment previously held in the trust will be payable to the Issuer.

## 4.4 ASX QUOTATION, TRADING AND HOLDING STATEMENTS

### 4.4.1 ASX quotation

The Issuer will make an application to ASX within seven days of the date of this Offer Document for the listing of the Multiplex SITES Trust and for official quotation of Multiplex SITES on ASX. If ASX does not grant permission for Multiplex SITES to be quoted within three months of the date of this Offer Document, Multiplex SITES will not be issued and Application payments will be refunded, without interest as soon as practicable. Unless ASIC exempts Trust RE from, or modifies, section 1013H of the Corporations Act, Trust RE will apply for admission to quotation of Units to be issued on any Exchange within seven days of this Offer Document.

The Issuer has applied for Multiplex SITES to be traded under ASX code 'MXUPA'.

ASX takes no responsibility for the contents of this Offer Document. The fact that ASX may admit the Multiplex SITES Trust to its official list is not to be taken in anyway as an indication of the merits of the Multiplex SITES Trust.

### 4.4.2 Trading

It is expected that Multiplex SITES will begin trading on ASX on a deferred settlement basis on 20 January 2005. Trading is expected to continue on that basis until 25 January 2005 when it is expected that trading of Multiplex SITES will begin on a normal settlement basis. Deferred settlement will occur as a consequence of trading which takes place before entries are made by Multiplex's Registry in respect of holdings of Multiplex SITES and before Holding Statements are sent out to Holders.

**You are responsible for confirming your holding prior to trading Multiplex SITES. If you sell your Multiplex SITES before you receive your Holding Statements, you do so at your own risk. You may call your Co-manager, Participating Broker or the Multiplex InfoLine on 1800 68 54 55 to enquire about your allocation or holding.**

### 4.4.3 Holding Statements

The Issuer will apply for Multiplex SITES to participate in CHESS. No certificates will be issued for Multiplex SITES. Multiplex Group expects that Holding Statements will be despatched to Holders between 20 January 2005 and 24 January 2005, setting out the number of Multiplex SITES issued to each successful Applicant.



# OVERVIEW OF MULTIPLEX GROUP

This Section sets out information in relation to Multiplex Group and its business operations, including Multiplex Group's outlook and future strategy. Information in relation to Multiplex Group as a whole is included in this Offer Document because, should Exchange occur, Holders would become Stapled Securityholders.

The Trust and Multiplex are listed disclosing entities for the purposes of the Corporations Act and are therefore subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. The Multiplex SITES Trust will be a listed disclosing entity when Multiplex SITES are quoted on ASX. See Section 10.1 for information available on the Trust and Multiplex as listed disclosing entities that may be relevant in considering an investment in Multiplex SITES.

## 5.1 OVERVIEW OF MULTIPLEX GROUP

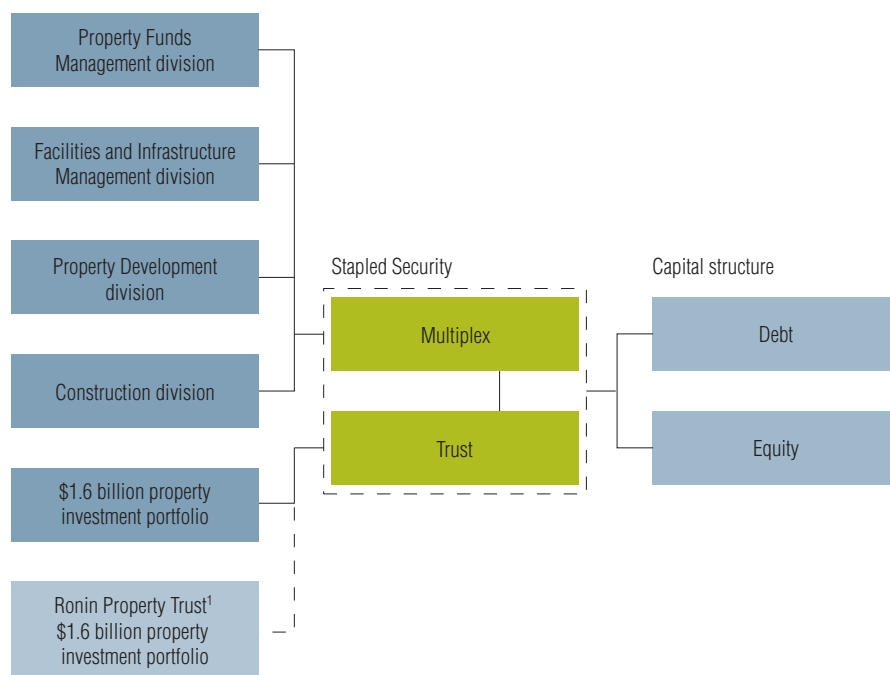
### 5.1.1 Existing operations of Multiplex Group

Multiplex Group is a fully integrated and diversified business, with operations in Property Funds Management, Facilities and Infrastructure Management, Property Development and Construction.

John C Roberts AO, Chairman of Multiplex Group, established Multiplex in Perth, Western Australia on 31 July 1962. The Trust was established in September 2003. In December 2003, the Stapled Securities of the Trust and Multiplex, being Stapled Securities, were listed on ASX. This listing was a major milestone in Multiplex's 42 year history.

Multiplex Group is well established in the United Kingdom, New Zealand and the United Arab Emirates, in addition to its substantial Australian operations. The operational and capital structure of Multiplex Group is detailed in the diagram on the following page:

## Operational and capital structure of Multiplex Group



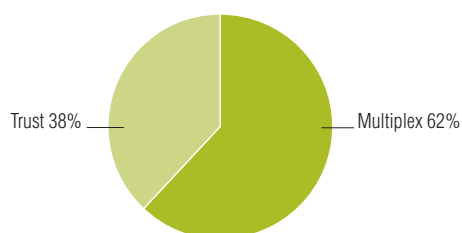
Note:

1 Ronin is currently subject to a takeover offer from Multiplex Group. As at the date of this Offer Document Multiplex Group had received acceptances from over 94% of Ronin ordinary stapled securityholders.

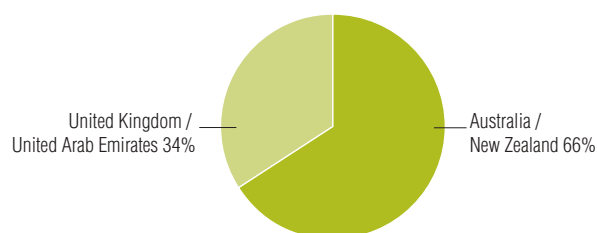
Multiplex has a solid track record of growth and profitability and recorded a strong result for the year ended 30 June 2004 with revenue from operating activities of approximately \$3.3 billion and net profit after tax from continuing operations of \$119.8 million, before stapled entity eliminations. The result included a \$31.4 million contribution from the Trust for the period of its operation. This financial performance reflects solid results across Multiplex Group's portfolio of businesses in Australia, the United Kingdom, New Zealand and the United Arab Emirates. Past performance is not necessarily a guide to future performance.

The charts below illustrate Multiplex Group Forecast EBIT composition for the year ending 30 June 2005, excluding the acquisition of Ronin.

**Multiplex Group Forecast EBIT composition for the year ending 30 June 2005 – Trust and Multiplex segment**



**Multiplex Group Forecast EBIT composition for the year ending 30 June 2005 – geographic segment**



### 5.1.2 Takeover of Ronin

On 22 September 2004, Multiplex Group announced a proposed merger with Ronin via a takeover bid for all the securities in Ronin.

Ronin is a stapled entity on ASX which owns a portfolio of premium and A Grade office buildings located in Australian mainland capital cities, and a 30% exposure to AMP New Zealand Office Trust, of which it also owns 50% of the fund manager.

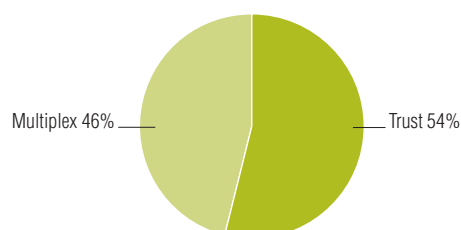
On 4 November 2004, Multiplex Group declared its takeover bid for Ronin unconditional. As at the date of this Offer Document, Multiplex Group has received acceptances in respect of over 94% of Ronin ordinary stapled securities.

On completion of the Ronin takeover, Multiplex Group will have a fully paid market capitalisation of approximately \$4.1 billion and total assets in excess of \$5.5 billion (assuming a 100% acquisition). On a merged basis, Trust earnings are forecast to contribute approximately 54% of total Multiplex Group Forecast EBIT for the year ending 30 June 2005, significantly enhancing the recurrent earnings of Multiplex Group.

# OVERVIEW OF MULTIPLEX GROUP CONTINUED

The chart below illustrates Multiplex Group's Forecast EBIT composition for the year ending 30 June 2005, including the impact of 100% of Ronin on an annualised basis.

**Merged Group Forecast EBIT composition for the year ending 30 June 2005 – Trust and Multiplex segment**



## 5.1.3 Takeover of Duelguide

On 11 October 2004, Multiplex Group announced it had entered into a bidding consortium with Westfield Group and Aldersgate Investments Limited to pursue a joint cash offer proposal to acquire Duelguide, the unlisted company that acquired the formerly listed Chelsfield plc.

On 24 November 2004, Multiplex Group announced that the bidding consortium had received acceptances in respect of 97.32% of the issued shares of Duelguide.

Duelguide, via its 100% ownership of Chelsfield plc, owns a portfolio of shopping centres, retail and mixed use urban redevelopment projects and other non core assets in the United Kingdom. On the successful completion of the takeover, the assets of Duelguide will be allocated amongst the Multiplex Aldersgate joint venture and Westfield Group on a pre agreed basis.

The acquisition of Duelguide provides the opportunity for Multiplex to gain a leading position as a developer and owner of retail centres in the United Kingdom. It also provides considerable opportunities for the construction businesses in the United Kingdom. The takeover of Duelguide is not anticipated to materially impact the earnings composition of Multiplex Group, and it is not expected to materially impact distributions on Stapled Securities for the year ending 30 June 2005.

None of the charts in this Section 5 reflect the impact of the Duelguide Bid on Multiplex Group.

## 5.2 MULTIPLEX PROPERTY TRUST

Multiplex Property Trust currently has a portfolio of 18 investment grade office, retail, industrial and car park properties in Sydney, Melbourne, Brisbane, Perth and Auckland. In addition, the Trust has an investment in the Acumen Diversified Property Trust and has taken a cornerstone investment (25% interest) in the recently launched Multiplex New Zealand Property Fund, an unlisted property trust with 11 office, retail and industrial investment grade properties located throughout New Zealand. The total assets of the Trust are valued in excess of \$1.6 billion.

The success of the Ronin Offer will add a further \$1.6 billion of investment grade assets to the Trust, taking total investment assets of the Trust to approximately \$3.2 billion. The merged portfolio will comprise 30 assets with an average value in excess of \$100 million and will benefit from significant geographic, asset and tenant diversification.

The Multiplex Property Trust existing portfolio and its contribution to the merged portfolio assuming the Ronin Offer is completed is set out in the table below.

## MULTIPLEX PROPERTY TRUST PORTFOLIO

PROPERTY	ESTIMATED DEVELOPMENT COMPLETION DATE	INTEREST (%)	VALUATION (\$ MILLION)	% OF PORTFOLIO	% OF MERGED PORTFOLIO
<b>Office</b>					
Southern Cross, Melbourne	Mar 2006	100	430.0 <sup>1</sup>	26.7	13.3
Ernst & Young Centre and 50 Goulburn Street, Sydney	Jan 2005	100	422.0 <sup>1</sup>	26.2	13.1
Commonwealth Bank Building, Brisbane		100	121.6	7.6	3.8
KPMG Tower, Sydney		50	110.0	6.8	3.4
Ernst & Young Building, Perth <sup>2</sup>	Dec 2004	100	47.2 <sup>1</sup>	2.9	1.5
ANZ Centre, Brisbane		50	40.0	2.5	1.2
<b>Retail</b>					
Pittwater Place Shopping Centre, Sydney		100	57.7	3.6	1.8
Great Western Super Centre and adjacent land, Brisbane		100	57.5	3.6	1.8
King Street Wharf Retail, Sydney		100	55.9	3.4	1.7
Carillon City Shopping Centre, Perth <sup>3</sup>		50	48.4	3.0	1.5
Bracken Ridge Plaza Shopping Centre, Brisbane		100	19.1	1.2	0.6
<b>Industrial</b>					
Rosehill, Sydney		100	52.0	3.2	1.6
Penrose, Auckland <sup>4, 5</sup>		100	4.1 <sup>5</sup>	0.3	0.1
Penrose, Auckland <sup>4,5</sup>		100	13.7 <sup>5</sup>	0.9	0.4
Carole Park, Brisbane		100	10.7	0.7	0.3
Welshpool, Perth		100	5.2	0.3	0.2
Meeandah, Brisbane		100	3.5	0.2	0.1
<b>Car park</b>					
Luna Park, Sydney		100	23.5	1.4	0.7
<b>INVESTMENTS</b>					
HIC Headquarters Building, Canberra <sup>6</sup>		49	20.6	1.3	0.6
Multiplex New Zealand Property Fund <sup>7</sup>		25	66.9 <sup>5</sup>	4.2	2.1
<b>Totals</b>			<b>1,609.6</b>	<b>100.0</b>	

Notes:

1 Valuation is at completion.

2 To be purchased at completion.

3 This property is subject to a commercial agreement with the adjoining Carillon Arcade.

4 It has been agreed that Multiplex Group's interest in both Penrose, Auckland properties were sold for a combined value of NZ\$26.3 million, with settlement due to occur 30 June 2005.

5 Exchange rate of NZ\$1.00 to A\$0.91 assumed.

6 The property was acquired through the acquisition of 49% of the securities in the Acumen Diversified Trust for \$7.4 million.

7 The Trust has invested \$28.6 million to acquire a 25% interest in Multiplex New Zealand Property Fund.

# OVERVIEW OF MULTIPLEX GROUP CONTINUED

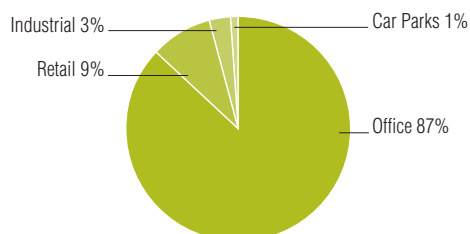
The Ronin Property Trust portfolio and its contribution to the merged portfolio assuming the Ronin Offer is successful is set out in the table below:

## RONIN PROPERTY TRUST PORTFOLIO

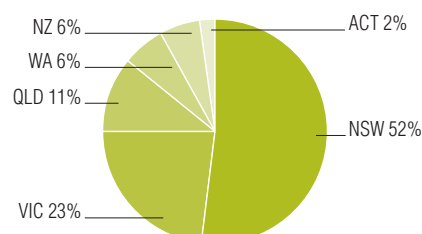
PROPERTY	INTEREST (%)	VALUATION (\$ MILLION)	% OF PORTFOLIO	% OF MERGED PORTFOLIO
111 Alinga Street, Canberra	100	55.0	3.4	1.7
222 Exhibition Street, Melbourne	100	119.0	7.3	3.7
AMP Place, Brisbane	100	112.0	6.9	3.5
BankWest Tower, Perth	50	92.5	5.7	2.9
Bourke Place Trust, Melbourne	43	131.0	8.1	4.1
Darling Park, Sydney	30	274.5	17.0	8.5
Goldfields House, Sydney	100	192.0	11.9	5.9
Jessie Street Centre, Parramatta	100	170.0	10.5	5.3
NAB House, Sydney	25	73.0	4.5	2.3
NRMA Centre, Sydney	50	139.0	8.6	4.3
15 Blue Street, North Sydney	100	85.0	5.3	2.6
Defence Plaza, Melbourne	100	65.0	4.0	2.0
INVESTMENTS				
ANZO, New Zealand	30	109.2	6.8	3.4
<b>Totals</b>		<b>1,617.2</b>	<b>100.0</b>	

The charts below detail the sector and geographic diversification characteristics of the Trust's portfolio:

**Merged portfolio sector diversification by value**

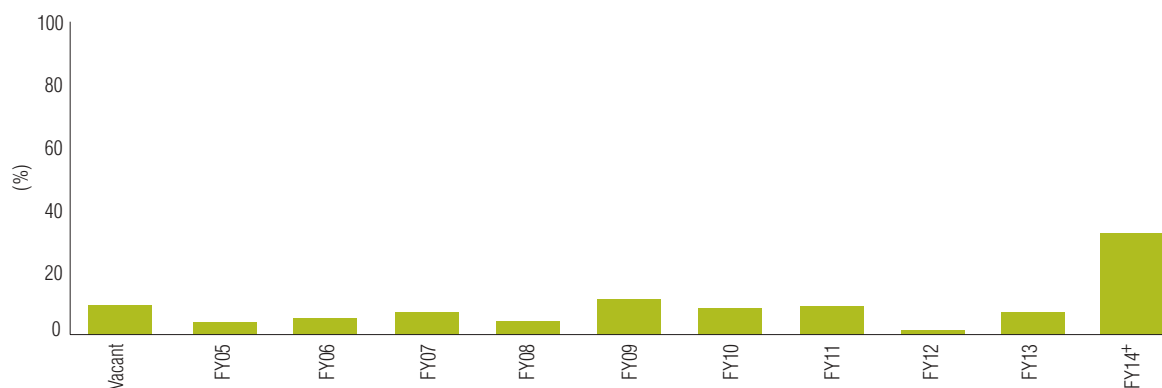


**Merged portfolio geographic diversification by value**



The merged portfolio will have an average lease term to expiry of approximately seven years. The chart below sets out the Trust portfolio lease expiry profile:

**Merged Group portfolio lease expiry profile by area as at 30 June 2004**



The Trust's strategic aim is to:

- derive approximately 60% of the EBIT of Multiplex Group from the Trust;
- increase sector diversification through further investment with a strong emphasis on the total returns of the Trust;
- increase recurrent income to Multiplex Group;
- secure tenants for the balance of the Trust's completed and development properties;
- work with the Property Development division to deliver institutional grade properties for the Trust; and
- co-invest with other entities of the Property Funds Management division to acquire further properties to enhance diversification and increase returns.

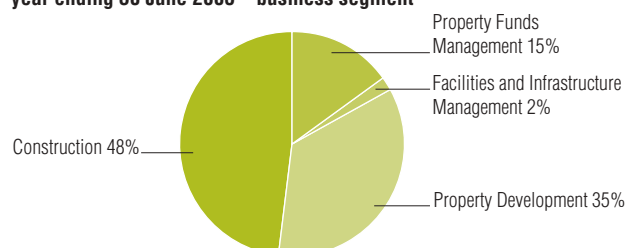
### 5.3 MULTIPLEX LIMITED

Multiplex is a leading property organisation with domestic and international operations through four operating divisions – Property Funds Management, Facilities and Infrastructure Management, Property Development and Construction.

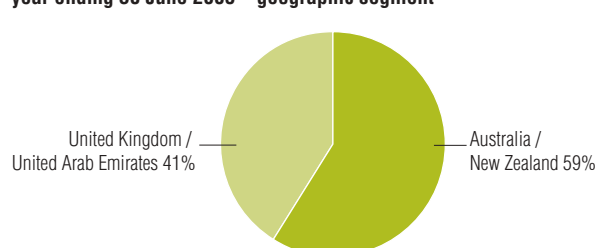
Multiplex had revenue of \$3.6 billion for the year ended 30 June 2004.

The charts below illustrate Multiplex Forecast EBIT composition for the year ending 30 June 2005:

**Multiplex Forecast EBIT composition for the year ending 30 June 2005 – business segment**



**Multiplex Forecast EBIT composition for the year ending 30 June 2005 – geographic segment**



A brief description of Multiplex's divisions, their operations and strategy, is provided below:

#### 5.3.1 Property Funds Management

The Property Funds Management division's primary role is to manage the various property investment vehicles for Multiplex Group. The division currently has over \$2.8 billion of property assets and funds under management along with various other indirect property investments. Funds managed by the division include the Trust and various property syndication and direct property investment vehicles.

The division's strategy includes growth of the syndication business and establishment of new funds in Australia and overseas through leveraging existing internal and external Multiplex Group relationships.

#### 5.3.2 Facilities and Infrastructure Management

The Facilities and Infrastructure Management division offers building owners, developers and occupiers an integrated range of facilities and property management services. The division currently has 59 properties under management. During 2004, the division established an office in the United Kingdom and has been short listed for seven major public private partnership projects, including as one of two bidders on the United Kingdom Peterborough Hospital Private Finance Initiative project.

The division's strategy is to expand contracts under management and increase exposure to infrastructure clients in Australia and the United Kingdom. The growth of Multiplex Group in the United Kingdom presents a significant opportunity for the Facilities and Infrastructure Management division to expand into that market.

### 5.3.3 Property Development

Multiplex is one of Australia's largest and most diversified property developers. Over the past decade, Multiplex has progressively increased its participation in property development and has undertaken a range of projects as a sole developer or in joint venture arrangements.

The Property Development division derives a powerful competitive advantage from Multiplex Group's integrated property approach. In particular, the close relationship with the Construction division gives the Property Development division access to quality construction advice at a very early stage of development projects. The close working relationship with the Trust gives the Property Development division the ability to procure and develop property assets that provide competitive advantage for both divisions.

The Property Development division had current work in hand of \$6.6 billion as at 30 June 2004.

The division's strategy is to consolidate and grow the existing business, with a continued focus on controlled expansion into previously underweight sectors. The master planned community and retail sectors will be areas of greater focus and international expansion will be of increasing importance.

### 5.3.4 Construction

Multiplex is regarded as one of Australia's leading construction groups, being responsible for the construction of many significant projects across the commercial, retail, industrial, residential, hospitality, sporting, health care and gaming sectors. The Construction division has a strong reputation for completing complex projects within contract time and on budget. This has contributed to its success in being awarded landmark contracts such as Chifley Tower and Telstra Stadium in New South Wales, Federation Square in Victoria and Wembley National Stadium in the United Kingdom.

The division's international operations continue to secure new project awards in the United Kingdom, New Zealand and the Middle East. The construction contract for the \$1.4 billion White City project in the United Kingdom has recently commenced following successful completion of an early works package in 2004, while the other current United Kingdom projects, including the Wembley Stadium project and Knightsbridge Green, are all currently on or ahead of programme. In the United Arab Emirates, construction work on the Dubai Marina Towers, a six tower residential project (\$350 million), was completed during the year. The pipeline of future work in the United Arab Emirates is particularly significant.

The division's strategy is to continue to focus on large complex projects that allow the division to maintain its project delivery objectives and increase margins. The division will continue to seek opportunities in the United Arab Emirates, United Kingdom and New Zealand which remain as important areas for diversification and significant growth.

# SUMMARY FINANCIAL INFORMATION

This Section sets out summary financial information about Multiplex Group (including the Issuer) and the effect of the Multiplex SITES issue and other pro forma adjustments on Multiplex Group and the Merged Group.

## 6.1 INTRODUCTION

This section contains financial information on Multiplex Group as at 30 June 2004, assuming the CPS issue, Duelguide Bid and the Offer are complete as at 1 July 2004 and on the Merged Group as if the Ronin takeover offer, the CPS issue, Duelguide Bid and the Offer are completed as at 1 July 2004.

The statements of financial performance set out in this section have not been adjusted to reflect the impact of the CPS issue, Duelguide Bid or the Offer, as the Directors are currently not in a position to reasonably forecast the impact of these transactions. However, this section does include pro forma interest coverage analysis reflecting the impact of the expected Priority Distribution Payments on Multiplex Group and the Merged Group for the year ending 30 June 2005 as if \$450 million of Multiplex SITES had been issued on 1 July 2004.

The pro forma financial information is unaudited and has been prepared in accordance with Australian Accounting Standards and Multiplex Group accounting policies as described in the financial statements for the year ended 30 June 2004 and as summarised in Section 6.15. The pro forma financial information does not reflect changes that may result from implementation of the Australian equivalent of International Financial Reporting Standards (IFRS) on 1 January 2005. Multiplex Group's current position in relation to the implementation of IFRS, the differences between its current accounting policies and IFRS and its position in relation to the impact of IFRS on the pro forma and forecast financial information is described in Section 6.13.

The financial information in this section includes the following:

- A summary of financial performance containing the following:
  - the pro forma historical financial performance of Multiplex Group on a stand alone basis for the year ended 30 June 2004, excluding the effects of discontinuing operations and non-core assets (Multiplex Group Pro forma Historical);
  - the forecast financial performance of Multiplex Group on a stand alone basis for the year ending 30 June 2005 (Multiplex Group Forecast);
  - the pro forma forecast financial performance of the Merged Group for the year ending 30 June 2005 presented as if Multiplex Group had acquired Ronin on 1 July 2004 (Merged Group Pro forma Forecast);
  - pro forma interest coverage analysis on Multiplex Group Forecast and the Merged Group Pro forma Forecast including and excluding the Priority Distribution Payments for the year ending 30 June 2005; and
  - a reconciliation of Multiplex Group Pro forma Historical performance to the statutory profit for the year ended 30 June 2004.

# SUMMARY FINANCIAL INFORMATION CONTINUED

- Statements of financial position containing the following:
  - a statement of financial position of Multiplex Group as at 30 June 2004 (Multiplex Group Actual);
  - a pro forma statement of financial position of Multiplex Group as at 1 July 2004 adjusting for certain transactions that have occurred after 30 June 2004 to the date of this Offer Document and for the CPS issue, Duelguide Bid and the Offer and excluding Ronin (Pro forma CPS and SITES Multiplex Group);
  - a pro forma statement of financial position of the Merged Group as at 1 July 2004 beginning with Pro forma CPS and SITES Multiplex Group and including Ronin (Pro forma CPS and SITES Merged Group); and
  - pro forma statement of financial position of Multiplex SITES Trust as at the Issue Date.
- This section also includes:
  - information on the Duelguide Bid
  - the Directors' Best Estimate assumptions and pro forma adjustments on which the financial information is based;
  - a discussion of the introduction of IFRS on Multiplex Group's financial information;
  - a sensitivity analysis setting out the effect of certain variables on the Merged Group Pro forma Forecast; and
  - the key accounting policies of Multiplex Group.

## 6.2 PRO FORMA HISTORICAL AND FORECAST FINANCIAL PERFORMANCE

This section sets out the following:

- the Multiplex Group Pro forma Historical financial performance for the year ended 30 June 2004, excluding the effects of the operations and divestment of discontinuing operations and non-core assets;
- the Multiplex Group Forecast for the year ending 30 June 2005, consisting of the Entitlement Offer Forecast plus adjustments representing the impact of various significant transactions that Multiplex Group has entered into since the date the Entitlement Offer Forecast was prepared; and
- the Merged Group Pro forma Forecast, presented as if the acquisition of Ronin had occurred on 1 July 2004 and Multiplex Group acquired 100% of the Ronin ordinary stapled securities on that date.

The Directors believe that it is reasonable to include forecast information for Ronin for the year ending 30 June 2005 in order to present an indicative Merged Group Pro forma Forecast for that year. The Directors believe that this provides more relevant information than a stand alone forecast of Multiplex Group for the same period.

The summary of financial performance set out below should be read in conjunction with the description of the adjustments made to the Entitlement Offer Forecast as set out in Section 6.8.4, and the assumptions set out in Sections 6.8 to 6.10:

SUMMARY OF FINANCIAL PERFORMANCE YEAR TO 30 JUNE	MULTIPLEX GROUP PRO FORMA HISTORICAL 2004 (\$ MILLION)	MULTIPLEX GROUP FORECAST 2005 (\$ MILLION)	MERGED GROUP <sup>1</sup> PRO FORMA FORECAST 2005 (\$ MILLION)
Total revenue	3,317.0	3,095.1	3,263.5
Trust and Multiplex EBIT before stapled entity eliminations	191.6	286.2	412.4
Interest expense	(21.3)	(36.4)	(99.7)
Aggregated profit before tax and stapled entity eliminations	170.3	249.8	312.7
Multiplex tax expense	(50.5)	(52.6)	(53.0)
<b>Aggregated profit after tax and before stapled entity eliminations</b>	<b>119.8</b>	<b>197.2</b>	<b>259.7</b>
Stapled entity eliminations	(31.4)	(62.2)	(60.1)
<b>Multiplex Group profit after stapled entity eliminations</b>	<b>88.4</b>	<b>135.0</b>	<b>199.6</b>

Note:

<sup>1</sup> It has been assumed that the acquisition of 100% of Ronin occurred on 1 July 2004. For statutory purposes, the results of Ronin will be equity accounted from 27 September 2004, being the date of acquisition of the 15.7% holding, and consolidated from the date control passes.

The pro forma historical results of Multiplex Group for the year ended 30 June 2004 include the results from less than seven months of Trust operations.

The forecast growth of Multiplex Group between the year ended 30 June 2004 and the year ending 30 June 2005 is predominantly attributable to the contribution of a full year of results from the Trust and growth of the United Kingdom operations.

### 6.3 PRO FORMA INTEREST COVERAGE RATIOS

The pro forma interest coverage ratios are based on the Multiplex Group Forecast and Merged Group Pro forma Forecast EBIT before stapled entity eliminations for the year ending 30 June 2005 and assuming \$450 million of Multiplex SITES are issued on 1 July 2004 at an assumed Distribution Rate of 7.30% per annum (being the mid-point of the Bookbuild Margin range of 1.90% per annum and an assumed three month BBSW of 5.40% per annum).

PRO FORMA INTEREST COVERAGE RATIOS YEAR TO 30 JUNE 2005	MULTIPLEX GROUP FORECAST (\$ MILLION)	MERGED GROUP FORECAST (\$ MILLION)
Trust and Multiplex EBIT before stapled entity eliminations	286.2	412.4
<b>Multiplex SITES Priority Distribution Payment<sup>1</sup></b>	<b>32.9</b>	<b>32.9</b>
<b>Interest cover excluding Multiplex SITES</b>	<b>7.9x</b>	<b>4.1x</b>
<b>Interest cover including Multiplex SITES<sup>2</sup></b>	<b>4.1x</b>	<b>3.1x</b>

Notes:

<sup>1</sup> The Priority Distribution Payment has effectively been annualised. The actual Priority Distribution Payment for the year ending 30 June 2005 if the Multiplex SITES are issued on 20 January 2005 would be approximately \$14.7 million based on the Distribution Rate assumptions detailed above.

<sup>2</sup> The Priority Distribution Payments have been included in the pro forma interest coverage ratios although these distributions will not be classified in Multiplex Group statement of financial performance as interest.

The pro forma interest coverage ratios do not include any interest expense or transaction costs on the issue of CPS as the CPS are expected to be fully redeemed by August 2005 and as a result these amounts are assumed to be non-recurring expense items for the purposes of pro forma interest coverage ratios. The actual interest expense for the CPS issue is expected to be \$9.7 million for the year ending 30 June 2005, based on issuing \$620 million on 1 December 2004 at an interest rate of 7.4% per annum (being 2.00% per annum margin plus three month Bank Bill Rate of 5.40% per annum) and after redeeming:

- \$437.1 million of CPS using the net proceeds of the issue of Multiplex SITES on 20 January 2005;
- \$85.0 million of CPS using the proceeds from an underwritten DRP for the interim distribution on Stapled Securities for the half year ending 31 December 2004; and
- \$97.9 million using the proceeds from an underwritten DRP for the final distribution on Stapled Securities for the year ending 30 June 2005.

Capitalised transaction costs of \$6.2 million in relation to the CPS issue are expected to be expensed in the year ending 30 June 2005.

### 6.4 PRO FORMA HISTORICAL FINANCIAL PERFORMANCE

The pro forma historical financial performance of Multiplex Group has been extracted from the statement of financial performance of Multiplex Group for the year ended 30 June 2004, adjusted for the effects of the operation and divestment of discontinued operations and non-core assets.

A reconciliation of the pro forma historical financial performance of Multiplex Group and the statement of financial performance for the year ended 30 June 2004 is set out below:

YEAR TO 30 JUNE 2004	(\$ MILLION)
Multiplex Group profit after tax and stapled entity eliminations	48.9
Pro forma adjustments:	
Results of discontinued operations	11.8
Divestment of non-core assets	16.8
Tax expense relating to discontinued operations and non-core assets	10.9
<b>Multiplex Group pro forma profit after tax and stapled entity eliminations</b>	<b>88.4</b>

### 6.5 STATEMENTS OF FINANCIAL POSITION

This section sets out:

- the summarised audited statement of financial position of Multiplex Group as at 30 June 2004;
- the pro forma statement of financial position of Multiplex Group as at 30 June 2004 adjusting for certain transactions that have occurred after 30 June 2004 to the date of this Offer Document affecting Multiplex Group and assuming these transactions and the CPS issue, the Duelguide Bid and the Offer are complete as at 1 July 2004;
- the pro forma statement of financial position of the Merged Group adjusting the Pro forma CPS and SITES Multiplex Group as at 1 July 2004 as if Multiplex Group had acquired Ronin on 1 July 2004.

The pro forma adjustments are set out on the following table and are described in Section 6.11.

# SUMMARY FINANCIAL INFORMATION CONTINUED

The pro forma statements of financial position have been prepared to illustrate the effect of the CPS issue, Duelguide Bid and the Offer on Multiplex Group and the Merged Group.

STATEMENT OF FINANCIAL POSITION AS AT	AUDITED MULTIPLEX GROUP ACTUAL 30 JUNE 2004 (\$ MILLION)	PRO FORMA ADJUSTMENTS		PRO FORMA CPS AND SITES MULTIPLEX GROUP <sup>1,4</sup> 1 JULY 2004 (\$ MILLION)	PRO FORMA CPS AND SITES MERGED GROUP <sup>1,5</sup> 1 JULY 2004 (\$ MILLION)
		MULTIPLEX GROUP <sup>2</sup> (\$ MILLION)	CPS AND SITES <sup>3</sup> (\$ MILLION)		
	A	B	C	D	E
<b>Current assets</b>					
Cash	415.9	—	246.1	662.0	681.7
Receivables	977.3	(551.1)	—	426.2	432.7
Inventories	443.5	—	—	443.5	443.5
Other	53.0	—	6.2	59.2	64.0
<b>Total current assets</b>	<b>1,889.7</b>	<b>(551.1)</b>	<b>252.3</b>	<b>1,590.9</b>	<b>1,621.9</b>
<b>Non current assets</b>					
Investment properties	1,242.1	24.6	—	1,266.7	2,380.8
Intangible assets	3.8	—	—	3.8	208.5
Investment in associates	61.5	28.6	389.8	479.9	1,003.3
Inventories	455.7	—	—	455.7	455.7
Other	438.2	—	(74.3)	363.9	373.0
<b>Total non current assets</b>	<b>2,201.3</b>	<b>53.2</b>	<b>315.5</b>	<b>2,570.0</b>	<b>4,421.3</b>
<b>Total assets</b>	<b>4,091.0</b>	<b>(497.9)</b>	<b>567.8</b>	<b>4,160.9</b>	<b>6,043.2</b>
<b>Current liabilities</b>					
Interest bearing liabilities	425.7	—	182.9	608.6	963.6
Non interest bearing liabilities	324.8	(201.3)	—	123.5	123.5
Payables	708.4	—	—	708.4	708.4
Other	336.6	—	6.6	343.2	372.3
<b>Total current liabilities</b>	<b>1,795.5</b>	<b>(201.3)</b>	<b>189.5</b>	<b>1,783.7</b>	<b>2,167.8</b>
<b>Non current liabilities</b>					
Interest bearing liabilities	630.1	(296.6)	(74.3)	259.2	710.1
Other	113.2	—	—	113.2	113.2
<b>Total non current liabilities</b>	<b>743.3</b>	<b>(296.6)</b>	<b>(74.3)</b>	<b>372.4</b>	<b>823.3</b>
<b>Total liabilities</b>	<b>2,538.8</b>	<b>(497.9)</b>	<b>115.2</b>	<b>2,156.1</b>	<b>2,991.1</b>
<b>Net assets</b>	<b>1,552.2</b>	<b>—</b>	<b>452.6</b>	<b>2,004.8</b>	<b>3,052.1</b>
<b>Equity</b>					
Contributed equity	1,351.6	—	—	1,351.6	2,401.1
Reserves	23.3	—	—	23.3	23.3
Retained earnings	160.6	—	15.5	176.1	173.9
Outside equity interest	16.7	—	437.1	453.8	453.8
<b>Total equity</b>	<b>1,552.2</b>	<b>—</b>	<b>452.6</b>	<b>2,004.8</b>	<b>3,052.1</b>
Interest bearing liabilities / total assets %	25.8%			20.9%	27.7%
Net tangible assets per Stapled Security	\$2.73			\$2.51	\$3.56

Notes:

1 The pro forma adjustments and the pro forma statements of financial position are unaudited.

2 Multiplex Group pro forma adjustments include certain transactions that have occurred after 30 June 2004 to the date of this Offer Document are set out in Column B and detailed in Sections 6.11.1 to 6.11.3.

3 The CPS issue, Duelguide Bid and the Offer pro forma adjustments are set out in Column C and detailed in Sections 6.11.4 to 6.11.5.

4 Column D is the addition of Columns A, B and C.

5 The Merged Group including the same pro forma adjustments as Columns B and C and additional pro forma adjustments as if Multiplex Group had acquired Ronin on 1 July 2004 are set out in Column E and detailed in Sections 6.11.6 to 6.11.9.

## 6.6 THE DUELGUIDE BID

The Directors have indicated that they expect the forecast financial performance contained in this Offer Document will be maintained following successful completion of the Duelguide Bid.

In forming this view, regard has been had to:

- feasibilities prepared by Duelguide's management for its assets and businesses;
- the accounting profit that will be generated by Multiplex Group as a result of the sale of its existing interest in Duelguide;
- the programme currently underway for the disposal of Duelguide's non-core assets, including offers received by Duelguide; and
- the proposed funding of Multiplex Group's investment in the joint venture by means of the CPS issue and the Offer.

The following key assumptions have been made in reaching this conclusion:

- the acquisition of 100% of Duelguide is settled on or before 8 December 2004;
- the programme, and the anticipated sale prices, for the disposal of the non-core assets are achieved;
- the allocation of assets between members of the bidding consortium is undertaken as soon as practicable following the offer becoming or being declared wholly unconditional in a manner which does not give rise to material transaction costs and taxes;
- the CPS are issued but do not convert into Stapled Securities;
- the CPS are refinanced by the Offer and proceeds from Multiplex Group's underwritten DRP for the two distributions on Stapled Securities for the Forecast Period, resulting in the write-off of capitalised CPS issue costs; and
- the DRP is operative and is underwritten for distributions during the Forecast Period.

The nature of the Duelguide Bid is such that it may take some months for members of the consortium to finalise the legal means by which assets of Duelguide will be allocated between consortium members. Relevant to the calculation of reported earnings of Multiplex Group will be whether such assets are subsequently held directly, in joint ventures or through minority interests. As ownership of the various legal entities within the Duelguide structure is not resolved at this time, it is not possible to confirm the impact of the Duelguide Bid on the Multiplex Group Forecast or Merged Group Pro Forma Forecast.

Nevertheless, having regard to the matters outlined above the Directors have indicated that they are not aware of any information at this time to suggest that the forecasts provided in this Offer Document will be materially adversely impacted by the Duelguide Bid.

The Directors have noted that the Forecast Period extends until 30 June 2005, and that they anticipate the benefits arising from successful completion of the Duelguide Bid will continue to be generated well past this date.

## 6.7 BEST ESTIMATE ASSUMPTIONS

The forecast financial information reflects the Directors' assessment of Multiplex Group and the Merged Group based on present circumstances, anticipated economic and operating conditions, the implementation of Multiplex Group's strategy, publicly available information in relation to Ronin and limited material provided by Ronin and its advisers.

While the Directors believe the assumptions used in preparing the forecast financial information are appropriate and reasonable at the time of preparation, some factors that affect the actual results cannot be foreseen or accurately predicted and many of these factors are beyond the control of the Directors. Events and circumstances often do not occur as expected, therefore actual results may differ from the forecast financial information and the differences may be material. Consequently, the Directors cannot and do not guarantee that the forecast results will be achieved. Investors are advised to carefully consider both the risk factors in Section 7, the sensitivity analysis and the Best Estimate assumptions used in preparing the forecasts when considering the forecast financial information and the likely future performance of Multiplex Group and the Merged Group.

## 6.8 ASSUMPTIONS USED IN THE PREPARATION OF THE MULTIPLEX GROUP FORECAST

The Multiplex Group Forecast is an aggregation of the Entitlement Offer Forecast plus adjustments. The Directors have reconsidered the Entitlement Offer Forecast and have made adjustments for significant transactions that Multiplex Group has entered into since the preparation of the Entitlement Offer Forecast (in aggregate, the Multiplex Group Forecast) and believe that the Multiplex Group Forecast reflects a current assessment of the future events and actions which the Directors and management expect to take place.

The Best Estimate assumptions on which they were based, were prepared by senior management of Multiplex Group and adopted by the Directors. The Best Estimate assumptions were based on circumstances of anticipated economic and market conditions and the implementation of senior management's business strategies at the date of the Entitlement Offer and are still considered to be relevant.

The Multiplex Group Forecast was prepared on a project-by-project, property-by-property basis, having regard to revenue, cost and time assumptions, incorporating assessments of contingencies for potential delays, cost overruns and revenue shortfalls. In addition, having regard to the scale of Multiplex Group and the general and specific operating risks in each of the businesses and markets in which it operates, there is a further general unallocated contingency of \$25 million, which is additional to the individual project contingencies.

# SUMMARY FINANCIAL INFORMATION CONTINUED

## 6.8.1 Assumptions used in the preparation of the Trust Entitlement Offer Forecast

The following Best Estimate assumptions were adopted in preparing the Trust forecast financial information, for the year ending 30 June 2005 at the time of the Entitlement Offer.

### Date of property acquisitions

With the exception of Ernst & Young Building in Perth, which is under contract to the Trust and will be acquired at its expected completion in December 2004, all other assets of the Trust were acquired in the 2004 financial year. It was assumed that there would be no further property acquisitions or divestments prior to the end of the Forecast Period.

### Rental income

Forecast rental income is gross rent from property, which comprises rent, turnover rent and recoverable outgoings charged to tenants. Forecast rental income was based on current leases and management forecasts, having regard to the assumptions contained in the independent valuations referred to in the Offer Document for the Multiplex IPO.

For the properties not under development during the Forecast Period, it was assumed vacancies that existed and/or vacancies which were likely to arise during the Forecast Period, would be leased within 12 months. It was assumed that all tenants vacate the premises at the time of lease expiry. It was assumed that new leases begin at prevailing market rates.

### Lease Support Facility

Multiplex is providing a lease support facility over the properties under development during the Forecast Period. The Lease Support Facility provides support over vacant space in the event that the properties under development during the Forecast Period are not fully leased on completion at the rates assumed in the Trust's valuation carried out at the time of the Multiplex IPO.

### Interest income attributable to development funding

The capital expenditure funding that is required to achieve the completion of the properties under development during the Forecast Period is being provided by the Trust. The Entitlement Offer Forecast assumed that the Trust receives interest income on accumulated development capital expenditure from Multiplex at the rate of 7.5% per annum until completion of each property under development during the Forecast Period.

### Other interest income

It was assumed that interest income will be earned on cash balances at an average cash rate of 4.7% per annum over the Forecast Period. Funds were advanced on an unsecured basis to Multiplex from the Trust in two tranches and were assumed to earn an interest rate of 15.0% per annum and 8.1% per annum.

### Borrowing costs and interest

The interest expense in relation to the assets of the Trust acquired as a part of the Multiplex IPO in December 2003 was calculated using 5.4% per annum for fixed rate debt excluding margin, over the Forecast Period. In addition, the Trust forecasts assume borrowing costs associated with property under development are capitalised into the carrying amount of the properties under development during the Forecast Period in accordance with Multiplex Group accounting policies.

The interest expense in relation to the acquisition of the James Hardie property portfolio in March 2004 was calculated using a weighted average interest rate of 6.9% per annum.

## 6.8.2 Assumptions used in the preparation of Multiplex Entitlement Offer Forecast

The following Best Estimate assumptions were adopted in preparing Multiplex forecast financial information for the year ending 30 June 2005 at the time of the Entitlement Offer:

### Property Funds Management division

Earnings forecasts for the Property Funds Management division incorporate:

- the overhead management costs of \$5.6 million for the year ending 30 June 2005 which were based on establishment, office space and all associated costs forecast for the division;
- performance receipts forecast in relation to the management of certain development trusts which were based on a project-by-project assessment of profits, a share of which Multiplex is entitled to over the threshold return to the third party investors which varies from project to project. These assessments were based on current and projected sale rates of the developments or similar developments;
- the investment in Duelguide which was assumed to generate interest income from the investment in the interest bearing security receivable from Duelguide using a rate of 15% per annum, compounded annually, in accordance with the Deep Discount Bond Instrument Agreement, dated 6 May 2004, between Duelguide and the bondholders. It was assumed that the interest bearing securities will not be repaid during the year ending 30 June 2005;

- the 25% interest in Sapphire Retail Fund and 33% interest in its fund manager – interest income on shareholder loans was assumed using a rate of 10% per annum in accordance with the Stannifer Corovest Jersey Limited Share Sale Agreement dated 7 April 2004. It was assumed that the loans will not be repaid during the year ending 30 June 2005. No income was assumed on the equity investment. The acquisition costs were capitalised as part of the cost base of the acquisition; and
- the Sapphire mezzanine debt facilities – interest income on the loans was assumed using a rate of 9.2% per annum in accordance with the Senior B Loan Agreement dated 16 November 2001 and Senior B Revolving Loan Agreement dated 26 November 2001, assigned to Multiplex Group by the transfer certificates dated 13 May 2004. It was assumed that the mezzanine debt facilities would be fully drawn by 30 September 2004 and not be repaid during the year ending 30 June 2005.

### **Property Development division**

Property Development division revenue and profit was forecast for projects that were defined as being:

- contracted development projects comprising projects where Multiplex was in possession of the required land or had the option to acquire land or agreements had been reached with the land owner for development of the land and either construction had begun or all regulatory and financial conditions required for the starting of construction had been satisfied; and
- highly likely development projects comprising those projects where Multiplex was in possession of the required land or had the option to acquire land or agreements had been reached with the land owner for development of the land, but construction had not started and not all regulatory and financial conditions for the starting of construction had been satisfied. The feasibility studies and necessary approval processes were well advanced but not complete.

The forecast revenue for each development was based on an assumed sales rate for each project. The assumed rate of sales was forecast having regard to estimates of current demand and recent sales from that project or similar projects.

The Entitlement Offer Forecast included an assumption of likely costs for each project including a detailed estimate of development costs having regard to the existence of fixed price construction contracts and past cost experience on comparable projects. Costs were forecast to increase at a rate of 3% per annum, although this rate varied from region to region.

### **Construction division**

Construction revenue and profit was included in the Multiplex Group Forecast for projects that were considered to be:

- contracted, which comprised construction projects with existing contracts and construction projects with contracts that were conditional on the satisfaction of certain conditions precedent and for which substantial work had been undertaken pursuant to early works contracts; and
- highly likely, which comprised construction projects for which written evidence existed that Multiplex had been nominated as preferred tenderer or proponent, but no contract existed and there was evidence that the project would proceed and appropriate revenue and cost analysis had been carried out in order to provide a reasonable basis for estimating these amounts.

The Entitlement Offer Forecast only included income that was considered to have a high level of certainty and excluded all other potential earnings that Multiplex was pursuing and were likely to proceed but had not reached the threshold for inclusion as highly likely projects.

Construction profit is recognised on a percentage complete basis. A specific and detailed analysis on a project-by-project basis was completed having regard to:

- costs to complete: for contracted projects, costs to complete are calculated with reference to executed subcontract agreements, quantity surveyor estimates, and past cost experience on comparable projects. For highly likely projects, forecast costs are based on quantity surveyor estimates and past cost experience on comparable projects as no commitments have been made with subcontractors. Costs were forecast to increase at a rate of 3% per annum, although this rate varied from region to region; and
- time to complete: the time to complete is assumed based on Multiplex's construction programme.

### **Facilities and Infrastructure Management division**

Only contracted and highly likely facilities management earnings were included in the Entitlement Offer Forecast.

### **Interest income**

Interest income was assumed using an average rate of 4.1% per annum on forecast cash balances.

### **Operating expenditure including corporate overheads**

Operating expenditure for the year ending 30 June 2005 was based on historical operating expenditure, adjusted for major expected changes such as assumed increases in headcount and an inflation factor of 3% per annum.

# SUMMARY FINANCIAL INFORMATION CONTINUED

## Unallocated general contingency

Multiplex forecast earnings were forecast after the deduction of a \$25.0 million unallocated general contingency for the year ending 30 June 2005 to cover potential exposure to unknown events. This contingency was in addition to contingencies included in the individual construction and development projects' estimated profit. This contingency was supported by an assessment of the risks to which Multiplex Group as a whole was exposed having regard to the scale of operations and the markets in which it operates. This assessment has not changed.

## Lease Support Facility

Provision for lease support facility payments was made prior to the Multiplex IPO against the profits on the sale of the properties under development during the year ending 30 June 2005 and were therefore not included in the forecasts for the period post Multiplex IPO. These amounts were based on independent valuations as to the expected amount of the lease support facility.

## Interest expense

The majority of all Multiplex's interest bearing debt relates to construction and development projects and in accordance with Multiplex Group's accounting policies, the interest expense on those borrowings was capitalised into the carrying value of construction and development projects for the purposes of this forecast.

## Foreign exchange

The following Australian dollar exchange rates were used for the Entitlement Offer Forecast:

YEAR ENDING 30 JUNE 2005	AUSTRALIAN DOLLAR EXCHANGE RATE
New Zealand	0.890
United Arab Emirates	0.408
United Kingdom	2.350

Multiplex Group has entered into foreign exchange contracts to mitigate Multiplex Group's exposure to foreign exchange fluctuations. Multiplex Group has in place foreign exchange management policies and procedures to monitor and manage Multiplex Group's exposure to foreign exchange.

### 6.8.3 Stapled entity eliminations

In preparing the Entitlement Offer Forecast, transactions between the Trust and Multiplex and their controlled entities and associates were eliminated as required by Australian Accounting Standards. These eliminations do not impact the distributable profit of the Merged Group.

The aggregated stapled entity eliminations included in the Entitlement Offer Forecast was \$59.5 million, predominantly comprised of the elimination of construction profits earned by Multiplex in relation to the Trust assets under construction, and the elimination of intra-group interest charges on loans from the Trust to Multiplex.

### 6.8.4 Adjustments made to the Entitlement Offer Forecast

Adjustments made to the Entitlement Offer Forecast relate substantially to the impact of establishing Multiplex New Zealand Property Fund (Fund) on 30 August 2004. As a consequence, the Trust sold its 100% interest in ASB Bank Centre, located in Auckland, to the Fund for \$106.1 million and invested \$28.6 million into the Fund, representing 25% of the total equity of the Fund. There have been no adjustments made to reflect the Duelguide Bid or divestment of Multiplex Group's investment in Duelguide.

The profit before tax net impact of the following adjustments was \$9.9 million:

- the profit on the sale of the Trust's interest in ASB Bank Centre;
- the elimination of net property income relating to ASB Bank Centre from the date of sale to the Fund, being 1 September 2004;
- the Trust's 25% share of the Fund's forecast net profit, based on the Fund's prospectus dated 7 September 2004;
- interest expense savings resulting from the repayment of debt using the proceeds from the sale, less the Trust's investment in the Fund;
- a syndication fee (net of commissions) received from the Fund; and
- management fees forecast to be received from the Fund for the year ending 30 June 2005.

As the Trust has a 25% interest in the Fund, 25% of the profit impact of the following transactions have been included in the Multiplex Group Forecast stapled entity eliminations:

- gross syndication fee received from Fund;
- management fees forecast to be received from the Fund; and
- tax expense credit impact of eliminations.

The aggregate stapled entity elimination effect of the above included in the Multiplex Group Forecast was \$2.7 million.

## **6.9 ASSUMPTIONS USED IN THE PREPARATION OF THE MERGED GROUP PRO FORMA FORECAST**

The following assumptions have been adopted in preparing the Merged Group Pro forma Forecast. These forecasts are merely being restated for information purposes. As they are not considered relevant to Holders, they have not been updated.

### **6.9.1 Date of Ronin acquisition**

It has been assumed that Multiplex Group had acquired 100% of Ronin on 1 July 2004. For statutory purposes, the results of Ronin will be equity accounted from 27 September 2004, being the date of acquisition of the initial 15.66% holding, and consolidated from the date control passes.

### **6.9.2 Number of Stapled Securities issued**

Based on the scrip component of the Ronin Offer of 0.274 Stapled Securities per Ronin ordinary stapled security, the financial information assumes 230.5 million new Stapled Securities are issued as consideration for the Ronin Offer.

### **6.9.3 Acquisition funding**

Multiplex Group has arranged an acquisition facility for the purpose of funding the acquisition of the initial 15.66% holding in Ronin and, the estimated transaction costs of \$8.1 million and to finance the cash component of the Ronin Offer. The interest rate on the acquisition facility, including the margin, is 5.94% per annum.

### **6.9.4 Premium on acquisition**

Based on an assumed value of \$4.55 each for fully paid Stapled Securities, the forecast premium on acquisition of 100% of Ronin is \$204.7 million. The Directors are of the opinion that the premium on acquisition represents goodwill to be carried forward and amortised over a period of 20 years. The Merged Group Pro forma Forecast assumes the goodwill is amortised from 1 July 2004. The Stapled Security price has increased and as a result the total cost of acquisition and goodwill will increase – this is subject to further change.

At the time that Stapled Securities are allotted to Ronin ordinary stapled securityholders to complete the takeover, information will be available to enable an accurate assessment of the fair value of the consideration offered and the assets and liabilities acquired and therefore the amount of goodwill recognised.

### **6.9.5 Estimation of synergies and other benefits**

The Merged Group Pro forma Forecast assumes an estimate of synergy benefits of \$0.5 million per annum, comprising operating overhead cost savings such as listing fees, audit fees, annual report costs and other administration costs which would occur as a result of the 100% acquisition of Ronin.

## **6.10 ASSUMPTIONS UNDERLYING THE RONIN FORECAST**

The Merged Group Pro forma Forecast contains the Ronin forecast prepared by Directors based on information made publicly available by Ronin and limited material provided by Ronin and its advisers.

In preparing the Ronin forecast, the Directors have been restricted to publicly available information and limited material provided by Ronin and its advisers. Therefore, the Directors are unable to verify the validity or accuracy of the financial information regarding Ronin.

It has been assumed that to the extent that a co-owner has any rights to acquire the Ronin interest in assets not wholly-owned by Ronin by reason of the Ronin Offer occurring, those rights are not exercised. If the Ronin co-ownership agreements were exercised in the Forecast Period, it may impact on the carrying value of goodwill recognised on acquisition.

Based on the above, an underlying profit of \$92.2 million for Ronin for the year ending 30 June 2005 has been assumed.

Multiplex Group has conducted limited due diligence on Ronin. Accordingly, any reliance on the information contained in this section in relation to the Ronin forecast should be considered having regard to the above. The Directors have prepared the Merged Group Pro forma Forecast in order to provide investors with a guide to the potential performance of the Merged Group.

# SUMMARY FINANCIAL INFORMATION CONTINUED

## 6.11 PRO FORMA ADJUSTMENTS UNDERLYING THE PREPARATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITION

The pro forma statements of financial position set out in Section 6.5 have been prepared on a basis to illustrate the effect of the CPS issue, Duelguide Bid and the Offer on Multiplex Group and the Merged Group as if those transactions were complete as at 1 July 2004.

The pro forma statements of financial position are based on the audited Multiplex Group statement of financial position as at 30 June 2004.

In preparing the pro forma statements of financial position, certain pro forma adjustments have been made as summarised in the table in Section 6.5. Pro forma adjustments include adjustments to reflect the effect of significant transactions that will materially affect the financial position of Multiplex Group or the Merged Group.

### MULTIPLEX GROUP PRO FORMA ADJUSTMENTS (COLUMN B)

#### 6.11.1 Multiplex Group final instalment receivable

Pro forma adjustments have been made to the statement of financial position of Multiplex Group as at 30 June 2004 to reflect the receipt of the \$349.8 million final instalment receivable (net of the Roberts Family component of the final instalment of \$201.3 million already received by the Trust and recognised as a non current interest bearing liability) due on 15 December 2004. The proceeds from the receipt of the final instalment will be used to repay non current interest bearing liabilities.

This has been reflected by pro forma adjustments reducing current receivables by \$551.1 million, reducing non current interest bearing liabilities by \$349.8 million and reducing current non interest bearing liabilities by \$201.3 million.

#### 6.11.2 Divestment of ASB Bank Centre and investment in Multiplex New Zealand Property Fund

Pro forma adjustments have been made to reflect the divestment by the Trust of ASB Bank Centre into Multiplex New Zealand Property Fund for \$106.1 million. The carrying value of ASB Bank Centre at 30 June 2004 was \$102.2 million. The proceeds from the sale were used to acquire a 25% interest in Multiplex New Zealand Property Fund for \$28.6 million and the balance used to repay interest bearing debt.

This has been reflected by pro forma adjustments reducing investment properties by \$102.2 million, increasing investment in associates by \$28.6 million, and decreasing non current interest bearing liabilities by \$73.6 million.

#### 6.11.3 Debt funding of the Trust assets under construction

A pro forma adjustment of \$126.9 million has been made to reflect the forecast debt funded development expenditure for the half year ending 31 December 2004 for the Trust assets currently under construction.

This has been reflected by pro forma adjustments increasing investment properties by \$126.9 million and increasing non current interest bearing liabilities by \$126.9 million.

### CPS AND SITES PRO FORMA ADJUSTMENTS (COLUMN C)

#### 6.11.4 CPS issue and the Duelguide Bid

The pro forma adjustments for the CPS issue and the Duelguide transactions, increase cash by \$716.4 million, comprising:

- \$620 million from the CPS issue; and
- \$74.3 million from the repayment of a loan owing from Duelguide to Multiplex Group, plus profit on sale of Multiplex Group's existing equity investment in Duelguide of \$22.1 million.

The following pro forma adjustments have been made in relation to the application of the gross proceeds of the CPS issue and Duelguide transactions:

- an increase in current interest bearing liabilities by \$620 million reflecting the CPS issue;
- an initial investment in the Multiplex Aldersgate joint venture bid vehicle of \$389.8 million comprising \$362.3 million being its contribution to the joint venture bid vehicle and \$27.5 million of transaction costs. This has been reflected by pro forma adjustments increasing investment in associates by \$389.8 million and decreasing cash by \$389.8 million;
- repayment by Multiplex Group of a \$74.3 million loan in relation to the initial investment in Duelguide. This has been reflected by pro forma adjustments to reduce non current interest bearing liabilities by \$74.3 million and to reduce cash by \$74.3 million;

- a reduction in non current other assets by \$74.3 million resulting from the sale of Multiplex Group's existing investment in Duelguide;
- net profit before tax from the sale of Multiplex Group's existing investment in Duelguide of \$22.1 million. This has been reflected by pro forma adjustments increasing retained earnings by \$15.5 million and increasing other liabilities by \$6.6 million for the provision for taxation relating to the profit on sale; and
- CPS issue costs of \$6.2 million have been capitalised. This has been reflected by pro forma adjustments increasing current other assets by \$6.2 million and reducing cash by \$6.2 million.

The balance of the proceeds of \$246.1 million are assumed to be retained as working capital to fund:

- the estimated tax liability arising on the sale of Multiplex Group's existing investment in Duelguide;
- the distribution of the profit on Multiplex Group's initial holding in Duelguide (7.4% of Duelguide's equity) arising from the Duelguide Bid; and
- working capital requirements to fund the United Kingdom developments, including equity funding requirements of the joint venture developments, and may also be used to fund the potential acquisition of the remaining interest in Sapphire Retail Fund.

### 6.11.5 The Offer

Pro forma adjustments have been made in relation to the Offer to reflect the total equity raising of \$450.0 million, and issue costs of \$12.9 million which have been offset against equity.

This has been reflected by pro forma adjustment to reduce current interest bearing liabilities by \$437.1 million and a pro forma adjustment to recognise an outside equity interest in Multiplex Group of \$437.1 million.

## RONIN PRO FORMA ADJUSTMENTS

### 6.11.6 Premium on acquisition of Ronin and assumed acquisition date

For the purposes of the pro forma statement of financial position, the acquisition of Ronin was assumed to occur on 1 July 2004.

This differs from the date that control was assumed to pass, being 15 November 2004. Market practice is to base the pro forma statement of financial position on the most recent or reviewed financial statements.

Goodwill arising on acquisition is determined as the excess of total consideration paid (including transaction costs) over the net fair value of the assets acquired. No fair value adjustment was made to the carrying value of Ronin assets as disclosed in the Ronin concise financial report for the year ended 30 June 2004.

Based on these assumptions, the pro forma goodwill arising on acquisition is \$204.7 million. At the time control passes, information will be available to enable a more accurate assessment of the fair value of the consideration offered and the assets and liabilities acquired, and therefore the amount of goodwill recognised.

### 6.11.7 Ronin \$70.0 million August 2004 placement

A pro forma adjustment was made to reflect the estimated effects of the \$70.0 million placement announced by Ronin in August 2004 for the purposes of acquiring Defence Plaza, Melbourne.

Based on the Appendix 3B form lodged by Ronin with ASX on 13 August 2004 and the Information Memorandum on Defence Plaza lodged by Ronin with ASX on 11 August 2004, the forecast effect of the placement on the financial position of Ronin will be as follows:

- increase in issued equity of \$70.0 million;
- increase in investment properties of \$69.7 million; and
- a decrease in interest bearing liabilities of \$0.3 million.

### 6.11.8 Ronin June 2004 distribution reinvestment plan

A pro forma adjustment was made to reflect the estimated effects of the June 2004 distribution reinvestment plan (Ronin DRP).

Based on the Appendix 3B lodged by Ronin with ASX on 13 August 2004, the estimated effects of the Ronin DRP were:

- an increase in contributed equity of \$21.9 million; and
- a decrease in interest bearing liabilities of \$21.9 million, as the impact of not paying distributions due to the Ronin DRP is assumed to reduce interest bearing liabilities.

# SUMMARY FINANCIAL INFORMATION CONTINUED

## 6.11.9 Ronin consideration and transaction costs

The pro forma statement of financial position assumed the following in relation to the consideration and transaction costs payable in relation to the acquisition of Ronin:

- the total cost of acquisition of 100% of Ronin is \$1,332.7 million comprising \$1,324.6 million consideration for Ronin ordinary stapled securities and \$8.1 million of transaction costs. The consideration of \$1,324.6 million was calculated using a value of \$1.33 per Ronin ordinary stapled security;
- acquisition funding establishment costs of \$2.2 million are incurred and expensed immediately;
- the total costs of \$1,334.9 million (comprising \$1,332.7 million consideration, and \$2.2 million debt establishment costs) are funded by way of \$1,049.5 million of equity and \$285.4 million of debt; and
- Stapled Securities are issued at a value of \$4.55 each (on a fully paid basis). The Stapled Security price has increased and as a result the total cost of acquisition and goodwill will increase – this is subject to further change. At the time that Stapled Securities are allotted to Ronin ordinary stapled securityholders to complete the takeover, information will be available to enable an accurate assessment of the fair value of the consideration offered and the assets and liabilities acquired and therefore the amount of goodwill recognised.

## 6.12 GENERAL ASSUMPTIONS

The following general assumptions have been applied in preparing the Multiplex Group Forecast and Merged Group Forecast:

### 6.12.1 Compliance with accounting standards

Multiplex Group and Ronin are required to prepare statements of financial performance and statements of financial position that comply with applicable accounting standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Corporations Act. The financial information is presented in an abbreviated form, insofar as it does not comply with all the disclosures required by Australian Accounting Standards applicable to annual reports prepared in accordance with the Corporations Act.

The Directors are not aware of any material inconsistencies in the accounting policies historically adopted by Multiplex Group and Ronin. The financial information has been prepared on a basis that complies with applicable accounting standards.

It has been assumed that there are no changes in Australian Accounting Standards during the year ending 30 June 2005 which will have a material impact on the performance and position of Multiplex Group.

### 6.12.2 Litigation

Subsequent to the issue of Multiplex Group 2004 Annual Report, Multiplex received a claim for a gross amount of approximately £20.9 million, plus interest of approximately £1.5 million, from Cleveland Bridge (UK) Limited (CBUK), a firm that had carried out certain subcontract works on the Wembley Stadium project. Approximately £14.9 million of this claim relates to costs contained within the CBUK subcontract sum and have otherwise been paid or provided for, and which form part of the costs of the Wembley project. Multiplex is highly confident of its own legal position in relation to these matters, and in fact believes that any sums owing are actually due to Multiplex.

### 6.12.3 Legislation

It has been assumed that there are no other changes in federal, state or local government laws, regulations or policies that will have a material impact on the performance or position of the Merged Group. Forecast income tax expense is based on the prevailing tax rates in the jurisdictions where the Merged Group is subject to tax and assumes no significant change to those rates or existing tax law.

### 6.12.4 Continuity of operations

It has been assumed there will be no significant disruption to the operations of the Merged Group during the Forecast Period.

## 6.13 INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial information in this document has been prepared in accordance with AGAAP being current Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The AASB is adopting IFRS for application to reporting periods beginning on or after 1 January 2005.

Multiplex Group and the Merged Group will be required to comply with IFRS for the first time for the half year ending 31 December 2005 and the year ending 30 June 2006. The comparative financial statements for each of these periods will also be required to be restated using IFRS except for AASB 132 *Financial Instruments: Disclosure and Presentation* (AASB132) and AASB 139 *Financial Instruments: Recognition and Measurement* (AASB139). In order to restate the comparative information, retained earnings at 1 July 2004 will be adjusted to include the changes necessary to transition to IFRS, except for changes relating to AASB 132 and AASB 139, which will be adjusted in retained profits at 1 July 2005.

In preparation for adoption of IFRS, Multiplex Group has formed a project team and sought the advice of specialist consultants. The project team is led by senior finance personnel and reports quarterly to Multiplex Group's Audit and Risk Committee.

An initial assessment has been performed to determine the potential differences between the current key accounting policies of Multiplex Group and IFRS and is set out below. It should not be regarded as a complete list of changes in accounting policies that will result from the transition to IFRS, as some decisions have not yet been made where choices of accounting policies are available. In addition, IFRS and related interpretation may change between the issue date of this document and 1 July 2005. The regulatory bodies that promulgate AGAAP and IFRS have some significant ongoing projects that could affect the differences set out below and the impact of these variances may vary materially.

As Multiplex Group has been restricted to publicly available information and limited information provided by Ronin, Multiplex Group has been unable to reliably assess the potential differences and impact of the application of IFRS on the financial information of Ronin.

The differences between the current key accounting policies of Multiplex Group and IFRS identified to date are:

### 6.13.1 Potential material differences

- **Development property accounting:** While there is no IFRS which addresses profit recognition for the sale of residential development properties, it is possible that development properties will be considered inventories and be subject to revenue recognition rules in accordance with AASB 118 Revenue. This may have a significant impact on the volatility of future development property revenue recognition which is currently recognised by Multiplex Group on a percentage completion basis based on guidance within UIG 53 Pre-Completion Contracts for the Sale of Residential Development Properties. However, given the present uncertainty over the technical accounting treatment of this area, no conclusion can be determined at the date of this document.
- **Investment property:** Under AASB 140 Investment Property, companies have the option to measure the entire class of investment property at cost or fair value. If investment properties are measured at fair value, gains or losses arising from changes in fair value are recognised in net profit or loss for the period in which they arise. This will result in a change to the current accounting policy under which changes in the fair value of investment properties are recognised in the asset revaluation reserve, and may also lead to an increase in the volatility of reported earnings.
- **Financial instruments:** Under AASB 139 Financial Instruments, all derivatives and hedging instruments will be required to be recorded at fair value in the statement of financial position with the related changes in fair value being recorded either to equity or income depending on whether the instruments meet the strict AASB 139 hedging criteria. Multiplex Group currently uses both foreign exchange contracts on forecast cash streams and floating to fixed interest rate swaps on borrowings. If such instruments meet the strict AASB 139 hedge criteria, changes in the fair value of those instruments will be recognised directly in equity until the hedged transaction occurs, except to the extent of ineffectiveness of the instruments, which will be recorded in the statement. If these instruments do not qualify as cash flow hedges, the entire change in the fair value of the instruments will be recorded in the profit and loss statement.

### 6.13.2 Other differences

- **Income tax:** Under AASB 112 Income Taxes, deferred-tax balances are determined using the balance sheet method and current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity. This is a change to the current accounting policy, under which deferred-tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.
- **Business combinations:** AASB 3 Business Combinations requires that for all business combinations occurring subsequent to 1 July 2004, AASB 3 is followed which may mean that there is a more rigorous identification of intangible assets and additional disclosures. Goodwill will no longer be amortised and instead will be subject to an annual impairment test within the constraints of AASB 136 Impairment of Assets. Because of the available exemptions within AASB 1 First Time Adoption, Multiplex Group will have the option but not the requirement to restate past business combinations to be in accordance with these new requirements. Given the nature of assets and liabilities of Ronin, no material difference between AGAAP and IFRS is expected in terms of the acquisition accounting, other than the non-amortisation of any goodwill recognised.
- **Borrowing costs:** The benchmark treatment under AASB 123 Borrowing Costs permits the immediate recognition of all borrowing costs as an expense, which is not permitted under superseded AASB 1036 insofar as borrowing costs relate to qualifying assets and exchange differences arising from foreign currency borrowings may not always qualify as borrowing costs.

# SUMMARY FINANCIAL INFORMATION CONTINUED

In relation to quantifying the potential material impacts of IFRS on the forecast and pro forma financial information included in this document, no forecasts of future valuations of property or movements in the market values of derivatives have been provided as the Directors do not believe there is any reasonable basis to make forecasts in relation to future capitalisation rates, property yields or general market conditions, all of which are outside their control. For these reasons, the Directors are unable to accurately quantify the impact of the transaction to IFRS on the forecast financial information reflecting, in particular, the potential volatility of property values. While the application of IFRS may introduce volatility into forecast financial information, this will not affect the cash flows from operations.

## 6.14 SENSITIVITY ANALYSIS

To further assist investors in assessing the Merged Group earnings, a sensitivity analysis is provided below. The sensitivity analysis has been performed assuming that Multiplex Group acquires 100% of Ronin ordinary stapled securities on issue. This sensitivity analysis shows how the earnings for the Merged Group will change with any change in the sensitivity variables set out below.

It is important to note that a number of factors may bear upon the results achieved and that changes in one variable may cause or influence changes in another. The risks referred to in Section 7 should also be considered.

FOR THE YEAR ENDING 30 JUNE 2005	MERGED GROUP PRO FORMA FORECAST PROFIT AFTER STAPLED ENTITY ELIMINATIONS
+1% variance in forecast Ronin profit	+0.3%
-1% variance in forecast Ronin profit	-0.3%
Decrease in construction and development EBIT of 5% per annum	-2.8%
Increase in construction and development EBIT of 5% per annum	+2.8%

## 6.15 PRINCIPAL ACCOUNTING POLICIES

This section summarises the key accounting policies of Multiplex Group. Full details of all accounting policies are contained in Multiplex Group 2004 Annual Report.

### 6.15.1 Principles of consolidation

#### Controlled entities

The results of controlled entities are included from the date control commences until the date control ceases. The balances and effects of transactions between controlled entities have been eliminated. Outside interests in the equity and results of the entities that are controlled by Multiplex Group are shown separately.

#### Associates

Investments in associates are accounted for using the equity method and are carried at the lower of the equity accounted amount and recoverable amount. The share of the associates' net profit or loss after tax is recognised in the consolidated statement of financial performance after adjustments for:

- revisions in depreciation of depreciable assets and amortisation of goodwill arising from notional adjustments made as at the date of acquisition;
- dissimilar accounting policies; and
- the elimination of unrealised profits and losses on transactions between the associate and any entities in Multiplex Group or another associate of Multiplex Group.

### 6.15.2 Revenue and expense recognition

Revenues are recognised at fair value of the consideration. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues. Revenue is recognised for the major business activities as follows.

#### Construction contracts

Construction contract revenues and expenses are recognised on an individual contract basis using the percentage of completion method when the stage of contract completion can be reliably estimated, costs to date can be clearly identified, and total contract revenue, including any early completion bonus, and costs to complete can be reliably estimated.

Where the outcome of a contract cannot be reliably estimated, contract costs are expensed as incurred. Where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred. Where it is probable that a loss will arise from a construction contract, the excess of total costs over revenue is recognised as an expense immediately. Profits, including early completion bonuses, are first recognised on building construction contracts when the forecast outcome can be reliably estimated.

For fixed price contracts, the stage of completion is measured by reference to actual costs incurred to date as a percentage of estimated total costs for each contract. Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the reporting period plus the margin entitled to be charged on the recoverable costs or the percentage of fees earned. The percentage of fees earned is measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

Contract costs comprise:

- costs that relate directly to the contract;
- costs that are related to construction activities in general and can be allocated to the contract on a reasonable basis (such as insurance, costs of design and technical assistance); and
- other costs that are specifically chargeable to a customer under the terms of a contract.

### Development projects

Property development revenues and expenses are recognised, conditional upon revenues and expenses being able to be measured reliably, on a project basis by applying the percentage of completion method to the proportion of exchanged sales. Revenues and expenses are only recognised when the stage of project completion can be reliably determined, costs to date can be clearly identified, and total project revenues and costs to complete can be reliably estimated.

Stage of completion is measured by reference to project costs to date, including land, as a percentage of estimated total costs for the project and the proportion of exchanged sales is measured as the value of exchanged sales to date as a percentage of total estimated sales for the project.

Where the outcome of a project cannot be reliably estimated, project costs in relation to exchanged sales are expensed as incurred. Where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred. Any expected loss on a project is recognised immediately as an expense.

For reliable measurement of revenues and expenses to occur, the following conditions must be satisfied before any project development profit is recognised:

- a signed construction contract is in place and development approval received;
- financing for the development is in place;
- the percentage complete of the project must have reached a minimum threshold level of at least 35% complete, measured by total project cost including land; and
- an exchanged sale contract or an offer and acceptance must be received before revenue can be recognised.

### Sale of interests in developments

Proceeds received in respect of the sale of an economic interest in a development project by way of a development sale agreement (agreement) with a co-investor are recognised as revenue once all the relevant conditions of the agreement have been satisfied.

Under the arrangements, the beneficial interest in the net sales proceeds of the relevant development above a pre-agreed threshold accrues to the benefit of the co-investor. As Multiplex Group has lost control of a portion of the investment (including long term loans in the nature of equity) in the development, this portion has been derecognised and expensed at the time of income recognition.

Multiplex Group continues to account for any residual interest in the development project in accordance with the revenue and profit recognition policies below.

- **Equity accounted development projects:** Equity accounted interests in development projects are carried net of amounts payable to the co-investor under the agreements in proportion to development profits earned. The share of an associate's profits recognised reflects only the share attributable to Multiplex Group under the agreement. Development profits payable under the agreements are provided in accordance with the agreements in proportion to development profits earned in the underlying development.
- **Controlled development projects:** Development projects carried out in controlled entities continue to be consolidated in accordance with the principles of consolidation set out above as a majority of the risks and benefits associated with the developments are retained. Development profits payable under the agreements are provided in accordance with the agreements in proportion to development profits earned in the underlying development.

# SUMMARY FINANCIAL INFORMATION CONTINUED

## 6.15.3 Inventories

Development projects are carried at the lower of cost and net realisable value. Cost includes direct materials, direct labour, borrowing costs, other direct variable costs and allocated overheads necessary to bring inventories to their present location and condition. Costs incurred on the marketing of development projects are capitalised and emerged against the associated sales on the same basis as the recognition of sales and profit for development projects. When a development project is completed, borrowing costs and other holding charges are expensed as incurred.

## 6.15.4 Construction work in progress

Construction work in progress on construction contracts is valued at cost plus an amount of profit calculated in accordance with the percentage of completion method, and includes retentions payable and receivable. Progress payments received to date are deducted from work in progress.

A contract is not considered complete until the defects liability period has expired and monies withheld have been received. Any loss on a construction contract is recognised in the period the loss becomes foreseeable.

Cost includes variable and fixed costs directly related to specific contracts, those costs related to contract activity in general which can be allocated to specific contracts on a reasonable basis, and other costs specifically chargeable under the contract. Costs expected to be incurred under penalty clauses and rectification provisions, and borrowing costs where contracts are classified as qualifying assets are also included.

## 6.15.5 Investment properties

Investment properties comprise investment interests in land and buildings (including integral plant and equipment) held for the purpose of letting to produce rental income.

Investment properties acquired are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

The costs of assets constructed/redeveloped internally include the costs of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset.

## Valuations

Investment properties are measured at fair value and revalued with sufficient regularity to ensure the carrying amount of each property does not differ materially from its fair value at the reporting date.

Multiplex Group is required to have its property investments independently valued whenever it believes that the fair value of a property differs significantly from its carrying value or at least every three years. These valuations are considered by the Directors when determining fair value. When assessing fair value, the Directors will also consider the discounted cash flow of the property, the highest and best use of the property, and sales of similar properties.

All investment properties are considered one class of asset. Revaluation increments, on a class of assets basis, are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

Potential capital gains tax is not taken into account.

Investment properties are maintained at a high standard and, as permitted by accounting standards, the properties are not depreciated.

## 6.15.6 Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition, including incidental costs, over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill and amortised on a straight line basis over the period during which the benefits are expected to arise. The cost of acquisition is discounted where settlement of any part of cash consideration is deferred.

## 6.16 PRO FORMA STATEMENT OF FINANCIAL POSITION OF MULTIPLEX SITES TRUST

The following pro forma statement of financial position of Multiplex SITES Trust as at the Issue Date has been prepared incorporating the following assumptions:

- the issue of Multiplex SITES at an issue price of \$100 each to raise up to \$400 million with oversubscriptions assumed to be accepted of up to 50 million;
- the proceeds of the Multiplex SITES issue will be used by Multiplex SITES Trust to subscribe for Class A Units in MHIT.

MHIT will then lend these proceeds to the Trust under the Loan Agreement.

All establishment costs and costs related to the Offer will not be payable by Multiplex SITES Trust, but will be borne by other entities in Multiplex Group.

STATEMENT OF FINANCIAL POSITION AS AT ISSUE DATE		(\$ MILLION)
Units in unlisted trust		450.0
<b>Total assets</b>		<b>450.0</b>
Contributed equity		450.0
<b>Total equity</b>		<b>450.0</b>

# RISK FACTORS

Before applying for Multiplex SITES, you should consider whether Multiplex SITES are a suitable investment for you. You should be aware that there are risks associated with an investment in Multiplex SITES and Multiplex Group generally, many of which are outside the control of the Issuer, Trust RE and Multiplex and their directors, including the risk factors set out in this Section and other matters mentioned in this Offer Document.

## **7.1 RISKS ASSOCIATED WITH INVESTING IN MULTIPLEX SITES**

Set out below are the general risks associated with an investment in Multiplex SITES. In particular, these risks arise from the nature of Multiplex SITES and their Terms.

### **7.1.1 Financial market conditions**

The market price of Multiplex SITES will fluctuate due to various factors including general movements in interest rates, the Australian and international investment markets, international economic conditions, global geo-political events and hostilities, investor perceptions and other factors that may affect Multiplex Group's financial performance and position.

Multiplex SITES may be Exchanged by the Issuer into Stapled Securities in certain circumstances. The value of an investment in Multiplex SITES after Exchange will be the then market price of Stapled Securities.

### **7.1.2 Market price and liquidity**

The Issuer is not able to predict the market price or liquidity of Multiplex SITES. The market price of Multiplex SITES may be more sensitive than Stapled Securities due to changes in interest rates, and Multiplex SITES could trade on ASX at a price below Face Value. The market for Multiplex SITES may be less liquid than the market for Stapled Securities.

### **7.1.3 Non-payment of Priority Distribution Payments**

Priority Distribution Payments are expected to be paid however, there is a discretion not to pay Priority Distribution Payments. Should any payment not be made, it will not subsequently be payable, except as part of any Optional Distribution Payment or an Unpaid Distribution Amount.

### **7.1.4 Distribution Rate**

The Distribution Rate is calculated for each Distribution Period by reference to the Bank Bill Rate, which is influenced by a number of factors and varies over time. The Distribution Rate will fluctuate, increasing or decreasing (or both), over time with movement in the Bank Bill Rate.

### 7.1.5 Guarantee subordination

The Guarantee is unsecured and subordinated. If a Winding-Up Event occurs in relation to either of the Guarantors, Holders will rank behind secured and unsubordinated creditors of that entity. Accordingly, if either of the Guarantors is wound up, Holders will only have a right to receive payment of the Face Value and Unpaid Distribution Amount after all secured creditors and all unsecured and unsubordinated creditors have been paid in full. Accordingly, in the event of a shortfall of funds on a winding up of the Guarantors, there is a risk that Holders will not receive the Face Value or the Unpaid Distribution Amount.

Holders have no right to initiate a Winding-Up Event or require payment from the Guarantors in connection with the Multiplex SITES prior to a Winding-Up Event of the Trust or Multiplex.

### 7.1.6 Redemption and or Exchange by Issuer

Subject to the approval of Trust RE and Multiplex, the Issuer has the right to Redeem all or some of a Holder's Multiplex SITES on the Business Day prior to the Step-up Date and other dates as determined in accordance with the Terms. The timing or occurrence of Redemption may not accord with the preference of individual Holders.

Subject to the approval of Trust RE and Multiplex, the Issuer has the right, in addition to, or instead of, Redeeming Multiplex SITES, to Exchange all or some Multiplex SITES for Stapled Securities on the Business Day prior to the Step-up Date and other dates as determined in accordance with the Terms. The timing or occurrence of Exchange may not accord with the preference of individual Holders.

The number of Stapled Securities issued on Exchange will generally vary depending on the Stapled Security price over the 20 Business Days immediately prior to the Realisation Date. If Exchange occurs following a Change of Control Event, the price of Stapled Securities may differ from that implied in calculating the number issued on Exchange.

### 7.1.7 Future incurring of liabilities and future issuance of securities by Multiplex Group

Multiplex Group may raise more senior debt whether secured or unsecured which may rank in priority to the Guarantee. Multiplex Group may also issue further securities that rank equally with the Guarantee. Holder approval is not required for Multiplex Group to raise this debt or issue these types of securities.

### 7.1.8 Taxation implications

A summary of the potential taxation implications for Holders is set out in the taxation report in Section 9. This letter is in general terms and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, you should seek independent advice in relation to your own individual taxation circumstances.

You should be aware that future changes in Australian taxation law including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in Multiplex SITES or Stapled Securities, or the holding and disposal of Multiplex SITES or Stapled Securities. This may provide grounds for the Issuer (subject to approval from Trust RE and Multiplex) to Redeem or Exchange if the change in taxation law is determined to be an Increased Costs Event.

## 7.2 RISKS ASSOCIATED WITH GENERAL ECONOMIC FACTORS AND REGULATORY CHANGES

### 7.2.1 Changes in economic, financial and insurance market conditions

Movements in Australian and international stock markets, changes in interest rates, inflation and inflationary expectations and overall economic and political conditions may affect the demand for, and price of Multiplex SITES and Stapled Securities. Investors should be aware that there are risks associated with any investment in securities and that the prices of securities can go down as well as up.

Multiplex Group operates in the property and construction sectors. Economic conditions, including employment and immigration levels, may adversely affect the level of construction activities, development opportunities and profitability as well as property prices and rental returns.

Multiplex Group is a large consumer of a range of insurance products and to the extent that changes in market conditions lead to increases in the pricing or availability of these insurance products, then this may affect the profitability of Multiplex Group. In addition, as Multiplex Group will be geared to varying levels, changes in the short and long-term interest rates and the availability or credit and bank guarantees may have an effect on the profitability of Multiplex Group and the overall demand for, and the value of, Multiplex Group's assets.

### 7.2.2 Changes in laws and government policy

Changes in government legislation and policy in those jurisdictions in which Multiplex Group operates, in particular changes to taxation laws, may affect the future earnings, asset values and the relative attractiveness of investing in Multiplex SITES or Stapled Securities.

### 7.2.3 Changes in accounting standards

Changes in accounting or financial reporting standards may adversely impact the financial performance reported by Multiplex Group. For reporting periods beginning on or after 1 January 2005, Multiplex Group must comply with IFRS as issued by the Australian Accounting Standards Board. Regulatory bodies that promulgate AGAAP and IFRS have significant ongoing projects that could affect the differences between AGAAP and IFRS and impact Multiplex Group's financial statements in the future. Multiplex Group is continuing to evaluate the impact that IFRS will have (see Section 6.13).

## 7.3 RISKS OF PROPERTY AS AN ASSET CLASS

Set out below are the general risks associated with an investment in Multiplex Group as they relate to property as an asset class. These are relevant to an investment in Multiplex SITES or Stapled Securities issued upon Exchange, as the value of your investment will depend on the financial performance and position of Multiplex Group.

### 7.3.1 Changes in the property market

Changes to the property market may affect the value of the assets that comprise Multiplex Group's portfolio, which could, in turn, affect the performance of Multiplex Group.

Factors that may influence the value of Multiplex Group's assets include the ability to procure tenants, including timing and rental paid, demand for property from investors, expenses in operating, refurbishing and maintaining properties, and timing of receiving sale proceeds. In addition, the supply of competing existing or new buildings may affect the ability to secure lease renewals, retain existing tenants or obtain new tenants.

### 7.3.2 Property leasing by Multiplex Group

There is a possibility that tenants may default on their rental or other obligations under leases with Multiplex Group, leading to capital losses or a reduction in income to Multiplex Group.

In addition, there is a risk that if Multiplex Group is not able to negotiate lease extensions with existing tenants at the end of lease terms, or replace the leases on expiry with leases at equivalent rates, there may be a significant impact on the distributable income of the Trust and the value of that particular property. The ability of Multiplex Group to secure lease renewals, to obtain replacement tenants or to sub-let lease liabilities assumed in development activities may also be influenced by any leasing incentives granted to prospective tenants and the increased supply of new commercial buildings, which, in turn, may increase the time required to let vacant space.

### 7.3.3 Changing investor demand for property investments

The demand for property and listed property securities may change as investor preferences for particular sectors and asset classes change. The demand for property as an asset class changes over time and can be influenced by general economic factors such as interest rates and stock market cycles.

### 7.3.4 Liquidity of investments

Multiplex Group invests in assets that are not listed on a stock exchange or for which there are only a limited number of potential investors. As a consequence, the realisable value of an asset may be less than its expected value.

## 7.4 GENERAL RISKS RELATING TO MULTIPLEX

Set out below are the general risks associated with an investment in Multiplex Group. These are relevant to an investment in Multiplex SITES or Stapled Securities issued upon Exchange, as the value of your investment will depend on the financial performance and position of Multiplex Group.

### 7.4.1 Reliance on key contracts and ability to replace key contracts

Corporations in the construction industry are often reliant on a small number of key contracts, which form the basis of a corporation's forecast financial figures. On this basis, a risk that construction corporations are often exposed to is the ability to replace individual key contracts in the event that the contract is completed or otherwise discontinued (including where conditions are not satisfied), and therefore, can no longer be included in calculating the profit forecasts for the corporation.

Multiplex Group, including Ronin, is exposed to significant contract dependence on its top five construction contracts, which represent approximately 49% of the forecast Construction Division EBIT in the year ending 30 June 2005.

### 7.4.2 Construction and development pipeline

The construction and development activities of Multiplex are dependent on the supply and conversion of appropriate property and construction opportunities.

### 7.4.3 Time delay

Development approvals, slow decision-making by counterparties, complex construction specifications, changes to design briefs, legal issues and other documentation changes may give rise to delays in completion, loss of revenue and cost over-runs. Delays in completion may, in turn, result in liquidated damages and termination of lease agreements and pre-sale agreements.

Other time delays that may arise in relation to construction and development include supply of labour, scarcity of construction materials, lower than expected productivity levels, inclement weather conditions, land contamination, difficult site access or industrial relations issues.

Objections raised by community interest groups, environmental groups and neighbours may also delay the granting of planning approvals or the overall progress of a project.

#### **7.4.4 Reliance on subcontractors**

Various risks may arise from Multiplex Group's practice of using subcontractors to complete significant parts of its construction and development projects. There is a risk that subcontractors may fail to perform the contract, may become insolvent in the course of a project or may have insufficient indemnity insurance to cover any potential claim that may arise against them.

#### **7.4.5 Responsibility for design**

Where Multiplex Group assumes design responsibility, there is a risk that design problems or defects may result in rectification or other costs or liabilities which Multiplex Group cannot recover.

#### **7.4.6 Occupational health and safety**

Occupational health and safety issues may result in industrial action, giving rise to penalties, prosecutions and compensation claims.

#### **7.4.7 Rental abatement**

There is a risk that, in certain contracts, if the Facilities and Infrastructure Management division fails to meet certain key performance indicators, it may have to pay damages equal to the rent abated.

#### **7.4.8 Litigation**

Multiplex Group may be exposed to a wide range of potential claims, including contractual disputes or other claims or litigation.

#### **7.4.9 Quality and workmanship**

There is risk that Multiplex Group may fail to fulfil its statutory and contractual obligations in relation to the quality of its materials and workmanship, including warranties and defect liability obligations.

#### **7.4.10 Risk of counterparties**

There is always a risk that, notwithstanding appropriate safeguards, parties with whom Multiplex Group has dealings, may experience financial or other difficulties with consequential adverse effects for the relevant project or asset.

#### **7.4.11 Overseas markets**

Multiplex Group operates in overseas markets and is exposed to changes in foreign exchange rates and to changes in, or application of law, tax and policy, which may affect the profitability of Multiplex Group.

#### **7.4.12 Availability of financing**

Multiplex Group utilises borrowings in its operations and is therefore exposed to availability of credit facilities and the terms of them.

#### **7.4.13 Cost estimates**

A number of construction contracts and all property development projects are entered into on the basis of cost estimates, which could prove to be insufficient because of unforeseen circumstances.

#### **7.4.14 Force majeure**

Acts of terrorism and events of force majeure may affect projects of, or properties owned by, Multiplex Group and insurance may not fully cover these risks.

### **7.5 RISK RELATING TO STAPLED SECURITIES**

There is a risk that the stock market rating of Stapled Securities may change relative to other quoted securities, especially other securities in the property or construction sector. Changes to the stock market rating of the other property sector securities, or the property sector generally, may affect the demand for, and price of, Stapled Securities.

### **7.6 OTHER POTENTIAL RISKS**

Other risks that may arise in relation to Multiplex Group include, but are not limited to:

- unforeseen capital expenditure requirements that would increase Multiplex Group's funding costs;
- unforeseen environmental issues which may affect Multiplex Group's assets or projects;
- risks associated with refinancing Multiplex Group's debt portfolio. It may not be possible to refinance debt at all or on the same terms as currently exist;
- Multiplex Group's expenses being greater or revenues being less than anticipated, reducing the amount available for distributions; and

- whilst the Directors believe that the assumptions underlying the forecasts relating to the Merged Group are correct, there is a risk that they may prove to be incorrect. If this were to occur, such forecasts may be materially impacted.

## 7.7 RISK FACTORS THAT ARISE FROM MULTIPLEX GROUP'S TAKEOVER BID FOR RONIN AND DUELGUIDE

### 7.7.1 Acquisition of less than 100% of Ronin

It is possible, however unlikely, that Multiplex Group will acquire less than 100% of Ronin ordinary stapled securities under the Ronin Offer. The impact of Multiplex Group acquiring less than 100% of Ronin ordinary stapled securities will depend on the ultimate level of ownership acquired but, in any event, the existence of a minority interest in Ronin may have an adverse impact on the benefits to be derived from the merger.

### 7.7.2 Acquisition of less than 100% of Duelguide by the bidding consortium

It is possible, however unlikely, that the bidding consortium, of which Multiplex Group is a member, will acquire less than 100% of Duelguide under the bidding consortium's takeover bid. Although the Directors do not anticipate that the acquisition of Duelguide will have a material impact on Multiplex Group distributions for the year ending 30 June 2005, the existence of a minority interest in Duelguide may have an adverse impact on the benefits to be derived from the takeover.

### 7.7.3 Integration risks

Combining the Ronin and the Duelguide assets and business may produce some integration risks, including difficulties in integrating management and information systems and the possible loss of knowledge of the properties and key customers.

Continuity of staff is important for client, tenant and service provider retention and ongoing negotiations. If a number of employees of Ronin or Duelguide involved in operations of the assets and business of Ronin or Duelguide choose not to participate in Multiplex Group, this could affect ongoing relationships with various parties connected to Ronin or Duelguide.

### 7.7.4 Limited due diligence

Multiplex Group has only had limited access to non-public information in relation to Ronin and Duelguide. There is a risk that the assumed financial and other information for Ronin or Duelguide is not correct and, in particular, that the assumed financial forecasts will not be achieved.

### 7.7.5 Co-ownership arrangements in relation to Ronin assets

Ronin's interest in a number of properties and entities is co-owned with third parties. Ronin's interest in these co-owned properties and entities are regulated under prescriptive and complex arrangements with the various co-owners, including the Ronin co-ownership agreements. These are risks to which Ronin is already exposed in respect of these properties and entities.

There are a number of limitations on the ability of Ronin to deal in its interest in the co-owned properties and entities and to manage those properties and entities. Conversely, there are also certain limitations on the ability of Ronin to restrict a dealing by a co-owner in its interest in a co-owned property or entity. There are also deadlock and termination provisions which, if triggered, may result in Ronin being required to dispose of its interest in the co-owned property or entity. There is a risk that a dispute may arise with one or more co-owners that the change of control of Ronin as a result of its acquisition by Multiplex Group, gives rise to pre-emptive rights such that a co-owner can acquire the interest of Ronin in the relevant asset.

**The summary of risks in this Section is not exhaustive and you should read this Offer Document in its entirety and consult your stockbroker, accountant or other financial adviser before deciding whether to apply for Multiplex SITES.**

# FEES AND EXPENSES

## 8.1 FEES AND EXPENSES OF THE OFFER

This table shows the fees and expenses payable in connection with the Offer. As these fees and expenses will be borne by Multiplex Group they will not directly impact on an investment in Multiplex SITES. These fees and expenses do not include GST or any other similar taxes (if any):

FEE	AMOUNT	ULTIMATELY RECEIVED BY	PAID BY
Managing and selling fee	2.75% of the amount of the gross proceeds for the Offer plus out of pocket expenses	Lead Manager, Co-managers, Participating Brokers	Multiplex Group
Other costs of the Offer	Approximately \$0.5 million	Various, including lawyers and other providers of professional services, ASIC, ASX, printers (see Section 10.13)	Multiplex Group

## 8.2 MULTIPLEX SITES TRUST FEES AND EXPENSES

The Issuer is entitled to recover its fees (see Section 10.3) and costs (including overheads) from Multiplex SITES Trust and may waive this entitlement in whole or part. It is also entitled to reimbursement of its properly incurred expenses. Under the Exchange Deed, Trust RE has undertaken to indemnify and reimburse the Issuer for these costs and expenses while the responsible entity of Multiplex SITES Trust is a member of Multiplex Group. If no such indemnity payout is made, the Issuer will recover such costs and expenses from Multiplex SITES Trust.

## 8.3 TRUST FEES AND EXPENSES

Trust RE is entitled to recover its fees (see Section 10.2) and costs (including overheads) from the Trust and may waive this entitlement in whole or part. It is also entitled to be paid or reimbursed for its properly incurred expenses out of the assets of the Trust.

# 9

## TAXATION REPORT

If you are considering applying for Multiplex SITES, it is important for you to understand the taxation implications of investing in Multiplex SITES. You should read the taxation report in this Section before deciding whether to invest and discuss the taxation implications with your tax adviser, accountant or other professional adviser.

The Directors  
Multiplex Funds Management Limited  
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Sydney NSW 2000  
29 November 2004

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Dear Directors

### **MULTIPLEX SITES – TAXATION REPORT**

This Taxation Report (Report) has been prepared for inclusion in the Offer Document to be dated 29 November 2004. The Offer Document comprises a product disclosure statement in relation to an Offer of Multiplex SITES.

This Report is intended to provide a broad summary of the Australian income tax implications arising for prospective investors who become Holders under the Offer.

This Report is based on the Income Tax Assessment Act 1936 (Cwlth) as amended) and the Income Tax Assessment Act 1997 (Cwlth) as amended) and on interpretations and practices in relation thereto, all as at the date of this Report.

It should be noted that Australia has undergone recent major taxation reform. There is some uncertainty as to the breadth and ultimate impact of this reform. The precise meaning of some of the new legislation is unclear and, of course, it has generally not been tested before the courts. Accordingly, there is a degree of uncertainty applying to matters impacted by such legislation.

This Report is intended as a brief guide only, and is necessarily general in nature. The taxation implications for Holders may differ depending on their individual circumstances. In particular, the information in this Report applies only to a Holder who holds Multiplex SITES on capital account. Thus this Report may not be applicable to other Holders, including those who are traders or who hold Multiplex SITES as part of a business activity. Accordingly, Holders are advised to seek professional taxation advice in relation to their own positions. This Report is not, and is not intended to be, taxation advice to any applicant for Multiplex SITES.

In preparing this Report we have relied on information to be contained in the Offer Document as well as on information and representations (together, the materials) obtained from the Issuer, Trust RE and Multiplex and from persons associated with them.

In this Report capitalised terms have the meanings set out in the Glossary to the Offer Document (incorporating the Terms definitions), except where otherwise indicated.

The information contained in this letter does not constitute “financial product advice” within the meaning of the Corporations Act. PricewaterhouseCoopers, which is providing this Report, is not licensed to provide financial product advice under the Corporations Act. To the extent that this Report contains any information about a “financial product” within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This Report has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any investor. Accordingly, any investor should, before acting on this material, consider taking independent financial advice from a person who is licensed to provide financial product advice under the Corporations Act.

## 1. TAXATION OF AUSTRALIAN RESIDENT HOLDERS

### 1.1 Taxation of distributions on Multiplex SITES

Holders who are residents of Australia for tax purposes will be required to include their distributions on their Multiplex SITES in their assessable incomes in the year in which they become entitled to those distributions. This means that any distribution received in July (in relation to the Distribution Period ended on 30 June) will need to be included in the assessable income of such a Holder for the year ended on that preceding 30 June.

The amount which a Holder will need to treat as assessable in respect of the distribution should be the same as the amount of the distribution.

### 1.2 Taxation of Optional Distribution Payments

If an Optional Distribution Payment is received by a Holder, that payment may be fully assessable, or partly assessable, or not assessable to any extent. Any part of any such Optional Distribution Payment that is not assessable will reduce the cost base of Multiplex SITES for capital gains tax (CGT) purposes. The source and nature of any Optional Distribution Payment will be advised to Holders at the time of payment.

### 1.3 Taxation treatment of Exchange

The first element of an Exchange is that a Multiplex SITES will be Redeemed. The amount payable to the Holder should comprise a Redemption Amount of \$100 and the Unpaid Distribution Amount, (being the aggregate of a Final Distribution Payment and a Make-Up Distribution Payment). The amount payable (net of any amount which is withheld on account of income tax) will be applied to pay up Stapled Securities on behalf of the Holder.

We expect that on an Exchange a Holder who is a resident of Australia for tax purposes will:

- need to include in its assessable income the market value, at the time of their issue, of Stapled Securities issued by application of the Final Distribution Payment and of any part of any Make-Up Distribution Payment that constitutes an income distribution (as opposed to a capital distribution) plus any amount withheld on account of income tax; and
- have a capital gain or loss for CGT purposes equal to the difference between:
  - the sum of the market value of the Stapled Securities, issued by application of the \$100 Redemption Amount and the non-assessable component of any Make-Up Distribution Payment, at the time of their issue to the Holder and any amount withheld on account of income tax; and
  - the CGT cost base or reduced cost base of Multiplex SITES to that Holder, which should be the amount originally subscribed by that Holder for Multiplex SITES (if the Multiplex SITES were acquired by subscription), or the purchase cost and incidental costs of acquisition of the Multiplex SITES (if they were purchased by the Holder from another person) less, in either case, the amount of any Optional Distribution Payment received by the Holder on the Multiplex SITES to the extent that payment was not assessable.

A Holder should be entitled to a tax credit or refund for any amount withheld on account of income tax.

The capital gain or loss would need to be taken into account in determining the net capital gain to be included in the assessable income of the Holder for the year of income in which the Exchange occurred, or the net capital loss for that year which could be carried forward for possible offset against realised capital gains of later years.

If the Multiplex SITES had been held for 12 months or more by the Holder and there was a capital gain, a discounting factor should be available to certain Holders. This discounting factor is 50% for individuals and most trusts, and 33⅓% for complying superannuation entities and certain other entities.

In relation to capital gains or losses arising on an Exchange, we note a possible argument (which we think the ATO would be unlikely to accept) that the gain or loss for tax purposes should be computed by reference to the capital amount paid by the Multiplex SITES Trust in connection with Redemption of a Multiplex SITES, being \$100 plus any part of any Make-Up Distribution Payment which is a distribution of capital, rather than by reference to the market value of the Stapled Securities issued on the Exchange.

For completeness, we also note that in our opinion no CGT “roll-over” would apply to disregard any capital gain in relation to an Exchange.

#### 1.4 Taxation treatment of Redemption

On Redemption, a Multiplex SITES would be Redeemed for a cash payment of the issue price (ie \$100 per Multiplex SITES). At the same time, the Unpaid Distribution Amount (being the aggregate of a Final Distribution Payment and any Make-Up Distribution Payment) will be paid. The Redemption would not trigger any acquisition of a Stapled Security.

The Final Distribution Payment and the income component of any Make-Up Distribution Payment plus any amount withheld on account of income tax will be assessable.

A Redemption should give rise to a capital gain or loss for CGT purposes for a Holder who was a resident of Australia for tax purposes. That gain or loss should be the difference between:

- the Redemption Amount of \$100 plus the part of any Make-up Distribution Payment received by the Holder which was not assessable; and
- the CGT cost base or reduced cost base of the Multiplex SITES to that Holder, which should be the amount originally subscribed by that Holder for Multiplex SITES (if the Multiplex SITES were acquired by subscription), or the purchase cost and incidental costs of acquisition of the Multiplex SITES (if they were purchased by the Holder from another person) less, in either case, the amount of any Optional Distribution Payment received by the Holder on the Multiplex SITES to the extent that that payment was not assessable.

Any such capital gain or loss would need to be taken into account in the computation of the Holder's net capital gain or net capital loss of the year of the Redemption, and a discounting factor could arise in certain cases in relation to a gain, in the same way as is described above in section 1.3.

#### 1.5 Taxation treatment of disposals of Multiplex SITES prior to any Redemption or Exchange

If a Holder disposes of a Multiplex SITES on ASX prior to any Exchange, that Holder should have a capital gain or loss computed broadly as the difference between:

- the sale price of Multiplex SITES; and
- the CGT cost base or reduced cost base of the Multiplex SITES to that Holder, which should be the amount originally subscribed by that Holder for Multiplex SITES (if the Multiplex SITES were acquired by subscription), or the purchase cost and incidental acquisition costs of the Multiplex SITES (if they were purchased by the Holder from another person) less, in either case, the amount of any Optional Distribution Payment received by the Holder on the Multiplex SITES to the extent that that payment was not assessable.

The comments in section 1.3 above in relation to the treatment of capital gains and losses and in relation to discounts would also apply to any capital gain or loss arising on a disposal of Multiplex SITES prior to an Exchange.

#### 1.6 Tax File Numbers or Australian Business Numbers

A Holder need not quote a Tax File Number (TFN) when given the opportunity to do so by the Multiplex Registry. However, if a Holder who is a resident of Australia does not quote its TFN or (where relevant) supply its Australian Business Number or claim an exemption, tax will be required to be deducted from distributions on Multiplex SITES at the highest marginal tax rate plus Medicare levy (currently 48.5%).

#### 1.7 Taxation of distributions from Stapled Securities

If an Exchange occurs, the Holder will hold Stapled Securities instead of Multiplex SITES. Distributions in respect of those Stapled Securities could comprise either or both of the following:

- dividends paid by Multiplex, which dividends might be franked, partially franked or unfranked;
- distributions by the Trust, which could include different components, the taxation of which could differ. For example, such distributions might include any or all of an assessable component, a tax-deferred component, a net capital gain component, and a CGT concession component.

The income tax treatment of distributions on Stapled Securities will depend on the precise nature of those distributions.

#### 1.8 CGT cost base of Stapled Securities

On Exchange, a Holder should obtain an aggregate CGT cost base in its Stapled Securities equal to their market value at the time of their issue.

## 2. TAXATION OF HOLDERS WHO ARE NOT RESIDENTS OF AUSTRALIA

### 2.1 Taxation of distributions on Multiplex SITES

Holders who are not residents of Australia for tax purposes will be subject to Australian interest withholding tax at the rate of 10% on distributions on Multiplex SITES. This tax will be withheld from their distributions.

### 2.2 Taxation of Optional Distribution Payments

If an Optional Distribution Payment is made, the Holder would be liable to Australian tax on any part of that payment that represented income (as opposed to capital). The extent of liability and the rates applicable would depend on the sources from which the Multiplex SITES Trust made that payment. The source and nature of any Optional Distribution Payment will be advised to Holders at the time of payment. The responsible entity would withhold amounts from the payment on account of any such tax.

### 2.3 Taxation treatment of Exchange

Where Exchange occurs and a Holder is not a resident of Australia for tax purposes, that Holder will be liable to Australian interest withholding tax at the rate of 10% on the Final Distribution Payment. That Holder will also be liable to Australian tax on any part of any Make-Up Distribution Payment which is an income distribution, at the rate applicable to that type of income.

These taxes will be withheld by the responsible entity of the Multiplex SITES Trust from the amount to be applied on behalf of the Holder to subscribe for Stapled Securities.

A Holder who is not a resident of Australia for tax purposes and who holds Multiplex SITES on capital account would not generally be subject to Australian CGT on Exchange unless that Holder (together with its associates) held 10% or more of the total Multiplex SITES on issue at any time during the five years before that Exchange. If a non-resident would be subject to Australian CGT under this test (on any gain reflecting the excess of the Redemption Amount of \$100 over the CGT cost base of the Multiplex SITES), the possible relevance of any applicable double taxation agreement should be considered.

### 2.4 Taxation treatment of Redemption

Where Redemption occurs and the Holder is not a resident of Australia for tax purposes, that Holder will be liable to Australian interest withholding tax at the rate of 10% on the Final Distribution Payment. That Holder will also be liable to Australian tax on any part of any Make-Up Distribution Payment which is an income distribution, at the rate applicable to that type of income.

These taxes will be withheld by the responsible entity from the payment made to the Holder.

A Holder who is not a resident of Australia for tax purposes and who holds Multiplex SITES on capital account would not generally be subject to Australian CGT on a Redemption of Multiplex SITES unless that Holder (together with its associates) held 10% or more of the total Multiplex SITES on issue at any time during the five years before that Redemption. If a non-resident would be subject to Australian CGT under this test (on any gain reflecting the excess of the Redemption Amount of \$100 over the CGT cost base of the Multiplex SITES), the possible relevance of any applicable double taxation agreement should be considered.

### 2.5 Taxation treatment of disposals of Multiplex SITES prior to any Redemption or Exchange

A Holder who is not a resident of Australia for tax purposes and who holds Multiplex SITES on capital account would not generally be subject to Australian CGT on a sale of Multiplex SITES prior to an Exchange, unless that Holder (together with its associates) held 10% or more of the total Multiplex SITES on issue at any time during the five years before that sale. If a non-resident would be subject to Australian CGT under this test, the possible relevance of any applicable double taxation agreement should be considered.

### 2.6 Tax File Numbers

There is generally no practical need for non-residents to quote TFNs.

## 2.7 Taxation of distributions from Stapled Securities

If an Exchange occurs, the Holder will hold Stapled Securities instead of Multiplex SITES. Distributions in respect of those Stapled Securities could comprise either or both of the following:

- dividends paid by Multiplex, which dividends might be franked, partially franked or unfranked;
- distributions by the Trust, which could include different components, the taxation of which could differ. For example, such distributions might include any or all of an assessable component, a tax-deferred component, a net capital gain component, and a CGT concession component.

The income tax liability of a non-resident Holder on such distributions would depend on the precise nature of those distributions. Any income tax liability would be withheld from the distribution payments made.

## 2.8 CGT cost base of Stapled Securities

On Exchange, a Holder should obtain an aggregate CGT cost base in its Stapled Securities equal to their market value at the time of their issue.

This CGT cost base would be relevant if any subsequent disposal by the non-resident Holder would be subject to Australian CGT – which would generally not be the case unless the Holder (together with its associates) had held 10% or more of the Stapled Securities on issue at any time during the five years before the disposal.

Yours faithfully,



Wayne Plummer  
Partner

# ADDITIONAL INFORMATION

You should be aware of a number of other matters that have not been addressed in detail elsewhere in this Offer Document. This Section gives details of the availability of certain other important documents and a summary of some of these documents that are relevant for your investment decision. In addition, the consents of experts, disclosure of Directors' interests, applications to regulators and certain other prescribed details in respect of the Offer have been set out in this Section.

## 10.1 AVAILABILITY OF DOCUMENTS

The Trust and Multiplex are disclosing entities for the purposes of the Corporations Act and are therefore subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require Trust RE and Multiplex to notify ASX of information about specific events and matters as they arise, for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, each of Trust RE and Multiplex have an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of any information concerning the Trust or Multiplex which a reasonable person would expect to have a material effect on the price or value of the Stapled Securities. Trust RE and Multiplex are also required to prepare and lodge with ASIC and ASX annual and half yearly financial statements accompanied by a Directors' declaration and report, and an auditor's report. Copies of documents lodged in relation to the Trust and Multiplex may be obtained from, or inspected at, an office of ASIC. Multiplex SITES Trust will be a disclosing entity when the Multiplex SITES are quoted on ASX and the above obligations will apply to the Issuer in respect of Multiplex SITES Trust and Multiplex SITES.

Information relating to the Offer that is not materially adverse may change from time to time. This information may be updated and made available on the Multiplex Group website at [www.multiplex.biz](http://www.multiplex.biz). A paper copy of any updated information is available free on request.

Multiplex Group will provide a copy of the following documents free of charge to any person who requests a copy during the Offer Period:

- the financial statements of:
  - the Trust and its controlled entities for the year ended 30 June 2004;
  - Multiplex and its controlled entities for the year ended 30 June 2004; and
  - Multiplex Group for the year ended 30 June 2004.
- any other document lodged by Multiplex Group with ASIC or ASX under the continuous disclosure reporting requirements in the period after the lodgment of the financial statements for the year ended 30 June 2004 and before lodgment of this Offer Document with ASIC.

The following documents will be available for inspection from the Opening Date until the Closing Date:

- Multiplex SITES Trust Constitution and compliance plan;
- Trust Constitution and compliance plan;
- Multiplex Constitution;
- MHIT Constitution;
- Stapling Deed;
- Guarantee Deed;
- Loan Agreement; and
- Exchange Deed

Copies of the above documents may be obtained by request from Multiplex Group by calling the **Multiplex InfoLine on 1800 68 54 55** (Monday to Friday 8.30am – 5.30pm, Sydney time).

## 10.2 SUMMARY OF RIGHTS AND LIABILITIES ATTACHING TO STAPLED SECURITIES

The rights and liabilities attaching to Stapled Securities are determined by the Trust Constitution, the Multiplex Constitution, the Stapling Deed, applicable law and the ASX Listing Rules. The following is a summary of the rights and liabilities attaching to Stapled Securities. In the absence of any amendment of the Trust Constitution, the Multiplex Constitution, the Stapling Deed or change in applicable law or the ASX Listing Rules, these rights and liabilities will attach to the Stapled Securities issued on Exchange. It is not an exhaustive summary of the rights and liabilities attaching to Stapled Securities.

### 10.2.1 Summary of the Trust Constitution

The Trust is a registered managed investment scheme. The responsible entity for the Trust is Multiplex Funds Management Limited. The main rules governing the operation of the Trust are set out in the Trust Constitution which is dated 19 September 2003 (as amended). The Corporations Act, exemptions and declarations given by ASIC, the ASX Listing Rules (subject to waivers), and the general law of trusts are also relevant to the rights and obligations of Trust RE and of Stapled Securityholders (the latter are referred to as members for the purposes of this summary).

The main provisions of the Trust Constitution that deal with the rights and obligations of members are:

- **Units:** a fully paid Unit confers an equal undivided interest in the Trust's assets. The Trust Constitution contemplates the issue of partly paid Units and options;
- **Stapling:** the Trust Constitution provides for the stapling of one Unit to one Share (and any other security or securities which the Trust RE in the future causes to be stapled to the Units), with the intention that they be treated as a single security. See also the summary of the Stapling Deed in Section 10.2.3;
- **Income:** subject to the terms of issue of particular Units, members on the register at the end of a distribution period are entitled to a share in the Trust's income proportionate to their number of Units, adjusted for any unpaid amount of the issue price of a Unit. Unless otherwise determined by Trust RE and subject to certain adjustments, the distributable income of the Trust is its net taxable income. Unless distributions are to be reinvested, Trust RE will pay them within two months of the end of the relevant distribution period. The distribution periods are the periods ending on 30 June and such other dates as may be determined by Trust RE. Trust RE must distribute all distributable income of the Trust for the financial year within two months after the end of the financial year;
- **Transfer:** while stapling applies, Units may only be transferred as part of Stapled Securities. Any Stapled Securities classified as "restricted securities" under the ASX Listing Rules may not be transferred during the escrow period;
- **No redemption:** there is no right to redeem Units while the Trust is listed on ASX. Trust RE may redeem Units if Multiplex or any other trust, corporation or managed investment scheme whose securities are stapled to the Units also redeems or buys back and cancels the corresponding securities;
- **Winding up:** if the Trust is wound up, members are entitled to receive a share of the value of the Trust's net assets proportionate to their Unit holding after adjustment for any unpaid amounts of the Units. The Trust will continue for 80 years, unless Trust RE notifies members of earlier termination or the law requires;
- **Members' liability:** unless a member incurs "user pays fees" or makes a separate agreement with Trust RE, their liability is limited under the Trust Constitution to the amount paid or payable for their Units. If partly paid Units are forfeited in accordance with the Trust Constitution, Trust RE is able to recover any shortfall between the market value of the Units or the Stapled Securities (if stapling applies) and the amount owing on the Units from the member. User pays fees include tax or expenses that Trust RE incurs as a result of a particular member's request, act or omission; and
- **Meetings:** members' rights to requisition, attend and vote at meetings are mostly prescribed by the Corporations Act. The Trust Constitution provides that the quorum for a meeting is normally two members present in person or by representative or proxy holding or representing the holders of at least 10% of Units. It allows meetings by electronic means including telephone. While the Units are stapled to Shares, meetings may be held in conjunction with those for Multiplex.

The Trust Constitution also deals with the powers, duties and liabilities of Trust RE as responsible entity for the Trust:

- **Powers:** Trust RE has powers to invest, borrow and generally manage the Trust subject to the Trust's principal investment policy, which is to invest directly or indirectly in real property, although Trust RE may invest unutilised funds in other types of assets. The policy may be changed on reasonable notice to members;
- **Issues:** Trust RE has power to issue Units and options over Units on such terms as it determines within the limits as to price contained in the Trust Constitution;
- **Duties:** Trust RE's duties as responsible entity for the Trust are mainly contained in the Corporations Act. While Units are stapled to Shares, in carrying out its duties and exercising its powers, Trust RE may have regard to the interests of the holders of Shares as well as the members;
- **Rights:** Trust RE may recover out of the Trust's assets expenses properly incurred in the operation of the Trust. The Trust Constitution also authorises Trust RE to charge fees up to the following maximum levels: an application fee of 2% of application monies, an acquisition fee of 1.5% of the value of properties acquired for the Trust and a management fee equal to Trust RE's reasonable estimate of its costs, including all overheads, whether incurred directly or indirectly. If Trust RE becomes liable to pay GST in respect of supplies connected with the Trust, then it is entitled to be paid an additional amount on account of this. The management fee is payable from time to time upon demand by Trust RE, and Trust RE must produce a quarterly statement of the management fee. It may waive its entitlement to receive any fees, or accept lower fees than it is entitled to receive.

Trust RE may also:

- take and act upon advice from professionals;
- value the assets of the Trust at any time (at market value unless it determines otherwise);
- hold Units in any capacity, contract with itself, Multiplex or any associate and may be interested in such contract;
- retire as responsible entity (but only if members have approved a replacement); and
- amend the Trust Constitution, but if the change will adversely affect members' rights only with members' approval.
- **Liability:** Trust RE is not liable in contract, tort or otherwise to members for any loss suffered relating to the Trust except to the extent that the Corporations Act imposes such liability; and
- **Indemnity:** Trust RE is entitled to be indemnified out of Trust assets for any liability it incurs in properly performing or exercising any of its duties or powers in relation to the Trust.

## 10.2.2 Summary of the Multiplex Constitution

The provisions of the Corporations Act and the ASX Listing Rules affect the interpretation of the Multiplex Constitution, and the rights and obligations of Multiplex and its Directors and members.

The main provisions of the Multiplex Constitution that deal with the rights and obligations of the members and Directors are:

- **Share capital:** the Directors may issue or dispose of Shares, or grant options over unissued Shares, to any person on any terms and conditions;
- **Stapling:** each Share is stapled to one Unit to form one Stapled Security. Unless and until unstapling occurs, the Directors must not by act or omission cause a Share to cease being part of the Stapled Security. While stapling applies, the Directors may only issue Shares as part of a Stapled Security;
- **Transfer of Shares:** Shares may be transferred as provided by the operating rules of a prescribed CS Facility (as defined in the Corporations Act) if applicable or by any other method of transfer which is required or permitted by the Corporations Act and ASX. Where stapling applies no transfer of a Share will be registered unless the stapled Unit is also transferred simultaneously;
- **Lien and forfeiture:** Multiplex has a lien on every Share for due and unpaid calls and instalments as well as interest accruing and expenses. While any amount is unpaid, all voting rights and entitlements are suspended;
- **General meetings of Multiplex:** notice of a general meeting of Multiplex must be given in accordance with the Corporations Act. The Directors must convene a meeting when required by the Corporations Act and may convene a meeting whenever they think fit. While stapling applies, they may convene a combined meeting of Stapled Securityholders and determine the rules of conduct for such meetings;
- **Proxy:** any member may be represented at any meeting of Multiplex by proxy. Under the Corporations Act, the executed proxy form must be received by Multiplex no less than 48 hours before the time for holding the meeting as is specified in the notice convening the meeting;
- **Quorum:** a quorum of the general meeting of members is constituted by two members present in person or by proxy, attorney or representative holding or representing the holders of at least 10% of the Shares on issue;

- **Voting:** subject to any rights or restrictions of any shares or class of shares, each member is entitled to attend and vote at a general meeting of Multiplex. Any resolution being considered at a general meeting is decided on a show of hands unless a poll is demanded. On a show of hands, each member present in person and each other person present as a proxy, attorney or a representative of a member has one vote. On a poll, each member present in person and each other person present as a proxy, attorney or a representative of a member has one vote for each fully paid share (adjusted for partly paid shares);
- **Number of Directors:** unless otherwise determined by Multiplex in general meeting, the number of Directors is to be not less than three nor more than eleven;
- **Appointment and retirement of Directors:** Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. A Director appointed in this way holds office until the conclusion of the next annual general meeting of Multiplex but is eligible for election at that meeting.

At each general meeting of Multiplex, one third of the Directors (excluding one managing Director or any Director appointed to fill a casual vacancy) must retire from office. If the number is not three or a multiple of three, then the number nearest one-third and any other Director who has held office for three years or more since last being elected, must retire from office;

- **Removal of Director:** Multiplex may, at a special general meeting called for the purpose, remove a Director provided notice of any such meeting is served upon the Director concerned. Any vacancy created by that removal may be filled at the meeting by the election of another Director in his or her place or, in the absence of any such election, by the Directors;
- **Directors' remuneration:** the Directors are entitled to be remunerated for their services as Directors. The total amount or value of the remuneration for non-executive Directors must not exceed \$1,000,000 per annum or the sum determined from time to time by Multiplex in general meeting.

For additional or special duties, a Director may receive remuneration as determined by the Directors in addition to or in place of their existing remuneration.

A Director is also entitled to be reimbursed out of the funds of Multiplex for such reasonable travelling, accommodation and other expenses which the Director may incur when travelling to or from meetings of the Directors of a committee of Directors or when otherwise engaged on the business of Multiplex.

The remuneration of a managing Director or an executive Director may be fixed by the Directors and may be by way of salary or commission or participation in profits or by all or any of those modes, but may not be by a commission on or percentage of operating revenue.

Multiplex may pay a former Director a retirement benefit in recognition of past services. Multiplex may also enter into a contract with a current Director providing for payment of a retirement benefit;

- **Insurance and indemnity:** Multiplex may indemnify every current or former Director, secretary or executive officer of Multiplex on a full indemnity basis, to the full extent permitted by law, for all liabilities and legal costs for defending or resisting proceedings incurred in that capacity.

Multiplex may (to the full extent permitted by law) purchase and maintain insurance for liability incurred as a Director, secretary or executive officer of Multiplex;

- **Dividends:** the Directors may determine, subject to the Corporations Act, that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by Multiplex to, or at the direction of, each member entitled to that dividend;
- **Election to reinvest dividends:** the Directors may grant to members the right to elect to reinvest cash dividends paid by Multiplex by subscribing for Shares on the terms the Directors think fit. While stapling applies, no reinvestment by Multiplex may occur unless, at the same time, the member acquires an identical number of Units;
- **Winding up:** with the sanction of a special resolution, the liquidator may divide among the members the whole or any part of Multiplex's property and decide how the division is to be carried out; and
- **Powers and duties of Directors:** the Directors will be entitled, to the extent permitted by law, to have regard to the interests of holders of Units and may act in the best interest of Multiplex Group as a whole, rather than only in the interests of Multiplex.

### 10.2.3 Summary of the Stapling Deed

The Stapling Deed between Trust RE and Multiplex is dated 20 October 2003. It sets out the terms of the relationship between Trust RE and Multiplex in respect of Units and Shares that comprise the Stapled Securities. The aspects of that relationship with which it deals include the following:

- **Stapling:** the Units and Shares will remain stapled unless special resolutions of Stapled Securityholders approve destapling or unless stapling becomes unlawful or prohibited by the ASX Listing Rules;
- **Co-operation and consultation:** Trust RE and Multiplex agree to share accounting and other information, and to co-operate in operating the Trust and Multiplex in providing information to investors, valuing assets, preparing accounts, holding meetings, issuing Stapled Securities and making distributions;

- **Dealings in Stapled Securities:** Units and Shares may only be issued or transferred as part of Stapled Securities;
- **Acquisitions, disposals and borrowings:** these require consultation procedures between Trust RE and Multiplex to be followed;
- **Sale of assets:** Multiplex agrees to notify Trust RE of any assets that it intends to sell which are within the investment criteria of the Trust and will reasonably consider any proposals put to it by Trust RE to purchase these assets;
- **Allocation of issue price of Stapled Securities:** Trust RE and Multiplex must agree what proportion of the issue price of a Stapled Security is allocated to each of the Trust and Multiplex. Generally, this is by reference to the respective market values of the Units and Shares (as determined by agreement between Trust RE and Multiplex);
- **Financial benefits:** the Trust and Multiplex must provide to the other or its controlled entities upon request any financial benefit which is requested;
- **Registers:** these are to be kept jointly;
- **Duties:** when carrying out their duties, Trust RE and Multiplex may consider the interests of Stapled Securityholders as a whole, not only the interests of the members of the Trust and Multiplex separately; and
- **Dispute resolution:** if there are disagreements about stapling issues, Trust RE and Multiplex must use their best efforts to resolve them and negotiate in good faith before instituting proceedings.

## 10.3 SUMMARY OF THE MULTIPLEX SITES TRUST CONSTITUTION

Multiplex SITES Trust is a registered managed investment scheme. The responsible entity for Multiplex SITES Trust is Multiplex Funds Management Limited. The main rules governing the operation of Multiplex SITES Trust are set out in the Multiplex SITES Trust Constitution which is dated 12 November 2004. The Terms, the Corporations Act, exemptions and declarations given by ASIC, the ASX Listing Rules, and the general law of trusts are also relevant to the rights and obligations of the Issuer and of Holders.

The main provisions of the Multiplex SITES Trust Constitution that deal with the rights and obligations of Holders are:

- **Units:** the beneficial interest in Multiplex SITES Trust is divided into units. There are two classes of unit (Class), being ordinary units and Multiplex SITES. Subject to any special rights conferred upon a Class, a fully paid unit confers an equal undivided interest in Multiplex SITES Trust's assets. All units in a Class rank equally;
- **Income:** subject to the terms of issue of particular units, Holders on the Register at the end of a Distribution Period are entitled to a share in the Multiplex SITES Trust's income proportionate to their number of units. Unless otherwise determined by the Issuer and subject to certain adjustments, the distributable income of the Multiplex SITES Trust is its net taxable income. The Issuer must distribute all distributable income of the Multiplex SITES Trust for the financial year within two months after the end of the financial year. The income entitlement of Holders are set out in the Terms and summarised in Section 1;
- **Transfer:** if units of a Class are officially quoted on ASX, those units may be transferred in any manner permitted by the operating rules of the relevant CS facility (as defined in the Corporations Act);
- **Redemption:** the circumstances in which Multiplex SITES may be Redeemed at the option of the Issuer and the limited circumstances in which the Issuer may be required to Redeem are set out in the Terms and summarised in Section 1;
- **Winding up:** If the Multiplex SITES Trust is wound up, Holders are entitled to receive a share of the value of the Multiplex SITES Trust's net assets proportionate to their unit holding, subject to the terms of issue of particular units. The Multiplex SITES Trust will continue for 80 years, unless the responsible entity notifies members of earlier termination (which notification the responsible entity must not give until at least 30 days after all Multiplex SITES have been Redeemed) or the law requires;
- **Members' liability:** unless a Holder incurs "user pays fees" or makes a separate agreement with the Issuer, their liability is limited under the Multiplex SITES Trust Constitution to the amount paid or payable for their units. User pays fees include tax or expenses that the Issuer incurs as a result of a particular Holder's request, act or omission; and
- **Meetings:** Holder's rights to requisition, attend and vote at meetings are mostly prescribed by the Corporations Act. The Multiplex SITES Trust Constitution provides that the quorum for a meeting is normally two members present in person or by representative or proxy holding or representing the holders of at least 10% of units in Multiplex SITES Trust or of the relevant Class (where appropriate) subject to any rights or restrictions for the time being attached to any Class and to the Multiplex SITES Trust Constitution:
  - on a show of hands, each Holder present in person and each other person present as a proxy, attorney or representative of a Holder has one vote; and
  - on a poll, each Holder present in person has one vote for each dollar value of the units held by the Holder and each person present as proxy, attorney or representative of a Holder has one vote for each one dollar of the value of units held by the Holder that the person represents.

The Multiplex SITES Trust Constitution also deals with the powers, duties and liabilities of the Issuer as responsible entity for Multiplex SITES Trust:

- **Powers:** the Issuer has powers to invest and generally manage Multiplex SITES Trust provided such powers are used in connection with Multiplex SITES Trust's principal investment policy and for incidental purposes. The principal investment policy is to invest in MHIT. The policy may be varied on reasonable notice to Holders. The Issuer may not borrow or raise money for the purposes of Multiplex SITES Trust;
- **Duties:** the Issuer's duties as responsible entity for Multiplex SITES Trust are mainly contained in the Corporations Act;
- **Rights:** the Issuer may recover out of Multiplex SITES Trust's assets expenses properly incurred in the operation of Multiplex SITES Trust. The Multiplex SITES Trust Constitution also authorises the Issuer to charge a management fee equal to the Issuer's reasonable estimate of its costs, including all overheads, whether incurred directly or indirectly. If the Issuer becomes liable to pay GST in respect of supplies connected with Multiplex SITES Trust, then it is entitled to be paid an additional amount on account of this. The management fee is payable upon demand by the Issuer, and the Issuer must produce a quarterly statement of the management fee. It may waive its entitlement to receive any fees, or accept lower fees than it is entitled to receive. Under the Exchange Deed, Trust RE has undertaken in certain circumstances to indemnify and reimburse the Issuer for these fees (if any).  
The Issuer may also, subject to the Corporations Act (where relevant):
  - take and act upon advice from professionals;
  - value the assets of the Multiplex SITES Trust at any time (in accordance with Australian Accounting Standards);
  - hold units in Multiplex SITES Trust in any capacity, contract with itself, any associate or a member and may be interested in such contract;
  - retire as responsible entity; and
  - amend the Multiplex SITES Trust Constitution, but if the change will adversely affect members' rights only with members' approval;
- **Liability:** the Issuer is not liable in contract, tort or otherwise to members for any loss suffered relating to Multiplex SITES Trust except to the extent that the Corporations Act imposes such liability. Subject to the Corporations Act, the liability of the Issuer to any person other than a Holder in respect of Multiplex SITES Trust is limited to the Issuer's ability to be indemnified from the assets of Multiplex SITES Trust; and
- **Indemnity:** the Issuer is entitled to be indemnified out of Multiplex SITES Trust assets for any liability it incurs in properly performing or exercising any of its duties or powers in relation to Multiplex SITES Trust.

#### 10.4 SUMMARY OF THE MHIT CONSTITUTION

MHIT is a unit trust governed by the MHIT Constitution dated 24 November 2004. As the operation of MHIT is under the day-to-day control of its unitholders, MHIT is not required to be registered as a managed investment scheme and will not be so registered.

The main provisions of the MHIT Constitution relevant to the Offer are:

- **Class A Units:** all of the class A units in MHIT will be held by the Issuer as responsible entity of Multiplex SITES Trust. The class A units entitle the holders to 25% of the votes on a resolution of MHIT unitholders;
- **Class B Units:** all of the class B units in MHIT will be held by Multiplex Hybrid Holdings Pty Ltd as trustee of Multiplex Hybrid Holdings Trust. The class B units entitle the holders to 75% of the votes on a resolution of MHIT unitholders;
- **Unitholder directions:** MHIT Trustee must act in accordance with the directions given from time to time by the sole MHIT unitholder (if there is only one unitholder) or jointly by all unitholders so as to allow the sole unitholder or the unitholders acting together to have day-to-day control over the operation of MHIT. The form, content and timing of directions will be determined by a resolution of members. MHIT Trustee may seek directions from the sole unitholder or the unitholders on any matter;
- **Income:** in the absence of any directions from members to the contrary, class A unitholders are entitled to income of MHIT up to the amount required to meet a Priority Distribution Payment. In addition, class A unitholders are entitled to the Priority Distribution Payment payable by the Issuer on the Realisation Date; and
- **Redemption rights:** on redemption or final distribution, holders of class A units are entitled to receive \$100 per class A unit (to the extent that there are sufficient funds available). On final distribution, any amount left over may be distributed to the class B unitholders proportionate to their share of the class B units. If the Issuer is obliged to Redeem Multiplex SITES, the MHIT Trustee must redeem the same number of class A units as the number of Multiplex SITES that the Issuer is obliged to Redeem.

## 10.5 SUMMARY OF THE EXCHANGE DEED

The Issuer, Multiplex Funds Management Limited, Multiplex and MHIT Trustee are party to the Exchange Deed. In this deed, Trust RE and Multiplex have undertaken to the Issuer (among other things):

- if Trust RE and Multiplex have directed the Issuer to Exchange or have agreed to allow the Issuer to Exchange to issue such number of Stapled Securities as are required to be issued to enable the Issuer to Exchange amounts payable on Redemption into Stapled Securities;
- not to pay any distributions on Stapled Securities (except to the extent such distributions are fully reinvested in further Stapled Securities) or redeem, reduce or buy-back any Stapled Securities for so long as a Priority Distribution Payment has not been paid in full and until such time as the Optional Distribution Payments are paid or the full amount of the Priority Distribution Payments for the preceding four Distribution Periods have been paid in full or all Multiplex SITES have been Redeemed or Exchanged; and
- not to amend, waive or vary the terms of the Guarantee Deed or the Loan Agreement without the consent of the Issuer.

Each of Multiplex, Trust RE and MHIT Trustee undertake to:

- provide to the Issuer such information as it may require to comply with its disclosure obligations; and
- comply with all other things which are specified in the Terms to be done or not to be done by them.

The MHIT Trustee undertakes to the Issuer (among other things):

- that, in circumstances in which the amount it intends to distribute to the Issuer (as holder of class A units in MHIT) will be insufficient for the Issuer to make a distribution to Holders equal to the full amount of the Priority Distribution Payment on any given Distribution Payment Date, it will give notice to the Issuer at least seven business days prior to the relevant Distribution Payment Date of the amount which it intends to distribute to the Issuer so as to enable the Issuer to comply with its obligations under the Terms to give notice to Holders if it will not have sufficient income to make a distribution equal to the full amount of the Priority Distribution Payment on that Distribution Payment Date;
- not to amend the MHIT Constitution, nor to amend, waive or vary its rights or obligations under the Loan Agreement in a manner which may be adverse to Holders, without the consent of the Issuer;
- to redeem such number of class A units in MHIT as may be requested to place the Issuer in funds to Redeem Multiplex SITES in accordance with the Terms; and
- to pay to the Issuer an amount equal to the Priority Distribution Payment which the Issuer is required to pay to Holders on a Realisation Date.

Trust RE has undertaken to the Issuer and MHIT Trustee to:

- pay or procure payment of the management fee (if any) payable to the Issuer and MHIT Trustee under the Multiplex SITES Trust Constitution and MHIT Constitution respectively in consideration of their not taking payment of these fees from the relevant trust's funds; and
- indemnify and reimburse the Issuer and MHIT Trustee for all liabilities and expenses incurred by the Issuer and MHIT Trustee in relation to the proper performance of their respective duties in respect of the Multiplex SITES Trust and MHIT.

Should the responsible entity of Multiplex SITES and / or the MHIT Trustee no longer be a member of Multiplex Group, such payment obligation and indemnity shall only apply at the election of Trust RE.

Under the Exchange Deed, in certain circumstances Trust RE and Multiplex may require the Issuer to take specified actions. In particular:

- the Issuer may not Redeem or Exchange without the approval of Trust RE and Multiplex;
- if the Issuer becomes entitled to Redeem or Exchange, Trust RE and Multiplex may require the Issuer to do so; and
- Trust RE and Multiplex may, whether the Issuer seeks approval to Redeem or Exchange or whether Trust RE and Multiplex require this to occur, direct whether Multiplex SITES are to be Redeemed, Exchanged or a combination of the two.

## 10.6 SUMMARY OF THE LOAN AGREEMENT

The Loan Agreement is made between the MHIT Trustee and Trust RE under which the MHIT Trustee agrees to lend the proceeds from the subscription by the Issuer for Class A Units in MHIT to Trust RE (Loan). The Loan will be an interest bearing term loan for up to 10 years from the Issue Date.

The rate of interest applicable to the Loan will be an amount equal to the Distribution Rate. Interest will be payable on the last Business Day of each Distribution Period.

If MHIT Trustee is required under the Exchange Deed to redeem any of its Class A Units to enable the Issuer to fund any Redemption or Exchange, then the Trust must immediately repay the portion of the Loan that corresponds to the amount required to redeem the relevant Class A Units, and a break fee of an amount equal to any Make-Up Distribution Payment is payable by Trust RE.

## 10.7 SUMMARY OF THE GUARANTEE DEED

The obligations of the Issuer to pay money which becomes due and payable on the Multiplex SITES are guaranteed on a subordinated and several basis by the Trust and Multiplex as Guarantors under the Guarantee Deed.

Claims against the Guarantors under the Guarantee Deed are subordinated to the claims of all Senior Creditors of the Trust and Multiplex respectively but rank at least equally with all other unsecured and subordinated creditors of the Guarantors. Such claims are senior to the rights of Stapled Securityholders.

Under the terms of the Guarantee Deed, Holders cannot:

- seek a winding up or appoint a receiver in respect of the Guarantors; or
- require a payment from the Guarantors in connection with Multiplex SITES prior to a Winding-Up Event of the Trust or Multiplex.

Claims against the Trust and Multiplex in their liquidation, or following any winding up, rank:

- ahead of all Stapled Securityholders;
- pari passu with other subordinated creditors (other than any subordinated creditors whose claims are expressly agreed to rank after the claims of Holders under, or in relation to, the Guarantee Deed); and
- after the claims of all Senior Creditors.

Should the responsible entity of Multiplex SITES Trust no longer be a member of Multiplex Group, the Guarantee shall only apply in respect of the Redemption Amount and any Unpaid Distribution Amount but not in other circumstances.

## 10.8 SUMMARY OF THE OFFER MANAGEMENT AGREEMENT

The Issuer, Trust RE, Multiplex, MHIT Trustee, trustee of the CPS Finance Trust and the Lead Manager entered into the Offer Management Agreement on 29 November 2004. According to the Offer Management Agreement, UBS AG Australia Branch has been appointed as the lead manager and bookrunner for the Offer.

According to the Offer Management Agreement, the Lead Manager agrees to conduct the Bookbuild for the purpose, among other things, of setting the Margin and determining the allocations to institutional investors, Co-managers and Participating Brokers.

The Offer Management Agreement contains various representations and warranties, and imposes various obligations on each of the Issuer, Trust RE and Multiplex, including representations, warranties and undertakings to ensure that this Offer Document complies with the Corporations Act and other applicable laws, and to conduct the Offer according to the agreed timetable, the ASX Listing Rules, this Offer Document and other applicable laws and requirements of ASIC or ASX.

The Offer Management Agreement provides that the Multiplex parties to the agreement may not, without the Lead Manager's consent, issue, agree to issue or announce any issues of Multiplex SITES or Stapled Securities or securities convertible or exchangeable into Multiplex SITES or Stapled Securities or grant any person a right to subscribe for or be issued any such securities or issue debt that is unsecured and subordinated to Senior Creditors but ranks pari passu with or ahead of Multiplex SITES, for a period of three months after the Issue Date.

The Lead Manager may terminate its obligations according to the Offer Management Agreement on the occurrence of a number of customary termination events, including market changes and material adverse changes affecting certain entities within Multiplex Group, ASIC stop orders, ASX refusal to admit the Multiplex SITES Trust to the ASX official list, a supplementary product disclosure statement is required but fails to be lodged, any person withdraws their consent to be named in this Offer Document, the Issuer withdraws the Offer Document or Offer, trading of Stapled Securities is halted or quotation of Stapled Securities is suspended for a certain period of time. If this occurs, the Lead Manager will no longer be the Lead Manager and it will not be obliged to conduct the Bookbuild or provide settlement support for the Bookbuild. In addition, the obligations of institutional investors, Co-managers and Participating Brokers may, by the terms of the invitation to participate in the Bookbuild, terminate their obligations according to the Bookbuild.

The Issuer, Trust RE, Multiplex and MHIT Trustee have agreed to indemnify the Lead Manager and parties affiliated with it against claims, demands, damages, losses, costs, charges, expenses and liabilities in connection with the Offer, and certain other things related to that Offer other than where these are finally judicially determined to result from any fraud, recklessness, wilful misconduct, negligence or material breach of the Offer Management Agreement by the indemnified party.

The fees in relation to this Offer Management Agreement are set out in Section 8.1. The gross fee will be payable to the Lead Manager who will be responsible for paying Co-managers and Participating Brokers a retail selling fee of up to 1.00% of the Multiplex SITES allocated to them through the Bookbuild.

## 10.8.1 Settlement support

On completion of the Bookbuild, the Lead Manager has agreed to provide settlement support for part of the Offer. As part of that settlement support, the Lead Manager has agreed to pay, or procure payment of, the aggregate amount of the Face Value of Multiplex SITES allocated to institutional investors, Co-managers and Participating Brokers through the Bookbuild.

## 10.9 SUMMARY OF THE SUBSCRIPTION AGREEMENT

Pursuant to the Subscription Agreement, the Issuer agrees to subscribe for such number of Class A Units at the price of \$100 per unit as can be purchased with the proceeds of the Offer and Multiplex Hybrid Holdings Pty Ltd as trustee of Multiplex Hybrid Holdings Trust agrees to subscribe for such number of Class B Units in MHIT at the price per unit determined by the MHIT Constitution as results in the aggregate subscription monies for Class B Units being equal to the costs of the Offer and related transactions as are to be borne by MHIT. MHIT Trustee, in consideration of such payments, has agreed to issue that number of Class A Units to the Issuer and Class B Units to Multiplex Hybrid Holdings Pty Ltd, and register those entities as the respective holders of those units.

## 10.10 COMPLIANCE PLAN

The Compliance Plan for the Multiplex SITES Trust describes the procedures that Multiplex Funds Management Limited will apply, as responsible entity of the Multiplex SITES Trust, to ensure compliance with the Corporations Act and the Multiplex SITES Trust Constitution in accordance with Part 5C.4 of the Corporations Act.

Copies of the Compliance Plan and the Multiplex SITES Trust Constitution are available for inspection free of charge from the Opening Date to the Closing Date by contacting Multiplex Group in accordance with clause 10.1.

## 10.11 RESTRICTIONS ON THE OFFER IN JURISDICTIONS OUTSIDE AUSTRALIA

This Offer Document does not constitute an offer or invitation to subscribe for Multiplex SITES in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue this Offer Document. It is the responsibility of any Applicant outside Australia to ensure compliance with the laws of any country relevant to their Application.

No action has been taken to register or qualify the offer of Multiplex SITES in any jurisdiction outside Australia.

The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions.

Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## 10.12 CONSENTS

### 10.12.1 Director's Consent

Each Director of the Issuer has given, and not withdrawn as at the date of this Offer Document, their consent to the lodgment of this Offer Document with ASIC.

### 10.12.2 Other Consenting Parties

None of the parties referred to in this Section 10.12.2 has made, or purports to make, any statement that is included in this Offer Document or any statement on which a statement made in this Offer Document is based, other than as specified below. Each of these parties, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Document, other than the reference to its name and a statement or report included in this Offer Document with the consent of that party, as specified in this Section 10.12.2.

KPMG has given and has not, before the lodgment of this Offer Document with ASIC, withdrawn its written consent to be named in this Offer Document as auditor to Multiplex Group, and to the inclusion of references in this Offer Document of having reviewed financial information for the year ended 30 June 2004 in the forms and context in which they appear.

PricewaterhouseCoopers has given and has not, before the lodgment of this Offer Document with ASIC, withdrawn its written consent to be named in this Offer Document as tax adviser to Multiplex Group in the form and context in which it is named and to the inclusion in this Offer Document of its taxation report in the form and context in which it is included in Section 9 (and to the references to that letter in Sections 2.4 and 7.1.8).

Mallesons Stephen Jaques has given and has not, before the lodgment of this Offer Document with ASIC, withdrawn its written consent to be named in this Offer Document as legal adviser to Multiplex Group in the form and context in which it is named.

UBS AG, Australia Branch has given and has not, before the lodgment of this Offer Document with ASIC, withdrawn its written consent to be named in this Offer Document as Lead Manager in the form and context in which it is named.

ANZ Securities Limited, Bell Potter Securities Limited, Commonwealth Securities Limited and UBS Private Clients Australia Limited have given and have not, before the lodgment of this Offer Document with ASIC, withdrawn their written consent to be named in this Offer Document as a Co-manager in the form and context in which they are named.

National OnLine Trading Limited has given and has not, before the lodgment of this Offer Document with ASIC, withdrawn its written consent to be named in this Offer Document as a Co-manager in the form and context in which it is named. National Online Trading Limited is a wholly-owned subsidiary of National Australia Bank Limited, but National Australia Bank Limited does not guarantee the obligations or performance of its subsidiary or the services it offers

ASX Perpetual Registrars Limited has given and has not, before the lodgment of this Offer Document with ASIC, withdrawn its written consent to be named in this Offer Document as the Multiplex Registry in the form and context in which it is named.

### 10.13 INTERESTS OF ADVISERS

KPMG has acted as the auditor for Multiplex Group in connection with the review of the financial statements of Multiplex Group for the period ended 30 June 2004.

PricewaterhouseCoopers has provided tax advice in relation to the Offer and has prepared the taxation report contained in Section 9. In respect of this work, PricewaterhouseCoopers is entitled to receive professional fees of approximately \$100,000 (excluding disbursements and GST). Further amounts may be paid to PricewaterhouseCoopers in accordance with its normal time based charges.

Mallesons Stephen Jaques has acted as the legal adviser to Multiplex Group for the Offer and has performed work in relation to due diligence enquiries on legal matters. In respect of this work, Mallesons Stephen Jaques is entitled to receive professional fees of approximately \$300,000 (excluding disbursements and GST). Further amounts may be paid to Mallesons Stephen Jaques in accordance with its normal time based charges.

UBS AG Australia Branch is acting as Lead Manager for the Offer, in respect of which it will receive the fees outlined in Section 8.1.

ANZ Securities Limited, Bell Potter Securities Limited, Commonwealth Securities Limited, National OnLine Trading Limited and UBS Private Clients Australia Limited are acting as Co-managers for the Offer. The Lead Manager will be responsible for fees payable to each Co-manager, which will be 1.00% of the aggregate Face Value of Multiplex SITES allocated to that Co-manager through the Bookbuild.

### 10.14 DIRECTORS' INTERESTS

Directors are not required under the Trust Constitution, Multiplex Constitution, Multiplex SITES Trust Constitution or MHIT Constitution to hold any Stapled Securities, Multiplex SITES or other interests in these entities. As at the date of this Offer Document, the following Directors have an interest in Stapled Securities.

DIRECTOR	STAPLED SECURITIES <sup>1</sup>
John C Roberts AO	Refer note 2
Allan McDonald	29,692
Andrew Roberts	Refer note 2
Ross McDiven	987,655
John Corcoran	617,284
Noel Henderson <sup>3</sup>	197,531
Tim Roberts	Refer note 2
Ian O'Toole <sup>4</sup>	113,266
Peter Dransfield	40,000
John Poynton	425,078
Barbara Ward	20,000

Notes:

<sup>1</sup> Director ownership calculations include ownership by both registered and beneficial holdings.

<sup>2</sup> The members of the Roberts Family have interests in 214,625,570 Stapled Securities through Roberts Family Nominees Pty Limited.

<sup>3</sup> Director of Multiplex Limited.

<sup>4</sup> Director of Trust RE only.

The Directors may not acquire Multiplex SITES offered under this Offer Document.

## 10.15 ASX WAIVERS

ASX has been requested to grant the following waivers in relation to the ASX Listing Rules (LR) as they apply to the Issuer, Trust RE and Multiplex:

- LR 1.1 (condition 5) to the extent necessary to enable a Holder to elect to Redeem their Multiplex SITES for cash in certain circumstances under the Terms;
- LR 1.3.3 (a) and (b) on the basis that Multiplex SITES Trust, as a special purpose investment trust, will have no initial working capital requirements;
- LR 1.3.5 on the basis that the Multiplex SITES Trust will not have been established for a sufficient period for accounts or audited reports for the last three financial years to have been prepared in relation to the Multiplex SITES Trust; and
- LR 6.24 so that the Issuer need not announce the amount of a distribution on the date required under the ASX Listing Rules on condition that an estimated distribution is advised to ASX on that date and the actual distribution rate is advised to ASX as soon as it becomes known.

In addition, the following confirmations have been sought from ASX:

- in relation to LR 1.1 (condition 1) that the structure and operations of the Multiplex SITES Trust are appropriate for a listed entity;
- in relation to LR 1.1 (condition 6) that the Multiplex SITES (rather than ordinary units in the Multiplex SITES Trust) can be treated as the main class of securities to be quoted;
- in relation to LR 6.1 that ASX is likely to form the view that the Terms are, appropriate and equitable;
- in relation to LR 6.12 that the divestment of a Holder's Multiplex SITES where the Issuer elects to Redeem or Exchange Multiplex SITES is appropriate and equitable and that the election by a Holder to Redeem their Multiplex SITES for cash is not a divestment for the purposes of this Listing Rule;
- that LR 7.1 will apply to the issue of Stapled Securities on Exchange but not the issue of Multiplex SITES;
- in relation to LR 10.1 that the net proceeds of the Offer may be lent by MHIT to the Trust;
- in relation to LR 10.11 that, as the Multiplex SITES will not be listed at the time of the Offer, there are no restrictions on Directors of the Issuer (or its related bodies corporate) participating in the Offer; and
- in relation to LR 10.11 that, subject to a number of conditions (including the fact that no issue will prejudice the rights of Holders under this Offer Document) ASX is likely to grant a waiver to permit the Issuer to issue ordinary units in Multiplex SITES Trust to a related entity in Multiplex Group. The purpose of this issue would be to ensure that Multiplex Group is entitled to any residual income (after the Priority Distribution Payment). This would serve to maintain the flow-through tax status of the Multiplex SITES Trust. An issue of ordinary units may be necessary as it is proposed that, upon issue of Multiplex SITES, ordinary units currently on issue will be redeemed.

## 10.16 ASIC RELIEF

ASIC has been requested to grant the following modifications and exemptions to the extent they are relevant to the Offer:

- a modification of chapter 5C of the Corporations Act so that the provisions of part 5C.6 and section 601GA(4) relating to withdrawal procedures enable the redemption of ordinary units in the Multiplex SITES Trust, and Redemption and Exchange;
- an exemption from section 1012B of the Corporations Act so that Trust RE is not required to provide a product disclosure statement in relation to the issue of Units as a component of Stapled Securities on Exchange;
- a modification of sections 1012C(6) and 1012C(7) of the Corporations Act such that the intention of the acquirer of Units as a component of Stapled Securities following an Exchange is not relevant to determining whether a product disclosure statement is required for the on-sale of Units;
- an exemption from section 1016D of the Corporations Act so that Trust RE is not required to apply for admission to quotation of Units which will be issued as a component of Stapled Securities on Exchange within seven days after the date this Offer Document is lodged with ASIC, and an exemption from section 1013H that this obligation be disclosed; and
- an exemption from section 1016A of the Corporations Act to enable Units to be issued on Exchange without Trust RE receiving an application form.

If ASIC grants the relief referred to in the preceding four points, it is likely to do so on the basis that the Offer Document contains all relevant information that would comply with sections 710, 1013C, 1013D, 1013E and 1013F of the Corporations Act as if there was an offer of Shares and Units. Accordingly, the Offer Document has been prepared on this basis.

### **10.17 COMPLAINT HANDLING PROCEDURES**

If you have a complaint about Multiplex Funds Management Limited in connection with the Trust or Multiplex SITES Trust then please:

- contact Multiplex Funds Management Limited on (02) 9256 5000 Monday to Friday (8.30am – 5.30pm, Sydney time); and
- if your complaint is not satisfactorily resolved, refer the matter in writing to the Complaints Handling Officer, Multiplex Funds Management Limited, 1 Kent Street, Sydney NSW 2000.

If your complaint is not resolved within 45 days, you may have the right to complain to Financial Industry Complaints Service Limited at PO Box 579 Collins Street West, Melbourne Vic 8007, or telephone: 1300 780 808 or fax (03) 9621 2291. Multiplex Funds Management Limited is a member of Financial Industry Complaints Service Limited.

ASIC also has a toll free InfoLine on 1300 300 630 which you may use to complain and obtain information about your rights.

### **10.18 NO COOLING-OFF PERIOD**

There is no cooling-off period for persons investing in Multiplex SITES pursuant to this Offer Document or in respect of any Stapled Securities issued on Exchange.

### **10.19 INVESTMENT CONSIDERATIONS**

Multiplex Funds Management Limited will not take account of labour standards, or environmental, social or ethical considerations in investing or realising the proceeds of the Offer or the proceeds received on Exchange.

In view of the nature of property investment, Multiplex Funds Management Limited will not take account of labour standards, or social or ethical considerations in selecting, retaining or realising investments for the Trust. Environmental issues will only be taken into account in the selection of investments for the Trust as part of normal property due diligence as they relate to whether the land comprising part of a prospective investment is contaminated.

### **10.20 WORKING CAPITAL STATEMENT**

On completion of the Offer, the Multiplex SITES Trust will have enough working capital to carry out its stated objectives pursuant to the benefit of the indemnity provided under the Exchange Deed in respect of the costs of operating Multiplex SITES Trust.

# APPENDIX A

# TERMS

## 1 ISSUE OF MULTIPLEX SITES

### 1.1 Terms

These Terms set out the general terms and conditions of the **Step-up, Income-distributing, Trust-issued, Exchangeable Securities (Multiplex SITES)**, which are units in the Multiplex SITES Trust issued by the Issuer in accordance with these Terms and are subject to the more detailed provisions of the Constitution. The Multiplex SITES have a preference over the ordinary units (if any) in the Multiplex SITES Trust.

### 1.2 General

Each Multiplex SITES:

- (a) is a non-cumulative preferred income distribution unit in the Multiplex SITES Trust which is redeemable and, at the option of the Issuer, exchangeable into Stapled Securities and with a step-up in distributions;
- (b) has the benefit of a subordinated guarantee from the Trust and the Company;
- (c) has a face value of \$100 (**Face Value**), and will have an issue price equal to its Face Value;
- (d) must be paid for in full on application; and
- (e) is transferable in accordance with these Terms.

### 1.3 Purpose of Multiplex SITES Trust

The Issuer agrees the sole business and undertaking of the Multiplex SITES Trust is to issue the Multiplex SITES, comply with its obligations in relation to the Multiplex SITES and apply the net funds raised in relation to the Multiplex SITES by subscribing for units in Multiplex Hybrid Investment Trust (MHIT).

## 2 DISTRIBUTIONS

### 2.1 Present entitlement to distributions

Each Holder will have a present entitlement on the last day of each Distribution Period, in priority to any entitlement of the holders of ordinary units in the Multiplex SITES Trust, to receive payments of distributions of all income of the Multiplex SITES Trust in an amount up to the Priority Distribution Payment for the Distribution Period.

## 2.2 Amount of Priority Distribution Payments

In respect of each Distribution Period, the Priority Distribution Payment will be an amount, accruing on a daily basis, calculated according to the following formula:

$$\text{Priority Distribution Payment} = \frac{\text{Distribution Rate} \times \text{Face Value} \times \text{N}}{365}$$

Where:

**Distribution Rate** means:

- (a) for the first Distribution Period, the higher of:
  - (i) the Bank Bill Rate determined on the last day of the book build process (as described in the Offer Document), plus the Margin; and
  - (ii) the Bank Bill Rate determined on the Issue Date, plus the Margin; and
- (b) for each subsequent Distribution Period, the **Bank Bill Rate** plus the **Margin**.

**Margin** (expressed as a percentage), means for each Distribution Period from (and including):

- (a) the Issue Date to (but excluding) the Step-up Date, the Book Build Margin; and
- (b) the Step-up Date, the Book Build Margin plus 2.00% per annum.

**N** means in respect of:

- (a) the first Distribution Period, the number of days from (and including) the Issue Date to (and including) the first Record Date;
- (b) each subsequent Distribution Period, the number of days from (but excluding) the preceding Record Date to (and including) the next following Record Date; and
- (c) the last Distribution Period, the number of days from (but excluding) the preceding Record Date to (and including) the Realisation Date.

## 2.3 Distributions only from trust income derived and not cumulative

- (a) Distributions to Holders will be made from the income of the Multiplex SITES Trust. All income derived by the Multiplex SITES Trust will be distributed to the unitholders of the Multiplex SITES Trust in each income year.
- (b) If, and to the extent, in any Distribution Period, the income of the Multiplex SITES Trust to which a Holder of a Multiplex SITES is entitled is less than the Priority Distribution Payment for that Distribution Period, the entitlement of the Holder of the Multiplex SITES is limited to that income.
- (c) It is expected that the only income to which the Issuer will become entitled will be the income received by the Issuer as a unitholder of MHIT.
- (d) Accordingly, if, and to the extent, MHIT does not distribute sufficient income to the Issuer to enable the Issuer to derive sufficient income to pay all or any part of a Priority Distribution Payment, the shortfall will not be paid (except to the extent that an amount referable to it forms part of an Optional Distribution Payment or the Make-Up Distribution Payment).
- (e) No further entitlement accrues on any part of a Priority Distribution Payment which is not payable because the Multiplex SITES Trust does not have sufficient income to distribute that amount.

## 2.4 Payments of Distributions

- (a) The entitlement of a Holder under clause 2.1 for each Distribution Period is required to be paid on its Distribution Payment Date and on the Realisation Date or if the relevant day is not a Business Day, then on the following Business Day.
- (b) Notwithstanding anything else in this clause 2, the Priority Distribution Payment calculated for the final Distribution Period ending on the Realisation Date for a Multiplex SITES is due and payable on the Realisation Date.
- (c) Any fraction of a cent is disregarded when calculating Priority Distribution Payments.

## 2.5 Restrictions on distributions from the Trust and dividends from the Company

- (a) If the amount to which a Holder becomes entitled in respect of a Distribution Period pursuant to clause 2.1 is less than the Priority Distribution Payment or if the amount to which any Holder has become entitled under clause 2.1 has not been paid in full within 5 Business Days after the relevant Distribution Payment Date, the Trust must not, without the approval of an Extraordinary Resolution, pay any distribution on any Units (except to the extent such distribution is fully reinvested in further Units in the Trust and/or Shares in the Company), or redeem, reduce, cancel, buy-back or acquire for any consideration any issued Units in the Trust until such time as:
  - (i) the Optional Distribution Payments is paid; or
  - (ii) an amount equal to the full amount of the Priority Distribution Payments for the four Distribution Periods immediately preceding the date of payment of the distribution by the Trust (or the taking of any other action prescribed by (a)) has been paid in full; or
  - (iii) all Multiplex SITES have been redeemed or Exchanged.

- (b) If the amount to which a Holder becomes entitled in respect of a Distribution Period pursuant to clause 2.1 is less than the Priority Distribution Payment or if the amount to which any Holder has become entitled under clause 2.1 has not been paid in full within 5 Business Days of the relevant Distribution Payment Date, the Company must not, without the approval of an Extraordinary Resolution, declare or pay a dividend (except a dividend which is fully reinvested in new Shares and/or Units in the Trust) or make any distribution on any of its outstanding share capital, or provide notice to reduce its outstanding share capital or buy back any Shares until such time as:
- (i) the Optional Distribution Payment is paid; or
  - (ii) an amount equal to the full amount of the Priority Distribution Payments for the four Distribution Periods immediately preceding the date for payment of the dividend by the Company (or the taking of any other action prescribed by (b)) has been paid in full; or
  - (iii) all Multiplex SITES have been redeemed or Exchanged.

### 2.6 Notice to Holders

If the Issuer determines that it will not have sufficient income to make a distribution equal to the full amount of the Priority Distribution Payment on a Distribution Payment Date, the Issuer must give Holders written notice of that position at least five Business Days prior to that Distribution Payment Date.

### 2.7 No Holders rights until Priority Distribution Payment is due and payable

Unless and until all or any part of the Priority Distribution Payment becomes payable in accordance with this clause 2, Holders do not have any remedy in law or equity against the Issuer or any other person in respect of the non-payment (in whole or in part) of that amount.

### 2.8 Optional Distribution Payment

The Optional Distribution Payment at any time is the aggregate amount of so much (if any) of the Priority Distribution Payments for the preceding four Distribution Periods which have not been, and will not be, required to be paid on the relevant Distribution Payment Date.

### 2.9 Payment of Optional Distribution Amount

The Issuer or either of the Guarantors may pay all or some part of an Optional Distribution Payment on all (but not some) Multiplex SITES at any time, subject to giving Holders notice at least 15 Business Days prior to such payment, specifying the date of the proposed payment, the Record Date for determining the Holders entitled to the payment and the amount of the payment.

## 3 SUBORDINATED GUARANTEE

### 3.1 Guarantee by Trust and Company

- (a) The obligations of the Issuer to pay money which becomes due and payable in accordance with these Terms on the Multiplex SITES are guaranteed on a subordinated and several basis by the Trust and the Company pursuant to the Guarantee (contained in the Guarantee Deed) given by the Guarantors for the benefit of the Holders.
- (b) Subject to clause 3.1(g), the Guarantee is a several obligation of each of the Trust and the Company for all of the money which becomes due and payable on Multiplex SITES.
- (c) The Guarantee constitutes direct and unsecured obligations of each of the Trust and the Company, which are subordinated to the claims of all Senior Creditors of the Trust and the Company respectively but rank at least equally with all other unsecured and subordinated obligations of the Trust and the Company.
- (d) Claims against the Trust and the Company under the Guarantee shall, in their liquidation or following any Winding-Up Event in respect of the Trust or the Company, rank:
  - (i) ahead of all Stapled Securityholders;
  - (ii) *pari passu* with other subordinated creditors (other than any subordinated creditors whose claims are expressed to rank after the claims of Holders under the Guarantee); and
  - (iii) after the claims of all Senior Creditors.
- (e) Holders waive, to the fullest extent permitted by law, any right to prove in any liquidation or following the occurrence of any Winding-Up Event of the Trust or the Company as a creditor ranking for payment equally with any Senior Creditor. In particular, the Holders cannot:
  - (i) seek a winding up or appoint a receiver; or
  - (ii) require a payment from a Guarantor in connection with the Multiplex SITES prior to a Winding-Up Event of the Trust or the Company.

- (f) Nothing in these Terms shall be construed as preventing the Trust or the Company from creating, issuing or allotting any Stapled Securities or any other form of equity securities or from creating, allotting or issuing, as the case may be, any debentures, notes or other forms of debt securities or incurring other liabilities.
- (g) Notwithstanding anything to the contrary in these Terms, if the responsible entity of the Multiplex SITES Trust ceases to be part of Multiplex Group, the Guarantee will apply only in respect of the Redemption Amount and any Unpaid Distribution Amount payable on redemption or Exchange.

### **3.2 Acknowledgment of subordination**

Each Holder, by subscription for or acquisition of Multiplex SITES, is taken to acknowledge that the Guarantee is subordinated to the payment of all debt owing to Senior Creditors, in the manner provided in this clause 3, provided that in the case of unsecured creditors it is Unsubordinated Debt.

## **4 REDEMPTION AND REALISATION DATE**

### **4.1 When Holders may give a Holder Realisation Notice**

A Holder has no right to require an Exchange of Multiplex SITES in any circumstances. Furthermore, a Holder may only give a Holder Realisation Notice to the Issuer with respect to all (but not part) of the Holder's holding of Multiplex SITES while a Holder Realisation Event is subsisting, but no later than 20 Business Days after a Holder Realisation Event Notice has been given.

### **4.2 Redemption of all Multiplex SITES following receipt of a Holder Realisation Notice**

Upon receipt of a Holder Realisation Notice from Holders who hold 5% or more of all Multiplex SITES on issue, the Issuer must redeem all the Multiplex SITES on issue in accordance with this clause 4 and pay the Redemption Amount together with the Unpaid Distribution Amount on the Realisation Date.

### **4.3 Redemption by the Issuer after Realisation Notice**

The Issuer must redeem the Multiplex SITES specified in a Realisation Notice for an amount equal to the Redemption Amount, and pay the Unpaid Distribution Amount on the applicable Realisation Date after giving a Realisation Notice to that effect.

### **4.4 Realisation Notices**

The Issuer may issue a Realisation Notice which specifies the number of the Multiplex SITES which are to be redeemed (if any) and the number (if any) which are to be Exchanged:

- (a) no earlier than six months before and no later than 25 Business Days before the Step-up Date or the last day of any Distribution Period following the Step-up Date;
- (b) within 20 Business Days after a Change of Control Event occurs;
- (c) at any time after the responsible entity of the Multiplex SITES Trust ceases to be part of Multiplex Group;
- (d) which is incorporated in an Increased Costs Event Notice or an Accounting Event Notice or at any time within three months after an Increased Costs Event Notice or an Accounting Event Notice has been given; and
- (e) at any time the aggregate Face Value of all Multiplex SITES on issue is less than \$50 million.

### **4.5 Realisation Date**

The Realisation Date for a redemption in accordance with clauses 4.2 or 4.3, and for Exchange in accordance with clause 5, are the following dates:

- (a) following a Realisation Notice, issued in accordance with clause 4.4(a), on the Business Day prior to the Step-up Date, or the last Business Day of a Distribution Period following the Step-up Date;
- (b) following a Realisation Notice issued in accordance with clauses 4.4(b) or (c), 25 Business Days after the date of the Realisation Notice;
- (c) following receipt of a Holder Realisation Notice from Holders who hold 5% or more of all Multiplex SITES on issue, 45 Business Days after the date of the Holder Realisation Event Notice;
- (d) following an Increased Costs Event Notice or an Accounting Event Notice or a Realisation Notice given in accordance with clause 4.4(d), 25 Business Days after the date of that notice; and
- (e) 25 Business Days after the date of the Realisation Notice given under clause 4.4(e).

# APPENDIX A

## TERMS CONTINUED

### 4.6 Holder deemed to agree to redemption or Exchange

Each Holder by subscription for, or acquisition of, Multiplex SITES is deemed to have agreed to the redemption or Exchange of the Multiplex SITES in accordance with the Terms notwithstanding that the Holder has not given a redemption request.

## 5 EXCHANGE

### 5.1 Exchange Process

If the Exchange Process is to occur for all or some Multiplex SITES the subject of a Realisation Notice, then:

- (a) the Issuer must redeem the Multiplex SITES for an amount equal to the Redemption Amount, and pay the Unpaid Distribution Amount;
- (b) the Issuer must, in accordance with the Exchange Deed, cause the Trust and the Company to allot to the Holder that number of Units and Shares, to be allotted as Stapled Securities calculated in accordance with clause 5.2, and the Issuer must discharge its obligation to pay the Redemption Amount and, the Unpaid Distribution Amount to the Holder by paying the amounts as directed by the Holder in accordance with clause 5.3 to pay the issue price of Units and Shares; and
- (c) the Trust and the Company will (in accordance with the Exchange Deed) allot that number of Stapled Securities to the Holder in accordance with these Terms and cause the Holder to be entered in the register of members of the Trust and Company respectively and cause a holding statement to be issued to the Holder in relation to the Stapled Securities.

### 5.2 Number of Stapled Securities on Exchange

- (a) Subject to the adjustments in clauses 5.2(b), 5.5 and 5.6, for the purposes of determining the number of Units and Shares to be issued as Stapled Securities in accordance with the Exchange Process for each Multiplex SITES the number is to be calculated in accordance with the following formula:

$$\text{Number of Stapled Securities} = \frac{\mathbf{R}}{\mathbf{RV} - (\text{Exchange Discount} \times \mathbf{RV})}$$

Where:

**R** means the aggregate of the Redemption Amount, and the Unpaid Distribution Amount (less, for the avoidance of doubt, any deduction under clause 7.6);

**RV** means the VWAP (expressed as a dollar value) calculated in respect of the period of 20 Business Days immediately preceding, but not including the Realisation Date; and

- (b) If the total number of Stapled Securities to be issued to a Holder, as calculated in accordance with clause 5.2(a), includes a fraction, that fraction will be disregarded.

### 5.3 Direction from Holders

Each Holder, by subscription for, or acquisition of, Multiplex SITES, is taken irrevocably to direct the Issuer to apply the amount payable under clause 5.1(a) (less, for the avoidance of doubt, any deduction under clause 7.6) to pay the issue price for the Stapled Securities as contemplated by clause 5.1 and to agree to become a member of the Company and the Trust.

### 5.4 Ranking on Exchange

Stapled Securities issued upon Exchange shall rank pari passu with Stapled Securities then on issue in all respects and have the benefit of all entitlements attaching to any Stapled Securities issued at the same time.

### 5.5 Adjustments following de-stapling

If the Stapled Securities are de-stapled, then the Issuer will make all calculations in relation to payment and Exchange as if a separate Share and a separate Unit were each a Stapled Security and as if each Multiplex SITES was split into two separate Multiplex SITES with face values equal in aggregate to the Face Value or make such other adjustment as the Issuer reasonably considers appropriate or necessary to maintain that relativity.

### 5.6 Adjustments for a Change of Control Event

If an Exchange results from the occurrence of a Change of Control Event, the denominator in the formula in clause 5.2 will be 97.5% of the offer price under the takeover bid or the consideration under the scheme of arrangement or, in the case of non-cash consideration, the value thereof as reasonably determined by an independent expert appointed by the Issuer.

## 6 NOTICES OF EVENTS AND RECORD DATES

### 6.1 Notification of Holder Realisation Event, Increased Costs Event or Accounting Event

The Issuer must, within 10 Business Days of becoming aware of the occurrence of a Holder Realisation Event, an Increased Costs Event or an Accounting Event, give notice of its occurrence to all Holders by issuing a market release to ASX, sending a copy to each Holder and by publishing a notice in a daily newspaper circulating generally in Australia.

### 6.2 Effectiveness of Holder Realisation Notices and Realisation Notices

- (a) A Holder Realisation Notice and a Realisation Notice once given, are each irrevocable, except in the circumstances specified in the definition of Change of Control Event.
- (b) Once a Holder has given a Holder Realisation Notice, that Holder must not deal with, transfer, dispose of or otherwise encumber Multiplex SITES the subject of the Holder Realisation Notice until it has been determined whether the Issuer has become obliged to redeem all Multiplex SITES in accordance with clause 4.2 as a result of that Holder Realisation Event.
- (c) If a Holder breaches clause 6.2(b), the Multiplex SITES affected will not be counted to determine if 5% or more of the Holders of Multiplex SITES have delivered a Holder Realisation Notice for the purpose of clause 4.2.

### 6.3 Multiple Realisation Dates

Where more than one event results in more than one Realisation Date, the Issuer shall be required to redeem or, if it so elects, Exchange the relevant Multiplex SITES on the earliest Realisation Date only and shall have no obligation with respect to such Multiplex SITES on all such other Realisation Dates.

### 6.4 Record Dates

Distribution entitlements arising under clauses 2.1 to 2.4, the payments of any Optional Distribution Payment, the Final Distribution Payment, the Redemption Amount and any Make-Up Distribution Payment or any other payments under these Terms are only payable to those persons named in the Register as Holders on the relevant Record Date.

### 6.5 Irregularity

Where the Issuer is required to give a notice in relation to any act, matter or determination, the accidental omission to give that notice does not affect the validity of that act, matter or determination.

## 7 GENERAL

### 7.1 Warranty by Holder

Each Holder is deemed, when Multiplex SITES are redeemed or Exchanged, to warrant and represent to the Issuer that the Holder owns such Multiplex SITES, that they are free and unencumbered and that the Holder has not sold, alienated, donated or otherwise disposed of such Multiplex SITES.

### 7.2 Stapled Security participation

Multiplex SITES confer no rights to subscribe for new securities in Multiplex Group or to participate in any bonus issues.

### 7.3 Voting rights

Holders have no voting rights in respect of Stapled Securities except to the extent required by law. To the extent that Holders have a legal right to attend and vote at any general meeting of the Trust, each Holder by holding or acquiring Multiplex SITES is deemed to have irrevocably appointed the chairman of the Trust as its proxy to vote in the absolute discretion of the chairman on any matter and authorised the company secretary of the Responsible Entity to execute a proxy form to give effect to this.

### 7.4 Amendments to these Terms

Subject to complying with all applicable laws, the Issuer may, without the authority, assent or approval of Holders, amend or add to these Terms if the Issuer reasonably considers:

- (a) the change will not adversely affect the Holders' rights;
- (b) a change in a Directive, a change in the interpretation or administration of a Directive by an authority or a Directive, applying for the first time after the Issue Date, makes it (or will make it) illegal or impossible in practice for the Issuer to comply with any of its obligations under these Terms;
- (c) the changes are of a formal, minor or technical nature; or
- (d) the changes are made to correct a manifest error which derogates from the obvious meaning intended.

If the Issuer reasonably considers the proposed change will adversely affect Holders' rights, the amendment may not be made without a resolution of Holders approved by an Extraordinary Resolution.

# APPENDIX A

## TERMS CONTINUED

### 7.5 No recognition of interests

The Issuer need only recognise the Holder on the Register as the person entitled to Multiplex SITES and need not, unless required by a court, recognise any equitable or other interest in Multiplex SITES.

### 7.6 Deductions

The Issuer may deduct from any amount payable to a Holder the amount of any withholding or other tax, duty, levy, assessment or governmental charge which the Issuer is required or authorised by any Directive or pursuant to the Constitution to deduct in respect of such amount. In that event, the Issuer will have no obligation to pay to the relevant Holder any additional amounts for or in respect of that deduction. For the avoidance of doubt, the Unpaid Distribution Amount which is calculated in relation to redemption or Exchange is subject to reduction under this clause 7.6.

### 7.7 Provision of information

Subject to the Corporations Act and ASX Listing Rules, each Holder (if requested by that Holder) is entitled to be provided with copies of:

- (a) all notices of general meeting of the Company and the Trust; and
- (b) all other documents (including annual reports and financial statements) given by Multiplex Group to the Stapled Securityholders, at the same time as, or as soon as reasonably practicable after, the Stapled Securityholders are sent copies.

### 7.8 Non-resident Holders

- (a) Where Multiplex SITES are held by or on behalf of a person resident outside Australia then, despite anything to the contrary contained in these Terms, it is a condition precedent to:
  - (i) any right of the Holder to receive payment of any money in respect of those Multiplex SITES; or
  - (ii) the issue of Stapled Securities on Exchange,that all necessary Authorisations (if any) and any other statutory requirements which may then be in existence are obtained by the Holder at the cost of the Holder and otherwise satisfied.
- (b) For the purposes of clause 7.8(a), **(Authorisation)** includes any consent, authorisation, registration, filing, lodgment, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority or exemption from, by or with any government or any governmental agency.

### 7.9 Indemnity to the Issuer

- (a) Whenever in consequence of:
  - (i) the death of a Holder;
  - (ii) the non-payment of any income tax or other tax payable by a Holder;
  - (iii) the non-payment of any stamp or other duty by the legal personal representatives of a Holder or its estate; or
  - (iv) any other act or thing in relation to each Multiplex SITES or a Holder,any law for the time being of any country or place, in respect of Multiplex SITES, imposes or purports to impose any liability of any nature whatever on the Issuer to make any payment to any governmental agency, the Issuer will, in respect of that liability, be indemnified by that Holder and its legal personal representative and any monies paid by the Issuer in respect of that liability may be recovered from that Holder and/or the Holder's legal personal representative as a debt due to the Issuer which will have a lien in respect of those monies upon Multiplex SITES held by that Holder or its legal personal representatives and upon any monies payable in respect thereof.
- (b) Nothing in clause 7.9(a) will prejudice or affect any right or remedy which any such law may confer or purport to confer on the Issuer.

### 7.10 Transfers of Multiplex SITES

A Holder may transfer any Multiplex SITES the Holder holds:

- (a) after Multiplex SITES are quoted on ASX, by a proper ASTC transfer (as that expression is defined in the Corporations Regulations 2001) or any other method of transferring or dealing in Multiplex SITES introduced by ASX or operated in accordance with the operating rules of a CS facility (as that term is defined in Chapter 7 of the Corporations Act) or the ASX Listing Rules, and in any such case, recognised under the Corporations Act; or
- (b) prior to the quotation of Multiplex SITES, by a written instrument of transfer approved by the Directors of the Issuer and otherwise permitted by law.

### 7.11 Governing law

These Terms are governed by the law in force in New South Wales and the Issuer submits to the non-exclusive jurisdiction of the courts of that place.

## 8 DEFINITIONS AND INTERPRETATION

### 8.1 Definitions

The following words and expressions have the following meanings:

**Accounting Event** means any change in Australian Accounting Standards which results in:

- a) the Multiplex SITES being treated as a liability for the purpose of the consolidated accounts of Multiplex Group; or
- b) the units owned by the Issuer in MHIT being treated as a liability for the purpose of the consolidated accounts of Multiplex Group, in the event that a change in Australian Accounting Standards results in the Multiplex SITES Trust not being a member of Multiplex Group.

**Accounting Event Notice** means a notice given by the Issuer in accordance with clause 6.1 following the occurrence of an Accounting Event.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means Australian Stock Exchange Limited (ABN 98 008 624 691) or the market operated by it, as the context requires.

**ASX Listing Rules** means the listing rules of ASX with any modification or waiver in their application to the Multiplex SITES Trust, the Trust or the Company, which ASX has or may grant from time to time.

**ASX Market Rules** means the market rules of ASX.

**Australian Accounting Standards** means:

- (a) the accounting standards as defined in Section 9 of the Corporations Act;
- (b) the requirements of the Corporations Act for the preparation and content of accounts; and
- (c) generally accepted accounting principles and practices consistently applied in Australia, including any domestically accepted international accounting standards, except principles and practices that are inconsistent with those referred to in paragraph (a) or (b) of this definition.

**Authorisation** has the meaning given to it in clause 7.8(b).

**Bank Bill Rate** means for a Distribution Period, the rate (expressed as a percentage per annum), equal to the average mid-rate for bills for a term of three months as displayed on the Reuters BBSW page (or any page which replaces that page) on the first Business Day of that Distribution Period (or in the case of the first Distribution Period, as determined in accordance with clause 2.2) or if there is a manifest error in the calculation of that average rate or that average rate is not displayed by 10.30am (Sydney time) on that date, the rate calculated by the Issuer having regard to the extent possible to:

- (a) the rates otherwise bid and offered for bills of three months or for funds of that tenor displayed on the Reuters BBSW page (or any page which replaces that page) at that time on that date; and
- (b) if bid and offer rates for bills of three months are not otherwise available, the rates otherwise bid and offered for funds of that tenor at or around that time on that date.

**Book Build Margin** means the initial margin determined in accordance with the book build process as described in the Offer Document.

**Business Day** has the meaning given in the ASX Listing Rules.

**Change of Control Event** means:

- (a) a takeover bid under Chapter 6 of the Corporations Act to acquire all or some of the Stapled Securities and the offer under such takeover bid is, or becomes, unconditional and the bidder has acquired at any time during the offer period a relevant interest in more than 50% of the Stapled Securities on issue; or
- (b) the Company lodges with ASIC a draft explanatory statement for a scheme of arrangement that the Company proposes to enter into in terms of Part 5.1 of the Corporations Act and the Trust proposes for consideration by its members an informal scheme of arrangement which, in either case, if approved and implemented, will result in a person having a relevant interest in more than 50% of the Stapled Securities that will be on issue after the scheme is implemented, and the Trust or the Company releases to the market an opinion from an independent expert that the proposed scheme is fair and reasonable or the scheme is subsequently approved by Stapled Securityholders and, in the case of the Company, a court. Notwithstanding the foregoing, if after a Change of Control Event occurs, the scheme is not approved by Stapled Securityholders and a court, the Change of Control Event shall be deemed never to have occurred and in order to ensure that action is not taken prematurely in relation to clause 4.5(b) the time period of 25 Business Days referred to in clause 4.5(b) shall be extended if necessary so that it expires on the date of such approval and any notices given as a result of such event will be revoked.

**Company** means Multiplex Limited (ABN 96 008 687 063).

**Constitution** means the constitution of the Multiplex SITES Trust dated 12 November 2004.

**Corporations Act** means the Corporations Act 2001 (Cwlth).

# APPENDIX A

## TERMS CONTINUED

### 8.1 Definitions (continued)

**Directive** means:

- (a) a law; or
- (b) a treaty, an official directive request, guideline or policy (whether or not having the force of law) with which responsible financiers comply in carrying on their business.

**Distribution Payment Date** means 11 Business Days after the last day of each Distribution Period and, for any Multiplex SITES to be redeemed or Exchanged, includes the Realisation Date.

**Distribution Period** means each quarterly period ending on and including 31 March, 30 June, 30 September and 31 December each year, but in the case of the first such period means the period commencing on (and including) the Issue Date and ending on (and including) 31 March 2005 and in the case of the last period for any Multiplex SITES means the period ending on the Realisation Date.

**Distribution Rate** has the meaning given to it in clause 2.2.

**Exchange** means the redemption of Multiplex SITES by the Issuer and the issue by the Trust of Units and the issue by the Company of Shares to be delivered as Stapled Securities in accordance with the Exchange Process. **Exchanged** has the corresponding meaning.

**Exchange Deed** means the deed made between the Issuer, the trustee of MHIT, the Company and the Responsible Entity, pursuant to which, among other matters, the Company and the Responsible Entity have agreed with the Issuer for the benefit of Holders to issue Stapled Securities to the Holders in accordance with the Exchange Process.

**Exchange Discount** means 2.5% expressed as a decimal.

**Exchange Process** means the process described in clause 5.1.

**Extraordinary Resolution** means a resolution passed by 75% or more of votes at a meeting of Holders in accordance with the relevant provisions of the Constitution.

**Face Value** has the meaning given to it in clause 1.2(c).

**Final Distribution Payment** means the amount of the Priority Distribution Payment calculated for the final Distribution Period ending on the Realisation Date.

**Guarantee** means the subordinated guarantee provided by the Trust and Company to Holders contained in the Guarantee Deed, the terms of which are summarised in clause 3.

**Guarantee Deed** means the deed made by the Responsible Entity and the Company to guarantee, on a subordinated basis, the obligations of the Issuer under the Multiplex SITES for the benefit of the Holders.

**Guarantors** means the Responsible Entity and the Company.

**Holder** means a holder of Multiplex SITES on the Register.

**Holder Realisation Event** means any of the following:

- (a) a breach by the Company or the Trust of the restrictions on distributions from the Trust and dividends from the Company as set out in clause 2.5; or
- (b) a Winding-Up Event occurs with respect to either of the Guarantors or, for so long as the responsible entity of the Multiplex SITES Trust is a part of Multiplex Group, the Multiplex SITES Trust or, for so long as the trustee of MHIT is part of Multiplex Group, MHIT.

**Holder Realisation Event Notice** means a notice given by the Issuer in accordance with clause 6.1 following a Holder Realisation Event.

**Holder Realisation Notice** means a notice given by a Holder in accordance with clause 4.1.

**Increased Costs Event** occurs if the Directors of the Issuer resolve on reasonable grounds (having obtained an opinion from a reputable legal counsel or tax adviser) that a change in any taxation law, regulation, interpretation or ruling issued by any relevant government body, or a change in interpretation as decided by a court of law, has occurred or is announced at any time after the Issue Date and that change may result in more than a negligible increase in costs or denial of a deduction or other tax benefit for the Issuer, the Company or the Trust in relation to Multiplex SITES or the investments or loans between the Multiplex SITES Trust and MHIT or other members of Multiplex Group including, without limitation, as a result of any loan made by MHIT from the proceeds of the investment by the Issuer in units in that trust, being treated as equity for taxation purposes, or a deduction being denied to the borrower in Multiplex Group of the loan.

**Increased Costs Event Notice** means a notice given by the Issuer in accordance with clause 6.1 following the occurrence of an Increased Costs Event.

**Issue Date** means the first date upon which Multiplex SITES are allotted.

**Issuer** means Multiplex Funds Management Limited (ABN 15 015 371 917, AFSL No. 231141) in its capacity as responsible entity of the Multiplex SITES Trust.

**Make-Up Distribution Payment** means, with respect to any Multiplex SITES, on any Realisation Date the amount of the Optional Distribution Payment, determined as at the Realisation Date but, in any event, not being more than the total amount of the Priority Distribution Payments calculated for each of the four Distribution Periods preceding the Realisation Date less the Final Distribution Payment.

**Margin** has the meaning given to it in clause 2.2.

**MHIT** means the Multiplex Hybrid Investment Trust of which Multiplex Hybrid Investment Pty Ltd is the trustee.

**Multiplex Group** means the Trust and the Company and any entity with which the Trust or the Company must consolidate in its accounts in accordance with Australian Accounting Standards.

**Multiplex SITES** has the meaning given to it in clause 1.1.

**Multiplex SITES Trust** means the trust established under the Constitution and having the ARSN 111 903 747.

**Offer Document** means the product disclosure statement for the offer of Multiplex SITES and issued by the Issuer, and dated 29 November 2004.

**Optional Distribution Payment** means the amount payable by the Issuer or the Guarantors in order to remove the restrictions on distributions as determined in accordance with clause 2.8.

**Priority Distribution Payment** means the amount calculated in accordance with clause 2.2.

**Realisation Date** means the date determined in accordance with clause 4.5.

**Realisation Notice** means a notice given by the Issuer to a Holder in accordance with clause 4.4.

**Record Date** means, in relation to a Distribution Payment Date or any other date on which payments are to be made to Holders, 5.00pm (Sydney time) on the date which is the last day of the Distribution Period to which that Distribution Payment Date relates (or such other period determined by the Directors of the Issuer before such Distribution Payment Date or other date).

**Redemption Amount** means, for each Multiplex SITES, its Face Value.

**Register** means the register of Holders maintained by or on behalf of the Issuer in accordance with the Constitution.

**Responsible Entity** means Multiplex Funds Management Limited (ABN 15 105 371 917), as responsible entity of the Trust or such other responsible entity of the Trust from time to time.

**Senior Creditor** means any secured or unsecured creditor of the Trust or the Company to whom the Trust or the Company (as the case may be) must make payment in respect of any Unsubordinated Debt.

**Share** means a fully paid stapled ordinary share in the capital of the Company.

**Stapled Securities** means the Stapled Securities of the Trust and the Company, comprising a Unit and a Share stapled to each other.

**Stapled Securityholder** means a holder of Stapled Securities on the register for Stapled Securities.

**Step-up Date** means the first day of the first Distribution Period commencing after the fifth anniversary of the Issue Date.

**Terms** means these terms and conditions.

**Trust** means the Multiplex Property Trust (ARSN 106 643 387) and, where applicable, the Responsible Entity.

**Unit** means a fully paid stapled ordinary unit in the Trust.

**Unpaid Distribution Amount** means the Final Distribution Payment plus the Make-Up Distribution Payment (if any).

**Unsubordinated Debt** means, in respect of each of the Trust and the Company, each claim against it which, in the event of insolvency or winding-up, is not (otherwise than by reason or any statutory provision) either:

- (a) subordinated in any manner to the claims of its unsecured creditors; or
- (b) by the terms of any agreement, deed or instrument entered into with it, stated or required to be subordinated in any manner to the claims of its unsecured creditors.

**VWAP** is the average of the daily volume weighted average sale price per Stapled Security sold on ASX during the relevant periods specified elsewhere in these Terms, but does not include any transaction defined in the ASX Market Rules as a "special", crossings prior to the commencement of normal trading, crossings during the after hours adjust phase, crossings during the closing phase, overnight crossings or any overseas trades or trades pursuant to the exercise of options over Stapled Securities.

For the purposes of calculating VWAP, if, on some or all of the Business Days in the relevant period, Stapled Securities have been quoted on ASX as cum dividend, or cum any other distribution or entitlement, but Stapled Securities will be issued under these Terms ex such dividend other distribution or entitlement, then the VWAP on the Business Days on which those Stapled Securities have been quoted cum dividend, other distribution or entitlement shall be reduced by an amount equal to:

# APPENDIX A

## TERMS CONTINUED

### 8.1 Definitions (continued)

- (a) in the case of a dividend or other distribution, the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of the recipient of the dividend or other distribution who is a natural person;
- (b) in the case of an entitlement which is traded on ASX on any of those Business Days, the average of the daily volume weighted average sale price for such entitlement sold on ASX during the relevant period on the Business Days on which those entitlements were traded; or
- (c) in the case of an entitlement not traded on ASX during the relevant period, the value of the entitlement as reasonably determined by the Issuer.

Conversely, where on some or all of the Business Days in the relevant period, Stapled Securities have been quoted on ASX as ex dividend or any other distribution or entitlement, but Stapled Securities will be issued under these Terms cum such dividend, other distribution or entitlement, then the VWAP on the Business Days on which those Stapled Securities have been quoted ex dividend, other distribution or entitlement shall be increased in accordance with clauses (a), (b) and (c) above in this definition of VWAP (with the necessary changes).

Where a specified period is stated in relation to the determination of VWAP and on any of the Business Days during that period Stapled Securities were subject to a trading halt or suspended, the period shall be extended by the number of Business Days on which the Stapled Securities were not able to be traded or were suspended.

**Winding-Up Event** means any of the following events occurring with respect to an entity:

- (a) the entity resolves in general meeting, or by special resolution in lieu of a general meeting, to be wound up or to appoint a liquidator;
- (b) an administrator, liquidator or provisional liquidator is appointed to the entity;
- (c) a court makes an order to wind up, or for the appointment of a liquidator to the entity (other than to effect a solvent reconstruction or amalgamation);
- (d) a receiver, receiver and manager, administrative receiver, statutory manager or similar officer is appointed to all or substantially all of the assets and undertaking of the entity;
- (e) the entity enters into a compromise, arrangement or composition with, or assignment for the benefit of, its creditors or a class of them; or
- (f) in the case of any entity which is a trust, the trust terminates or the responsible entity of the trust resolves to terminate the trust or a court makes an order to wind up the trust (other than to effect a solvent reconstruction).

### 8.2 Interpretation

Unless the context otherwise requires:

- (a) if there is any inconsistency between the provisions of these Terms and any other document issued in relation to the offer of Multiplex SITES, then, to the maximum extent permitted by law, the provisions of these Terms will prevail;
- (b) if a calculation is required under these Terms, unless the contrary intention is expressed, the calculation will be rounded to four decimal places;
- (c) headings are for convenience only and do not affect the interpretation of these Terms;
- (d) Australian dollars, dollars, \$ or A\$ is a reference to the lawful currency of Australia;
- (e) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (f) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (g) anything (including an amount) is a reference to the whole and each part of it;
- (h) a document (including these Terms) includes any variation or replacement of it;
- (i) law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (j) an accounting term is a reference to that term as it is used in the Australian Accounting Standards;
- (k) the word "person" includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (l) the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (m) the singular includes the plural and vice versa;
- (n) a reference to a time of day is a reference to Sydney time; and
- (o) Calculations, elections and determinations made by the Issuer under these Terms are binding on Holders in the absence of manifest errors.

# APPENDIX B

## GLOSSARY

The following is a glossary of the capitalised words and expressions used in this Offer Document. There is also a list of defined terms in clause 8 of the Terms. Terms defined in clause 8 of the Terms are not defined in this Appendix and accordingly, you should read this Appendix and clause 8 of the Terms together. Defined terms in this Glossary and in clause 8 of the Terms are used throughout this Offer Document and the accompanying Application Form.

**ABN** means Australian Business Number

**ACN** means Australian Company Number

**AFSL** means Australian Financial Services Licence

**AGAAP** means Australian Generally Accepted Accounting Principles

**Applicants** means a person who submits an Application in accordance with the conditions set out in this Offer Document

**Application** means a valid application made on the conditions set out in this Offer Document

**Application Form** means each of the application forms accompanying this Offer Document upon which an Application for Multiplex SITES may be made:

- the green Application form accompanying this Offer Document;
- the blue personalised Application Form supplied by the Issuer upon request to Eligible Stapled Securityholders; and
- an electronic Application Form made available by any Co-manager or Participating Broker

**ARSN** means Australian Registered Scheme Number

**Auditor** means KPMG

**Best Estimate** means assumptions as to future events which the Directors or senior management of Multiplex Group expect to take place, and the actions that the Directors or senior management expect to take as of the date of this Offer Document

**Bookbuild** means the process conducted by the Issuer or its agents on or after the date of this Offer Document where bids are received from institutional investors, Co-managers and certain other brokers to enable the Issuer to determine the Margin as described in Section 4.3.1

**Broker Firm Applicant** means an Applicant who applies through a Co-manager or Participating Broker for a broker firm allocation

**Broker Firm Offer** means the invitation made by the Issuer pursuant to this Offer Document for Australian resident retail investors to apply for a broker firm allocation of Multiplex SITES from Co-managers and Participating Brokers

**Broker Firm Offer Closing Date** or **Closing Date** means the closing date of the Broker Firm Offer, expected to be 17 January 2005<sup>1</sup>

**CGT** means capital gains tax

# APPENDIX B

## GLOSSARY CONTINUED

**CHESS** means the Clearing House Electronic Sub-register System operated by an associate of ASX

**Class A Units** means the units in MHIT held by the Issuer, which entitle the Issuer to 25% of voting rights in MHIT

**Class B Units** means the units in MHIT held by the trustee of the Multiplex Hybrid Holdings Trust, which entitle that trustee to 75% of voting rights in MHIT

**Co-manager** means ANZ Securities Limited (ABN 16 004 997 111, AFSL No. 237531), Bell Potter Securities Limited (ABN 25 006 390 772, AFSL No. 243480), Commonwealth Securities Limited (ABN 60 067 254 399, AFSL No. 238814), National OnLine Trading Limited (ABN 089 718 249, AFSL No. 230704), UBS Private Clients Australia Limited (ABN 50 005 311 937, AFSL No. 231127)

**Corporate Action** means redemptions, reductions of capital, equity cancellations, or buy backs of Units or Shares

**Corporations Act** means corporations Act 2001 (Cwth)

**CPS** means convertible preferred securities, being perpetual, unsecured, subordinated cumulative, exchangeable stapled notes issued or to be issued by the Guarantors, in conjunction with the financing of the Duelguide Bid

**Directors** means the directors of Multiplex Funds Management Limited, MHIT Trustee or Multiplex or a variation of some or all of them (as the context may require)

**Distribution Payments** means distribution payments on Multiplex SITES calculated in accordance with clause 2 of the Terms

**DRP** means distribution reinvestment plan for distributions on Stapled Securities

**Duelguide** means Duelguide plc

**Duelguide Bid** means Multiplex Group's joint bid for Duelguide

**EBIT** means earnings before interest and tax

**Eligible Stapled Securityholders** means registered Stapled Securityholders with an Australian address on the Multiplex Register as at 7.00pm on 29 November 2004

**Entitlement Offer** means the non-renounceable entitlement offer made by Multiplex Group pursuant to the Entitlement Offer Document

**Entitlement Offer Document** means the product disclosure statement and prospectus relating to the Entitlement Offer, dated 21 April 2004

**Entitlement Offer Forecast** means the financial forecasts prepared for the Entitlement Offer

**Exchange Deed** has the meaning given in the Terms and is summarised in section 10.5

**Exchange Ratio** means the number of Stapled Securities received on Exchange as described in clause 5 of the Terms

**Exposure Period** means the period of seven days (which may be extended by ASIC for a further seven days) following lodgment of this Offer Document with ASIC during which the Issuer must not accept Applications

**Forecast Period** means the period from 1 July 2004 to 30 June 2005

**General Offer** means the invitation by the Issuer pursuant to this Offer Document for Australian resident retail investors to apply for Multiplex SITES

**GST** means goods and services tax

**HIN** means holder identification number

**Holding Statement** means statement issued to Holders by the Multiplex Registry setting out their holdings of Multiplex SITES

**IFRS** means International Financial Reporting Standards

**Lead Manager** or **Lead Manager & Bookrunner** means UBS AG, Australia Branch (ABN 47 088 129 613, AFSL No. 231087)

**Loan Agreement** means the agreement documenting the loan from the MHIT to the Trust

**Merged Group** means Multiplex Group, following the acquisition of 100% of the beneficial interest of Ronin ordinary stapled securities as a result of the Ronin Offer

**Merged Group Pro Forma Forecast** means the pro forma forecast financial performance of the Merged Group for the year ending 30 June 2005 presented as if Multiplex Group has acquired Ronin on 1 July 2004

**MHIT Constitution** means the constitution of MHIT dated 24 November 2004 summarised in section 10.4

**MHIT Trustee** means Multiplex Hybrid Investment Pty Limited (ACN 111 882 234) as trustee of MHIT

**Multiplex** means Multiplex Limited (ABN 96 008 687 063) – referred to as Company in the Terms

**Multiplex Constitution** means the constitution of Multiplex, dated 30 October 2003 (as amended), as summarised in Section 10.2.2

**Multiplex Funds Management Limited** means Multiplex Funds Management Limited (ABN 15 105 371 917, AFSL No. 231141) as responsible entity of the Trust and Multiplex SITES Trust under part 5C of the Corporations Act

**Multiplex Group Forecast** means the forecast financial performance of Multiplex Group on a stand alone basis for the year ending 30 June 2005.

**Multiplex Group Pro Forma Historical** means the pro forma historical performance of Multiplex Group on a stand alone basis for the year ended 30 June 2004, excluding the effects of discontinuing operations and non-core assets.

**Multiplex Hybrid Holdings Trust** means the trust of which Multiplex Hybrid Holdings Pty Limited is the trustee

**Multiplex Register** means the register of members maintained by the Guarantors

**Multiplex Registry** means ASX Perpetual Registrars Limited (ABN 54 083 214 537)

**Multiplex SITES Trust Constitution** means the constitution of Multiplex SITES Trust dated 12 November 2004 (as amended) – referred to as the Constitution in the Terms, as summarised in section 10.3

**Offer** means the invitation made by the Issuer pursuant to this Offer Document

**Offer Document** means this offer document issued by the Issuer, which comprises a product disclosure statement in relation to the Offer

**Offer Management Agreement** means the agreement dated 29 November 2004 between the Issuer, Trust RE, Multiplex, MHIT Trustee, trustee of the CPS Finance Trust and the Lead Manager, as summarised in Section 10.8

**Offer Period** means the time between the Opening Date and the Closing Date, which is expected to be 9 December 2004 to 17 January 2005<sup>1</sup>

**Opening Date** means the first day on which Applications will be accepted, which is expected to be 9 December 2004<sup>1</sup>

**Participating Broker** means any participating organisation of ASX selected by the Lead Manager to participate in the Broker Firm Offer

**Redeem** means the process through which Multiplex SITES are redeemed by the Issuer for the Redemption Amount to be paid in cash.

**Redeemable** and **Redemption** have corresponding meanings

**Roberts Family** means all or some of John C Roberts AO, Andrew Roberts, Tim Roberts, Denby Macgregor and their associated entities including Roberts Family Nominees Pty Ltd which holds Shares, Units or Stapled Securities for them

**Ronin** means Onyx Property Group formerly named Ronin Property Group

**Ronin Offer** means the offer by Trust RE to acquire Ronin ordinary stapled securities

**Securities Act** means United States Securities Act of 1933, as amended

**SRN** means securityholder reference number

**Stapled Securityholder Offer** means the invitation made by the Issuer pursuant to this Offer Document for Eligible Stapled Securityholders to apply for Multiplex SITES

**Stapled Securityholder Offer and General Offer Closing Date** means the closing date for the Stapled Securityholder Offer and the General Offer, expected to be 12 January 2005

**Stapling Deed** means the deed between Trust RE and Multiplex as summarised in section 10.2.3

**Terms** means the terms of the Multiplex SITES as set out in Appendix A

**TFN** means tax file number

**Trust Constitution** means the constitution of the Trust dated 18 September 2003, as summarised in Section 10.2.1

**Trust RE** means Multiplex Funds Management Limited, as responsible entity of the Trust – referred to as Responsible Entity in the Terms

**United States** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia

**Unpaid Distribution Amount** means the aggregate of:

- a Final Distribution Payment – which represents the accrued Priority Distribution Payment for the final Distribution Period; and
- a Make-Up Distribution Payment – which represents any unpaid Priority Distribution Payments in the preceding four Distribution Periods, not being more than the total amount of those preceding four Priority Distribution Payments less the Final Distribution Payment

Note:

<sup>1</sup> The Issuer, and the Lead Manager may agree to: extend the Closing Dates; close the Offer early without notice; or withdraw the Offer at any time before Multiplex SITES are issued. Also, ASIC may extend the Exposure Period by up to seven days in which case the Opening Date will be varied accordingly, without notice.

# YOUR GUIDE TO COMPLETING THE APPLICATION FORM

## Application Form

This Application Form relates to the product disclosure statement dated 29 November 2004 and the supplementary product disclosure statement dated 9 December 2004 issued by Multiplex Funds Management Limited as responsible entity of Multiplex SITES Trust. References to the Offer Document in this Application Form are to the product disclosure statement and the supplementary product disclosure statement and this Application Form should be read in conjunction with those documents. Capitalised words and certain terms used in this Application Form have the meanings given to them in the Offer Document. All references to time in this Application Form are to Sydney time.

To meet the requirements of the Corporations Act, the Application Form must not be distributed unless accompanied by the Offer Document and any relevant supplementary document, at the same time and by the same means.

Until the Stapled Securityholder Offer and General Offer Closing Date, paper copies of the Offer Document (and any supplementary or replacement product disclosure statement) and Application Form may be obtained free of charge on request by calling the **Multiplex InfoLine on 1800 68 54 55**.

By returning this Application Form, you are deemed to accept the Offer of Multiplex SITES in accordance with the Offer Document. There is no need to sign this Application Form.

## Warnings

It is advisable to read the Offer Document and the supplementary product disclosure statement before applying for Multiplex SITES.

Any person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the Offer Document and any supplementary document. If you are in doubt as to how to deal with this Application Form, please contact your stockbroker or professional adviser immediately.

## A NUMBER OF MULTIPLEX SITES APPLIED FOR

Please enter the number of Multiplex SITES you wish to apply for. The Application must be for a minimum of 50 Multiplex SITES (\$5,000) and thereafter in multiples of 10 (\$1,000).

## B APPLICATION PAYMENT

Please enter the relevant Application payment. To calculate your Application payment, multiply the number of Multiplex SITES applied for by the Face Value per Multiplex SITES (\$100). Please ensure you enclose Application payment equalling this amount with your Application.

## C APPLICANT NAME(S)

Please write the full name you wish to appear on your Holding Statement. This should be your own name, the name of each joint Applicant (up to three joint Applicants may appear on the Holding Statement) or the full name of the company. See the "Naming standards" below for details on how to set out your name correctly. Applications using the wrong form of names may be rejected. CHESS participants should complete their name identically to that presently registered in CHESS.

## D POSTAL ADDRESS

Please enter your postal address for all correspondence. All correspondence to you from the Issuer and Multiplex Registry will be mailed to you at this address. For joint Applicants, only one address can be entered.

## E HIN (IF APPLICABLE)

If you are a CHESS participant (or are sponsored by a CHESS participant), and you wish to hold any Multiplex SITES allotted to you under this Application on the CHESS sub-register, enter your Holder Identification Number (HIN). Otherwise, leave the section blank and on allotment of Multiplex SITES you will be sponsored by the Issuer and a SRN will be allotted to you.

## F CONTACT DETAILS

Please enter your contact details. These are not compulsory but will assist us if we need to contact you about your Application.

## G APPLICATION PAYMENT

Please provide Application payment as follows:

- the total Application payment must be the same as the amount shown in section "B";
- your cheque(s) or money order(s) (or both) must be drawn on an Australian branch of a financial institution in Australian currency and made payable to "Multiplex SITES Offer". Cheques should be crossed "not negotiable";
- sufficient cleared funds should be held in your bank account, as any cheque(s) returned unpaid are likely to result in your Application being rejected;
- you should pin (do not staple) your cheque(s) or money order(s) (or both) to the Application Form where indicated; and
- cash payments will not be accepted.

## Broker Firm Applicants

If you receive a firm allocation of Multiplex SITES from a Co-manager or Participating Broker, the Application lodgment and payment instructions will differ. You must follow the instructions provided by the Co-manager or Participating Broker.

## NAMING STANDARDS

Use this table to see how to write your name correctly in section "C":

TYPE OF INVESTOR	CORRECT WAY TO WRITE NAME	INCORRECT WAY TO WRITE NAME
Individual person	JANE BROWN	J BROWN
More than one person	JANE BROWN SIMON BROWN	J & S BROWN
Companies	ABC PTY LTD	ABC P/L
Trusts	JANE BROWN <JANE BROWN FAMILY A/C>	BROWN FAMILY TRUST
Partnerships	JANE BROWN AND SIMON BROWN <JANE BROWN AND SONS A/C>	JANE BROWN & SONS
Clubs and unincorporated associations	JANE BROWN <BROWN INVESTMENT CLUB A/C>	BROWN INVESTMENT CLUB
Superannuation funds	JANE BROWN PTY LTD <SUPERANNUATION FUND>	JANE BROWN SUPERANNUATION FUND

# MULTIPLEX

# MULTIPLEX SITES APPLICATION FORM

### Application payment

A

at

**A\$100**

**B**

**A\$**

C

Middle name

Middle name

## D

Street name

Postcode

**E**

[illegible]

**F**

**G**

Account number

Account number

MXG IPO002



# ACKNOWLEDGMENTS

**By returning this Application Form and Application payment, I/we agree to the following statements.**

**I/We:**

- have personally received a paper or electronic copy of the Offer Document and any supplementary document that this Application Form accompanies and have read them all in full;
- am/are at least 18 years of age if I/we am/are an individual/s;
- have completed this Application Form correctly;
- acknowledge that once the Issuer receives this Application Form, I/we may not withdraw it;
- apply for the number of Multiplex SITES at the Australian dollar amount shown on the front of this Application Form;
- agree to being allotted the number of Multiplex SITES that I/we apply for or a lower number allotted in a way allowed under the Offer Document or no Multiplex SITES at all;
- authorise the Issuer, the Lead Manager, Multiplex Group and their respective officers or agents, to do anything on my/our behalf necessary for Multiplex SITES to be allotted to me/us, including without limitation to sign any documents necessary for Multiplex SITES to be allotted to me/us, and to act on instructions received by Multiplex Registry using the contact details in section “D” or “F”;
- acknowledge that Multiplex SITES are not Stapled Securities in Multiplex Group and that I/we have no right to require Exchange of Multiplex SITES into Stapled Securities;
- acknowledge that the Issuer is not obliged to pay Priority Distribution Payments;
- acknowledge that the Guarantee is subordinated and unsecured and that my/our ability to enforce the Guarantee is limited;
- acknowledge that the information contained in the Offer Document or any supplementary document is not investment advice or a recommendation that Multiplex SITES are suitable to me/us, given my/our investment objectives, financial situation or particular needs;
- represent and warrant that I/we have received the Offer Document in Australia;
- represent and warrant that I am/we are not in the United States and I am/we are not a United States person (and not acting for the account or benefit of a United States person), and I/we will not offer, sell or resell Multiplex SITES in the United States to, or for the account or benefit of, any United States person; and
- agree to be bound by the Constitution, the Terms and, upon Exchange, the Trust Constitution and the Multiplex Constitution.

Please mail this Application Form and your cheque(s) or money order(s) (or both) to:

**ASX Perpetual Registrars Limited  
Multiplex SITES Offer  
Reply Paid 1503  
Sydney South NSW 1234**

Or deliver them to:

**ASX Perpetual Registrars Limited  
Multiplex SITES Offer  
Level 8, 580 George Street  
Sydney NSW 2000**

Please do this so that Multiplex Registry receives your Application Form before the General Offer closing date, expected to be **5.00pm on Wednesday, 12 January 2005**.

**If you are a Broker Firm Applicant, send your Application Form and your Application payment to your Co-manager or Participating Broker. Your Co-manager or Participating Broker will settle a successful Application on a delivery versus payment basis through CHESSE. The transaction will not have the benefit of coverage by the National Guarantee Fund. The Broker Firm Offer is expected to close at 10.00am on Monday, 17 January 2005.**

If your Application Form is not completed accurately or correctly, Multiplex Registry will try to contact you using the details in section “D” or “F”.

If Multiplex Registry is unable to process your Application Form, it will be returned to you with your Application payment and you will not be allotted any Multiplex SITES under that application.

## PRIVACY STATEMENT

If you become a Holder, Chapter 2C of the Corporations Act requires information about you (including your name, address and details of Multiplex SITES you hold) to be included in the Issuer's public register. This information must continue to be included in the Issuer's public register if you cease to be a Holder. Information is collected to process your Application and if some or all of the information is not collected it might not be possible for the Issuer to accept or process your Application. Information you supply on this Application Form will be used by the Issuer in connection with the issue of SITES and subsequent administration of Multiplex SITES, and may be disclosed by the Issuer on a confidential basis to the Issuer professional advisers (including the Lead Manager, related bodies corporate and service providers) in connection with these purposes. Multiplex Group's privacy policy is available on its website at [www.multiplex.biz](http://www.multiplex.biz) or by calling the Multiplex InfoLine 1800 68 54 55.

**If you have any enquiries concerning your Application or if you wish to obtain a paper copy of this Application Form or the Offer Document (and any supplementary or replacement product disclosure statement) free of charge, please contact the Multiplex InfoLine on 1800 68 54 55.**

# MULTIPLEX

# MULTIPLEX SITES APPLICATION FORM

### Application payment

A

at

**A\$100**

**B**

A\$

C

Middle name

Middle name

## D

Street name

Postcode

E

[illegible]

**F**

**G**

Account number

Account number

MXG IPO002



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- acknowledge that the Issuer is not obliged to pay Priority Distribution Payments;
- acknowledge that the Guarantee is subordinated and unsecured and that my/our ability to enforce the Guarantee is limited;
- acknowledge that the information contained in the Offer Document or any supplementary document is not investment advice or a recommendation that Multiplex SITES are suitable to me/us, given my/our investment objectives, financial situation or particular needs;
- represent and warrant that I/we have received the Offer Document in Australia;
- represent and warrant that I am/we are not in the United States and I am/we are not a United States person (and not acting for the account or benefit of a United States person), and I/we will not offer, sell or resell Multiplex SITES in the United States to, or for the account or benefit of, any United States person; and
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# CORPORATE DIRECTORY

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## ISSUER

Multiplex Funds Management Limited  
1 Kent Street  
Sydney NSW 2000

## LEAD MANAGER & BOOKRUNNER

UBS AG Australia Branch  
Level 25, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

## CO-MANAGERS

ANZ Securities Limited  
Level 12  
530 Collins Street  
Melbourne VIC 3000

Bell Potter Securities Limited  
Level 33, Grosvenor Place  
225 George Street  
Sydney NSW 2000

Commonwealth Securities Limited  
Level 18  
363 George Street  
Sydney NSW 2000  
[www.commsec.com.au](http://www.commsec.com.au)

National OnLine Trading Limited  
Level 32  
500 Bourke Street  
Melbourne VIC 3000

UBS Private Clients Australia Limited  
Level 27, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

## LEGAL ADVISER

Mallesons Stephen Jaques  
Level 60, Governor Philip Tower  
1 Farrer Place  
Sydney NSW 2000

## AUDITOR

KPMG  
10 Shelley Street  
Sydney NSW 2000

## TAX ADVISER

PricewaterhouseCoopers  
201 Sussex Street  
Sydney NSW 2000

## MULTIPLEX REGISTRY

ASX Perpetual Registrars Limited  
Level 8, 580 George Street  
Sydney NSW 2000

## Multiplex InfoLine on 1800 68 54 55

Monday to Friday (8.30am – 5.30pm, Sydney time)

