

MULTIPLEX DIVERSIFIED PROPERTY FUND
ARSN 123 879 630

INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2007

Index	Page
Directory	2
Directors' report	3
Lead auditor's independence declaration	5
Consolidated interim income statement	6
Consolidated interim balance sheet	7
Consolidated interim statement of changes in equity	8
Consolidated interim statement of cash flows	9
Condensed notes to the consolidated interim financial statements	10
Directors' declaration	18
Independent review report	19

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

Location of Unit Registry

Registries Limited
Level 7
207 Kent Street
Sydney NSW 2000
Telephone: (02) 9279 0677
Facsimile: (02) 9278 0664

Custodian

JPMorgan Chase Bank
Level 35 Suncorp Building
259 George Street
Sydney NSW 2000
Tel: (03) 9250 4111

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 Diversified Property Fund ("the Fund"), present their report together with the financial report of the Consolidated Entity, being the Fund and its controlled entities for the period from the Fund's constitution on 8 February 2007 to 31 December 2007 and the auditor's review report thereon.

Responsible Entity

The Responsible Entity of Multiplex Diversified Property Fund is Multiplex Capital Management Limited who was appointed as Responsible Entity on 11 October 2007. The previous Responsible Entity was Multiplex Capital Securities Limited which resigned on 10 October, 2007. 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 Company 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 Fund was constituted on 8 February 2007 and was registered as a managed investment scheme on 22 February 2007. The Fund issued units pursuant to the PDS on 19 March 2007.

The Fund is domiciled in Australia and is an open ended unlisted unit trust.

The investment activities of the Fund are in accordance with the investment policy as outlined in the product disclosure statement dated 19 March 2007.

The consolidated entity did not have any employees during the period.

The principal activity of the Fund is to invest in a diversified portfolio of property investments. This may include investments in listed and unlisted property trusts and direct real property.

Review of operations

The Fund was launched in March 2007 and was seeded with \$54.13 million of investments comprising 40.74 million units from the Multiplex Acumen Property Fund (MPF) and 2.75 million units from the Multiplex New Zealand Property Fund (MNZPF). In the December 2007 quarter, the Fund acquired an additional \$2 million units in the MNZPF which contributed to total assets increasing to \$72.05 million as at 31 December 2007.

The total quarterly distributions paid or payable in respect of the year were \$4.12 million and the Fund's net profit for the year was \$5.38 million. The NTA was \$1.07 as at 31 December 2007.

Review of operations (continued)

As a result of these investments, the Fund's property investment portfolio is strongly diversified across 32 unlisted property funds, 29 listed property trusts, 31 different property managers, 6 property sectors and over 3,000 underlying property assets.

The short to medium term strategy for the Fund is to acquire a direct real property asset.

Distributions

Distributions paid/payable to unitholders were as follows:

	Cents per unit	\$'000	Date of payment
Distribution for quarter ended 31 December 2007	2.0790	1,376	28 January 2008
Distribution for quarter ended 30 September 2007	2.0790	1,240	26 October 2007
Distribution for quarter ended 30 June 2007	2.4409	1,353	25 July 2007
Distribution for quarter ended 31 March 2007*	-	153	-
Total distribution for the period ended 31 December 2007	6.5989	4,122	

* The Distribution paid in the quarter ended 31 March 2007 of \$152,935 was paid prior to the issue of the PDS and was paid to Multiplex Property Trust.

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 period 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.

Comparatives

The Fund was constituted with nominal capital on 8 February 2007 and became a Registered Managed Scheme on 22 February 2007 in accordance with the Corporation Act. In accordance with s340(1) of the Corporation Act 2001, the Australian Securities and Investments Commission ("ASIC") granted relief to the Fund and the consolidated entity from preparing annual consolidated financial statements for the year ended 30 June 2007. Further ASIC has allowed the Fund and the consolidated entity to substitute the period from registration on 22 February 2007 to 31 December 2007 as the Fund's and the consolidated entity's first half year. As the Fund commenced operations on 8 February 2007 (through the issue of 10 units), the interim financial statements have been prepared for the period from 8 February 2007 to 31 December 2007. No comparative information is disclosed in this interim financial report as the Fund was not operating in the comparative period.

Dated at Sydney this 22 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 Diversified Property Fund

I declare that, to the best of my knowledge and belief, in relation to the review for the period
from 8 February 2007 to 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
22 February 2008

CONSOLIDATED INTERIM INCOME STATEMENT

MULTIPLEX DIVERSIFIED PROPERTY FUND

FOR THE PERIOD ENDED 31 DECEMBER 2007

	Note	Period ended 31 December 2007 Consolidated \$'000
Revenue		
Share of net profit of investments accounted for using the equity method	8	4,963
Distribution income		246
Interest income		126
Other income		153
Total revenue and other income		5,488
Expenses		
Responsible entity fees		21
Other expenses		91
Total expenses		112
Net profit		5,376

The condensed notes on pages 10 to 17 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM BALANCE SHEET

MULTIPLEX DIVERSIFIED PROPERTY FUND

AS AT 31 DECEMBER 2007

	Note	31 December 2007 Consolidated \$'000
Assets		
Current assets		
Cash and cash equivalents		8,649
Trade and other receivables		1,358
Total current assets		10,007
Non-current assets		
Unlisted Investments – Available for sale	7	6,127
Investments accounted for using the equity method	8	55,918
Total non-current assets		62,045
Total assets		72,052
Liabilities		
Current liabilities		
Trade and other payables		136
Distributions payable		1,376
Total current liabilities		1,512
Total liabilities		1,512
Net assets		70,540
Equity		
Units on issue	9	67,157
Available for sale reserve	10	1,789
Foreign currency translation reserve	10	(40)
Hedge reserve	10	380
Retained earnings	10	1,254
Total equity		70,540

The condensed notes on pages 10 to 17 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

MULTIPLEX DIVERSIFIED PROPERTY FUND

AS AT 31 DECEMBER 2007

	Note	Period Ended 31 December 2007 Consolidated \$'000
Opening equity – 8 February 2007		-
Movement in units on issue		
Reinvested distributions	9	2,544
Units issued	9	64,725
Units redeemed	9	(112)
Movement in available for sale reserve		
Fair value increases in relation to investments	10	1,025
Share of movement of reserve for investments accounted for using the equity method	10	764
Movement in foreign currency translation reserve		
Share of movement of reserve for investments accounted for using the equity method	10	(40)
Movement in hedge Reserve		
Share of movement of reserve for investments accounted for using the equity method	10	380
Movement in retained earnings		
Net profit	10	5,376
Distributions	10	(4,122)
Closing equity – 31 December 2007		70,540

The condensed notes on pages 10 to 17 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

MULTIPLEX DIVERSIFIED PROPERTY FUND

AS AT 31 DECEMBER 2007

	Period Ended 31 December 2007 Consolidated \$'000
Cash flows from operating activities	
Cash receipts in the course of operations	379
Cash payments in the course of operations	(69)
Interest received	76
Net cash flows from operating activities	386
Cash flows from investing activities	
Distributions received from investments accounted for using the equity method	1,194
Payments for investments	(2,000)
Net cash flows (used in) investing activities	(806)
Cash flows from financing activities	
Proceeds from issue of units	11,927
Payment for redemption of units	(112)
Distributions paid to unit holders	(2,746)
Net cash flows from financing activities	9,069
Net increase in cash and cash equivalents	8,649
Cash and cash equivalents at 8 February 2007	-
Cash and cash equivalents at 31 December 2007	8,649

The condensed notes on pages 10 to 17 are an integral part of these consolidated interim financial statements.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT

MULTIPLEX DIVERSIFIED PROPERTY FUND

AS AT 31 DECEMBER 2007

1 REPORTING ENTITY

Multiplex Diversified 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 was appointed on the 11 October 2007 and is incorporated and domiciled in Australia. The Responsible Entity from inception to October 10, 2007 was Multiplex Capital Securities Limited. The consolidated interim financial statements of the Consolidated Entity for the period from the Fund's constitution on 8 February 2007 to 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. The first full available financial report will be published for the year ended 30 June 2008.

The Consolidated interim financial report for the period ended 31 December 2007 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 22 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 COMPARATIVES

The Fund was constituted with nominal capital on 8 February 2007 and became a Registered Managed Scheme on 22 February 2007 in accordance with the Corporation Act. In accordance with s340(1) of the Corporation Act 2001, the Australian Securities and Investments Commission ("ASIC") granted relief to the Fund and the consolidated entity from preparing annual consolidated financial statements for the year ended 30 June 2007. Further ASIC has allowed the Fund and the consolidated entity to substitute the period from registration on 22 February 2007 to 31 December 2007 as the Fund's and the consolidated entity's first half year. As the Fund commenced operations on 8 February 2007 (through the issue of 10 units), the interim financial statements have been prepared for the period from 8 February 2007 to 31 December 2007. No comparative information is disclosed in this interim financial report as the Fund was not operating in the comparative period.

4 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies have adopted by the Fund and applied in preparation of these interim financial statements are set out below.

(a) Principles of consolidation

The consolidated interim financial statements incorporate the financial statements of the Fund and entities controlled by the Fund and its subsidiaries, (referred to as 'the consolidated entity' in these financials statements). Control is achieved where the Fund has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated interim income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the interim financial statements of subsidiaries to bring their accounting policies into line with those used by the Consolidated Entity.

All intra-fund transactions, balances, income and expenses including unrealised profits arising from intra-fund transactions are eliminated in full in the consolidated interim financial statements. Where the transaction value differs from the carrying value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT

MULTIPLEX DIVERSIFIED PROPERTY FUND

AS AT 31 DECEMBER 2007

(b) Segment Reporting

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

(c) Revenue recognition

Revenues are recognised at the fair value of the consideration received for the sale of goods and services, net of the amount of Goods and Services Tax (GST), rebates and discounts.

Exchange of goods or services of the same nature and value without any cash consideration are not recognised as revenues. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific criteria for the major business activities must also be met before revenue is recognised. Where amounts do not meet these recognition criteria, they are deferred and recognised in the period in which the recognition criteria are met.

Dividends and distributions

Revenue from dividends and distributions are recognised when the right of the consolidated entity to receive payment is established. In the case of distributions and dividends from listed property equity investments, this is when they are declared.

Dividends and distributions received from associates reduce the carrying amount of the investment of the Consolidated Entity in that associate and are not recognised as revenue.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(d) Expense recognition

Expenditure including rates, taxes, other outgoings and Responsible Entity fees are brought to account on an accrual basis.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an expense item.

Receivables and payables are stated with the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Income tax

Under current income tax legislation, the Consolidated Entity and its controlled entities are not liable for Australian income tax, provided that the taxable income is fully distributed to unitholders each year, and any taxable capital gain derived from the sale of an asset acquired after 19 September 1985 is fully distributed to unitholders.

The Consolidated Entity fully distributes its taxable income each year, calculated in accordance with the Trust Constitution and applicable legislation, to unitholders who are presently entitled to income under the Constitution.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT

MULTIPLEX DIVERSIFIED PROPERTY FUND

AS AT 31 DECEMBER 2007

(g) Cash and cash equivalents

For purposes of the Cash Flow Statement, cash includes cash balances, deposits at call with financial institutions and other highly liquid investments (with short periods to maturity), which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(h) Trade and Other Receivables

Trade debtors and other receivables are stated at their amortised cost using the effective interest rate method less any identified impairment losses. Impairment charges are brought to account as described in Note 1(n). Non-current receivables are measured at amortised cost using the effective interest rate method.

(i) Available for Sale assets

Unlisted and listed investments are classified as being available for sale. Subsequent to initial recognition they are measured at fair value, with any resulting gain or loss recognised directly in equity. Where there is evidence of impairment in the value of the investment, the impairment loss will be recognised directly in profit and loss. Where unlisted and listed investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the profit and loss.

(j) Associates

The Consolidated Entity's investments in associates are accounted for using the equity method of accounting in the consolidated financial report. An associate is an entity in which the Consolidated Entity has a significant influence, but not control, over their financial and operating policies.

Under the equity method, investments in associates are carried in the consolidated Balance Sheet at cost plus post-acquisition changes in the Consolidated Entity's share of net assets of the associates. After application of the equity method, the Consolidated Entity determines whether it is necessary to recognise any additional impairment loss with respect to the Consolidated Entity's net investment in the associates. The consolidated Income Statement reflects the Consolidated Entity's share of the results of operations of the associates.

When the Consolidated Entity's share of losses exceeds its interest in an associate, the Consolidated Entity's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Consolidated Entity has incurred legal or constructive obligations or made payments on behalf of an associate.

Where there has been a change recognised directly in the associate's equity, the Consolidated Entity recognises its share of changes and discloses this in the consolidated interim statement of changes in equity.

Intra-fund balances, and any unrealised income and expenses arising from intra-fund transactions, are eliminated in preparing the consolidated interim financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the fund's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised when the contributed assets are consumed or sold by the equity accounted investees.

(k) Trade and other payables

Trade and other payables are stated at amortised cost using the effective interest rate method and represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Distributions

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

Distributions paid and payable on units are recognised in equity as a reduction of undistributed income for the period. Distributions paid are included in cash flows from financing activities in the cash flow statement.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT

MULTIPLEX DIVERSIFIED PROPERTY FUND

AS AT 31 DECEMBER 2007

(m) Equity

Issued and paid up units are recognised at the fair value of the consideration received by the Consolidated Entity. Incremental costs directly attributable to the issue of new units are shown in equity under unit issue costs.

(n) Impairment

(1) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available for sale financial asset is calculated by reference to its current fair value

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit and loss. Any cumulative loss in respect of an available for sale financial asset recognised previously in equity is transferred to profit and loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available for sale financial assets that are debt securities, the reversal is recognised in profit and loss. For available for sale financial assets that are equity securities, the reversal is recognised directly in equity.

(2) Non financial assets

The carrying amount of the Consolidated Entity's non financial assets, other than investment property are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists then the asset's recoverable amount is estimated.

An impairment loss in respect of goodwill is not reversed. In respect of all other assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5 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.

6 DISTRIBUTIONS PAID AND PAYABLE

Distributions paid/payable to unitholders were as follows:

	Cents per		
	unit	\$'000	Date of payment
Distribution for quarter ended 31 December 2007	2.0790	1,376	28 January 2008
Distribution for quarter ended 30 September 2007	2.0790	1,240	26 October 2007
Distribution for quarter ended 30 June 2007	2.4409	1,353	25 July 2007
Distribution for quarter ended 31 March 2007*	-	153	-
Total distribution for the period ended 31 December 2007	6.5989	4,122	

* The Distribution paid in the quarter ended 31 March 2007 of \$152,935 was paid prior to the issue of the PDS and was payable to Multiplex Property Trust.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT

MULTIPLEX DIVERSIFIED PROPERTY FUND

PERIOD ENDED 31 DECEMBER 2007

7 INVESTMENTS - AVAILABLE FOR SALE

	Consolidated 31 December 2007 \$'000
Unlisted Investments	
Unlisted investments at cost *	5,102
Fair value adjustments	1,025
	6,127

* The Fund holds 4,345,251 units in the Multiplex New Zealand Property Fund resulting in a 2% ownership.

8 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	% Ownership	Consolidated 31 December 2007 \$'000
Multiplex Acumen Property Fund – Carrying value	21.41	55,918
Share of profit in the period of investments accounted for using the equity method		
Share of net profit from operations		3,811
Share of net profit from Fair Value Adjustments in investment property		1,152
		4,963

9 UNITS ON ISSUE

			Consolidated 31 December 2007 \$'000
Date	Details	Units	
Ordinary Units	Opening balance – 8 February 2007	-	-
	Units issued	63,933,276	64,725
	Units redeemed	(103,325)	(112)
	Units issued via the distribution reinvestment plan ("DRP")	2,332,338	2,544
31 December 2007	Closing Balance	66,162,289	67,157

In accordance with the Fund's constitution, each unitholder is entitled to receive distributions as declared from time to time and are entitled to one vote at unit holder meetings. In accordance with the Fund's constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT

MULTIPLEX DIVERSIFIED PROPERTY FUND

PERIOD ENDED 31 DECEMBER 2007

10 RESERVES

For the period ended
31 December 2007
Consolidated
\$000

Movement in available for sale reserve

Opening balance – 8 February 2007	-
Fair value increases in relation to investments	1,025
Share of movement of reserve for investments accounted for using the equity method	764
Closing balance	1,789

Movement in foreign currency translation reserve

Opening balance - 8 February 2007	-
Share of movement of reserve for investments accounted for using the equity method	(40)
Closing balance	(40)

Movement in hedge reserve

Opening balance – 8 February 2007	-
Share of movement of reserve for investments accounted for using the equity method	380
Closing balance	380

Closing balance	2,129
------------------------	--------------

Movement in retained earnings

Opening balance – 8 February 2007	-
Net profit	5,376
Distributions paid / payable to unit holders	(4,122)
Closing balance	1,254

11 RELATED PARTIES

Responsible Entity

The Responsible Entity of the Multiplex Diversified Property Fund was Multiplex Capital Securities Limited (ACN 103 736 081) to October 10, 2007. From 11 October, 2007 the Responsible Entity of the Fund changed to Multiplex Capital Management Limited (ACN 094 936 866). The arrangements in place in relation to the new Responsible Entity are on the same basis as with the previous Responsible Entity. The immediate and ultimate holding company of Multiplex Capital Management Limited is Multiplex Limited (ABN 96 008 687 063) which is incorporated and domiciled in Australia.

Key management personnel

The Consolidated Entity does not employ personnel in its own right. However it is required to have an incorporated Responsible Entity to manage the activities of the Consolidated Entity and this is considered the key management personnel. The Directors of the Responsible Entity are key management personnel of that entity and their names are Mr P Morris, Mr B Motteram, Mr R McCuaig, Mr R McKinnon and Mr R Rayner.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT

MULTIPLEX DIVERSIFIED PROPERTY FUND

PERIOD ENDED 31 DECEMBER 2007

RELATED PARTIES (continued)

The Responsible Entity is entitled to a management fee which is calculated as a percentage of gross assets attributable to unitholders.

No compensation is paid to Directors or to any of the key management personnel of the Responsible Entity directly by the Consolidated Entity

No loans were made to any of the Directors during the period.

Directors' Interests

The Directors have no interest in the units, debentures, rights or options over such instruments, issued interests in registered schemes and rights or options over such instruments issued by the entities within the Consolidated Entity and other related bodies corporate as at the date of this report.

Responsible Entity's fees and other transactions

A base management fee up to 0.615% per annum (including GST) of the gross value of assets excluding investments in other Multiplex funds is payable to the Responsible Entity. The fee is payable by the Fund quarterly in arrears.

	For the period ended 31 December 2007 \$'000
Management fees	21
Cost recoveries paid to the Responsible Entity based on 0.2% of the value of the gross assets	91
Fees payable to the Responsible Entity as at balance date (included within payables on the balance sheet)	13

Related Party Investments

The Fund had the following investments with related parties. These entities are related parties by virtue of the fact the responsible entity for each entity is the same as the Multiplex Diversified Property Fund, being Multiplex Capital Management Limited.

	For the period ended 31 December 2007 \$'000
Investment in Associate being the Multiplex Acumen Property Fund	55,918
Investments in the Multiplex New Zealand Property Fund	6,127

Distributions Received

The following amounts were received or receivable from related parties of Multiplex Capital Management Limited during the period.

	For the period ended 31 December 2007 \$'000
Multiplex Acumen Property Fund *	4,612
Multiplex New Zealand Property Fund	246

* As the Multiplex Acumen Property Fund is accounted for using the equity method, the distribution received is not shown within the income statement as it is replaced by the Fund's share of profit in its associate. \$2.39 million of the distribution was received in cash and \$2.24 million was received through the distribution reinvestment plan.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT

MULTIPLY DIVERSIFIED PROPERTY FUND

PERIOD ENDED 31 DECEMBER 2007

RELATED PARTIES (continued)

Distribution payable / paid to related parties

The Fund paid the following distributions to the Multiplex Property Trust and Multiplex Capital Pty Limited. These entities are related parties by virtue of the fact the responsible entity for the Multiplex Diversified Property Fund, has the same ultimate parent as the Multiplex Property Trust and Multiplex Capital Pty Limited.

	For the period ended 31 December 2007 \$'000
Multiplex Property Trust	3,665
Multiplex Capital Pty Limited	209

Units issued to related parties

The following units were issued by the fund, during the period, to related parties.

	For the period ended 31 December 2007 \$
Multiplex Property Trust	
15 March 2007	51,027,821
26 April 2007	1,210,926
1 July 2007 – Units issued under the distribution reinvestment plan	1,273,369
1 October 2007 - Units issued under the distribution reinvestment plan	1,109,021
	54,621,137
Multiplex Capital Pty Limited	
8 February 2007	10
15 March 2007	3,102,134
1 July 2007 – Units issued under the distribution reinvestment plan	75,722
1 October 2007 - Units issued under the distribution reinvestment plan	65,949
	3,243,815

On 31 December 2007, the Fund units is 86% ultimately owned by the Multiplex group.

The initial portfolio of the fund was acquired from related parties. On 15 March 2007, the Fund acquired 40.74 million units in the ASX listed Multiplex Acumen Property Fund (MPF) from the Multiplex Property Trust and on 15 March 2007, 2.75 million units in Multiplex New Zealand Property Fund (MNZPF) from Multiplex Capital Pty Ltd, in exchange for units in the Fund itself.

12 CONTINGENT ASSETS AND LIABILITIES

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

13 CAPITAL AND OTHER COMMITMENTS

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

14 EVENTS SUBSEQUENT TO 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 Diversified Property Fund
Directors' Declaration**

- 1 In the opinion of the Directors of Multiplex Capital Management Limited as Responsible Entity for Multiplex Diversified Property Fund:
- (a) The consolidated interim financial statements and notes, set out in pages 6 to 17 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 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 22 day of February 2008.



Robert Rayner
CEO – Funds Management
Multiplex Capital Management Limited



Independent auditor's review report to the members of Multiplex Diversified Property Fund

We have reviewed the accompanying interim financial report of Multiplex Diversified 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 period 8 February 2007 to 31 December 2007, a statement of accounting policies, other explanatory notes 1 to 14 and the directors' declaration set out on page 18 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 Diversified 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 Diversified 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 period from 8 February 2007 to 31 December 2007; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'T. Gilerman'.

Tanya Gilerman
Partner

Sydney
22 February 2008

Tanya Gilerman
KPMG
10 Shelley Street
Sydney NSW 2000

22 February 2008

Dear Madam

Representation letter - review of interim financial report for the period 1 July 2007 to 31 December 2007

This representation letter is provided in connection with your review of the interim consolidated financial report of Multiplex Diversified Property Fund ("the Consolidated Entity") for the purpose of expressing a conclusion as to whether the interim consolidated financial report for the interim period 1 July 2007 to 31 December 2007 is prepared and presented in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. The interim financial report comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and statement of cash flows for the six months then ended, a summary of significant accounting policies and other explanatory notes.

We acknowledge our responsibility for the true and fair presentation of the interim financial report in accordance with AASB 134 and the Corporations Act 2001 and that this responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and true and fair presentation of financial reports which are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Certain representations in this letter are described as being limited to matters that are material. We understand that omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the interim financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

We have made appropriate inquiries of directors and officers of the Multiplex Capital Management Limited ("the Responsible Entity") of the Consolidated Entity with the relevant knowledge and experience. Accordingly, we confirm, to the best of our knowledge and belief, the following representations:

General

- 1 The interim financial report referred to above is prepared and presented in accordance with Australian Accounting Standard AASB 134 and the Corporations Act 2001.

- 2 In adopting the appropriate Australian Accounting Standards, accounting policies and disclosures for preparation of the interim financial report we have considered the substance of the underlying transactions as well as their form. All material and/or contentious issues which management or the directors have discussed in the course of preparing the interim financial report and the resolution of such issues have been discussed with you.
- 3 All financial records and related data have been made available for inspection. All material transactions have been properly recorded in the accounting records underlying the interim financial report.
- 4 We understand that the term "fraud" includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements or omissions of amounts or disclosures in financial reports to deceive financial report users. Misstatements resulting from misappropriations of assets involve the theft of an entity's assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.
- 5 We have disclosed to you the results of management's assessment of the risk that the interim financial report may be materially misstated as a result of fraud.
- 6 There have been no:
 - known actual or possible non-compliance with laws or regulations, that could have a material effect on the financial report in the event of non-compliance;
 - frauds or suspected frauds known to management that may have affected the Consolidated Entity involving:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the interim financial report;
 - allegations of fraud, or suspected fraud, affecting the Consolidated Entity's interim financial report communicated by employees, former employees, analysts, regulators or others;
 - communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.
- 7 The estimated financial effect of pending or threatened litigation and claims against the Consolidated Entity has been properly recorded or disclosed in the interim financial report. We are not aware of any claims that have been or are expected to be received.

- 8 The accounting policies used at the end of the interim period are those accounting policies to be applied for the next full year financial report. The criteria for recognising, and the basis for measuring, assets, liabilities, components of equity, revenues and expenses in the interim financial report are the same as for the next full-year financial report. Annually determined items have been calculated in accordance with AASB 134. There have been no changes in accounting policies or application of those policies that would have a material effect on the interim financial report.
- 9 We acknowledge that you have advised management of uncorrected misstatements that you became aware of as a result of your review.
- 10 We believe the effects of uncorrected misstatements summarised in the Board Report pertaining to the interim financial report (including the effects of prior year misstatements impacting the current reporting period) are immaterial, both individually and in the aggregate to the interim financial report taken as a whole.
- 11 The Consolidated Entity has complied with the continuous disclosure requirements of the Corporations Act 2001 and we have provided you with details of all matters disclosed in accordance with these requirements.
- 12 Except as discussed with you, and disclosed in the interim financial report as appropriate, there have been no changes in the Consolidated Entity's operations subsequent to balance sheet date through to the date of this letter that impact the interim financial report.
- 13 We confirm that significant assumptions used in forming the accounting estimates recorded in the interim financial report are reasonable.
- 14 Throughout the half year, all the requirements of the Constitution have been complied with.

Assets and liabilities

- 15 The Consolidated Entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 16 Presentation and disclosure of the fair value measurement of material assets (including investment properties) and liabilities are in accordance with AASB 134. The amounts disclosed represent our best estimate of fair value of assets and liabilities, required to be disclosed by AASB 134. The measurement methods and significant assumptions used in determining fair value have been applied on a consistent basis, are reasonable and they appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Consolidated Entity where relevant to the fair value measurements or disclosures.
- 17 Receivables reported in the interim financial report represent valid claims against debtors for sales or other charges arising on or before reporting date and appropriate provisions have been made in accordance with AASB 139 *Financial Instruments: Recognition and Measurement* for losses that have been incurred on uncollectible receivables.

- 18 The interim financial report includes all cash and bank accounts and all assets of the Consolidated Entity required to be included in accordance with AASB 134. There were no material deficiencies or encumbrances attaching to the title of the Consolidated Entity's assets at interim period end other than those disclosed in the most recent annual financial report.
- 19 We have recorded or disclosed, as appropriate, all known liabilities, both actual and contingent, and have disclosed, where appropriate, in the notes to the interim financial report all material changes to guarantees that we have given to third parties.
- 20 There were no material changes to contractual commitments for capital or other expenditure at the end of the interim period not included in the financial report.
- 21 Except as disclosed in the interim financial report, there are no:
 - gain or loss contingencies or other liabilities that are required to be recognised or disclosed in the financial report, including liabilities or contingencies arising from environmental matters, illegal or possible illegal acts, or possible violations of human rights legislation; or
 - environmental or legal matters that may have a material impact on the interim financial report.
- 22 We confirmed that the amount of taxable distribution paid/payable by the Consolidated Entity to the unit holders has been calculated such that all of the taxable income of the Consolidated Entity for the year will be distributed to unit holders and no additional tax will be payable by the Responsible Entity out of Consolidated Entity's assets other than that which has already been provided for.
- 23 We confirm that all investments in Listed and Unlisted Property Trusts made by the Consolidated Entity are recorded at fair value.

Other

- 24 The following have been properly recorded, and when appropriate, adequately disclosed in accordance with AASB 134 in the interim financial report:
 - The identity of, and balances and transactions with related parties.

We confirm the completeness of the information provided to you regarding the identification of related parties and regarding transactions with such parties that are material to the interim financial report.

- 25 The minutes of shareholders' Meeting of the Consolidated Entity, Directors' Meetings and Responsible Entity meeting have been made available, and, where applicable, summaries of actions of meetings held after period end for which minutes have not been prepared have been made available to you are a complete and authentic record of all meetings since 8 February 2007 to the date of this letter.

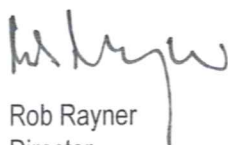
All other statutory records were properly kept during the period. All matters arising from shareholders' meetings of the Consolidated Entity, Directors' meetings and other board committee meetings of the

MULTIPLY CAPITAL

Responsible Entity which impact on the interim financial report have been adequately disclosed therein.

- 26 Throughout the interim period the Consolidated Entity has conformed with the requirements of its debt agreements and debenture trust deeds, including all financial and non-financial covenants.
- 27 Records maintained during the interim period were in accordance with the Australian Tax Office requirements and any other relevant legislative requirements.
- 28 There are no off-balance sheet activities, including transactions with special purpose entities which have not been properly recorded and, where appropriate, adequately disclosed in the interim financial report.
- 29 There were no open put or call options related to assets or liabilities (or potential assets or liabilities) of material significance to the Consolidated Entity which could if exercised have a material effect on the carrying amount of assets and liabilities and the profit and loss result for the interim period.
- 30 Revenue has been appropriately recognised in accordance with AASB 118 *Revenue*. There are no side agreements or continuing management involvement that would indicate that the recognition of any revenues is inappropriate.
- 31 The Consolidated Entity's reportable segments have been appropriately identified and the related segment disclosures have been made in accordance with AASB 134.
- 32 The Consolidated Entity has accounted for its derivatives and hedging activities in accordance with Australian Accounting Standards including the requirement for contemporaneous documentation of the hedging relationship and the Consolidated Entity's risk management objectives and strategy for entering into the hedge as well as initial and periodic effectiveness assessments. The estimate of fair value of derivative instruments is in accordance with AASB 139. All derivatives have been identified and included in the accounting records.

Yours faithfully



Rob Rayner
Director