

MULTIPLEX ACUMEN VALE SYNDICATE LIMITED

ACN 114 814 603

**FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2006**

Index	Page
Directory	2
Directors' report	3
Auditor's independence declaration	7
Income statement	8
Statement of changes in equity	9
Balance sheet	10
Cash flow statement	11
Notes to the financial statements	12
Directors' declaration	25
Audit report	26

Company

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

Directors of the Company

Ian O'Toole
Robert Rayner
Peter Morris
Robert McCuaig
Michael Hodgetts

Company secretary

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

Auditor

Ernst & Young
680 George Street
Sydney NSW 2000
Telephone: (02) 9248 5555
Facsimile: (02) 9248 5829

Introduction

The Directors of Multiplex Acumen Vale Syndicate Limited (the "Company"), present their report together with the financial report for the period 17 June 2005 to 30 June 2006 and the auditors' report thereon:

Directors

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

Name

Robert Rayner
Michael Hodgetts
Robert McCuaig
Peter Morris
Ian O'Toole

Information on Directors

Rob Rayner

Rob has responsibility for the day-to-day operation and development of Multiplex Capital's funds management activities. Rob has been involved in property and property funds management for more than 16 years and has extensive property and financial experience in both the listed and unlisted sectors of the funds management industry. Rob was a founding shareholder and director of the Acumen Capital funds management business, since renamed Multiplex Capital in 2003 upon Multiplex Group listing on ASX.

Michael Hodgetts

Michael was responsible for the management of Rider Hunt both in Perth and Sydney and was Group Chairman of Rider Hunt from 1992 to 1996. He was National President of the Australian Institute of Quantity Surveyors from 2001 to 2003. Michael is currently a director of the peer group body known as the Australian Construction Industry Forum. As a senior professional consultant, he has extensive experience in development and construction, particularly in non-residential projects.

Robert McCuaig

Robert is Chairman of the Advisory Board of Colliers International Property Consultants in Australia. Along with David Collier, he formed McCuaig and Collier, which in 1988 became the New South Wales office of Colliers International. He was a forerunner in the establishment of Colliers in Australia, now one of the world's largest professional property services groups with 215 offices throughout Australia, Asia Pacific, Europe, the Middle East, the Americas and Africa. Robert has acted as a property adviser to the University of Sydney, Westpac, Qantas Airways, Presbyterian Church, Sydney Ports Authority, Benevolent Society of NSW, the State of New South Wales and the Commonwealth of Australia. Robert is a director of St Vincents and Mater Health Sydney and a member of the Salvation Army Advisory Board.

Dr Peter Morris

Peter is a recognised leader in the development and project management field having played a major role in the growth of professional project management as a specialist skill in Australia. Peter's specialist skills are in the areas of establishing project delivery strategies, top level negotiation and the management of multi-stakeholder, high profile projects, management of major projects, strategy determination, financial assessment and feasibility studies, design management and review and development management. Peter is a non-executive director of Galileo Funds Management Limited, the responsible entity of Galileo Shopping America Trust, a listed property trust owning retail assets in the USA valued at over US\$1.7 billion.

Ian O'Toole

Ian has responsibility for the overall direction and strategy of the Multiplex Capital funds management business, including both MPT and the external funds management business of Multiplex Capital. He has over 24 years experience in funds management and prior to joining Multiplex Capital in 2003 was responsible for both capital transactions and asset management within ING Real Estate Investment Management Limited.

DIRECTORS' REPORT(CONTINUED)
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
FOR THE PERIOD ENDED 30 JUNE 2006

Information on Company Secretary

Alex Carrodus

Alex has over 11 years experience in the areas of company secretarial practice and compliance in the funds management industry having worked for the ASX listed Ronin Property Group prior to its acquisition by the Multiplex Group, AMP and ASX Limited. Prior to this period Alex worked for 8 years in the insolvency and audit divisions of a number of local and international accounting firms both in Sydney and London.

Alex holds a Bachelor of Economics and a Master of Applied Finance degrees both from Macquarie University, a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia and is a Chartered Accountant and Chartered Secretary.

Directors' meetings

Director	Board Meetings	
	A	B
Robert Rayner	9	9
Ian O'Toole	9	9
Michael Hodgetts	5	7
Robert McCuaig	5	9
Peter Morris	7	8

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the period.

Committee meetings

There were no board committee meetings held during the period.

Principal activities

The principal activity of the Company has been the development of land for resale through its 100% owned subsidiary, Multiplex Acumen Vale Landowner Pty Limited.

The Company did not have any employees during the period or subsequent to balance date.

Review of operations

Key highlights over the period include:

- Net profit before income tax for the period ended 30 June 2006 was \$6.473 million.
- On 4 November 2005, capital raising for Multiplex Acumen Vale Syndicate Limited closed. During the period the Company raised \$30.0 million including a foundation investment by Multiplex Development Opportunity Fund of \$14.9 million.

Matters subsequent to the end of the financial year

Other than those mentioned in the financial report, 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 Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Likely developments

Information on likely developments in the operations of the Company in future financial years and the expected results of those operations has not been included in this report because the directors believe that to do so would be likely to result in unreasonable prejudice to the Company.

DIRECTORS' REPORT(CONTINUED)
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
FOR THE PERIOD ENDED 30 JUNE 2006

Environmental regulation

The Company has systems in place to manage its environmental obligations. Based upon the results of inquiries made, the Manager is not aware of any significant breaches or non-compliance issues during the period covered by this report.

Dividends

No dividends were declared during the period under review.

Directors' interests and benefits

At the date of this report, no Director of the Company held shares in the Company.

No Director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Trust or a related entity with a Director or with a firm of which a Director is a member, or with an entity in which a Director has a substantial interest.

Interests of the Company

The following fees were paid to Multiplex Capital Limited and its associates during the financial year:

2006
\$'000

Management Services fee

574

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial period not otherwise disclosed in this report or in the financial reports.

Indemnification and insurance premiums

Under the Consolidated Entity's Constitution the Company, including officers and employees, is indemnified out of the Consolidated Entity's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Consolidated Entity.

The Consolidated Entity has not indemnified any auditor of the Consolidated Entity.

During the period the Company has paid premiums in respect of their officers for liability and legal expenses insurance contracts for the period ended 30 June 2006. The Company has paid, or agreed to pay, in respect of the Consolidated Entity, premiums in respect of such insurance contracts for the period ending 30 June 2006.

Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been executive officers of the Company.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

Rounding of amounts

The Company 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.

DIRECTORS' REPORT(CONTINUED)
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
FOR THE PERIOD ENDED 30 JUNE 2006

Auditors independence declaration

The auditor's independence declaration is set on page 7 and forms part of the Directors' report for the period ended 30 June 2006.

Dated at Sydney this 29th day of August 2006

Signed in accordance with a resolution the Directors:



Ian O'Toole
Managing Director
Multiplex Acumen Vale Syndicate Limited

Auditor's Independence Declaration to the Directors of Multiplex Acumen Vale Syndicate Limited

In relation to our audit of the financial report of Multiplex Acumen Vale Syndicate Limited for the financial period ended 30 June 2006, 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



Douglas Bain
Partner
29 August 2006

INCOME STATEMENT
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
FOR THE PERIOD ENDED 30 JUNE 2006

	Note	Consolidated 17 June 2005 – 30 June 2006 \$'000	Company 17 June 2005 – 30 June 2006 \$'000
Revenues from ordinary activities			
Sale of development properties		43,026	-
Interest income		95	95
Net gain on revaluation of financial derivatives		34	-
Total revenues from ordinary activities		43,155	95
Expenses from ordinary activities			
Cost of sale of development properties		35,985	-
Administration expenses		123	123
Management service fees	15	574	574
Total expenses from ordinary activities		36,682	697
Net profit/(loss) before income tax		6,473	(602)
Income tax expense/(credit)	4	2,011	(181)
Net profit/(loss) attributable to equity holders		4,462	(421)
Earnings per share			
Basic and diluted earnings per ordinary share (cents)	17	18.07	-

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

STATEMENT OF CHANGES IN EQUITY
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
 FOR THE PERIOD ENDED 30 JUNE 2006

	Note	Consolidated 30 June 2006 \$'000	Company 30 June 2006 \$'000
Opening balance of equity		-	-
Shares on issue			
Issue of shares (net of application fees)	11	30,000	30,000
Capital raising costs on issue		(5,241)	(5,241)
Deferred tax asset		1,572	1,572
Net adjustments recognised directly in equity		26,331	26,331
Net profit		4,462	(421)
Closing balance of equity		30,793	25,910

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

BALANCE SHEET
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
AS AT 30 JUNE 2006

	Note	Consolidated 30 June 2006 \$'000	Company 30 June 2006 \$'000
Assets			
Current assets			
Cash and cash equivalents	6	1,847	78
Inventories – land held for resale	8	57,041	-
Trade and other receivables	7	528	314
Fair value of financial derivatives		34	-
Total current assets		59,450	392
Non-current assets			
Inventories – land held for resale	8	21,940	-
Investment in subsidiary		-	0
Trade and other receivables	7	-	26,182
Deferred tax asset	4	1,157	1,157
Total non-current assets		23,097	27,339
Total assets		82,547	27,731
Liabilities			
Current liabilities			
Trade and other payables	9	2,977	226
Income tax payable	4	1,595	1,595
Interest bearing loans and borrowings	10	47,182	-
Total current liabilities		51,754	1,821
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		51,754	1,821
Net assets		30,793	25,910
Equity			
Shares on issue	11	26,331	26,331
Retained earnings/accumulated losses		4,462	(421)
Total equity		30,793	25,910

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

CASH FLOW STATEMENT
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
FOR THE PERIOD ENDED 30 JUNE 2006

	Consolidated	Company
	30 June 2006	30 June 2006
	\$000	\$000
Cash flows from operating activities		
Proceeds from sale of developments	43,026	-
Payments for inventories	(111,041)	-
Cash payments in the course of operations	(2,041)	(784)
Interest received	95	95
Borrowing costs paid	(133)	-
Net cash flows used in operating activities	13	(689)
Cash flows from financing activities		
Proceeds from issues of shares	30,000	30,000
Issue costs paid	(5,241)	(5,241)
Proceeds from interest bearing liabilities	47,182	(23,992)
Net cash flows from financing activities	71,941	767
Net increase in cash and cash equivalents	1,847	78
Cash and cash equivalent at 17 June 2005	-	-
Cash and cash equivalent at 30 June 2006	1,847	78

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

1 COMPANY INFORMATION

Multiplex Acumen Vale Syndicate Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report of Multiplex Acumen Vale Syndicate Limited for the period ended 30 June 2006 was authorised for issue in accordance with a resolution of the Directors of the Company on 29 August 2006.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards, the Company Constitution and the requirements of the Corporations Act 2001. Other mandatory professional reporting requirements have also been complied with.

The financial report has been prepared using the historical cost convention. The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions used have been disclosed in the relevant accounting policies.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The 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 Consolidated Fund in accordance with ASIC Class Order 98/100. The Consolidated Fund is an entity to which the Class Order applies.

(b) Statement of compliance

The 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').

The Company commenced trading on the 17 June 2005 and this is the first full financial report prepared based on AIFRS.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Statement of compliance (continued)

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2006 financial year. The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below for those standards that may affect the Consolidated Entity in future reporting periods:

- 1 AASB 7 Financial Instruments: Disclosures and AASB 2005 – 10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, and AASB 1038] AASB 7 and AASB 2005 – 10 are applicable to annual reporting periods beginning on or after 1 January 2007. The Consolidated Entity has not adopted the standards early. Application of the standard will not effect any of the amounts recognised in the Financial Statements, but will impact the type of information disclosed in relation to the Consolidated Entity's Financial Statements.

(c) Principles of consolidation

The consolidated financial statements include the financial statements of Multiplex Acumen Vale Syndicate Limited and its controlled entity. The Company and its controlled entity are referred to as "the Consolidated Entity".

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

Controlled entity

The acquisition of Multiplex Acumen Vale Landowner Pty Limited on 17 June 2005 was acquired at cost. The financial statements of the controlled entity is included in the consolidated financial statements from the date control commences until the date control ceases. Investments in controlled entities are subsequently measured by the Company at the lower of cost and recoverable amount. The balances and effects of transactions between controlled entity including unrealised profits arising from intra-entity transactions, included in the consolidated financial statements have been eliminated in full.

(d) Revenue recognition

Interest income

Revenue is recognised as interest accrues using the effective interest method.

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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) 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.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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.

(f) Tax Consolidation

For the purposes of income taxation, Multiplex Acumen Vale Syndicate Limited and its 100% owned entity formed a tax consolidated group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Cash and cash equivalents

For the purpose of the cash flow statement, 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.

(h) 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, development and holding costs such as borrowing costs (refer Note 2(p)), rates and taxes.

(i) 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 is taken up as income on an effective interest basis.

(j) Trade and other payables

These amounts are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at 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.

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

(l) Derivative financial instruments

The Consolidated Entity uses derivative financial instruments, such as interest rate swaps to manage its exposure to interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, which documents policies and limits approved by the Board of Directors in respect of the use of derivative financial instruments to manage cash flows and profits subject to interest rate risks, the Consolidated Entity does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured on a fair value basis. The ineffective portion of the derivative financial instrument, the gain or loss on re-measurement to fair value is recognised immediately in the Income Statement.

The fair value of interest rate swaps is the estimated amount that the Consolidated Entity would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Issue costs

All costs related to the issue of new shares are to be offset against the proceeds raised.

(n) Shares on issue

Issued and paid up shares are recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the unit proceeds received.

(o) Earnings per share

Basic EPS is calculated as net profit attributable to equity holders of the parent entity, divided by the weighted average number of ordinary shares. The Company did not have any potential securities outstanding during the period and, as such, diluted earnings per share are the same as basic earnings per share.

(p) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they incurred, except where they are included in the costs of inventories under development, refer Note 2(h).

Where borrowing costs are specific to particular inventory assets, the rate at which borrowing costs are capitalised is determined by reference to the actual borrowing costs incurred.

(q) Comparatives

The Company was established on 17 June 2005 and accordingly the financial statements represent the first reporting period for Multiplex Acumen Vale Syndicate Limited and no comparative figures are shown.

3 SEGMENT REPORTING

Business segment

The business segments have been identified on the basis of grouping individual investments subject to similar risks and returns. Multiplex Acumen Vale Syndicate Limited operates in a single, primary business segment, being property development.

Geographical segment

The Company is registered and operates in only one geographic segment, being Australia.

NOTES TO THE FINANCIAL STATEMENTS
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
FOR THE PERIOD ENDED 30 JUNE 2006

4 INCOME TAX

	Consolidated 2006 \$'000	Company 2006 \$'000
(a) Income tax expense		
Prima facie income tax expense calculated at 30% on profit/(loss) from ordinary activities	1,942	(181)
<i>Increase in income tax expense due to:</i>		
Other items	69	
Income tax expense/(credit) attributable to profit from ordinary activities	2,011	(181)
(b) Deferred tax asset and liabilities		
Income tax liability - current	1,595	1,595
Deferred tax asset - non current	1,157	1,157

Tax consolidation

For the purposes of income taxation, Multiplex Acumen Vale Syndicate Limited and its 100% owned entity formed a tax consolidated group.

In preparing the accounts for Multiplex Acumen Vale Syndicate Limited for the current period, the following amounts have been recognised as tax consolidation contribution adjustments:

	Company 2006 \$'000
Total increase to intercompany assets	2,191

5 REMUNERATION OF AUDITORS

Audit services:	Consolidated 2006 \$	Company 2006 \$
Audit and review of the financial reports	42,299	25,299

6 CASH AND CASH EQUIVALENTS

	Consolidated 2006 \$'000	Company 2006 \$'000
Current		
Cash at bank and on hand	1,847	78

Cash at bank balances earns interest at floating rates based on daily bank deposit rates.

NOTES TO THE FINANCIAL STATEMENTS
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
FOR THE PERIOD ENDED 30 JUNE 2006

7 TRADE AND OTHER RECEIVABLES

	Consolidated 2006 \$'000	Company 2006 \$'000
Current		
GST receivable (a)	293	293
Other receivables (a)	235	21
	<u>528</u>	<u>314</u>
Non-current		
Amounts due from related parties (b)	-	26,182
	<u>-</u>	<u>26,182</u>

(a) Trade and other receivables are non interest bearing and are settled on commercial terms.

(b) Terms and conditions relating to related party transactions have been disclosed in Note 15.

8 INVENTORIES – LAND HELD FOR RESALE

	Consolidated 2006 \$'000	Company 2006 \$'000
Inventories at cost		
- Current (a)	57,041	-
- Non current (a)	21,940	-
Total inventories	<u>78,981</u>	<u>-</u>

(a) \$78.981 million - Land held at the north-eastern Perth suburb of Ellenbrook. This land is held through the subsidiary Multiplex Acumen Vale Syndicate Limited which intends to subdivide, develop and sell as residential accommodation. Total amount of inventories that have been recognised as an expense during the period is \$35.985 million.

Borrowing costs incurred and capitalised during the period amounted to \$2,891,125.

9 TRADE AND OTHER PAYABLES

	Consolidated 2006 \$'000	Company 2006 \$'000
Current		
Trade Payables	2,763	12
Management service fee payable	214	214
	<u>2,977</u>	<u>226</u>

Trade and other payables are non interest bearing and are settled on commercial terms.

NOTES TO THE FINANCIAL STATEMENTS
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
FOR THE PERIOD ENDED 30 JUNE 2006

10 INTEREST BEARING LOANS AND BORROWINGS

	Consolidated 2006 \$'000	Company 2006 \$'000
Current		
Secured bank debt	47,182	-
	47,182	-

The bank facility is secured by a first charge over certain assets of Multiplex Acumen Vale Landowner Pty Limited.

Financing Arrangements

	Expiry Date	Consolidated 2006 \$'000	Company 2006 \$'000
Facilities available			
Bank debt facility (1)	30 June 2007	47,325	-
Less: facilities utilised		(47,182)	-
Facilities not utilised		143	-

(1) This floating rate cash facility is for a maximum commitment of \$47.325 million financed by National Australia Bank Limited with respect to Multiplex Acumen Vale Landowner Pty Limited. Interest rate details have been disclosed in Note 14.

11 SHARES ON ISSUE

Date	Details	Shares	Issue price	\$
29 June 2005	Opening balance	-	-	-
	29 June 2005 issue of new shares	15,000,095	1.00	15,000,095
	4 November 2005 issue of new shares	15,000,000	1.00	15,000,000
	Capital raising costs on issue			(3,668,535)
30 June 2006	Closing balance	30,000,095	1.00	26,331,560

Ordinary shares

All ordinary shares in the Company are of the same class and carry equal rights. Any transaction costs arising on the issue or sale of shares are recognised in equity as a reduction of the share proceeds received.

12 DIVIDENDS

No dividends were made during the period under review. The first dividend payment is forecast to take place in December 2007.

NOTES TO THE FINANCIAL STATEMENTS

MULTIPLEX ACUMEN VALE SYNDICATE LIMITED

FOR THE PERIOD ENDED 30 JUNE 2006

13 RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH INFLOW / OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated 2006 \$'000	Company 2006 \$'000
Net profit after tax	4,462	(421)
<i>Change in operating assets and liabilities, net of effects from purchase and disposal of controlled entities</i>		
Increase in trade and other receivables and inventory	(79,509)	(314)
Increase in trade and other creditors and accruals	4,953	46
Net cash outflow from operating activities	(70,094)	(689)

14 FINANCIAL INSTRUMENTS

Derivative financial instruments

The Company activities expose it to changes in interest rates. There are policies and limits approved by the Board of Directors in respect of the use of derivative and other financial instruments to manage cash flows and profits subject to interest rate risks. Management reports to the Board on a regular basis as to the monitoring of the policies in place.

The Company is party to derivative financial instruments in the normal course of business in order to manage exposure to interest rates. The Company does not enter into derivative financial instruments for speculative purposes. The Consolidated Fund continually reviews its exposures and upgrades its treasury policies and procedures.

Interest rate risk

Interest rate risk exposures

The Consolidated Entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

2006	Weighted average effective interest rate %	Floating interest rate maturing in one year or less \$'000	Non- interest bearing \$'000	Total \$'000
Financial assets				
Cash and deposits	5.1	1,847	-	1,847
Receivables		-	528	528
Other		-	34	34
		1,847	562	2,409
Financial liabilities				
Trade and other payables		-	2,977	2,977
Interest bearing liabilities				
- Non Current	6.53	47,182	-	47,182
		47,182	2,977	50,159

NOTES TO THE FINANCIAL STATEMENTS
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
FOR THE PERIOD ENDED 30 JUNE 2006

14 FINANCIAL INSTRUMENTS (CONTINUED)

The Company's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

2006	Weighted average effective interest rate %	Floating interest rate maturing in one year or less \$'000	Non- interest bearing \$'000	Total \$'000
Financial assets				
Cash and deposits	5.1	78	-	78
Amounts receivable from related party		-	26,182	26,182
Receivables		-	314	314
		78	26,496	26,574
Financial liabilities				
Trade and other payables		-	226	226
		-	226	226

Credit risk exposure

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on the financial assets of the Company which have been recognised on the statement of financial position is represented by the asset carrying amount, net of any provision for doubtful debts. Credit risk on trade receivables is considered low as there is no material exposure to any individual trade receivable.

Credit risk on interest rate swap contracts is minimised as the counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

Liquidity risk exposure

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

Net fair values of financial assets and liabilities

The carrying values of the entity's financial assets and liabilities included in the Balance Sheet approximate their fair values.

Specific instruments

At 30 June 2006, the Company's holdings in derivatives were as specified in the table below:

Type of contract	Expiration	Underlying	Notional amount of contracts outstanding \$'000	Fair value (assets) \$'000
As at 30 June 2006				
Interest rate swap	21 September 2007	Interest rates	19,789	34

At 30 June 2006, the Company had an interest rate swap agreement in place with National Australia Bank whereby the Company pays a fixed interest rate of 5.83% and receives a variable rate equal to the BBSW on the notional amount. The interest rate swap matures on a monthly basis.

NOTES TO THE FINANCIAL STATEMENTS
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
 FOR THE PERIOD ENDED 30 JUNE 2006

15 RELATED PARTIES

Fund Manager

The Fund Manager of the Company is Multiplex Capital Limited (ABN 32 094 936 866) whose immediate and ultimate holding companies are Multiplex Investment Funds Pty Limited (ABN 34 103 114 441) and Multiplex Limited (ABN 96 008 687 063) respectively.

Ultimate parent

Multiplex Acumen Vale Syndicate Limited holds 100% of the ordinary shares in Multiplex Acumen Vale Landowner Pty Limited. Multiplex Development and Opportunity Fund holds 49.58% of the ordinary shares in Multiplex Acumen Vale Syndicate Limited through its 100% owed subsidiary MPX DT Pty Limited.

Key management personnel

The Consolidated Entity does not employ personnel in its own right. However it is required to have an incorporated Fund Manager to manage the activities of the Consolidated Entity. The Fund Manager and the directors of Multiplex Acumen Vale Syndicate Limited are considered to be the Key Management Personnel. The directors of the Fund Manager and Multiplex Acumen Vale Syndicate Limited are Robert Rayner, Michael Hodgetts, Robert McCuaig, Peter Morris, and Ian O'Toole.

The Fund Manager is entitled to a management services fee which is calculated as a proportion of the Subsidiary's aggregate gross revenues. This fee is payable by the Company.

The directors receive no compensation from either Multiplex Group or Multiplex Acumen Vale Syndicate Limited for their services to the Company.

Fund Manager

In accordance with the Prospectus of the Company, Multiplex Capital Limited is entitled to receive the following:

Fees

The fees below are transactions with related parties and were conducted on normal commercial terms and conditions.

	Consolidated
Multiplex Development and Opportunity Fund	
- Property procurement fee	\$750,000
- Prospectus preparation fee	\$750,000
Multiplex Capital Limited	
- Equity raising fee	\$2,937,500
- Property acquisition support services fee	\$312,500

Management services fee

The Fund Manager is entitled to a management service fee of 1.25% of the Company's aggregate gross revenues. Fees paid by the Company to the Fund Manager for the period amounted to \$573,863.

NOTES TO THE FINANCIAL STATEMENTS
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
 FOR THE PERIOD ENDED 30 JUNE 2006

15 RELATED PARTIES (CONTINUED)

Related party transactions

The transactions between the Company and the other related parties within the Consolidated Entity which eliminate on consolidation have not been disclosed below.

All transactions with related parties are conducted on normal commercial terms and conditions. All transactions require the unanimous approval of all Independent Directors.

	Consolidated 2006 \$'000
Income Statement	
Management Service Fees paid directly by the Company	574
Expenses paid to Multiplex Limited and wholly owned subsidiaries: - Sales, marketing & development fees	2,834
Balance sheet	
Management Service Fees payable	214

Related party shareholders

At the date of this report, no Director of the Fund Manager or the Company held shares in the Company.

16 BUSINESS COMBINATION

On 17 June 2005, Multiplex Acumen Vale Syndicate Limited acquired 100% of the ordinary shares in Multiplex Acumen Vale Landowner Pty Limited, an unlisted company based in specialising in the subdivision and development of land. There were no changes in the activities of Multiplex Acumen Vale Landowner Pty Limited during the period.

The total cost of the combination was \$10 and comprised of an issue of equity.

17 EARNINGS PER SHARE

Earnings per share (cents)	18.07
Weighted average number of ordinary shares used as the denominator (number)	24,686,744
Net profit attributable to equity holders (\$'000)	4,462

Earnings per share is determined by dividing net profit attributable to equity holders by the weighted average number of ordinary shares outstanding during the period.

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

18 COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

The Company has no commitments for expenditure or contingent assets or liabilities.

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

DIRECTORS' DECLARATION
MULTIPLEX ACUMEN VALE SYNDICATE LIMITED
FOR THE PERIOD ENDED 30 JUNE 2006

Multiplex Acumen Vale Syndicate Limited
Directors' Declaration

In the opinion of the Directors of Multiplex Acumen Vale Syndicate Limited:

- (a) the financial statements and notes, set out on pages 8 to 24, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and the Consolidated Entity as at 30 June 2006 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) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) the Company has operated during the financial period in accordance with the provisions of the Company's Constitution dated 17 June 2005.

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

Dated at Sydney this 29th day of August 2006



Ian O'Toole
Managing Director
Multiplex Acumen Vale Syndicate Limited

Independent audit report to members of Multiplex Acumen Vale Syndicate Limited

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Multiplex Acumen Vale Syndicate Limited (the Company) and the consolidated entity, for the period ended 30 June 2006. The consolidated entity comprises both the Company and the entities it controlled during that period.

The directors are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the Company and the consolidated entity, and that complies with Accounting Standards in Australia, 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.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order 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*, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and of their performance as represented by the results of their 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.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the Company.

Independence

We are independent of the Company and the consolidated entity and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the directors of the Company a written Auditor's Independence Declaration.

Audit opinion

In our opinion:

The financial report of Multiplex Acumen Vale Syndicate Limited is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Multiplex Acumen Vale Syndicate Limited and the consolidated entity at 30 June 2006 and of their performance for the period ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



Douglas Bain
Partner
Sydney
29 August 2006