

MULTIPLEX LIMITED

ACN 008 687 063

ANNUAL GENERAL MEETING

THE WESLEY CENTRE, 220 PITT STREET, SYDNEY

WEDNESDAY, 2 NOVEMBER 2005 at 2.00 pm.

CHAIRMAN'S ADDRESS

As this is the first time I stand before you as chairman of Multiplex Group, it is disappointing to have to report that the Group result, and the result for Multiplex Limited, for the year ended 30 June 2005 are totally unacceptable.

The board understands and acknowledges that this has been an extremely unsatisfactory period for our Securityholders and I accept the frustration and disappointment many are experiencing. On behalf of the board I would like to say how deeply we regret this, and to offer our sincere apologies. I assure all stakeholders that the Wembley situation is being fully and comprehensively addressed by the Board and senior management. We are committed to ensuring that any further impact on shareholders is minimised as we work towards completion of this complex, problematic project.

I'm sure you would all be aware the result from our Construction division has had a significant and negative impact on Group profit – a result almost exclusively driven by the difficulties being encountered at our Wembley National Stadium project in the United Kingdom. It is unfortunate that this situation has masked a satisfactory result from the remainder of the Construction division and the excellent result of all our other operating business divisions.

At any one time our Construction division has a large and diverse portfolio of projects. Currently there are around 40 active projects. Typically, there would be no reason to devote time in this meeting to considering any individual project. Also, if any such discussion were warranted, I would ask the Chief Executive to address the issue. However, the Wembley issues span governance as well as operational procedures and, accordingly, it is appropriate that I spend some time addressing this matter in addition to the comments Andrew will make later in the meeting.

It is also appropriate that I acknowledge the largest number and range of questions from securityholders in the pre-meeting questionnaires we sent to you concern Wembley.

Given that the progress and reporting of this project is the matter of regulatory investigation and is potentially the subject of legal action concerning various parties including contractors and others, I am today somewhat constrained in what I can add to what is already in the public domain and I do hope you will bear with me in that regard.

I will, however, attempt to place on record the view from the board of the current position in respect to Wembley.

To put this into some context it is necessary for me to recap how the problems at Wembley originated and provide a brief overview of events since the beginning of this year.

The vast majority of the problems we have experienced at Wembley relate to repeated problems associated with the very extensive and complex steel works.

In August 2004, the original steel subcontractor CBUK completed the arch, left the site prematurely and was replaced by Hollandia to complete the remaining steel fabrication and erection. There are very few companies in the world with the capability to take on a steel subcontract of this size and complexity and therefore in the arrangements made with Hollandia it was initially not possible to secure a fixed price for the balance of the steelwork. These works have subsequently been undertaken on a cost reimbursement basis.

Following a review conducted in late January 2005 and through February 2005 an assessment was made of total anticipated project revenues including probable variations and claims, and anticipated costs were reforecast to the expected completion date. As a result of a detailed analysis of the project position at this time the Board decided that the project should be written back to a break even position. This decision was based on the best estimate available of the project's most likely completion of December 2005, together with updated cost information and claims against third parties.

The Board and senior management subsequently implemented a detailed peer review process; that is, our most experienced and senior construction personnel rigorously reviewed the Wembley project and all other major projects against a specific set of criteria and guidelines.

The results of this peer review were presented to the board in late May and identified a revised practical completion date of end March 2006, with consequent cost implications. It also identified that the productivity rates, particularly in relation to the erection of steel, which had been assumed in compiling earlier estimates, had fallen below those assumed rates. This further adversely impacted the likely Wembley outcome and the revised best estimate was reported as part of our May trading update.

In our June 2005 accounts, a further provision was made in recognition of the risks remaining on the project. However, the unique circumstances relating to this project mean that significant residual risk remains as we progress toward completion particularly in relation to steel and erection which I will deal with in a moment.

In addition, a series of claims and counterclaims are yet to be resolved in respect to the project, including those relating to the client, subcontractors and consultants.

The resolution of these claims will, as we have previously advised, be the subject of negotiation and legal process with the results likely to be determined over the next 18 months.

As regards the steelworks at the project, at this time it is not clear what the final costs will be on this package. This is because of the technical and labour-related complexities associated with completion of the steelwork erection. However, there is a real risk that there will be some significant impact.

Mindful of this and the fact that risks still remain, negotiations continue with Hollandia in a bid to secure a fixed maximum price for the steel and erection works. Such an agreement would provide certainty to Multiplex by providing a cap on the cost of this subcontract works package, which represents a significant portion of the project cost. Under the current cost-plus arrangements with Hollandia, Multiplex is responsible for reimbursing the reasonable costs incurred by Hollandia in relation to their subcontract works package.

Whilst the negotiations are at an advanced stage they remain incomplete and in fact it is still possible that Multiplex will not conclude a mutually acceptable agreement with Hollandia.

If the current negotiations with Hollandia are completed, the agreement will ensure that the costs in connection with its subcontract works package will be capped at a maximum value. If actual costs reached the maximum value then this would result in an adverse impact of around £25 million on the

estimated steelwork costs. Obviously the actual costs incurred may be less than the maximum value but we feel given the history on this particular project it is prudent to identify the most conservative outcome.

Our ongoing negotiations with Hollandia do not impact the program and I can confirm that completion of the Wembley project remains on target to permit the FA Cup Final to be played in May 2006 with a progressive handover from early next year.

As previously advised, there remain material residual risks in relation to adverse claims outcomes in respect of the client, the subcontractors and consultants on the project, and the risk of programme delays due to issues such as weather.

In addition, there are risks in relation to liquidated damages, although this risk has been mitigated by an 'in-principle' agreement by the client to resolve various extensions of time entitlements to 31 March 2006.

In August we provided indicative guidance of \$215 million aggregated Group profit after tax and before stapling eliminations and outside equity interests for the year ending June 2006. Clearly an adverse impact on the Wembley position remains a material risk in relation to this.

I acknowledge that I have taken up a substantial amount of time talking about Wembley however in the circumstances I believe this is entirely appropriate. As Chairman I am committed to being open about the problems we have experienced and to outline the steps we are taking in our efforts to minimize the damage to our business. It has and continues to distort the image of an otherwise successful Group and this needs to be placed in context.

I would like to stress your Board remains confident that the project will be finished within the revised programme which will permit the FA Cup to be played at Wembley in May 2006.

Moving on to other matters, the year has seen significant changes in the Group's corporate governance framework. The composition of the Company's Board has changed significantly over the past 12 months. The Company today has a board of nine directors, with a majority of independent directors and myself as independent Chairman.

Amongst the changes was the appointment of Mr. James Tuckey as an additional non-executive independent director, with strong experience in the United Kingdom.

In addition, independent directors currently chair each of the board committees.

Further, a comprehensive review of the Board and committee charters has been undertaken to ensure that these remain meaningful and effective for the Group. Reviews have also been taken of key Group policies and procedures.

Moving to the remainder of the Group, I would like to note the excellent results achieved across our other operating divisions which highlight the true benefit of our diversified business model.

During the year, we have pursued a number of initiatives which will have long term benefits for the Group, and I will let Andrew provide you with more details on these shortly.

In the meantime, I would like to acknowledge the efforts and contribution of our 2000 employees. Our business model and the dedicated team behind Multiplex are the key to our future success.

Let me assure all key stakeholders that, notwithstanding the impact of Wembley on overall Group profitability, Wembley will be completed and Multiplex will move on and learn valuable lessons that will stand the company in good stead for the long term future of the business.

We have much work to do to once again earn the trust of our Securityholders and other stakeholders and we are resolutely committed to doing what it takes to achieve this.

At this point, I would like to introduce you to our Chief Executive, Andrew Roberts, who will report on Multiplex Limited's activities for the year.

END

CHIEF EXECUTIVE'S ADDRESS

Good afternoon all and thank you for your attendance.

At the outset I would like to convey my personal disappointment, frustration and sincere regret at the difficulties experienced on the Wembley project. I apologise to all Securityholders on behalf of the management team.

Allan has covered the Wembley project in detail and I intend to focus my comments on other aspects of the business.

I would like to make clear that senior management and I remain firm in our resolve to complete Wembley in a timely fashion while minimising any further adverse impact on the Group.

This has been the most challenging period in the 43 year history of Multiplex, with the Group's otherwise solid operational performance marred by the significant problems on the Wembley construction project.

In FY2005 Multiplex Group generated revenue of \$4.2 billion and earned a profit after tax, and before stapling eliminations and outside equity interests of \$148.1 million.

This comprised a profit contribution from the Multiplex Property Trust of \$164 million and a loss from Multiplex Limited of \$17.3 million. Aggregated group earnings per security after tax and before stapling eliminations were 18.4 cents.

Let me now turn to the performance of the four integrated property businesses of the Multiplex Group.

Construction

The construction division suffered a before tax loss of \$62 million for the FY2005, principally due to the impact of Wembley Stadium.

With the exception of the construction business in the United Kingdom and to a lesser extent Queensland all other construction operations met or exceeded their performance targets.

With the exception of Wembley there has been an overall trend towards improving margins across the construction portfolio.

The construction division has been successful in the award of a number of substantial contracts over the course of the year, more recently including the Centrelink headquarters in Canberra, the Parramatta Justice Precinct, and Lumiere Apartment Complex.

Our priorities are to complete Wembley and to ensure risk management is paramount for all future projects.

Property Development

The Property Development Division performed strongly in the 2005 financial year contributing \$95 million to Group profit before tax.

The property development business operates across a number of the major property sectors including: commercial office; retail; multi-residential; land and master planned communities; and industrial.

The property development division has significant operations in both Australia and the UK with a very substantial pipeline of some billions of dollars of projects across these markets.

Multiplex Group's participation in the acquisition of the Duelguide business has substantially enhanced the scale of our property development opportunities in the UK which will enable us to accelerate the introduction of our integrated property model into our UK business.

Our key focus going forward is to continue to deliver strong operational performance from our Australian business and in the UK, consolidate and capitalize on the existing pipeline of opportunities.

Facilities Management

The Facilities Management Division performed well with a before tax profit of \$4.1 million. The number of facilities and property management contracts increased from 59 to 82 in the course of the 2005 financial year and the division continued its strong track record in public private partnerships projects.

Funds Management

Funds management contributed \$16.5 million in before tax profit to the group result. External funds under management increased from \$400 million to \$2.4 billion for which the group earns recurrent management fee income.

All funds experienced strong performance for their investors.

Looking towards the future we aim to continue to introduce quality investment vehicles domestically and internationally.

Multiplex Property Trust

Multiplex Property Trust performed well during the year with solid income and occupancy growth and a contribution of \$165 million to net profit before outside equity interests.

Following the merger with the Ronin Property Group the Trust now incorporates a total of 28 properties with overall value in excess of \$3 billion.

Fundamentally the foundations are in place to begin the process of restoring the company's profitability to a satisfactory level once we put the problems of Wembley behind us.

Understandably the issues faced at Wembley as we move towards completion of the project continue to overshadow the balance of our operations. The senior management team remains focused on achieving the best possible outcome on Wembley and ensuring the balance of our business continues to perform strongly.

We look forward to the completion of Wembley early next year enabling us to return to an operating environment without the extraordinary impact that Wembley has had on the group and on our Securityholders.

Thank You.

END