

MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND
ARSN 100 563 488

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

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Responsible Entity

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

Directors of Brookfield Multiplex Capital Management Limited

Peter Morris
Robert McCuaig
Brian Motteram
Mark Wilson
Brian Kingston

Company secretary of Brookfield Multiplex Capital Management Limited

Neil Olofsson

Location of unit registry

Registries (Victoria) Pty Limited
PO Box R67
Royal Exchange
Sydney NSW 1223
Telephone: (02) 9290 9600
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Custodian

Brookfield Multiplex Funds Management Limited
C/- Brookfield Multiplex Capital Management Limited
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
Facsimile: (02) 9299 7077

Introduction

The Directors of Brookfield Multiplex Capital Management Limited (ABN: 32 094 936 866) (changed its name from Multiplex Capital Management Limited on the 17 June 2008), the Responsible Entity of the Multiplex Development and Opportunity Fund ("the Fund"), present their report together with the financial report of the Consolidated Entity, being the Fund and its subsidiaries, for the half year ended 31 December 2007 and the auditors review report thereon.

Responsible Entity

The Responsible Entity of Multiplex Development Opportunity Fund is Brookfield Multiplex Capital Management Limited who was appointed as Responsible Entity on the 13 July 2007. Multiplex Capital Investments Limited was the Responsible Entity from the inception of the Fund to 13 July 2007. The registered office and principle place of business of the Responsible Entity and the Fund is 1 Kent Street, Sydney.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the half year:

Name

Peter Morris	(Director since 14 April 2004)
Robert McCuaig	(Director since 31 March 2004)
Rex Bevan	(Director since 21 February 2007, resigned 31 January 2008)
Brian Motteram	(Director since 21 February 2007)
Ian O'Toole	(Director since 31 March 2004, resigned 31 October 2007)
Robert Rayner	(Director since 31 October 2000, resigned 22 August 2008)
Bob McKinnon	(Appointed 7 December 2007, resigned 18 July 2008)
Mark Wilson	(Appointed 27 August 2008)
Brian Kingston	(Appointed 27 August 2008)

Company Secretary

Alex Carrodus (appointed 25 January 2005, resigned 27 August 2008).
Neil Olofsson (appointed 27 August 2008)

Principal activities

The principal activity of the Fund during the period has been to provide investors with exposure to a range of property development projects at various stages of the development cycle, as well as other forms of direct and indirect property investments.

There has been no change in the Fund's activities during or since the end of the financial period. The Fund did not have any employees during the period or subsequent to balance date.

Review of operations

A review of operations include:

- Profit attributable to unitholders before distributions for the half year ended 31 December 2007 was \$3,908,000 (half year ended 31 December 2006: \$9,757,000).
- The Fund realised \$Nil (December 2006: \$8,580,000) profit through the disposal of available for sale financial assets.
- The Fund increased its contributed equity by 7.949 million units raising \$8,080,000 for the six months ended 31 December 2007.
- Total assets for the half year ended 31 December 2007 were \$249,021,000 (30 June 2007: \$278,435,000). All assets are valued at historical cost except for available for sale financial assets and derivative financial instruments which are carried at fair value.
- The distribution paid to unitholders for the half year ended 31 December 2007 was \$8,211,000 (half year ended 31 December 2006: \$6,212,000). A distribution of 1.81 cents per unit (\$2,917,000) was declared on the 14 December 2007, payable on the 31 January 2008.

DIRECTORS' REPORT
MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND
 FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Subsequent event

The subsidiary company Brookfield Multiplex Vale Landowner Pty Ltd ("Vale") has a floating rate debt facility which was due to expire on 30 June 2008. In March 2008, Management re-negotiated the repayment terms of this facility so that the repayments meet the expected cash flows from the project. On the 23 June 2008, the facility was extended to 31 December 2009 with a limit of \$36,000,000 and on the basis that no distributions or returns of capital are paid prior to the debt being repaid in full, without the financier's approval.

On 30 June 2008 the investments in available for sale assets Bluewater and Rhodes were closed out for \$11,300,000 and \$4,963,000 respectively. The terms of the close out were on deferred settlement terms meaning that the Fund would receive the monies for these investments on or before 30 June 2009. These amounts are reflected as receivables from 30 June 2008. No interest is payable on these deferred amounts. No gain or loss was realised on the close out of Bluewater, however a loss of \$937,000 was realised on the close out of Rhodes, being the difference between the original investment of \$5,900,000 and the close out amount of \$4,963,000. The close out value of Rhodes was \$4,080,000 lower than the value recorded in these financial statements of \$9,043,000.

In order to fund the distribution payment for June 2008, Brookfield Multiplex Limited waived its right to repayment of a portion of the 8% guarantee liability. In these financial statements the guarantee liability was \$8,578,000 with \$4,078,000 being forgiven as at 30 June 2008 leaving a balance payable to Brookfield Multiplex Limited of \$4,500,000.

At 30 June 2008 in order to provide additional security for the mezzanine loan with Multiplex Hurstville Pty Limited, a loan facility agreement between Brookfield Multiplex Limited and Multiplex Hurstville Pty Limited of \$5,842,000 had been signed whereby no rights to this loan can be exercised until the mezzanine loan with the Consolidated Entity has been repaid in full.

During the period 1 January 2008 to 30 June 2008, the mezzanine loans with Cotton Beach of \$8,300,000, Latitude Site C of \$12,500,000, the available for sale assets with Ettalong of \$2,200,000, and with Meridian Investment Trust of \$10,000,000 were all closed out. These loans were closed out at the values reflected in the 31 December 2007 financial statements. A return of capital of \$2,900,000 was also received on the Pegasus mezzanine loan.

Subsequent to the year end the Board resolved to close the Fund to new applications and the Distribution Reinvestment Plan.

Finance costs - distributions

Distributions paid to unitholders or declared were as follows:

	Cents per unit	\$'000	Date of payment
Distribution paid for quarter ended 30 June 2006 (1)	2.68	3,848	31 July 2006
Distribution paid for quarter ended 30 September 2006	1.65	2,364	1 November 2006
Total distribution for the six months ended 31 December 2006	4.33	6,212	
Distribution paid for quarter ended 30 June 2007 (2)	2.65	4,055	31 July 2007
Distribution paid for quarter ended 30 September 2007	2.63	4,156	31 October 2007
Distribution declared for quarter ended 31 December 2007	1.81	2,917	31 January 2008
Total distribution for the six months ended 31 December 2007	7.09	11,128	

(1) The distribution for the quarter 30 June 2006 was declared after 30 June 2006 and paid on 31 July 2006.

(2) The distribution for the quarter 30 June 2007 was declared after 30 June 2007 and paid on 31 July 2007.

Lead Auditors independence declaration

The lead auditor's independence declaration is set out on page 7 and forms part of the Directors' report for the half year ended 31 December 2007.

DIRECTORS' REPORT
MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Rounding of amounts

The Fund is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

Dated at Sydney this 11 day of September 2008.

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

A handwritten signature in black ink, appearing to read 'BK', with a large, stylized flourish underneath.

Brian Kingston
Director
Brookfield Multiplex Capital Management Limited



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

To: the directors of Multiplex Development and Opportunity Fund

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2007 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
11 September 2008

CONSOLIDATED INTERIM INCOME STATEMENT
MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND
 FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Note	Six months ended 31 December 2007 Consolidated \$'000	Six months ended 31 December 2006 Consolidated \$'000
Revenues from ordinary activities			
Revenue from the sale of land held for development		19,586	30,602
Realised profit on available-for-sale financial assets		-	8,580
Interest income		7,130	5,266
Net gain on financial derivatives		189	-
Total revenue and other income		26,905	44,448
Expenses from ordinary activities			
Cost of sale of land held for development		16,892	23,275
Marketing and selling costs		1,751	2,168
Administration expenses		753	214
Responsible entities fees		1,227	1,104
Management fees		416	627
Performance fee		(1,022)	431
Total expenses		20,017	27,819
Profit before income tax		6,888	16,629
Income tax expense		(2,285)	(5,387)
Profit after tax before distributions to unitholders		4,603	11,242
Profit attributable to minority interests		(695)	(1,485)
Profit attributable to unitholders		3,908	9,757
Finance costs -Distributions to unitholders	6	(11,128)	(6,212)
Changes in net assets attributable to unitholders		(7,220)	3,545

The condensed notes on pages 10 to 16 are an integral part of these consolidated interim financial statements.

Interim Statement of Change in Equity

As the Consolidated Entity has no equity, the interim financial statements do not include an Interim Statement of Changes in Equity for the current or comparative period.

CONSOLIDATED INTERIM BALANCE SHEET
MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND
AS AT 31 DECEMBER 2007

	Note	31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
Assets			
Current assets			
Cash and cash equivalents		24,197	40,714
Trade and other receivables	7	23,725	20,596
Available for sale financial assets		22,704	13,350
Inventories - Land held for development	8	25,813	55,319
Accrued income		1,759	557
Fair value of financial derivatives		156	5
Total current assets		98,354	130,541
Non-current assets			
Available for sale financial assets		9,043	21,490
Inventories - Land held for development	8	91,372	61,733
Future income tax benefit		-	1,195
Trade and other receivables	7	47,400	62,301
Accrued income		2,852	1,175
Total non-current assets		150,667	147,894
Total assets		249,021	278,435
Liabilities			
Current liabilities			
Trade and other payables	9	26,244	38,165
Income tax payable		5,538	8,349
Fair value of financial derivatives		-	38
Interest bearing loans and borrowings	10	37,446	36,407
Total current liabilities		69,228	82,959
Non-current liabilities			
Trade and other payables	9	-	14,100
Provisions for performance fee		1,359	2,382
Deferred income tax liability		2,318	-
Total non-current liabilities		3,677	16,482
Total liabilities (excluding net assets attributable to unitholders interests)		72,905	99,441
Net assets attributable to unitholders	12	176,116	178,994

The condensed notes on pages 10 to 16 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND
 FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	31 December 2007 Consolidated Note	31 December 2006 Consolidated \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	21,336	36,561
Cash payments in the course of operations	(32,929)	(55,679)
Interest received	4,251	6,833
Income taxes paid	(1,582)	(5,098)
Net cash flows (used in) operating activities	(8,924)	(17,383)
Cash flows from investing activities		
Proceeds from disposal of assets	13,768	283
Net cash flows from investing activities	13,768	283
Cash flows from financing activities		
Proceeds from issues of units	8,080	3,442
Repayment of related party loans	(18,641)	-
Repayments of interest bearing liabilities	(4,391)	-
Proceeds from interest bearing liabilities	5,431	26,105
Distributions paid	(11,840)	(5,866)
Net cash flows from/(used in) financing activities	(21,361)	23,681
Net (decrease)/increase in cash and cash equivalents	(16,517)	6,581
Cash and cash equivalents at 1 July	40,714	7,990
Cash and cash equivalents at 31 December	24,197	14,571

The condensed notes on pages 10 to 16 are an integral part of these consolidated interim financial statements.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND

FOR THE HALF YEAR ENDED 31 DECEMBER 2007

1 REPORTING ENTITY

Multiplex Development and Opportunity Fund (the "Fund") is an Australian registered Management Investment Scheme under the Corporations Act 2001. Brookfield Multiplex Capital Management Limited, the Responsible Entity of the Fund was appointed on the 13 July 2007 (previously Multiplex Capital Investments Limited), and is incorporated and domiciled in Australia. The consolidated interim financial statements of the Consolidated Entity as at and for the half year ended 31 December 2007 comprises the Fund and its subsidiaries (together referred to as the "Consolidated Entity").

2 Statement of compliance

The Consolidated interim financial report is a general purpose financial report, which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2007.

The Consolidated interim financial report for the six months ended 31 December 2007 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 11 September 2008.

The Fund is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2007.

4 ESTIMATES

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2007.

5 SEGMENT REPORTING

The Consolidated Entity is organised into one main segment which operates in the business of investment management within Australia.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND

FOR THE HALF YEAR ENDED 31 DECEMBER 2007

6 FINANCE COSTS – DISTRIBUTIONS TO UNITHOLDERS

Distributions paid to unitholders or declared were as follows:

Ordinary units	Cents per unit	Total amount \$'000	Date of payment
June 2006 distribution ¹	2.68	3,848	31 July 2006
September 2006 distribution	1.65	2,364	1 November 2006
Total distribution for the six months ended 31 December 2006	4.33	6,212	
June 2007 distribution ²	2.65	4,055	31 July 2007
September 2007 distribution	2.63	4,156	31 October 2007
December 2007 distribution	1.81	2,917	31 January 2008
Total distribution for the six months ended 31 December 2007	7.09	11,128	

Note 1: The distribution of \$3,848,000 was paid on 31 July 2006 and not declared until after 30 June 2006.

Note 2: The distribution of \$4,055,000 was paid on 31 July 2007 and not declared until after 30 June 2007.

7 TRADE AND OTHER RECEIVABLES

		31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
Current			
Amounts due from related parties			
Loan to Multiplex Latitude Site C Pty	(a)	12,500	12,500
Loan to Multiplex Cotton Beach Pty	(a)	8,300	-
Other related party receivables		-	5,822
Other receivables		2,925	2,274
		23,725	20,596
Non-current			
Amounts due from related parties			
Loan to Multiplex Pegasus Town Limited	(a)	20,150	20,751
Loan to Multiplex Hurstville Pty	(a)	5,000	5,000
Loan to Multiplex W9&10 Constructions Stage 4B Pty(a)		10,000	10,000
Loan to Multiplex Cotton Beach Pty	(a)	-	8,300
Loan to Multiplex Claremont Pty	(a)	8,450	8,450
Loan to Multiplex SX West Tower Landowner Pty	(a)	-	6,000
Loan to Multiplex Dee Why Pty	(a)	3,800	3,800
		47,400	62,301

(a) The mezzanine loans to the above entities are loans to related entities by virtue of the fact that the Fund's Responsible Entity and these entities are owned by the same ultimate parent.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND
 FOR THE HALF YEAR ENDED 31 DECEMBER 2007

8 INVENTORIES – LAND HELD FOR DEVELOPMENT

		31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
Inventories at cost			
Portside Wharf	(a)	11,647	17,115
Vale stages 2-6	(b)	14,166	21,457
Henley Brook	(c)	-	16,747
Total current		25,813	55,319
Vale stages 2-6	(b)	29,034	18,978
Henley Brook	(c)	17,109	-
Vale stages 7-11	(d)	45,229	42,755
Total Non current		91,372	61,733
Total inventories		117,185	117,052

- (a) \$11,647,000 – Residential apartment development located at Portside Wharf, Brisbane. In terms of an agreement with Multiplex Developments Limited (“MXD”), MXD receive all income from this development from 31 March 2007 and assume all liability for this project. There is no effect on the income statement of the Fund and the assets and liabilities of Portside Wharf net to nil.
- (b) \$43,200,000 - Land held at Aveley, north east Perth. This land is held through the subsidiary Brookfield Multiplex Vale Landowner Pty Limited which is subdividing, developing and selling the land.
- (c) \$17,109,000 – Land held at the north eastern localities of Henley Brook and Whiteman, Perth. The land is held through the subsidiary Brookfield Multiplex Henley Brook Landowner Pty Limited which intends to develop and sell the land.
- (d) \$45,229,000 – Land held at Aveley, north east Perth. This land is held through the subsidiary Brookfield Vale Stages 7-11 Landowner Pty Limited which intends to develop and sell the land.

9 TRADE AND OTHER PAYABLES

		31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
Current			
Payables		4,882	15,292
Provision for distribution		2,917	-
Loans from related parties	(a)	9,559	14,100
Responsible entity fee payable	(b)	308	195
Income guarantee liability	(c)	8,578	8,578
		26,244	38,165
Non-Current			
Loans from related parties	(d)	-	14,100
		-	14,100

9 TRADE AND OTHER PAYABLES (CONTINUED)

- (a) This amount is owing to Multiplex Developments Limited ("MXD") by Multiplex Portside B1 Pty Limited (Refer note 8) This is a related entity by virtue of the fact that the Fund's Responsible entity and MXD are owned by the same ultimate parent.
- (b) This amount is payable to Brookfield Multiplex Capital Management Limited, a related party as it is the Responsible Entity.
- (c) This amount is payable to Brookfield Multiplex Limited, a related party as it is the ultimate parent of the Responsible Entity (refer below – income guarantee liability).
- (d) This amount was paid to MXD by Brookfield Vale Stages 7 – 11 Landowner Pty Limited. This is a related entity by virtue of the fact that the Fund's Responsible Entity and MXD are owned by the same ultimate parent.

Income guarantee liability

Brookfield Multiplex Limited has agreed to ensure that the Fund is in a position to pay a distribution each distribution period of 8% per annum net of management fees (including the GST impact of those management fees) and operating expenses and before tax, on the net asset value of the Fund until 30 June 2008. To the extent that the Fund does not generate at least an 8% per annum distribution in any distribution period, Multiplex Limited will ensure the Fund is put into a position so that it can pay a distribution of that amount. Any amount paid by Brookfield Multiplex Limited to the Fund under the guarantee will be reimbursed to 70% by the Consolidated Entity to Brookfield Multiplex Limited from income of the Consolidated Entity in subsequent periods.

The income recognised by the Consolidated Entity in relation to the income guarantee during the half year ended 31 December 2007 was \$nil (30 June 2007 - \$nil). The amount payable to Brookfield Multiplex Limited by the Consolidated Entity out of future profits of the Consolidated Entity in relation to the income guarantee as at half year end was \$8,577,668 (30 June 2007: \$8,577,668). The \$8,600,000 liability arising from the 8% Guarantee is due for repayment on 30 June 2008, and MDOF is currently working with Brookfield Multiplex Limited to repay the debt from 1 July 2008 onwards. The income guarantee liability and expense is recognised payable at 70% of the total income support received in accordance with the income guarantee agreement.

10 INTEREST BEARING LOANS AND BORROWINGS

		31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
Current			
Secured bank debt	(a) (Refer note 16)	15,609	20,000
Secured bank debt	(b)	18,670	16,407
Secured bank debt	(c)	3,167	-
		37,446	36,407

- (a) The bank facility is secured by a first charge over all assets of Brookfield Multiplex Vale Landowner Pty Limited.
- (b) The bank facility is secured by a first charge over all assets of Brookfield Vale Stages 7-11 Landowner Pty Limited
- (c) The bank facility is secured by a first charge over all assets of Brookfield Multiplex Henley Brook Landowner Pty Limited.

10 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Financing Arrangements	Expiry Date	31 December 2007	30 June 2007
		Consolidated	Consolidated
		\$'000	\$'000
Bank debt facility (1)	21 January 2008	34,300	40,000
Bank debt facility (2)	30 September 2008	22,000	22,000
Bank debt facility (3)	11 August 2008	4,576	-
Less: facilities utilised		(37,446)	(36,407)
Facilities not utilised		23,430	25,593

(1) This floating rate debt facility ("the facility") is for a maximum commitment of \$34,300,000 (30 June 2007: \$40,000,000) and is provided by the National Australia Bank ("NAB") to the subsidiary Brookfield Multiplex Vale Landowner Pty Ltd ("Vale"). The facility, which was due to expire on the 30 June 2008, was drawn to \$15,609,000 at balance sheet date. On the 23 June 2008, the facility was extended to 31 December 2009 with a limit of \$36,000,000 and on the basis that no distributions or returns of capital are paid prior to the debt being repaid in full, without the financier's approval.

The Company had an interest rate swap agreement in place with National Australia Bank in an amount of \$22,200,000 (30 June 2007: \$5,800,000) expiring on the 30 June 2008, whereby the Company pays a fixed interest rate of 7.18% (30 June 2007: 5.83%) and receives a variable rate equal to the BBSY on the notional amount. The interest rate swap matures on a monthly basis.

(2) This fixed rate cash facility is for a maximum commitment of \$22,000,000 (30 June 2007: \$22,000,000) financed by National Australia Bank Limited with respect to Brookfield Vale Stages 7-11 Landowner Pty Limited. The fixed rate at 31 December 2007 in respect of amounts drawn are 7.11% for \$565,000, 7.43% for \$1,056,000, 6.825% for \$16,618,000 and 6.88% for \$331,000. The facility is due for expiry on the 30 September 2008 and management will renegotiate the facility prior to that date. At 30 June 2007 the rate was 6.795% for \$16,407,000. There is an activation fee of 0.8% for all these amounts. This facility was extended to 30 September 2009 subsequent to the year end with the same terms and conditions.

(3) This fixed rate cash facility is for a maximum commitment of \$4,600,000 (30 June 2007: Nil) financed by National Australia Bank Limited with respect to Brookfield Multiplex Henley Brook Landowner Pty Limited. The facility is due for expiry on the 11 August 2008, and management will renegotiate the facility prior to this date. The fixed rate at 31 December 2007 is 6.88% plus an activation fee of 0.80% (30 June 2007: nil). This facility was settled in May 2008 and a new facility with Suncorp – Metaway Limited with a facility limit of \$37,700,000 to 30 November 2009 was negotiated.

11 UNITS ON ISSUE

Date	Details	Units	\$
1 July 2006	Opening balance	143,504,247	145,697,446
	31 July 2006 Distribution reinvestment plan	181,407	192,305
	1 November 2006 Distribution reinvestment plan	121,787	126,667
	1 November 2006 issue of units	1,355,271	1,409,482
	1 December 2006 issue of units	1,935,588	2,032,367
	2 January 2007 issue of units	1,104,011	1,170,252
	1 February 2007 Distribution reinvestment plan	236,493	250,683
	1 February 2007 issue of units	1,119,378	1,186,539
	1 March 2007 issue of units	1,363,546	1,445,359
	30 April 2007 Distribution reinvestment plan	243,847	256,039
	1 May 2007 issue of units	298,464	307,409
	1 June 2007 issue of units	2,643,844	2,748,453
30 June 2007	Closing Balance	154,107,883	156,823,001

DIRECTORS' DECLARATION
MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND
 HALF YEAR ENDED 31 DECEMBER 2007

11 UNITS ON ISSUE (CONTINUED)

1 July 2007	Opening balance	154,107,883	156,823,001
	1 July 2007 issue of units	1,984,425	2,004,269
	31 July 2007 Distribution reinvestment plan	349,754	353,252
	1 August 2007 issue of units	2,063,656	2,104,930
	1 September 2007 issue of units	1,513,100	1,558,492
	31 October 2007 Distribution reinvestment plan	426,015	430,251
	1 November 2007 issue of units	306,818	309,887
	1 December 2007 issue of units	1,305,558	1,318,614
31 December 2007	Closing balance	162,057,209	164,902,696

Ordinary units

Ordinary units are issued monthly in accordance with the end of month Net Asset Value. All units in the Fund were fully paid and are of the same class and carry equal rights. Unitholders are entitled to a pro rate distribution from date of issue. Any month during which there are no new units issued, the liquidity facility is utilised.

12 NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	31 December 2007 Consolidated \$000	30 June 2007 Consolidated \$000
Opening balance of unit holder's interests	178,994	164,893
Movement during the period		
Units on issue		
Issue of units	7,296	10,300
Units reinvested	784	826
Available for sale reserve		
Unrealised fair value movement in available for sale assets	(1,147)	1,677
Deferred income tax liability on unrealised value of financial assets available for sale	344	(503)
Close out of Stage 4 Lakeland's (apartments) development	-	(3,080)
Close out of Multiplex Latitude Site C	-	(3,151)
Transfer from/ (to) statement of distribution	-	8,577
Undistributed income		
Net profit from operations before distributions to unit holders	3,908	22,316
Finance costs – Distribution to unit holders	(11,128)	(15,006)
Transfer (to) / from available for sale reserve	-	(8,577)
Minority interests		
Dividend	(3,630)	(4,083)
Share of net income	695	4,805
Closing balance of unit holder's interests	176,116	178,994

13 RELATED PARTIES

Responsible Entity

The Responsible Entity of Multiplex Development Opportunity Fund is Brookfield Multiplex Capital Management Limited who was appointed as Responsible Entity on the 13 July 2007. Multiplex Capital Investments Limited was the Responsible Entity from the inception of the Fund to 13 July 2007. The arrangements in place in respect of the new Responsible Entity are on the same basis as with the previous Responsible Entity. There have been no other significant changes to the related party transactions disclosed in the annual report for the year ended 30 June 2007.

14 CONTINGENT ASSETS AND LIABILITIES

The Consolidated Entity has no contingent assets or liabilities at 31 December 2007 and 30 June 2007.

15 CAPITAL AND OTHER COMMITMENTS

A subsidiary company Brookfield Multiplex Vale Landowner Pty Limited has a commitment for inventory development costs according to the feasibility at 31 December 2007 of \$121,337,000 (30 June 2007: \$113,247,000).

16 EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the half year end the Fund entered into an agreement in respect of a proposed multi-residential development at Little Bay South. The approved equity commitment to the project is \$30,097,000. The first instalment of \$5,280,000 was paid in January 2008.

The subsidiary company Brookfield Multiplex Vale Landowner Pty Ltd ("Vale") has a floating rate debt facility which was due to expire on 30 June 2008. In March 2008, Management re-negotiated the repayment terms of this facility so that the repayments meet the expected cash flows from the project. On the 23 June 2008, the facility was extended to 31 December 2009 with a limit of \$36,000,000 and on the basis that no distributions or returns of capital are paid prior to the debt being repaid in full, without the financier's approval.

On 30 June 2008 the investments in available for sale assets Bluewater and Rhodes were closed out for \$11,300,000 and \$4,963,000 respectively. The terms of the close out were on deferred settlement terms meaning that the Fund would receive the monies for these investments on or before 30 June 2009. These amounts are reflected as receivables from 30 June 2008. No interest is payable on these deferred amounts. No gain or loss was realised on the close out of Bluewater, however a loss of \$937,000 was realised on the close out of Rhodes, being the difference between the original investment of \$5,900,000 and the close out amount of \$4,963,000. The close out value of Rhodes was \$4,080,000 lower than the value recorded in these financial statements of \$9,043,000.

In order to fund the distribution payment for June 2008, Brookfield Multiplex Limited waived its right to repayment of a portion of the 8% guarantee liability. In these financial statements the guarantee liability was \$8.578 million with \$4.078 million being forgiven as at 30 June 2008 leaving a balance payable to Brookfield Multiplex Limited of \$4.500 million.

At 30 June 2008 in order to provide additional security for the mezzanine loan with Multiplex Hurstville Pty Limited, a loan facility agreement between Brookfield Multiplex Limited and Multiplex Hurstville Pty Limited of \$5,842,000 had been signed whereby no rights to this loan can be exercised until the mezzanine loan with the Consolidated Entity has been repaid in full.

During the period 1 January 2008 to 30 June 2008, the mezzanine loans with Cotton Beach of \$8,300,000, Latitude Site C of \$12,500,000, the available for sale assets with Ettalong of \$2,200,000, and with Meridian Investment Trust of \$10,000,000 were all closed out. These loans were closed out at the values reflected in the 31 December 2007 financial statements. A return of capital of \$2,900,000 was also received on the Pegasus mezzanine loan.

Subsequent to the year end the Board resolved to close the Fund to new applications and the Distribution Reinvestment Plan.

There are no other 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 Development and Opportunity Fund
Directors' Declaration**

- 1 In the opinion of the Directors of Brookfield Multiplex Capital Management Limited as Responsible Entity for Multiplex Development and Opportunity Fund:
- (a) The consolidated interim financial statements and notes, set out in pages 8 to 17 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 2007 and of its performance, for the six month period ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001;
 - (b) There are reasonable grounds to believe that the consolidated entity 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.

Dated at Sydney, this 11 day of September 2008.



Brian Kingston
Director
Brookfield Multiplex Capital Management Limited



Independent auditor's review report to the unitholders of Multiplex Development and Opportunity Fund

Report on the financial report

We have reviewed the accompanying half-year financial report of Multiplex Development and Opportunity Fund (the Fund), which comprises the balance sheet as at 31 December 2007, and the interim income statement, and cash flow statement for the half-year ended on that date, a statement of accounting policies, other explanatory notes 1 to 16 and the directors' declaration set out on page 18, of the Consolidated Entity comprising the Fund and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the financial report

The directors of Brookfield Multiplex Capital Management Limited (the Responsible Entity) 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 establishing 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 2007 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 Development and Opportunity Fund, 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 Development and Opportunity 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 2007 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
11 September 2008