



MULTIPLY

Multiplex Financial Report

[2004]

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MULTIPLEX GROUP



MULTIPLEX

Multiplex Group

Financial Report

For the year ended 30 June 2004

STATEMENT OF FINANCIAL PERFORMANCE

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

	NOTE	2004 \$'000
Revenue from ordinary activities		
Revenue from sale of development properties	2	360,688
Revenue from other operating activities	2	2,888,552
Other revenue from ordinary activities	2	90,805
Total revenue from ordinary activities	2	3,340,045
Change in inventories		(519,495)
Sub-contractor and consumable costs		3,399,339
Employee expenses		161,691
Depreciation and amortisation expense	3	9,596
Borrowing cost expense		21,653
Costs related to the disposal of non-core assets	3	51,591
Other expenses		122,464
Share of net profits of associates and joint venture entities accounted for using the equity method		11,928
Profit from ordinary activities before income tax expense		105,134
Income tax expense relating to ordinary activities	5	56,284
Net profit from ordinary activities after related income tax expense	4	48,850
Net profit attributable to outside equity interests		–
Net profit attributable to stapled securityholders of Multiplex Group		48,850
Net (decrease) in asset revaluation reserve	28	(19,919)
Net exchange gain on translation of financial reports of foreign controlled entities	28	4,053
Total revenues, expenses and valuation adjustments attributable to stapled securityholders of Multiplex Group recognised directly in equity		(15,866)
Total changes in equity attributable to stapled securityholders of Multiplex Group other than those resulting from transactions with owners as owners		32,984
		CENTS
Earnings per stapled security	43	9.6

The above Statement of Financial Performance includes results of Multiplex Limited for the 12 months to 30 June 2004 and results of Multiplex Property Trust for the seven months to 30 June 2004.

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

MULTIPLEX GROUP

AS AT 30 JUNE 2004

	NOTE	2004 \$'000
Current assets		
Cash assets	6	415,932
Receivables	7	977,342
Inventories	8	443,510
Investments accounted for using the equity method	9	23,096
Other	10	29,839
Total current assets		1,889,719
Non-current assets		
Receivables	11	190,681
Inventories	12	455,724
Investments accounted for using the equity method	13	61,495
Other financial assets	14	105,748
Property, plant and equipment	15	40,534
Investment properties	16	1,242,070
Deferred tax assets		45,889
Intangible assets	17	3,761
Other	18	55,357
Total non-current assets		2,201,259
Total assets		4,090,978
Current liabilities		
Payables	19	708,418
Interest bearing liabilities	20	425,717
Non-interest bearing liabilities	21	324,793
Current tax liabilities		51,515
Provisions	22	126,579
Contract work in progress	23	158,451
Total current liabilities		1,795,473
Non-current liabilities		
Interest bearing liabilities	24	630,139
Non-interest bearing liabilities	25	33,879
Deferred tax liabilities		70,283
Provisions	26	9,015
Total non-current liabilities		743,316
Total liabilities		2,538,789
Net assets		1,552,189
Equity		
Contributed equity	27	1,351,629
Reserves	28	23,343
Retained profits	29	160,559
Total entity interest		1,535,531
Outside equity interests in controlled entities	30	16,658
Total equity		1,552,189

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

	NOTE	2004 \$'000
Cash flows from operating activities		
Receipts in the course of operations		3,721,510
Payments in the course of operations		(3,686,155)
Payments for purchase of land for property development		(78,121)
Dividends and distributions received		1,616
Interest received		14,619
Borrowing costs		(21,652)
Income taxes paid		(5,627)
Net cash (outflow) from operating activities	41	(53,810)
Cash flows from investing activities		
Payments for purchase of controlled entities, net of cash acquired		(19,811)
Payments for property, plant and equipment		(7,474)
Payments for investments		(96,038)
Payments for investment properties		(1,002,197)
Loans to associates		(138,582)
Proceeds from sale of controlled entities		8,000
Proceeds from sale of property, plant and equipment		18,325
Proceeds from sale of investments		22,780
Net cash (outflow) from investing activities		(1,214,997)
Cash flows from financing activities		
Proceeds from issues of equity		855,682
Issue costs paid	27	(55,499)
Proceeds from borrowings		1,085,716
Establishment costs		(11,685)
Repayment of borrowings		(388,212)
Repayment of borrowings to related entities		(45,837)
Payment for redemption of shares		(38)
Dividends paid	31	(10,000)
Net cash inflow from financing activities		1,430,127
Net increase in cash held		161,320
Cash at the beginning of the financial year		201,630
Effects of exchange rate changes on cash		216
Cash at the end of the financial year	6	363,166

The above Statement of Cash Flows includes cash flows of Multiplex Limited for the 12 months to 30 June 2004 and cash flows of Multiplex Property Trust for the seven months to 30 June 2004.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

MULTIPLEX GROUP

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MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report of the Multiplex Group ("the Group" or "the Consolidated Entity") comprises the consolidated financial report of Multiplex Limited and its controlled entities ("the Company") (for the year ended 30 June 2004) and the consolidated financial report of the Multiplex Property Trust and its controlled entities ("the Trust") (for the period from registration on 19 September 2003 to 30 June 2004).

The shares of Multiplex Limited have been stapled to units in the Multiplex Property Trust to facilitate the listing of the Multiplex Group on the Australian Stock Exchange. The Constitution of the Trust and the Constitution of the Company ensure that, for so long as the two entities remain jointly quoted, the number of units in the Trust and the number of shares in the Company shall be equal, and that Unitholders and Shareholders be identical. Further details of the stapling arrangements are set out in Note 44.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the recognition and measurement requirements of applicable Australian Accounting Standards Board ("AASB") standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the AASB and the Corporations Act 2001.

This financial report should be read in conjunction with the Multiplex Group Product Disclosure Statement and Prospectus issued and lodged with the Australian Securities & Investments Commission ("ASIC") on 21 April 2004, the Multiplex Group Product Disclosure Statement and Prospectus issued and lodged with ASIC on 23 October 2003 and any public announcements by the Multiplex Group during the year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

The financial report has been prepared using the historical cost convention. Except where stated, it does not take into account changing money values or current valuations of non-current assets. Except where noted, the accounting policies have been consistently applied by each entity in the Group and are consistent with those disclosed in the Multiplex Group Product Disclosure Statement and Prospectus dated 23 October 2003.

(b) Principles of consolidation

Urgent Issues Group Consensus View 13 *The Presentation of the Financial Report of Entities Whose Securities are Stapled* requires entities whose securities are stapled, such as the Multiplex Group, to prepare a combined financial report in accordance with certain requirements of AASB 1024 Consolidated Accounts. This combined financial report has been prepared in accordance with those requirements.

Controlled entities

The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases. The balances and effects of transactions between controlled entities included in the consolidated financial statements have been eliminated. Outside

interests in the equity and results of the entities that are controlled by the Group are shown as a separate item in the consolidated financial statements.

Associates

An associate is an entity over which the Group exercises significant influence and where the investment in that entity has not been acquired with a view to disposal in the near future.

In the consolidated financial statements, investments in associates are accounted for using the equity method. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The Group's share of the associates' net profit or loss after tax is recognised in the consolidated statement of financial performance after adjustments for:

- revisions in depreciation of depreciable assets and amortisation of goodwill arising from notional adjustments made as at the date of acquisition;
- dissimilar accounting policies; and
- the elimination of unrealised profits and losses on transactions between the associate and any entities in the Group or another associate of the Group.

Other movements in reserves are recognised directly in consolidated reserves. Further adjustments are made in accordance with agreements in respect of the sale of economic interests in development projects in accordance with Note 1(f).

Joint ventures

A joint venture is either an entity or operation that is jointly controlled by the Consolidated Entity. Details of the Group's joint ventures are set out in Note 40.

Joint venture entities

In the consolidated financial statements, investments in joint venture 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 recoverable amount.

The Consolidated Entity's share of the joint venture entity's net profit or loss is recognised in the consolidated statement of financial performance from the date joint control commenced until the date joint control ceases. Other movements in reserves are recognised directly in consolidated reserves.

(c) Comparative information

No comparatives have been prepared for the Group as the Company has applied ASIC Class Order 98/1416 "Comparative Information in Financial Reports" whereby it is exempt from disclosing comparative financial information in respect of the immediate preceding year as the Company was neither a disclosing entity nor was it subject to any provision of law requiring it to lodge a financial report in respect of that year and the Trust was only registered in the current period.

(d) Rounding of amounts

The Group is of a kind referred to in Class Order 98/0100, issued by the ASIC, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been

rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(e) 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 Statement of Financial Position.

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

(f) Revenue and expense recognition

Revenues are recognised at fair value of the consideration received. Exchanges 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

Construction contract revenues and expenses are recognised on an individual contract basis using the percentage of completion method when the stage of contract completion can be reliably estimated, costs to date can be clearly identified, and total contract revenue, including any early completion bonus and costs to complete, can be reliably estimated.

Where the outcome of a contract cannot be reliably estimated, 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. Profits, including early completion bonuses, are first recognised on building construction contracts when the forecast outcome can be reliably estimated.

For fixed price contracts, the stage of completion is measured by reference to actual costs incurred to date as a percentage of estimated total costs for each contract. Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the reporting period plus the margin entitled to be charged on the recoverable costs or the percentage of fees earned. The percentage of fees earned is measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

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 under the terms of a contract.

Development projects

Property development revenues and expenses are recognised, conditional upon revenues and expenses being able to be measured reliably, on a project basis by applying the percentage of completion method to the proportion of exchanged sales. Revenues and expenses are only recognised when the stage of project completion can be reliably determined, costs to date can be clearly identified and total project revenues and costs to complete can be reliably estimated.

Stage of completion is measured by reference to project costs to date, including land, as a percentage of estimated total costs for the project and the proportion of exchanged sales is measured as the value of exchanged sales to date as a percentage of total estimated sales for the project.

Where the outcome of a project cannot be reliably estimated, project costs in relation to exchanged sales are expensed as incurred. Where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred. Any expected loss on a project is recognised immediately as an expense.

For reliable measurement of revenues and expenses to occur, the following conditions must be satisfied before any project development profit is recognised:

- A signed construction contract is in place and Development Approval received;
- Financing for the development is in place;
- The percentage complete of the project must have reached a minimum threshold level of at least 35% complete measured by total project cost including land; and
- An exchanged sale or an offer and acceptance must be received before revenue can be recognised.

Sale of interests in developments

Proceeds received in respect of the sale of an economic interest in a development project by way of a development sale agreement ("agreement") with a co-investor is recognised as revenue once all the relevant conditions of the agreement have been satisfied. Under the arrangements, the beneficial interest in the net sales proceeds of the relevant development above a pre-agreed threshold accrues to the benefit of the co-investor. As the Group has lost control of a portion of the investment (including long term loans or commitments of the nature of equity) in the development, this portion has been derecognised and expensed at the time of income recognition. The Group continues to account for any residual interest in the development project in accordance with the revenue and profit recognition policies below.

Equity accounted development projects

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

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 provided in accordance with the agreements in proportion to development profits earned in the underlying development.

Investment properties

Rental income and rental guarantee income are recognised on an accruals basis when due and receivable.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Interest revenue

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

Dividends/distributions

Dividend revenue is recognised net of any franking credits. Revenue from dividends from associates and other investments is recognised when dividends are received. Dividends received out of pre-acquisition reserves are eliminated against the carrying amount of the investment and not recognised in revenue.

(g) Income tax

The Multiplex Group adopts the income statement liability method of tax effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a deferred tax liability.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain.

Capital gains tax, if applicable, is provided for in establishing income tax expense when an asset is sold.

Trust taxation

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

The Trust fully distributes its taxable income, calculated in accordance with the Trust Constitution and applicable legislation, to unitholders who are presently entitled to income under the Constitution. Realised capital losses and tax losses are not

distributed to unitholders but are carried forward in the Trust to be offset against any future realised capital gains and taxable income of the Trust subject to Australian and New Zealand income tax legislation.

Tax allowances for building and plant and equipment depreciation are distributed to unitholders in the form of a tax deferred component of distributions.

The New Zealand operations of the Trust are subject to New Zealand tax on their taxable earnings.

Tax consolidation legislation

Multiplex Limited and its wholly-owned entities intend to implement the tax consolidation legislation as of 1 July 2003 in respect of all its wholly-owned Australian entities. The Australian Taxation Office has not yet been notified of this decision.

As a consequence, Multiplex Limited, as the head entity in the tax consolidated group, recognises current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under accounting tax sharing agreements with the tax consolidated entities are recognised separately as tax-related amounts receivable or payable. Expenses and benefits arising under the tax sharing agreement are recognised as a component of income tax expense (benefit).

The deferred tax balances recognised by the head entity in relation to wholly-owned entities joining the tax consolidated group are measured based on their carrying amounts at the level of the tax consolidated group before the implementation of the tax consolidation regime.

(h) Foreign currency translation

Transactions

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the date of the transactions or at hedge rates where applicable. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the Statement of Financial Performance in the periods in which they arise.

Translation of controlled foreign operations

The assets and liabilities of foreign operations, including controlled entities, associates and joint ventures, that are self-sustaining are translated at the rates of exchange ruling at reporting date. Equity items are translated at historical rates. The Statements of Financial Performance are translated at a weighted average rate for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve until the disposal, or partial disposal, of the operations.

(i) 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 depreciated/amortised as outlined below.

The cost of non-current assets constructed by the Group includes the cost of all materials used in construction, direct labour on the project, borrowing costs incurred during construction and an appropriate proportion of directly attributable variable and fixed overheads.

Goodwill is brought to account on the basis described in Note 1(s).

(j) Receivables

The collectibility of debts is assessed on an ongoing basis and specific provision is made for any doubtful accounts. Trade debtors are due for settlement within 30 days and are carried at amounts due.

(k) Inventories

Development projects

Development projects are carried at the lower of cost plus revenue recognised in accordance with UIG 53 *Pre-Completion Contracts for the Sale of Residential Development Properties*, which does not exceed net realisable value. 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 on the marketing 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(f). When a development project is completed, borrowing costs and other holding charges are expensed as incurred.

Contract work in progress

Contract work in progress on building construction contracts is valued at cost plus an amount of profit calculated in accordance with the percentage of completion method, and includes retentions payable and receivable. Progress payments received to date are deducted from work in progress.

A contract is not considered complete until the defects liability period has expired and monies withheld have been received. Any loss on a building construction contract is recognised in the period the loss becomes foreseeable.

Cost includes variable and fixed costs directly related to specific 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 (see Note 1(y)) are also included.

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. When

development is completed borrowing costs and other holding charges are expensed as incurred.

(l) New business and tender costs

New business and tender costs are deferred to the extent that it is probable that they 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 not written off due to the tender being successful is transferred to work in progress. New business and tender costs are reviewed annually to determine the amount, if any, which is no longer recoverable. Any such amount is written off.

(m) Recoverable amount of non-current assets

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at reporting date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value.

(n) Revaluations of non-current assets held at fair value

Revaluation increments on a class of assets basis are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

Potential for capital gains tax is only taken into account if the asset is held for sale.

(o) Investments

Investments in controlled entities, associates, joint venture entities and joint venture operations are accounted for as set out in Note 1(b). Other investments are carried at the lower of cost and recoverable amount.

(p) Depreciation of property, plant and equipment

Property, plant and equipment have limited useful lives and are depreciated/amortised using the straight line method over their estimated useful lives, taking into account estimated residual values, with the exception of freehold land which is not depreciated.

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

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

Depreciation and amortisation rates and methods are reviewed annually for appropriateness and if required are changed. When changes are made, adjustments are reflected prospectively in current and future periods only.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

The depreciation/amortisation rates used for each class of asset are as follows:

PROPERTY, PLANT AND EQUIPMENT	RATE	METHOD
Buildings	2.5 – 4%	Straight line
Plant and equipment	6 – 33%	Straight line
Leasehold improvements	20 – 33%	Straight line

(q) Leased assets

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(r) Investment properties

Investment properties comprise investment interests in land and buildings held for the purpose of letting to produce rental income. Land and buildings comprising the investment properties are considered composite assets and are disclosed as such in the accompanying notes to the financial statements.

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.

The costs of assets constructed/redeveloped internally include the costs of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset.

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 measured at fair value and revalued with sufficient regularity to ensure the carrying amount of each property does not differ materially from its fair value at the reporting date.

The Group's investments are independently valued whenever it believes that the fair value of a property differs significantly from its carrying value or at least every three years. These valuations are considered by the Directors when determining fair value. When assessing fair value, the Directors will also consider the discounted cash flow of the property, the highest and best use of the property and sales of similar properties.

Fair value is based on the price at which a property might reasonably be expected to be sold at the date of valuation, assuming:

- (i) a willing, but not anxious, buyer and seller on an arm's length basis;
- (ii) a reasonable period in which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;
- (iii) that the property will be reasonably exposed to that market;
- (iv) that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and

- (v) it only takes into account instructions given by the Group and is based on all the information that the valuer needs for the purposes of the valuation being made available by or on behalf of the Group.

Revaluation increments are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset against revaluation increments and any excess is recognised as an expense.

Investment properties are maintained at a high standard and, as permitted by accounting standards, the properties are not depreciated.

(s) Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition, including incidental costs, over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill and amortised on a straight line basis over the period during which the benefits are expected to arise. The cost of acquisition is discounted as described in Note 1(i) where settlement of any part of cash consideration is deferred.

(t) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(u) Interest bearing liabilities

Loans are carried at their principal amounts, subject to set-off arrangements. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(v) Dividends/distributions

Provision is made for the amount of any dividend or distribution declared, determined or publicly recommended by the Directors on or before the end of the financial year but not distributed at balance date.

(w) Derivative financial instruments

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 and profits 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 underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised as interest income or interest expense as appropriate on an accruals basis over the life of the hedges.

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 Statement of Financial Performance 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, payables and bank loans 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.

(x) Employee benefits

Wages, salaries and annual leave

Liabilities for wages and 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 up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave 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 liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the non-current provision for employee benefits and 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 expected 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.

Superannuation

The Group contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made.

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.

(y) 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 Notes 1(k) and 1(r) respectively. Where borrowings are specific to particular inventory assets and investment properties under development, the rate at which borrowing costs are capitalised is determined by reference to the actual borrowing costs incurred. The weighted average rate at which these costs have been capitalised during the year was 7.14%.

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.

(z) Cash

For purposes of the Statement of Cash Flows, cash includes 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

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2 REVENUE

Revenue from operating activities

Sale of goods to external parties	360,688
Services	2,888,552
	<hr/>
	3,249,240
Rents and sub-lease rentals	6,218
Interest	14,582
Dividends and distributions	1,616
Sale of non-current assets	51,778
Foreign exchange gains	8,812
Other	7,799
	<hr/>
	90,805
Revenue from ordinary activities	<hr/>
	3,340,045
Revenue from services includes construction contract revenue of	<hr/>
	2,866,080

3 PROFIT FROM ORDINARY ACTIVITIES

Net gains and expenses

Profit from ordinary activities before related income tax expense includes the following specific net gains and expenses:

Net gain on disposal of investments	19,357
Interest income – related parties	3,628
– other parties	10,954
	<hr/>
	14,582
Depreciation of property plant and equipment	4,125
Amortisation	
Leasehold improvements	576
Intangible assets	495
Other	4,400
Total depreciation and amortisation expense	<hr/>
	9,596
Net loss on disposal of property, plant and equipment (excluding non-core asset disposals)	2,344
Operating lease payments	10,952
Cost of development properties sold	268,423

3 PROFIT FROM ORDINARY ACTIVITIES (CONTINUED)

Discontinuing operations

Proceeds on sale of non-core assets	22,999
less carrying value of non-core assets	(39,784)
Net (loss) on sale of non-core assets (a)	(16,785)
Operating loss from discontinuing operations of non-core assets	(11,807)
Loss on discontinuing operations before related tax expense	(28,592)
Tax expense in respect of discontinuing operations	(10,993)
Loss on discontinuing operations after related tax expense	(39,585)

Costs relating to the disposal of non-core assets

Carrying value of non-core assets	39,784
Operating loss from discontinuing operations of non-core assets	11,807
Costs related to the disposal of non-core assets	51,591

(a) Net loss on sale of non-core assets is made up of a loss of \$685,000 in relation to property, plant and equipment and a loss of \$16,100,000 in relation to investments.

4 RECONCILIATION OF NET PROFIT

Net profit of Multiplex Property Trust	31,359
Net profit of Multiplex Limited	88,414
	119,773
Less: Stapling eliminations (net of tax)	(31,338)
Group net profit after tax	88,435
Less: Discontinuing operations and disposal of non-core assets	(39,585)
Group net profit after tax (including discontinuing operations)	48,850

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

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5 INCOME TAX

The income tax expense for the financial year differs from the amount calculated on the profit.

The differences are reconciled as follows:

Profit from ordinary activities before income tax expense	105,134
Income tax calculated at 30%	31,540
Increase in income tax expense on continuing operations due to:	
Tax capital gain on sale of buildings into Multiplex Property Trust	7,053
Underprovision in previous year	1,297
Other	6,231
	14,581
Increase in income tax expense on discontinuing operations due to: (a)	
Write-off of deferred tax balances	9,276
Loss on sale of non-core assets	5,212
Loss on discontinuing operations	5,083
	19,571
Decrease in income tax expense due to:	
Non-taxable Trust profit	(9,408)
Income tax expense attributable to profit from ordinary activities	56,284

(a) Total represents difference between prima facie tax benefit on loss from discontinuing operations of \$8,578,000 (30% of \$28,592,000 pre-tax loss) and actual tax expense on discontinuing operations of \$10,993,000.

Tax losses

Future income tax benefits shown on the Statement of Financial Position includes an amount attributable to tax losses of \$6,110,000. The Directors estimate that the potential future income tax benefit at 30 June 2004 in respect of tax losses not brought to account is \$4,917,000.

This benefit for tax losses will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and
- (ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation, and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

Tax consolidation legislation

Multiplex Limited and its wholly-owned Australian controlled entities have decided to implement the tax consolidation legislation as of 1 July 2003. The Australian Taxation Office has not yet been notified of this decision. The accounting policy on implementation of the legislation is set out in Note 1(g).

The wholly-owned entities have fully compensated Multiplex Limited, as the head entity, for deferred tax liabilities assumed by Multiplex Limited on the date of the implementation of the legislation and have been fully compensated for any deferred tax assets transferred to Multiplex Limited.

The entities have entered and agreed to enter into tax sharing and funding agreements respectively. In the opinion of the Directors, the tax sharing agreement is a valid agreement under the tax consolidation legislation and limits the joint and several liability of the wholly-owned entities in the case of a default by Multiplex Limited. Under the terms of the tax funding agreement to be entered into by the wholly-owned entities, they will reimburse Multiplex Limited for any current income tax payable by Multiplex Limited arising in respect of their activities. The reimbursements are payable at the same time as the associated income tax liability falls due and have therefore been recognised as a current tax-related receivable by Multiplex Limited.

6 CASH ASSETS

Cash at bank and on hand		267,551
Deposits at call		148,381
	24	415,932

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Balances as above		415,932
Less: Bank overdrafts	20	(52,766)
Balance per Statement of Cash Flows		363,166

Cash at bank balances bear floating interest rates of between nil and 5.25% p.a. Deposits at call bear floating interest rates between 0.75% and 5.20% p.a.

7 RECEIVABLES (CURRENT)

Trade debtors		379,206
Less: Provision for doubtful debts		(3,728)
		375,478
Final equity instalment receivable (a)		551,137
Amounts due from associates (b)		15,863
Other debtors (c)		34,864
		977,342

(a) Final instalment of \$0.97 per security is receivable on 15 December 2004. At 30 June 2004 there were 568,182,014 securities on issue.

(b) No interest is charged and there are no fixed repayment terms on amounts due from associates.

(c) These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

8 INVENTORIES (CURRENT)

Development projects – completed		113,063
Development projects – under construction		260,340
Contract work in progress – amounts due from customers	23	70,107
		443,510
Aggregate carrying amount of development projects		
Current – as above		373,402
Non-current	12	455,724
		829,126

9 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CURRENT)

Shares in associates	40	2,917
Interests in joint venture entities	40	20,179
		23,096

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

	NOTE	2004 \$'000
10 OTHER ASSETS (CURRENT)		
Prepayments		7,331
New business and tender costs		21,908
Other		600
		29,839

11 RECEIVABLES (NON-CURRENT)		
Amounts due from associates (a)		159,539
Employee ownership loan schemes	33	6,392
Other debtors (b)		24,750
		190,681

(a) No interest is charged and there are no fixed repayment terms on amounts due from associates.

(b) These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

12 INVENTORIES (NON-CURRENT)		
Development projects under construction – at cost		453,658
Development projects completed – at cost		2,066
		455,724

13 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (NON-CURRENT)		
Shares in associates	40	26,417
Interests in joint venture entities	40	35,078
		61,495

14 OTHER FINANCIAL ASSETS		
Investments traded on organised markets		
Shares in listed entities – at cost		10,386
Other (non-traded) investments		
Shares in other corporations – at cost		23,666
Less: Provision for write down to recoverable amount		(6,795)
Shares in non-traded corporations – at recoverable amount		16,871
Deep discount bonds (a)		78,491
		95,362
	24	105,748

(a) On 6 May 2004 the Group acquired deep discount bonds with a face value of £29,944,217. The bonds have an effective yield of 15% p.a. and are redeemable in ten years.

15 PROPERTY, PLANT AND EQUIPMENT

Buildings

At cost	26,168
Less: Accumulated depreciation	(1,662)
	24,506

Leasehold improvements

At cost	7,325
Less: Accumulated amortisation	(2,047)
	5,278

Plant and equipment

At cost	33,723
Less: Accumulated depreciation	(22,973)
	10,750

24 40,534

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment are set out below.

	FREEHOLD LAND \$'000	BUILDINGS \$'000	LEASEHOLD IMPROVEMENTS \$'000	PLANT & EQUIPMENT \$'000	TOTAL \$'000
Carrying amount at 1 July 2003	33,005	19,389	28,898	14,599	95,891
Reclassification of opening balances	–	16,600	(23,891)	7,291	–
Additions	–	487	847	6,140	7,474
Disposals	(778)	(11,464)	–	(9,112)	(21,354)
Disposal of entity	–	–	–	(5,046)	(5,046)
Depreciation/amortisation expense	–	(506)	(576)	(3,619)	(4,701)
Foreign currency exchange fluctuation	–	–	–	497	497
Transfer to investment properties	(32,227)	–	–	–	(32,227)
Carrying amount at 30 June 2004	–	24,506	5,278	10,750	40,534

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

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16 INVESTMENT PROPERTIES

Investment properties 1,242,070

Valuation of investment properties

The basis of valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

Details of the individual properties are set out below. Investment properties are 100% owned except where indicated.

DESCRIPTION	NOTES	TITLE	COST INCLUDING ADDITIONS \$'000	VALUATION DATE	VALUATION \$'000
Land					
Vale, Western Australia			32,227		
Office					
Southern Cross, Melbourne, Vic	(b)	Freehold	169,018	July 2006	440,000
Ernst & Young Centre and 688 George Street, Sydney, NSW	(b)	Freehold	282,475	January 2005	422,000
Commonwealth Bank Building, Brisbane, Qld	(c)	Freehold	127,027	December 2003	121,600
KPMG Tower, Sydney, NSW (50%)	(a)	Freehold	92,257	December 2003	110,000
ASB Bank Centre, Auckland, New Zealand		Freehold	102,242	December 2003	102,644
ANZ Centre, Brisbane, Qld (50%)	(a),(c)	Freehold	41,597	December 2003	40,000
HIC Headquarters Building, Canberra, ACT (53.45%)	(a),(c)	Leasehold	43,084	December 2003	42,000
Retail					
King Street Wharf, Sydney, NSW		Leasehold	55,798	December 2003	55,900
Pittwater Place Shopping Centre, Sydney, NSW	(b)	Freehold	49,481	August 2004	57,700
Great Western Super Centre, Brisbane, Qld	(c)	Freehold	62,187	December 2003	57,500
Carillon City Shopping Centre, Perth, WA (50%)	(a),(c)	Freehold	51,537	December 2003	48,425
Bracken Ridge Plaza, Brisbane, Qld	(b)	Freehold	18,245	November 2004	19,140
Industrial					
Cnr Devon & Durham Streets, Rosehill, Sydney, NSW	(c)	Freehold	55,130	March 2004	52,000
Cnr O'Rorke & Station Roads, Penrose, Auckland, NZ		Freehold	3,750	February 2004	4,020
44-74 O'Rorke Road, Penrose, Auckland, NZ		Freehold	11,612	February 2004	13,582
Cnr Cobalt & Silica Streets, Carole Park, Brisbane, Qld	(c)	Freehold	11,183	February 2004	10,700
46 Randle Road, Meeandah, Brisbane, Qld	(c)	Freehold	4,475	February 2004	3,500
Lots 55 and 56 Rutland Avenue, Welshpool, Perth, WA	(c)	Freehold	5,245	February 2004	5,200
Car Park					
Luna Park Car Park, Sydney, NSW		Leasehold	23,500	July 2004	23,500
			1,242,070		
Cost to complete properties under construction	(b)		333,078		
	(d)		1,575,148		1,629,411

(a) Valuation has been performed based on 100% ownership of the property. Values have been adjusted in proportion to ownership interest.

(b) Valuation amount and date of investment properties under construction are based on expected value on completion of construction of property.

(c) The book values for these properties currently exceed their market values. These differences are expected to be recovered through future revaluation increments.

(d) Total valuation amount excludes the market value of the land at Vale, Western Australia which has not been independently valued.

(e) Included in the cost of investment properties is capitalised borrowing costs amounting to \$16,019,824.

Reconciliation

Reconciliation of the carrying amount of investment properties is set out below:

Investment properties

Carrying amount at the beginning of the year	178,483
Transfer from freehold land	32,227
Acquisition of controlled entity	43,084
Additions	1,077,792
Capitalised borrowing costs	16,020
Stapling eliminations	(105,536)
	<u>1,242,070</u>

Assets pledged as security

Refer to Note 24 for information on assets pledged as security by the Group.

Leasing arrangements

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

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

Within one year	72,307
Later than one year but not later than 5 years	361,739
Later than 5 years	635,356
	<u>1,069,402</u>

Annual rent receivable by the Consolidated Entity under current leases from tenants is from commercial, industrial, retail and car park assets held. The average lease term is 10 years and rent reviews are generally performed on an annual basis and are based on market rent.

17 INTANGIBLE ASSETS

Goodwill	3,369
Less: Accumulated amortisation	(87)
	<u>3,282</u>
Other intangible assets	491
Less: Accumulated amortisation	(12)
	<u>479</u>
	<u>3,761</u>

18 OTHER ASSETS (NON-CURRENT)

Establishment costs	19,038
Less: Accumulated amortisation	(4,242)
	<u>14,796</u>
New business and tender costs	37,422
Other	3,139
	<u>55,357</u>

19 PAYABLES

Trade creditors	579,635
Other creditors and accruals	128,783
	<u>708,418</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

NOTE
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20 INTEREST BEARING LIABILITIES (CURRENT)

Secured

Bank overdrafts		52,766
Bank loans		262,322
Other loans		87,233
		402,321

Unsecured

Loans from associates		8,281
Other loans		15,115
		23,396
		425,717

Details of the security relating to each of the secured liabilities and further information on the bank overdrafts and bank loans are set out in Note 24.

Other loans

Other loans have no fixed repayment terms.

21 NON-INTEREST BEARING LIABILITIES (CURRENT)

Unsecured

Amounts owing to related parties	33	201,323
Other loans		123,470
		324,793

Other loans

Other loans have no fixed repayment terms.

22 PROVISIONS (CURRENT)

Employee benefits	37	16,205
Dividends and distributions		71,773
Lease incentives		16,071
Investment guarantees		12,113
Other		10,417
		126,579

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below.

	DIVIDENDS AND DISTRIBUTIONS \$'000	LEASE INCENTIVES \$'000	INVESTMENT GUARANTEES \$'000	OTHER \$'000
Carrying amount at start of year	–	–	16,626	3,598
Additional provisions recognised	81,773	16,071	9,051	12,201
Payments/other sacrifices of economic benefits	(10,000)	–	(13,564)	(5,382)
Carrying amount at end of year	71,773	16,071	12,113	10,417

23 CONTRACT WORK IN PROGRESS

Contract costs incurred to date	(8,147,100)
Profit recognised to date (less recognised losses)	(291,215)
	(8,438,315)
Less: Progress billings	8,526,659
Net contract work in progress	88,344
<i>Net contract work in progress comprises:</i>	
Amounts due from customers – inventories	(70,107)
Amounts due to customers – contract work in progress	158,451
	88,344
Progress billings and advances received and receivable	8,543,363
Advances on construction projects in progress included in trade creditors	16,704
Retentions on construction projects in progress included in progress billings	163,381

24 INTEREST BEARING LIABILITIES (NON-CURRENT)

Secured

Bank loans	558,564
Other loans	71,575
	630,139
Total secured liabilities (current and non-current) are:	
Bank overdrafts and bank loans	873,652
Other loans	158,808
	1,032,460

Other loans

Other loans have no fixed dates of repayment.

Bank loans and overdrafts

The bank loans and overdrafts of the Group are secured by first mortgages over the assets as detailed below.

These loans are also secured by a negative pledge that imposes certain covenants on the Group. The negative pledge states that (subject to certain exceptions) the Group will not provide any other security over its assets, and will ensure that the following financial ratios are met:

(a) debt will not, at any time, exceed 45% of total tangible assets; and

(b) borrowing costs will not exceed 40% of earnings before borrowing costs and taxation for each half-year period.

Assets pledged as security

The carrying amounts of assets pledged as security are:

Fixed charge

Investment properties	1,184,212
Inventories	889,782
Other financial assets	88,010
Property, plant and equipment	26,881
	2,188,885

Floating charge

Cash assets	242,075
Receivables	338,496
	580,571
Total assets pledged as security	2,769,456

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

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24 INTEREST BEARING LIABILITIES (NON-CURRENT) (CONTINUED)

Financing arrangements

The Group has access to the following lines of credit:

Total facilities available	
Bank overdrafts	65,531
Bank loans	1,245,578
Bank guarantees and insurance bonds	501,876
	<hr/>
	1,812,985
Facilities utilised at balance date	
Bank overdrafts	52,766
Bank loans	820,886
Bank guarantees and insurance bonds	452,090
	<hr/>
	1,325,742
Facilities not utilised at balance date	
Bank overdrafts	12,765
Bank loans	424,692
Bank guarantees and insurance bonds	49,786
	<hr/>
	487,243

Bank overdrafts

The Group has bank overdrafts denominated in Australian dollars and in other currencies. The bank overdrafts are repayable on demand and are subject to annual review.

Bank loans

The Group has loans denominated in Australian dollars and in other currencies. Refer above for details of assets pledged as security over bank loans.

During the year the Group entered into a Multi Option Facility with a limit of \$700,000,000. The facility's limit is structured as a \$565,000,000 cash tranche and a \$135,000,000 bank guarantee facility. The facility is secured by registered first mortgages over certain investment properties of the Group and is due for review on or before December 2006.

Bank guarantees and insurance bonds

Refer Note 35 for details of bank guarantees and insurance bonds.

25 NON-INTEREST BEARING LIABILITIES (NON-CURRENT)

Unsecured

Amounts owing to associates	23,483
Other loans	10,396
	<hr/>
	33,879

Amounts owing to associates and other loans have no fixed repayment terms.

26 PROVISIONS (NON-CURRENT)

Employee benefits	37	471
Project expenses		7,439
Other		1,105
		9,015

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below.

	PROJECT EXPENSES \$'000	OTHER \$'000
Carrying amount at start of year	5,493	1,910
Additional provisions recognised	6,506	203
Payments/other sacrifices of economic benefits	(4,560)	(1,008)
Carrying amount at end of year	7,439	1,105

27 CONTRIBUTED EQUITY

DATE	DETAILS	MULTIPLEX LIMITED			MULTIPLEX PROPERTY TRUST			GROUP
		SHARES	ISSUE PRICE	\$'000	UNITS	ISSUE PRICE	\$'000	TOTAL \$'000
1/7/03	Opening balance	14		309	–		–	309
	Pre-flotation restructuring	499,999,986		–	–		–	–
1/12/03	Subscription at IPO				500,000,000	2.20	1,100,000	1,100,000
12/5/04	Entitlement offer	55,489,798	2.39	132,621	55,489,798	2.11	117,083	249,704
1/6/04	Public offer	12,692,216	2.39	30,334	12,692,216	2.11	26,781	57,115
	Costs of issues			(3,580)			(51,919)	(55,499)
30/6/04	Closing balance	568,182,014		159,684	568,182,014		1,191,945	1,351,629

Prior to the flotation, the "A" class ordinary shares were split into 500,000,000 ordinary shares of which 292,500,000 were offered for sale to the public under the Group's Initial Public Offering ("IPO"). Under the IPO, the public were invited to acquire shares from the vendors and to subscribe for units in the Multiplex Property Trust.

Stapled securities

Stapled securities entitle the holder to participate in dividends/distributions and the proceeds on winding up of the aggregated entity in proportion to the number of securities held. On a show of hands every holder of stapled securities present at a meeting of stapled security holders in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Employee ownership plan

Information relating to the employee ownership plan, including details of shares issued under the scheme, are set out in Note 33.

Final instalment

A final instalment of 97c per unit in the Multiplex Property Trust is payable on 15 December 2004.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

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28 RESERVES

Asset revaluation reserve	20,077
Foreign currency translation reserve	3,266
	<u>23,343</u>

Movements:

Asset revaluation reserve	
Balance at 1 July 2003	39,996
Decrement on stapling	(19,919)
Balance at 30 June 2004	<u>20,077</u>

Foreign currency translation reserve

Balance at 1 July 2003	(787)
Net exchange differences on translation of foreign controlled entities	4,053
Balance at 30 June 2004	<u>3,266</u>

29 RETAINED PROFITS

Retained profits at the start of the financial year	193,482
Net profit attributable to stapled securityholders	48,850
Dividends and distributions recognised during the year	31 (81,773)
Retained profits at the end of the financial year	<u>160,559</u>

30 OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES

Interest in:

Share capital	15,321
Reserves	1,337
	<u>16,658</u>

31 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 \$'000	DATE OF PAYMENT	TAX RATE FOR FRANKING CREDIT %	PERCENTAGE FRANKED %
Ordinary shares					
Interim dividend	2.00	10,000	25 March 2004	30	100
Final dividend	6.79	38,579	27 August 2004	30	100
Total dividend	8.79	48,579			
Units					
				TAX DEFERRED %	
Interim distribution	–	–			
Final distribution	5.84	33,194	27 August 2004	31.7	
Total distribution	5.84	33,194			
Total distributions	14.63	81,773			
Total per Stapled Security					
Interim distribution	2.00	10,000			
Final distribution	12.63	71,773			
Total distribution	14.63	81,773			

31 DIVIDENDS AND DISTRIBUTIONS (CONTINUED)

Franking credits available for subsequent financial years based on a tax rate of 30%

389

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

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

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of controlled entities were paid as dividends.

Franking credits of \$1,655 were transferred from wholly-owned entities to the parent entity at the time these entities entered the tax consolidated group on 1 July 2003.

32 SEGMENT INFORMATION

As the Group is organised on a global basis into divisions by product and service type, its primary segmentation is by business segment. Secondary segmentation is by geographical area, with the Group operations split between Australasia and Europe & Middle East.

PRIMARY SEGMENT	DESCRIPTION OF ACTIVITIES
Construction	Construction of projects across the commercial, retail, industrial, residential, hospitality, sporting, health care and entertainment sectors.
Property Development	Development projects across the commercial, retail, industrial, residential, hospitality, and entertainment sectors.
Facilities and Infrastructure Management	Facilities maintenance management, property management services, minor works management and advisory services.
Property Funds Management	Management of property investment vehicles.
Property Trust	Direct investment in property assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

Business segments

\$'000	CONSTRUCTION	PROPERTY DEVELOPMENT	FACILITIES AND INFRASTRUCTURE MANAGEMENT	PROPERTY FUNDS MANAGEMENT	PROPERTY TRUST	OTHER/ INTER-SEGMENT ELIMINATIONS/ UNALLOCATED	TOTAL
Sales to external customers	2,866,080	360,688	26,054	12,812	32,109	(48,503)	3,249,240
Intersegment sales	20,565	350,445	575	–	1,526	(373,111)	–
Total sales revenue	2,886,645	711,133	26,629	12,812	33,635	(421,614)	3,249,240
Other revenue	11,914	1,526	30	11,960	22,975	42,400	90,805
Total segment revenue ¹	2,898,559	712,659	26,659	24,772	56,610	(379,214) ²	3,340,045
Shares of net profits of associates and joint venture partnerships	(357)	12,154	39	92	–	–	11,928
Segment result ¹	73,179	72,265	2,589	5,353	31,359	(79,611) ³	105,134
Income tax expense							56,284
Net profit							48,850
Segment assets	492,762	996,034	6,165	249,916	1,844,754	39,526	3,629,157
Unallocated assets							461,821
Total assets							4,090,978
Segment liabilities	781,655	117,750	5,754	2,744	87,875	6,685	1,002,463
Unallocated liabilities							1,536,326
Total liabilities							2,538,789
Investments in associates and joint venture entities	5	73,263	150	11,173	–	–	84,591
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	2,284	187,159	221	2,662	1,272,952	3,327	1,468,605
Depreciation and amortisation expense	2,545	53	109	189	69	6,631	9,596
Non-cash expenses	12,297	19,559	94	1,028	(984)	38,680	70,674

Geographical segments

	AUSTRALASIA \$'000	EUROPE & MIDDLE EAST \$'000	OTHER/ INTER-SEGMENT ELIMINATIONS/ UNALLOCATED \$'000	TOTAL \$'000
Segment revenues from sales to external customers	2,294,124	1,003,619	(48,503)	3,249,240
Segment assets	3,310,424	318,733	461,821	4,090,978
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	1,467,395	1,210	–	1,468,605

¹ Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arm's-length" basis and are eliminated on consolidation.

² This amount includes stapling eliminations of \$366,939,000 related to the sale of assets from the Company to the Multiplex Property Trust during the year ended 30 June 2004.

³ This amount includes corporate costs, consolidation eliminations, stapling eliminations of \$36,571,000 and loss on sale of non-core assets and operating loss from discontinuing operations of \$28,592,000.

33 DIRECTOR AND EXECUTIVE DISCLOSURES

The following persons were Directors of Multiplex Limited and Multiplex Funds Management Limited for the reporting period from the Multiplex Group's listing on 2 December 2003 when it became a disclosing entity:

NAME	CAPACITY	TITLE
Mr John C Roberts AO	Executive Chairman	
Mr F Allan McDonald	Non-executive Deputy Chairman	
Mr Andrew T Roberts	Executive Director	Chief Executive and Managing Director
Mr John A Corcoran	Executive Director	Chief Financial Officer
Mr Ross A McDiven	Executive Director	Deputy Managing Director and Chairman Property Development Division
Mr Timothy A Roberts	Executive Director	Managing Director – Property Development Division
Mr Ian R O'Toole (a)	Executive Director	Managing Director – Multiplex Capital Division
Mr Noel R Henderson (b)	Executive Director	Chief Operating Officer and Chairman Construction Division
Ms Barbara K Ward	Non-executive Director	
Mr John H Poynton	Non-executive Director	
Mr Peter Dransfield	Non-executive Director	
Ms Denby Macgregor (Alternate Director for John C Roberts AO and Timothy A Roberts)	Executive Director	Director – Property Development Division

(a) Mr O'Toole is only a Director of Multiplex Funds Management Limited and not of Multiplex Limited.

(b) Mr Henderson is only a Director of Multiplex Limited and not of Multiplex Funds Management Limited.

Each of the Non-executive Directors is independent.

Executives (other than Directors) with the greatest authority for strategic direction and management

The following persons were the five Executives with the greatest authority for the strategic direction and management of the Consolidated Entity ("Specified Executives") during the financial year:

NAME	POSITION	EMPLOYER
Mr Paul Gandy	Divisional Director	Multiplex Constructions (UK) Limited
Mr Simon Gray	Joint Managing Director – Construction	Multiplex Limited
Mr Dennis O'Regan	Managing Director – NSW Developments	Multiplex Limited
Mr Matthew Stagg	Joint Managing Director – Construction	Multiplex Constructions (UK) Limited
Mr Dan Ashby	Director – Construction UK	Multiplex Constructions (UK) Limited

Remuneration of Directors and executives

Principles used to determine the nature and amount of remuneration

The Group has adopted four key guiding principles which underpin the 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;
- remuneration should be market based and competitive;
- remuneration should enable the Group to attract and retain talented executives; and
- the remuneration structures should be transparent and readily understood.

Remuneration arrangements and performance targets for executives are agreed with each individual and documented on an annual basis. In setting the base package for senior executives, reference is had to independent remuneration consulting advice, including benchmarking against comparative data. A variable incentive component is structured to incorporate quantitative and qualitative elements. A quantitative element, which has a heavier weighting, is typically based on the achievement of earnings targets, while the qualitative component is typically based around individual targets.

Incentive targets are set at the beginning of each financial year for each executive and are payable to a maximum of 250% of the original incentive target. Bonuses that exceed 170% of the original incentive target are banked for payment in the subsequent year to a maximum of 250% of the original incentive target.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

33 DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

Generally speaking, as an executive becomes more senior his or her total employment remuneration becomes more weighted to the variable component, placing a greater proportion of total earnings at risk.

None of the Specified Directors or Executives has a contractual entitlement to a notice period of more than 12 months.

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 and to provide a long term incentive component to an employee's remuneration. Under the EOP, interest-free loans may be granted to employees to acquire stapled securities. It is possible for executives and employees to have some or all of their loans forgiven progressively over a pre-defined period. In the case of Executives, such forgiveness is subject to satisfaction of performance targets. At 30 June 2004, no such loans had been waived.

Participants under the EOP are the registered legal owner of the securities purchased with the proceeds of the loans 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 the securities. As the registered legal owner participants will receive distributions.

Remuneration of non-executive Directors is determined by the board at a level that is reflective of the significant responsibilities assumed by them in the conduct of their duties. The non-executive Directors are not entitled to receive bonuses, while none of the Directors is entitled to receive retirement benefits.

Details of remuneration

Details of the remuneration of each Director of Multiplex Group and each of the five Specified Executives of the Consolidated Entity, including their personally-related entities, are set out in the following tables.

Directors of Multiplex Group

NAME	PRIMARY			POST-EMPLOYMENT		TOTAL \$
	BASE SALARY AND FEES \$	SHORT TERM INCENTIVE \$	NON-MONETARY BENEFITS \$	SUPER- ANNUATION \$	RETIREMENT BENEFITS \$	
Mr John Roberts AO	75,016	–	27,787	10,140	–	112,943
Mr Allan McDonald	96,942	–	–	7,720	–	104,662
Mr Andrew Roberts	583,915	400,000	52,798	13,287	–	1,050,000
Mr Ross McDiven	619,452	396,417	144,132	15,482	–	1,175,483
Mr Noel Henderson	512,376	242,000	61,746	87,624	–	903,746
Mr John Corcoran	478,742	450,000	47,315	2,000	–	978,057
Mr Tim Roberts	413,449	396,417	1,124	13,353	–	824,343
Mr Ian O'Toole	292,694	430,000	87,673	10,485	–	820,852
Ms Denby Macgregor	110,091	40,287	10,039	9,908	–	170,325
Mr John Poynton	63,985	–	–	6,675	–	70,660
Ms Barbara Ward	63,985	–	–	6,675	–	70,660
Mr Peter Dransfield	63,985	–	–	6,675	–	70,660
Total	3,374,632	2,355,121	432,614	190,024	–	6,352,391

Specified Executives of the Multiplex Group

NAME	PRIMARY			POST-EMPLOYMENT		TOTAL \$
	BASE SALARY AND FEES \$	SHORT TERM INCENTIVE \$	NON-MONETARY BENEFITS ¹ \$	SUPER- ANNUATION \$	RETIREMENT BENEFITS \$	
Mr Matthew Stagg	476,974	–	769,208	11,002	–	1,257,184
Mr Simon Gray	454,000	198,000	29,466	20,842	–	702,308
Mr Dennis O'Regan	387,238	227,500	31,257	46,002	–	691,997
Mr Dan Ashby	295,386	17,673	212,315	–	–	525,374
Mr Paul Gandy	439,024	–	20,191	–	–	459,215
Total	2,052,622	443,173	1,062,437	77,846	–	3,636,078

¹ Non-monetary benefits include the cost of providing interest free loans and expatriate benefits including relocation, accommodation and schooling costs.

33 DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

Equity-based compensation

At present the Group does not operate any equity-based compensation schemes. It does, however, operate an employee loan scheme through which loans have been made to various employees to acquire securities in the Group. Further information regarding this loan scheme are contained below.

Equity instrument disclosures relating to Directors and Executives Securityholdings

The numbers of Multiplex stapled securities held during the period from the Group becoming a "disclosing entity" in accordance with the Corporations Act 2001 to the end of the financial year by each Director of Multiplex Group and each of the five Specified Executives of the Consolidated Entity, including their personally-related entities, are set out below.

NAME	BALANCE AT THE START OF THE PERIOD \$'000	ACQUIRED THROUGH MULTIPLY EMPLOYEE OWNERSHIP PLAN \$'000	OTHER CHANGES DURING THE PERIOD \$'000	BALANCE AT THE END OF THE PERIOD \$'000
<i>Directors</i>				
John C Roberts AO ¹	207,550,002	–	7,075,568	214,625,570
Allan McDonald	29,692	–	–	29,692
Andrew Roberts ¹	207,550,002	–	7,075,568	214,625,570
Ross McDiven	419,753	567,902	–	987,655
John Corcoran	493,827	123,457	–	617,284
Tim Roberts ¹	207,550,002	–	7,075,568	214,625,570
Noel Henderson	49,382	148,149	–	197,531
Ian O'Toole	–	98,766	14,500	113,266
Peter Dransfield	24,692	–	15,308	40,000
John Poynton	425,078	–	–	425,078
Barbara Ward	15,000	–	5,000	20,000
Denby Macgregor ¹	207,550,002	–	7,075,568	214,625,570
<i>Specified Executives</i>				
Matthew Stagg	–	–	123,457	123,457
Simon Gray	24,691	98,766	–	123,457
Dennis O' Regan	130,000	98,766	–	228,766
Dan Ashby	–	–	12,346	12,346
Paul Gandy	–	–	49,383	49,383

¹ Interest is held by Roberts Family Nominees Pty Limited, in which the Director holds a relevant interest.

Loans to Directors and Executives

Details of loans made to Directors of the Multiplex Group and the five Specified Executives, including their personally-related entities, are set out below.

GROUP	BALANCE AT THE START OF THE PERIOD \$'000 ²	INTEREST PAID AND PAYABLE FOR THE PERIOD \$'000	BALANCE AT THE END OF THE PERIOD \$'000	INTEREST NOT CHARGED \$'000	NUMBER IN GROUP AT END OF THE PERIOD
Directors	3,789	–	3,789	204	4
Specified Executives	1,309	–	1,309	57	5

² The aggregate amounts of loans made to Directors and Specified Executives noted above include interest free loans made to those individuals in addition to the loans made under the Multiplex Loan Scheme.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

33 DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

Individuals with loans above \$100,000 during the financial year

NAME	BALANCE AT THE START OF THE PERIOD \$'000	INTEREST PAID AND PAYABLE FOR THE PERIOD \$'000	BALANCE AT THE END OF THE PERIOD \$'000	INTEREST NOT CHARGED \$'000	HIGHEST INDEBTEDNESS DURING THE PERIOD \$'000
Specified Directors					
Mr Ross McDiven	1,749	–	1,749	70	1,749
Mr John Corcoran	380	–	380	15	380
Mr Noel Henderson	856	–	856	46	856
Mr Ian O'Toole	804	–	804	72	804
Specified Executives					
Mr Matthew Stagg	380	–	380	15	380
Mr Simon Gray	404	–	404	19	404
Mr Dennis O'Regan	304	–	304	12	304
Mr Paul Gandy	152	–	152	6	152

Multiplex Loan Scheme

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, Eligible employees are not liable for any amount by which the value of the securities falls short of the loan balance upon demand for repayment and are not required to make loan repayments except on termination of employment before 1 January 2007.

At the time of making the loans, it was contemplated that they may be forgiven over a period of up to three years. Depending on the seniority of the recipient, the waiver of the loan may be tied to individual and Group performance. A waiver by the Board of a loan amount may be deferred, accrued or made subject to such conditions as the Board determines. Similarly, the Board may vary, reduce or waive in whole or in part any performance measure at any time.

The participants are the registered legal owner of the securities purchased with the proceeds of the loans and as such have the same rights as other owners of Multiplex Group securities with the exception that the participant cannot sell the securities within the first 12 months. As the registered legal owner participants will receive distributions and will be subject to increases or decreases in the market value of the securities.

Upon termination of employment from the Multiplex Group before 1 January 2007 participants may either repay the loan balance and keep the securities or transfer the Securities to the Plan Manager in full repayment of the loan at which point the Plan Manager will arrange for the securities to be sold, the loan balance repaid and the remainder (if any) distributed to the participant after the deduction of any sale costs.

As at 30 June 2004, the carrying value of the loans made under the loan schemes totalled \$6,391,945. No loans were waived during the period up to that date.

Other transactions with Director related entities

The Multiplex Group Product Disclosure Statement and Prospectus dated 23 October 2003 contemplated that certain non-core assets of the Company would be sold to entities associated with the Roberts family and also that such entities would extend a loan to the Trust.

Aggregate amounts of transactions with Directors of Multiplex Group:

	2004 \$'000
Amounts recognised as revenue	
Property lease (a)	104
Sale of non-core assets (b)	22,999
	23,103
Amounts recognised as loss	
Sale of non-core assets (b)	16,785
	16,785
Aggregate amounts payable to Directors of Multiplex Group at balance date relating to the above types of other transactions:	
Current liabilities	
Loan from the Roberts Family (c)	201,323
	201,323

33 DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

- (a) The Company has also entered into lease and license arrangements with associated entities of the Roberts family in relation to the Egerton property located in the Swan Valley in Western Australia. These arrangements have been made at market rate, are for a term of 10 years and attract combined fees of \$104,000 per annum.
- (b) As part of the IPO process the Company also disposed of certain non-core assets that were not required for its continuing operations. The sale of these non-core assets was made at market value for an aggregate price of \$22,999,000, and included the sale of a partly constructed property in Sydney to Andrew Roberts and his spouse. This sale followed the exercise of a call option to purchase the property in accordance with a Deed of Put and Call dated 22 October 2003. The Company made a loss of \$16,785,000 on these transactions.
- (c) The Roberts Family loan was put in place on 4 December 2003 for a total amount of \$201,323,000 and represents the amount payable by the Roberts family on the uncalled amount of \$0.97 per partly paid stapled security held by them at the date of the IPO. The loan bears no interest and is subordinated to the existing senior facility. The loan is to be repaid to the Roberts family on 15 December 2004. The Directors deemed to be interested in this transaction are John C Roberts AO, Andrew Roberts, Timothy Roberts and Denby Macgregor.

All of the Multiplex Group Directors have declared their interests in accordance with section 195(1) of the Corporations Act 2001.

During the period the Directors of the Company and of the Responsible Entity approved the establishment of debt facilities with subsidiaries of the Commonwealth Bank of Australia. The interests of Barbara Ward by virtue of her position as a Director of the Commonwealth Bank of Australia were duly declared to the Board. Such transactions have not been included above as the Commonwealth Bank of Australia does not qualify as a personally related entity. Similarly, other transactions were undertaken by the Company and Responsible Entity during the period with Directors or Director related entities on an arm's length basis.

Other transactions with Specified Executives related entities

Other than those items disclosed elsewhere there have been no transactions with entities associated with the Specified Executives during the period.

34 REMUNERATION OF AUDITORS

During the year the following amounts were paid to the auditor of the parent entity, its related practices and non-related audit firms:

	2004 \$'000
Audit services	
<i>KPMG Australia</i>	
Audit and review of financial reports	753
Other regulatory audit fees	68
<i>Overseas KPMG firms</i>	
Audit and review of financial reports	187
	1,008
Other services	
<i>KPMG Australia</i>	
Due diligence services	1,432
Taxation services	1,004
Other assurance services	409
<i>Overseas KPMG firms</i>	
Taxation services	761
Other assurance services	33
	3,639

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

35 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. In addition, insurance performance bonds were also issued to some clients in support of Multiplex's performance under its building contracts. 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 2004 were:

	\$'000
Bank guarantees outstanding	126,245
Insurance bonds outstanding	325,845
	452,090

- (b) In the ordinary course of business, the stapled Group provides rental guarantees and income support arrangements to tenants and owners of various residential and commercial buildings, which the Group is developing or has completed development on. These arrangements require the stapled 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 forecasted 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) Multiplex is 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.
- (d) In the ordinary course of business, Multiplex and its 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 Multiplex's insurance arrangements and / or contractual indemnities with consultants and subcontractors. Whilst the outcomes of these proceedings are uncertain, contingent liabilities exist, which based on legal advice, should not be material either individually or in the aggregate.
- (e) As a result of an income tax audit by the Australian Taxation Office, the Group has received tax assessments for Multiplex Limited and one of its subsidiaries for the years ended 30 June 1998 and 30 June 1999. The assessments issued are in relation to a contract entered into at one of the Group's Sydney projects. The assessments are for additional company income tax of \$17.2 million, interest of \$13.0 million and penalties of \$0.2 million.

The Group had previously received legal advice that its taxation treatment of this project is consistent with Australian taxation law, including a Taxation Determination and an Income Tax Ruling that both remain in force today. This advice has subsequently been supported by an opinion from Senior Counsel. As a result, the Group remains confident of its position in this matter and will object to the assessments. The Group has not created any provision in its accounts for the sums claimed, based on the advice it has received.

- (f) Controlled entities of Multiplex 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 project liabilities.

36 COMMITMENTS FOR EXPENDITURE

Capital commitments

Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:

Within one year	111
Later than one year but not later than 5 years	82
	<u>193</u>

Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

Within one year	10,377
Later than one year but not later than 5 years	33,216
Later than 5 years	24,997
	<u>68,590</u>

Representing:

Cancellable operating leases	4,599
Non-cancellable operating leases	63,991
Future finance charges on finance leases	–
	<u>68,590</u>

Operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	7,800
Later than one year but not later than 5 years	31,194
Later than 5 years	24,997
Commitments not recognised in the financial statements	<u>63,991</u>

37 EMPLOYEE BENEFITS

Employee benefit and related on-costs liabilities

Included in payables	3,530
Provision for employee benefits – current	16,205
Provision for employee benefits – non-current	471
	<u>20,206</u>

NUMBER

Employee numbers at 30 June 2004	1,818
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Multiplex Group Employees' Superannuation Fund

The Group contributes to defined contributions superannuation funds in Australia and other regions in which it operates. There are no defined benefit plans. All employees are entitled to benefits on retirement, temporary disability, permanent disability or death.

There is no legally enforceable obligation for the Group to cover any shortfall in the funds assets to make payments to employees.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

38 RELATED PARTIES

Directors and Specified Executives

Disclosures relating to Directors and Specified Executives are set out in Note 33.

Transactions between Multiplex Limited and the Multiplex Property Trust

- (i) Sale of seven properties from the Company to the Trust for a total sale price of \$777,982,000. Profit of \$2,307,000 was recognised in the Company. The effects of this transaction are eliminated on consolidation of the stapled group.
- (ii) Construction of six investment properties owned by the Trust. The Company recognised revenue of \$258,380,000 and profit of \$14,967,000 during the year in relation to the construction of these properties. The effects of this transaction are eliminated on consolidation of the stapled group.
- (iii) Interest on loans totalling \$148,138,000 paid by the Company to the Trust. Interest income and expense of \$6,332,000 were eliminated on consolidation of the stapled group.
- (iv) Management fees of \$575,000 paid from the Trust to the Company. The income and expense were eliminated on consolidation of the stapled group.
- (v) Rental guarantee provision in Multiplex Limited for Multiplex Property Trust of \$38,146,000. This is eliminated on consolidation of the stapled group.

39 INVESTMENTS IN CONTROLLED ENTITIES

(a) At 30 June 2004, the Group had the following controlled entities:

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
A.C.N. 007 154 449 Pty Limited		Australia	100
A.C.N. 008 204 788 Pty Limited		Australia	100
A.C.N. 009 352 729 Pty Limited		Australia	100
A.C.N. 009 415 007 Pty Limited		Australia	100
A.C.N. 009 647 447 Pty Limited		Australia	100
A.C.N. 010 898 816 Pty Limited		Australia	100
A.C.N. 067 081 716 Pty Limited		Australia	100
A.C.N. 078 679 599 Pty Limited		Australia	100
A.C.N. 093 116 315 Pty Limited		Australia	100
A.C.N. 097 170 208 Pty Limited		Australia	100
A.C.N. 101 148 850 Pty Limited		Australia	100
Acumen Capital Securities Limited		Australia	72
Acumen Capital Services Pty Limited		Australia	100
BASX Finance Pty Limited		Australia	100
BASX Pty Limited		Australia	100
Blackwall Yard Developments Limited	29 Apr 2004	United Kingdom	100
Bluegate Nominees Pty Limited		Australia	100
Brisbane Cruise Wharf (Retail) Pty Limited		Australia	100
Brisbane Cruise Wharf Pty Limited		Australia	100
Bundaberg Project 2000 Pty Limited		Australia	100
Ceeteal Pty Limited		Australia	100
Ceezeal Pty Limited		Australia	100
Celestial Pty Limited		Australia	100
Colersad Pty Limited		Australia	100
CSPM Pty Limited		Australia	100
Darling Island Project Pty Limited		Australia	100
Driveside Pty Limited	27 Aug 2003	Australia	100
Griell Pty Limited	16 Dec 2003	Australia	100
Kendall Inlet Development Pty Limited		Australia	100

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
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39 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

KMF Investments Pty Limited		Australia	100
Kyneton Investments Pty Limited	22 Jun 2004	Australia	100
Lambada Holdings Pty Limited		Australia	100
Latitude Holdings Investment Pty Limited	2 Oct 2003	Australia	100
Latitude Landowner Pty Limited	2 Oct 2003	Australia	100
Latitude Projects Pty Limited		Australia	100
Latitude Retail Pty Limited		Australia	100
Latitude Site C Investments Pty Limited		Australia	100
Latitude Site C Landowning Pty Limited		Australia	100
Ligon 277 Pty Limited		Australia	100
Lunick Pty Limited		Australia	100
Lustorm Pty Limited		Australia	100
Lynbass Pty Limited		Australia	100
MAM City Arcade Pty Limited	9 Oct 2003	Australia	100
Maskiris Pty Limited		Australia	100
Masklyon Pty Limited		Australia	100
Mayet Pty Limited		Australia	100
Metro Edgley Pty Limited		Australia	100
MIT DT Pty Limited		Australia	100
Mona Vale Pty Limited		Australia	75
MPT Note Purchaser Pty Limited	1 Dec 2003	Australia	100
MPT Subscriber Pty Limited	1 Dec 2003	Australia	100
Multiplex (Bigge Street Liverpool) Investments Pty Limited		Australia	100
Multiplex (Bigge Street Liverpool) Pty Limited		Australia	100
Multiplex (City Square Lot 1) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 1) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 2) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 2) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 3) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 3) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 4) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 4) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 5) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 5) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 6) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 6) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 7) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 7) Pty Limited	21 May 2004	Australia	100
Multiplex (Clarence St) Pty Limited		Australia	100
Multiplex (Jones Bay Construction) Pty Limited		Australia	100
Multiplex (Jones Bay Holdings) Pty Limited		Australia	100
Multiplex (Jones Bay) Pty Limited		Australia	100
Multiplex (Latitude Holdings) Pty Limited		Australia	100
Multiplex (Latitude) Pty Limited		Australia	100
Multiplex (Liverpool St.) Pty Limited		Australia	100
Multiplex (Marine Parade) Holdings Pty Limited	11 Sep 2003	Australia	100
Multiplex (Marine Parade) Pty Limited	11 Sep 2003	Australia	100
Multiplex (Mountain Street) Pty Limited		Australia	100
Multiplex (Nedlands Park Hotel) Holdings Pty Limited	11 Sep 2003	Australia	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
39 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)			
Multiplex (Nedlands Park Hotel) Pty Limited	11 Sep 2003	Australia	100
Multiplex (Oxford Square) Pty Limited		Australia	100
Multiplex (RE) Pty Limited		Australia	100
Multiplex (Renewing Homebush Bay Holdings) Pty Limited		Australia	100
Multiplex (Renewing Homebush Bay) Pty Limited		Australia	100
Multiplex (Rhodes Peninsula) Pty Limited		Australia	100
Multiplex (RP) Holdings Pty Limited		Australia	100
Multiplex (Sealanes) Holdings Pty Limited	11 Sep 2003	Australia	100
Multiplex (Sealanes) Pty Limited	11 Sep 2003	Australia	100
Multiplex (Westralia) Holdings Pty Limited	11 Sep 2003	Australia	100
Multiplex (Westralia) Pty Limited	11 Sep 2003	Australia	100
Multiplex 240 Queen Street Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex 240 Queen Street Landowner Pty Limited	15 Oct 2003	Australia	100
Multiplex 324 Queen Street Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex 324 Queen Street Landowner Pty Limited	15 Oct 2003	Australia	100
Multiplex 44 O'Rorke Landowner Pty Limited	5 Mar 2004	Australia	100
Multiplex Albert Street Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex Albert Street Landowner Pty Limited	15 Oct 2003	Australia	100
Multiplex Arncliffe Pty Limited		Australia	100
Multiplex Aust. Investment Pty Limited	2 Mar 2004	Australia	100
Multiplex Bay Street Investments Pty Limited	23 Sep 2003	Australia	100
Multiplex Bay Street Pty Limited	23 Sep 2003	Australia	100
Multiplex Beeston Street Pty Limited		Australia	100
Multiplex Bendigo Holdings Pty Limited	28 May 2004	Australia	100
Multiplex Bendigo Pty Limited	28 May 2004	Australia	100
Multiplex Bishop's See Holdings Pty Limited	14 Nov 2003	Australia	100
Multiplex Bishop's See Pty Limited	14 Nov 2003	Australia	100
Multiplex Bluewater Holdings Pty Limited	20 May 2004	Australia	100
Multiplex Bluewater Pty Limited	21 May 2004	Australia	100
Multiplex Bracken Ridge Investment Pty Limited	18 Jun 2004	Australia	100
Multiplex Bracken Ridge Landowner Pty Limited	18 Jun 2004	Australia	100
Multiplex Britomart Limited	16 Apr 2004	New Zealand	100
Multiplex Capital Limited		Australia	100
Multiplex Carillon Avenue Pty Limited		Australia	100
Multiplex Carole Park Landowner Pty Limited	2 Mar 2004	Australia	100
Multiplex Casuarina Pty Limited	24 Oct 2003	Australia	100
Multiplex CEC Investment Pty Limited	20 May 2004	Australia	100
Multiplex City Arcade Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex City Arcade Landowner Pty Limited	15 Oct 2003	Australia	100
Multiplex Claremont Holdings Pty Limited	14 Nov 2003	Australia	100
Multiplex Claremont Pty Limited	14 Nov 2003	Australia	100
Multiplex Consolidated Pty Limited		Australia	100
Multiplex Constructions (Contracting) Pty Limited	1 Aug 2003	Australia	100
Multiplex Constructions (NZ) Limited		New Zealand	100
Multiplex Constructions (UK) Limited		United Kingdom	100
Multiplex Constructions NSW Pty Limited	24 May 2004	Australia	100
Multiplex Constructions NT Pty Limited	24 May 2004	Australia	100
Multiplex Constructions Pty Limited	12 Nov 2003	Australia	100
Multiplex Constructions QLD Pty Limited	24 May 2004	Australia	100

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
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39 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

Multiplex Constructions SA Pty Limited	24 May 2004	Australia	100
Multiplex Constructions VIC Pty Limited	24 May 2004	Australia	100
Multiplex Constructions WA Pty Limited	24 May 2004	Australia	100
Multiplex Corner O'Rorke Landowner Pty Limited	5 Mar 2004	Australia	100
Multiplex Corporate Agency Pty Limited		Australia	100
Multiplex Cronulla Pty Limited		Australia	100
Multiplex Darling Island Pty Limited		Australia	100
Multiplex Development (UK) Limited		United Kingdom	100
Multiplex Developments (NZ) Limited		New Zealand	100
Multiplex Developments (One) Limited		New Zealand	100
Multiplex Developments (UK) Limited	31 Jul 2003	United Kingdom	100
Multiplex Developments No. 1 Pty Limited		Australia	100
Multiplex Developments No. 2 Pty Limited		Australia	100
Multiplex Developments No. 3 Pty Limited		Australia	100
Multiplex Developments No. 6 Pty Limited		Australia	100
Multiplex Developments No. 6A Pty Limited		Australia	100
Multiplex Developments No. 7 Pty Limited		Australia	100
Multiplex Developments No. 8 Pty Limited		Australia	100
Multiplex Developments NSW Pty Limited	24 May 2004	Australia	100
Multiplex Developments NZ Pty Limited	13 Apr 2004	Australia	100
Multiplex Developments Pty Limited	22 Oct 2003	Australia	100
Multiplex Developments QLD Pty Limited	22 Feb 2004	Australia	100
Multiplex Developments SA Pty Limited	24 May 2004	Australia	100
Multiplex Developments VIC Pty Limited	24 May 2004	Australia	100
Multiplex Developments WA Pty Limited	3 Mar 2004	Australia	100
Multiplex DT 100 Investments Pty Limited	27 Aug 2003	Australia	100
Multiplex DT 100 Pty Limited	27 Aug 2003	Australia	100
Multiplex Elder Street Pty Limited		Australia	100
Multiplex Energy Pty Limited		Australia	100
Multiplex Engineering (Mauritius) Limited	1 Jun 2004	Mauritius	100
Multiplex Engineering No.2 Pty Limited	24 May 2004	Australia	100
Multiplex Engineering Pty Limited		Australia	100
Multiplex ERS Pty Limited		Australia	100
Multiplex Ettalong Holdings Pty Limited	23 Jul 2003	Australia	100
Multiplex Ettalong Pty Limited	23 Jul 2003	Australia	100
Multiplex European Investments Pty Limited	30 Mar 2004	Australia	100
Multiplex Facilities Management (NZ) Limited	21 Oct 2003	New Zealand	100
Multiplex Facilities Management (UK) Limited		United Kingdom	100
Multiplex Facilities Management Pty Limited		Australia	100
Multiplex Facility Management Limited	31 Jul 2003	United Kingdom	100
Multiplex Finance Pty Limited		Australia	100
Multiplex Financial Services Pty Limited		Australia	100
Multiplex Freshwater Pty Limited		Australia	100
Multiplex Funds Management (NZ) Limited	21 Oct 2003	New Zealand	100
Multiplex Funds Management Limited	2 Jul 2003	Australia	100
Multiplex Funds Management Limited	31 Jul 2003	United Kingdom	100
Multiplex Gibraltar Holdings Pty Limited	24 Apr 2004	Australia	100
Multiplex GMF Investments Pty Limited		Australia	100
Multiplex Gough Street Holdings Pty Limited	3 Jun 2004	Australia	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLY GROUP

FOR YEAR ENDED 30 JUNE 2004

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
39 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)			
Multiplex Gough Street Pty Limited	3 Jun 2004	Australia	100
Multiplex Group Finance Pty Limited	26 Sep 2003	Australia	100
Multiplex Group Management Pty Limited	23 Oct 2003	Australia	100
Multiplex High Street Pty Limited		Australia	100
Multiplex Holdings (Singapore) Pte Limited		Singapore	100
Multiplex Holdings Limited		United Kingdom	100
Multiplex Infrastructure Pty Limited		Australia	100
Multiplex Investments (NZ) Limited		New Zealand	100
Multiplex Investments (Qld) Pty Limited		Australia	100
Multiplex Investments Funds Pty Limited		Australia	100
Multiplex Investments Limited		Australia	100
Multiplex Investments Limited		United Kingdom	100
Multiplex Jersey Holdings Limited	23 Dec 2003	Jersey	100
Multiplex JH Holdings Pty Limited	2 Mar 2004	Australia	100
Multiplex JH Pty Limited	5 Mar 2004	Australia	100
Multiplex Keperra P1 Investments Pty Limited	13 Aug 2003	Australia	100
Multiplex Keperra P1 Pty Limited	13 Aug 2003	Australia	100
Multiplex Keperra Q1 Investments Pty Limited	6 Apr 2004	Australia	100
Multiplex Keperra Q1 Pty Limited	6 Apr 2004	Australia	100
Multiplex Keperra W1 Investments Pty Limited	25 Aug 2003	Australia	100
Multiplex Keperra W1 Pty Limited	25 Aug 2003	Australia	100
Multiplex KM Investor Pty Limited		Australia	100
Multiplex Lakelands Pty Limited		Australia	100
Multiplex Latitude Retail Developer Holdings Pty Limited		Australia	100
Multiplex Latitude Retail Developer Pty Limited		Australia	100
Multiplex Latitude Retail Investment Pty Limited		Australia	100
Multiplex Latitude Retail Landowner Pty Limited		Australia	100
Multiplex Latitude Retail Pty Limited		Australia	100
Multiplex Latitude Sites A & B Developer Pty Limited	17 Sep 2003	Australia	100
Multiplex Limited		Australia	100
Multiplex Living Limited		United Kingdom	100
Multiplex Luna Park Carpark Investment Pty Limited	16 Apr 2004	Australia	100
Multiplex Luna Park Carpark Landowner Pty Limited	16 Apr 2004	Australia	100
Multiplex Manhattan Sydney Pty Limited		Australia	100
Multiplex Market Street Development Pty Limited		Australia	100
Multiplex Maroubra Pty Limited		Australia	100
Multiplex Meeandah Landowner Pty Limited	2 Mar 2004	Australia	100
Multiplex Middle East Pty Limited		Australia	100
Multiplex Milton Pty Limited		Australia	100
Multiplex MT Hawthorn Holdings Pty Limited	3 Mar 2004	Australia	100
Multiplex MT Hawthorn Pty Limited	3 Mar 2004	Australia	100
Multiplex Notes Limited		Australia	100
Multiplex NZ Investment Pty Limited	5 Mar 2004	Australia	100
Multiplex OBH Pty Limited	21 Aug 2003	Australia	100
Multiplex Park Plaza Development Pty Limited		Australia	100
Multiplex Parking Pty Limited	30 Mar 2004	Australia	100
Multiplex PCEC Finance Pty Limited		Australia	100
Multiplex PCEC Office Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex PCEC Office Landowner Pty Limited	15 Oct 2003	Australia	100

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
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39 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

Multiplex Pier 8/9 Pty Limited		Australia	100
Multiplex Pittwater Place Holdings Pty Limited		Australia	100
Multiplex Pittwater Place Investments Pty Limited		Australia	100
Multiplex Pittwater Place Pty Limited		Australia	100
Multiplex Portside B1 Holdings Pty Limited	13 May 2004	Australia	100
Multiplex Portside B1 Pty Limited	13 May 2004	Australia	100
Multiplex Portside B3 & B8 Holdings Pty Limited	13 May 2004	Australia	100
Multiplex Portside B3 & B8 Pty Limited	13 May 2004	Australia	100
Multiplex Portside Wharf Pty Limited		Australia	100
Multiplex Project 214 Pty Limited		Australia	100
Multiplex Project M Landowners Pty Limited	18 Sep 2003	Australia	100
Multiplex Property (UK) Limited		United Kingdom	100
Multiplex Property Services Limited	31 Jul 2003	United Kingdom	100
Multiplex Property Services Pty Limited		Australia	100
Multiplex Property Syndications Limited		Australia	100
Multiplex Pymble Holdings Pty Limited		Australia	100
Multiplex Pymble Investments Pty Limited		Australia	100
Multiplex Pymble Pty Limited		Australia	100
Multiplex Raffles Holdings Pty Limited		Australia	100
Multiplex Raffles Pty Limited		Australia	100
Multiplex Reed Street Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex Reed Street Landowner Pty Limited	15 Oct 2003	Australia	100
Multiplex Reed Street NFI Pty Limited	26 Feb 2004	Australia	100
Multiplex Rosehill Landowner Pty Limited	2 Mar 2004	Australia	100
Multiplex Sapphire 2 Pty Limited	30 Mar 2004	Australia	100
Multiplex SCT Pty Limited		Australia	100
Multiplex South City Investment Pty Limited	11 May 2004	Australia	100
Multiplex South City Landowner Pty Limited	11 May 2004	Australia	100
Multiplex Stadium Financing Pty Limited		Australia	100
Multiplex Stadium Investor Pty Limited		Australia	100
Multiplex Stage 3A Development Pty Limited	9 Oct 2003	Australia	100
Multiplex TCC (2) Pty Limited	22 Apr 2004	Australia	100
Multiplex TCC Holdings Pty Limited	22 Apr 2004	Australia	100
Multiplex TCC Pty Limited	25 Nov 2003	Australia	100
Multiplex Technology Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 1 Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 2 Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 3A Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 3B Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 3C Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 4 Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 4B Pty Limited		Australia	100
Multiplex W9 & 10 Stage 1 Investment Pty Limited	2 Oct 2003	Australia	100
Multiplex W9 & 10 Stage 1 Landowner Pty Limited	2 Oct 2003	Australia	100
Multiplex W9 & 10 Stage 1 Pty Limited		Australia	100
Multiplex W9 & 10 Stage 2 Pty Limited		Australia	100
Multiplex W9 & 10 Stage 3A Holdings Pty Limited		Australia	100
Multiplex W9 & 10 Stage 3A Pty Limited		Australia	100
Multiplex W9 & 10 Stage 3B Holdings Pty Limited		Australia	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
39 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)			
Multiplex W9 & 10 Stage 3B Pty Limited		Australia	100
Multiplex W9 & 10 Stage 3C Holdings Pty Limited		Australia	100
Multiplex W9 & 10 Stage 3C Pty Limited		Australia	100
Multiplex W9 & 10 Stage 4 Investment Pty Limited	2 Oct 2003	Australia	100
Multiplex W9 & 10 Stage 4 Landowner Pty Limited	2 Oct 2003	Australia	100
Multiplex W9 & 10 Stage 4 Pty Limited		Australia	100
Multiplex W9 & 10 Stage 4B Pty Limited		Australia	100
Multiplex Welshpool Landowner Pty Limited	2 Mar 2004	Australia	100
Multiplex Whites Paddington Pty Limited		Australia	100
Mul-t-plex Engineering (M) Sdn Bhd	9 Jan 2004	Malaysia	100
NFM Pty Limited		Australia	100
Norpower Pty Limited		Australia	100
Nucalm Pty Limited		Australia	100
Oakblue Nominees Pty Limited	27 Aug 2003	Australia	100
Patawalonga Developments Pty Limited		Australia	70
PCEC Centre Pty Limited		Australia	100
PCEC Hotel Holdings Pty Limited		Australia	100
PCEC Hotel Pty Limited		Australia	100
PCEC Mounts Bay Road Pty Limited		Australia	100
PCEC Office Pty Limited		Australia	100
Perth CEC Pty Limited		Australia	100
Perth Operations Pty Limited		Australia	100
Perth Stadium Pty Limited		Australia	100
Redjay Nominees Pty Limited	27 Aug 2003	Australia	100
Sharlec Pty Limited	19 Aug 2003	Australia	100
Silverange Pty Limited	8 Dec 2003	Australia	100
Site 3 Multiplex Co. Pty Limited		Australia	100
Site 3 Multiplex Holding Co Pty Limited		Australia	100
Skymist Nominees Pty Limited		Australia	100
Sotex Pty Limited		Australia	100
SX Developments Pty Limited		Australia	100
Tanet Pty Limited		Australia	100
Tietex Pty Limited		Australia	100
Tiezeal Pty Limited		Australia	100
Valio Pty Limited		Australia	100
W9&10 Stage 1 Pty Limited		Australia	100
W9&10 Stage 4 Pty Limited		Australia	100
Werrington Apartments Pty Limited		Australia	100
Westlady Corporation Pty Limited		Australia	100
Wharf M Pty Limited		Australia	100
Yimuyun Manjerr (Investments) Pty Limited		Australia	100
	FORMATION DATE (IF DURING THE CURRENT YEAR)	DOMICILE	EQUITY HOLDING %
TRUSTS			
Acumen Diversified Property Trust		Australia	53.45
Finger Wharf Development Unit Trust		Australia	100
Finger Wharf Investment Trust		Australia	100
KPMGDT Development Trust		Australia	100
Latitude Holding Unit Trust	9 Oct 2003	Australia	100

39 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

	FORMATION DATE (IF DURING THE CURRENT YEAR)	DOMICILE	EQUITY HOLDING %
Latitude Landowning Trust	9 Oct 2003	Australia	100
Latitude Site C Investments Trust		Australia	100
Latitude Site C Landowning Trust		Australia	100
Latitude Unit Trust		Australia	100
Multiplex 240 Queen Street Investment Trust	5 Dec 2003	Australia	100
Multiplex 240 Queen Street Landowning Trust	5 Dec 2003	Australia	100
Multiplex 324 Queen Street Investment Trust	8 Dec 2003	Australia	100
Multiplex 324 Queen Street Landowning Trust	8 Dec 2003	Australia	100
Multiplex 44 O'Rorke Landowning Trust	8 Mar 2004	Australia	100
Multiplex Albert Street Investment Trust	5 Dec 2003	Australia	100
Multiplex Albert Street Landowning Trust	5 Dec 2003	Australia	100
Multiplex Aust. Investment Trust	8 Mar 2004	Australia	100
Multiplex Bracken Ridge Investment Trust	22 Jun 2004	Australia	100
Multiplex Bracken Ridge Landowning Trust	22 Jun 2004	Australia	100
Multiplex Carole Park Landowning Trust	8 Mar 2004	Australia	100
Multiplex City Arcade Investment Trust	8 Dec 2003	Australia	100
Multiplex City Arcade Landowning Trust	8 Dec 2003	Australia	100
Multiplex Corner O'Rorke Landowning Trust	8 Mar 2004	Australia	100
Multiplex DT 100 Investment Trust	30 Aug 2003	Australia	100
Multiplex DT 100 Landowning Trust	30 Aug 2003	Australia	100
Multiplex Holdings Trust		Australia	100
Multiplex Investment Trust		Australia	100
Multiplex JH Holdings Trust	8 Mar 2004	Australia	100
Multiplex JH Trust	8 Mar 2004	Australia	100
Multiplex Keperra P1 Investments Trust	15 Aug 2003	Australia	100
Multiplex Keperra P1 Landowning Trust	15 Aug 2003	Australia	100
Multiplex Keperra W1 Investments Trust	28 Aug 2003	Australia	100
Multiplex Keperra W1 Landowning Trust	28 Aug 2003	Australia	100
Multiplex Latitude Retail Investment Trust		Australia	100
Multiplex Latitude Retail Landowning Trust		Australia	100
Multiplex Luna Park Carpark Investment Trust	11 Jun 2004	Australia	100
Multiplex Luna Park Carpark Landowning Trust	11 Jun 2004	Australia	100
Multiplex Meeandah Landowning Trust	8 Mar 2004	Australia	100
Multiplex NZ Investment Trust	8 Mar 2004	Australia	100
Multiplex PCEC Office Investment Trust	17 Oct 2003	Australia	100
Multiplex PCEC Office Landowning Trust	17 Oct 2003	Australia	100
Multiplex Pittwater Place Investment Trust		Australia	100
Multiplex Pittwater Place Landowning Trust		Australia	100
Multiplex Project M Landowning Trust	18 Sep 2003	Australia	100
Multiplex Property Trust		Australia	100
Multiplex Pymble Holdings Trust		Australia	100
Multiplex Pymble Investments Trust		Australia	100
Multiplex Reed Street Investment Trust	8 Dec 2003	Australia	100
Multiplex Reed Street Landowning Trust	8 Dec 2003	Australia	100
Multiplex Rosehill Landowning Trust	8 Mar 2004	Australia	100
Multiplex South City Investment Trust	11 May 2004	Australia	100
Multiplex South City Landowning Trust	11 May 2004	Australia	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

TRUSTS	FORMATION DATE (IF DURING THE CURRENT YEAR)	DOMICILE	EQUITY HOLDING %
Multiplex Stage 3A Holding Trust		Australia	100
Multiplex Stage 3A Landowning Trust		Australia	100
Multiplex Stage 3B Holding Trust		Australia	100
Multiplex Stage 3B Landowning Trust		Australia	100
Multiplex Stage 3C Holding Trust		Australia	100
Multiplex Stage 3C Landowning Trust		Australia	100
Multiplex W9 & 10 Stage 1 Investment Trust	5 Dec 2003	Australia	100
Multiplex W9 & 10 Stage 1 Landowning Trust	5 Dec 2003	Australia	100
Multiplex W9 & 10 Stage 4 Investment Trust	5 Dec 2003	Australia	100
Multiplex W9 & 10 Stage 4 Landowning Trust	5 Dec 2003	Australia	100
Multiplex Welshpool Landowning Trust	8 Mar 2004	Australia	100
Sydney Olympic Park Site 3 Holding Trust		Australia	100
Sydney Olympic Park Site 3 Partner Trust		Australia	100
The BASX Unit Trust No 3		Australia	100
The Chatswood Investment Trust		Australia	100
The Multiplex Developments No 6 Trust		Australia	100
The Multiplex Developments No 6A Unit Trust		Australia	100

(b) The following controlled entities were acquired during the year:

NAME	DATE ACQUIRED	VOTING INTEREST %
Acumen Diversified Property Trust	15 Apr 2004	53.45

Details of the acquisition of the controlled entity are as follows:

	\$'000
Consideration	19,811
Net assets acquired	
– investment properties (non-current)	43,084
– intangibles (non-current)	741
– non-interest bearing liabilities (current)	(121)
– interest bearing liabilities (non-current)	(7,235)
– outside equity interest	(16,658)
Net assets	19,811

(c) The following controlled entities were disposed of during the year:

NAME	PRINCIPAL ACTIVITIES	DATE OF DISPOSAL	VOTING INTEREST %
ACN 103 155 246	Aviation	1 Jul 2003	100
Australian Biofuels Pty Limited	Energy	1 Apr 2004	100
Danae Resources NL	Mining	24 Sep 2003	53
Gisteria Pty Limited	Maritime	10 Dec 2003	100
Manor Resources NL	Mining	24 Sep 2003	100
Multiplex Development Zarmitan Limited	Mining	24 Sep 2003	100
Multiplex Mining Pty Limited	Mining	24 Sep 2003	100
Multiplex Resource Developments Pty Limited	Mining	1 Jul 2003	100
Multiplex Resources (Kazakhstan) Limited	Mining	24 Sep 2003	100

39 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

Details of the disposal of controlled entities are as follows:

Proceeds on disposal:	
– cash	8,000

The carrying amounts of assets and liabilities disposed of by major class are:

– property, plant and equipment	5,046
– exploration, evaluation and development expenditure	4,853
– investments	17,257
– borrowings	(5,425)
	21,731
Profit / (loss) on disposal	(13,731)

40 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES ENTITIES

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

Share of net profits accounted for using the equity method included in the Statement of Financial Performance was as follows:

Associates	(260)
Joint ventures entities	12,188
	11,928

Investments in associates

Details of material interests in associates are as follows:

NAME	PRINCIPAL ACTIVITIES	VOTING INTEREST %	INVESTMENT CARRYING AMOUNT \$'000
Latitude Site C Developer Pty Limited	Development	50	9,773
Stannifer Corovest Fund Management Limited	Investment	33	7,707
Stannifer Corovest Jersey Limited	Investment	50	3,367
Other (25 entities)			8,487
			29,334

The balance date of all associates is 30 June except for Market Street Projects Pty Limited which is 28 July.

\$'000

Movements in carrying amount of investments in associates

Balance at the start of the financial year	14,357
Share of loss from ordinary activities	(260)
Additional investment	31,257
Loan to associate	1,237
Disposals	(17,257)
Balance at the end of the year	29,334
This balance is split as follows:	
Current	2,917
Non-current	26,417
	29,334

Summary of financial position of associates

The Consolidated Entity's share of aggregate assets and liabilities of associates is as follows:

Total assets	61,777
Total liabilities	33,209

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

40 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES ENTITIES (CONTINUED)

Commitments and contingencies

Contingent liabilities and contingent assets exist in respect of guarantees and insurance bonds issued to clients and guarantees received by associates from its subcontractors in lieu of cash retentions on building contracts. In addition, insurance performance bonds have also been issued to some clients in support of the associate's performance under its building contracts.

Interests in joint venture entities

Details of material interests in joint venture entities are as follows:

NAME	PRINCIPAL ACTIVITIES	VOTING INTEREST %	INVESTMENT CARRYING AMOUNT \$'000
Arncliffe Developments Partnership	Development	33%	6,407
Darling Island Partnership	Development	50%	7,428
Jones Bay Wharf Partnership	Development	50%	530
W 9&10 Construction Stage 4B Partnership	Construction	50%	14,788
W 9&10 Stage 2 Partnership	Development	50%	1,622
W 9&10 Stage 4B Partnership	Development	50%	10,979
W9&10 Construction Stage 3B Partnership	Construction	50%	5,181
Other (10 entities)			8,322
			55,257
			\$'000

Movements in carrying amount of investments in joint venture entities

Balance at the start of the financial year	71,700
Share of profit from ordinary activities	12,188
Additional investment	917
Disposals	(27,751)
Distributions and dividends	(1,797)
Balance at the end of the year	55,257
This balance is split as follows	
Current	20,179
Non current	35,078
	55,257

Summary of financial position of joint venture entities

The Consolidated Entity's share of aggregate assets and liabilities of joint venture entities is as follows:

Total assets	153,299
Total liabilities	102,308

Share of associates and joint venture entities results

Revenues from ordinary activities	113,306
Expenses from ordinary activities	(101,118)
	12,188

41 RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Profit from ordinary activities after related income tax	48,850
Depreciation and amortisation	9,596
Write down of investments to recoverable amount	94
Net loss on sale of non-current assets	19,129
Share of profits of associates and joint venture entities not received as dividends or distributions	(11,928)
<i>Change in assets and liabilities, net of effects from purchase and disposal of controlled entities:</i>	
(Increase) in trade debtors	(22,406)
(Increase) in inventories	(519,495)
(Increase) in deferred tax asset	(8,605)
(Increase) in other assets	(54,516)
Increase in trade creditors	380,147
Increase in other liabilities	6,189
Increase in current tax liabilities	51,115
Increase in deferred tax liabilities	8,146
Increase in other provisions	39,874
Net cash (outflow) from operating activities	(53,810)

42 FINANCIAL INSTRUMENTS

Derivative financial instruments

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 and profits 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 risk

Interest rate risk exposures

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

	WEIGHTED AVERAGE INTEREST RATE %	FLOATING INTEREST RATE \$'000	FIXED INTEREST MATURING IN:			NON-INTEREST BEARING \$'000	TOTAL \$'000
			1 YEAR OR LESS \$'000	OVER 1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000		
Financial assets							
Cash and deposits	4.31	372,137	–	–	–	43,795	415,932
Receivables	–	–	–	–	–	1,168,023	1,168,023
Other	15.00	–	–	–	78,491 ¹	27,257	105,748
Total financial assets		372,137	–	–	78,491	1,239,075	1,689,703
Financial liabilities							
Payables	–	–	–	–	–	708,417	708,417
Overdrafts and loans	7.88	822,574	124,859	29,787	78,636 ¹	358,672	1,414,528
Other	–	–	–	–	–	–	–
–	–	–	–	–	118,918	118,918	–
Total financial liabilities		822,574	124,859	29,787	78,636	1,186,007	2,241,863
Interest rate swaps (notional principal amounts)		(478,386)	303,651	174,735	–	–	–

¹ These amounts are denominated in Pounds Sterling (GBP)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

42 FINANCIAL INSTRUMENTS (CONTINUED)

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 underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised as interest income or interest expense as appropriate on an accruals basis over the life of the hedges.

At 30 June 2004, the notional principal amounts receivable and periods of expiry of the interest rate swap contracts were as follows:

	\$'000
Less than one year	303,651
Between one and two years	174,735
	478,386

Foreign exchange risk

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.

At 30 June 2004, the details of outstanding contracts are:

Buy Australian Dollars

MATURITY	SELL US DOLLARS (000)	AVERAGE EXCHANGE RATE
Less than six months	1,250	0.6742
Six to twelve months	550	0.6742

	SELL UAE DIRHAMS (000)	AVERAGE EXCHANGE RATE
Less than six months	9,330	2.6601

Foreign exchange options

At 30 June 2004, details of foreign exchange options outstanding were:

MATURITY	BOUGHT GBP PUT OPTIONS		WRITTEN GBP CALL OPTIONS	
	AMOUNT GBP'000	STRIKE RATE A\$/GBP	AMOUNT GBP'000	STRIKE RATE A\$/GBP
Less than six months	11,706	0.4325	11,706	0.4170
Six to twelve months	13,167	0.4325	13,167	0.4170

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 Statement of Financial Performance as and when the underlying foreign currency income or expenditure is recognised.

Credit risk exposure

At 30 June 2004, the Group had no significant concentration of credit risk with any single counterparty or group of counterparties.

In accordance with the policies determined by the Board of Directors, credit risk is spread among a number of counterparties.

The counterparties to derivative financial instruments consist of a number of prime financial institutions.

The Group's maximum exposure to credit risk at 30 June 2004 in relation to each class of recognised financial asset is the carrying amount of those assets recognised in the Statement of Financial Position. As at 30 June 2004, the Group's total credit risk exposure in relation to unrecognised financial assets was \$6,798,152.

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, payables and bank loans 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 of \$6,013,820 and 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.

43 EARNINGS PER STAPLED SECURITY

	CENTS
Earnings per stapled security (a)	9.6
	NUMBER
Weighted average number of stapled securities used as the denominator	508,510,710
	\$'000
<i>Reconciliation of earnings used in calculating earnings per share</i>	
Net profit	48,850
Net profit attributable to outside equity interest	–
Earnings used as the numerator in calculating earnings per stapled security	48,850

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.

Neither the Trust nor the Company have had any potential securities outstanding during the year and, as such, diluted earnings per stapled security is not applicable.

(a) Based on earnings including loss on sale of non-core assets and operating loss from discontinuing operations of \$39,585,000.

44 STAPLING ARRANGEMENTS

The Stapling Deed between Multiplex Funds Management Limited, as the "Responsible Entity" of the Multiplex Property Trust, and Multiplex Limited, "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 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 Multiplex Limited or the Multiplex Property 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 of Multiplex Limited or the Multiplex Property Trust.

The Australian Stock Exchange 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX GROUP

FOR YEAR ENDED 30 JUNE 2004

45 INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Group will be required to comply with Australian IFRS Equivalents for the first time in the Group's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006. In preparation for adoption of Australian IFRS Equivalents, the Group has formed a project team and sought the advice of specialist external consultants. The project team is led by senior finance personnel and reports quarterly to the Group's Audit and Risk Committee.

An initial assessment has been performed to determine the potential impacts on the current key accounting policies of the Group. The impacts identified to date are:

Development Property Accounting: While there is no IFRS Equivalent which addresses profit recognition for the sale of residential development properties, it is possible that development properties will be considered inventories and be subject to revenue recognition rules in accordance with AASB 118, *Revenue*. This may increase the volatility of future development property revenue recognition which is currently recognised on a percentage of completion basis based on guidance within UIG 53, *Pre-completion contracts for the sale of residential development properties*. However, given the present uncertainty over the future technical accounting treatment of this area, no conclusion can yet be drawn.

Investment Property: Under AASB 140 *Investment Property*, companies have the option to measure the entire class of investment property at cost or fair value. If investment properties are measured at fair value, gains or losses arising from changes in fair value are recognised in net profit or loss for the period in which they arise. This will result in a change to the current accounting policy under which changes in the fair value of investment properties are recognised in the asset revaluation reserve, and may also lead to an increase in the volatility of reported earnings.

Income Tax: Under AASB 112, *Income Taxes*, deferred tax balances are determined using the balance sheet method and current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity. This is a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to Australian IFRS Equivalents, as not all standards have been analysed in entirety as yet, and some decisions have yet to be made where choices of accounting policies are available. For these reasons, the Group has not yet quantified the impact of the transition to Australian IFRS Equivalents on the Group's financial position and reported results.

46 EVENTS OCCURRING AFTER REPORTING DATE

On 9 August 2004, the Group announced the commencement of the UK White City project ("the Project"). The conditions precedent to possession were satisfied and the design and construct contract was released out of escrow. As a consequence, the Project funding agreement was declared unconditional.

Multiplex has been carrying out early works on the site for the last 12 months including site establishment and demolition works together with excavation and piling for foundations. The Multiplex design and construct contract on the White City project has a value of approximately GBP 600 million (A\$1.57 billion).

On 30 August 2004 Multiplex Limited and its controlled entities established an unlisted New Zealand Property Fund ("the Fund") comprising 11 property assets in New Zealand valued at approximately \$273.9 million. The Trust has committed to sell its 100% interest in the ASB Bank Centre in Auckland to the Fund for \$102.5 million. In addition the Trust will dispose of its interests in the Foodland Associated Limited New Zealand portfolio and the South City Shopping Centre in Christchurch to the Fund.

The fund is seeking to raise approximately \$63 million, representing 55% of the total fund equity, from new investors. The Trust has committed to subscribe for 25% of the total fund equity.

There have been no other significant events or transactions that have arisen since the end of the financial period, 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 GROUP

In the opinion of the Directors of Multiplex Limited and Multiplex Funds Management Limited, as the Responsible Entity of the Multiplex Property Trust:

- (a) the financial statements and notes, set out on pages 2 to 48, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Group as at 30 June 2004 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



Andrew Roberts
Chief Executive and Managing Director
Multiplex Limited and Multiplex Funds Management Limited

15 September 2004

INDEPENDENT AUDIT REPORT

TO THE STAPLED SECURITY HOLDERS OF MULTIPLEX GROUP



SCOPE

The combined financial report and Directors' responsibility

The Multiplex Group comprises Multiplex Limited and its controlled entities and Multiplex Property Trust and its controlled entities. The combined financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes to the financial statements, notes 1 to 46, and the Directors' declaration, set out on pages 2 to 49, for Multiplex Group for the year ended 30 June 2004.

The Directors of Multiplex Limited and Directors of the Responsible Entity of Multiplex Property Trust, Multiplex Funds Management Limited ("the Directors"), are responsible for the preparation and true and fair presentation of the combined financial report in accordance with Australian Accounting Standards. 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 combined financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the stapled security holders of Multiplex Group. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the combined financial report is free of material misstatement. 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 performed procedures to assess whether, in all material respects, the combined financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of Multiplex Group's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the combined financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Directors.

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 combined financial report presents fairly, in accordance with Australian Accounting Standards and other mandatory financial reporting requirements in Australia, the financial position of Multiplex Group at 30 June 2004 and its performance for the financial year ended on that date.

KPMG

A Dickinson
Partner

Sydney
15 September 2004



KPMG, an Australian partnership, is a member of KPMG International, a Swiss non-operating association.

MULTIPLEX LIMITED



MULTIPLEX

Multiplex Limited and its controlled entities
(formerly Multiplex Constructions Pty Limited)
ABN 96 008 687 063

Financial Report
For the year ended 30 June 2004

THE DIRECTORS OF MULTIPLEX LIMITED PRESENT THEIR REPORT TOGETHER WITH THE FINANCIAL REPORT OF THE "CONSOLIDATED ENTITY", BEING THE COMPANY AND ITS CONTROLLED ENTITIES, FOR THE YEAR ENDED 30 JUNE 2004 AND THE INDEPENDENT AUDIT REPORT THEREON.

DIRECTORS

The following persons were Directors of Multiplex Limited ("the Company") at the date of this report:

Mr John C Roberts AO

Mr F Allan McDonald (appointed on 22 October 2003)

Mr Andrew T Roberts

Mr John A Corcoran

Mr Ross A McDiven

Mr Timothy A Roberts

Mr Noel R Henderson

Ms Barbara K Ward (appointed on 22 October 2003)

Mr John H Poynton (appointed on 22 October 2003)

Mr Peter Dransfield (appointed on 22 October 2003)

Ms Denby Macgregor (Alternate Director for John C Roberts and Timothy A Roberts – appointed 22 October 2003)

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

EXECUTIVE CHAIRMAN

John Roberts AO

Chairman of Nomination Committee

John C Roberts AO is the Chairman and founder of Multiplex. In 1988, John was awarded an Order of Australia for his contribution to the construction industry and in 1999 he was recognised by the Australian Constructors' Association and received a lifetime achievement award for services to the construction industry. Age 71.

OTHER EXECUTIVE DIRECTORS

Andrew Roberts B.Com, MBA

Managing Director

Chief Executive

Andrew Roberts is Chief Executive of Multiplex. During more than 19 years with Multiplex, Andrew has been directly involved in all operations of the business. Andrew currently provides strategic and operational leadership for the Multiplex Group. Andrew is also a Board member of the University of Western Australia Business School. Age 38.

Ross McDiven B.Com

Deputy Managing Director

Chairman of Property Development division

Ross McDiven is Deputy Managing Director of Multiplex and Chairman of the Property Development division. Ross joined the Company in 1969 and is a long term member of the core management team of the Multiplex Group. Since 1986, Ross has overseen significant growth of Multiplex's New South Wales operations with the delivery of more than 200 projects. Age 55.

John Corcoran B.Ec, LLB

Chief Financial Officer

John Corcoran joined Multiplex in 1996 following a period of 15 years in investment banking. Apart from taking responsibility for the Group's Finance, Accounting, Treasury and Assurance areas, John plays an important role in the implementation of the strategic objectives of the Group. Age 46.

Tim Roberts

Managing Director of Property Development division

Tim Roberts has over 17 years experience in the construction and property industry, including major developments such as the Perth Convention and Exhibition Centre, Old Swan Brewery and Citigroup Centre. Age 33.

Noel Henderson

Chief Operating Officer

Chairman of the Construction division

Noel Henderson has more than 30 years experience in the broader construction industry and has been with Multiplex for 16 years and was responsible for opening the Multiplex offices in Victoria, South Australia and New Zealand. Noel is responsible for the Construction division's operations across the Multiplex Group. Age 58.

Denby Macgregor B.Com

(Alternate Director for John Roberts and Tim Roberts)

Denby Macgregor has over 8 years experience in the property development industry including involvement in the King Street Wharf Project in NSW and as the Director responsible for the redevelopment of the Old Swan Brewery, Raffles and Sealanes projects in Western Australia. Denby currently sits on both the National and Western Australian Boards of the Property Development Division. Denby was heavily involved in the successful flotation of the Group in 2003. Age 28.

NON-EXECUTIVE DEPUTY CHAIRMAN

Allan McDonald B.Ec, FCPA, FAIM, FCIS

Allan McDonald has had extensive experience in the investment and commercial banking fields and is presently associated with a number of companies as a Consultant and Company Director. Allan is Chairman of Australian Leisure & Hospitality Group Limited and Ross Human Directions Limited. His other Directorships include Billabong International Limited, Brambles Industries Limited and DCA Group Limited. Age 64.

NON-EXECUTIVE DIRECTORS

Barbara Ward B.Ec, M Pol Ec, MAICD

Barbara Ward has pursued a career as a Non-Executive Director since 1998. During this time, she has served on a number of private sector and government boards. Barbara is currently Chairman of Country Energy, a Director of Commonwealth Bank of Australia and Lion Nathan Limited and a member of the board of Allens Arthur Robinson. 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 50.

John Poynton B.Com, FSIA, FAIM, FAICD

John Poynton is executive Chairman of Azure Capital, a merchant bank based in Perth. He is a Director of Austal Limited, Burswood Limited and Alinta Limited and is a Board member of the Payments Systems Board of the Reserve Bank of Australia. He is also Chair of the Western Australian Museum Foundation and a Board member of the University of Western Australia Business School. He has previously served as a Director of the Australian Stock Exchange Limited and as Chair of the Australian Stock Exchange in Perth. Age 52.

Peter 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 is a qualified accountant and has had over 30 years experience in the industrial, retail and residential property development sectors across Australia and in the United States. Age 55.

COMPANY SECRETARY

Mark Wilson B.Com LLB ASIA

Mark Wilson was appointed Company Secretary of both Multiplex Limited and Multiplex Funds Management 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 37.

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 between the listing of the Multiplex Group on 2 December 2003 (at which point the Company became a disclosing entity) and the end of the financial year were:

DIRECTOR	BOARD MEETINGS		AUDIT AND RISK COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS		NOMINATION COMMITTEE MEETINGS	
	A	B	A	B	A	B	A	B
Mr J C Roberts AO	4	8	*	*	*	*	–	–
Mr F A McDonald	7	8	2	2	1	1	–	–
Mr A T Roberts	8	8	*	*	*	*	*	*
Mr R A McDiven	8	8	*	*	*	*	*	*
Mr J A Corcoran	8	8	*	*	*	*	*	*
Mr N R Henderson	8	8	*	*	*	*	*	*
Mr T A Roberts	8	8	*	*	*	*	*	*
Ms B K Ward	8	8	2	2	1	1	–	–
Mr J H Poynton	6	8	1	2	1	1	–	–
Mr P Dransfield	8	8	2	2	1	1	–	–
Ms D Macgregor (alternate)	3	4	*	*	*	*	*	*

A – Number of full meetings attended

B – Number of full meetings held during the time the Director held office during the year

* – Not a member of the relevant committee

DIRECTORS' AND EXECUTIVES' EMOLUMENTS

The Directors have established a Remuneration Committee to review, evaluate and make recommendations to the Board regarding the Company's remuneration policy.

This Committee is governed by a formal charter and is comprised only of the independent Directors including the chair, Barbara Ward.

The Directors have 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;
- remuneration should be market based and competitive;
- remuneration should enable the Group to attract and retain talented executives; and
- the remuneration structures should be transparent and readily understood.

Further information regarding the remuneration of Directors and senior Executives is contained in Note 31 to the Accounts.

Details of the nature and amount of each major element of the remuneration of each Director of the Company, and each of the five named Officers of the Company receiving the highest remuneration are set out in the following table:

NAME	PRIMARY			POST-EMPLOYMENT		TOTAL \$
	BASE SALARY AND FEES \$	SHORT TERM INCENTIVE \$	NON-MONETARY BENEFITS ¹ \$	SUPERANNUATION \$	RETIREMENT BENEFITS \$	
Director						
Non-executive						
Mr F A McDonald	96,942	–	–	7,720	–	104,662
Ms B K Ward	63,985	–	–	6,675	–	70,660
Mr J H Poynton	63,985	–	–	6,675	–	70,660
Mr P Dransfield	63,985	–	–	6,675	–	70,660
Executive						
Mr J C Roberts AO	75,016	–	27,787	10,140	–	112,943
Mr A T Roberts	583,915	400,000	52,798	13,287	–	1,050,000
Mr R A McDiven	619,452	396,417	144,132	15,482	–	1,175,483
Mr N R Henderson	512,376	242,000	61,746	87,624	–	903,746
Mr J A Corcoran	478,742	450,000	47,315	2,000	–	978,057
Mr T A Roberts	413,449	396,417	1,124	13,353	–	824,343
Ms D Macgregor	110,091	40,287	10,039	9,908	–	170,325
Total	3,081,938	1,925,121	344,941	179,539	–	5,531,539
Executive Officers (excluding Directors)						
Mr Matthew Stagg	476,974	–	769,208	11,002	–	1,257,184
Mr Simon Gray	454,000	198,000	29,466	20,842	–	702,308
Mr Dan Ashby	295,386	17,673	212,315	–	–	525,374
Mr Dennis O'Regan	387,238	227,500	31,257	46,002	–	691,997
Mr Ian O'Toole	292,694	430,000	87,673	10,485	–	820,852
Total	1,906,292	873,173	1,129,919	88,331	–	3,997,715

¹ "Non-monetary benefits" include the cost of providing interest free loans and expatriate benefits including relocation, accommodation and schooling costs.

PRINCIPAL ACTIVITIES

The principal activities during the year of the Consolidated Entity were Property Development, Construction, Facilities and Infrastructure Management and Property Funds Management.

The only change in the Consolidated Entity's activities during the year was the divestment of non-core activities in mining and agriculture as foreshadowed in the Group's Product Disclosure Statement and Prospectus dated 23 October 2003.

REVIEW OF OPERATIONS

The Consolidated Entity recorded a consolidated net profit after tax of \$48,831,000. Key highlights for the operating divisions of the Consolidated Entity for 2004 were:

Property Development

The Property Development division contributed \$72,265,000 to the consolidated result. Major contributions to profit came from projects such as residential developments at Darling Island in Sydney, further stages of the King Street Wharf precinct (commercial / residential) and expansion into broadacre residential developments at Lakelands in Queensland and Vale in Western Australia. Subsequent to year end, the division concluded a development joint venture with Primelife Corporation Limited and Babcock & Brown for the purpose of developing new retirement villages and aged care facilities.

Construction

The Construction division contributed \$73,179,000 to the consolidated result. A few of the major projects which were successfully completed during the year included the NSW Police Headquarters, King Street Wharf Site 6, NSW and the Perth Convention and Exhibition Centre, WA. The division's construction contract for the \$1.6 billion White City project in the UK has recently commenced following successful completion of an early works package in 2004. In the UAE, construction work on the Dubai Marina Towers, a six tower residential project, was completed during the year.

Facilities and Infrastructure Management

The Facilities and Infrastructure Management division contributed \$2,589,000 to the consolidated result. Key achievements during the year included the successful transition of eight Multiplex Property Trust properties to divisional management, along with securing three significant new contracts, being a 10 year contract at Luna Park, a 15 year contract at NSW Police Headquarters and a 12 year contract at KPMG Tower. During the year work also commenced on the Berwick Hospital contract in Melbourne.

Property Funds Management

The Property Funds Management division contributed \$5,353,000 to the consolidated result. The division's primary role is to manage the various property investment vehicles for the Multiplex Group. These include Multiplex Property Trust and various property syndication and direct property investment vehicles managed by Multiplex Capital Limited. During the year, the Consolidated Entity acquired interests in Duelguide plc for \$76 million and in the Sapphire Retail Fund and its manager, Stannifer Corovest Funds Management Limited, for \$146.7 million, including a mezzanine loan facility.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year, the Company changed its status from a proprietary company to a public company in anticipation of the Company listing on the ASX. In preparation for listing, the following people resigned as Directors of the Company on 22 October 2003: Mr Dennis O' Regan, Mr Derek Robson, Mr Paul Gandy, Mr Simon Gray and Ms Denby Macgregor.

The Multiplex Group ("the Group") was subsequently established in December 2003, with the stapling of the shares in the Company to the units in the Multiplex Property Trust ("the Trust"). Multiplex Group stapled securities commenced trading on the Australian Stock Exchange on a deferred settlement basis on 2 December 2003 under the symbol "MXGCA". Normal trading commenced on 10 December 2003.

In June 2004, the Group completed a capital raising with the issue of 68.2 million new stapled securities.

Further changes to the state of affairs of the Company are set out in the Multiplex Group Annual Report. In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the financial year under review.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than the matters disclosed in Note 44 of this report, 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. Further information on likely developments in the operations of the Company in future financial years and the expected results of those operations 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 part of an integrated property group, the Company'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.

Based upon the results of inquiries made, the Directors are not aware of any significant breaches or non-compliance issues during the period covered by this report.

DIVIDENDS

Dividends paid to shareholders or declared during the financial year were as follows:

	\$'000
Interim ordinary dividend for the year ended 30 June 2004 of 2.0 cents (fully franked at 30%) per share, paid on 25 March 2004	10,000
Final ordinary dividend for the year ended 30 June 2004 of 6.79 cents (fully franked at 30%) per share, paid on 27 August 2004	38,579
Total	48,579

DIRECTORS' INTERESTS

The relevant interest of each Director in the shares of Multiplex Limited is as follows:

	MULTIPLEX LIMITED	
	ORDINARY SHARES	OPTIONS
Mr J C Roberts AO ¹	214,625,570	–
Mr F A McDonald	29,692	–
Mr A T Roberts ¹	214,625,570	–
Mr R A McDiven	987,655	–
Mr J A Corcoran	617,284	–
Mr N R Henderson	197,531	–
Mr T A Roberts ¹	214,625,570	–
Ms B K Ward	20,000	–
Mr J H Poynton	425,078	–
Mr P Dransfield	40,000	–
Ms D Macgregor ¹ (alternate)	214,625,570	–

¹ Through a relevant interest in the holding of Roberts Family Nominees Pty Ltd.

OPTIONS

During the financial year, no options were issued in respect of the Company's shares. There are presently no such options on issue.

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the financial year, the Company entered into deeds of access and indemnity with each of its Directors and Company Secretary. Under the deeds, 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, 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 and maintain and pay the premium on a Directors' and Officers' insurance policy. This policy does not seek to insure against liabilities (other than for legal costs) arising out of:

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

The obligation to effect and maintain and pay the premium on a policy continues for a period of seven years after the Director 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 and its subsidiaries 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' liability, as such disclosure is prohibited under the terms of the contract.

LOANS TO DIRECTORS AND EXECUTIVES

Information on loans to Directors and Executives, including amounts, interest rates and repayment terms are set out in Note 31 to the financial statements.

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 Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITOR

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

15 September 2004

STATEMENT OF FINANCIAL PERFORMANCE

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR THE YEAR ENDED 30 JUNE 2004

	NOTE	CONSOLIDATED \$'000	COMPANY \$'000
Revenue from ordinary activities			
Revenue from sale of development properties	2	576,148	–
Revenue from other operating activities	2	2,959,417	1,735,328
Other revenue from ordinary activities	2	133,036	60,145
Total revenue from ordinary activities	2	3,668,601	1,795,473
Change in inventories		(519,495)	–
Sub-contractor and consumable costs		3,679,272	1,503,958
Employee expenses		161,691	119,891
Depreciation and amortisation expense	3	8,999	6,290
Borrowing cost expense		4,601	6,938
Costs related to disposal of non-core assets	3	51,591	36,476
Other expenses		185,437	79,602
Share of net profits of associates and joint venture entities accounted for using the equity method	38	13,840	6
Profit from ordinary activities before income tax expense		110,345	42,324
Income tax expense relating to ordinary activities	4	61,514	24,840
Net profit from ordinary activities after related income tax expense		48,831	17,484
Net profit attributable to shareholders of Multiplex Limited		48,831	17,484
Net exchange gain on translation of financial reports of foreign controlled entities	27	3,974	–
Total revenues, expenses and valuation adjustments attributable to shareholders of Multiplex Limited recognised directly in equity		3,974	–
Total changes in equity attributable to shareholders of Multiplex Limited other than those resulting from transactions with owners as owners		52,805	17,484
		CENTS	
Earnings per share	41	9.6	

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

AS AT 30 JUNE 2004

	NOTE	CONSOLIDATED \$'000	COMPANY \$'000
Current assets			
Cash assets	5	409,817	173,857
Receivables	6	416,495	238,138
Inventories	7	445,612	9,452
Investments accounted for using the equity method	8	23,096	–
Other	9	24,905	4,572
Total current assets		1,319,925	426,019
Non-current assets			
Receivables	10	279,400	644,243
Inventories	11	455,724	–
Investments accounted for using the equity method	12	61,495	–
Other financial assets	13	106,479	17,738
Property, plant and equipment	14	40,534	13,653
Investment properties	15	32,227	16,113
Deferred tax assets		40,660	33,621
Intangibles assets	16	3,042	–
Other	17	33,113	24,371
Total non-current assets		1,052,674	749,739
Total assets		2,372,599	1,175,758
Current liabilities			
Payables	18	664,578	348,368
Interest bearing liabilities	19	387,717	1,101
Non-interest bearing liabilities	20	123,470	–
Current tax liabilities		51,515	51,521
Provisions	21	131,164	73,414
Contract work in progress	22	158,451	116,260
Total current liabilities		1,516,895	590,664
Non-current liabilities			
Interest bearing liabilities	23	348,093	148,868
Non-interest bearing liabilities	24	33,879	69,612
Deferred tax liabilities		70,283	70,283
Provisions	25	9,718	1,270
Total non-current liabilities		461,973	290,033
Total liabilities		1,978,868	880,697
Net assets		393,731	295,061
Equity			
Contributed equity	26	159,684	159,684
Reserves	27	40,311	21,805
Retained profits	28	193,736	113,572
Total equity		393,731	295,061

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR THE YEAR ENDED 30 JUNE 2004

	NOTE	CONSOLIDATED \$'000	COMPANY \$'000
Cash flows from operating activities			
Receipts in the course of operations		3,625,088	1,916,476
Payments in the course of operations		(3,691,343)	(1,791,462)
Payments for purchase of land for property development		(78,121)	–
Dividends and distributions received		5,535	12,937
Interest received		13,908	12,079
Borrowing costs		(4,601)	(6,938)
Income taxes paid		(5,627)	(4,306)
Net cash (outflow)/inflow from operating activities	39	(135,161)	138,786
Cash flows from investing activities			
Payments for property, plant and equipment		(7,474)	(3,710)
Payments for investments		(96,762)	–
Loans to associated entities		(138,582)	–
Proceeds from sale of controlled entities		51,406	–
Proceeds from sale of property, plant and equipment		18,325	13,514
Proceeds from sale of investments		22,780	6,571
Net cash (outflow)/inflow from investing activities		(150,307)	16,375
Cash flows from financing activities			
Proceeds from issues of equity		162,955	162,955
Issue costs paid		(3,580)	(3,580)
Proceeds from borrowings		642,159	2,100
Proceeds from loans advanced by Multiplex Property Trust		89,711	82,901
Establishment costs		(3,018)	(2,743)
Repayment of borrowings		(388,212)	(38,261)
Repayment of borrowings to related entities		(49,304)	(343,209)
Payment for redemption of shares		(38)	(38)
Dividends paid	29	(10,000)	(10,000)
Net cash inflow/(outflow) from financing activities		440,673	(149,875)
Net increase in cash held		155,205	5,286
Cash at the beginning of the financial year		201,630	168,571
Effects of exchange rate changes on cash		216	–
Cash at the end of the financial year	5	357,051	173,857

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

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MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The shares of Multiplex Limited ("the Company") have been stapled to units in the Multiplex Property Trust ("the Trust") to facilitate the listing of the Multiplex Group ("the Group") on the Australian Stock Exchange. The Constitution of the Trust and the Constitution of the Company ensure that, for so long as the two entities remain jointly quoted, the number of units in the Trust and the number of shares in the Company shall be equal, and that Unitholders and Shareholders be identical. Further details of the stapling arrangements are set out in Note 42.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the recognition and measurement requirements of applicable Australian Accounting Standards Board ("AASB") standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the AASB and the Corporations Act 2001.

This financial report should be read in conjunction with the Multiplex Group Product Disclosure Statement and Prospectus issued and lodged with the Australian Securities & Investments Commission ("ASIC") on 21 April 2004, the Multiplex Group Product Disclosure Statement and Prospectus issued and lodged with ASIC on 23 October 2003 and any public announcements by Multiplex Limited during the year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

The financial report has been prepared using the historical cost convention. Except where stated, it does not take into account changing money values or current valuations of non-current assets. Except where noted, the accounting policies have been consistently applied by Multiplex Limited and each of its controlled entities and are consistent with those disclosed in the Multiplex Group Product Disclosure Statement and Prospectus dated 23 October 2003.

(b) Principles of consolidation

The consolidated financial statements include the financial statements of Multiplex Limited, its controlled entities and equity accounted associates. The Company and its controlled entities are referred to as "the Consolidated Entity".

Controlled entities

The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases. The balances and effects of transactions between controlled entities included in the financial statements have been eliminated.

Associates

An associate is an entity over which the Consolidated Entity exercises significant influence and where the investment in that entity has not been acquired with a view to disposal in the near future.

In the consolidated financial statements, investments in associates are accounted for using the equity method. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The Consolidated Entity's share of the associates' net profit or loss after tax is recognised in the Statement of Financial Performance after adjustments for:

- revisions in depreciation of depreciable assets and amortisation of goodwill arising from notional adjustments made as at the date of acquisition;
- dissimilar accounting policies; and
- the elimination of unrealised profits and losses on transactions between the associate and any entities in the Consolidated Entity or another associate of the Consolidated Entity.

In the Company's financial statements, investments in associates are accounted for at cost.

Other movements in reserves are recognised directly in consolidated reserves. Further adjustments are made in accordance with agreements in respect of the sale of economic interests in development projects in accordance with Note 1(f).

Joint venture entities

A joint venture entity is an entity that is jointly controlled by the Consolidated Entity. Details of the Consolidated Entity's joint venture entities are set out in Note 38.

In the consolidated financial statements, investments in joint venture 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 recoverable amount.

The Consolidated Entity's share of the joint venture entity's net profit or loss is recognised in the Statement of Financial Performance from the date joint control commenced until the date joint control ceases. Other movements in reserves are recognised directly in consolidated reserves.

(c) Comparative information

No comparatives have been prepared for the Consolidated Entity as the Company has applied ASIC Class Order 98/1416 "Comparative Information in Financial Reports" whereby it is exempt from disclosing comparative financial information in respect of the immediate preceding year as the Company was neither a disclosing entity nor was it subject to any provision of law requiring it to lodge a financial report in respect of that year.

(d) Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by ASIC, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(e) 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 Statement of Financial Position.

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

(f) Revenue and expense recognition

Revenues are recognised at fair value of the consideration received. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues. Revenue and expense are recognised for the major business activities as follows.

Construction contracts

Construction contract revenues and expenses are recognised on an individual contract basis using the percentage of completion method when the stage of contract completion can be reliably estimated, costs to date can be clearly identified, and total contract revenue, including any early completion bonus and costs to complete, can be reliably estimated.

Where the outcome of a contract cannot be reliably estimated, 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. Profits, including early completion bonuses, are first recognised on building construction contracts when the forecast outcome can be reliably estimated.

For fixed price contracts, the stage of completion is measured by reference to actual costs incurred to date as a percentage of estimated total costs for each contract. Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the reporting period plus the margin entitled to be charged on the recoverable costs or the percentage of fees earned. The percentage of fees earned is measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

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);
- Other costs that are specifically chargeable to a customer under the terms of a contract.

Development projects

Property development revenues and expenses are recognised, conditional upon revenues and expenses being able to be measured reliably, on a project basis by applying the percentage of completion method to the proportion of exchanged sales. Revenues and expenses are only recognised when the stage of project completion can be reliably determined, costs to date can be clearly identified and total project revenues and costs to complete can be reliably estimated.

Stage of completion is measured by reference to project costs to date, including land, as a percentage of estimated total costs for the project and the proportion of exchanged sales is measured as the value of exchanged sales to date as a percentage of total estimated sales for the project.

Where the outcome of a project cannot be reliably estimated, project costs in relation to exchanged sales are expensed as incurred. Where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred. Any expected loss on a project is recognised immediately as an expense.

For reliable measurement of revenues and expenses to occur, the following conditions must be satisfied before any project development profit is recognised:

- A signed construction contract is in place and Development Approval received;
- Financing for the development is in place;
- The percentage complete of the project must have reached a minimum threshold level of at least 35% complete measured by total project cost including land; and
- An exchanged sale or an offer and acceptance must be received before revenue can be recognised.

Sale of interests in developments

Proceeds received in respect of the sale of an economic interest in a development project by way of a development sale agreement ("agreement") with a co-investor is recognised as revenue once all the relevant conditions of the agreement have been satisfied. Under the arrangements, the beneficial interest in the net sales proceeds of the relevant development above a pre-agreed threshold accrues to the benefit of the co-investor. As the Consolidated Entity has lost control of a portion of the investment (including long term loans or commitments of the nature of equity) in the development, this portion has been derecognised and expensed at the time of income recognition. The Consolidated Entity continues to account for any residual interest in the development project in accordance with the revenue and profit recognition policies below.

Equity accounted development projects

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

Investment properties

Rental income and rental guarantee income are recognised on an accruals basis when due and receivable.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Interest revenue

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

Dividends

Dividend revenue is recognised net of any franking credits. Revenue from distributions from controlled entities is recognised by the parent entity when they are declared by the controlled entities. Revenue from dividends from associates and other investments is recognised when dividends are received. Dividends received out of pre-acquisition reserves are eliminated against the carrying amount of the investment and not recognised in revenue.

(g) Income tax

Multiplex Limited adopts the income statement liability method of tax effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a deferred tax liability.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain.

Capital gains tax, if applicable, is provided for in establishing income tax expense when an asset is sold.

Tax consolidation legislation

Multiplex Limited and its wholly-owned entities intend to implement the tax consolidation legislation as of 1 July 2003 in respect of all its wholly-owned Australian entities. The Australian Taxation Office has not yet been notified of this decision.

As a consequence, Multiplex Limited, as the head entity in the tax consolidated group, recognises current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under accounting tax sharing agreements with the tax consolidated entities are recognised separately as tax-related amounts receivable or payable. Expenses and benefits arising under the tax sharing agreement are recognised as a component of income tax expense (benefit).

The deferred tax balances recognised by the head entity in relation to wholly-owned entities joining the tax consolidated group are measured based on their carrying amounts at the level of the tax consolidated group before the implementation of the tax consolidation regime.

(h) Foreign currency translation

Transactions

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the date of the transactions or at hedge rates where applicable. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the Statement of Financial Performance in the periods in which they arise.

Translation of controlled foreign operations

The assets and liabilities of foreign operations, including controlled entities, associates and joint ventures, that are self-sustaining are translated at the rates of exchange ruling at reporting date. Equity items are translated at historical rates. The Statements of Financial Performance are translated at a weighted average rate for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve until the disposal, or partial disposal, of the operations.

(i) 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 depreciated / amortised as outlined below.

The cost of non-current assets constructed by the Consolidated Entity includes the cost of all materials used in construction, direct labour on the project, borrowing costs incurred during construction and an appropriate proportion of directly attributable variable and fixed overheads.

Goodwill is brought to account on the basis described in Note 1(s).

(j) Receivables

The collectibility of debts is assessed on an ongoing basis and specific provision is made for any doubtful accounts. Trade debtors are due for settlement within 30 days and are carried at amounts due.

(k) Inventories

Development projects

Development projects are carried at cost plus revenue recognised in accordance with UIG53 "Pre-completion Contracts for the Sale of Residential Development Properties", which does not exceed net realisable value. 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 on the marketing 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(f). When a development project is completed, borrowing costs and other holding charges are expensed as incurred.

Contract work in progress

Contract work in progress on building construction contracts is valued at cost plus an amount of profit calculated in accordance with the percentage of completion method, and includes retentions payable and receivable. Progress payments received to date are deducted from work in progress.

A contract is not considered complete until the defects liability period has expired and monies withheld have been received. Any loss on a building construction contract is recognised in the period the loss becomes foreseeable.

Cost includes variable and fixed costs directly related to specific 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 (see Note 1(y)) are also included.

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. When development is completed borrowing costs and other holding charges are expensed as incurred.

(l) New business and tender costs

New business and tender costs are deferred to the extent that it is probable that they 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 Consolidated Entity.

Tender expenditure not written off due to the tender being successful is transferred to work in progress. New business and tender costs are reviewed annually to determine the amount, if any, which is no longer recoverable. Any such amount is written off.

(m) Recoverable amount of non-current assets

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at reporting date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value.

(n) Revaluations of non-current assets held at fair value

Revaluation increments on a class of assets basis are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset

against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

Potential for capital gains tax is only taken into account if the asset is held for sale.

(o) Investments

Investments in controlled entities, associates, joint venture entities and joint venture operations are accounted for as set out in Note 1(b). Other investments are carried at the lower of cost and recoverable amount.

(p) Depreciation of property, plant and equipment

Property, plant and equipment have limited useful lives and are depreciated/amortised using the straight line method over their estimated useful lives, taking into account estimated residual values, with the exception of freehold land which is not depreciated.

The cost of leasehold improvements is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Consolidated Entity, whichever is the shorter.

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

Depreciation and amortisation rates and methods are reviewed annually for appropriateness and if required are changed prospectively in current and future periods.

The depreciation and amortisation rates used for each class of asset are as follows:

PROPERTY, PLANT AND EQUIPMENT	RATE	METHOD
Buildings	2.5 – 4%	Straight line
Plant and equipment	6 – 33%	Straight line
Leasehold improvements	20 – 33%	Straight line

(q) Leased assets

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(r) Investment properties

Investment properties comprise investment interests in land and buildings held for the purpose of letting to produce rental income.

Land and buildings comprising the investment properties are considered composite assets and are disclosed as such in the accompanying notes to the financial statements.

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.

The costs of assets constructed/redeveloped internally include the costs of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset.

Where the contracts of purchase include a deferred payment arrangement, amounts payable are recorded at their present value,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

discounted at the rate applicable to the Consolidated Entity if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Valuations

Investment properties are measured at fair value and revalued with sufficient regularity to ensure the carrying amount of each property does not differ materially from its fair value at the reporting date.

The Consolidated Entity's investments are independently valued whenever it believes that the fair value of a property differs significantly from its carrying value or at least every three years. These valuations are considered by the Directors when determining fair value. When assessing fair value, the Directors will also consider the discounted cash flow of the property, the highest and best use of the property and sales of similar properties.

Fair value is based on the price at which a property might reasonably be expected to be sold at the date of valuation, assuming:

- (i) a willing, but not anxious, buyer and seller on an arm's length basis;
- (ii) a reasonable period in which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;
- (iii) that the property will be reasonably exposed to that market;
- (iv) that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and
- (v) it only takes into account instructions given by the Consolidated Entity and is based on all the information that the valuer needs for the purposes of the valuation being made available by or on behalf of the Consolidated Entity.

Revaluation increments are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset against revaluation increments and any excess is recognised as an expense.

Investment properties are maintained at a high standard and, as permitted by accounting standards, the properties are not depreciated.

(s) Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition, including incidental costs, over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill and amortised on a straight line basis over the period during which the benefits are expected to arise. The cost of acquisition is discounted as described in Note 1(i) where settlement of any part of cash consideration is deferred.

(t) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(u) Interest bearing liabilities

Loans are carried at their principal amounts, subject to set-off arrangements. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(v) Dividends

Provision is made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial year but not distributed at balance date.

(w) Derivative financial instruments

The Consolidated Entity'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 and profits 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 Consolidated Entity is party to derivative financial instruments in the normal course of business in order to hedge exposure to interest and foreign exchange rates. The Consolidated Entity does not enter into derivative financial instruments for speculative purposes. The Consolidated Entity 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 underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised as interest income or interest expense as appropriate on an accruals basis over the life of the hedges.

Foreign exchange contracts

The Consolidated Entity, 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 Consolidated Entity's foreign currency denominated income and profits are recognised in the Consolidated Entity's Statement of Financial Performance as and when the underlying foreign currency income or expenditure is recognised.

Net fair values of financial assets and liabilities

The Consolidated Entity'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, payables and bank loans 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 Consolidated Entity expects to pay or receive to terminate the contracts, or replace the contracts at the market rates prevailing at the reporting date.

(x) Employee benefits***Wages, salaries and annual leave***

Liabilities for wages and 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 up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave 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 liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the non-current provision for employee benefits and 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 expected 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.

Superannuation

The Consolidated Entity contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made.

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.

(y) 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 – refer Note 1(k). Where borrowings are specific to particular inventory assets, the rate at which borrowing costs are capitalised is determined by reference to the actual borrowing costs incurred. The weighted average rate at which these costs have been capitalised during the year was 7.73%.

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.

(z) Cash

For purposes of the Statement of Cash Flows, cash includes 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

	NOTE	CONSOLIDATED \$'000	COMPANY \$'000
2 REVENUE			
Revenue from operating activities			
Sale of goods to external parties		576,148	–
Services		2,959,417	1,735,328
		3,535,565	1,735,328
Rents and sub-lease rentals		1,609	750
Interest	3	13,871	12,079
Dividends and distributions		5,535	12,937
Sale of non-current assets		95,426	20,339
Foreign exchange gains		8,812	10,300
Other		7,783	3,740
		133,036	60,145
Revenue from ordinary activities		3,668,601	1,795,473
Revenue from services includes construction contract revenue of		2,881,052	1,678,363
3 PROFIT FROM ORDINARY ACTIVITIES			
Net gains and expenses			
Profit from ordinary activities before related income tax expense includes the following specific net gains and expenses:			
Interest income – related parties		3,628	8,106
– other parties		10,243	3,973
		13,871	12,079
Depreciation of property, plant & equipment		4,125	2,645
Amortisation			
Leasehold improvements		576	505
Intangible assets		473	–
Other		3,825	3,140
Total depreciation and amortisation expense		8,999	6,290
Net loss on disposal of plant and equipment (excluding non-core asset disposals)		(2,344)	(2,003)
Operating lease payments		10,952	3,955
Cost of development properties sold		482,914	–
Discontinuing operations			
Proceeds on sale of non-core assets		22,999	13,587
less carrying value of non-core assets		(39,784)	(30,545)
Net (loss) on sale of non-core assets (a)		(16,785)	(16,958)
Operating loss from discontinuing operations of non-core assets		(11,807)	(5,931)
Loss on discontinuing operations before related tax expense		(28,592)	(22,889)
Tax expense in respect of discontinuing operations		(10,993)	(6,867)
Loss on discontinuing operations after related tax expense		(39,585)	(29,756)
Costs relating to the disposal of non-core assets			
Carrying value of non-core assets		39,784	30,545
Operating loss from discontinuing operations of non-core assets		11,807	5,931
Costs related to the disposal of non-core assets		51,591	36,476

3 PROFIT FROM ORDINARY ACTIVITIES (CONTINUED)

Consolidated

- (a) Net loss on sale of non-core assets is made up of a loss of \$685,000 in relation to property, plant and equipment and a loss of \$16,100,000 in relation to investments.

Company

- (a) Net loss on sale of non-core assets is made up of a loss of \$685,000 in relation to property, plant and equipment and a loss of \$16,273,000 in relation to investments.

4 INCOME TAX

The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:

Profit from ordinary activities before income tax expense	110,345	42,324
Income tax calculated at 30%	33,104	12,697
Increase in income tax expense on continuing operations due to:		
Tax capital gain on sale of buildings into Multiplex Property Trust	7,053	–
Underprovision in previous year	1,297	676
Other	489	–
Increase in income tax expense on discontinuing operations due to: (a)		
Write-off of deferred tax balances	9,276	9,276
Loss on sale of non-core assets	5,212	5,212
Loss on discontinuing operations	5,083	–
Decrease in income tax expense due to:		
Intra-group dividends	–	(2,198)
Other	–	(823)
Income tax expense attributable to profit from ordinary activities	61,514	24,840

- (a) Total represents difference between prima facie tax benefit on loss from discontinuing operations of \$8,578,000 (30% of pre-tax loss) and actual tax expense on discontinuing operations of \$10,993,000.

Tax losses

Future income tax benefits shown on the Statement of Financial Position includes an amount attributable to tax losses of \$6,110,000. The Directors estimate that the potential future income tax benefit at 30 June 2004 in respect of tax losses not brought to account is \$4,917,000.

This benefit for tax losses will only be obtained if:

- (i) the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and
- (ii) the Consolidated Entity continues to comply with the conditions for deductibility imposed by tax legislation, and
- (iii) no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit from the deductions for the losses.

Tax consolidation legislation

Multiplex Limited and its wholly-owned Australian controlled entities have decided to implement the tax consolidation legislation as of 1 July 2003. The Australian Taxation Office has not yet been notified of this decision. The accounting policy on implementation of the legislation is set out in Note 1(g).

The wholly-owned entities have fully compensated Multiplex Limited, as the head entity, for deferred tax liabilities assumed by Multiplex Limited on the date of the implementation of the legislation and have been fully compensated for any deferred tax assets transferred to Multiplex Limited.

The entities have entered and agreed to enter into tax sharing and funding agreements respectively. In the opinion of the Directors, the tax sharing agreement is a valid agreement under the tax consolidation legislation and limits the joint and several liability of the wholly-owned entities in the case of a default by Multiplex Limited. Under the terms of the tax funding agreement to be entered into by the wholly owned entities, they will reimburse Multiplex Limited for any current income tax payable by Multiplex Limited arising in respect of their activities. The reimbursements are payable at the same time as the associated income tax liability falls due and have therefore been recognised as a current tax-related receivable by Multiplex Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

	NOTE	CONSOLIDATED \$'000	COMPANY \$'000
5 CASH ASSETS			
Cash at bank and on hand		262,087	65,332
Deposits at call		147,730	108,525
	23	409,817	173,857

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Balances as above		409,817	173,857
Less: Bank overdrafts	19	(52,766)	–
Balance per Statement of Cash Flows		357,051	173,857

Cash at bank balances bear floating interest rates between nil and 5.25% p.a.

Deposits at call bear floating interest rates between 0.75% and 5.20% p.a.

6 RECEIVABLES (CURRENT)

Trade debtors		372,124	181,106
Less: Provision for doubtful debts		(3,728)	–
		368,396	181,106
Amounts due from controlled entities (a)		–	44,718
Amounts due from associates (a)		15,863	–
Other debtors (b)		32,236	12,314
		416,495	238,138

(a) No interest is charged and there are no fixed payment terms on amounts due from controlled entities and associates.

(b) These amounts generally arise from transactions outside the usual operating activities of the Consolidated Entity. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

7 INVENTORIES (CURRENT)

Development projects – completed		113,063	–
Development projects – under construction		262,442	–
Contract work in progress – amounts due from customers	22	70,107	9,452
		445,612	9,452

Aggregate carrying amount of development projects

Current – as above		375,505	–
Non-current	11	455,724	–
		831,229	–

8 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CURRENT)

Shares in associates	38	2,917	–
Interests in joint venture entities	38	20,179	–
		23,096	–

9 OTHER ASSETS (CURRENT)

Prepayments		5,636	3,760
New business and tender costs		18,670	812
Other		599	–
		24,905	4,572

10 RECEIVABLES (NON-CURRENT)

Amounts due from controlled entities (a)		–	559,273
Amounts due from associates (a)		159,539	14,065
Amounts due from Multiplex Property Trust (a)		88,719	59,467
Employee ownership loan schemes	31	6,392	6,392
Other debtors (b)		24,750	5,046
		279,400	644,243

(a) No interest is charged and there are no fixed payment terms on amounts due from controlled entities, associates and Multiplex Property Trust.

(b) These amounts generally arise from transactions outside the usual operating activities of the Consolidated Entity. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

11 INVENTORIES (NON-CURRENT)

Development projects under construction – at cost		453,658	–
Development projects completed – at cost		2,066	–
		455,724	–

12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (NON-CURRENT)

Shares in associates	38	26,417	–
Interests in joint venture entities	38	35,078	–
		61,495	–

13 OTHER FINANCIAL ASSETS

Investments traded on organised markets

Shares in listed entities – at cost		10,386	2,808
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Other (non-traded) investments

Shares in related parties – at cost		–	214
Shares in other corporations – at cost		24,397	21,416
Total non-traded shares – at cost		24,397	21,630
Less: Provision for write down to recoverable amount		(6,795)	(6,700)
Shares in non-traded corporations – at recoverable amount		17,602	14,930
Deep discount bonds (a)		78,491	–
		96,093	14,930
	23	106,479	17,738

(a) On 6 May 2004 the Consolidated Entity acquired deep discount bonds with a face value of £29,944,217. The bonds have an effective yield of 15% and are redeemable in ten years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

	NOTE	CONSOLIDATED \$'000	COMPANY \$'000
14 PROPERTY, PLANT AND EQUIPMENT			
Buildings			
At cost		26,168	1,866
Less: Accumulated depreciation		(1,662)	(326)
		24,506	1,540
Leasehold improvements – at cost		7,325	7,040
Less: Accumulated amortisation		(2,047)	(1,931)
		5,278	5,109
Plant and equipment			
At cost		33,723	24,614
Less: Accumulated depreciation		(22,973)	(17,610)
		10,750	7,004
Total property, plant and equipment	23	40,534	13,653

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment are set out below.

	NOTE	FREEHOLD LAND \$'000	BUILDINGS \$'000	LEASEHOLD IMPROVEMENTS \$'000	PLANT & EQUIPMENT \$'000	TOTAL \$'000
Consolidated						
Carrying amount at 1 July 2003		33,005	19,389	28,898	14,599	95,891
Reclassification of opening balance		–	16,600	(23,891)	7,291	–
Additions		–	487	847	6,140	7,474
Disposals		(778)	(11,464)	–	(9,112)	(21,354)
Disposal of entity		–	–	–	(5,046)	(5,046)
Depreciation/amortisation expense		–	(506)	(576)	(3,619)	(4,701)
Foreign currency fluctuations		–	–	–	497	497
Transfer to investment properties	15	(32,227)	–	–	–	(32,227)
Carrying amount at 30 June 2004		–	24,506	5,278	10,750	40,534
Company						
Carrying amount at 1 July 2003		16,891	12,964	4,825	8,040	42,720
Additions		–	104	789	2,817	3,710
Disposals		(778)	(11,464)	–	(1,270)	(13,512)
Depreciation/amortisation expense		–	(64)	(505)	(2,581)	(3,150)
Foreign currency fluctuations		–	–	–	(2)	(2)
Transfer to investment properties	15	(16,113)	–	–	–	(16,113)
Carrying amount at 30 June 2004		–	1,540	5,109	7,004	13,653

15 INVESTMENT PROPERTIES

	NOTE	CONSOLIDATED \$'000	COMPANY \$'000
Investment properties	23	32,227	16,113

Carrying value of investment properties

Investment properties are being carried at fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

16 INTANGIBLE ASSETS

Goodwill	2,629	–
Less: Accumulated amortisation	(66)	–
	2,563	–
Other intangible assets	491	–
Less: Accumulated amortisation	(12)	–
	479	–
	3,042	–

17 OTHER ASSETS (NON-CURRENT)

Establishment costs	10,388	9,351
Less: Accumulated amortisation	(4,195)	(4,131)
	6,193	5,220
New business and tender costs	23,781	18,371
Other	3,139	780
	33,113	24,371

18 PAYABLES

Trade creditors	541,765	322,159
Other creditors and accruals	122,813	26,209
	664,578	348,368

19 INTEREST BEARING LIABILITIES (CURRENT)

Secured		
Bank overdrafts	52,766	–
Bank loans	262,322	–
Other loans	49,233	1,101
	364,321	1,101
Unsecured		
Loans from associates	8,281	–
Other loans	15,115	–
	23,396	–
	387,717	1,101

Details of the security relating to each of the secured liabilities and further information on the bank overdrafts and bank loans are set out in Note 23.

Other loans

Other loans have no fixed repayment terms.

20 NON-INTEREST BEARING LIABILITIES (CURRENT)

Unsecured		
Other loans	123,470	–

Other loans have no fixed repayment terms.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

	NOTE	CONSOLIDATED \$'000	COMPANY \$'000
21 PROVISIONS (CURRENT)			
Employee benefits	35	16,205	14,451
Dividends and distributions		38,579	38,579
Rental guarantees provided to Multiplex Property Trust		37,433	–
Lease incentives		16,071	–
Investment guarantees		12,113	12,113
Other		10,763	8,271
		131,164	73,414

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below.

	DIVIDENDS AND DISTRIBUTIONS \$'000	RENTAL GUARANTEES \$'000	LEASE INCENTIVES \$'000	INVESTMENT GUARANTEES \$'000	OTHER \$'000
Consolidated					
Carrying amount at start of year	–	–	–	16,626	3,597
Additional provisions recognised	48,579	37,552	16,071	9,051	12,427
Payments/other sacrifices of economic benefits	(10,000)	(119)	–	(13,564)	(5,261)
Carrying amount at end of year	38,579	37,433	16,071	12,113	10,763
Company					
Carrying amount at start of year	–	–	–	16,626	3,555
Additional provisions recognised	48,579	–	–	9,051	4,788
Payments/other sacrifices of economic benefits	(10,000)	–	–	(13,564)	(72)
Carrying amount at end of year	38,579	–	–	12,113	8,271

22 CONTRACT WORK IN PROGRESS

	CONSOLIDATED \$'000	COMPANY \$'000
Contract costs incurred to date	(8,147,100)	(5,704,017)
Profit recognised to date (less recognised losses)	(291,215)	(168,497)
	(8,438,315)	(5,872,514)
Less: Progress billings	8,526,659	5,979,322
Net contract work in progress	88,344	106,808
Net contract work in progress comprises:		
Amounts due from customers – inventories	(70,107)	(9,452)
Amounts due to customers – contract work in progress	158,451	116,260
	88,344	106,808
Progress billings and advances received and receivable	8,543,363	5,979,322
Advances on construction projects in progress included in trade creditors	16,704	–
Retentions on construction projects in progress included in progress billings	163,381	2,722

23 INTEREST BEARING LIABILITIES (NON-CURRENT)

Secured

Bank loans	177,963	–
Other loans	27,762	6,500
	205,725	6,500

Unsecured

Loans from Multiplex Property Trust (a)	142,368	142,368
	348,093	148,868

(a) These amounts are repayable when called upon post July 2005.

Total secured liabilities (current and non-current) are:

Bank overdrafts and bank loans	493,051	–
Other loans	76,995	7,601
	570,046	7,601

Other loans

Other loans have no fixed dates of repayment.

Bank loans and overdrafts

The bank loans and overdrafts are secured by first mortgages over the assets detailed below.

Assets pledged as security

The carrying amounts of assets pledged as security are:

Fixed charge

Investment properties	16,114	–
Inventories	891,884	–
Other financial assets	88,741	–
Property, plant and equipment	26,881	–
	1,023,620	–

Floating charge

Cash assets	235,960	–
Receivables	417,505	–
	653,465	–
Total assets pledged as security	1,677,085	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

CONSOLIDATED
\$'000

COMPANY
\$'000

23 INTEREST BEARING LIABILITIES (NON-CURRENT) (CONTINUED)

Financing arrangements

The Consolidated Entity has access to the following lines of credit:

Facilities available at balance date

Bank overdrafts	65,531	–
Bank loans	661,718	–
Bank guarantees and insurance bonds	366,876	–
	1,094,125	–

Facilities utilised at balance date

Bank overdrafts	52,766	–
Bank loans	440,285	–
Bank guarantees and insurance bonds	341,125	–
	834,176	–

Facilities not utilised at balance date

Bank overdrafts	12,765	–
Bank loans	221,433	–
Bank guarantees and insurance bonds	25,751	–
	259,949	–

Bank overdrafts

The Consolidated Entity has bank overdrafts denominated in Australian dollars and in other foreign currencies. The bank overdrafts are payable on demand and are subject to annual review.

Bank loans

The Consolidated Entity has bank loans denominated in Australian dollars and in other foreign currencies. Refer above for details of assets pledged as security over bank loans.

Bank guarantees and insurance bonds

Refer Note 33 for details of bank guarantees and insurance bonds.

24 NON-INTEREST BEARING LIABILITIES (NON-CURRENT)

Unsecured

Amounts owing to associates	23,483	1,569
Amounts owing to controlled entities	–	68,043
Other loans	10,396	–
	33,879	69,612

Amounts owing to associates and controlled entities, and other loans have no fixed repayment terms.

25 PROVISIONS (NON-CURRENT)

	NOTE	CONSOLIDATED \$'000	COMPANY \$'000
Employee benefits	35	471	285
Rental guarantee provided to Multiplex Property Trust		713	–
Project expenses		7,439	–
Other		1,095	985
		9,718	1,270

Movements in each class of provision during the financial year, other than employee benefits, are set out below.

	RENTAL GUARANTEES \$'000	PROJECT EXPENSES \$'000	OTHER \$'000
Consolidated			
Carrying amount at start of year	–	7,448	1,800
Additional provisions recognised	906	4,551	110
Payments/other sacrifices of economic benefits	(193)	(4,560)	(815)
Carrying amount at end of year	713	7,439	1,095
Company			
Carrying amount at start of year	–	–	1,800
Additional provisions recognised	–	–	–
Payments/other sacrifices of economic benefits	–	–	(815)
Carrying amount at end of year	–	–	985

26 CONTRIBUTED EQUITY

DATE	DETAILS	SHARES	ISSUE PRICE	\$'000
01/07/03	Opening balance	14		309
	Pre-flotation restructuring	499,999,986		–
12/05/04	Entitlement offer	55,489,798	2.39	132,621
01/06/04	Public offer	12,692,216	2.39	30,334
	Costs of issues			(3,580)
30/06/04	Closing balance	568,182,014		159,684

Prior to the flotation, the "A" class ordinary shares were split into 500,000,000 ordinary shares of which 292,500,000 were offered for sale to the public under the Company's Initial Public Offering ("IPO"). Under the IPO, the public were invited to acquire shares from the vendors and to subscribe for units in the Multiplex Property Trust.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. On a show of hands every holder of shares present at a meeting of share holders in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Employee Ownership Plan

Information relating to the employee ownership plan, including details of shares issued under the scheme, are set out in Note 31.

Share buy-back

There is no current on-market buy-back.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

	NOTE	CONSOLIDATED \$'000	COMPANY \$'000
27 RESERVES			
Asset revaluation reserve		37,124	21,805
Foreign currency translation reserve		3,187	-
		40,311	21,805

Movements:

There were no movements in the asset revaluation reserve during the year at either the consolidated or company level.

Foreign currency translation reserve

Balance at 1 July 2003		(787)	-
Net exchange differences on translation of foreign controlled entities		3,974	-
Balance at 30 June 2004		3,187	-

28 RETAINED PROFITS

Retained profits at the start of the financial year		193,484	144,667
Net profit attributable to members of Multiplex Limited		48,831	17,484
Dividends provided for or paid	29	(48,579)	(48,579)
Retained profits at the end of the financial year		193,736	113,572

29 DIVIDENDS

Dividends paid to shareholders or declared during the financial year were as follows:

	CENTS PER SHARE	TOTAL AMOUNT \$'000	DATE OF PAYMENT	TAX RATE FOR FRANKING CREDIT %	PERCENTAGE FRANKED %
Ordinary shares					
Interim dividend	2.00	10,000	25 March 2004	30	100
Final dividend	6.79	38,579	27 August 2004	30	100
Total dividend	8.79	48,579			

	CONSOLIDATED \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	389

The above amount represents 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.

The consolidated amount includes franking credits that would be available to the parent entity if distributable profits of controlled entities were paid as dividends.

Franking credits of \$1,655 were transferred from wholly-owned entities to the parent entity at the time these entities entered the tax consolidated group on 1 July 2003.

30 SEGMENT INFORMATION

As the Consolidated Entity is organised on a global basis into divisions by product and service type, its primary segmentation is by business segment. Secondary segmentation is by geographical area, with the Consolidated Entity operations split between Australasia and Europe & Middle East.

PRIMARY SEGMENT	DESCRIPTION OF ACTIVITIES					
Construction	Construction of projects across the commercial, retail, industrial, residential, hospitality, sporting, health care and entertainment sectors.					
Property Development	Development projects across the commercial, retail, industrial, residential, hospitality and entertainment sectors.					
Facilities and Infrastructure Management	Facilities maintenance management, property management services, minor works management and advisory services.					
Property Funds Management	Management of property investment vehicles.					
Business segments						
\$'000	CONSTRUCTION	PROPERTY DEVELOPMENT	FACILITIES AND INFRASTRUCTURE MANAGEMENT	PROPERTY FUNDS MANAGEMENT	OTHER/ INTER-SEGMENT ELIMINATIONS/ UNALLOCATED	TOTAL
Sales to external customers	2,881,052	644,367	26,629	12,812	(29,295)	3,535,565
Intersegment sales	5,593	–	–	–	(5,593)	–
Total sales revenue	2,886,645	644,367	26,629	12,812	(34,888)	3,535,565
Other revenue	11,914	68,292	30	11,960	40,840	133,036
Total segment revenue ¹	2,898,559	712,659	26,659	24,772	5,952	3,668,601
Shares of net profits of associates and joint venture entities	(357)	14,066	39	92	–	13,840
Segment result ¹	73,179	72,265	2,589	5,353	(43,041) ²	110,345
Income tax expense						61,514
Profit from ordinary activities after related income tax						48,831
Segment assets	523,914	1,024,584	6,140	736,291	(368,807)	1,922,122
Unallocated assets						450,477
Total assets						2,372,599
Segment liabilities	781,657	117,677	5,754	2,744	56,079	963,911
Unallocated liabilities						1,014,957
Total liabilities						1,978,868
Investments in associates and joint venture entities	5	73,262	150	11,174	–	84,591
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	2,284	187,159	221	2,662	3,327	195,653
Depreciation and amortisation expense	2,545	53	108	189	6,104	8,999
Other non-cash expenses	12,297	58,040	94	1,028	38,680	110,139

¹ Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arms-length" basis and are eliminated on consolidation.

² This amount includes corporate costs, consolidation eliminations and loss on sale of non-core assets and operating loss from discontinuing operations of \$28,592,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

30 SEGMENT INFORMATION (CONTINUED)

Geographical segments

	AUSTRALASIA \$'000	EUROPE & MIDDLE EAST \$'000	OTHER/ INTER-SEGMENT ELIMINATIONS/ UNALLOCATED \$'000	TOTAL \$'000
Segment revenues from sales to external customers	2,561,213	1,003,647	(29,295)	3,535,565
Segment assets	1,603,389	318,733	450,477	2,372,599
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	194,443	1,210	–	195,653

31 DIRECTOR AND EXECUTIVE DISCLOSURES

The following persons were Directors of Multiplex Limited for the reporting period from the Multiplex Group's listing on 2 December 2003 when it became a disclosing entity:

NAME	CAPACITY	TITLE
Mr John C Roberts AO	Executive Chairman	
Mr F Allan McDonald	Non-Executive Deputy Chairman	
Mr Andrew T Roberts	Executive Director	Chief Executive and Managing Director
Mr John A Corcoran	Executive Director	Chief Financial Officer
Mr Ross A McDiven	Executive Director	Deputy Managing Director and Chairman of Property Development Division
Mr Timothy A Roberts	Executive Director	Managing Director – Property Development Division
Mr Noel R Henderson	Executive Director	Chief Operating Officer and Chairman of Construction Division
Ms Barbara K Ward	Non-Executive Director	
Mr John H Poynton	Non-Executive Director	
Mr Peter Dransfield	Non-Executive Director	
Ms Denby McGregor (alternate Director for John C Roberts and Timothy A Roberts)	Executive Director	Director – Property Development Division

Each of the Non-Executive Directors is independent.

Executives (other than Directors) with the greatest authority for strategic direction and management

The following persons were the five Executives with the greatest authority for the strategic direction and management of the Consolidated Entity ("specified Executives") during the financial year:

NAME	POSITION	EMPLOYER
Mr Paul Gandy	Divisional Director	Multiplex Constructions (UK) Limited
Mr Simon Gray	Joint Managing Director – Construction	Multiplex Limited
Mr Dennis O'Regan	Managing Director – NSW Developments	Multiplex Limited
Mr Matthew Stagg	Joint Managing Director – Construction	Multiplex Constructions (UK) Limited
Mr Ian O'Toole	Managing Director – Multiplex Capital	Multiplex Limited

Remuneration of Directors and Executives

Principles used to determine the nature and amount of remuneration

The Consolidated Entity has adopted four key guiding principles which underpin the Executive remuneration structure:

- remuneration should result in an alignment of interests of all Executives with the interests of the Consolidated Entity's shareholders through the creation of value for the shareholders;
- remuneration should be market based and competitive;
- remuneration should enable the Consolidated Entity to attract and retain talented Executives; and
- the remuneration structures should be transparent and readily understood.

31 DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

Remuneration arrangements and performance targets for Executives are agreed with each individual and documented on an annual basis. In setting the base package for senior Executives, reference is had to independent remuneration consulting advice, including benchmarking against comparative data. A variable incentive component is structured to incorporate quantitative and qualitative elements. A quantitative element, which has a heavier weighting, is typically based on the achievement of earnings targets, while the qualitative component is typically based around individual targets.

Incentive targets are set at the beginning of each financial year for each Executive and are payable to a maximum of 250% of the original incentive target. Bonuses that exceed 170% of the original incentive target are banked for payment in the subsequent year to a maximum of 250% of the original incentive target.

Generally speaking, as an Executive becomes more senior his or her total employment remuneration becomes more weighted to the variable component, placing a greater proportion of total earnings at risk.

None of the specified Directors or Executives has a contractual entitlement to a notice period of more than 12 months.

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 and to provide a long term incentive component to an employee's remuneration. Under the EOP, interest-free loans may be granted to employees to acquire stapled securities. It is possible for Executives and employees to have some or all of their loan forgiven progressively over a pre-defined period. In the case of Executives, such forgiveness is subject to satisfaction of performance targets. At 30 June 2004, no such loans had been waived.

Participants under the EOP are the registered legal owner of the securities purchased with the proceeds of the loans 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 the securities. As the registered legal owner participants will receive distributions.

Remuneration of Non-Executive Directors is determined by the board at a level that is reflective of the significant responsibilities assumed by them in the conduct of their duties. The Non-Executive Directors are not entitled to receive bonuses, while none of the Directors is entitled to receive retirement benefits.

Details of remuneration

Details of the remuneration of each Director of Multiplex Limited and each of the five specified Executives of the Consolidated Entity, including their personally-related entities, are set out in the following tables.

Directors of Multiplex Limited

NAME	BASE SALARY AND FEES \$	PRIMARY		POST-EMPLOYMENT		TOTAL \$
		SHORT TERM INCENTIVE \$	NON-MONETARY BENEFITS \$	SUPER- ANNUATION \$	RETIREMENT BENEFITS \$	
Mr John Roberts AO	75,016	—	27,787	10,140	—	112,943
Mr Allan McDonald	96,942	—	—	7,720	—	104,662
Mr Andrew Roberts	583,915	400,000	52,798	13,287	—	1,050,000
Mr Ross McDiven	619,452	396,417	144,132	15,482	—	1,175,483
Mr Noel Henderson	512,376	242,000	61,746	87,624	—	903,746
Mr John Corcoran	478,742	450,000	47,315	2,000	—	978,057
Mr Tim Roberts	413,449	396,417	1,124	13,353	—	824,343
Ms Denby Macgregor	110,091	40,287	10,039	9,908	—	170,325
Mr John Poynton	63,985	—	—	6,675	—	70,660
Ms Barbara Ward	63,985	—	—	6,675	—	70,660
Mr Peter Dransfield	63,985	—	—	6,675	—	70,660
Total	3,081,938	1,925,121	344,941	179,539	—	5,531,539

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

31 DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

Specified Executives of the Consolidated Entity

NAME	PRIMARY			POST-EMPLOYMENT		TOTAL \$
	BASE SALARY AND FEES \$	SHORT TERM INCENTIVE \$	NON-MONETARY BENEFITS ¹ \$	SUPER- ANNUATION \$	RETIREMENT BENEFITS \$	
Mr Matthew Stagg	476,974	–	769,208	11,002	–	1,257,184
Mr Simon Gray	454,000	198,000	29,466	20,842	–	702,308
Mr Dennis O'Regan	387,238	227,500	31,257	46,002	–	691,997
Mr Dan Ashby	295,386	17,673	212,315	–	–	525,374
Mr Ian O'Toole	292,694	430,000	87,673	10,485	–	820,852
Total	1,906,292	873,173	1,129,919	88,331	–	3,997,715

¹ Non-monetary benefits include the cost of providing interest free loans and expatriate benefits including relocation, accommodation and schooling costs.

Equity-based compensation

At present the Consolidated Entity does not operate any equity-based compensation schemes. It does, however, operate an employee loan scheme through which loans have been made to various employees to acquire securities in the Consolidated Entity. Further information regarding this loan scheme is detailed below.

Equity instrument disclosures relating to Directors and Executives

Shareholdings

The numbers of Multiplex Limited shares held during the period from the Consolidated Entity becoming a "disclosing entity" in accordance with the Corporations Act 2001 to the end of the financial year by each Director of Multiplex Limited and each of the five specified Executives of the Consolidated Entity, including their personally-related entities, are set out below.

NAME	BALANCE AT THE START OF THE PERIOD	ACQUIRED THROUGH MULTIPLEX EMPLOYEE OWNERSHIP PLAN	OTHER CHANGES DURING THE PERIOD	BALANCE AT THE END OF THE PERIOD
<i>Directors</i>				
Mr John C Roberts AO (a)	207,550,002	–	7,075,568	214,625,570
Mr Allan McDonald	29,692	–	–	29,692
Mr Andrew Roberts (a)	207,550,002	–	7,075,568	214,625,570
Mr Ross McDiven	419,753	567,902	–	987,655
Mr John Corcoran	493,827	123,457	–	617,284
Mr Tim Roberts (a)	207,550,002	–	7,075,568	214,625,570
Mr Noel Henderson	49,382	148,149	–	197,531
Mr Peter Dransfield	24,692	–	15,308	40,000
Mr John Poynton	425,078	–	–	425,078
Ms Barbara Ward	15,000	–	5,000	20,000
Ms Denby Macgregor (a)	207,550,002	–	7,075,568	214,625,570
<i>Specified Executives</i>				
Mr Matthew Stagg	–	–	123,457	123,457
Mr Simon Gray	24,691	98,766	–	123,457
Mr Dennis O' Regan	130,000	98,766	–	228,766
Mr Dan Ashby	–	–	12,346	12,346
Mr Paul Gandy	–	–	49,383	49,383

(a) Interest is held by Roberts Family Nominees Pty Ltd, in which the Director holds a relevant interest.

31 DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

Loans to Directors and Executives

Details of loans made to Directors of Multiplex Limited and the five specified Executives, including their personally-related entities, are set out below.

CONSOLIDATED ENTITY	BALANCE AT THE START OF THE PERIOD \$'000	INTEREST PAID AND PAYABLE FOR THE PERIOD \$'000	INTEREST NOT CHARGED \$'000	BALANCE AT THE END OF THE PERIOD \$'000	NUMBER IN CONSOLIDATED ENTITY AT THE END OF THE PERIOD \$'000
Directors (b)	2,986	–	132	2,986	3
Specified Executives (b)	1,309	–	57	1,309	5

(b) The aggregate amounts of loans made to Directors and specified Executives noted above include interest free loans made to those individuals in addition to the loans made under the Multiplex Loan Scheme.

Individuals with loans above \$100,000 during the financial year

NAME	BALANCE AT THE START OF THE PERIOD \$'000	INTEREST PAID AND PAYABLE FOR THE PERIOD \$'000	INTEREST NOT CHARGED \$'000	BALANCE AT THE END OF THE PERIOD \$'000	HIGHEST INDEBTEDNESS DURING THE PERIOD \$'000
Specified Director					
Mr Ross McDiven	1,749	–	70	1,749	1,749
Mr John Corcoran	380	–	15	380	380
Mr Noel Henderson	856	–	46	856	856
Specified Executive					
Mr Matthew Stagg	380	–	15	380	380
Mr Simon Gray	404	–	19	404	404
Mr Dennis O'Regan	304	–	12	304	304
Mr Ian O'Toole	804	–	72	804	804

Multiplex Loan Scheme

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, eligible employees are not liable for any amount by which the value of the securities falls short of the loan balance upon demand for repayment and are not required to make loan repayments except on termination of employment before 1 January 2007.

At the time of making the loans, it was contemplated that they may be forgiven over a period of up to three years. Depending on the seniority of the recipient, the waiver of the loan may be tied to individual and Group performance. A waiver by the Board of a loan amount may be deferred, accrued or made subject to such conditions as the Board determines. Similarly, the Board may vary, reduce or waive in whole or in part any performance measure at any time.

The participants are the registered legal owner of the securities purchased with the proceeds of the loans and as such have the same rights as other owners of Multiplex Group securities with the exception that the participant cannot sell the securities within the first 12 months. As the registered legal owner participants will receive distributions and will be subject to increases or decreases in the market value of the securities.

Upon termination of employment from the Multiplex Group before 1 January 2007 participants may either repay the loan balance and keep the securities or transfer the Securities to the Plan Manager in full repayment of the loan at which point the Plan Manager will arrange for the securities to be sold, the loan balance repaid and the remainder (if any) distributed to the participant after the deduction of any sale costs.

As at 30 June 2004, the carrying value of the loans made under the loan schemes totalled \$6,391,945. No loans were waived during the period up to that date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

31 DIRECTOR AND EXECUTIVE DISCLOSURES (CONTINUED)

Other transactions with Director related entities

The Multiplex Group Product Disclosure Statement and Prospectus dated 23 October 2003 contemplated that certain non-core assets of the Company would be sold to entities associated with the Roberts family and also that such entities would extend a loan to the Trust.

Aggregate amounts of transactions with Directors of Multiplex Limited:

	\$'000
Amounts recognised as revenue	
Property lease (a)	104
Sale of non-core assets (b)	22,999
	23,103
Amounts recognised as loss	
Sale of non-core assets (b)	16,785
	16,785

(a) The Consolidated Entity has also entered into lease and license arrangements with associated entities of the Roberts family in relation to the Egerton property located in the Swan Valley in Western Australia. These arrangements have been made at market rate, are for a term of 10 years and attract combined fees of \$104,000 per annum.

(b) As part of the IPO process the Company also disposed of certain non-core assets that were not required for its continuing operations. The sale of these non-core assets was made at market value for an aggregate price of \$22,999,000, and included the sale of a partly constructed property in Sydney to Andrew Roberts and his spouse. This sale followed the exercise of a call option to purchase the property in accordance with a Deed of Put and Call dated 22 October 2003. The Company made a loss of \$16,785,000 on these transactions.

All of the Multiplex Limited Directors have declared their interests in accordance with section 195(1) of the Corporations Act 2001.

During the period the Directors of the Company approved the establishment of debt facilities with subsidiaries of the Commonwealth Bank of Australia. The interests of Barbara Ward by virtue of her position as a Director of the Commonwealth Bank of Australia were duly declared to the Board. Such transactions have not been included above as the Commonwealth Bank of Australia does not qualify as a personally related entity. Similarly, other transactions were undertaken by the Consolidated Entity during the period with Directors or Director related entities on an arm's length basis.

Other transactions with specified Executive related entities

Other than those items disclosed elsewhere there have been no transactions with entities associated with the specified Executives during the period.

32 REMUNERATION OF AUDITORS

During the year the following amounts were paid to the auditor of the parent entity, its related practices and non-related audit firms:

	CONSOLIDATED \$'000	COMPANY \$'000
Audit services		
KPMG Australia		
Audit and review of financial reports	733	245
Other regulatory audit fees	68	-
Overseas KPMG firms		
Audit and review of financial reports	187	-
	988	245
Other services		
KPMG Australia		
Due diligence services	1,432	1,432
Taxation services	1,004	1,004
Other assurance services	409	409
Overseas KPMG firms		
Taxation services	761	-
Other assurance services	33	-
	3,639	2,845

33 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 the Consolidated Entity from its subcontractors in lieu of cash retentions. In addition, insurance performance bonds were also issued to some clients in support of the Consolidated Entity's performance under its building contracts. The guarantees and bonds issued to clients are secured by indemnities. All of the bank guarantees and bonds are received and issued in the Consolidated Entity's ordinary course of business.

Bank guarantees and insurance bonds outstanding at 30 June 2004 were:

	\$'000
Bank guarantees outstanding	15,280
Insurance bonds outstanding	325,845
	341,125

- (b) In the ordinary course of business, the Consolidated Entity provides rental guarantees and income support arrangements to tenants and owners of various residential and commercial buildings, which the aggregated entity is developing or has completed development on. These arrangements require the Consolidated 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 forecasted 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) The Company is 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.
- (d) In the ordinary course of business, the Company and its 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 Company's insurance arrangements and / or contractual indemnities with consultants and subcontractors. Whilst the outcomes of these proceedings are uncertain, contingent liabilities exist, which based on legal advice, should not be material either individually or in the aggregate.
- (e) As a result of an income tax audit by the Australian Taxation Office, the Group has received tax assessments for the Company and one of its subsidiaries for the years ended 30 June 1998 and 30 June 1999. The assessments issued are in relation to a contract entered into at one of the Group's Sydney projects. The assessments are for additional company income tax of \$17.2 million, interest of \$13.0 million and penalties of \$0.2 million.

The Group had previously received legal advice that its taxation treatment of this project is consistent with Australian taxation law, including a Taxation Determination and an Income Tax Ruling that both remain in force today. This advice has subsequently been supported by an opinion from Senior Counsel. As a result, the Group remains confident of its position in this matter and will object to the assessments. The Group has not created any provision in its accounts for the sums claimed, based on the advice it has received.

- (f) 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 project liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

CONSOLIDATED
\$'000

COMPANY
\$'000

34 COMMITMENTS FOR EXPENDITURE

Capital commitments

Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:

Within one year	111	-
Later than one year but not later than 5 years	82	-
Later than 5 years	-	-
	193	-

Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

Within one year	10,377	2,689
Later than one year but not later than 5 years	33,216	11,433
Later than 5 years	24,997	5,238
	68,590	19,360

Representing:

Cancellable operating leases	4,599	80
Non-cancellable operating leases	63,991	19,280
	68,590	19,360

Operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	7,800	2,689
Later than one year but not later than 5 years	31,194	11,353
Later than 5 years	24,997	5,238
Commitments not recognised in the financial statements	63,991	19,280

35 EMPLOYEE BENEFITS

Employee benefit and related on-costs liabilities

Included in payables	3,530	1,653
Provision for employee benefits – current	16,205	14,451
Provision for employee benefits – non-current	471	285
	20,206	16,389

NUMBER

Employee numbers at 30 June 2004	1,818	1,818
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Multiplex Limited Employees' Superannuation Fund

The Consolidated Entity contributes to defined contribution superannuation funds in Australia and other regions in which it operates. There are no defined benefit plans in the Consolidated Entity. All employees are entitled to benefits on retirement, temporary disability, permanent disability or death.

There is no legally enforceable obligation for the Consolidated Entity to cover any shortfall in the funds' assets to make payments to employees.

36 RELATED PARTIES

Directors and specified Executives

Disclosures relating to Directors and specified Executives are set out in Note 31.

Wholly-owned group

The wholly-owned group consists of Multiplex Limited and its wholly-owned controlled entities. Ownership interests in these controlled entities are set out in Note 37.

Transactions between entities in the wholly-owned group during the year ended 30 June 2004 consisted of:

- (a) loans advanced;
- (b) loans repaid;
- (c) the payment of interest on the above loans;
- (d) the payment of dividends;
- (e) transactions under the tax sharing and funding agreement described in Note 4; and
- (f) construction revenue from development entities.

Other than those which have been disclosed as non-interest bearing liabilities, the above transactions were made on normal commercial terms and conditions and at market rates. The Company entity has loans from Multiplex Property Trust, a related party, which at year end totalled \$142,368,000. The average interest rate on these loans is 11.3% and the term is three years. \$127,375,000 of these funds was on-lent to controlled entities at the same interest rates.

The remainder of intercompany loans are non-interest bearing with no fixed repayment terms.

	\$'000
Company (Multiplex Limited)	
(i) Management fees received from controlled entities	26,112
(ii) Dividend revenue received from controlled entities	7,577

Transactions between Multiplex Limited and the Multiplex Property Trust

- (i) Sale of seven investment properties from the Consolidated Entity to the Multiplex Property Trust at a total sale price of \$777,982,000. Profit of \$2,307,000 on the sale was recognised by the Consolidated Entity.
- (ii) Construction of six investment properties owned by the Trust. The Consolidated Entity recognised revenue of \$258,380,000 and profit of \$14,967,000 during the year in relation to the construction of these properties.
- (iii) Interest of \$6,332,000 on loans totalling \$142,368,000 paid by the Consolidated Entity to the Trust.
- (iv) Management fees of \$575,000 paid to the Consolidated Entity by the Trust.

Controlling entities

The ultimate parent entity is Multiplex Limited.

Ownership interests in related parties

Interests held in the following classes of related parties are set out in the following notes:

- (a) controlled entities – Note 37
- (b) associates – Note 38
- (c) joint venture entities – Note 38

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
37 INVESTMENTS IN CONTROLLED ENTITIES			
(a) At 30 June 2004, the Consolidated Entity had the following controlled entities:			
A.C.N. 007 154 449 Pty Limited		Australia	100
A.C.N. 008 204 788 Pty Limited		Australia	100
A.C.N. 009 352 729 Pty Limited		Australia	100
A.C.N. 009 415 007 Pty Limited		Australia	100
A.C.N. 009 647 447 Pty Limited		Australia	100
A.C.N. 010 898 816 Pty Limited		Australia	100
A.C.N. 067 081 716 Pty Limited		Australia	100
A.C.N. 078 679 599 Pty Limited		Australia	100
A.C.N. 097 170 208 Pty Limited		Australia	100
A.C.N. 101 148 850 Pty Limited		Australia	100
A.C.N. 093 116 315 Pty Limited		Australia	100
Acumen Capital Securities Limited		Australia	72
Acumen Capital Services Pty Limited		Australia	100
BASX Finance Pty Limited		Australia	100
BASX Pty Limited		Australia	100
Blackwall Yard Developments Limited	29 Apr 2004	United Kingdom	100
Bluegate Nominees Pty Limited		Australia	100
Brisbane Cruise Wharf (Retail) Pty Limited		Australia	100
Brisbane Cruise Wharf Pty Limited		Australia	100
Bundaberg Project 2000 Pty Limited		Australia	100
Ceeteal Pty Limited		Australia	100
Ceezeal Pty Limited		Australia	100
Celestial Pty Limited		Australia	100
Colersad Pty Limited		Australia	100
CSPM Pty Limited		Australia	100
Darling Island Project Pty Limited		Australia	100
Driveside Pty Limited	27 Aug 2003	Australia	100
Griell Pty Limited	16 Dec 2003	Australia	100
Kendall Inlet Development Pty Limited		Australia	100
KMF Investments Pty Limited		Australia	100
Kyneton Investments Pty Limited	22 Jun 2004	Australia	100
Lambda Holdings Pty Limited		Australia	100
Latitude Holdings Investment Pty Limited	2 Oct 2003	Australia	100
Latitude Landowner Pty Limited	2 Oct 2003	Australia	100
Latitude Projects Pty Limited		Australia	100
Latitude Retail Pty Limited		Australia	100
Latitude Site C Investments Pty Limited		Australia	100
Latitude Site C Landowning Pty Limited		Australia	100
Ligon 277 Pty Limited		Australia	100
Lunick Pty Limited		Australia	100
Lustorm Pty Limited		Australia	100
Lynbass Pty Limited		Australia	100
MAM City Arcade Pty Limited	9 Oct 2003	Australia	100
Maskiris Pty Limited		Australia	100
Masklyon Pty Limited		Australia	100
Mayet Pty Limited		Australia	100

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
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37 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

Metro Edgley Pty Limited		Australia	100
MIT DT Pty Limited		Australia	100
Mona Vale Pty Limited		Australia	75
MPT Note Purchaser Pty Limited	1 Dec 2003	Australia	100
MPT Subscriber Pty Limited	1 Dec 2003	Australia	100
Multiplex (Bigge Street Liverpool) Investments Pty Limited		Australia	100
Multiplex (Bigge Street Liverpool) Pty Limited		Australia	100
Multiplex (City Square Lot 1) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 1) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 2) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 2) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 3) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 3) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 4) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 4) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 5) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 5) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 6) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 6) Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 7) Holdings Pty Limited	21 May 2004	Australia	100
Multiplex (City Square Lot 7) Pty Limited	21 May 2004	Australia	100
Multiplex (Clarence St) Pty Limited		Australia	100
Multiplex (Jones Bay Construction) Pty Limited		Australia	100
Multiplex (Jones Bay Holdings) Pty Limited		Australia	100
Multiplex (Jones Bay) Pty Limited		Australia	100
Multiplex (Latitude Holdings) Pty Limited		Australia	100
Multiplex (Latitude) Pty Limited		Australia	100
Multiplex (Liverpool St.) Pty Limited		Australia	100
Multiplex (Marine Parade) Holdings Pty Limited	11 Sep 2003	Australia	100
Multiplex (Marine Parade) Pty Limited	11 Sep 2003	Australia	100
Multiplex (Mountain Street) Pty Limited		Australia	100
Multiplex (Nedlands Park Hotel) Holdings Pty Limited	11 Sep 2003	Australia	100
Multiplex (Nedlands Park Hotel) Pty Limited	11 Sep 2003	Australia	100
Multiplex (Oxford Square) Pty Limited		Australia	100
Multiplex (RE) Pty Limited		Australia	100
Multiplex (Renewing Homebush Bay Holdings) Pty Limited		Australia	100
Multiplex (Renewing Homebush Bay) Pty Limited		Australia	100
Multiplex (Rhodes Peninsula) Pty Limited		Australia	100
Multiplex (RP) Holdings Pty Limited		Australia	100
Multiplex (Sealanes) Holdings Pty Limited	11 Sep 2003	Australia	100
Multiplex (Sealanes) Pty Limited	11 Sep 2003	Australia	100
Multiplex (Westralia) Holdings Pty Limited	11 Sep 2003	Australia	100
Multiplex (Westralia) Pty Limited	11 Sep 2003	Australia	100
Multiplex 240 Queen Street Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex 240 Queen Street Landowner Pty Limited	15 Oct 2003	Australia	100
Multiplex 324 Queen Street Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex 324 Queen Street Landowner Pty Limited	15 Oct 2003	Australia	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
37 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)			
Multiplex 44 O'Rorke Landowner Pty Limited	5 Mar 2004	Australia	100
Multiplex Albert Street Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex Albert Street Landowner Pty Limited	15 Oct 2003	Australia	100
Multiplex Arncliffe Pty Limited		Australia	100
Multiplex Aust. Investment Pty Limited	2 Mar 2004	Australia	100
Multiplex Bay Street Investments Pty Limited	23 Sep 2003	Australia	100
Multiplex Bay Street Pty Limited	23 Sep 2003	Australia	100
Multiplex Beeston Street Pty Limited		Australia	100
Multiplex Bendigo Holdings Pty Limited	28 May 2004	Australia	100
Multiplex Bendigo Pty Limited	28 May 2004	Australia	100
Multiplex Bishop's See Holdings Pty Limited	14 Nov 2003	Australia	100
Multiplex Bishop's See Pty Limited	14 Nov 2003	Australia	100
Multiplex Bluewater Holdings Pty Limited	20 May 2004	Australia	100
Multiplex Bluewater Pty Limited	21 May 2004	Australia	100
Multiplex Bracken Ridge Investment Pty Limited	18 Jun 2004	Australia	100
Multiplex Bracken Ridge Landowner Pty Limited	18 Jun 2004	Australia	100
Multiplex Britomart Limited	16 Apr 2004	New Zealand	100
Multiplex Capital Limited		Australia	100
Multiplex Carillon Avenue Pty Limited		Australia	100
Multiplex Carole Park Landowner Pty Limited	2 Mar 2004	Australia	100
Multiplex Casuarina Pty Limited	24 Oct 2003	Australia	100
Multiplex CEC Investment Pty Limited	20 May 2004	Australia	100
Multiplex City Arcade Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex City Arcade Landowner Pty Limited	15 Oct 2003	Australia	100
Multiplex Claremont Holdings Pty Limited	14 Nov 2003	Australia	100
Multiplex Claremont Pty Limited	14 Nov 2003	Australia	100
Multiplex Consolidated Pty Limited		Australia	100
Multiplex Constructions (Contracting) Pty Limited	1 Aug 2003	Australia	100
Multiplex Constructions (NZ) Limited		New Zealand	100
Multiplex Constructions (UK) Limited		United Kingdom	100
Multiplex Constructions NSW Pty Limited	24 May 2004	Australia	100
Multiplex Constructions NT Pty Limited	24 May 2004	Australia	100
Multiplex Constructions Pty Limited	12 Nov 2003	Australia	100
Multiplex Constructions QLD Pty Limited	24 May 2004	Australia	100
Multiplex Constructions SA Pty Limited	24 May 2004	Australia	100
Multiplex Constructions VIC Pty Limited	24 May 2004	Australia	100
Multiplex Constructions WA Pty Limited	24 May 2004	Australia	100
Multiplex Corner O'Rorke Landowner Pty Limited	5 Mar 2004	Australia	100
Multiplex Corporate Agency Pty Limited		Australia	100
Multiplex Cronulla Pty Limited		Australia	100
Multiplex Darling Island Pty Limited		Australia	100
Multiplex Development (UK) Limited		United Kingdom	100
Multiplex Developments (NZ) Limited		New Zealand	100
Multiplex Developments (One) Limited		New Zealand	100
Multiplex Developments (UK) Limited	31 Jul 2003	United Kingdom	100
Multiplex Developments No. 1 Pty Limited		Australia	100
Multiplex Developments No. 2 Pty Limited		Australia	100

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
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37 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

Multiplex Developments No. 3 Pty Limited		Australia	100
Multiplex Developments No. 6 Pty Limited		Australia	100
Multiplex Developments No. 6A Pty Limited		Australia	100
Multiplex Developments No. 7 Pty Limited		Australia	100
Multiplex Developments No. 8 Pty Limited		Australia	100
Multiplex Developments NSW Pty Limited	24 May 2004	Australia	100
Multiplex Developments NZ Pty Limited	13 Apr 2004	Australia	100
Multiplex Developments Pty Limited	22 Oct 2003	Australia	100
Multiplex Developments QLD Pty Limited	22 Feb 2004	Australia	100
Multiplex Developments SA Pty Limited	24 May 2004	Australia	100
Multiplex Developments VIC Pty Limited	24 May 2004	Australia	100
Multiplex Developments WA Pty Limited	3 Mar 2004	Australia	100
Multiplex DT 100 Investments Pty Limited	27 Aug 2003	Australia	100
Multiplex DT 100 Pty Limited	27 Aug 2003	Australia	100
Multiplex Elder Street Pty Limited		Australia	100
Multiplex Energy Pty Limited		Australia	100
Multiplex Engineering (Mauritius) Limited	1 Jun 2004	Mauritius	100
Multiplex Engineering No.2 Pty Limited	24 May 2004	Australia	100
Multiplex Engineering Pty Limited		Australia	100
Multiplex ERS Pty Limited		Australia	100
Multiplex Ettalong Holdings Pty Limited	23 Jul 2003	Australia	100
Multiplex Ettalong Pty Limited	23 Jul 2003	Australia	100
Multiplex European Investments Pty Limited	30 Mar 2004	Australia	100
Multiplex Facilities Management (NZ) Limited	21 Oct 2003	New Zealand	100
Multiplex Facilities Management (UK) Limited		United Kingdom	100
Multiplex Facilities Management Pty Limited		Australia	100
Multiplex Facility Management Limited	31 Jul 2003	United Kingdom	100
Multiplex Finance Pty Limited		Australia	100
Multiplex Financial Services Pty Limited		Australia	100
Multiplex Freshwater Pty Limited		Australia	100
Multiplex Funds Management (NZ) Limited	21 Oct 2003	New Zealand	100
Multiplex Funds Management Limited	2 Jul 2003	Australia	100
Multiplex Funds Management Limited	31 Jul 2003	United Kingdom	100
Multiplex Gibraltar Holdings Pty Limited	24 Apr 2004	Australia	100
Multiplex GMF Investments Pty Limited		Australia	100
Multiplex Gough Street Holdings Pty Limited	3 Jun 2004	Australia	100
Multiplex Gough Street Pty Limited	3 Jun 2004	Australia	100
Multiplex Group Finance Pty Limited	26 Sep 2003	Australia	100
Multiplex Group Management Pty Limited	23 Oct 2003	Australia	100
Multiplex High Street Pty Limited		Australia	100
Multiplex Holdings (Singapore) Pte Limited		Singapore	100
Multiplex Holdings Limited		United Kingdom	100
Multiplex Infrastructure Pty Limited		Australia	100
Multiplex Investments (NZ) Limited		New Zealand	100
Multiplex Investments (Qld) Pty Limited		Australia	100
Multiplex Investments Funds Pty Limited		Australia	100
Multiplex Investments Limited		Australia	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
37 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)			
Multiplex Investments Limited		United Kingdom	100
Multiplex Jersey Holdings Limited	23 Dec 2003	Jersey	100
Multiplex JH Holdings Pty Limited	2 Mar 2004	Australia	100
Multiplex JH Pty Limited	5 Mar 2004	Australia	100
Multiplex Keperra P1 Investments Pty Limited	13 Aug 2003	Australia	100
Multiplex Keperra P1 Pty Limited	13 Aug 2003	Australia	100
Multiplex Keperra Q1 Investments Pty Limited	6 Apr 2004	Australia	100
Multiplex Keperra Q1 Pty Limited	6 Apr 2004	Australia	100
Multiplex Keperra W1 Investments Pty Limited	25 Aug 2003	Australia	100
Multiplex Keperra W1 Pty Limited	25 Aug 2003	Australia	100
Multiplex KM Investor Pty Limited		Australia	100
Multiplex Lakelands Pty Limited		Australia	100
Multiplex Latitude Retail Developer Holdings Pty Limited		Australia	100
Multiplex Latitude Retail Developer Pty Limited		Australia	100
Multiplex Latitude Retail Investment Pty Limited		Australia	100
Multiplex Latitude Retail Landowner Pty Limited		Australia	100
Multiplex Latitude Retail Pty Limited		Australia	100
Multiplex Latitude Sites A & B Developer Pty Limited	17 Sep 2003	Australia	100
Multiplex Living Limited		United Kingdom	100
Multiplex Luna Park Carpark Investment Pty Limited	16 Apr 2004	Australia	100
Multiplex Luna Park Carpark Landowner Pty Limited	16 Apr 2004	Australia	100
Multiplex Manhattan Sydney Pty Limited		Australia	100
Multiplex Market Street Development Pty Limited		Australia	100
Multiplex Maroubra Pty Limited		Australia	100
Multiplex Meeandah Landowner Pty Limited	2 Mar 2004	Australia	100
Multiplex Middle East Pty Limited		Australia	100
Multiplex Milton Pty Limited		Australia	100
Multiplex MT Hawthorn Holdings Pty Limited	3 Mar 2004	Australia	100
Multiplex MT Hawthorn Pty Limited	3 Mar 2004	Australia	100
Multiplex Notes Limited		Australia	100
Multiplex NZ Investment Pty Limited	5 Mar 2004	Australia	100
Multiplex OBH Pty Limited	21 Aug 2003	Australia	100
Multiplex Park Plaza Development Pty Limited		Australia	100
Multiplex Parking Pty Limited	30 Mar 2004	Australia	100
Multiplex PCEC Finance Pty Limited		Australia	100
Multiplex PCEC Office Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex PCEC Office Landowner Pty Limited	15 Oct 2003	Australia	100
Multiplex Pier 8/9 Pty Limited		Australia	100
Multiplex Pittwater Place Holdings Pty Limited		Australia	100
Multiplex Pittwater Place Investments Pty Limited		Australia	100
Multiplex Pittwater Place Pty Limited		Australia	100
Multiplex Portside B1 Holdings Pty Limited	13 May 2004	Australia	100
Multiplex Portside B1 Pty Limited	13 May 2004	Australia	100
Multiplex Portside B3 & B8 Holdings Pty Limited	13 May 2004	Australia	100
Multiplex Portside B3 & B8 Pty Limited	13 May 2004	Australia	100
Multiplex Portside Wharf Pty Limited		Australia	100
Multiplex Project 214 Pty Limited		Australia	100

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
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37 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

Multiplex Project M Landowners Pty Limited	18 Sep 2003	Australia	100
Multiplex Property (UK) Limited		United Kingdom	100
Multiplex Property Services Limited	31 Jul 2003	United Kingdom	100
Multiplex Property Services Pty Limited		Australia	100
Multiplex Property Syndications Limited		Australia	100
Multiplex Pymble Holdings Pty Limited		Australia	100
Multiplex Pymble Investments Pty Limited		Australia	100
Multiplex Pymble Pty Limited		Australia	100
Multiplex Raffles Holdings Pty Limited		Australia	100
Multiplex Raffles Pty Limited		Australia	100
Multiplex Reed Street Investment Pty Limited	15 Oct 2003	Australia	100
Multiplex Reed Street Landowner Pty Limited	15 Oct 2003	Australia	100
Multiplex Reed Street NFI Pty Limited	26 Feb 2004	Australia	100
Multiplex Rosehill Landowner Pty Limited	2 Mar 2004	Australia	100
Multiplex Sapphire 2 Pty Limited	30 Mar 2004	Australia	100
Multiplex SCT Pty Limited		Australia	100
Multiplex South City Investment Pty Limited	11 May 2004	Australia	100
Multiplex South City Landowner Pty Limited	11 May 2004	Australia	100
Multiplex Stadium Financing Pty Limited		Australia	100
Multiplex Stadium Investor Pty Limited		Australia	100
Multiplex Stage 3A Development Pty Limited	9 Oct 2003	Australia	100
Multiplex TCC (2) Pty Limited	22 Apr 2004	Australia	100
Multiplex TCC Holdings Pty Limited	22 Apr 2004	Australia	100
Multiplex TCC Pty Limited	25 Nov 2003	Australia	100
Multiplex Technology Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 1 Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 2 Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 3A Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 3B Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 3C Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 4 Pty Limited		Australia	100
Multiplex W9 & 10 Construction Stage 4B Pty Limited		Australia	100
Multiplex W9 & 10 Stage 1 Investment Pty Limited	2 Oct 2003	Australia	100
Multiplex W9 & 10 Stage 1 Landowner Pty Limited	2 Oct 2003	Australia	100
Multiplex W9 & 10 Stage 1 Pty Limited		Australia	100
Multiplex W9 & 10 Stage 2 Pty Limited		Australia	100
Multiplex W9 & 10 Stage 3A Holdings Pty Limited		Australia	100
Multiplex W9 & 10 Stage 3A Pty Limited		Australia	100
Multiplex W9 & 10 Stage 3B Holdings Pty Limited		Australia	100
Multiplex W9 & 10 Stage 3B Pty Limited		Australia	100
Multiplex W9 & 10 Stage 3C Holdings Pty Limited		Australia	100
Multiplex W9 & 10 Stage 3C Pty Limited		Australia	100
Multiplex W9 & 10 Stage 4 Investment Pty Limited	2 Oct 2003	Australia	100
Multiplex W9 & 10 Stage 4 Landowner Pty Limited	2 Oct 2003	Australia	100
Multiplex W9 & 10 Stage 4 Pty Limited		Australia	100
Multiplex W9 & 10 Stage 4B Pty Limited		Australia	100
Multiplex Welshpool Landowner Pty Limited	2 Mar 2004	Australia	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

COMPANIES	INCORPORATION DATE (IF DURING THE CURRENT YEAR)	COUNTRY OF INCORPORATION	EQUITY HOLDING %
37 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)			
Multiplex Whites Paddington Pty Limited		Australia	100
Mul-t-plex Engineering (M) Sdn Bhd	9 Jan 2004	Malaysia	100
NFM Pty Limited		Australia	100
Norpower Pty Limited		Australia	100
Nucalm Pty Limited		Australia	100
Oakblue Nominees Pty Limited	27 Aug 2003	Australia	100
Patawalonga Developments Pty Limited		Australia	70
PCEC Centre Pty Limited		Australia	100
PCEC Hotel Holdings Pty Limited		Australia	100
PCEC Hotel Pty Limited		Australia	100
PCEC Mounts Bay Road Pty Limited		Australia	100
PCEC Office Pty Limited		Australia	100
Perth CEC Pty Limited		Australia	100
Perth Operations Pty Limited		Australia	100
Perth Stadium Pty Limited		Australia	100
Redjay Nominees Pty Limited	27 Aug 2003	Australia	100
Sharlec Pty Limited	19 Aug 2003	Australia	100
Silverange Pty Limited	8 Dec 2003	Australia	100
Site 3 Multiplex Co. Pty Limited		Australia	100
Site 3 Multiplex Holding Co Pty Limited		Australia	100
Skymist Nominees Pty Limited		Australia	100
Sotex Pty. Limited		Australia	100
SX Developments Pty Limited		Australia	100
Tanet Pty Limited		Australia	100
Tietex Pty Limited		Australia	100
Tiezeal Pty Limited		Australia	100
Valio Pty Limited		Australia	100
W9&10 Stage 1 Pty Limited		Australia	100
W9&10 Stage 4 Pty Limited		Australia	100
Werrington Apartments Pty Limited		Australia	100
Westlady Corporation Pty Limited		Australia	100
Wharf M Pty Limited		Australia	100
Yimuyun Manjerr (Investments) Pty Limited		Australia	100
	FORMATION DATE (IF DURING THE CURRENT YEAR)	DOMICILE	EQUITY HOLDING %
TRUSTS			
Finger Wharf Development Unit Trust		Australia	100
Finger Wharf Investment Trust		Australia	100
Latitude Site C Investments Trust		Australia	100
Latitude Site C Landowning Trust		Australia	100
Latitude Unit Trust		Australia	100
Multiplex Holdings Trust		Australia	100
Multiplex Investment Trust		Australia	100
Multiplex Keperra P1 Investments Trust	15 Aug 2003	Australia	100
Multiplex Keperra P1 Landowning Trust	15 Aug 2003	Australia	100
Multiplex Keperra W1 Investments Trust	28 Aug 2003	Australia	100
Multiplex Keperra W1 Landowning Trust	28 Aug 2003	Australia	100
Multiplex Latitude Retail Investment Trust		Australia	100

TRUSTS	FORMATION DATE (IF DURING THE CURRENT YEAR)	DOMICILE	EQUITY HOLDING %
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37 INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

Multiplex Latitude Retail Landowning Trust		Australia	100
Multiplex Project M Landowning Trust	18 Sep 2003	Australia	100
Multiplex Pymble Holdings Trust		Australia	100
Multiplex Pymble Investments Trust		Australia	100
Multiplex Stage 3B Holding Trust		Australia	100
Multiplex Stage 3B Landowning Trust		Australia	100
Multiplex Stage 3C Holding Trust		Australia	100
Multiplex Stage 3C Landowning Trust		Australia	100
Sydney Olympic Park Site 3 Holding Trust		Australia	100
Sydney Olympic Park Site 3 Partner Trust		Australia	100
The Chatswood Investment Trust		Australia	100

(b) The following controlled entities were disposed of during the year:

NAME	PRINCIPAL ACTIVITIES	DATE OF DISPOSAL	VOTING INTEREST %
ACN 103 155 246	Aviation	1 Jul 2003	100
Australian Biofuels Pty Limited	Energy	1 Apr 2004	100
Danae Resources NL	Mining	24 Sep 2003	53
Gisteria Pty Limited	Maritime	10 Dec 2003	100
KPMGDT Development Trust	Development	10 Dec 2003	100
Manor Resources NL	Mining	24 Sep 2003	100
Multiplex Development Zarmitan Limited	Mining	24 Sep 2003	100
Multiplex Mining Pty Limited	Mining	24 Sep 2003	100
Multiplex Pittwater Place Investment Trust	Development	21 Oct 2003	100
Multiplex Pittwater Place Landowning Trust	Development	21 Oct 2003	100
Multiplex Resource Developments Pty Limited	Mining	1 Jul 2003	100
Multiplex Resources (Kazakhstan) Limited	Mining	24 Sep 2003	100
Multiplex Stage 3A Holding Trust	Development	10 Dec 2003	100
Multiplex Stage 3A Landowning Trust	Development	10 Dec 2003	100
The BASX Unit Trust No 3	Development	5 Dec 2003	100
The Multiplex Developments No 6 Trust	Development	5 Dec 2003	100
The Multiplex Developments No 6A Unit Trust	Development	5 Dec 2003	100

Details of the disposal of non-core entities are as follows:

	\$'000
Proceeds on disposal:	
– cash	8,000
The carrying amounts of assets and liabilities disposed of by major class are:	
– property, plant and equipment	5,046
– exploration, evaluation and development expenditure	4,853
– investments	17,257
– borrowings	(5,425)
	21,731
Loss on disposal	(13,731)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

38 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES ENTITIES

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost in the Company. Share of net profits accounted for using the equity method included in the Statement of Financial Performance was as follows:

	CONSOLIDATED \$'000	COMPANY \$'000
Associates	908	–
Joint ventures entities	12,932	6
	13,840	6

Investments in associates

Details of material interests in associates are as follows:

NAME	PRINCIPAL ACTIVITIES	VOTING INTEREST %	INVESTMENT CARRYING AMOUNT \$'000
Latitude Site C Developer Pty Limited	Development	50	9,773
Stannifer Corovest Fund Management Limited	Investment	33	7,707
Stannifer Corovest Jersey Limited	Investment	50	3,367
Other (25 entities)			8,487
			29,334

The balance date of all associates is 30 June except for Market Street Projects Pty Limited which is 28 July.

	\$'000
<i>Movements in carrying amount of investments in associates</i>	
Balance at the start of the financial year	14,357
Share of profit from ordinary activities	908
Additional investment	30,089
Loan to associate	1,237
Disposals	(17,257)
Balance at the end of the year	29,334
This balance is split as follows:	
Current	2,917
Non-current	26,417
	29,334

Summary of financial position of associates

The Consolidated Entity's share of aggregate assets and liabilities of associates is as follows:

Total assets	61,777
Total liabilities	33,209

Commitments and contingencies

Contingent liabilities and contingent assets exist in respect of guarantees and insurance bonds issued to clients and guarantees received by associates from its subcontractors in lieu of cash retentions on building contracts. In addition, Insurance Performance bonds have also been issued to some clients in support of the associate's performance under its building contracts.

38 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES ENTITIES (CONTINUED)

Interests in joint venture entities

Details of material interests in joint venture entities are as follows:

NAME	PRINCIPAL ACTIVITIES	VOTING INTEREST %	INVESTMENT CARRYING AMOUNT \$'000
Arncliffe Developments Partnership	Development	33	6,407
Darling Island Partnership	Development	50	7,428
Jones Bay Wharf Partnership	Development	50	530
W 9&10 Construction Stage 4B Partnership	Construction	50	14,788
W 9&10 Stage 2 Partnership	Development	50	1,622
W 9&10 Stage 4B Partnership	Development	50	10,979
W9&10 Construction Stage 3B Partnership	Construction	50	5,181
Other (10 entities)			8,322
			55,257
			\$'000
<i>Movements in carrying amount of investments in joint ventures</i>			
			71,700
Balance at the start of the financial year			12,932
Share of profit from ordinary activities			173
Additional investment			(27,751)
Disposals			(1,797)
Distributions and dividends			55,257
Balance at the end of the year			
This balance is split as follows:			
Current			20,179
Non-current			35,078
			55,257
<i>Summary of financial position of joint venture entities:</i>			
The Consolidated Entity's share of aggregate assets and liabilities of joint venture entities is as follows:			
Total assets			153,299
Total liabilities			102,308
<i>Share of associates and joint venture entities results</i>			
Revenues from ordinary activities			114,958
Expenses from ordinary activities			(101,118)
			13,840

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

CONSOLIDATED
\$'000

COMPANY
\$'000

39 RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

Profit from ordinary activities after related income tax	48,831	17,484
Depreciation and amortisation	8,999	6,290
Write down of investments to recoverable amount	94	–
Net loss on sale of non-current assets	19,129	18,961
Share of profits of associates and joint venture entities not received as dividends or distributions	(13,840)	(6)
Net (gain) on sale of controlled trusts	(43,650)	–
<i>Change in operating assets and liabilities, net of effects from purchase and disposal of controlled entities:</i>		
(Increase)/decrease in trade debtors	(30,946)	3,044
(Increase)/decrease in inventories	(519,495)	6,326
(Increase)/decrease in deferred tax assets	(3,375)	22,618
(Increase) in other assets	(34,140)	(21,132)
Increase in trade creditors	309,603	76,313
(Decrease) in other operating liabilities	(13,988)	(2,508)
Increase in provision for current tax liabilities	51,115	5,707
Increase/(decrease) in deferred tax liabilities	8,146	(7,790)
Increase in other provisions	78,356	13,479
Net cash inflow/(outflow) from operating activities	(135,161)	138,786

40 FINANCIAL INSTRUMENTS

Derivative financial instruments

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

40 FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

Interest rate risk exposures

The Consolidated Entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

	WEIGHTED AVERAGE INTEREST RATE %	FLOATING INTEREST RATE \$'000	FIXED INTEREST MATURING IN:			NON-INTEREST BEARING \$'000	TOTAL \$'000
			1 YEAR OR LESS \$'000	OVER 1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000		
Financial assets							
Cash and deposits	4.31	366,022	–	–	–	43,795	409,817
Receivables	–	–	–	–	–	695,895	695,895
Other	15.00	–	–	–	78,491 ¹	27,988	106,479
		366,022	–	–	78,491	767,678	1,212,191
Financial liabilities							
Payables	–	–	–	–	–	664,578	664,578
Overdrafts and loans	9.38	360,159	124,860	172,925	78,637 ¹	156,578	893,159
Other	–	–	–	–	–	124,206	124,206
		360,159	124,860	172,925	78,637	945,362	1,681,943
Interest rate swaps (notional principal amounts)		(117,411)	117,411	–	–	–	–

¹ These amounts are denominated in Pounds Sterling (GBP)

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 underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised as interest income or interest expense as appropriate on an accruals basis over the life of the hedges.

At 30 June 2004, the notional principal amounts receivable and periods of expiry of the interest rate swap contracts were as follows:

	CONSOLIDATED \$'000
Less than one year	117,411

Foreign exchange risk

Foreign exchange contracts

The Consolidated Entity, 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.

At 30 June 2004, the details of outstanding contracts are:

Buy Australian Dollars

MATURITY	SELL US DOLLARS (000)	AVERAGE EXCHANGE RATE
Less than six months	1,250	0.6742
Six to twelve months	550	0.6742
MATURITY	SELL UAE DIRHAMS (000)	AVERAGE EXCHANGE RATE
Less than six months	9,330	2.6601

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

Foreign exchange options

At 30 June 2004, details of foreign exchange options outstanding are:

MATURITY	BOUGHT GBP PUT OPTIONS		WRITTEN GBP CALL OPTIONS	
	AMOUNT GBP'000	STRIKE RATE A\$/GBP	AMOUNT GBP'000	STRIKE RATE A\$/GBP
Less than six months	11,706	0.4325	11,706	0.4170
Six to twelve months	13,167	0.4325	13,167	0.4170

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

Credit risk exposure

At 30 June 2004, the Consolidated Entity had no significant concentration of credit risk with any single counterparty or group of counterparties. In accordance with the policies determined by the Board of Directors, credit risk is spread among a number of counterparties. The counterparties to derivative financial instruments consist of a number of prime financial institutions.

The Consolidated Entity's maximum exposure to credit risk at 30 June 2004, in relation to each class of recognised financial assets, is the carrying amount of those assets recognised in the Statement of Financial Position. As at 30 June 2004 the Consolidated Entity's total credit risk exposure in relation to unrecognised financial assets was \$5,660,753.

Net fair values of financial assets and liabilities

The Consolidated Entity'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, payables and bank loans 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 of \$5,229,030 reflects the estimated amounts which the Consolidated Entity expects to pay or receive to terminate the contracts, or replace the contracts at the market rates prevailing at the reporting date.

41 EARNINGS PER SHARE

	CENTS
Earnings per share (a)	9.6
	NUMBER
Weighted average number of shares used as the denominator	508,510,710
	\$'000
<i>Reconciliation of earnings used in calculating earnings per share</i>	
Net profit	48,831
Net profit attributable to outside equity interest	—
Earnings used as the numerator in calculating earnings per share	48,831

Earnings per share is determined by dividing net profit after income tax attributable to shareholders by the weighted average number of shares outstanding during the financial year.

The Company did not have any potential securities outstanding during the year and, as such, diluted earnings per share is not applicable.

(a) Based on earnings including loss on sale of non-core assets and operating loss from discontinuing operations of \$39,585,000.

42 STAPLING ARRANGEMENTS

The Stapling Deed between Multiplex Funds Management Limited, as the "Responsible Entity" of the Multiplex Property Trust, and Multiplex Limited, "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 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 Multiplex Limited or the Multiplex Property 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 of Multiplex Limited or the Multiplex Property Trust.

The Australian Stock Exchange 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.

43 INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Consolidated Entity will be required to comply with Australian IFRS Equivalents for the first time in the Consolidated Entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006. In preparation for adoption of Australian IFRS Equivalents, the Consolidated Entity has formed a project team and sought the advice of specialist external consultants. The project team is led by senior finance personnel and reports quarterly to the Group's Audit and Risk Committee.

An initial assessment has been performed to determine the potential impacts on the current key accounting policies of the Consolidated Entity. The impacts identified to date are:

Development Property Accounting: While there is no IFRS Equivalent which addresses profit recognition for the sale of residential development properties, it is possible that development properties will be considered inventories and be subject to revenue recognition rules in accordance with AASB 118 "Revenue". This may increase the volatility of future development property revenue recognition which is currently recognised on a percentage of completion basis based on guidance within UIG 53 "Pre-completion contracts for the sale of residential development properties". However, given the present uncertainty over the future technical accounting treatment of this area, no conclusion can yet be drawn.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX LIMITED AND ITS CONTROLLED ENTITIES

FOR YEAR ENDED 30 JUNE 2004

43 INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (CONTINUED)

Investment Property: Under AASB 140 "Investment Property", companies have the option to measure the entire class of investment property at cost or fair value. If investment properties are measured at fair value, gains or losses arising from changes in fair value are recognised in net profit or loss for the period in which they arise. This will result in a change to the current accounting policy under which changes in the fair value of investment properties are recognised in the asset revaluation reserve, and may also lead to an increase in the volatility of reported earnings.

Income Tax: Under AASB 112 "Income Taxes", deferred tax balances are determined using the balance sheet method and current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity. This is a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to Australian IFRS Equivalents, as not all standards have been analysed in entirety as yet, and some decisions have yet to be made where choices of accounting policies are available. For these reasons, the Consolidated Entity has not yet quantified the impact of the transition to Australian IFRS Equivalents on the Consolidated Entity's financial position and reported results.

44 EVENTS OCCURRING AFTER REPORTING DATE

On 9 August 2004, the Group announced the commencement of the UK White City project ("the Project"). The conditions precedent to possession were satisfied and the design and build contract was released out of escrow. As a consequence, the Project funding agreement was declared unconditional.

Multiplex has been carrying out early works on the site for the last 12 months including site establishment and demolition works together with excavation and piling for foundations. The Multiplex design and construct contract on the White City project has a value of approximately GBP 600 million (A\$1.57 billion).

There have been no other significant events or transactions that have arisen since the end of the financial period, which in the opinion of the Directors, would affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity.

DIRECTORS' DECLARATION

MULTIPLEX LIMITED

In the opinion of the Directors of the Company:

- (a) the financial statements and notes, set out on pages 58 to 102, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and the Consolidated Entity as at 30 June 2004 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

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



Andrew Roberts
Chief Executive and Managing Director
Multiplex Limited

15 September 2004

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF MULTIPLEX LIMITED



SCOPE

The financial report and Directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, notes 1 to 44, and the Directors' declaration, set out on pages 58 to 103, for both Multiplex Limited (the "Company") and Multiplex Limited and its controlled entities (the "Consolidated Entity"), for the year ended 30 June 2004. The Consolidated Entity comprises both the Company and the entities it controlled during that year.

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. 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 financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. 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 performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the Consolidated Entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Directors.

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 financial report of Multiplex Limited is in accordance with:

- a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2004 and of their performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory financial reporting requirements in Australia.

KPMG

A Dickinson
Partner

Sydney
15 September 2004



KPMG, an Australian partnership, is a member of KPMG International, a Swiss non-operating association.



MULTIPLEX

Multiplex Property Trust and its controlled entities
ARSN 106 643 387

Financial Report

For the period from registration on
19 September 2003 to 30 June 2004

DIRECTORS' REPORT

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

THE DIRECTORS OF MULTIPLEX FUNDS MANAGEMENT LIMITED (ACN: 105 371 917), THE RESPONSIBLE ENTITY ("RESPONSIBLE ENTITY") OF THE MULTIPLEX PROPERTY TRUST ("THE TRUST"), PRESENT THEIR REPORT TOGETHER WITH THE CONSOLIDATED FINANCIAL REPORT OF THE "CONSOLIDATED ENTITY", BEING THE TRUST AND ITS CONTROLLED ENTITIES, FOR THE PERIOD FROM REGISTRATION ON 19 SEPTEMBER 2003 TO 30 JUNE 2004 ("THE PERIOD") AND THE INDEPENDENT AUDIT REPORT THEREON.

DIRECTORS

The following persons were Directors of the Responsible Entity at the date of this report:

Mr John C Roberts AO (appointed on 22 October 2003)

Mr F Allan McDonald (appointed on 22 October 2003)

Mr Andrew T Roberts (appointed on 2 July 2003)

Mr John A Corcoran (appointed on 2 July 2003)

Mr Ross A McDiven (appointed on 18 August 2003)

Mr Timothy A Roberts (appointed on 22 October 2003)

Mr Ian R O'Toole (appointed on 2 July 2003)

Ms Barbara K Ward (appointed on 22 October 2003)

Mr John H Poynton (appointed on 22 October 2003)

Mr Peter Dransfield (appointed on 22 October 2003)

Ms Denby Macgregor (Alternate Director for John C Roberts and Timothy A Roberts – appointed 22 October 2003)

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

EXECUTIVE CHAIRMAN

John Roberts AO

Chairman of Nomination Committee

John C Roberts AO is the Chairman and founder of Multiplex. In 1988, John was awarded an Order of Australia for his contribution to the construction industry and in 1999 he was recognised by the Australian Constructors' Association and received a lifetime achievement award for services to the construction industry. Age 71.

OTHER EXECUTIVE DIRECTORS

Andrew Roberts B.Com, MBA

Managing Director

Chief Executive

Andrew Roberts is Chief Executive of Multiplex. During more than 19 years with Multiplex, Andrew has been directly involved in all operations of the business. Andrew currently provides strategic and operational leadership for the Multiplex Group. Andrew is also a Board member of the University of Western Australia Business School. Age 38.

Ross McDiven B.Com

Deputy Managing Director

Chairman of Property Development division

Ross McDiven is Deputy Managing Director of Multiplex and Chairman of the Property Development division. Ross joined the Company in 1969 and is a long term member of the core management team of the Multiplex Group. Since 1986, Ross has overseen significant growth of Multiplex's New South Wales operations with the delivery of more than 200 projects. Age 55.

John Corcoran B.Ec, LLB

Chief Financial Officer

John Corcoran joined Multiplex in 1996 following a period of 15 years in investment banking. Apart from taking responsibility for the Group's Finance, Accounting, Treasury and Assurance areas, John plays an important role in the implementation of the Strategic objectives of the Group. Age 46.

Tim Roberts

Managing Director of Property Development division

Tim Roberts has over 17 years experience in the construction and property industry, including major developments such as the Perth Convention and Exhibition Centre, Old Swan Brewery and Citigroup Centre. Age 33.

Ian O'Toole Assoc.Dip.Val.

Managing Director of the Property Funds Management division

Ian O'Toole is a Director of the Responsible Entity and is Managing Director of the Property Funds Management division. The Property Funds Management division is responsible for the execution and implementation of the Trust's investment strategies, including acquisitions, disposals, asset and debt management. Ian was formerly a Director with ING Real Estate Asset Management Limited and has over 22 years experience in funds management and real estate. Age 44.

Denby Macgregor B.Com

(Alternate Director for John Roberts and Tim Roberts)

Denby Macgregor has over 8 years experience in the property development industry including involvement in the King Street Wharf Project in NSW and as the Director responsible for the redevelopment of the Old Swan Brewery, Raffles and Sealanes projects in Western Australia. Denby currently sits on both the National and Western Australian Boards of the Property Development Division. Denby was heavily involved in the successful flotation of the Group in 2003. Age 28.

NON-EXECUTIVE DEPUTY CHAIRMAN

Allan McDonald B.Ec, FCPA, FAIM, FCIS

Allan McDonald has had extensive experience in the investment and commercial banking fields and is presently associated with a number of companies as a Consultant and Company Director. Allan is Chairman of Australian Leisure & Hospitality Group Limited and Ross Human Directions Limited. His other Directorships include Billabong International Limited, Brambles Industries Limited and DCA Group Limited. Age 64.

NON-EXECUTIVE DIRECTORS

Peter 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 is a qualified accountant and has had over 30 years experience in the industrial, retail and residential property development sectors across Australia and in the United States. Age 55.

John Poynton B.Com, FSIA, FAIM, FAICD

John Poynton is executive Chairman of Azure Capital, a merchant bank based in Perth. He is a Director of Austal Limited, Burswood Limited and Alinta Limited and is a Board member of the Payments Systems Board of the Reserve Bank of Australia. He is also Chair of the Western Australian Museum Foundation and a Board member of the University of Western Australia Business School. He has previously served as a Director of the Australian Stock Exchange Limited and as Chair of the Australian Stock Exchange in Perth. Age 52.

Barbara Ward B.Ec, M Pol Ec, MAICD

Barbara Ward has pursued a career as a non-executive Director since 1998. During this time, she has served on a number of private sector and government boards. Barbara is currently Chairman of Country Energy, a Director of Commonwealth Bank of Australia and Lion Nathan Limited and a member of the Board of Allens Arthur Robinson. 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 50.

COMPANY SECRETARY

Mark Wilson B.Com, LLB, ASIA

Mark Wilson was appointed Company Secretary of both Multiplex Limited and Multiplex Funds Management 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 and reconstruction. Age 37.

DIRECTORS' REPORT (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) for the Responsible Entity, and the number of meetings attended by each of the Directors between the listing of the Multiplex Group on 2 December 2003 (at which point the Trust became a disclosing entity) and the end of the financial period were:

DIRECTOR	BOARD MEETINGS		AUDIT AND RISK COMMITTEE MEETINGS	
	A	B	A	B
Mr J C Roberts AO	4	8	*	*
Mr F A McDonald	7	8	2	2
Mr A T Roberts	8	8	*	*
Mr R A McDiven	8	8	*	*
Mr J A Corcoran	8	8	*	*
Mr I R O'Toole	8	8	*	*
Mr T A Roberts	8	8	*	*
Mr P Dransfield	8	8	2	2
Ms B K Ward	8	8	2	2
Mr J H Poynton	6	8	1	2
Ms D Macgregor (Alternate)	3	4	*	*

A – Number of full meetings attended

B – Number of full meetings held during the time the Director held office during the year

* – Not a member of the relevant Committee

DIRECTORS' AND EXECUTIVES' EMOLUMENTS

As the Responsible Entity is a wholly owned subsidiary of Multiplex Limited the remuneration framework of the Responsible Entity falls under the responsibility of the Multiplex Group Remuneration Committee. The Multiplex Group Remuneration Committee was established to review, evaluate and make recommendations to the Multiplex Limited Board regarding the Group's remuneration policy.

This committee is governed by a formal charter and is comprised only of the independent Directors including the chair, Barbara Ward.

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;
- remuneration should be market based and competitive;
- remuneration should enable the Group to attract and retain talented executives; and
- remuneration structures should be transparent and readily understood.

Details of the nature and amount of each major element of the remuneration received by the Directors of the Responsible Entity from Multiplex Group are set out in the table below:

Directors

NAME	PRIMARY			POST-EMPLOYMENT		TOTAL \$
	BASE SALARY AND FEES \$	SHORT TERM INCENTIVE \$	NON-MONETARY BENEFITS ¹ \$	SUPERANNUATION \$	RETIREMENT BENEFITS \$	
Mr J C Roberts AO	75,016	–	27,787	10,140	–	112,943
Mr F A McDonald	96,942	–	–	7,720	–	104,662
Mr A T Roberts	583,915	400,000	52,798	13,287	–	1,050,000
Mr R A McDiven	619,452	396,417	144,132	15,482	–	1,175,483
Mr J A Corcoran	478,742	450,000	47,315	2,000	–	978,057
Mr I R O'Toole	292,694	430,000	87,673	10,485	–	820,852
Mr T A Roberts	413,449	396,417	1,124	13,353	–	824,343
Mr P Dransfield	63,985	–	–	6,675	–	70,660
Ms B K Ward	63,985	–	–	6,675	–	70,660
Mr J H Poynton	63,985	–	–	6,675	–	70,660
Ms D Macgregor	110,091	40,287	10,039	9,908	–	170,325
Total	2,862,256	2,113,121	370,868	102,400	–	5,448,645

¹ "Non-monetary benefits" include the cost of providing interest free loans and expatriate benefits including relocation costs, accommodation and schooling.

PRINCIPAL ACTIVITIES

The principal activities during the period of the Trust and the entities it controlled during that period were property investment. Neither the Trust nor the Responsible Entity had any employees during the period.

REVIEW OF OPERATIONS

The Trust contributed \$31,359,000 to the overall Multiplex Group result and over the period the Trust has steadily been expanding its portfolio with the acquisition of quality assets in the retail, industrial and car parking sectors. In March 2004, the Trust purchased a substantial industrial portfolio from the James Hardie group for \$88,393,000 (excluding acquisition costs). In May 2004 the Trust acquired Bracken Ridge Shopping Centre, a retail asset in Brisbane valued at \$19,140,000. In June 2004, the Trust acquired the Luna Park car park in Sydney for \$23,500,000.

At 30 June 2004, occupancy of the completed assets was 98.5% (including lease support). The Trust has secured over 28,000 square metres of new leasing commitments since the Multiplex Group's listing in December 2003.

A further detailed review of operations of the Multiplex Group is set out in the Multiplex Group Annual Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Multiplex Group was established in December 2003, with the stapling of the shares in Multiplex Limited to the units in the Trust. Multiplex Group stapled securities commenced trading on the Australian Stock Exchange on a deferred settlement basis on 2 December 2003. Normal trading commenced on 10 December 2003. In advance of the Group listing, at which point the Trust became a disclosing entity, Ms Karen Pedersen resigned as a Director of the Responsible Entity.

In June 2004, the Group completed a capital raising commenced on 22 April 2004 with the issue of 68,182,014 new stapled securities.

As at 30 June 2004, the Trust had 568,182,014 units on issue. Details of movements in units on issue are set out in Note 14 to the financial statements.

Further changes to the state of affairs of the Trust are set out in the Multiplex Group Annual Report. In the opinion of the Directors of the Responsible Entity, there were no other significant changes in the state of affairs of the Trust that occurred during the financial period under review.

DIRECTORS' REPORT (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

On 30 August 2004 Multiplex Limited and its controlled entities established an unlisted New Zealand Property Fund ("the Fund") comprising 11 property assets in New Zealand valued at approximately \$265 million. The Trust has committed to sell its 100% interest in the ASB Bank Centre located in Auckland to the Fund for \$102.5 million. In addition the Trust will dispose of its interests in the Foodland Associated Limited New Zealand portfolio and the South City Shopping Centre in Christchurch to the Fund.

The Fund is seeking to raise approximately \$63 million, representing 55% of the total fund equity, from new investors. The Trust has committed to subscribe for 25% of the total fund equity.

There have been no other significant events or transactions that have arisen since the end of the financial period, which in the opinion of the Directors, would affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the Trust in future financial years and the expected results of those operations has been included in the Multiplex Group Annual Report. 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 Multiplex Group.

ENVIRONMENTAL REGULATION

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

DISTRIBUTIONS

Distributions paid or declared by the Trust since its establishment were:

	\$'000
Final ordinary distribution for the period ended 30 June 2004 of 5.84 cents per unit paid on 27 August 2004	33,194

The final distribution in respect of the financial period ending 30 June 2004 to unit holders is 31.7% tax deferred.

DIRECTORS' INTERESTS

The relevant interest of each Director of the Responsible Entity in the units of the Trust is as follows:

	MULTIPLEX PROPERTY TRUST UNITS	OPTIONS
Mr J C Roberts AO ¹	214,625,570	–
Mr F A McDonald	29,692	–
Mr A T Roberts ¹	214,625,570	–
Mr R A McDiven	987,655	–
Mr J A Corcoran	617,284	–
Mr T A Roberts ¹	214,625,570	–
Mr I O'Toole	113,266	–
Mr P Dransfield	40,000	–
Ms B K Ward	20,000	–
Mr J H Poynton	425,078	–
Ms D Macgregor ¹ (alternate)	214,625,570	–

¹ Through a relevant interest in the holding of Roberts Family Nominees Pty Ltd.

OPTIONS

During the period, no options were issued in respect of the Trust's units. There are presently no such options on issue.

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the period, Multiplex Limited entered into deeds of access and indemnity with each of the Directors and Company Secretary of the Responsible Entity. Under the deeds, Multiplex Limited has agreed to indemnify these persons (to the extent permitted by law) against:

- liabilities incurred as a Director of Multiplex Limited, Multiplex Funds Management Limited as the Responsible Entity for the Trust 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, except for costs incurred in relation to the matters set out in section 199A(3) of the Corporations Act 2001.

Multiplex Limited has also agreed to effect and maintain and pay the premium on a Directors' and Officers' insurance policy. This policy does not seek to insure against liabilities (other than for legal costs) arising out of:

- conduct involving a willful breach of duty in relation to Multiplex Limited, Multiplex Funds Management Limited as Responsible Entity for the Trust, or a Company in the Multiplex Group; or
- contravention of sections 182 or 183 of the Corporations Act 2001.

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

Contract of insurance

Multiplex Limited 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' liability, as such disclosure is prohibited under the terms of the contract.

ROUNDING OF AMOUNTS

The Trust 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 Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITOR

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

15 September 2004

STATEMENT OF FINANCIAL PERFORMANCE

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

	NOTE	2004 CONSOLIDATED \$'000	2004 TRUST \$'000
Revenue from ordinary activities			
Rent from investment properties		28,199	–
Recoverable outgoings		3,545	–
Interest income – related parties		22,268	22,268
Interest income – other parties		691	517
Other revenues		1,906	21,090
Total revenue from ordinary activities	2	56,609	43,875
Rates, taxes and other property outgoings		8,980	–
Borrowing costs – other parties	3	16,645	12,503
Other expenses		106	13
Total expenses from ordinary activities		25,731	12,516
Share of net profit of associates accounted for using the equity method	24	481	–
Net profit attributable to unitholders of the Multiplex Property Trust		31,359	31,359
Net exchange gain on translation of financial reports of foreign controlled entities	15	79	–
Total revenues, expenses and valuation adjustments attributable to unitholders of Multiplex Property Trust recognised directly in unitholders' funds		79	–
Total changes in unitholders' funds attributable to unitholders of Multiplex Property Trust other than those resulting from transactions with owners as owners	18	31,438	31,359
		CENTS	
Basic earnings per unit	5	6.1	

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

MULTIPLEX PROPERTY TRUST

AS AT 30 JUNE 2004

	NOTE	2004 CONSOLIDATED \$'000	2004 TRUST \$'000
Current assets			
Cash assets	6	5,588	–
Receivables	7	560,038	570,773
Other	8	3,668	3,039
Total current assets		569,294	573,812
Non-current assets			
Receivables	7	142,368	613,675
Other financial assets	9	–	556,223
Investment properties	10	1,272,211	–
Investments accounted for using the equity method	24	17,750	–
Other	8	8,849	8,331
Total non-current assets		1,441,178	1,178,229
Total assets		2,010,472	1,752,041
Current liabilities			
Payables	11	43,198	8,552
Interest bearing liabilities	12	38,000	344
Non-interest bearing liabilities	13	201,323	201,323
Provision for distributions	17	33,194	33,194
Total current liabilities		315,715	243,413
Non-current liabilities			
Interest bearing liabilities	12	415,849	284,758
Non-interest bearing liabilities	13	88,719	33,760
Total non-current liabilities		504,568	318,518
Total liabilities		820,283	561,931
Net assets		1,190,189	1,190,110
Unitholders' funds			
Contributed equity	14	1,191,945	1,191,945
Reserves	15	79	–
Undistributed income	16	(1,835)	(1,835)
Total unitholders' funds	18	1,190,189	1,190,110

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

	NOTE	2004 CONSOLIDATED \$'000	2004 TRUST \$'000
Cash flows from operating activities			
Receipts in the course of operations		34,468	1,679
Payments in the course of operations		(17,887)	(2,198)
Distributions received		320	–
Interest received		691	690
Borrowing costs		(15,667)	(12,892)
Net cash inflow/(outflow) from operating activities	25	1,925	(12,721)
Cash flows from investing activities			
Payments for investment properties		(1,140,563)	–
Payments for controlled entities (net of cash acquired)		(43,650)	(556,223)
Payments for investments in associates		(7,455)	–
Net cash (outflow) from investing activities		(1,191,668)	(556,223)
Cash flows from financing activities			
Proceeds from issue of units		692,727	692,727
Issue costs paid		(43,895)	(43,895)
Proceeds from borrowings		443,553	284,758
Proceeds from loans advanced by related parties		201,324	201,324
Establishment costs paid		(8,667)	(8,667)
Loans advanced to controlled entities		–	(455,028)
Loans advanced to Multiplex Limited and its controlled entities		(89,711)	(102,275)
Net cash inflow from financing activities		1,195,331	568,944
Net increase in cash held		5,588	–
Cash at the beginning of the period		–	–
Cash at the end of the period	6	5,588	–

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

MULTIPLEX PROPERTY TRUST

FOR PERIOD ENDED 30 JUNE 2004

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The units of the Multiplex Property Trust ("the Trust") have been stapled to shares in Multiplex Limited ("the Company") to facilitate the listing of the Multiplex Group on the Australian Stock Exchange. The Constitution of the Trust and the Constitution of the Company ensure that, for so long as the two entities remain jointly quoted, the number of units in the Trust and the number of shares in the Company shall be equal, and that Unitholders and Shareholders be identical. Further details of the stapling arrangements are set out in Note 28.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the recognition and measurement requirements of applicable Australian Accounting Standards Board ("AASB") standards, Urgent Issues Group Abstracts and other authoritative pronouncements of the AASB, the Corporations Act 2001 and the requirements of the Trust Constitution dated 19 September 2003 as amended by a Supplemental Deed dated 8 October 2003.

This financial report should be read in conjunction with the Multiplex Group Product Disclosure Statement and Prospectus issued and lodged with the Australian Securities & Investments Commission ("ASIC") on 21 April 2004, the Multiplex Group Product Disclosure Statement and Prospectus issued and lodged with ASIC on 23 October 2003 and any public announcements by the Trust during the period in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

The financial report has been prepared using the historical cost convention. Except where stated, it does not take into account changing money values or current valuations of non-current assets. These accounting policies have been consistently applied by each entity in the Trust and its controlled entities and are consistent with those disclosed in the Multiplex Group Product Disclosure Statement and Prospectus dated 23 October 2003.

(b) Principles of consolidation

The consolidated financial statements have been prepared in accordance with the requirements of AASB 1024 "Consolidated Accounts". The financial statements include the financial statements of the Trust, its controlled entities and its equity accounted associates. The Trust and its controlled entities are referred to as the "Consolidated Entity". The Consolidated Entity and its associates are referred to as the "Group".

Controlled entities

The financial statements of controlled entities are included in the financial statements from the date control commences until the date control ceases. The balances and effects of transactions between controlled entities included in the financial statements have been eliminated.

Associates

An associate is an entity over which the Group exercises significant influence and where the investment in that entity has not been acquired with a view to disposal in the near future.

In the financial statements, investments in associates are accounted for using the equity method. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The Group's share of the associates' net profit or loss after tax is recognised in the Statement of Financial Performance after adjustments for:

- revisions in depreciation of depreciable assets and amortisation of goodwill arising from notional adjustments made as at the date of acquisition;
- dissimilar accounting policies; and
- the elimination of unrealised profits and losses on transactions between the associate and any entities in the Group or another associate of the Group.

In the Trust's financial statements, investments in associates are accounted for at cost.

Other movements in reserves are recognised directly in consolidated reserves.

(c) Comparative information

No comparatives have been included in the financial statements as the Trust was registered during the year.

(d) Rounding of amounts

The Trust is of a kind referred to in Class Order 98/0100, issued by the ASIC, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(e) 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 Statement of Financial Position.

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

(f) Revenue recognition

Revenues are recognised at fair value of the consideration received. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues. Revenue is recognised for the major business activities as follows.

Investment properties

Rental income and rental guarantee income are recognised on an accruals basis when due and receivable.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Interest revenue

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

Distributions

Revenue from distributions from controlled entities is recognised by the parent entity when they are declared by the controlled entities. Revenue from distributions from associates and other investments is recognised when distributions are received. Distributions received out of pre-acquisition reserves are eliminated against the carrying amount of the investment and not recognised in revenue.

(g) Expenses

Property expenses

Property expenses consist of rates, taxes and other property outgoings in relation to investment properties where such expenses are the responsibility of the Trust.

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 investment properties. Where borrowings are specific to particular assets, the rate at which borrowing costs are capitalised is determined by reference to the actual borrowing costs incurred. The weighted average rate at which these costs have been capitalised during the period was 7.5%.

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; and
- certain exchange differences arising from foreign currency borrowings.

(h) Income tax

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

The Trust fully distributes its taxable income, calculated in accordance with the Trust Constitution and applicable legislation, to unitholders who are presently entitled to income under the Constitution. Realised capital losses and tax losses are not distributed to unitholders but are retained in the Trust to be offset against any future realised capital gains and taxable income of the Trust subject to Australian and New Zealand income tax legislation.

Tax allowances for building and plant and equipment depreciation are distributed to unitholders in the form of tax free and tax deferred components of distributions.

The New Zealand operations of the Trust are subject to New Zealand tax on their taxable earnings.

(i) Foreign currency translation

Transactions

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the date of the transactions or at hedge rates where applicable. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the Statement of Financial Performance in the periods in which they arise.

Translation of controlled foreign operations

The assets and liabilities of foreign operations, including controlled entities, and associates, that are self-sustaining are translated at the rates of exchange ruling at reporting date. Equity items are translated at historical rates. The statements of financial performance are translated at a weighted average rate for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve until the disposal, or partial disposal, of the operations.

(j) Acquisitions of assets

All assets acquired, including 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 depreciated/amortised as outlined below.

(k) Receivables

The collectibility of debts is assessed on an ongoing basis and specific provision is made for any doubtful accounts. Trade debtors are due for settlement within 30 days and are carried at amounts due.

(l) Recoverable amount of non-current assets

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at reporting date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value.

(m) Investment properties

Investment properties comprise investment interests in land and buildings held for the purpose of letting to produce rental income.

Land and buildings comprising the investment properties are considered composite assets and are disclosed as such in the accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

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.

The costs of assets constructed/redeveloped internally include the costs of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset.

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 Trust if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Valuations

Investment properties are measured at fair value and revalued with sufficient regularity to ensure the carrying amount of each property does not differ materially from its fair value at the reporting date.

The Trust's Constitution requires the Responsible Entity to have the Group's property investments independently valued whenever the Responsible Entity believes that the fair value of a property differs significantly from its carrying value or at least every three years. These valuations are considered by the Directors of the Responsible Entity when determining fair value. When assessing fair value, the Directors will also consider the discounted cash flow of the property, the highest and best use of the property and sales of similar properties.

Fair value is based on the price at which a property might reasonably be expected to be sold at the date of valuation, assuming:

- (i) a willing, but not anxious, buyer and seller on an arm's length basis;
- (ii) a reasonable period in which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;
- (iii) that the property will be reasonably exposed to that market;
- (iv) that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and
- (v) it only takes into account instructions given by the Responsible Entity and is based on all the information that the valuer needs for the purposes of the valuation being made available by or on behalf of the Responsible Entity.

Revaluation increments are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset against revaluation increments and any excess is recognised as an expense.

Investment properties are maintained at a high standard and, as permitted by accounting standards, the properties are not depreciated.

(n) Deferred costs

Deferred financing costs related to borrowing facilities are amortised over the term of the facility. Deferred costs related to leases are amortised over the period of the lease. Costs are only deferred to the extent that they 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. Deferred expenditure is reviewed annually to determine the amount, if any, which is no longer recoverable. Any such amount is written off.

(o) Trade and other creditors

These amounts 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.

(p) Interest bearing liabilities

Loans are carried at their principal amounts, subject to set-off arrangements. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(q) Distributions

Provision is made for the amount of any distribution declared, determined or publicly recommended by the Directors on or before the end of the financial year but not distributed at balance date.

(r) Derivative financial instruments

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 and profits 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 underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised as interest income or interest expense as appropriate on an accruals basis over the life of the hedges.

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 Statement of Financial Performance 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, payables and bank loans 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.

(s) Cash

For purposes of the Statement of Cash Flows, cash includes 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

	2004 CONSOLIDATED \$'000	2004 TRUST \$'000
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2 REVENUE

Revenue from ordinary activities

Rent	28,199	–
Recoverable outgoings	3,545	–
	31,744	–
Interest received or due and receivable from:		
Related parties	22,268	22,268
Other parties	691	517
Distributions from controlled entities	–	19,564
Rental guarantee income from Multiplex Limited	1,890	1,526
Other	16	–
	24,865	43,875
Revenue from ordinary activities	56,609	43,875

3 PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been arrived at after charging the following items:

Borrowing costs paid or due and payable to other persons	16,645	12,503
--	--------	--------

Borrowing costs were capitalised to investment properties under development at a weighted average interest rate of 7.5% p.a.

Fees payable to the Responsible Entity

Under the terms of the Trust Constitution and subject to the Corporations Act, the Responsible Entity is entitled to be:

- paid an application fee by the applicant of 2% in respect of each application for units in the Trust;
- paid a management fee by the Trust equal to the Responsible Entity's reasonable estimate of its costs in providing its services as the Responsible Entity;
- paid an acquisition fee by the Trust of 1.5% of the acquisition price of properties acquired by the Trust; and
- reimbursed by the Trust for all expenses incurred in relation to the performance of its duties.

The Responsible Entity is also entitled to waive or defer any of its fees.

During the period from registration of the Trust to 30 June 2004, the Responsible Entity waived its entitlement to any fees.

4 AUDITOR'S REMUNERATION

During the period, all amounts paid to the auditor of the parent entity and its related practices and firms were borne by the Responsible Entity.

5 EARNINGS PER UNIT

	CENTS
Earnings per unit	6.1
	NUMBER
Weighted average number of units used as the denominator	514,964,591
	CONSOLIDATED \$'000
<i>Reconciliation of earnings used in calculating earnings per unit</i>	
Net profit	31,359
Net profit attributable to outside equity interest	–
Earnings used as the numerator in calculating earnings per unit	31,359

Earnings per unit is determined by dividing net profit attributable to unitholders of the Trust by the weighted average number of units outstanding during the period.

The Trust did not have any potential units outstanding during the period and, as such, diluted earnings per unit is not applicable.

6 CASH ASSETS

Cash at bank and on hand	5,588	–
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Cash at bank balances bear floating interest rates between 4.55% and 5.20% p.a.

7 RECEIVABLES

Current

Trade debtors	841	–
Final equity instalment receivable (a)	551,137	551,137
Distributions receivable from controlled entities	–	19,564
Other debtors	8,060	72
	560,038	570,773

(a) Final instalment of \$0.97 per unit is receivable on 15 December 2004.

Non-current

Amounts due from Multiplex Limited and its controlled entities	142,368	142,368
Amounts due from controlled entities	–	471,307
	142,368	613,675

Amounts due from controlled entities are interest free, unsecured and are repayable when called upon post July 2005. Amounts due from Multiplex Limited and its controlled entities are interest bearing. All amounts due from Multiplex Limited and its controlled entities are unsecured and are repayable when called upon post July 2005.

8 OTHER ASSETS

Current

Prepayments	1,695	1,066
Other	1,973	1,973
	3,668	3,039

Non-current

Deferred loan establishment fees	8,602	8,331
Deferred leasing costs	247	–
	8,849	8,331

9 OTHER FINANCIAL ASSETS

Investments in controlled entities		
Unlisted at the Responsible Entity's Directors' valuation dated 30 June 2004	–	556,223

The Responsible Entity's valuation of unlisted units in controlled entities was based on the book value of net assets of the controlled entity. Net asset value is equal to the fair value per the Directors of the Responsible Entity's assessment. The valuation was made in accordance with a policy of regular revaluation.

10 INVESTMENT PROPERTIES

Investment properties	1,272,211	–
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Valuations of investment properties

The basis of valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

10 INVESTMENT PROPERTIES (CONTINUED)

Individual properties

Details of the individual investment properties are set out below. Investment properties are 100% owned except where indicated.

DESCRIPTION	TITLE	ACQUISITION DATE	ORIGINAL PURCHASE PRICE \$'000	ADDITIONS AT COST \$'000	BOOK VALUE \$'000	VALUATION DATE	VALUATION ¹ \$'000
Office							
Commonwealth Bank Building, Brisbane, QLD ³	Freehold	5 December 2003	126,690	336	127,026	December 2003	121,600
KPMG Tower, Sydney, NSW (50%)	Freehold	10 December 2003	109,456	6	109,462	December 2003	110,000
ASB Bank Centre, Auckland, NZ	Freehold	5 December 2003	102,055	187	102,242	December 2003	102,644
ANZ Centre, Brisbane, QLD (50%) ³	Freehold	8 December 2003	41,580	17	41,597	December 2003	40,000
Southern Cross, Melbourne, VIC ^{2,4}	Freehold	5 December 2003	139,380	53,346	192,726	July 2006	440,000
Ernst & Young Centre and 688 George Street, Sydney, NSW ^{2,4}	Freehold	12 December 2003	212,540	126,760	339,300	January 2005	422,000
Retail							
King Street Wharf Retail, Sydney, NSW ³	Leasehold	5 December 2003	58,397	–	58,397	December 2003	55,900
Great Western Super Centre, Brisbane, QLD ³	Freehold	16 December 2003	62,005	182	62,187	December 2003	57,500
Carillon City Shopping Centre, Perth, WA (50%) ³	Freehold	8 December 2003	51,479	58	51,537	December 2003	48,425
Pittwater Place Shopping Centre, Sydney, NSW ^{2,4}	Freehold	5 December 2003	34,790	19,807	54,597	August 2004	57,700
Brackenridge Shopping Centre, Brisbane ²	Freehold	30 June 2004	18,245	–	18,245	November 2004	19,140
Industrial							
James Hardie, Rosehill Sydney, NSW ³	Freehold	24 March 2004	55,130	–	55,130	March 2004	52,000
James Hardie, Cnr. O'Rorke & Station, Penrose, Auckland, NZ	Freehold	24 March 2004	3,750	–	3,750	February 2004	4,020
James Hardie, 44-74 O'Rorke Rd, Penrose, Auckland, NZ	Freehold	24 March 2004	11,612	–	11,612	February 2004	13,582
James Hardie, Carole Park Brisbane, QLD ³	Freehold	24 March 2004	11,183	–	11,183	February 2004	10,700
James Hardie, Meeandah Brisbane, QLD ³	Freehold	24 March 2004	4,475	–	4,475	February 2004	3,500
James Hardie, Welshpool Perth, WA ³	Freehold	24 March 2004	5,245	–	5,245	February 2004	5,200
Car Park							
Luna Park Car Park, Sydney, NSW	Leasehold	28 June 2004	23,500	–	23,500	July 2004	23,500
			1,071,512	200,699	1,272,211		
Cost to complete construction of Trust properties			–	333,078	333,078		
			1,071,512	533,777	1,605,289		

¹ Valuation has been performed based on 100% ownership of the property. Values have been adjusted in proportion to ownership interest.

² Valuation amount and valuation date of investment properties under construction are based on expected value on completion of construction of property.

³ The book values for these properties currently exceed their market values due to the capitalisation of acquisition costs (stamp duty, legal costs, etc).

These differences are expected to be recovered through future revaluation increments.

⁴ Included in the cost of investment properties is capitalised borrowing costs amounting to \$15,936,000.

The senior debt facilities provided by the lenders to the Trust are secured by, among other things, cross-guarantees from the Trust, and each of the Trust's sub-trusts as well as fixed and floating charges and real property mortgages.

Refer to Note 25 for further information on security given by the Trust and its controlled entities.

NOTE	2004 CONSOLIDATED \$'000	2004 TRUST \$'000
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10 INVESTMENT PROPERTIES (CONTINUED)

Reconciliation

Reconciliation of the carrying amount of investment properties is set out below:

Investment properties – fair value

Carrying amount at the start of the period	–	–
Additions	1,256,275	–
Borrowing costs capitalised	15,936	–
Net amount of valuation	1,272,211	–

Leasing arrangements

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

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

Within one year	70,526	–
Later than one year but not later than 5 years	354,618	–
Later than 5 years	628,828	–
	1,053,972	–

Annual rent receivable by the Consolidated Entity under current leases from tenants is from commercial, industrial, retail, and car park assets held. The average lease term is 10 years and rent reviews are generally performed on an annual basis and are based on market rent.

11 PAYABLES

Trade creditors	39,213	8,233
Other creditors and accruals	3,985	319
	43,198	8,552

12 INTEREST BEARING LIABILITIES

Current

Other loans	38,000	344
-------------	--------	-----

Non-current

Bank loans – secured	405,554	284,758
Other loans	10,295	–
	415,849	284,758

13 NON-INTEREST BEARING LIABILITIES

Current

Amounts owing to related parties	26	201,323	201,323
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Non-current

Amounts owing to Multiplex Limited and its controlled entities		88,719	33,760
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

	2004	2004
	CONSOLIDATED	TRUST
	\$'000	\$'000

14 CONTRIBUTED EQUITY

500,000,000 units issued at \$2.20 paid to \$1.23 each	1,100,000	1,100,000
68,182,014 units issued at \$2.11 paid to \$1.14 each	143,864	143,864
Costs of issues	(51,919)	(51,919)
	1,191,945	1,191,945

The Trust neither acquired nor cancelled any units on issue during the period. A final instalment of \$0.97¢ per unit is payable by unitholders on 15 December 2004.

Each unitholder is entitled to receive distributions as declared from time to time and is entitled to one vote per unit at unitholders' meetings. Units in the Trust are stapled to shares in Multiplex Limited as disclosed in Note 28.

15 RESERVES

Foreign currency translation reserve	79	–
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Foreign currency translation reserve

The foreign currency translation reserve records the foreign currency differences arising from the translation of self-sustaining foreign operations, the translation of transactions that hedge the Trust's net investment in foreign operations or the translation of foreign currency monetary items forming part of the net investment in a self-sustaining operation.

Movements during the period

Foreign currency translation reserve

Balance at the start of the period	–	–
Net translation adjustment	79	–
Balance at the end of the period	79	–

16 UNDISTRIBUTED INCOME

Net profit attributable to unitholders of the Multiplex Property Trust	31,359	31,359
Distributions recognised during the period	(33,194)	(33,194)
Undistributed income at the end of the period	(1,835)	(1,835)

17 DISTRIBUTIONS

	CENTS PER UNIT ¢	TOTAL AMOUNT \$'000	DATE OF PAYMENT	TAX DEFERRED %	TAX FREE %
Distributions recognised in the current period by the Trust are:	5.84	33,194	27 August 2004	31.7	–

	NOTE	2004 CONSOLIDATED \$'000	2004 TRUST \$'000
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18 RECONCILIATION OF TOTAL UNITHOLDERS' FUNDS

Total unitholders' funds at the start of the period		–	–
Total changes in interest in unitholders' funds recognised in Statement of Financial Performance		31,438	31,359
Transactions with owners as owners:			
Contributions of equity (net of issue costs)	14	1,191,945	1,191,945
Distributions	17	(33,194)	(33,194)
Total unitholders' funds at the end of the period		1,190,189	1,190,110

19 FINANCIAL INSTRUMENTS

Derivative financial instruments

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 and profits 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 may be party to derivative financial instruments in the normal course of business in order to hedge exposure to interest rate and foreign exchange rate risks. 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 risk

Interest rate risk exposures

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

	NOTE	WEIGHTED AVERAGE INTEREST RATE %	FLOATING INTEREST RATE \$'000	FIXED INTEREST MATURING IN:			NON-INTEREST BEARING \$'000	TOTAL \$'000
				1 YEAR OR LESS \$'000	OVER 1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000		
Financial assets								
Cash	6	4.30	5,588	–	–	–	–	5,588
Receivables	7	11.30	–	–	142,368	–	560,038	702,406
			5,588	–	142,368	–	560,038	707,994
Financial liabilities								
Payables	11	–	–	–	–	–	43,198	43,198
Interest bearing liabilities	12	6.57	415,849	38,000	–	–	–	453,849
			415,849	38,000	–	–	43,198	497,047
Interest rate swaps (notional principal amounts)			(332,675)	157,940	174,735			

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 underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised as interest income or interest expense as appropriate on an accruals basis over the life of the hedges.

At 30 June 2004, the notional principal amounts receivable and periods of expiry of the interest rate swap contracts were as follows:

	CONSOLIDATED \$'000
Less than one year	157,940
Between one and two years	174,735
	332,675

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

19 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk exposure

At 30 June 2004, the Group had no significant concentration of credit risk with any single counterparty or group of counterparties. In accordance with the policies determined by the Board of Directors, credit risk is spread among a number of counterparties. The counterparties to derivative financial instruments consist of a number of prime financial institutions.

The Group's maximum exposure to credit risk at 30 June 2004, in relation to each class of recognised financial assets, is the carrying amount of those assets recognised in the Statement of Financial Position. As at 30 June 2004 the Group's total credit risk exposure in relation to unrecognised financial assets was \$1,137,399.

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, payables and bank loans 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 is \$889,178 and 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.

20 COMMITMENTS FOR EXPENDITURE

	2004 CONSOLIDATED \$'000	2004 TRUST \$'000
Capital commitments		
Contracted but not provided for and payable:		
Within one year	244,070	–
One year or later and no later than five years	89,870	–
	333,940	–

The Trust is contracted to acquire the Ernst & Young Centre in Perth by October 2004 for \$47,200,000. The majority of capital commitments consist of future payments so as to complete construction of three properties under design and construct contracts.

21 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities and contingent assets (for which no amounts are recognised in the financial statements) exist in respect of guarantees issued to clients in relation to the investment properties under construction held by the Trust. The guarantees issued to clients are secured by indemnities. All of the bank guarantees are issued in the Trust's ordinary course of business. Bank guarantees outstanding at 30 June 2004 are \$110,965,000.

22 SEGMENT INFORMATION

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

Business segments

Individual business segments have been identified on the basis of grouping individual products or services subject to similar risks and returns.

The main business segment of the Consolidated Entity is the investment in properties which are leased to third parties for the following uses:

- Commercial – office accommodation
- Retail – accommodation of retail outlets
- Industrial – accommodation for factories and other industrial use
- Car Park – provision of car parking spaces

22 SEGMENT INFORMATION (CONTINUED)

Geographical segments

The Consolidated Entity operates in the following areas of Australasia:

- New South Wales
- Victoria
- Queensland
- Western Australia
- New Zealand
- Other

Business segments

\$'000	COMMERCIAL	RETAIL	INDUSTRIAL	CAR PARK	TOTAL
External segment revenue	35,529	11,738	2,303	–	49,570
Other unallocated revenue					7,039
Total revenue					56,609
Segment result	31,252	7,999	2,147	–	41,398
Unallocated results					(10,039)
Net profit					31,359
Non-cash expenses other than amortisation	3,023	1,185	916	–	5,124
Unallocated non cash expenses					2,316
					7,440
Segment assets	941,287	248,685	92,520	23,503	1,305,995
Unallocated assets					704,477
Total assets					2,010,472
Segment liabilities	58,209	27,440	11,763	–	97,412
Unallocated liabilities					722,871
Total liabilities					820,283

All geographical segments are located in Australasia.

Geographical segments

The Consolidated Entity's business segments are located throughout Australasia.

\$'000	NEW SOUTH WALES	VICTORIA	QUEENSLAND	WESTERN AUSTRALIA	NEW ZEALAND	OTHER ¹	TOTAL
External segment revenue by location of customers	22,326	4,152	12,235	4,358	6,499	7,039	56,609
Segment assets by location of assets	666,751	195,155	266,692	57,191	120,206	704,477	2,010,472
Acquisitions of non-current assets	640,388	192,724	264,714	56,782	117,603	–	1,272,211

¹ The category of 'Other' in the geographical segment predominantly represents amounts due from Multiplex Limited and its controlled entities and the final equity instalment receivable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

23 INVESTMENTS IN CONTROLLED ENTITIES

At 30 June 2004, the Group had the following controlled entities, all of which were acquired during the period:

	DATE ACQUIRED	DOMICILE	VOTING INTEREST %
KPMGDT Development Trust	10 Dec 2003	Australia	100
Latitude Holding Unit Trust	9 Oct 2003	Australia	100
Latitude Landowning Trust	9 Oct 2003	Australia	100
Multiplex 240 Queen Street Investment Trust	5 Dec 2003	Australia	100
Multiplex 240 Queen Street Landowning Trust	5 Dec 2003	Australia	100
Multiplex 324 Queen Street Investment Trust	8 Dec 2003	Australia	100
Multiplex 324 Queen Street Landowning Trust	8 Dec 2003	Australia	100
Multiplex 44 O'Rorke Landowning Trust	24 Mar 2004	Australia	100
Multiplex Albert Street Investment Trust	5 Dec 2003	Australia	100
Multiplex Albert Street Landowning Trust	5 Dec 2003	Australia	100
Multiplex Aust Investment Trust	24 Mar 2004	Australia	100
Multiplex Bracken Ridge Investment Trust	22 Jun 2004	Australia	100
Multiplex Bracken Ridge Landowning Trust	22 Jun 2004	Australia	100
Multiplex Carole Park Landowning Trust	24 Mar 2004	Australia	100
Multiplex City Arcade Investment Trust	8 Dec 2003	Australia	100
Multiplex City Arcade Landowning Trust	8 Dec 2003	Australia	100
Multiplex Corner O'Rorke Landowning Trust	8 Mar 2004	Australia	100
Multiplex DT 100 Investments Trust	30 Aug 2003	Australia	100
Multiplex DT 100 Landowning Trust	30 Aug 2003	Australia	100
Multiplex JH Holdings Trust	24 Mar 2004	Australia	100
Multiplex JH Trust	24 Mar 2004	Australia	100
Multiplex Luna Park Carpark Investment Trust	11 Jun 2004	Australia	100
Multiplex Luna Park Carpark Landowning Trust	11 Jun 2004	Australia	100
Multiplex Meeandah Landowning Trust	24 Mar 2004	Australia	100
Multiplex NZ Investment Trust	24 Mar 2004	Australia	100
Multiplex PCEC Office Investment Trust	17 Oct 2003	Australia	100
Multiplex PCEC Office Landowning Trust	17 Oct 2003	Australia	100
Multiplex Pittwater Place Investment Trust	21 Oct 2003	Australia	100
Multiplex Pittwater Place Landowning Trust	21 Oct 2003	Australia	100
Multiplex Reed Street Investment Trust	8 Dec 2003	Australia	100
Multiplex Reed Street Landowning Trust	8 Dec 2003	Australia	100
Multiplex Rosehill Landowning Trust	24 Mar 2004	Australia	100
Multiplex South City Investment Trust	11 May 2004	Australia	100
Multiplex South City Landowning Trust	11 May 2004	Australia	100
Multiplex Stage 3A Holding Trust	10 Dec 2003	Australia	100
Multiplex Stage 3A Landowning Trust	10 Dec 2003	Australia	100
Multiplex W9 & 10 Stage 1 Investment Trust	5 Dec 2003	Australia	100
Multiplex W9 & 10 Stage 1 Landowning Trust	5 Dec 2003	Australia	100
Multiplex W9 & 10 Stage 4 Investment Trust	5 Dec 2003	Australia	100
Multiplex W9 & 10 Stage 4 Landowning Trust	5 Dec 2003	Australia	100
Multiplex Welshpool Landowning Trust	24 Mar 2004	Australia	100
The BASX Unit Trust No 3	5 Dec 2003	Australia	100
The Multiplex Developments No 6 Trust	5 Dec 2003	Australia	100
The Multiplex Developments No 6A Unit Trust	5 Dec 2003	Australia	100

24 INVESTMENTS IN ASSOCIATES

Investments in associates are accounted for in the financial statements using the equity method of accounting and are carried at cost.

Details of interests in associates are as follows:

NAME	PRINCIPAL ACTIVITIES	DATE ACQUIRED	OWNERSHIP INTEREST %	CONSIDERATION \$'000
Acumen Diversified Property Trust	Property Investment	8 December 2003	48.68	17,750

The balance date of the associate is 30 June 2004.

	2004 \$'000
<i>Movements in carrying amount of investments in associates</i>	
Investments in associates acquired during the period	17,750
Share of associate's profit from ordinary activities	481
Dividends received from associates	(481)
Balance at the end of the period	17,750

Summary of financial position of associates

The Consolidated Entity's share of aggregate assets and liabilities of associates is as follows:

Total assets	21,282
Total liabilities	(3,867)
Net assets	17,415

25 NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2004 CONSOLIDATED \$'000	2004 TRUST \$'000
Cash	5,588	–

Reconciliation of profit from ordinary activities to net cash provided by/(used in) operating activities

Profit from ordinary activities	31,359	31,359
Add non-cash items:		
Amortisation expenses	1,789	1,764
Unrealised foreign exchange losses	79	–
Net cash provided by operating activities before change in assets and liabilities	33,227	33,123
Change in assets and liabilities during the period		
(Increase) in trade and other debtors	(31,168)	(22,340)
(Increase) in prepayments and other assets	(5,639)	(4,468)
(Increase) in distributions receivable from controlled entities	–	(19,564)
(Increase) in loans to Multiplex Limited and its controlled entities	(145)	–
Increase in accruals and other payables	5,650	528
Net cash inflow/(outflow) from operating activities	1,925	(12,721)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

	2004 CONSOLIDATED \$'000	2004 TRUST \$'000
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25 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

Acquisitions of controlled entities

During the financial period the Consolidated Entity purchased 100% of the units of The Multiplex Developments No 6A Unit Trust, KPMGDT Development Trust and Multiplex Pittwater Place Investment Trust. Details of the acquisitions are as follows:

Consideration	43,650	556,223
Cash acquired	—	—
Outflow of cash	43,650	556,223

Fair value of net assets of entity acquired:

Investment property	43,650	556,223
Consideration (cash)	43,650	556,223

Financing arrangements

The Consolidated Entity has access to the following lines of credit:

Total facilities available:

Bank loans	608,813	488,017
Bank guarantees	135,000	135,000
	743,813	623,017

Facilities utilised at balance date:

Bank loans	405,554	284,758
Bank guarantees	110,965	110,965
	516,519	395,723

Facilities not utilised at balance date:

Bank loans	203,259	203,259
Bank guarantees	24,035	24,035
	227,294	227,294

Bank loans

Bank loans are denominated in Australian and New Zealand dollars. The bank loans are secured by registered first mortgages over certain investment properties of the Trust. The non-current bank loans are payable on or before March 2007.

During the period the Group entered into a Multi Option Facility with a limit of \$700,000,000 and a loan facility of \$43,813,000. The Multi Option Facility's limit is structured as a \$565,000,000 cash tranche and a \$135,000,000 bank guarantee facility. These two facilities are secured by registered first mortgages over certain investment properties of the Group. These facilities are due for review on or before December 2006 and March 2007 respectively.

The carrying amount of the pledged investment properties is \$1,230,466,000.

Bank guarantees

Refer Note 21 for details of bank guarantees.

26 RELATED PARTIES

The Responsible Entity

The Responsible Entity of the Trust is Multiplex Funds Management Limited whose immediate and ultimate holding company is Multiplex Limited (ABN 96 008 687 063).

Directors of the Responsible Entity

The names of each person holding the position of Director of Multiplex Funds Management Limited during the period since the Multiplex Group's listing on 2 December 2003 when it became a disclosing entity were John Roberts AO, Allan McDonald, Andrew Roberts, Ross McDiven, John Corcoran, Tim Roberts, Ian O'Toole, Peter Dransfield, John Poynton, Barbara Ward, Denby Macgregor (Alternate Director for John Roberts and Tim Roberts), George Kostas (Alternate Director for John Corcoran) and Karen Pedersen (Alternate Director for Andrew Roberts).

Messrs Andrew Roberts, Corcoran and O'Toole were appointed on 2 July 2003. Mr McDiven was appointed on 18 August 2003. Messrs John Roberts AO, McDonald, Tim Roberts, Dransfield and Poynton and Mesdames Ward and Macgregor were appointed on 22 October 2003. Mr Kostas served from 8 October 2003 to 1 December 2003. Ms Pedersen served from 22 October 2003 to 1 December 2003.

Since the inception of the Trust, no Director of Multiplex Funds Management Limited has received or become entitled to receive any benefit because of a contract made by the Trust with a Director or with a firm of which a Director is a member, or with an entity in which the Director has a substantial interest, except at terms set out in the Trust Constitution, with the exception of the transactions outlined below.

Responsible Entity's holdings of units

The relevant interests of each Director of Multiplex Funds Management Limited in the unit capital of the Trust at period end are set out below:

DIRECTORS	UNITS
Mr J C Roberts AO ¹	214,625,570
Mr F A McDonald	29,692
Mr A T Roberts ¹	214,625,570
Mr R A McDiven	987,655
Mr J A Corcoran	617,284
Mr T A Roberts ¹	214,625,570
Mr I O'Toole	113,266
Mr P Dransfield	40,000
Ms B K Ward	20,000
Mr J H Poynton	425,078
Ms D Macgregor ¹	214,625,570

¹ Through a relevant interest in the holding of Roberts Family Nominees Pty Ltd.

The Responsible Entity has no units either directly or indirectly in the Trust.

Responsible Entity's remuneration

Under the terms of the Trust Constitution and subject to the Corporations Act, the Responsible Entity is entitled to be:

- paid an application fee by the applicant of 2% in respect of each application for units in the Trust;
- paid a management fee by the Trust equal to the Responsible Entity's reasonable estimate of its costs in providing its services as the Responsible Entity;
- paid an acquisition fee by the Trust of 1.5% of the acquisition price of properties acquired by the Trust; and
- reimbursed by the Trust for all expenses incurred in relation to the performance of its duties.

The Responsible Entity is also entitled to waive or defer any of its fees.

During the period from registration of the Trust to 30 June 2004, the Responsible Entity waived its entitlement to any fees.

Balances owed to the Responsible Entity

There were no amounts owed to the Responsible Entity as at 30 June 2004.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

	2004 CONSOLIDATED \$'000	2004 TRUST \$'000
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26 RELATED PARTIES (CONTINUED)

Remuneration of Directors of the Responsible Entity

No amounts have been paid by the Trust or the Responsible Entity to any Director of the Responsible Entity. Details of the nature and amount of the remuneration received by the Directors of the Responsible Entity from Multiplex Group are set out in the Directors' Report.

Wholly-owned group

Details of interests in wholly-owned controlled entities are set out in Note 23. Details of dealings with these entities are set out below:

Distributions

Distributions received or due and receivable by the Trust from wholly-owned controlled entities	–	19,564
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Transactions between Multiplex Limited and the Trust

- Purchase of seven investment properties from Multiplex Limited Consolidated Entity at a total purchase price of \$777,982,000.
- Construction of six investment properties owned by the Trust.
- Interest of \$6,332,000 on loans totalling \$142,368,000 paid by Multiplex Limited Consolidated Entity to the Trust.
- Property facilities management fees of \$575,000 paid to Multiplex Limited Consolidated Entity by the Trust.

Aggregate amounts receivable from, and payable to, Multiplex Limited and its controlled entities at balance date:

	CONSOLIDATED \$'000
<i>Non current receivables</i>	
Amounts due from Multiplex Limited and its controlled entities	142,368
<i>Non current payables</i>	
Amounts due to Multiplex Limited and its controlled entities	88,719

Other transactions with Director related entities

Aggregate amounts payable to Directors of the Group at balance date:

Current payables

Loan from the Roberts Family	201,323
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The Roberts family loan was put in place on 4 December 2003 for a total amount of \$201,323,000 and represents the amount payable by the Roberts family on the uncalled amount of \$0.97 per partly paid unit held by them at the date of the IPO. The loan bears no interest and is subordinated to the existing senior facility. The loan is to be repaid to the Roberts family on 15 December 2004. The Directors deemed to be interested in this transaction are John C Roberts AO, Andrew Roberts, Timothy Roberts and Denby Macgregor.

27 ADDITIONAL INFORMATION

Period of the Trust

The Trust was established on 19 September 2003 but did not commence operating until 5 December 2003. The life of the Trust is 80 years from commencement (19 September 2083) or earlier if terminated by the Manager or in accordance with a provision of the Constitution or by law.

28 STAPLING ARRANGEMENTS

The Stapling Deed between the Responsible Entity and Multiplex Limited is dated 8 October 2003. It sets out the terms of the relationship between the Responsible Entity and Multiplex Limited in respect of the units in the Trust and the shares in Multiplex Limited 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 Multiplex Limited 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 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 Multiplex Limited to be followed;
- Sale of assets: Multiplex Limited 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 Multiplex Limited 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 Multiplex Limited);
- Financial benefits: the Trust and Multiplex Limited 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 Multiplex Limited 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 Multiplex Limited 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 Multiplex Limited or the Multiplex Property 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 of Multiplex Limited or the Multiplex Property Trust.

The Australian Stock Exchange 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.

29 INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Group will be required to comply with Australian IFRS Equivalents for the first time in the Group's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006. In preparation for adoption of Australian IFRS Equivalents, the Group has formed a project team and sought the advice of specialist external consultants. The project team is led by senior finance personnel and reports quarterly to the Group's Audit and Risk Committee.

An initial assessment has been performed to determine the potential impacts on the current key accounting policies of the Group. The major impact identified to date is:

Investment Property: Under AASB 140 "Investment Property", companies have the option to measure the entire class of investment property at cost or fair value. If investment properties are measured at fair value, gains or losses arising from changes in fair value are recognised in net profit or loss for the period in which they arise. This will result in a change to the current accounting policy under which changes in the fair value of investment properties are recognised in the asset revaluation reserve, and may also lead to an increase in the volatility of reported earnings.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to Australian IFRS Equivalents, as not all standards have been analysed in entirety as yet, and some decisions have yet to be made where choices of accounting policies are available. For these reasons, the Group has not yet quantified the impact of the transition to Australian IFRS Equivalents on the Group's financial position and reported results.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MULTIPLEX PROPERTY TRUST

FOR THE PERIOD ENDED 30 JUNE 2004

30 EVENTS OCCURRING AFTER REPORTING DATE

On 30 August 2004 Multiplex Limited and its controlled entities established an unlisted New Zealand Property Fund ("the Fund") comprising 11 property assets in New Zealand valued at approximately \$273.9 million. The Trust has committed to sell its 100% interest in the ASB Bank Centre located in Auckland to the Fund for \$102.5 million. In addition the Trust will dispose of its interests in the Foodland Associated Limited New Zealand portfolio and the South City Shopping Centre in Christchurch to the Fund.

The Fund is seeking to raise approximately \$63 million, representing 55% of the total fund equity, from new investors. The Trust has committed to subscribe for 25% of the total fund equity.

There have been no other significant events or transactions that have arisen since the end of the financial period, which in the opinion of the Directors, would affect significantly the operations of the aggregated entity, the results of those operations, or the state of affairs of the aggregated entity.

DIRECTORS' DECLARATION

MULTIPLEX PROPERTY TRUST

1. In the opinion of the Directors of Multiplex Funds Management Limited, the Responsible Entity of Multiplex Property Trust:
 - (a) the financial statements and notes, set out on pages 112 to 134, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Trust and Consolidated Entity as at 30 June 2004 and of their performance, as represented by the results of their operations and their cash flows, for the period ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.
2. The Trust has operated from registration on 19 September 2003 to 30 June 2004 in accordance with the provisions of the Trust Constitution dated 19 September 2003.

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



Andrew Roberts
Chief Executive and Managing Director
Multiplex Funds Management Limited

15 September 2004

SCOPE

The financial report and Directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, notes 1 to 30, and the Directors' declaration, set out on pages 112 to 135, for both Multiplex Property Trust (the "Trust") and Multiplex Property Trust and its controlled entities (the "Consolidated Entity"), for the period ended 30 June 2004. The Consolidated Entity comprises both the Trust and the entities it controlled during that period.

The Directors of Multiplex Funds Management Limited, the Responsible Entity of the Trust, are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. 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 financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the unitholders of the Trust. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. 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 performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Trust's and the Consolidated Entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Directors.

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 financial report of Multiplex Property Trust is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Trust's and Consolidated Entity's financial position as at 30 June 2004 and of their performance for the financial period ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.



KPMG



A Dickinson
Partner

Sydney
15 September 2004



KPMG, an Australian partnership, is a member of KPMG International, a Swiss non-operating association.

CORPORATE DIRECTORY

MULTIPLEX GROUP

Multiplex Limited and Multiplex Funds Management Limited

REGISTERED OFFICE

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RESPONSIBLE ENTITY FOR MULTIPLEX PROPERTY TRUST

Multiplex Funds Management Limited

Level 4, 1 Kent Street, Millers Point, NSW 2000

Telephone: +61 2 9256 5000

Facsimile: +61 2 9256 5001

COMPANY SECRETARY

Mark Wilson

AUDITOR

KPMG

10 Shelley Street, Sydney, NSW 2000

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Multiplex Group will be held at:

Museum of Contemporary Art

140 George Street, The Rocks, Sydney

Date: Monday, 8 November 2004

Time: 2pm

WEBSITE

www.multiplex.biz

