MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND

HALF YEAR REPORT
31 DECEMBER 2005

ARSN 110 563 488

Index

Responsible Entity
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Directors of Multiplex Investments Limited
Ian O'Toole
Robert Rayner
Peter Morris
Robert McCuaig
Michael Hodgetts
Andrew Roberts (Resigned 14 September 2005)

Company secretary of Multiplex Investments Limited
Alex Carrodus

Location of unit registry
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Custodian
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1 Kent Street
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Auditor
Ernst & Young
680 George Street
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Introduction
The Directors of Multiplex Investments Limited (ABN: 48 096 295 233), the Responsible Entity of the Multiplex Development and Opportunity Fund (the "Fund"), present their report for the half year ended 31 December 2005 ("the half year") and the Auditors' report thereon:

Responsible Entity
The Responsible Entity of Multiplex Development and Opportunity Fund is Multiplex Investments Limited, which has been the Responsible Entity since the inception of the Fund.

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

Name	
Robert Rayner	
Michael Hodgetts	
Robert McCuaig	
Peter Morris	
Ian O'Toole	
Andrew Roberts	Resigned 14 September 2005

Distributions
Distributions paid to unitholders or declared were as follows:

	Cents per unit	$'000
Distribution for quarter ended 30 June 2005 [1]	2.31	3,272
Distribution for quarter ended 30 September 2005	2.72	3,870
	5.03	**7,142**

Note 1: The distribution paid of $3.27 million on 29 July 2005 was not declared until after 30 June 2005.

Review of operations
Key highlights over the half year include:

- Net profit attributable to unitholders for the half year ended 31 December 2005 was $3,948k (period ended December 2004: $7,045k). The previous period result included the realisation of Darling Island Apartments, Sydney providing a profit for the period to 31 December 2004 of $1,881,000.

- On the 29 July 2005, the Fund realised its investment in Latitude Retail and Cark Park & Latitude Strata Office Project. This resulted in a realised profit of $3.6 million before taxation.

- On the 30 November 2005, the Fund realised its investment in The Chancellor, Double Bay. This resulted in a realised profit of $1.3 million before taxation.

- The Fund invested $45.52 million of investments during the period. $6.5 million of the monies is related to mezzanine debt.

- On 4 November 2005, the capital raising for Multiplex Acumen Vale Syndicate Limited closed. On that date $30 million had been raised, including the original $15 million invested by the Fund.

Rounding of amounts

The Fund 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.

Auditors independence declaration

A statement of independence has been provided by our auditor, Ernst & Young, and is attached to the Directors' report on page 5.

Dated at Sydney this 1 day of March 2006

Signed in accordance with a resolution the Directors:

Robert Rayner
Director
Multiplex Investments Limited

ERNST & YOUNG

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680 George Street
Sydney NSW 2000
Australia

GPO Box 2646
Sydney NSW 2001

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Auditor's Independence Declaration to the Directors of Multiplex Investments Limited, the Responsible Entity for Multiplex Development and Opportunity Fund

In relation to our review of the financial report of Multiplex Development and Opportunity Fund for the half-year ended 31 December 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst + Young

Ernst & Young

Douglas Bain
Partner
1 March 2006

	Note	31 December 2005 Consolidated $'000	31 December 2004 Consolidated $'000
Sale of development properties		1,772	50,189
Realised profit on available-for-sale financial assets		4,922	5,587
Interest income		1,450	658
Income guarantee – total return		4,315	-
Income guarantee – project level		-	2,019
Proceeds on disposal of controlled entity		-	1,291
Net profits accounted for using the equity method of accounting		-	433
Total revenues from ordinary activities		**12,459**	**60,177**
Expenses from ordinary activities			
Cost of sale of development properties		1,495	44,931
Administration expenses		695	181
Responsible Entity fees		1,127	429
Income guarantee expense		2,054	-
Cost of controlled entity disposed		-	1,291
Total expenses from ordinary activities		**5,371**	**46,832**
Net income before income tax		7,088	13,345
Income tax expense		3,109	2,923
Net income after tax before distributions to unitholders and changes in unitholders interests		**3,979**	**10,422**
Net profit/(loss) attributable to minority interests		44	(3,377)
Net loss on revaluation of financial derivatives		(75)	-
Net profit attributable to unitholders		**3,948**	**7,045**
Distributions to unitholders *	3	**(7,142)**	-
Changes in net assets attributable to unitholders		(3,194)	7,045
Earnings per unit			
Basic earnings per ordinary unit	8	2.78	5.47
Diluted earnings per ordinary unit	8	2.78	5.47

* Due to the requirements of AIFRS, distributions for the current year of $7.142 million (5.03 cents per unit) have been classified as a finance cost. The comparative year distribution of $10.941 million was shown as an equity distribution.

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

CONSOLIDATED STATEMENT OF DISTRIBUTION

	Note	31 December 2005 Consolidated $'000	31 December 2004 Consolidated $'000
Undistributed income brought forward		3,084	9,269
Net profit attributable to unitholders of Multiplex Development and Opportunity Fund		3,948	7,045
Total income available for distribution		**7,032**	**16,314**
Adjusted for:			
Transfer from capital revaluation reserves	7	2,054	-
Net loss on revaluation of financial derivative		75	-
Total realised income available for distribution		**9,161**	**16,314**
Less: Undistributed income carried forward		2,019	3,926
Distribution paid and payable	3	**7,142**	**12,388**
Distribution per unit (cents)	3	**5.03**	**11.35**

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

	Note	31 December 2005 Consolidated $'000	30 June 2005 Consolidated $'000
Assets			
Current assets			
Cash and Cash equivalents		11,456	10,697
Trade and other receivables		4,013	6,887
Loans and other receivables		20,500	-
Available-for-sale financial assets	4	28,906	-
Inventories – at cost		80,086	-
Accrued Income		1,498	-
Investments		-	50,156
Total current assets		**146,459**	**67,740**
Non-current assets			
Available-for-sale financial assets	4	70,936	-
Inventories – at cost		57,220	91,789
Future income tax benefit		257	101
Investments		-	81,773
Loans and other receivables		-	14,000
Accrued income		-	658
Total non-current assets		**128,413**	**188,321**
Total assets		**274,872**	**256,061**
Liabilities			
Current liabilities			
Trade and other payables		48,884	70,995
Income guarantee liability	5	5,277	3,223
Current tax liabilities		1,156	2,195
Interest bearing loans and borrowings		36,657	-
Fair value of financial derivatives		34	-
Total current liabilities (excluding unitholders interests)		**92,008**	**76,413**
Non-current liabilities excluding net assets attributable to unitholders			
Trade and other payables		1,470	1,470
Interest bearing loans and borrowings		24,789	26,879
Deferred income tax liability		1,553	2,122
Fair value of financial derivatives		41	-
Total non-current liabilities (excluding unitholders interests)		**27,853**	**30,471**
Total liabilities (excluding unitholders interests)		**119,861**	**106,884**
Net assets attributable to unitholders		**155,011**	**149,177**
Unitholders' interests			
Units on issue	6	144,320	144,365
Share issue costs reserve	7	(2,227)	-
Capital revaluation reserve	7	(1,843)	1,728
Undistributed income		1,944	3,084
Parent interests		142,194	149,177
Minority interests		12,817	-
Total unitholders' interests		**155,011**	**149,177**

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

	31 December 2005 Consolidated $'000	31 December 2004 Consolidated $'000
Cash flows from operating activities		
Cash receipts in the course of operations	7,425	14,815
Proceeds from sale of developments	1,771	121,520
Payments for inventories	(42,208)	(83,739)
Cash payments in the course of operations	(2,680)	(506)
Interest received	610	250
Borrowing costs paid	(789)	(3,761)
Income taxes paid	(4,303)	(4,627)
Net cash flows (used in)/from operating activities	**(40,174)**	**43,952**
Cash flows from investing activities		
Proceeds from disposal of available-for-sale financial assets	34,921	19,575
Cash outflow from disposal of controlled entity	-	(114,813)
Payments to related parties for available-for-sale financial assets	(27,665)	(53,946)
Net cash flows from/(used in) investing activities	**7,256**	**(149,184)**
Cash flows from financing activities		
Proceeds from issues of units	15,125	33,269
Payments from capital raising	(2,376)	-
Proceeds from interest bearing liabilities	34,567	81,788
Loans to related parties	(6,500)	-
Application fees received from new unitholders	-	1,391
Application money received, not allotted	-	2,396
Distributions paid	(7,139)	(10,940)
Net cash flows from financing activities	**33,677**	**107,904**
Net increase in cash and cash equivalents	759	2,672
Cash and cash equivalent at 1 July 2005	10,697	6,781
Cash and cash equivalents at 31 December 2005	**11,456**	**9,453**

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

	31 December 2005 Consolidated $'000	31 December 2004 Consolidated $'000
Opening balance of unitholders' interests	149,177	112,810
Units on issue		
Issue of units (net of application fees)	-	33,269
Capital raising costs	(2,272)	-
Undistributed Income		
Net (loss)/gain on revaluation of available-for-sale financial assets	(2,086)	4,365
Movement in deferred income tax liability on unrealised gain of available-for-sale assets	569	(1,309)
Distribution paid	(7,142)	(12,388)
Net adjustments recognised directly in equity	138,246	136,747
Net profit attributable to unitholders	3,948	7,045
Closing balance of unitholders' interests (excluding minority interests)	142,194	143,792
Minority interests	12,817	(6,358)
Closing balance of unitholders' interests	155,011	137,434

The above consolidated statement of changes in unitholders interest should be read in conjunction with the companying notes.

1 FUND INFORMATION

Multiplex Development and Opportunity Fund is an Australian registered Fund. Multiplex Investments Limited, the Responsible Entity of the Fund, is incorporated and domiciled in Australia.

The financial report of Multiplex Development and Opportunity Fund ('the fund") for the half year ended 31 December 2005 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 1 March 2006.

The registered office and principal place of business of the Responsible Entity is located at 1 Kent Street, Sydney, NSW, 2000.

The nature of the operations and principal activities of the Fund are described in the Directors' report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The half year financial report is a general purpose financial report, which has been prepared in accordance with the Fund Constitution and the requirements of the Corporations Act 2001, including applicable Accounting Standards AASB134 "Interim Financial Reporting". Other mandatory professional reporting requirements (Urgent Issues Group Interpretations) have also been complied with.

The half year financial report has been prepared on a historical cost convention except for investment properties, including interests in controlled trusts, certain land and buildings occupied by the Fund and derivative financial instruments which are carried at fair value.

The half year financial report is presented in Australian dollars and all values have been rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Fund in accordance with ASIC Class Order 98/0100. The Fund is an entity to which the Class Order applies.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the income statement, balance sheet and financing and investing activities of the controlled entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of the Fund as at 30 June 2005, which was prepared based on Australian Accounting Standards applicable before 1 January 2005 ('AGAAP').

(b) Statement of compliance

The half year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first financial report prepared based on AIFRS. The date of transition of AIFRS is 1 July 2004, accordingly the financial information for the half year ended 31 December 2004 and year ended 30 June 2005 have been restated. Note 2(v) includes reconciliations between previously reported Australian Generally Accepted Accounting Principles ("AGAAP") as at 30 June 2005 to AIFRS including:

- A reconciliation between AGAAP to AIFRS equity as at 30 June 2005; and
- A reconciliation between AGAAP to AIFRS profit for the half year ended 31 December 2004 and full year ended 30 June 2005.
- A reconciliation between AGAAP to AIFRS equity as at 1 July 2005 upon adoption of AASB 132 and 139.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Principles of consolidation
The consolidated financial statements include the financial statements of Multiplex Development and Opportunity Fund and its controlled entities. The Fund and its controlled entities are referred to as "the Consolidated Entity".

The financial statements of controlled entities are prepared for the same reporting period as the Fund, using consistent accounting policies.

Controlled entities
The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases. The balances and effects of transactions between controlled entities including unrealised profits arising from intra-entity transactions, included in the consolidated financial statements have been eliminated in full.

(d) Revenue recognition
Interest income
Interest is brought to account when earned and, if not received at balance date, is reflected in the Statement of Financial Position as a receivable.

Sale of development properties
Revenue from the sale of development properties is recognised in accordance with the revenue recognition rules of AASB 118 "Revenue". AASB 118 requires that revenue and profit instead be recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of the ownership of the property. This is generally deemed to occur upon settlement.

Realised profit on available-for-sale financial assets
The consideration received on close out of a development project by the Fund is included as revenue as at the date of close out. Prior to close out of development projects, valuation increments above initial investment are included in the capital profits reserve. On close out the capital profits reserve related to the specific project closed out are transferred to the profit and loss.

Income guarantee
Revenue from the income guarantee is calculated and accrued on a monthly basis where the conditions under the guarantee are fulfilled. An amount equal to 70% is accrued as an income guarantee expense at the same time. This is reflected in current trade and other payables. The Fund relies on Multiplex Limited for continued support under the income guarantee agreement to ensure the Fund is in a position to pay at least an 8% per annum distribution in any distribution period.

(e) Interest bearing loans and borrowings
All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in net profit or loss when the liabilities are derecognised or impaired, as well as through the amortisation process. Borrowing costs are recognised as an expense in the period in which they are incurred.

Financing costs are capitalised into the carrying amount of inventory. This is expensed as expenditure when inventory is realised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Taxation
The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Goods and Services Tax

Revenues, expenses and assets (with the exception of receivables) are recognised net of the amount of Goods and Services Tax (GST) to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition, or as an expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to the taxation authority is included in the Balance Sheet as a receivable or payable.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(g) Tax Consolidation
The tax-consolidated group being the Fund and its consolidated entities has entered into a tax funding agreement that requires wholly-owned subsidiaries to make contributions to the head entity for current tax assets and liabilities and movements in deferred tax balances arising from external transactions during the year.

Under the tax funding agreement, the contributions are calculated on a "stand-alone basis" so that the contributions are equivalent to the tax balances generated by external transactions entered into by wholly-owned subsidiaries. The contributions are payable as set out in the agreement and reflect the timing of the head entity's obligations to make payments for tax liabilities to the relevant tax authorities. The assets and liabilities arising under the tax funding agreement are recognized as intercompany assets and liabilities with a consequential adjustment to income tax expense/revenue.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Cash and cash equivalents
For the purpose of the statement of cash flows, cash includes cash on hand, at call deposits in banks and money market investments with less than 14 days to maturity, net of bank overdrafts.

(i) Available-for-sale financial assets
Available-for-sale financial assets are investments in risk participation agreements and grant of development rights. These available-for-sale financial assets are recorded at fair value as at 31 December 2005.

These agreements are between the Fund or a Project Development Trust ("PDT"), and entities within the Multiplex Limited group of companies, whereby the Fund or PDT effectively acquires an interest in the relevant development. In determining the fair value of an existing available-for-sale-financial asset, consideration has been given to the specific nature and stage of the project. The fair value assumptions for the available-for-sale financial asset can be affected by such factors as, but not limited to, delays in planning approvals, environmental issues, industrial disputes, unexpected rises in inflation, unforeseen escalation in construction costs, the supply and demand of the property market, third party failure, increases in interest rates, variations to construction specifications, inability to sell developments at the projected sale price and/or within the projected sale period, changes in law or government policy, changes in taxation legislation, conflicts of interest between the developer and the Fund, insurance shortfalls and changes to premium costs, due diligence failure and other force majeure events such as fire, floods, earthquakes etc. These factors, and others, can affect the risk of each project and in turn affect the value of the available-for-sale financial assets.

Once a project has actually commenced construction phase, the cash flows generated by the project can be estimated and the fair value is based on the present value of the expected future net cash flows having been discounted to their present value using market determined risk adjusted discount rates. Where the development project has not reached the construction phase, the investment is valued at its historic cost. All unrealised revaluations of the available-for-sale financial assets are taken to equity. Once an available-for-sale financial asset is realised, the revaluation is recognised in the income statement.

(j) Inventories - Land held for resale
Inventories being developed or held for resale are stated at the lower of cost or realisable value. Included in costs are the costs of acquisition, borrowing and other holding costs during development and costs of development, including improvements such as provision of roads, water, power etc.

(k) Trade and other receivables
Receivables are recognised and carried at original amount, less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Receivables from related parties are recognised and carried at the nominal amount due. Interest and rent is taken up as income on an accrual basis.

(l) Trade and other payables
These amounts are carried at cost and represent liabilities for goods and services provided to the Fund prior to the end of the period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Provision for distribution
A provision for distribution is recognised in the Balance Sheet if the distribution has been declared prior to balance date.

(n) Derivative financial instruments
The Fund uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are stated at fair value and recognised as an asset or liability in the balance sheet.

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Any gains or losses arising from changes in fair value are taken directly to net profit and loss for the period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Issue costs
All costs related to the issue of new units are to be offset against the proceeds raised.

(p) Units on issue
Issued and paid up capital is recognised at the fair value of the consideration received by the Fund.

Any transaction costs arising on the issue of ordinary units are recognised directly in unitholders' interest as a reduction of the unit proceeds received.

(q) Earnings per unit
Basic and diluted EPU is calculated as net profit attributable to unit holders of the parent entity, divided by the weighted average number of ordinary units.

(r) Impact of adoption of AIFRS
The Fund has made its election to the transitional exemptions allowed by AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" as follows:

(i) AASB 3 "Business Combinations" was not applied retrospectively to business combinations undertaken before the date of transition to AIFRS.

(ii) The Fund has elected to defer the application of AASB 132 "Financial Instruments: Presentation and Disclosure" and AASB 139 "Financial Instruments: Recognition and Measurement". As a result of the deferral, the opening retained earnings at 1 January 2005 has been adjusted to account for the application of AASB 132 "Financial Instruments: Presentation and Disclosure" and AASB 139 "Financial Instruments: Recognition and Measurement" as at that date. Refer note 2(r)(ii) for the reconciliation between 30 June 2005 closing balance and 1 July 2005 opening balance.

The impacts of adopting AIFRS on the total equity and profit from continuing operations as reported under previous Australian Generally Accepted Accounting Principles ("AGAAP") are illustrated below.

(i) Reconciliation of total equity as presented under previous AGAAP to that under AIFRS

	1 July 2004 $'000	31 December 2004 $'000	30 June 2005 $'000
Total equity	112,810	135,506	151,299
Adjusted for adoption of AASB 132 and 139:			
Revenue recognition adjustment for undistributed income	(3,237)	-	-
Adjusted for adoption of AASB 112:			
Recognition of deferred income tax liability on unrealised gain of available-for-sale financial assets (A)	-	(1,309)	(2,122)
Total equity under AIFRS	109,573	134,197	149,177

(A) Deferred income tax liability on unrealised gain of available-for-sale assets
Deferred income tax liability being the temporary difference arising from the differences between the carrying amount of the available-for-sale financial assets in the financial statements and their tax cost base.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Impact of adoption of AIFRS (continued)

(ii) Reconciliation of profit from continuing operations under previous AGAAP to that under AIFRS

	30 June 2005 $'000	31 December 2004 $'000
Prior year profit from continuing operations as previously reported	9,855	7,185
Revenue recognition (A)	3,237	3,237
Prior year profit from continuing operations under AIFRS	13,092	10,422

(A) Revenue Recognition
Developments
Under AGAAP revenue and profits on the development of apartments and residential property were recognised on the percentage of completion basis, in accordance with UIG 53 "Pre-completion Contracts for the Sale of Residential Development Properties".

UIG 53 has been withdrawn under AIFRS, and with no AIFRS equivalent which specifically addresses the issue of revenue and profit recognition for the development and sale of apartments and residential properties, development properties will be subject to the revenue recognition rules of AASB 118 "Revenue".

AASB 118 requires that revenue and profit instead be recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of the ownership of the property, which is deemed to have occurred on settlement. As a result, under AIFRS, the recognition of revenue and profit will be deferred until settlement.

(iii) Reconciliation of total equity opening balance upon adoption of AASB 132 and 139 on 1 July 2005	1 July 2005 Consolidated $'000
Total equity under AIFRS at 30 June 2005	149,177
Adjusted for adoption of AASB 132 and 139:	-
Liabilities attributable to unitholders	(149,177)
Total equity under AIFRS at 1 July 2005	-

(iv) Explanation of material adjustments to the cash flow statements
There are no material differences between the cash flow statement presented under AIFRS and the cash flow statement presented under previous AGAAP.

3 DISTRIBUTIONS

Distributions paid to unitholders or declared were as follows:

	Cents per unit	Total amount	Date of payment
Ordinary units		**$'000**	
September 2005 distribution	2.72	3,870	28 October 2005
June 2005 distribution [1]	2.31	3,272	29 July 2005
Total distribution 31 December 2005	**5.03**	**7,142**	
September 2004 distribution[1] – quarter period	4.67	4,501	15 October 2004
June 2004 distribution – quarter period [2]	6.68	6,440	15 July 20045
Total distribution 31 December 2004	**11.35**	**10,941**	

Note 1: The distribution of $3.27 million was paid on 29 July 2005 was not declared until after 30 June 2005.
Note 2: The distribution of $6.44 million was paid on 15 July 2004 was not declared until after 30 June 2004.

4 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 December 2005 Consolidated Fair value $'000	30 June 2005 Consolidated Fair value $'000
Represented by		
Current assets	28,906	50,156
Non current assets	70,936	81,773
	99,842	131,929

The table below summarises the underlying available-for-sale financial assets in development projects held by entities within the consolidated group.

4 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

a) Interest in controlled entities and developments – at carrying value

	Date of acquisition of control by the consolidated entity	2005 Cost	2005 Capital revaluation reserve	2005 31 December Fair value	2005 30 June Fair value
Consolidated – current developments					
Raffles Development	30 Jun 2003	5,000	1,819	6,819	6,389
Ettalong Development	23 Dec 2003	5,050	1,279	6,329	6,258
Stage 3 Lakelands (Villas) Development	1 Apr 2005	2,170	(12)	2,158	2,294
Walsh Bay Moorings 8 & 9 Development	23 May 2005	1,100	-	1,100	1,100
Multiplex Latitude Site C Pty Limited	31 May 2004	12,500	-	12,500	-
Double Bay Development	23 Dec 2003	5,000	-	-	6,287
Latitude Strata Office Development	31 May 2004	3,084	-	-	3,593
Latitude Retail and Car Park Development	31 May 2004	22,105	-	-	24,235
Total current investments		56,009	3,086	28,906	50,156
Consolidated – non current developments					
Rhodes Development	23 Dec 2004	5,900	623	6,523	6,192
King Street Wharf Stage 4B Development	30 Jun 2003	10,000	-	10,000	10,000
Tarneit Development	31 Dec 2004	1,500	175	1,675	1,634
Port Adelaide Waterfront Development	31 Dec 2004	3,645	-	3,645	3,645
Bulli Development	31 Dec 2004	9,651	-	9,651	9,651
Cotton Beach Development	29 June 2005	8,301	-	8,301	8,301
Nedlands Park Hotel Development	29 June 2005	13,850	-	13,850	13,850
Stage 4 Lakelands (Apartments) Developments	30 June 2005	4,700	-	4,700	4,700
Bluewater Stages 1-4 Developments	29 June 2005	11,300	1,291	12,591	11,300
Multiplex Latitude Site C Pty Limited	31 May 2004	12,500	-	-	12,500
Total non current investments		81,347	2,089	70,936	81,773

4 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

Reconciliation of carrying amounts

Reconciliations of the carrying amounts of available-for-sale financial assets at the beginning of the financial period is set out below:

	Consolidated 31 December 2005 $'000	Consolidated 30 June 2005 $'000
Carrying amount at start of period	131,929	97,961
Capital additions	-	62,116
Disposals	(34,116)	(35,221)
Net revaluations increments	2,029	7,073
Carrying amount at end of period	99,842	131,929

5 INCOME GUARANTEE LIABILITY

	Consolidated 31 December 2005 $'000	Consolidated 30 June 2005 $'000
Balance at beginning of financial period	3,223	287
Income guarantee accrued during the period	2,054	2,936
Balance at end of financial period	5,277	3,223

As per the Product Disclosure Statement dated November 2004, 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 Multiplex Limited to the Fund under the guarantee will be reimbursed by the Consolidated Entity to 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 period ended 31 December 2005 was $4,315,000. The amount payable to Multiplex Limited by the Consolidated Entity out of future profits of the Consolidated Entity in relation to the income guarantee as at period end was $5,276,807 (this includes previous and current period income guarantee income). The income guarantee liability and expense is recognised payable at 70% of the total income support received in accordance with the income guarantee agreement.

6 UNITS ON ISSUE

Date	Details	Units	$
1 January 2005	Opening balance	128,683,013	130,451,746
	1 February 2005 issue of new units	6,822,627	7,026,306
	1 March 2005 issue of new units	4,961,497	5,159,962
	2 May 2005 issue of new units	9,526	9,812
	1 June 2005 issue of new units	1,666,067	1,716,049
30 June 2005	**Closing balance**	**142,142,730**	**144,364,875**
	Capital raising costs	-	(45,229)
31 December 2005	**Closing balance**	**142,142,730**	**144,319,646**

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

7 RESERVE

(a) Share issue costs reserve	**Consolidated 31 December 2005 $'000**	**Consolidated 30 June 2005 $'000**
Balance at beginning of financial period	-	-
Share issue costs	(2,227)	-
	(2,227)	-

The share issue costs reserve includes the share issue costs arising from the capital raising in Multiplex Acumen Vale Syndicate Limited.

(b) Capital revaluation reserve	**Consolidated 31 December 2005 $'000**	**Consolidated 30 June 2005 $'000**
Balance at beginning of financial period	1,728	-
Revaluation (decrements)/increments	(2,086)	7,073
Deferred income tax liability on unrealised value of financial assets available for sale	569	(2,122)
Transfer to Statement of Distribution	(2,054)	(3,223)
Balance at end of financial period	(1,843)	1,728

The capital revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of Available-for-sale financial assets available for sale in developments projects to market value as described in Note 2 (i).

8 EARNINGS PER UNIT

	31 December 2005 Consolidated	31 December 2004 Consolidated
Earnings per unit (cents)	2.78	5.47
Weighted average number of ordinary units used as the denominator (number)	142,142,730	128,683,013
Net profit attributable to unitholders ($'000)	3,948	7,045

Earnings per unit is determined by dividing net profit attributable to unitholders by the weighted average number of ordinary units outstanding during the period.

The Fund did not have any potential securities outstanding during the period and, as such, diluted earnings per unit are the same as basic earnings per unit.

9 COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

The fund has committed to make a tranche payment to Multiplex Dee Why Pty Limited of $1.1 million no earlier than 1 February 2006 and a tranche payment of $1.2 million no earlier than 1 April 2006. Other than that, the Fund has no other commitments for expenditure or contingent assets or liabilities.

10 SEGMENT INFORMATION

Business segment
The business segments have been identified on the basis of grouping individual investments subject to similar risks and returns. The Multiplex Development and Opportunity Fund operates in a single, primary business segment, being property investment.

Geographical segment
The Fund operates in only one geographic segment, being Australia.

11 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 Development and Opportunity Fund
Directors' Declaration

In the opinion of the Directors of Multiplex Investments Limited, the Responsible Entity of Multiplex Development and Opportunity Fund:

(a) the financial statements and notes, set out on pages 6 to 21, are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the financial position of the Fund and the Consolidated Entity as at 31 December 2005 and of their performance, as represented by the results of its operations and its cash flows, for the period ended on that date; and
   (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) the Fund has operated during the financial year in accordance with the provisions of the Trust Constitution dated 28 July 2004.

This declaration is made in accordance with a resolution of the Directors.

Robert Rayner
Director
Multiplex Investments Limited

Sydney
1 March 2006

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Independent review report to unitholders of Multiplex Development and Opportunity Fund

Scope

The financial report and directors' responsibility
The financial report comprises the balance sheet, income statement, cash flow statement, statement of changes in equity and accompanying notes to the financial statements for the consolidated entity comprising both Multiplex Development and Opportunity Fund (the Fund) and the entities it controlled during the half year, and the directors' declaration by Multiplex Investments Limited (the Responsible Entity) for the Fund, for the half year ended 31 December 2005.

The directors of the Responsible Entity are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the Corporations Act 2001 and the Fund's Constitution. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach
We conducted an independent review of the financial report in order to make a statement about it to the unitholders of the Fund, and in order for the Fund to lodge the financial report with the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of personnel from the Fund's manager and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

We are independent of the Fund, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Statement
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the consolidated entity, comprising Multiplex Development and Opportunity Fund and the entities it controlled during the half year is not in accordance with:

(a) the Corporations Act 2001, including:
   (i) giving a true and fair view of the financial position of the consolidated entity at 31 December 2005 and of its performance for the half year ended on that date; and
   (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001;

(b) other mandatory financial reporting requirements in Australia; and

(c) the provisions of the Fund's Constitution.

Ernst + Young

Ernst & Young

Douglas B

Douglas Bain
Partner
Sydney
1 March 2006