

MULTIPLEX NEW ZEALAND PROPERTY FUND
ARSN 110 281 055

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

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Responsible Entity

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

Directors of Multiplex Capital Management Limited

Peter Morris
Robert McCuaig
Brian Motteram
Robert Rayner
Bob McKinnon

Company secretary of Multiplex Capital Management Limited

Alex Carrodus

Principal Registered Office

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

Location of Unit Registry

Registries (Victoria) Pty Limited
Level 7
Kent Street
Sydney NSW 2000
Telephone: (02) 9290 9600
Facsimile: (02) 9279 0664

Custodian

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

Auditor

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

DIRECTORS' REPORT
MULTIPLEX NEW ZEALAND PROPERTY FUND
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Introduction

The Directors of Multiplex Capital Management Limited (ABN: 32 094 936 866) the Responsible Entity of Multiplex New Zealand Property Fund ("the Fund"), present their report together with the financial report of the Consolidated Entity, being the Fund and its subsidiaries, for the half year ended 31 December 2007 and the auditors review report thereon.

Responsible Entity

The Responsible Entity of Multiplex New Zealand Property Fund is Multiplex Capital Management Limited who has been the Responsible Entity since the inception of the Fund. The registered office and principle place of business of the Responsible Entity and the Fund is 1 Kent Street, Sydney.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the half year:

Name

Peter Morris	(Director since 14 April 2004)
Robert McCuaig	(Director since 31 March 2004)
Rex Bevan	(Director since 21 February 2007 – Resigned 31 January 2008)
Brian Motteram	(Director since 21 February 2007)
Ian O'Toole	(Director since 31 March 2004 - Resigned 31 October 2007)
Robert Rayner	(Director since 31 October 2000)
Bob McKinnon	(Appointed 7 December 2007)

Company Secretary

Alex Carrodus was appointed to the position of company secretary of the Responsible entity on 25 January 2005.

Principal activities

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

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

Review of operations

Key highlights over the period include:

- The NTA of the Fund at 31 December 2007 was \$1.41 compared to \$1.39 at June 2007.
- Profit attributable to unitholders before distributions for the half year ended 31 December 2007 was \$24.1m (half year ended 31 December 2006: \$3.8m).
- The value of non current investment property has decreased by \$24.9m from \$838.6m to \$813.7m through a combination of valuation uplifts, unfavourable currency movements and disposal of SAP Building.
- The Fund remains nearly fully let with committed occupancy of 98.1% as at 31 December 2007.
- Distributions for the half year ended 31 December 2007 were \$10.3m (half year ended 31 December 2006: \$10.4m).
- The nine properties that have had an external valuation undertaken have increased the property portfolio by NZ\$23.9m (A\$21.1m). The total increase in the value of the property portfolio since June 2007 has resulted in a \$0.10 increase in the NTA.

DIRECTORS' REPORT
MULTIPLEX NEW ZEALAND PROPERTY FUND
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Finance costs - Distributions

Distributions paid/payable to unitholders were as follows:

	Cents per unit	\$'000	Date of payment
Distribution for the quarter ended 31 December 2007	2.375	5,169	1 February 2008
Distribution for the quarter ended 30 September 2007	2.375	5,166	2 November 2007
Total distribution for the six months ended 31 December 2007	4.750	10,335	
<hr/>			
Distribution for the quarter ended 31 December 2006	2.3945	5,201	2 February 2007
Distribution for the quarter ended 30 September 2006	2.3945	5,197	3 November 2006
Total distribution for the six months ended 31 December 2006	4.7890	10,398	

Lead Auditors independence declaration

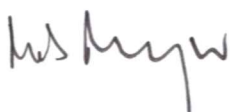
The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the half year ended 31 December 2007.

Rounding of amounts

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

Dated at Sydney this 22 day of February 2008

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



Robert Rayner
CEO – Funds Management
Multiplex Capital Management Limited



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

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

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

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KPMG

A handwritten signature in blue ink, appearing to read 'T. Gilerman', written in a cursive style.

Tanya Gilerman
Partner

Sydney
22 February 2008

CONSOLIDATED INTERIM INCOME STATEMENTS

MULTIPLEX NEW ZEALAND PROPERTY FUND

FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Note	Six months ended 31 December 2007 Consolidated \$'000	Six months ended 31 December 2006 Consolidated \$'000
Revenue			
Property rental income		35,883	33,499
Net gain from fair value adjustment of investment property		21,062	-
Interest income		510	354
Other income		468	24
Net gain on revaluation of financial derivatives		1,033	179
Total revenue and other income		58,956	34,056
Expenses			
Property expenses		8,102	6,875
Finance costs to external parties*		18,705	17,406
Responsible entity fees		2,982	2,622
Performance fee		1,374	-
Loss on sale of investment property		30	-
Other expenses		382	229
Total expenses		31,575	27,132
Net profit before income tax		27,381	6,924
Income tax expense		(3,232)	(3,159)
Net profit after tax		24,149	3,765
Finance costs – Distribution to unit holders*	6	(10,335)	(10,398)
Change in net assets attributable to unit holders		13,814	(6,633)

* Total finance costs are \$29,040,000 (2006: \$27,804,000) consisting of finance costs to external parties and financing costs - Distribution to unitholders.

The condensed notes on pages 9 to 15 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

As the Consolidated Entity has no equity, the interim financial statement do not include a consolidated interim Statement of Changes in Equity for the current and comparative period.

CONSOLIDATED INTERIM BALANCE SHEETS

MULTIPLEX NEW ZEALAND PROPERTY FUND

AS AT 31 DECEMBER 2007

	Note	31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
Assets			
Current assets			
Cash and cash equivalents		15,447	17,091
Trade and other receivables	7	1,749	4,042
Investment property	9	4,624	20,908
Total current assets		21,820	42,041
Non-current assets			
Investments properties	9	813,712	838,629
Fair value of financial derivatives		19,888	19,374
Total non-current assets		833,600	858,003
Total assets		855,420	900,044
Liabilities			
Current liabilities			
Trade and other payables	8	19,745	22,589
Deferred settlement		-	1,842
Distributions payable		5,182	5,149
Interest bearing loans and borrowings	10	-	40,635
Total current liabilities		24,927	70,215
Non-current liabilities			
Performance fee		5,654	4,281
Interest bearing loans and borrowings	10	491,062	499,138
Deferred income tax liability		27,352	24,690
Total non-current liabilities		524,068	528,109
Total liabilities (excluding net assets attributable to unit holders interests)		548,995	598,324
Net assets attributable to unit holders	11	306,425	301,720

The condensed notes on pages 9 to 15 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

MULTIPLEX NEW ZEALAND PROPERTY FUND

AS AT 31 DECEMBER 2007

	Six month ended 31 December 2007 Consolidated \$'000	Six month ended 31 December 2006 Consolidated \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	39,418	38,857
Cash payments in the course of operations	(14,828)	(10,172)
Interest received	510	354
Financing costs paid	(18,371)	(12,895)
Net cash flows from operating activities	6,729	16,144
Cash flows from investing activities		
Proceeds from the disposal of investment properties	41,013	-
Payments for purchase of, and additions to investment properties	(5,074)	(3,336)
Net cash flows from / (used in) investing activities	35,939	(3,336)
Cash flows from financing activities		
Proceeds from interest bearing liabilities	4,302	153
Repayment of interest bearing liabilities	(37,895)	-
Distributions paid to unit holders	(10,001)	(9,977)
Debt establishment costs paid	(237)	(110)
Net cash flows (used in) financing activities	(43,831)	(9,934)
Net (decrease)/increase in cash and cash equivalents	(1,163)	2,874
Impact of foreign exchange	(481)	
Cash and cash equivalents at 1 July	17,091	9,859
Cash and cash equivalents at 31 December	15,447	12,733

The condensed notes on pages 9 to 15 are an integral part of these consolidated interim financial statements.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MULTIPLEX NEW ZEALAND PROPERTY FUND

AS AT 31 DECEMBER 2007

1 REPORTING ENTITY

Multiplex New Zealand Property Fund (the "Fund") is an Australian registered Management Investment Scheme under the Corporations Act 2001. Multiplex Capital Management Limited, the Responsible Entity of the Fund since inception, is incorporated and domiciled in Australia. The consolidated interim financial statements of the Consolidated Entity as at and for the half year ended 31 December 2007 comprises the Fund and its subsidiaries (together referred to as the "Consolidated Entity").

2 Statement of compliance

The Consolidated interim financial report is a general purpose financial report, which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2007.

The Consolidated interim financial report for the half year ended 31 December 2007 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 22 February 2008.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2007.

4 ESTIMATES

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2007.

5 SEGMENT REPORTING

The Consolidated Entity is organised into one main segment which operates in the business of direct investment in income producing property assets in New Zealand.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MULTIPLEX NEW ZEALAND PROPERTY FUND

AS AT 31 DECEMBER 2007

6 FINANCE COSTS – DISTRIBUTIONS TO UNITHOLDERS

Distributions paid to unit holders or declared were as follows:

Ordinary units	Cents per unit	Total amount \$'000	Date of payment
Distribution for the quarter ended 31 December 2007	2.375	5,169	1 February 2008
Distribution for the quarter ended 30 September 2007	2.375	5,166	2 November 2007
Total distribution for the six months ended 31 December 2007	4.75	10,335	
Distribution for the quarter ended 31 December 2006	2.3945	5,201	2 February 2007
Distribution for the quarter ended 30 September 2006	2.3945	5,197	3 November 2006
Total distribution for the six months ended 31 December 2006	4.7890	10,398	

7 TRADE AND OTHER RECEIVABLES

	31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
Current		
Trade receivables	401	1,479
Prepayments and accrued income	1,192	2,047
Other receivables	156	516
Total	1,749	4,042

8 TRADE AND OTHER PAYABLES

	31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
Current		
Trade payables	1,480	1,731
Interest payable	7,439	7,675
Management fee and syndication fee payable to Responsible Entity	7,976	7,862
Other payables	2,850	5,321
Total	19,745	22,589

The management fee and syndication fee payable to the Responsible Entity will be funded from a drawdown from the debt facility. If these amounts were not included in current payables, then the Fund would have positive net current assets.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MULTIPLEX NEW ZEALAND PROPERTY FUND

AS AT 31 DECEMBER 2007

9 INVESTMENT PROPERTIES

Description	Title	Cost including additions (i) \$'000	Latest external valuation date	Latest external Valuation (ii) \$'000	December 2007 carrying value \$'000	June 2007 carrying value \$'000
Retail						
South City Shopping Centre	Freehold	32,744	Mar 2007	38,753	38,784	39,923
573-579 Colombo Street	Freehold	-	-	-	-	4,172
Countdown Botany	Freehold	13,252	Mar 2007	17,086	17,086	17,596
Countdown Lynfield	Freehold	10,944	Mar 2007	15,633	15,746	16,102
Woolworths Grey Lynn	Freehold	7,790	Mar 2007	11,185	11,185	11,519
Countdown Porirua	Freehold	5,826	Mar 2007	7,398	7,404	7,619
Woolworths Papakura	Freehold	3,492	Mar 2007	5,020	5,020	5,170
Foodtown Hamilton	Leasehold	2,525	Mar 2007	3,611	3,611	3,719
Howick Shopping Centre	Freehold	9,518	Mar 2007	12,507	12,511	12,880
Woolworths Dargaville	Freehold	4,656	Mar 2007	5,020	5,020	5,170
Foodtown Pukekohe	Freehold	7,356	Mar 2007	8,498	8,523	8,777
Woolworths Paeroa	Freehold	2,620	Mar 2007	2,907	2,906	2,993
Woolworths Putaruru	Freehold	2,288	Mar 2007	2,466	2,466	2,540
Woolworths Te Awamutu	Freehold	4,908	Mar 2007	5,373	5,373	5,533
Woolworths New Plymouth	Freehold	6,710	Mar 2007	7,751	7,751	7,982
Woolworths Wanganui	Leasehold	3,804	Mar 2007	3,259	3,259	3,356
Woolworths Marton	Freehold	1,238	Mar 2007	1,585	1,585	1,633
Countdown Oamaru	Freehold	3,364	Mar 2007	3,875	3,875	3,991
Woolworths Invercargill	Freehold	3,202	Mar 2007	3,655	3,655	3,764
The Hub – Whakatane	Freehold	39,917	Mar 2007	37,652	38,064	38,809
Valley Mega Centre	Freehold	22,716	Mar 2007	23,428	23,435	24,127
Valley Mega Centre Phase 2	Freehold	7,692	Jun 2007	7,310	7,326	7,537
		196,562		223,972	224,585	234,912
Office						
ASB Bank Centre	Freehold	132,138	Dec 2007	132,200	132,200	128,215
Geni-Tower	Freehold	74,483	Dec 2007	76,625	76,625	74,004
Telecom House	Freehold	64,491	Mar 2007	55,487	55,500	57,143
AIA Building	Freehold	28,716	Mar 2007	26,423	26,540	27,334
SAP Centre	-	-	-	-	-	20,135
Uniservices House	Freehold	20,570	Dec 2007	18,496	18,496	18,826
The Plaza	Freehold	12,442	Mar 2007	11,449	11,485	11,838
University Building	Freehold	11,103	Mar 2007	10,657	10,655	10,975
12 Whitaker Place	Freehold	891	Mar 2007	749	755	771
ANZ Business Centre	Freehold	31,809	Mar 2007	24,220	24,257	24,977
EDS House	Freehold	34,412	Dec 2007	33,292	33,292	30,523
NZ Police Building	Freehold	42,840	Mar 2007	37,652	37,859	38,799
Conservation House	Freehold	44,045	Dec 2007	36,111	36,111	37,275
143 Willis Street	Freehold	22,735	Dec 2007	16,558	16,558	16,145
		520,675		479,919	480,333	496,960

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MULTIPLEX NEW ZEALAND PROPERTY FUND

AS AT 31 DECEMBER 2007

9 INVESTMENT PROPERTIES (CONTINUED)

Description	Title	Cost including additions (i) \$'000	Latest external valuation date	Latest external Valuation (ii) \$'000	December 2007 carrying value \$'000	June 2007 carrying value \$'000
Industrial						
Mangere Distribution Centre	Freehold	49,796	Dec 2007	70,460	70,460	67,302
Wiri Distribution Centre	Leasehold	18,355	Dec 2007	21,314	21,314	23,129
Christchurch Distribution Centre	Freehold	13,845	Dec 2007	17,020	17,020	16,326
		81,996		108,794	108,794	106,757
Total Investment Properties		799,223		812,685	813,712	838,629

31 December 2007
Consolidated
\$'000

Opening carrying value of Investment properties as at 1 July 2007	838,629
Disposal of SAP building	(20,135)
Movement of Colombo Street to current assets	(4,624)
Additions to Investment property	2,832
Net gain on revaluation of Investment property	21,062
Changes in foreign currency	(24,052)
Closing carrying value of investment properties as at 31 December 2007	813,712

(i) Included in the cost of investment properties is \$20,199,097 of acquisition costs.

(ii) Most recent external valuation in NZD – converted at 31 December 2007 exchange rate \$1AUD = \$1.1354NZD.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MULTIPLEX NEW ZEALAND PROPERTY FUND

AS AT 31 DECEMBER 2007

10 INTEREST BEARING LOANS AND BORROWINGS

	31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
Current		
Secured bank debt ¹	-	40,635
Non current		
Secured bank debt	492,192	500,602
Debt establishment fees	(1,130)	(1,464)
Non current	491,062	499,138
Total interest bearing liabilities	491,062	539,773

		31 December 2007 Consolidated \$'000	30 June 2007 Consolidated \$'000
Financing Arrangements	Expiry Date		
Facilities available			
Bank debt facility ²	31 August 2009	527,567	543,311
Less: facilities utilised		(492,192)	(541,237)
Facilities not utilised		35,375	2,074

	31 December 2007 Consolidated \$'000
Interest bearing liabilities – secured bank debt	
Opening Balance as at 1 July 2007	541,237
Drawdown	4,302
Repayment	(37,895)
Changes in foreign currency	(15,452)
Balance as at 31 December 2007	492,192

¹ Proceeds from the sale of the Telco, IRD and Farmers Car park, investment properties and the post balance sheet sale of the SAP building in August 2007, were used to repay \$40.6 million of bank debt. All other debt in the prior period was classified as 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. The total facility limit is NZ\$599 million, this facility expires on 30 August 2009. The NZ\$558.8 million has been drawn down on the facility.

As at 31 December 2007 the weighted average interest rate in respect of the amounts drawn under the facilities, including margin was 8.67% (June 2007: 8.43%). However, the interest has been fixed through interest rate swap with an interest rate of 6.81% (June 2007: 6.81%). The fair value of the interest rate swap included in the balance sheet at 31 December 2007 was \$17.2 million (30 June 2007: \$18.0 million).

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MULTIPLEX NEW ZEALAND PROPERTY FUND

AS AT 31 DECEMBER 2007

11 NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	31 December 2007 Consolidated \$'000	31 December 2006 Consolidated \$'000
Units on issue	202,842	202,219
Foreign currency translation reserve	(15,556)	(11,057)
Undistributed income	119,139	81,323
Net assets attributable to unitholders	306,425	272,485
Opening balance of net assets attributable to unitholders – 1 July	301,720	256,938
Units on issue		
Units reinvested	301	304
Foreign currency translation reserve		
Movements in foreign currency translation reserve	(9,410)	21,876
Undistributed income		
Net profit from operations attributable to unitholders	24,149	3,765
Finance costs – Distribution to unitholders	(10,335)	(10,398)
Closing balance of net assets attributable to unitholders – 31 December	306,425	272,485

Ordinary units

Ordinary units entitle the holder to participate in distributions and the proceeds on winding up of the Fund in proportion to the number of units held. On a show of hands every holder of units present at a meeting of unit holders in person or by proxy, is entitled to one vote, and upon a poll each 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 31 December 2007 is 217,638,834 (31 December 2006: 217,189,879), the movement is solely due to the DRP.

12 RELATED PARTIES

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

13 CONTINGENT ASSETS AND LIABILITIES

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENT

MULTIPLEX NEW ZEALAND PROPERTY FUND

HALF YEAR ENDED 31 DECEMBER 2007

14 CAPITAL AND OTHER COMMITMENTS

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

15 EVENTS SUBSEQUENT TO REPORTING DATE

The Consolidated Entity entered into an advanced negotiation for the conditional sale of Colombo Street during the period ended 31 December 2007 which was subsequently exchanged on 7 January 2008 for NZD \$5.25m. The proposed purchase price has been adopted within the financial statements.

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

Multiplex New Zealand Property Fund
Directors' Declaration

- 1 In the opinion of the Directors of Multiplex Capital Management Limited as Responsible Entity for Multiplex New Zealand Property Fund:
- (a) The consolidated interim financial statements and notes, set out in pages 6 to 15 are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2007 and of their performance, for the six month period ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001;
- (b) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

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

Dated at Sydney, this 22 day of February 2008.



Robert Rayner
CEO – Funds Management
Multiplex Capital Management Limited



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

We have reviewed the accompanying interim financial report of Multiplex New Zealand Fund (the "Scheme"), which comprises the consolidated balance sheet as at 31 December 2007, the consolidated interim income statement, the consolidated interim statement of changes in equity and consolidated interim cash flow statement for the half-year ended on that date, a statement of accounting policies, other explanatory notes 1 to 15 and the directors' declaration set out on page 16 of the consolidated entity comprising the Scheme and the entities it controlled at the half-year ended or from time to time during the half year.

Directors' responsibility for the financial report

The directors of the Scheme are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Scheme's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Multiplex New Zealand Property Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Multiplex New Zealand Property Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Scheme's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

A handwritten signature in blue ink that appears to read 'KPMG'.

KPMG

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

Tanya Gilerman
Partner

Sydney
22 February 2008

Tanya Gilerman
KPMG
10 Shelley Street
Sydney NSW 2000

22 February 2008

Dear Madam

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

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

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

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

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

General

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

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

assets, liabilities, components of equity, revenues and expenses in the interim financial report are the same as for the next full-year financial report. Annually determined items have been calculated in accordance with AASB 134. There have been no changes in accounting policies or application of those policies that would have a material effect on the interim financial report.

- 9 We acknowledge that you have advised management of uncorrected misstatements that you became aware of as a result of your review.
- 10 We believe the effects of uncorrected misstatements summarised in the Board Report pertaining to the interim financial report (including the effects of prior year misstatements impacting the current reporting period) are immaterial, both individually and in the aggregate to the interim financial report taken as a whole.
- 11 The Consolidated Entity has complied with the continuous disclosure requirements of the Corporations Act 2001 and we have provided you with details of all matters disclosed in accordance with these requirements.
- 12 Except as discussed with you, and disclosed in the interim financial report as appropriate, there have been no changes in the Consolidated Entity's operations subsequent to balance sheet date through to the date of this letter that impact the interim financial report.
- 13 We confirm that significant assumptions used in forming the accounting estimates recorded in the interim financial report are reasonable.
- 14 Throughout the half year, all the requirements of the Constitution have been complied with.

Assets and liabilities

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

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

Other

- 24 The following have been properly recorded, and when appropriate, adequately disclosed in accordance with AASB 134 in the interim financial report:

- The identity of, and balances and transactions with related parties.

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

- 25 The minutes of shareholders' Meeting of the Consolidated Entity, Directors' Meetings and Responsible Entity meeting have been made available, and, where applicable, summaries of actions of meetings held after period end for which minutes have not been prepared have been made available to you are a complete and authentic record of all meetings since 1 July 2007 to the date of this letter.

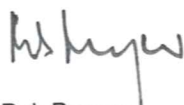
All other statutory records were properly kept during the period. All matters arising from shareholders' meetings of the Consolidated Entity, Directors' meetings and other board committee meetings of the Responsible Entity which impact on the interim financial report have been adequately disclosed therein.

- 26 Throughout the interim period the Consolidated Entity has conformed with the requirements of its debt agreements and debenture trust deeds, including all financial and non-financial covenants.
- 27 Records maintained during the interim period were in accordance with the Australian Tax Office requirements and any other relevant legislative requirements.

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

Yours faithfully



Rob Rayner
Director