Annual Report 2007
Multiplex New Zealand Property Fund

ARSN 110 281 055

MULTIPLEX CAPITAL

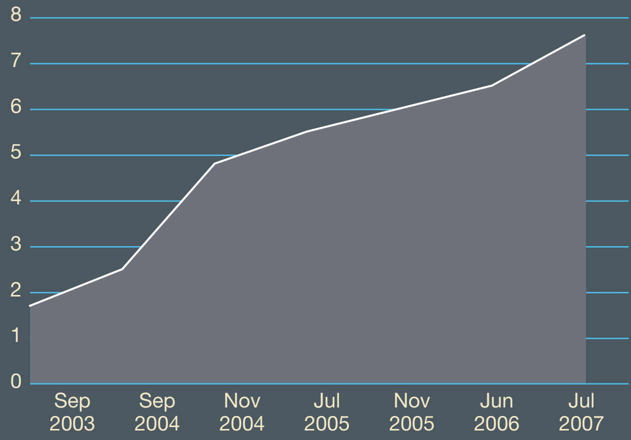
Responsible Entity
Multiplex Capital Management Limited
ACN 103 736 081, AFSL 226442

Annual Report

Multiplex Capital

Multiplex Capital is the property funds management division of Multiplex Group. Multiplex Capital manages $7.6 billion of property assets on behalf of more than 31,000 investors across a diversified range of listed and unlisted property funds.

Funds Under Management ($ billion)



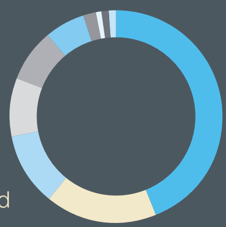
Multiplex Capital is responsible for the creation and strategic direction of all investment products of Multiplex Group. Our proven investment processes ensure investors' returns are optimised and where possible, leveraged off the complementary skills within other divisions of Multiplex Group.

Our aim is to build investors' wealth, delivering consistent earnings and capital growth potential, whilst expanding our operations in the markets in which we operate.

Multiplex Capital is one of four major business divisions within Multiplex Group, a fully integrated and diversified property business with operations throughout Australia, the United Kingdom, the Middle East and New Zealand.

Fund by value

- 44% Multiplex Property Trust
- 17% AMP NZ Office Trust
- 12% Multiplex New Zealand Property Fund
- 9% Multiplex Prime Property Fund
- 8% Multiplex European Property Fund
- 5% Multiplex Acumen Property Fund
- 2% Multiplex Development and Opportunity Fund
- 1% Multiplex Property Income Fund
- 1% Multiplex Diversified Property Fund
- 1% Multiplex Acumen Vale Syndicate



Multiplex Capital Funds Under Management (FUM)

	Listed Unlisted	Open Closed	Multiplex Investment %	Interest in Manager %	Multiplex FUM A$m (30 Jun 2007)
Listed Funds					
Multiplex Property Trust (MPT)	Listed	Open[1]	–	100	3,384.8
AMP NZ Office Trust (ANZO)	Listed	Open[1]	15	50	1,273.9
Multiplex Prime Property Fund (MAFCA)	Listed	Open[1]	32	100	705.0
Multiplex European Property Fund (MUE)	Listed	Open[1]	25	100	625.6
Multiplex Acumen Property Fund (MPF)	Listed	Open[1]	21	100	401.9
					6,391.2
Unlisted Funds					
Multiplex New Zealand Property Fund (MNZPF)	Unlisted	Closed	48	100	900.0
Multiplex Development and Opportunity Fund (MDOF)	Unlisted	Open	6	100	158.8
Multiplex Acumen Vale Syndicate (Vale)	Unlisted	Closed	–	100	68.3
Multiplex Diversified Property Fund (MDPF)	Unlisted	Open	99	100	60.1
Multiplex Property Income Fund (MPIF)	Unlisted	Open	–	100	42.8
Total Funds Under Management					**7,621.2**
Less: Cross Investments in Multiplex Funds					**518.2**
					7,103.0

Note:
1 As these funds are listed they are effectively continually open for investments.

Geographic spread by value

- 63% Australia
- 29% New Zealand
- 8% Europe

Fund type by value

- 84% Listed Funds
- 16% Unlisted Funds

17.8%

NTA increase

22.3%

Internal rate of return since inception

25.9%

Total return over the year

Contents

$838.6m

Total property assets

$146.5m

Increase in portfolio value

$35.6m

Valuation uplift over the year

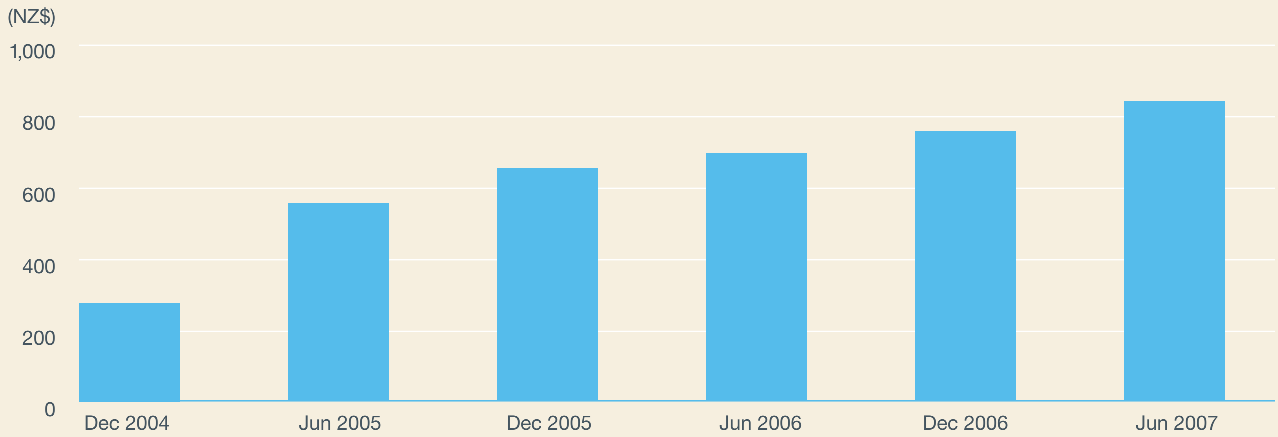
Launched in September 2004, Multiplex New Zealand Property Fund is an unlisted property fund which owns a diversified portfolio of New Zealand property assets, making it one of the largest property owners in New Zealand.

The fund's objective is to maximise unitholder value by providing strong and secure tax-deferred income returns through investment in a quality diversified portfolio of New Zealand property assets.

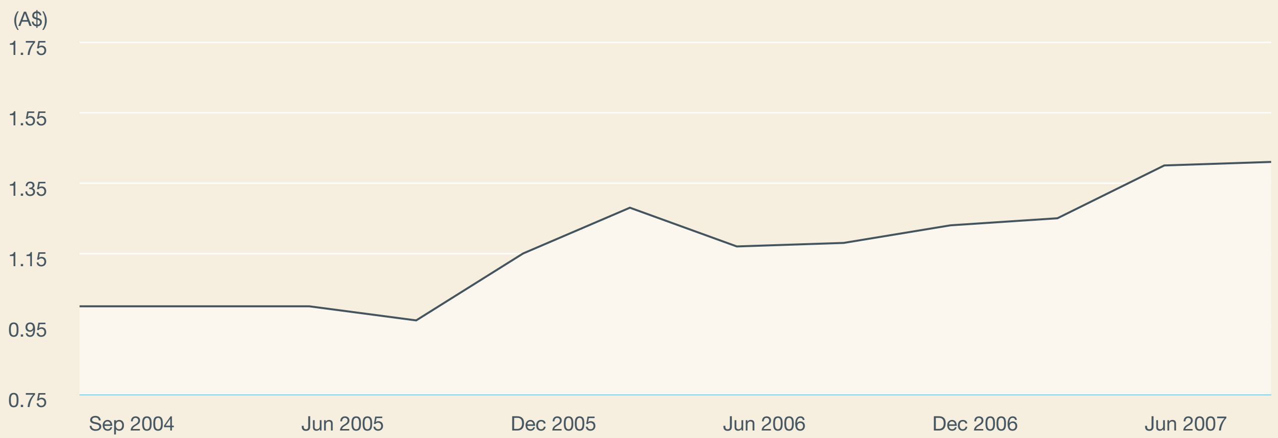
An investment in the fund provides diversification between 39 retail, industrial and office property assets and over 170 different tenants.

Performance Highlights

Fund asset value growth



NTA growth per unit



Multiplex New Zealand Property Fund statistics

	FY2007	FY2006
Total assets (including cash)	$900.0 million	$718.0 million
Book value of property assets	$838.6 million	$692.1 million
NTA per unit	$1.39	$1.18
Growth in NTA	17.8%	22.9%
Cash distribution paid (for the year ended 30 June)	9.50	9.50
Total investor return over the year	25.9%	32.8%
Tax advantaged status	100.0%	100.0%
Portfolio occupancy	99.9%	99.7%
Portfolio weighted average lease term	7.3 years	7.6 years
Portfolio weighted average capitalisation rate	7.6%	8.1%

Note:
1 Last portfolio revaluation taken on 1 March 2007.

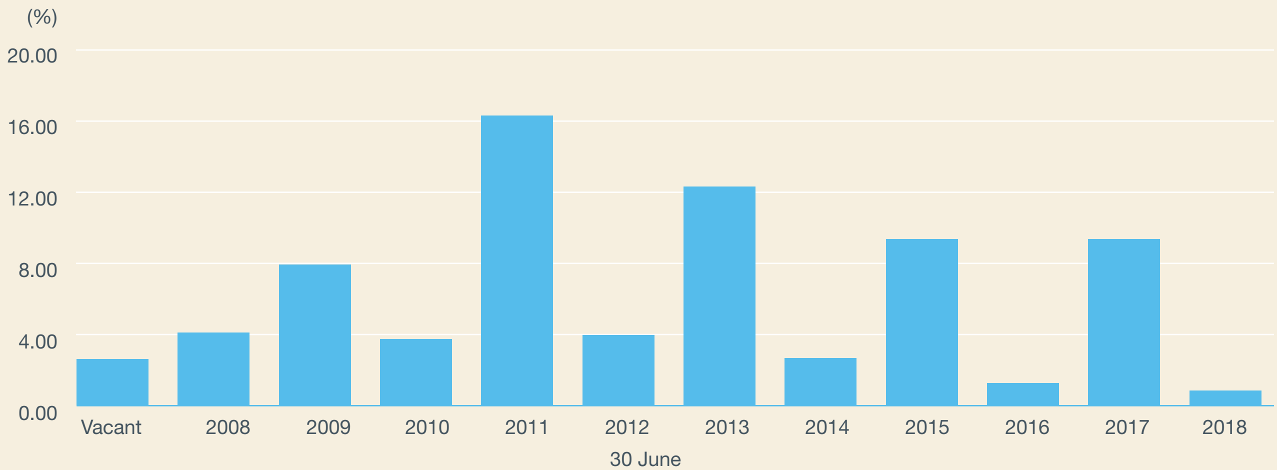
The fund has a dedicated team of Australian and New Zealand property professionals and support staff overseeing the interests of investors and driving the performance of the fund.

Portfolio Analysis

Fund snapshot as at 30 June 2007

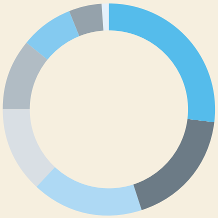
Total assets (including cash)	$900.0 million
Book value of property assets	$838.6 million
Fund inception date	1 September 2004
NTA per unit	$1.39
Portfolio occupancy	99.9%
Portfolio weighted average lease term	7.3 years
Portfolio weighted average capitalisation rate	7.6%
Distributions paid	Quarterly
Tax advantaged status	100%
Fund gearing (total debt/total assets[1])	55.5%
Fund loan to value ratio (LVR)	59.5%
Management fee	0.7% (excluding GST) of gross asset value
Performance fee	2% of asset value if increased more than 50%
Number of office assets	14
Number of retail assets	22
Number of industrial assets	3
Total number of assets	39

Lease expiry profile by income



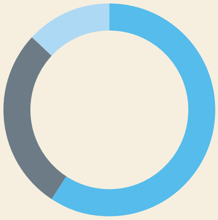
Income split by sector

- 27% Retail: Supermarket
- 18% Government
- 17% General Office
- 13% Telecommunications
- 11% Banking/Finance
- 8% Retail: Big Box
- 5% Retail: Specialty
- 1% Insurance



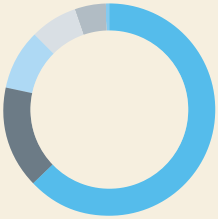
Sector allocation by value

- 59.2% Office
- 28.0% Retail
- 12.8% Industrial



Geographic allocation by value

- 63.0% Auckland
- 15.5% Wellington
- 9.1% Provincial
- 7.2% Christchurch
- 4.7% New Plymouth
- 0.5% Hamilton



Message from the Chairman and Managing Director

On behalf of the board, we are pleased to report that Multiplex New Zealand Property Fund has delivered another year of outstanding performance characterised by significant growth.

Over the year, the fund generated a total return for unitholders of 25.9% comprising NTA growth and distributions of 9.5 cents per unit.

Strong Portfolio

In March 2007 the fund announced the revaluation of 38 of the fund's 41 property assets. From this, a valuation uplift of $35.6 million was generated from the previous valuation taken in June 2006.

During the year, the fund has benefitted from a particularly strong New Zealand property market to strengthen its financial position, through the disposal of a small number of non-core property assets.

Experienced Management Team

The fund has a dedicated team of Australian and New Zealand property professionals and support staff overseeing the interests of investors and driving the performance of the fund. The team in Australia is headed by Christopher Sutton as Fund Manager, who is responsible for the day-to-day operation and performance of the fund.

The fund is also fortunate to have a highly experienced, local asset management team based in Auckland led by Peter Wall, Chairman of Property in New Zealand, Kym Bunting, Director of Property in New Zealand and John McStay, National Asset Manager, New Zealand.

Corporate Governance Focussed

During the past financial year, Multiplex Capital has streamlined its board structure to now comprise one common board of directors across our various responsible entities.

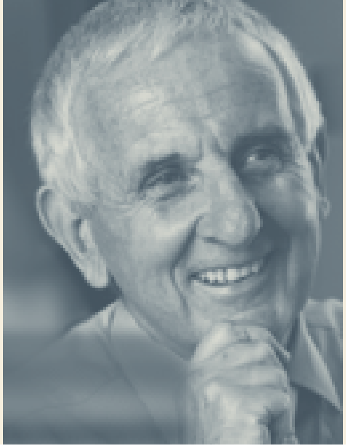
The board and management continue to place great emphasis on good corporate governance and are committed to maintaining this framework. We regard good corporate governance as being of critical importance to Multiplex Capital's stakeholders. Conflicts of interests between Multiplex Group and Multiplex New Zealand Property Fund are mitigated by the majority of directors of the responsible entity of the fund being independent of Multiplex Group.

A number of charters and policies have been formalised to ensure that Multiplex Capital complies with the ASX Corporate Governance Council Recommendations. Details of the charters and policies are outlined on the Multiplex Capital website www.multiplexcapital.biz

Brookfield Asset Management Update

On 5 July 2007, Brookfield Asset Management Inc (Brookfield) made a takeover offer to acquire all of the stapled securities of Multiplex Group for cash consideration of $5.05 per security by means of an off-market takeover offer.

The offer is subject to a number of conditions, including obtaining foreign investment and regulatory approvals, as well as a minimum acceptance condition that Brookfield has a relevant interest in more than 50% of Multiplex Securities. The detailed terms and conditions governing the offer are contained in Brookfield's Bidder's Statement, a copy of which is available at www.multiplex.biz.



Brookfield is one of the largest owners of commercial properties in the world. It is focussed on property, power and infrastructure assets and has over US$75 billion of assets under management. Brookfield is co-listed on the New York and Toronto Stock Exchanges under the symbol BAM.

The directors of Multiplex Group have previously indicated they support Brookfield's offer, subject to:

– receiving an independent expert's report that concludes the offer is both fair and reasonable; and
– there being no superior offer.

The directors of Multiplex Group have since received the independent expert's report concluding the Brookfield offer is both fair and reasonable and on this basis, they have therefore recommended Multiplex securityholders accept the offer.

Brookfield have advised that they view Multiplex as an integral part of their international growth strategy and intend to use Multiplex and its local management team to grow in the regions in which Multiplex operates.

For Multiplex Capital, the funds management division of Multiplex Group, we believe the Brookfield offer supports our business strategy, and that any change in ownership of Multiplex Group by virtue of the Brookfield offer should have no adverse impact on your investment in the fund.

If the takeover is successful, the following points should be noted:

– the responsible entity of the fund will be ultimately owned by Brookfield; and
– all existing rights owned by the fund will remain.

Furthermore, it should be made clear Brookfield's offer is to purchase Multiplex Group stapled securities only and not units in the fund. Therefore, the Brookfield offer will mean that you will not be required to sell your existing investment(s) in the fund.

Please be assured Multiplex Capital is committed to keeping investors informed throughout this process and will communicate further once the takeover is completed.

Fund Strategy and Outlook
The board has been active in the development of strategic plans for further earnings accretive growth of the fund as well as looking to maintain an appropriately diversified spread of investment properties.

Heading into the new financial year, the fund is well positioned to add to its proven track record. The management team aims to continue to focus on growing profits and enhance total returns by seeking out new investment opportunities to complement the fund's existing investment portfolio.

Peter Morris
Independent Chairman

Ian O'Toole
Managing Director

Fund Manager's Year in Review

On behalf of Multiplex New Zealand Property Fund and the responsible entity of the fund, Multiplex Capital Management Limited, I am pleased to present the Fund Manager's Review for the financial year ended 30 June 2007.

The year in summary
Launched in September 2004 with a quality portfolio of 11 New Zealand property assets, the fund has since grown to become one of New Zealand's top five property vehicles with 39 property assets valued at $838.6 million.

Over the course of the last financial year, the fund has continued to expand and consolidate the property portfolio through settling the final two Stage 4 properties in Wellington, as well as completing the purchase of the ANZ Business Centre, The Hub and Stages 1 and 2 of the Valley Mega Centre Bulky Goods retail centres.

The fund also took advantage of a very strong New Zealand market to divest a number of properties, consolidate the portfolio weighting and reduce the debt position pending repositioning some of the existing properties.

The value of the fund's investment property has increased during the period by $146.5 million from $692.1 million to $838.6 million through a combination of acquisitions, valuation uplifts and favourable currency movements.

Financial Results
The fund's third reporting period has been strong, characterised by significant growth and an expanding and diversified asset base.

- The fund generated net income revenue of $71.6 million for the year, compared to $59.5 million for the previous year.
- Net profit before unitholders' expenses for the year was $38.0 million.
- The fund paid a distribution of 9.50 cents per unit.
- The fund's NTA per unit increased to $1.39 per unit which is an increase of 17.8% over the 12 month period to 30 June 2007.
- The total return during the period was 25.9%.

The property portfolio
The current portfolio of 39 properties comprises 14 office, 22 retail and 3 industrial assets and provides investors with a quality, diversified and well leased portfolio spread throughout New Zealand's North and South Islands. The portfolio includes approximately 170 tenancies, with rental income secured by leases with a Weighted Average Lease Expiry (WALE) of 7.3 years.

The fund received independent valuation reports for 38 of the 41 fund properties in March 2007, resulting in a portfolio uplift of $35.6 million (NZ$39.3 million). The current portfolio value of $838.6 million (NZ$924.6 million) represents an increase of $146.5 million (NZ$161.5 million) over the year, reflecting the acquisitions, disposals and favourable currency movements during the period.

Significant new acquisitions for the fund during the period were:

- The Hub, Whakatane, purchased for $39.3 million (NZ$43.3 million) occurred on practical completion on 12 September 2006
- Valley Mega Centre – Stage 1, New Plymouth, purchased for $21.9 million (NZ$24.1 million) occurred on practical completion on 1 December 2006
- ANZ Business Centre, Albany, settlement for $24.2 million (NZ$26.7 million) occurred on practical completion on 15 December 2006
- Conservation House and 143 Willis Street, Wellington, purchased for $51.4 million (NZ$56.7 million) on 15 December 2005. This property was settled on 30 May 2007 with an immediate uplift of $1.9 million due to revaluations during the purchase period
- Valley Mega Centre – Stage 2, New Plymouth, purchased for $7.5 million (NZ$8.3 million) on 7 May 2007 to provide the fund scope to expand Stage 1 of the Valley Mega Centre Bulky Goods retail centre. Construction of additional retail outlets is proposed during the 2008 financial year.

The fund generated net income revenue of $71.6 million for the year

Disposals of fund properties during the period were:

- An option on the IRD Centre, Upper Hutt, was not taken up and the property was sold back to the original vendor at $4.3 million (NZ$4.8 million). This transaction settled on 5 June 2007
- Telco Building, Auckland was exchanged for sale at $19.1 million (NZ$21.1 million) which was a premium to valuation of $1.6 million (NZ$1.8 million). Settlement took place on 5 July 2007
- The Farmers Car Parks, Auckland were exchanged for sale at $1.8 million (NZ$1.95 million) which is a premium to valuation of $0.4 million (NZ$0.5 million). Settlement took place on 5 July 2007
- Management entered into a conditional contract to sell the SAP Building, Auckland for $21.7 million (NZ$23.9 million) on 28 June 2007 at a premium to valuation of $1.9 million (NZ$2.15 million). This has subsequently become unconditional and is scheduled to settle on 21 September 2007.

Note: all New Zealand currency values have been converted at the exchange rate of $1.1025 adopted throughout the 30 June 2007 accounts.

Fund Manager's Year in Review

The fund is well positioned to capitalise on continued rental income and capital growth prospects

Tenants

A key feature of the fund has been the security of income provided by the major tenants in the portfolio. The portfolio's largest tenants include well known brands such as Woolworths, Telecom New Zealand Limited, ASB Bank, University of Auckland, EDS, Bunnings, The Department of Conservation, The Inland Revenue Department and The Warehouse. The top ten tenants occupy over 75% of the fund's portfolio and contribute approximately 70% of the portfolio's net property income.

The portfolio is well leased and the committed occupancy is 99.9% (by area). The properties have a low lease expiry profile with less than 10% of the leases (by income) expiring each year over the next three years.

The fund continues to benefit from being located in a market which continues to see upward pressure on rental levels and firming capitalisation rates on investment grade real estate. Investors have already seen the benefits of this robust market first hand with significant uplifts over the past two years and a further uplift in of $35.6 million (NZ$39.3 million) in March 2007. Additionally three of the four property disposals entered into since March have been at a premium to their valuation.

Outlook

The fund's outlook remains very positive. Over a relatively short period of time the fund has grown to become one of the top five property vehicles in New Zealand and is well positioned to capitalise on the continued rental income and capital growth prospects being experienced across New Zealand's major property markets. The acquisition of the Stage 4 properties has improved the quality of the portfolio as well as benefiting from further geographical and sector diversification.

The fund's properties are well leased with minimal vacancy, predominantly let at market rents and have the major tenants providing approximately 70% of net income secured over lease terms averaging 7.3 years.

The fund has a dedicated New Zealand-based asset management team who, in addition to providing the day-to-day management of the portfolio and ongoing tenant relationships, are regularly reviewing new acquisition opportunities for the fund.

I would like to thank all investors for their support over the past 12 months and look forward to sharing a new year of growth and success with you.

Chris Sutton
Fund Manager
Multiplex New Zealand Property Fund

ASB Bank Centre
Auckland

Investment Portfolio

Property Name	Location	Capitalisation Rate %	% of Portfolio	Market Value A$	Market Value NZ$
Office					
12 Whitaker Place	Auckland	–	0.1	0.8	0.9
AIA Building	Auckland	8.2	3.3	27.2	30.0
ANZ Business Centre	Auckland	7.8	3.0	24.9	27.5
ASB Bank Centre	Auckland	7.3	15.3	128.3	141.4
Gen-i Tower	Auckland	8.0	8.8	73.9	81.5
The Plaza	Auckland	8.4	1.4	11.8	13.0
SAP Building	Auckland	8.3	2.4	19.7	21.7
Telecom House	Auckland	8.3	6.8	57.1	63.0
Uniservices House	Auckland	8.4	2.3	18.8	20.7
University Building	Auckland	8.4	1.3	11.0	12.1
143 Willis Street	Wellington	7.8	1.9	16.1	17.8
Conservation House	Wellington	7.5	4.4	37.2	41.0
EDS House	Wellington	7.5	3.6	29.9	33.0
New Zealand Police[1]	Wellington	7.3	4.6	38.8	42.8
			59.2	**495.5**	**546.4**
Industrial					
Mangere Distribution Centre[4]	Auckland	7.8	8.0	67.3	74.2
Wiri Distribution Centre[2,4]	Auckland	9.8	2.8	23.1	25.5
Christchurch Distribution Centre[4]	Christchurch	8.0	2.0	16.3	18.0
			12.8	**106.7**	**117.7**

Property Name	Location	Capitalisation Rate %	% of Portfolio	Market Value A$	Market Value NZ$
Retail					
Countdown Botany	Auckland	6.5	2.1	17.6	19.4
Countdown Lynfield	Auckland	6.8	1.9	16.1	17.7
Howick Shopping Centre	Auckland	6.5	1.5	12.9	14.2
Woolworths Grey Lynn	Auckland	6.8	1.4	11.5	12.7
Woolworths Papakura	Auckland	7.5	0.6	5.2	5.7
573–579 Colombo Street[3]	Christchurch	8.5	0.5	4.2	4.6
South City Shopping Centre	Christchurch	7.8	4.8	39.9	44.0
Foodtown Hamilton[2]	Hamilton	8.0	0.4	3.7	4.1
Valley Mega Centre Stage 1	New Plymouth	7.4	2.9	24.1	26.6
Valley Mega Centre Stage 2	New Plymouth	–	0.9	7.5	8.3
Woolworths New Plymouth	New Plymouth	7.0	1.0	8.0	8.8
Countdown Oamaru	Provincial	7.3	0.5	4.0	4.4
Foodtown Pukekohe	Provincial	7.0	1.0	8.8	9.7
The Hub Whakatane	Provincial	7.8	4.6	38.8	42.8
Woolworths Dargaville	Provincial	7.0	0.6	5.2	5.7
Woolworths Invercargill	Provincial	7.5	0.4	3.8	4.1
Woolworths Marton	Provincial	7.0	0.2	1.6	1.8
Woolworths Paeroa	Provincial	7.8	0.4	3.0	3.3
Woolworths Putaruru	Provincial	7.8	0.3	2.5	2.8
Woolworths Te Awamutu	Provincial	7.3	0.7	5.5	6.1
Woolworths Wanganui[2]	Provincial	7.8	0.4	3.4	3.7
Countdown Porirua	Wellington	7.3	0.9	7.6	8.4
			28.0	**234.9**	**258.9**
Totals			**100.0**	**837.1**	**923.0**

Notes:
A$1.00 = NZ$1.1025
All current valuations are based upon Colliers International figures provided as at 1 March 2007.
1 New Zealand Police – 180 Molesworth Street includes air rights.
2 Leasehold properties.
3 Purchased with the South City Shopping Centre.
4 The current valuations of the three industrial properties are based upon Colliers International figures provided as at 30 June 2006.

AIA House
Auckland

Property details

Property type	Commercial Office
Building completion date	1989
Net lettable area (sqm)	9,471
Land area (sqm)	2,868
Car bays	194
Purchase date	4 May 2005
Purchase price (NZ$)	$24,600,000
Current valuation (NZ$)	$30,000,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	1.65
Major tenants	IRD
Net lettable area (sqm)	6,980
Net lettable area (%)	79
Lease expiry	Jan 2009

Property location
The property is located in the Auckland North Shore suburb of Takapuna, approximately eight kilometres from the Auckland CBD. Takapuna is the commercial and retail centre of the Auckland North Shore region.

Property description
The property comprises a 17 level office tower completed in 1989, with 13 office floors and four levels of parking providing 194 car spaces. Two of the parking levels also comprise retail accommodation. The building's service core is centrally positioned to the western elevation, providing good natural light and exceptional views across urban areas to the ocean.

ANZ Centre
Auckland

Property details

Property type	Commercial Office
Building completion date	2004
Net lettable area (sqm)	5,740
Land area (sqm)	5,579
Car bays	225
Purchase date	23 December 2005
Purchase price (NZ$)	$26,700,000
Current valuation (NZ$)	$27,500,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)			100
Weighted average lease expiry (years)			4.71
Major tenants	ANZ	Westpac	Ministry of Justice
Net lettable area (sqm)	910	830	829
Net lettable area (%)	16	15	15
Lease expiry	Jul 2014	Jul 2014	Jul 2014

Property location
The Albany area has been developed extensively over the past decade. The immediate area includes such facilities as the North Harbour Stadium, Westfield Albany and Massey Universities Albany Campus.

Property description
The building comprises of a five level commercial office building with ground level retail completed in 2004. The concrete superstructure is incorporated with extensive blue glass to give a modern appearance. The remaining vacancy is underwritten by vendors until December 2008.

ASB Centre
Auckland

Property details

Property type	Prime Commercial Office
Building completion date	1991
Net lettable area (sqm)	33,454
Land area (sqm)	3,528
Car bays	299
Purchase date	1 September 2004
Purchase price (NZ$)	$113,900,000
Current valuation (NZ$)	$141,400,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	4.66
Major tenants	ASB
Net lettable area (sqm)	20,416
Net lettable area (%)	61
Lease expiry	Jun 2013

Property location
The landmark ASB Bank Centre occupies a prominent position in the Auckland CBD. The building is located on the upper end of Albert Street, and with visual dominance of the city and harbour, it makes an imposing contribution to Auckland's skyline. The site has frontages to Albert, Wellesley and Federal Streets and is close to key city services.

Property description
ASB Bank Centre is a premium quality, landmark property. The building features four levels of basement parking, a prestige quality entry foyer and 30 levels of column-free office accommodation. The building has a central core allowing for tenant flexibility. Services are premium grade, including a full back-up emergency generator.

Gen-i Tower
Auckland

Property details

Property type	Commercial Office
Building completion date	1990
Net lettable area (sqm)	22,677
Land area (sqm)	3,304
Car bays	199
Purchase date	4 May 2005
Purchase price (NZ$)	$63,700,000
Current valuation (NZ$)	$81,500,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)			100
Weighted average lease expiry (years)			2.9
Major tenants	Gulliver's	Gen-i	Telecom
Net lettable area (sqm)	3,177	3,074	3,081
Net lettable area (%)	14	14	14
Lease expiry	Aug 2011	Feb 2014	Oct 2010

Property location
The property is located in a prominent CBD location close to the Queen Street retail centre which is widely recognised as the core of the Auckland CBD. The property is also close to the Viaduct Harbour precinct and Princess Wharf which provides entertainment areas, office accommodation, apartment dwellings and marina.

Property description
Completed in 1990, the building has 19 levels of office accommodation, ground floor retail and three basement levels of parking for 199 cars. The building has a large canopy and colonnade area surrounding the ground floor and water feature on the corner of Wyndham and Hobson Streets. The upper floors enjoy excellent views of the harbour.

The Plaza
Auckland

Property details

Property type	Commercial Office/Retail
Building completion date	Early 1900s Refurbished 1980s
Net lettable area (sqm)	4,692
Land area (sqm)	2,846
Car bays	34
Purchase date	4 May 2005
Purchase price (NZ$)	$10,500,000
Current valuation (NZ$)	$13,000,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	2.58
Major tenants	Telecom
Net lettable area (sqm)	3,408
Net lettable area (%)	73
Lease expiry	Apr 2008

Property location
The property is situated to the northern side of Karangahape Road on the southern fringe of the Auckland CBD. The property has considerable street frontage and enjoys significant exposure to pedestrian and vehicle traffic.

Property description
The property comprises an historic strip shop complex completed in the early 1900s and recently had a major refurbishment. It contains 22 street level retail and restaurant tenancies and two levels of high specification office space. The building also provides basement level parking for 34 cars.

SAP Building
Auckland

Property details

Property type	Commercial Office
Building completion date	1989
Net lettable area (sqm)	7,170
Land area (sqm)	3,800
Car bays	233
Purchase date	4 May 2005
Purchase price (NZ$)	$19,400,000
Current valuation (NZ$)	$21,750,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)			100
Weighted average lease expiry (years)			4.57
Major tenants	3 Media	SAP	Auckland Uniservices
Net lettable area (sqm)	2,225	1,683	1,674
Net lettable area (%)	28.6	21.6	21.5
Lease expiry	Mar 2011	Jan 2011	Jan 2011

Property location
The property is situated on the northern side of Symonds Street, east of the Auckland CBD. Symonds Street is a major arterial road carrying traffic from downtown Auckland to the southern fringe commercial and residential areas.

Property description
The property comprises nine levels of modern offices completed in 1989. The office accommodation is divided between podium and office tower and is orientated to the north. The building is well serviced with two lift banks, concierge and standby generator.

This building is subject to a sale agreement of NZ$23.7 million.

Telecom House
Auckland

Property details

Property type	Commercial Office
Building completion date	1989
Net lettable area (sqm)	15,665
Land area (sqm)	5,145
Car bays	463
Purchase date	4 May 2005
Purchase price (NZ$)	$55,500,000
Current valuation (NZ$)	$63,000,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	3.33
Major tenants	Telecom
Net lettable area (sqm)	15,665
Net lettable area (%)	100
Lease expiry	Dec 2010

Property location
The property is situated on the eastern side of Hereford Street and the south side of Hopetown Street approximately one kilometre from the Auckland CBD. The building has extensive street frontage and enjoys significant exposure to both pedestrian and vehicle traffic.

Property description
Completed in 1989, the 15 level office building has extensive panoramic views. The interior has been extensively refurbished according to high specifications. The building has 463 car spaces.

Uniservices Building and 12 Whitaker Place
Auckland

Property details

Property type	Commercial Office
Building completion date	1986
Net lettable area (sqm)	7,494
Land area (sqm)	2,582
Car bays	119
Purchase date	4 May 2005
Purchase price (NZ$)	$17,500,000
Current valuation (NZ$)	$20,700,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)		100
Weighted average lease expiry (years)		3.25
Major tenants	UOA	Stats NZ
Net lettable area (sqm)	5,393	2,101
Net lettable area (%)	72	28
Lease expiry	Oct 2010	Oct 2010

Property location
Situated on the eastern side of Symonds Street on the southern fringe of the Auckland CBD, being a short distance from the main campus of Auckland University. The properties have easy access to the main transport routes and motorway networks, with access to the southern motorway being approximately 400 metres to the south.

Property description
The property comprises an 11 level office building which was completed in 1986. In addition there are three levels of basement parking providing 119 car spaces.

To the rear of the office is 12 Whitaker Place – a two storey dwelling which is currently vacant.

University Building
Auckland

Property details

Property type	Commercial Office
Building completion date	1971
Net lettable area (sqm)	4,950
Land area (sqm)	5,145
Car bays	46
Purchase date	4 May 2005
Purchase price (NZ$)	$9,600,000
Current valuation (NZ$)	$12,100,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	5.02
Major tenants	UOA
Net lettable area (sqm)	5,088
Net lettable area (%)	100
Lease expiry	Dec 2010

Property location
The property is situated on the eastern fringe of the Auckland CBD. The main campus of the University of Auckland is located a short distance away and Auckland University of Technology is within reasonable proximity. The property has good access to main arterial roads providing links to the motorway systems and is close to public transport.

Property description
The property comprises a nine level office tower originally completed in 1971, with seven office floors and two levels of parking for 46 cars. The building was refurbished in circa 1995 for educational use. The upper office floors enjoy views over the Auckland port area.

143 Willis Street
Wellington

Property details

Property type	Commercial Office
Building completion date	1985
Net lettable area (sqm)	7,596
Land area (sqm)	N/A
Car bays	15
Purchase date	15 December 2005
Purchase price (NZ$)	$19,000,000
Current valuation (NZ$)	$17,800,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)			100
Weighted average lease expiry (years)			5.23
Major tenants	Telecom	Medical Council	Nursing Council
Net lettable area (sqm)	5,487	1,380	727
Net lettable area (%)	72	18	10
Lease expiry	May 2013	Apr 2009	May 2009

Property location
The property is situated on the southern side of Manners Street, Wellington, with access from the eastern side of Willis Street. The property is located in the southern sector of the Wellington CBD.

Property description
The property is a 14 level office building situated on Willis Street and located above a podium level (Conservation House).

Conservation House
Wellington

Property details

Property type	Commercial Office
Building completion date	2007
Net lettable area (sqm)	8,581
Land area (sqm)	2,543
Car bays	34 plus 20 bike bays
Purchase date	15 December 2005
Purchase price (NZ$)	$37,694,914
Current valuation (NZ$)	$41,000,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	10.5
Major tenants	DOC
Net lettable area (sqm)	7,551
Net lettable area (%)	88
Lease expiry	Oct 2018

Property location
The property, located in Wellington, is situated on the southern side of Manners Street with access from the eastern side of Willis Street. The property is located in the southern sector of the Wellington CBD.

Property description
The building is Wellington's newest 5 Star equivalent Green Building, having undergone extensive refurbishment in 2007. The property's design is focussed on environmental sustainability and has been nominated as one of the top 15 green buildings globally.

EDS House
Wellington

Property details

Property type	Commercial Office
Building completion date	1988
Net lettable area (sqm)	9,943
Land area (sqm)	1,763
Car bays	33
Purchase date	15 December 2005
Purchase price (NZ$)	$26,100,000
Current valuation (NZ$)	$33,000,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

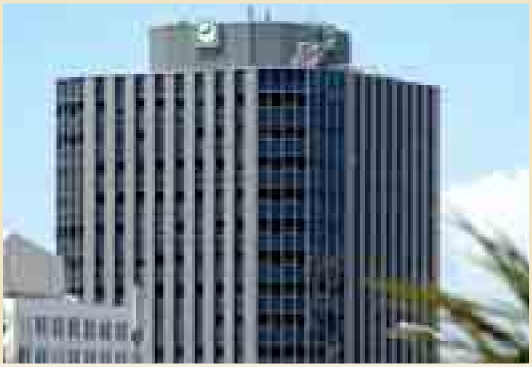
Tenancy profile

Occupancy (%)		100
Weighted average lease expiry (years)		6.74
Major tenants	EDS	IRD
Net lettable area (sqm)	7,992	1,952
Net lettable area (%)	80	20
Lease expiry	Apr 2015	Jan 2012

Property location
The property is situated on the eastern side of Gilmer Terrace, Wellington, a short cul-de-sac running off the western side of Boulcott Street. Boulcott Street bisects The Terrace and Willis Street, essentially connecting parts of the CBD in Wellington.

Property description
The property comprises 14 office levels and a basement car park, providing a good standard of accommodation well suited to modern office usage.

New Zealand Police
Wellington



Property details

Property type	Commercial Office
Building completion date	1979
Net lettable area (sqm)	14,681
Land area (sqm)	1,376
Car bays	65
Purchase date	15 December 2005
Purchase price (NZ$)	$35,500,000
Current valuation (NZ$)	$42,750,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	8.91
Major tenants	NZ Police
Net lettable area (sqm)	12,576
Net lettable area (%)	86
Lease expiry	Apr 2017

Property location

The property, located in Wellington, is situated at the northern end of Molesworth Street, immediately before it crosses over the motorway.

Property description

The property comprises a 17 storey office building completed in 1979. The building is a freestanding tower with strong vertical concrete columns with vertical glazing panels. Entry to the building is from Molesworth Street via a short flight of stairs.

Mangere Distribution Centre
Auckland

Property details

Property type	Distribution Centre
Building completion date	1995
Net lettable area (sqm)	65,273
Land area (sqm)	134,071
Car bays	200
Purchase date	1 September 2004
Purchase price (NZ$)	$55,500,000
Current valuation (NZ$)	$74,200,000
Current valuation date	30 June 2006
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	17.35
Major tenants	General Distributors
Net lettable area (sqm)	65,273
Net lettable area (%)	100
Lease expiry	Aug 2024

Property location

The property is located on the northern side of Favona Road, approximately five minutes travel from Auckland International Airport. The property will benefit from increased accessibility to Manukau and Wiri with the proposed extensions and redirections of State Highway 20. The area immediately surrounding Favona Road comprises residential development and established industrial and commercial premises.

Property description

The property comprises a large integrated distribution centre and head office complex. It includes a new office building, completed to a high standard and extensive car parking. The total building area of 65,273sqm provides a site coverage of approximately 49%.

Wiri Distribution Centre
Auckland

Property details

Property type	Distribution Centre
Building completion date	1979
Net lettable area (sqm)	33,785
Land area (leasehold site) (sqm)	155,116
Car bays	309
Purchase date	1 September 2004
Purchase price (NZ$)	$20,500,000
Current valuation (NZ$)	$25,500,000
Current valuation date	30 June 2006
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	9.17
Major tenants	General Distributors
Net lettable area (sqm)	33,785
Net lettable area (%)	100
Lease expiry	Aug 2014

Property location
The property is located on the southern side of Kerrs Road, approximately one kilometre from the Great South Road intersection and close to the Southern and Mangere Onehunga motorways. Auckland CBD is approximately 25 minutes drive from the property and Auckland International Airport is approximately 10 minutes drive.

Property description
The property is a large scale distribution centre and warehouse with offices and amenities. 33,785sqm of building area provides approximately 47% site coverage. The site also comprises 83,048sqm of vacant land valued at NZ$1.0 million. The property is subject to a perpetually renewable lease in favour of the fund (i.e. a leasehold property).

Hornby Distribution Centre
Christchurch

Property details

Property type	Distribution Centre
Building completion date	1999
Net lettable area (sqm)	17,514
Land area (sqm)	72,203
Car bays	40
Purchase date	1 September 2004
Purchase price (NZ$)	$15,400,000
Current valuation (NZ$)	$18,000,000
Current valuation date	30 June 2006
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	17.35
Major tenants	General Distributors
Net lettable area (sqm)	17,514
Net lettable area (%)	100
Lease expiry	Aug 2024

Property location
The property is located approximately 12 kilometres from the Christchurch CBD within the south-western suburb of Hornby. Access to the city is by way of major routes along Main South Road and Blenheim Road. The Christchurch industrial market is New Zealand's second largest (after Auckland) and serves as a central hub for the South Island. The property is also located within close proximity to Lincoln University.

Property description
The property was constructed in 1999 and comprises a modern, purpose built distribution centre, with associated warehouse and office facilities and car parking for 50 vehicles. The total building area is 17,514sqm.

Countdown Botany
Auckland

Property details

Property type	Suburban Supermarket
Building completion date	2003
Net lettable area (sqm)	5,833
Land area (sqm)	17,506
Car bays	383
Purchase date	1 September 2004
Purchase price (NZ$)	$14,800,000
Current valuation (NZ$)	$19,400,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	12.2
Major tenants	General Distributors
Net lettable area (sqm)	5,833
Net lettable area (%)	100
Lease expiry	Aug 2019

Property location
The property is located on the corner of Ti Rakau Drive to the north and Te Irinangi Drive to the east, with frontages onto both boundaries. Both these arterial roads provide access to the motorway system, with the Auckland CBD being approximately 20 to 25 minutes drive time.

Property description
The property comprises a large, modern, purpose built, stand-alone supermarket constructed in 2003, including offices, amenities and storage. A basement car park extends below the supermarket, with an internal ramp access to the supermarket level.

Countdown Lynfield
Auckland

Property details

Property type	Suburban Supermarket
Building completion date	1980s
Net lettable area (sqm)	5,558
Land area (sqm)	15,053
Car bays	325
Purchase date	1 September 2004
Purchase price (NZ$)	$12,100,000
Current valuation (NZ$)	$17,750,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry years	12.17
Major tenants	General Distributors
Net lettable area (sqm)	5,558
Net lettable area (%)	100
Lease expiry	Aug 2019

Property location
The property is located on the corner of Hillsborough Road and The Avenue and is located within the Auckland city suburb of Lynfield. Hillsborough Road is a main traffic thoroughfare between the northern end of the south-western motorway and the suburbs to the north and west of Lynfield.

Property description
The property comprises a large purpose built Countdown supermarket over basement car parking, a strip of several smaller tenancies and an on-grade sealed car parking area. Along the southern boundary of the site there are several smaller retail tenancies with frontage to the main car park area.

Foodtown Howick
Auckland

Property details

Property type	Suburban Supermarket
Building completion date	2004
Net lettable area (sqm)	3,481
Land area (sqm)	9,096
Car bays	142
Purchase date	1 June 2005
Purchase price (NZ$)	$10,700,000
Current valuation (NZ$)	$14,200,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	13.0
Major tenants	General Distributors
Net lettable area (sqm)	3,481
Net lettable area (%)	100
Lease expiry	Jun 2020

Property location
The property is located on the corner of Cook Street and Fencible Drive with right of way access from Moore Street, in the suburb of Howick, which is located on New Zealand's North Island. The site is adjacent to the residential areas of Howick, Eastern Beach and Botany Downs. The area comprises of strip style retail and larger shopping centres in the surrounding suburbs of Pakuranga and Botany Downs.

Property description
The property comprises a purpose built supermarket completed in 2004, together with a small retail development comprising seven specialty shops whose lease arrangements form a part of the head lease with General Distributors Limited.

Woolworths Grey Lynn
Auckland

Property details

Property type	Suburban Supermarket
Building completion date	1998
Net lettable area (sqm)	4,505
Land area (sqm)	11,207
Car bays	178
Purchase date	1 September 2004
Purchase price (NZ$)	$8,700,000
Current valuation (NZ$)	$12,700,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	12.17
Major tenants	General Distributors
Net lettable area (sqm)	4,505
Net lettable area (%)	100
Lease expiry	Aug 2019

Property location
The property is located on the corner of Richmond Road and Regina Street, Grey Lynn, approximately 10 minutes drive from Auckland's CBD. Development in the immediate locality varies from older established residential properties, to modern infill developments and some smaller pockets of light industrial and retail uses.

Property description
The property was originally constructed in 1979 and completely refurbished in 1998 for a Woolworths branded supermarket. The property also comprises a separate internal tenancy sub-leased to Unichem Pharmacy. There is also warehouse and storage space over a secure staff basement car park incorporating first level offices, staff amenities and a cafe.

Woolworths Papakura
Auckland

Property details

Property type	Suburban Supermarket
Building completion date	1960
Net lettable area (sqm)	2,999
Land area (sqm)	8,534
Car bays	269
Purchase date	1 September 2004
Purchase price (NZ$)	$3,900,000
Current valuation (NZ$)	$5,700,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	9.17
Major tenants	General Distributors
Net lettable area (sqm)	2,999
Net lettable area (%)	100
Lease expiry	Aug 2016

Property location
The property is located on the eastern side of Great South Road, approximately 500 metres to the north of the main retail strip of Papakura, an older established residential locality. Papakura is approximately 40 minutes drive from the Auckland CBD.

Property description
The property comprises a single level supermarket with mezzanine amenities and offices above with on site shared car parking. Two adjoining retail premises constructed circa 1960 and subsequently joined now form the Woolworths supermarket. The remainder of the site is tar sealed, providing parking for 269 cars.

South City Shopping Centre and 573-579 Colombo Street
Christchurch

Property details

Property type	Shopping Centre
Building completion date	1990
Net lettable area	17,405
Land area	37,841
Car bays	650
Purchase date	1 September 2004
Purchase price (NZ$)	$40,000,000
Current valuation (NZ$)	$48,600,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)		98
Weighted average lease expiry (years)		2.18
Major tenants	Warehouse	New World
Net lettable area (sqm)	4,921	3,073
Net lettable area (%)	28	18
Lease expiry	April 2010	May 2011

Property location
The property is located on the southern fringe of the Christchurch CBD and has frontages to Colombo and Durham Streets. The site has a significant profile and is well placed to serve the high volume of passing work force traffic. Colombo Street is the major commercial thoroughfare from the northern suburb of St Albans to the southern suburb of Cashmere Hills.

Property description
The property was originally constructed in the late 1990s and extended in 1999 to accommodate The Warehouse and a New World supermarket. It offers 31 specialty shops, a six-tenant food court, six kiosks and five ATMs. Additionally there are three tenancies in the Colombo Street building and four tenancies in the Durham Street building.

Foodtown Hamilton
Hamilton

Property details

Property type	Leasehold Suburban Supermarket
Building completion date	1981
Net lettable area (sqm)	3,148
Land area (sqm)	12,228
Car bays	224
Purchase date	1 September 2004
Purchase price (NZ$)	$2,800,000
Current valuation (NZ$)	$4,100,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	9.17
Major tenants	General Distributors
Net lettable area (sqm)	3,148
Net lettable area (%)	100
Lease expiry	Aug 2016

Property location
The property is located on the northern corner of the intersection of Bryce and Tristram Streets on the fringe of the Hamilton City CBD. To the east of the property is the recently completed Hamilton City bus station. Tristram Street is one of the main streets in Hamilton City.

Property description
The property was originally constructed in 1981 and comprises an older style Foodtown supermarket design. The building has supplementary loading areas, storerooms and mezzanine offices and amenities. The car park provides approximately 224 level car spaces. The property is subject to a perpetually renewable lease in favour of the fund (i.e. a leasehold property).

Valley Mega Centre Stage 1
New Plymouth

Property details

Property type	Bulky Goods Retail Centre
Building completion date	2006
Net lettable area (sqm)	11,597
Land area (sqm)	28,404
Car bays	328
Purchase date	1 January 2005
Purchase price (NZ$)	$24,100,000
Current valuation (NZ$)	$26,600,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)		100
Weighted average lease expiry (years)		8.6
Major tenants	Briscoes	Rebel Sport
Net lettable area (sqm)	2,430	1,828
Net lettable area (%)	21	16
Lease expiry	Jun 2015	Jun 2015

Property location
The property is located in the provincial town of New Plymouth on the western coast of the North Island. It is situated approximately 450 kilometres from Auckland and 300 kilometres north of Wellington.

Property description
Valley Mega Centre comprises a bulky goods retail development. The site is situated two kilometres west of the New Plymouth Central Business District. It comprises 11,597sqm of net lettable area, divided into retail units ranging from 135 to 1,700sqm, as well as 328 car parks.

Purchased pre-construction, the complex was settled in December 2006.

Valley Mega Centre Stage 2
New Plymouth

Property details

Property type	Bulky Goods Retail Centre
Building completion date	*Under construction Proposed 2008 completion*
Net lettable area (sqm)	*To be advised*
Land area (sqm)	20,502
Car bays	*To be advised*
Purchase date	7 May 2007
Purchase price (NZ$)	$8,300,000
Current valuation (NZ$)	$8,300,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	8.6
Major tenants	Vehicle Testing NZ
Net lettable area (sqm)	739
Net lettable area (%)	*To be advised*
Lease expiry	Feb 2013

Property location
The property is located in the provincial town of New Plymouth on the western coast of the North Island. It is situated approximately 450 kilometres from Auckland and 300 kilometres north of Wellington.

Property description
Valley Mega Centre Stage 2 comprises the proposed extension of the existing bulky goods retail development. The site comprises 20,502sqm, and is situated two kilometres west of the New Plymouth Central Business District.

The site includes a single existing building leased to VTNZ which will remain, with all other structures demolished pending redevelopment.

Woolworths New Plymouth
New Plymouth

Property details

Property type	Regional Supermarket
Building completion date	1980s
Net lettable area (sqm)	3,760
Land area (sqm)	5,939
Car bays	176
Purchase date	1 June 2005
Purchase price (NZ$)	$7,500,000
Current valuation (NZ$)	$8,800,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	13.1
Major tenants	General Distributors
Net lettable area (sqm)	3,760
Net lettable area (%)	100
Lease expiry	Jun 2020

Property location
The property is located to the northern end of the commercial area of New Plymouth with frontage to Courtenay Street and Leach Street. New Plymouth is located in the Taranaki region on the west coast of New Zealand's North Island. The New Plymouth district has a population of almost 70,000.

Property description
The property comprises a stand-alone supermarket with open and basement car parking providing 176 car spaces. In addition, a large McDonalds Restaurant with neighbouring car park areas adjoins the property.

Countdown Oamaru
Provincial

Property details

Property type	Regional Supermarket
Building completion date	1980s
Net lettable area (sqm)	2,984
Land area (sqm)	9,624
Car bays	180
Purchase date	1 June 2005
Purchase price (NZ$)	$3,700,000
Current valuation (NZ$)	$4,400,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	10.0
Major tenants	General Distributors
Net lettable area (sqm)	2,984
Net lettable area (%)	100
Lease expiry	Jun 2017

Property location

This property is located in a prominent location in the central business area of Oamaru. The City of Oamaru is located on the east coast of New Zealand's South Island, being approximately 125 kilometres north of Dunedin. The property has frontages onto Thames Street, Coquet Street and Eden Street and is co-located with The Warehouse property situated between Coquet and Eden Streets.

Property description

The property comprises a stand-alone supermarket on a prominent site with 180 car park spaces.

Foodtown Pukekohe
Provincial

Property details

Property type	Suburban Supermarket
Building completion date	1980s
Net lettable area (sqm)	3,889
Land area (sqm)	7,014
Car bays	117
Purchase date	1 June 2005
Purchase price (NZ$)	$8,200,000
Current valuation (NZ$)	$9,650,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	13.0
Major tenants	General Distributors
Net lettable area (sqm)	3,889
Net lettable area (%)	100
Lease expiry	Jun 2020

Property location

The property is situated on Tobin Street towards the north-western end of the ring road system in Pukekohe around the central commercial area. Pukekohe is 52 kilometres from central Auckland and 97 kilometres from Hamilton on New Zealand's North Island. The proximity provides an opportunity for the 1.8 million people living within one hour's drive to visit and enjoy the unique atmosphere and service that are Pukekohe.

Property description

The property comprises a purpose built, stand-alone supermarket with on site car parking for 117 vehicles, being located adjacent to additional parking within a council car park.

The Hub, Whakatane
Provincial

Property details

Property type	Bulky Goods Retail Centre
Building completion date	2006
Net lettable area (sqm)	26,408
Land area (hectares)	9.97
Car bays	900
Purchase date	1 December 2006
Purchase price (NZ$)	$43,300,000
Current valuation (NZ$)	$42,750,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)		78
Weighted average lease expiry (years)		7.11
Major tenants	Bunnings	Harvey Norman
Net lettable area (sqm)	8,111	3,526
Net lettable area (%)	30	13
Lease expiry	Oct 2013	Sep 2016

Property location
The property is located in the provincial town of Whakatane, located in the Bay of Plenty District. Whakatane is in the central North Island, approximately 310 kilometres from the Auckland CBD, 85 kilometres from Rotorua and 160 kilometres from Taupo.

Property description
The site comprises approximately 9.97 hectares on the fringe of Whakatane with frontage to State Highway 30. With an NLA of 26,408sqm, negotiations are currently underway with two prospective tenants to take the remainder of vacant space.

Purchased pre-construction, the complex was settled in September 2006.

Woolworths Dargaville
Provincial

Property details

Property type	Regional Supermarket
Building completion date	1980s
Net lettable area (sqm)	2,182
Land area (sqm)	12,294
Car bays	165
Purchase date	1 June 2005
Purchase price (NZ$)	$5,200,000
Current valuation (NZ$)	$5,700,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	13.1
Major tenants	General Distributors
Net lettable area (sqm)	2,182
Net lettable area (%)	100
Lease expiry	June 2020

Property location
The property is located in the Dargaville commercial area two and a half hours north-west of Auckland. The property is bounded by Victoria Street to the north-west and the Wairoa River to the south-east and is adjacent to the recently developed Warehouse discount department store.

Property description
The property comprises a purpose built, stand-alone supermarket with 165 on site car parking spaces contiguous with a site occupied by The Warehouse and adjacent to a river-front recreation reserve.

Woolworths Invercargill
Provincial

Property details

Property type	Regional Supermarket
Building completion date	1980s
Net lettable area (sqm)	2,449
Land area (sqm)	10,803
Car bays	184
Purchase date	1 June 2005
Purchase price (NZ$)	$3,600,000
Current valuation (NZ$)	$4,150,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	13.1
Major tenants	General Distributors
Net lettable area (sqm)	2,449
Net lettable area (%)	100
Lease expiry	June 2020

Property location
The property is located on a prominent site on the corner of North Road and Durham Street on the northern periphery of the provincial city of Invercargill. Invercargill is located on the southern coast of New Zealand's South Island, being approximately two hours south-west of Dunedin.

Property description
The property comprises a stand-alone supermarket with 184 car parking spaces.

Woolworths Marton
Provincial

Property details

Property type	Regional Supermarket
Building completion date	1980s
Net lettable area (sqm)	1,043
Land area (sqm)	3,231
Car bays	93
Purchase date	1 June 2005
Purchase price (NZ$)	$1,400,000
Current valuation (NZ$)	$1,800,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	7.0
Major tenants	General Distributors
Net lettable area (sqm)	1,043
Net lettable area (%)	100
Lease expiry	Jun 2014

Property location
The property is situated on the northern side of Symonds Street, at the eastern end of the Auckland CBD. Symonds Street is a major arterial road carrying traffic between the downtown Auckland precinct and leading to the southern fringe commercial and residential areas.

Property description
The property comprises a provincial supermarket located at the northern end of the main retail strip. The store operates checkouts at both ends of the store and 93 car parks are provided on the Stewart Street frontage.

Woolworths Paeroa
Provincial

Property details

Property type	Regional Supermarket
Building completion date	1980s
Net lettable area (sqm)	2,015
Land area (sqm)	3,793
Car bays	57
Purchase date	1 June 2005
Purchase price (NZ$)	$2,900,000
Current valuation (NZ$)	$3,300,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	7.0
Major tenants	General Distributors
Net lettable area (sqm)	2,015
Net lettable area (%)	100
Lease expiry	Jun 2014

Property location
The property has three street frontages and is located on the main State Highway 2 in the town of Paeroa on New Zealand's North Island, a one and a half hour drive from Auckland.

Property description
The property comprises a small provincial supermarket with three street frontages with 57 car parks provided to the front of the site.

Woolworths Putaruru
Provincial

Property details

Property type	Regional Supermarket
Building completion date	1980s
Net lettable area (sqm)	1,304
Land area (sqm)	3,715
Car bays	53
Purchase date	1 June 2005
Purchase price (NZ$)	$2,500,000
Current valuation (NZ$)	$2,800,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	7.0
Major tenants	General Distributors
Net lettable area (sqm)	1,304
Net lettable area (%)	100
Lease expiry	Jun 2014

Property location
The property is located on a prominent corner on State Highway 1 in the commercial area in the provincial town of Putaruru. Putaruru is located approximately 50 kilometres to the south-east of Hamilton on New Zealand's North Island.

Property description
The property comprises a stand-alone supermarket with 66 car parking spaces.

Woolworths Te Awamutu
Provincial

Property details

Property type	Regional Supermarket
Building completion date	1980s
Net lettable area (sqm)	2,466
Land area (sqm)	5,673
Car bays	94
Purchase date	1 June 2005
Purchase price (NZ$)	$5,500,000
Current valuation (NZ$)	$6,100,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	10.0
Major tenants	General Distributors
Net lettable area (sqm)	2,466
Net lettable area (%)	100
Lease expiry	Jun 2017

Property location
The property is located to the southern end of the commercial area of Te Awamutu, which is located in the Waikato region on New Zealand's North Island, approximately 30 kilometres to the south of Hamilton on State Highway 21. The property has a street frontage onto the eastern side of Sloane Street.

Property description
The property comprises a stand-alone supermarket on a prominent site in the township of Te Awamutu.

Woolworths Wanganui
Provincial

Property details

Property type	Leasehold Regional Supermarket
Building completion date	1988
Net lettable area (sqm)	3,273
Land area (sqm)	9,698
Car bays	182
Purchase date	1 June 2005
Purchase price (NZ$)	$4,200,000
Current valuation (NZ$)	$3,700,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	10.0
Major tenants	General Distributors
Net lettable area (sqm)	3,273
Net lettable area (%)	100
Lease expiry	Jun 2017

Property location
The property is located on a prominent site in the commercial area on the corner of Victoria Avenue and Glasgow Street in the provincial city of Wanganui. Wanganui is located on the west coast of New Zealand's North Island and is approximately one hour north-west of Palmerston North.

Property description
The property comprises a stand-alone supermarket with 182 car parking spaces. The property is subject to a perpetually renewable lease in favour of the fund (i.e. a leasehold property).

Countdown Porirua
Wellington

Property details

Property type	Suburban Supermarket
Building completion date	1989
Net lettable area (sqm)	3,787
Land area (sqm)	10,143
Car bays	228
Purchase date	1 September 2004
Purchase price (NZ$)	$6,500,000
Current valuation (NZ$)	$8,400,000
Current valuation date	1 March 2007
Valuer	Colliers International New Zealand

Tenancy profile

Occupancy (%)	100
Weighted average lease expiry (years)	9.17
Major tenants	General Distributors
Net lettable area (sqm)	3,787
Net lettable area (%)	100
Lease expiry	Aug 2016

Property location
The property is located in central Porirua, midway between the Mega Centre to the north and North City Shopping Centre to the south. Porirua is approximately 20 kilometres north of Wellington City and is one of Wellington's northern most commercial centres. Situated on a predominantly level island site, the property has four frontages to Jellicoe Street, Norrie Street, Lyttleton Avenue and Parumoana Street.

Property description
The property comprises a purpose built stand-alone supermarket constructed in 1989 and recently refurbished to accommodate the new Countdown Supermarket design. There is provision for 228 car parks which are located within a landscaped parking area around the supermarket.

Woolworths Grey Lynn
Auckland

Board of Directors

Peter Morris
Independent Chairman

Peter has over 35 years' experience in property, initially in project and development management and more recently in funds management. He is a recognised leader in the development and project management fields, having played a major role in the growth of professional project management as a specialist skill in Australia. For 14 years he acted as Managing Director of Bovis Australia (now part of Bovis Lend Lease) and its forerunners. During this time he was responsible for the delivery of some of Australia's largest and most high profile commercial projects. Peter acts as Independent Chairman of Multiplex Capital Management Limited, Multiplex Capital Investments Limited and Multiplex Capital Securities Limited.

Rex Bevan
Independent Director

Rex has many years' business experience in the areas of financial management, investment banking and the provision of economic and investment advice. From 1988 to 2005 he filled a number of roles within Western Pacific Portfolio Planning Pty Ltd (now Western Pacific Finance Ltd), including the position of Research Manager, and later, Managing Director. From 1994 to 1998 Rex was a director of the master trust operator, Flexiplan Australia Ltd, prior to its acquisition by MLC.

Brian Motteram
Independent Director

Brian has in excess of 30 years' experience working in the area of finance and accounting. He has worked with international accounting firms, in his own private practice, and during the last 18 years in private enterprise in both the mining and property industries. He spent eight years (from 1996 to 2004) as an executive of a private Perth-based property group in positions of Chief Financial Officer and later, Finance Director.

Robert McCuaig
Independent Director

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. 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.

Ian O'Toole
Managing Director

Ian has responsibility for the overall direction and strategy of the Multiplex Capital funds management business, including both Multiplex Property Trust (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.

Robert Rayner
Executive Director

Robert has responsibility for the day-to-day operation and development of Multiplex Capital's funds management activities. Robert has been involved in property and property funds management for more than 17 years and has extensive property and financial experience in both the listed and unlisted sectors of the funds management industry. Robert was a founding shareholder and director of the Acumen Capital funds management business, since renamed Multiplex Capital.

Rob Rayner
Executive Director

Robert McCuaig
Independent Director

Brian Motteram
Independent Director

Peter Morris
Independent Chairman

Rex Bevan
Independent Director

Ian O'Toole
Managing Director

Investor Relations

Distributions
Distribution payments are payable quarterly to investors approximately four to five weeks after record date for March, June, September and December.

Distribution Reinvestment Plan (DRP)
The fund has a Distribution Reinvestment Plan. If you would like to participate in a DRP, please visit www.multiplexcapital.biz or contact the registry.

Annual Taxation Statements
An annual taxation statement is sent to unitholders each year. The statement summarises the distribution/s paid for the previous financial year. Unitholders should retain this statement for their taxation records.

Online Services
Accessing investments online is one of the many ways that Multiplex Capital is ensuring convenience and accessibility to unitholder investment holdings. Links to the registry providers are available via the Multiplex Capital website. Unitholders can access their account balance, transaction history and distribution details.

E-communications
In line with recent Corporations Act changes, the default for future Multiplex Capital reports will be electronic. This means that future annual reports and interim reports will be made available at www.multiplexcapital.biz. If you would like to continue receiving hard copy annual reports, please contact Multiplex Capital Customer Service on 1800 570 000.

Contact Us

Multiplex Capital has a dedicated Customer Service Officer to assist with all investor and financial adviser enquiries.

There are several ways of accessing information about the fund and providing feedback to Customer Service:

By post

GPO Box 172
Sydney NSW 2001

By phone

1800 570 000 (within Australia)
+61 2 9256 5700 (outside Australia)

By fax

+61 2 9256 5188

By email

enquiries@multiplexcapital.biz

By internet

The Multiplex Capital website provides investors with up-to-date information on all funds as well as reports, media releases, fund performance, unit price information and corporate governance guidelines.

www.multiplexcapital.biz

Contact the Registry

Queries relating to individual unit holdings or requests to change investment record details such as:

- change of address (issuer sponsored holdings only)
- update method of payment for receiving distributions
- tax file number notification
- annual report election and
- Dividend Reinvestment Plan (DRP)

should be addressed to:

Registries Limited
Level 2
28 Margaret Street
Sydney NSW 2000
Freecall: 1800 766 011
Email: multiplex@registriesltd.com.au

Investor Complaints

Multiplex Capital is a member of an independent dispute scheme, the Financial Industry Complaints Service (FICS). Investors wishing to register a complaint should direct it to:

The Complaints Manager
Multiplex Capital
GPO Box 172
Sydney NSW 2001

Financial Report

Directors' Report

For the year ended 30 June 2007

Introduction

The directors of Multiplex Capital Management Limited (formerly Multiplex Capital Limited) (ABN 32 094 936 866), the responsible entity of the Multiplex New Zealand Property Fund (fund), present their report together with the financial report of the fund and the consolidated entity, being the fund and its subsidiaries, for the year ended 30 June 2007 and the Auditor's Report thereon.

Responsible entity

The responsible entity of the fund is Multiplex Capital Management Limited, which has been the responsible entity since the inception of the fund. The registered office and principal place of business of the responsible entity and the fund is 1 Kent Street, Sydney.

On 21 February 2007 the responsible entity changed its name from Multiplex Capital Limited to Multiplex Capital Management Limited.

Directors

The following persons were directors of the responsible entity at any time during or since the end of the year:

Name	
Peter Morris	
Rex Bevan	(Appointed 21 February 2007)
Brian Motteram	(Appointed 21 February 2007)
Robert McCuaig	
Michael Hodgetts	(Resigned 31 January 2007)
Ian O'Toole	
Robert Rayner	

Information on directors

Peter Morris

Independent Chairman

Peter has over 35 years' experience in property, initially in project and development management and more recently in funds management. He is a recognised leader in the development and project management fields, having played a major role in the growth of professional project management as a specialist skill in Australia. For 14 years he acted as Managing Director of Bovis Australia (now part of Bovis Lend Lease) and its forerunners. During this time he was responsible for the delivery of some of Australia's largest and most high profile commercial projects. Peter acts as Independent Chairman of Multiplex Capital Management Limited, Multiplex Capital Investments Limited and Multiplex Capital Securities Limited.

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Rex has many years' business experience in the areas of financial management, investment banking and the provision of economic and investment advice. From 1988 to 2005 he filled a number of roles within Western Pacific Portfolio Planning Pty Ltd (now Western Pacific Finance Ltd), including the positions of Research Manager and later, Managing Director. From 1994 to 1998 Rex was a director of the master trust operator, Flexiplan Australia Ltd, prior to its acquisition by MLC.

Directors' Report

For the year ended 30 June 2007

Brian Motteram

Independent Director

Brian has in excess of 30 years' experience working in the area of finance and accounting. He has worked with international accounting firms, in his own private practice, and during the last 18 years in private enterprise in both the mining and property industries. He spent eight years (from 1996 to 2004) as an executive of a private Perth-based property group in the positions of Chief Financial Officer and later, Finance Director.

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Independent Director

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. 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.

Ian O'Toole

Managing Director

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.

Robert Rayner

Executive Director

Robert has responsibility for the day-to-day operation and development of Multiplex Capital's funds management activities. He has been involved in property and property funds management for more than 17 years and has extensive property and financial experience in both the listed and unlisted sectors of the funds management industry. Robert was a founding shareholder and director of the Acumen Capital funds management business, since renamed Multiplex Capital.

Company Secretary

Alex Carrodus is the company secretary of Multiplex Capital Management Limited.

Directors' shareholdings

The directors have no interest in the shares of the fund as at the date of this report.

Directors' meetings

Director		Board meetings A	Board meetings B
Peter Morris		16	16
Rex Bevan	(Appointed 21 February 2007)	6	6
Brian Motteram	(Appointed 21 February 2007)	5	6
Robert McCuaig		13	16
Michael Hodgetts	(Resigned 31 January 2007)	8	9
Ian O'Toole		12	16
Robert Rayner		15	16

A – Number of meetings attended.
B – Number of meetings held during the time the Director held office during the year.

Committee meetings

There were no board committee meetings held during the year.

Principal activities

The principal activity of the consolidated entity is the investment in properties in New Zealand.

The consolidated entity did not have any employees during the year or subsequent to balance date.

Review of operations

Key highlights over the period include:

- Net profit before unitholders' expenses for the year ended 30 June 2007 was $38,003,000 (period ended June 2006: $96,252,000).
- The value of investment property has increased $146.5 million from $692.1 million to $838.6 million through a combination of acquisitions, valuation uplifts and favourable currency movements.
- The investment property portfolio remains nearly fully let with committed occupancy of 99.9% as at 30 June 2007.
- Distributions for the year ended 30 June 2007 were $20,635,000 (period ended June 2006: $19,435,000).
- The valuation increases in the property portfolio of $25,848,000 over 217,424,067 units have resulted in a $50,378,000 growth in the net tangible assets.

Significant new **acquisitions** for the fund during the period were as follows:

- The Hub, Whakatane – settlement for NZ$43.3 million occurred on practical completion on 12 September 2006.
- Stage 1 – Valley Mega Centre, New Plymouth – settlement for NZ$24.1 million occurred on practical completion on 1 December 2006.
- ANZ Business Centre, Albany – settlement for NZ$26.7 million occurred on practical completion on 15 December 2006.

Directors' Report

For the year ended 30 June 2007

- Conservation House and 143 Willis Street, Wellington – purchased for NZ$56.694 million with contracts exchanged on 15 December 2005, this property was settled on 30 May 2007. An immediate uplift of NZ$2.1 million booked due to revaluations during the purchase period.
- Stage 2 – Valley Mega Centre, New Plymouth – was purchased for NZ$8.3 million on 7 May 2007 to provide the fund scope to expand Stage 1 of the Valley Mega Centre bulky goods retail centre. Construction of further retail outlets is proposed during the 2008 financial year.

Significant **disposals** for the fund during the period were as follows:

- An option on the IRD Centre, Upper Hutt, following the renewal of the IRD lease was not taken up and the property was sold back to the original vendor at the purchase price of NZ$4.8 million. This transaction settled on 5 June 2007.
- Telco Building, Auckland exchanged for sale at NZ$21.1 million which is a premium to valuation of NZ$1.8 million. Settlement occurred on 5 July 2007.
- Farmers Car Parks, Auckland exchanged for sale at NZ$1.95 million which is a premium to valuation of NZ$0.5 million. Settlement occurred on 5 July 2007.
- Management entered into a conditional contract to sell the SAP Building, Auckland for NZ$23.9 million on 28 June 2007, a premium to valuation of NZ$2.15 million. This has subsequently become unconditional and will settle on 21 September 2007.

The movement in units on issue of the fund for the year was as follows:

	2007 units	2006 units
Units on issue as at 1 July	216,955,636	216,849,395
Units issued during the year	468,431	106,241
Units on issue as at 30 June	**217,424,067**	**216,955,636**
	$'000	$'000
Value of total consolidated assets as at 30 June	900,044	718,042

The basis for valuation of the fund's assets is disclosed in Note 3 to the financial statements.

Interests of the responsible entity

The following fees were paid to Multiplex Capital Management Limited out of the fund's assets during the financial year:

- Responsible entity fees paid directly by the fund during the year were $5,396,513 (2006: $4,514,362).
- Leasing Fees paid directly by the fund during the year were $704,478 (2006: $189,925).
- Establishment Fees paid directly by the fund during the year were $2,947,615 (2006: $7,135,425).

The responsible entity has not held any units in the fund during the year.

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 fund that occurred during the financial year not otherwise disclosed in this report or in the financial reports.

Matters subsequent to the end of the financial year

There are no matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

Likely developments

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

Environmental regulation

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

Distributions

Distributions paid/payable to unitholders were as follows:

Ordinary units	Cents per unit	Total amount $'000	Date of payment
June 2007 distribution	2.3685	5,149	3 August 2007
March 2007 distribution	2.3425	5,089	4 May 2007
December 2006 distribution	2.3945	5,200	2 February 2007
September 2006 distribution	2.3945	5,197	3 November 2006
Total distribution for the year ended 30 June 2007	**9.5000**	**20,635**	
June 2006 distribution	2.3685	5,138	1 August 2006
March 2006 distribution	2.3425	5,079	4 May 2006
December 2005 distribution	2.3945	4,955	27 January 2006
September 2005 distribution	2.3945	4,263	2 November 2005
Total distribution for the year ended 30 June 2006	**9.5000**	**19,435**	

Indemnification and insurance premiums

Under the fund's Constitution, the responsible entity, including its 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 fund has not indemnified any auditor of the consolidated entity.

No insurance premiums are paid out of the fund's assets in relation to cover for the responsible entity, its officers and employees, the Compliance Committee or auditors.

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.

Directors' Report

For the year ended 30 June 2007

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001
The lead auditor's independence declaration is set out on page 47 and forms part of the Directors' report for the year ended 30 June 2007.

Dated at Sydney this 21st day of September 2007.

Signed in accordance with a resolution the directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors

Ian O'Toole
Managing Director
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 New Zealand Property Fund

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2007 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contravention of any applicable code of professional conduct in relation to the audit.

KPMG

Tanya Gilerman
Partner

Sydney, NSW
21 September 2007

KPMG, an Australian partnership, is part of the KPMG International network.
KPMG International is a Swiss cooperative.

Income Statements

For the year ended 30 June 2007

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	Fund 2007 $'000	Fund 2006 $'000
Revenue					
Property rental income		71,621	59,496	–	–
Gain on sale of investment property		5,003	856	–	–
Distribution income		–	–	23,179	21,351
Interest income		1,007	801	135	215
Realised gain on foreign exchange		1,193	391	–	347
Net gain on revaluation of investment property	9	25,848	71,725	–	–
Net gain on revaluation of financial derivatives		7,910	14,797	–	–
Total revenue and other income		**112,582**	**148,066**	**23,314**	**21,913**
Expenses					
Performance fee	16	4,281	–	4,281	–
Property expenses		15,148	10,954	–	–
Finance costs – external*		36,320	28,678	–	–
Responsible entity fees		5,396	4,514	5,396	4,514
Other expenses		428	778	317	309
Total expenses		**61,573**	**44,924**	**9,994**	**4,823**
Profit before income tax		**51,009**	**103,142**	**13,320**	**17,090**
Income tax expense	4	(13,006)	(6,890)	–	–
Profit after tax before distribution to unitholders		**38,003**	**96,252**	**13,320**	**17,090**
Finance costs – distribution to unitholders*	5	(20,635)	(19,435)	(20,635)	(19,435)
Change in net assets attributable to unitholders		**17,368**	**76,817**	**(7,315)**	**(2,345)**

* The total finance costs are $56,955,000 (2006: $48,113,000)

The above income statements should be read in conjunction with the accompanying notes to financial report set out on page 52.

Statement of changes in equity

As the consolidated entity of the fund has no equity, the consolidated entity has not included a Statement of Changes in Equity for the current or comparative year.

Distribution Statements

For the year ended 30 June 2007

	Note	Consolidated 2007 $'000	2006 $'000
Net profit from operations attributable to unitholders		**38,003**	**96,252**
Adjusted for:			
Amortisation of debt establishment costs		646	491
Net gain from property revaluations		(25,848)	(71,725)
Net gain from revaluation of financial derivatives		(7,910)	(14,797)
Provision for income tax		13,006	6,890
Accrued performance fee		4,281	–
Total income available for distribution		**22,178**	**17,111**
Transfer to/from undistributed income		(1,543)	2,324
Distribution paid and payable	**5**	**20,635**	**19,435**
Distribution per unit (cents)		**9.5**	**9.5**

The above distribution statements should be read in conjunction with the accompanying notes.

Balance Sheets

For the year ended 30 June 2007

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	Fund 2007 $'000	Fund 2006 $'000
Assets					
Current assets					
Cash and cash equivalents	7(a)	17,091	9,859	507	1,085
Trade and other receivables	8	24,950	2,391	152	213
Deposits on investment properties		–	2,835	–	–
Total current assets		**42,041**	**15,085**	**659**	**1,298**
Non-current assets					
Investment properties	9	838,629	692,096	–	–
Investment in controlled entity	10	–	–	208,252	208,252
Fair value of financial derivatives	14(d)	19,374	10,861	–	–
Total non-current assets		**858,003**	**702,957**	**208,252**	**208,252**
Total assets		**900,044**	**718,042**	**208,911**	**209,550**
Liabilities					
Current liabilities					
Trade and other payables	11	22,589	8,119	6,322	4,564
Deferred settlement		1,842	16,044	–	–
Distribution payable	5	5,149	5,138	5,149	5,138
Interest bearing liabilities	12	40,635	–	–	–
Total current liabilities		**70,215**	**29,301**	**11,471**	**9,702**
Non-current liabilities					
Performance fee	16	4,281	–	4,281	–
Interest bearing liabilities	12	499,138	421,438	–	–
Deferred income tax liability	4	24,690	10,365	–	–
Total non-current liabilities		**528,109**	**431,803**	**4,281**	**–**
Total liabilities (excluding net assets attributable to unitholder interests)		**598,324**	**461,104**	**15,752**	**9,702**
Net assets attributable to unit holders – liability	13	**301,720**	**256,938**	**193,159**	**199,848**

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

Statement of Cash Flows

For the year ended 30 June 2007

		Consolidated		Fund	
	Note	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Cash flows from operating activities					
Cash receipts in the course of operations		72,919	60,476	61	1,217
Cash payments in the course of operations		(13,453)	(14,074)	(3,955)	(6,259)
Distributions received		–	–	–	–
Interest received		1,007	801	135	215
Financing costs paid		(30,298)	(28,888)	–	–
Net cash flows from/(used in) operating activities	7(b)	**30,175**	**18,315**	**(3,759)**	**(4,827)**
Cash flows from investing activities					
Proceeds from sale of investment properties		4,354	6,040	–	–
Investment in controlled entities		–	–	–	(32,616)
Deposits paid on investment properties		–	(2,400)	–	–
Payments for purchase of, and additions to, investment properties		(68,340)	(126,421)	–	–
Net cash flows used in investing activities		**(63,986)**	**(122,781)**	**–**	**(32,616)**
Cash flows from financing activities					
Proceeds from issues of units		–	36,415	–	36,415
Issue costs paid		–	(10,154)	–	(10,154)
Distributions received		–	–	23,179	24,402
Distributions paid		(19,998)	(17,222)	(19,998)	(17,222)
Proceeds from interest bearing liabilities		60,287	112,337	–	–
Repayments from interest bearing liabilities		–	(18,532)	–	–
Debt establishment costs paid		(148)	(958)	–	–
Proceeds/payments from loans advanced by related parties		–	–	–	(767)
Net cash flows from financing activities		**40,141**	**101,886**	**3,181**	**32,674**
Net increase/(decrease) in cash and cash equivalents		6,330	(2,580)	(578)	(4,769)
Impact of foreign exchange		902	–	–	–
Cash and cash equivalents at 1 July		9,859	12,439	1,085	5,854
Cash and cash equivalents at 30 June	7(a)	**17,091**	**9,859**	**507**	**1,085**

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

Notes to Financial Report

For the year ended 30 June 2007

1 Reporting entity

Multiplex New Zealand Property Fund is an Australian registered managed investment scheme under the *Corporations Act 2001*. Multiplex Capital Management Limited, the responsible entity of the fund, is incorporated and domiciled in Australia. The consolidated financial statements of the fund as at and for the year ended 30 June 2007 comprises the fund and its subsidiaries (together referred to as the consolidated entity).

2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The financial statements were authorised for issue in accordance with a resolution of the responsible entity on 21 September 2007 by the directors.

(b) Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost, except for the following:

– derivative financial instruments which are measured at fair value;

– investment property which is measured at fair value; and

– available for sale financial assets which are measured at fair value.

The methods used to measure fair value are discussed further in note 3.

The consolidated financial statements are presented in Australian dollars, which is the fund's presentational currency. The fund's functional currency is New Zealand Dollars.

The fund is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Principles of consolidation

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

The results of the subsidiaries acquired or disposed of during the year are included in the consolidated 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 financial statements of subsidiaries to bring their accounting policies into line with those used by the consolidated entity.

All intra-group transitions, balances, income and expenses including unrealised profits arising from intra-group transactions are eliminated in full in the consolidated financial statement. In the separate financial statements of the fund, intra-group transactions (common control transactions) are generally accounted for by reference to the existing carrying value of the items. Where the transaction value of common control transactions differ from their carrying value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

In the fund's financial statements investments in controlled entities are carried at cost.

(b) Segment reporting

A segment is a distinguishable component of the consolidated entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The consolidated entity operates in single, primary business and geographical segments, being direct investment income producing property asset in New Zealand.

(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.

Exchanges 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.

Property rental revenue

Rental income from investment property leased out under an operating lease is recognised in the Income Statement on a straight-line basis over the term of the lease.

Lease incentives granted are recognised by the consolidated entity as an integral part of the total rental income on a straight line basis.

Contingent rents are recorded as income by the consolidated entity in the periods in which they are earned.

3 Significant accounting policies continued

Dividends and distributions

Revenue from dividends and distributions is recognised when the right of the consolidated entity to receive payment is established. This is generally when they have been declared.

Interest revenue

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

(d) Expense recognition

Finance costs

Finance costs are recognised as expenses using the effective interest rate method, unless they relate to a qualifying asset.

Finance costs include:

– interest on bank overdrafts and short-term and long-term borrowings, including amounts paid or received on interest rate swaps; amortisation of discounts or premiums relating to borrowings;

– amortisation of ancillary costs incurred in connection with the arrangement of borrowings;

– finance lease charges; and

– certain exchange differences arising from foreign currency borrowings.

Other expenditure

Expenditure including rates, taxes, other outgoings, performance fees 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 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 – funds

Under current income tax legislation the fund is not subject to income tax in Australia, as its taxable income (including assessable realised capital gains) is distributed in full to unitholders. Tax allowances for buildings, plant and equipment are distributed to unitholders in the form of a tax deferred component of the distributions.

The wholly owned sub-trust of the fund which owns properties in New Zealand is liable to pay tax under New Zealand tax legislation at the current corporate rate of 33%. Tax effect accounting principals are followed whereby the income tax expense of the subsidiary includes both current tax expense and deferred tax expense/benefit. The future tax benefit relating to tax losses will be carried forward as an asset only when the benefit is probable of realisation. Income tax on differences between asset and liability carrying amounts and their tax base is set aside to the deferred tax asset or deferred tax liability accounts at the rates which are expected to apply when those timing differences reverse.

(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 3(n). Non-current receivables are measured at amortised cost using the effective interest rate method.

(i) Investment property
An investment property is a property that is held to earn long-term rental yields and/or for capital appreciation.

An investment property acquired is initially recorded at its cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. An investment property is subsequently carried at fair value based on the principles outlined in the paragraph below.

The costs of assets constructed/redeveloped internally include the costs of materials, direct labour, directly attributable overheads, finance costs (see Note 3(d)) and other incidental costs.

Where the contracts of purchase include a deferred payment arrangement, amounts payable are recorded at their present value, discounted at the rate applicable to the consolidated entity if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Valuations
Investment property is stated at fair value at the reporting date.

The investment properties of the consolidated entity are internally valued at every reporting date and independently valued at least once every three years or whenever it is believed that the fair value of a property differs significantly from its carrying value, based on a material change to the assumptions and market conditions underlying the valuation. These valuations are considered by the directors of the responsible entity when determining fair value.

The fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction, and is determined:

- without any deduction for transaction costs the entity may incur on sale or other disposal;
- reflecting market conditions at the reporting date;
- reflecting rental income from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental income from future leases in the light of current conditions. It also reflects, on a similar basis, any cash outflows that could be expected in respect of the property;
- assuming simultaneous exchange and completion of the contract for sale without any variation in price that might be made in an arm's length transaction between knowledgeable, willing parties if exchange and completion are not simultaneous;

Notes to Financial Report

For the year ended 30 June 2007

3 Significant accounting policies continued

– ensuring that there is no double-counting of assets or liabilities that are recognised as separate assets or liabilities; and

– without inclusion of future capital expenditure that will improve or enhance the property. The valuation does not reflect the related future benefits from this future expenditure.

Any gains or losses arising from a change in the fair value of investment property are recognised in the Income Statement in the period in which they arise.

Rental income from investment property is accounted for in accordance with Note 3(c).

(j) Derivative financial instruments

The consolidated entity uses derivative financial instruments to hedge its exposure to interest rate risk and foreign currency risk arising from operational, financing and investment activities. The consolidated entity does not hold or issue risk derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designed as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit and loss. In the current year all hedges have been treated as ineffective.

(k) Payables

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) Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest rate basis. Interest bearing loans and borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability to at least 12 months after the balance sheet date.

(m) Finance cash – 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 the Income Statement as finance costs. Distributions paid are included in cash flows from operating activities in the cash flow statement.

(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 amounts of the consolidated entity's non-financial assets, other than investment property and deferred tax assets 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. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss in respect of goodwill is not reversed. In respect of all other assets, 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.

(o) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreements so as to reflect the risks and benefits incidental to ownership.

Operating Leases

The minimum rental revenues of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as income on a straight line basis over the lease term, which is considered to best represent the time pattern in which use benefit derived from the leased asset is diminished.

(p) Leasing fees

Leasing fees in relation to the initial leasing of the property after a redevelopment are capitalised to the carrying value of the property and amortised over the period to which the lease relates.

Costs that are directly associated with negotiating and executing the ongoing renewal of tenant lease agreements (including commissions, legal fees and costs of preparing and processing documentation for new leases) are also capitalised as part of the carrying value of the property and amortised over the lease term in proportion to the rental revenue recognised in each financial year.

(q) Leasing incentives

Lease incentives which may take the form of up-front payments, contributions to certain lease costs, relocation costs and fit-outs and improvements are recognised as part of the carrying value of the investment properties. The aggregate cost of incentives is recognised as a reduction of rental income over the lease term.

Notes to Financial Report

For the year ended 30 June 2007

3 Significant accounting policies continued

(r) Units on issue

Issued and paid up units are recognised in change in net assets attributable to unitholders at the fair value of the consideration received by the consolidated entity, less any incremental costs directly attributable to the issue of new units.

(s) Net assets attributable to unitholders

Net assets attributable to unitholders consist of units on issue (less transaction costs), undistributed income and reserves.

(t) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the consolidated entity in the period of initial application. They are available for early adoption at 30 June 2007, but have not been applied in preparing these financial statements:

- AASB 101 *Presentation of Financial Statements* (October 2006) has deleted the Australian specific Illustrative Financial Report Structure and reinstated the current IASB 1 guidance on Illustrative Financial Statement Structure. The revised AASB 101 is applicable for annual reporting periods beginning on or after 1 January 2007.
- AASB 7 *Financial Instruments: Disclosures* (August 2005) replaces the presentation requirements of financial instruments in AASB 132. AASB 7 is applicable for annual reporting periods beginning on or after 1 January 2007, and will require extensive additional disclosures with respect to the consolidated entity's financial instruments.
- AASB 2005 – 10 *Amendments to Australian Accounting Standards* (September 2005) makes consequential amendments to AASB 132 *Financial Instruments: Disclosure and Presentation*, AASB 101 *Presentation of Financial Statements*, AASB 114 *Segment Reporting*, AASB 139 *Financial Instruments: Recognition and Measurement* and AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. AASB 2005 – 10 is applicable for annual reporting periods on or after 1 January 2007 and is expected to only impact disclosures contained within the consolidated financial report.

4 Income tax

	Consolidated		Fund	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
(a) Income tax expense				
Numerical reconciliation between tax expense and pre-tax net profit				
Profit for the period after tax	38,003	96,252	–	–
Total income tax expense	13,006	6,890	–	–
Profit before income tax	**51,009**	**103,142**	**–**	**–**
Prima facie income tax expense on profit using the Multiplex Albert Street Landowning Trust's tax rate of 33% (2006: 33%)	16,833	34,037	–	–
Non Assessable Income				
Fair value adjustments	(3,816)	(28,522)	–	–
Other	(11)	1,375	–	–
Total income tax expense	**13,006**	**6,890**	**–**	**–**

* The fund is an Australian trust not subject to tax.

	Consolidated		Fund	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
(b) Tax assets and liabilities				
Tax liability – current	–	–	–	–
Deferred tax asset	–	–	–	–
Deferred income tax liability – non-current	24,690	10,365	–	–

(c) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Consolidated						
Depreciation	–	–	(24,690)	(10,365)	(24,690)	(10,365)
Provisions	–	–	–	–	–	–
Other	–	–	–	–	–	–
Amounts recognised directly in equity	–	–	–	–	–	–
	–	**–**	**(24,690)**	**(10,365)**	**(24,690)**	**(10,365)**

There were no amounts recognised directly in equity in respect of the Fund.

Notes to Financial Report

For the year ended 30 June 2007

5 Finance costs – distributions to unitholders

Distributions paid to unitholders or declared were as follows:

Ordinary units	Cents per unit	Total amount $'000	Date of payment
June 2007 distribution[1]	2.3685	5,149	3 August 2007
March 2007 distribution	2.3425	5,089	4 May 2007
December 2006 distribution	2.3945	5,200	2 February 2007
September 2006 distribution	2.3945	5,197	3 November 2006
Total distribution for the year ended 30 June 2007	**9.5000**	**20,635**	
June 2006 distribution[2]	2.3685	5,138	1 August 2006
March 2006 distribution	2.3425	5,079	4 May 2006
December 2005 distribution	2.3945	4,955	27 January 2006
September 2005 distribution	2.3945	4,263	2 November 2005
Total distribution for the year ended 30 June 2006	**9.5000**	**19,435**	

1. The distribution of $5.149 million was paid on 3 August 2007 and not declared until after 30 June 2007.
2. The distribution of $5.138 million was paid on 1 August 2006 and not declared until after 30 June 2006.

6 Auditor's remuneration

	Consolidated		Fund	
	2007	2006	2007	2006
Audit services				
Auditor of the fund – KPMG Australia:				
Audit and review of the financial reports	75,000	31,763	75,000	31,763
Other – Ernst & Young Australia:				
Review of financial reports	–	54,500	–	54,500
	75,000	**86,263**	**75,000**	**86,263**

7(a) Cash and cash equivalents

	Consolidated		Fund	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current cash at bank and on hand	**17,091**	**9,859**	**507**	**1,085**

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

7(b) Reconciliation of cash flows from operating activities

	Consolidated 2007 $'000	Consolidated 2006 $'000	Fund 2007 $'000	Fund 2006 $'000
Profit for the year	38,003	96,252	13,320	17,090
Adjustments for				
Gain from investment property valuations	(25,848)	(71,725)	–	–
Gain on sale of property	(5,003)	(856)	–	–
Gain from revaluation of financial derivatives	(7,910)	(14,797)	–	–
Amortisation of debt establishment fees	646	491	–	–
Operating profit before changes in working capital	**(112)**	**9,365**	**13,320**	**17,090**
Changes in assets and liabilities during the period				
(Increase)/decrease in receivables	(1,143)	587	(23,118)	(20,481)
Increase in payables	31,430	8,363	6,039	(1,436)
Net cash provided by operating activities	**30,175**	**18,315**	**(3,759)**	**(4,827)**

8 Trade and other receivables

	Consolidated 2007 $'000	Consolidated 2006 $'000	Fund 2007 $'000	Fund 2006 $'000
Current				
Trade receivables	1,479	1,741	–	–
Accrued settlement on investment properties	20,908	–	–	–
Goods and services tax receivable	–	213	152	213
Prepayments and accrued income	2,047	437	–	–
Other receivables	516	–	–	–
	24,950	**2,391**	**152**	**213**

Notes to Financial Report

For the year ended 30 June 2007

9 Investment properties

Description	Title	Cost including additions[1] $'000	Valuation date	Valuation[2] $'000	June 2007 Book value[3] $'000	June 2006 Book value[3] $'000
Retail						
Countdown Botany	Freehold	13,647	Mar 2007	17,596	17,596	15,215
Countdown Lynfield	Freehold	11,157	Mar 2007	16,100	16,102	14,310
Countdown Oamaru	Freehold	3,464	Mar 2007	3,991	3,991	3,166
Countdown Porirua	Freehold	5,994	Mar 2007	7,619	7,619	6,415
Foodtown Hamilton	Leasehold	2,600	Mar 2007	3,719	3,719	3,084
Foodtown Pukekohe	Freehold	7,600	Mar 2007	8,752	8,777	6,991
Howick Shopping Centre	Freehold	9,798	Mar 2007	12,880	12,880	11,103
South City Shopping Centre	Freehold	37,420	Mar 2007	44,082	44,095	38,572
The Hub – Whakatane	Freehold	40,716	Mar 2007	38,776	38,809	35,083
Valley Mega Centre	Freehold	23,387	Mar 2007	24,127	24,127	19,445
Valley Mega Centre Phase 2	Freehold	7,914	Jun 2007	7,528	7,537	–
Woolworths Dargaville	Freehold	4,795	Mar 2007	5,170	5,170	4,359
Woolworths Grey Lynn	Freehold	8,022	Mar 2007	11,519	11,519	9,129
Woolworths Invercargill	Freehold	3,298	Mar 2007	3,764	3,764	3,125
Woolworths Marton	Freehold	1,275	Mar 2007	1,632	1,633	1,357
Woolworths New Plymouth	Freehold	6,910	Mar 2007	7,982	7,982	6,415
Woolworths Paeroa	Freehold	2,698	Mar 2007	2,994	2,993	2,447
Woolworths Papakura	Freehold	3,596	Mar 2007	5,170	5,170	4,318
Woolworths Putaruru	Freehold	2,356	Mar 2007	2,540	2,540	2,097
Woolworths Te Awamutu	Freehold	5,054	Mar 2007	5,533	5,533	4,639
Woolworths Wanganui	Leasehold	3,917	Mar 2007	3,356	3,356	3,454
		205,618		**234,830**	**234,912**	**194,724**

Description	Title	Cost including additions[1] $'000	Valuation date	Valuation[2] $'000	June 2007 Book value[3] $'000	June 2006 Book value[3] $'000
Office						
12 Whitaker Place	Freehold	705	Mar 2007	771	771	781
143 Willis Street	Freehold	18,149	Mar 2007	16,145	16,145	–
AIA Building	Freehold	22,940	Mar 2007	27,211	27,334	24,262
ANZ Business Centre	Freehold	25,406	Mar 2007	24,943	24,977	22,370
ASB Bank Centre	Freehold	104,963	Mar 2007	128,254	128,215	111,814
Conservation House	Freehold	36,080	Mar 2007	37,188	37,275	–
EDS House	Freehold	25,410	Mar 2007	29,932	30,523	22,041
Farmer's Car Park	Freehold	–		–	–	1,398
Gen-i Tower	Freehold	59,384	Mar 2007	73,923	74,004	61,683
NZ Police Building	Freehold	34,034	Mar 2007	38,776	38,799	31,869
SAP Centre	Freehold	18,511	Mar 2007	19,728	20,135	17,888
Telecom House	Freehold	51,506	Mar 2007	57,143	57,143	50,580
The Plaza	Freehold	9,948	Mar 2007	11,791	11,838	10,075
The Telco Building	Freehold	–		–	–	15,051
Uniservices House	Freehold	16,215	Mar 2007	18,776	18,826	16,449
University Building	Freehold	8,870	Mar 2007	10,975	10,975	9,951
		432,121		**495,556**	**496,960**	**396,212**
Industrial						
Christchurch Distribution Centre	Freehold	14,200	Mar 2007	16,326	16,326	14,804
IRD Building	Freehold	–		–	–	4,359
Mangere Distribution Centre	Freehold	51,282	Mar 2007	67,302	67,302	61,025
Wiri Distribution Centre	Leasehold	18,903	Mar 2007	23,129	23,129	20,972
		84,385		**106,757**	**106,757**	**101,160**
Total investment properties		**722,124**		**837,143**	**838,629**	**692,096**

1 Included in the cost of investment properties is $20,199,097 of acquisition costs.
2 Last market valuation in NZD – converted at 30 June 2007 exchange rate $1AUD = $1.1025NZD.
3 Book value represents the last valuation plus capital expenditure since the last valuation.

Notes to Financial Report

For the year ended 30 June 2007

9 Investment properties continued
Reconciliation of carrying amounts

	30 June 2007 $'000	30 June 2006 $'000
Investment properties		
Carrying amount at beginning of period	692,096	552,425
Acquisition of investment property	62,818	128,282
Sale of investment property	(20,208)	(5,184)
Other costs	2,955	1,144
Acquisition costs	3,104	6,569
Net gains from fair value adjustments to investment properties	25,848	71,725
Foreign currency translation exchange adjustment	72,016	(62,865)
Carrying amount at end of period	**838,629**	**692,096**

Leasing arrangements
Completed investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

	Fund	
	2007 $'000	2006 $'000
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Within one year	56,383	51,092
Later than one year but not later than 5 years	202,164	169,276
Later than 5 years	224,015	177,724
	482,562	398,092

Annual rent receivable by the consolidated entity under current leases from tenants is from commercial, industrial, retail and car park assets held. The average lease term is 7.3 years and rent reviews are generally performed on a three yearly basis and are based on market rent.

10 Investment in controlled entities

		Consolidated		Fund	
	% ownership	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current					
Investment in Albert Street Investment Trust	99	–	–	207,993	207,993
Investment in Albert Street Landowning Trust	1	–	–	259	259
Investment in controlled entity	–	–	–	208,252	208,252

11 Trade and other payables

	Consolidated 2007 $'000	Consolidated 2006 $'000	Fund 2007 $'000	Fund 2006 $'000
Trade payables	1,731	1,673	–	–
Interest payable	7,675	2,734	–	–
Distributions received in advance	–	–	1,285	1,265
Management fee payable	4,914	2,935	4,914	2,935
Deposits received	795	–	–	–
Deferred income	737	–	–	–
Goods and services tax payable	1,061	–	–	–
Establishment fees	2,948	–	–	–
Leasing fees payable	728	91	–	–
Tenant refunds	1,340	279	–	–
Other payables and accruals	660	407	123	364
	22,589	**8,119**	**6,322**	**4,564**

12 Interest bearing liabilities

	Consolidated 2007 $'000	Consolidated 2006 $'000	Fund 2007 $'000	Fund 2006 $'000
Current				
Secured bank debt[1]	40,635	–	–	–
Non-current				
Secured bank debt	500,602	423,217	–	–
Debt establishment fees	(1,464)	(1,779)	–	
	499,138	421,438	–	–
Total interest bearing liabilities	**539,773**	**421,438**	**–**	**–**

	Expiry date	Consolidated 2007 $'000	Consolidated 2006 $'000	Fund 2007 $'000	Fund 2006 $'000
Facilities available					
Bank debt facility[2]	31 August 2009	543,311	492,639	–	–
Less: facilities utilised		(541,237)	(423,217)	–	–
Facilities not utilised		**2,074**	**69,422**	**–**	**–**

1 Proceeds from the sale of the Telco, IRD and Farmers Car Park investment properties and the past balance sheet sale of the SAP building in August 2007, will be used to repay $40.6 million of bank debt. No other repayments within 12 months have been forecast, hence all other debt due is non-current.

2 This facility consists of NZ$299.5 million financed by Commonwealth Bank of Australia and NZ$299.5 million financed by ANZ National Bank Limited. NZ$596.7 million has been drawn down on the facility.

As at 30 June 2007 the weighted average interest rate in respect of the amounts drawn under the facilities, including margin, was 8.43% (2006: 7.73%). The amount does not include the effect of swaps. The effect after swaps is an interest rate of 6.81% (2006:6.79%).

Notes to Financial Report

For the year ended 30 June 2007

12 Interest bearing liabilities continued

The security provided for the debt facility is a first registered fixed and floating charge over all assets and an undertaking by Multiplex Capital Management Limited (as responsible entity for Multiplex New Zealand Property Fund), Multiplex Albert Street Investment Pty Ltd (in its capacity and as trustee for the Albert Street Investment Trust), the Borrower (in its capacity as trustee for the Albert Street Landowning Trust) and the Custodian (as custodian for each of Multiplex New Zealand Property Fund, Albert Street Investment Trust, and Albert Street Landowning Trust) in favour of the Security Trustee.

13 Net assets attributable to unitholders

	Consolidated		Fund	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Units on issue	202,541	201,915	202,541	201,915
Foreign currency translation reserve	(6,146)	(32,934)	–	–
Undistributed income	105,325	87,957	(9,382)	(2,067)
Net assets attributable to unitholders	**301,720**	**256,938**	**193,159**	**199,848**
Opening balance of net assets attributable to unitholders	256,938	171,601	199,848	161,044
Units on issue				
Capital raising	–	41,542	–	41,542
Capital raising costs on issue	–	(534)	–	(534)
Units reinvested	626	141	626	141
Foreign currency translation reserve				
Movements in foreign currency translation reserve	26,788	(30,060)	–	–
Undistributed income				
Net loss on revaluation of financial derivatives	–	(2,569)	–	–
Net profit from operations attributable to unitholders	17,368	76,817	(7,315)	(2,345)
Closing balance of net assets attributable to unitholders	**301,720**	**256,938**	**193,159**	**199,848**

Ordinary units

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

All units in the fund are of the same class and carry equal rights.

The total number of units on issue at 30 June 2007 is 217,424,067 (June 2006: 216,955,636); the movement is solely due to the DRP. Reinvested distributions are as follows:

Quarter ended	Units	Issue date	$ per unit	$'000
30 June 2005	178,024,691			160,766
Capital raising	38,824,704		1.07	41,542
Capital raising costs on issue				(534)
Distribution reinvestment plan				
March 2006	106,241	4 May 2006	1.33	141
30 June 2006	**216,955,636**			**201,915**
Distribution reinvestment plan				
June 2006	113,500	1 August 2006	1.27	144
September 2006	120,743	3 November 2006	1.32	159
December 2006	123,245	2 February 2007	1.33	164
March 2007	110,943	4 May 2007	1.44	159
	468,431			**626**
30 June 2007	**217,424,067**			**202,541**

14 Financial instruments

The fund's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the fund is exposed are market risk, credit risk and liquidity risk.

(a) Market risk

Market risk embodies the potential for both gains and losses and includes currency risk, interest rate risk and price risk.

The fund's strategy on the management of such risk is driven by the fund's investment objectives. The fund's market risk is managed in accordance with the investment guidelines as outlined in the fund's product disclosure statement.

Notes to Financial Report

For the year ended 30 June 2007

14 Financial instruments continued

(1) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The fund's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

Description	Note	Effective interest rate	Floating interest rate maturing in one year or less $'000	Floating interest rate maturing between one and five years $'000	Non-interest bearing $'000	Total $'000
2007						
Assets						
Cash	7(a)	5.69	17,091	–	–	17,091
Receivables	8		–	–	24,950	24,950
			17,091	**–**	**24,950**	**42,041**
Liabilities						
Trade and other payables	11		–	–	22,589	22,589
Interest bearing liabilities	12	6.81	40,635	499,138	–	539,773
			40,635	**499,138**	**22,589**	**562,362**
2006						
Assets						
Cash	7(a)	5.30	9,859	–	–	9,859
Receivables	8		–	–	2,391	2,391
			9,859	**–**	**2,391**	**12,250**
Liabilities						
Trade and other payables	11		–	–	8,119	8,119
Interest bearing liabilities	12	6.79	–	421,438	–	421,438
			–	**421,438**	**8,119**	**429,557**

(2) Currency risk

The consolidated fund may invest in financial assets and enter into transactions denominated in currencies other than its functional currency. Consequently, the consolidated fund is exposed to risks that the exchange rate of its currency to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the consolidated fund's assets or liabilities denominated in currencies other than the Australian Dollar. The currency risk is managed by entering into foreign exchange contracts (refer note 19(c)).

(3) Price risk

Price risk is the risk that value of the instrument will fluctuate as a result of change in market prices whether caused by factors specific to an individual instrument, its issuer or all factors affecting all instruments traded in the market. As the majority of the consolidated entity's financial instruments are carried at fair value with fair value changes recognised in the income statement, all changes in market conditions will directly affect investment income. Price risk is mitigated by the fund's Manager by entering into a diversified portfolio of instruments traded in various markets.

(b) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of on-balance sheet financial assets and liabilities as they are marked to market. The total credit risk for on-balance sheet items including securities is therefore limited to the amount carried on the balance sheet. The consolidated entity had no significant concentration of credit risk with any single counterparty or group of counterparties at June 30 2007 or 30 June 2006.

(c) Currency risk

The consolidated entity's total net exposure to fluctuations in foreign currency exchange rates at the balance sheet date was as follows:

	Fair value 2007	Fair value 2006
New Zealand Dollars		
Assets	920,764,073	706,233,673
Liabilities	597,452,521	450,353,679

(d) Specific instruments

Derivatives

Type of contract	Expiration	Underlying	Fixed rate %	Notional amount of contracts outstanding $m	Fair value (assets) $'000	Fair value (liabilities) $'000
As at 30 June 2007						
Interest rate swap	Aug 09–Aug 11	Interest rates		519,710	18,019	–
Foreign currency swap	Jul 06–Aug 11	Foreign currency (NZD)		95,311	1,355	–
				615,021	**19,374**	**–**
As at 30 June 2006						
Interest rate swap	Aug 09–Aug 11	Interest rates		406,306	1,057	–
Foreign currency swap	Jul 06–Aug 11	Foreign currency (NZD)		117,242	9,804	–
				523,548	**10,861**	**–**

(e) Estimation of fair values

The net fair value of assets and liabilities approximate their carrying value. The major methods and assumptions used in estimating the fair values of financial instruments were disclosed in note 3.

Notes to Financial Report

For the year ended 30 June 2007

15 Segment Reporting

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

16 Related Parties

Responsible entity

The responsible entity of Multiplex New Zealand Property Fund is Multiplex Capital Management Limited whose immediate and ultimate holding company is Multiplex Limited (ABN 96 008 687 063).

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 Peter Morris, Mr Robert Rayner, Mr Brian Motteram, Mr Robert McCuaig, Mr Ian O'Toole and Mr Rex Bevan.

The responsible entity is entitled to a management fee which is calculated as a proportion of gross assets attributable to unitholders (refer below).

No compensation is paid to directors or directly by the fund to any of the key management personnel of the responsible entity.

Directors' interests

The directors have no interest in the unit capital of the fund at the date of this report.

Responsible entity's fees and other transactions

In accordance with the fund Constitution, Multiplex Capital Management Limited is entitled to receive:

Performance fee

The performance fee is calculated in accordance with the Constitution, which requires a fee to be paid "up to 2.0% of the Gross Value of the Assets of the Trust, to the extent that the Net Asset exceeds the capital subscribed, as at the end of the first period" (September 2011). The responsible entity's performance fee for the period ended 30 June 2007 was $4,280,651 (2006: $nil). As at 30 June 2007, the performance fee payable to the responsible entity was $4,280,651 (2006: $nil).

Management fee

A base management fee up to 0.70% per annum of the gross value of assets is payable to the responsible entity, less a fee of NZ$1,500 per week payable to Multiplex Tasman Management New Zealand Limited. The fee is payable by the fund monthly in arrears. The responsible entity's management fee for the period ended 30 June 2007 was $5,396,514 (2006: $4,514,362). As at 30 June 2007, the management fee payable to the responsible entity was $4,914,372 (2006: $2,934,558).

Establishment fee

An establishment fee up to 5% of the gross value of assets acquired which compensates the Manager from the risks and expenses associated with raising equity acquiring assets and establishing the fund is payable to the responsible entity. From this fee, the Manager will pay commissions in relation to subscriptions. This fee is payable by the fund on the completion of the purchase of assets. The establishment fee during 2007 relates to the acquisition of the properties. The responsible entity's establishment fee for the period ended 30 June 2007 was $2,947,615 (2006: $7,135,425). As at 30 June 2007, the establishment fee payable to the responsible entity was $2,947,615 (2006: $nil).

The responsible entity is reimbursed by the consolidated entity for all expenses incurred on behalf of the consolidated entity.

Leasing fee

Leasing fees are payable to the responsible entity for an amount not more than 8.5% of the gross proceeds for the first year of the new or extended term of a lease of premises that form part of the property. The responsible entity's leasing fees for the period ended 30 June 2007 were $706,518 (2006: $189,925). As at 30 June 2007, the leasing fees payable to the responsible entity are $728,563 (2006: $91,417).

Related party unitholders

ANZ Nominees Limited as custodian for Multiplex Capital Securities Limited as responsible entity for Multiplex Acumen Property Fund held 51,699,755 units or 23.78% of the fund at year end (2006: 53,025,390 units or 24.44% of the fund).

Multiplex Funds Management Limited as custodian for Multiplex Property Trust holds 47,461,298 units or 21.83% of the fund at year end (2006: 47,461,298 units or 21.88% of the fund).

Perpetual Trust Limited as custodian for Multiplex Tasman Property Fund holds 5,028,440 units or 2.31% of the fund at year end (2006: 5,085,168 units or 2.34% of the fund).

JP Morgan Nominees Australia Limited as custodian for Multiplex Diversified Property Fund holds 2,745,251 units or 1.26% of the fund at year end (2006: nil units or nil% of the fund).

JP Morgan Nominees Australia Limited as custodian for Multiplex Property Income Fund holds 1,325,635 units or 0.61% of the fund at year end (2006: nil units or nil% of the fund).

Transactions with related parties

All transactions with related parties are conducted on normal commercial terms and conditions. The custodian fee paid to Multiplex Funds Management Limited as custodian of the fund for the year ended 30 June 2007 was $33,033 (2006: $27,191). As at 30 June 2007, the custodian fee payable to Multiplex Funds Management Limited was $7,800 (2006: $5,400)

Multiplex Tasman Management (NZ) Limited is the property agent for the consolidated entity. The agent fee for the year ended 30 June 2007 was $67,997 (2006: $69,684). As at 30 June 2007, the agent fee payable to Multiplex Tasman Management (NZ) Limited was $48,402 (2006: $6,168).

Rent guaranteed income received during the year was $131,654 (2006: $nil). As at 30 June 2007 the rental guaranteed income receivable from Multiplex Property Trust was $111,085 (2006: $100,743).

Transactions within the consolidated entity

	2007	2006
Rent guaranteed income received from controlled entities	131,654	–
Custodian fee paid from controlled entities	33,033	27,191
Agent fee paid from controlled entities	67,997	69,684
Rent guaranteed income receivable from entities	111,085	100,743
Custodian fee payable from controlled entities	7,800	5,400
Agent fee payable from controlled entities	48,402	6,168

16 Related Parties continued

Right of first refusal

Prior to the acquisitions by the fund of Multiplex Albert Street Investment Trust and Albert Street Landowning Trust in September 2004, these trusts were owned by Multiplex Property Trust. The Manager has granted rights of first refusal to Multiplex Property Trust, in relation to the future sale by the consolidated fund of any of the properties, or of a beneficial interest in them.

Set out below are the fees paid or payable by the consolidated entity to the responsible entity during the year:

	Consolidated		Fund	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Performance fee	4,281	–	4,281	–
Management fees	5,397	4,514	5,396	4,514
Establishment fees	2,948	7,135	–	–
Leasing fees	704	190	–	–
Fees payable to the responsible entity as at balance date	12,873	3,026	9,195	2,934

17 Net asset backing per unit

	Consolidated		Fund	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Net assets attributable to unitholders	301,720	256,938	193,159	199,848
Number of ordinary units	217,424	216,956	217,424	216,956
Net asset backing per unit ($)	1.39	1.18	0.89	0.92

Net asset backing is calculated by dividing the net assets attributable to unitholders of the consolidated fund by the number of ordinary units on issue.

18 Contingent liabilities and assets

No contingent assets or liabilities existed at 30 June 2007 and 30 June 2006.

19 Events occurring after reporting date

The consolidated entity entered into a conditional sale and purchase agreement on the SAP Building, Symonds Street Auckland for NZ$23.7 million on 28 June 2007 which represents a premium of NZ$1.95 million above the current valuation. It was declared unconditional on 10 August 2007 and the settlement date will be 21 September 2007.

There are no other matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

20 Correction of error

Due to the incorrect recognition of the fair value of financial derivatives in the books of the Multiplex New Zealand Property Fund, the fair value of financial derivatives asset of the fund for the year ended 30 June 2006 was overstated by $9.804 million.

The fair value of financial derivatives asset should have been recognised in the books of the Multiplex Albert Street Landowning Trust. Given that the Multiplex Albert Street Landowning Trust forms part of the consolidated entity there is no impact on the consolidated financial statements for the year ended 30 June 2006.

This error had the effect of overstating the fair value of financial derivatives assets, total assets, undistributed income and net assets attributable to unitholders in the fund by $9.804 million as at 30 June 2006. The error also had the effect of overstating fund net income before income tax, net profit from operations attributable to unitholders and change in net assets attributable to unitholders by $9.804 million for the year ended 30 June 2006.

The error has been corrected by restating each of the affected financial statement line items for the prior year, as described above.

Basic and diluted earnings per share for the prior year have also been restated. The amount of the correction for both basic and diluted earnings per share was a reduction of 4.7 cents per share.

Directors' Declaration

Multiplex New Zealand Property Fund

Directors' Declaration

In the opinion of the directors of Multiplex Capital Management Limited, as the responsible entity of the Multiplex New Zealand Property Fund:

(a) The consolidated financial statements and notes set out in pages 48 to 73 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position of the fund and the consolidated entity as at 30 June 2007 and of their performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standard (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) There are reasonable grounds to believe that the fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors pursuant to Section 303(5) of the *Corporations Act 2001*, and signed in accordance with a resolution of the directors of Multiplex Capital Management Limited.

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

On behalf of the directors

Ian O'Toole
Managing Director
Multiplex Capital Management Limited

Independent Auditor's Report

KPMG

Independent auditor's report to the unitholders of Multiplex New Zealand Property Fund

Report on the financial report

We have audited the accompanying financial report of Multiplex New Zealand Property Fund (the Fund) and the financial report of the Consolidated Entity, being the Fund and its controlled entities, which comprises the balance sheets as at 30 June 2007, and the income statements, statements of changes in equity and statements of cash flows for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 20 and the directors' declaration set out on page 36.

Directors' responsibility for the financial report

The directors of Multiplex Capital management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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 financial report based on our audit. We conducted our audit in accordance with the Australian Accounting Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund and the Consolidated Entity's preparation and fair presentation of the financial report in order to deign audit procedures that are appropriate in the circumstances, but not for thee purpose of expressing an opinion on the effectiveness of the Fund and the Consolidated Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Responsible Entity, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australia Accounting Interpretations) a view which is consistent with our understanding of the Fund and the Consolidated Entity's financial position, and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion the financial report of Multiplex New Zealand Property Fund is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Fund and the Consolidated Entity as at 30 June 2007 and of their performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

KPMG

Tanya Gilerman
Partner

Sydney, NSW
21 September 2007

KPMG, an Australian partnership, is part of the KPMG International network.
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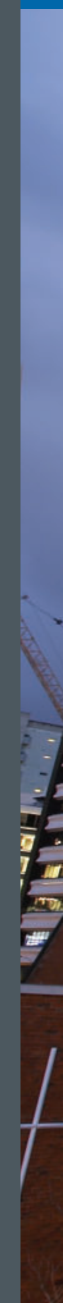
Annual Report 2007

Multiplex New Zealand Property Fund



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