

MULTIPLEX DEVELOPMENT AND OPPORTUNITY FUND

ARSN 110 563 488

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

MULTIPLEX

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Directory

Responsible Entity

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

Directors of Multiplex Investments Limited

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

Company Secretary of Multiplex Investments Limited

Alex Carrodus

Location of Unit Registry

Registries (Victoria) Pty Limited
PO Box R67
Royal Exchange
Sydney NSW 1223
Telephone: (02) 9290 9600
Facsimile: (02) 9279 0664

Custodian

Multiplex Funds Management 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

Directors' Report

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 together with the consolidated interim financial report of the consolidated fund, being the fund and its Controlled Entities for the half year ended 31 December 2006 ("the half year") and the review 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 during and since the end of the financial period:

Name

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

Distributions

Distributions paid/payable to unit holders were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Ordinary units			
June 2006 distribution	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 2005 distribution	2.31	3,272	31 July 2005
September 2005 distribution	2.72	3,870	1 November 2005
Total distribution for the six months ended 31 December 2005	5.03	7,142	

A distribution was paid on 1 February 2007 relating to 31 December 2006, however this was not declared until post 31 December 2006. The total distribution paid was \$4,419,000 which represents 3.02 cents per unit. The total cents per unit paid to unit holders for the six months including the December 2006 distribution is 7.35.

A distribution was paid on 1 February 2006 relating to 31 December 2005, however this was not declared until post 31 December 2006. The total distribution paid was \$2,649,000 which represents 1.86 cents per unit. The total cents per unit paid to unit holders for the six months including the December 2005 distribution is 6.89.

Review of operations

Key highlights over the half year include:

- Net profit from operations before distributions to unit holders for the half year ended 31 December 2006 was \$9,757,000 (half year ended December 2005: \$3,948,000)
- As at 31 December 2006 45% of the Funds investments are subordinated loan investments, earning a return of 16.8% pa and 55% of the Funds investments are investments in project developments.

Directors' Report (Continued)

Rounding of amounts

The Fund is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the director's report for the half year ended 31 December 2006.

Dated at Sydney this 21st day of February 2007

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

On behalf of the Directors



Robert Rayner
Director
Multiplex Investments Limited



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

To: the directors of Multiplex Investments Limited, as the responsible entity 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 2006 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'KPMG' in a stylized, cursive script.

KPMG

A handwritten signature in black ink that reads 'T. Gilerman' in a cursive script.

Tanya Gilerman
Partner

Sydney
21 February 2007

	Note	Six Months Ended 31 December 2006 Consolidated \$'000	Six Months Ended 31 December 2005 Consolidated \$'000
Revenue			
Sale of land held for development		30,602	1,772
Realised profit on available-for-sale financial assets		8,580	4,922
Interest income – external parties		293	265
Interest income – related parties		4,973	1,185
Income guarantee – total return		-	4,315
Total Revenues		44,448	12,459
Expenses			
Cost of sale of land held for development		23,275	1,095
Marketing and selling costs		2,168	400
Administration expenses		841	695
Responsible Entity fees		1,104	1,127
Income guarantee expense		-	2,054
Performance fee	11	431	-
Net loss on revaluation of financial derivatives		-	75
Total Expenses		27,819	5,446
Net profit before income tax		16,629	7,013
Income tax expense		(5,387)	(3,109)
Net profit after tax before distributions to unit holders		11,242	3,904
Net profit attributable to minority interests		(1,485)	44
Net profit from operations before distributions to unit holders		9,757	3,948
Finance Costs - Distributions to unit holders*	4	(6,212)	(7,142)
Change in Net Assets attributable to unit holders		3,545	(3,194)

*Total finance costs for the Fund are \$6,212,000 (2005: \$7,142,000) being distributions to unit holders

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

INTERIM STATEMENT OF CHANGES IN EQUITY

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

	Note	Six Months Ended 31 December 2006 \$'000	Six Months Ended 31 December 2005 \$'000
Net profit from operations attributable to unit holders		9,757	3,948
<i>Adjusted for:</i>			
Net loss on revaluation of financial derivatives		-	75
Total income available for distribution		9,757	4,023
Distributions (to) / from net assets attributable to unit holders		(3,545)	3,119
Distribution paid and payable	4	6,212	7,142
Distribution per unit (cents)	4	4.33	5.03

A distribution was paid on 1 February 2007 relating to 31 December 2006, however this was not declared until post 31 December 2006, therefore not included above. The total distribution paid was \$4,419,000 which represents 3.02 cents per unit. The total cents per unit paid to unit holders for the six months including the December 2006 distribution is 7.35.

A distribution was paid on 1 February 2006 relating to 31 December 2005, however this was not declared until post 31 December 2006, therefore not included above. The total distribution paid was \$2,649,000 which represents 1.86 cents per unit. The total cents per unit paid to unit holders for the six months including the December 2005 distribution is 6.89.

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

	Note	31 December 2006 Consolidated \$'000	30 June 2006 Consolidated \$'000
Assets			
Current assets			
Cash and Cash equivalents		14,571	7,990
Receivables	5	82,211	59,608
Available-for-sale financial assets	6	3,937	25,842
Land held for development	7	177,330	142,316
Accrued Income		622	2,189
Fair value of financial derivatives		141	141
Total current assets		278,812	238,086
Non-current assets			
Available-for-sale financial assets	6	50,500	47,170
Land held for development	7	16,579	21,940
Future income tax benefit		999	1,157
Total non-current assets		68,078	70,267
Total assets		346,890	308,353
Liabilities			
Current liabilities			
Trade and other payables	8	12,089	4,989
Current tax liabilities		4,078	3,234
Interest bearing loans and borrowings	9	149,312	123,206
Total current liabilities		165,479	131,429
Non-current liabilities			
Trade and other payables	8	8,578	8,578
Deferred income tax liability		2,741	3,453
Total non-current liabilities		11,319	12,031
Total liabilities (excluding net assets attributable to unit holders)		176,798	143,460
Net Assets attributable to unit holders	10	170,092	164,893

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

	31 December 2006 Consolidated \$'000	31 December 2005 Consolidated \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	3,142	7,425
Proceeds from sale of developments	33,419	1,771
Payments for inventories	(49,791)	(42,208)
Cash payments in the course of operations	(5,888)	(2,680)
Interest received	6,833	610
Borrowing costs paid	-	(789)
Income taxes paid	(5,098)	(4,303)
Net cash flows from operating activities	(17,383)	(40,174)
Cash flows from investing activities		
Proceeds from disposal of available-for-sale financial assets	283	34,921
Payments to related parties for available-for-sale financial assets	-	(27,665)
Net cash flows used in investing activities	283	7,256
Cash flows from financing activities		
Proceeds from issues of units	3,442	15,125
Payments from capital raising	-	(2,376)
Proceeds from interest bearing liabilities	26,105	34,567
Loans to related parties	-	(6,500)
Distributions paid	(5,866)	(7,139)
Net cash flows from financing activities	23,681	33,677
Net increase in cash and cash equivalents	6,581	759
Cash and cash equivalent at 1 July	7,990	10,697
Cash and cash equivalents at 31 December	14,571	11,456

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

Notes to the Consolidated Interim Financial Report

1 REPORTING ENTITY

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

2 STATEMENT OF COMPLIANCE

The consolidated interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. The consolidated interim financial report does not include notes of the type normally included in the consolidated annual financial report and should be read in conjunction with the most recent annual financial report.

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

The 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated interim financial report of the Fund is for the six months ended 31 December 2006.

(a) Basis of Preparation

The consolidated interim financial report has been prepared on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are prepared in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the consolidated interim financial report are consistent with those adopted and disclosed in the consolidated entity's latest annual financial report for the financial year ended 30 June 2006, except for the following additional policy in relation to the recognition of performance fees.

(b) Performance Fees

The performance fee will be recognised on an accrual basis. The performance fee is calculated in accordance with the Development Management Agreement, which requires 20% of the amount by which the overall shareholder return exceeds a 20% annualised internal rate of return (before tax) to be paid to the development manager. The performance fee has been discounted to present value to reflect the life of the project. The performance fee will be remeasured at each reporting date.

4 DISTRIBUTIONS

Distributions paid/payable to unit holders were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Ordinary units			
June 2006 distribution	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 2005 distribution	2.31	3,272	31 July 2005
September 2005 distribution	2.72	3,870	1 November 2005
Total distribution for the six months ended 31 December 2005	5.03	7,142	

4 DISTRIBUTIONS (CONTINUED)

A distribution was paid on 1 February 2007 relating to 31 December 2006, however this was not declared until post 31 December 2006. The total distribution paid was \$4,419,000 which represents 3.02 cpu. The total cpu paid to unit holders for the six months including the December 2006 distribution is 7.35.

A distribution was paid on 1 February 2006 relating to 31 December 2005, however this was not declared until post 31 December 2006. The total distribution paid was \$2,649,000 which represents 1.86 cpu. The total cpu paid to unit holders for the six months including the December 2005 distribution is 6.89.

5 TRADE AND OTHER RECEIVABLES

	31 December 2006 Consolidated \$'000	30 June 2006 Consolidated \$'000
Amounts due from related parties		
- Income guarantee receivable from Multiplex Limited	-	2,422
- Loan to Multiplex Castlereagh	14,000	14,000
- Loan to Multiplex Dee Why	3,800	3,800
- Loan to Multiplex Hurstville	5,000	5,000
- Loan to Multiplex W9&10 Constructions Stage 4B	10,000	10,000
- Loan to Multiplex Claremont Holdings	8,450	-
- Loan to Multiplex Port Adelaide	3,645	-
- Loan to Multiplex SX West Tower Landowner	6,000	-
- Loan to Multiplex Latitude Site C	12,500	-
Other related party receivables	16,756	22,862
Other receivables	2,060	1,524
Total Trade and receivables	82,211	59,608

6 AVAILABLE FOR SALE FINANCIAL ASSETS

Interest in development projects

	Date of acquisition of control by the consolidated entity	Original Cost \$'000	2006 Available for sale reserve \$'000	31 December 2006 Fair value \$'000	30 June 2006 Fair value \$'000
Current developments					
Ettalong Development	23 Dec 2003	2,750	1,187	3,937	4,027
Stage 4 Lakelands (Apartments) Development	30 Jun 2005	-	-	-	4,300
Walsh Bay Moorings 8 & 9 Development	23 May 2005	-	-	-	1,100
Multiplex Latitude Site C Pty Limited	31 May 2004	-	-	-	16,415
Total current investments		2,750	1,187	3,937	25,842
Non current developments					
Rhodes Development	23 Dec 2004	5,900	2,481	8,381	7,778
Tarnit Development	31 Dec 2004	1,500	447	1,947	1,837
Cotton Beach Development	29 June 2005	-	-	-	8,301
Nedlands Park Hotel Development	29 June 2005	13,850	2,856	16,706	16,320
Bluewater Stages 1-4 Developments	29 June 2005	11,300	2,166	13,466	12,934
Able Point Marina	31 Dec 2006	10,000	-	10,000	-
Total non current investments		42,550	7,950	50,500	47,170

7 LAND HELD FOR DEVELOPMENT

	31 December 2006 Consolidated \$'000	30 June 2006 Consolidated \$'000
Inventories at cost - Current		
- Land at Portside Wharf, Brisbane for residential apartments	122,170	86,025
- Land at Aveley, Perth for residential accommodation	55,160	56,291
Total current Inventories at cost	177,330	142,316
Investments at cost – non-current		
- Land at Aveley, Perth for residential accommodation	16,579	21,940
Total Non-Current Inventories at cost	16,579	21,940

8 TRADE AND OTHER PAYABLES

	31 December 2006 Consolidated \$'000	30 June 2006 Consolidated \$'000
Current		
Payables	11,567	4,351
Loans from related entities	-	442
Responsibility entity fee payable	522	196
Total current Trade and other payables	12,089	4,989
Non-Current		
Income guarantee liability	8,578	8,578
Total non-current Trade and other payables	8,578	8,578

9 INTEREST BEARING LIABILITIES

The interest bearing liabilities relate to secured bank debt in the form of a term facility. The term facility has a limit of \$173.1 million of which \$46.6 million is financed by National Australia Bank Limited and \$126.5 million is financed by ANZ.

The fund has given various representations, warranties, covenants and undertakings to the Banks. The Fund's debt is hedged via interest rate swap instruments. The interest rate is 6.41%.

10 NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	31 December 2006 Consolidated \$'000	30 June 2006 Consolidated \$'000
Opening balance of unit holder's interests	164,893	149,177
Units on issue		
Issue of units	3,442	1,105
Units reinvested	319	272
Capital raising costs	-	(1,742)
Available for Sale Reserve		
Unrealised gains on available for sale assets	1,926	4,439
Deferred income tax liability on unrealised value of financial assets available for sale	712	(1,332)
Close out of Stage 4 Lakeland's (apartments) development	(4,303)	-
Undistributed income		
Net profit from operations before distributions to unit holders	9,757	9,944
Finance Costs - Distributions to unit holders	(6,212)	(13,006)
Minority Interests		
Movement in amounts due to minorities	(442)	16,036
Closing balance of unit holder's interests	<u>170,092</u>	<u>164,893</u>

Ordinary units

Ordinary units are issued 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.

The number of ordinary units on issue at 31 December 2006 is 147,098,301 (June 2006: 143,504,247). The movement in the units for the six months relates to the issue of 3,290,859 new units and 303,195 units issued through reinvested distributions.

11 PERFORMANCE FEE

The performance fee is payable by Multiplex Acumen Vale Landowner Pty Limited on completion of the project to the Development Manager. The performance fee is calculated at 20% of the amount by which the overall Shareholder return exceeds a 20% annualised internal rate of return on equity (before tax) to Shareholders. The performance fee has been discounted to present value to reflect the life of the project. The performance fee will be remeasured at each reporting date.

12 SEGMENT REPORTING

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

13 RELATED PARTIES

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

14 CONTINGENT LIABILITIES

No contingent liabilities existed at 31 December 2006.

15 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 Investments Limited as Responsible Entity for Multiplex Development and Opportunity Fund:

- (a) The consolidated interim financial statements and notes set out in pages 10 to 14 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2006 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors pursuant to S.303 (5) of the Corporations Act 2001, and signed in accordance with a resolution of the directors of Multiplex Investments Limited.

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

On behalf of the directors



Robert Rayner
Director
Multiplex Investments Limited



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

We have reviewed the accompanying interim financial report of Multiplex Development and Opportunity Fund (the "Scheme"), which comprises the consolidated interim balance sheet as at 31 December 2006, the consolidated interim income statement, the consolidated interim statement of changes in equity and consolidated interim cash flow statement for the half-year ended on that date, a statement of accounting policies, other explanatory notes 1 to 15 and the directors' declaration set out on page 15 of the consolidated entity comprising the Scheme and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Financial Report

The directors of the Scheme are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Multiplex Acumen Property Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Multiplex 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 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

KPMG

Tanya Gilerman
Partner

Sydney
21 February 2007