

Multiplex Hybrid Investment Trust ARSN 111 903 747  
Financial Report 2006

# Financial Report

**MULTIPLEX**



# Contents

Income Statement	3
Balance Sheet	4
Statement of Changes in Equity	5
Cash Flow Statement	6
Notes to the Financial Statements	7
Directors' Declaration	10
Independent Audit Report	11



**Above**  
Ernst & Young  
Centre, Sydney

**Front Cover**  
Southern Cross,  
Melbourne

# Income Statement

## Multiplex Hybrid Investment Trust

3

For the year ended 30 June 2006

	Note	Year ended 30 Jun 2006 \$'000	24 Nov 2004 to 30 Jun 2005 \$'000
<b>Revenue</b>	2	<b>33,869</b>	<b>15,181</b>
<b>Net profit before income tax</b>		<b>33,869</b>	<b>15,181</b>
Income tax expense		-	-
<b>Net profit attributable to unitholders</b>		<b>33,869</b>	<b>15,181</b>

The Income Statement should be read in conjunction with the Notes to the Financial Statements.

# Balance Sheet

## Multiplex Hybrid Investment Trust

4

As at 30 June 2006

	Note	30 Jun 2006 \$'000	30 Jun 2005 \$'000
<b>Current assets</b>			
Receivables	3	9,734	10,022
<b>Total current assets</b>		<b>9,734</b>	<b>10,022</b>
<b>Non-current assets</b>			
Receivables	4	450,000	450,000
<b>Total non-current assets</b>		<b>450,000</b>	<b>450,000</b>
<b>Total assets</b>		<b>459,734</b>	<b>460,022</b>
<b>Current liabilities</b>			
Payables	5	8,407	8,695
Non-interest bearing liabilities	6	1,327	1,327
<b>Total current liabilities</b>		<b>9,734</b>	<b>10,022</b>
<b>Total liabilities</b>		<b>9,734</b>	<b>10,022</b>
<b>Net assets</b>		<b>450,000</b>	<b>450,000</b>
<b>Equity</b>			
Issued units	7	450,000	450,000
<b>Total equity</b>		<b>450,000</b>	<b>450,000</b>

The Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

# Statement of Changes in Equity

## Multiplex Hybrid Investment Trust

5

For the year ended 30 June 2006

	Issued Units \$'000	Undistributed profits/(losses) \$'000	Total \$'000
<b>As at 1 July 2004</b>	-	-	-
Profit for the year	-	15,181	15,181
<b>Total recognised income and expenses for the year</b>	-	<b>15,181</b>	<b>15,181</b>
Transactions with unitholders in their capacity as unitholders:			
Distributions	-	(15,181)	(15,181)
Issue of Hybrid Investment securities	450,000	-	450,000
<b>Total transactions with unitholders in their capacity as unitholders</b>	<b>450,000</b>	<b>(15,181)</b>	<b>434,819</b>
<b>As at 30 June 2005</b>	<b>450,000</b>	-	<b>450,000</b>

	Issued Units \$'000	Undistributed profits/ (losses) \$'000	Total \$'000
<b>As at 1 July 2005</b>	<b>450,000</b>	-	<b>450,000</b>
Profit for the year	-	33,869	33,869
<b>Total recognised income and expenses for the year</b>	-	<b>33,869</b>	<b>33,869</b>
Transactions with unitholders in their capacity as unitholders:			
Distributions	-	(33,869)	(33,869)
<b>Total transactions with unitholders in their capacity as unitholders</b>	-	<b>(33,869)</b>	<b>(33,869)</b>
<b>As at 30 June 2006</b>	<b>450,000</b>	-	<b>450,000</b>

The Statement of Changes in Equity Interest should be read in conjunction with the Notes to the Financial Statements.

# Cash Flow Statement

## Multiplex Hybrid Investment Trust

For the year ended 30 June 2006

	Note	Year ended 30 Jun 2006 \$'000	24 Nov 2004 to 30 Jun 2005 \$'000
<b>Cash flows from operating activities</b>			
Interest received		34,157	6,486
<b>Net cash inflow from operating activities</b>	14	<b>34,157</b>	<b>6,486</b>
<b>Cash flows from investing activities</b>			
Payments for investments		-	-
<b>Net cash outflow from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of units		-	467,914
Distributions paid		(34,157)	(6,486)
Issue costs paid		-	(17,914)
Loans to related parties		-	(450,000)
<b>Net cash outflow from financing activities</b>		<b>(34,157)</b>	<b>(6,486)</b>
Net increase in cash held		-	-
Cash at the beginning of the financial period		-	-
<b>Cash at the end of the financial period</b>		<b>-</b>	<b>-</b>

The Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements.

# Notes to the Financial Statements continued

## Multiplex Hybrid Investment Trust

7

For the year ended 30 June 2006

### 1 Summary of principal accounting policies

The financial report of Multiplex Hybrid Investment Trust (the Trust) for the year ended 30 June 2006 was authorised for issue in accordance with a resolution of the directors of Multiplex Hybrid Investment Pty Ltd, as Trustee of the Trust, on 7 September 2006.

#### a Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Urgent Issues Group (UIG) adopted by the Australian Accounting Standards Board (AASB). The financial report has been prepared on the historical basis except where noted otherwise.

This financial report has been prepared for the Trust in order that the Multiplex SITES Trust shall comply with ASX Listing Rule 4.8.

This financial report should be read in conjunction with the Multiplex SITES Trust Product Disclosure Statement issued and lodged with the Australian Securities & Investments Commission (ASIC) on 29 November 2004 and the Supplementary Product Disclosure Statement issued and lodged with the ASIC on 9 December 2004 and any public announcements made by the Multiplex SITES Trust during the period in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

The financial report is presented in Australian dollars. The Trust is of a kind referred to in Class Order 98/100, issued by ASIC, relating to the "rounding off" of amounts in the financial report. Amounts in 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.

The trust was registered on 24 November 2004, therefore the comparatives in this financial report are for the period from the date of registration to 30 June 2005.

#### b Statement of compliance

International Financial reporting Standards (IFRS) form the basis of the Australian Accounting Standards adopted by the AASB, being the Australian equivalents to IFRS (AIFRS). AIFRS are applicable to the Trust from the date of registration being 24 November 2004, with the comparative Financial Statements restated accordingly.

The preparation of the financial report in accordance with Australian Accounting Standards has resulted in changes to the accounting policies as compared with the annual Financial Statements for the Trust prepared under previous Generally Accepted Accounting Principles (GAAP) for the period ended 30 June 2005.

An explanation of how the transition to AIFRS has affected the total equity, net profit and cash flows of the Trust is provided in Note 15.

#### c Receivables

Receivables are stated at cost less any identified impairment losses. Non current receivables are measured at amortised cost using the applicable interest rate.

#### d Payables

Payables are stated at cost and represent liabilities for goods and services provided to the Trust prior to the end of the financial year and which are unpaid.

	2006 \$'000	2005 \$'000
<b>2 Revenue</b>		
Revenue from operating activities		
Interest from Multiplex Property Trust	33,869	15,181
<b>Total revenue</b>	<b>33,869</b>	<b>15,181</b>
<b>3 Receivables</b>		
<b>Current</b>		
Interest receivable from Multiplex Property Trust	8,407	8,695
GST receivable	1,327	1,327
<b>Total current receivables</b>	<b>9,734</b>	<b>10,022</b>

# Notes to the Financial Statements continued

## Multiplex Hybrid Investment Trust

8

For the year ended 30 June 2006

	2006 \$'000	2005 \$'000
<b>4 Receivables</b>		
<b>Non-current</b>		
Loan to Multiplex Property Trust	450,000	450,000
<b>Total non-current receivables</b>	<b>450,000</b>	<b>450,000</b>
<p>The loan to Multiplex Property Trust is interest bearing. Interest on this loan is payable at the greater of 5.40% per annum or the three month bank bill rate on the issue date plus a margin of 1.90%</p>		
<b>5 Payables</b>		
<b>Current</b>		
Distributions payable on Class A units	8,407	8,695
<b>Total payables</b>	<b>8,407</b>	<b>8,695</b>
<b>6 Non-interest bearing liabilities</b>		
<b>Current</b>		
Amounts due to Multiplex Property Trust	1,327	1,327
<b>Total</b>	<b>1,327</b>	<b>1,327</b>
<b>7 Contributed equity</b>		
4,500,000 Class A units issued to \$100 each	450,000	450,000
17,913,725 Class B units issued to \$1 each	17,914	17,914
	<b>467,914</b>	<b>467,914</b>
Less issue costs paid	(17,914)	(17,914)
<b>Total</b>	<b>450,000</b>	<b>450,000</b>
<b>8 Undistributed income</b>		
Undistributed income at start of period	-	-
Net profit attributable to unit holders	33,869	15,181
Distributions recognised during the period	(33,869)	(15,181)
<b>Undistributed income at end of period</b>	<b>-</b>	<b>-</b>

	Cents per unit	Total Amount \$'000	Date of Payment
<b>9 Distributions</b>			
<b>For the period ended 30 June 2005</b>			
Distributions paid for the period ended 31 March 2005	144.13	6,486	15 April 2005
Distributions paid for the period ended 30 June 2005	193.22	8,695	15 July 2005
<b>Total distributions paid/payable</b>	<b>337.35</b>	<b>15,181</b>	
<b>For the year ended 30 June 2006</b>			
Distributions paid for the period ended 30 September 2005	190.22	8,559	18 October 2005
Distributions paid for the period ended 31 December 2005	189.92	8,547	17 January 2006
Distributions paid for the period ended 31 March 2006	185.00	8,357	19 April 2006
Distributions paid for the period ended 30 June 2006	186.00	8,406	17 July 2006
<b>Total distributions paid/payable</b>	<b>751.14</b>	<b>33,869</b>	

Finance costs on Multiplex Hybrid Investment are payable at the greater of 5.40% per annum or the three month bank bill rate on the issue date plus a margin of 1.90%. The rate is determined on the first business day of each relevant period.



# Notes to the Financial Statements continued

## Multiplex Hybrid Investment Trust

9

For the year ended 30 June 2006

### 10 Segment Information

#### a Primary Segment

The trust operates in a single, primary segment being an interest-bearing loan to a listed property trust.

#### b Secondary Segment

The Trust operates in one geographical segment being Australia.

### 11 Remuneration of auditors

During the year all amounts paid to the auditor of the Trust were borne by the Responsible Entity.

### 12 Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets requiring recognition.

### 13 Related party disclosures

#### Transactions between Multiplex SITES Trust and Multiplex Hybrid Investment Trust

- Multiplex SITES Trust has an investment in Multiplex Hybrid Investment Trust of \$450,000,000 (2005: \$450,000,000); and
- Distributions paid to Multiplex SITES Trust of \$34,158,000 (2005: \$6,486,000).

#### Transactions between Multiplex Hybrid Investment Trust and other related parties

- Multiplex SITES Trust purchased 100% of the Class A units of the Trust for \$450,000,000.
- Multiplex Hybrid Holdings Trust purchased 100% of the Class B units and 100% of the Ordinary units of the Trust for \$17,913,825.
- The Trust advanced a loan of \$450,000,000 to Multiplex Property Trust. The Trust received interest revenue amounting to \$33,869,000 (2005: \$15,181,000) on this loan.

#### Trustee

The Trustee of the Trust is Multiplex Hybrid Investment Pty Ltd whose immediate parent entity is Multiplex Funds Management Limited, and whose ultimate parent entity is Multiplex Limited.

	2006 \$'000	2005 \$'000
<b>14 Reconciliation of profit from ordinary activities after income tax to net cash inflow/outflow from operating activities</b>		
<b>Profit from ordinary activities</b>	<b>33,869</b>	<b>15,181</b>
Change in operating assets and liabilities, net of effects from purchase and disposal of controlled entities:		
Decrease/(increase) in receivables	288	(8,695)
<b>Net cash inflow from operating activities</b>	<b>34,157</b>	<b>6,486</b>

### 15 Explanation of transition to Australian equivalents to IFRS

#### a Reconciliation of total equity as presented under previous GAAP to that under AIFRS.

The adoption of AIFRS has not resulted in any adjustments to total equity.

#### b Reconciliation of net profit as presented under previous GAAP to that under AIFRS.

The adoption of AIFRS has not resulted in any adjustments to net profit.

#### c Reconciliation of Cash Flow Statement for the period ended 30 June 2005

The adoption of AIFRS has not resulted in any adjustments to the Cash Flow Statement.

### 16 Events occurring after reporting date

There have been no significant events or transactions that have arisen since the end of the financial year, which in the opinion of the Trustee, would affect significantly the operations of the Trust, the results of those operations, or the state of affairs of the Trust.

# Directors' Declaration

## Multiplex Hybrid Investment Trust

10

For the year ended 30 June 2006

In the opinion of the directors of the Trustee:

- (a) the Financial Statements and the notes to the Financial Statements, as set out on pages 3 to 9, gives a true and fair view of the financial position of the Trust as at 30 June 2006 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date;
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (c) the Trust has operated during the year ended 30 June 2006 in accordance with the provisions of the Trust Constitution dated 24 November 2004; and
- (d) the register of unitholders has, during the year ended 30 June 2006, been properly drawn up and maintained so as to give a true account of the unitholders of the Trust.

Signed in accordance with a resolution of the Trustee.



**Ian O'Toole**  
Director  
Multiplex Hybrid Investment Pty Ltd

7 September 2006, Sydney

# Independent audit report to the unitholders of Multiplex Hybrid Investment Trust

11

## Scope

### The financial report and directors' responsibility

The financial report comprises the income statement, statement of changes in net assets attributable to unitholders, balance sheet, statement of cash flows and accompanying notes 1 to 16 to the financial statements set out on pages 3 to 10 for Multiplex Hybrid Investment Trust (the "Trust") for the year ended 30 June 2006.

The directors of the Trustee, Multiplex Hybrid Investments Pty Limited, are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. 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. The directors are also responsible for preparing the relevant reconciling information regarding the adjustments required under Australian Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards.

### Audit approach

We conducted an independent audit in order to express an opinion to the unitholders of the Trust. Our audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Trust's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

# Independent audit report to the unitholders of Multiplex Hybrid Investment Trust continued

**Audit opinion**

In our opinion, the financial report of Multiplex Hybrid Investment Trust for the year ended 30 June 2006 is in accordance with:

- a) the Corporations Act 2001, including:
  - i. giving a true and fair view of the Trust's financial position as at 30 June 2006 and of its performance for the financial year ended on that date; and
  - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) other mandatory financial reporting requirements in Australia.



KPMG



**A Dickinson**  
Partner

7 September 2006, Sydney





Develop  
Build  
Manage  
Own

