MULTIPLEX

Multiplex Limited
(ABN 96 008 687 063)

21 September 2006

The Manager
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY
NSW 2000

Dear Madam

MULTIPLEX GROUP - CONCISE ANNUAL REPORT 2006

Please find attached for release to the market the Multiplex Group Concise Annual Report for 2006.

Multiplex Group stapled securities trade on the Australian Stock Exchange under the symbol "MXG".

Yours faithfully

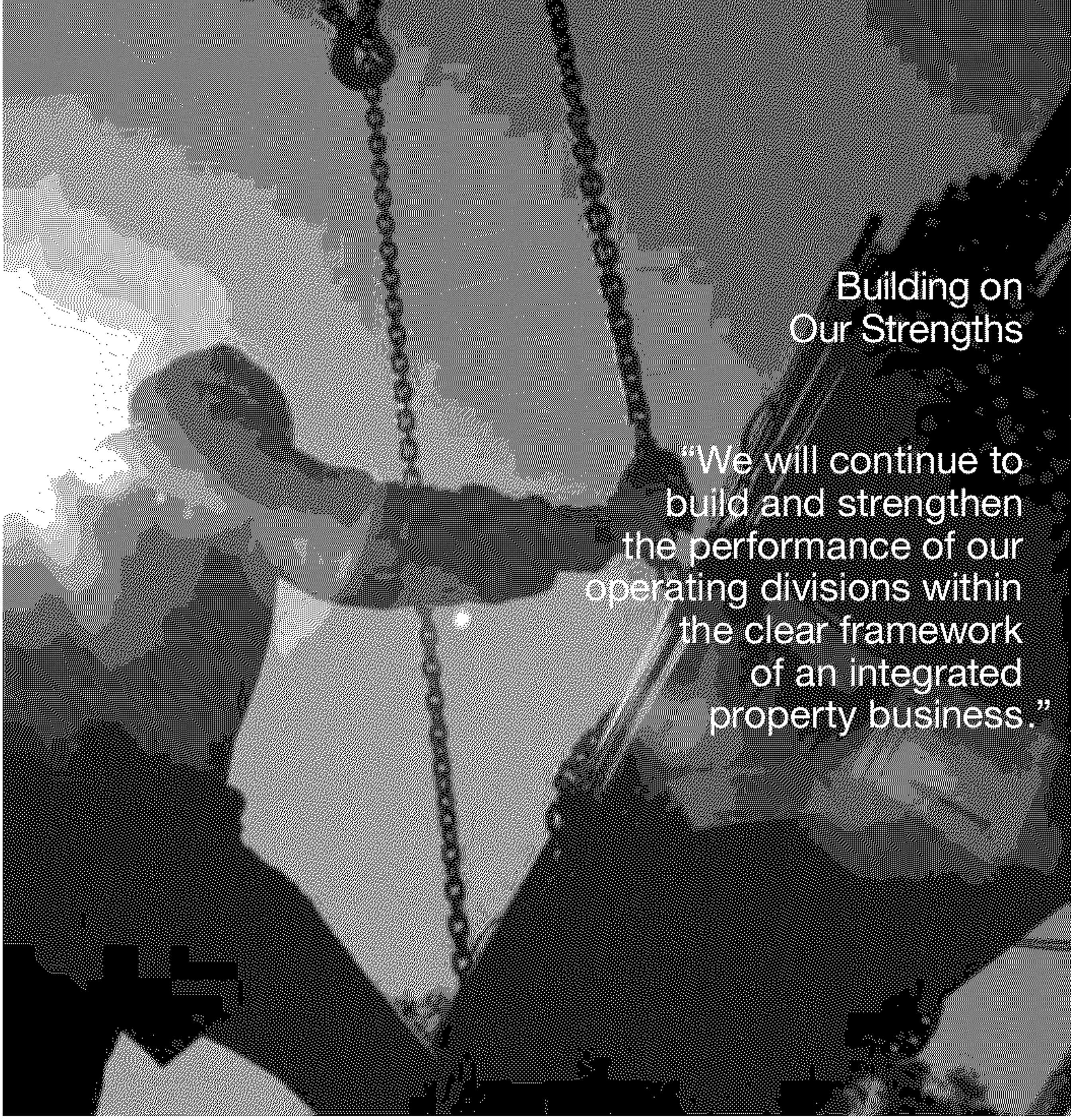
Mark Wilson
Company Secretary
Multiplex Limited

Multiplex Group
Annual Report 2006

Annual Report

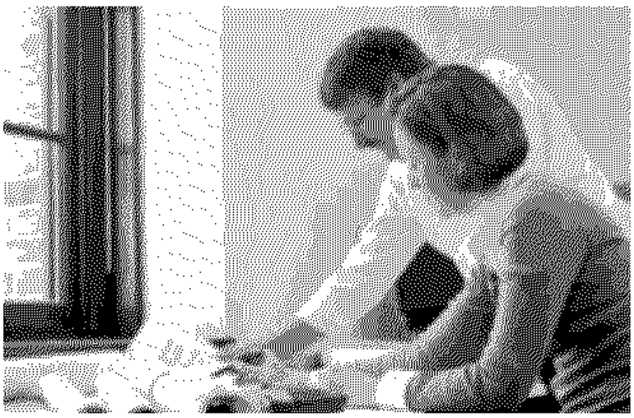
Contents

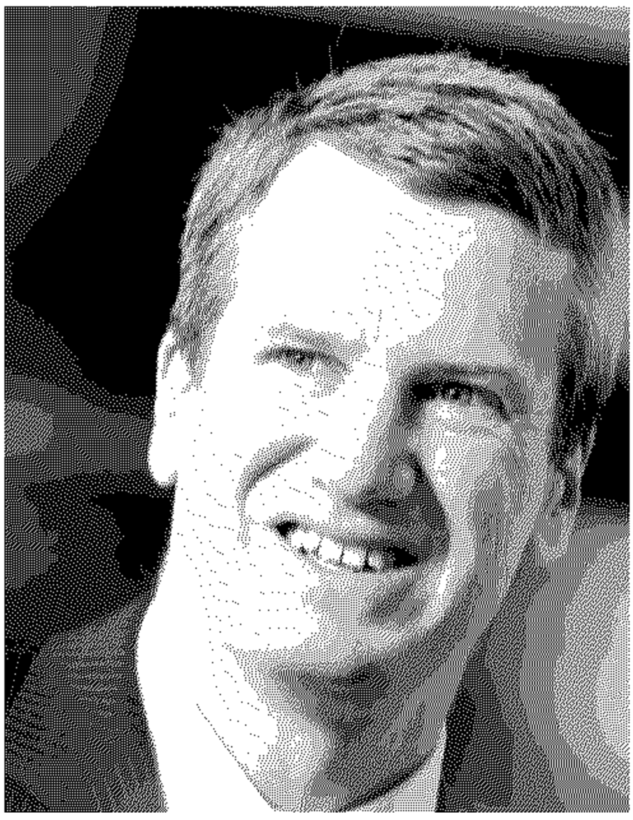
Front Cover
Ernst & Young Centre,
Sydney



Building on Our Strengths

"We will continue to build and strengthen the performance of our operating divisions within the clear framework of an integrated property business."





Multiplex is a fully integrated property business with operations throughout Australia, New Zealand, the Middle East and the United Kingdom. We develop, build, manage and own property adding value for securityholders at each stage of the property cycle.

Above
Artist impression of Macquarie Bank offices, King Street Wharf, Sydney

Multiplex Group (MXG)

Multiplex Limited
(Company)

Property Development
Multiplex Developments

Construction
Multiplex Constructions

Facilities Management
Multiplex Facilities Management

Property Funds Management
Multiplex Capital

A Multiplex Group stapled security comprises a unit in the Trust and a share in the Company. Securities trade under the code MXG on the Australian Stock Exchange.

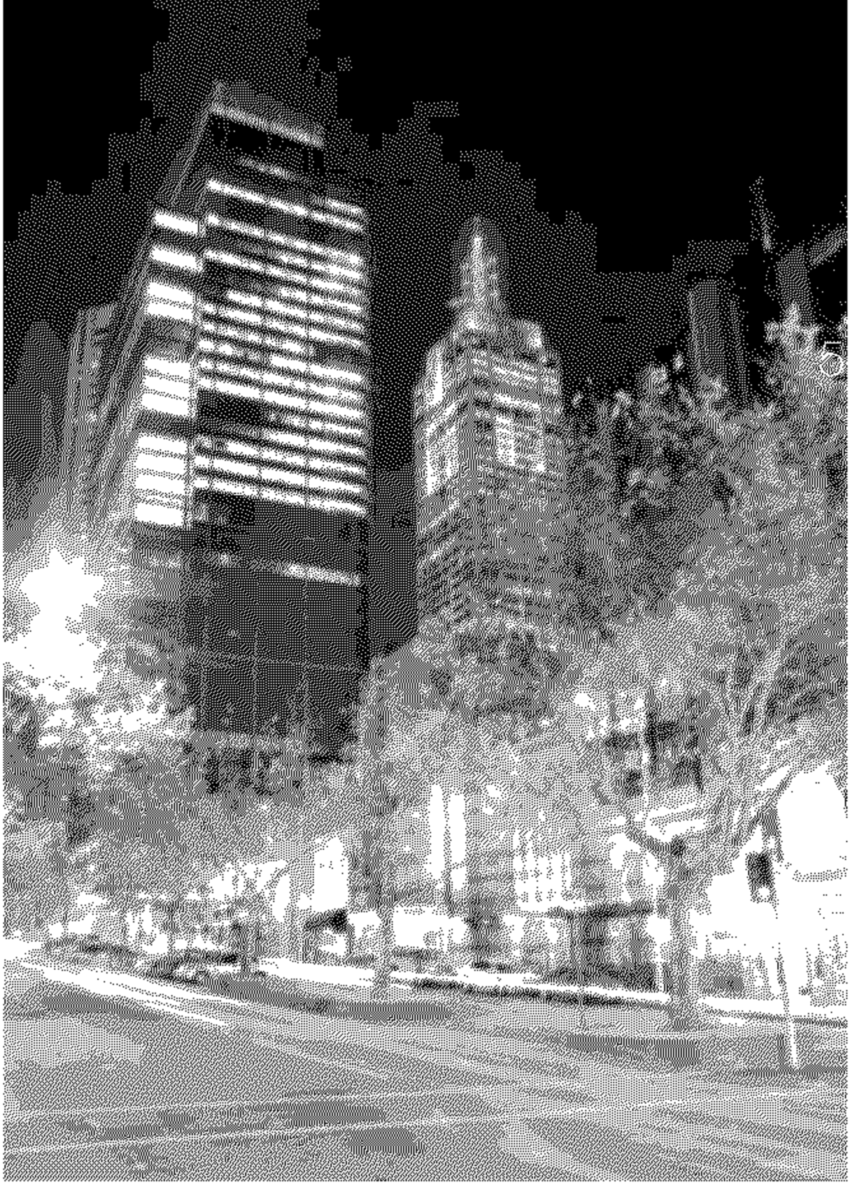
Multiplex Property Trust
(Trust)

25 investment grade assets

Four investments in Multiplex Capital managed funds

Southern Cross Case Study

The iconic Southern Cross development is located within the eastern precinct of the Melbourne Central Business District. Developed, built, managed and owned by Multiplex, Southern Cross provides an excellent example of the Group's integrated property model at work and demonstrates how the four key businesses interact and complement each other.




121


Lt Bourke

Southern Cross
Southern Cross East Tower has been an outstanding commercial success for Multiplex Developments. The 80,000sqm office tower was successfully completed ahead of program in March 2006 by Multiplex Constructions. Working closely with Multiplex Capital, the developments team delivered the tower 98% leased, with the office component fully-occupied by various Victorian State Government departments, with lease terms ranging from 15 to 16 years.

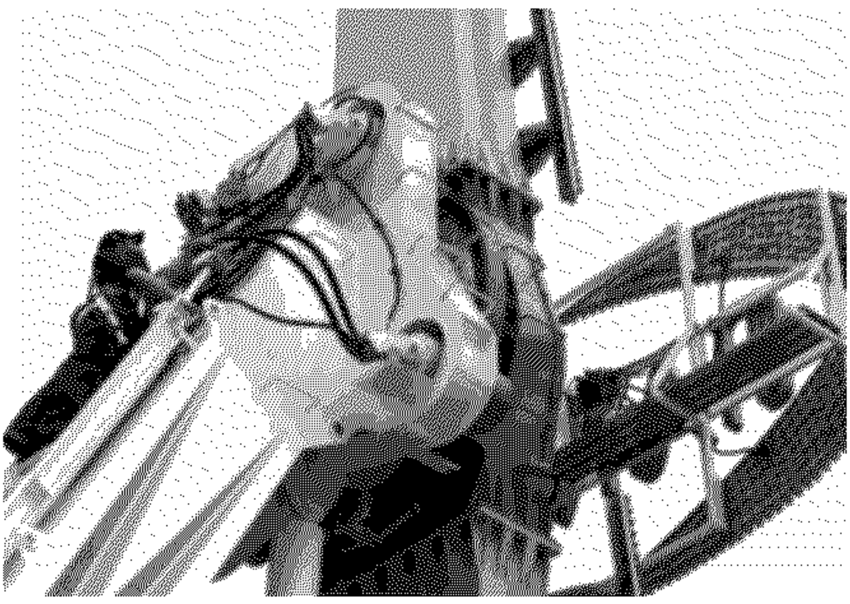
Multiplex Developments
Multiplex is an established property developer with an impressive global development portfolio valued on completion at approximately $16 billion. Our development projects are spread across Australia, New Zealand and the United Kingdom and span the following property sectors: commercial and industrial, master planned communities and land, multi-residential and retail.

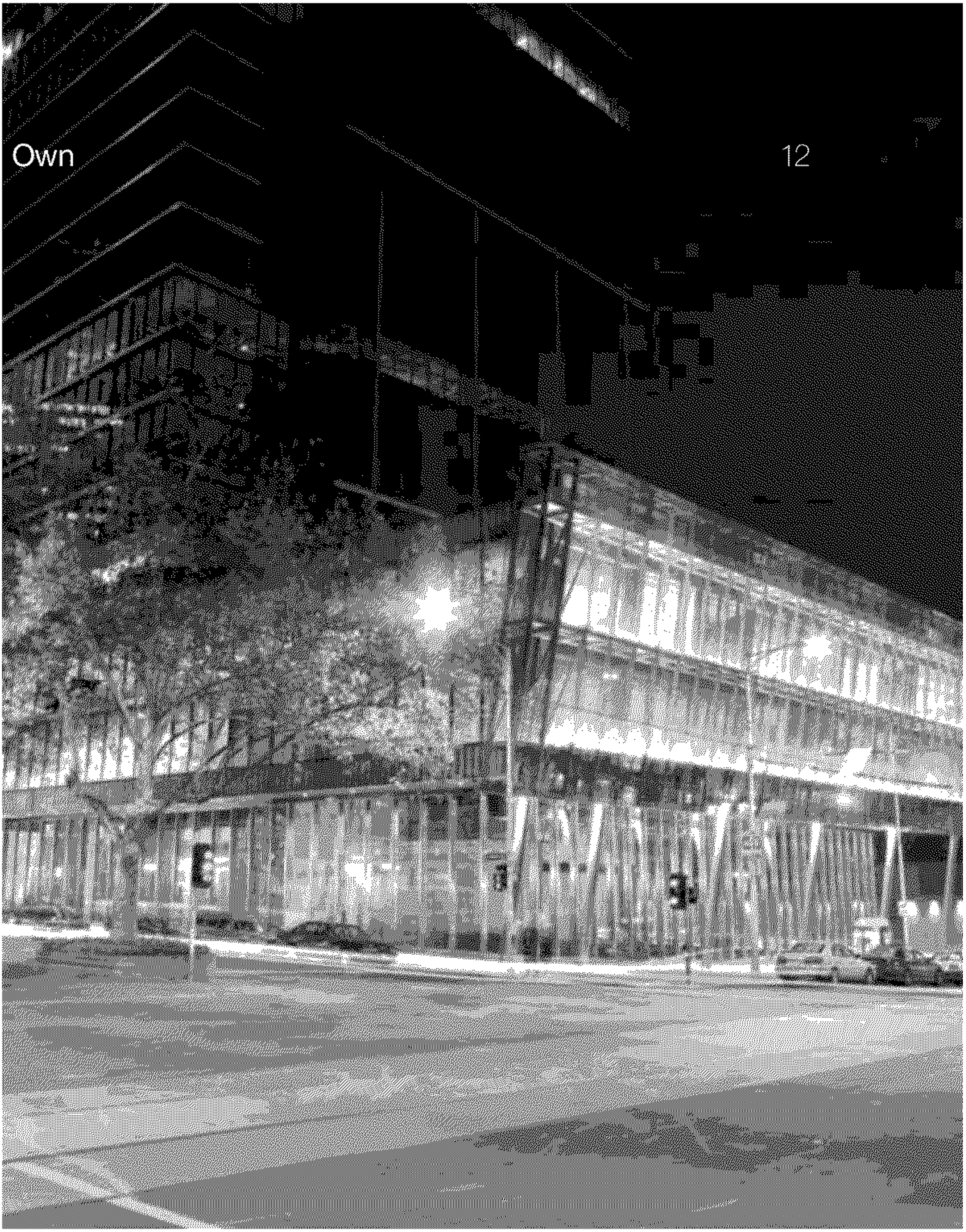
Southern Cross
Multiplex Constructions worked hand-in-hand with Multiplex Developments to deliver Southern Cross ahead of program. Cutting-edge environmentally sustainable design principles were applied to reduce long-term operating costs for users, and substantially benefit the local environment. Southern Cross is one of the first buildings in Melbourne designed to achieve a 4.5 star energy rating. During the demolition phase of the project, 85 per cent of all building materials such as concrete, steel, copper and glass, were recycled or stockpiled for future use.

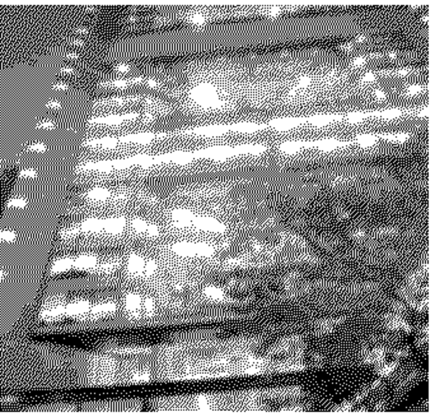
Multiplex Constructions
Over four decades Multiplex has established a reputation as one of Australia's premier builders with an impressive track record in the successful delivery of major projects. Multiplex also has firmly established operations in the Middle East, the United Kingdom and New Zealand. Complementing the Property Development division, Multiplex Constructions is currently undertaking projects with a construction value of approximately $6 billion.

Southern Cross
Multiplex Facilities Management has been appointed the facilities and property manager for Southern Cross, benefiting from securing a long-term profitable contract in one of Melbourne's landmark office buildings. The Facilities Management Agreement provides a fixed cost solution for a majority of controllable outgoings and for maintaining a 4.5 star energy rating.

Multiplex Facilities Management
Multiplex Facilities Management provides an integrated range of facilities and property management services to Multiplex and to a diverse range of public and private clients across a range of property sectors. The division currently has 100 contracts under management with an average duration of more than nine years.

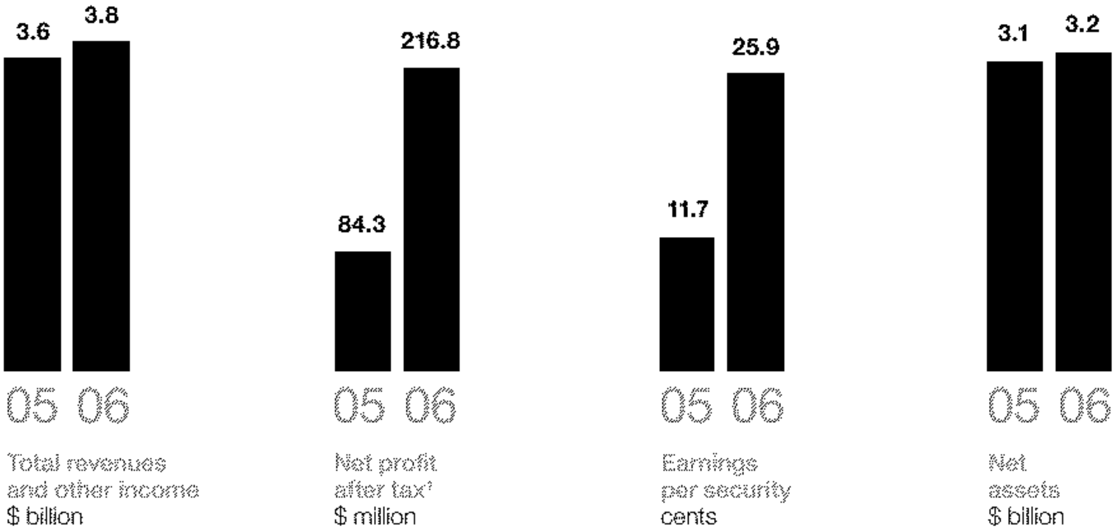






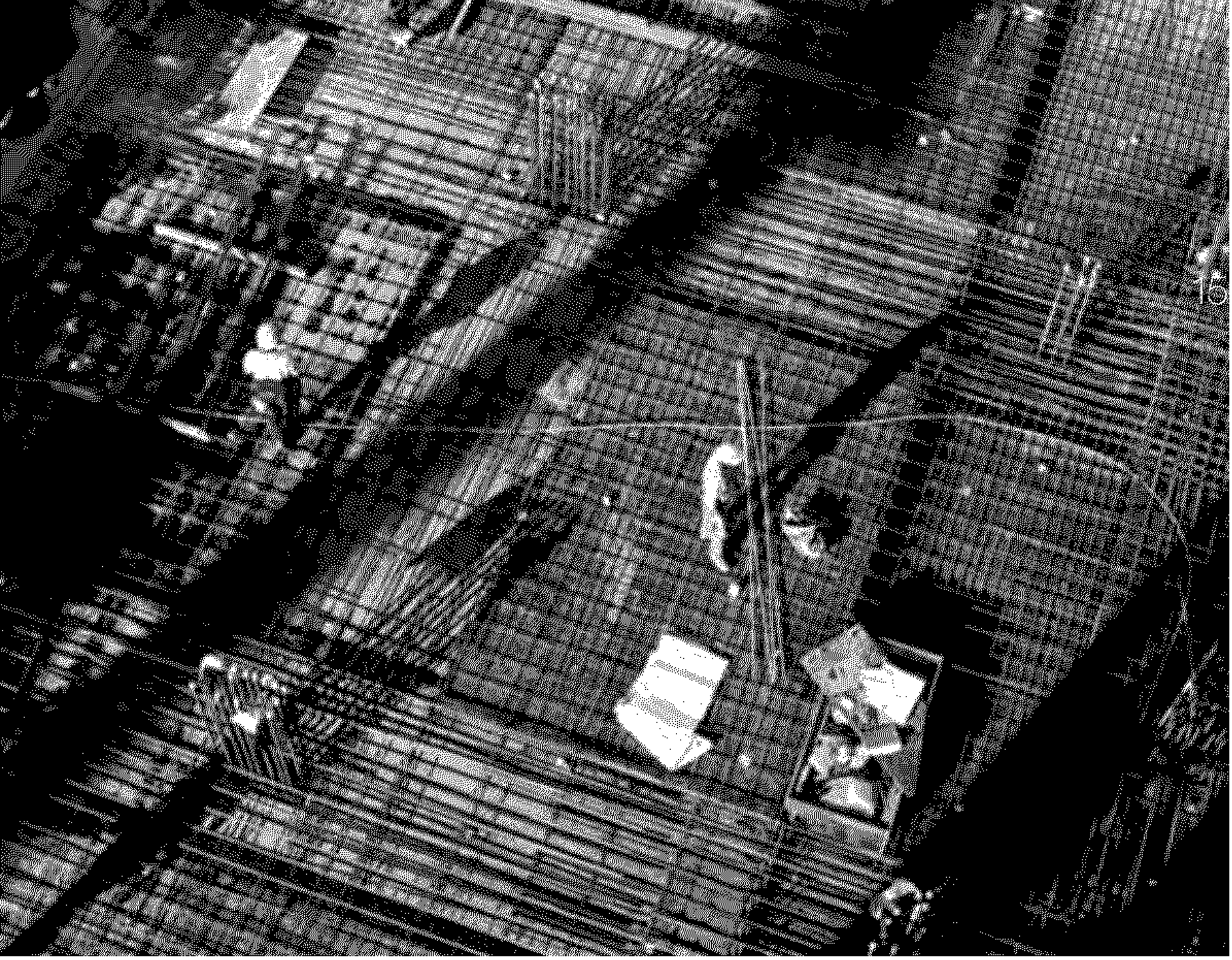
Southern Cross
When Multiplex Property Trust was established in 2003, Southern Cross was one of the foundation assets. The development, currently valued at $520 million is an outstanding investment providing long-term, high quality income streams to the Group. Multiplex Capital was able to leverage the quality of the asset, transferring a 25% stake to the recently launched Multiplex Acumen Prime Property Fund.

Multiplex Capital
Multiplex Capital is the Property Funds Management division within the Group, managing Multiplex Property Trust and a variety of listed and unlisted property funds. Total funds under management are $5.9 billion and provide the Group with quality recurring income from property ownership and management fees.



Multiplex Group results[2]	**30 June 2006**	**30 June 2005**
Total revenues ($m)	3,176.5	3,309.5
Total revenues and other income ($m)	3,795.5	3,571.1
Net profit after tax attributable to stapled securityholders ($m)[1]	216.8	84.3
Earnings per security (cents)	25.9	11.7
Total distributions payable per security (cents)	25.5	29.8
Net assets ($m)	3,160.1	3,136.3
Net tangible asset backing per stapled security (including SITES) ($)	3.39	3.35
Net tangible asset backing per stapled security (excluding SITES) ($)	2.84	2.82
Interest bearing debt to total assets (%)	36.8	35.1
Net interest bearing debt to total assets (%)	30.3	30.6
Weighted average number of securities on issue (million)	837.4	722.6
Number of securities on issue (million)	837.4	837.4

Notes:
1. Attributable to stapled securityholders.
2. Results have been prepared for the first time under Australian equivalents to International Financial Reporting Standards (AIFRS) and all prior period comparatives have been restated to comply with AIFRS.



Group net profit after tax attributable to securityholders of $216.8 million was negatively impacted by after tax losses on the Wembley project. The Wembley losses of $255 million were offset by fair valuation adjustments (FVAs) of $227.7 million in respect of the Group's and associates' investment properties.

Distributions per security of 25.5 cents were broadly in line with earnings per security of 25.9 cents.

Year in Review

Multiplex Group

- Multiplex Group financial results in brief are outlined on pages 14 and 15 of this report
- A loss of $364 million before tax on the Wembley project had a material impact on the Group result
- Successful rationalisation of the Duelguide portfolio including many mature non-core assets
- Strong revaluation gains from Trust investment properties with an overall increase of 12.7%
- Continued growth of funds management business with organic growth within existing funds and origination of new product, with Multiplex Acumen Prime Property Fund and Multiplex Acumen Vale Syndicate
- New construction awards of $2.9 billion during the year with average margins excluding Wembley maintained at historical average
- Three major lease pre-commitments for 70,000sqm of commercial office developments in Sydney secured having a gross development value of circa $640 million

Multiplex Property Trust

- Contribution to earnings before interest and tax (EBIT) of $446.5 million
- Strong revaluations resulted in gains of $227.7 million from investment properties and associates
- 99% occupancy, up from 93% in June 2005
- 119 new or renewed leases totalling 85,838sqm
- 675 direct tenants and 1,425 including equity investment properties
- Blue-chip tenant base with a weighted average lease expiry of 6.4 years
- Three Multiplex Capital managed funds delivered an average total return of 28.4% in FY2006

Contribution to EBIT $ million

Property Funds Management

- Contribution to EBIT of $53.8 million with an increase in base management and transaction fees
- Sale of Sapphire Retail Fund realised a $27 million profit
- Funds under management grew to $5.9 billion from $5.5 billion in 2005
- Launch of the $640 million Multiplex Acumen Prime Property Fund
- Establishment of first land syndication at Vale in Western Australia
- Acquisition of eight commercial and retail assets by the unlisted Multiplex New Zealand Property Fund
- Strong performance from managed funds with a weighted average total return of approximately 27%

Contribution to EBIT $ million

Property Development

- Contribution to EBIT of $100.0 million
- 54 projects with a gross development value of approximately $16 billion
- Successful conclusion of the non-core asset disposal program in the UK with the divestment of mature assets
- Successful delivery of Southern Cross 98% leased to the Trust
- Substantial lease pre-commitments secured from American Express, Macquarie Bank and Australian Taxation Office for three new office buildings in Sydney
- Achieved important planning approvals across all sectors enabling new developments to commence
- Re-weighted portfolio with a bias towards the commercial and land sectors

Construction

- Net loss before interest and tax of $319.8 million was largely as a result of losses sustained by the Wembley project
- Average gross project margin during FY2006 of 4.9% (excluding Wembley)
- 36 current projects with a total contract value of $8.1 billion
- Successfully completed 25 major projects valued at $2.5 billion
- Replenished portfolio by securing 18 new major contracts at a total value of $2.9 billion
- 50% growth in portfolio contract value in the Middle East during the period
- More disciplined approach to risk management and project selection
- Voted National Commercial Builder of the Year by the Master Builders Association of Australia

Facilities Management

- Contribution to EBIT of $7.4 million
- 22% increase in number of contracts to 100
- Average contract duration exceeding nine years
- Secured a 25-year contract for the Melbourne Convention Centre, a 10-year contract for Parramatta Justice Precinct in Sydney and an 18-year contract for Centrelink Headquarters in Canberra
- Secured a three-year security management contract for the AMP leased portfolio nationally
- Renewed a second major Defence contract in Sydney for a five-year period

Contribution to EBIT $ million

Contribution to EBIT $ million

Contribution to EBIT $ million

Chairman's Report

The aggregated Group profit attributable to securityholders for the year ended 30 June 2006 was $216.8 million, after tax, minority interests and stapling eliminations.

As has been widely reported, the Group's result was negatively impacted by the Wembley project which contributed a loss of $364 million before tax for the year under review. An overview on the position of this project has been provided on page 44 of this report. In December 2005, we made provisions for possible liquidated damages at Wembley and made further allowances for additional costs associated with any unforeseen program delays through to completion. While there are still risks associated with the Wembley project, we believe that the provisioning that has been made will be adequate.

At the time of writing this report the work at Wembley has been substantially completed with most of the remaining work the responsibility of the client, Wembley National Stadium Limited (WNSL).

It is unfortunate that the Wembley project is masking a more than satisfactory result from other divisions of the Company.

Multiplex Property Trust made a solid contribution of $446.5 million to the Group's result. This includes profits on the sale of investment properties of $27 million and revaluations made in compliance with AIFRS of $227.7 million. Distributions totalling 25.5 cents per security have been made by the Trust for the year to 30 June 2006.

The Trust's property portfolio continues to perform strongly and is currently 99% occupied with a weighted average lease expiry of more than six years. Multiplex Capital had an excellent year delivering a strong performance from its suite of funds and launching a number of new products. The Chief Executive's Report provides further details on the operational performance of each of the business divisions.

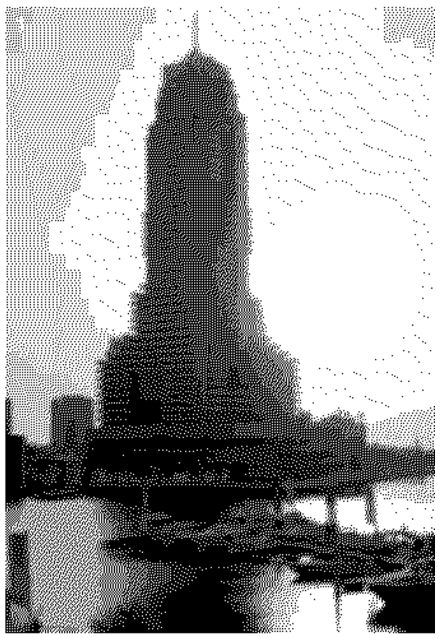
During the year all at Multiplex were saddened at the death of its Founding Chairman, Mr John Roberts AO. John inspired and led the Company over four decades and under his leadership, Multiplex became one of Australia's largest builders changing the skyline of the capital cities across Australia. His energy, experience and contribution will be missed by all of us. A summary of John's achievements can be found on the following pages.

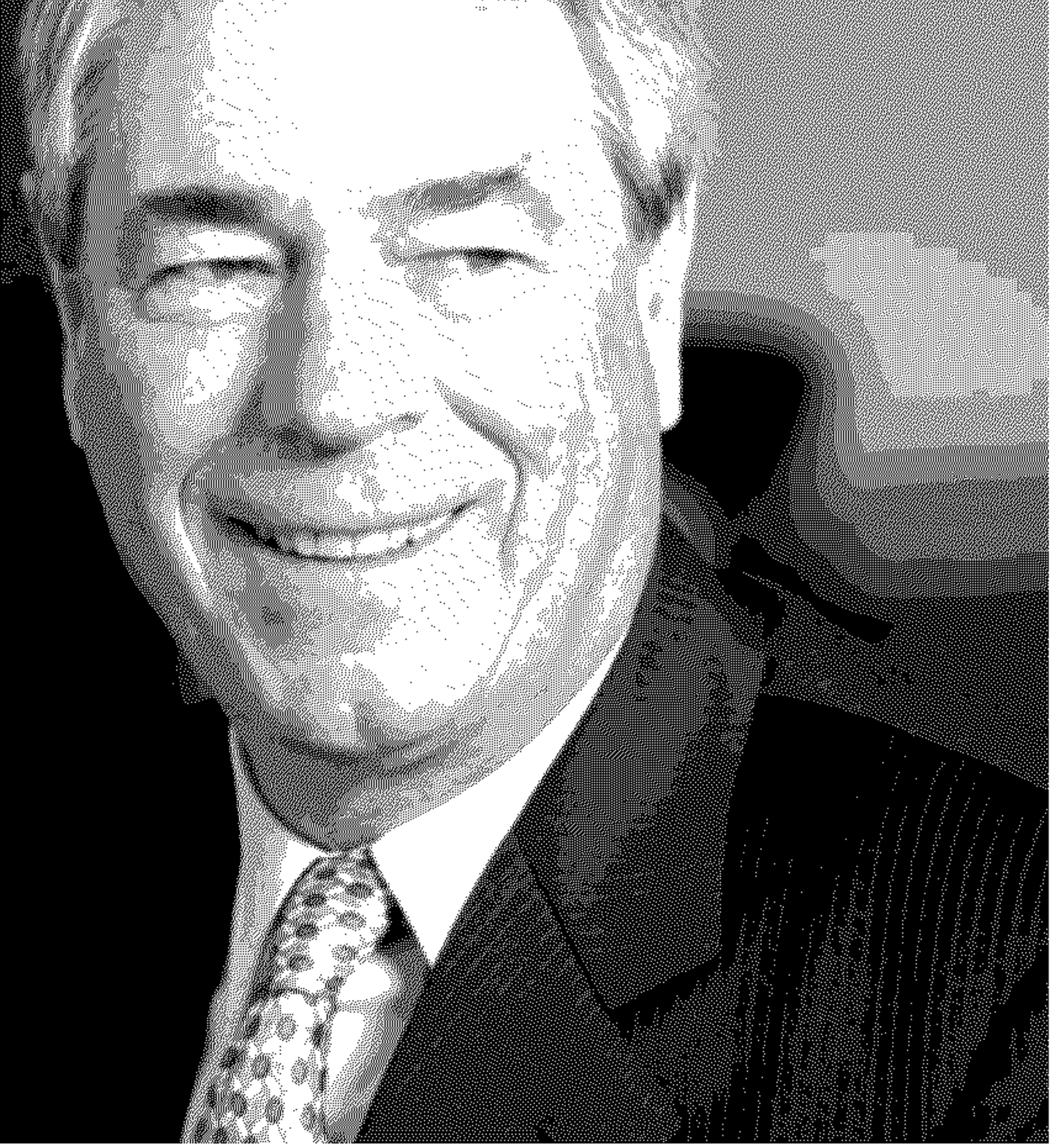
At the 2005 Annual General Meeting I was able to welcome Mr James Tuckey to the Board as an additional independent director. As well as his contribution to the Group, Mr Tuckey addressed himself particularly to the United Kingdom and given the strength of his input it was considered to be in the best interests of the Company for him to be appointed to the executive role of Chairman of Multiplex's UK operations.

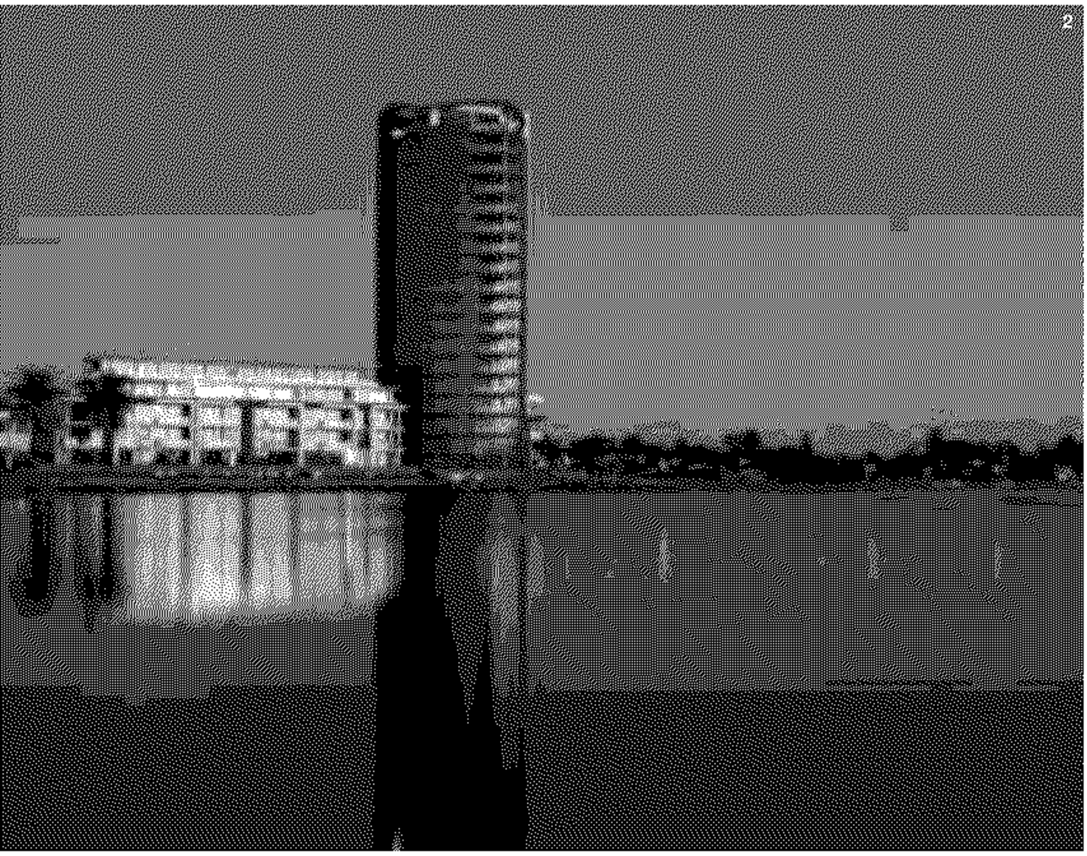
In January 2006 Mr Bob McKinnon was appointed as an Executive Director and Chief Financial Officer. We consider ourselves fortunate to have attracted a CFO of the calibre of Bob McKinnon.

1
Grosvenor House Hotel, Dubai

2
Raffles, Perth





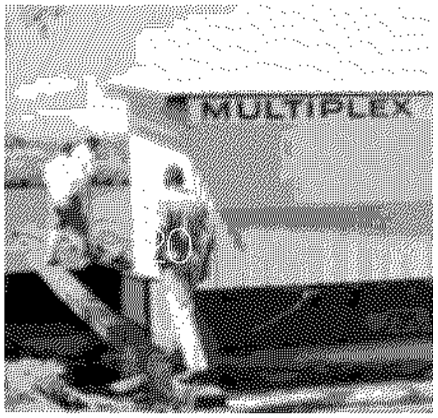


The changes to the Board composition during the year have resulted in the Group having a Board of four independent directors and five executive directors. We are conscious that this does not meet the recommendations of the ASX Principles of Good Corporate Governance and we are committed to correcting this so as to be in full compliance.

Despite the difficulties at Wembley, the Group's balance sheet remains strong. The Group's outlook is sound with strong pipelines of work within our active businesses.

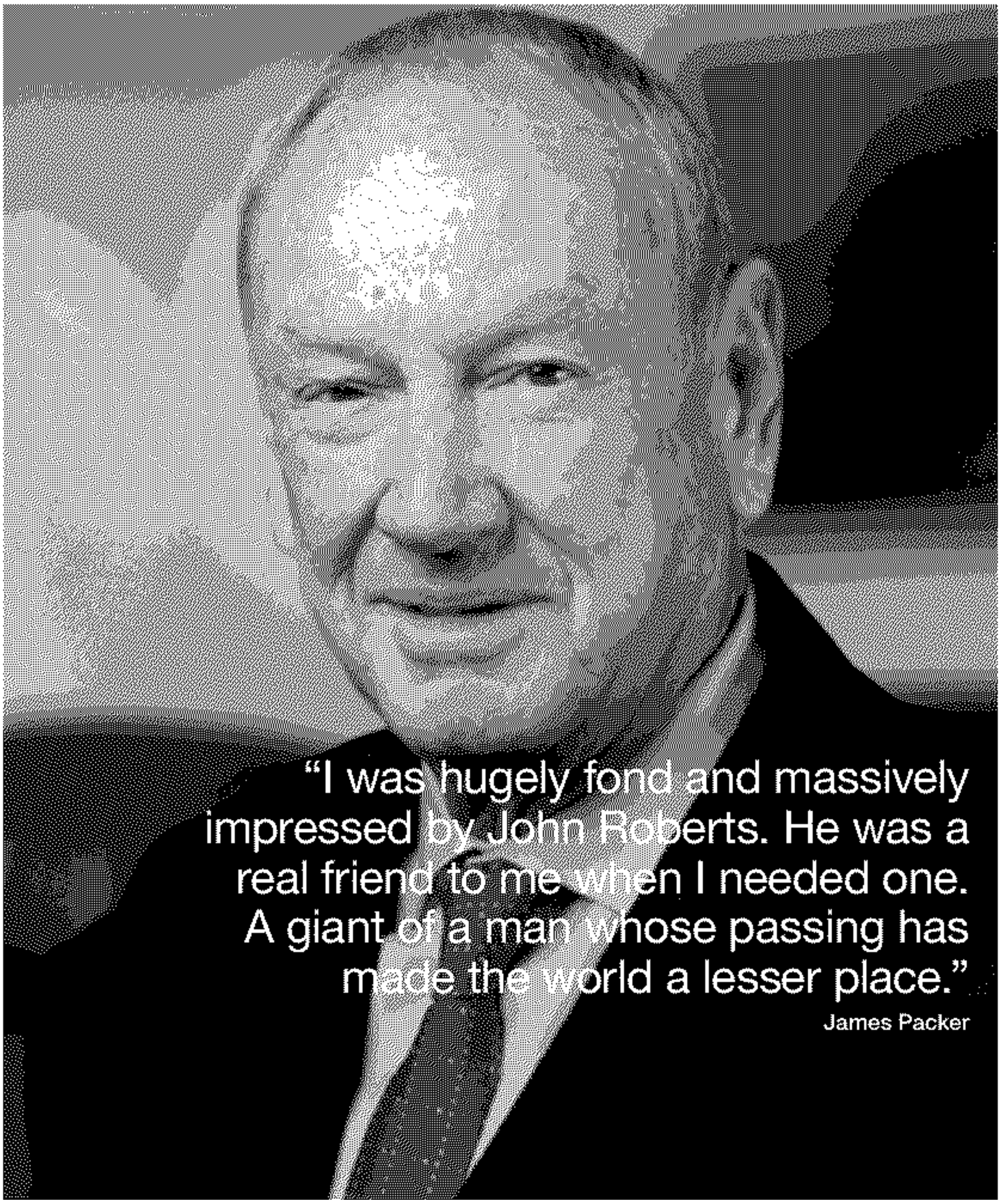
I would like to record the appreciation of the independent directors of our executives and staff in what has been a challenging year.

Allan McDonald
Chairman

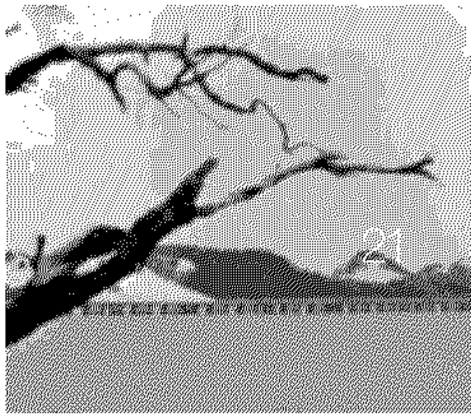


John C Roberts AO
1933–2006

"John's legacy is an enormous one in the fields of property and construction. He was a man of great energy and vision and will be sorely missed."
Allan McDonald



"I was hugely fond and massively impressed by John Roberts. He was a real friend to me when I needed one. A giant of a man whose passing has made the world a lesser place."
James Packer



It is with deep regret that we advise that after a long illness Mr John Roberts AO, Executive Director and Founding Chairman of Multiplex passed away in Perth on 8 June 2006. He was 73 years old.

John was born in Melbourne on 23 January 1933 and educated at Guildford Grammar School, Western Australia. He went into the building trade straight from school, and founded Multiplex in Perth, Western Australia, in 1962, building it into one of Australia's most prominent businesses.

John inspired and led Multiplex in its pursuit of excellence over 40 years, taking pride as it became one of Australia's biggest builders, achieving international exposure and acclaim. The skylines of Perth, Sydney, Melbourne, Brisbane, Adelaide, Auckland, Dubai and London are testament to his success and vision.

John was very proud to be a part of the Construction industry in Australia counting his peers to be equal to any in the world. He was a pioneer in the industry forging relationships with industry bodies, introducing new construction techniques and contract forms and developing the subcontractor operating model. He was extremely dedicated and driven and under his leadership Multiplex prospered and delivered over 400 high-rise towers, enough apartments to accommodate a small city and countless other projects of all shapes and sizes.

He was particularly proud that in a cyclical industry, the company he founded had stood the test of time. From humble beginnings, Multiplex grew strongly and resiliently through a number of property cycles that saw many competitors fall by the wayside. John always believed Multiplex was its people, and he attributed Multiplex's success to their quality and their commitment to the construction and property industry. This will be one of John's greatest legacies.

John's commitment to his people was rewarded with a family of loyal staff many of whom served with Multiplex for more than 30 years. This loyalty and respect was further evidenced by the 1,500 staff that attended his memorial service in person or by video conference.

In 1988 John was awarded an Order of Australia for his contribution to the Construction and Horse Racing industries. His contribution to the Construction industry was widely acknowledged, and was recognised by the Australian Constructors' Association in 1999 when he received a Lifetime Achievement Award.

John had an extraordinary life. He was deeply passionate about his family, about Multiplex and about the Construction industry. His energy and enthusiasm also extended to a diverse range of personal interests including horse racing, farming, cricket, boating and travelling.

John was a former Chairman and lifelong member of the West Australian Turf Club and actively promoted the horse racing industry in Perth and throughout Australia. He had world class facilities and more than 100 racehorses at his home in Egerton.

John's innovative nature also extended to the farming industry. His merino stud farm, The Grange in Perth, is acknowledged as an industry leader, pioneering new scientific approaches to breeding and producing some of the finest rams in the country. John was an avid nature lover planting more than a million trees at Egerton and building a haven for Australian fauna and exotic birds.

John was a caring and compassionate person, a larger than life character with a great sense of humour. He was tremendously loyal and demonstrated total integrity in business dealings. His passion and his deep understanding of people, property markets and Australian heritage will be greatly missed by all at Multiplex.

1933
John Charles Roberts was born in Melbourne to Charles Roberts and Gwendolyn Barry

1962
John founded Multiplex (named after a rapidly spreading cactus) with £10 of equity. His first job was to build an effluent pipeline across the Bunbury Estuary

1964
He married Angela Egerton-Warburton (all three of their children hold executive positions in Multiplex)

1977
John is awarded the Queen's Silver Jubilee Medal for his service to the Construction industry

1978
Multiplex established an office in Sydney

1970s–1980s
Multiplex expanded throughout Australia and in South East Asia

1988
John is awarded the prestigious Order of Australia for his contribution to the Construction and Horse Racing industries

1989
Multiplex diversified into Property Development

1990s
Multiplex expanded into the Middle East and Europe

1998
Multiplex established its Facilities Management business

1999
John is awarded a Lifetime Achievement Award for his services to the Construction industry by the Australian Constructors' Association

2001
Multiplex established its Funds Management business

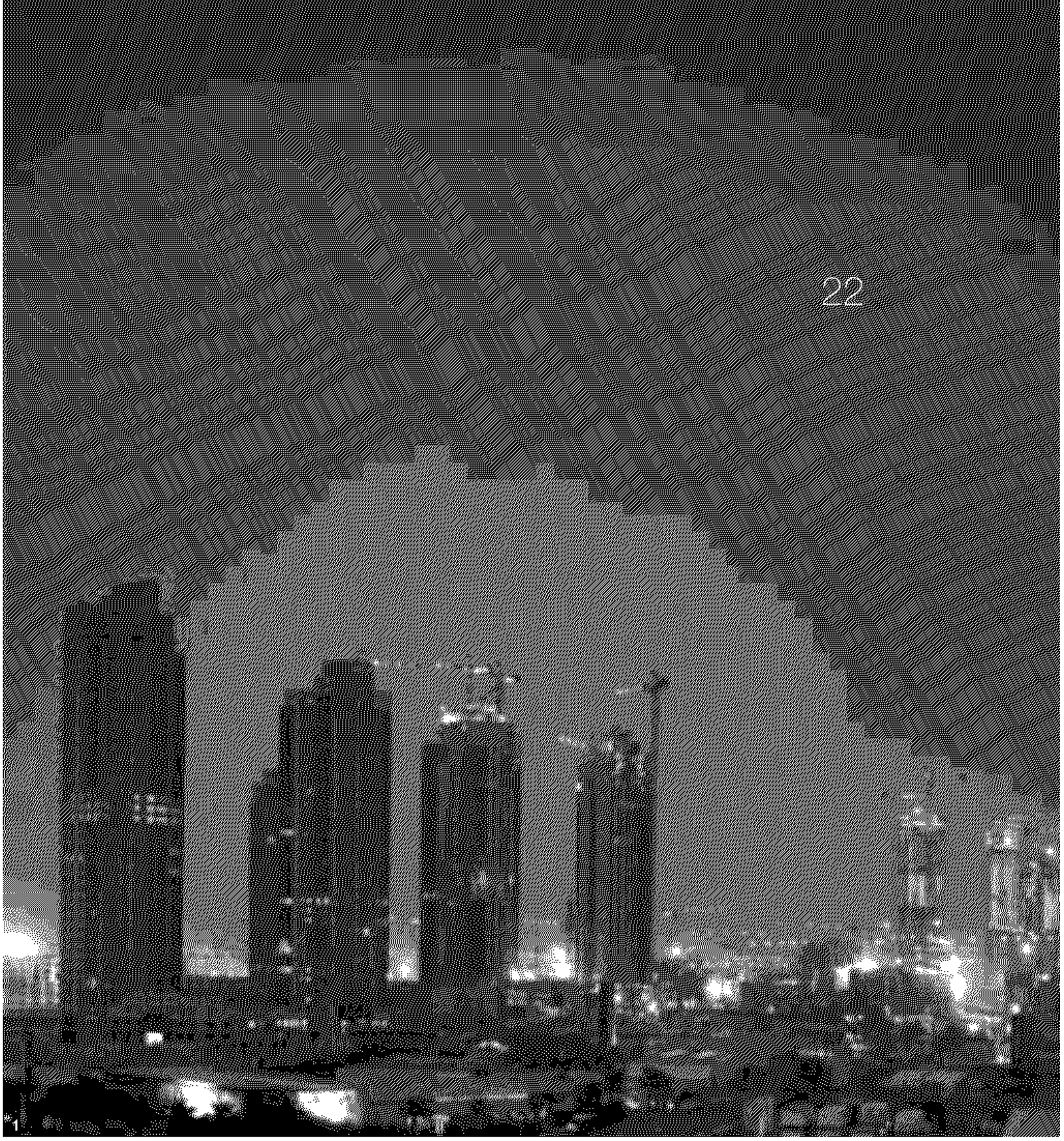
2002
John appoints Andrew Roberts as Chief Executive of Multiplex

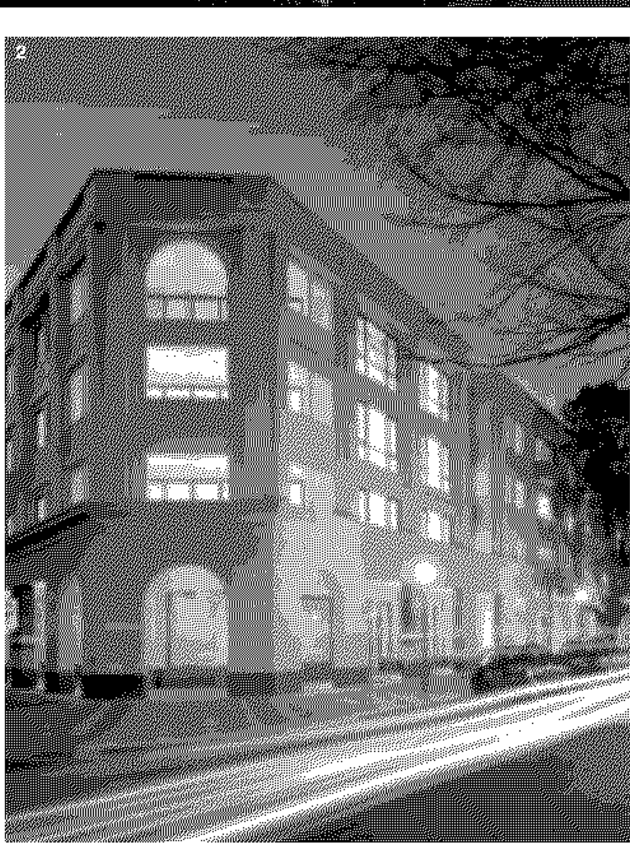
2003
Multiplex Group listed on the Australian Stock Exchange with a market capitalisation of over $3 billion with John as Chairman of the Multiplex Group Board

2005
John steps down as Chairman of the Multiplex Group Board and remains an Executive Director

2006
8 June 2006 – John passed away at his Egerton home in Perth

August 2006 – John had accepted an invitation to be honoured as the inaugural "icon" of the WA property industry by the Property Council of Australia.





1
Burj Residences, Dubai

2
The Chancellor, Sydney

It has been another challenging year for Multiplex Group with significant management challenges presented by the deterioration of the financial position of the Wembley project. While the difficulties at Wembley have been extremely disappointing, I am pleased to report that there has been no material change in relation to the financial position of the Wembley project in the second half of 2006.

The financial position of the Group has been greatly strengthened over the last six months. We have improved our cash position and introduced balance sheet flexibility that will enable us to reinvest into the business. Putting Wembley aside, there were a large number of achievements across the Group during the period and there are sound prospects across all the operating divisions and positive momentum within the business.

Financial performance

Multiplex Group recorded a net profit after tax (NPAT) attributable to stapled securityholders of $216.8 million for the year ended 30 June 2006 compared to $84.3 million in 2005. The result has been prepared for the first time under AIFRS. The result included a loss in respect of Wembley of $255 million after tax and fair value adjustments of $267.7 million. If adjusted for those two items, the underlying NPAT of the business was slightly over $200 million. The fair valuation adjustments are reflective of very strong revaluation gains in the Trust investment properties of around 12.7%, reflecting the quality of the Multiplex Property Trust portfolio.

Net assets increased by approximately $24 million over the year to $3.16 billion, and net tangible assets also increased slightly to $2.84 per security from $2.82. Aggregated Group Earnings per Security after tax were 25.9 cents. Full Year distributions per security were 25.5 cents comprising two distributions from the Trust and no dividend from the Company.

Multiplex Limited

Property Development

The Property Development division contributed earnings before interest and tax of $100.0 million to the overall Group result, on external revenue of $417.4 million.

The division's result for the year included profits of $37.2 million from the divestment of various UK assets. These profits were offset by $35.3 million inventory valuation write-downs and project cost write-offs. The reduction in inventory valuation reflects weaker inner-city residential market conditions particularly in Sydney, while the cost write-offs relate to previously approved residential and strata development schemes that were changed to commercial development schemes in order to capitalise on the strong commercial property market in Australia.

Key activities for the division during the year included:

- Lease pre-commitments being achieved for three new buildings at King Street Wharf (Sydney) and World Square (Sydney) to be delivered over the next three years for American Express, Macquarie Bank and the Australian Taxation Office;
- The completion of three multi-residential projects being Raffles (Perth), The Chancellor (Sydney) and Lakeland's Villas (Gold Coast);
- Progress on a further three multi-residential projects which are currently pre-selling. Subject to demand, construction on these projects is expected to commence this year;
- The completion of Stage 1 of the Vale master planned community in Western Australia, with all lots sold. Strong pre-sales of the Newport Quays master planned community in Adelaide allowed construction to commence;
- Planning approval being received for two retail centres during the year, and the retail development asset base being expanded with the acquisition of Wilsonton Shopping Centre (Toowoomba);
- Construction commenced on the $720 million Eden retail development at High Wycombe, north of London, in which Multiplex has a 50% interest; and
- Planning Approval was secured for Castle House, a residential tower in Central London.

At June 2006 the gross development value of the UK development pipeline remained relatively unchanged from June 2005 at $9.3 billion, whilst the value of the Australian portfolio had increased from $5.1 billion to $6.6 billion.

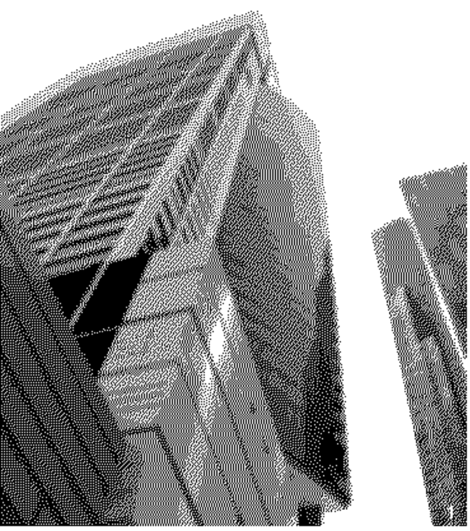
Construction

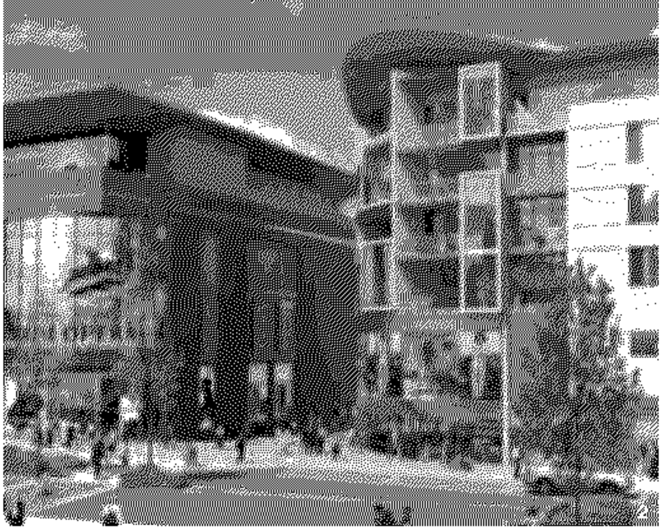
The Construction division contributed a loss before interest and tax of $319.8 million to the overall Group result. External revenue was $2,468.0 million.

As widely reported, the Construction division's overall result has been materially affected by additional losses of $364.3 million before tax incurred in respect of the Wembley project. This result is unchanged from December 2005.

During the year, the Construction division completed 25 major projects valued at $2.5 billion and continued to replenish its workbook, securing 18 major new contracts at a total value of $2.9 billion. At June 2006 the division's portfolio included 36 projects with a total contract value in excess of $8 billion. The portfolio is 52% complete and achieving overall margins consistent with historical norms.

In the UK, Wembley Stadium is nearing completion with remaining works primarily related to the building's commissioning and handover. An important part of these works is the responsibility of WNSL. The Group is focusing on pursuing recovery of our entitlements from third parties. During the year, the Group was successful in its case against the former steel subcontractor at Wembley, the financial outcome of which will be decided at a further hearing in the first quarter of 2007 unless agreed beforehand.





1
Freshwater Place, Melbourne

2
Artist impression of Eden, High Wycombe, UK

The remaining key activities during the year for the division were:

- The completion of Southern Cross (Melbourne) for the Trust; Freshwater Place (Melbourne) – the second largest residential project in Melbourne's history; Raffles (Perth) – a luxury residential complex; Riparian Plaza and Festival Towers (Brisbane); DIFC – The Gate and Phase 1 of the Burj Residences (Dubai); and The Knightsbridge (London) – recognised as one of London's most prestigious new residential developments;
- The securing of a number of new contracts including Melbourne Convention and Exhibition Centre (Melbourne); Parramatta Justice Precinct (Sydney); 538 Bourke Street (Melbourne); Sylvia Park Mall (Auckland); The Index (Dubai) – an 86-storey multi-use building; and Eden Shopping Centre (Southern England); and
- Continued progress by Multiplex Engineering on two projects being the Perth Desalination Plant and the Moma Mineral Sands processing plant.

Facilities Management

The Facilities Management division contributed earnings before interest and tax of $7.4 million to the overall Group result.

During the year the division increased its number of contracts by 22% from 82 to 100. The average term of these contracts exceeds nine years. The new contracts include a 10-year facilities management contract for the new Parramatta Justice Precinct, an 18-year contract for Centrelink Headquarters (Canberra) and a 25-year contract for the Melbourne Convention and Exhibition Centre.

Property Funds Management

This division contributed earnings before interest and tax of $53.8 million to the overall Group result. Of these earnings, 49% related to the management of its growing portfolio of funds under management, and the remainder of $27.2 million related to profit on the sale its interest in the Sapphire Retail Fund in the UK.

The key activities during the year included:

- Growing total funds under management (FUM) to $5.9 billion (2005: $5.5 billion), after allowing for the sale of the $0.7 billion Sapphire Retail Fund;
- The launch of a new $640 million Australian Office Fund (MAPPF), to be listed in September 2006. This transaction was a major milestone in the growth of external FUM and represents a showcasing of Multiplex's integrated property business model; and
- The launch of Multiplex Acumen Vale Syndicate in Western Australia.

Multiplex Property Trust

The Trust performed strongly during the year and contributed earnings before interest of $446.5 million to the overall Group result (2005: $126.0 million).

In accordance with Group policy, all investment properties were independently fair valued during the year and Trust earnings included fair value adjustments of $227.7 million in respect of its investment properties and the investment properties of its associates.

During the year the Trust has:

- Improved occupancy to 99%;
- Achieved a tenant retention rate of 95% by area, with 119 new and renewed leases completed in respect of more than 85,000sqm;
- Concluded 433 rent reviews in respect of 340,000sqm or 43% of the portfolio's net lettable area, at an average increase of 3.9%;
- Achieved an average total return of 28.4% from its equity investments in Multiplex managed funds;
- Sold Goldfields House at a profit to the Trust of $26.6 million; and
- The weighed average lease term (by income) across the Trust's portfolio is now 6.4 years, compared to the industry average for office listed property trusts of five years.

Outlook

The Board believes the Group's prospects for FY2007 are sound.

The Property Development division has a solid development pipeline in terms of its gross development value, while the Construction division has a replenished workbook and good forward workload. The earnings profile of each of these divisions will be impacted by AIFRS under which development profits are generally brought to account at project completion. In the case of Property Development, the development pipeline is biased towards project completions in FY2008 and beyond. Accordingly, project completions in FY2007 are likely to be fewer than average and this is expected to impact on earnings in the short term. As the Construction division increases its level of internal development work, the emergence of profit on this work will also be delayed under AIFRS and only emerge in the year in which the relevant development completes.

The Funds Management and Facilities Management divisions are expected to build on growth achieved over the last year although their FY2007 earnings are not expected to include any significant one-off profits outside normal operations. The Trust is expected to continue to benefit in FY2007 from the strength of its property investment portfolio, in particular its high occupancy and its recent tenant retention and rent reviews.

Andrew Roberts
Chief Executive

Multiplex Property Trust performed strongly during the period benefiting from robust office market conditions in Australia. The Trust achieved all of its major objectives, increasing occupancy to 99% and tenant retention to 95%, improving a blue-chip tenant base with major government and corporate tenants and maintaining a long lease expiry profile of 6.4 years.

Operational performance
Multiplex Property Trust has a diversified portfolio of 25 investment grade office, retail, industrial and car park properties and four investments in Multiplex Capital managed vehicles. The gross asset value of the Trust's portfolio is $2.9 billion. The lettable area for the Trust is circa 800,000sqm and the portfolio derives rent from 675 tenants directly and a further 1,425 properties via its equity investments.

In the past 12 months, the Trust's key metrics continued to strengthen with portfolio occupancy having increased to 99%, up from 93% in June 2005. The weighted average lease term (by income) across the portfolio is 6.4 years, which compares favourably to the average for office listed property trusts (five years). The top 10 tenants accounted for 51.9% of net income in June 2006 up from 45.8% in June 2005. The weighted average lease expiry of the top 10 tenants is 7.0 years.

One of the Trust's competitive advantages is its ability to originate and manage its own property investments. In March 2006, the A-grade Southern Cross office tower in Melbourne, which was built and developed by Multiplex, was successfully completed. Southern Cross is 98% leased to the State Government of Victoria with a weighted average lease expiry in excess of 14 years.

Property acquisitions and divestments
In May 2006 the Trust made a $152.3 million equity investment in the Multiplex Acumen Prime Property Fund (MAPPF). The Trust's investment currently equates to 90.1% and is anticipated this will reduce to an interest of between 20.1% to 30.1%, on completion of the MAPPF capital raising in September 2006.

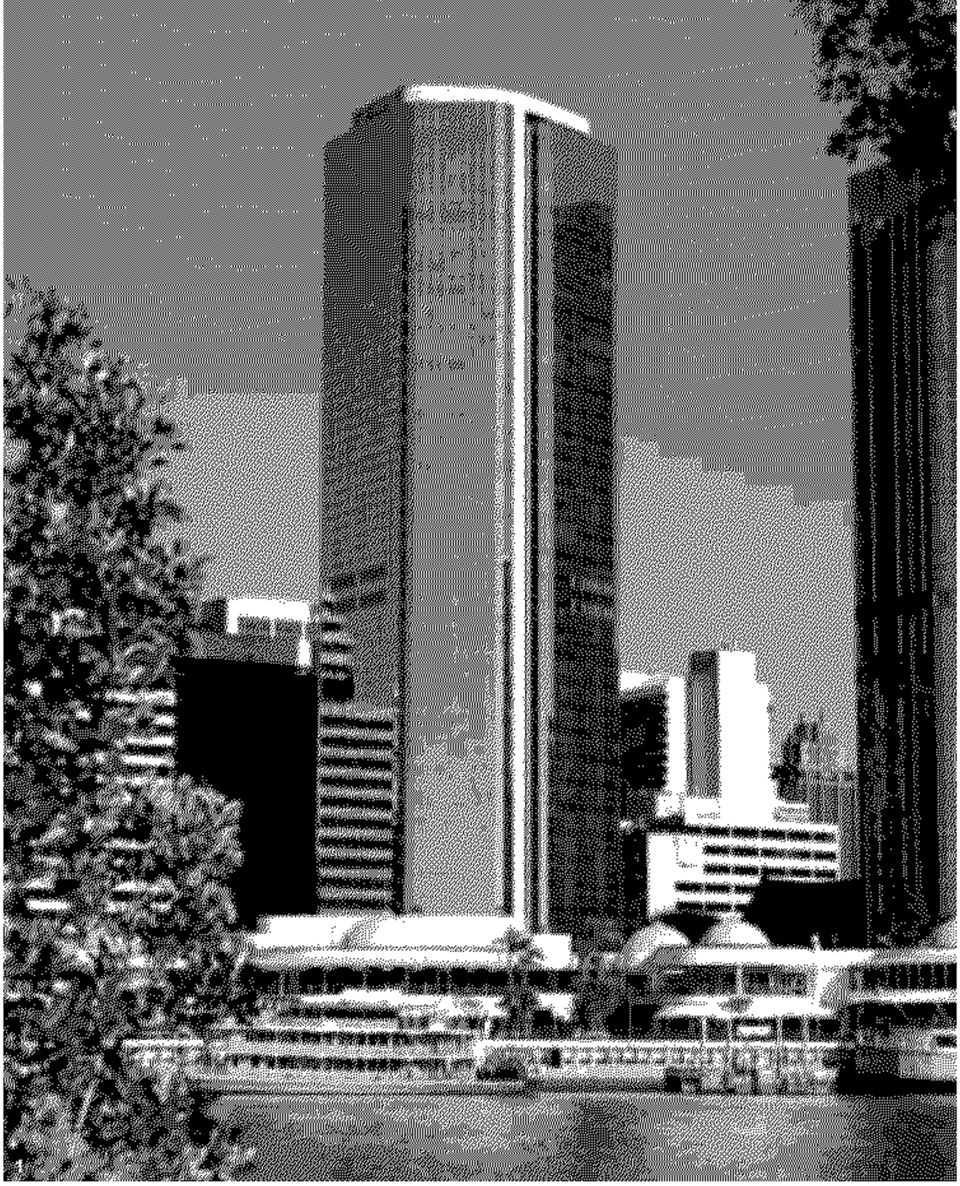
The following Trust assets were acquired by MAPPF during the financial year:

- 100% Defence Plaza, Melbourne
- 50% of Ernst and Young Centre and 50 Goulburn Street, Sydney; and
- 25% of Southern Cross, Melbourne.

The Trust made a further equity investment of $15.4 million into Multiplex Acumen Property Fund, taking its total investment to $43.8 million representing 19.9% of the fund's issued capital. These investments in listed Multiplex Capital managed vehicles enhance the diversification of the Trust, deliver low risk annuity income streams to Multiplex securityholders and see the Trust's stakes at their preferred level of 20%. The transactions are consistent with the Trust's strategy to align its interests with the Group and to invest in Multiplex Capital managed vehicles.

During the period, the Trust sold 26.8 million units in AMP New Zealand Office Trust (ANZO) for consideration of $24.9 million. Following this transaction, the Trust's equity investment in ANZO equates to 21.2% of issued capital.

In June 2006, the Trust announced the sale of Goldfields House, Sydney for a premium of 37% to the latest external valuation dated January 2005. The premium achieved reflects the strength and competitive dynamics of the investment market for Australian CBD office properties. Proceeds from the sale will in part be applied to the Trust's CMBS program and to retiring senior debt. The profit from the sale was recognised in FY2006 and resulted in an increase in the distribution payable to securityholders.

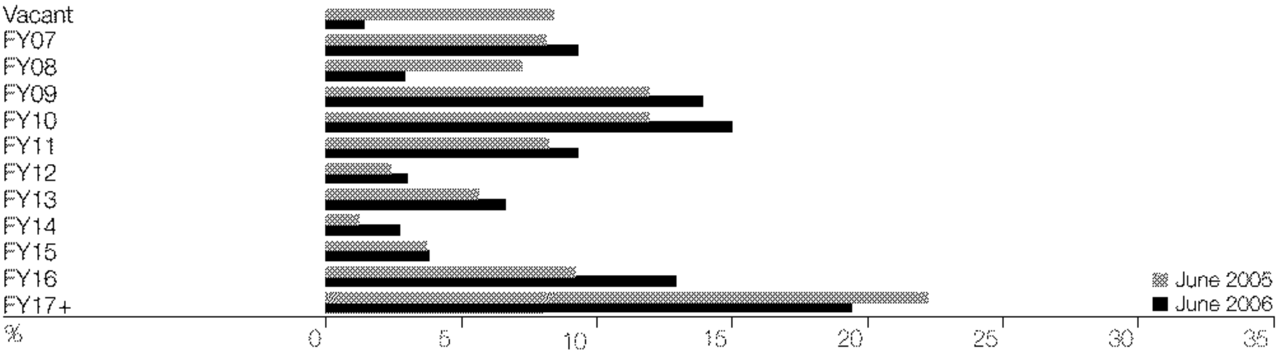


1
AMP Building, Brisbane
2
King Street Wharf Retail, Sydney

Portfolio

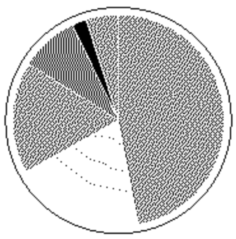
	Interest %	Valuation $m	% of Total Portfolio
Office			
Southern Cross	75%	390.0	13.3%
Darling Park	30%	309.0	10.5%
Jessie Street Centre	100%	180.0	6.1%
Bourke Place Trust	43%	153.4	5.2%
IAG House (formerly NRMA House)	50%	140.0	4.8%
Commonwealth Bank Building	100%	170.0	5.8%
KPMG Tower	50%	122.5	4.2%
AMP Place	100%	170.0	5.8%
BankWest Tower	50%	97.5	3.3%
15 Blue Street	100%	97.0	3.3%
NAB House	25%	78.8	2.7%
111 Alinga Street	100%	55.0	1.9%
Ernst & Young Building	100%	49.0	1.7%
ANZ Centre	50%	64.3	2.2%
		2,076.5	70.8%
Retail			
World Square	50%	99.0	3.4%
King Street Wharf	100%	92.4	3.2%
Pittwater Place	100%	71.5	2.4%
Great Western Super Centre	100%	62.5	2.1%
Carillon Shopping Centre	50%	57.2	2.0%
Bracken Ridge Plaza	100%	22.0	0.8%
		404.6	13.9%
Industrial			
James Hardie – Rosehill	100%	57.0	1.9%
James Hardie – Carole Park	100%	12.4	0.4%
James Hardie – Welshpool	100%	10.2	0.3%
James Hardie – Meeandah	100%	4.6	0.2%
		84.2	2.8%
Car Park			
Luna Park Car Park	100%	17.0	0.6%
		17.0	0.6%
Investments			
AMP NZ Office Trust	21%	95.5	3.3%
Multiplex NZ Property Fund	22%	56.4	1.9%
Multiplex Acumen Property Fund	20%	43.8	1.5%
Multiplex Acumen Prime Property Fund	90%	152.3	5.2%
		348.1	11.9%
		2,930.3	100.0%

Portfolio statistics
Lease expiry profile by income



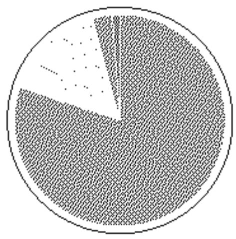
Geographic split – by value

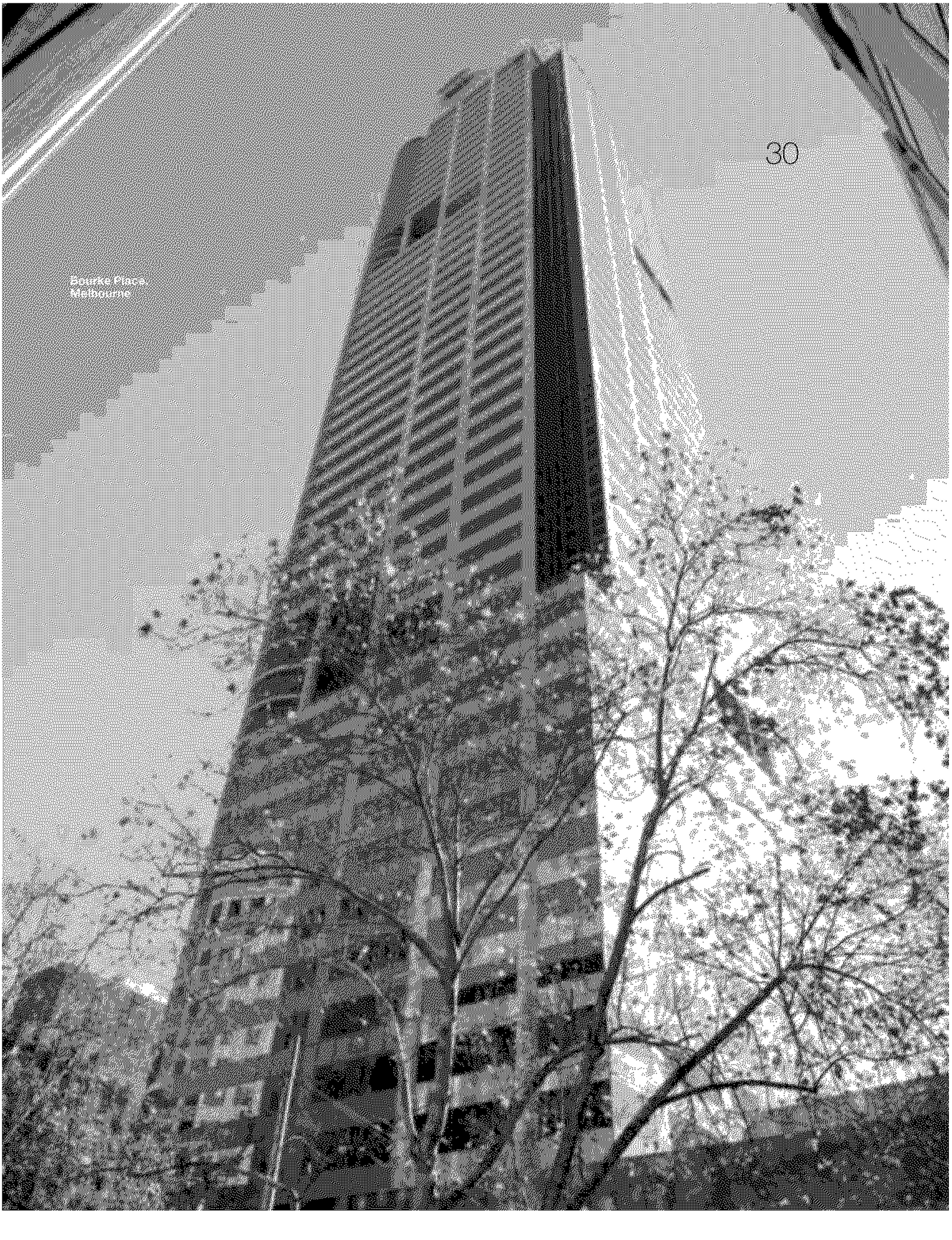
47% New South Wales
20% Victoria
17% Queensland
9% Western Australia
2% Australian Capital Territory
5% New Zealand



Sector split – by value

80% Office
16% Retail
3% Industry
1% Car Park





Bourke Place,
Melbourne

Revaluation
The Trust remains in an overweight position in office and is benefiting from current favourable market conditions. Revaluations were completed on the Trust's assets and those of associates during the financial year to June 2006 resulting in an increase in unrealised gains of $227.7 million. This is a substantial increase over the previous year when revaluations of the Trust's assets resulted in an increase in portfolio value of $28.5 million.

The Trust's strategy to maintain a bias towards properties located along the eastern seaboard of Australia resulted in significant property revaluation gains experienced for the Trust's commercial assets particularly in the Brisbane market but also in Sydney and Melbourne.

A softening retail market did not prevent five out of six of Multiplex's retail assets experiencing strong revaluation gains. Pittwater Place and King Street Wharf retail in New South Wales achieved over 10% gains as did Carillon & City Arcades in Perth. Both of the Trust's retail centres in Queensland, Bracken Ridge Plaza and Great Western Super Centre were revalued with an uplift of 9%.

Leasing and renewals
Tenant retention during the year was 92% by net income and 95% by area, up from 87% by net income and 88% by area in June 2005. 119 new and renewed leases were completed during the 12 months to June 2006 totalling more than 85,000sqm. Expiries in the portfolio were less than 4% of net lettable area.

Significant leasing highlights for the Trust during the period included: a 15 year lease to the State Government of Victoria (25,900sqm) at the newly developed Southern Cross Tower in Melbourne; renewal of GE Commercial lease (6,856sqm) for a period of seven years in National Australia Bank House, Sydney; and a new lease to PKF (1,818sqm) for a 10 year term in AMP Place, Brisbane.

A Heads of Agreement was signed with IAG for its continued lease and occupation from November 2008 (current lease expiry), at 388 George Street, Sydney. Four other major lease renewals are in final stages of negotiation that will reduce risk and enhance the already strong lease maturity profile.

Rent reviews
The Trust completed 433 rent reviews during the year to June 2006 resulting in an average increase of 3.9% above the 3.2% increase achieved during the fiscal year 2005. The area reviewed in June 2006 represented circa 340,000sqm or 43% of the portfolio net lettable area.

Opportunities
Multiplex's ability to originate new product is an important competitive advantage and the Group currently has a very strong pipeline of commercial and retail development assets. The Trust will continue to pursue opportunities to invest in Multiplex managed funds and to align its interests with those of the Group.

In the retail sector, planning is underway to redevelop some of the Trust's assets. A planning application has been submitted by Multiplex to further develop the Great Western Super Centre and its surrounds. The retail team is in advanced discussions with a number of retailers on pre-commitments for the new space. Pittwater Place received planning approval for a new child care centre during the period. Acre Woods will take occupancy of this space in November 2006. Management at Carillon & City Arcades are currently master planning the redevelopment of the Upper Hay Street level which presents an opportunity to upgrade and revitalise the Perth centre.

In the industrial sector, Multiplex is pursuing development opportunities and management is in the process of submitting a development application to build a substantial warehouse facility at Rosehill in Sydney due to strong interest in the area.

Environmental sustainability
The Trust is committed to improving the sustainability of its assets and is proactively looking for ways to improve the energy efficiency of its office portfolio. In August 2005, KPMG Tower in Sydney was awarded a 4.5 star energy rating by the Australian Building Greenhouse Rating (ABGR) and the recently completed Southern Cross development in Melbourne was designed to achieve a 4.5 star ABGR rating. The Trust is currently undertaking an ABGR benchmarking exercise of the remainder of its office portfolio to identify and implement potential improvements to overall energy ratings.

Community initiatives
Through Multiplex's retail properties we strive to develop real community relationships by genuinely recognising and rewarding community support and loyalty. Multiplex's School Rewards Program implemented at both Great Western Super Centre in Brisbane's North West and Bracken Ridge Plaza in Brisbane's North, contributes a significant sum amongst 12 state and private primary schools each year. School Rewards is truly a great community initiative, providing a sense of community pride and support, as well as financial benefits. Participating school communities choose to shop at our shopping centres to gain financial contributions for their school.

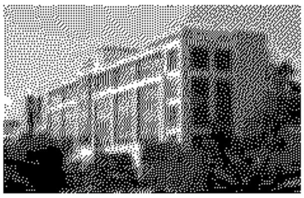
Outlook and strategy
Strong portfolio metrics coupled with a strong office market provide a solid platform for the Trust continuing to perform in the short to medium term. The successful delivery of Southern Cross, 98% occupied, in March 2006 will provide an uplift in net income for FY2007.

In the short term, the Trust is focusing on renewing major leases and will aim to improve the lease maturity profile by engaging with those tenants with medium-term expiries.

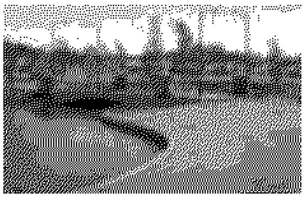
Over the coming year, the retail and industrial portfolios will investigate development opportunities that have been identified during the year.

The Trust will continue to evaluate and invest in Multiplex Capital managed investment vehicles, domestically and offshore.

Multiplex Capital strives to provide tier one product offerings to the market. The business has established itself as a significant player in the funds management industry in Australia while at the same time delivering strong performance from its stable of funds.



ANZ Business Centre, Auckland
MNZPF expanded its asset base purchasing eight commercial and retail assets valued at NZ$224 million. The acquisition provides the fund with greater geographic and sector diversification and takes portfolio occupancy to 99% and the lease expiry by income to 7.6 years.



Vale, Western Australia
The $68 million Multiplex Acumen Vale Syndicate closed oversubscribed in November 2005. The syndicate is benefiting from a strong residential market in Western Australia and is currently on track to outperform the prospectus forecast per annum pre-tax return of 20.3%.

Operational performance

Companies within the Multiplex Capital division manage Multiplex Property Trust and a suite of listed and unlisted property investments. Total funds under management grew from $5.5 billion to $5.9 billion during the year even after allowing for the sale of the $0.7 billion Sapphire Retail Fund. External FUM has grown from $28 million to $2.9 billion over three years making Multiplex Capital a significant player in the property funds management industry in Australia with a recognised, credible and proven brand name. Multiplex Capital delivered a strong performance from external funds under management during the period with a weighted average total return of approximately 27%.

Major activities during the fiscal year included the launch of a new $640 million listed Australian office fund and the establishment of its first land syndication in Western Australia; the sale of the Sapphire Retail Fund and its manager in the United Kingdom; and the acquisition of eight commercial and retail assets by the unlisted Multiplex New Zealand Property Fund.

Listed funds

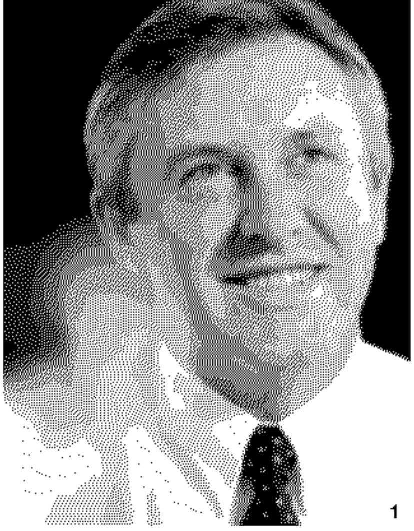
In June 2006, Multiplex Capital launched a new $640 million office fund, Multiplex Acumen Prime Property Fund (MAPPF). A Product Disclosure Statement has been issued to raise $169.1 million from investors through a fully underwritten issue of 169.1 million units. Upon allotment, Multiplex Property Trust's initial interest of 90.1% will reduce to between 20.1% and 30.1%, depending upon whether oversubscriptions are accepted. The fund is anticipated to list on the Australian Stock Exchange on 15 September 2006 and is fully underwritten by National Australia Bank and ANZ Investment Bank as the fund distributors.

MAPPF constitutes an outstanding portfolio of prime CBD office investments with gross assets valued at $640 million comprising:

- 100% of the new American Express Building in Sydney's King Street Wharf, currently under development by Multiplex Developments and due for completion in December 2007;

Fund	Established	FUM (A$m)	Multiplex Interest in Fund %	Multiplex Interest in Manager %	Total Fund return for the year %
AMP NZ Office Trust (ANZO)	Dec 97	951	21.2	50	29.2
Multiplex Acumen Prime Property Fund (MAPPF)	May 06	640	30.1	100	–[1]
Multiplex New Zealand Property Fund (MNZPF)	Sept 04	742	21.9	100	32.4[2]
Multiplex Acumen Property Fund (MPF)	Jul 03	306	19.9	100	18.1
Multiplex Development and Opportunity Fund (MDOF)	Apr 02	146	2.8	100	13.2
Multiplex Acumen Vale Syndicate (MAVSL)	Aug 05	68	0.0	100	20.3[3]
Total		**2,853**			

1. Anticipated to list on ASX in September 2006
2. Based on A$1.00 entry price
3. Prospectus forecast annualised return for the term of the investment



1

2

3

1.
Ian O'Toole
Managing Director,
Multiplex Capital

2.
Rob Rayner
Divisional Director,
Retail Funds

3.
Peter Murphy
Divisional Director,
Institutional Funds

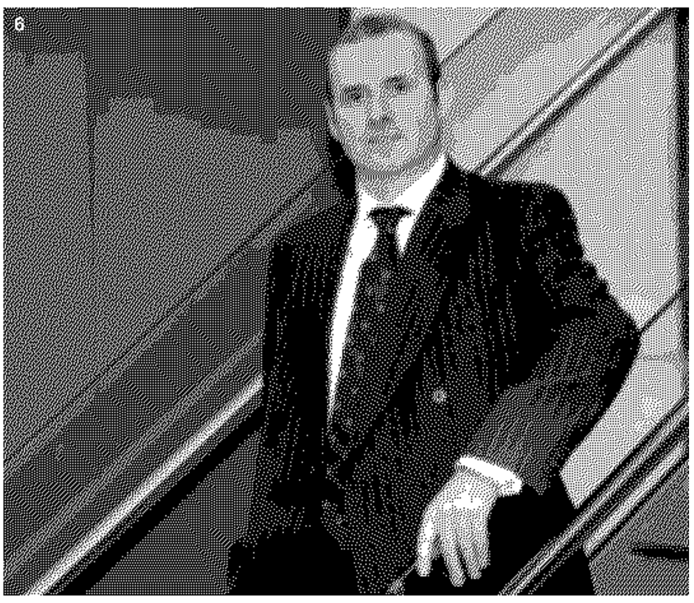
4

5

4.
Alison Reid
Divisional Director,
Retail

5.
Peter Wall
Divisional Director,
NZ Property

6.
Kevin Murphy
Divisional Director,
UK Property



6

- 50% of Ernst & Young Centre and 50 Goulburn Street, World Square, Sydney;
- 25% of Southern Cross Tower, Melbourne;
- 100% of Defence Plaza, Melbourne; and
- a portfolio of Listed Property Trust securities valued at circa $63 million.

High quality tenants, a weighted average lease expiry of 10 years, diversification and the substantially new nature of the properties provide investors with an attractive and stable income stream.

The transaction is another major milestone in the growth of Multiplex Capital's external funds management platform and demonstrates clearly the strength of Multiplex's integrated property model. It will deliver attractive up-front establishment and ongoing management fees in the form of both base and potential performance fees. It is consistent with the division's strategy to leverage off the manufacturing capability of the Group to upscale its external funds management platform with the majority of the fund's portfolio having been, or currently being, developed by Multiplex.

Multiplex Acumen Property Fund (MPF) performed well during the period with a total return for the year to 30 June 2006 of 18.1%. Net profit for MPF was up 81% to $32.2 million with earnings per unit up 32% to 17.2 cents. Distributions per unit were up 3.6% to 10.3 cents, which equates to a cash yield of 9.0% at the $1.14 closing price. Net tangible assets per unit grew by over 10% in the year to $1.18 per unit and retained earnings for the fund increased from $6.3 million to $29.0 million.

MPF has total assets of $306 million, up 29% on the previous corresponding period, well diversified across a portfolio of 43 different property fund investments, with 20 different managers reflecting an average lease term to expiry of approximately 6.5 years. The investment portfolio is currently yielding 9.3% on cost.

AMP NZ Office Trust (ANZO), managed by AMP Multiplex Management Limited in which Multiplex has a 50% interest, had a market capitalisation of $442.5 million and a portfolio comprising 11 office buildings with a total value of $951 million at 30 June 2006. Multiplex Property Trust has a 21% equity interest in ANZO which delivered a 29.2% total return for the 12-month period to 30 June 2006. Portfolio occupancy increased to 99% (95.1% in June 2005) as at 30 June 2006.

Unlisted funds

Multiplex Capital has more than $1 billion in unlisted funds under management. The core contributor to this is the Multiplex New Zealand Property Fund (MNZPF). Established in September 2004, the $741.5 million fund is one of the largest owners of commercial grade real estate in New Zealand and one of the largest unlisted property funds in Australia. The fund comprises a diverse portfolio of 40 properties with approximately 222 tenants located throughout New Zealand with 99% occupancy and an average lease term by income of 7.6 years.

In December 2005, MNZPF expanded its asset base purchasing eight assets in Wellington, Auckland, New Plymouth and Whakatane currently valued at circa $184.2 million. The assets, a mix of commercial and retail properties, give MNZPF greater geographic and sector diversification and, importantly, exposure to a strong Wellington CBD office market. Six of the eight acquisitions settled during the period with the remaining two assets due to settle in February 2007.

MNZPF delivered an annualised yield of 9.50% and 8.88% on entry prices of $1.00 and $1.07 respectively for the period. There was a $71.5 million valuation uplift in the portfolio for the period. As a result of the acquisitions and the revaluations, the NTA per unit increased to $1.18 from $0.96 as at 30 June 2005, a 23% increase over a 12-month period. MNZPF delivered a 20.2% IRR to original investors based on $1.00 entry price.

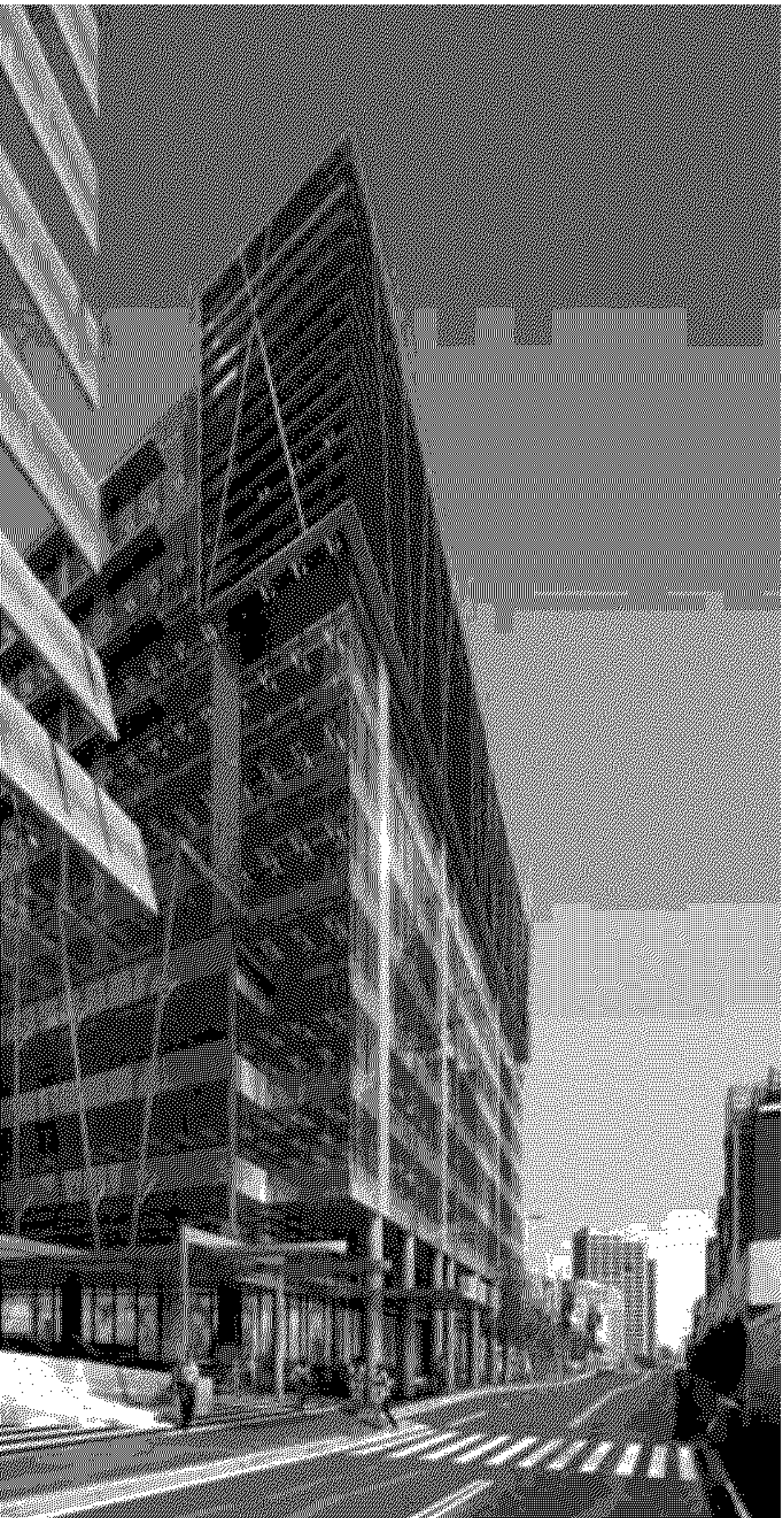
The $68 million Multiplex Acumen Vale Syndicate was successfully launched during the period with the fund offer closing oversubscribed in November 2005. The syndicate prospectus offered a forecast annualised pre-tax return of 20.3% and is currently on track to meet or outperform this target.

The syndicate will develop stages two to six of the Vale master planned community in the picturesque Swan Valley, 25 kilometres north-east of Perth. It is expected that the project will eventually deliver over 1,580 residential lots, medium density housing, two shopping centres, two retirement villages and a private school.

The project is currently outperforming prospectus forecasts with sales to the value of $82.0 million already secured and 529 sales of residential allotments recorded for the period to 30 June 2006. The strong Western Australian residential market has significantly benefited the syndicate and reflected in a significant uplift in the anticipated gross realisation following a review of the project and sales achieved thus far.

The $146 million Multiplex Development and Opportunity Fund (MDOF) delivered a return before tax but after operating expenses of 13% per annum for the 12 months to 30 June 2006. MDOF currently invests in 19 development projects across the residential, commercial and mixed-use property sectors in most states of Australia.

Multiplex Capital's direct property investments, Acumen Office Trust and Port Hedland Boulevard Shopping Centre delivered annualised yields of 9% and 12% respectively to unitholders for the period to 30 June 2006. Both investments achieved positive revaluations for the period with the NTA per unit of Acumen Office Trust and Port Hedland Boulevard increasing by circa 39% and 27% respectively.



In May 2006, Multiplex Group agreed to sell its interests in the Sapphire Retail Fund and its management company (R&M Funds Management Limited) realising $27 million profit on the transaction. The sale of the properties capitalised on the buoyant market conditions and reflects strong investor appetite for this type of property investment.

Outlook and strategy

Going forward, Multiplex Capital is in a strong position to fully capture the benefits of improving office market fundamentals with a number of other major office projects currently within the Development portfolio which may lead to further funds management initiatives. Multiplex Capital aims to take full advantage of the integrated property model and to align its interests with those of the Group and its investors.

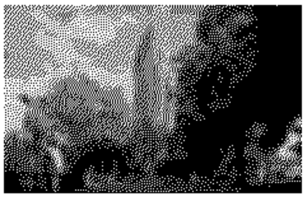
Growth in external funds has been considerable over the past three years with further growth expected, ultimately leading to a constellation of externally managed funds. The focus for the business will be the organic growth of existing funds and origination of new products both in Australia and internationally.

Over the next year, Multiplex Capital will investigate the creation of a wholesale funds management business and seek to expand its distribution network in Australia and overseas. Multiplex Capital continues to explore opportunities to create a funds management platform in the UK following the sale of the Sapphire Retail Fund.

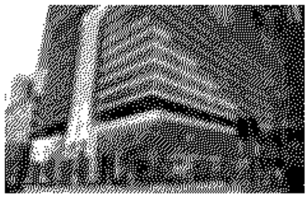
Multiplex Capital has established a substantial funds management platform and is well positioned to become a significant profit contributor to Multiplex Group in future years.

Artist impression of the American Express Building, Sydney
In June 2006, Multiplex Capital launched MAPPF, a $640 million office fund. The fund is consistent with the division's strategy to leverage off the manufacturing capability of the Group to upscale its external funds management platform with the majority of the fund's portfolio having been, or currently being, developed by Multiplex.

The Property Development division has been focused on capital allocation across projects, sectors and regions to optimise returns for Multiplex Group securityholders.



Artist impression of Castle House, London
In March 2006, planning approval was secured for Castle House, a $280 million (60% interest), 43-storey residential tower in Central London.



Artist impression of Latitude East, World Square, Sydney
Multiplex secured substantial lease pre-commitments from American Express, Macquarie Group and Australian Taxation Office for three new commercial offices at King Street Wharf and World Square in Sydney.

Operational performance

Australasia

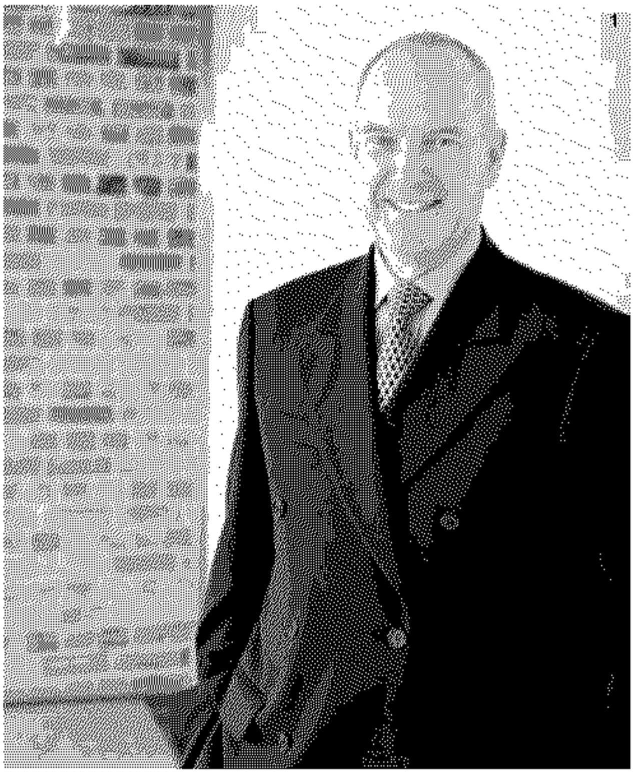
Commercial/Industrial

The Commercial/Industrial sector had a strong financial year, the highlight of which was the successful completion of Southern Cross for Multiplex Property Trust. The development was completed ahead of program with the office space fully leased with the overall building's occupancy at 98%.

The Group remains well placed to continue to capitalise on the strong office market in Australia with substantial lease pre-commitments secured for three new buildings at King Street Wharf and World Square in Sydney, all of which are expected to be delivered over the next three years.

Lease	Location	Approximate Net Lettable Area (sqm)	Ownership Interest	Gross Development Value (GDV) $m
Macquarie Bank*	1 Shelley Street, King Street Wharf, Sydney	32,000	100	320
Australian Taxation Office*	Latitude East, World Square, Sydney	23,000	100	200
American Express	12 Shelley Street, King Street Wharf, Sydney	14,000	100	124
Total		**69,000**		**644**

* Announced post 30 June 2006



1.
Ross McDiven
Chief Operating Officer

2.
Dennis O'Regan
Managing Director,
Australasia Developments

3.
Jayne McGivern
Chief Executive
Developments, UK

The Group also has a strong pipeline of commercial development assets with a gross development value of over $1 billion.

Project Name	Location	Approximate Development Potential (sqm)	Ownership Interest %	Approximate Multiplex Share of GDV $m
City Square	Perth	75,000	50	315
163 Castlereagh Street	Sydney	55,500	50	290
Bishops See	Perth	54,000	50	245
111 Bourke Street	Melbourne	45,000	50	130
Bank of New Zealand Centre	Auckland	22,000	100	140
Total		**251,000**		**1,120**

Planning approval was secured for City Square and Bishops See, Perth; and Latitude East, Sydney during the period. Planning consent has also been granted for a 22,000 square metre corporate premises for Bank of New Zealand in Auckland, construction of which is expected to commence within the next six months.

Master Planned Communities (MPC)/Land

The MPC/Land sector continued to expand its portfolio during the period with the acquisition of Taylor's Rise, Sussex Inlet, New South Wales and the completion of the acquisition of land at Bluewater, Cairns, Queensland.

Construction of Stage 1 at Newport Quays, Adelaide, commenced after sufficient pre-sales targets were met. Planning approvals were obtained for a number of stages at Bluewater to allow initial construction to commence on the first stage of the project.

Stage 1 of Vale, Perth was completed during the financial year with all lots sold and 91% of lots settled by 30 June 2006. The Multiplex Acumen Vale Syndication (comprising Stages 2 to 6 of the Vale development), of which Multiplex is the development manager, is benefiting from the strength of the Western Australian residential market and experiencing some very strong sales results.

Multi-Residential (Multiplex Living)

The Multi-Residential sector delivered three Multiplex Living projects during the period: Raffles, Perth; The Chancellor, Sydney; and Lakeland Villas, Queensland.

Approvals were received for a $420 million (50% interest) residential development at Sydney Olympic Park in joint venture with Babcock & Brown and for the circa $120 million Cotton Beach and Pandanus Pocket projects on the Tweed Coast in New South Wales.

Stage 1 of East Quarter, Hurstville; Cotton Beach and Pandanus Pocket in New South Wales are all currently pre-selling and expected to commence construction within the next 12 months. In July 2006, The Esplanade, Perth commenced pre-selling its 37 apartments, all of which were sold in less than two days, illustrating the significant strength of the Western Australia market at present.

In March 2006 the division announced it had finalised a deal with Landcom to jointly develop, with St Luke's Hospital Complex, a $148 million 3-tier aged care facility in eastern Sydney, which is expected to commence construction later in the year.

The team will continue its strategy to target quality product in desirable locations. Developments will be launched in stages in line with market demand.

Retail

Planning approval was received for Claremont Arcade Shopping Centre, Perth during the financial year.

Leasing was also completed for the retail component of Stage 1 at Portside Wharf, Queensland which opened in late August 2006.

During the period, Multiplex expanded its retail development asset base acquiring the $50 million Wilsonton Shopping Centre, Toowoomba. The acquisition is part of the Group's strategy to acquire well positioned, strong performing retail assets, which can be enhanced to achieve increased returns by further development. The acquisition includes an adjacent parcel of land north of the shopping centre of more than 13,000sqm currently zoned for retail use.

The outlook for Retail is expected to remain solid and Multiplex has a strong pipeline of projects across New South Wales, Queensland and Western Australia. The team will focus on securing planning approvals for these projects in the coming financial year.

United Kingdom

Retail

Multiplex Developments commenced the $720 million Eden development during the period, of which our interest is 50%. Phase 1 of the project comprising the bus interchange completed ahead of program in August 2006. Demand from prospective tenants has been encouraging with approximately 60% of the 54,000sqm retail centre income pre-committed.

Government planning legislation in the United Kingdom continues to reinforce the focus of retail/mixed-use schemes in towns and cities where retail expenditure and development will remain the key economic driver. The immediate focus of the retail team is to maximise potential from our existing opportunities, delivering quality assets on a timely basis, as well as progressing the planning process in an efficient manner.

Multi-Residential

In June 2006, planning approval was secured for Castle House, a 43-storey landmark residential tower in Central London. A planning application has been submitted for a second residential development at West Cromwell Road in West London. Both developments incorporate a number of environmentally sustainable design features designed to meet or exceed stringent new UK building regulations and are expected to deliver substantial energy cost savings to residents.

The London residential market is experiencing strong demand, under an environment of reasonably stable pricing. Multiplex is well placed in the short to medium term with the Castle House scheme expected to commence in FY2007 and West Cromwell Road thereafter.

Regeneration

Multiplex has a 50% interest in a major regeneration scheme at Cricklewood in North London. Multiplex considers the Cricklewood project a highly strategic and significant development. The focus and challenge for the team will be securing timely planning approvals, financing and adequately resourcing the development.

London is forecast to experience significant growth over the next 15 years and the UK Planning Framework and Central Government directives have created a focus on major regeneration projects within London and South-East England. Multiplex will continue to build its capability in regeneration to capitalise on these opportunities.

Portfolio rationalisation program

The 2006 financial year saw the completion of Multiplex's non-core asset disposal program in the UK which included the disposal of Buchanan House and St Vincent Street in Glasgow; and Park and Emerson Street and Grosvenor Street properties in London.

As part of the program, an agreement was reached to sell a number of interests previously held within R&M Investments to Aldersgate (an entity associated with Simon and David Reuben) for £68.25 million (approximately A$166 million). The agreement provides for Aldersgate or entities associated with Aldersgate to acquire the Group's interests in the assets nominated below (subject to conditions including the ultimate restructure of Duelguide and the consent if necessary of various third parties):

- 45% interest in the Sapphire Retail Fund;
- 50% interest in R&M Funds Management Ltd (the Manager of the Sapphire Retail Fund);
- 25% interest in Rushmere Shopping Centre, Northern Ireland;
- 25% interest in Paddington development site, Central London;
- 25% interest in St Enochs development site, Glasgow; and
- 8.5% interest in Stockley Park, West London.

This transaction was consistent with the strategy for the Group's UK portfolio, most recently communicated at the interim results in February 2006. Not only does it eliminate investments in minority interests but it enabled the release of equity that can be applied to those development opportunities which remain.

The gross development value of the UK development pipeline has remained relatively unchanged during the year and currently equates to approximately $9 billion. The majority of the assets divested in the period were mature assets.

Outlook and strategy

The outlook for the Property Development business is positive. However, the earnings profile of the Property Development division will be impacted by AIFRS under which development profits are generally recognised at project completion. Multiplex Developments has a solid pipeline of development assets biased towards project completions in FY2008 and beyond. Project completions in FY2007 are likely to be fewer than average and this is expected to impact on earnings in the short-term.

In Australia, the division will leverage its strong core capability in the office sector to capitalise on robust market conditions. The business will continue to pursue a more balanced pipeline of projects to accommodate cyclical demand, strengthening its presence in the retail and master planned communities sectors, while pursuing staged multi-residential developments in desirable locations.

In the United Kingdom, the business will continually review all projects to minimise risk and maximise profit. The team will focus on securing outline planning consent for Cricklewood and on accelerating its large scale mixed use schemes that will underpin its performance. The business will continue to monitor new opportunities, to complement the existing portfolio, and to take advantage of strong market conditions in a number of sectors, including commercial.

Multiplex Developments will strive, across all regions, to optimise the benefits of integration with each of Multiplex's other business units, being Constructions, Multiplex Capital, and Facilities Management.

Artist impression of Claremont Shopping Centre, Perth

The Construction division has continued to build upon its strong and geographically diverse workbook over the last 12 months. It is now well placed to return to more normalised levels of profitability in the short to medium term.

Operational performance
The Construction division recorded a loss before tax of $319.8 million. A loss on the Wembley National Stadium project was the main driver for the negative result. A more detailed update on Wembley is provided on page 44 of this report.

Despite the problems at Wembley, Multiplex Constructions successfully completed 25 major projects valued at $2.5 billion during the period and secured 18 new contracts at a total value of $2.9 billion.

Australasia
Australia
Operations in New South Wales and Victoria continue to perform strongly. Projects delivered successfully during the period included: Southern Cross, Freshwater Place, Urban Workshop and Victoria Point in Melbourne; and Centro Bankstown and Ettalong Outrigger Beach Resort in New South Wales.

Freshwater Place, a 60-level residential project at Southbank, is the second largest residential project in Melbourne's history. The project was delivered to an external client on time and on budget. The successful delivery of Southern Cross designed to achieve a 4.5 star energy rating was one of the critical factors the Victorian Government considered in committing to a long lease term in the building.

Both states replenished their workbook during the period securing large construction projects including: Melbourne Convention Centre and 538 Bourke Street in Victoria; and Parramatta Justice Precinct and Regent Theatre Stage 2 in New South Wales.

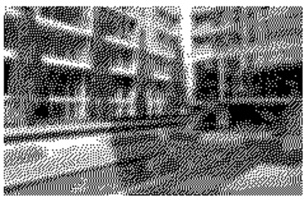
In Western Australia, Raffles, a luxury residential complex was successfully completed in June 2006. The very active market in the state is currently placing some pressure on resources and costs. The business is responding by ensuring risk mitigation measures are in place to lock down resources and costs early in the contracting process.

In Queensland, Multiplex completed two major projects during the period, Riparian Plaza and Festival Towers. Pricing pressures continue in this market and as a result the business continues to focus primarily on opportunities originating internally from the Group's development pipeline and selected external projects where sufficient contingency can be secured.

During the period, Multiplex Constructions was awarded the prestigious accolade of National Commercial Builder of the Year by the Master Builders Association of Australia, cementing its reputation for delivering high quality projects. Award winning projects during the period included: Berwick Community Hospital and Seasons Apartments, Victoria; Perth Convention & Exhibition Centre, Western Australia; Ernst & Young Centre, Ettalong Outrigger Beach Resort and Pittwater Place in New South Wales; and Sky Plaza in Canberra.

The new industrial relations environment, driven by recent government legislation, is causing significant challenges within the industry. Multiplex is responding proactively by providing guidance and training to all project staff in the form of manuals and guidelines, in order to ensure full compliance with the law and minimal disruption on projects.

W hotel, Qatar
Multiplex Medgulf WLL commenced operations in Qatar in July 2005 with the construction of a landmark five star 26-storey W hotel.



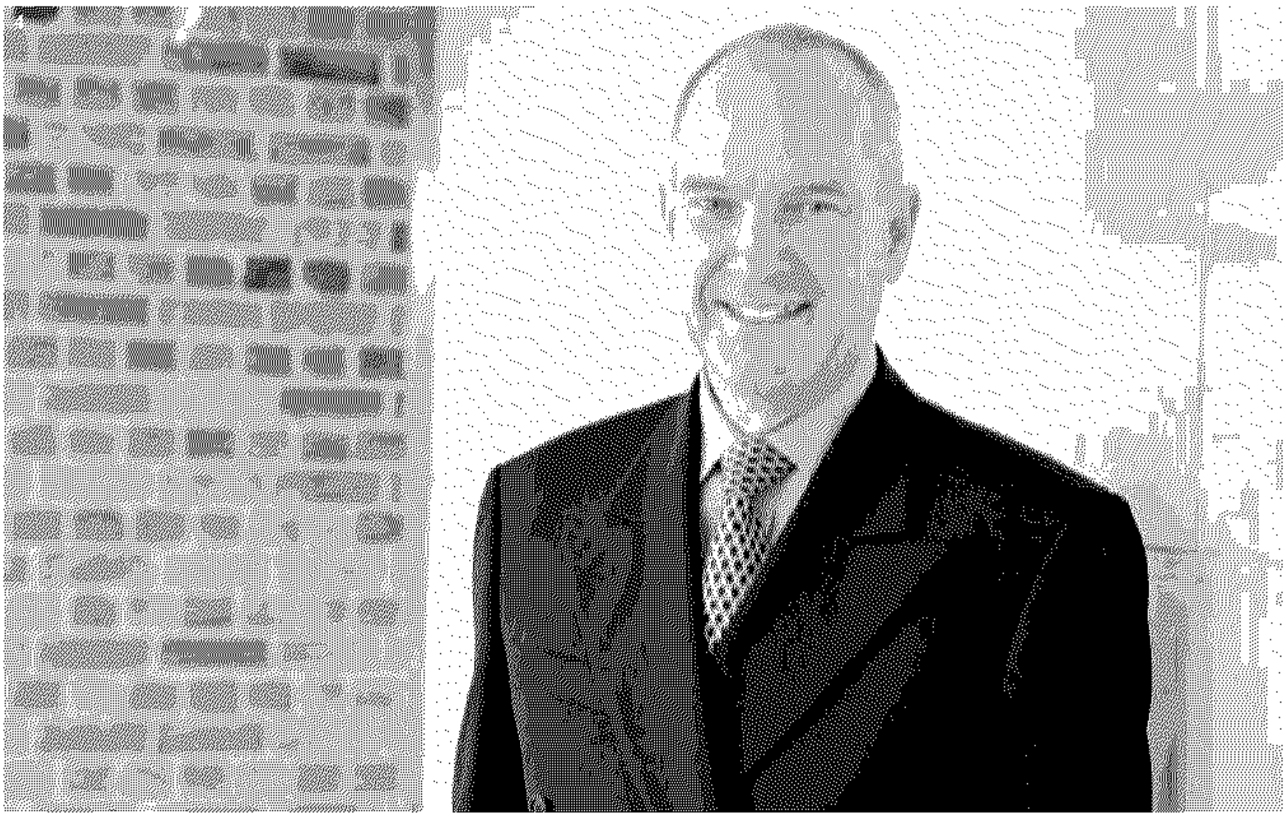
The Knightsbridge, London
The Knightsbridge, completed in November 2005, is recognised as one of London's most prestigious new residential developments, securing London's Best Large Residential property award 2005/06 and LDSA 'best built-in quality' Award 2006.

1
Martin Tidd
Managing Director,
Construction UK

2.
Graeme Robson
Managing Director,
Construction Middle East

3
Jim McGreevy
Managing Director,
Construction Australasia

4.
Ross McDiven
Chief Operating Officer



The key focus for the region is on Public Private Partnerships (PPPs), delivering existing projects and converting the pipeline of opportunities. Multiplex is seeking to develop alliances with key equity providers and is currently reviewing various options aimed at increasing the flexibility of procuring equity and funding for these projects. The division will continue to develop and leverage its relationships with existing clients, both external and internal.

Engineering

Multiplex Engineering continues to perform well on two major projects. Perth's Seawater Desalination Plant is the world's second largest reverse osmosis seawater desalination plant, and the largest in the southern hemisphere. The plant is on schedule for first water production in November 2006.

The Moma Mineral Sands project is a Design and Construct contract to relocate and establish a mineral sands processing plant into northern Mozambique. Construction is well advanced using a local and expatriate work force and practical completion is forecast for April 2007.

Multiplex Engineering will continue to grow its business targeting projects within specific market segments where risk can be shared with the client.

New Zealand

Multiplex Constructions expanded its business in New Zealand securing a number of new contracts during the period including: Sylvia Park North Mall ($90 million), The Sentinel ($50 million), and The Docks ($40 million).

The North Mall of Sylvia Park, a shopping centre and retail complex in Auckland was secured in January 2006. The contract was in addition to existing contracts for the South Mall and Infrastructure works. The total contract value for the project is circa A$200 million making it one of the largest projects in the New Zealand market. The South Mall successfully opened on time in June 2006. Sylvia Park's environmental merits were acknowledged with an award during the period by the Auckland Branch of the New Zealand Contractors' Federation.

Middle East

Multiplex's Construction business continues to grow in the Middle East with a total contract value of $1.2 billion. During the period, Nasa Multiplex secured its largest contract to date, The Index, with a contract value of $395 million, for one of the region's premier developers. Designed by Lord Norman Foster, this 86-storey multi-use building will be delivered using the latest construction technology.

Nasa Multiplex successfully completed DIFC – The Gate during the period. Phase 1 of the Burj Residences project with a contract value of $230 million was also completed. This six-tower residential project is part of the prestigious Burj Dubai development which will include the world's tallest building. It is Nasa Multiplex's first complete design and construct project in the region and is a good example of successful client/contractor partnering. The success of this project resulted in a further 15 towers being secured for the same client for a total value of circa $555 million.

Multiplex continued to gain a stronger foothold in the Middle East with Multiplex Medgulf WLL commencing operations in Qatar in July 2005 with the construction of a landmark five star 28-storey W hotel. The project is progressing well and is set to become a spectacular new addition to the Doha skyline. Multiplex have partnered with Ensrv, a member of the prominent local business group J&A Jaidah Holdings, to successfully combine their commercial, residential and retail construction capability with local construction expertise and logistical support in Qatar.

Multiplex will continue to grow its operations in the Middle East, leveraging its established track record in Dubai to embark on a controlled and focused expansion into the Qatar and Bahrain markets.

The property market in the Middle East continues to grow at a rapid pace with Dubai striving to become the business centre for the entire Middle East and Gulf region. Nasa Multiplex will continue to grow its business through negotiated work with existing clients and carefully selected projects.

United Kingdom

The performance of the Construction business in the UK has been marred by the delays and project losses incurred by the Wembley project.

The Knightsbridge ($404 million), completed in November 2005, is recognised as one of London's most successful and prestigious new residential developments. Recent industry awards include London's Best Large Residential property award 2005/06 and London District Surveyors' Association (LDSA) 'best built-in quality' Award 2006. This is the first time that Multiplex worked under a management contract in the UK, forging a closer three-way bond with the client and our established subcontractor base. The project was successful for all parties involved providing good margins and an outstanding product.

In October 2005, construction of the mixed-use scheme at High Wycombe commenced. The project is progressing well with the new Bus Interchange completed in August 2006 ahead of program. It is Multiplex's first project in the UK involving both its construction and development businesses with management confident the project will be a major success.

In August 2006, Multiplex agreed to transfer the White City project in London to Westfield Group. Westfield has assumed full responsibility for the remaining design and construction works on the project. The transfer of White City enables Multiplex to focus predominantly on internally generated work from Multiplex's development projects including Eden at High Wycombe, Newcastle City Centre, Cricklewood urban regeneration scheme, and the Castle House and West Cromwell Road residential projects.

There are significant opportunities in the PFI/PPP market in the UK. The region is currently focusing on converting its existing opportunity, Peterborough Hospital and achieving financial close (currently preferred contractor).

Outlook and strategy
The outlook for the Construction business is positive with Multiplex continuing to focus on repositioning the portfolio through disciplined project selection.

A key focus for the business will be to develop a reward and recognition program to promote a high performing culture that can attract and retain the best employees in our industry. The business will also seek to foster a leadership development program and to better align performance metrics with the division's objectives.

In Australasia, Multiplex Constructions will take a leading role in driving the Group's participation in PPP opportunities providing an integrated service offering. The business will continue to work closely with Multiplex's other business units, particularly Multiplex Developments, to take full advantage of the Group's integrated property model.

In the Middle East, Multiplex will continue to build relationships with its existing client base and to pursue client relationships in new markets such as Abu Dhabi. The team will concentrate on converting a select number of key client opportunities in Dubai, Qatar, Bahrain and Abu Dhabi. The business will maintain a limited presence in Kuwait and Jordan to monitor upcoming opportunities and build strategic relationships.

In the UK, the key challenge and focus for the business will be to deliver Wembley with favourable cost, claim and reputation outcomes. The business will continue to work closely with the Developments team on High Wycombe and on upcoming projects such as Castle House in London. Multiplex Constructions UK will also focus on further consolidating its operations, improving its organisational structure, risk management systems and business processes.

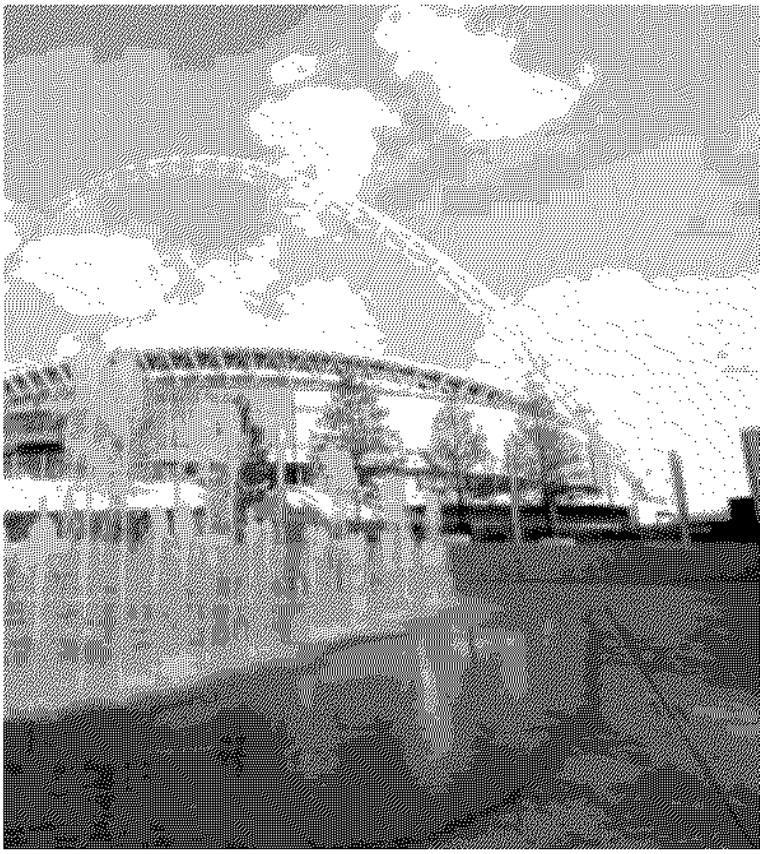
Artist impression of Parramatta Justice Precinct, Sydney

Multiplex is actively working towards operational and practical completion of Wembley National Stadium and delivering one of the world's premier sporting arenas.

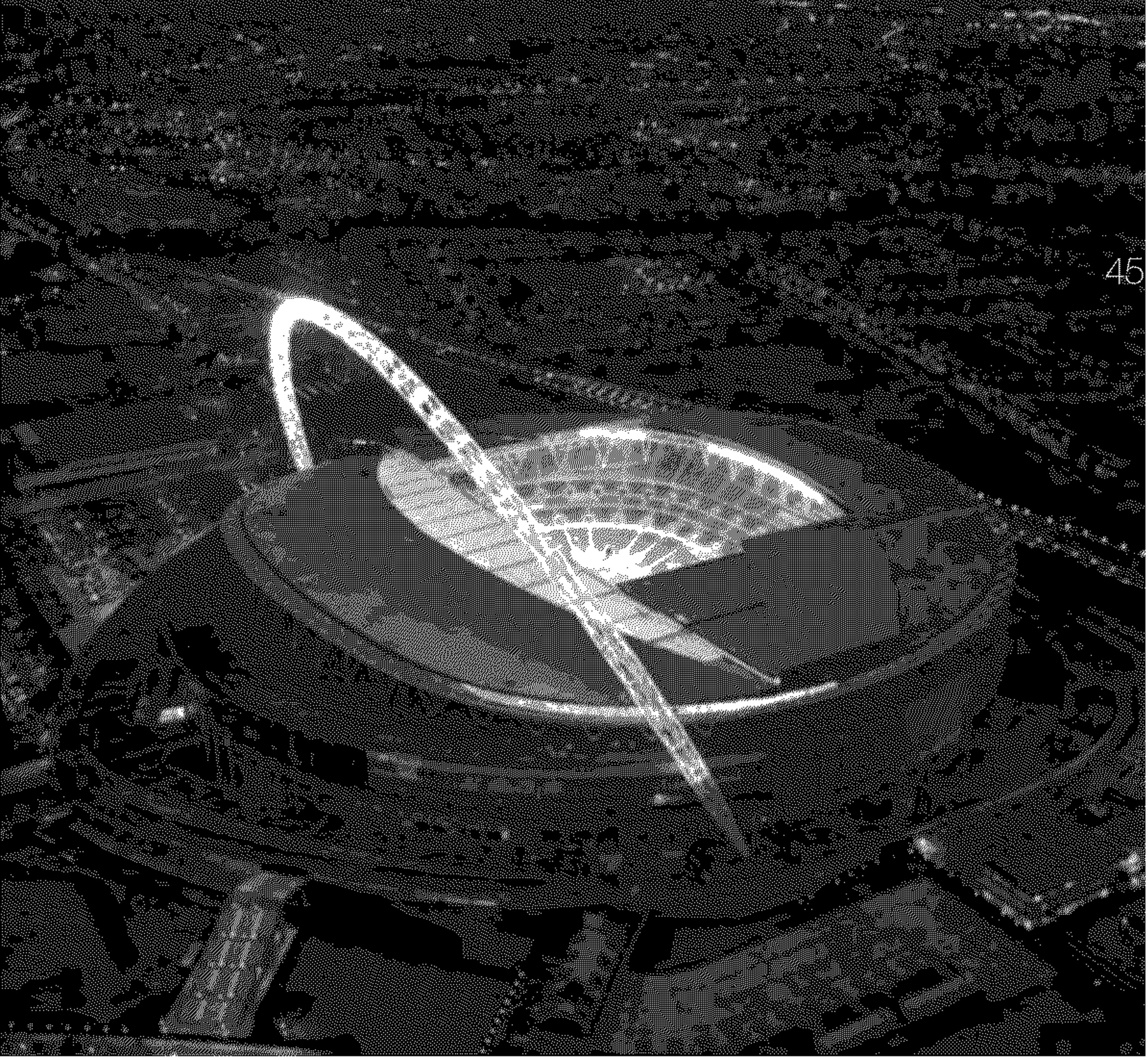
The Wembley project had a substantial adverse impact on the FY2006 result. A loss of $364.3 million was recorded in the interim period to 31 December 2005, with no material change in the financial position in the six months to 30 June 2006. Multiplex is actively pursuing claims against the client, Wembley National Stadium Limited (WNSL) and a number of other parties involved in the project to recover some of these costs.

In June 2006, the English High Court found in Multiplex's favour on the key issues claimed against its former steel subcontractor Cleveland Bridge (CBUK). This is anticipated to translate into a damages claim with CBUK which if not negotiated or mediated prior will be determined by the courts in early 2007.

Wembley National Stadium is nearing completion with remaining works primarily related to the building's commissioning and handover. An important part of these works is the responsibility of WNSL.

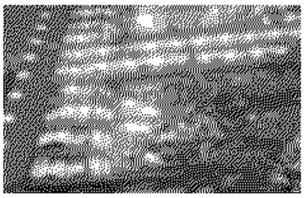


- 90,000 seat stadium with a single bowl structure rather than separate stands
- The 133 metre tall, 315 metre long steel arch is the longest single roof structure in the world
- 7,000 tonne roof with retractable system
- 500 food-service points



Wembley National Stadium,
London

The Facilities Management division currently has a diversified portfolio of 100 contracts and is well positioned to grow and deliver secure, long-term annuity income streams to the Group.



IAG Building, Sydney
Multiplex Facilities Management is implementing the Green Building Council of Australia (GBC) Green Star Office Asset Pilot rating tool at 388 George Street, Sydney to identify and implement potential improvements to overall ESD management.

Artist impression of Centrelink Headquarters, Canberra
Multiplex Facilities Management has secured an 18-year facilities management contract for the new Centrelink Headquarters in Canberra which is currently being constructed by Multiplex.

Operational performance
During the period, Multiplex Facilities Management increased its number of contracts by 22% from 82 to 100. The division has strong long-term prospects with an average contract duration exceeding nine years.

The division has now secured four Public Private Partnership (PPP) projects, is preferred bidder on a fifth and short-listed or pursuing several others. At present, only the Casey Community Hospital project is contributing to revenues as three other projects are still under construction. Revenue from these projects will commence in the first half of the 2007 financial year.

In FY2006, the division was successful in securing the 25-year contract for the Melbourne Convention and Exhibition Centre and was recently short-listed for the Defence Single LEAP PPP project. In addition the business secured an 18-year contract for a new Centrelink Headquarters in Canberra and a 10-year facilities management contract for the Parramatta Justice Precinct both currently being constructed by Multiplex. This is consistent with Multiplex Facilities Management's strategy to leverage off opportunities originating through other divisions within the Group's integrated property model.

Centrelink is scheduled to be operational in 2007, with the 40,000 square metre, Parramatta Justice Precinct, scheduled to come online in March 2008, and the Melbourne Convention Centre in 2009. The division was also successful in entering the Aged Care sector securing the facilities management contract for Anglican Homes' Western Australian portfolio.

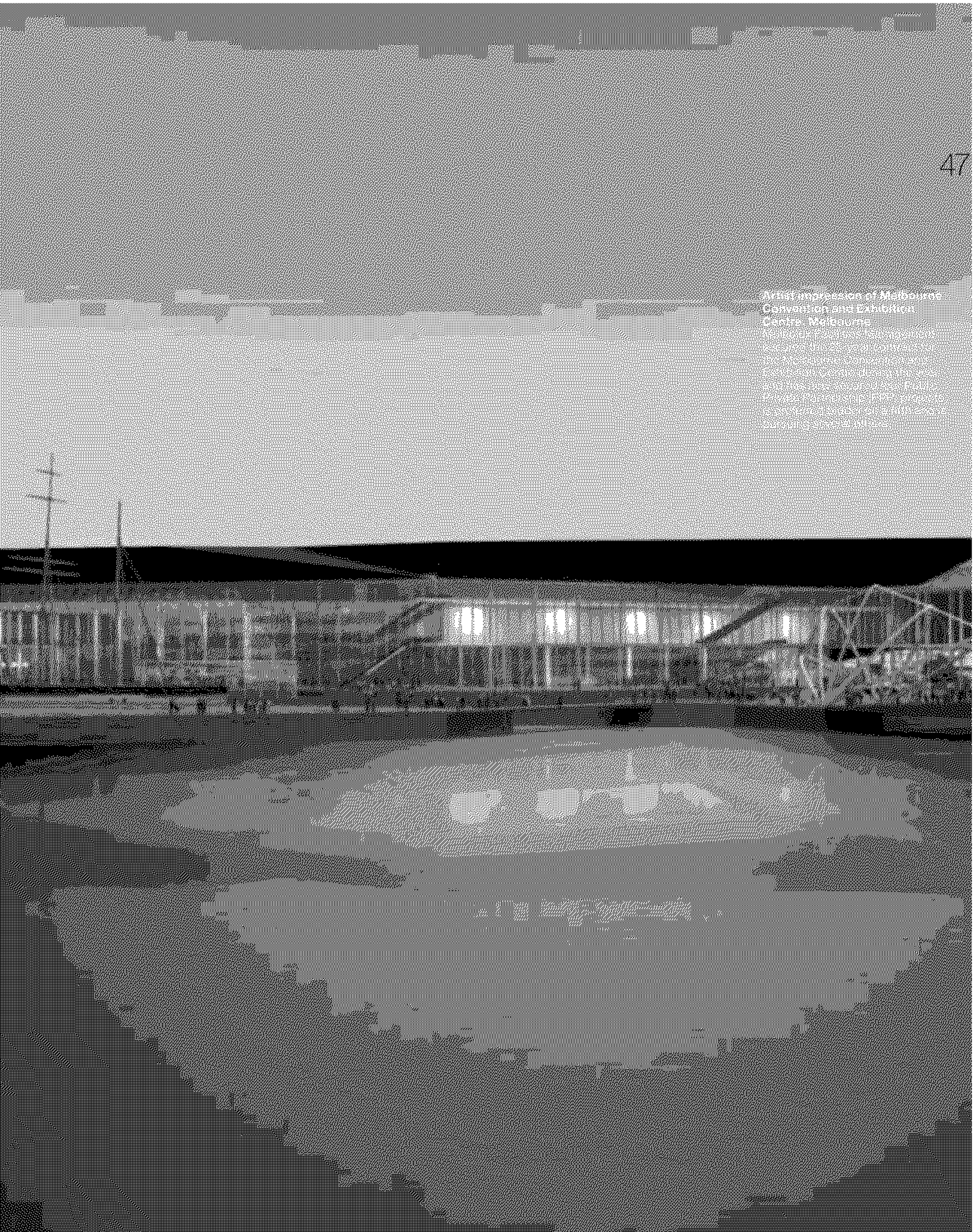
A number of contracts originating from within the Group commenced during the period. These included: Southern Cross East Tower, Melbourne; 388 George Street, Sydney; and Raffles Apartments, Perth.

Multiplex Facilities Management has a strong track record in the defence sector and, through its joint venture (Defence Maintenance Management Pty Ltd) with John Holland Group, secured a second major contract renewal with the Australian Defence Force. The Comprehensive Maintenance Service Contract which covers major defence establishments in the Sydney Central Region (including Garden Island, HMAS Watson, HMAS Waterhen, HMAS Penguin, Randwick and Victoria Barracks and Defence Plaza, Sydney) was renewed for a further five years, with four one-year options.

The National Archives Contract in Canberra was also successfully renewed for another two-year term during the financial year.

During the period, Multiplex continued to target the corporate real estate market in Australia pursuing standalone opportunities and opportunities in conjunction with its joint venture partner, CB Richard Ellis. Multiplex was successful in securing a three-year security management contract for the AMP leased portfolio nationally. The AMP portfolio comprises nine office buildings spread across New South Wales, Victoria, Queensland, Western Australia, South Australia and Australian Capital Territory and includes AMP's Head Office in Sydney. The corporate real estate market will be a key focus for the division moving forward.

Market opportunities and challenges
The current and future focus of Australia's State and Federal governments on new infrastructure development to be delivered through the PPP and Design Construct & Maintain contract models will underpin continued growth in the industry, at least for the next decade. The division is well placed, with Multiplex's other business divisions, to capitalise on opportunities within this sector.



Artist impression of Melbourne Convention and Exhibition Centre, Melbourne
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The key challenge for major facilities management companies in Australia continues to be the retention and recruitment of key staff with the wide range of skills and experience necessary to model, win and deliver profitable new contracts, particularly large scale national portfolio and PPP contracts. We are continuing to respond to these challenges by streamlining our bidding and management processes, providing robust support systems and focusing on the individual development needs of our staff.

Environmental sustainability
Multiplex Facilities Management is an active participant in promoting the role of facilities management in more sustainable built environments through the Department of Industry, Tourism and Resources sponsored, Facilities Management Action Agenda.

The division is also the key driving force behind an Australian Building Greenhouse Rating (ABGR) benchmarking exercise of Multiplex Property Trust's commercial portfolio and for implementing initiatives to improve the energy performance of the Trust's assets and hence reduce its contribution to greenhouse gas emissions.

Multiplex Facilities Management is also implementing the Green Building Council of Australia (GBC) Green Star Office Asset Pilot rating tool initially across two assets owned by the Trust, 388 George Street, Sydney and Jessie Street Centre, Parramatta. The objective is to identify and implement potential improvements to overall ESD management to minimise water use, energy consumption and waste produced with the overall objective to obtain a minimum ABGR of 4.5 stars and Greenstar Rating of 5 stars.

As part of this process, the division has also entered into agreements to independently monitor the utility consumption across the managed Trust portfolio.

Outlook and strategy
The period ahead is expected to provide the division further opportunities to secure new long-term contracts to enhance the scale and diversification of the portfolio. A key focus however will be on the successful delivery of previously secured contracts such as Perth Courts, Melbourne Showgrounds, Melbourne Convention Centre and Parramatta Justice Precinct.

In the short term, the division will focus on external opportunities, directly and through our joint venture partners, John Holland (Defence) and Morton & Morton (Residential Property Management). Servicing a growing number of internal opportunities being generated from within the Group will continue to be a key priority, particularly in supporting the delivery and management of sustainable buildings for the Group's commercial portfolio.

Jon McCormick
Managing Director, Multiplex Facilities Management

Charlie Reilly
Deputy Managing Director, Multiplex Facilities Management

1
Department of Defence, Sydney Central Region

2
World Square Shopping Centre, Sydney

Multiplex Group is committed to building a strong culture which is focused on high standards of corporate social responsibility that will create value for securityholders, the environment and society.

Our people are as diverse as the regions and fields in which we do business. We recognise that to ensure a sustainable business, we need a sustainable workforce and Multiplex is absolutely committed to the wellbeing of its employees.

Multiplex Group has more than 2,000 employees across its operations throughout Australia, the United Kingdom, the Middle East and New Zealand. Total employee numbers have remained steady over the past year. Similarly, employee numbers by division and gender have also remained constant. A breakdown of the Group's employees is outlined in the charts provided.

During the period, the Group conducted its first independent worldwide Employee Opinion Survey. The survey was very useful, providing clear information on employee engagement across the Group and for identifying areas that need improvement. The results provided valuable input into the people planning components of the Group's strategic plans for 2007 and beyond. An independent survey will be conducted on an ongoing basis to monitor progress.

During the period, the Group enhanced its performance management program across all regions with the rollout of a standardised performance management system. The Group also refined both its short and long-term incentive policies to better align the interests of business units with those of the Group and its securityholders.

Multiplex is committed to the health and wellbeing of its employees. A number of safety and wellbeing initiatives which were launched throughout 2005 were continued during the period. The Group's Employee Assistance Program, which provides confidential, professional assistance to employees whose performance is, or may become, affected by personal or work-related problems is now firmly in place in all regions. The program ensures all our employees and their immediate families are provided with assistance as they require it. As part of Multiplex's Wellness Program, employees were also offered a free health assessment and free flu shots.

During the forthcoming year, Multiplex will seek to improve its employee retention rates and enhance succession planning initiatives and career development. It is anticipated that these initiatives will be undertaken throughout the Group's business units.

Occupational Health and Safety (OH&S)

Multiplex is firmly committed to the safety of its employees and promotes safety as a core value in the workplace. Safety statistics are monitored continuously across the Group and published on a monthly basis.

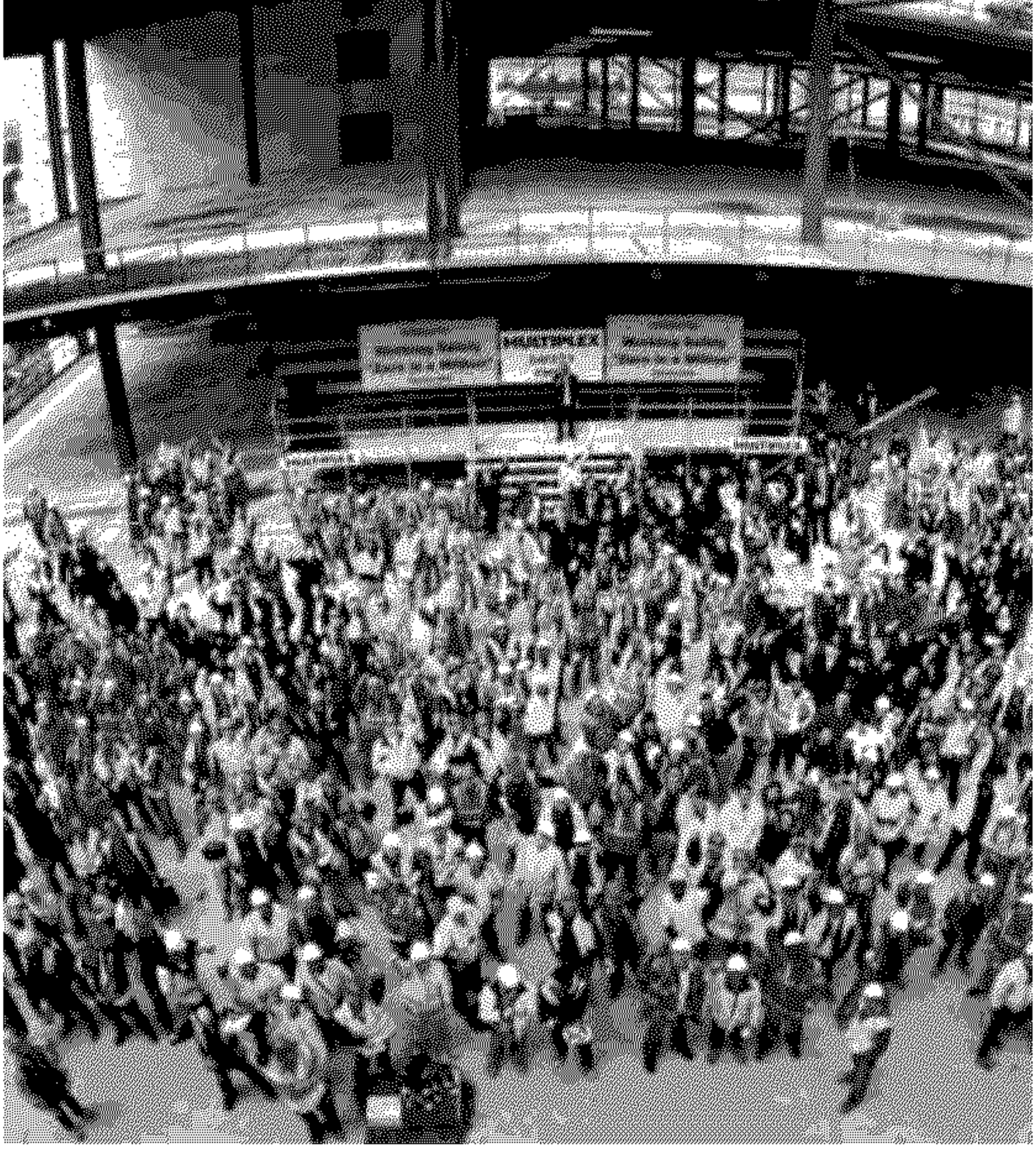
The Board is deeply saddened to report that over the past year there was one work-related fatality within the Group.

The lost time injury frequency rate for the Group at June 2006 was seven, an improvement over the previous corresponding period when it was eight. Positive performance indicators are being introduced across the Group to measure preventive strategies to minimise incidents and accidents at the source.

During the period, the Group continued a number of OH&S initiatives that were launched in 2005 and successfully embarked on some new initiatives. Heart defibrillation units have now been deployed to all of the Group's offices and major construction and development sites across the globe. The defibrillators have already been used for successful resuscitation on two occasions on projects.

Multiplex has a zero tolerance approach towards safety on construction and development sites. A global poster campaign which seeks to target common risk areas on sites was continued throughout the period. Hundreds of posters are regularly deployed across our sites. The ever-changing suite of designs for our safety posters ensures maximum penetration is achieved amongst our on-site workforces. Multiplex is also refining its pre-qualification criteria for subcontractors to put a greater emphasis on their previous and prospective OH&S performance.

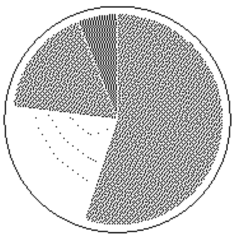
All site workers undergo stringent OH&S training and as part of the Group's commitment to safety in the workplace, an online safety induction program is being rolled out across the organisation. The Group is also implementing a smoke-free workplace policy in its offices and sites across the globe. The program was developed internally and is supported by various quit smoking bodies in the regions in which Multiplex operates and aims to provide a safe and healthy working environment as well as support to those employees wishing to stop smoking.



White City, London
The White City project in London completed over one million man hours worked without having a 'RIDDOR' (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) between September 2005 and February 2006. This is a major achievement for around 1,000 people working daily on the second largest construction site in Europe.

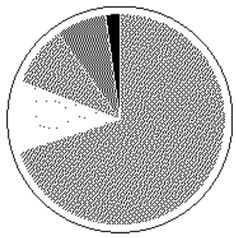
2006 Headcount – by region

55% Australia
22% United Arab Emirates
17% United Kingdom
6% New Zealand

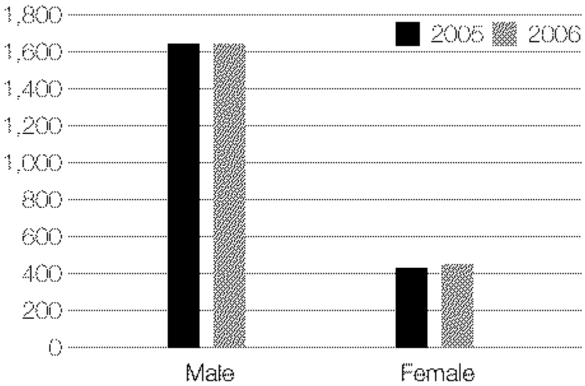


2006 Headcount – by division

70% Construction
11% Facilities Management
9% Developments
8% Corporate
2% Capital



2006 Headcount – by gender



Industry accreditation

Multiplex's clients across the globe expect very high levels of quality and to ensure that these levels are met, Multiplex is accredited to ISO 9001:2000 in each of the geographical regions in which it operates. Best practices and processes are adopted to continuously deliver improvement, world class quality and customer satisfaction across all projects.

During the period, Multiplex Constructions' operations in the UAE achieved environmental accreditation to AS/NZS ISO 14001. Multiplex is now accredited in each of its geographic regions with the international standard.

To support the high level of OH&S performance expected by Multiplex, our safety management systems are accredited to internationally recognised standards. During the period, Multiplex Constructions operating in the UAE achieved OH&S accreditation to ISO 18000. Multiplex Facilities Management's OH&S systems also achieved formal accreditation to AS4801.

Multiplex strives to deliver environmentally sustainable solutions to the design, delivery and ultimate management of our property assets. These solutions provide benefits for the business, environment and the communities in which we operate.

The Group continually monitors its environmental performance on its project sites and is pleased to report that it did not have any major environmental incidents during the period. Multiplex's operations are subject to significant environmental regulation and all of Multiplex's construction operations are accredited to ISO 14001, which relates to environmental best practice.

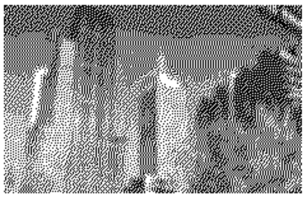
The Group's environmental initiatives focus on ecologically sustainable development, energy and water management, pollution minimisation and resource and waste management.

Some examples of environmental initiatives implemented by the Group are outlined below.

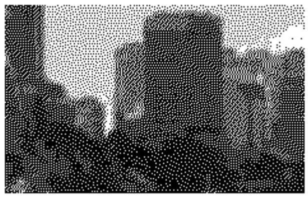
Construction

For the past five years, Multiplex Constructions has championed its own waste minimisation strategy, seeking to cut the amount of landfill generated from construction sites and to increase recycling activities. This program, known as Multiplex Waste Wise, has been a phenomenal success and new internal reporting methods and data collection processes allow us to evaluate our progress.

By way of example, in June 2006, average recycling and waste minimisation from our construction sites in Australia was approximately 70%. That figure of recycling and waste minimisation was represented by Hardcore, Softcore and Steel/Ferrous/Non-Ferrous materials. Multiplex is monitoring its performance to ensure that improvements are continually being made.



Southern Cross, Melbourne
Multiplex's recently completed Southern Cross tower in Melbourne is a showcase project for environmental sustainability and designed to achieve a 4.5 star energy rating.



15 Blue Street, Sydney
The Trust is currently undertaking an ABGR benchmarking exercise of its commercial portfolio to identify and implement potential improvements to overall energy ratings.

Developments

Australia

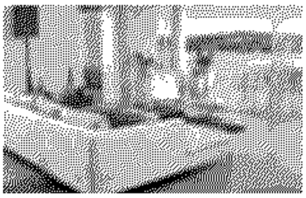
As Australia's largest developer of commercial property, Multiplex is pioneering advances in energy efficient design. Many of our commercial projects seek to achieve 4.5 star Australian Green Building Rating (AGBR). Commercial developments currently with or seeking this energy rating include:

- KPMG Building, King Street Wharf
- Ernst & Young Building, Perth
- Southern Cross, Melbourne
- Ernst & Young Centre, Sydney
- American Express Building, King Street Wharf
- Macquarie Bank offices, King Street Wharf

Multiplex's recently completed Southern Cross tower in Melbourne is a showcase project for environmental sustainability. Energy efficiency, sun shading and natural ventilation and light are all key elements incorporated in the design, with the building's state-of-the-art management control system, optimising energy consumption and tenant comfort.

Southern Cross has been designed to achieve a 4.5 star energy rating. Multiplex Facilities Management, the facilities manager, will ensure the building continues to perform at that level for the 15-year period.

Melbourne Convention and Exhibition Centre, Melbourne
An on-site mini transfer station has been established to centralise and coordinate all recycling of waste across the site. The station is manned by two construction workers, and is self-funding through the refunds and rebates received.



Portside Wharf, Queensland
The Portside Wharf development has been designed to incorporate significant initiatives for the management of water and energy.

The Portside Wharf development integrating Brisbane's first cruise ship terminal with both residential and retail precincts has been designed to incorporate significant initiatives for the management of water and energy. Water efficient initiatives include AAA rated taps and toilets, waterless urinals, as well as water efficient irrigation systems and native landscaping. Energy management initiatives include:

- each apartment building achieving a 3.5 star NatHERS rating;
- the office component of the terminal building achieving a 4 star ABGR energy rating; and
- tenant lighting power consumption 30 per cent less than BCC Energy Efficiency Code requirements.

At Vale in Western Australia, Multiplex will use 40,000 cubic metres of pine trees that have been cleared from Stages 4 and 5 of the project to harvest a high quality, nutrient-rich mulch and soil conditioner for Vale's parks and gardens.

The stored tree waste will return approximately 30,000 cubic metres of compost and demonstrates Multiplex's commitment to water-wise, nutrient-managed landscapes, while meeting best practice standards at a national and international level for using local materials.

Taylor's Rise in New South Wales is the first major land release in over a decade in Sussex Inlet. This master planned beachside community, has incorporated extensive environmental initiatives throughout the development process. During the site clearing process, trees that were cleared were mulched and used on-site and no materials were sent to landfill. Native planting has been part of the landscaping plan in order to increase the biodiversity of the local flora.

United Kingdom

During the period, Multiplex Developments in conjunction with Multiplex Constructions successfully remediated a long-term diesel spillage which was discovered as part of our due diligence process on the Eden at High Wycombe project. The redevelopment of this site involved the relocation of the existing High Wycombe bus station which has been active for 40 years. Multiplex completed a complex remediation exercise in conjunction with the environmental agency to clean the site whilst still operating the bus station and preparing the site for construction works.

Multiplex is incorporating leading environmentally sustainable design principles into its projects in the United Kingdom. Castle House, a residential development at Elephant & Castle in London recently obtained planning approval based on a design that included wind turbines which will generate enough renewable electricity to run the lighting for the whole of the building. The sustainable design exceeds UK building regulations and is expected to deliver 40% energy cost savings to residents over an average UK residence.

The Cricklewood urban regeneration project in North London is taking an innovative approach towards energy and waste management. The project design aims to reduce energy requirements by passive (building materials used) and active means (control and recovery systems) and to distribute energy more efficiently. Renewable energy sources have also been incorporated into the design.

Multiplex Capital

Multiplex Capital is committed to improving the sustainability of Multiplex Property Trust's assets and is proactively working with Multiplex Facilities Management to identify measures that can be implemented to improve the energy efficiency of its commercial portfolio.

Facilities Management

Multiplex Facilities Management is currently undertaking an Australian Building Greenhouse (ABGR) benchmarking exercise of Multiplex's Property Trust portfolio and is implementing the Green Building Council of Australia (GBC) Green Star Office Asset Pilot across two assets owned by the Trust. The objective of these exercises is to identify and implement potential improvements to overall energy performance across the portfolio.

Multiplex Facilities Management is also an active participant in promoting the role of the facilities management industry in more sustainable built environments through the Facilities Management Action Agenda. Jon McCormick, Managing Director Multiplex Facilities Management, is chairman of Sustainability Working which aims to promote the role of Facilities Management in delivering sustainable outcomes, develop a business case for sustainability and participate in industry and government forums in relation to sustainability initiatives.

Multiplex actively supports the community through workplace giving, employee participation and donations, as well as providing professional support to important charitable causes.

Donations

Charitable donations

In October 2005, Multiplex launched its Workplace Giving Program in Australia. The program was established as a means of streamlining the Group's charitable donations and promoting community participation among Multiplex Group employees.

The program supports six charities chosen by a committee of employees representing the key areas of concern identified across the Group comprising:

Cause Area	Selected Charity
Cancer	Cancer Council of Australia
Children's illnesses and disabilities	Starlight Children's Foundation
Poverty/homelessness/ unemployment	Mission Australia
Conservation and the environment	Clean Up Australia
Children and families at risk	The Smith Family
Youth at risk	BoysTown

Charitable donations from employees are supported by the Group through the deduction of the donations at payroll net of tax. It enables employees to make regular contributions to their chosen charities in a simple, low cost, tax-effective manner. It also provides the selected charities with a steady stream of donations and can allow them access to the skills and time of volunteer employees through targeted communications.

The Group also supports the program by matching employee donations on a dollar-for-dollar basis up to a maximum annual amount thus doubling the benefit to the employee's chosen charity. Since its inception, the Multiplex Workplace Giving Program has donated over $107,000 to selected charities.

Political donations

The Multiplex Group Board has determined that political donations will generally not be made but have however delegated to the Chief Executive approval for expenditure up to a total of $80,000 in any financial year. All requests for political donations must be referred to the Company Secretary for approval by the Chief Executive. Approved political donations are disclosed in accordance with legislation. Below is a table that sets out the political donations made by the Group throughout the year:

Party	Donation Amount
The Liberal Party	$22,477
Australian Labor Party	$48,678
Total	**$71,155**

Community support

In New South Wales, Multiplex has made a commitment to provide project management services for a new youth centre at Macquarie Fields. This initiative is being driven by Father Chris O'Riley for 'Youth Off The Streets', a foundation that supports homeless and drug addicted young Australians as they work to turn their lives around. Based on the philosophy that every young person has greatness within, the programs offered by the foundation are non-denominational and non-discriminatory. Multiplex is currently assisting with the development of the new facility.

Multiplex graduates once again lent their support to the community participating in a number of important initiatives.

Eight Multiplex graduates travelled to South Africa to participate in an affordable housing project in KwaZulu-Natal, South Africa. The work was undertaken for God's Golden Acre, a non-profit, non-governmental organisation. Funds were raised through donations from consultants and subcontractors to go towards building materials and other costs. The graduates provided labour and project management and successfully completed all finishing works on an accommodation block and provided the foundations for a house.

New Zealand graduates spent three days in December volunteering at Habitat for Humanity, a community based housing program aimed at providing underprivileged families with a home of their own. The graduates helped a family to build a two-storey home in Clendon, Manukau in South Auckland. They carried out a range of tasks such as constructing the façade, installing joinery, plumbing, sanding and painting.

God's Golden Acre, South Africa
Multiplex graduates travelled to South Africa to participate in an affordable housing project for God's Golden Acre, a non-profit, non-governmental organisation.

Bluewater, Queensland
Multiplex Developments constructed a $50,000 fence to protect wallabies around the perimeter of the Bluewater development at Trinity Beach in North Queensland.

Community engagement

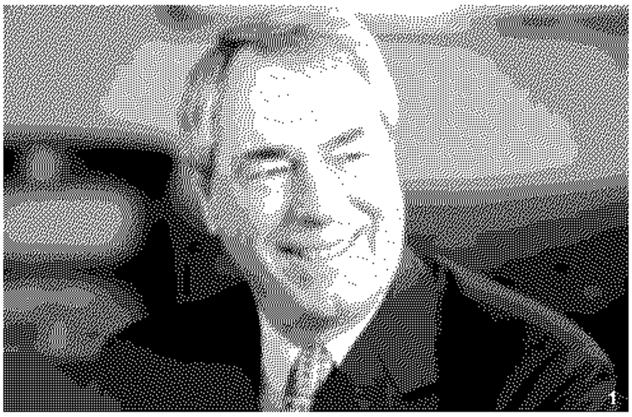
At Multiplex, we understand our development projects impact on existing and emerging communities. As a result, community engagement and consultation is built into the planning process for our projects, in order to ensure they achieve positive social, economic and environmental sustainability outcomes. A community engagement and consultation plan is established for each development project, to provide relevant interest groups, stakeholders and government agencies with the opportunity to be involved in the development process.

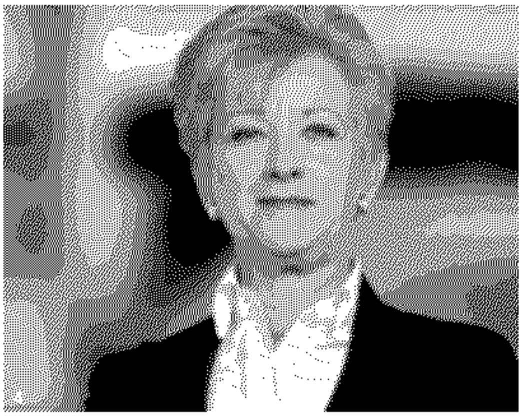
From door knocking campaigns, one-on-one meetings and workshops, and community information and feedback sessions; through to setting up community information suites and websites, and distributing newsletters, Multiplex is committed to maintaining open, meaningful consultation with its surrounding communities.

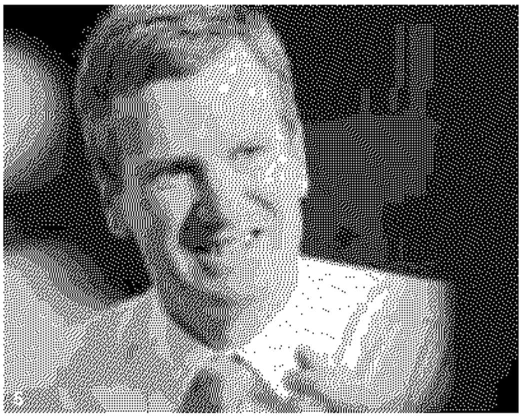
Multiplex's development and construction projects also contributed to the community in a number of ways during the period. These included:

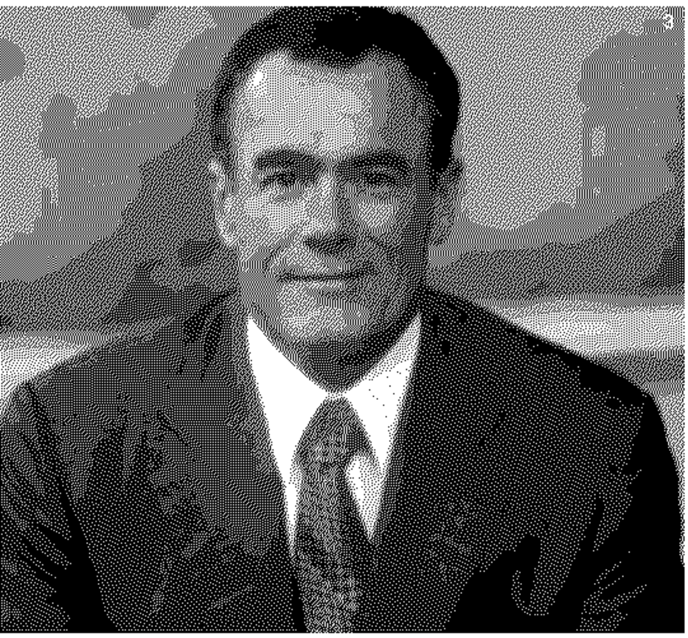
- constructing a $50,000 fence to protect wallabies around the perimeter of the Bluewater development at Trinity Beach in North Queensland;
- donating a quad bike to be used by lifeguards and volunteer surf lifesavers at the Salt Surf Life Saving Club at Casuarina Beach to promote beach safety;
- raising funds for the Lauren Huxley Appeal by the Parramatta Justice Precinct project site;
- joining forces with Keep South Australia Beautiful (KESAB) on a Clean Site program as part of a construction industry initiative at Centro Colonnades shopping centre redevelopment site at Noarlunga Centre, south of Adelaide;
- participation by a team from the Regent Theatre site, Sydney in Clean Up Australia Day;
- An 'Art Plus Development Award' for Eden at High Wycombe to contribute to the funding of the 'Living Wycombe' art project, the first Art Plus award to be made to a retail development in the UK; and
- Multiplex Living sponsored community events such as Avon Descent, the Rottnest Channel Swim and Sculptures by the Sea in Cottesloe.

Directors and Officers









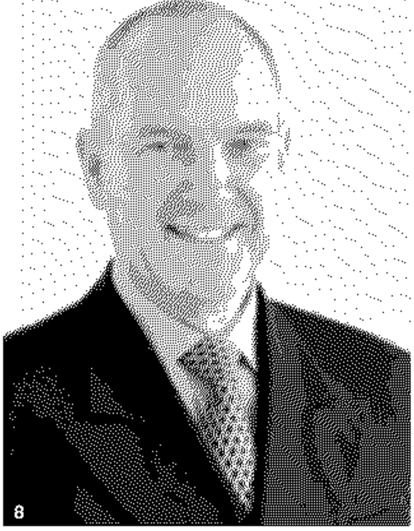
1
Allan McDonald
Non-Executive Chairman
Chairman of Nomination Committee

2
Peter J Dransfield
Non-Executive Director
Chairman of Remuneration Committee

3
John Poynton AM
Non-Executive Director

4
Barbara Ward
Non-Executive Director
Chair of the Audit and Risk Committee

5
Andrew Roberts
Executive Director
Managing Director and Chief Executive
Member of Executive Committee

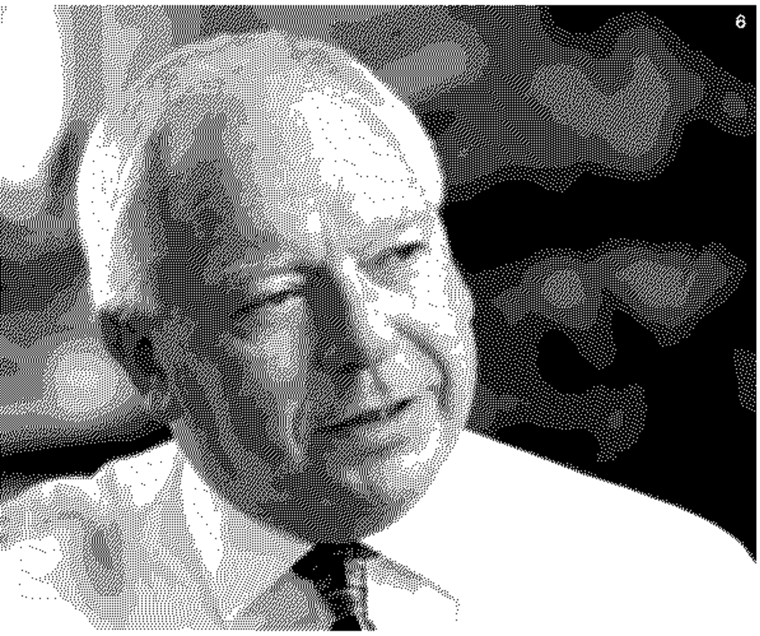


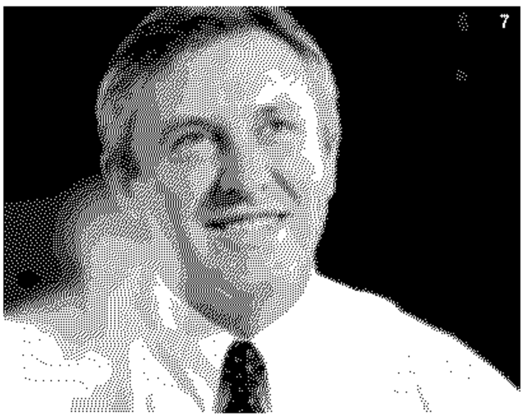
8
Ross McDiven
Executive Director
Chief Operating Officer
Member of Executive Committee

9
Tim Roberts
Executive Director

10
James Tuckey
Executive Director
Chairman – UK Operations
Member of Executive Committee

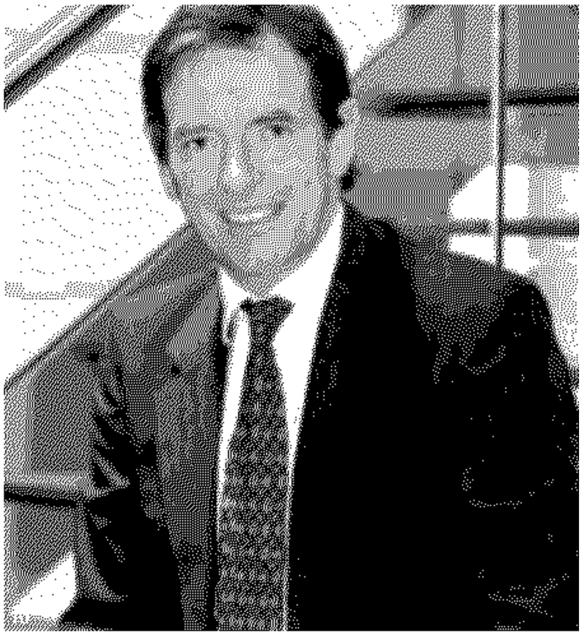
11.
Mark Wilson
Executive General Manager,
Corporate and Company Secretary
Member of Executive Committee





6
Bob McKinnon
Executive Director
Chief Financial Officer
Member of Executive Committee

7
Ian O'Toole
Executive Director (Multiplex Funds
Management Limited)
Managing Director, Multiplex Capital
Member of Executive Committee



Introduction
The directors of Multiplex Limited (the Company) and Multiplex Funds Management Limited (the Responsible Entity) (together the Group or Multiplex) are committed to achieving an effective system of corporate governance. The directors of Multiplex believe that a functional and flexible governance framework is essential to the health of the Group and to the operation of an orderly market through clarity and accountability in the achievement of the Group's objectives.

The Group was listed on the Australian Stock Exchange on 2 December 2003. Throughout the year the Group has operated in accordance with the existing systems of corporate governance, and has also reviewed the adequacy of those systems. A description of the Group's governance framework is set out below.

Board of Directors
Multiplex's governance policies regulate the relationship between the Board and securityholders, and the Board's relationship with management. The relationship between the Board and senior management is critical to the Group's long-term success. The Board's focus is to enhance the interests of securityholders and other key stakeholders and to ensure the Group is properly managed.

The Board Charter clarifies the respective roles of the Board and senior management, and assists in decision making processes through the identification of a schedule of matters reserved solely for the Board. The Board has delegated to the Chief Executive those matters which are not formally reserved for the Board under the Board Charter. In turn, the Chief Executive has authorised a delegation framework to senior executives and the Multiplex Group Credit and Risk Committee.

Role of Board
The Board Charter defines the role of the Board as:

- to provide guidance on and approval of corporate strategy and performance;
- to monitor the implementation of financial and other objectives;
- to oversee and approve the risk, control and accountability systems;
- to monitor compliance with legal, constitutional and ethical standards; and
- to approve and monitor major contracts and capital expenditure including the allocation of capital to major business units of the Group.

The Board is also responsible for:

- the appointment and removal of the Chief Executive, the Chief Financial Officer and the Company Secretary;
- the review and performance evaluation of management;
- succession planning and management development; and
- ensuring effective communication with the Group's securityholders.

In addition to the role of the Board, the Board Charter also sets out the role of the Chairman. The Chairman is responsible for the leadership of the Board, the efficient organisation and conduct of the Board's function, the briefing to all directors in relation to issues arising at Board meetings, facilitating effective contribution of all directors, promoting constructive relations between Board members and between the Board and management, follow up of matters arising from the Board meetings, and ultimately setting the Board agenda.

Day-to-day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Chief Executive and senior executives.

The Board Charter stipulates that all directors are entitled to seek independent advice at Multiplex's expense and that Board members should not have any business or other relationship that could materially influence or interfere with the exercise of their independent judgement apart from those formally disclosed to Multiplex in accordance with the *Corporations Act 2001*.

During the period the Board undertook a review of its performance and of its committees in accordance with the Board Charter. This evaluation was carried out by self-assessment and identified minor alterations to the Board Charter. These changes reflect the changing nature of the Group's business.

Board composition
The Board is structured in a manner that balances the extensive experience of existing executive directors with the specific experience of independent non-executive directors.

The Group Boards currently comprise of nine and ten directors respectively of whom four are non-executive independent directors. The Chairman of each board is Allan McDonald. The Directors continuously review the composition of the Board.

Through the financial period the composition of the Boards have changed through the appointment of Bob McKinnon as Chief Financial Officer in January 2006 and the appointment of James Tuckey as non-executive director in September 2005, and his subsequent executive appointment as Chairman of the Group's UK operations in February 2006. Following James Tuckey's appointment to an executive role, Mr Tuckey resigned from his appointments as a member of the Audit & Risk Committee and the Remuneration Committee.

The year also saw the sad death of Founding Chairman, John C Roberts AO on 8 June 2006 after a long illness.

The Constitution of the Company specifies that all directors other than the Managing Director must retire from office no later than the third annual general meeting (AGM) following their last election. Where eligible, a director may stand for re-election.

The Board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Group and directors with relevant external experience; and
- the size of the Board is conducive to effective discussion and efficient decision-making.

The current composition of the Board is set out below.

Allan McDonald
BEc, FCPA, FAIM, FCIS
Non-Executive Chairman
Chairman of Nomination Committee

Allan McDonald was appointed to the Board prior to the Group's listing in December 2003 and was appointed Non-Executive Chairman of Multiplex in May 2005. Allan has had extensive experience in the role of Chairman and is presently associated with a number of companies as a consultant and company director. Allan's other directorships of listed companies are Babcock & Brown Japan Property Management Limited (responsible entity of Babcock & Brown Japan Property Trust) (appointed November 2004), Billabong International Limited (appointed July 2000), DCA Group Limited (appointed May 1988) and Ross Human Directions Limited (appointed April 2000). Age 66.

During the past three years Allan has also served as a director of the following other listed companies: Australian Leisure and Hospitality Group Limited (October 2003 to November 2004), Brambles Industries Limited (August 1981 to November 2005), Brambles Industries plc (August 2001 to November 2005) and TAB Limited (October 1997 to July 2004).

Peter J Dransfield
Non-Executive Director
Chairman of Remuneration Committee

Peter Dransfield has formerly worked in executive roles at Australand Holdings Limited, Long Corporation and as the Director of Housing for the New South Wales State Government. Peter also serves on the board of the trustee for the Grant Samuel Development Trust, is a member of the Investment Committee of the St Hilliers Enhanced Property Trust as well as Independent Chairman of two Landcom joint ventures. Peter is also a director of Bremer Park Limited (appointed November 2005). Peter has over 30 years' experience in the industrial, retail and residential property development sectors across Australia and in the United States. Age 57.

There are no other listed companies of which Peter has served as a director during the past three years.

John Poynton AM CitWA
BCom, FSIA, FAIM, FAICD
Non-Executive Director

John is a co-founder and executive Chairman of Azure Capital.

John is Chairman of Alinta Limited and Deputy Chairman of Austal Limited. John is a non-executive Director of Burswood Ltd and Multiplex Ltd and is a member of the Payments System Board of the Reserve Bank of Australia. He is Chairman of the West Australian Museum Foundation and a member of the Board of the Business School at the University of Western Australia, where he also serves as Adjunct Professor of Financial Services. John has previously served as a Director of ASX and as Chairman of the ASX in Perth.

John is a Senior Fellow of the Financial Services Institute of Australasia (FINSIA), and a Fellow of the Australian Institute of Company Directors (AICD) and Australian Institute of Management (AIM).

John is a Member in the General Division of the Order of Australia.

In June 2006, John was awarded with Citizen of the Year in the Industry and Commerce category. Age 54.

There are no other listed companies of which John has served as a director during the past three years.

Barbara Ward
BEcon, MPolEcon, MAICD
Non-Executive Director
Chairperson of the Audit and Risk Committee

Barbara Ward has gained extensive business and finance experience through her role as Chief Executive Officer of Ansett Worldwide Aviation Services, as General Manager Finance for the TNT Group and as a senior ministerial adviser. Barbara is Chairperson of Country Energy, a director of Commonwealth Bank of Australia (appointed September 1994) and Lion Nathan Limited (appointed February 2003). Barbara is also a director of Allco Finance Group Limited (appointed April 2005) and acts as Chairperson of the Allco Finance Group Audit, Finance and Risk Committee. In addition, Barbara is a trustee of the Sydney Opera House Trust and a director of the Australia Day Council of New South Wales. Age 52.

There are no other listed companies of which Barbara has served as a director during the past three years.

Andrew Roberts
BCom, MBA
Executive Director
Managing Director and Chief Executive

Andrew Roberts is Managing Director and Chief Executive of Multiplex. During more than 20 years with Multiplex, Andrew has been involved in all aspects of the business. Through his position as Managing Director and Chief Executive Andrew provides strategic and managerial leadership for the Multiplex Group executive team. Andrew is a Board member of the University of Western Australia Business School. Age 40.

Andrew also serves as a director of Scarborough Minerals plc (appointed July 2006).

During the past three years Andrew also served as a director of MTM Funds Management Limited (May 1998 to December 2005) (responsible entity of MTM Entertainment Trust), Greenwich Resources plc (December 2001 to September 2005) (a company listed on the London Stock Exchange) and Danae Resources NL (December 1998 to May 2006).

Bob McKinnon
BCom, CA, MAICD
Executive Director
Chief Financial Officer

Bob McKinnon was appointed Multiplex's Chief Financial Officer in November 2005. Bob brings 35 years of extensive financial and senior management experience to Multiplex, having held senior positions with Lend Lease, MLC, State Street Australia and latterly, Commonwealth Bank of Australia where he was Group Executive, Technology and Chief Information Officer. Age 53.

There are no other listed companies of which Bob has served as a director during the past three years.

Ian O'Toole
AssocDipVal
Executive Director
Managing Director,
Multiplex Capital

Ian is a Director of the Responsible Entity and is Managing Director of the Investment Management division, Multiplex Capital. The Capital division is responsible for the execution and implementation of the Trust's investment strategies and managing a "Family of Trusts". This is in addition to the creation and management of new Trusts, acquisitions, disposals, asset and debt management, and investor relations for each Fund. Ian has over 24 years' experience in funds management and real estate and was previously responsible for the capital transactions and asset management of the ING Industrial Fund and the ING Office Fund. Age 47.

There are no other listed companies of which Ian has served as a director during the past three years.

Ross McDiven
BCom
Executive Director
Chief Operating Officer

Ross McDiven is Chief Operating Officer of Multiplex. Ross has over 36 years' experience with Multiplex and is a key member of the core management team of Multiplex Group. He spent his early years at Multiplex in the Construction business and for 18 years led the company's operations in New South Wales. Ross was also responsible for overseeing significant growth of Multiplex's Development operations and is now responsible for the Group's construction, development and facilities management businesses worldwide. Age 57.

There are no other listed companies of which Ross has served as a director during the past three years.

Tim Roberts
Executive Director

Tim Roberts has over 18 years' experience in the construction and property industry, working both overseas and throughout Australia. Tim is part responsible for strategic and operational leadership within the Development division throughout Australia and has also assumed responsibility for divisional integration within the Group. Throughout his career Tim has been involved in numerous major projects such as the Perth Convention and Exhibition Centre, the Raffles Hotel redevelopment, the King St Wharf development and the Vale land syndication in Western Australia. Age 35.

There are no other listed companies of which Tim has served as a director during the past three years.

James Tuckey
Executive Director
Chairman – UK Operations

James Tuckey was appointed as a non-executive director in September 2005 and subsequently accepted an executive appointment as Chairman of Multiplex's UK operations in February 2006. James is currently an investment adviser to BP plc in respect of its pension fund assets and is Chairman of property consultants NAI Fuller Peiser. James spent 28 years at MEPC plc, a UK property owner and developer, most recently as Chief Executive from 1993 to 1999. A Fellow of the Royal Institute of Chartered Surveyors, James is a Member of the President's Committee of the British Property Federation, having served as President during 1993 and is a former Deputy Chairman of English Partnerships, the UK Government's national regeneration agency and a former Member of the Property Advisory Group to the United Kingdom Department of the Environment (1993 to 1997). Age 60.

There are no other listed companies of which James has served as a director during the past three years.

Mark Wilson
BCom LLB FFIN
Company Secretary
Executive General Manager, Corporate

Mark Wilson was appointed Company Secretary of Multiplex in 2003. He joined Multiplex in 1997 and has held various positions in the Group including director, secretary and Managing Director of various group entities. Prior to joining Multiplex, Mark was with one of the major accounting firms specialising in corporate finance. Age 39.

The composition of the board of each of the Company and the Responsible Entity represents a departure from ASX Guideline 2.1, which suggests that a majority of directors should be independent. Following the appointment of James Tuckey to an executive role, the Board is reviewing the Board's composition and the proposed appointment of a further non-executive director to strengthen the Board. This reflects the important contribution played by the executive directors in the future success of Multiplex.

Below is a table showing the Directors' attendance at full meetings of the directors throughout the financial year:

Name	Number of Full Meetings in Period*	Number of Full Meetings Attended
John Corcoran	4	3
Peter Dransfield	12	11
Ross McDiven	12	12
Allan McDonald	12	12
Bob McKinnon	5	5
Ian O'Toole	12	12
John Poynton AM	12	10
John C Roberts AO	11	3
Andrew Roberts	12	12
Tim Roberts	12	12
James Tuckey	9	9
Barbara Ward	12	12

* Number of full meetings held during the time the Director held office.

The Board has assessed the independence of its non-executive directors according to the definition contained within the ASX Corporate Governance Guidelines and has concluded that all four non-executive directors, being Allan McDonald, Peter Dransfield, John Poynton AM and Barbara Ward, are independent. In assessing independence, the Board adopted materiality tests using both quantitative and qualitative bases. An amount of over 5% of annual turnover of the Group or 5% of the individual directors' net worth is considered material for these purposes.

Access to information
Upon appointment, new directors enter into a Deed of Access, Insurance and Indemnity. Accordingly, they are entitled to request from the Group and any of its subsidiaries and their directors, employees, auditors and advisers, all information reasonably required in order to be able to perform their duties as a director of the Group or to assess the financial condition and prospects of the Group and its subsidiaries.

Board performance
The Board operates an induction process for new directors conducted by the Company Secretary and executive management. The induction covers the history and structure of the Group, divisional overviews of the business, legal and financial overviews, key strategy, an introduction to key executives within the Group, terms and conditions of employment and Board meeting protocol. In addition, new directors are supplied with a Director's Manual containing copies of key Group documents for reference.

Upon request the Company Secretary will arrange for directors to attend development programs as requested or as determined in consultation with the Chairman at the individual director's performance assessment.

The Board has completed a review of Board performance. This review was undertaken by each individual director and the Board as a whole. The results of the review have been considered by the Board. Individual director reviews have also been undertaken and the results discussed with the Chairman.

Board committees
Audit and Risk Committee
The Board has established an Audit and Risk Committee. The Audit and Risk Committee is governed by a formal charter which requires that:

- all members must be able to read and understand financial statements; and
- at least one member must have financial expertise, that is the person must be either a qualified accountant or other financial professional with experience of financial accounting matters.

Under the charter, the chairperson of the Audit and Risk Committee must be a non-executive director and cannot be the Chairperson of the Board. The Chief Executive and the Chief Financial Officer are not members of the Audit and Risk Committee but may be invited to attend meetings of the Committee for reasons of efficiency. Although they may be in attendance they are not entitled to vote.

The current members of the Audit and Risk Committee are Allan McDonald, Peter Dransfield, John Poynton AM and Barbara Ward. The Board appointed Barbara Ward as Chair of the Committee.

Below is a table showing the Audit and Risk Committee member attendance throughout the financial year:

Name	Position	Number of Meetings in Period*	Attendance
Barbara Ward	Chair	9	9
Peter Dransfield	Member	9	9
Allan McDonald	Member	9	9
John Poynton AM	Member	9	8
James Tuckey	Member	3	3

* Number of meetings held during the time the Member held office.

The main responsibilities of the Committee are to:

- review, assess and approve the annual full and concise reports, the half-year financial report and all other financial information published by the Group or released to the market;
- assist the Board in reviewing the effectiveness of the organisation's internal control environment;
- determine the scope of the internal audit function and ensure that its resources are adequate and used effectively, and assess its performance, including independence;
- oversee the effective operation of the risk management framework;
- recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess performance;
- consider the independence and competence of the external auditor on an ongoing basis;
- review and approve the level of non-audit services provided by the external auditors and ensure it does not adversely impact on auditor independence;
- review and monitor related party transactions and assess their propriety; and
- oversee the Group's transition to International Financial Reporting Standards (IFRS).

In fulfilling its responsibilities, the Audit and Risk Committee:

- receives regular reports from management, the internal and external auditors and the IFRS transition project team;
- will meet with the internal and external auditors at least twice a year or more frequently if necessary;
- reviews the processes the Chief Executive and Chief Financial Officer have in place to support their certifications to the board;
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved; and
- provides the internal and external auditors with a clear line of direct communication at any time to either the Chairperson of the Audit and Risk Committee or the Chairman of the Board.

The Audit and Risk Committee is entitled to consult with expert advisers and seek expert advice where it considers it reasonable and necessary to carry out its duties at the expense of the Multiplex Group. The Audit and Risk Committee also has a right of access to internal and external auditors and to senior management.

In accordance with the Audit and Risk Committee charter the Committee has undertaken a self-assessment performance review. This review has resulted in no major amendments to the charter of the Committee.

Remuneration Committee

The Board has established a Remuneration Committee comprising a minimum of three members with the majority of members being the independent directors. The Committee members currently are: Allan McDonald, Peter Dransfield, John Poynton AM and Barbara Ward. The Chairman of the Committee is Peter Dransfield.

The Committee is governed by a formal charter adopted by the Board and was established to review, evaluate and make recommendations to the Board in relation to:

- policies for remuneration programmes appropriate to Multiplex;
- the remuneration packages of senior/executive management;
- reviewing the performance of the Chief Executive to pre-determined criteria on an annual basis;
- non-executive director remuneration;
- the Company's recruitment, retention and termination policies and procedures for executive/senior management;
- incentive schemes;
- superannuation arrangements;
- any report on executive remuneration, which is required pursuant to any Listing Rule or legislative requirement or which is proposed for inclusion in the annual report; and
- the remuneration framework for directors.

In making recommendations to the Board in relation to non-executive director remuneration the Remuneration Committee must source advice from external advisers in relation to market trends for non-executive director remuneration.

In accordance with the Remuneration Committee charter the Committee has undertaken a self-assessment performance review. This review has resulted in no major amendments to the charter of the Committee.

Below is a table showing the Remuneration Committee member attendance throughout the financial year:

Name	Position	Number of Meetings in Period*	Attendance
Peter Dransfield	Chairman	6	6
Allan McDonald	Member	6	6
John Poynton AM	Member	6	5
James Tuckey	Member	2	2
Barbara Ward	Member	6	6

* Number of meetings held during the time the Member held office.

Further information regarding the remuneration of directors and senior executives is contained in the Remuneration Report on page 75.

The Remuneration Committee is also responsible for reviewing any transactions between the Group and the directors, or any interests associated with the directors, to ensure the structure and the terms of any transactions are in compliance with the *Corporations Act 2001* and are appropriately disclosed.

Nomination Committee

The Board has established a Nomination Committee comprising a minimum of three members with the majority of members being the independent directors. The Committee members currently are Allan McDonald, Peter Dransfield, John Poynton AM and Barbara Ward. The Chairman of the Committee is Allan McDonald.

The Committee is governed by a formal charter adopted by the Board and was established to review, evaluate and make recommendations to the Board in relation to various matters including a process for determining the necessary and desirable competencies of Board members, the appointment of suitably qualified candidates to the Board, and the appointment of the Chief Executive.

In accordance with the Nomination Committee charter the Committee has undertaken a self-assessment performance review. This review has resulted in no major amendments to the charter of the Committee.

Name	Position	Number of Meetings in Period*	Attendance
Allan McDonald	Chairman	4	4
Peter Dransfield	Member	4	4
John Poynton AM	Member	4	3
John C Roberts AO	Member	3	2
Barbara Ward	Member	4	4

* Number of meetings held during the time the Member held office.

Ethical framework

Code of Conduct

A Code of Conduct applies to all employees of the Group. The Code provides guidance to Group directors and employees regarding the standards of conduct expected of them in the course of their employment and their dealings with third parties.

Security Trading Policy (incorporating Insider Trading Policy)

The Board has adopted a Security Trading Policy to regulate the trading by its employees in the Group's securities. The Board undertook a review of the Security Trading Policy and adopted amendments to the scope and structure of the policy. These amendments were implemented in April 2005.

Under the policy, all directors and employees are prohibited from trading in securities issued by Multiplex or any other securities nominated by Multiplex, while in possession of unpublished price sensitive information.

Further restrictions on trading apply to directors and to nominated employees, who are permitted to trade in securities issued by Multiplex:

- Commencing 24 hours after the announcement of half-yearly results until 30 days thereafter;
- Commencing 24 hours after the announcement of yearly results until 30 days thereafter;
- Commencing 24 hours after the annual general meeting until 30 days thereafter; and
- Or as otherwise determined by the Board.

Conflict of Interests

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The Board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the Board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Details of director related entity transactions with the Company and consolidated entity are set out in Note 34 of the Full Financial Report.

Integrity in financial reporting

Certification by Chief Executive and Chief Financial Officer

In accordance with the Corporations Act and ASX Principle 4, the Chief Executive and the Chief Financial Officer have provided to the Board a written statement that in their opinion the financial statements of Multiplex Limited, Multiplex Property Trust and the consolidated entity present a true and fair view, in all material respects, of their financial condition, have been prepared in accordance with relevant accounting standards and further that the financial records of Multiplex Limited, Multiplex Property Trust and the consolidated entity have been properly maintained in accordance with section 286 of the Corporations Act.

The Board has also received a statement from the Chief Executive and the Chief Financial Officer made in accordance with ASX Principle 7.2. This statement also contains a certification that having made all reasonable enquiries and to the best of the knowledge and belief of the Chief Executive and the Chief Financial Officer:

- The statements made in relation to the financial integrity of the Group financial reports are founded on a sound system of risk management and internal compliance and control;
- The system of risk management in operation at 30 June 2006 implements the policies adopted and delegated by the Board of Directors and of the other decision-making bodies operating within the Group and was operating effectively; and
- The systems relating to financial reporting are operating effectively in all material respects at 30 June 2006.

The statements made by the Chief Executive and the Chief Financial Officer have been supported by the internal assessment of the status and operation of the financial risk management and internal compliance and control systems primarily through declarations made by specific executives within the Group who were deemed to have direct knowledge and control over those systems.

Associates and non-controlled entities were not considered by the Chief Executive and the Chief Financial Officer for the purposes of their statements.

Audit and Risk Committee

The role of the Audit and Risk Committee in promoting integrity in financial reporting is described above.

External auditors

The policy of the Board is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. KPMG has a policy to rotate audit engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided on page 91 of the Directors' Report. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit and Risk Committee.

The external auditor is required to attend the annual general meeting and to be available to answer securityholder questions about the conduct of the audit and the preparation and content of the audit report.

Market disclosure

Continuous Disclosure Policy

The Board is committed to the promotion of investor confidence by providing full and timely information to all securityholders and market participants about the Group's activities and to comply with the continuous disclosure requirements contained in the *Corporations Act 2001* and the Australian Stock Exchange Listing Rules. The Continuous Disclosure Policy was subject to a Board review in 2005 and was again updated in February 2006.

The purpose of the Continuous Disclosure Policy is to detail the processes implemented by the Group to ensure compliance with continuous disclosure requirements and to act as a guide to all relevant personnel.

Multiplex has nominated the Company Secretary as the Continuous Disclosure Officer to be responsible for the design, implementation and ongoing monitoring of this policy. The Continuous Disclosure Officer also acts as the primary contact between Multiplex and the ASX in relation to disclosure issues and is responsible for reviewing proposed announcements, liaising with management and preparing regular disclosure reports to the Board.

The policy dictates that material price sensitive information must not be released to any person with the exception of auditors, lawyers and advisers that have been engaged by the Group, until it has given the information to the ASX and has received an acknowledgement that the ASX has released the information to the market. All information released to the market is then posted to the Group website.

In order to capture information that may need to be disclosed, directors and executive officers have been recognised as being responsible for identifying relevant information about the activities of their business units. In this regard, Multiplex has established a training and development program to ensure that directors and executive officers are aware of the obligations of Multiplex to keep the market fully informed. A guidance note for employees has also been incorporated into the Continuous Disclosure Policy in order to ensure that timely and accurate information about the Group is provided equally to all securityholders and market participants.

Securityholders' rights
The Board fully supports securityholder participation at general meetings as well as ensuring that communications with securityholders are effective and clear. To promote understanding of this the Board has adopted a Communications Policy.

Unless otherwise requested, all securityholders receive a copy of the annual and half-yearly reports. In addition, the Group seeks to provide opportunities for securityholders to participate through electronic means. Through the Group's website, securityholders are able to access an email query mechanism and have an option to register their email address to receive Multiplex annual and half-year reports via email notifications.

Wherever possible the Group has tried to minimise the environmental impact with regards to the preparation and distribution of financial reports. Throughout the last year the Group has striven to offer securityholders an environmentally friendly alternative to receiving hard copy financial reports. Wherever possible the Group communicates with securityholders by electronic means and actively promotes the Electronic Investor service to all new investors. The Electronic Investor service is available to all securityholders. By choosing this option securityholders can receive Multiplex Group half-year and annual reports electronically. A notification email is sent to the securityholder when the half-year and annual reports become available to view online.

Following the implementation of the CLERP 9 reforms securityholders will also be able to receive electronically, if they agree, the notice of meeting for the AGM. The Group supports the adoption of other methods of electronic communications and is also reviewing its options following the recent announcement by the Federal Government to allow listed entities to make annual reports available on the internet, with hard copies only being sent to securityholders upon request.

Risk assessment and management
The Board, through the Audit and Risk Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. These policies are designed to ensure relevant risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Group's business objectives.

The basic risk management principles utilised at Multiplex, as espoused under systems such as AS4360, CPA Australia, COSO and other well regarded risk management standards, include:

- Establish the context within which risks are to be considered (risk appetite, key philosophy, operating environment, competitive environment, objectives);
- Identify risks;
- Test and analyse risks for likelihood and impact;
- Evaluate risks and possible responses;
- Treat the risks (eg. insurance, contract terms, engagement of specialist advisers, alternate method of construction, additional financier); and
- Monitor the effectiveness of the risk treatment.

Considerable importance is placed on maintaining a strong control environment responsible for ensuring compliance with the principles above. This is supported through the role of the Multiplex Group Credit and Risk Committee and the divisional structures that sit below this Committee.

Multiplex Group has dedicated key resources to the risk management function focused on ensuring the ongoing enhancement and effectiveness of the risk control framework.

The Credit and Risk Committee was established by management and has a clearly defined charter. There are seven voting members on the Credit and Risk Committee. The voting members include the Chief Executive and the Chief Financial Officer as well as the Chairpersons of the operating divisions.

The Credit and Risk Committee's main objective is to regulate and administer the risk and capital approval framework for Multiplex. This regulation and administration applies to both financial and operational commitments and is always subject to the defined matters reserved for the Board set out in the Board Charter. In accordance with the delegation framework the Credit and Risk Committee is broadly responsible for contractual, financial, investment and reputation risk.

This strong control environment is also reinforced through the definition of the organisation structure with clearly drawn lines of accountability and delegation of authority. At the individual employee level, adherence to the Code of Conduct is required at all times and the culture of quality and integrity is further supported through the active promotion of the Board.

Detailed control procedures are in place covering management accounting, financial reporting, project appraisal, environment, health and safety, IT security, compliance and other risk management issues. The risk management framework is supported by internal audit carrying out regular systematic monitoring of control activities and report to both relevant business unit management and the Audit and Risk Committee.

Risk management controls and processes have been created throughout the Group and are based on the operational fundamentals of the operating divisions which in turn feed into the Credit and Risk Committee. The Internal Audit function provides an independent assessment of risk treatment according to declared controls and processes.

The past 12 months have shown ongoing enhancement of risk management systems and structures within Multiplex such as the allocation of dedicated risk management resources and the review of the Credit and Risk Committee processes and charter. Wherever possible, risk management systems are being standardised throughout the Group.

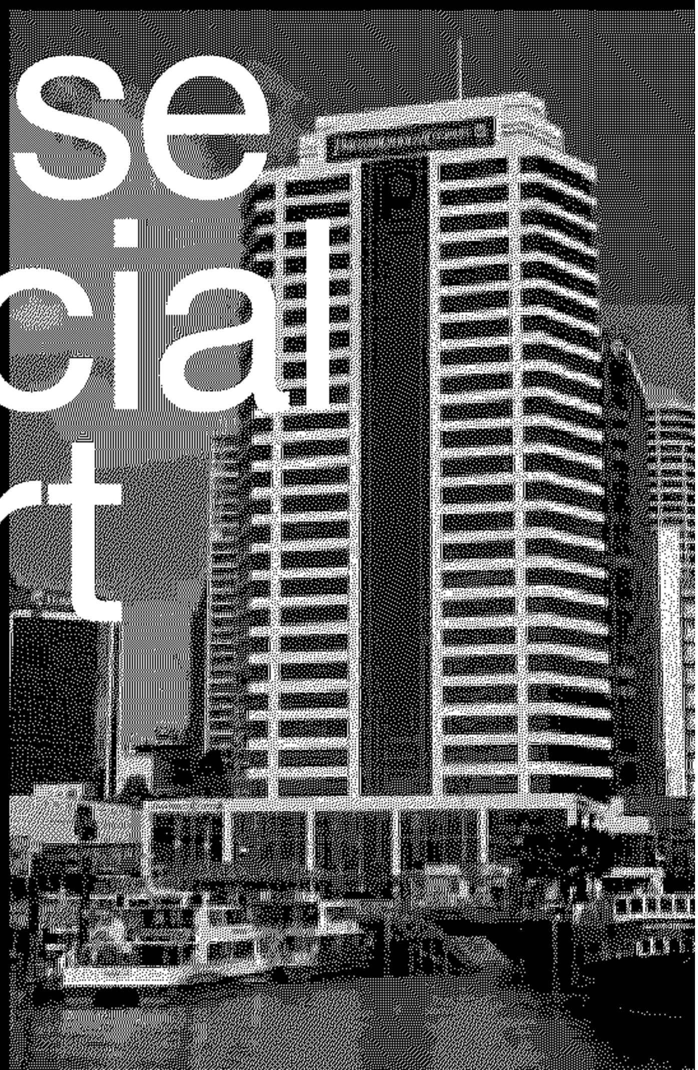
The Construction division Global Management System which is used throughout Australia, New Zealand, the United Kingdom and the United Arab Emirates was audited by DLIQ Certification Services (DLIQ), part of the Davis Langdon & Seah International Group. The audit covered such areas as Quality Systems (ISO 9001), Environmental Systems (ISO 14001), Health and Safety Systems (ISO 18001/Australian Standards 4801) which form the basis of our management system.

DLIQ provides certification to ISO standards and to other relevant business management system standards, including Australian Standards. DLIQ certification is recognised by JAS-ANZ and UKAS to provide certification worldwide to International ISO Standards and Australian standard management systems and requirements. Following the review the Construction division successfully retained all current certification.

With the exception of the departures from the ASX Corporate Governance Guidelines detailed above, Multiplex Group believes that it has followed the best practice recommendations set by the ASX.

Multiplex Limited
and its controlled entities ABN 96 008 687 063
Concise Financial Report
for the year ended 30 June 2006

Concise Financial Report



The financial statements and other specific disclosures are an extract of, and have been derived from Multiplex and its controlled entities' (the Group) full financial report for the financial year. Other information included in the concise financial report is consistent with the full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

A copy of the Group's 30 June 2006 Annual Financial Report, including the independent audit report, is available on Multiplex Group's website at www.multiplex.biz. To request a hard copy of the report, please call 1800 685 455 (Australia) or +61 2 8280 7111 (International).

Above
PwC Tower, Auckland
Left
The Gate, Dubai

Contents

Introduction

The Directors of Multiplex Limited (the Company or Multiplex) present their report together with the concise financial report of the "Consolidated Entity", being the Company and its controlled entities (Multiplex Group or the Group), for the year ended 30 June 2006 and the independent audit report thereon.

Directors

Mr F Allan McDonald
Mr Peter J Dransfield
Mr Ross A McDiven
Mr Robert V McKinnon
Mr John H Poynton AM
Mr Andrew T Roberts
Mr Timothy A Roberts
Mr James L Tuckey
Ms Barbara K Ward

The following persons ceased to hold office during the year ended 30 June 2006:

Mr John A Corcoran (resigned 16 October 2005)
Mr John C Roberts AO (passed away 8 June 2006).

Information on Directors

Director (of Multiplex Limited)	Experience	Special Responsibilities
Non-Executive Chairman		
Allan McDonald BEcon, FCPA, FAIM, FCIS	Allan McDonald was appointed to the Board prior to the Group's listing in December 2003 and was appointed Non-Executive Chairman of Multiplex in May 2005. Allan has had extensive experience in the role of Chairman and is presently associated with a number of companies as a consultant and company director. Allan's other directorships of listed companies are Babcock & Brown Japan Property Management Limited (responsible entity of Babcock & Brown Japan Property Trust) (appointed November 2004), Billabong International Limited (appointed July 2000), DCA Group Limited (appointed May 1988) and Ross Human Directions Limited (appointed April 2000). Age 66. During the past three years Allan has also served as a director of the following other listed companies: Australian Leisure and Hospitality Group Limited (October 2003 to November 2004), Brambles Industries Limited (August 1981 to November 2005), Brambles Industries plc (August 2001 to November 2005) and TAB Limited (October 1997 to July 2004).	Non-Executive Chairman Chairman of Nomination Committee
Other Non-Executive Directors		
Peter J Dransfield	Peter Dransfield has formerly worked in executive roles at Australand Holdings Limited, Long Corporation and as the Director of Housing for the New South Wales State Government. Peter also serves on the Board of the trustee for the Grant Samuel Development Trust, is a member of the Investment Committee of the St Hilliers Enhanced Property Trust as well as Independent Chairman of two Landcom joint ventures. Peter is also a director of Bremer Park Limited (appointed November 2005). Peter has over 30 years' experience in the industrial, retail and residential property development sectors across Australia and in the United States. Age 57. There are no other listed companies of which Peter has served as a director during the past three years.	Chairman of Remuneration Committee

Director (of Multiplex Limited)	Experience	Special Responsibilities
John Poynton AM CitWA BCom, FSIA, FAIM, FAICD	John is a co-founder and executive Chairman of Azure Capital. John is Chairman of Alinta Limited and Deputy Chairman of Austal Limited. John is a non-executive Director of Burswood Ltd and Multiplex Ltd and is a member of the Payments System Board of the Reserve Bank of Australia. He is Chairman of the West Australian Museum Foundation and a member of the Board of the Business School at the University of Western Australia, where he also serves as Adjunct Professor of Financial Services. John has previously served as a Director of ASX and as Chairman of the ASX in Perth. John is a Senior Fellow of the Financial Services Institute of Australasia (FINSIA), and a Fellow of the Australian Institute of Company Directors (AICD) and Australian Institute of Management (AIM). John is a Member in the General Division of the Order of Australia. In June 2006, John was awarded with Citizen of the Year in the Industry and Commerce category. Age 54. There are no other listed companies of which John has served as a director during the past three years.	
Barbara Ward BEcon, MPolEcon, MAICD	Barbara Ward has gained extensive business and finance experience through her role as Chief Executive Officer of Ansett Worldwide Aviation Services, as General Manager Finance for the TNT Group and as a senior ministerial adviser. Barbara is Chairman of Country Energy, a director of Commonwealth Bank of Australia (appointed September 1994) and Lion Nathan Limited (appointed February 2003). Barbara is also a director of Allco Finance Group Limited (appointed April 2005) and acts as Chairman of the Allco Finance Group Audit, Finance and Risk Committee. In addition, Barbara is a trustee of the Sydney Opera House Trust and a director of the Australia Day Council of New South Wales. Age 52. There are no other listed companies of which Barbara has served as a director during the past three years.	Chairman of the Audit and Risk Committee
Executive Directors		
Ross McDiven BCom	Ross McDiven is Chief Operating Officer of Multiplex. Ross has over 36 years' experience with Multiplex and is a key member of the core management team of Multiplex Group. He spent his early years at Multiplex in the Construction business and for 18 years led the Company's operations in New South Wales. Ross was also responsible for overseeing significant growth of Multiplex's Development operations and is now responsible for the Group's Construction, Development and Facilities Management businesses worldwide. Age 57. There are no other listed companies of which Ross has served as a director during the past three years.	Chief Operating Officer
Bob McKinnon BCom, CA, MAICD	Bob McKinnon was appointed Multiplex's Chief Financial Officer in November 2005. Bob brings 35 years' of extensive financial and senior management experience to Multiplex, having held senior positions with Lend Lease, MLC, State Street Australia and latterly, Commonwealth Bank of Australia where he was Group Executive, Technology and Chief Information Officer. Age 53. There are no other listed companies of which Bob has served as a director during the past three years.	Chief Financial Officer

Director (of Multiplex Limited)	Experience	Special Responsibilities
Andrew Roberts BCom, MBA	Andrew Roberts is Managing Director and Chief Executive of Multiplex. During more than 20 years with Multiplex, Andrew has been involved in all aspects of the business. Through his position as Managing Director and Chief Executive Andrew provides strategic and managerial leadership for the Multiplex Group executive team. Andrew is a board member of the University of Western Australia Business School. Age 39. Andrew also serves as a director of Scarborough Minerals plc (appointed July 2006). During the past three years Andrew also served as a director of MTM Funds Management Limited (responsible entity of MTM Entertainment Trust) (May 1998 to December 2005), Greenwich Resources plc (a company listed on the London Stock Exchange) (December 2001 to September 2005) and Danae Resources NL (December 1998 to May 2006).	Managing Director and Chief Executive
Tim Roberts	Tim Roberts has over 18 years' experience in the construction and property industry, working both overseas and throughout Australia. Tim is part responsible for strategic and operational leadership within the Development division throughout Australia and has also assumed responsibility for divisional integration within the Group. Throughout his career Tim has been involved in numerous major projects such as the Perth Convention and Exhibition Centre, the Raffles Hotel redevelopment, the King St Wharf development and the Vale land syndication in Western Australia. Age 35. There are no other listed companies of which Tim has served as a director during the past three years.	
James Tuckey	James Tuckey was appointed as a Non-Executive Director in September 2005 and subsequently accepted an executive appointment as Chairman of Multiplex's United Kingdom (UK) operations in February 2006. James is currently an investment adviser to BP plc in respect of its pension fund assets and is Chairman of property consultants NAI Fuller Peiser. James spent 28 years at MEPC plc, a UK property owner and developer, most recently as Chief Executive from 1993 to 1999. A Fellow of the Royal Institute of Chartered Surveyors, James is a Member of the President's Committee of the British Property Federation, having served as President during 1993 and is a former Deputy Chairman of English Partnerships, the UK Government regeneration agency for England and a former Member of the Property Advisory Group to the UK Department of the Environment (1993 to 1997). Age 60. There are no other listed companies of which James has served as a director during the past three years.	Chairman – UK Operations
Company Secretary (of Multiplex Limited)		
Mark Wilson BCom, LLB, FFIN	Mark Wilson was appointed Company Secretary of Multiplex Limited in 2003. He joined Multiplex in 1997 and has held various positions in the Group including Director, Secretary and Managing Director of various Group entities. Prior to joining Multiplex, Mark was with one of the major accounting firms specialising in corporate finance. Age 39.	Executive General Manager – Corporate

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) for the Company, and the number of meetings attended by each of the Directors during the financial year were:

	Board Meetings		Audit & Risk Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
Director	A	B	A	B	A	B	A	B
Mr J A Corcoran	3	4	*	*	*	*	*	*
Mr P J Dransfield	11	12	9	9	6	6	4	4
Mr R A McDiven	12	12	*	*	*	*	*	*
Mr F A McDonald	12	12	9	9	6	6	4	4
Mr R V McKinnon	5	5	*	*	*	*	*	*
Mr J H Poynton AM	10	12	8	9	5	6	3	4
Mr A T Roberts	12	12	*	*	*	*	*	*
Mr J C Roberts AO[2]	3	11	*	*	*	*	2	4
Mr T A Roberts	12	12	*	*	*	*	*	*
Mr J L Tuckey[1]	9	9	3	3	2	2	*	*
Ms B K Ward	12	12	9	9	6	6	4	4

A Number of meetings attended.
B Number of meetings held during the time the director held office during the year.
* Not a member of the relevant committee.
1 Mr Tuckey was a Non-Executive Director of Multiplex Limited until his appointment to an executive role as Chairman – UK Operations in February 2006.
2 Mr John C Roberts AO passed away on 8 June 2006.

Principal activities

During the year the principal activities of the Group were Property Development, Construction, Facilities Management, Investment Management, Property Funds Management and Property Investment.

There were no changes in the Group's activities during the year.

Review of operations

Multiplex Group (the Group) recorded a net profit after tax attributable to stapled securityholders of $216.8 million for the year ended 30 June 2006. The result has been prepared for the first time under AIFRS.

Multiplex Limited

Property Development

The Property Development division contributed earnings before interest and tax of $100.0 million to the overall Group result, on external revenue of $417.4 million.

The division's result for the year included profits of $37.2 million from the divestment of various UK assets. These profits were offset by $35.3 million inventory valuation write-downs and project cost write-offs. The reduction in inventory valuation primarily reflects the currently weaker inner-city residential market in Sydney, while the cost write-offs relate to previously approved residential development schemes that have now been changed to commercial development schemes in order to capitalise on the strong commercial property market in Australia.

Key activities for the division during the year included:

- Lease pre-commitments being achieved for three new buildings at King Street Wharf (Sydney) and World Square (Sydney) to be delivered over the next three years for American Express, Macquarie Bank and the Australian Taxation Office;
- The completion of three multi-residential projects being Raffles (Perth), The Chancellor (Sydney) and Lakeland's Villas (Gold Coast);
- Progress on a further three multi-residential projects which are currently pre-selling. Subject to demand, construction on these projects is expected to commence this year;
- The completion of Stage 1 of the Vale master planned community in Western Australia, with all lots sold. Strong pre-sales of the Newport Quays master planned community in Adelaide allowed construction to commence;
- Planning approval being received for two retail centres during the year, and the retail development asset base being expanded with the acquisition of Wilsonton Shopping Centre (Toowoomba);
- The commencement of construction on the $720 million Eden retail development at High Wycombe in Southern England, in which Multiplex has a 50% interest; and
- The securing of planning approval for Castle House, a residential tower in Central London.

At June 2006 the gross development value of the UK development pipeline remained relatively unchanged from June 2005 at $9.3 billion, whilst the value of the Australian portfolio had increased from $5.1 billion to $6.6 billion.

Construction

The Construction division contributed a loss before interest and tax of $319.8 million to the overall Group result. External revenue was $2,468.0 million.

As widely reported, the Construction division's overall result has been materially affected by additional losses of $364.3 million before tax incurred in respect of the Wembley project. This result is unchanged from December 2005.

During the year, the Construction division completed 25 major projects valued at $2.5 billion and continued to replenish its workbook, securing 18 major new contracts at a total value of $2.9 billion. At June 2006 the division's portfolio included 36 projects with a total contract value in excess of $8 billion. The portfolio is 52% complete and achieving overall margins consistent with historical norms.

In the UK, Wembley is now substantially complete and the Group is focusing on pursuing recoveries from third parties. During the year, the Group was successful in its claim against the former steel subcontractor at Wembley.

The remaining key activities during the year for the division were:

- The completion of Southern Cross (Melbourne) for the Trust; Freshwater Place (Melbourne) – the second largest residential project in Melbourne's history, Raffles (Perth) – a luxury residential complex, Riparian Plaza and Festival Towers (Brisbane), DIFC – The Gate and Phase 1 of the Burj Residences (Dubai, and The Knightsbridge (London) – recognised as one of London's most prestigious new residential developments;
- The securing of a number of new contracts including Melbourne Convention and Exhibition Centre (Melbourne), Parramatta Justice Precinct (Sydney), 538 Bourke Street (Melbourne), Sylvia Park Mall (Auckland), The Index (Dubai) – an 86-storey multi-use building, and Eden–High Wycombe Shopping Centre (Southern England); and
- Continued progress by Multiplex Engineering on two projects being the Perth Desalination Plant and the Moma Mineral Sands processing plant project in Northern Mozambique.

Facilities Management

The Facilities Management division contributed earnings before interest and tax of $7.4 million to the overall Group result.

During the year the division increased its number of contracts by 22% from 82 to 100. The average term of these contracts exceeds nine years. The new contracts include a 10-year facilities management contract for the new Parramatta Justice Precinct, an 18-year contract for Centrelink HQ (Canberra) and a 25-year contract for the Melbourne Convention and Exhibition Centre.

Property Funds Management

This division contributed earnings before interest and tax of $53.8 million to the overall Group result. Of these earnings, 49% related to the management of its growing portfolio of funds under management, and the remainder of $27.2 million related to profit on the sale of its interest in the Sapphire Retail Fund in the UK.

The key activities during the year included:

- Growing total funds under management (FUM) to $5.8 billion (2005: $5.5 billion), after allowing for the sale of the $0.7 billion Sapphire Retail Fund;
- The launch of a new $640 million Australian Office Fund (MAPPF), to be listed in September 2006. This transaction was a major milestone in the growth of external FUM and represents a showcasing of Multiplex's integrated property business model; and
- The launch of Multiplex Acumen Vale Syndicate in Western Australia.

Multiplex Property Trust

The Trust performed strongly during the year and contributed earnings before interest of $446.5 million to the overall Group result (2005: $126.0 million).

In accordance with Group policy, all investment properties were independently fair valued during the year and Trust earnings included FVAs of $227.7 million in respect of its investment properties and the investment properties of its associates.

During the year the Trust has:

- Improved occupancy to 99%;
- Achieved a tenant retention rate of 95% by area, with 119 new and renewed leases completed in respect of more than 25,000sqm;
- Concluded 433 rent reviews in respect of 340,000sqm or 43% of the portfolio's net lettable area, at an average increase of 3.9%;
- Achieved an average total return of 28.4% from its equity investments in Multiplex managed funds; and
- Sold Goldfields House at a profit to the Trust of $26.6 million.

The weighed average lease term (by income) across the Trust's portfolio is now 6.4 years, compared to the industry average for office listed property trusts of five years.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year
On 22 June 2006, a wholly owned subsidiary of Multiplex Limited, Multiplex Capital Limited, lodged a product disclosure statement for a new CBD office fund, the Multiplex Acumen Prime Property Fund ('the Fund'). The Fund is seeking to raise equity of $169 million (and may accept up to $28 million in over subscriptions) with a portfolio of assets valued at $640 million. The Fund's portfolio will comprise the following investments: 100% of the new American Express building at Sydney's King Street Wharf, currently under development by Multiplex Developments and due for completion in December 2007; 50% of Ernst & Young Centre and 50 Goulburn Street, World Square, Sydney; 25% of Southern Cross Tower, Melbourne; 100% of Defence Plaza, Melbourne and a portfolio of listed property trust securities. The offer of units in the Fund opened on 10 July 2006 with trading expected to commence on the Australian Stock Exchange on or around 15 September 2006. Multiplex Property Trust will retain a cornerstone investment in the Fund. Upon completion of the offer the net proceeds received by Multiplex Group will allow for a reduction in existing borrowings.

On 17 August 2006, Multiplex Group announced the transfer of the construction contract for the White City project in the United Kingdom to Westfield Group. Westfield will assume construction responsibility for White City and will continue to collaborate with Multiplex Group on construction elements for the duration of the project. The agreement with Westfield provides for subcontractors currently engaged on the project to be assigned to Westfield and for the secondment of Multiplex UK construction personnel directly engaged on the project to Westfield. Under the agreement Multiplex will retain responsibility to deliver certain rail works in relation to the White City project.

Apart from the events noted above, there has not arisen in the interval between the end of the financial period and the date of this report any matter or circumstance that is likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the Company in future financial years and the expected results of those operations has been included in the Multiplex Group Annual Report. In the opinion of the directors, further information has not been included in this report because the directors believe that to do so would be likely to result in unreasonable prejudice to the Company and the Multiplex Group.

Environmental regulation
As an integrated property group, the Group's operations are subject to significant environmental regulation under international, Australian Commonwealth and State legislation. This is particularly the case in relation to the Company's Construction, Development and Property Investment activities.

The Company has systems in place to manage its environmental obligations within its construction activities. As a developer and property investor, the Company is also subject to and operates under other environmental regulations.

During the year there were no significant environmental breaches within any of the Company's activities.

The following minor breaches have occurred through the year:

New Zealand
An abatement notice was issued to a wholly-owned subsidiary of the Company and a corresponding fine of NZ$533 paid following a leakage of muddy water running into the street drain outside the site.

United Kingdom
Notices were issued to a wholly-owned subsidiary of the Company for excessive noise from one of the Company's sites with total fines of £6,000 paid in January 2006.

Dividends and distributions
Total dividends and distributions declared to securityholders during the year ended 30 June 2006 were 25.5 cents (2005: 29.81 cents).

Distribution Reinvestment Plan (DRP)
As previously announced to the ASX on 16 June 2005, the Multiplex Group DRP has been deactivated until otherwise advised.

Remuneration Report

Your directors submit their audited Remuneration Report (the Report) for the year ended 30 June 2006.

Key Management Personnel

The names and details of the Key Management Personnel of Multiplex Limited and its controlled entities (the Group) in office during the financial year until the date of this report are listed below. Key Management Personnel were in office for this entire period unless otherwise stated. This disclosure also includes the five executives who received the highest remuneration, whether or not they were Key Management Personnel by any other definition. Independent directors are defined as Key Management Personnel, but they do not consider themselves as part of management.

Name	Capacity	Title
Mr F A McDonald	Non-Executive Chairman	Non-Executive Chairman
Mr P J Dransfield	Non-Executive Director	Non-Executive Director
Mr J H Poynton AM	Non-Executive Director	Non-Executive Director
Ms B K Ward	Non-Executive Director	Non-Executive Director
Mr J C Roberts AO	Executive Director	Founding Chairman and Executive Director; deceased 8 June 2006
Mr A T Roberts	Executive Director	Chief Executive and Managing Director
Mr R A McDiven	Executive Director	Chief Operating Officer
Mr J L Tuckey	Executive Director	Executive Chairman UK; appointed 23 September 2005
Mr R V McKinnon	Executive Director	Chief Financial Officer; appointed 16 January 2006
Mr T A Roberts	Executive Director	Executive Director
Mr M G Wilson	Member of the Executive Committee	Executive General Manager Corporate and Company Secretary
Mr J A Corcoran	Former Executive Director	Former Chief Investment Officer; ceased as a director November 2005. Ceased employment 30 June 2006
Mr N R Henderson	Former Executive Director	Former Chairman – Construction division; ceased employment 30 April 2006
Mr I R O'Toole	Member of the Executive Committee	Managing Director – Multiplex Capital
Mr M J E Tidd	Executive	Managing Director, Construction UK
Mr G Kostas	Executive	GGM Strategy, Capital and Transactions
Mr M H Stagg	Executive	Former Director Construction UK; ceased employment 12 August 2005

This Report outlines the remuneration arrangements in place for directors and executives of the Group. Throughout this Report compensation is referred to as remuneration, and includes cash, non-monetary and other consideration received by any of the Key Management Personnel over the course of the financial year.

Remuneration policy

This Report describes the Group's policy on the remuneration of directors and Key Management Personnel. The Report also contains specific details of the remuneration and interests in securities held by the directors and Key Management Personnel.

The Multiplex Group Remuneration Committee reviews, evaluates and makes recommendations to Multiplex Limited's Board regarding remuneration policy.

The Group has adopted four key guiding principles which underpin the Group's executive remuneration structure:

- Remuneration should result in an alignment of interests of all executives with the interests of the Group's securityholders through the creation of value for the securityholders. As for most organisations, the Group's remuneration strategy evolves in line with contemporary market practice;
- Remuneration should be market based and competitive. The Group periodically reviews the components of the remuneration system, such as salary competitiveness, short-term and long-term incentive plans, and equity ownership;
- Remuneration should enable the Group to attract and retain talented executives; and
- Remuneration structures should be transparent and readily understood. As the Group changes, important aspects such as remuneration need to similarly develop.

The Group aims to maintain the effectiveness of the remuneration framework and systems in order to provide the necessary alignment with securityholder interests.

Remuneration arrangements and performance targets for executives are agreed with each individual. Reference is made to independent remuneration consulting advice, including benchmarking against comparative data where available.

Remuneration Report continued
At the time of the Initial Public Offering (IPO) in December 2003, executives were able to take interest-free loans to purchase Group stapled securities. The Employee Ownership Plan is discussed in more detail below.

Remuneration Committee
The Remuneration Committee reviews the remuneration strategy to ensure policies and practices are appropriate. This committee makes recommendations to the Board on the Chief Executive's remuneration, and approves the remuneration for all direct reports to the Chief Executive.

The current members of the Remuneration Committee are Peter Dransfield (Chair), Barbara Ward, Allan McDonald and John Poynton AM. All members of the Remuneration Committee are independent non-executive directors. The Chief Executive, though not a member of the Committee, may attend by invitation.

Remuneration structure
In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration
Objective
The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to securityholders.

Structure
Remuneration of non-executive directors is determined by the Board within a cap of $1.0 million. Non-executive directors take no part in the discussion or decision relating to their own fees. In setting the fees, the responsibilities of directors in dealing with the complex global nature of Multiplex's business, and the level of fees paid to non-executive directors in comparable companies, are considered.

The amount of aggregate remuneration sought to be approved by securityholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Group. An additional fee is also paid for each Board committee on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by directors who serve on one or more sub-committees.

Non-executive directors have been long encouraged by the Board to hold securities in the Group (purchased by the director on market). It is considered good governance for directors to have a stake in the Group on whose board they sit.

The non-executive directors are not entitled to receive retirement benefits beyond statutory superannuation contributions. As required, the Company obtains regular market research to ensure non-executive director remuneration is in line with market rates.

Mr McDonald receives fees higher than other non-executive directors by virtue of his position as Non-Executive Chairman of Multiplex Limited and Multiplex Funds Management Limited (the Responsible Entity of the Multiplex Property Trust).

Details of the nature and amount of each major element of the remuneration received by the directors are set out in the remuneration table.

Executive director and other executive remuneration
This section of the Report contains details of the various potential components of remuneration for Multiplex's Key Management Personnel, including the executive directors.

Objective
The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and to:

- Reward executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of securityholders;
- Link rewards with the strategic goals and performance of the Group; and
- Ensure total remuneration is competitive by market standards.

Structure
The remuneration structure for executives typically comprises a base package (including superannuation and allowances), and a variable short-term incentive component.

The Group provides salary, superannuation contributions and other benefits for executive directors and Key Management Personnel within a framework known as Total Remuneration Package (TRP). This framework provides an executive with the flexibility to choose the precise mix of cash, superannuation, and other benefits up to the overall specified total amount. It should be noted, as explained below, overperformance on the part of the executive could mean that total actual remuneration may exceed the TRP because Short-Term Incentives (STIs) have the ability to increase commensurate with strong performance.

In determining the level and composition of executive remuneration, the Remuneration Committee engaged an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles from which the committee made its recommendations to the Board. Consideration is also given to the appropriate mix of fixed, variable and long-term remuneration.

Details of employment terms and conditions are provided below, and consist of the following key elements:

- Fixed Remuneration (including base salary, superannuation, deferred amounts, and sign-on bonuses);
- Short-Term Incentives provided through suitably challenging performance-based incentive plans;
- Non-Monetary Benefits; and
- Equity Ownership Benefits.

The Remuneration Committee establishes the proportion of fixed remuneration and variable remuneration (potential short-term and long-term incentives) for the Chief Executive and each of the Chief Executive's direct reports. Details of the nature and amount of each major element of the remuneration received by the Key Management Personnel including the executive directors are set out in the remuneration table.

Salary and cash benefits

These payments include cash salary and cash-like benefits, paid as part of the TRP. Executive directors do not receive fees for serving on the Board of Multiplex Limited.

It is intended that the TRP for executives be set at competitive levels within a market range. The Remuneration Committee progressively benchmarks remuneration levels against comparator data provided by independent sources.

The TRP is calculated on the basis of the total cost to Multiplex, including actual cash, plus benefits such as motor vehicles, car parking, international assignment premiums, and the fringe benefits tax (FBT) applicable to each benefit.

Non-monetary benefits

The executive directors and other company executives have flexibility regarding the mix of benefits they receive within their TRP. These are provided at cost and include benefits such as motor vehicles, car parking and salary sacrifice superannuation.

In line with Multiplex Group's international strategy, significant numbers of executives are required to travel to the UK and other international locations. This important travel often involves significant time in these locations, including some international transfers. Internationalisation is an important component of the Group strategy and in circumstances where Multiplex requires an executive to relocate to a foreign base an expatriate policy is applied. This policy includes providing housing, paying relocation costs and other location adjustment expenses where appropriate, plus applicable taxation.

Short-Term Incentive (STI)

A short-term incentive component is structured as part of each executive's terms and conditions as discussed in detail below. Each STI component is tailored to reflect the nature of the position held.

The complex nature, geographical and business diversity of Multiplex's business means that individual executives may receive bonuses even though Multiplex as a group fails to meets its forecast or budget profits. Primarily this occurs when a particular business unit or division performs in a strong manner despite other parts of the Group's operations performing below budget. Discretionary bonuses are also approved, from time to time, to recognise significant achievements that are beyond the agreed scope of an executive's objectives.

The impact of this independent target setting is that each of the divisions is considered separately with its own targets and actual performance. These individual performance figures are then consolidated to result in the Group profit as disclosed. As a result, it is possible for executive STI payments to vary widely.

Qualitative and quantitative measures are included in each incentive plan. All executives disclosed here have a 20% weighting attached to qualitative performance as determined by their manager. This component includes their manager's assessment of the effectiveness of their teamwork, the strength of external relationships, their leadership, their operational excellence and the overall quality of their contribution to the Group as a whole.

The majority of executives disclosed here have the remaining 80% weighting attached to quantitative performance as determined by their objectives agreed with their manager. The quantitative component is typically linked to the performance of the relevant division or business unit, or of their individual team or projects. This quantitative component includes the degree to which they have underachieved, met, or exceeded the objectives agreed by them with their manager. The measures used could include profit against budget, revenue against targets, and cost management.

Once the actual Group performance is known, relevant targets are compared with final results. These comparisons are then used to calculate the STI payable to the executive. For executives in support roles this nexus is potentially less clear and therefore their manager, in relation to their STI, retains a greater degree of discretion.

Given the relatively independent nature of executive STI, it is possible that the division/business unit that an executive leads exceeds its budgets and thus qualifies for a greater than target return. This is so even if the Group overall misses its target. Assuming the executive rates strongly in the qualitative factors, he or she will receive most of their target incentive payment, perhaps even exceeding it.

Consistent with previous years and depending on Company performance, STI payments could reach a maximum of 250% of target through performance exceeding objectives. In such circumstances, the Group retains amounts over 170% of target for up to three years as a retention mechanism.

Remuneration Report continued

Post-employment benefits

No retirement benefits are provided to the executive directors or the Key Management Personnel outside usual superannuation arrangements. None of the directors or Key Management Personnel has a contractual entitlement to a notice period of more than 12 months. Mr Henderson received a termination payment consistent with his contractual terms and conditions when he left the Group, as detailed below. Mr Corcoran's employment with Multiplex ceased on 30 June 2006. Under his contract of employment with Multiplex, Mr Corcoran was entitled at law to reasonable notice of the termination of his employment. The amount of notice was not specified. The parties remain in discussion about the quantum of a lawful and reasonable benefit to be paid to Mr Corcoran.

Employee Ownership Plan

Prior to the Group's listing in December 2003, an Employee Ownership Plan (EOP) was established to provide employees with the opportunity to acquire an equity stake in the Group.

Participants were invited to take interest-free loans to become participants under the EOP. The loan scheme is described elsewhere in this Report. Employees are the registered legal owner of the securities and as such have the same rights as other owners of Multiplex Group securities, with the exception that there are restrictions on participants' rights to sell or pledge the securities. As the registered legal owner, participants also receive distributions (if any) and will be subject to increases or decreases in the market value of the securities.

The EOP and accompanying loan scheme are structured on the basis that the Board may elect at its discretion to waive loan amounts payable by executives. The EOP contemplated the possibility of loans being waived over a three-year period.

For the first time since their issue, this year the Board determined not to forgive $1.4 million in loans owing by members of the Executive Committee. Even though the total return to the Group's securityholders for the year was approximately 20%, the Board believed it appropriate to withhold loan forgiveness. The EOP is discussed in more detail later in this report.

Long Term Incentive Plan (LTI)

The Group has previously foreshadowed the introduction of a LTI, including an undertaking to do so by the Chairman of Multiplex Limited at the Annual General Meeting in November 2005. The Group recognises the importance of ensuring appropriate alignment between the executives and the long-term interests of securityholders. While Key Management Personnel typically have considerable security holdings and therefore a strong alignment with securityholders' interests generally, the absence of a LTI has meant that remuneration of senior executives has been negatively impacted relative to comparable arrangements elsewhere.

It is intended to submit a LTI for approval to the next general meeting of Multiplex Limited securityholders, to be held in November 2006. It is further intended that this plan will:

- Maximise the value of the business for securityholders,
- Allow senior employees to share in the wealth created for securityholders;
- Balance short-term with long-term Group focus;
- Act as a retention mechanism for high calibre senior employees and ensure our remuneration packages are competitive; and
- Provide an ownership vehicle for senior employees which is linked to the success of the Group.

Principles that will be adopted in proposing a LTI will include:

- Lowest possible cost to company, while still achieving the objectives of the plan;
- Ensuring adequate alignment between the Group's performance over a longer term, and the employee; and
- Minimised dilution impact on securityholders.

It is anticipated the LTI will contemplate the issue of Performance Rights to certain executives. The LTI is expected to be structured such that specified performance hurdles for Earnings Per Share growth and Total Securityholder Return will have to be met to trigger entitlements.

In the absence of a LTI in 2006, the Remuneration Committee has approved the Chief Executive making several discounted retention awards under a Deferred STI Plan which mature in 2009. If the LTI is approved at the next general meeting, it is intended that the first awards under the LTI will be made effective January 2007 and vesting (subject to performance) on 30 June 2010.

Employment contracts

The Key Management Personnel of the Group are under contract, the terms and conditions are noted below.

Key Management Personnel	Contract Terms	Special Conditions	Termination Conditions Note 1
Mr F A McDonald Non-Executive Chairman	Ongoing role.	None	At each AGM one-third of the directors and any director who has held office for three years or more must retire from office; they may stand for re-election assuming they are eligible under the Corporations Act.
Mr P J Dransfield Non-Executive Director	Ongoing role.	None	At each AGM one-third of the directors and any director who has held office for three years or more must retire from office; they may stand for re-election assuming they are eligible under the Corporations Act.
Mr J H Poynton AM Non-Executive Director	Ongoing role.	None	At each AGM one-third of the directors and any director who has held office for three years or more must retire from office; they may stand for re-election assuming they are eligible under the Corporations Act.
Ms B K Ward Non-Executive Director	Ongoing role.	None	At each AGM one-third of the directors and any director who has held office for three years or more must retire from office; they may stand for re-election assuming they are eligible under the Corporations Act.
Mr J C Roberts AO Executive Director	Not applicable see Note 2.		
Mr A T Roberts Chief Executive & Managing Director	Ongoing employment contract. STI: Target is 66% of fixed pay. KPIs: 20% qualitative including teamwork; 80% profit of the Group against budget. Actual STI was nil.	The costs of relocation, accommodation and additional work-related assignment expenses are reimbursed for the additional financial and tax burdens incurred as a result of UK tax residency.	1: Statutory entitlements; 2: Reasonable notice; 3: Reasonable notice.

Remuneration Report continued

Key Management Personnel	Contract Terms	Special Conditions	Termination Conditions Note 1
Mr J A Corcoran Former Chief Investment Officer (ceased employment 30 June 2006)	Ceased employment.	None	1: Statutory entitlements; 2: Reasonable notice; 3: Reasonable notice.
Mr N R Henderson Former Chairman Constructions (ceased employment 30 April 2006)	Ceased employment.	None	1: Statutory entitlements; 2: Reasonable notice; 3: Reasonable notice.
Mr G Kostas GGM Strategy, Capital & Transactions	Ongoing employment contract. STI: Potential 70% of base. KPIs: 20% qualitative including teamwork; 80% performance of projects and function. Actual STI was 100% of target; 40% of maximum.	None	1: Statutory entitlements; 2: Reasonable notice; 3: Reasonable notice.
Mr R A McDiven Chief Operating Officer	Ongoing employment contract. STI: Target is 70% of fixed pay. KPIs: 20% qualitative including teamwork; 20% Group profit against Group budget; 60% Construction & Development divisions against budgets. Actual STI was 42% of target; 17% of maximum.	$800,000 deferred short-term benefit offered as retention payment. Not payable if not in service 2009.[3] Mr McDiven was awarded foreign service allowance to recognise his extended period of work in the UK.	1: Statutory entitlements; 2: Reasonable notice; 3: Reasonable notice.
Mr R V McKinnon Chief Financial Officer	Ongoing employment contract. STI: Target is 95% of fixed pay. KPIs: 20% qualitative including teamwork; 80% profit of Multiplex Group against budget and agreed KPIs.	Guarantee minimum STI $500,000 for 2006 year being 77% of target; 30% of maximum. $650,000 deferred short-term benefit offered as retention payment. Not payable if not in service 2009.[3] Contractual entitlement to receive 135,000 Multiplex Securities or cash equivalent in November 2006, 2007, and 2008 subject to service conditions only.[4]	1: Statutory entitlements; 2: 12 months' notice; 3: Three months' notice.

Key Management Personnel	Contract Terms	Special Conditions	Termination Conditions Note 1
Mr I R O'Toole Managing Director, Multiplex Capital	Ongoing employment contract. STI: Target 77% of base: KPIs: 20% Group profit against Group budget; 80% Multiplex Capital performance. Actual STI was 100% of target; 40% of maximum.	At sign-on, Multiplex provided an interest-free loan of $500,000, a benefit which had been provided by Mr O'Toole's previous employer. $750,000 deferred short-term benefit offered as retention payment. Not payable if not in service 2009.[3] Mr O'Toole may also receive a further discretionary bonus upon the successful allotment of securities in the Multiplex Acumen Prime Property Fund.	1: Statutory entitlements; 2: 12 months' notice; 3: Six months' notice.
Mr T A Roberts Executive Director	Ongoing employment contract. STI: Target is 81% of fixed pay. KPIs: 20% qualitative including teamwork; 80% profit of Developments division. Actual STI was 92% of target, 37% of maximum.	None	1: Statutory entitlements; 2: Reasonable notice; 3: Reasonable notice.
Mr M H Stagg Former Director Construction UK (ceased employment 12 August 2005)	Former employee.	None	Not applicable.
Mr M J E Tidd Managing Director, Construction division UK	Ongoing employment contract. STI: Target is 65% of fixed pay. KPIs: 20% qualitative including teamwork; 80% profit of Construction UK vs. budget.	Six months' post-termination restraint. Last year, Mr Tidd received a payment GBP338,000 as a sign-on benefit and retention mechanism, the pro rata amount is repayable if Mr Tidd resigns before 2012.	1: Statutory entitlements; 2: 12 months' notice; 3: Six months' notice.
Mr J L Tuckey Chairman, UK Operations	Fixed term contract terminating 2007. No STI in 2006.	Fixed term contract terminating 2007. Subject to KPIs on business success, a contract bonus may be paid of up to GBP250,000.	1: Statutory entitlements; 2: 12 months' notice; 3: Six months' notice.
Mr M G Wilson Executive General Manager Corporate & Company Secretary	Ongoing employment contract. STI: Potential 64% of base. KPIs: 20% qualitative including teamwork; 80% performance of projects and Secretarial function. Actual STI was 100% of target; 40% of maximum.	$275,000 deferred short-term benefit offered as retention payment. Not payable if not in service 2009.[3]	1: Statutory entitlements; 2: Reasonable notice; 3: Reasonable notice.

Note 1 Legend for above contract terms: 1: Termination for Cause; 2: Termination by Multiplex, 3: Termination by Executive.

Note 2 Mr J Roberts AO passed away on 8 June 2006.

Note 3 This deferred short-term benefit is being amortised over the 37-month term of the agreement. One month's value is included in Other Long-Term Benefits in the remuneration table.

Note 4 The 2006 securities are not yet issued. The estimated value is amortised over the term during which they are expected to be subject to service conditions. The seven-month value for 2006 based on the closing value of the Multiplex security at 30 June 2006 is included in the "Share Based Payments" column in the remuneration table. The potential options which may be issued in November 2006 for exercise in 2007 and 2008, subject to the approval of the LTI, will be disclosed in those appropriate accounting periods.

Remuneration Report continued

Key Management Personnel remuneration for the year ended 30 June 2006

	Short-Term Employee Benefits				Post-Employment Benefits	
	Cash Salary $	Short-Term Profit Share & Bonuses $	Non-Monetary Benefits $	Other Short-Term Benefits $	Pension & Superannuation $	Other Post-Employment Benefits $
Mr F A McDonald Non-Executive Chairman	257,860	–	–	–	12,139	–
Mr J H Poynton AM Non-Executive Director	103,670	–	–	–	9,330	–
Mr P J Dransfield Non-Executive Director	107,339	–	–	–	9,661	–
Ms B K Ward Non-Executive Director	112,844	–	–	–	10,156	–
Mr J C Roberts AO Founding Chairman (Passed away 8 June 2006)	81,322	–	4,599	–	5,969	–
Mr A T Roberts Chief Executive & Managing Director	1,046,013	–	739,263	–	12,140	–
Mr R A McDiven[1] Chief Operating Officer	837,844	500,000	49,783	200,000	13,151	–
Mr R V McKinnon[2] Chief Financial Officer	318,350	830,000	22,285	–	6,070	–
Mr T A Roberts Executive Director	401,853	300,000	27,010	–	12,139	–
Mr J Tuckey Executive Chairman UK (AUD equiv)	561,436	–	–	–	–	–
Mr M G Wilson[3] Executive General Manager Corporate & Company Secretary	500,350	500,000	25,633	–	12,139	–
Mr J A Corcoran[4] Former Chief Investment Officer (Ceased employment 30 June 2006)	515,330	–	34,953	–	3,000	–
Mr N R Henderson Former Chairman, Construction division (Ceased employment 30 April 2006)	632,592	–	–	246,277	10,116	–
Mr I R O'Toole[5] Managing Director, Multiplex Capital	627,854	800,000	40,790	68,417	12,139	–

Other Long-Term Employee Benefit		Termination Benefits			Share-Based Payments		
Other Long-Term Benefits $	LTI Payments $	Termination Benefits $	Equity Settled Shares & Units $	Equity Settled Options & Rights $	Cash Settled Share-Based Payments $	Other Share-Based Payments $	Total Employment Benefits $
–	–	–	–	–	–	–	269,999
–	–	–	–	–	–	–	113,000
–	–	–	–	–	–	–	117,000
–	–	–	–	–	–	–	123,000
–	–	–	–	–	–	–	91,890
–	–	–	–	–	–	–	1,797,416
21,621	–	–	41,030	–	–	–	1,663,429
17,568	–	–	257,513	–	–	–	1,451,786
–	–	–	–	–	–	–	741,002
–	–	–	–	–	–	–	561,436
7,432	–	–	–	3,568	–	–	1,049,122
–	–	–	–	8,920	–	–	562,203
–	–	1,493,049	–	790,956	–	–	3,172,990
20,270	–	–	–	7,136	–	–	1,576,606

Remuneration Report continued

Key Management Personnel remuneration for the year ended 30 June 2006 continued

	Short-Term Employee Benefits				Post-Employment Benefits	
	Cash Salary $	Short-Term Profit Share & Bonuses $	Non-Monetary Benefits $	Other Short-Term Benefits $	Pension & Superannuation $	Other Post-Employment Benefits $
Mr M J E Tidd Managing Director, Construction division UK (AUD equiv)	904,762	595,238	–	–	–	–
Mr G Kostas[6] GGM Strategy, Capital & Transactions	447,485	750,000	24,595	–	12,739	–
Mr M H Stagg Former Director Construction UK (Ceased employment 12 August 2005)	2,667	–	–	–	1,834	–
Total	**7,459,571**	**4,275,238**	**968,911**	**514,694**	**142,722**	**–**

1 Mr McDiven received the following short-term benefits: $200,000 short-term bonus which related to key strategic events which were incomplete at the end of the 2005 financial year and as such were not paid or accrued in that year. He also received $200,000 other short-term benefit amount relating to the significant time he spent in the UK.

2 Mr McKinnon received a sign-on bonus of $330,000; $500,000 STI payment for the 2006 financial year and has a grant of securities due in November 2006 consistent with his contractual terms.

3 Mr Wilson received $150,000 short-term bonus that related to key strategic deliverables in the beginning of the 2006 financial year and was paid once recognised and $350,000 STI payment for the 2006 financial year.

4 Mr Corcoran's employment with Multiplex ceased on 30 June 2006. Under his contract of employment with Multiplex, Mr Corcoran was entitled at law to reasonable notice of the termination of his employment. The amount of notice was not specified. The parties remain in discussion about the quantum of a lawful and reasonable benefit to be paid to Mr Corcoran.

5 Mr O'Toole received $300,000 short-term bonus that related to the successful completion of a key business project, which was recognised and paid in December 2005 and $500,000 STI payment for the 2006 financial year.

6 Mr Kostas received $400,000 short-term bonus that related to key strategic deliverables in the beginning of the 2006 financial year and were paid once recognised, and $350,000 STI payment for the 2006 financial year.

Key Management Personnel remuneration for the year ended 30 June 2005

	Short-Term Employee Benefits				Post-Employment Benefits	
	Cash Salary $	Short-Term Profit Share & Bonuses $	Non-Monetary Benefits $	Other Short-Term Benefits $	Pension & Superannuation $	Other Post-Employment Benefits $
Mr F A McDonald Non-Executive Chairman	138,415	–	–	–	11,585	–
Mr J H Poynton AM Non-Executive Director	91,743	–	–	–	8,257	–
Mr P J Dransfield Non-Executive Director	91,743	–	–	–	8,257	–
Ms B K Ward Non-Executive Director	91,743	–	–	–	8,257	–

Other Long-Term Employee Benefit		Termination Benefits			Share-Based Payments		
Other Long-Term Benefits $	LTI Payments $	Termination Benefits $	Equity Settled Shares & Units $	Equity Settled Options & Rights $	Cash Settled Share-Based Payments $	Other Share-Based Payments $	Total Employment Benefits $
–	–	–	–	–	–	–	1,500,000
–	–	–	–	133,015	–	–	1,367,834
–	–	1,250,671	–	2,546	–	–	1,257,718
66,891	**–**	**2,743,720**	**298,543**	**946,141**	**–**	**–**	**17,416,431**

Other Long-Term Employee Benefit		Termination Benefits			Share-Based Payments		
Other Long-Term Benefits $	LTI Payments $	Termination Benefits $	Equity Settled Shares & Units $	Equity Settled Options & Rights $	Cash Settled Share-Based Payments $	Other Share-Based Payments $	Total Employment Benefits $
–	–	–	–	–	–	–	150,000
–	–	–	–	–	–	–	100,000
–	–	–	–	–	–	–	100,000
–	–	–	–	–	–	–	100,000

Remuneration Report continued

Key Management Personnel remuneration for the year ended 30 June 2006 continued

	Short-Term Employee Benefits				Post-Employment Benefits	
	Cash Salary $	Short-Term Profit Share & Bonuses $	Non-Monetary Benefits $	Other Short-Term Benefits $	Pension & Superannuation $	Other Post-Employment Benefits $
Mr J C Roberts AO Founding Chairman (Passed away 8 June 2006)	78,214	–	3,883	–	10,428	–
Mr A T Roberts Chief Executive & Managing Director	985,327	–	550,647	–	11,585	–
Mr R A McDiven Chief Operating Officer	788,718	100,000	–	–	11,585	–
Mr R V McKinnon Chief Financial Officer	–	–	–	–	–	–
Mr T A Roberts Executive Director	400,064	100,000	2,000	–	13,936	–
Mr J Tuckey Executive Chairman UK (AUD equiv)	–	–	–	–	–	–
Mr M G Wilson Executive General Manager Corporate & Company Secretary	389,194	100,000	–	–	11,585	–
Mr J A Corcoran Former Chief Investment Officer (Ceased employment 30 June 2006)	562,500	200,000	–	–	2,167	–
Mr N R Henderson Former Chairman, Construction division (Ceased employment 30 April 2006)	930,141	–	–	–	88,207	–
Mr I R O'Toole Managing Director, Multiplex Capital	339,103	200,000	–	–	11,585	–
Mr M J E Tidd Managing Director, Construction division UK (AUD equiv)	1,336,306	–	–	–	–	–
Mr G Kostas GGM Strategy, Capital & Transactions	378,415	–	–	–	11,585	–
Mr M H Stagg Former Director Construction UK (Ceased employment 12 August 2005)	420,632	–	909,942	–	11,054	–
Total	**7,022,258**	**700,000**	**1,466,472**	**–**	**220,073**	**–**

Other Long-Term Employee Benefit		Termination Benefits	Share-Based Payments				
Other Long-Term Benefits $	LTI Payments $	Termination Benefits $	Equity Settled Shares & Units $	Equity Settled Options & Rights $	Cash Settled Share-Based Payments $	Other Share-Based Payments $	Total Employment Benefits $
–	–	–	–	–	–	–	92,525
–	–	–	–	–	–	–	1,547,559
–	–	–	–	1,643,339	–	–	2,543,642
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	516,000
–	–	–	–	–	–	–	–
–	–	–	–	139,602	–	–	640,381
–	–	–	–	357,217	–	–	1,121,884
–	–	–	–	428,742	–	–	1,447,090
–	–	–	–	285,795	–	–	836,483
–	–	–	–	–	–	–	1,336,306
–	–	–	–	142,847	–	–	532,847
–	–	–	–	33,600	–	–	1,375,228
–	**–**	**–**	**–**	**3,031,142**	**–**	**–**	**12,439,945**

Remuneration Report continued

Key Management Personnel equity interests

The numbers of Multiplex stapled securities held during the period 1 July 2005 to 30 June 2006 (inclusive) by the Key Management Personnel of the Consolidated Entity, including their personally related entities, are set out below.

	Non-EOP Securities Held at Beginning of Period	EOP Securities Held at Beginning of Period	Changes During the Period	Balance at the End of the Period
Mr F A McDonald	69,692	–	–	69,692
Mr P J Dransfield	70,000	–	–	70,000
Mr J H Poynton AM	425,173	–	–	425,173
Ms B K Ward	20,000	–	–	20,000
Mr J C Roberts AO[1]	214,625,570	–	–	214,625,570
Mr A T Roberts[1]	214,625,570	–	–	214,625,570
Mr R A McDiven	419,753	567,902	–	987,655
Mr N R Henderson (Ceased employment 30 April 2006)	55,022	148,149[2]	–	203,171
Mr J A Corcoran (Ceased employment 30 June 2006)	511,999	123,457[2]	–	635,456
Mr T A Roberts[1]	214,625,570	–	–	214,625,570
Mr I R O'Toole	14,500	98,766	–	113,266
Mr J L Tuckey	–	–	–	–
Mr R V McKinnon[3]	8,000	–	–	8,000
Mr M G Wilson	–	49,383	–	49,383
Mr M J E Tidd	16,500	–	–	16,500
Mr G Kostas	–	49,383	–	49,383
Mr M H Stagg (Ceased employment 12 April 2005)	123,457	–	(123,457)	–

1 Interest is held by Roberts Family Nominees Pty Limited, in which the Key Management Personnel holds a relevant interest. Mr J C Roberts passed away 8 June 2006.

2 Transferred out of Employee Ownership Plan into Non-EOP Securities upon cessation of employment.

3 Mr McKinnon held his securities prior to his appointment as a Director on 16 January 2006.

Directors' and executives' equity interests

	Multiplex SITES Held at the Start of the Period	Changes During the Period	Multiplex SITES Held at the End of the Period
Mr F A McDonald – Securities held	705	–	705

Multiplex Loan Scheme

At the time of the Group's Initial Public Offering (IPO), and subject to certain conditions Australian-based permanent employees were eligible to participate in loan schemes established for executives and employees.

Eligible employees could apply for interest-free loans from Multiplex Limited of varying amounts to acquire stapled securities in the Group's IPO. The amount of the loans varied depending on seniority and length of service. Under the terms of the loans, employees are not liable for any amount by which the value of the securities falls short of the employee's loan balance upon demand for repayment and are not required to make loan repayments except on termination of employment before 1 January 2007.

The loan scheme for executives contemplated that executives could have some or all of their loans forgiven progressively over a period of three years. Depending on the seniority of the recipient, the waiver of the loan is at the absolute discretion of the Board. The Board may also subject loans to such conditions as the Board determines.

In light of the new IFRS accounting standards, these amounts have been reclassified as treasury shares, and are therefore no longer disclosed as loans for historical purposes. The total of these advances for those employees disclosed in the above table is $3.5 million. The option value of these limited recourse loans has been included in share-based payments in the remuneration tables.

Upon termination of employment from the Multiplex Group before 1 January 2007, participants may either repay the outstanding balance and keep the securities or transfer the securities to the Plan Manager in full repayment of the loan.

The Plan Manager will then arrange to sell the securities, repay the balance and the remainder (if any) is distributed to the participant after the deduction of any sale costs.

Individuals with advances above $100,000

	Balance at the Start of the Period $	Interest Paid and Payable for the Period $	Balance at the End of the Period $	Interest not Charged $	Highest Indebtedness During the Period $
Key Management Personnel & disclosed executive advances					
Mr I R O'Toole	500,000	–	500,000	35,250	500,000
Total advances	**500,000**	**–**	**500,000**	**35,250**	**500,000**

Multiplex performance
The remuneration policy of the Group is focused on achieving internal financial and non-financial objectives. Achievement of these internal objectives are considered an appropriate basis for determining remuneration, particularly incentive payments, rather than comparison against any arbitrary comparator group. For reference, the total securityholder return in 2006 was approximately 20%.

For executives who are responsible for the management of the operating divisions, their business unit performance is paramount to their reward. During the year a number of group executives have been awarded bonuses at or below target levels, depending on their individual objectives, while some business units have exceeded budgets and thus some executives have received larger than target awards.

It is anticipated that a stronger long-term link will be created between the remuneration of executives and securityholders with the implementation of the proposed LTI.

Indemnification and insurance of officers and auditors
The Company has entered into deeds of access and indemnity with each of its directors, company secretary and other nominated officers. The terms of the deed are in accordance with the provisions of the *Corporations Act 2001* and will indemnify these executives (to the extent permitted by law) for up to seven years after serving as an officer against legal costs incurred in defending civil or criminal proceedings against the executives, except where proceedings result in unfavourable decisions against the executives, and in respect of reasonable legal costs incurred by the executives in good faith in obtaining legal advice in relation to any issue relating to the executives being an officer of Multiplex Group.

Under the deeds of access and indemnity, the Company has agreed to indemnify these persons (to the extent permitted by law) against:

- liabilities incurred as a director or officer of Multiplex Limited or a company in the Multiplex Group, except for those liabilities incurred in relation to the matters set out in section 199A(2) of the *Corporations Act 2001*; and
- reasonable legal costs incurred in defending an action for a liability or alleged liability as a director or officer, except for costs incurred in relation to the matters set out in section 199A(3) of the *Corporations Act 2001*.

The Company has also agreed to effect, maintain and pay the premium on a director's and an officer's insurance policy. This policy does not seek to insure against liabilities (other than for legal costs) arising out of:

- conduct involving a wilful breach of duty in relation to Multiplex Limited or a Company in the Multiplex Group; or
- a contravention of sections 182 or 183 of the *Corporations Act 2001*.

The obligation to effect, maintain and pay the premium on a policy continues for a period of seven years after the director or officer has left office.

Contract of insurance
The Company has paid or agreed to pay a premium in respect of a contract insuring the directors and officers of Multiplex Limited against a liability. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liabilities, as such disclosure is prohibited under the terms of the contract.

Rounding of amounts
The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and the Concise Financial Report. Amounts in the Directors' Report and the Concise Financial Report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, or in certain cases, to the nearest thousand dollars or to the nearest dollar.

Auditor independence and non-audit services
Independence
The directors received the following declaration from the auditor of Multiplex Limited:

KPMG

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

To: the directors of Multiplex Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2006 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 contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Andrew Dickinson
Partner

Sydney
7 September 2006

Non-audit services

Non-audit services were provided by the Company's auditor, KPMG, during the year as set out below. Following a review by, and upon the advice of the Multiplex Group Audit & Risk Committee of the level of non-audit services provided to the Company by KPMG the directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

During the year the following amounts were paid to the auditor and its related practices for non-audit services:

	$000's
Audit related	820
Tax advisory and compliance matters	87
Other miscellaneous matters	133
Total	**1,040**

KPMG continues in office in accordance with section 327 of the *Corporations Act 2001*.

This Report is signed in accordance with a resolution of the Board of Directors, and for and on behalf of the directors.

Andrew Roberts
Chief Executive and Managing Director
Multiplex Limited

F Allan McDonald
Non-Executive Chairman
Multiplex Limited

7 September 2006

Income Statement

Multiplex Limited and its controlled entities

For the year ended 30 June 2006

	Note	Consolidated 2006 $m	2005 $m
Revenues	2a	3,176.5	3,309.5
Cost of operations	2c	(3,126.2)	(2,980.2)
		50.3	**329.3**
Other income	2b	619.0	261.6
Finance costs	2d	(157.0)	(78.7)
Expenses (excluding finance costs and cost of operations)	2e	(515.8)	(476.7)
Share of net profits of equity-accounted entities		191.5	38.2
Net profit/(loss) before income tax		**188.0**	**73.7**
Income tax benefit	4a	62.7	30.4
Net profit/(loss) for the year		**250.7**	**104.1**
Net profit/(loss) attributable to minority interest		33.9	19.8
Net profit/(loss) attributable to securityholders of Multiplex Group		**216.8**	**84.3**
Basic and diluted earnings per stapled security (cents per security)	**5**	**25.9**	**11.7**

The Income Statement should be read in conjunction with the Notes to the Financial Statements.

Balance Sheet

Multiplex Limited and its controlled entities

As at 30 June 2006

	Note	2006 $m	Consolidated 2005 $m
Current assets			
Cash and cash equivalents		488.0	308.4
Trade and other receivables		940.3	1,209.3
Derivative assets		8.4	–
Inventories		639.9	725.2
Investments		45.0	39.1
Other assets		80.7	40.0
		2,202.3	2,322.0
Assets classified as held for sale	7	456.3	–
Total current assets		**2,658.6**	**2,322.0**
Non-current assets			
Receivables		65.0	231.2
Inventories		724.3	425.7
Investments		2.3	10.2
Other assets		17.7	87.1
Equity accounted investments		1,316.6	1,291.5
Investment property	8	2,174.6	1,752.4
Property, plant and equipment		76.9	347.6
Deferred tax assets		164.9	79.4
Intangible assets		322.9	330.5
Total non-current assets		**4,865.2**	**4,555.6**
Total assets		**7,523.8**	**6,877.6**
Current liabilities			
Trade and other payables		851.0	877.4
Interest bearing loans and borrowings	9(a)	774.2	665.2
Non-interest bearing loans and borrowings		181.1	36.1
Current tax liabilities		7.1	31.3
Provisions		213.7	166.2
Contract work in progress		272.7	148.3
		2,299.8	1,924.5
Liabilities directly associated with assets classified as held for sale	7	290.8	–
Total current liabilities		**2,590.6**	**1,924.5**
Non-current liabilities			
Interest bearing loans and borrowings	9(a)	1,710.5	1,745.8
Non-interest bearing loans and borrowings		13.2	49.0
Provisions		8.6	2.1
Deferred tax liabilities		40.8	19.9
Total non-current liabilities		**1,773.1**	**1,816.8**
Total liabilities		**4,363.7**	**3,741.3**
Net assets		**3,160.1**	**3,136.3**
Equity			
Issued capital	10	2,765.9	2,765.9
Reserves		(1.9)	(9.1)
Accumulated losses	11	(61.2)	(64.4)
Total parent interests		**2,702.8**	**2,692.4**
Minority interests	12	457.3	443.9
Total equity		**3,160.1**	**3,136.3**

The Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity

Multiplex Limited and its controlled entities

For the year ended 30 June 2006

	Attributable to Equityholders of the Parent				Minority Interests	Total Equity
	Issued Capital	Accumulated Profits/ (Losses)	Reserves	Total		
	$m	$m	$m	$m	$m	$m
Consolidated						
As at 1 July 2004	1,351.8	58.4	–	1,410.2	16.7	1,426.9
Currency translation differences	–	–	(9.1)	(9.1)	–	(9.1)
Profit for the year	–	84.3	–	84.3	19.8	104.1
Total recognised income and expenses for the year	**–**	**84.3**	**(9.1)**	**75.2**	**19.8**	**95.0**
Transactions with equityholders in their capacity as equityholders:						
Roberts Family Indemnity (net of tax)	31.2	–	–	31.2	–	31.2
Distribution of reinvestment plan	89.8	–	–	89.8	–	89.8
Dividends/distributions	–	(207.1)	–	(207.1)	(12.3)	(219.4)
Ronin acquisition	1,174.9	–	–	1,174.9	–	1,174.9
Institution placement	120.0	–	–	120.0	–	120.0
Issue of SITES securities	–	–	–	–	432.1	432.1
Return of capital	–	–	–	–	(15.4)	(15.4)
Equity raising costs (net of tax)	(1.8)	–	–	(1.8)	–	(1.8)
Gain on control of subsidiaries	–	–	–	–	3.0	3.0
Total transactions with equityholders in their capacity as equityholders	**1,414.1**	**(207.1)**	**–**	**1,207.0**	**407.4**	**1,614.4**
As at 30 June 2005	**2,765.9**	**(64.4)**	**(9.1)**	**2,692.4**	**443.9**	**3,136.3**
Change in Accounting Policy: AIFRS (Refer Note 15(c))	–	–	(19.7)	(19.7)	–	(19.7)
As at 1 July 2005	**2,765.9**	**(64.4)**	**(28.8)**	**2,672.7**	**443.9**	**3,116.6**
Consolidated						
As at 1 July 2005	**2,765.9**	**(64.4)**	**(28.8)**	**2,672.7**	**443.9**	**3,116.6**
Currency translation differences	–	–	(4.4)	(4.4)	–	(4.4)
Profit for the year	–	216.8	–	216.8	33.9	250.7
Net gains on available-for-sale financial assets	–	–	1.5	1.5	–	1.5
Net gains on cash flow hedges	–	–	29.8	29.8	–	29.8
Total recognised income and expenses for the year	**–**	**216.8**	**26.9**	**243.7**	**33.9**	**277.6**
Transactions with equityholders in their capacity as equityholders:						
Dividends/distributions	–	(213.6)	–	(213.6)	(34.2)	(247.8)
Minority interest on acquisitions of subsidiary	–	–	–	–	16.7	16.7
Loss of control of subsidiary	–	–	–	–	(3.0)	(3.0)
Total transactions with equityholders in their capacity as equityholders	**–**	**(213.6)**	**–**	**(213.6)**	**(20.5)**	**(234.1)**
As at 30 June 2006	**2,765.9**	**(61.2)**	**(1.9)**	**2,702.8**	**457.3**	**3,160.1**

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Cash Flow Statement

Multiplex Limited and its controlled entities

For the year ended 30 June 2006

	Consolidated 2006 $m	2005 $m
Cash flows from operating activities		
Receipts from customers	3,598.5	3,247.7
Payments to suppliers and employees	(3,911.4)	(3,506.5)
	(312.9)	**(258.8)**
Dividends and distributions received	63.2	36.0
Interest received	34.9	31.5
Finance costs paid	(151.3)	(83.1)
Income taxes paid	(22.1)	(51.1)
Net cash outflow from operating activities	**(388.2)**	**(325.5)**
Cash flows from investing activities		
Payments for purchase of controlled entities, net of cash acquired	–	(273.1)
Payments for property, plant and equipment	(125.8)	(18.8)
Payments for investments	(36.3)	(440.5)
Payments for investments in associates	(65.8)	–
Payments for investment properties	(14.7)	(259.2)
Payments for investments in joint ventures	(39.2)	–
Loans to associates	–	(317.3)
Loans to other parties	(30.0)	–
Proceeds from sale of controlled entities, net of cash disposed	–	(1.0)
Proceeds from sale of property, plant and equipment	4.0	0.3
Proceeds from sale of investments	125.8	121.0
Proceeds from sale of investment properties	274.1	51.6
Net cash inflow/(outflow) from investing activities	**92.1**	**(1,137.0)**
Cash flows from financing activities		
Proceeds from issued capital	–	209.8
Proceeds from final equity instalment	–	548.3
Proceeds from borrowings	1,401.4	4,284.0
Repayment of borrowings	(1,013.2)	(3,829.6)
Borrowings from associates	109.2	–
Repayments from associates	166.2	–
Proceeds from issue of Multiplex SITES	–	450.0
Establishment costs	–	(18.8)
Issue costs paid	–	(1.8)
Issue costs paid – Multiplex SITES	–	(17.9)
Repayment of borrowings from related parties	–	(201.3)
Dividends and distributions paid	(184.2)	(206.7)
Proceeds of borrowings from related entities	–	185.1
Net cash inflow from financing activities	**479.4**	**1,401.1**
Net decrease in cash and cash equivalents held	**183.3**	**(61.4)**
Cash and cash equivalents at the beginning of the financial year	308.4	363.2
Effects of exchange rate changes on cash	–	6.6
Cash and cash equivalents at the end of the financial year	**491.7**	**308.4**

The Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements.

1 Summary of significant accounting policies
The concise financial report of Multiplex Group for the year ended 30 June 2006 was authorised for issue in accordance with a resolution of the directors on 7 September 2006.

(a) Group structure
The Multiplex Group (the Group) comprises Multiplex Limited (the Parent Entity) and its controlled entities including Multiplex Property Trust and its controlled entities (the Trust). Both the Parent Entity and the Trust are domiciled in Australia.

The Group's stapled securities comprise one Parent Entity share and one Trust unit to create a single listed entity facilitating a joint quotation and being publicly traded on the Australian Stock Exchange. The stapled securities cannot be traded or dealt with separately.

The Group's concise financial report has been prepared based upon a business combination of the Parent Entity, and its controlled entities and the Trust in accordance with Urgent Issue Group Interpretations (UIG) 1013, "*Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements*". The terms of the stapling arrangements are described in Note 14.

(b) Basis of preparation
The concise financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and UIG adopted by the Australian Accounting Standards Board (AASB).

The concise financial report has been prepared on the historical cost basis except for the following assets and liabilities that are stated at their fair value: derivative financial instruments, financial instruments held for trading, financial instruments classified as available-for-sale and investment property. Any non-current assets which are held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The concise financial report is presented in Australian dollars. The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 relating to the "rounding off" of amounts in the concise financial report. In accordance with that Class Order amounts in the concise financial report have been rounded off to the nearest hundred thousand dollars unless otherwise stated.

(c) Statement of compliance
International Financial Reporting Standards (IFRS) form the basis of the Australian Accounting Standards adopted by the AASB, being the Australian equivalents to IFRS (AIFRS). AIFRS are applicable to the Group from 1 July 2004, with the comparative Financial Statements restated accordingly, with the exception of AASB 132 "*Financial Instruments: Disclosure and Presentation*" and AASB 139 "*Financial Instruments: Recognition and Measurement*" for which the Group has elected not to amend the comparatives.

This is the Group's first concise financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly except for the adoption of AASB 132 and AASB 139. In addition to the election made with respect to AASB 132 and 139 above, the Group has made the following elections with respect to the exemptions allowed by AASB 1 "*First-time Adoption of Australian Equivalents to International Financial Reporting Standards*" (AASB 1):

- AASB 3 "*Business Combinations*" was not applied retrospectively to business combinations undertaken before the date of transition to AIFRS;
- AASB 2 "*Share Based Payments*" is applied only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005; and
- The Group has elected not to apply AASB 121 "*The Effects of Changes in Foreign Exchange Rates*" to the cumulative translation differences at the date of transition to AIFRS. This resulted in the foreign currency translation reserve balance at 1 July 2004 being transferred to opening retained earnings. Any gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition and shall include later translation differences.

The preparation of the concise financial report in accordance with Australian Accounting Standards has resulted in changes to the accounting policies as compared with the most recent annual Financial Statements for the Group prepared under previous GAAP. Except where stated the accounting policies set out below have been applied consistently by each entity of the Group for the period presented in the concise financial report and are consistent with those applied in the prior year except where the application of AIFRS has resulted in a change in policy. They have also been applied in preparing an opening AIFRS Balance Sheet as at 1 July 2004 for the purposes of the transition to AIFRS as required by AASB 1. An explanation of how the transition to AIFRS has affected the total equity, net loss and cash flows of the Group is provided in Note 15. This note includes reconciliations of equity and profit for comparative periods reported under Australian GAAP (previous GAAP) to those reported for those periods under AIFRS.

(d) Principles of consolidation
UIG Interpretation 1013 "*Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements*" permits the Parent Entity of a stapled group to continue preparing consolidated concise financial reports by combining the concise financial reports of the stapled entities. For this purpose, Multiplex Limited, as Parent Entity, has combined its concise financial reports and those of the Multiplex Property Trust to prepare the consolidated concise financial reports of the stapled entity.

1 Summary of significant accounting policies continued

(d) Principles of consolidation continued

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the concise financial report from the date control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are carried at their cost of acquisition in the Parent Entity's financial statements.

Associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated concise financial report. The associate is an entity in which the Group has significant influence, but not control, over their financial and operating policies.

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

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

Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this in the consolidated Statement of Changes in Equity.

In the Parent Entity's Financial Statements, investments in associates are carried at fair value with resulting revaluation gains and losses recognised in equity.

Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, which is established by contractual agreement.

Jointly controlled entities

In the concise financial report of the Group, investments in jointly controlled entities, including partnerships, are accounted for using equity accounting principles. Investments in joint venture entities are carried at the lower of the equity accounted amount and the recoverable amount.

The concise financial report of the Group includes the share of the Group's total recognised profits and losses of joint ventures on an equity accounted basis, from the date joint control commenced until the date joint control ceases. Other movements in reserves are recognised directly in consolidated reserves.

Jointly controlled operations and assets

The interest of the Group in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in the concise financial report the assets it controls and the liabilities that it incurs, and the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the concise financial reports of the Group.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the interest of the Group in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where accounting policies of associates differ from those of the Group, equity accounted results are adjusted to ensure consistency with the policies adopted by the Group.

Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the interest of the Group in the entity, with adjustments made to the "Investment in Associates" and "Share of Associates Net Profit" accounts.

Gains or losses are recognised as the contributed assets are consumed or sold by the associates and jointly controlled entities or, if not consumed or sold by the associate or jointly controlled entity, when the interest of the Group in such entities is disposed of.

(e) Significant accounting judgements, estimates and assumptions

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

1 Summary of significant accounting policies continued

(e) Significant accounting judgements, estimates and assumptions continued

Impairment of goodwill and intangibles with indefinite useful life

The Group determines whether goodwill with indefinite useful lives is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill with indefinite useful lives are allocated.

Investment properties

The discounted cash flow approach applied for investment properties usually includes assumptions in relation to current and recent investment property prices. If such prices are not available, then the fair value of investment properties is determined using assumptions that are mainly based on market conditions existing at each balance date.

The principal assumptions underlying management's estimation of fair value are those related to the receipt of contractual rentals, expected future market rentals, void periods, maintenance requirements and appropriate discount rates. These valuations are regularly compared to actual market-yield data and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

Refer to Note 1(u) for policy on investment properties

Construction contracts

Project profitability is estimated at a project's inception based on the agreed contract value with the client and the budgeted total costs. Profitability is then reviewed and reassessed on a regular basis.

Unapproved variation revenue is recognised where it is probable that the revenue will be certified by the client and approved. Claim recoveries against clients are booked when:

- negotiations have reached an advanced stage such that it is probable that the client will accept the claim; and
- the amount can be measured reliably.

With regard to booking claim recoveries against third parties, the key requirements that must be met are the same as those listed above for claims against clients. Where the matters are in dispute, the test of probability is normally obtained in the form of a legal opinion and/or independent expert's opinion.

Costs are recognised on a commitment basis for trade costs, and a forecast basis for other costs. Unapproved variations from subcontractors are recognised where it is probable that the Group will be liable to incur the costs.

(f) Foreign currency

Functional and presentation currency

Items included in the Financial Statements of each of the entities of the Group are measured using their functional currency, being the currency of the primary economic environment in which the entity operates. This concise financial report is presented in Australian dollars, which is the presentation currency of the Group.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency using the relevant exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency using the relevant exchange rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement in the period in which they arise.

Translation of foreign operations

The results and financial position of all Group entities that have a functional currency that is different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at an average rate for the period that approximates the rates at the dates of the transactions; and
- all resulting exchange differences are recognised as a separate component of equity.

Net investment in foreign operations

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the Income Statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1 Summary of significant accounting policies continued

(g) Derivative financial instruments and hedging

The Group has elected to apply the option available under AASB 1 of adopting AASB 132 and AASB 139 from 1 July 2005. Outlined below are the relevant accounting policies for derivative financial instruments and hedging applicable to the years ending 30 June 2006 and 30 June 2005. The impact of this change is set out in Note 15(c).

Accounting policies applicable for the year ended 30 June 2006

Investments

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the Income Statement.

Other financial instruments held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised directly in equity, except for impairment losses and, in the case of monetary items, foreign exchange gains and losses. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the Income Statement. Where these investments are interest bearing, interest calculated using the effective interest method is recognised in the Income Statement.

The fair value of exchange traded financial instruments classified as held for trading and available-for-sale is their quoted bid price at the balance sheet date.

Other investments are carried at the lower of cost and estimated recoverable amount.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, which documents policies and limits approved by the Board of Directors in respect of the use of derivative financial instruments to hedge cash flows subject to interest rate and currency risks, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured on a fair value basis. The gain or loss on remeasurement to fair value is recognised immediately in the Income Statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Hedging activities

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.

The Group only enters into hedges of actual and highly probable forecast transactions (cash flow hedges). It may also enter into hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges) or hedges of net investments in foreign operations (net investment hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of the hedged items.

The effective portion of changes in the fair value of cash flow hedges is recognised directly in equity. Movements in hedging reserve in shareholders' equity are shown in the Statement of Changes in Equity. The gain or loss relating to any ineffective portion is recognised immediately in the Income Statement.

Amounts accumulated in equity are recycled in the Income Statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example inventory) or a liability, the gains or losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Income Statement.

1 Summary of significant accounting policies continued

(g) Derivative financial instruments and hedging continued

Accounting policies applicable for the year ended 30 June 2005

The comparatives in this report have not been restated and continue to be accounted for in accordance with the previous GAAP compliant accounting policies.

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

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to interest and foreign exchange rates. The group does not enter into derivative financial instruments for speculative purposes. The Group continually reviews its exposures and upgrades its treasury policies and procedures.

Interest rate swap contracts

Interest rate swap agreements are used to convert certain variable interest rate borrowings to fixed rates. The swaps are entered into with the objective of hedging the risk of interest rate fluctuations in respect of the underlying borrowings.

Foreign exchange contracts

The Group, from time to time, enters into forward rate agreements to buy or sell specified amounts of foreign currencies in the future at predetermined rates. The objective is to minimise the risk of exchange rate fluctuation in respect of its foreign currency denominated assets, liabilities, revenues and expenses.

Differences arising on settlement of forward exchange contracts which hedge the Group's foreign currency denominated income and profits are recognised in the Group's Income Statement as and when the underlying foreign currency income or expenditure is recognised.

Net fair values of financial assets and liabilities

The Group's financial assets and liabilities are stated at cost and are not traded in an organised financial market. Carrying amounts of trade and other debtors, other financial assets and payables are stated at cost as the carrying values approximate net fair values.

The valuation of financial instruments not recognised in the Statement of Financial Position reflects the estimated amounts which the Group expects to pay or receive to terminate the contracts, or replace the contracts at the market rates prevailing at the reporting date.

(h) 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.

(i) Revenue and expense recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific criteria 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.

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, rebates and discounts and after sales within the Group are eliminated. Exchange of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Revenue and expenses are recognised for the major business activities as follows:

Construction contracts

For fixed price contracts, construction contract revenues and expenses are recognised on an individual contract basis using the percentage of completion method. Once the outcome of a construction contract can be estimated reliably, contract revenues and expenses are recognised in the Income Statement in proportion to the stage of completion of the contract. The stage of completion is measured by reference to actual costs incurred to date as a percentage of estimated total costs for each contract.

Where the outcome of a contract cannot be reliably determined, contract costs are expensed as incurred. Where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred. Where it is probable that a loss will arise from a construction contract the excess of total costs over revenue is recognised as an expense immediately.

Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the reporting period.

Contract costs comprise:

- Costs that relate directly to the contract;
- Costs that are related to construction activities in general and can be allocated to the contract on a reasonable basis (such as insurance, costs of design and technical assistance); and
- Other costs that are specifically chargeable to a customer in accordance with the terms of a contract.

Early completion bonuses are recognised only when construction projects are substantially complete.

1 Summary of significant accounting policies continued

(i) Revenue and expense recognition continued

Development projects

Revenue from the sale of development projects is recognised in the Income Statement only when each of the following conditions has been satisfied:

- The transfer of the significant risks and rewards of ownership from the Group to the buyer;
- That there is no continuing managerial involvement by the Group to the degree usually associated with ownership, nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that economic benefits associated with the transaction will flow to the Group; and
- The costs incurred and to be incurred in respect of the transaction can be reliably measured.

The conditions are generally satisfied with the entering into of an unconditional contract which transfers legal title in addition to construction being substantially complete.

Sale of interests in developments

The proceeds received in respect of the sale of an economic interest in a development project by way of a development sale agreement with a co-investor are recognised as revenue once each of the above conditions have been satisfied, based on the specific terms and conditions of each agreement.

The transfer of the significant risks and rewards of ownership to the co-investor, and the satisfaction of a number of the other conditions detailed above, typically occurs upon the establishment of the agreement. However, the condition that there be no continuing managerial involvement by the Group to the degree usually associated with ownership, nor effective control over the goods sold, is generally not satisfied until practical completion is achieved, effectively deferring the recognition of the sale proceeds until such time. Any sales proceeds received before practical completion is recognised as deferred income.

Upon practical completion, the Group continues to account for any residual interest in the development project in accordance with the revenue and profit recognition policies in this note.

Equity accounted development projects

Equity accounted interests in development projects are carried net of amounts payable to the co-investor under the co-investor agreements in proportion to development profits earned by the co-investor. The share of associates' profits recognised reflects only the share attributable to the Group under the agreement. Development profits payable under the agreements are recognised in accordance with the agreements in proportion to development profits earned in the underlying development.

Controlled development projects

Development projects carried out in controlled entities continue to be consolidated in accordance with the principles of consolidation set out above as a majority of the risks and benefits associated with the developments are retained. Development profits payable under the agreements are recognised in accordance with the agreements in proportion to development profits earned in the underlying development.

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.

In accordance with UIG Interpretation 115 "Operating Leases – Incentives", lease incentives granted are recognised by the Group as an integral part of the total rental income and are amortised on a straight-line basis and deducted from rental income over the term of the lease.

Gains and losses arising from fair value adjustments to investment properties are accounted for in accordance with Note 1(u).

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

Fees from funds management

Revenues from the rendering of property funds management, property advisory and facilities management services are recognised upon the delivery of the service to the customer or where there is a signed unconditional contract for sale or purchase of assets.

The periodic funds and facilities management fees are received for management services provided for income producing assets either owned by third parties or the Trust. These fees are recognised as revenues as the management services are provided, and the Group controls the right to be compensated for the services provided. Any fees earned on asset sales or property advisory services are recognised when the Group controls the right to receive the fee.

Interest revenue

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

Dividends and distributions

Revenue from dividends and distributions is recognised when the right of the Group to receive payment is established and thus are out of post-acquisition profits.

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

1 Summary of significant accounting policies continued

(j) Goods and services tax

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

Receivables and payables are stated with the amount of GST included. 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.

(k) Income tax

Income tax on the Income Statement for the periods represented comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the date of the balance sheet, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for concise financial reporting and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the date of the Balance Sheet.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Refer to Note 4 for tax consolidation for the Group.

(l) Trade and other receivables

Trade debtors and other receivables are stated at their amortised cost less any identified impairment losses. Impairment charges are brought to account as described in Note 1(w).

Non-current receivables are measured at amortised cost using the effective interest method.

(m) Inventories

Development projects

Development projects are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost includes direct materials, direct labour, borrowing costs, other direct variable costs and allocated overheads necessary to bring inventories to their present location and condition.

Costs incurred in the initial phase of development projects are capitalised and emerged against the associated sales on the same basis as the recognition of sales and profit for development projects, as set out in Note 1(i), while marketing costs incurred subsequent to the commencement of the development of the project are expensed as incurred. When a development project is completed, subsequent borrowing costs and other holding charges are expensed as incurred.

Contract work in progress

Construction work in progress on construction contracts is stated at cost plus profit recognised to date calculated in accordance with the percentage of completion method, including retentions payable and receivable, less a provision for foreseeable losses and progress payments received to date.

A contract is not considered complete until the defects liability period has expired and monies withheld have been received. Any expected losses on a contract are recognised immediately and are calculated as total contract revenues as compared to total contract expenses in the period the loss becomes foreseeable.

Cost includes all variable and fixed costs directly related to specific construction contracts, those costs related to contract activity in general which can be allocated to specific contracts on a reasonable basis and other costs specifically chargeable under the contract. Costs expected to be incurred under penalty clauses and rectification provisions, and borrowing costs where contracts are classified as qualifying assets (refer to Note 1(o)) are also included.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within the "Trade and Other Receivables" balance.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

Land held for resale

Land held for resale is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, and development and borrowing costs during development.

1 Summary of significant accounting policies continued

(n) New business and tender costs

New business and tender costs are deferred to the extent they can be separately identified and measured reliably and it is probable that the contract will be obtained, and that the costs:

- are recoverable out of future revenue;
- do not relate to revenue which has already been brought to account; and
- will contribute to the future earning capacity of the Group.

Tender expenditure that is not expensed due to the tender being successful is transferred to work in progress. New business and tender costs are reviewed on a regular basis, being at least six monthly, to determine the amount, if any, which is no longer recoverable. Any such amount is subsequently expensed.

When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs when the contract is obtained in a subsequent period.

(o) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of inventories or investment properties under development (refer to Note 1(m)). Where borrowings are specific to particular inventory assets or investment properties under development, the rate at which borrowing costs are capitalised is determined by reference to the actual borrowing costs incurred.

Borrowing 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.

(p) 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.

(q) Acquisitions of assets

Items of property, plant and equipment, including leasehold improvements, are initially recorded at cost, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition and, where relevant, the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and after initial recognition are stated at cost less accumulated depreciation and any impairment losses.

Items of property, plant and equipment are depreciated and amortised as described in Note 1(r).

The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate individual items of property, plant and equipment.

Subsequent costs are included in the carrying amount of the asset or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these costs will flow to the Group and the amount of these costs can be measured reliably. All repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost (including borrowing costs in relation to those assets incurred during construction) until construction or development is complete, at which time it is reclassified as investment property.

Goodwill arising from the acquisition of assets is brought to account as described in Note 1(v).

(r) Depreciation of property, plant and equipment

Depreciation is charged to the Income Statement on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment, taking into account estimated residual values.

Freehold land is not depreciated.

The cost of leasehold improvements is amortised over the shorter of either the unexpired period of the lease or the estimated useful life of the improvement to the Group.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time that an asset is completed and held ready for use.

The residual values and useful lives of the assets are reviewed, and the depreciation and amortisation rates and methods adjusted if appropriate, on an annual basis. When these changes are made the adjustments are reflected prospectively in current and future periods only.

1 Summary of significant accounting policies continued

(r) Depreciation of property, plant and equipment continued

The depreciation rates used for each class of asset (in both the current and prior year) are as follows:

Asset class	Rate	Method
Buildings	2.5–4 %	Straight-line
Plant and equipment	6–33 %	Straight-line
Leasehold improvements	20–33 %	Straight-line

(s) Leased assets

Lease payments made under operating leases are recognised as an expense in the Income Statement on a straight-line basis over the term of the lease.

In accordance with UIG Interpretation 115 "Operating Leases – Incentives" lease incentives received are recognised in the Income Statement on a straight-line basis as they are an integral part of the total lease expense over the lease term.

(t) Sale of non-current assets

Non-current assets held for sale at reporting date

Non-current assets that are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell off an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets classified as held for sale are presented separately from the other current assets in the Balance Sheet.

Non-current assets sold during the year

In the course of its ordinary activities, other transactions (including the sale of non-current assets such as investments and operating assets) may be undertaken that are incidental to the main revenue generating activities of the Group.

The results of such transactions are presented by netting the sale proceeds on disposal less selling cost and the carrying value of the asset at the date control of the asset passes to the buyer.

(u) Investment properties

Investment properties are properties that are held to earn long-term rental yields and/or for capital appreciation.

Investment properties acquired are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Investment properties are 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, borrowing costs (see Note 1(o)) 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 Group if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Valuations

Investment properties are stated at their fair value at the balance sheet date.

The investment properties of the Group are internally valued at every reporting date and independently valued once a year 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 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;
- 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 1(i).

1 Summary of significant accounting policies continued

(v) Intangible assets (Goodwill)

All business combinations are accounted for by applying the purchase method. In respect of business acquisitions that have occurred since 1 July 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP. The classification and accounting treatment of business combinations that occurred prior to 1 July 2004 has not been reconsidered in preparing the opening AIFRS Balance Sheet of the Group as at 1 July 2004.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment (refer to Note 1(w)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on an acquisition is recognised directly in the Income Statement.

(w) Impairment

If any indication of impairment exists, the carrying amounts of the applicable assets of the Group, other than investment property (refer to Note 1(u)), inventories (refer to Note 1(m)), Construction contracts (refer to Note 1(l)) and deferred tax assets (refer to Note 1(k)), are reviewed and the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is reviewed annually.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in equity is recognised in the Income Statement. The amount of the cumulative loss that is recognised in the Income Statement is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement.

Calculation of recoverable amount

The recoverable amount of the investments of the Group in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows, discounted at the original effective interest rate (being the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that an impairment event has occurred. Significant receivables are individually assessed for impairment. Receivables that are not assessed as impaired or are not significant are placed into portfolios of assets with similar risk profiles and a collective assessment of impairment is performed.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is reversed through the Income Statement. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss shall be reversed, with the amount of the reversal recognised in the Income Statement.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

(x) Trade and other payables

Payables are stated at amortised cost and represent liabilities for goods and services provided to the Group 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.

(y) Interest bearing liabilities

Interest bearing borrowings are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings 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 basis.

1 Summary of significant accounting policies continued

(z) Dividends/distributions

Provision is made for the amount of any dividend or distribution declared by the directors of Multiplex Funds Management Limited as a Responsible Entity of the Trust and by the directors of the Company on or before the end of the reporting period but not distributed at the reporting date.

(aa) Employee benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised as current provisions in respect of employees' services provided up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long-term service benefits

The net obligation of the Group in respect of long-term service benefits, other than superannuation, is the amount of future benefit that employees have earned in return for their service in current and prior periods.

The obligation for long-term service benefits expected to be settled within 12 months of the reporting date is recognised in the current provision for employee benefits and is measured in accordance with the paragraph above. The obligation for long-term service benefits expected to be settled more than 12 months from the reporting date is recognised in the non-current provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to anticipated future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Post-employment benefits

Obligations for contributions to accumulation superannuation plans are recognised as an expense in the Income Statement as incurred.

Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(bb) Issued capital

Stapled security is classified as equity. Incremental costs directly attributable to the issue of new stapled security are shown in equity as a deduction, net of tax, from the proceeds.

Minority interest predominantly represents the portion of profit or loss and net assets in Multiplex SITES Trust not held by the Group and are presented separately in the Income Statement and within equity in the Balance Sheet.

(cc) Earnings per security

Basic earnings per security is calculated as net profit after tax attributable to stapled securityholders divided by the weighted average number of stapled securities outstanding during the financial year. Diluted earnings per security is calculated as net profit after tax attributable to stapled securityholders divided by the weighted average number of ordinary securities and dilutive potential ordinary securities.

(dd) New accounting standards and UIG interpretations

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

UIG 4 – Determining whether an asset contains a lease

UIG 4 is applicable to annual periods beginning on or after 1 January 2006. The Group has not elected to adopt UIG 4 early. It will apply UIG 4 in its 2007 financial statements and the UIG 4 transition provisions. The Group will therefore apply UIG 4 on the basis of facts and circumstances that existed as of 1 July 2006. Implementation of UIG 4 is not expected to change the accounting for any of the Group's current arrangements.

AASB 2005–9 Amendments to Australian Accounting Standards (AASB 4, AASB 1023, AASB 139 and AASB 132)

AASB 2005–9 is applicable to annual reporting periods beginning on or after 1 January 2006. The amendments relate to the accounting for financial guarantee contracts. The Group has not elected to adopt the amendments early. It will apply the revised standards in its 30 June 2007 Financial Statements. Application of the revised rules may result in the recognition of financial liabilities in the Financial Statements of the Parent Entity, under guarantees given in respect of amounts payable by wholly-owned subsidiaries and investments accounted for using the equity method. An assessment of the fair value of these guarantees has not yet been performed.

AASB 7 Financial Instruments: Disclosures and AASB 2005–10 Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, and AASB 1038)

AASB 7 and AASB 2005–10 are applicable to annual reporting periods beginning on or after 1 January 2007. The Group has not elected to adopt the standards early. Application of the standard will not offset any of the amounts recognised in the Financial Statements, but will impact the type of information disclosed in relation to the Group's Financial Statements.

	2006 $m	Consolidated 2005 $m
2 Revenues and expenses		
(a) Revenues		
Revenue from the sale of development properties	417.4	587.1
Construction revenue	2,468.0	2,479.1
Property rental revenue	189.0	145.4
Property funds management revenue	67.2	68.0
Interest revenue	34.9	29.9
Total revenues	**3,176.5**	**3,309.5**
(b) Other income		
Net fair value adjustments on investment properties	362.3	71.2
Profit on sale of non-current assets	159.5	140.8
Other income	97.2	49.6
Total other income	**619.0**	**261.6**
(c) Costs of operations		
Subcontractor and consumable costs	2,654.0	2,448.5
Movement in development property inventories	429.5	494.6
Rental property rates, taxes and other property outgoings	42.7	37.1
Total cost of operations	**3,126.2**	**2,980.2**
(d) Finance costs		
Interest and finance charges		
Related parties	–	3.5
External parties	148.7	66.0
Amortisation of capitalised borrowing cost	5.7	8.3
Other	2.6	0.9
Total finance costs	**157.0**	**78.7**
(e) Expenses (excluding finance costs and cost of operations)		
Employee expenses	238.3	207.1
Depreciation and amortisation expenses	9.0	3.9
Unrealised foreign exchange losses	0.4	7.2
Realised foreign exchange losses	2.5	6.0
Tender cost expenses	58.6	19.0
Project related overhead costs	30.3	43.4
Legal and consultancy fees	41.9	8.8
Administration costs	127.6	128.6
Other expenses	7.2	52.7
Total expenses (excluding finance costs and cost of operations)	**515.8**	**476.7**

3 Segment information

Primary segment – business information

As the Group is organised on a global basis into divisions by product and service type, its primary segmentation is by business segment.

Primary Segment	Description of Activities
Construction	Construction projects across the commercial, retail, industrial, residential, hospitality, sporting, health care, entertainment, education, engineering, and government sectors.
Property Development	Development projects in the commercial, retail, residential, hospitality, maritime, car parking, entertainment, land and infrastructure sectors.
Facilities Management	Facilities management, property management services, project works management, investment in and management of infrastructure projects.
Property Funds Management	Management of property investment vehicles.
Property Investment	Direct investment in investment properties and indirect investment in property trusts holding investment properties.
Corporate	Administration of internal and external reporting.

3 Segment information continued

	Construction $m	Property Development $m	Facilities Management $m	Property Funds Management $m	Property Trust $m	Corporate $m	Inter-segment Eliminations $m	Total Consolidated $m
30 June 2006								
Revenue								
Sales to external customers	2,468.0	417.4	40.7	26.5	189.0	–	–	3,141.6
Other income	1.1	161.6	–	31.9	214.4	46.3	160.1	615.4
Inter-segment sales	304.1	230.2	6.5	5.4	9.4	14.8	(570.4)	–
Total segment revenue	**2,773.2**	**809.2**	**47.2**	**63.8**	**412.8**	**61.1**	**(410.3)**	**3,757.0**
Unallocated revenue								38.5
Total revenue								**3,795.5**
Result								
Segment result	(333.6)	70.1	7.2	44.6	304.4	(4.1)	26.3	114.9
Share of associates' profit	13.8	29.9	0.2	9.2	138.5	–	–	191.6
Total segment result	**(319.8)**	**100.0**	**7.4**	**53.8**	**442.9**	**(4.1)**	**26.3**	**306.5**
Net unallocated revenue/(expenses)								3.6
Profit before tax and finance costs								**310.1**
Net finance costs								(122.1)
Income tax (expense)/benefit								62.7
Net profit for the year								**250.7**
Assets and liabilities								
Segment assets	2,703.0	2,475.9	35.3	1,155.2	4,859.4	2,130.2	(8,299.8)	5,059.2
Investment in an associate	58.1	650.9	0.4	2.5	614.9	–	(10.2)	1,316.6
Unallocated assets								1,148.0
Total assets								**7,523.8**
Segment liabilities	2,405.4	2,175.2	20.1	1,124.9	1,439.2	2,919.0	(8,355.6)	1,728.2
Unallocated liabilities								2,635.5
Total liabilities								**4,363.7**
Other segment information								
Capital expenditure	3.9	51.0	0.3	0.1	189.3	3.4	–	248.0
Depreciation and amortisation	3.5	0.7	0.3	0.1	–	4.4	–	9.0
Other non-cash expenses	8.5	94.5	–	1.2	5.6	1.3	–	111.1

3 Segment information continued

	Construction $m	Property Development $m	Facilities Management $m	Property Funds Management $m	Property Trust $m	Corporate $m	Inter-segment Eliminations $m	Total Consolidated $m
30 June 2005								
Revenue								
Sales to external customers	2,479.1	587.1	37.0	31.0	145.4	–	–	3,279.6
Other income	86.1	77.8	–	16.4	43.7	35.5	(28.4)	231.1
Inter-segment sales	626.6	31.0	3.0	2.9	15.5	–	(679.0)	–
Total segment revenue	**3,191.8**	**695.9**	**40.0**	**50.3**	**204.6**	**35.5**	**(707.4)**	**3,510.7**
Unallocated revenue								60.4
Total revenue								**3,571.1**
Result								
Segment result	100.2	33.2	5.1	26.3	80.8	22.7	(189.1)	79.2
Share of associate's profit	–	9.9	–	(3.0)	40.1	(8.8)	–	38.2
Total segment result	**100.2**	**43.1**	**5.1**	**23.3**	**120.9**	**13.9**	**(189.1)**	**117.4**
Net unallocated revenues/(expenses)								5.1
Profit before tax and finance costs								**122.5**
Finance costs								(48.8)
Income tax (expense)/benefit								30.4
Net profit for the year								**104.1**
Assets and liabilities								
Segment assets	1,747.6	2,068.2	33.0	498.0	4,051.6	716.0	(3,632.0)	5,482.4
Investment in an associate	2.6	123.9	6.0	3.0	824.7	331.3	–	1,291.5
Unallocated assets								103.7
Total assets								**6,877.6**
Segment liabilities	1,517.8	2,064.2	31.8	445.4	1,966.3	810.7	(3,146.7)	3,689.5
Unallocated liabilities								51.8
Total liabilities								**3,741.3**
Other segment information								
Capital expenditure	–	–	–	–	246.4	7.8	–	254.2
Depreciation and amortisation	–	2.0	1.3	0.4	0.2	–	–	3.9
Other non-cash expenses	–	34.4	0.2	1.1	1.2	–	–	36.9

3 Segment information continued

Secondary segment – geographic information

Secondary segmentation is by geographical area, with the Group operations split between Australasia, Europe and Middle East. The Group's geographical segments are determined by the location of the Group's assets and operations. The following table presents revenue, capital expenditure and certain asset information regarding geographical segments.

	Australasia $m	Europe & Middle East $m	Inter-segment Elimination $m	Total $m
Year ended 30 June 2006				
Revenue				
Segment revenue	2,764.9	1,402.4	(410.3)	3,757.0
Other segment information				
Segment assets	12,323.5	1,035.5	(8,299.8)	5,059.2
Capital expenditure	244.1	3.9	–	248.0
Year ended 30 June 2005				
Revenue				
Segment revenue	2,857.7	1,360.4	(707.4)	3,510.7
Other segment information				
Segment assets	8,202.7	911.7	(3,632.0)	5,482.4
Capital expenditure	244.3	9.9	–	254.2

	Consolidated 2006 $m	2005 $m
4 Income tax		
(a) Income tax (expense)/benefit		
Current income tax		
Current income tax (expense)/benefit	(0.6)	(29.6)
Adjustments in respect of current income tax of previous years	–	1.7
Deferred income tax		
Relating to origination and reversal of temporary differences and tax losses	63.3	58.3
Income tax benefit/(expense) reported in Income Statement	**62.7**	**30.4**
Deferred income tax benefit/(expense) included in income tax expense comprises:		
Increase/(decrease) in deferred tax assets	87.0	48.2
(Increase)/decrease in deferred tax liabilities	(23.7)	10.1
	63.3	**58.3**

	Consolidated 2006 $m	2005 $m
4 Income tax continued		
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Accounting profit/(loss) before income tax	**188.0**	**73.7**
Prima facie income tax (expense)/benefit on profit/loss using the domestic corporation tax rate of 30% (2005: 30%)	**(56.4)**	**(22.1)**
Tax effect of amounts which are not (deductible)/assessable in calculating taxable income:		
AIFRS adjustments	–	(11.7)
Deductions claimed for equity raising costs	0.3	0.3
Effect of higher tax rates on overseas income	–	(0.1)
Non-deductible expenses	(18.9)	1.2
Non-taxable ADPT profit	–	2.0
Non-taxable Trust profit	149.7	61.1
Offshore attributable income	(2.8)	(2.8)
Offshore tax losses not brought to account	(0.2)	(1.3)
Other	(6.3)	1.8
Over/(under)-provision in previous year	(3.1)	1.7
R&D concessions	0.4	0.3
Income tax (expense)/benefit	**62.7**	**30.4**

Tax consolidation

Multiplex Limited and its wholly-owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2003. Multiplex Limited is the head entity of the tax consolidated group.

Tax expense/credits, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the "separate taxpayer within group" approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by Multiplex Limited as head entity of the tax consolidated group.

Members of the tax consolidated group have entered into a tax sharing arrangement with the head entity. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of the tax sharing agreement as payment of any amounts under this agreement is considered remote as at the balance date.

The head entity and the members of the tax consolidated group have entered into a tax funding arrangement. Under the terms of the tax funding arrangement, the head entity and each member of the tax consolidated group has agreed to pay a tax equivalent amount to or from the head entity, based on the current tax liability or current tax asset of the member. Such tax equivalent amounts are recognised as payable to or receivable by the head entity and each member of the tax consolidated group.

	2006 Cents	Consolidated 2005 Cents
5 Earnings per stapled security		
Basic and diluted earnings per stapled security	25.9	11.7

	Number	Number
Weighted average number of stapled securities used as the denominator	837,402,185	722,561,202

	$m	$m
Reconciliation of earnings used in calculating earnings per stapled security		
Net profit	250.7	104.1
Less Net profit attributable to minority interest	33.9	19.8
Earnings used in calculating earnings per stapled security	**216.8**	**84.3**

Earnings per stapled security is determined by dividing net profit after income tax attributable to stapled securityholders by the weighted average number of stapled securities outstanding during the financial year.

Multiplex SITES are potential securities but are not dilutive. Consequently, basic and diluted earnings per stapled security are the same.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting period date and before the completion of these Financial Statements.

6 Dividends and distributions
Dividends and distributions paid to stapled security holders or declared during the financial year were as follows:

	Cents per Share/Unit	Total Amount $m	Date of Payment	Tax Rate	Percentage Franked %
2006					
Ordinary shares					
Interim dividend	Nil	Nil	N/A	N/A	N/A
Final dividend	Nil	Nil	N/A	N/A	N/A
Total dividend	**Nil**	**Nil**			
Units					
Interim distribution	8.00	67.0	28 February 2006	17% (tax deferred)	
Final distribution	17.50	146.6	31 August 2006	12% (tax deferred)	
Total distribution	**25.50**	**213.6**			
Total distributions	**25.50**	**213.6**			
Total per Stapled Security					
Interim distribution	8.00	67.0	28 February 2006		
Final distribution	17.50	146.6	31 August 2006		
Total distribution	**25.50**	**213.6**			
2005					
Ordinary shares					
Interim dividend	8.22	46.7	28 February 2005	30% (fully franked)	100
Final dividend	–	–	–	–	–
Total dividend	**8.22**	**46.7**			
Units					
Interim distribution	7.59	43.1	28 February 2005	40% (tax deferred)	–
Final distribution	14.00	117.3	31 August 2005	22.5% (tax deferred)	–
Total distribution	**21.59**	**160.4**			
Total distributions	**29.81**	**207.1**			
Total per Stapled Security					
Interim distribution	15.81	89.8	28 February 2005	–	–
Final distribution	14.00	117.3	31 August 2005	–	–
Total distribution	**29.81**	**207.1**			

	Consolidated 2006 $m	Consolidated 2005 $m
Franking credits available for subsequent financial years based on a tax rate of 30%	33.7	13.2

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the current tax liability;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- franking credits that may be prevented from being distributed in subsequent financial years.

7 Assets classified as held for sale

On 19 May 2006, the Group made a public announcement of its decision to establish a newly Australian Stock Exchange listed fund comprising of prime CBD office assets named as Multiplex Acumen Prime Property Fund (the Fund).

The establishment of this new fund is in pursuit of the Group's strategy for growth of its third party funds management business. A sale is expected by September 2006.

This portfolio held for sale comprises the following prime office investments and other assets and liabilities with the respective fair values at reporting date.

	Note	Consolidated 2006 $m
Investment property		
Old Swan Brewery		13.7
100% of Defence Plaza in Melbourne		67.0
25% of Southern Cross in Melbourne	a	125.6
Equity accounted investments		
50% of Ernst & Young Centre in Sydney	b	214.3
Cash and cash equivalents		3.7
Receivables		13.1
Derivative assets		11.7
Property, plant, equipment – Old Swan Brewery		7.2
Total assets classified as held for sale		**456.3**
Liabilities classified as held for sale		
Payables		3.3
Interest bearing liabilities		287.4
Non-interest bearing liabilities		0.1
Total liabilities classified as held for sale		**290.8**
Net assets classified as held for sale		**165.5**

a Interest in the respective investment property is held via Multiplex Developments No. 6A Unit Trust.

b Interest in the respective investment property is held via Latitude Landowning Trust.

The Group paid $99,940 to Multiplex Prime Property Fund for granting the first and last rights at refusal over the Southern Cross East Tower (25%), Ernst & Young Centre (50%), American Express and Defence Plaza assets to the Group.

	Consolidated 2006 $m	Consolidated 2005 $m
8 Investment property		
Investment property	2,174.6	1,752.4

Carrying value of investment properties

Valuations of investment property are based on prevailing market conditions for the properties being the fair value for which the properties could be exchanged between willing parties in an arm's length transaction in an active market for similar properties in the same location and condition and subject to similar leases. In assessing the value of the investment properties, the independent valuers have considered two basis of valuation being:

- Discounted cash flow; and
- Capitalisation approach.

Where independent valuations are undertaken prior to reporting date, the assumptions on which the valuation is based are reviewed in light of the prevailing market conditions at reporting date to ensure that any material change is reflected in the valuation.

Details of the individual properties are set out below. Investment properties are 100% owned except where indicated.

8 Investment property continued

Carrying value of investment properties continued

	Note	Title	Independent Valuation Date	Independent Valuation $m	Carrying Value 2006 $m	Carrying Value 2005 $m
Consolidated						
Southern Cross East Tower, Melbourne, Victoria (75%)[a]	i	Freehold	Mar-06	390.0	376.8	–
Commonwealth Bank Building, Brisbane, Qld	ii	Freehold	Jun-06	170.0	170.0	128.6
KPMG Tower, Sydney, NSW (50%)	iii	Freehold	Dec-05	122.5	122.5	116.3
ANZ Centre, Brisbane, Qld (50%)	i	Freehold	Jun-06	64.3	64.3	42.2
Ernst & Young Building, Perth, WA	i	Freehold	Dec-05	49.0	49.0	47.8
National Australia Bank House, Sydney, NSW (25%)	iv	Freehold	Dec-05	78.8	78.8	74.0
NRMA Centre, Sydney, NSW (50%)	iii	Freehold	Dec-05	140.0	140.1	139.1
15 Blue Street, North Sydney, NSW	ii	Leasehold	Jun-06	97.0	97.0	89.3
AMP Place, Brisbane, Qld	ii	Freehold	Jun-06	170.0	170.0	119.1
111 Alinga Street, Canberra, ACT	v	Leasehold	Jun-06	55.0	55.0	55.4
Jessie Street Centre, Parramatta, NSW	iii	Freehold	Dec-05	180.0	180.1	181.1
Goldfields House, Sydney, NSW	ii	Freehold	N/A	N/A	–	203.2
BankWest Tower, Perth, WA (50%)	i	Freehold	Dec-05	97.5	97.5	92.5
Defence Plaza, Melbourne, Vic	i	Freehold	N/A	N/A	–	65.0
King Street Wharf, Sydney, NSW	iii	Freehold	Dec-05	92.4	92.4	81.7
Pittwater Place Shopping Centre, Sydney, NSW	i	Freehold	Jun-06	71.5	71.5	64.2
Great Western Super Centre, Keperra, Brisbane, Qld	i	Freehold	Jun-06	56.0	56.0	55.0
Great Western Super Centre, Peachy Quarry, Qld	i	Freehold	Jan-05	6.5	11.3	9.2
Carillon City Shopping Centre, City Arcade, Perth, WA (50%)	i	Freehold	Jun-06	57.2	57.2	51.0
Bracken Ridge Plaza, Brisbane, Qld	i	Freehold	Jun-06	22.0	22.0	20.0
Latitude Retail, George Street, Sydney, NSW (50%)	ii	Freehold	Dec-05	99.0	99.2	–
Cnr Devon & Durham Streets, Rosehill, Sydney, NSW	ii	Freehold	Jun-06	57.0	57.0	53.6
Cnr Cobalt & Silica Streets, Carole Park, Brisbane, Qld	ii	Freehold	Jun-06	12.4	12.4	11.0
46 Randle Road, Meeandah, Brisbane, Qld	ii	Freehold	Jun-06	4.6	4.6	3.6
Lots 55 and 56 Rutland Avenue, Welshpool, Perth, WA	ii	Freehold	Jun-06	10.2	10.2	5.2
Luna Park Car Park, Sydney, NSW		Leasehold	Dec-05	17.0	17.0	23.5
Vale, WA	v	Freehold	Mar-06	74.6	74.6	27.7
					2,186.5	**1,759.3**
Impact of straight-lining of rental income disclosed as non-current receivables					(11.9)	(6.9)
Total investment properties					**2,174.6**	**1,752.4**

a 25% of the interest in Southern Cross is disclosed as assets classified as held for sale (refer to Note 7). The independent valuation was performed for Multiplex Property Trust and incorporates lease support provisions by the development manager. The value for the Group does not include the benefit of lease support provisions.

Names of independent valuers

i Colliers International.

ii CBRE.

iii Jones Lang LaSalle.

iv Knight Frank.

v Savills (WA) Pty Ltd.

	2006 $m	Consolidated 2005 $m
9 Interest bearing loans and borrowings		
(a) Carrying amounts		
Current interest bearing liabilities		
Secured		
Project facilities	298.6	336.4
Debt facilities	141.0	218.4
Loans from external parties	222.3	–
	661.9	**554.8**
Unsecured		
Loans from associates	17.3	30.2
Convertible preferred securities	–	80.2
Project facilities	95.0	
	112.3	**110.4**
Total current interest bearing liabilities	**774.2**	**665.2**
Non-current interest bearing liabilities		
Secured		
Commercial mortgage backed securities	1,000.0	1,000.0
Debt facilities	511.5	441.0
Project facilities	181.8	120.6
Less: Attributable transaction cost	(12.0)	(13.6)
	1,681.3	**1,548.0**
Unsecured		
Loans from associates	–	13.1
Project facilities	29.2	184.7
	29.2	**197.8**
Total non-current interest bearing liabilities	**1,710.5**	**1,745.8**
Total interest bearing liabilities	**2,484.7**	**2,411.0**

9 Interest bearing loans and borrowings continued

(b) Terms and conditions

The Group draws down on certain project facilities as a result of entering into certain development and construction projects. These project facilities are with certain banks and credit financial institutions and are secured by a first charge over certain individual project's assets including land and development costs.

Facility	Note	Principal 2006 $m	Principal 2005 $m	Consolidated Carrying Value/ Facility Utilised 2006 $m	Consolidated Carrying Value/ Facility Utilised 2005 $m	Interest Rate	Maturity
Bank guarantees and insurance bonds		1,122.7	781.4	782.1	639.6	N/A	Generally subject to annual review
Trust facilities							
CMBS Series 1	i	537.0	537.0	537.0	537.0	3MBBSW* +0.2% to +0.8%	May 2008
CMBS Series 2	i	463.0	463.0	463.0	463.0	3MBBSW* +0.25% to +0.95%	May 2010
Multi-option facility	ii	500.0	500.0	420.0	331.8	Refer ii	May 2008
Debt facilities	iii	701.8	651.3	232.5	327.6	Prevailing market rate	June 2007–Sept 2009
Project Facilities	iv	832.1	572.4	604.6	641.7	Prevailing market rate	Sept 2006–May 2010
Loans from external parties	v	222.3	–	222.3	–	Refer v	
Convertible preferred securities	vi	–	80.2	–	80.2	7.42%	July 2005
Less: Attributable transaction cost (net of amortisation)	vii	–	–	(12.0)	(13.6)		
		4,378.9	**3,585.3**	**3,249.5**	**3,007.3**		

* BBSW – Australian bank bill swap.

* BKBM – New Zealand bank bill swap.

i Series 1 is secured by eight office buildings and Series 2 by four office buildings and three retail centres. The rating is AAA/Aaa/AAA to BBB-/BBB-.

ii Interest rate for the Multi-option facility are as follows:
AUD BBSW +0.65%–1.50%
NZD BKBM* +0.65%–1.50%

iii Interest on loans is charged at the prevailing market rate. Maturity is in accordance with the underlying project.

iv The Group has loans denominated in Australian dollars and in other currencies. Interest on loans is charged at the prevailing market rate. Maturity is in accordance with underlying project. Project facilities are procured from a range of sources (ie banks, financial institutions etc.) and structured in accordance with the specific requirements of the underlying project. Recourse is typically limited to the assets of the individual project with Multiplex Limited providing interest servicing support in limited circumstances. Project facilities contain a range of terms and conditions typical with facilities of this nature.

v Interest is charged at 12%.

vi The convertible preferred securities were redeemed at face value plus accrued interest on 1 July 2005.

vii Interest bearing borrowings are recognised initially at fair value less the respective attributable transaction costs. These costs are amortised over the period of the facility.

	2006 $m	Consolidated 2005 $m
10 Issued capital		
(a) Issued and fully paid up capital		
Stapled securities	2,765.9	2,765.9

(b) Movements of securities on issue

Date	Details	Number of Shares	Issue Price $	Consolidated $m
1 July 2004	Balance at the beginning of the comparative year	568,182,014		1,351.8
11 Nov 2004 to 7 Dec 2004	Ronin Acquisition	215,435,852	0.0803	1,093.2
29 Dec 2004	Institutional Placement	22,018,349	2.9975	120.0
5 Jan 2005	Ronin Acquisition	15,043,236	0.0803	81.7
28 Feb 2005	Distribution Reinvestment Plan	16,722,734	2.9535	89.8
30 Jun 2005	Roberts Family Indemnity			31.2
	Less: Cost of issue			(1.8)
30 June 2005	**Balance at the end of the comparative year**	**837,402,185**		**2,765.9**
30 June 2006	**Balance at the end of the current year**	**837,402,185**		**2,765.9**

(c) Terms and conditions of stapled securities

Stapled securities of the consolidated entity include shares in Multiplex Limited stapled with the units of Multiplex Property Trust as listed on the ASX. The Trust's results are included in the Group as explained in Note 1. Stapled securities have the right to receive dividends distributions as declared and, in the event of winding up the Consolidated Entity, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Stapled securities entitle their holder to one vote either in person or by proxy, at a meeting of the Company.

Employee ownership plan

Information relating to the employee ownership plan, including details of shares issued under the scheme, is set out in the Remuneration Report.

Security buy-back

There is no current on-market buyback.

	2006 $m	Consolidated 2005 $m
11 Accumulated profits/(losses)		
Accumulated profits/(losses) at the beginning of the year	(64.4)	58.4
Net profit attributable to stapled securityholders	216.8	84.3
Dividends and distributions recognised during the year	(213.6)	(207.1)
Accumulated profits/(losses) at the end of the year	(61.2)	(64.4)

	Consolidated 2006 $m	2005 $m
12 Minority interest		
Interest in:		
Multiplex SITES Trust		
Share capital	432.1	432.1
Retained profits	8.5	11.8
	440.6	**443.9**
Multiplex Acumen Prime Property Fund		
Share capital	16.7	–
	457.3	**443.9**

Multiplex SITES represent Step-up Income-distributing Trust-issued Exchangeable Securities. A fully paid security in Multiplex SITES Trust is entitled to interest that is derived by Multiplex SITES Trust being a non-cumulative, floating distribution payment, payable quarterly in arrears.

Holder redemption
Holders have the right to initiate redemption of Multiplex SITES by issue of a holder realisation notice, in the following limited circumstances:

- A breach of the restrictions imposed on stapled securities, where a priority distribution payment is not paid in full; or
- The occurrence of a winding-up event, with respect to either of the guarantors, the Trust (for as long as the Responsible Entity of Multiplex SITES Trust is a member of the Multiplex Group) or Multiplex Hybrid Investment Trust (MHIT) (for as long as MHIT Trustee is a member of the Multiplex Group).

The request for redemption is effective and will be implemented if made by holders who cumulatively hold 5% or more of Multiplex SITES on issue.

Upon redemption, holders will receive the aggregate of $100 plus the unpaid distribution amount in cash.

Issuer redemption
Subject to the approval of the Responsible Entity and the Multiplex Group, the issuer may initiate redemption of all or some of the Multiplex SITES for cash, by sending a realisation notice to holders, in the following circumstances:

- The step-up date or the last day of each distribution period after the step-up date;
- An increased costs event;
- An accounting event;
- Where the Responsible Entity of the Trust is no longer a member of the Multiplex Group;
- A change of control event; or
- There are less than $50 million of Multiplex SITES remaining on issue.

Holder exchange
Holders have no right to request exchange.

Issuer exchange
Subject to the approval of Responsible Entity and the Multiplex Group, the issuer may initiate exchange of all or some Multiplex SITES for stapled securities in the same circumstances as those where the issuer may initiate redemption.

The exchange process will be effected on the realisation date.

If the issuer initiates one or more of redeem or exchange, then, if they do not redeem or exchange all Multiplex SITES then on issue, they may do so in such proportions as they determine as long as they treat all holders equally.

Exchange ratio
The exchange ratio is used to calculate the number of stapled securities received by a holder on exchange of each Multiplex SITES. It is calculated by dividing:

- The aggregate of the face value plus the unpaid distribution amount: by
- The average of the daily volume weighted average sales price of stapled securities sold on the ASX during the 20 business days immediately before the realisation date, reduced by the exchange discount of 2.5%.

In the case of a change of control event, the face value plus the unpaid distribution amount will generally be divided by 97.5% of the offer price under the takeover bid or scheme of arrangement.

13 Contingent liabilities and contingent assets

Details and estimated maximum amounts of contingent assets and liabilities (for which no amounts are recognised in the Financial Statements) are as follows:

(a) Contingent liabilities and contingent assets exist in respect of guarantees and insurance bonds issued to clients and guarantees received by Multiplex from its subcontractors in lieu of cash retentions. The guarantees and bonds issued to clients are secured by indemnities. All of the bank guarantees and bonds are received and issued in Multiplex's ordinary course of business.

Bank guarantees and insurance bonds outstanding at 30 June 2006 were:

	Consolidated 2006 $m	2005 $m
Bank guarantees outstanding	532.1	353.8
Insurance bonds outstanding	250.0	285.7
	782.1	639.5

Increase in bank guarantees and insurance bonds partly due to issuances in lieu of cash retentions and support growth in the Group's order book.

(b) In the ordinary course of business, the Group provides rental guarantees and income support arrangements to tenants and owners of various residential and commercial buildings, in respect of which the Group is developing or has completed development. These arrangements require the Group entity to guarantee the rental income of these properties for certain periods of time. As at the date of this report, the directors are of the opinion that based on the current sub-lease proposals and forecast sub-lease commitments, together with the allowances made within the development budgets for these property developments, adequate allowance has been made in the Financial Statements for these potential obligations.

(c) Contingent liabilities and contingent assets exist as a consequence of the arrangements contained in the Stapling Deed between the Company and Multiplex Funds Management Ltd, as the responsible entity of the Multiplex Property Trust. The stapling arrangement is described further in Note 14.

(d) The Company and the Trust are called upon to give, in the ordinary course of business, guarantees and indemnities in respect of the performance of controlled entities, associates and related parties of their contractual and financial obligations. The value of these guarantees and indemnities is indeterminate in amount. Any known losses have been brought to account.

(e) In the ordinary course of business, the Company and the Trust, their controlled entities and associates become involved in litigation, pertaining to normal design liability in relation to completed design and construction projects, normal contractor's liability in relation to construction contracts, public liability, workers' compensation, etc, the majority of which falls within the Group's insurance arrangements and/or contractual indemnities with consultants and subcontractors. The Company and the Trust, their controlled entities and associates also become involved in contractual disputes in relation to property development activities and property ownership issues.

Whilst the outcomes of these proceedings are uncertain, contingent liabilities exist in respect of amounts not specifically provided for, which, based on legal advice, should not be material either individually or in the aggregate.

(f) In February 2005, the family of John C Roberts, the founder and a Director of the Company, undertook to indemnify the Company against any losses incurred by it on the Wembley National Stadium Construction Project (the Project) up to a maximum amount of $50 million. As at 30 June 2005, the Company was of the opinion that the loss on the Project could reasonably be expected to exceed $50 million. The Company booked a provision for loss against the Project and a recovery against the Roberts Family Indemnity (the Indemnity) of $50 million.

Under the terms of the Indemnity, should the final Project outcome (inclusive of the result of all claims made against and by the Company) result in a loss of less than $50 million, the Company is required to repay the amount by which amounts paid by the family exceed the final loss. Any amounts paid by the Company in this regard would be offset by additional revenue booked to the Project.

(g) Controlled entities of the Company have entered into joint venture arrangements under which the Controlled Entity may be jointly and severally liable for the liabilities of the joint venture arrangement. The assets of each partnership or joint venture vehicle are anticipated to be sufficient to meet any such liabilities.

(h) In October 2004, the Group, together with its joint venture partner, provided an indemnity to a third party in relation to certain tax related issues which may arise from the Group's investment in a controlled entity. There has been no quantification of any claim and no claims have been made or received under the indemnity to date. On the basis no loss is expected, the Group has not created any provision in its accounts for any potential liabilities that may arise under this indemnity.

(i) As publicly reported, ASIC is conducting an investigation into the affairs of the Company relating to the Wembley National Stadium (Wembley) project in the United Kingdom. This investigation is ongoing and at the date of this report it is not clear what, if any, financial impact this investigation will have on the Company.

14 Stapling arrangements

The Stapling Deed between Multiplex Funds Management Limited, as the Responsible Entity of the Trust, and the Company, is dated 8 October 2003. It sets out the terms of the relationship between the Responsible Entity and the Company in respect of the units in the Trust and the shares in the Company that comprise the securities. The aspects of that relationship with which it deals include the following:

- stapling: the units and shares will remain stapled unless special resolutions of stapled securityholders approve unstapling or unless stapling becomes unlawful or prohibited by the Listing Rules;
- co-operation and consultation: the Responsible Entity and the Company agree to share accounting and other information, and to co-operate in operating the Trust and Company in providing information to investors, valuing assets, preparing concise financial reports, holding meetings, issuing securities and making distributions;
- dealings in securities: units and shares may only be issued or transferred as part of securities;
- acquisitions, disposals and borrowings: these require consultation procedures between the Responsible Entity and the Company to be followed;
- sale of assets: the Company agrees to notify the Responsible Entity of any assets that it intends to sell which are within the investment criteria of the Trust and will reasonably consider any proposals put to it by the Responsible Entity to purchase these assets;
- allocation of issue price: the Responsible Entity and the Company must agree what proportion of the issue price of a security is allocated to each of the Trust and Company. Generally, this is by reference to the respective market values of the units and the shares (as determined by agreement between the Responsible Entity and the Company);
- financial benefits: the Trust and the Company must provide to the other or its controlled entities upon request any financial benefit which is requested;
- registers: these are to be kept jointly;
- duties: when carrying out their duties, the Responsible Entity and the Company may consider the interests of holders of securities as a whole, not only the interests of the members of the Trust and Company separately; and
- dispute resolution: if there are disagreements about stapling issues, the Responsible Entity and the Company must use their best efforts to resolve them and negotiate in good faith before instituting proceedings.

The stapled security structure will cease to operate on the first to occur of:

- either of the Company or the Trust resolving by special resolution in general meeting and in accordance with its Constitution to terminate the stapling provisions; or
- the winding up of either the Company or the Trust.

The ASX reserves the right (but without limiting its absolute discretion) to remove one or more entities with stapled securities from the official list if any of their securities cease to be "stapled" together, or any equity securities of the same class are issued by one entity which are not stapled to equivalent securities in the other entity or entities.

15 Explanation of transition to Australian equivalents to IFRS

For all periods up to and including the year ended 30 June 2005, the Group prepared its Financial Statements in accordance with Australian Generally Accepted Accounting Principles (previous GAAP). These Financial Statements for the year ended 30 June 2006 are the first the Consolidated Entity is required to prepare in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

Accordingly, the Group has prepared Financial Statements that comply with AIFRS applicable for periods beginning on or after 1 July 2004 and the significant accounting policies meeting those requirements are described in Note 1. In preparing these Financial Statements, the Group has started from an opening Balance Sheet as at 1 July 2004, the Group's date of transition to AIFRS, and made those changes in accounting policies and other restatements required by AASB 1 *"First time Adoption of Australian Equivalents to International Financial Reporting Standards"*.

AASB 1 allows first time adopters certain exemptions from the general requirements to apply AIFRS retrospectively. The exemptions applied by the Group are explained in Note 1(c).

15 Explanation of transition to Australian equivalents to IFRS continued

(a) Reconciliation of total equity as presented under previous GAAP to that under AIFRS

	Note (e)	Consolidated 30 Jun 05 $m	1 Jul 04 $m
Total equity under previous GAAP		**3,299.0**	**1,552.2**
AIFRS adjustments to equity			
Development revenue recognition	i	(218.1)	(159.2)
Net present value adjustment to Roberts Family Indemnity	ii	(3.8)	–
Fair value adjustments	iv	10.0	–
Other	iii	0.6	(2.3)
Write-back of goodwill amortisation	v	10.2	–
Tax on share issue cost		0.8	1.0
Tax effect	vi	37.6	35.2
Total equity under AIFRS		**3,136.3**	**1,426.9**
Net adjustment to equity		**(162.7)**	**(125.3)**
Total equity under AIFRS attributable to:			
Members of Multiplex Group		2,692.4	1,410.2
Minority interest		443.9	16.7
		3,136.3	**1,426.9**

(b) Reconciliation of consolidated net profit as presented under previous GAAP to that of consolidated net profit under AIFRS

	Note (e)	Consolidated Year ended 30 Jun 05 $m
Net profit/(loss) before income tax expense as reported under previous GAAP		**89.0**
AIFRS adjustments to net profit		
Development revenue recognition	i	(58.9)
Roberts Family Indemnity	ii	(50.0)
Adjustments to goodwill amortisation	v	10.2
Fair value adjustments to investment properties	iv	82.0
Other	iii	1.4
Total AIFRS adjustments to net profit		**(15.3)**
Income tax expense/(benefit) as reported under previous GAAP		(13.3)
Development revenue recognition	vi	(17.3)
Roberts Family Indemnity	vi	(15.0)
Share issue costs	vi	0.3
Tax effect of stapling eliminations	vi	11.2
Other	vi	3.7
Income tax benefit under AIFRS		**(30.4)**
Net profit/(loss) after income tax expense under AIFRS		**104.1**
Net adjustment to net profit after tax		1.8
Net profit attributable to members of Multiplex Group		84.3
Minority interests		19.8
		104.1

15 Explanation of transition to Australian equivalents to IFRS continued

(c) Reconciliation of total equity opening balance upon adoption of AASB 132 and 139 on 1 July 2005

	Note (e)	Consolidated Year ended 30 Jun 05 $m
Total equity under AIFRS at 30 June 2005		3,136.3
Adjustments to equity upon adoption of AASB 132 and 139:		
Interest rate swaps qualifying for hedge accounting	vii	(7.9)
Cash flow hedges	vii	(11.8)
Total equity under AIFRS at 1 July 2005		3,116.6
Total equity under AIFRS at 1 July 2005 attributable to:		
Members of the Multiplex Group		2,672.7
Minority interests		443.9
		3,116.6

(d) Reconciliation of Cash Flow Statement for the year ended 30 June 2005
The adoption of AIFRS has not resulted in any material adjustments to the Cash Flow Statement.

(e) Notes to the reconciliations
(i) Development revenue recognition
Under previous GAAP, revenue and profits on the development of apartments and residential property were recognised on the percentage of completion basis, in accordance with UIG 53 "*Pre-completion Contracts for the Sale of Residential Development Properties*".

UIG 53 has been withdrawn under AIFRS, and with no AIFRS equivalent which specifically addresses the issue of revenue and profit recognition for the development and sale of apartments and residential properties, development properties are treated as inventory and are subject to the revenue recognition rules of AASB 118 "*Revenue*".

AASB 118 requires that revenue and profit be recognised when the Group has transferred to the buyer the significant risks and rewards of the ownership of the property which occurs on settlement. As a result, under AIFRS, the recognition of revenue and profit are deferred until the later of exchange and substantial completion.

(ii) Roberts Family Indemnity
The Roberts Family have granted an indemnity of up to $50 million to the Group in respect of losses expected to be incurred by the Group on the Wembley Stadium construction project. Under previous GAAP the amount of the indemnity is classified as revenue in the year ended 30 June 2005, in accordance with AASB 1004 "*Revenue*" and carried on the Balance Sheet as a non-current receivable.

Under AIFRS there is no specific guidance on the treatment of such transactions. By applying the definitions of financial liabilities and equity, the discounted value of the amount receivable has been treated as additional contributed equity in the Group, with no additional shares being issued.

(iii) Other
AIFRS requires rental income from operating leases to be recognised on a straight-line basis over the term of the lease. As many of the Group's operating leases with tenants incorporate fixed annual increases, an adjustment is made each year to reflect the rental income arising from the cumulative future fixed increases applicable to the current year. These amounts are included in rental income with a corresponding asset shown as a component of the carrying amount of investment properties.

(iv) Investment property valuation
In accordance with AASB 140 "*Investment Property*" the Group has the option to measure the value of investment property using either depreciated historical cost or fair value (after initial recognition at cost). The Group has elected to adopt the fair value model, requiring investment property to be measured at fair value, which is defined as "the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction", reflecting market conditions at the reporting date.

Under previous GAAP, changes in the fair value of investment property were recognised in the asset revaluation reserve. Under AIFRS any gains and losses that arise from the change in fair value are recognised in the Income Statement in the period in which they arise.

(v) Goodwill
Goodwill represents the difference between the cost of a business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Under previous GAAP, goodwill was amortised over an assumed useful life of 20 years.

Under AIFRS however goodwill will instead be stated at cost less any accumulated impairment losses. Any goodwill amortised under previous GAAP will be reversed and goodwill will be allocated to cash-generating units, where it will be tested for impairment on an annual basis in accordance with the requirements of AASB 136 "*Impairment of Assets*".

15 Explanation of transition to Australian equivalents to IFRS continued

(e) Notes to the reconciliations continued

(vi) Deferred taxation

Under AIFRS, the balance sheet method of tax effect accounting replaces the profit and loss method applied under previous GAAP. Under the balance sheet approach of AASB 112 "*Income Taxes*" income tax on the Income Statement for the year consists of current and deferred taxes. Income tax will be recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it will be recognised in equity.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for concise financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided will be based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date.

A deferred tax asset will be recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets will be reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(vii) Financial instruments

Under AIFRS, the Group has elected to adopt the exemption provided in AASB 1 "*First-time Adoption*" which permits entities to not apply the requirements of AASB 132 "Financial Instruments: Disclosure and Presentation" and AASB 139 "*Financial Instruments: Recognition and Measurement*" for the financial year ended 30 June 2005. As a result, there were no adjustments in relation to these standards for the opening Balance Sheet as at 1 July 2004, or for the financial year ended 30 June 2005, as previous GAAP accounting policies continue to apply.

Unrealised gains on unexpired interest rate contracts that are cash flow hedges are included in reserves as the contracts hedge interest rate exposure and qualify for hedge accounting.

(f) Classification of unitholder funds

The Trust Constitution has been amended by removing relevant termination clauses and associated changes so that unitholder funds can be classified as equity under AIFRS.

(g) Changes between interim and annual financial statements

Changes in estimates between the interim Financial Statements and the annual Financial Statements have resulted in the following changes to the previously disclosed AIFRS numbers:

(i) Tax effect on stapling eliminations

On adoption of AASB 112 "*Income Taxes*" the balance sheet method of calculation was adopted. This had the effect of a reduction in the deferred tax balance of $16.4 million ($11.2 million – June 2005; $5.2 million – June 2004) with the corresponding adjustment made to retained earnings.

(ii) Fair value adjustment to investment property

Upon review of the assumptions underlying the valuation of the Vale property, it was determined that an adjustment had been required to be made to the June 2005 investment property value resulting in a $10.0 million revision upwards of the fair value of the investment property with the corresponding adjustment to retained earnings.

(iii) Other minor adjustments

Further to a review of the Group's deferred tax position, there were certain minor adjustments made to deferred tax assets and liabilities balances with the corresponding adjustment to retained earnings. These adjustments did not contribute significantly to the Group's results for the financial year ended 30 June 2005.

16 Events occurring after the Balance Sheet date

On 22 June 2006, a wholly-owned subsidiary of Multiplex Limited, Multiplex Capital Limited, lodged a product disclosure statement for a new CBD office fund, the Multiplex Acumen Prime Property Fund (the Fund). The Fund is seeking to raise equity of $169 million (and may accept up to $28 million in oversubscriptions) with a portfolio of assets valued at $640 million. The Fund's portfolio will comprise the following investments; 100% of the new American Express building at Sydney's King Street Wharf, currently under development by Multiplex Developments and due for completion in December 2007; 50% of Ernst & Young Centre and 50 Goulburn Street, World Square, Sydney; 25% of Southern Cross Tower, Melbourne; 100% of Defence Plaza, Melbourne and a portfolio of listed property trust securities. The offer of units in the Fund opened on 10 July 2006 with trading expected to commence on the Australian Stock Exchange on or around 15 September 2006. Multiplex Property Trust will retain a cornerstone investment in the Fund. Upon completion of the offer the net proceeds received by Multiplex Group will allow for a reduction in existing borrowings.

On 17 August 2006, Multiplex Group announced the transfer of the construction contract for the White City project in the United Kingdom to Westfield Group. Westfield will assume construction responsibility for White City and will continue to collaborate with Multiplex Group on construction elements for the duration of the project. The agreement with Westfield provides for subcontractors currently engaged on the project to be assigned to Westfield and for the secondment of Multiplex UK Construction personnel directly engaged on the project to Westfield. Under the agreement Multiplex will retain responsibility to deliver certain rail works in relation to the White City project.

Apart from the events noted above, there have been no significant events or transactions that have arisen since the end of the financial year, which in the opinion of the directors, would affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.

Directors' Declaration

Multiplex Limited and its controlled entities

In the opinion of the directors of Multiplex Limited, the accompanying concise financial report, including the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report, designated as audited, of the Group, comprising Multiplex Limited and its controlled entities for the financial year ended 30 June 2006, set out on pages 67 to 125:

(a) has been derived from or is consistent with the full financial report for the financial year; and

(b) complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Andrew Roberts
Chief Executive and Managing Director
Multiplex Limited

F Allan McDonald
Non-Executive Chairman
Multiplex Limited

7 September 2006

Independent Audit Report

on concise financial report to the securityholders of Multiplex

KPMG

Scope

The concise financial report, remuneration disclosures and directors' responsibility

Multiplex comprises the consolidation of Multiplex Limited ("the Company") and its controlled entities, including Multiplex Property Trust and its controlled entities (the "Consolidated Entity").

The concise financial report comprises the income statements, statements of changes in equity, balance sheets, statements of cash flows, and accompanying notes 1 to 16 and the directors' declaration set out on page 92 to 126 for the Consolidated Entity, for the year ended 30 June 2006.

As permitted by the *Corporations Regulations 2001*, the Consolidated Entity has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), required by Australian Accounting Standard AASB 124 *Related Party Disclosures*, on pages 75 to 89 of the directors' report and not in the financial report.

The directors of Multiplex Limited and the directors of the Responsible Entity of Multiplex Property Trust, Multiplex Funds Management Limited (collectively referred to as "the directors") are responsible for the preparation of the concise financial report in accordance with Australian Accounting Standard AASB 1039 "Concise Financial Reports". This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the concise financial report. The directors are responsible for preparing the relevant reconciling information regarding the adjustments required under the Australian Accounting Standard AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Audit approach

We conducted an independent audit in order to express an opinion to the securityholders of Multiplex. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement and that the remuneration disclosures comply with AASB 124. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all material misstatements have been detected. We have also performed an independent audit of the full financial report of the Company and its controlled entities for the year ended 30 June 2006. Our audit report on the full financial report was signed on 16 August 2006, and was not subject to any qualification.

We performed procedures in respect of the audit of the concise financial report to assess whether, in all material respects, the concise financial report is presented fairly in accordance with Australian Accounting Standard AASB 1039 "Concise Financial Reports".

We formed our audit opinion on the basis of these procedures, which included:

- testing that the information in the concise financial report is consistent with the full financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures, which were not directly derived from the full financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Audit opinion
In our opinion, the concise financial report of Multiplex for the year ended 30 June 2006 complies with Australian Accounting Standard AASB 1039 "Concise Financial Reports".

KPMG

Andrew Dickinson
Partner

Sydney
7 September 2006

Multiplex Group stapled securities trade on the Australian Stock Exchange under the symbol "MXG". The securities were first listed on 2 December 2003 with the home exchange being Sydney.

Number of issued securities **837,402,185**

Securityholder distribution ranges (as at 18 August 2006)

Range	Number of Holders	Number of Securities	Percentage (%)
1–1000	4,740	12,835,957	0.33
1001–5000	10,544	28,490,575	3.40
5001–10000	2,697	20,200,985	2.41
10001–100000	1,452	32,601,147	3.89
100001 and over	113	753,273,521	89.95
Total	**19,546**	**837,402,185**	**100.00**

The number of security investors holding less than a marketable parcel of 141 securities ($3.57 on 18 August 2006) is 426 and they hold 30,956 securities.

Top 20 securityholdings (as at 18 August 2006)

Name	Number of Securities	Percentage of Issued (%)
Roberts Family Nominees Pty Ltd	214,625,570	25.63
Westpac Custodian Nominees Limited	91,877,788	10.97
National Nominees Limited	89,350,008	10.67
JP Morgan Nominees Australia Limited	75,593,091	9.03
Citicorp Nominees Pty Limited	40,526,704	4.84
ANZ Nominees Limited	25,043,585	2.99
Citicorp Nominees Pty Limited	22,413,721	2.68
Wyllie Group Pty Ltd	20,000,000	2.39
OCBC Nominees (Australia) Pty Ltd	19,002,000	2.27
HSBC Custody Nominees (Australia) Limited	18,415,010	2.20
Citicorp Nominees Pty Limited	15,180,260	1.81
Citicorp Nominees Pty Limited	12,215,137	1.46
Citicorp Nominees Pty Limited	11,343,237	1.35
Cogent Nominees Pty Limited	10,808,613	1.29
Wyllie Group Pty Ltd	10,000,000	1.19
Citicorp Nominees Pty Limited	9,103,375	1.09
Victorian WorkCover Authority	5,424,850	0.65
UBS Wealth Management Australia Nominees Pty Ltd	4,425,219	0.53
Bond Street Custodians Limited	4,368,097	0.52
Transport Accident Commission	3,611,995	0.43
Total	**703,328,260**	**83.99**

Substantial securityholding notices have been received by the Group from:

Name	Number of Securities	Percentage of Issued (%)
Roberts Family Nominees Pty Ltd	214,625,570	25.63
Commonwealth Bank of Australia	79,418,320	9.48

Securityholder domicile report (as at 18 August 2006)

Domicile	Number of Holders	Number of Securities	Percentage (%)
ACT	424	1,610,330	0.20
NSW	7,111	282,112,304	33.69
NT	64	246,329	0.03
QLD	2,380	11,672,177	1.39
SA	1,031	4,976,803	0.59
TAS	312	1,381,905	0.17
VIC	4,490	268,511,223	32.06
WA	3,431	264,461,224	31.58
Overseas	303	2,429,890	0.29
Total	**19,546**	**837,402,185**	**100.00**

On-market buyback
There is no current on-market buyback program.

Key dates

Date*	Event
1 November 2006	Annual General Meeting
18 December 2006	Half Year Distribution Estimate Announced
29 December 2006	Record Date for Half Year Distribution Entitlement
22 February 2007	Announcement of Half Year Results
28 February 2007	Payment of Half Year Distribution
20 June 2007	Full Year Distribution Estimate Announced
29 June 2007	Record Date for Full Year Distribution Entitlement
16 August 2007	Announcement of Full Year Results
31 August 2007	Payment of Full Year Distribution

* Please note that these dates are indicative only and may be subject to change.

Online access
You can access information about your Multiplex Group holding via the "Investors" section of the Multiplex Group website at www.multiplex.biz which provides a wide variety of holding information. You can also update your details online or download a range of additional forms (including Change of Name or Address forms) from this site.

Services available online include:

- Check your current and previous holding balances;
- Choose your preferred annual report option;
- Update your address details[1];
- Update your bank details[2];
- Confirm whether you have lodged your Tax File Number (TFN), Australian Business Number (ABN) or exemption;
- Enter your email address and update your communications preferences;
- Subscribe to email announcements;
- Check transaction history;
- Check the security price; and
- Download a variety of instruction forms.

1. Issuer sponsored holders only.
2. Selected holders only.

Security Registrars contact details
If you have any queries regarding your investment, please contact our security registrars:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Locked Bag A14
Sydney South NSW 1235

Telephone (within Australia): 1800 68 54 55
Telephone (outside Australia): +61 2 8280 7141
Facsimile: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Distribution history

Distribution	Multiplex Limited Dividend	Multiplex Property Trust Distribution	Tax Deferred %
June 2006	–	17.5 cents	12
December 2005	–	8 cents	17
June 2005	–	14 cents	40
December 2004	8.22 cents	7.59 cents	26
January 2004	2.00 cents	–	–
June 2004	6.79 cents	5.84 cents	32

Investor communications
Multiplex Group continually strives to improve its environmental performance and securityholders are encouraged to assist with this effort. In a bid to reduce paper wastage and costs, securityholders are automatically sent a concise annual report in lieu of a full annual report.

Through the electronic investor service, securityholders are given the opportunity to receive annual and half yearly reports electronically. While the savings on print and mail costs for the Group are considerable, the best outcome is the reduced impact on the environment. Multiplex is also pleased to inform you of the continuation of our environmental initiative in partnership with Clean Up Australia Ltd. The Group has again agreed to pay $4 to the not-for-profit organisation, Clean Up Australia, for each securityholder who elected to become an electronic investor. As a result of this campaign, we were able to donate approximately $20,000 to Clean Up Australia.

If you are a securityholder, it is not too late to elect to become an electronic investor. Simply visit the security registry in the "Investors" section of our website (www.multiplex.biz) to update your details online or contact our security registrars, Link Market Services Limited.

About Clean Up Australia
Clean Up Australia supports and facilitates practical action and environmentally efficient solutions aimed at addressing the critical issues of water pollution, water conservation, waste management, resource re-use, recycling and remanufacturing.

People from all sectors of the community, including school children, community groups, environmental groups, governments, businesses, sporting and recreational groups are all actively involved with Clean Up Australia's programs on an ongoing basis. In the past 16 years, Australians have devoted more than eight million hours towards the environment through Clean Up Australia Day and collected over 200,000 tonnes of rubbish.

After gaining the support of the United Nations Environment Programme, Clean Up the World was launched in 1993. The appeal of Clean Up the World (more than 35 million people from 120 countries annually take part) has demonstrated that this simple Australian idea has universal appeal and the health of the environment is of concern to people and communities worldwide.

Corporate Directory

Multiplex Group
Multiplex Limited (ACN 008 687 063)
Multiplex Property Trust (ARSN 106 643 387)

Company Secretary
Mark Wilson

Registered Office
Multiplex Limited
Level 4, 1 Kent Street
Millers Point NSW 2000

Telephone: + 61 2 9256 5000
Facsimile: + 61 2 9256 5001

Multiplex Group Security Registrar
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Locked Bag A14
Sydney South NSW 1235

Telephone (within Australia): 1800 68 54 55
Telephone (outside Australia): +61 2 8280 7141
Facsimile: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Responsible Entity for Multiplex Property Trust
Multiplex Funds Management Limited (ACN 105 371 917)
(AFSL No. 231141)
Level 4, 1 Kent Street
Millers Point NSW 2000

Telephone: + 61 2 9256 5000
Facsimile: + 61 2 9256 5001

Auditor
KPMG
10 Shelley Street
Sydney NSW 2000

Notice of Securityholder Meeting
The Annual General Meeting of members of Multiplex Limited and a meeting of unitholders of Multiplex Property Trust will be held at:

The Wesley Conference Centre
220 Pitt Street
Sydney NSW 2000

Date: Wednesday, 1 November 2006

Time: 2.00pm

Website
www.multiplex.biz

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