MULTIPLEX

Multiplex Limited
(ABN 96 008 687 063)

23 July 2007

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

Dear Madam

MULTIPLEX GROUP TARGET'S STATEMENT

In accordance with Section 633(1) of the Corporations Act 2001, please find attached a copy of the Multiplex Group Target's Statement served today on Brookfield BidCo (Australia) Pty Limited (ACN 126 164 145) (a wholly owned subsidiary of Brookfield Asset Management Inc).

Yours faithfully

Mark Wilson
Company Secretary
Multiplex Limited

Multiplex Group

Target's Statement

Financial Adviser

UBS Investment Bank

Legal Adviser

Allens Arthur Robinson

by **Multiplex Limited** (ACN 008 687 063)
and **Multiplex Funds Management Limited** (ACN 105 371 917)
as responsible entity of
Multiplex Property Trust (ARSN 106 643 387)

The directors of Multiplex Limited and Multiplex Funds Management Limited (as responsible entity of Multiplex Property Trust) recommend that you

ACCEPT

the cash offer of Brookfield BidCo (Australia) Pty Limited (ACN 126 164 145) (a wholly owned subsidiary of Brookfield Asset Management Inc), in the absence of a superior proposal.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
If you are in any doubt as to its contents, please contact your professional adviser.

Contents

	Important notices	IFC
	Letter from the Chairman of Multiplex	1
1	Directors' recommendation and reasons	2
2	How to accept the Brookfield Offer	8
3	Frequently asked questions	9
4	Your choices as a Multiplex Securityholder	13
5	Profile of Multiplex	14
6	Profile of Brookfield and Brookfield Australia	16
7	Directors' recommendation and interests	17
8	Key features of the Brookfield Offer	18
9	Taxation considerations	21
10	Additional information	24
11	Interpretation and authorisation	29
12	Independent Expert's Report	32
	Corporate directory	IBC

Important notices

Defined terms
A number of defined terms have been used in this Target's Statement. These terms are explained in Section 11.

Nature of this document
This Target's Statement dated 23 July 2007 is given by Multiplex Limited (ACN 008 687 063) ("ML") and Multiplex Funds Management Limited (ACN 105 371 917) ("MFML") as responsible entity of Multiplex Property Trust (ARSN 106 643 387) ("MPT") under Part 6.5 of the Corporations Act 2001 (Cth) ("Corporations Act") in response to the offer made by Brookfield BidCo (Australia) Pty Limited ("Brookfield Australia"), a wholly owned subsidiary of Brookfield Asset Management Inc ("Brookfield"), for all of the Multiplex Securities pursuant to the Bidder's Statement ("Brookfield Offer" or "Offer"). You should read this Target's Statement in its entirety.

No account of personal circumstances
This Target's Statement does not take into account the individual investment objectives, financial or tax situation or particular needs of each Multiplex Securityholder. You may wish to seek independent financial and taxation advice before making a decision whether or not to accept the Brookfield Offer for your Multiplex Securities.

Disclaimer regarding forward looking statements
This Target's Statement contains forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the property industry as well as matters such as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of Multiplex, the Directors, any of its other officers, any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on these statements. The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

ASIC and ASX disclaimer
A copy of this Target's Statement has been lodged with ASIC and sent to ASX. None of ASIC, ASX or any of their respective officers takes any responsibility for the content of this Target's Statement.

Multiplex Securityholder information
Multiplex has established a Takeover Information Line which Multiplex Securityholders may call if they have any questions in relation to the Brookfield Offer. The telephone number for the Multiplex Takeover Information Line is 1800 129 386 (+61 2 8280 7726 from overseas), which is available Monday to Friday between 8.30am and 5.30pm (AEST).

Announcements relating to the Brookfield Offer and Multiplex generally can be obtained from Multiplex's website at www.multiplex.biz.

Key dates

Date of the Brookfield Offer	10 July 2007
Date of this Target's Statement	23 July 2007
Close of the Offer Period (unless extended or withdrawn)	7.00pm (AEST) 30 August 2007

Letter from the Chairman of Multiplex

23 July 2007

Dear Multiplex Securityholder,

On 12 June 2007, Multiplex announced that it had entered into an Implementation Deed with Brookfield Asset Management Inc ("Brookfield") in relation to the acquisition of all of the Multiplex Securities for cash consideration of $5.05 per security[1] by means of an off-market takeover offer.

You will have recently received a Bidder's Statement from Brookfield BidCo (Australia) Pty Limited, a wholly owned subsidiary of Brookfield, in relation to the Brookfield Offer. The Directors unanimously recommend that you **ACCEPT** the Brookfield Offer, in the absence of a superior proposal. In addition, each of the Directors intends to **ACCEPT** the Brookfield Offer, in respect of their holdings in Multiplex, in the absence of a superior proposal.

This Target's Statement includes a full discussion of the reasons for the Directors' recommendation as well as other considerations in relation to the Brookfield Offer, and I encourage you and your adviser to read it carefully and in full.

The key reasons for the Directors' recommendation that you accept the Brookfield Offer are set out in Section 1 and include:

- the Brookfield Offer represents a substantial premium[2] to both NTA and trading levels, including a 61% premium to the NTA as at 31 December 2006 of $3.13[3] and a 28% premium to the one month volume weighted average price of $3.94 prior to the announcement of discussions on 25 January 2007 that subsequently led to the Brookfield Offer;
- the Independent Expert has concluded that the Brookfield Offer is fair and reasonable. The Independent Expert has ascribed a value range of $4.62 to $5.26 to each Multiplex Security (inclusive of a premium for control). The Directors note that the Brookfield Offer is in the top half of the Independent Expert's range; and
- no other binding offers have emerged for Multiplex, even though the market has been aware of an approach from a third party since January, and of that party being identified as Brookfield in February.

The Brookfield Offer is subject to a number of conditions, including the Brookfield Group having a Relevant Interest in more than 50% of Multiplex Securities, and other conditions outlined in Section 8. In deciding whether to accept the Brookfield Offer, Multiplex Securityholders should consider the conditions remaining to be satisfied in relation to the Brookfield Offer.

Sections 1.5 and 4 describe the possible consequences for Multiplex Securityholders who either do not accept the Brookfield Offer, or who sell their Multiplex Securities.

The Brookfield Offer is scheduled to close at 7.00pm (AEST) on 30 August 2007, unless extended or withdrawn. Details of how to accept the Brookfield Offer are set out in Section 2.

The Directors will continue to keep you informed of any material developments. If you have any questions, please call the Takeover Information Line on 1800 129 386 (+61 2 8280 7726 from overseas), which is available Monday to Friday between 8.30am and 5.30pm (AEST).

Announcements relating to the Brookfield Offer and Multiplex generally can be obtained from Multiplex's website at www.multiplex.biz.

Yours sincerely,

Allan McDonald
Chairman

Notes:

1 The $5.05 will be reduced by the amount, if any, by which the June Distribution exceeds $0.10 per Multiplex Security or by the amount, if any, of any dividends or distributions in respect of your Multiplex Securities other than the June Distribution.

2 The calculated premium is based on the Brookfield Offer cash consideration of $5.05 per security and excludes the estimated distribution of 10.0 cents per security to be paid on 31 August 2007 in respect of the half year ended 30 June 2007. All Multiplex Securityholders who were on the Multiplex Security Register as at 5.00pm on 29 June 2007 will remain entitled to the distribution. This distribution does not form part of the Brookfield Offer and Multiplex Securityholders will remain entitled to receive it whether or not they accept the Offer.

3 Excludes any increase or decrease in the fair value of Multiplex's investment assets that may have occurred since 31 December 2006, including the independent valuations of 13 trust assets and negative fair value adjustments to two car park assets that Multiplex announced on 4 July 2007. These valuations and adjustments have resulted in a $176 million increase to the book value of MPT's portfolio, which represents an increase in book value of 21 cents per security. Subject to final audit, these valuations and adjustments are expected to be adopted for inclusion in Multiplex's statutory accounts as at 30 June 2007, together with any valuation movements arising from properties held through investments in associates and any other adjustments.

1

Directors' recommendation and reasons

1.1 Summary of the Brookfield Offer

Brookfield Australia is offering $5.05 cash per Multiplex Security[1]. Multiplex Securityholders who were on the Multiplex Security Register as at 5.00pm on 29 June 2007 will remain eligible to receive the estimated distribution of 10.0 cents per security in respect of the half year ended 30 June 2007, which is payable on 31 August 2007. This distribution does not form part of the Brookfield Offer and will be paid to eligible Multiplex Securityholders whether or not they accept the Brookfield Offer.

The Brookfield Offer is subject to a number of conditions, including the Brookfield Group having a Relevant Interest in more than 50% of Multiplex Securities. Information regarding the conditions of the Brookfield Offer is set out in Section 8.

Prior to Brookfield and Multiplex entering into the Implementation Deed with respect to the Brookfield Offer, Brookfield entered into put and call option arrangements with Roberts Family Nominees Pty Limited ("RFN") in respect of RFN's entire holding of 25.6% of Multiplex Securities at $5.05 cash per security. On 2 July 2007, those options were partially exercised, taking Brookfield's securityholding in Multiplex to 14.99%[2] and its total economic interest in Multiplex Securities to 16.97%[3]. Brookfield continues to have a call option over RFN's remaining 12.82% securityholding in Multiplex, subject to certain conditions including Multiplex Securityholder approval or ASIC relief (see Section 10.2 for more details).

1.2 Multiplex directors

As at the date of this Target's Statement, the directors of Multiplex Limited ("ML") were Allan McDonald (Non-executive Chairman), Alan Cameron, AM (Non-executive Director), Peter Dransfield (Non-executive Director), John Poynton, AM (Non-executive Director), James Tuckey (Non-executive Director), Barbara Ward (Non-executive Director), Ross McDiven (Executive Director) and Robert McKinnon (Executive Director).

As at the date of this Target's Statement, the directors of MFML (the responsible entity of MPT) were Ian O'Toole (Executive Director) in addition to the directors of ML.

1.3 Directors' recommendation and intentions

Each Director recommends that you **ACCEPT** the Brookfield Offer, in the absence of a superior proposal.

Each Director intends to **ACCEPT** the Brookfield Offer, in relation to those Multiplex Securities in respect of which he or she has a relevant interest, in the absence of a superior proposal.

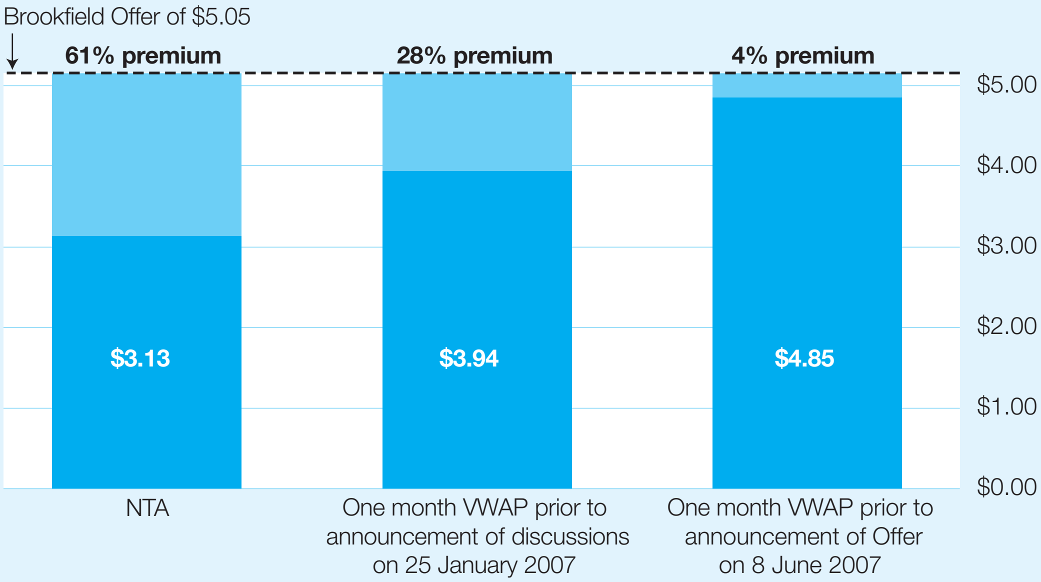
Notes:
1 The $5.05 will be reduced by the amount, if any, by which the June Distribution exceeds $0.10 per Multiplex Security or by the amount, if any, of any dividends or distributions in respect of your Multiplex Securities other than the June Distribution.
2 A member of the Brookfield Group held 18,317,883 Multiplex Securities (which represents 2.19% of Multiplex Securities on issue) at the time the First Option and Second Option were entered into.
3 A Brookfield subsidiary has interests in 16,535,507 cash settled equity swaps referenced over Multiplex Securities, which represents approximately 1.97% of Multiplex Securities on issue.

1.4 Reasons for Directors' recommendation

1. Brookfield Offer premium

The Brookfield Offer of $5.05 cash per Multiplex Security represents a substantial premium to both the NTA and trading levels of Multiplex Securities, including:

- a 61% premium to the NTA as at 31 December 2006 of $3.13 (the first bar in the graph below)[1];
- a 28% premium to the one month volume weighted average price of $3.94 prior to the announcement on 25 January 2007 of discussions with a third party (that party being identified on 5 February 2007 as Brookfield) that subsequently led to the Brookfield Offer (the second bar in the graph below); and
- a 4% premium to the one month volume weighted average price of $4.85 as at 8 June 2007, being the last trading day prior to the announcement of the Brookfield Offer (the third bar in the graph below).



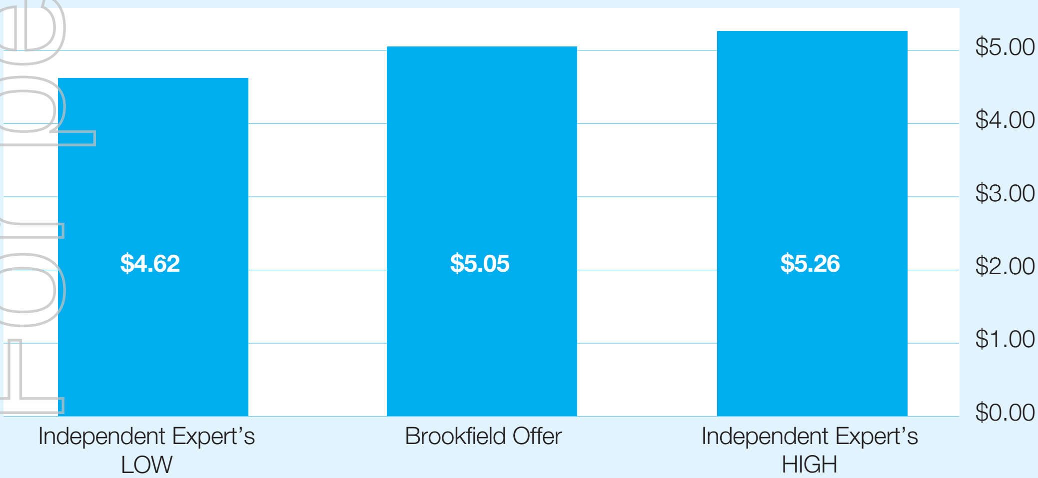
Note:

1 $3.13 was the NTA as at 31 December 2006. This excludes any increase or decrease in the fair value of Multiplex's investment assets that may have occurred since 31 December 2006, including the independent valuations of 13 trust assets and negative fair value adjustments to two car park assets that Multiplex announced on 4 July 2007. These valuations and adjustments have resulted in a $176 million increase to the book value of MPT's portfolio, which represents an increase in book value of 21 cents per security. Subject to final audit, these valuations and adjustments are expected to be adopted for inclusion in Multiplex's statutory accounts as at 30 June 2007, together with any valuation movements arising from properties held through investments in associates and any other adjustments.

Directors' recommendation and reasons continued

2. The Independent Expert has concluded the Brookfield Offer is fair and reasonable

Grant Samuel & Associates Pty Limited (an independent expert not associated with Multiplex or the Brookfield Group) has concluded that the Brookfield Offer is fair and reasonable. The Independent Expert has ascribed a value range of $4.62 to $5.26 to each Multiplex Security (inclusive of a premium for control). The Directors note that the Brookfield Offer is in the top half of the Independent Expert's range. A copy of the report is set out in Section 12, and the Directors recommend that you read it in full.



3. Limited prospects of a superior proposal

No other binding offer has emerged for Multiplex, even though the market has been aware of:

- discussions with a third party which may lead to a proposal since 25 January 2007; and
- that party being identified on 5 February 2007 as Brookfield.

Multiplex did receive a non-binding incomplete indicative proposal from one other party, however, that other party did not submit a binding offer and discussions ceased with Multiplex after Brookfield entered into put and call option arrangements with RFN, in respect of RFN's entire holding of 25.6% of Multiplex Securities, at $5.05 cash per security. On 2 July 2007, those options were partially exercised, taking Brookfield's securityholding in Multiplex to 14.99%[1] and its total economic interest in Multiplex Securities to 16.97%[2]. Brookfield continues to have a call option over RFN's remaining 12.82% securityholding in Multiplex, subject to certain conditions including Multiplex Securityholder approval or ASIC relief (see Section 10.2 for more details).

Given that no other binding offer has emerged for Multiplex since discussions with Brookfield began in January, and that members of the Brookfield Group either own or have agreements in respect of approximately 30% of Multiplex Securities on issue, the Directors believe it is reasonable to conclude that there are limited prospects of a superior proposal emerging.

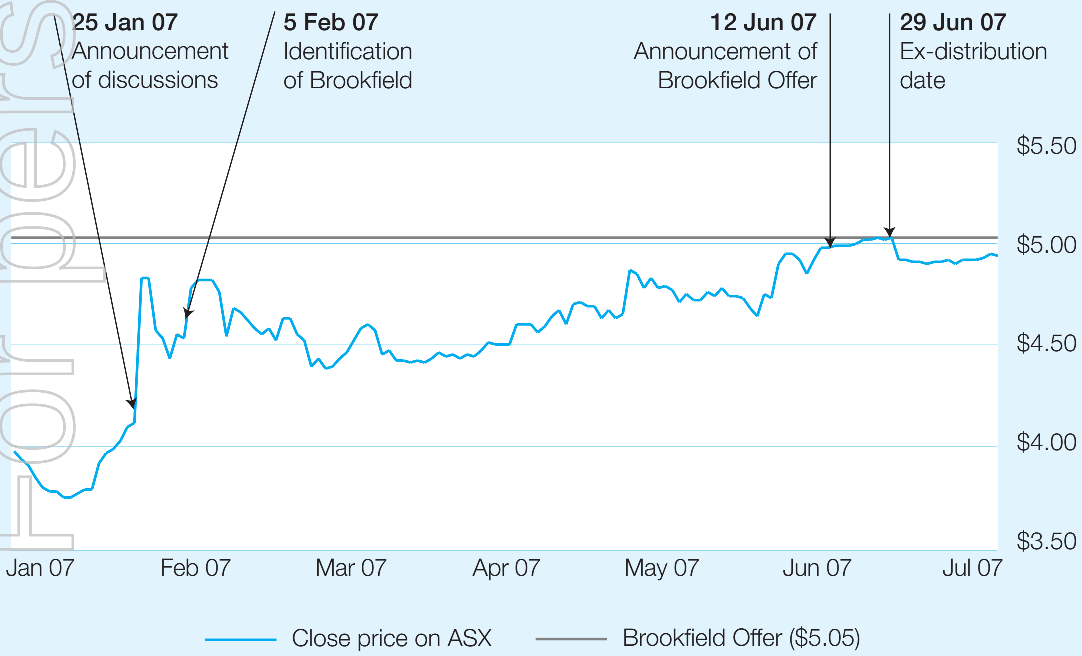
Notes:
1 A member of the Brookfield Group held 18,317,883 Multiplex Securities (which represents 2.19% of Multiplex Securities on issue) at the time the First Option and Second Option were entered into.
2 A member of the Brookfield Group has interests in 16,535,507 cash settled equity swaps referenced over Multiplex Securities, which represents approximately 1.97% of Multiplex Securities on issue.

Directors' recommendation and reasons continued

4. The Multiplex Security price may fall below current levels

The price of Multiplex Securities increased on ASX in response to Multiplex's announcement on 25 January 2007 that it had received a request from a third party (that party being identified on 5 February 2007 as Brookfield) to commence discussions on a confidential basis, regarding a proposal that may lead to the acquisition of Multiplex Securities and/or certain Multiplex assets.

A significant period has elapsed since that time and other factors will have influenced the price of Multiplex Securities; however, it is possible that the price of Multiplex Securities may fall below current levels if the Brookfield Offer does not proceed and no superior proposal emerges.



1.5 Other material considerations

You should read this Target's Statement in its entirety; however, other considerations material to the decision of a Multiplex Securityholder whether to accept the Brookfield Offer include the following:

(a) Update on information regarding Multiplex

Section 5 includes an update on information regarding Multiplex;

(b) Consequences of minority ownership

In the Bidder's Statement, Brookfield sets out its intentions in the event the Brookfield Group does not acquire Relevant Interests in 90% or more of Multiplex Securities on issue but the Brookfield Offer becomes unconditional and the Brookfield Group acquires a majority securityholding in Multiplex. If this were to occur, Multiplex Securityholders who do not accept the Brookfield Offer will become minority securityholders in Multiplex. This has a number of consequences including the following:

- the Brookfield Group will be in a position to cast the majority of votes at Multiplex Securityholder meetings (other than in respect of related party transactions);
- the price of Multiplex Securities may fall following the end of the Offer Period;
- the liquidity of Multiplex Securities may be lower than at present, and there is a risk that Multiplex Securities could be fully or partially removed from certain ASX market indices (including the S&P/ASX 200 Property Trusts index) due to lack of free float;
- if the number of Multiplex Securityholders is less than that required to maintain an ASX listing, then the Brookfield Group may seek to have Multiplex Securities removed from the official list of ASX and, if delisting were to occur, Multiplex Securities will not be able to be bought or sold on ASX;
- future Multiplex distribution policy under the management of the Brookfield Group may vary from current Multiplex distribution policy; and
- if the Brookfield Group holds 75% or more of the Multiplex Securities, it may be able to pass a special resolution of shareholders of ML or unitholders of MPT, which may enable the Brookfield Group to, among other things, change the constitution of ML or MPT.

The Brookfield Group's present intentions if it holds more than 50% and less than 90% of Multiplex Securities on issue are set out in section 5.4 of the Bidder's Statement; and

(c) Tax consequences of accepting the Brookfield Offer

The tax consequences of accepting the Brookfield Offer depend on a number of factors and will vary depending on your particular circumstances. A general outline of the Australian tax consequences of accepting the Brookfield Offer is set out in Section 9. The outline provided is of a general nature only and you should seek your own specific professional advice as to the tax consequences applicable to your circumstances.

How to accept the Brookfield Offer

If you decide to accept the Brookfield Offer, your acceptance must be received before the end of the Offer Period (7.00pm (AEST) 30 August 2007 unless the Offer Period is extended in accordance with the Corporations Act). Depending on the nature of your holding, you may accept the Brookfield Offer as described below:

Issuer sponsored holdings

If your Multiplex Securities are held in your name on Multiplex's issuer sponsored subregister, to accept the Brookfield Offer you must complete and sign the Acceptance and Transfer Form (enclosed with the Bidder's Statement) in accordance with the instructions on it and return it (and any documents required by the terms of the Brookfield Offer) to the address indicated on the form so that it is received before the end of the Offer Period.

CHESS Holdings

If your Multiplex Securities are held in your name in a CHESS Holding, to accept the Brookfield Offer you must either:

– if you are not a Broker or Non-Broker Participant, instruct your Controlling Participant to initiate acceptance of the Offer on your behalf in accordance with rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period; or
– if you are a Broker or Non-Broker Participant, initiate acceptance of the Offer in accordance with rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period.

Alternatively, you may sign and complete the Acceptance and Transfer Form (enclosed with the Bidder's Statement) in accordance with the instructions on it and return it (and any documents required by the terms of the Brookfield Offer) to the address indicated on the form so that it is received in sufficient time for it to be dispatched to your Controlling Participant before the end of the Offer Period.

Full details on how to accept the Brookfield Offer are set out in section 8.15 of the Bidder's Statement.

Effect of acceptance

A description of the effect of accepting the Brookfield Offer is set out in section 8.16 of the Bidder's Statement.

Subject to the limited withdrawal rights summarised in Section 8.9 of this Target's Statement, Multiplex Securityholders who accept the Brookfield Offer will lose the ability to sell their Multiplex Securities to anyone else during the Offer Period, including by selling them on ASX or by accepting any superior proposal that may emerge.

Institutional acceptance facility

Brookfield Australia has established an institutional acceptance facility which is open to certain wholesale investors. Details of the institutional acceptance facility are set out in section 9.8 of the Bidder's Statement.

For personal use only

3

Frequently asked questions

Who is Brookfield?	The Bidder's Statement states that Brookfield is an asset manager focussed on property and infrastructure assets with over US$70 billion of assets under management. Brookfield is co-listed on the New York and Toronto stock exchanges under the symbol 'BAM', with a market capitalisation of approximately US$24 billion (on 3 July 2007) and approximately 6,000 employees in the Americas and Europe. Brookfield Australia is an Australian proprietary limited company which is a wholly owned subsidiary of Brookfield. Brookfield Australia was established as the Brookfield Group entity to make the Brookfield Offer. For more information regarding the Brookfield Group, refer to Section 6 and section 3 of the Bidder's Statement.
What is the Brookfield Offer?	Brookfield Australia is offering $5.05 cash per Multiplex Security. The $5.05 will be reduced by the amount, if any, by which the June Distribution exceeds $0.10 per Multiplex Security or by the amount, if any, of any dividends or distributions in respect of your Multiplex Securities other than the June Distribution.
Will I receive my distribution with respect to the half year ended 30 June 2007?	All Multiplex Securityholders who were on the Multiplex Security Register as at 5.00pm on 29 June 2007 will remain entitled to receive the estimated distribution of 10.0 cents per security in respect of the half year ended 30 June 2007, which is payable on 31 August 2007. This distribution does not form part of the Brookfield Offer and Multiplex Securityholders will remain entitled to receive it whether or not they accept the Brookfield Offer.
Does the Brookfield Offer have any conditions?	Yes. The Brookfield Offer is conditional on the Brookfield Group having a Relevant Interest in more than 50% of Multiplex Securities and certain other conditions described in Section 8.
What do the Directors recommend?	Each Director recommends that you **ACCEPT** the Brookfield Offer, in the absence of a superior proposal. Each of the Directors intends to **ACCEPT** the Brookfield Offer, in respect of their holdings in Multiplex, in the absence of a superior proposal.
What does the Independent Expert say?	This Target's Statement includes a report by the Independent Expert stating that in its opinion the Brookfield Offer is fair and reasonable. The Independent Expert's Report is set out in Section 12. You should read it carefully.

What are my choices as a Multiplex Securityholder?	You need to make a decision regarding your Multiplex Securities. Your three choices are: – accept the Brookfield Offer; – sell your Multiplex Securities; or – do nothing. Further information regarding these choices is contained in Section 4.
How do I accept the Brookfield Offer?	To accept the Brookfield Offer, follow the instructions in Section 2.
What are the consequences of accepting the Brookfield Offer now?	If you accept the Brookfield Offer, you will lose the ability to sell your Multiplex Securities to anyone else during the Offer Period including by: – selling them on ASX; or – accepting any superior proposal that might emerge. Further, you will only have limited rights to withdraw your acceptance (see below and Section 8.9). If you accept the Brookfield Offer and you are an Australian securityholder, you may be liable for capital gains tax on the disposal of your securities (see Section 9). However, you will not incur a brokerage charge.
If I accept the Brookfield Offer, can I withdraw my acceptance?	You may only withdraw your acceptance if Brookfield Australia varies the Brookfield Offer in a way that postpones the time when Brookfield Australia is required to satisfy its obligations under the Brookfield Offer by more than one month (e.g. if Brookfield Australia extends the Offer Period for more than one month) while the Brookfield Offer remains conditional.
If I accept the Brookfield Offer, when will I receive my cash?	If you accept the Brookfield Offer and it becomes unconditional, Brookfield Australia will provide the cash to you on or before the earlier of: – 10 Business Days after the Brookfield Offer becomes unconditional or, if you accept the Brookfield Offer after it has become unconditional, 10 Business Days of your acceptance; and – 10 Business Days after the end of the Offer Period.
How do I reject the Brookfield Offer?	To reject the Brookfield Offer, you do not need to do anything. Simply do not respond to the Bidder's Statement sent to you by Brookfield Australia.

What will happen if I do not accept the Brookfield Offer?

If you do not accept the Brookfield Offer, you will continue to hold Multiplex Securities, unless the Brookfield Group acquires Relevant Interests in 90% or more of Multiplex Securities on issue and all conditions to the Brookfield Offer are satisfied or waived, in which case Brookfield Australia may compulsorily acquire all of your Multiplex Securities at the Brookfield Offer price.

What will happen if the Brookfield Group gains control but holds less than 90% of Multiplex Securities on issue?

If the Brookfield Group gains control of Multiplex but holds Relevant Interests in less than 90% of Multiplex Securities on issue, and the other defeating conditions of the Brookfield Offer are either satisfied or waived, Multiplex Securityholders who do not accept the Brookfield Offer will be left with a minority securityholding in Multiplex. This has a number of possible implications, as outlined in Section 1.5.

What happens if the conditions of the Brookfield Offer are not satisfied or waived?

If the conditions are not satisfied or waived before the Brookfield Offer closes, the Brookfield Offer will lapse. You would then be free to deal with your Multiplex Securities even if you had accepted the Brookfield Offer. See Section 8.4 for further details.

What will happen to the price of Multiplex Securities if the Brookfield Offer is unsuccessful?

The price of Multiplex Securities on ASX increased in response to Multiplex's announcement on 25 January 2007 that it had received a request from a third party to commence discussions on a confidential basis, regarding a proposal that may lead to the acquisition of Multiplex Securities and/or certain Multiplex assets.

A significant period has elapsed since that time and other factors will have influenced the price of Multiplex Securities; however, if you do not accept the Brookfield Offer, it is possible that the Multiplex Security price may fall below current levels if the Brookfield Offer does not proceed and no superior proposal emerges.

What will be the impact on Multiplex if the Brookfield Offer is unsuccessful?

If the Brookfield Offer is unsuccessful, Multiplex will remain listed on ASX and will continue to execute its current business strategy.

When do I have to make a decision?

Brookfield Australia has stated that the Brookfield Offer will be open until 7.00pm (AEST) on 30 August 2007 (unless extended). If you wish to accept the Brookfield Offer, your acceptance must be received by Brookfield Australia no later than this time. It is possible that Brookfield Australia may choose to extend the Brookfield Offer, or that it is extended or withdrawn in accordance with the Corporations Act. Please refer to Section 8 for more information.

How do I sell on-market?

To sell your Multiplex Securities on-market, you should contact your Broker. If you sell your Multiplex Securities on-market, you will receive cash and may incur a brokerage charge. On 17 July 2007, Multiplex Securities closed at $4.98. More recent Multiplex Security prices can be obtained from ASX's website at www.asx.com.au.[1]

Note:
1 Prices obtained from www.asx.com.au during trading hours are delayed by at least 20 minutes.

Frequently asked questions continued

Will I be forced to sell my Multiplex Securities?	You cannot be forced to sell your Multiplex Securities, unless the Brookfield Group has Relevant Interests in 90% or more of Multiplex Securities on issue and is entitled to proceed to compulsory acquisition of the remaining Multiplex Securities under the Corporations Act. Please refer to Section 8 for more information.
What are the tax implications of accepting the Brookfield Offer?	A general outline of the tax implications of the Brookfield Offer is set out in Section 9 and in section 7 of the Bidder's Statement. As the outline is of a general nature only, Multiplex Securityholders should seek their own specific professional advice as to the taxation implications applicable to their own circumstances.
What are Brookfield's intentions in relation to Multiplex SITES?	Brookfield has advised that it has no current intention to redeem Multiplex SITES.
Who should I call if I have any questions?	Multiplex has established a Takeover Information Line which Multiplex Securityholders may call if they have any questions in relation to the Brookfield Offer. The telephone number for the Multiplex Takeover Information Line is 1800 129 386 (+61 2 8280 7726 from overseas), which is available Monday to Friday between 8.30am and 5.30pm (AEST). Announcements relating to the Brookfield Offer can also be obtained from Multiplex's website at www.multiplex.biz.

4

Your choices as a Multiplex Securityholder

As a Multiplex Securityholder, you have three choices in respect of the Brookfield Offer:

1. Accept the Brookfield Offer
You can accept the Brookfield Offer. Each of the directors of Multiplex recommends that you **ACCEPT** the Brookfield Offer, in the absence of a superior proposal.

If you accept the Brookfield Offer, you will lose the ability to sell your Multiplex Securities to anyone else during the Offer Period, including by:

– selling them on ASX; or
– accepting any superior proposal that might emerge.

Further, you will only have limited rights to withdraw your acceptance (see Section 8.9).

If you accept the Brookfield Offer and you are an Australian securityholder, you may be liable for capital gains tax on the disposal of your securities (see Section 9). However, you will not incur a brokerage charge.

2. Sell your Multiplex Securities
During a takeover, securityholders in a target entity can still sell their securities for cash provided that they have not accepted the takeover offer.

On 17 July 2007, the Multiplex Security price closed at $4.98, which is lower than the Brookfield Offer price of $5.05 cash per Multiplex Security. The latest price for Multiplex Securities may be obtained from ASX's website at www.asx.com.au.[1]

If you sell your securities, you:

– will lose the ability to accept the Brookfield Offer or any other proposal that may emerge;
– may receive more or less for your Multiplex Securities than the Brookfield Offer price of $5.05 cash per security; and
– may incur a brokerage charge.

If you wish to sell your securities on ASX, you should contact your Broker. If you are an Australian securityholder and sell your securities for cash, you may be liable for capital gains tax on the disposal of your securities (see Section 9).

3. Do nothing
If you do not wish to accept the Brookfield Offer and do not wish to sell your Multiplex Securities on-market, you should do nothing.

However, you should note that if the Brookfield Group holds Relevant Interests in:

– at least 90% of Multiplex Securities on issue, it will be entitled to compulsorily acquire the securities that it does not already own (see section 5.3 of the Bidder's Statement for further details); or
– more than 50% and less than 90% of Multiplex Securities on issue, and the other defeating conditions of the Brookfield Offer are either satisfied or waived, Multiplex Securityholders who do not accept the Brookfield Offer will become minority securityholders in Multiplex which in those circumstances will be controlled by the Brookfield Group (see section 5.4 of the Bidder's Statement for further details).

Note:
1 Prices obtained from www.asx.com.au during trading hours are delayed by at least 20 minutes.

5

Profile of Multiplex

Overview

ML was founded in Perth, Australia in 1962. Multiplex was listed on ASX in 2003 and as at 17 July 2007 had a market capitalisation of approximately $4.2 billion. Each Multiplex Security comprises a share in ML and a unit in MPT.

ML has activities across the following operational and geographic segments:

- Property Development – in Australia, New Zealand, the UK and Europe;
- Construction – in Australia, New Zealand, the UK and the Middle East;
- Facilities Management – in Australia and the UK; and
- Funds Management – in Australia and New Zealand.

As at 31 December 2006, MPT had a portfolio of 25 properties with a value of $2.8 billion and four indirect real estate investments with a market value of $276 million.

Update on information regarding Multiplex

Financial performance of Multiplex

During the last six months, Multiplex has performed in line with expectations as outlined in the Multiplex interim results announcement in February 2007.

Given the pipeline of known projects in the Property Development and Construction divisions, new Funds Management initiatives, the nature of the Facilities Management business and the outlook for MPT, Multiplex has a positive earnings outlook, with sustainable growth expected over the short to medium term. An update on the recent performance and outlook for each of the divisions is provided below.

All operating divisions are expected to make a positive contribution to Multiplex's full year results at 30 June 2007, which will be announced on 16 August 2007.

Further updates and news announcements regarding Multiplex can be obtained from www.multiplex.biz.

Financial position of Multiplex

As at 31 December 2006, the NTA of each Multiplex Security was $3.13.

As announced on 4 July 2007, independent valuations of 13 trust assets and negative fair value adjustments to two car park assets have resulted in a $176 million increase to the book value of MPT's portfolio as at 30 June 2007. This represents an increase in book value of 21 cents per Multiplex Security. This accords with Multiplex's policy to have all direct investment property assets externally valued every 12 months, or more frequently where it is expected that values have moved by more than 5%.

Subject to final audit, the revaluations are expected to be adopted for inclusion in Multiplex's statutory accounts as at 30 June 2007, together with any revaluation movements arising from properties held through investments in associates and any other adjustments.

Property Development division

Earnings in the Property Development division will continue to be constrained in the short term as previously foreshadowed and are expected to improve in the 2008 financial year. As development profits are generally brought to account at project completion, earnings remain biased towards the 2009 and 2010 financial years in line with the expected completion dates of some of Multiplex's larger projects. As at 30 June 2007, Multiplex's share of the estimated gross development value on completion of its development portfolio is expected to be in the order of $18 billion.

Within Australasia, Multiplex has progressed key commercial projects that have substantial pre-commitments in place, including Macquarie Bank Building and Sydney Water HQ in Sydney. Multiplex remains preferred bidder for the North Bank project in Brisbane. Since December 2006, a new business unit called Multiplex Communities has been formed to expand Multiplex's investment in the land subdivision market.

In the UK, Eden at High Wycombe remains on schedule for completion in the coming financial year and construction has commenced on Castle House, a 43 storey apartment block being developed in Central London. Pre-construction work continues on two major urban regeneration projects in the UK, being the Newcastle City Centre retail development and the large regeneration project in Cricklewood.

The mixed-use scheme in Gibraltar is also progressing through the planning phase.

Construction division

The Construction division has progressed well since December 2006. The division continues to focus on de-risking the construction business.

Within Australasia, the Construction division has continued to target large negotiated contracts, Public Private Partnerships and Multiplex's internal development projects. Approximately $1.7 billion in new projects were secured in the 2007 financial year, replenishing the workbook for the region which stands at approximately $4.0 billion.

In March 2007, practical completion was achieved at Wembley in the UK. The overall loss booked to date in respect of the Wembley project is expected to remain unchanged, although this is reliant on Multiplex recovering significant amounts under current claims.

Financial close on the $880 million Peterborough Hospital project has been achieved and other than this project the UK Construction business remains focussed, in the short term, on supporting internal development opportunities.

The business in the Middle East has continued its controlled expansion and the workbook for the region currently stands at approximately $2.2 billion. In June 2007, Multiplex was awarded a 2.1 billion Dirham (approximately $715 million) contract for the construction of the Emirates Park Towers Hotel in Dubai, for Emirates Airlines. In addition, on 21 June 2007 Multiplex announced that it was in discussions regarding a potential joint venture arrangement for the construction of projects in Southern India.

Facilities Management division

Growth in the Facilities Management division has been underpinned by service contracts with a range of projects currently under construction and the recent award of the Southern Victorian Region Defence Contract and the Peterborough contract in the UK. The weighted average contract length within the division is over 10 years.

The recent acquisition of a 50% interest in Morton & Morton, a Sydney-based agency, will provide project sales, residential leasing, property management and resale capabilities in the premium residential property market.

Funds Management division (Multiplex Capital)

Multiplex Capital continues to grow external funds under management through the successful execution of its constellation of funds strategy. The launch of the Diversified and Income Funds in March 2007 and the listing of the European Fund in July 2007 have assisted funds under management to grow to approximately $7 billion. The Diversified and Income Funds are now available on the BT Wrap, Macquarie Wrap and Asgard Master Trust platforms.

The Multiplex Capital suite of funds now totals nine, including four listed funds and five unlisted funds, with exposure to property assets across Australia, New Zealand and Europe.

Multiplex Property Trust

The MPT portfolio is 99% leased with a weighted average lease expiry of 7.2 years. There are currently strong office fundamentals in Sydney, Perth and Brisbane; however, 85% of the MPT portfolio rent reviews are fixed at an average of 4% per annum, limiting MPT's ability to benefit from buoyant rental growth currently being experienced in a number of office markets.

MPT has become a cornerstone investor in the recently launched Diversified and European Funds. Multiplex recently announced an increase in property valuations for certain assets in the MPT portfolio, as set out earlier in this Section.

Other matters

Litigation/claims

In the ordinary course of Multiplex's business, it is exposed to a wide range of potential claims, including the usual contractual disputes and other claims and litigation (whether as defendant or plaintiff) experienced by other entities in the same business as Multiplex. To the extent that they are not covered by insurance, Multiplex has, where appropriate, taken such claims into account and made provision for them in its accounts. At the date of this Target's Statement, the only material outstanding claims are as follows:

- *The Class Action, which was commenced against Multiplex in respect of disclosure in relation to the Wembley project.* The Class Action was commenced in December 2006. Multiplex is not aware of the number of participants in the class or the quantum of the claim, except that the lawyers acting for the class have advised the Court in a recent hearing that the number of participants in the class is more than 40 and have advised Multiplex recently that the quantum of claims of securityholders is in excess of $100 million. Multiplex denies that it has any liability and is defending and intends to continue defending the Class Action. It is expected, given the issues involved in the Class Action, that it will be a complex and protracted litigation matter. It should be noted that Multiplex has not made any provision in its accounts for the payment of any claim in the event that the Class Action is successful.
- *The litigation which is progressing in the UK with various subcontractors in relation to Wembley.* Where considered appropriate, provision has been made in the accounts of Multiplex in relation to this litigation.

Recapitalisation

Multiplex recently completed a review of the allocation of capital between ML and MPT. The outcome of that review confirmed that an increased allocation of capital to ML would provide a stronger capital structure for ML. This has been implemented by a subsidiary of ML issuing $1 billion of Convertible Non-Share Equity Instruments to MPT. The proceeds of the instruments have been used to repay $1 billion of the existing loan from MPT.

Issued securities

There were 837,402,185 Multiplex Securities on issue as at the date of this Target's Statement.

6

Profile of Brookfield and Brookfield Australia

The information below concerning Brookfield Australia and Brookfield has been prepared based on a review of publicly available information (including the Bidder's Statement) which has not been independently verified. Multiplex does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information. The information on Brookfield Australia and Brookfield in this Target's Statement should not be considered comprehensive. Detailed information relating to Brookfield Australia and Brookfield is set out in section 3 of the Bidder's Statement.

Overview

Brookfield Australia

Brookfield Australia is an Australian proprietary limited company which is a wholly owned subsidiary of Brookfield.

Brookfield Australia was established to acquire Multiplex. It has no current business activities and has not previously traded aside from entering into the funding arrangements required in connection with the Brookfield Offer.

The current board of directors of Brookfield Australia is comprised of two directors, being Jeffrey M Blidner and David W Harris.

Brookfield

Brookfield is an asset manager focussed on property and infrastructure assets with over US$70 billion of assets under management.

Brookfield is co-listed on the New York and Toronto stock exchanges under the symbol 'BAM', with a market capitalisation of approximately US$24 billion (as at 3 July 2007) and approximately 6,000 employees in the Americas and Europe. Brookfield is one of the largest property investors worldwide with over US$26 billion of property assets under management, and has developed an expertise in real estate investments that includes equity investments in commercial and residential property ownership and development, as well as mezzanine financing, bridge lending, and management of mortgage-backed securities.

Brookfield's business strategy

Brookfield concentrates its investment efforts on the ownership of high quality long life assets that generate sustainable cash flows, require minimal sustaining capital expenditures and tend to appreciate in value over time. Consistent with this focus, Brookfield owns and operates large portfolios of core office properties, hydro-electric power generating stations, private timberlands and regulated transmission systems that, in its opinion, share these common characteristics. These assets represent important components of the infrastructure that supports the global economy.

Directors of Brookfield

The current board of directors of Brookfield is comprised of 16 members. The names of each of the directors are:

Jack L Cockwell, Marcel R Coutu, William A Dimma, The Honourable J Trevor Eyton, J Bruce Flatt, James K Gray, Robert J Harding, David W Kerr, Lance Liebman, Philip B Lind, The Honourable Roy MacLaren, G Wallace F McCain, The Honourable Frank J McKenna, Dr Jack M Mintz, James A Pattison and George S Taylor.

Please refer to section 3 of the Bidder's Statement for full biographies of the directors.

Brookfield's intentions in relation to Multiplex

Brookfield's intentions if it and Brookfield Australia acquire Relevant Interests in 90% or more of Multiplex Securities on issue and become entitled to proceed to compulsory acquisition of outstanding Multiplex Securities are set out in section 5.3 of the Bidder's Statement.

Brookfield's intentions, if Multiplex becomes a controlled entity of the Brookfield Group but it is not entitled to proceed to compulsory acquisition of outstanding Multiplex Securities, are set out in section 5.4 of the Bidder's Statement.

7

Directors' recommendation and interests

7.1 Directors and their interests in Multiplex Securities

As at the date of this Target's Statement, the directors of Multiplex and their Relevant Interests in Multiplex Securities are:

Name	Position	Number of Multiplex Securities
Allan McDonald	Non-executive Chairman	69,692
Alan Cameron, AM	Non-executive Director	5,600
Peter Dransfield	Non-executive Director	70,000
John Poynton, AM	Non-executive Director	425,173
James Tuckey	Non-executive Director	0
Barbara Ward	Non-executive Director	20,000
Ross McDiven	Executive Director	987,655
Robert McKinnon	Executive Director	143,000
Ian O'Toole	Executive Director (MFML only)	113,266

Each of the Directors desires to make, and considers himself or herself justified in making, a recommendation to Multiplex Securityholders.

7.2 Directors' recommendation

After taking into account each of the matters in this Target's Statement (including the Independent Expert's Report) and in the Bidder's Statement, each Director recommends that you **ACCEPT** the Brookfield Offer, in the absence of a superior proposal. The reasons for that recommendation are set out in Section 1.

In considering whether to accept the Brookfield Offer, the Directors encourage you to:

- read this Target's Statement (including the Independent Expert's Report) and the Bidder's Statement carefully and in full;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- obtain financial advice from your Broker or financial adviser in relation to the Brookfield Offer and obtain tax advice on the consequences of accepting the Brookfield Offer.

7.3 Directors' intentions in relation to their holdings of Multiplex Securities

Each Director intends to accept the Brookfield Offer, in respect of their Multiplex Securities, in the absence of a superior proposal.

7.4 Directors' dealings in Multiplex Securities

Other than Mr Robert McKinnon, no Director or any of their associates has acquired or disposed of a Relevant Interest in any Multiplex Securities in the four month period ending on the date immediately before the date of this Target's Statement.

On 18 July 2007, Mr Robert McKinnon acquired 135,000 Multiplex Securities following the vesting of performance rights, which were approved by Multiplex Securityholders at the annual general meeting on 1 November 2006.

7.5 No interests and dealings in Brookfield securities

No Director:

- has a Relevant Interest in any securities issued by Brookfield or Brookfield Australia; or
- acquired or disposed of a Relevant Interest in any securities issued by Brookfield or Brookfield Australia in the four month period ending on the date immediately before the date of this Target's Statement.

7.6 Benefits and agreements

(a) Retirement benefits and other agreements connected with or conditional on the Brookfield Offer

Except as described below, there are no agreements or arrangements between any Director and any other person in connection with, or conditional upon, the outcome of the Brookfield Offer.

Three of the Executive Directors, being Mr Ross McDiven, Mr Robert McKinnon and Mr Ian O'Toole (a director of MFML only), have employment contracts that provide for various benefits which crystallise upon a change in control of Multiplex, or upon Multiplex Securities being delisted.

The relevant benefits for the three Executive Directors are as follows:

Benefit	Description
Notice period	12 months for each executive
Retention payments	In aggregate $0.8 million
Deferred short term incentives	In aggregate $2.1 million
Long term incentives	In aggregate $2.2 million plus an entitlement of Mr Robert McKinnon to 270,000 Multiplex Securities[1]

In addition, Mr Ian O'Toole is entitled to receive short term incentive amounts (which will be paid on 30 June 2008, 2009 and 2010 if he remains in his current position at those times) sufficient to enable him to repay, after tax, an interest-free loan of $500,000 owing to Multiplex. The loan will be waived if Mr Ian O'Toole's employment is terminated by ML other than for cause, or if his position is made redundant.

Other Multiplex executives and employees have varying entitlements to similar benefits. The value of those benefits in circumstances where there is either a change in control or a delisting of Multiplex Securities is not considered material.

(b) Interests of Directors in contracts with Brookfield

None of the Directors has any interest in any contract entered into by Brookfield or Brookfield Australia.

Note:
1 Further details of the terms of these long term incentives can be found in the Notice of Annual General Meeting dated 20 September 2006.

8

Key features of the Brookfield Offer

8.1 Offer price

Brookfield Australia is offering $5.05 cash for each Multiplex Security. The $5.05 will be reduced by the amount, if any, by which the June Distribution exceeds $0.10 per Multiplex Security or by the amount, if any, of any dividends or distributions in respect of your Multiplex Securities other than the June Distribution. This will only be payable if all the conditions of the Brookfield Offer are satisfied or waived.

You may only accept the Brookfield Offer in respect of all your Multiplex Securities.

8.2 Conditions of Offer

The Brookfield Offer is subject to the following conditions:

- FIRB – before the end of the Offer Period:
  (a) the Treasurer of the Commonwealth of Australia or a delegate of the Treasurer of the Commonwealth of Australia issues a notice stating that the Commonwealth Government does not object to the potential acquisition by Brookfield Australia of up to 100% of the Multiplex Securities, either unconditionally or on conditions which are acceptable to Brookfield Australia (acting reasonably); or
  (b) the period provided under the FATA during which the Treasurer of the Commonwealth of Australia may make an order under section 18(2) of the FATA or an interim order under section 22 of the FATA in relation to the acquisition by Brookfield Australia of the Multiplex Securities expires without such an order being made; or
  (c) if an interim order under section 22 of the FATA is made, the subsequent period for making a final order prohibiting the acquisition by Brookfield Australia of the Multiplex Securities lapses without a final order being made.
- OIO approval – before the end of the Offer Period, Brookfield Australia has received all consents required under the New Zealand Overseas Investment Act 2005 and the Overseas Investment Regulations 2005 in relation to the potential acquisition by Brookfield Australia of up to 100% of the Multiplex Securities, either unconditionally or on conditions which are acceptable to Brookfield Australia (acting reasonably).
- Other regulatory approval – before the end of the Offer Period, Brookfield Australia has obtained on an unconditional basis all Approvals required by law or by any Government Authority as are necessary to permit:
  (a) the Brookfield Offer to be lawfully made to and accepted by Multiplex Securityholders; and
  (b) completion of the Brookfield Offer,
  and all such Approvals remain in full force and effect as at the end of the Offer Period. For the avoidance of doubt, an Approval is not required to be obtained under this condition if this would not:
  (c) restrain or prohibit or otherwise materially adversely affect the making of the Brookfield Offer, or the completion of any transaction contemplated by the Brookfield Offer, or the rights of Brookfield Australia in respect of Multiplex and the Multiplex Securities to be acquired under the Brookfield Offer; or
  (d) require the divestiture by Brookfield Australia or Brookfield of any Multiplex Securities, or the divestiture of any assets of the Multiplex Group, Brookfield Australia, the Brookfield Group or otherwise.
- No threatened action – before the end of the Offer Period:
  (a) there is not in effect any preliminary or final decision, order or decree issued by a Government Authority; and
  (b) no application is made to any Government Authority, or action or investigation is announced, threatened or commenced by a Government Authority in consequence of or in connection with the Brookfield Offer,
  (other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act), which restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Brookfield Offer or any transaction contemplated by the Implementation Deed, the Brookfield Offer or the rights of Brookfield Australia in respect of Multiplex, or requires the divestiture by Brookfield Australia or Brookfield of any Multiplex Securities, or the divestiture of any assets of the Multiplex Group, Brookfield Australia, the Brookfield Group or otherwise.
- Minimum acceptance condition – by the end of the Offer Period, the Brookfield Group has a Relevant Interest in more than 50% of Multiplex Securities.
- Multiplex Material Adverse Change – before the end of the Offer Period, no Multiplex Material Adverse Change occurs, is discovered, announced, disclosed or otherwise becomes known to Brookfield Australia or Brookfield (whether or not becoming public).
- Prescribed occurrences – before the end of the Offer Period, no Multiplex Prescribed Occurrence occurs.
- Change of control – if any member of the Multiplex Group is a party to, or is bound by, or is subject to, an agreement, arrangement or understanding which as a result of the acquisition of Multiplex Securities by Brookfield Australia under the Brookfield Offer or a change in control of Multiplex as a result of the Brookfield Offer entitles a third party to exercise any rights (including termination rights or pre-emptive rights), and the exercise of those rights would have a material adverse impact on the business, assets, liabilities, financial or trading position, profitability or prospects of the Multiplex Group (taken as a whole), then before the end of the Offer Period the third party:

(a) does not exercise, or purport to exercise, or state an intention or claim a right to exercise, those rights; and
(b) gives its consent or waiver in a form reasonably acceptable to Brookfield to the acquisition of Multiplex Securities by Brookfield Australia.

– Absence of new litigation – before the end of the Offer Period:
(a) no entity which is a member of the Multiplex Group is or has become the subject of any litigation which is commenced, is threatened to be commenced, is announced, or is made known to Brookfield Australia or Brookfield (whether or not becoming public) or Multiplex which may reasonably be expected, to result in a judgment against a member of the Multiplex Group of A$100 million or more (after taking into account any reduction of the judgment which may reasonably be expected by way of set-off or cross claim), other than that which has been announced to ASX prior to the date of the Implementation Deed (including the Class Action) or which was disclosed in writing by Multiplex or its advisers to any member of the Brookfield Group or its advisers prior to the date of the Implementation Deed; and
(b) in respect of the Class Action, the proceedings are not amended in a manner materially adverse to Multiplex.

– No restricted transactions – before the End Date, no member of the Multiplex Group does any of the following:
(a) **debt:** (i) enters into any new financing arrangements (other than project specific financing) or agrees to extend, repay or materially amend any existing financing arrangements (other than project specific financing) in excess of $100 million individually or $300 million in aggregate; or (ii) enters into any new project specific financing arrangements or agrees to extend, repay or materially amend any existing project specific financing arrangements in excess of $300 million per project. The foregoing conditions will not restrict drawing and redrawing by the Multiplex Group under its existing revolving credit facilities (including the NAB Multi Option Facility and ANZ Facility Agreement) within facility limits existing as at the date of the Implementation Deed;
(b) **material commitments:** (i) enters into, or materially amends, any material agreement, arrangement, commitment or understanding (including an agreement, arrangement, commitment or understanding with third parties) which increases by more than $100 million the aggregate level of capital commitments of the Multiplex Group above those disclosed to Brookfield in writing prior to the date of the Implementation Deed; or (ii) undertakes or announces any commitment or proposal to undertake for a person other than a member of the Multiplex Group a construction project (A) with a contract value of greater than $500 million; or (B) undertaken in the United Kingdom; or (C) of a type it has not conducted prior to the date of the Implementation Deed;
(c) **material disposals:** disposes of, agrees to dispose of or offers, proposes or announces a tender process for the sale of any securities, business, assets, interests in a joint venture, entity or undertaking the consideration (including the value of assumed liabilities) for which exceeds $100 million individually or $300 million in aggregate (including the disposal of a portfolio of properties or units in a wholesale trust);
(d) **constitutions:** makes any material changes to the terms of the constitutions of MPT, MFML or ML;
(e) **management agreements:** enters into a management contract with a third party to perform all or substantially all of the functions of MFML as responsible entity of MPT or ML or both;
(f) **distributions:** declares, pays or distributes any dividend, distribution, bonus or other share of its profits or assets or agrees to return any capital to its members, other than (i) the June Distribution; or (ii) to Multiplex or a direct or indirect wholly owned subsidiary of Multiplex; or
(g) **remuneration:** other than in the ordinary course of business:
    (i) materially increases the remuneration of, pays any bonus or issues any securities to or otherwise varies;
    (ii) accelerates any rights to benefits of any kind;
    (iii) pays or agrees to pay a termination payment (including a "golden parachute"); or
    (iv) materially amends any employment, consulting, board appointment, severance or similar arrangement,

    with any of its directors, officers or employees,

in each case, except in relation to action undertaken by a member of the Multiplex Group which is:
(a) required to be done or procured by Multiplex pursuant to, or which is otherwise permitted by, the Implementation Deed;
(b) done in accordance with contractual obligations that exist at the date of the Implementation Deed, or proposed actions, disclosed to any member of the Brookfield Group or its advisers in writing or Verbally Disclosed prior to the date of the Implementation Deed;
(c) announced to ASX by Multiplex prior to the date of the Implementation Deed; or
(d) approved by Brookfield in writing, such approval not to be unreasonably withheld or delayed.

8.3 Likelihood of conditions being satisfied

As at the date of this Target's Statement, Multiplex is not aware of any act, omission, event or fact that would result in the breach or non-satisfaction of a condition of the Offer. Brookfield Australia has issued a notice stating that the FIRB approval condition has been fulfilled. In its Bidder's Statement Brookfield Australia stated that it is not aware of any other regulatory approvals required. Multiplex is not in a position to state whether any of the other conditions of the Brookfield Offer will be satisfied.

Key features of the Brookfield Offer continued

8.4 Consequences of conditions not being satisfied
Any conditions of the Brookfield Offer which are not satisfied (or triggered, as appropriate) may be waived by Brookfield Australia.

If any condition is unsatisfied (or has been triggered) and has not been waived, Brookfield Australia will have a choice either to proceed with the acquisition of Multiplex Securities under the Brookfield Offer or to allow the Brookfield Offer to lapse with unsatisfied conditions. In those circumstances, generally speaking, Brookfield Australia would not have to decide whether to proceed with the acquisition of Multiplex Securities under the Brookfield Offer until the last date it is required to give a notice of status of conditions as required by section 630(3) of the Corporations Act (see Section 8.5).

8.5 Notice of status of conditions
Section 8.10 of the Bidder's Statement indicates that Brookfield Australia will give the notice on the status of conditions required by section 630(3) of the Corporations Act ("Conditions Notice") on 23 August 2007.

Brookfield Australia is required to give the Conditions Notice to ASX and Multiplex and the Conditions Notice must set out:

- whether the Brookfield Offer is free of any or all of the conditions;
- whether, so far as Brookfield Australia knows, the conditions have been fulfilled on the date the Conditions Notice is given; and
- Brookfield Australia's voting power in Multiplex (including voting power acquired as a result of acceptances received under the Brookfield Offer).

If the Offer Period is extended by a period before the time by which the Conditions Notice is to be given, the date for giving the Conditions Notice will be taken to be postponed for the same period. In the event of such an extension, Brookfield Australia is required, as soon as practicable after the extension, to give a notice to ASX and Multiplex that states the new date for the giving of the Conditions Notice and whether the Brookfield Offer has been freed from the conditions and (so far as Brookfield Australia knows) whether the conditions have been fulfilled on the date when the notice is given.

If a condition is fulfilled (so that the Brookfield Offer becomes free of that condition) during the bid period but before the date on which the Conditions Notice is required to be given, Brookfield Australia must, as soon as practicable, give ASX and Multiplex a notice that states that the particular condition has been fulfilled.

8.6 Offer Period
Unless the Brookfield Offer is extended or withdrawn, it is open for acceptance from 10 July 2007 until 7.00pm (AEST) on 30 August 2007.

The circumstances in which Brookfield Australia may extend or withdraw its Offer are set out in Sections 8.7 and 8.8 respectively.

8.7 Extension of Offer Period
Brookfield Australia may extend the Offer Period at any time after giving the Conditions Notice (referred to in Section 8.5) while the Brookfield Offer is subject to conditions. However, if the Brookfield Offer is unconditional (i.e. all the conditions are fulfilled or freed), Brookfield Australia may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period:

- Brookfield Australia improves the consideration under the Brookfield Offer; or
- Brookfield Australia's voting power in Multiplex increases to more than 50%.

If either of these two events occurs, the Offer Period will be automatically extended so that it ends 14 days after the relevant event occurs.

8.8 Withdrawal of Offer
Before you accept the Brookfield Offer, Brookfield Australia may withdraw the Brookfield Offer only with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

8.9 Your ability to withdraw your acceptance
You only have limited rights to withdraw your acceptance of the Brookfield Offer. You may only withdraw your acceptance of the Brookfield Offer if Brookfield Australia varies the Offer in a way that postpones for more than one month the time when Brookfield Australia needs to meet its obligations under the Offer. This will occur if Brookfield Australia extends the Offer Period by more than one month and the Offer is still subject to conditions.

8.10 When you will receive payment if you accept the Brookfield Offer
Under the terms of the Brookfield Offer, Brookfield Australia will provide the cash to you on or before the earlier of:

- 10 Business Days after the Brookfield Offer becomes unconditional or, if you accept the Brookfield Offer after it has become unconditional, 10 Business Days of your acceptance; and
- 10 Business Days after the end of the Offer Period.

8.11 Lapse of Offer
The Brookfield Offer will lapse if the Offer conditions are not satisfied or waived by the end of the Offer Period, in which case all contracts resulting from acceptance of the Brookfield Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your Multiplex Securities as you see fit.

8.12 Compulsory acquisition
The Brookfield Group has indicated in section 5.3 of the Bidder's Statement that if it satisfies the required thresholds, it intends to compulsorily acquire any outstanding Multiplex Securities.

Broadly, the Brookfield Group will be entitled to compulsorily acquire all outstanding Multiplex Securities under the Corporations Act if it has Relevant Interests in at least 90% of Multiplex Securities on issue.

9

Taxation considerations

Introduction

Outlined below is a summary of the general Australian capital gains tax ("CGT") consequences arising on an acceptance of the Brookfield Offer. The outline provided in this Section is of a general nature only and you should seek your own specific professional advice as to the taxation implications applicable to your circumstances.

The following comments are based on the assumption that you hold your Multiplex Securities on capital account. The Australian income tax consequences may differ for Multiplex Securityholders who hold their Multiplex Securities as trading stock or as part of a profit making undertaking or scheme.

Capital gains and capital losses – residents of Australia for income tax purposes

If you are a resident of Australia for income tax purposes and you sell your Multiplex Securities to Brookfield Australia under the Brookfield Offer, that sale will have CGT consequences at the later of the time of your acceptance and the time the Brookfield Offer becomes unconditional ("Disposal Time").

Those CGT consequences must be determined for each component security you hold (i.e. for each of the components of a Multiplex Security, being a share in ML and a unit in MPT). The component securities cannot be traded separately; however, each component security is a separate CGT asset. Accordingly, where there is a disposal of a Multiplex Security, there is a disposal, for CGT purposes, of the individual share in ML and unit in MPT comprising that Multiplex Security.

You will make a capital gain from the sale of a share in ML or a unit in MPT if the capital proceeds received for that share or unit exceed the cost base of that share or unit.

You will make a capital loss from the sale of a share in ML or a unit in MPT if the capital proceeds received for that share or unit are less than the reduced cost base (rather than the cost base) of that share or unit. The reduced cost base of a share in ML or a unit in MPT would normally be the same as its cost base.

Rollover relief is not available.

A Multiplex Security may have been acquired by you in any of the following ways:

- by purchase on ASX: in this case, the cost base of a share in ML will include a reasonable apportionment of the price paid for the Multiplex Security, along with any incidental costs of acquisition and disposal of that share. The cost base of a unit in MPT will include a reasonable apportionment of the price paid for the Multiplex Security and of any incidental costs of acquisition and disposal of that unit, and needs to be reduced on account of any subsequent tax-deferred distributions received by you up to the Disposal Time. If you acquired a Multiplex Security by purchase on ASX and later paid the second instalment of 97 cents on 15 December 2004, you should include that 97 cents in the cost base of the unit in MPT;
- by subscription under the initial public offer, under a subsequent offer or placement, or by reinvestment under the DRP: in this case, the cost base of the share in ML and of the unit in MPT will include the amounts paid to subscribe for that share and that unit respectively, along with a reasonable apportionment to each of any incidental costs of acquisition and disposal of the Multiplex Security. The cost base of the unit in MPT should be reduced on account of any tax-deferred distributions received by you up to the Disposal Time; or
- if you were an Onyx Property Group (formerly Ronin Property Group) investor and you obtained Multiplex Securities in exchange for Onyx Property Group securities in connection with Multiplex Group's 2004 offer: in this case, the cost base of the share in ML and the unit in MPT would have been worked out by you at the time of their acquisition. The cost base of the unit in MPT needs to be reduced on account of any subsequent tax-deferred distributions received by you up to the Disposal Time, and the cost base of the share in ML and the unit in MPT should be increased to include any incidental costs of disposal (apportioned between them on a reasonable basis).

The capital proceeds for a Multiplex Security are the amount you will receive from Brookfield Australia for that security. You will need to apportion that amount between the share in ML and the unit in MPT on a reasonable basis. Further, if your Disposal Time occurs before you receive the distribution to be paid by MPT on 31 August 2007 and if that distribution includes a tax-deferred component, you will need to treat that tax-deferred component as further capital proceeds on the disposal of your unit in MPT. That tax-deferred amount will be disclosed on your annual tax statement from Multiplex.

Where it is necessary to apportion the acquisition cost or your sale price (to Brookfield Australia) of a Multiplex Security on a reasonable basis between the share in ML and the unit in MPT, it would seem reasonable to perform this apportionment based on the relative market values of the share in ML and the unit in MPT at or around the acquisition or sale time, as relevant. You should do this on the basis you think most appropriate, and you may consider obtaining professional advice. The following table provides one possible basis for doing this apportionment. Multiplex does not represent in any way that that is the most appropriate basis, or is an appropriate basis, for performing the apportionment. It is your decision as to whether to use that basis or any other basis.

Taxation considerations continued

Acquisition period	Based on estimated relative values at	Value of a Multiplex Security apportioned to share in ML	Value of a Multiplex Security apportioned to unit in MPT
1 Dec 03 – 30 Jun 04	31 Dec 03	51.2%	48.8%
1 Jul 04 – 31 Dec 04	30 Jun 04	52.5%	47.5%
1 Jan 05 – 30 Jun 05	31 Dec 04	52.2%	47.8%
1 Jul 05 – 31 Dec 05	30 Jun 05	11.0%	89.0%
1 Jan 06 – 30 Jun 06	31 Dec 05	13.4%	86.6%
1 Jul 06 – 31 Dec 06	30 Jun 05	12.5%	87.5%
1 Jan 07 – 30 Jun 07	31 Dec 06	20.4%	79.6%
Disposal to Brookfield Australia	**30 Jun 07**	**31.9% ($1.61)**	**68.1% ($3.44)**

Please note in relation to the above basis that:

- the basis used is to apportion for a given period/time based on the relative values of a share in ML and a unit in MPT at one time in, or just before, that period/time;
- the relative market values of a share in ML and a unit in MPT at a particular time are estimated by valuing the unit in MPT at net asset value at that time, and valuing the share in ML as the excess of the Multiplex Security price on ASX at that time over the value of the unit in MPT; and
- the relative market value in relation to a disposal to Brookfield Australia is based on net asset value of MPT based on draft accounts as at 30 June 2007. Multiplex will update this apportionment following completion of the independent audit for the year ended 30 June 2007, and make these figures available on its website.

The following table provides an issue price apportionment for Multiplex Securityholders who acquired their securities by subscription:

Issue date	Issue type	Issue price $	ML share portion $	MPT unit portion $
1 Dec 03	Initial public offer	4.05	1.85	2.20*
21 Apr 04	Rights offer	4.50	2.39	2.11*
21 Dec 04	Placement	5.45	3.00	2.45
Sep 04 – Jan 05	Onyx Property Group acquisition	Various	See below**	
19 Jan 05	DRP	5.37	2.95	2.42

* Includes initial instalment on issue date and second instalment ($0.97) on 15 December 2004.
** If you were an Onyx Property Group investor who obtained Multiplex Securities in connection with Multiplex's 2004 offer, you should refer to advices received from Multiplex at that time which would have assisted you in relation to establishing the cost bases of your shares in ML and units in MPT. This information is also contained on the Multiplex website.

The following table provides a history of tax-deferred distributions per unit by MPT from its establishment to date:

Payment date*	Period ended	Tax-deferred component $ per unit
No payment	31 Dec 03	0.0000
25 Aug 04	30 Jun 04	0.0185
24 Feb 05	31 Dec 04	0.0304
31 Aug 05	30 Jun 05	0.0364
28 Feb 06	31 Dec 05	0.0137
31 Aug 06	30 Jun 06	0.0216
28 Feb 07	31 Dec 06	0.0276
Expected 31 Aug 07	30 Jun 07	To be determined**

* Paid on or around the payment date to those unitholders entitled to the distribution for period ended as shown above.
** If you receive this amount before your Disposal Time, it will reduce the cost base of your units in MPT. If you receive it after your Disposal Time, it will not reduce the cost base of your units in MPT but should instead be added to the capital proceeds on the disposal of your units in MPT.

Your capital gains and/or capital losses on the sale to Brookfield Australia of your Multiplex Securities will need to be taken into account in your 2008 income tax return.

Certain investors, including individuals and complying superannuation entities, will be able to reduce any capital gain on a disposal of a share in ML and/or a unit in MPT by applying the CGT discount if they held the Multiplex Security for at least 12 months before they accept the Brookfield Offer. The discount is 50% in the case of individuals and $33\frac{1}{3}\%$ in the case of complying superannuation entities. Companies are not entitled to any CGT discount.

The CGT discount applies after any capital losses have been applied against capital gains. You may apply capital losses against any capital gains you have that are not eligible for the CGT discount in priority to any capital gains you have that are eligible for the CGT discount.

Capital gains and capital losses – non-residents of Australia for income tax purposes

Persons who are not residents of Australia for income tax purposes should consider the tax consequences in Australia and in their home jurisdictions of accepting the Brookfield Offer.

In relation to Australian tax, in broad terms non-residents of Australia should not be liable to Australian income tax or CGT on the sale of their Multiplex Securities to Brookfield Australia provided that they held those securities on capital account, did not use them at any time in carrying on a business through a permanent establishment in Australia, and did not hold 10% or more of the Multiplex Securities on issue at the Disposal Time or throughout a 12 month period in the 24 months ending at that time.

Stamp duty and GST

Brookfield Australia will pay the stamp duty (if any) payable in Australia on the transfers of Multiplex Securities under the Brookfield Offer. No GST will be payable in Australia on such transfers, except that GST will be payable on any fees or charges that a Controlling Participant (in respect of Multiplex Securities in a CHESS Holding) or a broker, bank, custodian or other nominee (in respect of Multiplex Securities held for a separate beneficial owner) may charge in connection with acceptance of the Brookfield Offer.

10.1 Implementation Deed

On 11 June 2007, ML and MFML (as responsible entity for MPT) entered into an Implementation Deed with Brookfield. Below is a summary of key provisions of the Implementation Deed:

Takeover bid

Brookfield has agreed to procure that Brookfield Australia makes the Brookfield Offer. The consideration which Brookfield Australia is required to offer Multiplex Securityholders is $5.05 cash per Multiplex Security.

Bid conditions

Multiplex has agreed to use reasonable endeavours not to do (or omit to do) anything which will, or is likely to, result in any of the Brookfield Offer conditions being breached. Multiplex has agreed to provide on a timely basis all reasonable assistance to Brookfield Australia, and provide all information reasonably requested by Brookfield Australia, in obtaining regulatory approvals and clearances necessary or desirable for the implementation of the Brookfield Offer.

Exclusivity and notification of other approaches

Multiplex has agreed that, until the earlier of termination of the Implementation Deed or the End Date, it must not, and must not allow, permit or authorise any of its Representatives, directly or indirectly to:

(a) solicit, invite, facilitate, encourage or initiate any enquiries, negotiations or discussions; or
(b) communicate any intention to do any of these things,

with a view to obtaining any offer, proposal or expression of interest from any person in relation to a 'Competing Proposal' (see definition below) or if to do so may be reasonably likely to lead to a Competing Proposal, except with the prior written consent of Brookfield ("No-Shop Restriction").

Multiplex has also agreed that, subject to a fiduciary carve out, if it receives a Competing Proposal which the Directors resolve to consider, it will:

(a) notify Brookfield of the fact that a Competing Proposal has been received (but Multiplex is not required to advise Brookfield of any terms of the proposal);
(b) notify Brookfield if it intends to provide the person who has made the proposal with confidential information in connection with the proposal;
(c) not permit the person who has made the proposal to undertake due diligence of the confidential information referred to above until that party has executed a confidentiality undertaking in favour of Multiplex;
(d) not provide any due diligence information in relation to Multiplex to the person who has made the proposal unless that due diligence information has already been disclosed to Brookfield; and
(e) give Brookfield not less than 36 hours prior notice of the terms of the proposal if the Directors propose to recommend the proposal as a 'Superior Proposal' (see definition below).

Break fee

Subject to the exception set out below, Multiplex must pay a break fee of $20,000,000 if:

(a) the Chairman of Multiplex does, or any two Directors do (whether both in respect of the same, or each in respect of different paragraphs below):
   (i) not publicly recommend that Multiplex Securityholders accept the Brookfield Offer in respect of all of their Multiplex Securities;
   (ii) not publicly announce his or her intention to accept the Brookfield Offer in respect of each Multiplex Security in which he or she has a Relevant Interest and in respect of which he or she has power to accept the Brookfield Offer;
   (iii) not maintain, or withdraws or adversely modifies his or her recommendation or stated intention referred to in paragraph (i) or (ii) above or otherwise announces he or she no longer supports the Brookfield Offer; or
   (iv) announce an intention to do anything referred to in paragraph (i), (ii) or (iii) above,

   other than in circumstances where the Independent Expert's Report fails to conclude that the Brookfield Offer is fair and reasonable for Multiplex Securityholders who are not members of the Brookfield Group or their associates or where a Superior Proposal has been made which the Directors recommend to Multiplex Securityholders;
(b) Multiplex commits a material breach of the No-Shop Restriction or fails to comply with any of the obligations referred to under the heading 'Exclusivity and notification of other approaches' above; or
(c) at any time prior to the end of the Offer Period, a Competing Proposal is announced or open for acceptance and by 11 June 2008 the Competing Proposal or a substantially similar transaction is completed (or in the case of a takeover bid made under Chapter 6 of the Corporations Act, becomes free from any defeating conditions as that term is defined in the Corporations Act).

Multiplex will not be obliged to pay the break fee referred to above merely due to any act or omission by any Director or Multiplex following:

(a) a failure by Brookfield to satisfy the minimum acceptance condition;
(b) any of the 'foreign investment approval' conditions, the 'other regulatory approval' condition or the 'no threatened action' condition becoming incapable of being satisfied (except where such failure occurs because Multiplex has failed to comply with its obligations under the Implementation Deed); or
(c) the Independent Expert's Report fails to conclude that the Brookfield Offer is fair and reasonable for Multiplex Securityholders who are not members of the Brookfield Group or their associates, except because there is a competing proposal.

Definition of 'Competing Proposal'

A 'Competing Proposal' is defined as a transaction or arrangement (or a proposed transaction or arrangement) pursuant to which:

(a) a person other than a member of the Brookfield Group would directly or indirectly:
   (i) acquire a Relevant Interest in, an interest in, or become the holder of, 20% of more of Multiplex Securities;
   (ii) acquire or have a right to acquire an interest in all, or a substantial part, of the business or property of the Multiplex Group (when considered in aggregate);
   (iii) acquire control of Multiplex, MPT or ML or a substantial or material part of the Multiplex Group; or
   (iv) otherwise acquire or merge with Multiplex; or

(b) the Multiplex Securities are destapled.

Definition of 'Superior Proposal'

A 'Superior Proposal' means a bona fide Competing Proposal which the Directors have determined, in good faith after consultation with their external legal and financial advisers, to be superior to the Brookfield Offer, taking into account all the terms and conditions of such Competing Proposal (including price, certainty, and conditionality).

Restrictions

Until the End Date, Multiplex must use reasonable endeavours to ensure that there is no breach of the 'No restricted transactions' condition and that no Multiplex Material Adverse Change or Multiplex Prescribed Occurrence occurs except in relation to action undertaken by a member of the Multiplex Group:

(a) which is required under the Implementation Deed;
(b) which is done in accordance with contractual arrangements in place at the date of the Implementation Deed disclosed in writing to Brookfield;
(c) which is announced to ASX by Multiplex prior to 11 June 2007;
(d) which is approved by Brookfield in writing; or
(e) where the Directors:
   (i) have notified Brookfield that they suspect failing to take, or failing to refuse to take, any such action would be or would be likely to constitute a breach of the Directors' fiduciary or statutory obligations; and
   (ii) after giving notice to Brookfield, have unanimously determined in good faith and acting reasonably after receiving written advice from UBS and Allens Arthur Robinson, that failing to take, or failing to refuse to take, such action would be or would be likely to constitute a breach of the Directors' fiduciary or statutory obligations.

10.2 Put and call options between RFN and Brookfield

RFN (and other Roberts Family companies) and Brookfield have entered into two put and call option agreements relating to an aggregate of 214,625,570 Multiplex Securities at an exercise price of $5.05 per Multiplex Security. The First Option related to 48,886,828 Multiplex Securities (5.84%) and the Second Option related to 165,738,742 Multiplex Securities (19.79%).

On 2 July 2007:

(a) the First Option and part of the Second Option were exercised in respect of a total of 107,292,444 Multiplex Securities at $5.05 per Multiplex Security. The sale completed on 4 July 2007 and as a result, the Brookfield Group owns 14.99%[1] of Multiplex Securities on issue (with a total economic interest in 16.97%[2] of Multiplex Securities on issue); and
(b) RFN scaled back its put option under the Second Option so that its put option only relates to a further 41,870,109 Multiplex Securities (5%). RFN also waived the condition requiring Multiplex Securityholder approval or ASIC relief for exercise of the put option so Brookfield now has a Relevant Interest in these Multiplex Securities (and therefore a total Relevant Interest in Multiplex Securities of 19.99%).

Brookfield's call option under the Second Option has not been scaled back and therefore 107,333,126 Multiplex Securities (12.82% of Multiplex Securities on issue) remain subject to Brookfield's call option under the Second Option ("Remaining Option Securities"). Brookfield's call option under the Second Option is conditional on OIO approval in New Zealand and either Multiplex Securityholder approval or ASIC relief. Neither Brookfield nor RFN is permitted to vote on that Multiplex Securityholder approval and no ASIC relief has been applied for. If the condition requiring Multiplex Securityholder approval or ASIC relief is not satisfied by 11 September 2007, unless Brookfield scales back the number of Multiplex Securities the subject of Brookfield's call option under the Second Option as described in the following paragraph, RFN is free to dispose of the Remaining Option Securities and the number of Multiplex Securities which are the subject of the Second Call Option will be reduced by the number disposed of.

Notes:
1 A member of the Brookfield Group held 18,317,883 Multiplex Securities (which represents 2.19% of Multiplex Securities on issue) at the time the First Option and Second Option were entered into.
2 A member of the Brookfield Group has interests in 16,535,507 cash settled equity swaps referenced over Multiplex Securities, which represents approximately 1.97% of Multiplex Securities on issue.

Brookfield has the right to scale back the number of Multiplex Securities the subject of Brookfield's call option under the Second Option to 41,870,109 Multiplex Securities (5% of Multiplex Securities) and in those circumstances to waive the condition requiring Multiplex Securityholder approval or ASIC relief to the exercise of the Second Option. In those circumstances, if the Second Call Option is then exercised, Brookfield would hold 19.99% of Multiplex Securities on issue.

Rather than sell the Remaining Option Securities pursuant to the Second Option, RFN has the right to accept the Brookfield Offer in respect of the Remaining Option Securities, and can be required by Brookfield to accept the Brookfield Offer to bring Brookfield's holding (when combined with Brookfield's existing holding) to 19.99% of Multiplex Securities if the Brookfield Offer is or becomes unconditional.

Brookfield's advisers have written to Multiplex's advisers indicating that they currently intend to seek Multiplex Securityholder approval following the close of the Offer Period, unless RFN exercises its right to accept into the Brookfield Offer in respect of the Remaining Option Securities. Brookfield has reserved the right to seek Multiplex Securityholder approval at an earlier juncture. No application has been made at this time for ASIC relief.

There are restrictions on RFN disposing of the Remaining Option Securities other than in accordance with the Second Option or through acceptance of the Brookfield Offer. Those restrictions are subject to limitations under the Corporations Act.

If after 31 December 2007 RFN continues to hold the Remaining Option Securities, it may offer a portion of such Remaining Option Securities to Brookfield at a price of $5.05 per Multiplex Security, provided that the amount to be offered may be no more than 3% of Multiplex Securities existing at the time in circumstances where Brookfield would be entitled to acquire those Multiplex Securities pursuant to the 3% creep provisions of the Corporations Act (i.e. in six month periods). If Brookfield does not accept such offer and acquire such portion of the Remaining Option Securities, and RFN sells such portion of the Remaining Option Securities to an unrelated third party at a price below $5.05 per security, Brookfield has agreed to pay RFN the difference between $5.05 and the actual sale price per security.

Full copies of the First Option and the Second Option are attached to Brookfield's substantial holder notice dated 13 June 2007 which has been filed with ASX.

10.3 Material contracts

Multiplex Group members are party to various contracts and arrangements which include restrictions upon a change of control of Multiplex, or which give the counterparty to the contract or arrangement termination or other rights in the event of such a change of control without the consent of the counterparty to the contract or arrangement. Multiplex is currently in the process of seeking consent from the relevant counterparties to the change of control in Multiplex which will occur if the minimum acceptance condition in the Brookfield Offer is satisfied and the Offer becomes unconditional. In the event that the Brookfield Group acquires more than 50%, but less than 100% of Multiplex Securities on issue, those persons who retain Multiplex Securities at that time and the Brookfield Group will, as Multiplex Securityholders, be exposed to the risk such change of control restrictions represent to Multiplex. The key arrangements that are subject to such change of control restrictions can be summarised by the following categories:

1 Agreements re jointly owned assets

(a) Development division

There are two projects within the Development division of Multiplex which are affected by a change of control restriction and in respect of which the relevant counterparty is yet to grant its consent to the change of control which will occur if the minimum acceptance condition in the Brookfield Offer is satisfied and the Offer becomes unconditional. A change of control of Multiplex without the consent of the relevant party may be an event of default under the arrangement governing the ownership of that project. If the relevant party chooses to treat the change of control as an event of default and issue a default notice, it may have the right to effectively acquire the interest of Multiplex in the project at a pre-agreed value (being in each case not less than 90% of the fair market value).

(b) MPT assets

There are eleven assets which MPT owns jointly with another party or parties which are subject to co-ownership agreements.

There is a change of control restriction in respect of three of the assets jointly owned by MPT which will be triggered if the minimum acceptance condition in the Brookfield Offer is satisfied and the Offer becomes unconditional. A breach of the relevant restriction without the consent of the relevant party will be an event of default under the arrangements governing MPT's ownership of those three assets. If the relevant party chooses to treat the breach of the relevant restriction as an event of default and issue a default notice, it may have the right to effectively acquire MPT's interest in the relevant asset at fair market value.

In respect of the other assets, the co-ownership agreements in relation to those assets include pre-emptive rights in favour of the co-owners in the event of a disposal by Multiplex of its interest in the jointly owned asset. There is a risk that one or more of the co-owners could claim that a change of control of Multiplex as a result of the Brookfield Offer in some way triggers those pre-emptive rights. If that occurs and the relevant co-owner is successful in its claim then such co-owner may have the right to acquire the interest of Multiplex in the relevant asset at the fair market value.

2 Performance bond and bank guarantee facilities

If the relevant party under these facilities does not consent to the change of control which will arise if the minimum acceptance condition in the Brookfield Offer is satisfied and the bid becomes unconditional, then Multiplex may be required to provide cash collateral for the bonds provided under such facility. The total amount outstanding under such facilities is approximately $400 million. If all the providers of such facilities required full cash collateralisation on a change of control occurring this would cause a strain on Multiplex's liquidity.

3 Financing arrangements provided to MPT

Three of the financing arrangements provided to MPT include provisions which will be triggered in the event of a change of control in Multiplex as a result of the Brookfield Offer. For the purposes of two of those facilities, the change of control will be treated as a "review event" which will trigger a period of time during which discussions will take place between MPT and the relevant financier to determine whether the financier will continue to provide the relevant facility. If the change of control amounts to a material adverse event, then a financier may require the repayment of the facility it provides to MPT and the facility will need to be replaced. In both these facilities the delisting of Multiplex is an event of default which gives the financier the right to require the facility to be repaid in which case it will need to be replaced. These three facilities are secured by the assets of MPT at a gearing ratio of no greater than 65%. This is not perceived to be a material risk given the level of security in place and the refinancing potential of the relevant assets.

4 Project specific financing arrangements

Nine of Multiplex's key development projects are financed through limited recourse project specific financing arrangements which include restrictions on a change of control of Multiplex and in respect of which the relevant financier is yet to provide its consent. In the event that a financier does not consent to a change of control as a result of the Brookfield Offer, the relevant facility will need to be refinanced. Again this is not perceived to be a material risk given the level of security in place for these projects and their refinancing potential.

5 Construction contracts

Five of the key construction contracts to which Multiplex (or one of its subsidiaries) is a party include restrictions on a change of control of Multiplex. A change of control of Multiplex without the consent of the relevant counterparty may be an event of default under the relevant construction contract. If the relevant counterparty chooses to treat the change of control as an event of default and issue a default notice, it may have the right to terminate the construction contract and claim damages against Multiplex. It is not possible to anticipate the level of damages for which Multiplex may be liable in this circumstance.

6 Facilities management contracts

Nine of the facilities management contracts to which Multiplex (or one of its subsidiaries) is a party include restrictions on a change of control of Multiplex. A change of control of Multiplex without the consent of the relevant counterparty may be an event of default under the relevant facilities management contract. If the relevant counterparty chooses to treat the change of control as an event of default and issue a default notice, it may have the right to terminate the facilities management contract and claim damages against Multiplex. It is not possible to anticipate the level of damages for which Multiplex may be liable in this circumstance.

10.4 Miscellaneous

Consents to inclusion of a statement

The following persons have given and have not withdrawn before the date of this Target's Statement their consent to the inclusion of the following information in this Target's Statement in the form and context in which it is included, and to all references in this Target's Statement to that information in the form and context in which they appear:

– Grant Samuel & Associates Pty Limited – to be named as the Independent Expert, and to the inclusion of the Independent Expert's Report and statements extracted from or said to be based on statements made in the Independent Expert's Report.

This Target's Statement also contains statements which are made in, or based on statements made in, documents lodged with ASIC or ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Target's Statement. A copy of these documents is available free of charge by contacting the Takeover Information Line on 1800 129 386 (+61 2 8280 7726 from overseas), which is available Monday to Friday between 8.30am and 5.30pm (AEST).

Consents to be named

Allens Arthur Robinson has given and not withdrawn before the date of this Target's Statement its consent to being named in this Target's Statement as legal adviser to Multiplex. Allens Arthur Robinson has not caused or authorised the issue of this Target's Statement and takes no responsibility for it.

UBS has given and not withdrawn before the date of this Target's Statement its consent to being named in this Target's Statement as financial adviser to Multiplex in relation to the Brookfield Offer. UBS has not caused or authorised the issue of this Target's Statement and takes no responsibility for it.

Disclaimer regarding statement made and responsibility

Each person named above as having given its consent to the inclusion of a statement or to being named in this Target's Statement:

- does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based, other than a statement included in this Target's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and any statement or report which has been included in this Target's Statement with the consent of that party.

Publicly available information etc

In addition, this Target's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX by Brookfield or Brookfield Australia. Any Multiplex Securityholder who would like to receive a copy of those documents may obtain a copy free of charge during the Offer Period by calling the Takeover Information Line on 1800 129 386 (+61 2 8280 7726 from overseas), which is available Monday to Friday between 8.30am and 5.30pm (AEST).

No other material information

This Target's Statement is required to include all the information that Multiplex Securityholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Brookfield Offer, but only:

- to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- if the information is known to any Director.

The Directors are of the opinion that the information that Multiplex Securityholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Brookfield Offer is the information contained in:

- the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);
- Multiplex's releases to ASX, and the documents lodged by Multiplex with ASIC, before the date of this Target's Statement; and
- this Target's Statement (including the information contained in the Independent Expert's Report).

The Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- the nature of Multiplex Securityholders;
- the matters that Multiplex Securityholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to Multiplex Securityholders' professional advisers; and
- the time available to Multiplex to prepare this Target's Statement.

10.5 Date of Target's Statement

This Target's Statement is dated 23 July 2007, which is the date it was lodged with ASIC.

11

Interpretation and authorisation

11.1 Glossary

Acceptance and Transfer Form means the form of acceptance and transfer for the Offer that accompanies the Bidder's Statement.

AEST means Australian Eastern Standard Time.

ANZ Facility Agreement means the A$150,000,000 Facility Agreement-Indemnity Guarantee Facility between Australia and New Zealand Banking Group Limited and Multiplex Bond Company Pty Ltd dated 16 August 2006.

Approvals mean approvals, licences, authorisations, authorities, consents, permissions, clearances, grants, confirmations, orders, exemptions, waivers or rulings.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Limited.

ASTC Settlement Rules means the operating rules of the settlement facility provided by ASTC.

ASX means Australian Securities Exchange.

Bidder's Statement means the bidder's statement in relation to the Brookfield Offer, prepared by Brookfield Australia and dated 5 July 2007.

Broker means a person who is a share broker and participant in CHESS.

Brookfield means Brookfield Asset Management Inc.

Brookfield Australia means Brookfield BidCo (Australia) Pty Limited (ACN 126 164 145).

Brookfield Group means Brookfield and its subsidiaries.

Brookfield Offer or **Offer** means the offer by Brookfield Australia to acquire Multiplex Securities pursuant to the Bidder's Statement.

Business Day means a day which is both a:
- business day under the Listing Rules; and
- a day on which retail banks are open for general business in Toronto, Canada and New York, USA other than a Saturday, Sunday or public holiday.

CGT means capital gains tax under the Income Tax Assessment Act 1936 (Cth).

CHESS means Clearing House Electronic Subregister System.

CHESS Holding has the meaning given in the ASTC Settlement Rules.

Class Action means the proceedings described as P Dawson Nominees Pty Ltd v Multiplex Limited and Multiplex Funds Management Limited, (VID1380/2006), commenced on 18 December 2006 in the Victorian registry of the Federal Court of Australia by way of Application and Statement of Claim and in respect of which ML and MFML have filed their Defence on 13 March 2007.

Controlling Participant has the meaning given in the ASTC Settlement Rules.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of ML or MFML.

DRP means Multiplex's distribution reinvestment plan.

End Date means the earlier of the date on which the Offer Period ends and 14 December 2007 (or such longer period as is agreed between the parties to the Implementation Deed).

FATA means the Foreign Acquisitions and Takeovers Act 1975 (Cth).

Financial Adviser means UBS.

FIRB means the Foreign Investment Review Board.

First Option means the Put and Call Option Deed between RFN, ARFT Pty Limited, TRFT Pty Limited, DMFT Pty Limited and Brookfield in relation to 48,886,828 Multiplex Securities dated 11 June 2007.

Government Authority means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, and includes ASIC and ASX.

Implementation Deed means the implementation deed between ML, MFML and Brookfield dated 11 June 2007.

Independent Expert means Grant Samuel & Associates Pty Limited (ACN 050 036 372).

Independent Expert's Report means the independent expert's report in Section 12 prepared by the Independent Expert and dated 20 July 2007.

June Distribution means the distribution and dividend per Multiplex Security to be paid by Multiplex to holders of Multiplex Securities on the Multiplex Security Register as at the close of business on 29 June 2007.

Legal Adviser means Allens Arthur Robinson.

Listing Rules mean the official listing rules of ASX.

Material Related Entity means a Related Entity of Multiplex which holds a material part of the business or property of the Multiplex Group (taken as a whole).

MFML means Multiplex Funds Management Limited (ACN 105 371 917).

ML means Multiplex Limited (ACN 008 687 063).

MPT means Multiplex Property Trust (ARSN 106 643 387) established by the constitution dated 19 September 2003.

Multiplex means ML and MPT.

Multiplex Group means ML and its Related Entities.

Multiplex Material Adverse Change means any event, change, matter, thing or condition (which individually or when aggregated with all such events, changes, matters, things or conditions) which has occurred since 31 December 2006 and which had, or could reasonably be expected to have (whether now or in the future), a material adverse effect on the businesses, assets, liabilities, financial or trading position, profitability or prospects of the Multiplex Group (taken as a whole) other than an event, occurrence or matter:

- required to be done or procured by Multiplex pursuant to the Implementation Deed; or
- that was apparent or reasonably ascertainable by Brookfield Australia from:
  - public announcements made by Multiplex to ASX prior to the date of the Implementation Deed; or
  - from information disclosed in writing by Multiplex or its advisers to any member of the Brookfield Group or its advisers prior to the date of the Implementation Deed.

Multiplex Prescribed Occurrence means the occurrence of any of the following events:

- Multiplex converts all or any of its securities into a larger or smaller number of securities;
- Multiplex or a Related Entity (other than a direct or indirect wholly owned subsidiary) resolves to reduce its capital in any way;
- Multiplex or a Related Entity (other than a direct or indirect wholly owned subsidiary):
  - enters into a buyback agreement; or
  - resolves to approve the terms of a buyback agreement under the Corporations Act;
- Multiplex or a Related Entity issues securities or grants an option over its securities or agrees to make such an issue or grant such an option (other than, in each case, to Multiplex or a direct or indirect wholly owned subsidiary of Multiplex);
- Multiplex or a Related Entity issues, or agrees to issue, convertible notes (other than, in each case, to Multiplex or a direct or indirect wholly owned subsidiary of Multiplex);
- Multiplex or a Related Entity disposes, or agrees to dispose, of the whole, or a substantial part, of the business or property of the Multiplex Group (taken as a whole);
- Multiplex or a Related Entity creates, or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of the business or property of the Multiplex Group (taken as a whole);
- Multiplex or a Material Related Entity resolves that it be wound up or makes an application or order for the winding up or dissolution of Multiplex or a Material Related Entity other than where the application or order (as the case may be) is set aside within 14 days;
- a liquidator or provisional liquidator of Multiplex or a Material Related Entity is appointed;
- a court makes an order for the winding up of Multiplex or a Material Related Entity;
- an administrator of Multiplex or a Material Related Entity is appointed under section 436A, 436B or 436C of the Corporations Act;
- Multiplex or a Material Related Entity executes a deed of company arrangement;
- a receiver or a receiver and manager is appointed in relation to the whole, or a substantial part, of the property of Multiplex or a Material Related Entity; or
- Multiplex or a Material Related Entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act,

other than any event referred to in any of the paragraphs above that was:

- apparent or reasonably ascertainable by Brookfield Australia from public announcements made by Multiplex to ASX prior to the date of the Implementation Deed; or
- disclosed in writing by Multiplex or its advisers to any member of the Brookfield Group or its advisers or Verbally Disclosed prior to the date of the Implementation Deed.

Multiplex Security means a fully paid ordinary share in ML stapled to a fully paid ordinary unit in MPT.

Multiplex Security Register means together the registers of members of ML and MPT maintained by or on behalf of Multiplex in accordance with the Corporations Act.

Multiplex Securityholder means a holder of Multiplex Securities.

Multiplex SITES means the 4.5 million Step-up Income-distributing Trust-issued Exchangeable Securities issued by MFML as responsible entity of Multiplex SITES Trust in January 2005.

NAB Multi Option Facility means the facility between Multiplex and its Related Entities and National Australia Bank Limited comprising (among others) the Common Terms Deed Amendment Deed, the MOF Loan Note Deed Poll, the MOF Subscription Deed, the MOF Purchase Deed and the MOF Sale Deed each dated 20 May 2005.

Non-Broker Participant means an entity admitted to participate in CHESS under the ASTC Settlement Rules.

NTA means the net tangible assets per Multiplex Security.

Offer Period means the period during which the Brookfield Offer will remain open for acceptance in accordance with the Bidder's Statement.

OIO means Overseas Investment Office (New Zealand).

Related Entity means in respect of a party another entity which is:

– related to the first entity within the meaning of section 50 of the Corporations Act; or
– in any consolidated entity (as defined in section 9 of the Corporations Act) which contains the first entity; or
– in respect of MPT, a direct or indirect sub-trust in which 50% or more of the units are held directly or indirectly by MPT.

Relevant Interest has the meaning given in the Corporations Act.

Remaining Option Securities means the 107,333,126 Multiplex Securities which remain, at the date of this Target's Statement, subject to Brookfield's call option under the Second Option.

Representative means, in the case of:

– Multiplex – each Related Entity of ML and each director, officer, employee, adviser, agent or representative of any of them or Multiplex; and
– Brookfield or Brookfield Australia – each Related Entity of Brookfield and each director, officer, employee, adviser, agent or representative of any of them.

RFN means Roberts Family Nominees Pty Limited (ACN 106 368 432).

Second Option means the Put and Call Option Deed between RFN, ARFT Pty Limited, TRFT Pty Limited, DMFT Pty Limited and Brookfield in relation to 165,738,742 Multiplex Securities dated 11 June 2007.

Section means a section of this Target's Statement.

Takeover Information Line means the information line established for Multiplex Securityholders who have any questions in relation to the Brookfield Offer. The telephone number for the information line is 1800 129 386 (+61 2 8280 7726 from overseas), which is available Monday to Friday between 8.30am and 5.30pm (AEST).

Takeovers Panel means the panel established under Part 10 of the Australian Securities and Investments Commission Act 2001 (Cth) and having functions specified in Part 6.10 Division 2 of the Corporations Act.

Target's Statement means this document (including any annexures), being the statement of Multiplex under Part 6.5 Division 3 of the Corporations Act relating to the Brookfield Offer.

UBS means UBS AG, Australia Branch (ABN 47 088 129 613).

Verbally Disclosed has the meaning given in the Implementation Deed.

VWAP means the volume weighted average price of Multiplex Securities traded on ASX during the relevant period.

11.2 Interpretation

Terms used in this Target's Statement have the meaning (if any) given to them in Chapter 6 of the Corporations Act, the Listing Rules or the ASTC Settlement Rules unless that meaning is inconsistent with the context in which the term is used.

In this Target's Statement, the following principles of interpretation apply unless the context otherwise requires:

– headings are for convenience only and do not affect the meaning of the paragraphs they introduce;

and unless the context otherwise requires:

– the singular includes the plural and vice versa;
– words importing any gender include any other genders;
– references to persons include corporations;
– references to 'dollar', '$' and cents are references to Australian currency; and
– references to time are references to AEST.

11.3 Authorisation

This Target's Statement has been approved by resolutions passed by the Directors present at meetings of the boards of ML and MFML held on 20 July 2007. No Director present at either meeting voted against the Directors' resolutions approving this Target's Statement.

Signed pursuant to section 351 of the Corporations Act.

Date: 23 July 2007

Allan McDonald
Chairman (as a director of ML and MFML)

GRANT SAMUEL

GRANT SAMUEL & ASSOCIATES

LEVEL 19 GOVERNOR MACQUARIE TOWER
1 FARRER PLACE SYDNEY NSW 2000
GPO BOX 4301 SYDNEY NSW 2001
T: +61 2 9324 4211 / F: +61 2 9324 4301
www.grantsamuel.com.au

20 July 2007

The Directors
Multiplex Limited
Level 4
1 Kent Street
Millers Point NSW 2000

The Directors
Multiplex Funds Management Limited
as responsible entity for Multiplex Property Trust
Level 4
1 Kent Street
Millers Point NSW 2000

Dear Directors

Brookfield Offer

1 Introduction

On 12 June 2007, Multiplex Group ("Multiplex") announced that it had entered into an Implementation Deed with Brookfield Asset Management Inc. ("Brookfield") under which Brookfield, or a wholly owned subsidiary, proposed to make an off market takeover offer for all of the stapled securities in Multiplex for a cash consideration of $5.05 per security (the "Brookfield Offer"). Multiplex stapled securityholders on the register as at 29 June 2007 are also entitled to receive the distribution for the six months ended 30 June 2007, estimated to be 10 cents per stapled security.

The Brookfield Offer represents the culmination of events that commenced in January 2007. Initially, Brookfield approached Multiplex about a joint proposal involving it and the founding Roberts family, through their investment vehicle Roberts Family Nominees Pty Limited ("the Roberts family"). Following the initial approach from Brookfield, the Multiplex board established a process which allowed Brookfield and certain other parties to have access to a data room to conduct due diligence on Multiplex on a confidential basis. Over the following months, the proposal from Brookfield was developed and changed. The Roberts family is no longer involved and granted Brookfield options over its entire 25.6% interest in Multiplex. Brookfield has exercised some of these options and, when combined with its pre existing holding, now has a holding of just under 15.0% of Multiplex.

The Brookfield Offer is subject to a number of conditions including:

- Brookfield obtaining a relevant interest of more than 50% of Multiplex's stapled securities;
- approvals under the Foreign Acquisitions and Takeovers Act ("FIRB Approval") and the New Zealand Overseas Investment Office;
- no material adverse change to the businesses, financial position or prospects of Multiplex;
- no third party exercising any right under a change of control provision that would have a material adverse impact on Multiplex; and
- no new litigation against Multiplex is commenced, announced or threatened (where the potential judgement is $100 million or more) and no amendment is made to certain existing litigation in a manner materially adverse to Multiplex.

Multiplex has agreed to customary restrictions on its ability to solicit competing bids and has to pay Brookfield a break fee of $20 million in certain specified circumstances.

GRANT SAMUEL & ASSOCIATES PTY LIMITED
ABN 28 050 036 372 AFS LICENCE NO 240985

The Brookfield Offer does not include any offer for the Step-up Income-distributing Trust-issued Exchangeable Securities ("SITES") issued by the Multiplex SITES Trust. Brookfield has stated that it does not currently intend to redeem the SITES.

The Brookfield Offer is supported by the directors of Multiplex, being the directors of Multiplex Limited and Multiplex Funds Management Limited (as responsible entity of Multiplex Property Trust ("MPT")). The directors have stated their intention to recommend that stapled securityholders accept the Brookfield Offer subject to the independent expert concluding that the Brookfield Offer is fair and reasonable and there being no superior offer for Multiplex. The directors have indicated that they will accept the Brookfield Offer for their holdings in Multiplex, subject to no superior offer being received.

The directors of Multiplex have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report in relation to the Brookfield Offer. The report is to state whether, in Grant Samuel's opinion, the Brookfield Offer is fair and reasonable to the stapled securityholders of Multiplex. The report will accompany the Target's Statement to be sent to Multiplex stapled securityholders.

2 Opinion

In Grant Samuel's opinion, the Brookfield Offer is fair and reasonable.

3 Summary of Conclusions

Multiplex has experienced turbulent times during the last 2-3 years. In particular, the Wembley Project caused significant damage to the business. Apart from the substantial financial loss on the project itself, it has led to:

- substantial diversion of management and board resources;
- damage to Multiplex's standing and reputation as an efficient and reliable builder;
- investigations by the Australian Securities & Investments Commission around disclosure issues and, ultimately, a settlement for affected securityholders ($32 million). A class action has also been commenced; and
- inefficiencies in the internal structure of Multiplex and an equity capital shortage in Multiplex Limited.

In addition, the initial Brookfield approach in January 2007 resulted in the Chief Executive, Andrew Roberts, stepping aside in order to avoid any conflict of interest.

Nevertheless, throughout this period the core development and construction business in Australia, New Zealand and the Middle East has continued to prosper and progress. Multiplex is still the largest builder of office towers in Australia. Development activities have also grown significantly and the successful establishment of a series of managed funds means that Multiplex has now put in place the key elements of its strategy to create an integrated property business that encompasses development, construction, long term ownership and ongoing management of property assets.

The funds management business plays a key role in this strategy, providing a ready source of capital for ongoing ownership of assets generated through development activities while also providing Multiplex with a degree of control over the assets as well as attractive income streams (fund management fees and facilities management). At the same time, Multiplex's own capital resources are also important but increasingly less so as a basis for long term ownership. Instead, they provide the ability to acquire sites and other opportunities and hold them "on balance sheet" through the development and construction phase until the projects are mature enough to be acquired by the funds. Multiplex also utilises its capital to own a significant minority interest in these funds in order to provide a degree of protection. In this context, it is expected that, in the absence of the Brookfield Offer, Multiplex will, over time, move much of its portfolio of existing assets into funds.

With these foundations in place, buoyant conditions in its key markets and a restructured senior management team, Multiplex is poised for a period of strong profit performance and solid growth. It has a number of important competitive advantages and strategic attractions such as:

- an integrated business model with effective platforms for each component;
- a large and diversified portfolio of quality development projects;
- market leadership in the construction of high rise office and residential towers and commercial property generally and a business with limited exposure to open tender contracting;
- a well established position in the high growth Middle Eastern construction markets;
- a continuous source of investment opportunities from the strong development pipeline to underpin growth of managed funds and creation of new investment funds; and
- a suite of successful listed and unlisted managed property funds.

Any offer for Multiplex should be judged against these attributes and prospects and not be coloured by the travails of the last 2-3 years and the recent financial performance.

Grant Samuel has estimated the full underlying value of Multiplex, including a premium for control, to be in the range of $4.62 to $5.26 per stapled security. This range was calculated as follows:

Multiplex - Valuation Summary ($ millions)

	Valuation Range	
	Low	**High**
Development (net of debt)	1,100.0	1,300.0
Construction	650.0	750.0
Funds Management	350.0	400.0
Facilities Management	55.0	65.0
MPT	3,446.0	3,546.0
Corporate overheads	(500.0)	(450.0)
Value of business operations	**5,101.0**	**5,611.0**
Other assets and liabilities	186.5	206.5
Net borrowings (excluding development debt)	(966.8)	(966.8)
SITES	(450.0)	(450.0)
Value of equity	**3,870.1**	**4,400.7**
Fully diluted securities on issue (millions)	837.4	837.4
Value per security	**$4.62**	**$5.26**

At $5.05 cash per security, the Brookfield offer is above the lower end of Grant Samuel's estimated value range for Multiplex and therefore represents fair value in a change of control transaction. As the Brookfield Offer is fair it is also reasonable.

In any event, the offer of $5.05 is the culmination of a five month process involving Brookfield, as well as other potential acquirers, some of whom undertook due diligence. Grant Samuel understands that there were no impediments to any third parties making an offer for Multiplex and that no party put forward a superior proposal to the Brookfield Offer. Furthermore, the Roberts family, which held approximately 25.6% of Multiplex's issued capital and could be argued to be a knowledgeable seller, has effectively sold its interest to Brookfield at the offer price. These factors provide further evidence that the price is likely to be fair. Indeed, it could be argued to be better evidence than theoretical estimates based on management projections and inferences from data on comparable entities.

GRANT SAMUEL

The Brookfield Offer represents an exit yield[1] of 3.7% based on estimated distributions for the year ended 30 June 2007 of 18.5 cents per stapled security. Even if distributions were to increase to 30 cents, the exit yield would be below 6%. The Brookfield Offer also represents a premium of 54% to adjusted net tangible assets[2], implying goodwill of approximately $1.5 billion for Multiplex's operating businesses.

The Brookfield Offer represents a premium for control in the order of 20-30% (compared to the security price prior to announcement of ownership discussions on 25 January 2007). While this is below the levels seen in some takeovers, it is not unreasonable in view of the nature of the assets.

Given Brookfield's current effective control (subject to FIRB approval) over approximately 20% of Multiplex and its options to move to almost 28%, as well as the process over the last five months, the prospects of a higher offer from an alternative party are limited (although still a possibility).

4 Other Matters

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Multiplex stapled securityholders. Accordingly, before acting in relation to their investment, securityholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Securityholders should read the Target's Statement issued by Multiplex in relation to the Brookfield Offer.

Approval or rejection of the Brookfield Offer is a matter for individual securityholders, based on their own views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Securityholders who are in doubt as to the action they should take should consult their own professional adviser.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act, 2001. The Financial Services Guide is included at the beginning of the full report.

This letter is a summary of Grant Samuel's opinion. The full report from which this summary has been extracted is attached and should be read in conjunction with this summary.

The opinion is made as at the date of this letter and reflects circumstances and conditions as at that date.

Yours faithfully
GRANT SAMUEL & ASSOCIATES PTY LIMITED

Grant Samuel & Associates

---

1 Exit yield has been calculated as distribution per security divided by consideration per security.

2 Being net tangible assets as at 31 December 2006 plus forecast net profit after tax for the six months ended 30 June 2007 less the estimated June 2007 distribution.

MULTIPLEX

Financial Services Guide
and
Independent Expert's Report
in relation to the takeover offer by
Brookfield Asset Management Inc.

Grant Samuel & Associates Pty Limited
(ABN 28 050 036 372)

20 July 2007

GRANT SAMUEL

GRANT SAMUEL & ASSOCIATES

LEVEL 19 GOVERNOR MACQUARIE TOWER
1 FARRER PLACE SYDNEY NSW 2000
GPO BOX 4301 SYDNEY NSW 2001
T: +61 2 9324 4211 / F: +61 2 9324 4301
www.grantsamuel.com.au

Financial Services Guide

Grant Samuel & Associates Pty Limited ("Grant Samuel") holds Australian Financial Services Licence No. 240985 authorising it to provide financial product advice on securities and interests in managed investments schemes to wholesale and retail clients.

The Corporations Act, 2001 requires Grant Samuel to provide this Financial Services Guide ("FSG") in connection with its provision of an independent expert's report ("Report") which is included in a document ("Disclosure Document") provided to members by the company or other entity ("Entity") for which Grant Samuel prepares the Report.

Grant Samuel does not accept instructions from retail clients. Grant Samuel provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Samuel does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

When providing Reports, Grant Samuel's client is the Entity to which it provides the Report. Grant Samuel receives its remuneration from the Entity. In respect of the Report for Multiplex in relation to the off market takeover offer by Brookfield Asset Management Inc. ("the Multiplex Report"), Grant Samuel will receive a fixed fee of $775,000 plus reimbursement of out-of-pocket expenses for the preparation of the Report (as stated in Section 7.3 of the Multiplex Report).

No related body corporate of Grant Samuel, or any of the directors or employees of Grant Samuel or of any of those related bodies or any associate receives any remuneration or other benefit attributable to the preparation and provision of the Report.

Grant Samuel is required to be independent of the Entity in order to provide a Report. The guidelines for independence in the preparation of Reports are set out in Practice Note 42 issued by the Australian Securities Commission (the predecessor to the Australian Securities & Investments Commission) on 8 December 1993. The following information in relation to the independence of Grant Samuel is stated in Section 7.3 of the Multiplex Report:

> *"Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any securityholding in or other relationship with Multiplex, the Roberts Family or Brookfield that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Brookfield Offer. Grant Samuel advises that:*
>
> - *Grant Samuel Property, a related entity of Grant Samuel, provided an independent report to a subsidiary of Multiplex in relation to related party transactions in March 2005. The fees involved were less than $20,000. Grant Samuel Property also provides services to existing or potential property tenants. From time to time these services may be related to properties owned by or being developed by Multiplex;*
> - *Mr Peter Dransfield, a director of Multiplex, is a consultant to Grant Samuel Property; and*
> - *no Grant Samuel group executive holds securities in Multiplex or Brookfield.*
>
> *Grant Samuel had no part in the formulation of the Brookfield Offer. Its only role has been the preparation of this report.*
>
> *Grant Samuel will receive a fixed fee of $775,000 for the preparation of this report. This fee is not contingent on the outcome of the Brookfield Offer. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.*
>
> *Grant Samuel considers itself to be independent in terms of Practice Note 42 issued by the ASIC (previously known as Australian Securities Commission) on 8 December 1993."*

Grant Samuel has internal complaints-handling mechanisms and is a member of the Financial Industry Complaints Services' Complaints Handling Tribunal, No. F 4197.

Grant Samuel is only responsible for the Report and this FSG. Complaints or questions about the Disclosure Document should not be directed to Grant Samuel which is not responsible for that document. Grant Samuel will not respond in any way that might involve any provision of financial product advice to any retail investor.

GRANT SAMUEL

Table of Contents

1 Details of the Offer 1

2 Scope of the Report....3
- 2.1 Purpose of the Report 3
- 2.2 Basis of Evaluation 3
- 2.3 Sources of Information 4
- 2.4 Limitations and Reliance on Information 4

3 Profile of Multiplex....7
- 3.1 Background....7
- 3.2 Financial Performance....8
- 3.3 Financial Position 10
- 3.4 Taxation Position....12
- 3.5 Capital Structure....12
- 3.6 Internal Restructuring....13
- 3.7 Stapled Security Price History 13

4 Business Operations 16
- 4.1 Overview 16
- 4.2 Development 16
- 4.3 Construction 19
- 4.4 Funds Management....22
- 4.5 Facilities Management 24
- 4.6 MPT....26

5 Valuation of Multiplex 27
- 5.1 Summary....27
- 5.2 Valuation Methodology....29
- 5.3 Development 33
- 5.4 Construction 37
- 5.5 Funds Management....39
- 5.6 Facilities Management 40
- 5.7 MPT....42
- 5.8 Corporate Costs....47
- 5.9 Other Assets and Liabilities....47
- 5.10 Net Borrowings and SITES 47
- 5.11 Franking Credits 48

6 Evaluation of the Brookfield Offer....49
- 6.1 Fairness and Reasonableness....49
- 6.2 Premium for Control....50
- 6.3 Alternative Offers....51
- 6.4 Securityholder Decision 51

7 Qualifications, Declarations and Consents....52
- 7.1 Qualifications....52
- 7.2 Disclaimers....52
- 7.3 Independence....52
- 7.4 Declarations 53
- 7.5 Consents 53
- 7.6 Other....53

Appendices

1 Profile of Property Portfolio

2 Property Valuations

1 Details of the Offer

Multiplex Group ("Multiplex") is a diversified property group engaged in property construction and development, funds management, facilities management and property investment. The business was founded in 1962 by John Roberts AO and listed on the Australian Securities Exchange ("ASX") in December 2003. Multiplex stapled securities comprise one unit in Multiplex Property Trust ("MPT"), which holds direct and indirect interests in investment grade property, and one share in Multiplex Limited, which includes the trading businesses of Multiplex. The responsible entity of MPT is Multiplex Funds Management Limited ("MFML"), a wholly owned subsidiary of Multiplex Limited.

On 25 January 2007, Multiplex announced that it had received a request from a third party to commence discussions which may lead to a proposal to acquire the securities and/or certain assets of Multiplex. On 5 February 2007, Multiplex announced that a formal approach had been received from Brookfield Asset Management Inc. ("Brookfield") to enter into discussions regarding the potential acquisition of the underlying businesses of Multiplex Limited by Brookfield, potentially in partnership with the founding Roberts family through their investment vehicle Roberts Family Nominees Pty Limited ("the Roberts family"), Multiplex's largest securityholder.

Brookfield is a diversified asset management and ownership company, principally focussed on property, power and infrastructure assets. It has approximately US$70 billion of funds under management, including approximately US$26 billion of property assets worldwide. Brookfield is based in Toronto, Canada and is listed on the New York and Toronto Stock Exchanges. It has a market capitalisation of approximately C$25 billion.

The Multiplex board consented to discussions with Brookfield and between Brookfield and the Roberts family. It put in place protocols to manage the conflicts of interest including that Andrew Roberts, Tim Roberts and Denby Macgregor (individuals associated with the Roberts family investment vehicle) take leave of absence from their respective directorship and executive roles with Multiplex.

On 12 June 2007, Multiplex announced that it had entered into an Implementation Deed with Brookfield under which Brookfield, or a wholly owned subsidiary, proposed to make an off market takeover offer for all of the stapled securities in Multiplex for a cash consideration of $5.05 per security (the "Brookfield Offer"). Multiplex stapled securityholders as at 29 June 2007 are entitled to receive the distribution for the six months ended 30 June 2007, estimated to be 10 cents per stapled security (to be paid on 31 August 2007). On the date of the announcement, Brookfield held an existing 4.2% economic interest in Multiplex securities (comprising a 2.2% direct interest and an additional 2.0% economic interest through cash settled equity swaps).

The Roberts family has no involvement in the Brookfield Offer. However, the Brookfield Offer has the support of the Roberts family in that relevant entities have entered into arrangements with Brookfield in respect of all of the family's 25.6% securityholding. The arrangements include:

- the grant to Brookfield of a call option (and the Roberts family entities a put option) over a 5.8% stake in Multiplex (the "First Option"); and
- the grant to Brookfield of a call option (and the Roberts family entities a put option) over the remaining 19.8% Roberts family interests (the "Second Option").

On 2 July 2007, the First Option and part of the Second Option were exercised, increasing Brookfield's relevant interest in Multiplex securities (including its existing interests) to just under 15.0% and its economic interest in Multiplex securities to approximately 17.0%.

Under the remaining portion of the Second Option, Brookfield may acquire additional Multiplex securities, subject to foreign investment approvals in Australia and New Zealand and either Multiplex securityholder approval or relief from this requirement by the Australian Securities & Investments Commission ("ASIC"). Assuming all these options are exercised, Brookfield would have a combined relevant interest and economic interest in Multiplex securities of 29.8%.

The Implementation Deed sets out the conditions of the Brookfield Offer, which include:

- Brookfield obtaining a relevant interest of more than 50% of Multiplex's stapled securities;
- approvals under the Foreign Acquisitions and Takeovers Act ("FIRB Approval") and approval by the New Zealand Overseas Investment Office;
- Brookfield obtaining all other approvals required by law or any government authority to permit the offer to be made and completed;
- no actual or threatened action by any government authority (in Australia or overseas) that materially adversely impacts on the making of the offer;
- no material adverse change to the businesses, financial position or prospects of Multiplex and no prescribed occurrence as set out in the Implementation Deed occurs in respect of Multiplex;
- no third party exercising any right under a change of control provision that would have a material adverse impact on Multiplex; and
- no new litigation against Multiplex (where the potential judgement is $100 million or more) is commenced, announced or threatened and no amendment is made to certain existing litigation in a manner materially adverse to Multiplex.

Other elements of the proposal include:

- either Multiplex or Brookfield may terminate the Implementation Deed if, amongst other things:
  - Brookfield withdraws the Brookfield Offer;
  - a party commits a material breach of the terms of the Implementation Deed;
  - the independent expert does not conclude that the Brookfield Offer is fair and reasonable; or
  - a superior proposal is announced and recommended by the directors of Multiplex.
- Multiplex has agreed to exclusivity arrangements until the earlier of the date on which the Brookfield Offer ends and 14 December 2007 (or such longer period as the parties agree). Under these arrangements:
  - Multiplex has agreed to non-solicitation obligations;
  - if a competing proposal is received, Multiplex must notify Brookfield but may allow the third party to conduct due diligence provided that certain confidentiality undertakings are made and such due diligence information has already been disclosed to Brookfield; and
  - if directors of Multiplex intend to recommend the competing proposal, Multiplex must give Brookfield prior notice of the terms of the proposal (including its price, conditions and terms).
- a break fee of $20 million is payable to Brookfield in the event that the directors do not publicly recommend and give their intention to accept the Brookfield Offer, Multiplex breaches the exclusivity restrictions or a competing proposal is completed. No break fee is payable if Brookfield fails to meet the minimum acceptance condition (50%), certain conditions of the offer become incapable of being satisfied or the independent expert does not conclude that the Brookfield Offer is fair and reasonable (except by reason of a competing proposal).

The Brookfield Offer does not include any offer for the Step-up Income-distributing Trust-issued Exchangeable Securities ("SITES") issued by Multiplex SITES Trust. Brookfield has stated that it does not currently intend to redeem the SITES.

The directors of Multiplex have stated their intention to recommend acceptance of the Brookfield Offer subject to the independent expert concluding that the Brookfield Offer is fair and reasonable and there being no superior offer for Multiplex.

GRANT SAMUEL

2 Scope of the Report

2.1 Purpose of the Report

The directors of Multiplex Limited and MFML (as responsible entity for MPT) have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion, the Brookfield Offer is fair and reasonable to the securityholders of Multiplex and to state reasons for that opinion. A copy of this report is to accompany the Target's Statement to be despatched to stapled securityholders by Multiplex.

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Multiplex stapled securityholders. Accordingly, before acting in relation to their investment, stapled securityholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Stapled securityholders should read the Bidder's Statement issued by Brookfield and the Target's Statement issued by Multiplex in relation to the Brookfield Offer.

Whether or not to accept the Brookfield Offer is a matter for individual stapled securityholders based on their views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Stapled securityholders who are in doubt as to the action they should take in relation to the Brookfield Offer should consult their own professional adviser.

2.2 Basis of Evaluation

The term "fair and reasonable" has no legal definition although over time a commonly accepted interpretation has evolved. In the context of a takeover, an offer is considered fair and reasonable if the price fully reflects the value of a company's underlying businesses and assets.

Policy Statement 75 issued by the Australian Securities Commission, the predecessor to the Australian Securities & Investment Commission ("ASIC"), attempts to provide a precise definition of fair and reasonable. The Policy Statement continues earlier regulatory guidelines that create a distinction between "fair" and "reasonable". Fairness is said to involve a comparison of the offer price with the value that may be attributed to the securities that are the subject of the offer based on the value of the underlying businesses and assets. In determining fairness any existing entitlement to shares by the offerer is to be ignored. Reasonableness is said to involve an analysis of other factors that securityholders might consider prior to accepting a takeover offer such as:

- the offeror's existing shareholding;
- other significant shareholdings;
- the probability of an alternative offer; and
- the liquidity of the market for the target company's shares.

A takeover offer could be considered "reasonable" if there were valid reasons to accept the offer notwithstanding that it was not "fair".

For the purpose of this report, Grant Samuel has treated "fair" and "reasonable" as separate concepts in accordance with Policy Statement 75. Fairness is a more demanding criteria. A "fair" offer will always be "reasonable" but a "reasonable" offer will not necessarily be "fair".

A fair offer is one that reflects the full market value of a company's businesses and assets. A takeover offer that is in excess of the pre-bid market prices but less than full value will not be fair but may be reasonable if securityholders are otherwise unlikely in the foreseeable future to realise an amount for their shares in excess of the bid price. This is commonly the case in takeover offers where the bidder already controls the target company. In that situation the minority securityholders have little prospect of receiving full value from a third party offeror unless the controlling securityholder is prepared to sell its controlling shareholding.

Grant Samuel has determined whether the Brookfield Offer is fair by comparing the estimated underlying value range of Multiplex with the offer price. The Brookfield Offer will be fair if it falls within the estimated underlying value range. In considering whether the Brookfield Offer is reasonable, the factors that have been considered include:

- the estimated value of Multiplex compared to the offer price;
- the existing securityholding structure of Multiplex;
- the likelihood of an alternative offer and alternative transactions that could realise fair value;
- the likely market price and liquidity of Multiplex stapled securities in the absence of the Brookfield Offer; and
- other advantages and disadvantages for Multiplex stapled securityholders of accepting the Brookfield Offer.

2.3 Sources of Information

The following information was utilised and relied upon, without independent verification, in preparing this report:

Publicly Available Information

- the Bidder's Statement;
- the Target's Statement (including earlier drafts);
- annual reports of Multiplex for the three years ended 30 June 2006;
- half year announcements of Multiplex (including the Multiplex Portfolio Report) for the six months ended 31 December 2006;
- press releases, public announcements, media and analyst presentation material and other public filings by Multiplex including information available on its website;
- brokers' reports and recent press articles on Multiplex and the real estate development and construction industry; and
- sharemarket data and related information on Australian entities engaged in the listed property trust sector and on Australian and international listed entities engaged in the real estate development and construction industry and on acquisitions of entities and businesses in that industry.

Non Public Information provided by Multiplex

- independent valuations of the properties owned by MPT;
- management forecast for the year ended 30 June 2007;
- business plan projections for the three years ended 30 June 2010 prepared by Multiplex management;
- forecast cash flows, feasibility studies and other information for individual property development projects; and
- other confidential documents, board papers, presentations and working papers.

2.4 Limitations and Reliance on Information

Grant Samuel believes that its opinion must be considered as a whole and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary.

Grant Samuel's opinion is based on economic, sharemarket, business trading, financial and other conditions and expectations prevailing at the date of this report. These conditions can change significantly over relatively short periods of time. If they did change materially, subsequent to the date of this report, the opinion could be different in these changed circumstances. However, subject to Section 670C of the Corporations Act, Grant Samuel has no obligation or undertaking to advise any person of any change in circumstances which has come to its attention after the date of this report or to review, revise or update its report or opinion.

This report is also based upon financial and other information provided by Multiplex and its advisers. Grant Samuel has considered and relied upon this information. Each of Multiplex Limited and MFML (as responsible entity for MPT) has represented in writing to Grant Samuel that to their knowledge the information provided by them was not incomplete and not incorrect or misleading in any material aspect. Grant Samuel has no reason to believe that any material facts have been withheld. However, it should be noted that access to information on some joint venture development projects was limited because of confidentiality obligations by Multiplex to its partners. Grant Samuel does not believe this restriction has a material impact on the reliability of the value estimate for Multiplex.

The information provided to Grant Samuel has been evaluated through analysis, inquiry and review to the extent that it considers necessary or appropriate for the purposes of forming an opinion as to whether the Brookfield Offer is fair and reasonable to Multiplex stapled securityholders. However, Grant Samuel does not warrant that its inquiries have identified or verified all of the matters that an audit, extensive examination or "due diligence" investigation might disclose. While Grant Samuel has made what it considers to be appropriate inquiries for the purposes of forming its opinion, "due diligence" of the type undertaken by companies and their advisers in relation to, for example, prospectuses or profit forecasts, is beyond the scope of an independent expert.

Accordingly, this report and the opinions expressed in it should be considered more in the nature of an overall review of the anticipated commercial and financial implications rather than a comprehensive audit or investigation of detailed matters.

An important part of the information used in forming an opinion of the kind expressed in this report involves the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Preparation of this report does not imply that Grant Samuel has audited in any way the management accounts or other records of Multiplex. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles and in a manner consistent with the method of accounting in previous years (except where noted).

The information provided to Grant Samuel included:

- the financial forecast for Multiplex for the year ended 30 June 2007 prepared by management ("Forecast");
- projections for Multiplex for the three year period ending 30 June 2010 prepared by management ("Projections"); and
- longer term cash flow projections for individual development projects.

Grant Samuel has relied on the Forecast in its valuation. Grant Samuel considers that there are reasonable grounds to believe that the Forecast has been prepared on a reasonable basis in view of the fact that the year has now ended and the Forecast generally reflects 11 months of actual results and one month of forecasts. The Projections are not disclosed in this report at the request of Multiplex. Grant Samuel has not directly relied on the Projections for the purposes of its valuation but has considered this information in its review of Multiplex's future business strategy and prospects and general assessment of value.

GRANT SAMUEL

In any event, Grant Samuel has no reason to believe that the Forecast or Projections reflect any material bias, either positive or negative. However, the achievability of the Forecast or Projections is not warranted or guaranteed by Grant Samuel. Future profits and cash flows are inherently uncertain. They are predictions by management of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of the company or its management. Actual results may be significantly more or less favourable.

Grant Samuel has not undertaken any valuations of the investment properties owned by Multiplex and, for the purposes of this report, has relied on the independent property valuations commissioned by Multiplex for those properties in determining the underlying net asset value of MPT's property assets. However, certain of the independent property valuations commissioned by Multiplex as at 31 December 2006 were reviewed by Grant Samuel Property Pty Limited ("Grant Samuel Property"), a related company of Grant Samuel.

In forming its opinion, Grant Samuel has also assumed that:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Target's Statement sent by Multiplex to its stapled securityholders is complete, accurate and fairly presented in all material respects; and
- the publicly available information relied on by Grant Samuel in its analysis was accurate and not misleading.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Grant Samuel assumes no responsibility and offers no legal opinion or interpretation on any issue.

3 Profile of Multiplex

3.1 Background

Multiplex was formed by John Roberts AO in Perth in July 1962 as Multiplex Constructions Pty Limited. It expanded from Western Australia to New South Wales in 1978 and commenced operations in Victoria in 1987 and in Queensland and South Australia in 1989. During the late 1990's, Multiplex expanded offshore to the Middle East, New Zealand and the United Kingdom.

Prior to the mid-1990's Multiplex undertook property development as an adjunct to its core construction activities but a separate division was subsequently formed. In 1998, Multiplex formed a facilities management division to provide facilities and property management services for completed projects. Subsequently, Multiplex also formed a funds management division to provide management services to Multiplex investment vehicles and external parties.

In 2003, it was decided to form a stapled entity and undertake an initial public offering. To this end, Multiplex was converted to a public company and MPT was established. Multiplex was listed on the ASX on 2 December 2003, raising approximately $1.2 billion at a price of $4.05 per stapled security, payable as to $3.08 on application with $0.97 payable on 15 December 2004. At listing, the Roberts family held approximately 41.5% of Multiplex.

Since listing, Multiplex's operations have expanded substantially both organically and by acquisition. The major acquisitions include:

- in December 2003, 100% of Acumen Capital and approximately 72% of Acumen Capital Securities (responsible entities for property for syndication funds and a property securities fund) were acquired;
- in January 2004, Multiplex acquired a 7.4% interest in Duelguide plc, a United Kingdom company established to acquire Chelsfield plc, one of the United Kingdom's largest urban development companies. In November 2004, Multiplex increased its interest in Duelguide to 25% following the successful completion of a takeover offer for Duelguide by a consortium including Multiplex; and
- in September 2004, Multiplex announced a proposed takeover for Ronin Property Group ("Ronin") for $1.47 billion. The offer was successful, with Multiplex moving to compulsory acquisition in late November 2004. Ronin was an ASX listed stapled entity focussed on property funds management and specialising in the ownership and management of premium and grade "A" office buildings in Australia (including through its investment in the AMP New Zealand Office Trust in New Zealand).

However, the period since 2004 has been difficult for Multiplex primarily as a result of losses incurred on the $1.1 billion Wembley National Stadium project in the United Kingdom ("the Wembley Project"). During the 2004/05 year, the net after tax loss from the Wembley Project was $82.5 million (after allowing for an indemnity from the Roberts family of $50 million and the writeback of prior year profits). In the 2005/06 year, Multiplex incurred a further net after tax loss of $255.0 million in relation to this project. The losses incurred on the Wembley Project resulted in a range of litigation and regulatory investigation for Multiplex including:

- claims by Multiplex against the Wembley Project client and a number of other parties involved in the project (e.g. the original steel subcontractor);
- an investigation by ASIC in relation to Multiplex's disclosures to the stockmarket between June 2004 and December 2005. On 20 December 2006, Multiplex entered into an enforceable undertaking with ASIC thereby concluding the investigation. This undertaking included a settlement payment to a maximum of $32 million to certain registered stapled securityholders, reconstitution of the board of directors to comprise a majority of independent non-executive directors and independent review of Multiplex's disclosure policies and procedures; and

- a class action claiming unspecified damages against Multiplex Limited and MFML in relation to breaches of continuous disclosure obligations and/or misleading or deceptive conduct during the period 2 August 2004 to 30 May 2005. Multiplex is defending this action.

Today, Multiplex is a fully integrated, diversified property entity with operations in Australia, New Zealand, the Middle East and the United Kingdom. Multiplex has over 2,000 employees and operates through five divisions:

- Construction;
- Development;
- Facilities Management;
- Funds Management; and
- MPT.

Multiplex's operating divisions are described in Section 4 of this report.

3.2 Financial Performance

The establishment of MPT and Multiplex's initial public offering in late 2003 transformed the business from primarily property development and construction to an integrated property business. The majority of the funds raised were used to acquire a portfolio of 12 investment grade commercial and retail properties across Australia. Consequently, Multiplex's financial performance prior to 2004 is not representative of the ongoing business. In addition, the result for 2004 does not reflect a full year contribution from MPT, reflects other impacts of the initial public offering in December 2003 and the subsequent capital raising in May 2004 and was prepared in accordance with Australian Generally Accepted Accounting Principles ("AGAAP").

Furthermore, Multiplex's underlying consolidated financial performance since 2004 is difficult to analyse as a consequence of:

- the increase in the direct property investment portfolio over the period from \$1.24 billion to \$3 billion largely through the Ronin acquisition;
- the significant increase in the scope and scale of interests in development projects;
- the losses and other costs that have arisen as a consequence of the Wembley Project; and
- the adoption of the Australian equivalents to International Financial Reporting Standards ("AIFRS") whereby annual adjustments to the fair value of assets are now booked through the income statement as opposed to a reserve in the balance sheet. While these may represent value gains to securityholders in that year, they do not represent either cash flow or recurrent income.

Notwithstanding those comments, the historical financial performance of Multiplex for the six years ended 30 June 2006 and forecast financial performance for the year ending 30 June 2007 are summarised below:

Multiplex - Financial Performance[1] ($ millions)							
	Year end 30 June						
	2001 actual AGAAP pro forma	2002 actual AGAAP pro forma	2003 actual AGAAP pro forma	2004 actual AGAAP	2005 actual AIFRS	2006 actual AIFRS	2007 forecast AIFRS
Total Revenue	**1,297.5**	**1,460.9**	**2,322.6**	**3,249.2**	**3,279.6**	**3,141.6**	**3,265.1**
EBITDA[2] including share of profits/(losses) of associates and joint venture partnerships				**131.0**	**32.3**	**184.6**	**287.4**
Depreciation and amortisation				(9.6)	(3.9)	(9.0)	(16.5)
EBIT[3] before non-recurring items	**44.8**	**55.5**	**60.7**	**121.4**	**28.4**	**175.6**	**270.9**
Net interest expense				(7.1)	(48.8)	(122.1)	(121.4)
Fair value adjustments on investment properties				-	71.2	362.3	389.2
Non-recurring items				(9.2)	22.9	(227.8)	(1.7)
Operating profit before tax				**105.1**	**73.7**	**188.0**	**537.0**
Income tax benefit/(expense)				(56.2)	30.4	62.7	19.0
Operating profit after tax				**48.9**	**104.1**	**250.7**	**556.0**
Minority interests[4]				-	(19.8)	(33.9)	(44.4)
Profit after tax attributable to Multiplex stapled securityholders				**48.9**	**84.3**	**216.8**	**511.6**
Statistics							
Basic earnings per stapled security				*9.6¢*	*11.7¢*	*25.9¢*	*61.1¢*
Dividend per stapled security				*8.8¢*	*8.2¢*	-	-
Distribution per stapled security				*5.8¢*	*21.6¢*	*25.5¢*	*18.5¢*
Total per stapled security				*14.6¢*	*29.8¢*	*25.5¢*	*18.5¢*
Amount of dividend franked				*100%*	*100%*	-	-
Tax deferred amount of distribution				*31.7%*	*28.7%*	*13.6%*	*na* [5]
Total revenue growth		*12.6%*	*59.0%*	*39.9%*	*nmf* [6]	*(4.2%)*	*3.9%*
EBITDA growth				*na*	*nmf*	*nmf*	*55.7%*
EBIT growth		*23.9%*	*9.4%*	*100.1%*	*nmf*	*nmf*	*54.3%*
EBITDA margin				*4.0%*	*1.0%*	*5.9%*	*8.8%*
EBIT margin	*3.5%*	*3.8%*	*2.6%*	*3.7%*	*0.9%*	*5.6%*	*8.3%*
Interest cover[7]				*18.5x*	*0.7x*	*1.5x*	*2.4x*

Source: Multiplex and Grant Samuel analysis

In reviewing Multiplex's performance since 2004, the following factors should be taken into consideration:

- income from associates primarily relate to partly owned property investments while joint venture partnerships primarily relate to property development activities. In general, income from associates is reported on a post tax basis (and excluding fair value adjustments) and joint venture partnerships are reported on a pre tax basis. For the purposes of the table, income from these sources is treated as part of EBITDA;

---

1 Financial statements for the years prior to 1 July 2005 were prepared in accordance with AGAAP. Multiplex adopted AIFRS from 1 July 2005. The results for the year ended 30 June 2005 were also restated under AIFRS.

2 EBITDA is earnings before net interest, tax, depreciation and amortisation, fair value adjustments on investment properties and non-recurring items. EBITDA includes share of profits/(losses) of associates and joint venture partnerships.

3 EBIT is earnings before net interest, tax, fair value adjustments on investment properties and non-recurring items. EBIT includes share of profits/(losses) of associates and joint venture partnerships.

4 Primarily relates to the profits of the Multiplex SITES Trust.

5 na = not available

6 nmf = not meaningful

7 Interest cover is EBITDA divided by net interest.

- non-recurring items include the following:

Multiplex – Non-Recurring Items ($ millions)			
	Year end 30 June		
	2005 actual	2006 actual	2007 forecast
Wembley Project losses	(117.9)	(364.0)	-
Profit on sale of assets	140.8	159.5	64.2
Inventory valuation adjustments	-	(35.3)	(9.6)
Net "one-off" corporate costs (including ASIC settlement)	-	-	(56.3)
Facilities management fees	-	1.8	-
Non recurring items included in share of profits/(losses) of associates and joint venture partnerships (after tax)	-	10.2	-
Total	**22.9**	**(227.8)**	**(1.7)**

Source: Multiplex

- minority interests primarily relate to the interest costs of the Multiplex SITES Trust and, in 2007, a third party's 25% interest in the Southern Cross East Tower; and
- the 2007 forecast generally reflects 11 months trading and a management forecast for the remainder of the year.

At listing, the intention was that Multiplex would pay half yearly distributions comprising all net income of MPT and approximately 90% of net profit after tax of Multiplex Limited. To the extent possible, the company dividends were to be franked and MPT's distributions were to be tax deferred. Since 2005 no dividends have been paid by Multiplex Limited primarily as a result of losses associated with the Wembley Project. The recapitalisation completed in June 2007 (see Section 3.6) is intended to improve the capital structure of Multiplex and enable distributions to be paid from both entities.

The earnings performance of Multiplex's operating divisions is discussed in Section 4 of this report.

3.3 Financial Position

The financial position of Multiplex as at 30 June 2006 (audited) and 31 December 2006 (reviewed) is summarised below:

Multiplex - Financial Position ($ millions)	As at 30 June 2006 actual	As at 31 December 2006 actual
Debtors (net), prepayments, retentions and new business costs	524.8	650.0
Inventories	639.9	536.8
Derivative assets	8.4	11.5
Creditors, accruals and provisions	(918.0)	(756.3)
Net working capital	**255.1**	**442.0**
Investment property	2,300.2	2,447.3
Equity accounted investments	1,316.6	1,456.2
Inventories	724.3	1,088.5
Property, plant and equipment (net)	76.9	72.3
Goodwill	322.9	322.9
Investments	47.3	4.8
Deferred tax assets (net)	124.1	131.9
Net assets held for resale	39.9	-
Amounts due from associates	77.8	42.2
Receivable from sale of investment property	274.1	-
Roberts Family indemnity receivable	47.3	-
Other debtors and assets	179.7	107.7
Capitalised borrowing costs	12.0	10.7
Tax provision	(7.1)	(7.2)
Amount payable in relation to Multiplex Prime Property Fund	-	(18.6)
Provision for distribution	(146.7)	(71.2)
Non current provisions	(8.6)	(17.4)
ASIC provision	-	(32.0)
Non interest bearing liabilities	(194.3)	(497.5)
Contract work in progress	(272.7)	(286.5)
Total funds employed	**5,168.8**	**5,196.1**
Cash and deposits	488.0	603.6
Interest bearing bank and other loans[8]	(2,496.7)	(2,279.3)
Net borrowings	**(2,008.7)**	**(1,675.7)**
Net assets	**3,160.1**	**3,520.4**
Minority interests[9]	(457.3)	(576.0)
Net assets attributable to Multiplex stapled securityholders	**2,702.8**	**2,944.4**
Statistics		
Stapled securities on issue at period end (million)	*837.4*	*837.4*
Net assets[10] per stapled security	*$3.23*	*$3.52*
NTA[11] per stapled security	*$2.84*	*$3.13*
Gearing (net borrowings divided by net assets plus net borrowings)	*38.9%*	*32.2%*
Gearing (net borrowings divided by total assets)	*26.7%*	*22.3%*

Source: Multiplex and Grant Samuel analysis

Investment properties (with the exception of one property owned by Multiplex Limited at 30 June 2006) are owned by MPT. The carrying value of investment properties reflects a directors' assessment having regard to the independent valuations and other relevant factors. Equity accounted investments primarily relate to minority equity interests in property investment associates and development joint ventures.

Goodwill of $322.9 million primarily relates to the acquisition of Ronin in November 2004. The amount payable in relation to Multiplex Prime Property Fund relates to the 40 cent second

8 After adding back capitalised borrowing transaction costs of $12 million at 30 June 2006 and $10.7 million at 31 December 2006.

9 Minority interests primarily relate to the Multiplex SITES Trust (net of issue costs) and a 25% interest in the Southern Cross East Tower, Melbourne.

10 Net assets attributable to Multiplex stapled securityholders.

11 NTA is net tangible assets, which is calculated as net assets less goodwill and minority interests.

instalment payable on 15 June 2011 (or earlier in certain circumstances) on Multiplex's 22% interest in the fund.

At period end, Multiplex provides for distributions payable to securityholders from MPT (it only provides for dividends from Multiplex Limited if the dividend has been declared at period end). The provision at 31 December 2006 relates to the 8.5 cents distribution paid in February 2007. Multiplex has announced that it will pay a distribution estimated to be 10 cents per stapled security on 31 August 2007 and that registered securityholders on 29 June 2007 would be entitled to receive that distribution.

Provisions primarily reflect employee entitlements and lease incentives. Non interest bearing liabilities are primarily the result of accounting requirements affecting investments in property developments related to the Duelguide plc transaction.

Multiplex has operational, financing and investment activities outside of Australia. Therefore, it has exposure to movements in foreign exchange rates. Further, Multiplex is exposed to interest rate risk through floating rate borrowings. Multiplex entered into forward foreign exchange contracts and interest rate swaps to manage its exposures. At 31 December 2006, Multiplex had derivative assets with a value of $11.5 million.

Multiplex has certain contingent assets and liabilities not reflected in its balance sheet as follows:

- financial guarantees and insurance bonds issued to clients (secured by indemnities) and received from subcontractors (in lieu of cash retentions) in the ordinary course of business;
- a tax indemnity given (with its joint venture partner) in relation to tax related issues which may arise in relation to its investment in Duelguide plc;
- the class action discussed in Section 3.1; and
- various other matters including rental guarantees and income support to tenants and various litigation matters pertaining to design and construction projects.

In January 2005, MFML (a wholly owned subsidiary of Multiplex), as responsible entity of the Multiplex SITES Trust, raised $450 million via the issue of 4,500,000 SITES. The proceeds of the issue of the SITES were invested in Multiplex Hybrid Investment Trust, which lent those monies to MPT. The proceeds of the loan to MPT were used to redeem Multiplex Convertible Preferred Securities, relating to the acquisition of Duelguide plc. MPT pays interest on the loan. Multiplex accounts for the Multiplex SITES Trust as a minority interest.

3.4 Taxation Position

Under the Australian tax consolidation regime, Multiplex Limited and its wholly owned Australian tax resident entities have elected to be taxed as a single entity. MPT is a widely-held publicly-listed unit trust, and is not a public trading trust or corporate unit trust for tax purposes. Accordingly, MPT distributes pre tax profits to security holders.

At 31 December 2006, Multiplex had carried forward income tax losses of approximately $340 million (in Australia and the United Kingdom) which were recognised as a deferred tax asset in the balance sheet. There are no material capital losses.

Multiplex Limited has $34.3 million of accumulated franking credits. Based on current forecasts, Multiplex Limited does not expect to pay income tax in cash in the short to medium term due to the ability to utilise carried forward income tax losses.

3.5 Capital Structure

As at 30 June 2007, Multiplex had 837,402,185 stapled securities on issue. Multiplex has not issued any options over stapled securities. Multiplex has a distribution reinvestment plan which is currently not active.

In addition, there are 4,500,000 SITES on issue by the Multiplex SITES Trust. SITES are listed on the ASX and are, in certain circumstances, redeemable or exchangeable into Multiplex stapled securities. The Brookfield Offer does not relate to the SITES and, on 2 July 2007, Brookfield advised that it has no current intention of redeeming the SITES should it succeed in a change of control of Multiplex.

3.6 Internal Restructuring

Each Multiplex stapled security comprises one share in Multiplex Limited (the operator of the development, construction and other businesses) and one unit in MPT (the owner of investment properties and investments). Following the losses incurred under the Wembley Project, it became clear that the allocation of capital between the company and trust was not optimal (e.g. the losses sustained by Multiplex Limited had reduced its ability to pay dividends). In addition, while MPT has made substantial advances to Multiplex Limited, it does not guarantee Multiplex Limited and the losses have adversely impacted Multiplex Limited's capital base and therefore its credit standing.

As a consequence, Multiplex commenced a review of the capital allocation within the stapled structure. On 20 June 2007, it was announced that a wholly owned subsidiary of Multiplex Limited (the "Issuer") had issued $1 billion of Convertible Non-Share Equity Instruments ("CNSEI") to MPT. The proceeds of this issue have been used to repay $1 billion of the existing loan from MPT. This recapitalisation has the effect of enhancing the efficiency of Multiplex Limited's capital structure. CNSEI are perpetual and subordinated instruments and, at the option of the Issuer, may be redeemed or, subject to the approval of Multiplex Limited and MPT, converted into stapled securities at which stage it is anticipated that they would be distributed pro rata to stapled securityholders. MPT may only require redemption of CNSEI in limited circumstances.

The CNSEI effectively eliminate on consolidation. Therefore, from the perspective of a Multiplex stapled securityholder this issue of securities has no direct impact. However, the effect of the recapitalisation will be to enable Multiplex Limited to recommence payment of dividends at some time in the future. The issue of CNSEI does not affect the rights of SITES holders.

3.7 Stapled Security Price History

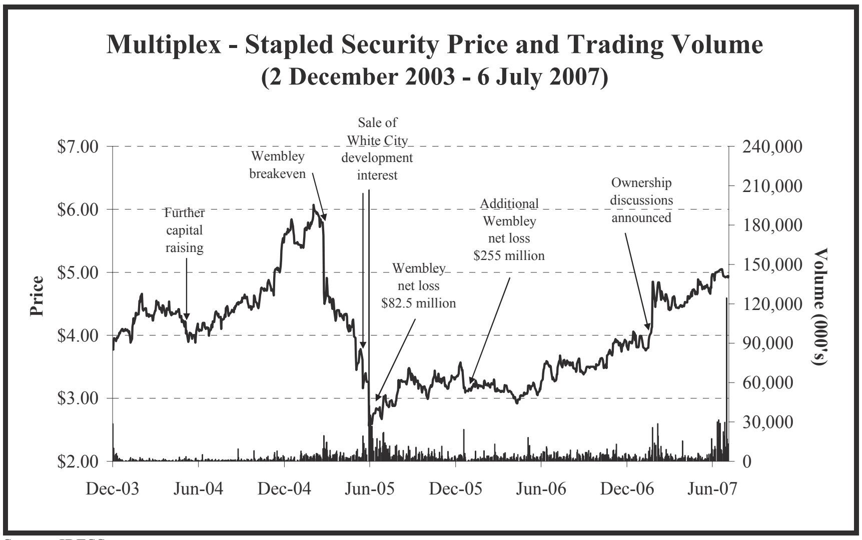
A summary of the price and trading history of Multiplex since listing on 2 December 2003 is set out below:

Multiplex – Stapled Security Price History

	Stapled Security Price ($)			Average Weekly Volume (000's)	Average Weekly Transactions
	High	Low	Close		
Year ended 31 December					
2003 (from 2 December)	4.12	3.70	4.08	20,987	2,396
2004	5.95	3.83	5.44	5,994	845
2005	6.15	2.27	3.15	31,165	2,860
2006	4.08	2.89	3.99	17,419	2,221
Quarter ended					
31 March 2007	5.01	3.74	4.47	26,130	3,608
30 June 2007	5.08	4.42	4.92	35,431	3,648
Week ended					
6 July 2007	4.94	4.92	4.94	165,502	1,870

Source: IRESS

The following graph illustrates the movement in the Multiplex stapled security price and trading volumes over the same period:



Source: IRESS
Note: Prices on and prior to 1 December 2004 adjusted as if fully paid.

Multiplex stapled securities closed at $3.12 ($4.09 adjusted) on the first day of trading, a slight premium to the application price. The price traded above the issue price in the initial months following listing as Multiplex announced new construction contracts and the acquisition of development opportunities. Despite announcing further acquisitions and work flow, the gains were eroded over the next few months largely due to concerns over rising construction labour and materials costs and analyst comments that early enthusiasm may have overvalued the stock. During May 2004, Multiplex raised a further $307 million by way of an entitlement offer to existing securityholders and a public offering. The funds raised were used to fund specific investments and facilitate growth.

The security price rose strongly from June 2004 to February 2005 due to a succession of positive developments, including acquisitions (businesses and property assets), improved leasing profile of property investments, increased distribution guidance and strong growth in the United Kingdom and Middle Eastern construction businesses. Among these transactions was the acquisition of Ronin. Ronin's portfolio of investment grade properties had an asset value of over $1.1 billion (and total assets of $1.6 billion) substantially enhanced MPT's portfolio and Multiplex's capital base. The expectation of strong profit growth from the United Kingdom construction business and a burgeoning development pipeline also contributed significantly to the price momentum.

In its half year results announcement released on 24 February 2005, Multiplex reported a material profit writeback relating to the Wembley Project. The profit forecast for the project was reduced to breakeven (or better depending on the success of cost claims against contractors). The market reaction was swift, with the security price falling 16.3% to $4.67. As a show of confidence in the project, the Roberts family stepped in with an indemnity for any losses on the contract of up to $50 million. Despite the indemnity, changes to United Kingdom management processes and additional acquisitions and contract wins, market confidence in Multiplex continued to fall.

On 18 May 2005, Multiplex announced the sale of its 12.5% interest in the White City retail development project in the United Kingdom. The exit was interpreted negatively by the market and the Multiplex security price fell by 12.5% to $3.16.

On 27 May 2005, Multiplex announced that the margin position on the Wembley Project may have deteriorated significantly and placed its securities in trading halt pending further announcement. On 30 May 2005, it announced reduced profit guidance, which included a $82.5 million overall net after tax loss on the Wembley Project (after allowing for the Roberts family's $50 million indemnity and the writeback of profits recognised in prior periods) compared to the previous breakeven estimate. Multiplex securities closed down 21.5% at an historical low of $2.56.

Amidst continuing volatility, the security price recovered slightly toward $3.50 over the next six months. However, on 19 December 2005 Multiplex provided an update on the Wembley Project which indicated the final loss position was likely to be substantially worse than prior guidance and that there was a material risk to meeting targeted completion in March 2006. Including other minor factors, Multiplex reduced its net profit guidance for the year to 30 June 2006 by 77% (from $215 million down to $50 million) resulting in an 8.4% fall in the security price to $3.16.

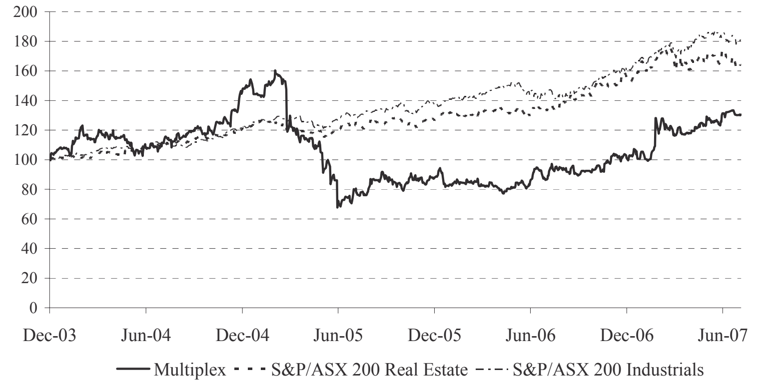
In the four to five months following the profit downgrade, the security price declined further, slipping below $3.00 as the market digested Wembley updates which amounted to a small additional provision for liquidated damages and slippage of the completion timetable (although not necessarily due to delays caused by Multiplex).

The Multiplex security price gained ground over the second half of 2006 on a steady flow of positive news, including the settlement of all outstanding disputes with its client at the Wembley Project, new construction contracts in Australia, select property sales and the exit from the White City construction contract (which was considered positive from a risk perspective). By the end of 2006 it had settled at around $4.00.

On 25 January 2007, Multiplex announced that it had received a request from a third party to enter into discussions regarding the future ownership of the group. It was noted that any potential transaction could involve the Roberts family. The news sent the security price up from $4.13 (on 24 January 2007) to $4.85 and, over the next four months, it generally traded in the $4.50-5.00 range. Since the announcement of the Brookfield Offer of $5.05 Multiplex securities have traded in the range of $4.91-$4.95 (adjusted for the expected 10 cent distribution).

Multiplex outperformed the S&P/ASX 200 Real Estate Index and the S&P/ASX 200 Industrials Index in the period prior to the Wembley Project difficulties emerging in early 2005. It substantially underperformed over the next six months but since early to mid 2006 has performed in line with the indices (albeit supported by speculation of a corporate transaction):

Multiplex vs S&P/ASX 200 Real Estate Index vs S&P/ASX 200 Industrials Index (2 December 2003 - 6 July 2007)



Source: IRESS

Multiplex is a liquid stock despite having a free float of only 74%. The volume of stapled securities traded over the twelve months prior to the announcement of ownership discussions represented approximately 120% of average securities on issue (approximately 160% of free float).

4 Business Operations

4.1 Overview

The core of Multiplex's business strategy is the creation of an integrated property business encompassing the life cycle of a property asset from development and construction through to long term ownership and ongoing management of the asset.

Each of these elements reinforces the competitive strength of the other:

- development provides:
  - a flow of non tendered construction work underpinning the volume of construction activity. This is typically provided as "design and construct" contracts giving greater control and lowering risks for the construction business;
  - a flow of investment opportunities for managed funds and for the creation of new funds; and
  - opportunities for facilities management contracts to be embedded from the outset;
- construction is an intermediate step but provides a service where the development business (and the long term owners) can be confident of the deliverability and quality of the product. The in-house design and construct expertise is also helpful to the development business;
- ownership, through funds management, provides a "take out" for development projects and can underpin development financing (as well as providing an attractive income stream in its own right). In addition, ownership can provide subsequent development/redevelopment opportunities for these assets to the development business.

  Historically, Multiplex owned investment assets "on balance sheet" (through MPT). However, with the expansion of its suite of managed funds, new projects are generally expected to end up in the managed funds.

  However, Multiplex's own capital resources will still play an important role going forward:
  - capital has been invested in significant minority positions in a number of the existing funds and additional capital is expected to be invested in new funds as they are established. This is regarded as important in providing a positive message to potential investors (alignment of interests) as well as a degree of security for Multiplex in relation to its funds management income.

    In this context, as has been recent industry trend, it is anticipated that, over time, many of the existing Multiplex (MPT) owned investment properties may be shifted into existing or new managed funds (where a core of quality properties is needed to provide a base for the fund); and
  - capital provides the group with the ability to acquire sites and pursue other development opportunities (particularly large scale developments), hold them and develop them to the point where they are mature enough to be acquired by the funds. In this respect financial capacity underpins the development activities; and
- facilities management ensures that investment properties (whether on balance sheet or held through funds) are efficiently managed and maintained at an appropriate standard to optimise returns. It can also provide market intelligence for development activities.

4.2 Development

Multiplex operates a diversified property development business, engaged in the development of commercial and retail properties, residential complexes and master planned communities in Australia, New Zealand, the United Kingdom and other parts of Europe. Property development activities first commenced in Australia in 1989 and now include select developments in New Zealand. In 2000, Multiplex Developments entered the United Kingdom market, with significant projects in the retail, regeneration and multi-residential sectors. Having grown rapidly, the United Kingdom business has recently divested interests in non-controlled projects enabling greater focus on a smaller number of substantially sized projects.

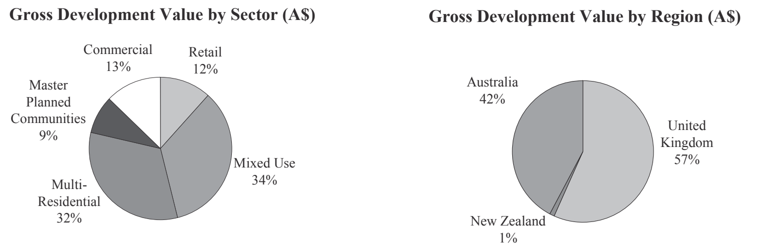
Multiplex's property developments are grouped within the following categories:

- Commercial – high rise office buildings located in major central business districts ("CBDs") and commercial components of large scale mixed-use properties in major commercial centres;
- Retail – typically medium scale retail shopping centres and town centres however with an increasing focus on mixed use retail developments;
- Multi-residential – residential apartment developments (low rise and high rise), particularly focussed on developments of premium location and design;
- Mixed-use – developments involving integrated residential, retail and commercial components. Within the United Kingdom, Multiplex operates a specialist urban regeneration team currently involved in a large scale regeneration project integrating office, residential and community components and related transport infrastructure; and
- Master planned communities – large scale residential community developments, which can include a mix of low and medium density housing, medium density accommodation as well as retail shops, community facilities and roading. Communities are typically progressed from the acquisition of unzoned or unplanned land to the point that construction can commence and can then either be sold in "super lots" to late stage developers or progressed to final development.

Multiplex predominantly undertakes developments either as sole developer or on a joint venture basis. Joint venture structures are frequently used as a means to pool resources with a development partner (which can be the property owner or a co-developer with desired skills or local market experience) and to manage risk.

As at 31 December 2006, the division held a portfolio of 47 development projects with a gross development value[12] of approximately $16.2 billion (excluding proportionate joint venture partner interests). The composition of the portfolio is as follows:

Multiplex Developments – Portfolio as at 31 December 2006



Source: Multiplex Group's Portfolio Report, Half Year ended 31 December 2006.

The majority of projects (by number) are located in Australia, with eight projects currently underway in the United Kingdom and Europe, and one in New Zealand. However, the United Kingdom and European projects represent approximately 57% of the portfolio's gross development value due to two very large residential and mixed use projects (Cricklewood and Gibraltar).

Within the Australian market, the development portfolio is weighted towards the commercial and multi-residential sectors, consistent with Multiplex's expertise in high rise construction. The United Kingdom business has been targeted more towards the residential and retail sectors. The different weightings reflect Multiplex's core capability in these respective markets and key areas of anticipated market demand. The capital allocation decision is also influenced by the strategic objective of originating product suitable for funds managed by Multiplex.

[12] Gross development value is the estimated gross value of all developments on completion.

A summary of major development projects as at 31 December 2006 is set out below:

Multiplex Developments – Major Development Projects (A$ millions)						
Project	**Type**	**Multiplex Interest %**	**Commercial /retail area (m^2)**	**Residential units/lots**	**Multiplex share of GDV[13]**	**Calendar Year Completion**
Australasia						
East Quarter, Hurstville	Multi-residential	100	-	629	468	2009-2015
Vale	Master Planned Community	100	-	3,000	600	2016
King Street Wharf (Macquarie)	Commercial	100	29,100	-	350	2009
Portside Wharf (Stages 1 & 2)	Mixed use	100	700	314	324	2006-2009
City Square, Perth	Commercial	50	75,000	-	315	2010
163 Castlereagh St, Sydney	Commercial	50	53,100	-	290	2011
Bishops See (Stages 1-4)	Commercial	50	64,310	-	250	2008-2010
Latitude East (ATO)	Commercial	100	22,690	-	210	2007
Balmain	Retail	100	19,600	-	203	2009
Sydney Olympic Park	Multi-residential	50	-	678	198	2010-2015
Claremont Shopping Centre	Retail	50	30,000	-	189	2011
BNZ Centre, Auckland	Commercial	100	22,000	-	170	2009
			316,500	**4,621**	**3,567**	
United Kingdom and Europe						
Cricklewood	Mixed use	50	281,958	6,700	4,825	tbd[14]
Gibraltar	Multi-residential	50	tbd	tbd	2,153	2016
Newcastle	Retail	50	81,290	-	683	2012
West Cromwell	Multi-residential	100	-	433	464	2010
High Wycombe	Retail	50	54,159	-	434	2008
Castle House	Multi-residential	100	-	408	305	2010
			417,407	**7,541**	**8,864**	
Other projects			227,468	6,868	3,773	
Total Projects			**961,375**	**19,030**	**16,204**	

Source: Multiplex

As at 31 December 2006, 74% of the portfolio (on a gross development value basis) was in the planning and permission stage, 16% was in pre-construction and 10% was under construction. While it is commonplace for development companies to have a significant proportion of potential developments in planning due to "landbank" holdings and the long lead times involved in development, the proportion is particularly high for Multiplex as a result of the several large United Kingdom projects currently in planning stages.

Development projects have long lead times between the initial project commencement and fruition of the investment. A typical commercial or retail development has a total time horizon of approximately four to five years while large scale residential community or urban regeneration developments can span 10-15 years. The development timeframe largely determines the period of capital return however this timeframe can be reduced by presales (common in residential developments), refinancing or sell down as the development progresses.

The Australian market is highly fragmented, characterised by a large number of small private developers and a significant number of large national and regionally focussed developers including Lend Lease Corporation Limited ("Lend Lease"), Mirvac Group ("Mirvac"), Stockland and Westfield Group ("Westfield"). However, competition is commonly sector specific, such as Mirvac (multi-residential), Stockland (communities) and Westfield (retail).

In the wake of the well publicised construction difficulties in the United Kingdom in 2005 and 2006, Multiplex management conducted a comprehensive review of the United Kingdom

13 GDV = gross development value.

14 tbd = to be determined.

operations, including the development business. As a result of this review, the decision was taken to scale back activities to focus on existing controlled developments. Since this time, the business has exited all projects in which it held only a minority interest. Future growth is being targeted in the retail and commercial property sectors.

As a result of rationalisation efforts, the development pipeline of the United Kingdom business is relatively concentrated in the residential and retail sectors. The Cricklewood regeneration project comprises all property types (including transport infrastructure) and dominates the United Kingdom project pipeline. However, it is at an early stage with no planning approvals. The business is relatively well placed to benefit from the United Kingdom's buoyant housing market and strong investor interest in retail and commercial sectors.

Barriers to entry in each of Multiplex's development markets have historically been low but are becoming more significant as a result of increased development planning and design requirements. The heightened requirements are resulting in increased planning complexity and longer development lead times.

The financial performance of Multiplex Developments since 2004 is summarised below:

Multiplex Developments – Financial Performance

	Year end 30 June			
	2004 actual AGAAP	2005 actual AIFRS	2006 actual AIFRS	2007 forecast AIFRS
Revenue	712.6	695.9	809.2	449.6
EBITDA	na	43.5	100.7	25.2
Depreciation and amortisation	na	(0.4)	(0.7)	(0.7)
EBIT	72.3	43.1	100.0	24.5

Source: Multiplex

Under AGAAP, revenue from development activities was generally recognised as sales were exchanged and matched against costs on a "percentage of completion basis", subject to reliability of measurements. As a result, profit from development activities were generally recognised as the project progressed.

Under AIFRS the recognition of development profits depends on the commercial arrangements and transfer of risk for each project but normally will not be recognised until completion and settlement. Accordingly, the reporting of profits by the development business is now dependent on the size and timing of project completions. This makes any assessment of the profitability of the business difficult due to the variability of profits from one year to the next. By way of example, EBIT of $24.5 million in the year ended 30 June 2007 is relatively low due to the significant value of projects that will carry over for recognition in the following years. Accordingly, the 2006/07 earnings are not considered representative of the normalised level of earnings generated by the business. Expected completion dates in the current portfolio are weighted towards the year ending 30 June 2010.

4.3 Construction

Multiplex Constructions was the core of the original business. It commenced expansion from Western Australia into key east coast markets in the late 1970's. Overseas expansion began in the 1990's. Today, Multiplex Constructions operates through three divisions:

- Australia and New Zealand;
- Middle East; and
- United Kingdom.

All three divisions adopt a similar "sub contractor" business model rather than operating primarily through their own workforce. In addition, the business has a strong bias towards design and construction contracts rather than construction only.

Australia and New Zealand

Multiplex is one of Australia's major construction contractors and has been responsible for many landmark buildings. It is the market leader in the construction of high rise office towers. This capability has extended into the construction of high rise residential towers and Multiplex is, more generally, one of the leading residential builders. The business has won a multitude of international and national awards for excellence in design, construction and environmental sustainability. Selected landmark projects include:

Multiplex Constructions – Landmark Projects

Commercial	Sports & Entertainment
Chifley Tower, Sydney	IMAX Theatre, Sydney
Central Park, Perth	Telstra Stadium, Sydney
Citigroup Centre, Sydney	Royal Melbourne Showgrounds, Melbourne
Southern Cross, Melbourne	Burswood Exhibition Centre, Perth
BankWest Tower, Perth	Suncorp Stadium, Brisbane
Retail	**Residential**
Sydney Central Plaza, Sydney	King Street Wharf, Sydney
MidTown Plaza, Melbourne	Metropolis, Auckland
World Square, Sydney	
Karrinyup Shopping Centre, Perth	

Source: Multiplex

In the year ended 30 June 2007, Multiplex completed contracts with a value of over $1.2 billion.

As a result of its well established market presence and existing relationships, together with internal workflow from Multiplex Developments, Multiplex Constructions primarily secures work on a negotiated contract basis rather than through open tender. This is considered to be important as a risk mitigation factor. Key competitors are Bovis Lend Lease, Leighton Holdings Limited (Theiss, John Holland), Grocon, Laing O'Rourke, Baulderstone Hornibrook and Fletcher Building (in New Zealand). Multiplex has maintained its market position in Australia and New Zealand (despite the problems with the Wembley Project) and, coupled with buoyant conditions in its key markets, has continued to secure numerous new projects with 16 projects (with a total value of approximately $1.7 billion) secured during the year ended 30 June 2007.

The workbook at 30 June 2007 provides a flow of work through to approximately 2012. Major projects in progress are summarised below:

Multiplex Constructions – Major Projects

Project	Description	Sector	Financial Year Start	Financial Year Completion	Approximate Contract Value ($ millions)
Convention Centre, Melbourne	Convention centre, hotel, office building, retail	Commercial	2006	2009	455.0
Parramatta Courts, Sydney	Courts and associated administrative buildings	Commercial	2006	2009	290.0
Regent Stage 2, Sydney	56 level residential tower	Residential	2006	2008	225.0
538 Bourke Street, Melbourne	28 level office building with ground floor retail	Commercial	2006	2009	220.0
Perth Courts, Perth	District court building	Commercial	2005	2009	180.0
Century City, Perth	17 level office tower	Commercial	2007	2009	170.0
Sydney Wharves, Sydney	6 level wharf, 104 residential apartments	Residential	2006	2008	155.0
Sylvia Park North Mall, Auckland	Shopping complex	Retail	2006	2008	95.0
Bank of New Zealand Centre, Auckland	Commercial office tower	Commercial	2007	2009	95.0

Source: Multiplex

Multiplex also has an engineering business that has been recently restructured and is now focussed on the water and water treatment sectors. The major project in this area was the Perth Desalination Plant (the second largest reverse osmosis plant in the world) which was undertaken in a joint venture with Degrémont, a leading French water company. Multiplex and Degrémont also bid for the proposed Sydney desalination plant but were unsuccessful.

United Kingdom

Multiplex Constructions began operations in the United Kingdom in 2000 with the West Stand of Chelsea Football Club's stadium in London. Over the next four years the business expanded rapidly including the award of the contract for the Wembley National Stadium project in 2002.

The business has subsequently experienced substantial difficulties. The Wembley Project deteriorated rapidly in terms of both cost and timing. Profit margins were progressively written down with the project then turning into a significant loss. Practical completion was finally achieved in March 2007. The final loss on the project totalled approximately $480 million before tax. Further legal costs are being incurred but there is a prospect of successful claims against designers and subcontractors (which are included in existing provisions).

A decision was taken to scale down the business, consolidate it at a manageable level and then grow capabilities. One key element of this plan was exiting the White City project by enabling Westfield (the developer of the centre) to take over the construction of the project.

The focus for the business is now only on construction work for internal development projects with no external work (other than Peterborough Hospital) being actively pursued. Current significant contracts include High Wycombe (a large retail development North of London) and Castle House (a residential development in South London). A major new contract for Peterborough Hospital (approximately $800 million) was recently signed. A further anticipated contract is for the West Cromwell Road development. The major prospect over the medium to longer term is the Cricklewood redevelopment.

Management believes the business is now stabilised, with a sustainable platform and opportunities to rebuild profitability over the next few years. There are, however, some factors which could adversely impact the business such as:

- shortages of high calibre staff and quality subcontractors (particularly with pressure from Olympic projects up to 2012); and
- negative perceptions about Multiplex arising from the Wembley Project.

Middle East

Multiplex Constructions commenced operations in the Middle East in 1997 with Emirates Towers in Dubai and has completed more than 15 projects (predominantly in Dubai).

Multiplex focuses on work for three long standing key clients – EMAAR, Union Properties and Emirates Airlines. These relationships coupled with the strong market have underpinned very high growth in earnings and a track record of no loss making contracts. The current level of work on hand is expected to underpin earnings growth over the next 2-3 years. Multiplex's strategy is to grow the business into new markets in conjunction with its key clients. There are two elements to this plan:

- adjacent markets such as Abu Dhabi, Qatar and Bahrain; and
- controlled expansion into the Indian market. On 21 June 2007, Multiplex announced that it is in discussions with a third party regarding a potential joint venture for the construction of projects in Southern India.

In the longer term, other aspects of Multiplex's integrated business model (development, facilities management and funds management) may be introduced into the region.

Earnings History

The financial performance of Multiplex Constructions since 2004 is summarised below:

Multiplex Constructions – Financial Performance				
	Year end 30 June			
	2004 actual AGAAP	2005 actual AIFRS	2006 actual AIFRS	2007 forecast AIFRS
Revenue	**2,898.6**	**3,191.8**	**2,773.2**	**2,523.4**
EBITDA	na	100.2	47.7	75.4
Depreciation and amortisation	na	-	(3.5)	(4.9)
EBIT (before Wembley Project losses)	73.2	100.2	44.2	70.5

Source: Multiplex

The historical earnings have shown some volatility even apart from the Wembley Project losses with significant losses on two Queensland projects. However, the underlying performance, particularly in Australia and the Middle East, has been generally very strong with consistent and growing workflows and improving margins.

The outlook over the next 2-3 years is for:

- solid growth in Australia in 2007/08 with a number of existing projects reaching practical completion in that year (e.g. American Express, Latitude and Regent) with more moderate growth thereafter;
- substantial growth in the Middle East as the business continues to expand; and
- a reduction in United Kingdom earnings in 2007/08 as the business downscales followed by a steady increase.

Moreover, the pipeline of committed projects (e.g. Peterborough Hospital in the United Kingdom and Emirates Towers) and other international initiatives should underpin performance beyond 2009 even before allowing for prospective projects.

4.4 Funds Management

Multiplex's entry into funds management began in earnest in 2003 with the acquisition of Acumen Capital. Over the following four years, Multiplex has established or acquired a suite of nine funds with further funds being actively developed. Multiplex Capital (through MFML) also acts as responsible entity for MPT. Funds comprise both listed funds and unlisted funds (including open ended funds).

Details of the funds currently managed are set out below:

Multiplex Capital – Funds under Management as at 31 March 2007			
Fund	**Status**	**Description**	**Funds under Management ($ millions)**
Listed Funds			
AMP NZ Office Trust[15]	Closed	12 office properties in Auckland and Wellington	1,005
Multiplex Acumen Property Fund	Closed	Portfolio of investments in property securities – unlisted (75%) and listed (25%)	365
Multiplex Prime Property Fund	Closed	CBD office properties in Sydney and Melbourne including the new American Express building and a portfolio of listed property trust securities	671
Multiplex European Property Fund	Closed	67 properties in Germany in retail (57%), offices (11%), logistics and nursing homes	626

15 Multiplex has a 50% interest in the manager of this fund.

Multiplex Capital – Funds under Management as at 31 March 2007			
Fund	**Status**	**Description**	**Funds under Management ($ millions)**
Unlisted Funds			
Multiplex New Zealand Property Fund	Closed	41 office, retail and industrial properties throughout New Zealand (predominantly Auckland)	832
Multiplex Development and Opportunity Fund	Open	Investor in property developments (mostly commercial and residential)	154
Multiplex Acumen Vale Syndicate	Closed	Owner of a 200 hectare residential development near Perth	73
Multiplex Diversified Property Fund	Open	Investor in Multiplex Acumen Property Fund and Multiplex New Zealand Property Fund with broader investments to follow	54
Multiplex Property Income Fund	Open	Investor in 20 unlisted property funds	31

Source: Multiplex

Multiplex has established itself as a successful manager of property funds and demonstrated an ability to raise capital through a variety of channels. The development of this platform has occurred despite the adverse publicity for the Multiplex name arising from the Wembley Project.

Multiplex earns ongoing management fees as well as a variety of transaction fees including:

- establishment fees for new funds;
- acquisition fees for successful acquisition of additional properties; and
- application fees on subscriptions into open ended funds.

Multiplex also earns performance fees on some funds.

Multiplex Capital has experienced very substantial growth in earnings from the base in 2003/04:

Multiplex Capital – Financial Performance				
	Year end 30 June			
	2004 actual AGAAP	**2005 actual AIFRS**	**2006 actual AIFRS**	**2007 forecast AIFRS**
Revenue	24.8	50.3	63.8	58.9
EBITDA	na	23.3	53.9	36.3
Depreciation and amortisation	na	-	(0.1)	(2.9)
EBIT	5.4	23.3	53.8	33.4

Source: Multiplex

In considering these earnings it should be noted that:

- Multiplex Capital recovers costs for managing MPT through an internal management charge;
- the Multiplex Prime Property Fund, Multiplex European Property Fund, Multiplex Diversified Property Fund and Multiplex Property Income Fund were established during the year ended 30 June 2007 and have only made a part year contribution;
- a significant proportion of EBIT is represented by transaction fees arising from the establishment of new funds or acquisition by existing funds. The earnings for 2005/06 particularly benefited from the sale of the interest in Sapphire and from fees for arranging the Centrelink transaction. Similarly, 2006/07 includes a material contribution from the establishment of the new funds during the year; and
- the forecast results to 30 June 2007 include approximately $9 million of rent earned in relation to holding the properties destined for the Multiplex European Property Fund (until the fund was settled).

Management expects the business to continue to grow through:

- further subscriptions to open ended funds;
- acquisitions for existing funds; and
- establishment of new funds.

The open ended funds in particular are targeted at the retail market and provide an opportunity to access funds flowing into the superannuation environment.

4.5 Facilities Management

Multiplex Facilities Management was established in 1998 and provides the following services to both internal clients (i.e. assets owned by MPT or the managed funds) and external clients:

Multiplex Facilities Management – Services

Contract Type	Description of Service
Facilities Management	Management of people, processes and assets across most categories of the built environment including preventative and remedial maintenance, project management, capital upgrades and lifecycle replacements.
Property Services	Management of commercial, retail and industrial properties as agent. Services include the collection of rent, management of outgoings, lease co-ordination, retail management and marketing, tenancy co-ordination and management.
Residential Services	Provision of residential building management services, residential property management and project sales.
Corporate Real Estate Services	Provision of facilities management and property services to corporate owners/tenants
Project Management Services	Management of projects on behalf of existing facilities and property services clients.

Source: Multiplex

Key Australian contracts include:

Multiplex Facilities Management – Key Australian Contracts
Facilities Management
Casey Community Hospital, Victoria
Melbourne Showgrounds, Victoria
Defence (Sydney Central and South West Region), New South Wales – joint venture with John Holland
NSW Police Headquarters, New South Wales
National Archives of Australia, Australian Capital Territory
Property Services
Southern Cross (East Tower), Victoria[16]
World Square Retail, New South Wales[16]
King Street Wharf Retail, New South Wales[16]
Pittwater Place Shopping Centre, New South Wales[16]
Jessie Street Centre, New South Wales[16]
IAG House, New South Wales
Residential and Other
King Street Wharf, New South Wales
Portside, Queensland
Sydney University Village, New South Wales
Wharf at Woolloomooloo, New South Wales
Monument Apartments, New South Wales
Horizon Apartments, New South Wales
Jones Bay Wharf, New South Wales

Source: Multiplex

16 Owned or partly owned by Multiplex or managed funds.

Facilities management contracts represent approximately 40% of contracts by number. Contracts vary between one year and 25 years but the weighted average is over 10 years. Contracts vary in their risk/return characteristics from straight margins on costs incurred (agency contracts) to full scale performance delivery contracts with extensive key performance indicator requirements.

Property services contracts also represent approximately 40% of contracts by number. While generally shorter in duration, the more significant contracts are for Multiplex controlled properties. The Residential division has been boosted by the recent acquisition of 50% of Morton & Morton, a residential property manager in Sydney.

The business is concentrated in New South Wales but also has operations in Victoria, Queensland, South Australia, Western Australia and the Australian Capital Territory. Approximately 60% of business originates from Multiplex related projects.

Multiplex Facilities Management is a leading participant in the industry with over 100 contracts and revenues of over $50 million. Other major participants include United Group Limited (“United Group”), Transfield Services Limited (“Transfield”), Spotless Group Limited (“Spotless”) and Programmed Maintenance Services Limited (“PMS”). However, the industry is heavily fragmented with the top five representing only approximately 30% of the total market (with many operations remaining in house). United Group and Jones Lang LaSalle are key competitors in the Corporate Real Estate Services sector.

Multiplex’s business strategy has focussed on the “managing contractor” model rather than the direct service model (i.e. employing staff for service functions). The business has grown rapidly over the last few years:

Multiplex Facilities Management – Financial Performance

	Year end 30 June			
	2004 actual AGAAP	2005 actual AIFRS	2006 actual AIFRS	2007 forecast AIFRS
Revenue	26.7	40.0	47.2	61.0
EBITDA	na	5.4	7.8	8.9
Depreciation and amortisation	na	(0.3)	(0.4)	(0.4)
EBIT	2.6	5.1	7.4	8.5

Source: Multiplex

In considering these earnings it should be noted that:

- earnings in 2005/06 and 2006/07 have been positively impacted by non-recurring income from fees on leasing renewals and other items ($3.1 million in 2006/07). While such fees are expected to arise from time to time, in the short term there is no expectation of fees at those levels recurring; and
- earnings do reflect bid costs for major contracts, typically in the order of $0.1-0.4 million. Part of those costs are usually capitalised but in 2006/07 the majority of costs were expensed.

The business continues to grow and the outlook is considered promising. In the year ended 30 June 2007, 20 new contracts were secured and there are a number of significant contracts which have been secured but not yet commenced. These include the new American Express and Macquarie Buildings at King Street Wharf, the Parramatta Justice Precinct Stage 2, Perth Courts and the Melbourne Convention Centre. Growth over the medium term is expected to be underpinned by internally generated opportunities including jointly bid government infrastructure developments using Public Private Partnerships and Design, Construct and Maintain contract models. In addition, the business has secured the contract for the Peterborough Hospital Public Finance Initiative in the United Kingdom. This contract is expected to provide the foundation for developing a facilities management business in the United Kingdom.

Management also plans to continue to grow its presence in the Melbourne, Brisbane and New Zealand markets and, possibly, to enter the Dubai market.

4.6 MPT

Multiplex's property investment portfolio (held through MPT) comprises:

- a direct investment portfolio of 14 office buildings, 6 retail properties, 3 industrial properties (4 as at 31 December 2006) and 1 car park; and
- investments in a number of Multiplex's managed funds.

Direct Property

Details of the direct investment portfolio as at 31 December 2006 are set out in Appendix 1.

Office properties represent over 80% of the direct property portfolio by value and are predominantly premium and A grade CBD office towers with a geographic mix encompassing Sydney, Brisbane, Melbourne and Perth (although Sydney represents approximately 46% of the office portfolio by value). Key properties include:

MPT – Key Office Property Investments

Property	Multiplex Interest %
Southern Cross (East Tower), Melbourne	75.0
Darling Park Complex (including Cockle Bay Wharf), Sydney	30.0
Jessie Street Centre – Parramatta, Sydney	100.0
Bourke Place, Melbourne	43.0
IAG House, Sydney	50.0
BankWest Tower, Perth	50.0

Source: Multiplex

The office portfolio has a broad spread of tenants, the vast majority of which are blue chip including the State Government of Victoria, Australian Taxation Office, IAG Limited, KPMG, BankWest, AMP, PricewaterhouseCoopers and Commonwealth Bank of Australia. The portfolio has a weighted average lease expiry of 7.3 years and over 30% (by income) is longer than 10 years. Expiries in any one year are less than 15%.

Retail properties represent approximately 15% of the portfolio. The major retail assets are World Square and King Street Wharf, both in Sydney. There are also retail properties in suburban Sydney, Brisbane and Perth.

The major industrial property is a 21 hectare site in Rosehill, Sydney predominantly leased to the James Hardie group with a new facility for Fosters Group Limited under construction and due for completion in September 2007. Subsequent to 31 December 2006, Multiplex has disposed of the Welshpool industrial property.

Indirect Investments in Multiplex Funds

At 31 December 2006, Multiplex also has the following investments in managed funds:

MPT – Investments in Funds

Fund	Multiples Interest (%)
Listed	
AMP NZ Office Trust	20.0
Multiplex Acumen Property Fund	21.0
Multiplex Prime Property Fund	22.0
Unlisted	
Multiplex New Zealand Property Fund	22.0

Source: Multiplex

Subsequent to 31 December 2006, Multiplex has made investments in the Multiplex European Property Fund (21%) and the Multiplex Diversified Property Fund. It has also transferred its investment in Multiplex Acumen Property Fund to Multiplex Diversified Property Fund. MPT's investment in Multiplex Diversified Property Fund represents over 90% of issued equity in that fund.

5 Valuation of Multiplex

5.1 Summary

Multiplex has been valued in the range $3,871-4,401 million which corresponds to a value of $4.62-5.26 per stapled security. The valuation represents the estimated full underlying value of Multiplex assuming 100% of Multiplex was available to be acquired. The value includes a premium for control and exceeds the price at which, based on current market conditions, Grant Samuel would expect Multiplex securities to trade on the ASX in the absence of a takeover offer.

The value for Multiplex is the aggregate of the estimated market value of Multiplex's operating businesses and other assets less external borrowings and non-trading liabilities. The valuation is summarised below:

Multiplex - Valuation Summary ($ millions)

	Section Reference	Valuation Range	
		Low	High
Development (net of debt)	5.3	1,100.0	1,300.0
Construction	5.4	650.0	750.0
Funds Management	5.5	350.0	400.0
Facilities Management	5.6	55.0	65.0
MPT	5.7	3,446.0	3,546.0
Corporate overheads	5.8	(500.0)	(450.0)
Value of business operations		**5,101.0**	**5,611.0**
Other assets and liabilities	5.9	186.5	206.5
Net borrowings (excluding development debt)	5.10	(966.8)	(966.8)
SITES	5.10	(450.0)	(450.0)
Value of equity		**3,870.7**	**4,400.7**
Fully diluted securities on issue (millions)		837.4	837.4
Value per security		**$4.62**	**$5.26**

The individual business units have been valued using a range of methodologies having regard to the nature and the characteristics of the particular business unit.

Grant Samuel has estimated the value of Multiplex's development business having regard to discounted cash flow ("DCF") analysis and multiples of earnings and NTA. A DCF analysis has been conducted for each of the key development projects. Other projects have been valued based on book value adjusted for expected profit. The DCF methodology has a strong theoretical basis and is appropriate for valuing project based businesses which typically have "lumpy" earnings and cash flow. The DCF analysis was based on financial projections for development projects provided by Multiplex. These cash flows are "equity" cash flows after meeting debt repayments on a project by project basis. The cash flows have been discounted at post tax discount rates of between 11.0% and 13.0% and net present values have been risk adjusted to take account of differences in risk profile (time frame, level of pre sales, etc).

The value of Multiplex's construction, funds management and facilities management businesses have been estimated using a capitalisation of earnings methodology. This methodology is appropriate for industrial businesses with a substantial operating history and a consistent earnings trend that is sufficiently stable to be indicative of ongoing earnings potential. The value of the funds management business has also been considered with reference to a percentage of funds under management (a common rule of thumb used in the funds management industry).

The value of MPT's assets has been estimated having regard to both the independent valuations of the individual properties and market evidence of the parameters at which portfolios of commercial properties are acquired or trade on the ASX.

Corporate overheads include group services costs and treasury costs (but exclude the impact of interest revenue and net hedge benefits). These overheads have been excluded from the earnings estimates and cash flow models for the operating assets.

The valuation has been referenced to Multiplex's balance sheet at 31 December 2006 (the last available fully reconciled group and divisional balance sheets) but allowance has been made for cash flows and other value adjustments up to 30 June 2007.

The values of Multiplex's investments and developments assets in New Zealand and the United Kingdom have been estimated in local currency and converted to Australian dollars based on exchange rates of A$1=NZ$1.10 and A$1=£0.42.

The earnings multiples and NTA multiples implied by the value estimated for Multiplex as a whole are summarised below:

Multiplex – Implied Valuation Parameters

	Variable ($ millions)	Value Range	
		Low	High
Multiples of Earnings (Year ended 30 June 2007)			
EBITDA	287.4	20.7x	22.4x
EBIT	270.9	21.9x	23.8x
Price Earnings (including fair value adjustments on investment properties)	511.6	7.6x	8.6x
Price Earnings (excluding fair value adjustments on investment properties and non-recurring items)	118.2	32.7x	37.2x
Distribution Yield (Year ended 30 June 2007)	18.5cps	4.0%	3.5%
Multiple of NTA (as at 31 December 2006)			
Geared NTA[17]	2,621.5	1.5x	1.7x
Ungeared NTA[18]	4,747.2	1.3x	1.4x

Grant Samuel has considered these parameters in the context of the available market evidence. The mix of assets and businesses means that overall earnings multiples are not particularly meaningful (investment properties trade at very different multiples to development and construction businesses). Similarly, the premium to NTA does not provide a useful benchmark when a substantial component of value is represented by operating businesses such as construction and funds management where there is a significant level of intangible value (i.e. goodwill).

In addition, there are no entities directly comparable to Multiplex in that they have the same mix of business. However, in a broad sense Multiplex can be grouped with entities such as Investa Property Group ("Investa"), Lend Lease, Mirvac and Stockland. A comparison with these entities is shown below:

Key Parameters – Major Property Groups

	Distribution Yield for Year Ending 30 June 2007 (%)	Price to Ungeared NTA
Multiplex (based on value range)	**3.5-4.0%**	**1.3-1.4**
Investa (at offer price)[19]	5.0	1.6
Lend Lease	3.9	2.2
Mirvac	5.6	1.5
Stockland	5.3	1.5

Multiplex's implied yield is low by comparison but:

- the data for Lend Lease, Mirvac and Stockland is based on share prices and therefore does not include a premium for control;

17 Represents value attributed to the equity in Multiplex divided by NTA as at 31 December 2006.

18 Represents value attributed to the equity in Multiplex plus net borrowings as at 31 December 2006 and the book value of SITES divided by NTA as at 31 December 2006 plus net borrowings as at 31 December 2006 and book value of SITES.

19 Investa is currently subject to a takeover offer by Morgan Stanley Real Estate.

- Lend Lease is a company rather than a stapled entity, with a more limited investment portfolio and generally pays out less than 70% of its operating profit (thereby resulting in a lower yield); and
- Multiplex's distributions are expected to recover strongly from the level in 2006/07.

5.2 Valuation Methodology

5.2.1 Overview

Grant Samuel's valuation of Multiplex has been estimated by aggregating the estimated market value of its operating businesses together with the realisable value of non trading assets and deducting external borrowings and non trading liabilities (often referred to as a "sum of the parts" value). The value of the operating businesses have been estimated on the basis of fair market value as a going concern, defined as the maximum price that could be realised in an open market over a reasonable period of time assuming that potential buyers have full information.

The valuation of Multiplex is appropriate for the acquisition of a business as a whole and, accordingly, incorporates a premium for control. The value is in excess of the level at which, under current market conditions, securities in Multiplex could be expected to trade on the sharemarket. Securities in a listed entity normally trade at a discount to the underlying value of the company as a whole (but this discount does not always apply).

The most reliable evidence as to the value of a business is the price at which the business or a comparable business has been bought and sold in an arm's length transaction. In the absence of direct market evidence of value, estimates of value are made using methodologies that infer value from other available evidence. There are four primary valuation methodologies that are commonly used for valuing businesses:

- capitalisation of earnings or cash flows;
- discounting of projected cash flows;
- industry rules of thumb; and
- estimation of the aggregate proceeds from an orderly realisation of assets.

Each of these valuation methodologies has application in different circumstances. The primary criterion for determining which methodology is appropriate is the actual practice adopted by purchasers of the type of business involved.

5.2.2 Capitalisation of Earnings or Cash Flows

Capitalisation of earnings or cash flows is the most commonly used method for valuation of industrial businesses. This methodology is most appropriate for industrial businesses with a substantial operating history and a consistent earnings trend that is sufficiently stable to be indicative of ongoing earnings potential. This methodology is not particularly suitable for start-up businesses, businesses with an erratic earnings pattern or businesses that have unusual capital expenditure requirements. This methodology involves capitalising the earnings or cash flows of a business at a multiple that reflects the risks of the business and the stream of income that it generates. These multiples can be applied to a number of different earnings or cash flow measures including EBITDA, EBIT or net profit after tax. These are referred to respectively as EBITDA multiples, EBIT multiples and price earnings multiples. In the property sector a common capitalisation method for valuing completed buildings or properties is the "yield" or "capitalisation rate", which is essentially the inverse of the EBITDA multiple. Price earnings multiples are commonly used in the context of the sharemarket. EBITDA and EBIT multiples are more commonly used in valuing whole businesses for acquisition purposes where gearing is in the control of the acquirer but are also used extensively in sharemarket analysis.

Where an ongoing business with relatively stable and predictable cash flows is being valued, Grant Samuel uses capitalised earnings or operating cash flows as a key reference point.

Application of this valuation methodology involves:

- estimation of earnings or cash flow levels that a purchaser would utilise for valuation purposes having regard to historical and forecast operating results, non-recurring items of income and expenditure and known factors likely to impact on operating performance; and

- consideration of an appropriate capitalisation multiple having regard to the market rating of comparable businesses, the extent and nature of competition, the time period of earnings used, the quality of earnings, growth prospects and relative business risk.

The choice between parameters is usually not critical and should give a similar result. All are commonly used in the valuation of industrial businesses. EBITDA can be preferable to EBIT if depreciation or non-cash charges distort earnings or make comparisons between companies difficult. It is the measure usually used for property investment assets. On the other hand, EBIT can better adjust for differences in relative capital expenditure intensity.

In determining a value for Multiplex's construction, funds management and facilities management businesses, Grant Samuel has placed particular reliance on the EBITDA and EBIT multiples implied by the valuation range compared to the multiples derived from an analysis of comparable listed companies and transactions involving acquisitions of comparable businesses. For the property investments held by MPT, considerable emphasis has been placed on the yield.

Determination of the appropriate earnings multiple (or capitalisation rate) is usually the most judgemental element of a valuation. Definitive or even indicative offers for a particular asset or business can provide the most reliable support for selection of an appropriate earnings multiple. In the absence of meaningful offers it is necessary to infer the appropriate multiple from other evidence.

The primary approach used by valuers is to determine the multiple that other buyers have been prepared to pay for similar businesses in the recent past. However, each transaction will be the product of a unique combination of factors, including:

- economic factors (e.g. economic growth, inflation, interest rates) affecting the markets in which the company operates;

- strategic attractions of the business - its particular strengths and weaknesses, market position of the business, strength of competition and barriers to entry;

- rationalisation or synergy benefits available to the acquirer;

- the structural and regulatory framework;

- investment and sharemarket conditions at the time; and

- the number of competing buyers for a business.

A pattern may emerge from transactions involving similar businesses with sales typically taking place at prices corresponding to earnings multiples within a particular range. This range will generally reflect the growth prospects and risks of those businesses. Mature, low growth businesses will, in the absence of other factors, attract lower multiples than those businesses with potential for significant growth in earnings.

An alternative approach in valuing businesses is to review the multiples at which shares in listed companies in the same industry sector trade on the sharemarket. This gives an indication of the price levels at which portfolio investors are prepared to invest in these businesses. Share prices reflect trades in small parcels of shares (portfolio interests) rather than whole companies and it is necessary to adjust for this factor. To convert sharemarket data to meaningful information on the valuation of companies as a whole, it is market practice to add a "premium for control" to allow for the premium which is normally paid to obtain control through a takeover offer. This premium is typically in the range 20-35%.

The premium for control paid in takeovers is observable but caution must be exercised in assessing the value of a company or business based on the market rating of comparable companies or businesses. The premium for control is an outcome of the valuation process, not a determinant of value. Premiums are paid for reasons that vary from case to case and may be substantial due to synergy or other benefits available to the acquirer. In other situations premiums may be minimal or even zero. It is inappropriate to apply an average premium of 20-35% without having regard to the circumstances of each case. In some situations there is no premium. There are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through an initial public offering. In particular, in relation to property investments, the application of a premium for control is somewhat problematic. While there can be scale or other strategic benefits there are seldom material synergies for an acquirer as individual properties are relatively self contained units and overheads in managing a passive portfolio are a relatively minor factor in the scale of the investment. This can be seen from the fact that listed property trusts typically trade at prices close to (and often in excess of) the net asset value of the entity (based on independent property valuations). It would certainly be inappropriate to mechanistically add a further 20-35% to such values.

Acquisitions of listed companies in different countries can be analysed for comparative purposes, but it is necessary to give consideration to differences in overall sharemarket levels and ratings between countries, economic factors (economic growth, inflation, interest rates) and market structures and the regulatory framework. It is not appropriate to adjust multiples in a mechanistic way for differences in interest rates or sharemarket levels.

The analysis of comparable transactions and sharemarket prices for comparable companies will not always lead to an obvious conclusion as to which multiple or range of multiples will apply. There will often be a wide spread of multiples and the application of judgement becomes critical. Moreover, it is necessary to consider the particular attributes of the business being valued and decide whether it warrants a higher or lower multiple than the comparable companies. This assessment is essentially a judgement.

5.2.3 Discounted Cash Flow

Discounting of projected cash flows has a strong theoretical basis. It is the most commonly used method for valuation in a number of industries, including resources, and for the valuation of start-up projects where earnings during the first few years can be negative but it is also widely used in the valuation of established industrial businesses. Discounted cash flow valuations involve calculating the net present value of projected cash flows. This methodology is able to explicitly capture the effect of a turnaround in the business, the ramp up to maturity or significant changes expected in capital expenditure patterns. The cash flows are discounted using a discount rate which reflects the risk associated with the cash flow stream.

This method is particularly suitable for property development projects which have both limited lives and lumpy cash flows. Grant Samuel has used this methodology to value Multiplex's development business.

However, it should be noted that considerable judgement is required in estimating future cash flows and it is generally necessary to place great reliance on medium to long term projections prepared by management. The discount rate is also not an observable number and must be inferred from other data (usually only historical). None of this data is particularly reliable so estimates of the discount rate necessarily involve a substantial element of judgement. In addition, even where cash flow forecasts are available, the terminal or continuing value is usually a high proportion of value. Accordingly, the multiple used in assessing this terminal value becomes the critical determinant in the valuation (i.e. it is a "de facto" cash flow capitalisation valuation). The net present value is typically extremely sensitive to relatively small changes in underlying assumptions, few of which are capable of being predicted with accuracy, particularly beyond the first two or three years. The arbitrary assumptions that need to be made and the width of any value range mean the results are often not meaningful or reliable. Notwithstanding these limitations, discounted cash flow valuations are commonly used and can at least play a role in providing a check on alternative methodologies, not least because explicit and relatively detailed assumptions as to expected future performance need to be made.

5.2.4 Industry Rules of Thumb

Industry rules of thumb are commonly used in some industries. These are generally used by a valuer as a "cross check" of the result determined by a capitalisation earnings valuation or by discounting cash flows. While they are only used as a cross check in most cases, industry rules of thumb can be the primary basis on which buyers determine prices in some industries.

For businesses within the funds management industry it is common to estimate value using a percentage of funds under management. An implicit assumption of this approach is that there is a consistent existing, or at least achievable, relationship between funds under management and earnings of the management business. In practice, this assumption often does not hold and estimates of value using this approach must be treated with caution.

For property investment funds, it is common for value to be assessed with reference to NTA, with funds often trading at or around their NTA. A premium or discount to NTA is most commonly used as a cross check of the primary valuation methodology and interpreting the relative attractiveness of different funds. The estimated value of a particular fund may represent a premium or a discount to NTA depending on a multitude of factors, including scale, income growth potential or strategic value to potential acquirers.

Further discussion of the application and nuances of these approaches specific to the businesses of Multiplex are contained in the following sections. In any event, it should be recognised that rules of thumb are usually relatively crude and prone to misinterpretation.

5.2.5 Net Assets/Realisation of Assets

Valuations based on an estimate of the aggregate proceeds from an orderly realisation of assets are commonly applied to businesses that are not going concerns. They effectively reflect liquidation values and typically attribute no value to any goodwill associated with ongoing trading. Such an approach is not appropriate in Multiplex's case except in relation to the property investment activities where a net assets basis is a common approach. Grant Samuel has considered the value of Multiplex's property portfolio by reference to the value of the individual properties as assessed by independent property valuers (or other estimates as appropriate).

5.3 Development

A value in the range $1,100-1,300 million has been attributed to Multiplex's development business. This value is an equity value (i.e. net of debt in the development business). Grant Samuel estimated the value having regard to a DCF analysis, earnings multiples and multiples of ungeared NTA.

Discounted Cash Flow

Grant Samuel has conducted a high level DCF analysis. The analysis was based on cash flow models prepared by Multiplex for individual projects which project nominal equity cash flows (i.e. after repayment of project debt). Reliable detailed cash flow models were not available for a number of the projects reflecting the fact that some projects are only at a preliminary stage, some are very long term in nature and some have been completed and only limited inventory remains. For these projects, Grant Samuel has made a subjective judgement as to the value of the project or assets based on discussions with management.

In assessing the value of those projects for which cash flows are available, Grant Samuel has adopted after tax discount rates of 12.0-13.0% for Australian projects and 11.0-12.0% for projects in the United Kingdom[20]. These rates broadly equate to pre tax equity discount rates of 15-20% which is consistent with the minimum returns Grant Samuel understands developers are currently looking to achieve. The values of United Kingdom projects have been converted into Australian dollars at A$1=£0.42.

The cash flows have been risk adjusted to reflect a range of factors including:

- the length of time over which the project will be developed;
- the status of planning and other approvals;
- the level of pre-commitments; and
- the level of project contingency included in the project cash flows.

The adjustment factors have ranged between 50% and 100% (i.e. discounts of between 0% and 50%).

---

[20] Grant Samuel has estimated the cost of equity capital for the development businesses with reference to the Capital Asset Pricing Model ("CAPM"), which holds that:
Re = Rf + Beta (Rm-Rf)
Where:
Re = the cost of equity capital
Rf = the risk free rate
Beta = the beta factor
(Rm-Rf) = the market risk premium

Grant Samuel has adopted the following values for the above parameters:

	Australasia	United Kingdom
Risk free rate	6.0%	5.4%
Beta factor	1.0-1.1	1.0-1.1
Market risk premium	6.0%	5.5%

The adopted risk free rates approximate the current yield to maturity on ten year Australian Government bonds and United Kingdom long (ten year) bonds. Analysis by Grant Samuel of equity beta factors of listed companies involved in property development indicated betas of approximately 0.8-1.0 for Australian companies and 1.0-1.2 for United Kingdom companies. Interpretation of the beta factors is made difficult by the significant degree to which most of the reviewed companies are involved in property investment and/or construction. The indicated beta factors (being a measure of covariance with market returns or "systematic risk") of Australian companies are possibly artificially low due to the strong impact of the Australian mining and resources sector on market returns over the last 4 years. In this respect, Grant Samuel is of the opinion that the indicated beta factors of 0.8-1.0 for Australian development companies are possibly not representative of the true systematic risk of these entities. In consideration of the above, Grant Samuel has adopted beta factors of 1.0-1.1 for both Australia and the United Kingdom.

Grant Samuel has consistently adopted a market risk premium of 6% for Australia and believes that this continues to be a reasonable estimate based on historical empirical evidence and current market practices by companies, professional practitioners and regulators. Grant Samuel has adopted a market risk premium of 5.5% for the United Kingdom, having regard to inflation differentials (which are approximately 0.5-0.7% from analysis of yield differentials on long term bond rates and long term inflation forecasts) and known market practices in the United Kingdom and the United States.

Divisional operating overheads have been incorporated into the analysis by capitalising the forecast after tax costs at a rate consistent with the discounted cash flows from the projects. This value captures the value of the overheads as if the business were to be operated beyond the life of the existing projects and in perpetuity. While no explicit forecasts have been prepared to reflect potential future projects, the value of future projects is implicit in the value adopted by Grant Samuel for the entire development business.

The implied value of these future projects is illustrated in the table below which summarises Grant Samuel's high level DCF analysis:

Multiplex Developments – DCF Analysis ($ millions)

	Discount Rate (Australia/United Kingdom)	
	13.0% / 12.0%	**12.0% / 11.0%**
Value of well defined projects (net of project debt)	890	930
Value of other projects and inventory (net of debt)	410	480
Corporate overheads	(360)	(400)
	940	1,010
Implied value of future developments	160	290
Value range	**1,100**	**1,300**

The value of the well defined projects with reliable cash flow estimates is not particularly sensitive to discount rates. This is because the majority of the cash flows from these projects fall within the period 2007 to 2012 and all of the cash flows are expected to be received by 2018. In contrast, the value of other projects and inventory is a little less certain. Multiplex has secured a number of large projects that could have significant value if the requisite planning approvals are gained (for example, the urban regeneration project at Cricklewood in London and mixed use developments in Gibraltar and Northbank in Queensland).

The Multiplex development business is well established and has a track record of securing new profitable projects. Multiplex has more than 40 current development projects spread across Australia. A large development team has been assembled that continues to secure new opportunities. In Europe, the development portfolio has been rationalised over the last couple of years and now comprises about 10 projects, almost entirely in the United Kingdom. With less distractions, the development team in Europe has started to focus on growing its book of development opportunities particularly in the retail and commercial areas. In this context, Grant Samuel believes the value implied for future developments is reasonable.

Multiples of Earnings and Ungeared NTA

The value attributed to Multiplex Developments implies the following multiples:

Multiplex Developments – Implied Valuation Parameters

	Variable (millions)	Implied Multiples	
		Low	**High**
Value range ($ millions)		**1,100**	**1,300**
EBIT Multiple[21]			
Year ended 30 June 2006 (actual)	$100.0	11.0	13.0
Year ending 30 June 2007 (forecast)	$24.5	44.9	53.1
Ungeared NTA Multiple[22]			
As at 31 December 2006 (estimate)[23]	$1,680.0	1.2	1.3

21 Represents value attributed to Multiplex Developments (i.e. net of debt) divided by EBIT. EBIT has not been adjusted for significant or non-recurring items.

22 Calculated by dividing the gross value attributed to Multiplex Developments (i.e. after adding back debt of $837.6 million) by ungeared NTA. Ungeared NTA principally represents equity invested in projects together with equity investment in joint venture development vehicles plus debt.

23 Multiplex does not prepare divisional balance sheets. This is an estimate of ungeared NTA as at 31 December 2006.

Analysis of earnings multiples for developers is always problematic. Reported earnings are inherently lumpy as they depend on the timing of projects reaching completion. For larger developers with diversified portfolios, there is some smoothing effect but there can still be significant swings. These problems have been exacerbated by the introduction of AIFRS which now generally only allows recognition of profits when a project is physically completed and settled (i.e. it generally comes in one amount). Multiples based on any single year's earnings should be treated with extreme caution.

The issue is evident in Multiplex's own reported earnings. The fall in earnings in the year ended 30 June 2007 is the result of timing issues rather than being any indication of a deterioration of the business. Multiplex has a number of significant projects that are expected to make substantial contributions to earnings over the next three years including High Wycombe and Castle House in the United Kingdom and the American Express building in Sydney. Accordingly, 2006/07 earnings are not indicative of the normal level of earnings achievable by the business and the implied multiples of 44.9-53.1 times are not meaningful.

It is not possible to determine a reliable estimate of sustainable or "normalised" EBIT for Multiplex Developments, however, based on earnings prior to 2006/07, the scale and composition of the current portfolio and Multiplex's internal projections to 2009, a minimum of at least $100 million is considered realistic (even excluding any temporary benefits from inventory sell downs and the effect of the reversal of the 2006/07 timing impacts).

On this basis, the EBIT multiple is more in the order of 11.0-13.0 times. This multiple may be understated to the extent that, for technical reasons, Multiplex does expense some interest on debt allocated to the development business (rather than capitalising it into the cost of the project). The effect of this is to create higher apparent profits at the project level at completion (but with no net effect on reported profits).

To put these multiples in context, the earnings and ungeared NTA multiples of selected listed development businesses are summarised below:

Sharemarket Ratings of Selected Listed Australian Development Companies[24]

Entity	Market Capitalisation[25] (billions)	EBIT Multiple[26] (times)			Ungeared NTA Multiple[27] (times)
		2006	2007	2008	
Stockland	$12.0	20.3	19.7	17.5	1.5
Lend Lease	$7.4	15.6	13.5	11.5	2.2
Mirvac Group	$6.4	20.2	18.6	16.8	1.5
Australand Property Group	$2.0	15.2	14.4	13.7	1.1
Sunland Group	$1.4	13.6	11.0	11.2	2.0
Peet	$0.9	19.5	15.2	12.9	4.2
Becton Property Group	$0.6	17.2	13.8	11.2	2.0

The multiples are all relatively high but it should be noted that Australand, Mirvac and Stockland all have extensive property investment portfolios which distorts their multiples (upwards). In addition, Lend Lease's multiple benefits from some property investments (about 25% of value), its fund management business and its scale and diversity (including international businesses). A development business would normally be accorded much lower multiples reflecting the earnings

24 All companies except for Australand have a 30 June year end. For Australand 2007 corresponds to the year ending 31 December 2007.

25 Market capitalisation as at 2 July 2007.

26 Represents gross capitalisation (that is, the sum of the market capitalisation adjusted for minorities, plus borrowings less cash as at the latest balance date) divided by EBIT.

27 Represents gross capitalisation divided by ungeared net tangible assets (that is, shareholders' funds less intangibles, plus borrowings less cash as at the latest balance date).

volatility and, more particularly, the lack of recurrent income (i.e. projects have limited lives and the pipeline constantly needs to be replenished). Accordingly, the implicit multiples just for the development businesses of these entities would be lower than that shown in the table. The multiples attributed to Multiplex are therefore not regarded as being inconsistent with this evidence.

Reliable information on acquisitions of development businesses is difficult to obtain. Transactions which might provide some insight include:

- Leighton Holdings' 2007 acquisition of 40% of Devine Limited ("Devine") at an historical EBIT multiple of 6.4 times (and 1.2 times ungeared NTA). The multiples are relatively low in comparison to other comparable transactions, reflecting strong development profits generated in the year ended 30 June 2006 and the fact that no control premium was paid (the new shares were issued at market price). Devine's share price increased significantly following the issue with the current market price implying an historical EBIT multiple of 7.6 times (and an ungeared NTA multiple of 1.4 times);
- MFS Diversified Group's 2006 takeover of Villa World Limited ("Villa World"), which implied multiples of 7.1 times historical and 10.9 times forecast EBIT (and an ungeared NTA multiple of 1.5 times). Villa World was a relatively substantial business (with total assets of approximately $335 million at acquisition) engaged predominantly in residential property development;
- Investa Property Group's acquisition of CPG Australia Pty Limited between December 2004 and August 2005 at a forecast EBIT multiple of 15.9 times (and an ungeared NTA multiple of 1.5 times)[28]. The multiple of EBIT is possibly high due to the company's significant landbank and the ungeared NTA multiple probably reflects the company's significant construction business;
- Stockland's 2004 acquisition of the Lensworth property development business from Foster's Group Limited at an historical multiple of 17.0 times (and 4.2 times ungeared NTA). These multiples are high, reflecting the large proportion of the portfolio that was a landbank rather than development projects;
- Lend Lease's 2001 acquisition of Delfin Property Group Limited at an historical EBIT multiple of 9.5 times (and 1.5 times ungeared NTA); and
- Australand's 1999 acquisition of Walker Corporation Limited at an historical EBIT multiple of 7.0 times (and 1.0 times ungeared NTA).

These multiples do not suggest that Grant Samuel's value range undervalues Multiplex Developments. However, the value is reflective of the attributes of the business. It would represent an attractive acquisition to a range of buyers given its large portfolio spread across Australia, its track record for securing new profitable projects, and the pipeline of projects staged to deliver significant profits over the next few years.

The multiple of ungeared NTA implied by the value range is not inconsistent with the multiples at which listed comparable companies trade although it is difficult to draw conclusive views from the evidence. While Lend Lease trades at a higher multiple of ungeared NTA, it employs relatively less capital in its business due to its significant construction activities. Similarly, Peet trades at a high multiple of ungeared NTA reflecting its use of syndicates to fund its development activities. The implied ratio for Multiplex would be slightly higher if its inventories were reduced.

28 Consideration used to calculate multiples includes the $60 million earn-out.

5.4 Construction

A value of $650-750 million has been estimated for Multiplex Constructions. The business has been valued as a single business. While it operates in three very distinct geographic markets and is largely managed on a regional basis, the businesses are integrated in so far as they share a common management system and knowledge base with a significant level of skills transfers. Collectively, the geographical spread also provides valuable diversification.

The value range of $650-750 million represents 9.2-10.6 times EBIT and 8.6-9.9 times EBITDA for the year ended 30 June 2007. These parameters can be compared to multiples implied by the share prices of listed construction companies:

Sharemarket Ratings of Selected Listed Construction Companies[29]

Company	Market Capitalisation[30] (billions)	EBITDA Multiple[31] (times)			EBIT Multiple (times)		
		2006	2007	2008	2006	2007	2008
Australia							
Leighton Holdings	A$11.7	12.7	10.6	9.1	26.1	19.5	16.2
Lend Lease	A$7.4	14.9	12.9	11.0	15.6	13.5	11.5
Watpac	A$0.7	26.7	15.9	11.7	28.0	16.4	12.0
United Kingdom							
Balfour Beatty	£1.9	9.3	10.2	8.8	12.2	12.2	10.6
Carillion	£1.1	12.5	9.9	8.7	20.3	12.3	10.6
Alfred McAlpine	£0.4	16.4	9.3	7.3	22.8	11.2	8.5
Europe							
Actividades de Construcción	€16.3	16.7	8.0	7.3	20.0	11.2	10.5
Hochtief	€5.3	8.5	7.8	7.1	22.6	16.3	14.0
Bilfinger Berger	€2.4	13.2	9.6	8.5	24.6	15.2	12.9
Skanska	SEK61.1	8.3	8.3	8.3	10.5	10.4	9.7

The multiples are based on share prices and therefore do not include a premium for control. It should be noted that very few of these entities are pure construction companies. Most have substantial profit contributions from development or other activities. In particular, Leighton Holdings' primary businesses are infrastructure development and construction (roads etc) and contract mining rather than commercial building construction. Its growth in these areas is the reason for its relatively high multiples. Similarly, Lend Lease has a large development business.

Overall, the multiples are relatively low compared to market averages. The United Kingdom and European construction companies all trade at around 7-9 times forecast 2008 EBITDA (although the forecast EBIT multiples fall in a wider range). This discount is likely to reflect the characteristics of the industry which will inevitably constrain valuation multiples, including:

- a competitive industry with tight margins and the constant threat of contract losses;
- a committed forward work load of, typically, 2-3 years and a continual need to replenish work by securing new contracts (often with not insignificant bid costs); and
- dependence on the state of the building cycle which can be volatile.

There is limited recent transaction evidence (particularly in Australia) that provides meaningful valuation benchmarks but a summary of acquisitions for which sufficient financial information is available to calculate multiples is set out below:

[29] Leighton Holdings, Lend Lease and Watpac have 30 June year ends and 2007 corresponds to the year ended 30 June 2007. All the other companies have 31 December year ends.

[30] Market capitalisation as at 2 July 2007.

[31] Represents gross capitalisation divided by EBITDA.

Acquisitions of Selected Construction Companies[32]						
Date	Target	Transaction	EBITDA Multiple[33] (times)		EBIT Multiple[34] (times)	
			Historical	Forecast	Historical	Forecast
Australia						
2003	Abigroup[35]	Acquisition by Bilfinger Berger	4.0	3.3	7.5	5.3
United Kingdom						
2007	Linden Holdings	Acquisition by Galliford Try	7.6	na	7.6	na
2007	George Wimpey[36]	Merger with Taylor Woodrow	6.9	7.4	7.1	7.6
2005	Mowlem	Acquisition by Carillion	17.1	12.0	84.1	na
2005	Westbury	Acquisition by Persimmon	7.0	8.2	7.1	8.4
2003	Wilson Connolly	Acquisition by Taylor Woodrow	8.9	8.0	9.8	8.0
2001	McAlpine Homes	Acquisition by George Wimpey	9.0	7.2	9.2	7.2
2001	Bryant Group	Acquisition by Taylor Woodrow	6.2	5.8	6.4	5.9
2000	Morrison	Acquisition by AWG	9.5	7.5	10.9	8.3
1999	Bovis Group	Acquisition by Lend Lease	na	na	7.8[37]	na

Most of these transactions involve companies in other sub sectors (e.g. homebuilding) or with development or other activities. In addition, a number of transactions have been undertaken at times of underperformance or corporate distress (e.g. Mowlem had identified accounting problems which resulted in substantial losses) resulting in high multiples Perhaps the most comparable is Lend Lease's acquisition of Bovis Group in 1999. This transaction was priced at an historical EBIT multiple of 7.8 times.

In any event, the influence of company specific construction projects on earnings and risks can make comparison of otherwise similar businesses meaningless. It should be noted that property construction markets in Australia, New Zealand, the United Kingdom and the Middle East have changed considerably in the last few years. Generally, markets have experienced strong demand across all major property sectors (commercial, industrial, retail and residential) but at the same time have experienced increased competition and escalating construction material and labour costs. These changes have significantly altered the economic dynamics of these industries and multiples implied by transactions of say three years ago are not necessarily comparable with what acquirers would, or could, pay today. This can be seen in the higher multiples of the listed companies set out above (based on current market prices).

The implied multiples for Multiplex Constructions may appear relatively high. However, despite

[32] Historical multiples are based on the most recent publicly available full year earnings prior to transaction announcement date. Forecast multiples are based on earnings forecasts from a range of brokers' reports available at transaction date.

[33] Represents gross consideration divided by EBITDA. The gross consideration is the sum of the equity and/or cash consideration plus borrowings net of cash.

[34] Represents gross consideration divided by EBIT.

[35] The acquisition of Abigroup was completed at relatively low multiples probably reflecting Abigroup's loss making asset management operations.

[36] George Wimpey plc was acquired by Taylor Woodrow plc in a nil premium merger of equals. The merger was completed on 3 July 2007 with George Wimpey shareholders holding 49% of the combined entity.

[37] EBIT multiple is an estimate only. EBIT has been estimated based on publicised profit before tax adjusted for estimated interest income on cash balances of £120 million (£90 million assumed by Lend Lease and £30 million paid to the vendor, The Peninsular and Oriental Steam Navigation Company).

the major difficulties arising from the Wembley Project and the more general downsizing of the United Kingdom business (with a fall in earnings anticipated in the year to 30 June 2008), these multiples are considered reasonable having regard to:

- the strong underlying performance of the Australasian construction division (which represents approximately 50% of the division's earnings) throughout the last five years. Key attributes include:
  - market leadership in the construction of commercial property particularly high rise office and residential towers and a strong presence in all key capital city markets providing geographic diversification;
  - limited exposure to competitive tenders as a means of generating new work with most activity coming from either in house development or negotiated contracts with third parties (often through existing relationships). In addition, the vast majority are design and construct contracts, giving Multiplex greater control over the process and enhanced risk management;
  - extensive use of subcontractors thereby mitigating risk and creating a more variable and flexible cost base; and
  - a track record of relatively low number of contract losses with only one or two losses greater than $5 million.

  Based on the generally buoyant market and the high level of projects won in the last 12 months, management expects a solid improvement in profitability over the next 2-3 years. The major risk, apart from unexpected market downturn, is the skills shortage and pressure on costs. Management also sees opportunities to expand its engineering business particularly in its chosen speciality of water and water treatment;

- the outstanding prospects for the Middle East division. This business has grown from a standing start in 1997 and is enjoying the benefits of the rapid development of Dubai. Multiplex's business is underpinned by its relationship with three key clients. While this creates some dependency risk it has also been fundamental to its profitability, with no competitive tendering and a track record of no losses on contracts. The outlook over the medium term is for a continued high level of construction activity in Dubai. In addition, the division is poised to:
  - grow its activities in Abu Dhabi, Qatar and Bahrain using the current business base as a beachhead into these markets; and
  - enter the high growth Indian market through a joint venture on a low risk basis.

  These elements underpin further upside for the Middle East division; and

- the United Kingdom business is now on a much more stable and sustainable footing, having completed the Wembley Project, exited the White City project and downsized to a small portfolio of in house development projects. Growth from current levels should be achievable as the Peterborough Hospital contract comes on stream and from new projects initiated by the development division. In the longer term, there is scope for major construction opportunities from projects such as Cricklewood (albeit that they are still subject to significant planning and other risks). Multiplex expects to be able to capitalise on its competitive advantage in high rise construction. However, there is risk from the pressure on skilled staff availability and cost as a result of the London Olympics building program (through to 2012).

5.5 Funds Management

A value in the range $350-400 million has been attributed to Multiplex's funds management business. The value range represents 14.6-16.7 times EBIT for the year ended 30 June 2007 (excluding the one off rental income in that year) and approximately 6-7% of funds under management (including MPT) at 31 December 2006.

There have been a large number of transactions within the Australian funds management sector. However, none of them are really comparable to Multiplex Capital. They generally involve equity fund managers (e.g. Platinum), hedge fund managers (e.g. HFA Holdings), masterfunds or broader financial services businesses (e.g. Challenger).

The revenue streams, competitive dynamics, growth profile and cost structures of these businesses are so different to Multiplex Capital that any comparison is meaningless. Similarly, the values as a percentage of funds under management fall in such a wide range (e.g. from 1.6% for Perennial Investment Partners Limited to 12.7% for Platinum Asset Management) that they provide no useful guidance. Most recently GPT acquired Halverton Real Estate Management at 4.7% of funds under management.

There are also no listed companies that are directly comparable to Multiplex. Perhaps the most analogous businesses are the property funds management businesses within Macquarie Bank Limited and Babcock & Brown Limited in so far as a significant part of their business is focussed on the aggressive growth of existing funds and the creation of new investment vehicles. However, these businesses are units within much larger investment banking and financial services conglomerates.

There are a number of factors that would support reasonably high multiples for Multiplex Capital. These include:

- the security of the income stream given the holdings of Multiplex and other associated entities in the various funds (some funds own interests in other funds);
- the diversity of existing funds, from listed funds through to open ended unlisted retail funds.
- the good market reception for Multiplex's recent funds and its demonstrated ability to raise capital for new funds (even while the Multiplex name was under pressure);
- the potential for new funds underpinned by the level of projects likely to be completed by Multiplex Developments over the next 2-3 years;
- the growth expectations for superannuation flows over the next decade; and
- the generally high multiples accorded successful fund management businesses by the market.

On the other hand, a very substantial proportion of Multiplex Capital's income comes from transaction fees (capital raisings, property acquisitions) rather than the recurrent annual management fees. Transaction based income is usually accorded much lower multiples as it is wholly dependent on deal flow (and market conditions), much of which can be opportunistic (although Multiplex's outlook is perhaps more predictable because of the development business).

In this context, the results for the year ended 30 June 2006 benefited from fees from the launch of four new funds. Management is confident that it will be able to generate a continuing level of transaction fees assuming market conditions remain positive but nevertheless, the risk remains. The implied multiples of 14.6-16.7 times 2007 EBIT reflect an assumption that Multiplex will be able to do so.

5.6 Facilities Management

A value in the range $55-65 million has been attributed to Multiplex Facilities Management. The value represents multiples of 10.2-12.0 times estimated EBIT for the year ended 30 June 2007 excluding non-recurring transaction fees and 6.5-7.6 times EBIT including these fees.

The business has some attributes which constrain value:

- Multiplex's business is relatively small with recurring EBIT of around $5 million;
- margins are relatively low (less than 10%);
- the industry is competitive with several well capitalised participants; and
- the business faces some competitive disadvantages, particularly in winning contracts for properties owned by institutions that compete with Multiplex.

On the other hand:

- income is diversified with over 100 individual contracts which are generally locked in for some years (usually more than 10) giving an annuity type income stream;
- the business has shown outstanding growth, with revenues increasing from less than $20 million in 2002/03 to more than $55 million in 2006/07;
- the business can expect to pick up a continuing stream of new contracts from Multiplex developments as they complete. A number of contracts are scheduled to commence over the next 2-3 years from existing projects and a significant uplift in earnings is expected from 2009 onwards. Moreover, Multiplex is increasingly pursuing a strategy to include facilities management as an integral component in seeking development opportunities;
- the sector has excellent longer term growth potential, with a large percentage of the corporate sector yet to outsource these services in a structured manner. Market trends would suggest that there is an increasing move towards contracting out comprehensive facilities management and Multiplex is pushing into the corporate real estate sector;
- the recent acquisition of Morton & Morton should underpin a move into the residential sector;
- there are opportunities to expand in New Zealand, the Middle East and the United Kingdom (off the back of the Peterborough Hospital project); and
- there will be opportunities from time to time to earn leasing and other transaction fees to supplement recurring income.

An acquirer of the Multiplex business with existing operations in facilities management would be able to achieve significant cost savings.

In forming its view on value, Grant Samuel also considered the market rating of key competitors:

Sharemarket Ratings of Selected Australian Facilities Management Companies[38]

	Market Capitalisation[39] (millions)	EBIT Multiple (times)	
		2007	2008
United Group	$2,397	15.8	13.4
Transfield[40]	$2,202	19.6	15.1
Spotless	$1,050	11.5	10.6
PMS[41]	$549	12.7	12.1

However, some caution is necessary in considering this data. Facilities management and property services are only a part of these businesses (sometimes a very small part) and none are directly comparable to Multiplex Facilities Management. Transfield and United Group both have very substantial engineering, project management and infrastructure services businesses. Spotless is a diversified services company (catering, apparel services etc) and PMS is a supplier of basic property services (painting, gardening etc) and labour hire rather than a facilities manager.

[38] All companies except PMS have a 30 June year end. For PMS 2007 corresponds to the year ended 31 March 2007.

[39] Market capitalisation as at 2 July 2007.

[40] Transfield spun-off its investments in five power stations and two water filtration plants as Transfield Services Infrastructure Fund in June 2007. The multiples have been calculated after excluding the market value and forecast earnings of the infrastructure assets and allowing for a number of major acquisitions completed since 31 December 2006. The actual impact of the spin-off and the acquisitions on the Transfield balance sheet and forecast earnings will not be clear until it reports for the 2007 year in August 2007. In addition, the market rating of Transfield may reflect market expectations of continued high growth (particularly following the creation of the satellite infrastructure fund). Indeed, on 27 June 2007, Transfield announced that it had made a preliminary approach to GRD Limited, an ASX listed company with a market capitalisation of approximately $500 million. The multiples for Transfield should be treated with caution.

[41] PMS acquired Integrated Group Limited, a provider of recruitment, labour hire and managed services in Australia, by way of a scheme of arrangement implemented on 7 June 2007. The 2007 EBIT multiple is based on pro forma earnings for the combined entity for the year ended 31 March 2007. The 2008 EBIT multiple is relatively high as it is based on brokers' forecasts reflecting ten months trading for the combined entity. The EBIT multiple for 2009 (being the first full year of the combined entity) is 10.6 times.

Grant Samuel also considered recent transactions in the facilities management sector. These included:

- United Group's July 2007 acquisition of UNICCO Services Company ("UNICCO"), a leading United States integrated facilities management business. The purchase price of US$408 million represents 11.5 times forecast EBITDA for 2007 and 9.8 times forecast EBITDA for 2008 (before synergy benefits). The EBITDA multiples implied by the transaction are high reflecting the size and market position of UNICCO, the high growth expectations for the business and the strategic fit with United Group;
- the recent initial public offering for Norfolk Group Limited ("Norfolk") which represents a disposal by its private equity owners. Norfolk has a small facilities management business within its broader integrated business of providing electrical, communications, HVAC and fire protection services. The offer is priced at 9.8 times forecast EBIT;
- United Group's 2006 acquisition of Equis, a United States corporate real estate services and facilities management business. The purchase price of US$120 million (excluding performance incentives) represented 10.5 times historical EBIT (less if tax benefits are allowed for);
- Transfield's 2006 acquisition of US Maintenance, a leading provider of outsourced property management services in the United States. The purchase price of US$276 million represented 9.7 times forecast EBIT;
- United Group's 2005 acquisition of PREMAS, an Asian property services and real estate management business. The purchase price of $45 million represented 6.7 times historical EBITDA;
- PMS's acquisition of Tungsten Group Pty Limited, a small facilities management group at multiples around 5 times EBIT; and
- the 1999 acquisition by Spotless of P&O Services at 9.7 times EBIT.

The transaction data is not entirely consistent but overall suggests that for larger, well established businesses with solid growth prospects transaction multiples are around 9-11 times EBIT and lower for smaller operations.

While the multiples for Multiplex are somewhat higher (excluding transaction fees), they reflect the short term growth profile underpinned by the stream of developments coming on stream.

5.7 MPT

Summary

Multiplex's portfolio of investment properties and other assets are held through MPT. Grant Samuel has valued these assets in the range $3,446-3,546 million:

MPT – Value of Real Estate Investments ($ millions)

	Valuation Range	
	Low	**High**
Direct property	3,100.0	3,200.0
Equity investments	275.0	275.0
Other adjustments	71.0	71.0
Total	**3,446.0**	**3,546.0**

The valuation is an overall judgement having regard to the valuations by independent valuers, market based NTA parameters, implied yield and other factors.

Direct Investment Portfolio

Valuations of Multiplex's direct property investment portfolio as at 31 December 2006 are detailed in Appendix 2 and are summarised below:

MPT - Direct Property Portfolio		
Property Type	**Number**	**Value ($ million)**
Office Properties	14	2,301.0
Retail Properties	6	425.1
Industrial Properties	4	84.2
Car Park	1	10.5
Total	**25**	**2,820.8**

The vast majority of these properties (18 out of 25, representing over 90% of the portfolio by value) were independently valued as at 31 December 2006. The others were valued at 30 June 2006.

Grant Samuel has relied on these valuations for the purposes of its report and did not undertake its own valuations of the properties. Given the nature of the evaluation, Grant Samuel does not have any reason to believe that it is not reasonable to rely on these valuations for this purpose.

However, Grant Samuel Property has reviewed a selection of the more significant valuations (10 properties representing approximately 67% of the portfolio by value) for reasonableness. The review was undertaken on a "desktop basis". It did not undertake a detailed investigation or verification exercise and did not interview the valuers. Nevertheless, based on this review, Grant Samuel Property:

- believes that the independent valuers were of appropriate standing;
- is satisfied that there were no restrictions in the scope of the independent valuers' engagements or other terms which may have impacted on the quality of the valuations; and
- became aware of nothing that suggested the assumptions, valuation parameters (e.g. capitalisation yields) or overall values represented anything other than the independent valuer's best estimate of the fair market value of the respective properties.

This does not, however, imply that the valuations have been subject to any form of audit or due diligence.

It is then necessary to consider:

- whether or not values may have changed since 30 June 2006 or 31 December 2006; and
- whether or not the realisable value of the portfolio as a whole or individually would be materially different to the aggregate of the individual properties.

External valuations as at 30 June 2007 were commissioned by Multiplex for a number of properties. These valuations are summarised in Appendix 2 and result in a net increase over the carrying value at 30 June 2007 of $176 million.

In addition, Multiplex management has made an internal assessment of values at 30 June 2007 of a number of other properties in the portfolio which indicate some additional scope for valuation uplifts.

There is evidence that:

- listed property trusts (but not all) trade at premiums to their stated NTA backing (based on independent valuations); and
- acquisitions of listed property trusts (and portfolios of properties) take place at premiums to aggregate NTA or "valuation".

The following table shows market parameters for a selection of listed property trusts that have assets broadly similar to Multiplex (i.e. predominantly commercial offices). The analysis excludes those entities with significant operating activities as these distort the data:

Sharemarket Ratings of Selected Listed Property Trusts					
Entity	Security Price	Premium to Adjusted NTA (%)		Distribution Yield (%)	
		Geared	Ungeared	2007	2008
Commonwealth Property Office Fund	$1.70	10.2	7.3	5.9	5.8
DB RREEF	$1.93	17.0	8.8	5.9	6.0
GPT	$4.65	34.4	10.0	6.0	6.6
ING Office Fund	$1.73	(6.1)	(4.8)	6.7	6.3
Macquarie Office Trust	$1.66	15.7	8.0	6.7	6.7

Four of the trusts trade at premiums to their stated NTA and one at a discount. Of the entities at a premium, GPT and DB RREEF have "internalised" management structures (albeit DB RREEF only partially).

At one level, the premium to NTA makes little intuitive sense given the payment of management fees and other expenses that would result in investors in listed property trusts receiving less income than a single investor that directly owned the property. However, there may be valid reasons for such a premium:

- some of the entities may have unrecognised value inherent in development pipelines. Trusts with significant development pipelines generally demonstrate lower yields (because of growth potential) and higher premiums. Notably, GPT and DB RREEF have been more actively growing their portfolio through acquisition and DB RREEF has a substantial development portfolio;
- the value of operating businesses also contributes to the apparent premium. DB RREEF owns 50% of a wholesale funds management business;
- the stated NTA is based on valuations that are generally at least six months old (i.e. December 2006) and some may be 12 months or more out of date although the data has been updated where it is available (e.g. several have made revaluation announcements during the last two months);
- the stated NTA is based on independent valuations which reflect capitalisation rates (yields) referenced to observed data for individual property sales for a 100% purchaser. Property securities investors may well have a different (lower) required rate of return than acquirers of whole (or even partial interests in) buildings that manifests itself in distribution yields lower than capitalisation rates and therefore gives rise to premiums to valuation. This difference could reflect:
  - the benefit of exposure to diversified portfolios of assets (across a trust or, in fact, across multiple trusts in the sector) as opposed to having a single asset risk;
  - the benefits of instant liquidity for investors in securities;
  - the benefits of any tax efficient structuring; and
  - benchmarking of yields against a different universe of alternative investments.

In comparing this data to the Multiplex portfolio, it is important to note that:

- Multiplex's property valuations are all reasonably up to date (December 2006 or June 2007 estimates);
- the Multiplex portfolio as a stand alone asset does not have an inherent development portfolio. It is essentially static and, in fact, future growth opportunities are planned to be diverted to Multiplex's various managed funds;
- DB RREEF owns a significant amount of industrial property in the United States (17% of portfolio). Australian and New Zealand office properties are around 50% of the portfolio; and
- Macquarie Office Trust has a significant level of assets in both Australia and the United States.

Acquisition transactions, particularly since 2002, also show significant premiums to NTA. A summary of parameters from a wide variety of transactions is set out below:

Australia - Recent Selected Transaction Evidence

Date	Target	Bidder	Consid-eration[42] (millions)	Premium to NTA (%)	Exit Yield[43] (%) Historical	Exit Yield[43] (%) Forecast
May 2007 (pending)	Investa Property Group	Morgan Stanley	$4,698.6	56.2	5.0	5.2
April 2007	Macquarie ProLogis Trust	Pro Logis	$1,239.1	12.4	5.9	5.9
Oct 2004	James Fielding Group	Mirvac Group	$498.8	38.6	7.1	7.8
Jul 2004	Principal America Office Trust	Macquarie Office Trust	$856.6	25.3	8.6	8.8
Jul 2004	Prime Retail Group	Centro Properties Group	$392.6	9.3	10.2	8.9
Aug 2003	Australian Growth Properties	Trans Tasman Properties	$256.4	(16.7)	5.9	na
Aug 2003	Principal Office Fund	Investa Property Trust	$1,503.8	2.4	6.8	6.8
Jul 2003	AMP Industrial Trust	Macquarie Goodman Industrial Trust	$449.9	22.8	7.8	7.9
May 2003	AMP Diversified Property Trust	Stockland	$1,647.9	26.1	6.5	6.6
May 2003	AMP Shopping Centre Trust	Westfield Trust	$1,459.5	28.6	6.2	6.3
Jul 2002	Colonial First State Property Group	Commonwealth Property Office Fund/Gandel Retail Trust	$1,658.0	28.4	6.8	7.1
Aug 2000	Macquarie Industrial Trust	Goodman Hardie Industrial Property Trust	$291.3	9.9	9.3	9.5
Jul 2000	BT Property Trust	BT Office Trust	$500.7	(0.2)	8.0	8.2
Jul 2000	Paladin Commercial Trust	Commercial Investment Trust	$508.1	6.3	7.9	8.0
May 2000	Flinders Industrial Trust	Stockland	$288.6	12.1	8.9	9.0

The larger transactions with values in excess of $1 billion have been at premiums of between 2.4% and 28.4%, but generally well above 10%. However, it should be noted that several of the transactions implying high premiums involved entities with significant operating businesses in which case the premium to NTA is not meaningful. This particularly applies to the recent acquisition of Investa Property Group (which has both a substantial residential land development business and manages wholesale property investment funds) by Morgan Stanley Real Estate and Mirvac's acquisition of James Fielding. In these cases, the implied premiums to NTA provide no meaningful insight into the value attributed to the property portfolio itself.

Part of the premium may also be due to the lag that previously existed in the valuation of properties could also explain some of the higher premiums that have been paid in transactions in the past, such as the acquisition of AMP Shopping Centre Trust at a premium to NTA of 28.6%. AMP Shopping Centre Trust revalued its portfolio shortly after the acquisition which resulted in an increase in NTA by 23 cents per unit. The NTA premium would have been 12.4% if based on this revised NTA. The introduction of AIFRS has removed this lag which in turn should result in lower premiums to NTA for stand alone passive property portfolios than might have been apparent in the past.

Nevertheless, there is clearly some premium paid by acquirers which would appear to be attributable to diversification and scale benefits of acquiring a large portfolio in a single line as well as the relative scarcity of such opportunities in an increasingly concentrated environment.

42 Implied value of 100% of entity acquired.

43 Exit yield has been calculated as distribution per unit divided by consideration per unit.

Accordingly, there is justification for the Multiplex portfolio to be accorded some premium over valuation. The portfolio is a substantial portfolio of high quality, well located office and retail properties. It would be attractive to a range of acquirers if put up for sale although its size (at $3 billion) may reduce the number of potential acquirers of the entire portfolio.

On the other hand, there are factors that would limit the extent of any premium:

- Multiplex's portfolio is close to 100% leased and has a relatively long lease expiry profile (with the vast majority of leases having fixed annual increase). While this gives the income stream a low risk and almost bond like characteristic, it restricts the ability to capture increases in market rents during periods of strong demand (such as the present market);
- the independent valuations of the Multiplex portfolio are all current (December 2006 or June 2007); and
- Multiplex Capital charges a management fee to MPT. These revenues are included in the earnings used for the valuation of Multiplex Capital. It is therefore important not to double count any premium. If the assets were sold outright to third parties, there could be a material premium but the management fee would be lost. Alternatively, they could be sold into, say, a Multiplex managed wholesale property fund (which is in fact Multiplex's strategy going forward). In this case, the management fees would be preserved but the prospects of securing a value above independent valuation are much more limited.

Having regard to all of these factors, Grant Samuel believes it would be reasonable to attribute a value of $3.1-3.2 billion to the direct investment portfolio. This represents a premium of 3.5-6.8% over the adjusted independent value.

The weighted average capitalisation rate inherent in the independent valuations of the portfolio at 31 December 2006 was 6.42% but would be lower including the 30 June 2007 revaluations. The value range represents a prospective yield of around 6% (after overhead expenses).

Equity Investments

Multiplex has a number of minority investments in funds that it manages. Values have been attributed to these investments on the following basis:

- interests in listed funds have been valued based on recent market prices; and
- interests in unlisted funds have been valued by reference to the latest available net asset backing.

Investments in New Zealand have been translated at a rate of A$1 = NZ$1.10.

The current values of assets held at 31 December 2006 are summarised below:

Multiplex - Equity Investments

Fund	Interest (%)	Value ($ millions)
Listed		
AMP NZ Office Trust	20.0	120.0
Multiplex Acumen Property Fund	21.0	50.0
Multiplex Prime Property Fund	22.0	40.0
Unlisted		
Multiplex New Zealand Property Fund	22.0	65.0

Multiplex sold its investment in Multiplex Acumen Property Fund subsequent to 31 December 2006. However, as there would be an offsetting adjustment to net debt, it has been included in the table above at a value equal to the sale proceeds.

No allowance has been made for the investments in Multiplex European Property Fund or the Multiplex Diversified Fund. They occurred subsequent to 31 December 2006 and would have an offsetting effect on borrowings (any movements in value being immaterial).

Other Adjustments

Other adjustments of $71 million comprise the net working capital of the property investment activities (debtors, creditors etc.) as at 31 December 2006.

5.8 Corporate Costs

The negative value of corporate overheads has been estimated to be $450-500 million. Corporate overheads in 2006/07 included a substantial number of non-recurring costs such as legal expenses and the ASIC settlement. In addition, corporate costs are in the process of being substantially reduced.

The level of corporate overheads (net of recharges to operating divisions and excluding non-recurring items) in the next two years is expected to be in the order of $45 million.

If costs associated with being a public listed entity are excluded (as any acquirer will be able to eliminate them) the adjusted overhead cost is approximately $40 million.

The value attributed to corporate overheads therefore represents multiples of approximately 11-12 times which Grant Samuel considers to be reasonable having regard to Multiplex's mix of businesses.

5.9 Other Assets and Liabilities

Other assets and liabilities total $186.5 to $206.5 million and comprise:

- the deposit for property investments relating to the Multiplex European Property Fund;
- minor investments;
- loans and advances to third parties;
- mark to market of derivatives;
- a provision for the ASIC settlement payment;
- an allowance for expected legal costs relating to the Wembley Project and the class action; and
- expected proceeds from claims against third parties in relation to the Wembley Project. A range of outcomes has been assumed as the recovery amount is uncertain (and some of the litigation is yet to commence). Multiplex's accounts reflect an assumption of a recovery. The low end of the value range is at a slight discount reflecting the uncertainty of these amounts. There is also significant upside potential above the carrying amount but the prospects of realising such amounts are so uncertain that it is not regarded as appropriate to take that into account to any material extent.

No allowance has been made for any potential payout in relation to the class action as it is not possible to make any meaningful assessment of the likely size of the damages claim or the prospects of success at the present time. Multiplex is defending the action. However, this does represent a downside risk to the valuation.

5.10 Net Borrowings and SITES

A portion of Multiplex's borrowings relate to property developments (most of which are individually leveraged). The valuation of Multiplex's development activities has been prepared on an "equity" basis (i.e. reflecting the earnings from developments after project related debt has been repaid). Accordingly, it is necessary to eliminate development debt for the purposes of calculating net borrowings to be included in the valuation. On this basis, adjusted net borrowings at 31 December 2006 were $838.1 million:

Multiplex - Net Borrowings at 31 December 2006	
	($ millions)
Total debt (current and non current)	2,279.3
Less: Development related debt	(837.6)
Adjusted debt	**1,441.7**
Cash	(603.6)
Adjusted net borrowings at 31 December 2006	**838.1**

It is then necessary to allow for the movements subsequent to 31 December 2006:

Multiplex - Adjustments to Net Borrowings	
	($ millions)
Net borrowings at 31 December 2006	838.1
Payment of interim distribution (8.5 cents per security)	71.2
Net earnings to 30 June 2007 (excluding fair value adjustments)	(26.2)
Estimated final distribution (10 cents per security)	83.7
Net borrowings for valuation purposes	**966.8**

No adjustment has been made for capital expenditure or new investments as they are assumed to be offset by increases in the value of assets.

The liability for SITES has been stated at face value (i.e. $450 million).

5.11 Franking Credits

No value has been attributed to Multiplex's accumulated franking credit balance of $34.3 million in the context of the value of Multiplex as a whole. Under Australia's dividend imputation system, domestic equity investors receive a taxation credit (franking credit) for tax paid by a company. The franking credit attaches to any dividends paid by a company and the franking credit offsets personal tax for Australian investors. To the extent that personal tax has been fully offset the individual will receive a refund of the balance of the franking credit.

In Grant Samuel's opinion, while acquirers are attracted by franking credits there is no clear evidence that they will actually pay extra for a company with them (at any rate the sharemarket evidence used by Grant Samuel in valuing the Multiplex businesses will already reflect the value impact of the existence of franking credits). Further, franking credits are not an asset of the company in the sense that they can be readily realised for a cash sum that is capable of being received by all securityholders. The value of franking credits can only be realised by securityholders themselves when they receive distributions. Importantly, the value of franking credits is dependent on the tax position of each individual securityholder. To many securityholders (e.g. overseas securityholders) they will have very little or no value.

Nevertheless, for those securityholders that can utilise franking credits, the balance in Multiplex's franking credit account would have value to them if the franking credits were attached to a distribution to securityholders such as a special dividend that was an alternative to a capital gain that was otherwise fully taxable. However, recent changes to Australian taxation legislation may result in franking credits having lesser value to resident investors than the receipt of a capital gain and, in any event, the franking credits amount to 4 cents per stapled security.

6 Evaluation of the Brookfield Offer

6.1 Fairness and Reasonableness

In Grant Samuel's opinion, the Brookfield Offer is fair and reasonable.

Multiplex has experienced turbulent times during the last 2-3 years. In particular, the Wembley Project caused significant damage to the business. Apart from the substantial financial losses on the project itself, it has led to:

- substantial diversion of management and board resources;
- damage to Multiplex's standing and reputation as an efficient and reliable builder;
- ASIC investigations around disclosure issues and, ultimately, a settlement for affected securityholders ($32 million). A class action has also been commenced; and
- inefficiencies in the internal structure of Multiplex and an equity capital shortage in Multiplex Limited.

In addition, the initial Brookfield approach in January 2007 resulted in the Chief Executive, Andrew Roberts stepping aside in order to avoid any conflict of interest.

Nevertheless, throughout this period the core development and construction business in Australia, New Zealand and the Middle East has continued to prosper and progress. Multiplex is still the largest builder of office towers in Australia. Development activities have also grown significantly and the successful establishment of a series of managed funds means that Multiplex has now put in place the key elements of its strategy to create an integrated property business that encompasses development, construction, long term ownership and ongoing management of property assets.

With these foundations in place, buoyant conditions in its key markets and a restructured senior management team, Multiplex is poised for a period of strong profit performance and solid growth. It has a number of important competitive advantages and strategic attractions such as:

- an integrated business with effective platforms for each component;
- a large and diversified portfolio of quality development projects;
- market leadership in the construction of high rise office and residential towers and commercial property generally and a business with limited exposure to open tender contracting;
- a well established position in the high growth Middle Eastern construction markets;
- a continuous source of acquisition opportunities from the strong development pipeline to underpin growth of managed funds and creation of new investment funds; and
- a suite of successful listed and unlisted managed property funds.

Any offer for Multiplex should be judged against these attributes and prospects and not be coloured by the travails of the last 2-3 years and recent financial performance.

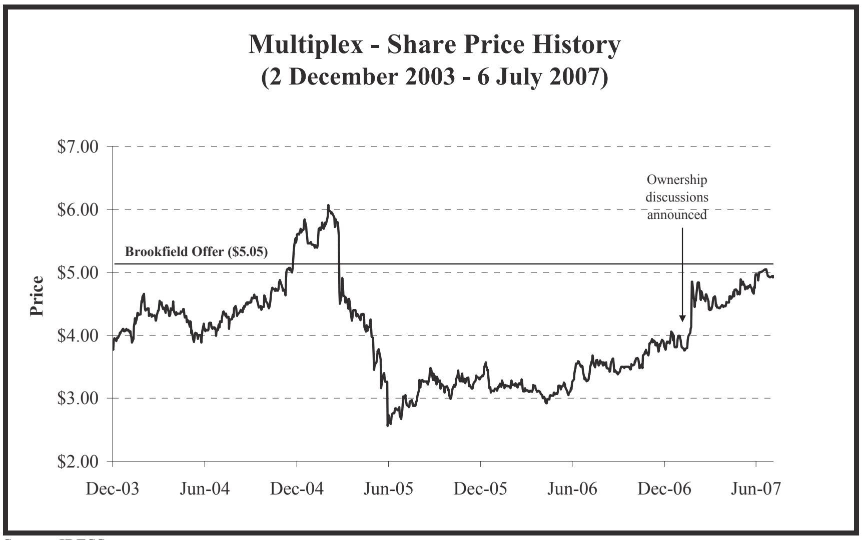
Grant Samuel has estimated the full underlying value of Multiplex, including a premium for control, to be in the range of $4.62 to $5.26 per stapled security (see Section 5). Accordingly, in Grant Samuel's opinion, the Brookfield Offer represents fair value in a change of control transaction. As the Brookfield Offer is fair it is also reasonable.

In any event, the offer of $5.05 is the culmination of a five month process involving Brookfield as well as other potential acquirers some of whom undertook due diligence. Grant Samuel understands that there were no impediments to any third parties making an offer for Multiplex and that no party put forward a superior proposal to the Brookfield Offer. It is therefore unlikely that there is another party that would pay a materially higher price. Furthermore, the Roberts family, which held approximately 25.6% of Multiplex's issued capital and could be argued to be a knowledgeable seller (with no apparent need to exit its holding) has effectively sold its interest to Brookfield at the offer price. These factors provide further evidence that the price is likely to be fair. Indeed, it could be argued to be better evidence than theoretical estimates based on management projections and inferences from data on comparable entities.

The Brookfield Offer represents an exit yield of 3.7% based on estimated distributions for the year ended 30 June 2007 of 18.5 cents per stapled security. Even if distributions were to increase to 30 cents, the exit yield would be below 6%. The Brookfield Offer also represents a premium of 54% to adjusted net tangible assets, implying goodwill of approximately $1.5 billion for Multiplex's operating businesses.

6.2 Premium for Control

The Brookfield Offer of $5.05 provides securityholders with a material premium over the pre bid share price:



Source: IRESS

The chart shows that Multiplex securities have traded at prices above the Brookfield Offer price of $5.05 in the past. However, this was in late 2004 and early 2005, prior to the emergence of the problems with the Wembley Project. These prices therefore do not take into account the economic impact of the Wembley losses and cannot be reliably used as a basis for evaluating the current offer.

The premium for control can also be analysed in terms of the premium over the price of Multiplex stapled securities immediately prior to the announcement of the ownership discussions on 25 January 2007. The data has been calculated on two bases – the actual offer price of $5.05 and the total value received by securityholders including the distribution (expected to be 10 cents) of $5.15. However, $5.05 is arguably the more appropriate benchmark as the distribution only serves to compensate for the passage of time since the announcement:

Implied Premiums of Brookfield Offer over Pre Bid Security Price			
	Security Price	Offer Premium	
		$5.05	$5.15
Closing price on 24 January 2007	$4.13	22%	25%
1 week ended 24 January 2007 (VWAP[44])	$4.05	25%	27%
1 month ended 24 January 2007 (VWAP)	$3.94	28%	31%
3 months ended 24 January 2007 (VWAP)	$3.90	29%	32%

The premiums for control are towards the lower end of those sometimes seen in public company takeovers. The higher one month and three month premiums may also largely reflect a period before the market started to believe that Multiplex had put its troubles behind it. In addition, the Australian stockmarket has risen materially since the initial announcement was made regarding possible ownership proposals. Between 25 January 2007 and 30 June 2007, the S&P/ASX 200 Index has increased by 8.8%. To this extent the effective premiums could be argued to be lower than indicated in the table above. However, it is important to recognise that:

- the rise in the index does not mean that all share prices have (or would have) risen uniformly so the overall increase cannot necessarily be mechanistically applied to the pre bid share price. In fact, the S&P/ASX 200 Property Trust Index (and the S&P/ASX 200 Real Estate Index) fell by just under 3% over the 25 January 2007 to 30 June 2007 period. In any event, part of the increase in the overall market index is due to the significant number of takeovers rather than any fundamental re-rating of shares (i.e. increases in trading multiples); and
- takeover premiums are an outcome not a determinant and that they vary depending on the individual circumstances of each transaction. In the case of Multiplex, contributing factors may include the fact that a substantial component of Multiplex's value is the MPT portfolio. Takeovers of listed property trusts with passive asset holdings usually show smaller than normal premiums because of the limited synergies available with such assets and because listed property trusts appear to be generally trading at close to their underlying value (very few are trading at material discounts to net tangible assets based on independent property valuations even where other activities are minimal).

6.3 Alternative Offers

In Grant Samuel's opinion, a higher offer from an alternative party is unlikely:

- as a result of the announcement on 25 January 2007 interested parties have been able to engage with Multiplex for some months. Parties likely to have a serious interest would therefore have evaluated the opportunity. There was plenty of time for parties that did engage to put up a competing proposal to the Brookfield Offer; and
- Brookfield has acquired effective control[45] over 20% of Multiplex (through agreements with the Roberts family) and has options that could, subject to law, increase its interests to almost 28% of Multiplex's issued capital. This interest represents a significant impediment for any alternative acquirer contemplating making an offer for Multiplex.

However, it remains open for an alternative offeror to put forward a higher offer at any time up to the Brookfield Offer becoming unconditional and such a possibility cannot be ruled out.

6.4 Securityholder Decision

The decision of each securityholder as to whether to accept the Brookfield Offer is a matter for individual securityholders based on each securityholder's views as to value and future market conditions, risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from securityholder to securityholder. If in any doubt, securityholder should consult an independent professional adviser.

[44] Volume weighted average price.

[45] Subject to FIRB Approval for the increase from just under 15% to just under 20%

7 Qualifications, Declarations and Consents

7.1 Qualifications

The Grant Samuel group of companies provide corporate advisory services (in relation to mergers and acquisitions, capital raisings, debt raisings, corporate restructurings and financial matters generally), property advisory services and manages specialist funds. The primary activity of Grant Samuel & Associates Pty Limited is the preparation of corporate and business valuations and the provision of independent advice and expert's reports in connection with mergers and acquisitions, takeovers and capital reconstructions. Since inception in 1988, Grant Samuel and its related companies have prepared more than 385 public independent expert and appraisal reports.

The person responsible for preparing this report on behalf of Grant Samuel is Stephen Wilson MCom (Hons) CA (NZ) SF Fin. Caleena Stilwell BBus CA F Fin, Stewart Hindmarsh BEc LLB(Hons) MBus and Rory Burdon BCom (Hons) A Fin assisted in the preparation of the report. Each of the above persons has a significant number of years of experience in relevant corporate advisory matters and is an authorised representative of Grant Samuel pursuant to its Australian Financial Services Licence under Part 7.6 of the Corporations Act, 2001 ("Corporations Act").

7.2 Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Grant Samuel's opinion as to whether the Brookfield Offer is fair and reasonable to Multiplex stapled securityholders. Grant Samuel expressly disclaims any liability to any Multiplex stapled securityholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

This report has been prepared by Grant Samuel with care and diligence and the statements and opinions given by Grant Samuel in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Grant Samuel or any of its officers or employees for errors or omissions however arising in the preparation of this report, provided that this shall not absolve Grant Samuel from liability arising from an opinion expressed recklessly or in bad faith.

Grant Samuel has had no involvement in the preparation of the Target's Statement issued by Multiplex and has not verified or approved any of the contents of the Target's Statement. Grant Samuel does not accept any responsibility for the contents of the Target's Statement (except for this report).

7.3 Independence

Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any securityholding in or other relationship with Multiplex, the Roberts Family or Brookfield that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Brookfield Offer. Grant Samuel advises that:

- Grant Samuel Property, a related entity of Grant Samuel, provided an independent report to a subsidiary of Multiplex in relation to related party transactions in March 2005. The fees involved were less than $20,000. Grant Samuel Property also provides services to existing or potential property tenants. From time to time these services may be related to properties owned by or being developed by, Multiplex;
- Mr Peter Dransfield, a director of Multiplex, is a consultant to Grant Samuel Property; and
- no Grant Samuel group executive holds securities in Multiplex or Brookfield.

Grant Samuel had no part in the formulation of the Brookfield Offer. Its only role has been the preparation of this report.

Grant Samuel will receive a fixed fee of $775,000 for the preparation of this report. This fee is not contingent on the outcome of the Brookfield Offer. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.

Grant Samuel considers itself to be independent in terms of Practice Note 42 issued by the ASIC (previously known as Australian Securities Commission) on 8 December 1993.

7.4 Declarations

Multiplex has agreed that it will indemnify Grant Samuel and its employees and officers in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity will not apply in respect of the proportion of any liability found by a court to be primarily caused by any conduct involving negligence, recklessness or wilful misconduct, default or misleading or deceptive conduct by Grant Samuel. Multiplex has also agreed to indemnify Grant Samuel and its employees and officers for time spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person. Where Grant Samuel or its employees and officers are found to have been negligent, reckless or engaged in wilful misconduct, default or misleading or deceptive conduct Grant Samuel shall bear the proportion of such costs caused by its action. Any claims by Multiplex are limited to an amount equal to three times the total fees paid to Grant Samuel.

Advance drafts of this report were provided to Multiplex and its advisers. Certain changes were made to the drafting of the report as a result of the circulation of the factual draft report. Subsequent to the release of a full draft report, an internal Grant Samuel review resulted in a downwards revision of the value range by 5-6 cents per stapled security. There was no alteration to the methodology, evaluation or conclusions as a result of issuing the drafts.

7.5 Consents

Grant Samuel consents to the issuing of this report in the form and context in which it is to be included in the Target's Statement to be sent to stapled securityholders of Multiplex. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Grant Samuel as to the form and context in which it appears.

7.6 Other

The accompanying letter dated 20 July 2007 and the Appendices form part of this report.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is set out at the beginning of this report.

GRANT SAMUEL & ASSOCIATES PTY LIMITED
20 July 2007

Grant Samuel & Associates

For personal use only

Appendix 1

Multiplex Property Trust – Profile of Property Portfolio						
Property	**Ownership (%)**	**Title**	**Grade**	**Net Lettable Area (sqm)**	**Major Tenants and % of Net Lettable Area**	**Property Description**
Office						
Southern Cross, Melbourne	75	Freehold	A	Retail – 2,353 Office – 78,197 Total – 80,550	State Government of Victoria (96%)	Southern Cross (East Tower) was completed in March 2006. The 39 storey tower includes basement parking for 947 cars.
Darling Park, Sydney - Tower 1 - Tower 2 - Cockle Bay Wharf	30	Leasehold	Premium	T1 – 51,979 T2 – 51,804 CBW – 8,151 Total – 111,933	PwC (32%) IBM (22%) John Fairfax (15%) Nestle (7%)	Darling Park sits on 3.5 hectares and is bounded by a 200 metre frontage to Darling Harbour. The complex was master planned and includes three Premium Grade office towers, a car park and premier waterfront restaurants and entertainment facilities.
Jessie Street Centre, Parramatta	100	Freehold	A	53,792	ATO (57%) AMP Services (27%) DIMIA (7%)	Jessie Street Centre is an office tower completed in 1988 with ground level retail and foyer accommodation, a five level office podium incorporating an expansive atrium and 20 upper office levels. Building has a basement level with reserved car parking for 329 vehicles.
Bourke Place, Melbourne	42.96	Freehold	Premium	65,258	Mallesons (21%) Corrs Chambers Westgarth (10%); Gadens (11%); Lander & Rogers (6%)	This property was substantially refurbished in 2004 and comprises Bourke Place (a high rise office building including 45 office levels) plus various retail and parking facilities.
IAG House, Sydney	50	Freehold	A	38,498	IAG (100%)	The IAG House was originally completed in 1976. In 1996-1998 a full refurbishment was carried out and the basement was converted to a Coles supermarket.
Commonwealth Bank Building, Brisbane	100	Freehold	A	28,245	Commonwealth Bank (52%) ASIC (11%) Gadens (11%)	The Commonwealth Bank Building is a commercial and retail building over 26 levels.
KPMG Tower, Sydney	50	Freehold	A	27,952	KPMG (93%)	The building comprises 15 levels of office accommodation, a ground floor foyer, function/retail areas and multiple basement storage/ parking levels.
AMP Place, Brisbane	100	Freehold	A	28,223	Tarong Energy (11%) Inco (10%) Sparq (10%)	Comprises 30 levels of office accommodation and basement car parking over three levels. A separate two level annex building adjoins the main tower.
BankWest Tower, Perth	50	Freehold	Premium	39,359	BankWest (100%)	BankWest Tower is 52 levels comprising the office tower, car parking and the historic Palace Hotel building.
15 Blue Street, North Sydney	100	Leasehold (expires 2058)	A	15,864	Fujitsu Australia (12%) GE Commercial (10%) Sabre Group (10%) Pacific National (8%)	15 Blue Street has ground floor retail space, 19 levels of office accommodation and four levels of car parking.
NAB House, Sydney	25	Freehold	A	40,188	NAB (51%) GE Finance (17%) Ord Minnett (8%)	29 levels of office accommodation, a ground floor banking chamber and basement car parking for 230 vehicles.
111 Alinga Street, Canberra	100	Leasehold (expires 2084)	A	16,307	DOTARS (98%)	Two interconnected buildings with seven upper levels, ground floor retail areas and two levels of basement car parking for 198 vehicles.

Multiplex Property Trust – Profile of Property Portfolio						
Property	**Ownership (%)**	**Title**	**Grade**	**Net Lettable Area (sqm)**	**Major Tenants and % of Net Lettable Area**	**Property Description**
Ernst & Young Building, Perth	100	Leasehold (expires 2103)	A	11,473	Ernst & Young (69%) Allianz (16%) Shanty Town Holdings (10%)	Six level office adjoining the Perth Convention and Entertainment Centre. There is a plaza level with two retail/ office tenancies and six upper levels
ANZ Centre, Brisbane	50	Freehold	B	20,467	ANZ Bank (41%) Allianz (29%) Centrelink (11%)	26 level office tower. In 2001 the building was extensively refurbished involving a comprehensive upgrade of the services, along with façade and finishes upgrades.
Retail						
World Square Retail and Carpark, Sydney	50	Freehold Stratum	CBD Retail	16,414	Coles Retravision Priceline Bay Swiss Rebel Sport The Equilibrium	Arranged over predominantly two levels with a smaller area located above on a third level. The two main trading levels are integrated with street frontages and provide diagonal site links to enhance pedestrian flow.
King Street Wharf Retail (Stages 1 and 4A), Sydney	100	Leasehold (expires 2099/2101)	Waterfront Restaurant	5,653	Nick's Seafood Cargo Bar Wagamama Bungalow 8 Kingsleys	A premium waterfront restaurant and tourist precinct which includes ten tenants in Stage 1 and five in Stage 4A. All premises incorporate water views over Darling Harbour towards Pyrmont.
Pittwater Place Shopping Centre, Sydney	100	Freehold	Neighbour-hood Shopping Centre	Retail – 7,471 Office – 4,232 Total – 11,703	Coles Fitness First	A neighbourhood shopping centre incorporating a Coles supermarket, 40 specialty shops, a Fitness First gymnasium, first floor commercial accommodation and one level of undercover car parking.
Great Western Super Centre and adjacent land, Keperra	100	Freehold	Sub-regional	15,053	Woolworths Boating Camping Fishing Crazy Clarks	A sub-regional shopping centre, comprising a Woolworths supermarket, two mini majors, Petrol Plus and 47 specialty shops. The property also includes the adjoining Peachy Quarry.
Carillion and City Arcades, Perth	50	Freehold	CBD Retail	16,451	Priceline ABC Australian Geographic	Two multi-level retail arcades and a freestanding single level retail complex.
Bracken Ridge Plaza, Brisbane	100	Freehold	Neighbour-hood	6,084	Coles Blockbuster Video Bracken Ridge Amcal	A single level enclosed neighbourhood shopping centre (a Coles supermarket and 30 specialty shops). The centre sits on a 2.4 hectare site and is located approximately 18 kilometres north of the Brisbane CBD.
Industrial						
Rosehill, Sydney	100	Freehold	Industrial	57,422	James Hardie (94%)	The property of approximately 21 hectares comprises various industrial manufacturing and distribution buildings.
Carole Park, Brisbane	100	Freehold	Industrial	39,074	James Hardie (100%)	Over 28.95 hectares, the complex has been progressively developed since 1976, with a total building area representing 13% site coverage. The leased area excludes 10 hectares of general industrial zoned land.
Welshpool, Perth[1]	100	Freehold	Industrial	28,384	James Hardie (100%)	Approximately 11.44 hectares with buildings covering approximately 25% of the site.
Meeandah, Brisbane	100	Freehold	Industrial	19,468	James Hardie (100%)	Approximately 9.22 hectares with coverage of approximately 21%.
Car Park						
Luna Park Carpark, Sydney	100	Leasehold Stratum	na	na	na	The property is a nine level car park of which seven levels are below ground adjoining Luna Park.

Source: Multiplex Group's Portfolio Report, Half Year Ended 31 December 2006

[1] Welshpool was subsequently sold in April 2007.

Appendix 2

Multiplex Property Trust – Property Valuations

1 Valuations at 31 December 2006

Multiplex Property Trust – Valuation Summary at 31 December 2006				
Property	**Ownership Interest if not 100% (%)**	**Current Valuation ($ million)**	**Valuer**	**Capitalisation Rate (%)**
Office				
Southern Cross, Melbourne	75	397.5	Jones Lang LaSalle	5.75
Darling Park, Sydney	30		Jones Lang LaSalle	6.25 (office)
- Tower 1		143.1		6.50 (retail)
- Tower 2		147.0		
- Cockle Bay Wharf		23.7		
Jessie Street Centre, Parramatta		245.0	Jones Lang LaSalle	6.50
Bourke Place, Melbourne	42.96	165.6	Colliers International	6.75-8.00
IAG House, Sydney	50	170.0	Jones Lang LaSalle	5.75
Commonwealth Bank Building, Brisbane		183.0	CBRE	6.50
KPMG Tower, Sydney	50	134.5	Jones Lang LaSalle	6.25
AMP Place, Brisbane		188.0	CBRE	6.50
BankWest Tower, Perth	50	132.5	Colliers International	6.25
15 Blue Street, North Sydney		101.0	Colliers International	7.00
NAB House, Sydney	25	91.3	Knight Frank	6.00
111 Alinga Street, Canberra		60.6	CBRE	7.25
Ernst & Young Building, Perth		53.2	Colliers International	7.00
ANZ Centre, Brisbane	50	65.0	Colliers International	6.50
		2,301.0		
Retail				
World Square Retail and Carpark, Sydney	50	101.0	CBRE	6.00 (retail) 8.00 (carpark)
King Street Wharf Retail (Stages 1 and 4A), Sydney		107.5	Jones Lang LaSalle	6.00
Pittwater Place Shopping Centre, Sydney		71.5	Colliers International	6.50
Great Western Super Centre and adjacent land, Keperra		62.5	CBRE	6.75
Carillion and City Arcades, Perth	50	60.6	CBRE	6.88-8.00
Bracken Ridge Plaza, Brisbane		22.0	CBRE	7.00
		425.1		
Industrial				
Rosehill, Sydney		57.0	Colliers International	9.00
Carole Park, Brisbane		12.4	Colliers International	8.25
Welshpool, Perth		10.2	Colliers International	na
Meeandah, Brisbane		4.6	Colliers International	8.50
		84.2		
Car Park				
Luna Park, Sydney		10.5	CBRE	8.00
		10.5		
Total		**2,820.8**		

Source: Multiplex Group's Portfolio Report, Half Year Ended 31 December 2006

2 Revaluations at 30 June 2007

Multiplex Property Trust – Revaluation at 30 June 2007					
Property	**Ownership Interest if not 100% (%)**	**Unaudited market value 30 June 2007 ($ millions)**	**Pre Revaluation Book Value 30 June 2007 ($ millions)**	**Valuation Gain over Book Value ($ millions)**	**Capitalisation Rate (%)**
Commercial					
Commonwealth Bank Building, Brisbane		235.00	184.13	50.87	6.25
AMP Place, Brisbane		230.00	191.39	38.61	6.25
ANZ Centre, Brisbane	50	79.50	65.17	14.33	6.25
IAG House, Sydney	50	187.50	174.21	13.29	5.50
KPMG Tower, Sydney	50	147.50	134.51	12.99	5.63
111 Alinga Street, Canberra		69.30	65.78	3.52	7.00
Ernst & Young Building, Perth		73.50	53.55	19.95	6.67
Retail					
Bracken Ridge Plaza, Brisbane		24.00	22.04	1.96	6.25
Great Western Super Centre and adjacent land, Keperra		71.30	68.32	2.98	6.25
Pittwater Place Shopping Centre, Brisbane		75.00	72.54	2.46	6.25
Industrial					
Carole Park, Brisbane		23.25	12.64	10.61	Land value
Meeandah, Brisbane		9.30	3.71	5.59	Land value
Rosehill, Sydney		88.60	83.01	5.59	7.48
Carpark					
World Square and Luna Park, Sydney	WS 50% LP 100%	20.75	27.75	(7.00)	
Total		**1,334.5**	**1,158.7**	**175.8**	

Source: Multiplex announcement 4 July 2007.

This page is left blank intentionally.

Corporate directory

Multiplex Limited and Multiplex Funds Management Limited
Level 4, 1 Kent Street
Millers Point NSW 2000

Registrar
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

or

Locked Bag A14
Sydney South NSW 1235

Legal Adviser
Allens Arthur Robinson
Level 28, Deutsche Bank Place
Corner of Hunter and Phillip Streets
Sydney NSW 2000

Financial Adviser
UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

MULTIPLEX