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**MULTIPLEX PRIME PROPERTY FUND**  
ARSN 110 096 663

**INTERIM FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

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**Responsible Entity**

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

**Directors of Multiplex Capital Management Limited**

Peter Morris  
Robert McCuaig  
Brian Motteram  
Robert Rayner  
Bob McKinnon

**Company secretary of Multiplex Capital Management Limited**

Alex Carrodus

**Principal Registered Office**

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

**Custodian**

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

**Stock Exchange**

The Fund is listed on the Australian Stock Exchange (ASX Code: MAFCA). The Home Exchange is Sydney.

**Auditor**

KPMG  
10 Shelley Street  
Sydney NSW 2000  
Telephone: (02) 9335 7000  
Facsimile: (02) 9299 7077

### Introduction

The Directors of Multiplex Capital Management Limited ( ABN: 32 094 936 866 ) the Responsible Entity of the Multiplex Prime Property 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 Prime Property Fund is Multiplex Capital Management Limited which has been the Responsible Entity since the inception of the Fund. 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)
Bob McKinnon	(Appointed 7 December 2007)

### Company Secretary

Alex Carrodus was appointed to the position of company secretary of the Responsible Entity on 21 January 2005.

### Principal activities

The principal activity of the consolidated entity is the investment in direct property assets and a portfolio of Listed Property Trusts.

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

### Review of operations

Key highlights over the period include:

- The NTA at 31 December 2007 was \$0.86 (30 June 2007: \$0.76.)
- Profit attributable to unitholders before distributions for the half year ended 31 December 2007 was \$46,606,000 (half year ended 31 December 2006: \$24,256,000).
- The fund revalued all investment properties at 31 December 2007, resulting in a \$41.6 million uplift across the property portfolio. This includes the uplift in investment properties accounted for using the equity method. The revaluation gains translate to an 15 cents increase in net tangible assets per unit.
- The American Express Building at Sydney's King Street Wharf reached practical completion during December 2007. The property was subsequently settled on 9 January 2008.
- The retail area at the American Express Building was leased during the period, bringing the property portfolio to full occupancy.
- The market value of the LPT portfolio closed at \$49.8 million as at 31 December 2007, down from \$68.9 million in June 2007.

**DIRECTOR'S REPORT**  
**MULTIPLEX PRIME PROPERTY FUND**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

**Distributions**

Distributions paid to unitholders or declared were as follows:

	Cents per unit	\$'000	Date of payment
Distribution for period ended 31 December 2006	1.427	4,021	31 January 2007
Distribution for period ended 10 September 2006	0.917	2,584	15 November 2006
<b>Total distribution for the six months ended 31 December 2006</b>	<b>2.344</b>	<b>6,605</b>	
Distribution for quarter ended 31 December 2007	1.20	3,381	31 January 2008
Distribution for quarter ended 30 September 2007	1.20	3,381	31 October 2007
<b>Total distribution for the six months ended 31 December 2007</b>	<b>2.40</b>	<b>6,762</b>	

**Lead Auditors independence declaration**

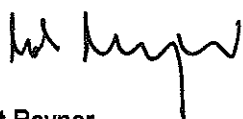
The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the six months ended 31 December 2007.

**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 28 day of February 2008

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



**Robert Rayner**  
CEO – Funds Management  
Multiplex Capital Management Limited



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

To: the directors of Multiplex Capital Management Limited, as the responsible entity of  
Multiplex Prime Property 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  
28 February 2008

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**CONSOLIDATED INTERIM INCOME STATEMENT****MULTIPLEX PRIME PROPERTY FUND**

FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Six months ended 31 December 2007 Consolidated \$'000	Six months ended 31 December 2006 Consolidated \$'000
<b>Revenue</b>		
Share of net profit of investments accounted for using the equity method	53,567	38,973
Net fair value adjustment in investment property	1,100	-
Property rental income	4,293	3,503
Net gain on sale of investments	1,154	-
Distribution income	2,871	2,599
Interest income	3,492	1,693
Other income	-	139
<b>Total revenue and other income</b>	<b>66,477</b>	<b>46,907</b>
<b>Expenses</b>		
Property expenses	535	519
Finance costs to external parties	17,664	14,671
Responsible entity fees	1,474	1,286
Write off of acquisition costs	-	6,093
Other expenses	198	82
<b>Total expenses</b>	<b>19,871</b>	<b>22,651</b>
<b>Net profit</b>	<b>46,606</b>	<b>24,256</b>
<b>Earnings per unit</b>		
Basic and diluted earnings per ordinary unit (cents)	16.5	8.61

*The condensed notes on pages 10 to 13 are an integral part of these consolidated interim financial statements.*

**CONSOLIDATED INTERIM BALANCE SHEET**

MULTIPLEX PRIME PROPERTY FUND

AS AT 31 DECEMBER 2007

	Note	31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,110	3,705
Trade and other receivables	7	106,579	93,690
<b>Total current assets</b>		<b>110,689</b>	<b>97,395</b>
<b>Non-current assets</b>			
Investment properties		81,100	80,000
Available for sale financial assets	8	49,842	68,883
Investments accounted for using the equity method		476,061	433,714
Trade and other receivables	7	91,405	88,711
Fair value of financial derivatives		28,234	20,809
<b>Total non-current assets</b>		<b>726,642</b>	<b>692,117</b>
<b>Total assets</b>		<b>837,331</b>	<b>789,512</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		7,173	6,538
Distributions payable		3,387	3,249
<b>Total current liabilities</b>		<b>10,560</b>	<b>9,787</b>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	9	492,488	476,374
<b>Total non-current liabilities</b>		<b>492,488</b>	<b>476,374</b>
<b>Total liabilities</b>		<b>503,048</b>	<b>486,161</b>
<b>Net assets</b>		<b>334,283</b>	<b>303,351</b>
<b>Equity</b>			
Units on issue	10	240,089	237,395
Available for sale reserve		(14,179)	5,784
Interest rate hedge reserves		21,624	13,267
Retained earnings		86,749	46,905
<b>Total equity</b>		<b>334,283</b>	<b>303,351</b>

The condensed notes on pages 10 to 13 are an integral part of these consolidated interim financial statements.



**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**MULTIPLEX PRIME PROPERTY FUND**  
AS AT 31 DECEMBER 2007

	Six months ended 31 December 2007 Consolidated \$'000	Six months ended 31 December 2006 Consolidated \$'000
Opening equity – 1 July	303,351	168,566
<b>Movement in units on issue</b>		
September 2006 capital raising costs of issue	-	(18,909)
Equity receivable	2,694	86,095
<b>Movement in hedge reserve</b>		
Fair value movement in financial derivatives	8,357	4,504
<b>Movement in available for sale reserve</b>		
Fair value movement in listed investments	(19,963)	4,978
<b>Movement in retained earnings</b>		
Net profit	46,606	24,256
Distributions	(6,762)	(6,605)
<b>Closing equity – 31 December</b>	<b>334,283</b>	<b>262,885</b>

*The condensed notes on pages 10 to 13 are an integral part of these consolidated interim financial statements.*

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**MULTIPLEX PRIME PROPERTY FUND  
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Six months ended 31 December 2007 Consolidated \$'000	Six months ended 31 December 2006 Consolidated \$'000
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	9,150	15,135
Cash payments in the course of operations	(3,721)	(14,575)
Interest received	3,473	1,576
Interest paid	(16,417)	(13,540)
<b>Net cash flows (used in) operating activities</b>	<b>(7,515)</b>	<b>(11,404)</b>
<b>Cash flows from investing activities</b>		
Distributions received from property trusts	3,099	622
Distributions received from investments accounted for using the equity method	11,220	9,299
Loan to related party	(15,719)	(20,554)
Proceeds from sale of listed property trust investments	9,413	-
Payments for purchase of listed property trust investments	(9,182)	(63,098)
<b>Net cash flows (used in) investing activities</b>	<b>(1,169)</b>	<b>(73,731)</b>
<b>Cash flows from financing activities</b>		
Issue and debt establishment costs paid	-	(19,302)
Repayment of interest bearing liabilities	-	(46,932)
Proceeds from interest bearing liabilities	15,719	158,212
Distributions paid to unit holders	(6,630)	(4,020)
<b>Net cash flows from financing activities</b>	<b>9,089</b>	<b>87,958</b>
<b>Net increase in cash and cash equivalents</b>	<b>405</b>	<b>2,823</b>
Cash and cash equivalents at 1 July	3,705	3,668
<b>Cash and cash equivalents at 31 December</b>	<b>4,110</b>	<b>6,491</b>

*The condensed notes on pages 10 to 13 are an integral part of these consolidated interim financial statements.*

# CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MULTIPLEX PRIME PROPERTY FUND  
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

## 1 REPORTING ENTITY

Multiplex Prime Property Fund (the "Fund") is an Australian registered Management Investment Scheme under the Corporations Act 2001. Multiplex Capital Management Limited, the Responsible Entity of the Fund, 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 28 February 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

MULTIPLY PRIME PROPERTY FUND  
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

## 6 DISTRIBUTIONS TO UNITHOLDERS

Distributions paid to unitholders or declared were as follows:

Ordinary units	Cents per unit	Total amount \$'000	Date of payment
December 2006 distribution	1.427	4,021	31 January 2007
September 2006 distribution	0.917	2,584	15 November 2006
<b>Total distribution for the six months ended 31 December 2006</b>	<b>2.344</b>	<b>6,605</b>	
December 2007 distribution	1.20	3,381	31 January 2008
September 2007 distribution	1.20	3,381	31 October 2007
<b>Total distribution for the six months ended 31 December 2007</b>	<b>2.40</b>	<b>6,762</b>	

## 7 TRADE AND OTHER RECEIVABLES

	31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
<b>Current</b>		
Distributions receivable	1,883	2,110
Receivable from related party *	103,606	87,887
Other receivables	1,090	3,693
	<b>106,579</b>	<b>93,690</b>
<b>Non-current</b>		
Equity receivable (see note 10)	91,405	88,711
	<b>91,405</b>	<b>88,711</b>

\* This relates to a deposit paid in advance to Multiplex Developments Limited ("MXD") in relation to the American Express Building, King Street Wharf, Sydney. This is a related party by virtue of the fact that the Fund's Responsible Entity and MXD are owned by the same ultimate parent.

## 8 AVAILABLE FOR SALE FINANCIAL ASSETS

	31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
Cost of investments - listed property trusts	63,098	-
Acquisition of investments	9,182	63,098
Disposals of investments	(8,259)	-
Fair value adjustment	(14,179)	5,785
	<b>49,842</b>	<b>68,883</b>

The Fund does not hold more than 5% of equity in any Listed Property Trust. The fair value adjustment is unrealised.

# CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MULTIPLEX PRIME PROPERTY FUND  
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

## 9 INTEREST BEARING LOANS AND BORROWINGS

	31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
<b>Non current – secured bank debt</b>		
Opening balance	476,374	287,402
Drawdown	15,719	188,440
Amortisation of capitalised costs	395	532
<b>Closing balance</b>	<b>492,488</b>	<b>476,374</b>

The interest bearing loans and borrowings relate to secured bank debt in the form of a Term Facility, a Partly Paid Facility and the American Express Facility in Australian dollars. The Term Facility has a limit of \$420 million (30 June 2007: \$420 million), the Partly Paid Facility has a limit of \$112.8 million (30 June 2007: \$112.8 million) and the American Express Facility has a limit of \$78.5 million (30 June 2007: \$78.5 million).

The Term Facility and Partly Paid Facility expire in December 2011. The American Express Facility was rolled into the Term Facility on 9 January 2008.

The draw down from the Term Facility at 31 December 2007 is \$323.7 million (30 June 2007 is \$323.7 million), Partly Paid Facility draw down is \$112.8 million (30 June 2007: \$112.8 million) and the draw down on the American Express Facility is \$56 million (30 June 2007: \$43.4 million). The aggregate limit of the facilities is \$611.3 million (30 June 2007: \$611.3 million); a total of \$492.5 million (30 June 2007: \$479.9 million) has been drawn down over all three facilities. Included in the balance of interest bearing loans and borrowings is the amortised value of capitalised borrowing cost amounting to \$3.1 million (30 June 2007: \$3.5 million).

The fund has given various representations, warranties, covenants and undertakings to the Banks, including in relation to its corporate status and a charge over the interest in the properties. All the above debt is hedged at a fixed base rate of 5.68% (30 June 2007: 5.68%) via interest rate swap instruments until 26 July 2011. This debt is secured over all of the fund's investment properties. The interest rate in respect of the Term Facility is 6.38% (30 June 2007: 6.38%), Partly Paid Facility is 6.93% (30 June 2007: 6.93%) and American Express Facility is 6.68% (30 June 2007: 6.68%).

## 10 UNITS ON ISSUE

Date	Details	Units	\$'000
1 July 2006	Opening balance - units	281,764,877	169,059
	Opening balance – expenses of offer	-	(1421)
	Units redeemed	(193,010,125)	(115,806)
	Units issued	193,010,125	115,806
	Expenses of the offer	-	(18,954)
	Equity receivable (note 1)	-	88,711
30 June 2007	<b>Closing balance</b>	<b>281,764,877</b>	<b>237,395</b>
1 July 2007	Opening balance - units	281,764,877	257,770
	Opening balance – expenses of offer	-	(20,375)
	Equity receivable (note 1)	-	2,694
31 December 2007	<b>Closing balance</b>	<b>281,764,877</b>	<b>240,089</b>

# CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MULTIPLEX PRIME PROPERTY FUND  
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

## 10 UNITS ON ISSUE (CONTINUED)

### Ordinary units

Ordinary units entitle the holder to participate in distributions and the proceeds on winding up of the Fund in proportion to the number of units held. On a show of hands every holder of units present at a meeting of unit holders in person or by proxy, is entitled to one vote, and upon a poll each is entitled to one vote.

*Note 1* The units on issue are \$1 units partly paid, \$0.60 was received on allotment, \$0.40 is due to be received from unit holders on 15<sup>th</sup> June 2011. The unpaid portion has been discounted at a rate of 6% (30 June 2007: 6%), which amounts to \$91,405,000 (30 June 2007: \$88,711,000). This is shown within non-current assets.

## 11 RELATED PARTIES

There have been no significant changes to the related party transactions disclosed in the annual report for the year ended 30 June 2007.

## 12 CONTINGENT ASSETS AND LIABILITIES

The consolidated entity has no contingent assets or liabilities at 31 December 2007 and 30 June 2007.

## 13 CAPITAL AND OTHER COMMITMENTS

The consolidated entity has no capital and other commitments at 31 December 2007 and 30 June 2007.

## 14 EVENTS SUBSEQUENT TO REPORTING DATE

The Fund purchased the American Express Building, King Street Wharf, Sydney on 9 January 2008. Upon settlement the American Express facility was terminated, with the balance rolling into the Term facility.

Subsequent to 31 December 2007 and up to the date of this report, changes in the unit prices of listed investments would result in a \$14.1 million decrease in the carrying value. The financial impact of this subsequent event is not recognised in these financial statements.

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 Fund, the results of those operations, or the state of affairs of the Fund in subsequent financial years.

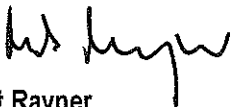
**Multiplex Prime Property Fund**  
**Directors' Declaration**

1 In the opinion of the Directors of Multiplex Capital Management Limited as Responsible Entity for Multiplex Prime Property Fund:

- (a) The consolidated interim financial statements and notes, set out in pages 6 to 13 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 28 day of February 2008.



**Robert Rayner**  
CEO – Funds Management  
Multiplex Capital Management Limited



## **Independent auditor's review report to the members of Multiplex Prime Property Fund**

We have reviewed the accompanying interim financial report of Multiplex Prime Property Fund (the "Scheme"), which comprises the consolidated balance sheet as at 31 December 2007, 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 14 and the directors' declaration set out on page 14 of the consolidated entity comprising the Scheme and the entities it controlled at the half-year ended 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 Scheme'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 Prime 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.

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*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 Prime Property Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Scheme'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  
28 February 2008

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