

Interim Report 2007  
Multiplex Acumen  
Property Fund  
ARSN 104 341 988

# Interim Report

**MULTIPLEX**  
CAPITAL



# Contents

Financial Information	1
Director's Report	2
Investments in Property Funds	6
Fund Snapshot	8
Trading Metrics	9
Income Statement	10
Balance Sheet	11
Corporate Directory	IBC



<b>Financial snapshot</b>	31 December 2006	Previous corresponding period <sup>1</sup>	Change (%)
<b>Actual figures</b>			
Revenue	\$12.4m	\$27.2m	-54.4
Net profit	\$9.2m	\$15.4m	-40.3
Earnings per unit	4.66c	8.45c	-44.9
Distribution per unit	5.32c	5.15c	3.3
Total assets	\$343.8m	\$305.8	12.4
Net tangible assets (NTA) per unit	\$1.34	\$1.18	13.6
Fund gearing (net debt/total assets)	17.8%	19.5%	-1.7
Undistributed income	\$25.3m	\$26.6m	-5.0
<b>Normalised<sup>2</sup> (unaudited)</b>			
Revenue	\$13.3m	\$10.8m	23.1
Net profit	\$10.0m	\$8.5m	17.6
Earnings per unit	5.07c	4.64c	9.2
Distribution per unit	5.32c	5.15c	3.3
Total assets	\$343.8m	\$305.8m	12.4
Net tangible assets (NTA) per unit	\$1.34	\$1.18	13.6
Fund gearing (net debt/total assets)	17.8%	19.5%	-1.7
Unrealised gain on investment portfolio	\$55.4m	\$26.2m	111.7
Retained earnings (excluding unrealised gain on investment portfolio)	\$11.0m	\$10.4m	5.8

1 The previous corresponding period for the Income Statement is the half year ended 31 December 2005.

The previous corresponding period for the Balance Sheet is as at 30 June 2006.

2 Normalised figures exclude significant items in the previous corresponding period (\$16.0 million in equity accounted property valuation gains; \$9.5 million in MPF distributions classified as finance costs and \$2.9 million in gains on asset disposals) and add backs in the current period for significant items (\$4.2 million for distribution income from equity accounted investments, accrued distributions and interest rate hedging costs).

<b>Fund snapshot</b>	31 December 2006
Property investment portfolio	\$329.3m
Portfolio weighted average property yield	9.1%
Portfolio weighted average lease term to expiry	6.1 years
Market capitalisation	\$236.9m
ASX liquidity (units per day; 3 month rolling average)	156,000
Management fee	0.50% (incl. GST) of gross asset value
Management expense ratio (MER)	0.70%
Performance fee	20% of benchmark <sup>1</sup> outperformance
Distributions paid	Quarterly
Tax advantaged status	Historically 40%–50%

1 S&P/ASX200 Property Trust Accumulation Index.

Dear Investor,

Your Fund continued to prosper in the six months to December 2006. It recorded a strong interim result, driven by higher distribution income and capital growth in the Fund's investment portfolio.

As a result, distributions to unitholders increased for the fifth straight time since listing in July 2003 to an annualised rate of 10.64 cents per unit.

In comparison to the previous corresponding period (PCP) the main contributors to the Fund's performance over the half year were:

- NTA per unit \$1.34, up 13.6%;
- distribution income from investments \$9.1 million, up 16.3%;
- distributions per unit 5.32 cents, up 3.3%; and
- the level of undistributed income was \$25.2 million or 12.75 cents per unit.

The Fund's \$329.3 million investment portfolio (equity accounting basis) is currently yielding 9.1% on cost. It has risen in value by 11.9% or \$35.1 million in the six months to December 2006, driven by upward revaluations in the underlying assets of the funds into which the Fund invests.



**APN/UKA Vienna Retail Fund**

For the six months to 31 December 2006, whilst actual net profit of \$9.2 million was below the \$15.4\* million recorded in the PCP, the PCP profit figure included the following significant items:

- \$16.0 million in equity accounted net profits from the Fund's investment in the Multiplex New Zealand Property Fund, predominantly made up of property revaluation gains (no revaluation gains from this fund were recorded in the current period as the fund's assets were not independently revalued);
- \$9.5 million in Fund distributions paid to unitholders classified as finance costs "above the line" in the Fund's Income Statement; and
- \$2.9 million in gains on asset disposals following the wind up of two unlisted funds.

\* The ASX release at 31 December 2005 showed audited net profit of \$18.6 million, which contained unrealised gains from listed securities. Due to a reclassification of investments in accordance with AASB 139, the unrealised gains from listed securities are now taken directly to the Balance Sheet as opposed to the Income Statement. This ensures alignment with the accounting treatment of unlisted investments. Further explanation is included within the half year financial report.

Adjusting for these items, and adding back distribution income from equity accounted investments, accrued distributions and hedging costs, the adjusted underlying net profit for the six months to 31 December 2006 was \$10.0 million. This represents a 17.6% increase on the PCP adjusted profit of \$8.5 million, a result which was driven by growth in distribution income from investments and commission income.

Including gains on asset disposals, underlying earnings per unit of 5.55 cents were above the 5.32 cents per unit paid to unitholders.

The Fund's bank of realised retained earnings available for distribution at the end of the half was up 5.8% on the PCP to \$11.0 million (or 5.53 cents per unit).

#### **NTA Growth – up by 13.6%**

NTA per Fund unit stood at \$1.34 at the end of the half year, an increase of 13.6% in comparison to the NTA per unit of \$1.18 six months prior. This strong growth was due to upward revaluations in the underlying property assets of the various unlisted and listed funds into which MPF invests, which is reflective of ongoing positive property market fundamentals.

#### **Total Return – over 22%**

The Fund generated a total return for unitholders of 22.0% in the year to 31 December 2006. This comprised a 9.8% income yield and unit price growth of 12.2%. The Fund was re-included in the S&P/ASX300 Property Index in March 2006 and had a market cap of \$236.9 million at December 2006, with average daily trading volumes of 156,000 per day.

To put the Fund's total return into perspective, a Fund unitholder investing \$1.00 at listing (8 July 2003) would have received an absolute return of 60.3% (or a 13.6% compound return per annum) on their investment by 28 February, when both income and capital growth are combined.

#### **Capital Management**

A total of \$33.9 million was invested in carefully selected unlisted and listed funds over the six months to 31 December 2006. This expenditure was funded by monies returned following the wind-up of the Investa North Sydney Property Trust, the sell-down of non-core listed property trust positions, inflows from the distribution reinvestment plan of \$3.4 million, the drawdown of \$3.5 million in further borrowings and internal reserves.

#### **Unlisted Property Investments**

As at 31 December 2006, the Fund's portfolio of unlisted property investments was valued at \$243.0 million, an increase of \$38.1 million or 18.6% over six months.

Over the period, the Fund increased its existing investments by a total of \$11.1 million in four funds (SAITeysMcMahon Essential Healthcare Fund, APN National Storage Property Trust, Westpac Diversified Property Fund and St Hilliers Enhanced Property Fund No. 2), and invested \$14.7 million in three new funds (APN/UKA Vienna Retail Fund, APN/UKA Poland Retail Fund and the FKP Core Plus Fund).

During the same period, Investa North Sydney Property Trust wound up, returning capital (and a small gain) to the Fund for reinvestment at substantially higher yields. Also, the previously unlisted Cromwell Diversified Property Fund listed on the ASX as the Cromwell Group in December 2006 at a premium, creating an additional \$1.7 million unrealised gain for the Fund.

### Listed Property Investments

As at 31 December 2006, the Fund's portfolio of listed property investments was valued at \$86.3 million, a decrease of \$3.0 million or 3.4% over six months, reflecting the sale of selected listed investments.

Over the period, the Fund invested \$4.0 million in one listed property trust where it already had an investment (APN/UKA European Retail Trust) and \$4.1 million in three new funds (Rubicon Japan Trust, Australian Education Trust and Galileo Japan Trust). In line with its investment strategy, the Fund sold out of two listed trusts, and sold down several others, in order to enhance its bank of liquid funds available for reinvestment into future unlisted investment opportunities.

### Strong Fee and Commission Income

In addition to the impressive 16.3% growth in income distributions from the Fund's investment portfolio (which is yielding 9.1% on cost) the Fund earned placement fee and commission income of \$1.2 million over the six month period. This takes the total amount of fee and commission income earned since listing in July 2003 to \$12.0 million or 6.12 cents per unit.



**The Health Child Care Fund, SAITeysMcMahon**

### Managing Debt

As at December 2006, the Fund's gearing was 17.8%, a reduction of 1.7% compared to June 2006. The average interest rate on the Fund's borrowings was 6.80% (including margins), with rates fixed on 90% of borrowings for an average duration of 3.4 years. This extra level of income security is in addition to the \$11.0 million bank of realised retained earnings, the Fund's six year weighted average lease expiry on rental income streams across the investment portfolio and our strong proven track record.

Negotiations are underway with the Fund's lender to renew the Fund's \$68.8 million borrowing facility, with the Fund focused on securing improved terms for unitholders.

### The new Multiplex Property Income Fund (Income Fund)

Our Income Fund is due to be launched in March 2007. A new approach for raising capital, it is expected the Income Fund will have significant benefits for Fund unitholders, including:

- being income accretive for the Fund;
- diversifying and expanding the Fund's capital base;
- retaining capital growth within the Fund; and
- increasing awareness of the Fund in the unlisted and financial planner markets.

The Income Fund has been designed to boost the Fund's return on equity for the benefit of the Fund's existing capital base via additional earnings and opportunities for capital growth.

(The Income Fund was previously known as Multiplex Acumen Property Income Fund).

### Looking ahead

After a very busy period, the Fund is well positioned to add to its proven performance track record. All commercial property markets continue to display healthy fundamentals, driven by both the demand for space and ownership, and this is expected to deliver ongoing revaluation gains for the Fund's high quality diversified investment portfolio. The Fund itself is in a strong financial position with \$11.0 million in realised retained earnings that is available to be paid to investors and a further \$53.5 million of unrealised gains on its investment portfolio.



**Foodtown Howick, Multiplex New Zealand Property Fund**

In closing, on behalf of the Board, I express the Board's thanks to Dr Hewitt, who resigned as Chairman of the Board on 15 February 2007, for his significant contribution whilst a Director of Multiplex Capital Securities Limited. Over this time, the Fund increased its total assets to circa \$344m since listing with total assets of \$65m. The Board also expresses its thanks to Mr Pitts for his contribution as Company Secretary, having also resigned on 15 February 2007, and wish him well in his future endeavours.

Finally, thank you for your support as our investor in the Fund, and we look forward to further success in the period ahead.

**Rob Rayner**

Divisional Director – Funds Management  
Multiplex Capital

# Investments in Property Funds

6

As at December 2006	Manager	Investment allocation (%)	Value at market (\$m)	Yield on cost (%)	Number of properties	Ownership of investment vehicle (%)
<b>Unlisted Property Funds</b>						
Abbotsford Property Trust	DB RREEF	0.2	0.7	8.2	1	6.3
APN National Storage Property Trust	APN	0.8	2.6	9.3	35	2.8
APN Regional Property Fund	APN	1.1	3.6	9.0	5	10.9
APN UKA Poland Retail Fund	APN/UKA	2.3	7.5	9.0	1	19.9
APN UKA Vienna Retail Fund	APN/UKA	1.9	6.0	9.0	1	13.6
Centro MCS 21	Centro MCS	3.5	11.3	10.2	1	13.9
Centro MCS 22	Centro MCS	0.8	2.7	12.2	1	11.6
Centro MCS 28	Centro MCS	1.2	3.9	8.4	2	3.2
FKP Core Plus Fund	FKP	0.4	1.2	8.0	7 projects <sup>5</sup>	2.2
Gordon Property Trust	DB RREEF	1.3	4.3	9.2	1	7.8
ING Direct Office Fund	ING	1.1	3.6	9.1	1	18.8
Investa Brisbane Commercial Trust	Investa	2.5	8.1	6.8	2	15.8
Investa Diversified Office Fund	Investa	5.1	16.5	8.3	9	18.2
Investa Fifth Commercial Trust	Investa	4.1	13.2	12.0	4	19.1
Investa First Industrial Trust	Investa	0.5	1.7	7.0	6	5.5
Investa Fourth Commercial Trust	Investa	0.0	0.0	10.5	2	0.1
Investa Second Industrial Trust	Investa	0.6	1.9	8.8	5	5.5
Investa Sixth Commercial Trust	Investa	4.2	13.5	7.5	4	20.0
MAB Diversified Property Trust	MAB	2.2	7.0	9.0	11	10.6
Mirvac Childcare Fund	Mirvac	0.4	1.2	10.2	31	7.4
Mirvac Industrial Fund	Mirvac	0.3	1.1	6.6	3	4.8
Mirvac Retail Portfolio	Mirvac	1.1	3.6	7.4	7	6.2
Multiplex Development and Opportunity Fund	Multiplex	3.1	9.9	16.0	16 projects <sup>5</sup>	6.5
Multiplex New Zealand Property Fund	Multiplex	20.5	66.2 <sup>3</sup>	9.2	40	24.4
Northgate Property Trust	DB RREEF	5.1	16.6	9.7	1	25.7
Rimcorp Property Trust #3	Rimcorp	0.4	1.2	8.9	2	18.5
St Hilliers Enhanced Property Fund #2	St Hilliers	0.5	1.8	0.0 <sup>2</sup>	2 projects <sup>5</sup>	10.0
The Child Care Fund	SAITeysMcMahon	1.6	5.3	9.5 <sup>1</sup>	170	5.6
The Essential Health Care Trust	SAITeysMcMahon	1.5	5.0	9.2	9	11.5
Westpac Diversified Property Fund	Westpac	7.0	22.5	8.2	9	20.0
<b>Unlisted total/weighted average<sup>4</sup></b>		<b>75.3</b>	<b>243.7</b>	<b>9.3</b>	<b>389</b>	<b>17.9</b>

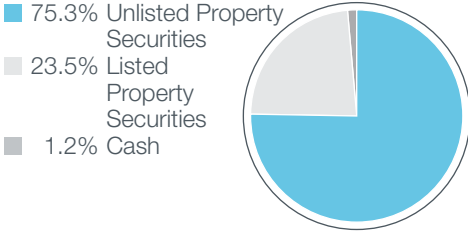


As at December 2006	Manager	Investment allocation (%)	Value at market (\$m)	Yield on cost (%)	Number of properties	Ownership of investment vehicle (%)
<b>Listed Property Funds</b>						
APN/UKA European Retail Trust	APN/UKA	2.5	8.0	9.5	32	2.6
Australand Property Group	Australand	1.2	4.0	9.5	26	0.2
Australian Education Trust	Austock	0.5	1.7	9.1	249	0.8
Commonwealth Property Office Fund	Colonial	1.0	3.2	8.0	28	0.1
Cromwell Group	Cromwell	3.6	11.7	9.3	32	1.5
DB RREEF Trust	DB RREEF	1.1	3.7	8.5	181	0.1
Galileo Japan Trust	Galileo	0.2	0.5	7.2	21	0.2
Galileo Shopping America Trust	Galileo	1.3	4.1	9.1	132	0.3
Investa Property Group	Investa	0.8	2.6	8.1	35	0.1
Macquarie Countrywide Trust	Macquarie	0.7	2.3	8.5	250	0.1
Macquarie DDR Trust	Macquarie	0.6	2.1	8.9	78	0.2
Macquarie Office Trust	Macquarie	0.9	2.8	8.6	41	0.1
Macquarie Pro-Logis	Macquarie	1.0	3.1	9.5	126	0.3
Mirvac Industrial Trust	Mirvac	1.5	5.0	9.7	76	1.3
Multiplex Prime Property Fund	Multiplex	5.3	17.2 <sup>3</sup>	7.8	4	10.0
Rubicon Japan Trust	Rubicon	0.7	2.2	8.3	10	1.2
Valad Property Group	Valad	0.5	1.8	9.3	40	0.2
<b>Listed total/weighted average<sup>4</sup></b>		<b>23.5</b>	<b>76.0</b>	<b>8.7</b>	<b>1361</b>	<b>3.0</b>
<b>Cash</b>		<b>1.2</b>	<b>3.8</b>			
<b>Total portfolio/weighted average<sup>5</sup></b>		<b>100.0</b>	<b>323.5</b>	<b>9.1</b>	<b>1750</b>	<b>14.3</b>

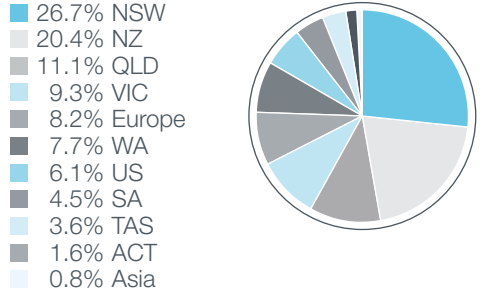
Notes:

1. Includes 0.25% trail.
2. Total return target of 12%.
3. Balance sheet value includes deferred settlement of \$8.3 million as the present value of final call of \$0.40 per unit in June 2011.
4. Weighted by market value.
5. Combination of completed properties and development projects.

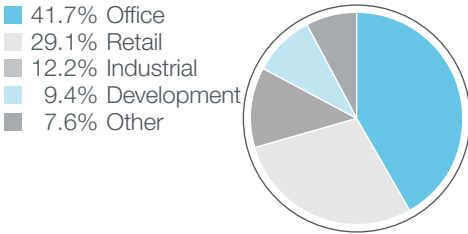
## Asset type



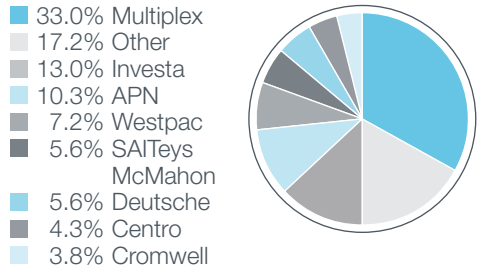
## Property location



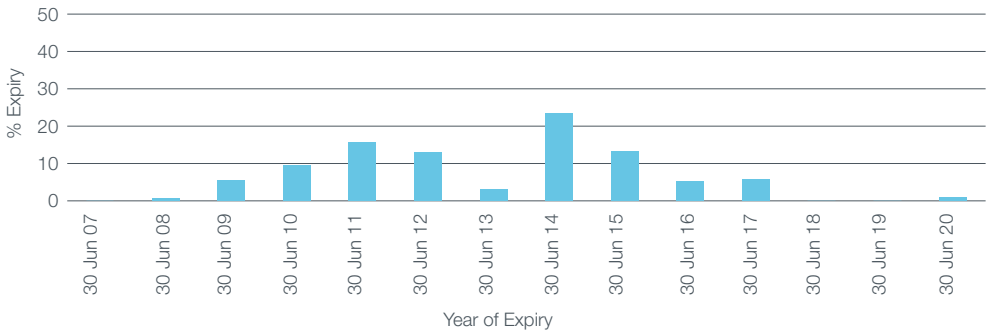
## Property sector



## Top 8 Trust Managers by funds invested



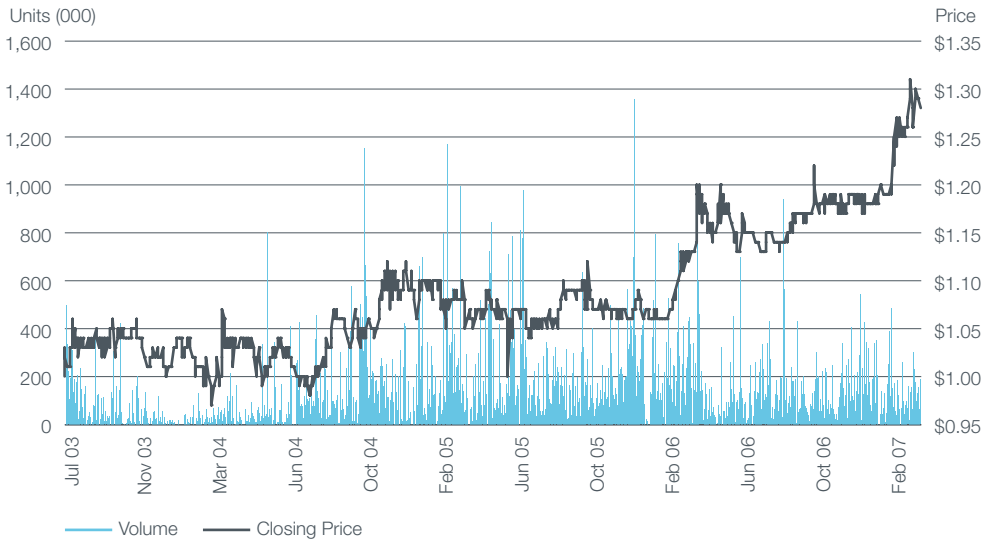
## Portfolio lease expiry profile



## Fund ASX trading metrics (as at 28 February 2006)

Market capitalisation (based on \$1.28 trading price)	\$256m
Fund listed on ASX	8 July 2003
ASX liquidity (3 month average daily units)	156,000 units per day
Prospective yield on \$1.28 trading price and annualised 10.64 cpu December quarter distribution	8.3%
S&P/ASX200 Property Index FY2007 prospective yield	5.2%

## Fund unit price performance on ASX (from inception to 28 February 2007)



# Income Statement

10

For the half year ended 31 December 2006

	Six months ended 31 December 2006 \$'000	Six months ended 31 December 2005 \$'000
<b>Revenue</b>		
Distribution income	9,133	7,856
Commission Income	1,243	195
Share of net profit from investments accounted for using the equity method	778	16,006
Interest income	305	235
Gain on disposal of investment	951	2,934
<b>Total revenues</b>	<b>12,410</b>	<b>27,226</b>
<b>Expenses</b>		
Finance costs – external parties	2,294	1,425
Finance costs – distribution to unitholders <sup>1</sup>	–	9,478
Responsible entity fees	687	591
Net loss on revaluation of financial derivatives	–	10
Other expenses	244	295
<b>Total expenses</b>	<b>3,225</b>	<b>11,799</b>
<b>Net profit</b>	<b>9,185</b>	<b>15,427</b>
<b>Earnings per unit</b>		
Basic and diluted earnings per ordinary unit (cents)	4.66	8.45

<sup>1</sup> Due to changes in the Trust Constitution, distributions for the comparative period of \$9.478 million (5.15 cents per unit) were classified as a finance cost, however the current period distribution of \$10.505 million and all future distributions are classified as equity distributions.

# Balance Sheet

As at 31 December 2006

11

	31 December 2006 \$'000	30 June 2006 \$'000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,752	1,382
Trade and other receivables	9,505	9,282
<b>Total current assets</b>	<b>13,257</b>	<b>10,664</b>
<b>Non-current assets</b>		
Investments accounted for using the equity method	66,339	62,935
Investments available for sale	263,004	231,313
Fair value of financial derivatives	1,244	886
<b>Total non-current assets</b>	<b>330,587</b>	<b>295,134</b>
<b>Total assets</b>	<b>343,844</b>	<b>305,798</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	814	605
Distribution payable	5,273	5,027
Interest bearing liabilities	64,150	-
<b>Total current liabilities</b>	<b>70,237</b>	<b>5,632</b>
<b>Non-current liabilities</b>		
Deferred settlement	8,524	8,272
Interest bearing liabilities	-	60,650
<b>Total non-current liabilities</b>	<b>8,524</b>	<b>68,922</b>
<b>Total liabilities</b>	<b>78,761</b>	<b>74,554</b>
<b>Net assets</b>	<b>265,083</b>	<b>231,244</b>
<b>Equity</b>		
Units on issue	197,675	194,287
Reserves	42,136	10,365
Retained earnings <sup>2</sup>	25,272	26,592
<b>Total equity</b>	<b>265,083</b>	<b>231,244</b>

<sup>2</sup> Included in retained earnings of \$25.272 million is \$10.964 million that is available for distribution. The balance relates to share of net profit from investments accounted for using the equity method.

**Ernst & Young Building, Sydney**  
Multiplex Prime Property Fund



# Corporate Directory

## Responsible Entity

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

## Directors of the Responsible Entity

Peter Morris  
Robert McCuaig  
Rex Bevan  
Brian Motteram  
Brian Hewitt  
(retired 15 February 2007)  
Ian O'Toole  
Rob Rayner

## Company Secretaries of Multiplex Capital Securities Limited

Mark Pitts (retired 15 February 2007)  
Alex Carrodus

## Location of Unit Registry

Computershare Investor Services Pty Limited  
Level 2, 45 St George's Terrace  
Perth WA 6000  
GPO Box D182  
Perth WA 6840  
Telephone: (08) 9323 2000  
Facsimile: (08) 9323 2033

## Custodian

ANZ Custodian Services  
25th Floor 530 Collins Street  
GPO Box 2842 AA  
Melbourne VIC 3001  
Telephone: (03) 9273 2275  
Facsimile: (03) 9273 2650

## Stock Exchange

The Fund is listed on the Australian Stock Exchange (ASX Code: MPF).  
The Home Exchange is Sydney.

## Auditor

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

Interim Report 2007  
Multiplex Acumen  
Property Fund  
ARSN 104 341 988