

MULTIPLIX TASMAN PROPERTY FUND QUARTERLY REPORT

WELCOME

AUG/05

Welcome to the June 2005 quarterly report of the Multiplex Tasman Property Fund (Tasman Trust). This report has been specifically tailored to provide you, the investor, with an overview of property market movements and performance outcomes during the June quarter.

As an investor with Multiplex Capital you have chosen to draw on the financial strength and industry knowledge of one of Australia's largest and most diversified property groups. Multiplex Capital is responsible for the creation, implementation and management of the Multiplex Group's investment funds. Multiplex Capital manages more than \$4 billion of property assets that include listed and unlisted funds under management, on behalf of investors and the Multiplex Group.

This report is the product of our ongoing commitment to communication and is compiled to provide you with:

- an overview of the economy and property markets within New Zealand;
- an update on the Tasman Trust including the financial performance over the June 2005 quarter;
- an update on the Multiplex New Zealand Property Fund (Property Fund); and
- an update on the properties owned by the Property Fund.

We at Multiplex Capital would like to take this opportunity to thank you for your ongoing support and commitment. For additional information or assistance please do not hesitate to contact the Multiplex Institutional Business team in New Zealand on 09 296 2108 or visit www.multiplexcapital.biz.

OVERVIEW

ECONOMIC AND PROPERTY MARKET UPDATE

New Zealand

Source: CB Richard Ellis NZ

The year to March 2005 saw New Zealand's GDP grow by 4.0%, an under performance by most expectations. Capacity utilisation remains high and the unemployment rate is the lowest in 20 years while firms continue to find it hard to find skilled labour. Recently economic drivers such as migration and the housing market have shown weaknesses. Exporters' revenues will come under increased pressure as hedging contracts at favourable exchange rates expire and consumption will slow as mortgages roll over to higher interest rates. The Official Cash Rate is expected to remain at 6.75% in the next review (July 2005), however, is expected to drop by the end of the year.

Office

Source: CB Richard Ellis NZ

Overall vacancy in the Auckland CBD is the lowest since 1988. While vacancy remains high in the lower grades overall net absorption continues to be strong. Options for occupiers of contiguous floors, especially in the better quality buildings, are currently limited across the board. The rate of secondary rental growth has caught up with the prime series during the past year. For the year ended March 2005, prime net effective rents increased by 7.3% with secondary net effectives increasing a little more at 8.6%. While incentives have been reducing they remain a feature of the market and are the main competitive tool, however, prime rents are not overly affected by this cost. Indicative yields have been strong and remain so.

Retail

Source: CB Richard Ellis NZ

Following very strong retail spending growth during much of 2004, retail spending in the Auckland Region has now moderated to around the national average of some 8%. A number of larger shopping and bulky goods centre projects are due to be completed over the next two years. In general, retail rents have increased moderately in the first half of 2005. Prime strip, bulk retail and major shopping centre rental growth is assessed to be in the 0.5% to 1.2% range over this period. Shopping centre yields continue to firm, albeit at a moderating rate. CB Richard Ellis have firmed the range of shopping centre yields from regional to community centres, but the more substantial declines occurred for smaller centres.

Industrial

Source: CB Richard Ellis NZ

After two years of very strong land value growth there are early signals that values are plateauing however, CB Richard Ellis considers the market to have some growth remaining in it. The first half of 2005 saw the strongest rental growth rate since the mid 1990s and CB Richard Ellis' overall industrial vacancy rate fell recently. Developers remain willing to secure tenants by offering incentives in the order of 5 to 8 months rent holiday equivalent on a 9 year lease, with this cost being countered by the resulting positive impact to the yield on sell down. These yields continue to firm. Institutional funds dominate the upper end of the investment market, with a number of listed entities looking to increase their percentage of industrial stock under control. Generally speaking, there is an ongoing shortage of investment stock, with owners having little motivation to sell in the current buoyant environment, particularly with rental growth now evident.

MULTIPLY TASMANTASMAN PROPERTY FUND

The Tasman Trust is an unlisted New Zealand property trust that has acquired an exposure to a diverse portfolio of New Zealand commercial properties through a cornerstone investment in the Property Fund. The Tasman Trust is only available to New Zealand investors.

Fund Update

On 18 July 2005 the Tasman Trust issued its second Offer Document (comprising an Investment Statement and registered Prospectus) to raise funds for the purpose of acquiring additional units in the Property Fund. The projected gross yield for new units issued under the Offer Document at a price of \$1.07 is 8.88% for the year ended 30 June 2006. Existing investors can make an additional application for units from \$1,070 on the application form attached to the Offer Document.

Status	Current buy price	Fund size \$m
Open	\$1.07	\$2.6

A copy of the Offer Document and fact sheet is available by contacting your financial adviser or by visiting our website at www.multiplexcapital.biz.

Fund Performance

The performance of the Tasman Trust over the quarter ended June 2005 is as follows:

Annualised Quarterly Percentage Return		
	Original Investment	Original Investment
	\$1.00	\$1.07
Income	9.00%	8.41%
Unit price growth	7.00%	—
Total return	16.00%	8.41%

The above table sets out the annualised quarterly percentage returns based on the unit issue price of \$1.00 under the first Offer Document dated 17 September 2004, and the unit issue price of \$1.07 under the current Offer Document dated 18 July 2005.

MULTIPLEX NEW ZEALAND PROPERTY FUND

As the sole investment of the Tasman Trust is units in the Property Fund, we have included the following information about the Property Fund:

Fund Update

The June 2005 quarter was an active one for the Property Fund. On 4 May 2005 the Fund issued its second Product Disclosure Statement to raise A\$40.4 million to finance the acquisition of the Second Stage Properties. The Second Stage Properties, known as the AmTrust properties, comprise 10 Auckland based office assets and one car park. These assets were acquired on 31 May 2005 for a purchase price of \$223.0 million, being \$14.6 million less than the independent valuation of \$237.6 million.

On 30 June 2005 the Property Fund acquired a further portfolio of retail properties – the Third Stage Properties - comprising 10 provincially located supermarkets and one east Auckland shopping centre for a combined purchase price of \$55.4 million, being \$1.3 million less than the independent valuation of \$56.7 million.

These new properties are fully leased to General Distributors Limited at market rents, on lease terms ranging from 9 to 15 years. The properties have initially been fully debt funded, with the Manager looking to raise a further A\$23.7 million in oversubscriptions under the current Product Disclosure Statement offer to pay down part of the acquisition debt over the next 12 months. Further information regarding the Third Stage Properties is available on the Multiplex Capital website at www.multiplexcapital.biz.

The Property Fund now comprises a diverse portfolio of 33 properties comprising approximately 165 tenants located throughout New Zealand and valued at \$602.8 million. Forecast income distributions are secured by an average lease term across the portfolio of 8.6 years (as measured by income).

Status	Buy price	Fund size \$m
Open	A\$1.07	A\$569.0

Office Update

With the acquisition of the AmTrust properties the office portfolio currently comprises 11 CBD office buildings providing 116,265m² of accommodation and 1,730 car spaces, together with a separate 46 strata title carpark in a CBD parking facility.

The portfolio enjoys a diversified and strong tenant base with major corporates and institutions including Telecom NZ, ASB, University of Auckland, Inland Revenue and ING, accounting for approximately 35% of the Fund's total contract income.

Portfolio occupancy is currently running at 96% but will increase to 98% in the next quarter with a new lease to ING on Part Level 24 at ASB Bank Centre. In addition, we are well progressed with lease negotiations for the vacancies on Level 16 at ASB Bank Centre and Part Level 15 at Gen-i Tower. During the quarter, lease extensions were agreed with British American Tobacco, the University of Auckland and the Inland Revenue Department. Together these three tenants occupy approximately 24,000m² of space.

Industrial Update

The industrial portfolio comprises three Distribution Centres providing 116,665m² of accommodation in Auckland and Christchurch. The Centres are wholly leased to General Distributors Limited on lease terms ranging from 15 to 20 years.

There has been no significant change with regard to these properties during the quarter.

Retail Update

With the acquisition of the Third Stage Properties the retail portfolio currently comprises 18 supermarket and shopping centre assets spread across New Zealand's North and South Islands, providing 71,500m² of retail accommodation.

The portfolio is well leased at 99.6% occupancy, with the major tenant, General Distributors Limited occupying over 75% of the portfolio area on lease terms ranging from 9 to 15 years.

At South City Shopping Centre, the Property Fund's largest retail asset, there is significant interest in the only vacant space in the retail portfolio, being 3 shops over an area of 291m². During the quarter three tenants, Saks & Such, St Pierres and Mister Minit renewed their leases for periods of 6 years at rents at or above budget expectation.

The Manager is in preliminary discussions with a third party to acquire additional land adjoining the Centre with the view of expanding the retail area in the medium term if the economics of the expansion make sense and unitholder value can be added. We will update unitholders on the progress of these discussions in the next quarterly report.

Other Information

We note with interest the proposed demerger and on-sale of Foodland Associated Limited's New Zealand business to Woolworths Limited, which was announced to the market on 25 May 2005. General Distributors Limited is a wholly owned subsidiary of Progressive Enterprises Limited which in turn is a subsidiary of Foodland Associated Limited. If completed, the deal will see Woolworths Limited as the ultimate owner of the Property Fund's major tenant (General Distributors Limited) which will be positive for the Fund in terms of increasing the overall tenant quality and may also positively impact the property valuations of those properties wholly leased to General Distributors Limited.

The deal (which we believe is subject to regulatory approval) is expected to be completed within the next few months and we will update investors on the progress of the transaction in the next quarterly report.

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SUMMARY OF PROPERTIES

OWNED BY THE PROPERTY FUND

First Stage Properties	Location	Sector	Purchase price (\$ m)	Valuation (\$ m) ⁽¹⁾
South City Shopping Centre ⁽²⁾	Christchurch	Retail	40.0	43.0
Countdown Botany	Auckland	Retail	14.8	15.0
Countdown Lynfield	Auckland	Retail	12.1	12.7
Woolworths Grey Lynn	Auckland	Retail	8.7	9.1
Countdown Porirua	Wellington	Retail	6.5	6.7
Woolworths Papakura	Auckland	Retail	3.9	4.1
Foodtown Hamilton ⁽³⁾	Hamilton	Retail	2.8	2.9
Mangere Distribution Centre	Auckland	Industrial	55.5	61.0
Wiri Distribution Centre ^{(3), (4)}	Auckland	Industrial	20.5	21.8
Christchurch Distribution Centre ⁽⁴⁾	Christchurch	Industrial	15.4	15.7
ASB Bank Centre	Auckland	Office	113.9	116.5
Sub total			294.1	308.5
Second Stage Properties				
Gen-i Tower	Auckland	Office	63.7	66.8
Telecom House	Auckland	Office	55.5	59.1
SAP Centre	Auckland	Office	19.4	21.8
Uniservices House	Auckland	Office	17.5	18.0
12 Whitaker Place	Auckland	Office	0.7	0.7
Telco Building	Auckland	Office	14.7	16.6
The Plaza	Auckland	Office	10.5	11.3
University Building	Auckland	Office	9.6	10.9
76 Symonds Street	Auckland	Office	5.4	5.6
Farmers Carpark	Auckland	Car park	1.4	1.5
AIA House	Auckland	Office	24.6	25.3
Sub total			223.0	237.6
Third Stage Properties				
Woolworths Dargaville	Dargaville	Retail	5.2	5.2
Foodtown Pukekohe	Pukekohe	Retail	8.2	8.4
Woolworths Paeroa	Paeroa	Retail	2.9	2.9
Woolworths Putaruru	Putaruru	Retail	2.5	2.5
Woolworths Te Awamutu	Te Awamutu	Retail	5.5	5.6
Woolworths New Plymouth	New Plymouth	Retail	7.5	7.7
Woolworths Wanganui ⁽³⁾	Wanganui	Retail	4.2	4.1
Woolworths Marton	Marton	Retail	1.4	1.6
Countdown Oamaru	Oamaru	Retail	3.7	3.8
Woolworths Invercargill	Invercargill	Retail	3.6	3.7
Howick Shopping Centre	Auckland	Retail	10.7	11.2
Sub total			55.4	56.7
Total			572.5	602.8

(1) Based on an independent valuation.

(2) Includes a separate building known as 573-579 Colombo Street with a valuation of \$4.1 million.

(3) Perpetual leasehold property.

(4) Wiri Distribution Centre and Christchurch Distribution Centre valuations include vacant land areas totalling \$3.0 million (\$1.0 million at Wiri Distribution Centre and \$2.0 million at Christchurch Distribution Centre). General Distributors Limited, as the lessee of these land areas, has a right to acquire them at \$3.0 million.

Current Properties were acquired at an exchange rate of \$1.00 to A\$0.9315, being A\$273.9 million. The Second Stage Properties were acquired at an exchange rate of \$1.00 to A\$0.9328, being A\$208.0 million. The Third Stage Properties were acquired at an exchange rate of \$1.00 to A\$0.9328, being A\$51.63 million.

To obtain an Offer Document please contact your investment advisor, call 0800 800 899 or visit www.multiplexcapital.biz

Important Notices: Interests in the Multiplex Tasman Property Fund are issued by Multiplex Capital New Zealand Ltd, the manager of the Fund. An Offer Document (which is both an investment statement and registered prospectus) is available which details the terms of the latest offer as well as the various assumptions on which some of the above information is based (including the projected gross yield). If you wish to acquire (or continue to hold) an interest in the Fund, you should first read and consider the content of the Offer Document. Applications must be made by completing the application form accompanying the Offer Document. Fees payable to the manager in relation to the Fund are set out in the Offer Document. This report is not intended as personal advice and has been prepared without taking account of any investor's investment objectives, financial situation or needs. For that reason, an investor should, before acting on this advice, consider the appropriateness of the advice, having regard to their investment objectives, financial situation and needs. An investor should obtain the Offer Document and consider the Offer Document and seek their own advice before making any decision about whether to invest. Performance figures referred to above are target rates only and are not intended as an indication of likely or actual returns. Past performance is not indicative of future performance.

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