

MULTIPLEX NEW ZEALAND PROPERTY FUND

ARSN 110 281 055

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

MULTIPLEX

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Directory

Responsible Entity

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

Directors of Multiplex Capital Limited

Robert Rayner
Michael Hodgetts (retired 31 January 2007)
Robert McCuaig
Peter Morris
Ian O'Toole

Company Secretary of Multiplex Capital 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

Custodian

Multiplex Funds Management Ltd
1 Kent Street
Sydney NSW 2000
Telephone: (02) 9256 5000
Facsimile: (02) 9256 5001

Auditor

KPMG
10 Shelley Street
Sydney NSW 2000
Telephone: (02) 9335 7000
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Directors' Report

Introduction

The Directors of Multiplex Capital Limited (ABN: 32 094 936 866), the Responsible Entity of the Multiplex New Zealand Property Fund (the "Fund"), present their report together with the interim consolidated financial report of the consolidated Fund, being the Fund and its controlled entities for the half year ended 31 December 2006 ("the half year") and the Auditors' Review report thereon.

Responsible Entity

The Responsible Entity of the Fund is Multiplex Capital Limited, which has been the Responsible Entity since the inception of the Fund.

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 January 2007)
Robert McCuaig
Peter Morris
Ian O'Toole

Distributions

Distributions paid to unit holders or declared were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Ordinary units			
September 2006 distribution	2.3945	5,197	3 November 2006
December 2006 distribution	2.3945	5,201	2 February 2007
Total distribution for the six months ended 31 December 2006	4.7890	10,398	
September 2005 distribution	2.3945	4,263	2 November 2005
December 2005 distribution	2.3945	4,955	27 January 2006
Total distribution for the six months ended 31 December 2005	4.7890	9,218	

Review of operations

Key highlights over the half year include:

- Net profit after tax and before distributions to unitholders for the half year ended 31 December 2006 was \$3,765,000 (period ended 31 December 2005: \$72,139,000), the decrease of the Net profit after tax and before distributions to unitholders in for the six months is due to no fair value adjustments made to the investment properties.
- The Fund continues to own property throughout New Zealand over a number of sectors. No acquisitions or disposals have been made during the six month period.

Directors' Report (Continued)

Rounding of amounts

The consolidated Fund 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.

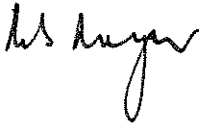
Lead Auditor's Independence Declaration

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 Capital Limited



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

To: the directors of Multiplex Capital Limited, as the responsible entity of Multiplex New Zealand Property Fund

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	Six Months Ended 31 December 2005 Consolidated \$'000
Revenue			
Property rental income		33,499	29,595
Gain on sale on investment property		-	856
Interest income		354	376
Other income		24	-
Net gain on revaluation of investment property		-	52,809
Net gain on revaluation of financial derivatives		179	14,035
Total revenue		34,056	97,671
Expenses			
Property expenses		6,875	5,885
Finance costs *		17,406	13,749
Responsible entity fees		2,622	2,096
Other expenses		229	163
Total expenses		27,132	21,893
Total income before income tax		6,924	75,778
Income tax expense	4	(3,159)	(3,639)
Net profit from operations attributable to unit holders		3,765	72,139
Finance costs - Distribution to unit holders*	5	(10,398)	(9,218)
Change in net assets attributable to unit holders		(6,633)	62,921

*The total finance costs are \$27,804,000 (2005: \$22,967,000)

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

INTERIM STATEMENT OF CHANGES IN EQUITY

As the consolidated entity has no equity, the consolidated entity has not included any items of recognised income and expense for the current or comparative year.

	Note	Six Months Ended 31 December 2006 \$'000	Six Months Ended 31 December 2005 \$'000
Net profit from operations attributable to unit holders		3,765	72,139
Adjusted for:			
Net (gain) from property revaluations in associates		-	(52,809)
Net (gain) on revaluation of financial derivatives		(179)	(14,035)
Total income available for distribution		3,586	5,295
Transfer from Reserves		6,812	3,923
Distribution paid and payable	5	10,398	9,218
Distribution per unit (cents)	5	4.79	4.79

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

	Note	31 December 2006 Consolidated \$'000	30 June 2006 Consolidated \$'000
Assets			
Current assets			
Cash and cash equivalents		12,733	9,859
Receivables		2,583	2,391
Deposits on Investment Property		2,601	2,835
Total current assets		17,917	15,085
Non-current assets			
Investment properties	6	753,766	692,096
Fair value of financial derivatives		11,265	10,861
Total non-current assets		765,031	702,957
Total assets		782,948	718,042
Liabilities			
Current liabilities			
Trade and other payables	7	16,698	8,119
Deferred Settlement		2,430	16,044
Distribution payable	5	5,201	5,138
Total current liabilities		24,329	29,301
Non-current liabilities			
Interest bearing liabilities	8	471,602	421,438
Deferred income tax liability		14,532	10,365
Total non-current liabilities		486,134	431,803
Total liabilities (excluding net assets attributable to unit holders)		510,463	461,104
Net Assets attributable to unit holders – Liability	9	272,485	256,938

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

	Six Months Ended 31 December 2006 Consolidated \$'000	Six Months Ended 31 December 2005 Consolidated \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	38,857	28,710
Cash payments in the course of operations	(10,172)	(7,088)
Interest received	354	376
Financing costs paid	(12,895)	(11,733)
Net cash flows from operating activities	16,144	10,265
Cash flows from investing activities		
Proceeds from sale of investment properties	-	6,040
Deposits on investment properties	-	(6,892)
Payments for purchase of, and additions to investment properties	(3,336)	(15,528)
Net cash flows from investing activities	(3,336)	(16,380)
Cash flows from financing activities		
Proceeds from issues of shares	-	36,371
Issue costs paid	-	(7,193)
Proceeds from interest bearing liabilities	153	13,298
Repayments from interest bearing liabilities	-	(18,533)
Debt establishment costs paid	(110)	(867)
Distributions paid	(9,977)	(7,329)
Net cash flows from financing activities	(9,934)	15,747
Net increase in cash and cash equivalents	2,874	9,632
Cash and cash equivalents at 1 July	9,859	12,439
Cash and cash equivalents at 31 December	12,733	22,071

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

Notes to the Interim Consolidated Financial Report

1 REPORTING ENTITY

Multiplex New Zealand Property Fund (the "Fund") is an Australian registered managed investment scheme under the Corporations Act 2001. Multiplex Capital Limited, the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated interim financial report of the Fund as at and for the six months ended 31 December 2006 comprises the Fund and its subsidiaries (together referred to as the "Consolidated Entity").

2 STATEMENT OF COMPLIANCE

The half-year 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 a consolidated annual financial report and shall be read in conjunction with the most recent annual financial report.

The consolidated interim financial report was approved by the Board of Directors of the Responsible Entity on 21st February 2007.

The Company 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 Trust 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 investment properties. 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.

4 INCOME TAX EXPENSE

Income tax is calculated on the wholly owned sub-trust of the Fund (Albert Street Landowning Trust) which owns properties in New Zealand, at the current New Zealand Corporate rate of 33%. Due to temporary differences there is no current tax provision, with the entire expense provided for as deferred tax liability in non-current liabilities. The Fund will be liable to pay income tax on depreciation deductions allowed when the buildings are sold.

5 DISTRIBUTIONS

Distributions paid to unit holders or declared were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Ordinary units			
September 2006 distribution	2.3945	5,197	3 November 2006
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Total distribution for the six months ended 31 December 2006	4.7890	10,398	
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6 INVESTMENT PROPERTIES

Description	Title	Cost including additions (i) \$'000	Valuation date	Valuation (ii) \$'000	December 2006 Book value (iii) \$'000	June 2006 Book value (iii) \$'000
Retail						
South City Shopping Centre	Freehold	36,794	June 2006	41,815	41,809	38,572
Countdown Botany	Freehold	13,414	June 2006	16,494	16,494	15,215
Countdown Lynfield	Freehold	10,967	June 2006	15,514	15,514	14,310
Woolworths Grey Lynn	Freehold	7,886	June 2006	9,897	9,897	9,129
Countdown Porirua	Freehold	5,891	June 2006	6,954	6,954	6,415
Woolworths Papakura	Freehold	3,535	June 2006	4,681	4,681	4,318
Foodtown Hamilton	Leasehold	2,556	June 2006	4,547	3,343	3,084
Howick Shopping Centre	Freehold	9,631	June 2006	12,036	12,036	11,103
Woolworths Dargaville	Freehold	4,713	June 2006	4,725	4,725	4,359
Foodtown Pukekohe	Freehold	7,447	June 2006	7,578	7,578	6,991
Woolworths Paeroa	Freehold	2,652	June 2006	2,652	2,652	2,447
Woolworths Putaruru	Freehold	2,316	June 2006	2,274	2,274	2,097
Woolworths Te Awamutu	Freehold	4,967	June 2006	5,029	5,029	4,639
Woolworths New Plymouth	Freehold	6,793	June 2006	6,954	6,954	6,415
Woolworths Wanganui	Leasehold	3,850	June 2006	3,745	3,745	3,454
Woolworths Marton	Freehold	1,253	June 2006	1,471	1,471	1,357
Countdown Oamaru	Freehold	3,405	June 2006	3,433	3,433	3,166
Woolworths Invercargill	Freehold	3,242	June 2006	3,388	3,388	3,125
The Hub – Whakatane	Freehold	38,839	June 2006	38,783	38,839	35,083
Valley Mega Centre	Freehold	22,988	June 2006	21,665	22,988	19,445
		193,139		213,635	213,804	194,724
Office						
ASB Bank Centre	Freehold	103,645	June 2006	120,364	121,445	111,814
Geni-Tower	Freehold	58,534	June 2006	66,869	67,012	61,683
Telecom House	Freehold	50,629	June 2006	54,832	54,833	50,580
AIA Building	Freehold	22,526	June 2006	26,302	26,314	24,262
SAP Centre	Freehold	17,840	June 2006	19,392	19,559	17,888
Uniservices House	Freehold	15,938	June 2006	17,832	17,832	16,449
The Telco Building	Freehold	13,877	June 2006	16,316	16,446	15,051
The Plaza	Freehold	9,738	June 2006	10,922	11,096	10,075
University Building	Freehold	8,719	June 2006	10,788	10,788	9,951
12 Whitaker Place	Freehold	665	June 2006	847	856	781
Farmer's Carpark	Freehold	1,289	June 2006	1,516	1,516	1,398
ANZ Business Centre	Freehold	24,964	June 2006	24,251	24,175	22,370
EDS House	Freehold	24,576	June 2006	23,894	23,966	22,041
180 Molesworth	Freehold	33,362	June 2006	34,326	34,359	31,869
		386,302		428,451	430,197	396,212
Industrial						
Mangere Distribution Centre	Freehold	50,405	June 2006	66,156	66,256	61,025
Wiri Distribution Centre	Leasehold	18,581	June 2006	22,735	22,735	20,972
Christchurch Distribution Centre	Freehold	13,958	June 2006	16,049	16,049	14,804
IRD Building	Freehold	4,537	June 2006	4,725	4,725	4,359
		87,481		109,665	109,765	101,160
Total Investment Properties		666,922		751,751	753,766	692,096

(i) Included in the cost of investment properties is \$17,396,811 of acquisition costs

(ii) Last valuation in NZD – converted at 31 December 2006 exchange rate \$1AUD = \$1.1216NZD

(iii) Book value represents the last valuation plus capital expenditure since the last valuation

	31 December 2006 \$'000	30 June 2006 \$'000
7 TRADE AND OTHER PAYABLES		
Trade payables	4,490	2,450
Interest payable	6,920	2,734
Management fee	5,288	2,935
	<u>16,698</u>	<u>8,119</u>

8 INTEREST BEARING LIABILITIES

The interest bearing liabilities relate to a bank facility, secured by first registered fixed and floating charge over all assets and an undertaking by Multiplex Capital Limited (as Responsible Entity of the Fund), Multiplex Albert Street Investment Pty Limited (in its capacity as trustee for the Multiplex Albert Street Investment Trust), the borrower (in its capacity, as trustee for the Albert Street Landowning Trust) and the Custodian (as custodian for the Multiplex New Zealand Property Fund, Albert Street Investment Trust and Albert Street Landowning Trust) in favour of the Security Trustee. The Fund's debt interest rate is at 8.07%.

The facility limit is \$599m, at 31 December 2006 \$471.6m had been drawn down.

9 NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	31 December 2006 Consolidated \$'000	30 June 2006 Consolidated \$'000
Opening balance of net assets attributable to unitholders	256,938	171,601
Units on issue		
Capital raising	-	41,542
Capital raising costs on issue	-	(534)
Units reinvested	304	141
Foreign currency translation reserve		
Movements in foreign currency	21,876	(30,060)
Undistributed income		
Net loss on revaluation of financial derivatives	-	(2,569)
Net profit from operations attributable to unitholders	3,765	76,817
Finance costs – Distribution to unitholders	(10,398)	-
Closing balance of net assets attributable to unitholders	<u>272,485</u>	<u>256,938</u>

Ordinary units

Ordinary units entitle the holder to participate in distributions and the proceeds on winding up of the Fund in proportion to the number of units held. On a show of hands every holder of units present at a meeting of unit holders in person or by proxy, is entitled to one vote, and upon a poll each unit is entitled to one vote.

All units in the Fund are of the same class and carry equal rights.

The total number of units on issue at 31 December 2006 is 217,189,879 (June 2006: 216,955,636) the movement is solely due to the DRP. Reinvested distributions are as follows:

June 2006 113,500 units issued on 1 August 2006 at \$1.27 per unit.

September 2006 120,743 units issued on 3 November 2006 at \$1.32 per unit.

10 SEGMENT REPORTING

The Fund is organised into one main segment which operates solely in the business of investment in property, within New Zealand.

11 RELATED PARTIES

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

12 CONTINGENT LIABILITIES

No contingent liabilities existed at 31 December 2006.

13 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 Fund, the results of those operations, or the state of affairs of the Fund in subsequent financial years.

**Multiplex New Zealand Property Fund
Directors' Declaration**

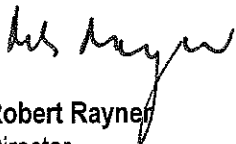
In the opinion of the Directors of Multiplex Capital Limited, as the Responsible Entity of the Multiplex New Zealand Property Fund (the "Fund"):

- (a) The consolidated interim financial statements and notes set out in pages 6 to 13 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 their 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 Fund 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 Capital Limited.

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

On behalf of the directors



Robert Rayner
Director
Multiplex Capital Limited



Independent auditor's review report to the members of Multiplex New Zealand Property Fund

We have reviewed the accompanying interim financial report of Multiplex New Zealand Property Fund (the "Scheme"), 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 consolidated interim cash flow statement for the half-year ended on that date, a statement of accounting policies, other explanatory notes 1 to 13 and the directors' declaration set out on page 14 of the consolidated entity comprising the Scheme 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 Scheme are responsible for the preparation and fair presentation of the interim 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 interim 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 an opinion on the interim 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 interim 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 Property Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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 interim financial report of Multiplex New Zealand Property Fund 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 AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

KPMG

Tanya Gilerman
Partner

Sydney
21 February 2007