

**MULTIPLEX ACUMEN VALE SYNDICATE LIMITED**

**ACN 114 814 603**

**INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

**MULTIPLEX**

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## Directory

### **Company**

Multiplex Acumen Vale Syndicate Limited  
1 Kent Street  
Sydney NSW 2000  
Telephone: (02) 9256 5000  
Facsimile: (02) 9256 5001

### **Directors of Multiplex Acumen Vale Syndicate Limited**

Robert Rayner  
Michael Hodgetts - retired 31<sup>st</sup> January 2007  
Robert McCuaig  
Peter Morris  
Ian O'Toole

### **Company Secretary of Multiplex Acumen Vale Syndicate Limited**

Alex Carrodus

### **Location of Share Registry**

Registries (Victoria) Pty Limited  
PO Box R67  
Royal Exchange  
Sydney, NSW 1223  
Telephone: (02) 9290 9600  
Facsimile: (02) 9279 0664

### **Auditor**

KPMG  
10 Shelley Street  
Sydney NSW 2000  
Telephone: (02) 9335 7000  
Facsimile: (02) 9299 7077

## Directors' Report

### Introduction

The Directors of Multiplex Acumen Vale Syndicate Limited (ACN: 114 814 603), present their report together with the consolidated interim financial report for the half year ended 31 December 2006 and the Auditors' Review report thereon.

### Directors

The following persons were Directors of the Company during and since the end of the financial period:

#### Name

Robert Rayner  
Michael Hodgetts - retired 31<sup>st</sup> January 2007  
Robert McCuaig  
Peter Morris  
Ian O'Toole

### Dividends

Dividends paid/payable to shareholders were as follows:

	Cents per share	Total amount \$'000	Date of payment
Ordinary shares			
December 2006 dividend	13.0	3,900	30 January 2007
December 2005 dividend	-	-	-

There was only one dividend declared in the six months ended 31 December 2006.

### Review of operations

Key highlights over the half year include:

- Net profit for the half year ended 31 December 2006 was \$4,321,000 (half year ended December 2005: loss \$169,000).
- The company continues to develop land for resale through its 100% owned subsidiary, Multiplex Acumen Vale Landowner Pty Limited.
- Dividends have been declared for the first time. It was originally forecast that the first dividend payment would take place in December 2007.
- A valuation was undertaken of the Land within Vale at 23 October 2006. The cost of the unsold land plus development costs held at 31 December 2006 is \$72m compared with a valuation, of land only, obtained by the Syndicate Manager on 23 October 2006, of \$86m.

### Rounding of amounts

The consolidated entity is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

## Directors' Report (Continued)

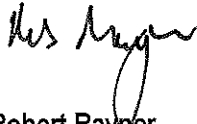
### Lead auditors independence declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the director's report for the half year ended 31 December 2006.

Dated at Sydney this 21st day of February 2007

Signed in accordance with a resolution of Directors made pursuant to S.306(3) of the Corporations Act 2001.

On behalf of the Directors



Robert Rayner  
Director  
Multiplex Acumen Vale Syndicate Limited



*Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001*

To: the directors of Multiplex Acumen Vale Syndicate Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2006 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Tanya Gilerman  
*Partner*

Sydney  
21 February 2007

	Note	Six Months Ended 31 December 2006 Consolidated \$'000	17 June 2005 31 December 2005 Consolidated \$'000
<b>Revenue</b>			
Sale of land held for development		30,602	1,772
Interest Income		58	73
<b>Total Revenues</b>		<b>30,660</b>	<b>1,845</b>
<b>Expenses</b>			
Cost of sale of land held for development		23,275	1,094
Marketing and selling costs		2,168	400
Performance fee	8	431	-
Administrative Expenses		56	24
Management Service Fees		409	455
Net loss from Revaluation of Financial Derivatives		-	41
<b>Total Expenses</b>		<b>26,339</b>	<b>2,014</b>
<b>Profit / (loss) before income tax</b>		<b>4,321</b>	<b>(169)</b>
Income tax (expense) / benefit		(1,299)	293
<b>Net Profit</b>		<b>3,022</b>	<b>124</b>

*The above interim consolidated income statement should be read in conjunction with the accompanying notes.*

	Note	Six Months Ended 31 December 2006 \$'000	17 June 2005 31 December 2005 \$'000
Net profit		3,022	124
<b>Adjusted for:</b>			
Net (loss) on revaluation of financial derivatives		-	41
<b>Total income available for dividend</b>		<b>3,022</b>	<b>165</b>
Dividend from retained earnings		878	-
<b>Dividend paid and payable</b>	4	<b>3,900</b>	-
<b>Dividend per unit (cents)</b>	4	<b>13.0</b>	-

*The above interim consolidated dividend statement should be read in conjunction with the accompanying notes.*



	Note	31 December 2006 Consolidated \$'000	30 June 2006 Consolidated \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,436	1,847
Land held for development	5	55,910	57,041
Trade and other receivables		1,651	528
Financial derivatives		34	34
<b>Total current assets</b>		<b>60,031</b>	<b>59,450</b>
<b>Non-current assets</b>			
Land held for development	5	16,579	21,940
Deferred tax asset		999	1,157
<b>Total non-current assets</b>		<b>17,578</b>	<b>23,097</b>
<b>Total assets</b>		<b>77,609</b>	<b>82,547</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		3,615	2,977
Current tax liabilities		2,737	1,595
Dividends declared	4	3,900	-
Interest bearing liabilities	6	37,011	47,182
<b>Total current liabilities</b>		<b>47,263</b>	<b>51,754</b>
<b>Non-current liabilities</b>			
Performance fee		431	-
<b>Total non-current liabilities</b>		<b>431</b>	<b>-</b>
<b>Total liabilities</b>		<b>47,694</b>	<b>51,754</b>
<b>Net Assets</b>		<b>29,915</b>	<b>30,793</b>
<b>Equity</b>			
Shares on issue	7	26,331	26,331
Retained earnings		3,584	4,462
<b>Total Equity</b>		<b>29,915</b>	<b>30,793</b>

*The above interim consolidated balance sheet should be read in conjunction with the accompanying notes.*

	Note	31 December 2006 Consolidated \$'000	31 December 2005 Consolidated \$'000
Opening Equity		30,793	-
<b>Shares on issue</b>			
Issue of shares ( net of application fees)		-	30,000
Capital raising costs on issue		-	(5,241)
<b>Retained earnings</b>			
Net profit		3,022	124
Dividends	4	(3,900)	-
<b>Closing Equity</b>		<b>29,915</b>	<b>24,883</b>

*The above interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

	Six Months Ended 31 December 2006 Consolidated \$'000	17 June 2005 31 December 2005 Consolidated \$'000
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	33,922	1,772
Cash payments in the course of operations	(21,549)	(47,846)
Interest received	58	73
Financing costs paid	(1,671)	(789)
<b>Net cash flows from operating activities</b>	<b>10,760</b>	<b>(46,790)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	-	30,000
Issue costs paid	-	(4,601)
(Repayment) / Proceeds from interest bearing liabilities	(10,171)	24,789
<b>Net cash flows from financing activities</b>	<b>(10,171)</b>	<b>50,188</b>
<b>Net increase in cash and cash equivalents</b>	<b>589</b>	<b>3,398</b>
Cash and cash equivalents at 1 July	1,847	-
<b>Cash and cash equivalents at 31 December</b>	<b>2,436</b>	<b>3,398</b>

*The above interim consolidated cash flow statement should be read in conjunction with the accompanying notes.*

## Notes to the Consolidated Interim Financial Report

### 1 REPORTING ENTITY

Multiplex Acumen Vale Syndicate Limited (the "Company") is an Australian incorporated and domiciled company. The consolidated interim financial report of the company as at and for the six months ended 31 December 2006 comprises the company and its subsidiary (together referred to as the "consolidated entity").

### 2 STATEMENT OF COMPLIANCE

The consolidated interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The consolidated interim financial report does not include notes of the type normally included in the consolidated annual financial report and should be read in conjunction with the most recent consolidated annual financial report.

The consolidated interim financial report was approved by the Board of Directors on 21<sup>st</sup> February 2007.

The consolidated entity is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated interim financial report of the consolidated entity is for the six months ended 31 December 2006.

#### (a) Basis of Preparation

The consolidated interim financial report has been prepared on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are prepared in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the consolidated interim financial report are consistent with those adopted and disclosed in the consolidated entity's latest annual financial report for the financial year ended 30 June 2006, except for the following additional policy in relation to the recognition of performance fees.

#### (b) Performance Fees

The performance fee will be recognised on an accrual basis. The performance fee is calculated in accordance with the Development Management Agreement, which requires 20% of the amount by which the overall shareholder return exceeds a 20% annualised internal rate of return (before tax) to be paid to the development manager. The performance fee has been discounted to present value to reflect the life of the project. The performance fee will be remeasured at each reporting date.

### 4 DIVIDENDS

Dividends paid to shareholders or declared were as follows:

	Cents per share	Total amount \$'000	Date of payment
Ordinary shares			
December 2006 dividend	13.0	3,900	30 January 2007
December 2005 dividend	-	-	-

There was only one dividend declared in the six months ending 31 December 2006.

**5 LAND HELD FOR DEVELOPMENT**

Land is held at the north-eastern Perth suburb of Aveley. This land is held through the subsidiary, Multiplex Acumen Vale Landowner Pty Limited, which it subdivides, develops and sells as residential accommodation.

**6 INTEREST BEARING LIABILITIES**

The interest bearing liabilities relates to a bank facility, secured by first charge over certain assets of Multiplex Acumen Vale Landowner Pty Limited. The bank facility limit is \$46,598,000.

The loan facility has been classified as current for the half year ended 31 December 2006, due to the expiry date being 31 July 2007.

The loan will either be extended past this date or repaid through strong cash flows which are being received by the consolidated entity.

**7 SHARES ON ISSUE**

	31 December 2006 \$'000	31 December 2006 Shares	30 June 2006 \$'000	30 June 2006 Shares
Shares on issue	30,000	30,000,100	30,000	30,000,100
Expenses of the offer	(3,669)	-	(3,669)	-
	<u>26,331</u>	<u>30,000,100</u>	<u>26,331</u>	<u>30,000,100</u>

**Ordinary shares**

All ordinary shares are of the same class and carry equal rights. Any transaction costs arising on the issue or sale of shares are recognised in equity as a reduction of the share proceeds received.

**8 PERFORMANCE FEE**

The performance fee is payable by Multiplex Acumen Vale Landowner Pty Limited on completion of the project to the Development Manager. The performance fee is calculated at 20% of the amount by which the overall Shareholder return exceeds a 20% annualised internal rate of return on equity (before tax) to Shareholders.

**9 SEGMENT REPORTING**

The consolidated entity is organised into one main segment which operates solely in the business of property development, within Australia.

**10 RELATED PARTIES**

There have been no significant changes to the related party transactions disclosed in the annual report.

**11 CONTINGENT LIABILITIES**

No contingent liabilities existed at 31 December 2006.

**12 EVENTS OCCURRING AFTER REPORTING DATE**

There are no matters or circumstances, which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

**Multiplex Acumen Vale Syndicate Limited  
Directors' Declaration**

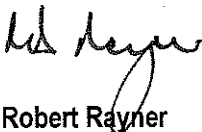
In the opinion of the Directors of Multiplex Acumen Vale Syndicate Limited:

- (a) The financial statements and notes set out in pages 6 to 12 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2006 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors pursuant to S.303 (5) of the Corporations Act 2001, and signed in accordance with a resolution of the directors of Multiplex Acumen Vale Syndicate Limited.

Dated at Sydney, this 21st day of February 2007.

On behalf of the directors



**Robert Rayner**  
Director  
Multiplex Acumen Vale Syndicate Limited



## **Independent auditor's review report to the members of Multiplex Acumen Vale Syndicate Limited**

We have reviewed the accompanying interim financial report of Multiplex Acumen Vale Syndicate Limited (the "Company"), which comprises the consolidated interim balance sheet as at 31 December 2006, the consolidated interim income statement, the consolidated interim statement of changes in equity and the consolidated interim cash flow statement for the half-year ended on that date, a statement of accounting policies and other explanatory notes 1 to 12 and the directors' declaration set out on page 13 of the consolidated entity comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

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

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Multiplex Acumen Vale Syndicate Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

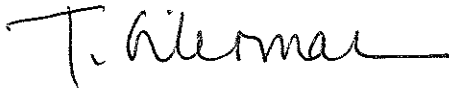
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex Acumen Vale Syndicate Limited is not



in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

  
KPMG



Tanya Gilerman  
*Partner*

Sydney  
21 February 2007