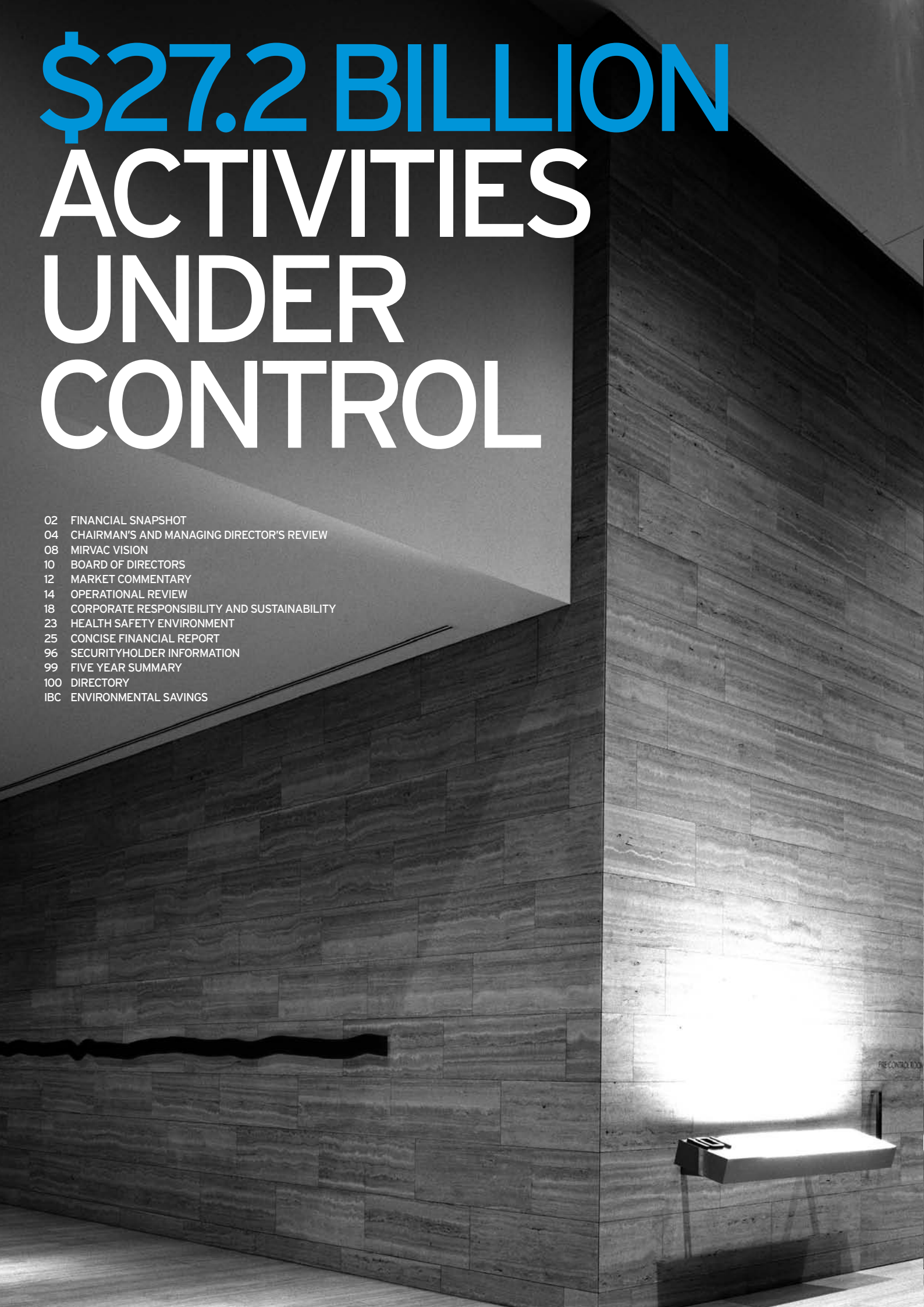
mirvac

MIRVAC GROUP ANNUAL REPORT 2008

FOCUSED ON CORE BUSINESS

$27.2 BILLION ACTIVITIES UNDER CONTROL



02 FINANCIAL SNAPSHOT
04 CHAIRMAN'S AND MANAGING DIRECTOR'S REVIEW
08 MIRVAC VISION
10 BOARD OF DIRECTORS
12 MARKET COMMENTARY
14 OPERATIONAL REVIEW
18 CORPORATE RESPONSIBILITY AND SUSTAINABILITY
23 HEALTH SAFETY ENVIRONMENT
25 CONCISE FINANCIAL REPORT
96 SECURITYHOLDER INFORMATION
99 FIVE YEAR SUMMARY
100 DIRECTORY
IBC ENVIRONMENTAL SAVINGS

101 MILLER STREET, NORTH SYDNEY, NSW

MIRVAC IS A LEADING ASX-LISTED REAL ESTATE GROUP

CORE DIVISIONS

INVESTMENT

DEVELOPMENT

FINANCIAL SNAPSHOT

DIVERSIFIED PLATFORM DELIVERING STABLE EARNINGS

DESPITE TURBULENT MARKETS, MIRVAC HAS A STABLE INCOME STREAM THAT CONTINUES TO DELIVER RESILIENT EARNINGS THROUGH THE TWO CORE DIVISIONS, INVESTMENT AND DEVELOPMENT.

$352.2m

OPERATING PROFIT[1]

33.4c

EARNINGS PER SECURITY

32.9c

DISTRIBUTION PER SECURITY

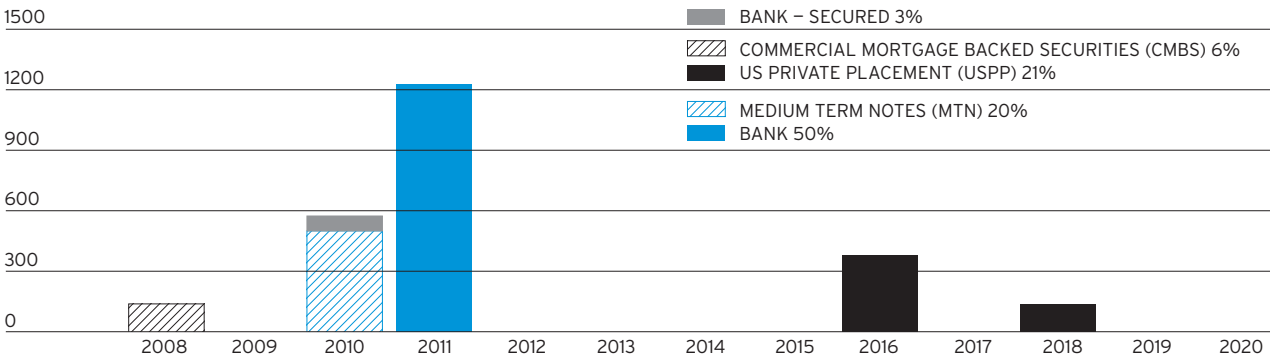
	JUNE 2008	JUNE 2007
NPAT	$171.8m	$556.1m
OPERATING PROFIT[1]	$352.2m	$319.1m
EPS[1]	33.4c	32.9c
DPS[1]	32.9c	31.9c
NTA[2]	$3.77	$3.80

1) Excludes specific non-cash and other significant items.
2) NTA based on issued securities excluding EIS securities.

MIRVAC ENJOYS A STRONG BALANCE SHEET WITH GEARING AT 32.5 PER CENT. MIRVAC'S DEBT EXPIRY PROFILE (AS SHOWN BELOW) REMAINS WELL STRUCTURED WITH ONLY $138 MILLION TO BE REPAID IN THE CURRENT YEAR AND UNDRAWN DEBT FACILITIES OF $1.2 BILLION.

THE GROUP CONTINUES TO MEET ITS BANKING COVENANTS (WHICH DO NOT INCLUDE COVENANTS BASED ON MARKET CAPITALISATION) AND THE GROUP'S STANDARD & POOR'S RATING OF BBB HAS BEEN MAINTAINED.

DRAWN DEBT MATURITY PROFILE JUNE 2008 CALENDAR YEAR



CAPITAL MANAGEMENT

Mirvac continues to prudently and conservatively manage its capital resources.

	JUNE 2008	JUNE 2007
S&P rating	BBB	BBB
Total interest bearing debt	$2,338m	$2,552m
Average borrowing rate [1]	7.07%	6.79%
Weighted average debt maturity	3.8 yrs	4.5 yrs
% hedged	79.7%	78.6%
Weighted average hedged maturity	4.4 yrs	4.5 yrs
Gearing [2]	32.5%	35.3%
See-through gearing	35.2%	
Undrawn debt facility	$1,200m	

1) Includes margins and line fees.
2) Interest bearing liabilities (hedged foreign currency debt $2,453m) less cash / total assets less cash.

CHAIRMAN'S AND MANAGING DIRECTOR'S REVIEW

"DESPITE A CHALLENGING ENVIRONMENT MIRVAC CONTINUES TO PRODUCE STABLE INCOME STREAMS, DEMONSTRATING THE QUALITY OF THE INVESTMENT PORTFOLIO AND THE STRONG DEMAND FOR OUR LEADING RESIDENTIAL PRODUCTS.

OUR RESULTS AND RECENT ANNOUNCEMENTS SHOW THAT MIRVAC IS A ROBUST ORGANISATION THAT IS ABLE TO ADAPT TO CHANGED MARKET CONDITIONS. I AM CONFIDENT THAT THE DIRECTION MIRVAC IS HEADING WILL ENSURE INVESTORS RECEIVE LONG-TERM SUSTAINABLE EARNINGS GROWTH."

GREG PARAMOR, FORMER MANAGING DIRECTOR

James MacKenzie
Chairman

Nick Collishaw
Managing Director

The 2008 financial year has been a challenging period for companies operating in the financial markets and in particular, the real estate industry. We have witnessed significant changes in the market in which we operate and we have acted swiftly and prudently to review and adjust our business. It is in these challenging times that the foundations of a business are paramount and Mirvac's history of managing through cycles over some 36 years, premium brand and solid operating platform ensures we are well placed for future sustainable growth.

FINANCIAL PERFORMANCE

In June, Greg Paramor wrote to all securityholders advising of the changed market environment and the necessary adjustments being made within the Group. Due to the sustained deterioration in market and economic conditions generally, the carrying value of our residential and non-residential developments, intangible values and co-investments in managed listed funds was reassessed, and the Group announced it was making provisions totalling $400 million to reflect the reduced value of these assets.

Mirvac's operating profit for the year to 30 June 2008 was $352.2 million, an increase of 10.4 per cent on the previous corresponding period. However after recognising the $400 million impairments and excluding specific non-cash items and other significant items, net profit for the period declined to $171.8 million.

The full year distribution to securityholders of 32.9 cents per stapled security represented a 3.1 per cent increase on the previous corresponding period.

Importantly, earnings per security (EPS) of 33.4 cents was greater than distributions per security (DPS) of 32.9 cents, thus preserving the Group's reserves.

CAPITAL MANAGEMENT

Mirvac enjoys a strong balance sheet with gearing at 32.5 per cent, which is at the lower end of the Group's target band of 30-40 per cent. Our debt expiry profile remains well structured with only $138 million to be repaid in the current year and undrawn debt facilities of $1.2 billion. The Group continues to meet its banking covenants (which do not include covenants based on market capitalisation) and the Group's Standard and Poor's rating of BBB has been maintained.

Post year end, we advised the market of our new distribution policy to reflect the realities of the changed market in which we operate and to align with the practice of our global peers. Mirvac's practice had been to maximise distributions to securityholders from all activities via dividends from Mirvac Limited and distributions from Mirvac Property Trust. Accordingly in the past Mirvac has distributed the vast majority of the Group's operating earnings to securityholders, relying upon new equity or debt to fund future growth.

As a consequence of this revised policy, the Group will now distribute 100 per cent of earnings from Mirvac Property Trust and up to 80 per cent of Corporate earnings, at Directors' discretion, depending on future capital requirements and investment opportunities. We have indicated to the market the Group's distribution in FY09 is forecast to be $0.20 per stapled security.

OPERATIONAL HIGHLIGHTS

Despite the challenging environment, Mirvac's two core divisions – Investment and Development – delivered sound results during the year.

The Investment Division (comprising Mirvac Property Trust (MPT) and Mirvac Asset Management) represents the core earnings platform for Mirvac with a strong domestic property portfolio valued at $4.1 billion. Income from MPT accounted for 62.5 per cent of the Group's income for the past financial year, and we have announced our intention to further increase the percentage of revenue derived from this portfolio over the medium term.

The Division achieved a net profit before tax of $404 million and an operating profit before tax of $298 million, a 22 per cent increase on the previous corresponding period.

Management has been positioning the MPT portfolio for a period of slower economic growth and in the past 12 months we have reduced our exposure to markets that we judged to be overheated or with weak fundamentals. Holdings of prime assets with strong lease covenants increased and our exposure to secondary grade assets was reduced as a result of this repositing of the portfolio.

The Investment Division remains focussed on providing the Group with income stability and growth opportunities.

Despite the largely subdued conditions in its markets, the Group's Development Division had $15.9 billion of activities under its control across the residential and non-residential sectors as at year end. Operating profit before tax for the year was $154 million, representing a 10 per cent increase on the previous 12 months. However the net position was a loss of $65 million after recognising a $219 million impairment to the carrying value of some of the Division's inventory.

Our residential activities across Australia continued to attract record sales during the year, cementing the Mirvac brand as Australia's leading quality residential developer. Of particular note was the performance at Tennyson Reach in Queensland (stage one riverfront apartments sold out for $190 million) and Beachside Leighton in Western Australia (stage one oceanfront luxury apartments sold out for $190 million).

Mirvac's residential activities are spread between New South Wales, Victoria, Queensland and Western Australia. Clearly, conditions differ across these markets, but diversification of our inventory and the integration of our business, allows us to focus on those markets that are strongest at any point in time. While the current lack of consumer confidence and the high cost of finance represent a challenge in the near term, the residential market in Australia is fundamentally under-supplied and is expected to improve as further interest rate cuts occur.

The Development Division continued to deliver on its strategy of diversifying into non-residential developments across the commercial, retail, industrial and hotel sectors. In particular, our focus on industrial sites was enhanced during the year with the acquisition of a major industrial portfolio in Queensland, which provides the Group with unique opportunities to deliver high quality investment grade assets into Mirvac managed funds.

The outlook for the Division is positive with over $1.02 billion of pre-sales to underpin divisional profit for the next few years as well as the exciting opportunities that exist with our global strategic partners in the UAE and Gulf states.

Mirvac's Funds Management business was acquired to – and is being positioned to – support the Group's core activities of Investment and Development. The business currently manages approximately $7.2 billion in funds on behalf of more than 36,000 institutional and retail investors.

Funds Management's performance in FY08 was adversely affected by the deterioration in the real estate markets and asset values, which led to certain investments being written-down by $104 million. Funds Management's net loss before tax was $93 million, and operating profit before tax was $9.5 million, a decrease of 60 per cent on the prior year.

The focus for Funds Management is to facilitate alternative sources of capital for the Investment and Development Divisions through the establishment of additional co-investment partnership structures with major financial institutions and sovereign funds. The successful Mirvac Wholesale Residential Partnership created over the past 18 months is a prime example of this process.

The Group's Hotels business unit, which manages 40 hotels and resorts across Australasia, achieved an operating profit before tax of $15.3 million, a 43 per cent increase on the previous 12 months. This business will be seeking to increase its management contracts over the next 12 months including via a joint venture arrangement with the Al Badie Group in Abu Dhabi to manage hotels in the Middle East North Africa (MENA) region using the business' brand names.

STRATEGIC PARTNERSHIPS

In January this year, Mirvac announced a strategic partnership with the Dubai based property entity, Nakheel, via a $300 million private placement. Nakheel is one of the world's largest privately held real estate developers with an iconic portfolio of innovative landmark projects in Dubai across a range of sectors – residential, commercial, retail, hospitality and leisure, a portfolio that is consistent with Mirvac's own development experience. We have identified a number of suitable joint venture projects both here, in Australia, and overseas, including the recent joint venture agreement to develop a 196 hectare industrial site in Queensland into a major industrial park comprising warehousing, intermodal and manufacturing precincts over the next 10 years.

During the year Mirvac also announced the aforementioned joint venture agreement with the Abu Dhabi based Al Badie Group to develop a hotel management business to service the UAE and entire MENA region. There is enormous capacity in Abu Dhabi and the Middle East for premium serviced apartments and hotel management, and it is our intention to create significant value in the region in these fields.

CHANGES IN MANAGEMENT

In November last year, Greg Paramor informed the Board that he would be seeking to retire as Managing Director within the next 12 months. After an international search, the Board announced the appointment of Nick Collishaw, an Executive Director and Chief Executive of Mirvac's Investment Division, as Greg's successor. This change took effect from 26 August 2008.

With over 25 years experience in the real estate and funds management industry, Nick was unanimously chosen by the Board as Greg's successor. The Board believed that in the current market, Nick's expertise in property investment and development, intimate knowledge of Mirvac's businesses, and his strategic management and leadership skills will ensure the Group will continue to deliver on its strategic objectives and excel in its core areas of operation without disruption.

The Board wishes to recognise Greg's leadership over the past three and a half years as Managing Director. Greg led the successful acquisition and merger of Mirvac and James Fielding business in 2005 and since that time has been instrumental in positioning Mirvac as a business synonymous with quality – as a place to work, as an investment partner and as a symbol for responsible, prestigious and sustainable development. He has taken Mirvac from a predominately state based residential developer into a leading global real estate organisation with a unique integrated business model.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Our adoption of a group-wide activities-based corporate responsibility and sustainability strategy is delivering improved environmental and social outcomes and raising the sustainability benchmark for the real estate industry and its customers.

Our leadership in corporate responsibility and sustainable development practices was recognised in the numerous awards received during the year. It is pleasing to report our retail centre in south east Queensland, Orion Springfield Town Centre, was award the world's first 6 Star Green Star rating, confirming it as Australia's most environmentally sustainable retail centre. In another 'first', our partnership with Bond University to create the Mirvac School of Sustainable Development saw the Mirvac designed school building achieve a 6 Star Green Star rating for an educational building demonstrating 'World Leadership', and being a source of inspiration to the School's students.

We remain committed to contributing to the community through the quality design of sustainable buildings and environments. In addition Mirvac has established the Mirvac Foundation to connect with those most in need in the communities in which we operate. Housing and accommodation are issues at the cornerstone of our business and the lifeblood of Mirvac's culture, and in the Foundation's inaugural year, the theme Mirvac has chosen to support is homelessness.

The Foundation's role is to provide annual funding and employee support to key charities and not-for-profit organisations. We look forward to providing updates on the Foundation over the coming months.

As well as a nationwide focus on homelessness through the Foundation, Mirvac divisions are encouraged to participate in and contribute to their local communities, many of which have been created by Mirvac's Development team. In total, Mirvac sponsors or supports over 120 charitable organisations and community events, across Australia and off-shore.

HEALTH SAFETY ENVIRONMENT

Outstanding performance in Health Safety Environment (HSE) is vital to our success as a top real estate company. Mirvac's vision for HSE remains simple – we must provide a workplace free from harm and supported by a culture which ensures the safety of people and protection of the environment is an absolute priority. The Board has led the initiative over the past year to improve the Group's HSE performance in all areas of its activities. Whilst pleasing results have been achieved in the first year, this is only the start of an extensive program of continued improvement.

OUTLOOK

The Board has reaffirmed the EPS guidance in the range of 23-25 cents per stapled security and DPS guidance of 20 cents per stapled security for the current financial year, as previously announced in July 2008.

Mirvac derives 99 per cent of its income from Australian based activities. Our activities in the US and the UK are currently modest and predominantly fee-based, with limited balance sheet exposure to the current problems being experienced in those markets.

Our exposure to non-core investments in Funds Management and Development has been reassessed, with a divestment program to be completed in the next 12 months. This program is ongoing and we will continue to review operations to focus on those areas in which will add significant value to the business going forward.

Despite the challenging environment, Mirvac is well placed to capitalise on future opportunities that will arise through its strong balance sheet and capital management policies. Although we have experienced a reduction in momentum and consumer confidence during the year, the Australian economy continues to exhibit growth, albeit at various levels between the States. Mirvac's flexible, integrated business model allows us to redirect capital and resources to those sectors and regions where activity is strongest.

The combination of our highly skilled employees, strategic partners and our focused approach to excelling in our core competencies ensures Mirvac will remain one of Australia's leading diversified real estate companies, providing sustainable returns to all our stakeholders.

Thank you for your support over the past 12 months.

James MacKenzie
Chairman

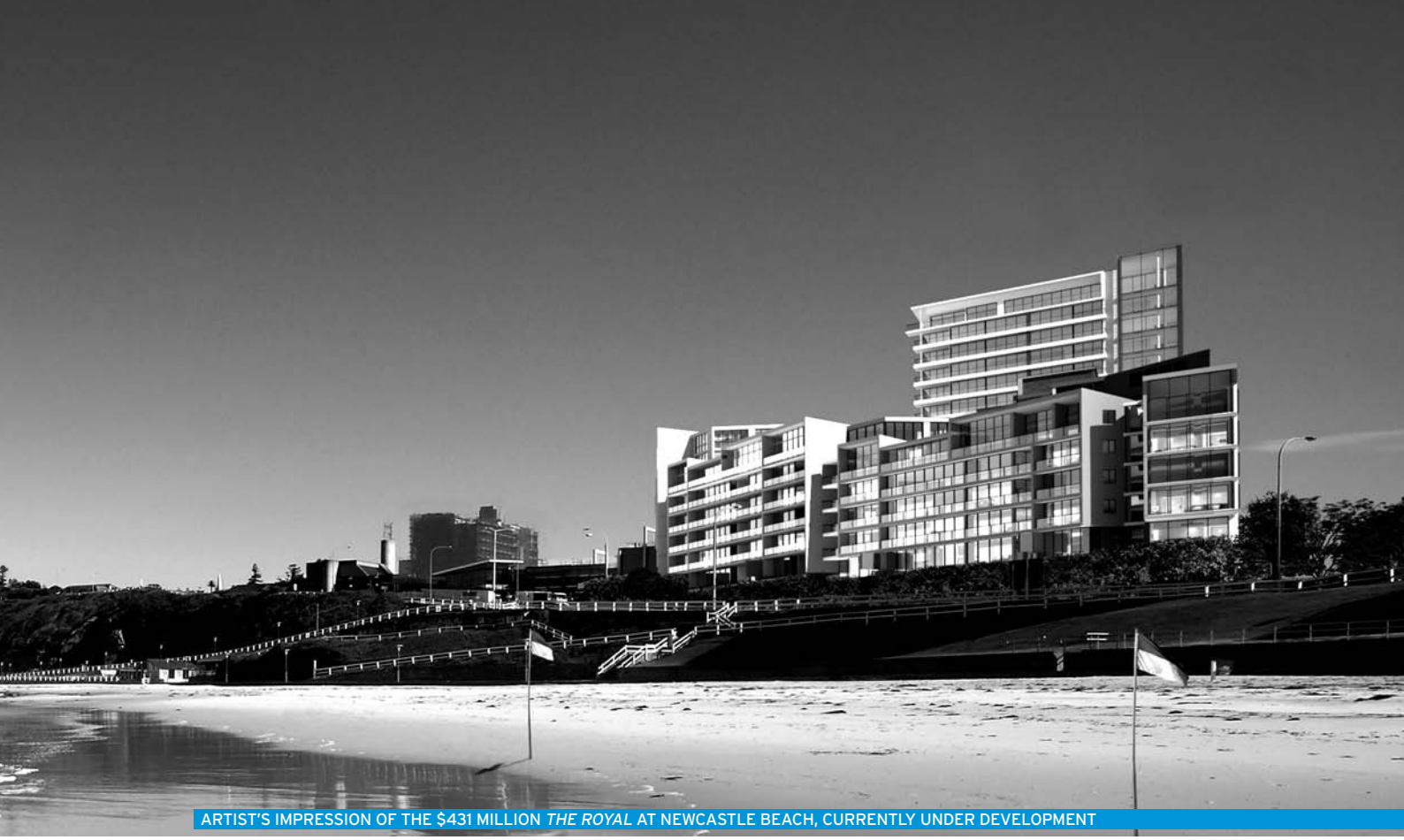
Nick Collishaw
Managing Director

MIRVAC VISION

OUR VISION CONTINUES –
TO MAKE THE MIRVAC THE
LEADING INTEGRATED QUALITY
BRAND IN REAL ESTATE INVESTMENT
AND DEVELOPMENT.

WE CONTINUE TO DELIVER ON
OUR STRATEGY AS DETAILED BELOW.

STRATEGIC OBJECTIVES:	ACHIEVEMENTS IN 2007/08 WERE:
Create an Integrated Real Estate Platform	› Mirvac structured into two integrated operating divisions – Investment and Development. › Successful wholesale model further developed during the year by the acquisition of further assets from Mirvac and establishment of Industrial Development Partnership with Mirvac's major securityholder, Nakheel. › Funds Management facilitates the flow of capital to Mirvac's operating Divisions through the creation of new funds aligned to Mirvac's core competencies.
Continue To Diversify the Development Business	› 32 commercial, industrial and retail projects delivering forecast $1.1bn of assets over next 5 years. › Geographic expansion into Middle East through joint venture arrangements in Dubai and Abu Dhabi.
Continue to Expand Recurrent Earnings	› Investment Division currently has a portfolio of 56 investment grade assets and other investments valued at $4.1bn. › Investment Division core earnings platform of Mirvac with primary objective of growing recurring revenue streams. › Funds Management continuing to build on successful wholesale fund model first launched in 2006/07. › Management contracts secured that will deliver an additional 8 hotels over the next 4 years.
Maintain Strong Management	› Stable, experienced Board of Directors setting strategy and providing leadership to Mirvac. › Stable, integrated executive team with extensive experience in Mirvac's core competencies working collaboratively. › Appropriate, transparent remuneration practices implemented and aligned to personal and corporate performance. › Relevant training and learning programs continue to be implemented to build skills and keep refreshed to meet changed and challenging market conditions.



ARTIST'S IMPRESSION OF THE $431 MILLION *THE ROYAL* AT NEWCASTLE BEACH, CURRENTLY UNDER DEVELOPMENT

STRATEGIC OBJECTIVES:	ACHIEVEMENTS IN 2007/08 WERE:
Prudently Manage Capital	› S&P "BBB" long-term credit rating maintained. › Debt covenants comfortably achieved – no market capitalisation covenant under facilities. › $300m capital placement to Nakheel. › Gearing further reduced during the year from 35.3% to 32.5% as at 30 June 2008. › Undrawn debt facility of $1.2bn as at 30 June 2008.
Leverage the Mirvac Brand	› Focus on mid to high end of residential development market where Mirvac name is synonymous with quality (exchanged contracts of $1.02bn as at 30 June 2008). › Hotels' brands (Sebel, Quay West, Quay Grand) to be used in Management contracts secured in Middle East North Africa region with our joint venture partner. › 8 other hotel management contracts secured due to Mirvac's IP and brand strength.
Commit to Sustainable and Responsible Business Activities	› Sustainability@home website launched to Mirvac staff and families providing information and tools to become more sustainable in their homes. › Bond University Mirvac School of Sustainable Development opened by the Deputy Prime Minister with the Mirvac designed facility awarded 6 star "World Leadership" status by Green Building Council of Australia. › The application of Mirvac's sustainability principles to its developments has received recognition in Green Star ratings and numerous awards such as at Magenta Shores, and Rhodes Shopping Centre in NSW.

BOARD OF DIRECTORS

James MacKenzie
Chairman
BBus, FCA, FAICD

Mr MacKenzie was appointed a Non-Executive Director of Mirvac Group on 7 January 2005 and was appointed Chairman on 10 November 2005.

Chairman of the Nomination Committee.

Member of the Human Resources Committee.

Nick Collishaw
Managing Director
SA (Fin), AAPI

Mr Collishaw was appointed to the Mirvac Board on 19 January 2006.

In August 2008 he was appointed as Mirvac's Managing Director.

Member of the Nomination Committee.

Paul Biancardi
Deputy Chairman
BEc, FCA

Mr Biancardi was appointed a Non-Executive Director of Mirvac Group on 1 July 2001 and Deputy Chairman on 16 August 2007.

Chairman of the Audit, Risk and Compliance Committee.

Member of the Human Resources Committee.

Member of the Nomination Committee.

Adrian Fini
Executive Director
BCom

Mr Fini was appointed to the Mirvac Board on 19 January 2006.

He is Executive Director of Mirvac Group's Development Division.

Peter Hawkins
Non-Executive Director
BCA (Hons), ACA (NZ), SF (Fin), FAIM, FAICD

Mr Hawkins was appointed a Non-Executive Director of Mirvac Group on 19 January 2006.

Chairman of the Human Resources Committee.

Member of the Audit, Risk and Compliance Committee.

Penny Morris AM
Non-Executive Director
BArch (Hons), MEnvSci, DipCD, FRAIA, FAICD

Ms Morris was appointed a Non-Executive Director of Mirvac Group on 19 January 2006.

Chairman of the Health, Safety and Environment Committee.

Member of the Audit, Risk and Compliance Committee.

Member of the Human Resources Committee.

Richard Turner AM
Non-Executive Director
BEc, FCA

Mr Turner was appointed a Non-Executive Director of Mirvac Group on 7 January 2005.

Member of the Audit, Risk and Compliance Committee.

Member of the Human Resources Committee.

Michael Smith
Group Company Secretary
BA, FAICD, ACIS

Mr Smith was appointed Group Company Secretary of Mirvac Group on 3 October 2005.

Secretary of the Audit, Risk and Compliance Committee.

Secretary of the Human Resources Committee.

Secretary of the Nomination Committee.

Secretary of the Health, Safety and Environment Committee.

MARKET COMMENTARY

1 THE ECONOMY

Global growth forecasts for 2009 and 2010 continue to be wound back; the IMF now forecasts growth of 3.8 per cent (2009) and 4.8 per cent (2010). The US economy is estimated to have grown at 1.0 per cent on an annual average basis in the first quarter of 2008. Nevertheless, the US economy is projected to contract moderately during the second half of the year, as high petrol and rising food prices along with tight credit conditions take their toll on consumer spending, leading to cuts in production and employment.

The Australian economy grew by 2.7 per cent in 2007/08 and a 2.6 per cent growth rate is forecast for 2008/09. Supporting the economy into 2009 will be growth in export volumes, continued strength in business investment and a modest recovery in residential construction activity.

The Reserve Bank reduced the official Cash Rate by 25bp to 7.0 per cent on 2 September, signalling the end of a cycle of rising interest rates that commenced in May 2002. Motivating the shift in monetary policy is accumulating evidence of a sharp slowdown in retail spending and private sector borrowing. So far the labour market remains robust, although data on job advertisements points to a slowdown in hiring.

2 FINANCIAL MARKETS

Credit spreads remain wide 12 months after the first evidence of the globalisation of the US residential subprime crisis emerged and liquidity remains low across global markets.

Continuing data regarding bank exposures, write-downs and provisioning are undermining investor and consumer confidence. Capital markets are likely to remain volatile until it is clear that all exposures by the banking sector have been adequately accounted for.

Intervention by central banks is an essential ingredient in sustaining market confidence; however, rising global inflation emphasises the dilemma faced by central banks between supportive monetary policy to limit the impact of the subprime shock and control of rising prices.

3 ASSET VALUES AND REAL ESTATE RETURNS

Prime non-residential real estate values remain firm in the Australian market, although with a very limited number of market transactions, judgment must remain tentative at this stage. Secondary grade assets are particularly vulnerable to a slowing economy and rising cost of funds, although low real bond yields, which averaged 2.22 per cent through August 2008, are providing valuation support to the sector.

Investment returns are falling, and are likely to fall further because yield compression has stopped. The re-pricing of risk that is evident in credit markets is likely to flow through to the direct real estate market, leading to yield de-compression of secondary grade assets.

Rental growth, supported by a growing economy, low vacancy rates and relatively high inflation, will continue to provide at least a partial offset for rising yields across most commercial real estate markets through 2008/09, albeit rental growth will be slower than in recent years.

4 RESIDENTIAL MARKETS

Construction activity remains low with the supply of new dwellings, at around 155,000 pa running well below underlying demand, estimated at about 185,000 dwellings pa.

House prices declined by 0.3 per cent nationally in the June 2008 quarter, reflecting contrasting trends in markets such as Adelaide (+0.4 per cent) and Perth (-2.4 per cent). A growing shortfall in housing supply will provide support for dwelling prices over the next twelve months despite low affordability and relatively high mortgage rates.

Rental markets are tight in all metropolitan areas as demonstrated by rising rents and falling vacancy rates. With population increases and household formation at record highs and new construction low, there seems little prospect of early relief for tenants.

5 OFFICE MARKETS

Nationally, the average office vacancy rate nudged upwards from 3.9 per cent in January to 4.2 per cent in July 2008, the first rise since 2004. Nonetheless, vacancies remain well below the long-term historical average in both the CBD and non-CBD markets. Current CBD office vacancies are 5.2 percentage points below the 15 year average. The margin is slightly lower, 2.9 percentage points, in the case of the non-CBD markets.

The volume of sales transactions in the first half of 2008 is down 38 per cent compared to the same time last year, so with limited market evidence available, it is difficult to measure the impact of the global credit crunch on capitalisation rates. Current high levels of total investment returns are not sustainable over the long-term but strong absorption combined with limited supply in the near term provides a good platform for continued growth in rents.

Rents are expected to continue rising in the near term as supply remains low in the major CBD markets. However, there is a trade-off if yields start to rise as many analysts have suggested. Mirvac estimates a 50bp increase in prime yields would require rental growth of 6.8 to 8.3 percent to offset the negative impact in capital values in the major CBD markets.

MIRVAC IS A GROWING AND HIGHLY DIVERSIFIED REAL ESTATE COMPANY WITH A SOLID PLATFORM IN AUSTRALIA AND AN EXPANDING PORTFOLIO OF INTERESTS OFFSHORE. MORE THAN EVER WE APPLY RIGOROUS BENCHMARKS TO OUR ACTIVITIES BACKED UP BY ONGOING AND CONSISTENT STRATEGIC ANALYSIS OF MARKETS AND UNDERLYING ECONOMIC CONDITIONS. OUTLINED BELOW IS A SUMMARY OF OUR VIEWS IN MANY OF THE MARKETS WHERE WE OPERATE.

EPHRAIM ISLAND, PARADISE POINT, QLD

6 RETAIL MARKETS

Sharp falls in consumer confidence stemming from tight financial conditions combined with relatively higher fuel costs and lower asset values are contributing to a slowdown in consumer spending. Retailers report that discretionary spending, in particular, has slowed sharply.

Support for the retail sector is provided by a strong labour market, population growth and rising real wages.

Competition between shopping centres will intensify, particularly in those locations where new supply is coming on stream. However a slowdown in development activity is likely over the next 12 months which will limit additional floor space in the longer term.

7 INDUSTRIAL MARKETS

Demand for logistics facilities remains buoyant. Rising fuel prices put a premium on distribution facilities close to sources of supply or major markets. Combined with on-going investment in roads and rail, these favoured locations are likely to enjoy a permanent lift in demand.

The unexpectedly sharp economic slowdown has seen a rise in inventories in the three quarters to March 2008, temporarily lifting the demand for storage facilities. More broadly, however, a slowing economy is likely to be linked to a decline in demand for industrial space in the longer term. The Performance of Manufacturing Index (PMI) for June 2008 shows a contraction in the domestic manufacturing sector.

The impact will be most obvious in secondary grade assets and locations, particularly where yield compression has been strong in recent years and new supply threatens to attract tenants as leases expire.

8 HOTELS AND TOURISM

The recent strength of the Australian dollar has been encouraging Australians to travel abroad and discouraging international visitors. Lower interest rates in the future and a pullback in the dollar hold out the prospect that these trends may be reversed over the next few quarters. Corporate demand throughout capital cities remains strong, offsetting the softer growth in domestic leisure travel.

Supply of new hotels in CBD areas will remain limited as long as office and residential developments offer superior returns. With steady growth in demand, average room rates and occupancy rates are likely to rise further through 2008/09.

The mix of visitors to Australia is changing rapidly with high growth markets in Asia increasingly catching up with the large, but low-growth, markets such as New Zealand, the UK and the US.

OPERATIONAL REVIEW
INVESTMENT

THE INVESTMENT DIVISION (COMPRISING MIRVAC PROPERTY TRUST (MPT) AND MIRVAC ASSET MANAGEMENT) REPRESENTS THE CORE EARNINGS PLATFORM FOR MIRVAC WITH A STRONG DOMESTIC PROPERTY PORTFOLIO VALUED AT $4.1 BILLION. INCOME FROM MPT ACCOUNTED FOR 62.5 PER CENT OF THE GROUP'S INCOME FOR THE PAST FINANCIAL YEAR, AND WE HAVE ANNOUNCED OUR INTENTION TO FURTHER INCREASE THE PERCENTAGE OF REVENUE DERIVED FROM THIS PORTFOLIO OVER THE MEDIUM TERM.

Mirvac's Investment Division comprises Mirvac Property Trust (MPT) and Mirvac Asset Management (formerly Mirvac Real Estate Services).

The Division achieved a net profit before tax of $404 million; and an operating profit before tax of $298 million; a 22 per cent increase on the previous 12 months. In light of the trading volatility experienced by listed property trusts, MPT reduced the carrying value of its indirect real estate investments in Mirvac Industrial Trust [ASX: MIX] and Mirvac Real Estate Investment Trust [ASX: MRZ] by $76 million, as previously announced.

At 30 June 2008, MPT had a total portfolio value of $4.1 billion, with investments in 56 properties covering the commercial, retail, industrial and hotel sectors as well as investments in a number of Mirvac's other managed funds.

Mirvac Asset Management, the Group's in-house management team, continued to add value to the Investment Division through the effective day-to-day and strategic management of the properties.

The portfolio was strengthened during the year with approximately 175,913 square metres of additional space leased, representing 17.6 per cent of the total portfolio, and providing a total portfolio occupancy rate of 98.3 per cent.

The Trust recognised an increase of $181 million in gross asset revaluations with a weighted average capitalisation rate across the portfolio of 6.5 per cent.

The development pipeline continued to deliver product with completions of an industrial warehouse (Nexus Industry Park) and a bulky goods centre (Lake Haven Mega Centre).

Within the commercial portfolio, over 89,079 square metres of space was leased representing 26.7 per cent of the portfolio. While undertaking the scheduled refurbishment of 101 Miller Street, North Sydney, MPT successfully sold 50 per cent of the Premium grade building and adjoining Greenwood Plaza for $230 million.

Mirvac's state of the art refurbishment of 101 Miller Street included a complete reconfiguration of the lobby, as well as comprehensive upgrades to the large column-free office floors, premium building services and amenities. The introduction of trigeneration as an energy source was fundamental in delivering a five star Green Star rating and provides occupants with substantial ongoing energy cost savings. The refurbishment was completed on time and ahead of budget.

Both the retail and industrial portfolios performed strongly with retail centres providing total comparable sales growth of 4.1 per cent and specialty moving annual turnover (MAT) growth of 4.3 per cent for the year.

The Investment Division's strategy for the coming year is to continue to provide the Group with secure income through strong tenant covenants, sustained leasing activity and strategic acquisitions and disposals.

THE ACTIVITY OF FUNDS MANAGEMENT IS EXTREMELY BENEFICIAL TO MIRVAC, AS IT PROVIDES THE GROUP WITH THE ABILITY TO MANAGE CAPITAL COMMITMENTS AND GENERATE ALTERNATIVE SOURCES OF EARNINGS FOR THE INVESTMENT AND DEVELOPMENT DIVISIONS.

NEXUS INDUSTRY PARK, PRESTONS, NSW

HOTEL MANAGEMENT

The Group's Hotels business unit, which manages 40 hotels and resorts across Australia, New Zealand and the Pacific, achieved an operating profit before tax of $15.3 million, a 43 per cent increase on the previous 12 months.

The strength of our hotel brands was acknowledged during the year with the signing of eight management contracts that will be delivered over the next four years. Added to this, the joint venture agreement with Al Badie Group in Abu Dhabi will expand the Mirvac Hotels & Resorts brands into the Middle East North Africa region with our established and regarded management model, managing 5 star rated hotels and resorts.

FUNDS MANAGEMENT

Mirvac's Funds Management team supports the Group's core activities – Investment and Development. The business manages approximately $7.2 billion on behalf of more than 36,000 institutional and retail investors across both listed and unlisted funds.

The performance of the Funds Management business was adversely affected by the deterioration in the real estate markets with the value of certain assets being written-down by $104 million including infrastructure investments (Lane Cove Tunnel and River City Motorway) and intangible assets (Mirvac Domaine, Mirvac Real Estate Equity Funds and JF Infrastructure). Funds Management's net loss before tax was $93.9 million, and operating profit before tax was $9.5 million, a decrease of 60 per cent.

While the business contributed only 2 per cent of the Group's operating profit, the activity of funds management is extremely beneficial to Mirvac, as it provides the Group with the ability to manage capital commitments and generate alternative sources of earnings for the Investment and Development Divisions.

An example of this is the Mirvac Wholesale Residential Development Partnership (MWRDP), which was established in the prior financial year. The fund comprises a number of major institutional investors who committed equity to acquire projects from Mirvac for development. In the second half of this year, MWRDP acquired a further two developments from Mirvac's balance sheet, representing total future development costs of $315 million.

The success of the first MWRDP has seen a strong demand from overseas investors for a second fund to be established in the coming year, again sourcing product for development from Mirvac's balance sheet.

Through our funds management capabilities we have also established a wholesale industrial partnership with Nakheel to develop a 196 hectare site in Bromelton, Queensland, into an intermodal industry park comprising warehousing and manufacturing precincts.

ARTIST'S IMPRESSION OF *ROOM 4* SURRY HILLS, NSW, CURRENTLY UNDER DEVELOPMENT

For the majority of the 2007/08 year, the Queensland and Western Australian markets continued to perform well, and conditions in Victoria improved, however, the New South Wales market remained relatively flat.

As a result of the slowing market conditions, particularly in New South Wales, where developments have been exposed to the continuing poor sentiment, affordability and mortgage related stress, Mirvac reviewed its residential portfolio and adjusted the carrying value of some of the inventory. Mirvac also adjusted the value of some of its non-residential developments after a review of key metrics including capitalisation rates, development time frames and costs.

The Division's operating profit before tax was $154.1 million representing a 10 per cent increase on the previous 12 months. The Group's Development Division's net loss before tax was $65.8 million. The Division's results were impacted by the previously announced $219.9 million impairment to the carrying value of its inventory.

RESIDENTIAL

Despite the challenging environment, the Division maintained its reputation as the leading quality residential developer, with a number of significant projects commenced or completed during the year. Of particular note were the record sales achieved in Queensland and Western Australia.

A total of 2,089 lots across the States were settled during the year, with key projects including:

Development	Number of lots settled	Total value
Ephraim Island, QLD	19 lots	$29.6 million
Burswood, WA	105 lots	$115 million
Yarra's Edge T5, VIC	19 lots	$26.8 million
Waverley Park, VIC	95 lots	$42.3 million
Cambridge Apartments, NSW	134 lots	$114 million

The Division also continued to secure income with $1.02 billion of exchanged contracts (including Mirvac share of joint venture interest and Mirvac managed funds) with strong pre-sales at:

Tennyson Reach, QLD (136 lots, $220 million) – riverfront apartments sold out stage one and sales progressing well in stage two release;

Beachside Leighton, WA (60 lots, $190 million) – oceanfront luxury apartments sold out stage one release;

Aquarius, Burswood WA (45 lots, $53 million) – initial release of fifth apartment tower in The Peninsula sold out; and

Yarra's Edge River Homes, VIC (39 homes and marina berths, $92 million) – successful sales with all 27 homes sold out for $60 million in the first 24 hours of release.

OPERATIONAL REVIEW
DEVELOPMENT

OUR RESIDENTIAL ACTIVITIES ACROSS AUSTRALIA CONTINUED TO ATTRACT RECORD SALES DURING THE YEAR, CEMENTING THE MIRVAC BRAND AS AUSTRALIA'S LEADING QUALITY RESIDENTIAL DEVELOPER. OF PARTICULAR NOTE WAS THE PERFORMANCE AT TENNYSON REACH IN QUEENSLAND (STAGE ONE RIVERFRONT APARTMENTS SOLD OUT FOR $190 MILLION) AND BEACHSIDE LEIGHTON IN WESTERN AUSTRALIA (STAGE ONE OCEANFRONT LUXURY APARTMENTS SOLD OUT FOR $190 MILLION).

NON-RESIDENTIAL
Mirvac continued to deliver on its strategy of diversifying into non-residential development across the commercial, industrial and retail sectors, with key projects including:

- Hayles Wharf, Townsville, QLD acquisition of mixed-use site, with proposed development plans comprising 19,000 square metres of commercial space, 1,600 square metres of retail space, an 84-room hotel and 97 apartments, with an expected end value of $210.7 million;
- 664 Collins Street, VIC completed acquisition and planning approvals for a CBD, landmark 47,000 square metres commercial office building, to be developed in joint venture with AustralianSuper, and has an expected end value of $319.4 million;
- Section 63, Canberra, ACT acquisition of a mixed use development site in joint venture with Leighton Properties. The proposed development will total 128,000 square metres in space with an expected end value of $754.5 million; and
- Room 4, Surry Hills, NSW Completed acquisition and commenced work on former Sydney Water site. The development will comprise approximately 2,500 square metres of office space and 2,200 square metres of retail space, with an expected end value of $45.5 million.

Mirvac's pipeline provides for approximately $1.1 billion of quality industrial and commercial assets to be delivered over the next five years. While a number of non-residential projects are currently under review due to the volatile market conditions, the flexibility and scale of the pipeline allows the Division to activate projects when the particular market conditions are appropriate.

The outlook for the Division is positive with over $1.02 billion of pre-sales to underpin divisional profit for the next few years. While the current lack of consumer confidence and the high cost of finance represent a challenge in the near term, Mirvac's reputation for excellence will become increasingly important as the 'flight to quality' occurs across a slowing residential market.

Overall, the residential market in Australia is fundamentally under-supplied and is expected to improve as further interest rate cuts occur. Further improvement in the residential market will be seen with the continuing volatility in the equities market, bringing investors back to a market that delivers income with relative certainty and the prospect of rental growth.

The Development Division remains an integral part of the Mirvac business model. The focus for the Division is to continue to be a leading, quality developer, delivering major integrated projects in key locations and entering growth markets, such as the UAE, with our strategic joint venture partner, Nakheel.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

MIRVAC INTEGRATES ENVIRONMENTAL, SOCIAL AND ECONOMIC CONSIDERATIONS TO DELIVER SUSTAINABLE DEVELOPMENT AND INVESTMENT OUTCOMES ACROSS THE GROUP FOR THE BENEFIT OF STAKEHOLDERS AND THE BROADER COMMUNITY.

In February 2008, Mirvac published its second public Sustainability Report demonstrating significant progress in transitioning from a project based approach to sustainability. Key to this process has been the adoption of a Group-wide sustainability strategy, setting clear performance objectives, targets and measures that provide the necessary structure for the Group's forward planning and expansion.

The strategy is structured around six sustainability priority areas identified as 'most significant' to Mirvac and its stakeholders. They are under constant review and may change as Mirvac, and the world in which it operates, changes. They are:

- Business Conduct – including sustainability in decision making and reporting performance.
- Mirvac People – driving a high performance culture committed to sustainability.
- Stakeholders – meeting needs, engendering loyalty and enhancing communities.
- Supply Chain – balancing financial, environmental and social factors.
- Environmental Impact – minimising Mirvac's impact on the environment.
- Climate Change Action – reducing greenhouse gas (GHG) emissions and readying Mirvac for a carbon constrained future.

Mirvac is currently actioning more than 100 commitments or performance targets against these priority areas. Significant highlights from that process are detailed in this section.

SUSTAINABILITY@WORK PROGRAM

In September 2007, Mirvac launched the Mirvac Sustainability@Work program focussing on employee participation to reduce the environmental impacts of Mirvac office-based activities and embed a culture of sustainability within the Mirvac workforce.

Whilst only a small part of the total, electricity use in Mirvac offices contributes directly to Mirvac's GHG emission profile. Last year, office electricity use averaged 1,936 kilowatt-hours per employee generating approximately two tonnes of GHG (in CO_2-e) each. By focusing on education and behaviour change, a 6.3 per cent reduction in energy use has been achieved.

Sustainability@Work is more than just changing current behaviours, Mirvac has made serious commitments to change the nature of office locations and the everyday materials used including:

- Average four star NABERS Energy tenancy rating in all head office locations.
- Four star Green Star minimum for all new head office tenancy fit-outs.
- Minimum 50 per cent recycled content paper only in all office machines.
- All external marketing documents to be printed on environmentally responsible paper.
- All Mirvac notepads to use 100 per cent recycled content paper.
- Waste services with a full co-mingled recycling collection.

GREENHOUSE GAS ACCOUNTING AND RISK MANAGEMENT

Mirvac continues to expand and improve its energy and emissions accounting and disclosure and demonstrates sound management of climate change risks. Mirvac is exposed to a number of climate change-related regulatory schemes, including various State and Federal building codes, planning and design regulations, and energy and GHG emissions programs. At a Federal level, Mirvac is required to participate in the Energy Efficiency Opportunities (EEO) Program, and report through the National Greenhouse and Energy Reporting System (NGERS). Mirvac also submitted its third report to the international Carbon Disclosure Project (CDP6).

Emissions Profile
Mirvac's CO_2-e emissions for the 2005-2007 period are presented below. The 2007 data covers companies, assets and activities over which financial control is exercised. This represents a substantial increase in report coverage from previous years and is inline with Mirvac's commitment to full disclosure.

Mirvac Group Emissions (tonnes CO_2-e) 2005 – 2007 [1]

Emission Source	Location	2005	2006	2007
Scope 1 Emissions				
Natural Gas	Properties	4,475	6,923	9,822
Refrigerants	Properties	–	1,441	5,106
Vehicle Fleet Fuel	Group	2,056	1,883	2,058
On-Site Fuel	Properties and Construction	–	423	511
Sub-Total		**6,531**	**10,670**	**17,497**
Scope 2 Emissions				
Electricity	Properties	104,078	126,710	299,376
	Construction	–	11,338	9,836
	Head Offices	–	–	1,534
Sub-Total		**104,078**	**138,048**	**310,746**
Scope 3 Emissions				
Energy [2]	All	–	21,512	48,470
Waste	Properties	–	10,938	21,113
Air Travel	Group	687	828	1,111
Sub-Total		**687**	**33,278**	**70,694**
TOTAL (TONNES CO_2-e)		**111,296**	**181,996**	**398,937**

1) 2007 data is for the period 1 July 2006 to 30 June 2007, 2006 and 2005 data is for that calendar year.
2) Includes fuel extraction, transport, production and transmission loss.

Mirvac's total emissions have risen by 216,941 tonnes CO_2-e since 2006, representing an increase of approximately 119 per cent. These variances can be attributed to a continued change in property holdings, a significant increase in reported portfolio coverage and continued expansion to emissions coverage. Full details are included in Mirvac's CDP response available at www.mirvac.com.

Three Star NABERS Energy Rating Commitment
Mirvac's flagship action to reduce GHG emissions from property assets is a commitment to achieve an average three star NABERS Energy rating (formerly Australian Building Greenhouse Rating – ABGR) on all commercial buildings in the sustainability performance management and reporting program across the Mirvac Property Trust (MPT), and Mirvac Real Estate Investment Trust (MREIT). A three star rating represents current market best practice.

The program will focus primarily on electricity and gas reductions through efficiency measures. Required operational changes and commissioning of the necessary upgrade works to achieve the three star rating is the first step, with the bulk of work expected to be completed by June 2009. Official NABERS Energy ratings will be available 12 months after completion of works.

OUTSTANDING SUSTAINABLE DEVELOPMENTS

ORION SPRINGFIELD TOWN CENTRE, QLD

Opened in March 2007, Mirvac's Orion Springfield Town Centre was awarded Australia's first Six Star Green Star retail rating by the Green Building Council Australia in February 2008 confirming it as Australia's most environmentally sustainable shopping centre.

Orion delivers significant environmental benefits (when compared to a similar sized shopping centre) across areas such as energy, water, indoor environmental quality, transport, management, ecology, materials and emissions. These include:

- A 42 per cent saving in power use (enough to power 500 Queensland homes per year);
- A 68 per cent saving in potable (drinking water) use (enough to fill 40 Olympic size swimming pools per year);
- A saving of 5,000 tonnes of CO_2-e emissions (equivalent to taking 1,162 cars off the road per year); and
- A saving of 5,000 tonnes of landfill waste.

Among a long list of awards, Orion was recently awarded the Urban Development Institute of Australia (QLD) State President's Award and the award for Excellence in Environmentally Sustainable Development, Built Form.

101 MILLER STREET, NORTH SYDNEY, NSW

Mirvac's transformation of the premium office tower at 101 Miller Street, North Sydney will set new industry standards by achieving the first 5 star NABERS Energy rating (formally known as an Australian Building Greenhouse Rating) representing exceptional greenhouse performance for an existing premium building through the use of a state of the art trigeneration plant. The trigeneration plant, delivered in partnership with Cogent Energy, will:

- Reduce CO_2-e emissions by approximately 45 per cent which is some 6,500 tonnes per annum – the equivalent of taking 1,600 cars off the road;
- Provide tenants with 100 per cent back up power for continuity of business operations;
- Provide tenants with energy at a 10 per cent discount to normal grid energy costs; and
- Improve energy reliability by addressing the concerns with respect to infrastructure and grid demand.

CAMBRIDGE APARTMENTS, CHATSWOOD, NSW

Cambridge comprises 132 luxury apartments, two retail lots, and one childcare centre over 25 levels. In partnership with the NSW Department of Planning, Mirvac is piloting a cogeneration system at Cambridge to produce electricity and domestic hot water, saving more than 80 tonnes of CO_2-e emissions per year.

Solar access has been optimised in all apartments and all apartments have operable windows or doors in facade walls allowing natural ventilation. Passive sun control devices including recessed balconies, sliding louvre panels, sun screens, and pergolas have been incorporated into the design of the building to the north, east and west elevations.

Water saving initiatives at Cambridge included storm water retention for landscaping and car washing, low water use appliances with a Water Efficiency Labelling and Standards (WELS) rating. Pumped flow and returns have been provided to the hot water system conserving energy and limiting water wastage at the tap. Use of native plants increases biodiversity and decreases water consumption, recycled products were used in construction, and community composting and mulching facilities are available.

ASHGROVE HOUSING, AUBURN, NSW

Ashgrove, an 11.4 hectare brownfield site in Sydney's west delivered an integrated water sensitive urban design strategy reducing potable water consumption by 10 million litres per annum or 45 per cent of everyday use. Stormwater harvested and stored on-site is used for private dwelling toilet flushing and irrigation as well as irrigation of public parks and community facilities.

Ashgrove was awarded the prestigious Department of Environment and Climate Change's 2008 Green Globe – Business Award for Water.

HARMONY HOMES AT WAVERLEY PARK, VIC

Mirvac's six-plus star Harmony Homes at its Waverley Park offers homebuyers a more sustainable lifestyle. The homes have been specifically designed with sustainability in mind to assist residents in reducing their impact on the environment.

Features include a 2,000-litre rainwater tank for toilet flushing, three-star WELS showerhead and five-star WELS tapware, saving up to 110,000 litres of water each year. Also included is the six-star rated building fabric, which helps to stabilise temperature by reducing the need for airconditioning and heating, solar hot-water systems and low-energy light fittings to save up to $560 annually on energy bills, and a smart energy meter that will help residents monitor their daily energy consumption.

There is also the option to buy a grey-water system for garden irrigation, which will further reduce mains water usage by up to 70,000 litres a year.

BEACHSIDE LEIGHTON, NORTH FREMANTLE, WA

At Beachside Leighton, Mirvac's main objective has been to ensure an active and sustainable community that captures the true essence of its iconic location. Mirvac's innovative design complies with the NSW Building Sustainability Index (BASIX) criteria and also achieves an average 6.5 stars under the Nationwide House Energy Rating Scheme (NATHERS).

Rainwater will be collected for reuse in toilets and laundries and stormwater captured for reuse in planter boxes. The site also has a gas boosted, centralised hot water system. The Leighton Beach redevelopment project will produce fewer CO_2-e emissions and uses less portable water while still providing high quality beachside living.

Beachside Leighton was awarded the 2008 Western Australian HIA GreenSmart Design Concept Award.

MIRVAC SCHOOL OF SUSTAINABLE DEVELOPMENT

Mirvac continues the partnership established in 2006 with Bond University to create the Mirvac School of Sustainable Development and Australia's first tertiary program in sustainable development at the University's Gold Coast Campus in Queensland.

The business world needs employees that understand the growing importance of sustainability and students who graduate from this School will be industry leaders in implementing responsible and practical sustainability management initiatives.

The Mirvac designed school building recently achieve Australia's first 6 Star Green Star rating for an educational building demonstrating 'World Leadership'. The 'living laboratory' allows students to experience sustainable design features first-hand including maximum use of natural light and cross flow ventilation, water tanks, solar heating and a grey water recycling system. The building will generate around 40 per cent of its peak power through solar cells and wind turbines.

COMMUNITY

Mirvac remains committed to contributing to the community through the quality design of sustainable buildings and environments. In addition, Mirvac has established the Mirvac Foundation to connect with those most in need in the communities in which we operate. Housing and accommodation are topics that are the cornerstones of our business and the lifeblood of Mirvac's culture, and in the Foundation's inaugural year, the theme Mirvac has chosen to support is homelessness.

The Foundation's role is to provide annual funding and employee support to key charities and not-for-profit organisations.

As well as a nationwide focus on homelessness through the Foundation, Mirvac divisions are encouraged to participate and contribute to their local communities. In total, Mirvac sponsors or supports over 120 charitable organisations and community events.

ONGOING SUSTAINABILITY REPORTING

Mirvac's 2007 Sustainability Report was published in line with the Global Reporting Initiative (G3) guidelines and covered the 2007 calendar year. The report is available at www.mirvac.com. In December 2008 Mirvac will publish an interim progress report, before a full report at the close of the 2009 financial year bringing sustainability reporting into alignment with financial reporting.

HEALTH SAFETY ENVIRONMENT

HEALTH SAFETY ENVIRONMENT (HSE) IS CENTRAL TO MIRVAC'S CORE BUSINESS VALUES. OUR VISION IS SIMPLE – TO PROVIDE WORKPLACES FREE FROM HARM AND SUPPORTED BY A CULTURE WHICH ENSURES THAT THE SAFETY OF PEOPLE AND PROTECTION OF THE ENVIRONMENT REMAIN AN ABSOLUTE PRIORITY. MIRVAC BELIEVES THAT THE BEST BUSINESS SOLUTION FOR MANAGING HSE IS ALSO THE BEST BUSINESS SOLUTION FOR ALL STAKEHOLDERS ACROSS MIRVAC.

HSE PERFORMANCE

Organisational Culture
Mirvac's culture continues to transition from a simple legislative compliance mentality to one where sincere concern for people and the environment drives the seamless integration of HSE within all business activities. A culture survey conducted in February 2008 gauged employee attitudes to HSE management, reporting and role modelling across Mirvac. Overall the results showed promising aspects of cultural maturation along with opportunities for improvement, which are currently underway.

Lead Indicators
Compliance scores pertaining to the participation of Mirvac Group Senior Executives continues to move steadily towards performance targets. Incidents were reported on average within 16 hours, achieving an overall close out rate of 97 per cent, while the incidence of induction training also improved.

Lag Indicators
Mirvac Group recorded a notable reduction in the Lost Time Injury Frequency Rate (LTIFR) from 19 in 2006/07 to 17 in 2007/08. Development recorded a significant reduction of 35 per cent in the LTIFR, placing them significantly below the industry average. Hotels & Resorts recorded no change and retain an LTIFR slightly higher than the industry average while Mirvac Asset Management recorded an LTIFR of 2 which is best practice for this industry.

The Average Time Lost (ATL) through injury across Mirvac Group in 2007/08 was 12 days for all workers at Mirvac workplaces and 13 days for Mirvac employees alone. The Environmental Incident Frequency Rate (EIFR) across Mirvac Group for 2007/08 was 1, signifying a 50 per cent improvement over the previous performance period (2006/07).

Some specific strategies currently underway to improve HSE performance include:

- Training in Injury Management and safe work practices at a workplace level to reduce the overall LTIFR.
- Evaluation of a centralised national provider for 'preferred' medical practitioners across each region of operation to determine the capacity to further reduce lost time injury for employees through Injury Management and Return to Work Programs.
- Development of a centralised recording mechanism for Senior Executives' participation in HSE initiatives and activities across the Group to drive improvements "from the top".

Mechanism of Injury
Injury prevention is the primary objective of Mirvac's approach to health and safety management. Statistical claims data identifies the predominant mechanisms of injury across Mirvac employees as body stressing, collision with obstructions, slips, trips and falls. Back injuries caused by body stressing remain the most common Lost Time Injuries (LTIs), comprising 23 per cent of all injuries and 47 per cent of total claims cost.

2007/08 HSE INITIATIVES

Licence to Operate
Learning and development continues to be a key area for improvement. The Licence to Operate (LTO) introduced in July 2008 provides the integration of HSE as a core competency with a minimum eight hours endorsed training requirements for all employees. HSE learning and development activities are determined according to job role and position. The LTO consists of a suite of e-learning modules available online at Mirvac workplaces, which provide a uniform understanding of HSE management for all employees.

Young Worker Program
Launched nationally across Mirvac Construction Sites in August 2006, the Young Worker Program is now set to roll out into Hotels & Resorts. Based on the principles of easy identification and high visibility, the Hotels & Resorts program will feature the use of brightly coloured Mirvac branded neckerchiefs and breastpins for all young workers. To date, the program has achieved improved safety outcomes for young workers and industry recognition as an important initiative.

MOVING FORWARD

Strategic Objectives
Mirvac's HSE Strategic Plan 2008/09 outlines seven priority areas for action, broadly grouped into foundation objectives, outcome objectives and enabling objectives. Foundation objectives are already well underway and have achieved significant progress to date in the standardisation of HSE policies, procedures, forms, guidelines and improved top level commitment to HSE. Outcome objectives continue to focus on reduced incidence of injury and severity and enabling objectives focus on the integration of HSE as a key job role and its reinforcement through learning and development.

The strategic plan has provided a framework to promote consistency and clarity in how issues are managed. Mirvac has undergone a transition to an organisation where roles and responsibilities for HSE are more clearly defined and understood with a blame-free learning culture endorsed by senior management.

Foundation Objectives

1 Further develop and implement the elements of the Mirvac Group HSE Management System

2 Improve, consolidate and embed the capability to identify and effectively manage organisational risks

3 Improve the quality of HSE information available to decision makers at all levels

Outcome Objectives

4 Reduce the frequency and severity of risks to people and the environment

5 Reduce the impact of occupational injury or illness

Enabling Objectives

6 Train, support and motivate personnel to identify and manage workplace hazards effectively

7 Enable Mirvac personnel to better manage the HSE performance of Service Providers consistent with Mirvac policies and practices

MIRVAC GROUP CONCISE FINANCIAL REPORT

30 JUNE 2008
The Mirvac Group comprises Mirvac Limited (ABN 92 003 280 699) and its controlled entities (including Mirvac Property Trust and its controlled entities).

Directors' Report	**26**
Remuneration Report	33
Auditor's Independence Declaration	48
Corporate Governance Statement	49
Concise Financial Report	
Consolidated Income Statement	58
Consolidated Balance Sheet	59
Consolidated Statement of Changes in Equity	60
Consolidated Cash Flow Statement	61
Notes to the Consolidated Financial Statements	62
Directors' Declaration	**71**
Independent Audit Report to the Members of Mirvac Limited	**72**

RELATIONSHIP OF THE CONCISE FINANCIAL REPORT TO THE FULL FINANCIAL REPORT
The Concise Financial Report is an extract from the Full Financial Report for the year ended 30 June 2008.

The financial statements and specific disclosures included in the Concise Financial Report have been derived from the Full Financial Report.

The Concise Financial Report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Mirvac Group as the Full Financial Report. Further financial information can be obtained from the Full Financial Report.

The Full Financial Report and Auditor's Report will be sent to members on request, free of charge. Please call 1800 659 886 and a copy will be forwarded to you. Alternatively, the Full Financial Report may be accessed via the internet at Mirvac Group's website at www.mirvac.com.

The Directors of Mirvac Limited present their report, together with the Concise Financial Report of the Mirvac Group, for the year ended 30 June 2008.

The Mirvac Group comprises Mirvac Limited (Parent Entity) and its controlled entities, which includes Mirvac Property Trust (Trust) and its controlled entities.

DIRECTORS
The following persons were Directors of Mirvac Limited during the whole of the financial year and up to the date of this report:

Mr J A C MacKenzie
Mr G J Paramor (retired 26 August 2008)
Mr P J Biancardi
Mr N R Collishaw
Mr A G Fini
Mr P J O Hawkins
Ms P Morris
Mr R W Turner

PRINCIPAL ACTIVITIES
The principal continuing activities of the Mirvac Group consist of real estate investment, development, funds and hotel management. Mirvac has two core divisions, Investment (comprising Mirvac Property Trust and Mirvac Asset Management (formerly Mirvac Real Estate Services)) and Development (comprising residential and non-residential development), with Funds and Hotel Management facilitating capital interaction between the two core divisions and undertaking the management of external funds and hotels.

DIVIDENDS/DISTRIBUTIONS
Dividends/distributions paid to securityholders during the financial year were as follows:

	2008 $'000	2007 $'000
June 2007 quarterly dividend/distribution paid on 27 July 2007 7.975 cents per stapled security (2007: 7.75 cents per stapled security)	**80,907**	69,023
September 2007 quarterly dividend/distribution paid on 26 October 2007 8.225 cents per stapled security (2007: 7.975 cents per stapled security)	**84,042**	71,641
December 2007 quarterly dividend/distribution paid on 25 January 2008 8.225 cents per stapled security (2007: 7.975 cents per stapled security)	**84,514**	79,705
March 2008 quarterly dividend/distribution paid on 24 April 2008 8.225 cents per stapled security (2007: 7.975 cents per stapled security)	**89,786**	80,366
Total dividends/distributions paid	**339,249**	**300,735**

The June 2008 quarterly dividend/distribution of 8.225 cents per stapled security totalling $90.6 million declared on 30 June 2008 was paid on 25 July 2008.

Dividends and distributions paid and payable by the Mirvac Group for the year ended 30 June 2008 totalled $348.9 million, being 32.9 cents per stapled security (2007: $312.6 million – 31.9 cents per stapled security).

REVIEW OF OPERATIONS AND ACTIVITIES

The net profit after tax for the Group for the year ended 30 June 2008 was $171.8 million (2007: $556.1 million). The operating profit (before specific non-cash and significant items) was $352.2 million (2007: $319.1 million).

Operating profit is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards adjusted for specific non-cash items and significant items which management considers to reflect the core earnings of Mirvac Group.

The following table summarises key reconciling items between net profit after tax and operating profit:

	2008 $'000	2007 $'000
Net profit attributable to the stapled securityholders	**171,802**	556,056
Specific non-cash items		
Net gain from fair value adjustments on investment properties	**(146,270)**	(239,460)
Unrealised gains on fair value of derivatives and associated foreign exchange movements	**(51,337)**	(24,530)
Expensing of security based payments	**7,127**	2,340
Depreciation of owner-occupied investment properties, hotels and hotel management lots (including hotel property, plant and equipment)	**6,915**	6,464
Straight line of lease revenue	**(669)**	–
Amortisation of lease incentives	**8,189**	6,748
Net losses from fair value of investment properties, derivatives and other specific non-cash items included in share of associates' profits	**12,074**	6,105
Net (gains)/losses from fair value of investment properties, derivatives and other specific non-cash items included in minority interest	**(230)**	9,464
Significant items		
Impairment of investment included in share of net loss of associates and joint ventures	**85,202**	–
Impairment of investment in associates and joint ventures	**76,110**	–
Impairment of inventory	**219,871**	–
Impairment of management rights	**18,910**	–
Tax effect		
Tax effect of non-cash and significant items	**(55,453)**	(4,124)
Operating profit (before specific non-cash and significant items)	**352,241**	319,063

FINANCIAL HIGHLIGHTS

The Mirvac Group's net profit attributable to the stapled securityholders of $171.8 million was impacted by asset impairments totalling $400 million, as previously announced. Due to the sustained deterioration in market conditions including prolonged global financial market volatility, rising cost of capital and general slow down in global and Australian economic conditions, Mirvac prudently reassessed the value of its residential and non-residential developments, intangible asset values and co-investments in managed listed funds.

Mirvac's total assets at 30 June 2008 were $7,493 million, with net assets of $4,410 million.

Full year distributions to securityholders of 32.9 cents per stapled security represented a 3.1 per cent increase on the previous 12 months.

Other key financial highlights for the 12 months ended 30 June 2008 include:

- AIFRS earnings of 16.58 cents per stapled security;
- Operating earnings of 33.44 cents per stapled security;
- NTA per stapled security of $3.77;
- Exchanged contracts of $1.02 billion for residential development; and
- Raised $300 million via a private placement with cornerstone investor, Nakheel.

CAPITAL MANAGEMENT

Mirvac continued to comply with all its debt covenants and as at 30 June 2008 had borrowings of $2,453 million, representing gearing of 32.5 per cent. Mirvac had no market capitalisation covenants. Mirvac maintained its S&P BBB credit rating.

Post year end, Mirvac disclosed its new distribution policy to reflect the realities of the changed market in which it operates and to align with the practice of Mirvac's global peers. Distributions now include 100 per cent of Trust earnings and up to 80 per cent of corporate earnings, depending on future capital requirements and opportunities.

OPERATIONAL HIGHLIGHTS

Investment

As at 30 June 2008, the Investment Division (comprising Mirvac Property Trust and Mirvac Asset Management) had a total portfolio value of approximately $4.1 billion, with investments in 56 properties, covering the commercial, retail, industrial and hotel sectors as well as investments in a number of Mirvac's other managed funds.

The Investment Division achieved a net profit before tax of $404 million; and an operating profit before tax of $298.2 million, a 22 per cent increase on the previous 12 months. In light of the trading volatility experienced by listed property trusts, Mirvac Property Trust reduced the carrying value in its indirect real estate investments in Mirvac Industrial Trust [ASX: MIX] and Mirvac Real Estate Investment Trust [ASX: MRZ] by $76 million, as previously announced.

The Division remained well placed with a strong domestic property portfolio and secure tenant covenants, and was strengthened during the year with key highlights including:

- sustained leasing activity with approximately 175,913sqm leased, representing 17.6 per cent of the total portfolio (commercial: 89,079sqm, retail: 49,382sqm, industrial: 37,452sqm), providing a total portfolio occupancy rate of 98.3 per cent;
- recognised a net gain from fair value adjustments of $181.8 million in gross asset revaluations with a weighted average capitalisation rate across the portfolio of 6.55 per cent;
- continued development activity to deliver product with completions of an industrial warehouse (Nexus Industry Park) and a bulky goods centre (Lake Haven Mega Centre); and
- completed the major refurbishment of 101 Miller Street, North Sydney ahead of budget.

Development

At 30 June 2008, the Group's Development Division had $15.9 billion of activities under control. Development comprises two principal areas: residential (housing, apartments, and land sub-division) with $12.9 billion activities under control and a future pipeline of 31,295 lots; and non-residential with $3.0 billion activities under control.

Operating profit before tax was $154.1 million, representing a 10 per cent increase on the previous 12 months.

The Development Division's net loss before tax was $65.8 million. The Division's results were impacted by the previously announced $219.9 million impairment to the carrying value of its inventory. Residential developments have been exposed to the continuing poor sentiment, affordability and mortgage related stress, which adversely impacted some development values. Mirvac reviewed its portfolio of residential developments and adjusted the carrying value of some of its inventory, particularly in NSW. Mirvac also adjusted the value of some of its non-residential developments after a review of key metrics including capitalisation rates, development timeframes and costs.

The Development Division continued to deliver quality residential products resulting in the settlement of 2,089 lots as at 30 June 2008, with key projects including:

- Ephraim Island, QLD – 19 lots, $29.6 million;
- Burswood, WA – 105 lots, $115 million;
- Yarra's Edge T5, VIC – 19 lots, $26.8 million;
- Waverley Park, VIC – 95 lots, $42.3 million; and
- Cambridge Apartments, NSW – 134 lots, $114 million.

The Division also continued to secure income with $1.02 billion of exchanged contracts (including Mirvac share of joint venture interest and Mirvac managed funds) with strong pre-sales at:

- Tennyson Reach, QLD (136 lots, $220 million) – riverfront apartments sold out stage one and sales progressing well in stage two release;
- Beachside Leighton, WA (60 lots, $190 million) – oceanfront luxury apartments sold out of stage one release;
- Aquarius, Burswood, WA (45 lots, $53 million) – initial release of fifth apartment tower in The Peninsula sold out; and
- Yarra's Edge River Homes, VIC (39 homes and marina berths, $92 million) – successful sales with 27 homes sold out for $60 million in the first 24 hours of release.

Mirvac continued to deliver on its strategy of diversifying into non-residential development across the commercial, industrial and retail sectors, with key projects including:

- Hayles Wharf, Townsville, QLD – acquisition of mixed-use site, with proposed development plans comprising 19,000sqm of commercial space, 1,600sqm of retail space, an 84-room hotel and 97 apartments, with an expected end value of $210.7 million;
- 664 Collins Street, Melbourne, VIC – completed acquisition and planning approvals for a CBD, landmark 47,000sqm commercial office building, to be developed in joint venture with AustralianSuper, with an expected end value of $319.4 million;
- Section 63, Canberra, ACT – acquisition of a mixed-use development site in joint venture with Leighton Properties. The proposed development will total 128,000sqm in space with an expected end value of $754.5 million; and
- Crown Street, Surry Hills, NSW – completed acquisition and commenced work on former Sydney Water site. The development will comprise approximately 2,500sqm of office space and 2,200sqm of retail space, with an expected end value of $45.5 million.

Funds Management

As at 30 June 2008, Mirvac's Funds Management business unit had $7.2 billion in funds under management on behalf of more than 36,000 institutional and retail investors across listed, unlisted and wholesale funds and joint ventures, both domestically and internationally. Funds Management was adversely affected by the deterioration in the real estate markets with the value of certain assets being written down by $104 million including infrastructure investments (Lane Cove Tunnel and River City Motorway) and intangible assets (Mirvac Domaine, Mirvac Real Estate Equity Funds and JF Infrastructure). Funds Management's net loss before tax was $93.9 million, and operating profit before tax was $9.5 million, a decrease of 60 per cent.

In the short term, the product mix will continue to be rationalised with a focus on core, scaleable and sustainable funds management activities. Going forward, the focus for Funds Management is to facilitate interaction between Mirvac's two core divisions, Investment and Development, with long-term capital partners. Funds Management's wholesale platform successfully delivered on this strategy during the year, with key highlights including:

- the Mirvac Wholesale Hotel Fund delivered 17.1 per cent total investor return for the year. The total portfolio value at 30 June 2008 was $510.6 million;
- the Mirvac Wholesale Residential Development Partnership (MWRDP), continued its acquisition/development management program by successfully acquiring the Austral Brick sites in Wantirna South, Melbourne ($102.5 million) in February 2008 and the Village at Seascapes, Western Australia ($50 million) in June 2008. MWRDP was also granted the opportunity to participate in the development of The Pier at Waterfront, Newstead, Queensland in June 2008;
- sales for existing MWRDP developments remained strong during the period, highlights being: sale/settlement of all 96 lots (valued at $56.9 million)[1] in the first stage at Rhodes (Adina); and the successful sale 52 of the 99 lots in the Newstead Project launched in June 2008; and
- Mirvac and Nakheel entered into an unconditional contract to purchase a major industrial site in Bromelton, Queensland for $70 million. The Bromelton site was part of the Doyle portfolio secured by Mirvac in October 2007 under a put and call option. The partnership intends to develop the 196 hectare site into a multi-modal industry park.

1) 93 lots settled by 30 June 2008 and three lots settled post period end.

Hotel Management
The Group's Hotels business unit, which manages 40 hotels and resorts across Australasia, achieved an operating profit before tax of $15.3 million, a 43 per cent increase on the previous 12 months.

OUTLOOK
Mirvac provided EPS guidance within a range of 23-25 cents per stapled security and DPS guidance of 20 cents per stapled security for the next financial year.

Mirvac is committed to being Australia's leading developer of residential real estate and proving quality returns through the Investment portfolio.

Mirvac's strategy going forward will be to continue to drive the core platform – Investment and Development – through the use of the funds management capabilities, and continue its growth in key markets.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS
Changes in the state of affairs of Mirvac Group are set out in the Directors' Report and financial statements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR
At the date of this Report, there is no matter or circumstance which has arisen since 30 June 2008 that has significantly affected or may significantly affect:

a) Mirvac Group's operations in future financial years; or

b) the results of those operations in future financial years; or

c) Mirvac Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS
In the opinion of the Directors, it would prejudice the interests of Mirvac Group to provide additional information relating to likely developments in the operations of Mirvac Group, and the expected results of those operations in financial years subsequent to 30 June 2008.

ENVIRONMENTAL REGULATIONS
Mirvac Group and its business operations are subject to compliance with both Commonwealth and State environment protection legislation.

At the Commonwealth level, Mirvac Group has triggered the reporting threshold under the *Energy Efficiency Opportunities (EEO) Act 2006*. An EEO Assessment Plan has been approved under section 16 of the *Energy Efficiency Opportunities Act 2006*. Mirvac has completed the initial round of assessments in accordance with the Plan and must perform the balance of assessments by 30 June 2011.

Mirvac Group has also triggered the National Greenhouse and Energy Reporting System (NGERS) reporting threshold. NGERS requires large energy-using companies to report annually on greenhouse gas emissions, reductions, removals and offsets, and energy consumption and production figures. The first report under NGERS is due by 31 August 2009.

To facilitate the above and other voluntary commitments, a Group wide sustainability strategy is in place which sets clear performance objectives, targets and measures that provide the necessary structure for the Group's forward planning and expansion.

The strategy is structured around six sustainability priority areas identified as 'most significant' to Mirvac Group and its stakeholders. The areas are under constant review and continuous change:

- Business Conduct – including sustainability in decision making and reporting performance;
- Mirvac People – driving a high performance culture committed to sustainability;
- Stakeholders – meeting needs, engendering loyalty and enhancing communities;
- Supply Chain – balancing financial, environmental and social factors;
- Environmental Impact – minimising Mirvac Group's impact on the environment; and
- Climate Change Action – reducing greenhouse gas emissions and readying Mirvac for a carbon constrained future.

Mirvac is currently actioning more than 100 commitments or performance targets against the above priority areas.

Within the Mirvac Group's Health Safety and Environment performance reporting systems, including internal and external audits and inspections, no incidents of significant harm to the environment occurred. Mirvac Group's development projects across Australia were issued a total of 13 environmental infringement notices throughout the reporting period with a total value of $12,980. The notices related to minor incidents of environmental impact at Mirvac Group development sites and included: eight instances of inadequate sediment barriers; three instances of noise emission outside defined hours of work; one clean up notice; and one administrative notice.

INFORMATION ON DIRECTORS

Directors' experience and areas of special responsibilities
The members of the Board, their qualifications, experience and responsibilities are set out below.

James A C MacKenzie, *Chairman, BBus, FCA, FAICD*

Chairman of the Nomination Committee.
Member of the Human Resources Committee.

James MacKenzie is Chairman of Mirvac Group and is also a director of the listed companies Melco Crown Entertainment Limited, Pacific Brands Limited and Bravura Solutions Limited.

A Chartered Accountant by profession, Mr MacKenzie was a Partner in both the Melbourne and Hong Kong offices of an international accounting firm now part of Deloitte Touche Tohmatsu.

Mr MacKenzie has served as a Director of a number of public companies listed on stock exchanges both in Australia and overseas and has been a director of prominent funds management companies: James Fielding Group, Paladin Australia Limited, Portfolio Partners Limited and the Victorian Funds Management Corporation.

Mr MacKenzie is also on the Board of Management of the Victorian Transport Accident Commission, and the Victorian Workcover Authority and is a director of the Victorian Major Events Corporation.

Mr MacKenzie was appointed to Mirvac's Board in January 2005.

Gregory J Paramor, *Managing Director to 26 August 2008, FRICS, FAPI, FAICD*

Member of the Nomination Committee.

Greg Paramor was appointed Managing Director of the Mirvac Group following the acquisition of the James Fielding Group (JFG) in January 2005.

Mr Paramor has been involved in the real estate and funds management industry for more than 30 years. He has participated in forming property vehicles for public investment since 1981 and was the co-founder of Growth Equities Mutual, Paladin Australia and JFG. He is a past president of the Property Council of Australia and past President of the Investment Funds Association.

Mr Paramor is a director of a number of not-for-profit organisations, including the Garvan Institute of Medical Research, The Property Industry Foundation and The National Breast Cancer Foundation. He was also formerly a Non-Executive Director of Australian Agricultural Company Limited.

Mr Paramor retired as Managing Director and as a member of Mirvac Group's Board with effect from 26 August 2008.

Paul J Biancardi, *Deputy Chairman, BEc, FCA*

Chairman of the Audit, Risk and Compliance Committee.
Member of the Human Resources Committee.
Member of the Nomination Committee.

Mr Biancardi was appointed a Non-Executive Director of the Mirvac Group on 1 July 2001 and was appointed Deputy Chairman in August 2007. He is a former taxation partner of PricewaterhouseCoopers (the current auditors of the Mirvac Group) and was Chairman of Coopers and Lybrand Chartered Accountants from 1994 to 1997. He retired from PricewaterhouseCoopers in 1999.

An experienced accountant, Mr Biancardi brings extensive knowledge to the Mirvac Board in the areas of finance, taxation and human resources.

Mr Biancardi is also a former director of Crescent Capital Partners Limited and is a former Chairman of Hamilton James & Bruce Group Limited.

Nicholas R Collishaw, *Executive Director, Managing Director from 26 August 2008, SA(Fin), AAPI*

Mr Collishaw was appointed Managing Director on 26 August 2008. Prior to this appointment, Mr Collishaw was the Executive Director — Funds Management where he was responsible for the Funds Management operations including Mirvac Property Trust, External Funds Management and Hotel Management, having been appointed to the Mirvac Group Board on 19 January 2006.

Mr Collishaw has been involved in property and property funds management for over 20 years and has extensive experience in commercial, retail and industrial property throughout Australia. In various roles, he has co-ordinated business acquisitions and investment fund creation, as well as implemented portfolio sales programs and managed large investment acquisitions.

At James Fielding Group, Mr Collishaw was an Executive Director and Head of Property. He has also held senior positions with Deutsche Asset Management, Paladin Australia Limited and Schroders Australia.

INFORMATION ON DIRECTORS / CONTINUED

Adrian G Fini, *Executive Director, BCom*

Mr Fini was appointed to the Mirvac Board on 19 January 2006. He was formerly Chief Executive Officer of Mirvac Fini, the Mirvac Group's Western Australian Division, and is currently the Executive Director responsible for Mirvac Group's Development Division.

Mr Fini has been involved in property development since 1977 and was appointed Managing Director of the Fini Group in 1994. Following its merger with Mirvac in 2001, he became the Chief Executive of the expanded Mirvac Fini business, broadening its development activities in the residential, commercial, industrial, retail and hospitality sectors in Western Australia, as well as integrating that business into the expanded Mirvac Group.

Mr Fini is also a Director of Little World Beverages Limited and the Art Gallery of Western Australia.

Peter J O Hawkins, *Non-Executive Director, BCA (Hons), FAICD, SF(Fin), FAIM, ACA (NZ)*

Chairman of the Human Resources Committee.
Member of the Audit, Risk and Compliance Committee.

Mr Hawkins was appointed a Non-Executive Director of the Mirvac Group on 19 January 2006, following his retirement from Australia and New Zealand Banking Group Limited (ANZ) after a career of 34 years. Prior to his retirement, Mr Hawkins was Group Managing Director, Group Strategic Development, responsible for the expansion and shaping of ANZ's businesses, mergers, acquisitions and divestments and for overseeing its strategic cost agenda.

He was a member of ANZ's Group Leadership Team and sat on the Boards of Esanda Limited, ING Australia Limited and ING (NZ) Limited, the funds management and life insurance joint ventures between ANZ and ING Group.

Mr Hawkins was previously Group Managing Director, Personal Financial Services, as well as holding a number of other senior positions during his career with the ANZ.

Mr Hawkins is currently a director of Visa Inc, St George Bank Limited, Liberty Financial Services Pty Limited, Treasury Corporation of Victoria and Camberwell Grammar School.

Penny Morris AM, *Non-Executive Director, BArch (Hons), MEnvSci, DipCD, FRAIA, FAICD*

Chairman of the Health, Safety and Environment Committee.
Member of the Audit, Risk and Compliance Committee.
Member of the Human Resources Committee.

Ms Morris was appointed a Non-Executive Director of the Mirvac Group on 19 January 2006, and has extensive experience in property development and management, having formerly been Group Executive Lend Lease Property Services, General Manager and Director, Lend Lease Commercial and Director of Commonwealth Property within the Federal Department of Administrative Services.

An experienced director for more than 17 years, Ms Morris has also been a director of the Colonial State Bank, Australia Post Corporation, Howard Smith Limited, Energy Australia, Indigenous Land Corporation, Country Road Limited, Jupiters Limited, Principal Real Estate Investors (Australia) Limited, Strathfield Group Limited, Landcom and the Sydney Harbour Foreshore Authority.

Ms Morris is currently a director of Aristocrat Leisure Limited, Clarius Group Limited, The NSW Institute of Teachers and The Bowel Cancer and Digestive Research Institute Australia.

Richard W Turner A.M, *Non-Executive Director, BEc, FCA*

Member of the Audit, Risk and Compliance Committee.
Member of the Human Resources Committee.

Mr Turner was appointed a Non-Executive Director of the Mirvac Group on 7 January 2005. He is a Chartered Accountant by profession and the former Chief Executive Officer of Ernst & Young, following a career of over 35 years with that organisation until his retirement.

Mr Turner is currently a director of Consolidated Media Holdings Limited, Crown Limited (group) and HBOS Australia Limited (group) and was formerly a President and director of The Smith Family and past Chairman and a current director of Pain Management Research Institute.

Mr Turner also currently serves as Chairman of Crown Melbourne Limited's Audit Committee.

Group Company Secretary
Michael G A Smith, *Mirvac Group Company Secretary, BA, FAID, ACIS*

Mr Smith was appointed Group Company Secretary of the Mirvac Group in October 2005. Prior to that, he was Company Secretary of Promina Group Limited from its float in 2003 and has also been Company Secretary for Australand Holdings Limited, National Foods Limited and Macquarie Bank Limited.

Mr Smith has extensive experience in legal, risk management, corporate governance, compliance and company secretarial practice for over 25 years in listed and public companies in Australia.

MEETINGS OF DIRECTORS

The number of meetings of Mirvac Group's Board of Directors and of each Board Standing Committee held during the year ended 30 June 2008, and the number of meetings attended by each Director are detailed below:

			Committees							
	Board		Audit, Risk & Compliance		Human Resources		Health, Safety & Environment		Nomination	
Director	A	B	A	B	A	B	A	B	A	B
J A C MacKenzie	15	15	–	–	4	4	–	–	1	1
G J Paramor	15	15	–	–	–	–	–	–	1	1
P J Biancardi	15	15	7	7	4	4	–	–	1	1
N R Collishaw	15	15	–	–	–	–	–	–	–	–
A G Fini	13	15	–	–	–	–	–	–	–	–
P J O Hawkins	15	15	6	7	4	4	–	–	–	–
P Morris	15	15	7	7	4	4	5	5	–	–
R W Turner	15	15	7	7	4	4	–	–	–	–

A) Indicates number of meetings attended during the period the Director was a member of the Board or Committee.
B) Indicates the number of meetings held during the period the Director was a member of the Board or Committee.

REMUNERATION REPORT

This Remuneration Report is set out under the following sections:

1) Principles used to determine the nature and amount of remuneration
2) Details of remuneration
3) Service agreements
4) Equity instruments held by Key Management Personnel
5) Other benefits
6) Additional information.

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

1. Principles used to determine the nature and amount of remuneration

Details of Mirvac Group's remuneration philosophy, policies and practices together with details of Directors' and Executives' remuneration for the year ended 30 June 2008 are as follows:

a) Overview — remuneration philosophy, policies and practices

The Mirvac Group's remuneration policy seeks to ensure competitive performance based remuneration is set in order to attract, retain and motivate the best talent in the industry sectors in which the Group operates, to pursue its long-term growth and success, as well as that of its stakeholders.

The Board has set an overall target to remunerate at the 50th percentile (median) for the fixed component of an employee's remuneration and up to 75th percentile for high performers and potentially to the 75th percentile for the variable component depending on performance, as assessed by independent market data for the Mirvac Group's peers.

The Mirvac Group's philosophy and practices are also designed to demonstrate a clear relationship between the Mirvac Group's overall performance, an individual's performance and his or her remuneration, particularly in the awarding of short and long-term performance based incentive payments.

Underpinning this philosophy and core to its remuneration practices is the Group's Performance Management and Development system which reviews past performance and sets future objectives and development plans for employees at all levels.

The Human Resources Committee, consisting of five independent Non-Executive Directors, advises the full Board of Directors on remuneration policies and practices generally, and makes specific recommendations on remuneration packages, incentives and other terms of employment for Non-Executive and Executive Directors, including the Managing Director, as well as the Executive group.

Executive remuneration, incentives and other terms of employment are reviewed annually by the Human Resources Committee in conjunction with recommendations by the Managing Director, having regard to the Board's remuneration philosophy, individual performance against pre-determined objectives, relevant comparative performance, as well as the Mirvac Group's overall performance and returns to its securityholders.

REMUNERATION REPORT / CONTINUED

The Human Resources Committee has access to Mirvac Group's General Manager, Human Resources and to the advice and data of independent, professional remuneration consultants as required to ensure the Group's base remuneration and incentive scheme practices remain consistent with the Board's stated philosophy, as well as current market practice particularly within the industry sectors in which Mirvac Group operates.

Each component of remuneration for other staff is also reviewed annually. This review is conducted under the Performance Management and Development system and considers such factors as market relativities, individual performance and business performance.

Recommendations for individuals are submitted by the individual's manager to their manager for approval, ensuring that all salaries and increases (if any) have two levels of approval, reducing subjectivity and maintaining relativities. As noted above, the remuneration of the direct reports to the Managing Director is reviewed by the Human Resources Committee following review by, and on the recommendation of, the Managing Director.

At the beginning of each financial year, clear objectives are set for all employees, in order to provide clarity and focus to the individual and to the organisation as to what is expected to be achieved in the ensuing period.

There are a number of common objectives shared by the Executive Committee including:

- achievement of the Mirvac Group's profit targets;
- achievement of their respective business unit's profit target (if applicable) and other key performance indicators;
- leadership both within their business unit and division as well as across the Mirvac Group;
- adherence to the Mirvac Group's risk management and Health, Safety and Environment (HSE) requirements and targets; and
- training and development of staff to allow them to fulfil their potential as contributors to the Group.

Additional business or divisional specific objectives may also be set by the Managing Director each year, which are also reviewed by the Human Resources Committee. The Committee also sets specific targets and key performance indicators annually for the Managing Director.

b) Relationship between remuneration policy and the Mirvac Group performance

There is a direct relationship between performance and remuneration at Mirvac Group. The Board approved a new Remuneration Strategy statement last year which outlines the use of each key element of remuneration. The Mirvac Group has implemented the strategy over last year and this year as follows:

- fixed pay is targeted at the median of peer market data, recognising that differences in scope of each role will allow fixed pay to be in a range from below median up to the 75th percentile for high performers;
- short-term incentives (STI) are targeted to deliver market median reward for strong performance and market 75th percentile or higher reward for exceptional outperformance; and
- long-term incentives (LTI) are also targeted to deliver median reward for strong performance and 75th percentile or higher reward for exceptional performance.

Over the past year, the business environment in which Mirvac Group operates has experienced a significant slow down. The resulting performance of Mirvac Group has had a direct impact on remuneration this year. Fixed pay increases across Mirvac Group were moderated to be just above the inflation rate, leading to a reduction to the overall average compared to the increase given last year. The actual STI pool was reduced to one-third of the original target, which is substantially less than the maximum potential opportunity at Mirvac. STI awards have been given only to key high performing individuals to recognise achievement in a challenging year. Accordingly, STI as a proportion of short-term benefits of Executive Directors and other Key Management Personnel reduced from 30 per cent in 2007 to 14 per cent in 2008. The current LTI plan is tied directly to objective hurdles and will only vest when those performance criteria are met or exceeded.

The table below provides summary information regarding Mirvac Group's earnings and securityholders' wealth for the five years to 30 June 2008:

	2008	2007	2006	2005[1]	2004[1]
Operating earnings ($'000)	**352,241**	319,063	274,431	237,244	273,826
Statutory net profit ($'000)	**171,802**	556,056	441,094	244,459	273,826
Distributions paid ($'000)	**339,249**	300,735	274,343	251,157	220,659
Security price at 30 June ($)	**2.96**	5.70	4.35	3.57	4.30
Earnings per security (cents)	**16.58**	58.65	52.18	32.07	36.67

1) The Mirvac Group adopted the Australian equivalents to International Reporting Standards in 2005. The reported numbers in 2004 were prepared under the Australian accounting standards applicable at that time.

There have been no returns of capital to securityholders in the last five years.

c) Structure of remuneration
Remuneration within Mirvac Group is structured with three distinct components: fixed remuneration, short-term variable remuneration, and long-term variable remuneration.

i) Fixed remuneration
The key drivers of fixed remuneration are:

› individual performance evaluated against the pre-determined objectives; and

› the competitive market environment for the individual's skills and capabilities or the role the individual performs.

Fixed remuneration includes a base or fixed salary plus statutory superannuation contributions. Employees also have the opportunity to sacrifice some of their base salary for additional voluntary superannuation contributions and/or novated leases for motor vehicles.

Executives also have the flexibility to allocate a portion of their base salary to certain other benefits. In such circumstances, the Executive is also charged any resultant Fringe Benefits Tax so that there is no additional cost to Mirvac Group in allowing the Executive to take the particular benefit.

ii) Short-term variable remuneration
The key drivers of short-term variable remuneration are:

› performance of Mirvac Group overall, measured against pre-determined targets such as the annual budget; and

› an individual's contribution to the Mirvac Group or business unit's performance as well as their own performance in meeting or exceeding pre-determined targets or objectives.

Short-term variable remuneration consists of an annual incentive payment as a cash bonus. Members of the Executive Committee, including Executive Directors, are rewarded based on the above factors as well as their achievement (as a minimum) of the common objectives detailed earlier. Increasingly, more of this Group's total remuneration is variable and "at risk" if performance criteria are not met or exceeded each year. The Managing Director's participation is conditional upon Mirvac Group achieving a pre determined profit target.

There is a deferral aspect to the STI scheme whereby 50 per cent of the component above $50,000 of any award will be deferred and paid in the following year. No interest is payable on the deferred component.

For the Managing Director and Chief Financial Officer, STI were primarily based on Mirvac Group's financial performance, measured against its NPAT and EPS targets, and individual performance, measured against strategic objectives. For the remaining Executive Directors and Key Management Personnel, STI were based partially on the same Group results and partially on results in their respective Divisions. Individual performance criteria used in assessing all Executive Committee members included achievement of Health Safety and Environment targets, leadership goals, the development of business relationships and the development of staff.

REMUNERATION REPORT / CONTINUED

The maximum opportunity as a percentage of fixed remuneration for Executive Committee members for the 2008 financial year was as follows:

Profile of short-term incentives

	Maximum STI % of fixed remuneration	STI included in remuneration $	STI achieved % of potential maximum
Executive Directors			
G Paramor	150	–	–
N Collishaw	150	250,000	17
A Fini	150	–	–
Other Key Management Personnel			
E Campbell	120	100,000	14
J Carfi	120	62,500	10
G Collins	120	100,000	14
B Draffen	120	150,000	16
C Freeman	120	–	–
A Harrington	120	75,000	9
G Hodgetts	120	100,000	15
J Mitchell	100	100,000	18
T Regan	120	–	–
A Turner	120	50,000	9
M Wallace	120	62,500	11

iii) Long-term variable remuneration

Current plan

The Mirvac Group's current LTI scheme was introduced in 2007 following approval by securityholders at the 2007 Annual General/General Meetings.

This plan applies to the Managing Director, Executive Directors, Senior Executives and other Executive employees only.

Under this plan, participants are offered performance rights over Mirvac Group's stapled securities which can only be exercised if certain performance conditions are achieved over a three year period. For the Managing Director, Executive Directors and Senior Executives a portion of this award also comprises options over Mirvac Group's stapled securities. Grants of options will be limited to these employees only as they have the greatest capacity to drive the growth of the Mirvac Group.

The Board determined, on the recommendation of the Human Resources Committee that the following two performance conditions apply to the grants made during the financial year 2008, being measured based on: Relative Total Securityholder Return (TSR); and Absolute, Compound Earnings per Security (EPS) growth.

The satisfaction of each condition is given an equal weighting in terms of the total number of performance rights (and options for the Senior Executive group) that may vest.

Entitlements to the performance rights and to exercise the options will only arise if the following thresholds are achieved:

Performance level	Relative TSR (percentile)	% of securities subject to this criterion to vest
<Threshold	<50th	Nil
Threshold	50th	50
Threshold – maximum	50th to 75th	Pro-rata between 50 and 100
Maximum	75th and above	100

Performance level	Absolute EPS growth (compound)	% of securities subject to this criterion to vest
<Threshold	<4%	Nil
Threshold	4%	50
Threshold – maximum	4% to 9%	Pro-rata between 50 and 100
Maximum	9% and above	100

The term of the performance rights is 10 years and of the options five years. However if the performance rights and options do not vest at the end of the three year performance period they will lapse. Participants are prohibited from hedging both their unvested or vested performance rights and options. No loans have been made to participants under this plan. Directors have also indicated that there is no intention to re-test the performance conditions in the future.

If the performance rights and options, or a portion of each, vest and are exercised, entitlements will be satisfied by either an allotment of new securities or by purchase on market of existing securities, at the Board's discretion. Non-Executive Directors are not eligible to participate in this LTI plan.

As at 30 June 2008, 2,910,520 performance rights and 4,246,500 options were issued to participants under the plan. No performance rights or options vested during the year to 30 June 2008.

In valuing options/rights, key inputs are as follows:

	Performance options	Performance rights
Performance hurdle	TSR/EPS	TSR/EPS
Performance period start	1 July 2007	1 July 2007
Testing date	30 June 2010	30 June 2010
Expiry date	14 December 2012	14 December 2012
Security price at grant date	$5.79	$5.79
Exercise price	$5.75	Nil
Expected life	3.8 years	2.6 years
Volatility	22%	22%
Risk free interest rate (pa)	6.4%	6.5%
Dividend yield (pa)	5.5%	5.5%

REMUNERATION REPORT / CONTINUED

Superseded plans

Two previous LTI plans were closed with the introduction of the current plan.

Employee Incentive Scheme

Until 2006, Mirvac Group's long-term variable remuneration for employees was its Employee Incentive Scheme (EIS). The EIS, which was open to all permanent employees, was designed to widely share the benefits of the Group's performance through the provision of loans to purchase Mirvac Group's stapled securities. Allocations were made annually, were unrestricted and fully vested on allotment. The loans were repayable via distributions received on the securities or upon their sale.

The EIS was closed to new participants in 2006 as it was no longer considered to be consistent with market practice but existing arrangements remain in place until all current loans are repaid.

Long-term Incentive Plan

A revised LTI plan was introduced in 2006 and approved by members at the Group's 2006 Annual General Meeting/ General Meeting. Participation in the plan was open to the Managing Director, Executive Directors, other Executives and eligible employees. Under this plan, participants were offered a loan, calculated as a percentage of a participant's fixed remuneration component, which was applied to fund the acquisition of Mirvac Group's stapled securities at market value.

The term of the loan is eight years. Any loan balance outstanding at the end of the eighth year must be repaid at that time. The loan is also being reduced by applying the after tax amounts of any distributions paid by Mirvac Group to the outstanding principal. The loans are interest free and non-recourse over their term. However the loan to the Managing Director has been provided on a full recourse basis.

Two performance conditions have been imposed before the securities acquired under the plan vest with the participant, being measures based on: Relative TSR; and Absolute EPS growth.

The satisfaction of each condition is given an equal weighting in terms of the total number of securities that may vest (i.e. 50 per cent of the total securities held by a participant is subject to each performance condition).

TSR performance condition

The Mirvac Group's TSR ranking will determine whether any securities vest under this measure. An entitlement to vesting of the securities will only arise if Mirvac Group's TSR ranking is at or above the 50th percentile of the comparator group (being the entities that comprise the S&P/ASX 200 A-REIT Index) over a three year period as detailed in the table below:

Performance level	Relative TSR (percentile)	% of securities subject to this criterion to vest
< Threshold	< 50th	Nil
Threshold	50th	50
Threshold – stretch	50th to 75th	Pro-rata between 50 and 100
Target	62.5%	75
Stretch	75th and above	100

EPS performance condition
The second performance condition to be achieved is Absolute EPS growth (compound) by the Mirvac Group. An entitlement to vesting under this condition will only occur when Mirvac Group's EPS growth reaches four per cent compound over a three year period, detailed in the table below:

Performance level	Absolute EPS growth (compound)	% of securities subject to this criterion to vest
< Threshold	< 4%	Nil
Threshold	4%	50
Threshold – stretch	4% to 9%	Pro-rata between 50 and 100
Target	6%	75
Stretch	9% and above	100

On vesting 53.5 per cent of the original loan to fund the purchase of the vested securities will be waived. The remaining balance of the loan would continue to be reduced by after tax distributions until either the loan has been fully repaid or the eight year term expires, which ever occurs first.

If securities do not vest at the end of the three year period, they will be sold with the net proceeds payable to the Mirvac Group. Participants in such circumstances would retain a sufficient portion of the sale proceeds to cover any tax liability arising from the sale of the securities.

Where a participant ceases to be employed by the Mirvac Group because of a "qualifying reason" prior to the satisfaction of the performance conditions, any vesting entitlements to the securities will be, at the discretion of the Board, pro-rated in accordance with the relevant performance criteria over the reduced performance period.

"Qualifying reasons" include death, total and permanent disability or redundancy, cessation of employment with the Mirvac Group because the employer company ceases to be part of the Group, or sells its business, and any other reason determined by the Board.

If a participant terminates their employment with the Group for other than a qualifying reason, unvested securities will be sold with net proceeds accruing to the Mirvac Group.

If a participant terminates their employment after securities have vested, any outstanding loans will have to be repaid in full. Any unvested securities must be sold with the proceeds payable to the Mirvac Group.

Other than the securities that vested for a qualifying reason, no other securities issued under this plan vested during the year to 30 June 2008.

Both the EIS that was replaced in 2006 and the LTI plan introduced last year are closed to new participants and will remain in "run-off" mode until all loans made under each arrangement are extinguished. As at 30 June 2008, 3,064,527 securities remain on issue under the 2006 Plan, with 224,322 securities having been sold and the associated loans repaid during the year.

d) Other equity schemes in the Mirvac Group
The Mirvac Group has in operation a general employee exemption plan whereby offers are made to eligible Australian based employees (but not to Non-Executive Directors) to acquire Mirvac Group stapled securities to a value of $1,000 per annum tax free. Securities acquired under this plan must be held for a minimum of three years (or earlier cessation of employment with the Group) during which time the securities are subject to a restriction on disposal but otherwise holders enjoy the same rights and benefits as other holders of Mirvac Group's stapled securities.

As at 30 June 2008, 664,588 stapled securities have been issued to employees under this general employee exemption plan. No securities have subsequently been issued in the period from 30 June 2008 to the date of this Report.

No other equity acquisition schemes are in operation in the Mirvac Group as at 30 June 2008.

REMUNERATION REPORT / CONTINUED

e) Non-Executive Directors' remuneration
Mirvac Limited's Constitution provides that Non-Executive Directors are entitled to such remuneration as they determine, but that the total amount provided to all Directors (excluding the Managing Director and any Executive Directors) for their services as Directors must not exceed in the aggregate in any financial year the sum from time to time determined by securityholders in a general meeting.

At the 2006 Annual General Meeting, securityholders approved an increase in this aggregate amount to $1,200,000 per annum. At the 2008 Annual General Meeting, Directors will be seeking securityholders' approval to increase this aggregate amount to $1,450,000 per annum. Further details will be provided in the Notice convening the 2008 Annual General/ General Meetings of Mirvac Group, which will be sent to all securityholders separately to this Report.

Mirvac Group's Non-Executive Directors currently receive a base retainer fee, plus fees for serving on the Audit, Risk and Compliance, and Human Resources, Committees. The Chairs of each of these Committees receive an additional amount in recognition of the greater responsibility these positions demand. Non-Executive Directors also receive superannuation contributions which satisfy Mirvac Group's Superannuation Guarantee Contribution obligations.

However, with effect from 1 July 2008 Non-Executive Directors will be permitted to sacrifice some or all of their fees, on a monthly basis, to acquire Mirvac Group securities on market on a set trading day each month.

Mr Turner also receives a fee for serving on the board of the Responsible Entity for a number of registered trusts and schemes operated by Mirvac Group's Funds Management business unit. This fee is paid by a subsidiary entity within Mirvac Group.

Members of the Audit, Risk and Compliance Committee (ARCC) each receive an additional fee of $15,000 per annum for also acting as the ARCC for Responsible Entities of a number of registered trusts and schemes operated by the Funds Management business unit. These additional fees are paid by subsidiary entities within Mirvac Group.

No additional fees are paid to Directors who serve on the Board's Nomination Committee, and Ms Morris did not receive any additional fees during the year for chairing the Board HSE Committee. Non-Executive Directors have not received any fees in addition to those described above in respect of any other duties performed or services provided within the scope of the ordinary duties of a Director, do not receive bonuses or any other incentive payments or retirement benefits and are not eligible to participate in any of the executive or employee security acquisition plans established by Mirvac Group. However, Non-Executive Directors are reimbursed for expenses properly incurred in performing their duties as a Director of Mirvac Group.

2. Details of remuneration
Details of the remuneration of each Director and the Key Management Personnel (as defined in AASB 124: *Related Party Disclosures*) of Mirvac Group are set out in the following tables. The Key Management Personnel of the Parent Entity and of the Mirvac Group include members of the Executive Committee who report directly to the Managing Director and had authority and responsibility for planning, directing and controlling the activities of the Mirvac Group.

This includes the 11 Group Executives who received the highest remuneration for the year ended 30 June 2008. These Executives are:

- E Campbell – Chief Executive Western Australia
- J Carfi – Chief Executive New South Wales
- G Collins – Chief Executive Victoria
- B Draffen – Chief Executive Development – Australia
- C Freeman – Chairman, Mirvac UAE, UK and Queensland Development
- A Harrington – Joint Chief Executive Funds Management
- G Hodgetts – Joint Chief Executive Funds Management
- J Mitchell – Chief Financial Officer
- T Regan – Chief Operating Officer
- A Turner – Chief Executive Hotels
- M Wallace – Chief Executive Queensland

2008	Note	Short-term benefits: Cash salary and fees[1]	STI[2]	Non-cash benefits[3]	Employee loans[4]	Post employment: Super contributions	Share based payment: Value of options[5]	Value of rights[5]	Value of issued securities[5]	Other long-term benefits: Long service leave[6]	Total
		$	$	$	$	$	$	$	$	$	$
Executive Directors											
G Paramor		1,804,062	–	1,100	–	96,718	572,644	161,248	144,395	31,885	**2,812,052**
N Collishaw		892,951	250,000	3,300	–	13,129	203,606	57,331	33,650	16,448	**1,470,415**
A Fini		799,307	–	6,457	316,452	38,193	203,606	57,331	33,650	13,448	**1,468,444**
Non-Executive Directors											
P Biancardi	8	169,521	–	–	–	99,960	–	–	–	–	**269,481**
P Hawkins	8	186,871	–	–	–	13,804	–	–	–	–	**200,675**
J MacKenzie	8	382,000	–	39,375	–	38,000	–	–	–	–	**459,375**
P Morris	8	170,000	–	–	–	–	–	–	–	–	**170,000**
R Turner	8, 9	280,000	–	–	–	25,000	–	–	–	–	**305,000**
Other Key Management Personnel											
E Campbell		507,359	100,000	47,779	121,210	13,129	111,347	31,356	14,107	9,081	**955,368**
J Carfi	7	82,388	62,500	2,614	15,767	–	–	2,239	2,202	1,392	**169,102**
G Collins		512,643	100,000	44,990	121,061	13,129	111,347	31,356	19,319	9,143	**962,988**
B Draffen		622,391	150,000	56,360	67,758	13,129	127,256	35,835	25,507	12,453	**1,110,689**
C Freeman		749,698	–	3,941	292,022	15,302	–	–	29,579	12,506	**1,103,048**
A Harrington		587,662	75,000	43,251	–	19,694	127,256	35,835	19,324	10,748	**918,770**
G Hodgetts		409,623	100,000	35,970	–	79,407	106,045	29,863	21,354	7,151	**789,413**
J Mitchell		433,507	100,000	30,654	–	13,129	67,870	19,112	14,677	8,473	**687,422**
T Regan		614,760	–	23,991		13,129	137,859	38,820	25,507	10,615	**864,681**
A Turner		414,751	50,000	–	169,067	77,129	100,744	28,370	21,436	6,881	**868,378**
M Wallace	7	78,604	62,500	4,633	12,605	631	–	2,090	1,795	1,260	**164,118**
Total		**9,698,098**	**1,050,000**	**344,415**	**1,115,942**	**582,612**	**1,869,580**	**530,786**	**406,502**	**151,484**	**15,749,419**

1) Salary and wages includes accrued annual leave paid out on retirement.
2) Short-term incentives (STI) relate to amounts accrued for the relevant financial year.
3) Non-cash benefits include motor vehicle costs and car parking and are inclusive of related Fringe Benefits Tax.
4) Employee loans are interest free and provided for personal use (excludes EIS loans). Compensation includes amounts forgiven during the year, imputed interest and related Fringe Benefits Tax.
5) Value of securities and options/performance rights issued under the Mirvac LTI plan are derived from an option pricing model. For further details, refer to the Full Financial Report.
6) Long service leave relates to amounts accrued during the financial period.
7) Remuneration for J Carfi and M Wallace are from appointment on 21 April 2008.
8) Messrs Biancardi, Hawkins and Turner and Ms Morris received additional fees of $15,000 each per annum for serving on the Audit, Risk and Compliance Committee for various Responsible Entities and their respective trusts and schemes within the Mirvac Group's Funds Management business unit. This additional fee is included in each Director's total remuneration details above but does not form part of the pool of fees approved by Mirvac Limited's securityholders to Directors for the services provided as Directors of Mirvac Limited.
9) Mr Turner also received $120,000 during the year for serving as a Non-Executive Director on the boards of various Responsible Entities within the Mirvac Group's Funds Management business unit, which is included in the above remuneration details for Mr Turner but does not form part of the pool of fees approved by Mirvac Limited's security holders to Directors for services provided as Directors of Mirvac Limited.

REMUNERATION REPORT / CONTINUED

Remuneration related to performance

2008	Note	Total remuneration	STI	Value of options	Value of rights	Value of issued securities	Performance related remuneration as % of total	Value of options granted as % of total
Executive Directors								
G Paramor		2,812,052	–	572,644	161,248	144,395	31	20
N Collishaw		1,470,415	250,000	203,606	57,331	33,650	37	14
A Fini		1,468,444	–	203,606	57,331	33,650	20	14
Non-Executive Directors								
P Biancardi		269,481	–	–	–	–	–	–
P Hawkins		200,675	–	–	–	–	–	–
J MacKenzie		459,375	–	–	–	–	–	–
P Morris		170,000	–	–	–	–	–	–
R Turner		305,000	–	–	–	–	–	–
Other Key Management Personnel								
E Campbell		955,368	100,000	111,347	31,356	14,107	27	12
J Carfi	1	169,102	62,500	–	2,239	2,202	40	–
G Collins		962,988	100,000	111,347	31,356	19,319	27	12
B Draffen		1,110,689	150,000	127,256	35,835	25,507	30	11
C Freeman		1,103,048	–	–	–	29,579	3	–
A Harrington		918,770	75,000	127,256	35,835	19,324	28	14
G Hodgetts		789,413	100,000	106,045	29,863	21,354	33	13
J Mitchell		687,422	100,000	67,870	19,112	14,677	29	10
T Regan		864,681	–	137,859	38,820	25,507	23	16
A Turner		868,378	50,000	100,744	28,370	21,436	23	12
M Wallace	1	164,118	62,500	–	2,090	1,795	40	–
Total		**15,749,419**	**1,050,000**	**1,869,580**	**530,786**	**406,502**	**24**	**12**

1) Remuneration for J Carfi and M Wallace are from appointment on 21 April 2008.

2007	Note	Short-term benefits: Cash salary and fees[1]	STI[2]	Non-cash benefits[3]	Employee loans[4]	Post-employment: Super contributions	Share-based payment: Value of issued securities[5]	Termination benefits	Other long-term benefits: Long service leave[6]	Total
		$	$	$	$	$	$	$	$	$
Executive Directors										
G Paramor		1,267,964	600,000	8,454	–	105,112	224,880	–	24,915	**2,231,325**
N Collishaw		537,313	350,000	8,454	–	12,686	51,207	–	8,955	**968,615**
A Fini		524,482	350,000	34,491	97,197	38,118	51,207	–	8,782	**1,104,277**
Non-Executive Directors										
P Biancardi		167,938	–	–	–	106,854	–	–	–	**274,792**
P Hawkins		70,400	–	–	–	99,600	–	–	–	**170,000**
J MacKenzie		276,769	–	30,036	–	99,999	–	–	–	**406,804**
P Morris		67,288	–	–	–	95,316	–	–	–	**162,604**
R Turner		86,237	–	–	–	73,761	–	–	–	**159,998**
Other Key Management Personnel										
E Campbell		305,238	200,000	45,647	78,482	12,686	19,282	–	5,755	**667,090**
G Collins		336,930	200,000	39,356	78,482	12,686	28,732	–	6,234	**702,420**
B Draffen		452,704	225,000	98,279	20,804	22,586	38,437	–	7,710	**865,520**
C Freeman		538,564	250,000	35,989	299,676	22,551	44,822	–	9,176	**1,200,778**
A Harrington		357,375	200,000	40,095	–	12,686	32,052	–	5,980	**648,188**
G Hodgetts		320,122	200,000	24,282	–	55,509	31,925	–	–	**631,838**
R Lynch	7	215,143	–	2,206	153,662	3,230	–	–	–	**374,241**
M O'Brien	8	108,742	–	24,042	20,521	8,428	–	1,266,935	–	**1,428,668**
T Regan		462,101	250,000	33,666	–	12,686	38,437	–	7,702	**804,592**
A Turner		344,313	175,000	11,472	171,707	70,686	28,732	–	5,639	**807,549**
Total		**6,439,623**	**3,000,000**	**436,469**	**920,531**	**865,180**	**589,713**	**1,266,935**	**90,848**	**13,609,299**

1) Salary and wages includes accrued annual leave paid out on retirement.
2) Short-term incentives (STI) relate to amounts accrued for the relevant financial year.
3) Non-cash benefits include motor vehicle costs and car parking and are inclusive of related Fringe Benefits Tax.
4) Employee loans are interest free and provided for personal use (excludes EIS loans). Compensation includes amounts forgiven during the year, imputed interest and related Fringe Benefits Tax.
5) Value of securities issued under the Mirvac EIS is derived from an option pricing model. For further details, refer to the Full Financial Report.
6) Long service leave relates to amounts accrued during the financial period.
7) Remuneration for R Lynch is from 1 July 2006 to his resignation on 9 August 2006.
8) Remuneration for M O'Brien is from 1 July 2006 to his resignation on 6 July 2006.

Bonus payments

The STI for the year ended 30 June 2007 was primarily based upon achievement of both Group and divisional targets. For the Managing Director and Chief Financial Officer, their STI was 100 per cent based on the Group achieving its net profit after tax (NPAT) target. For Divisional Chief Executive Officers their STI was 40 per cent based on the Group achieving its NPAT target and 60 per cent based on their Division achieving its earnings before interest and tax target. The component as a percentage of fixed remuneration for all Executive Committee members ranged from 40 per cent to 100 per cent of their current year salary depending on the Group's performance.

REMUNERATION REPORT / CONTINUED

3. Service agreements
The Executives' terms of employment are detailed in formal service agreements. Each agreement is of a continuing duration and has no set term of service (subject to the termination provisions within the agreement). Each agreement covers (in addition to other standard matters) the relevant Executives':

› general duties;
› remuneration and other benefits; and
› termination of employment and termination benefits.

The employer may generally terminate an Executive's employment without notice or payment in lieu of notice in cases of serious and wilful misconduct by the Executive, or in certain other circumstances. The following table summarises the individual details of the service agreements that are in place for Mirvac Group's Executive Directors and other Key Management Personnel:

Name	Term of agreement	Notice period	Severance period[1]	Remuneration period	Eligible for STI	Eligible for LTI	Eligible for termination benefit[2]	Eligible for other benefits
G Paramor	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
N Collishaw	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
A Fini	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
A Harrington	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
A Turner	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
B Draffen	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
J Carfi	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
C Freeman	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
J Mitchell	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
T Regan	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
E Campbell	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
G Collins	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
M Wallace	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes
G Hodgetts	No term	3 months	Yes	12 months	Yes	Yes	Yes	Yes

1) Severance period consists of amounts of nine months fixed pay and pro-rata STI.
2) Termination benefit consists of nine months of fixed pay and pro-rata STI. In the event of a corporate amalgamation where there is a material change of status or responsibilities of the Executive leading to a termination, payment of 18 months fixed pay and STI at target will be made.

4. Equity instruments held by Key Management Personnel
The relevant interests held in stapled securities of Mirvac Group by the Key Management Personnel are detailed in note 33 to the Group's Full Financial Report.

5. Other benefits
Fees paid by the Mirvac Group for Directors' and Officers' liability insurance are not itemised for each Director and, as their disclosure would breach the terms of the policy, are not set out in this Report. Executives and Directors (including Non-Executive Directors) are entitled to participate in arrangements available to directly purchase Mirvac Group developed residential property, on the same terms and conditions as apply to other employees within the Mirvac Group.

6. Additional information
a) Loans to Key Management Personnel
Information on loans to Executive Directors and other Key Management Personnel is disclosed in Note 33 to the Group's Full Financial Report. Loans are not provided to Non-Executive Directors.

b) Directors' interests
Particulars of Directors' relevant interests in the stapled securities of the Mirvac Group or a related body corporate, in debentures of (or interests in a registered scheme made available by) the Mirvac Group or a related body corporate and their performance rights or options over any such securities, debentures or registered scheme interests as notified by the Directors to the Australian Securities Exchange in accordance with section 250G of the *Corporations Act 2001* as at 30 June 2008 are as follows:

Directors	Interests in securities of related entities	Mirvac Group stapled securities
J A C MacKenzie		55,978
Mirvac Real Estate Investment Trust – units	93,841	
Mirvac Industrial Trust – units	122,643	
Mirvac Development Fund – Seascapes – units	300,000	
G J Paramor		5,755,654
Mirvac Domaine Land Fund – units	200,000	
Mirvac Tourist Park Portfolio – units	100,000	
Mirvac Industrial Trust – units	306,609	
Mirvac Development Fund – Meadow Springs – units	80,000	
Steel River Project – project units	500,000	
Performance rights		327,270
Options		1,162,240
P J Biancardi		8,041
Mirvac Development Fund – Seascapes – units	25,000	
Mirvac Development Fund – Meadow Springs – units	50,000	
N R Collishaw		1,461,255
Mirvac Domaine Land Fund – units	17,500	
Mirvac Tourist Park Fund – units	10,000	
Mirvac Development Fund – Seascapes – units	25,000	
Tomago Project – project units	50,000	
Performance rights		116,360
Options		413,240
A G Fini		8,816,781
Mirvac Development Fund – Seascapes – units	100,000	
Mirvac Development Fund – Meadow Springs – units	400,000	
Mirvac Industrial Trust – units	100,000	
Performance rights		116,360
Options		413,240
P J O Hawkins		18,684
P Morris		42,841
R W Turner		69,241
Mirvac Development Fund – Seascapes – units	25,000	
Mirvac Development Fund – Meadow Springs – units	25,000	

Messrs Paramor, Collishaw and Fini participated in the LTI plan and the general employee exemption plan with the approval of Mirvac Group's securityholders during the year.

For the year ended 30 June 2008, Mr Paramor received 327,270 performance rights and 1,162,240 options under the LTI plan and 180 stapled securities under the general employee exemption plan.

For the year ended 30 June 2008, each of Messrs Collishaw and Fini received 116,360 performance rights and 413,240 options under the LTI plan and 180 stapled securities under the general employee exemption plan.

Mirvac Group's Non-Executive Directors do not participate in any security purchase plan operated by the Mirvac Group other than the Distribution Reinvestment Plan on the same terms and conditions as are available to other Mirvac Group securityholders. However, with effect from 1 July 2008 Non-Executive Directors will be permitted to sacrifice some or all of their fees on a monthly basis to acquire Mirvac Group securities on market on a set day each month.

No Director has entered into any contract under which the Director is entitled to a benefit and that confers a right to call for or deliver securities in, or debentures of, or interests in a registered scheme made available by Mirvac Limited or a related body corporate.

REMUNERATION REPORT / CONTINUED

c) Options over unissued securities
During the year ended 30 June 2008, options over 4,246,500 Mirvac Group stapled securities were issued to Executives pursuant to Mirvac Group's LTI plan as detailed in this Remuneration Report.

No securities in the Mirvac Group or any of its controlled entities were issued during or since the year ended 30 June 2008 as a result of the exercise of an option over unissued securities.

OTHER DIRECTORSHIPS
Details of all Directorships of other listed companies held by each Director in the three years immediately before 30 June 2008 and the period for which each Directorship was held are as follows:

Director	Company	Date appointed	Date ceased
J A C MacKenzie	Bravura Solutions Limited	April 2006	Current
	Circadian Technologies Limited	July 2002	Current[1]
	Melco Crown Entertainment Limited	April 2008	Current
	Pacific Brands Limited	April 2008	Current
	Strategic Pooled Development Limited	November 2005	October 2007
	Zenyth Therapeutics Limited	April 2005	November 2006
A G Fini	Little World Brewing Limited	November 1999	Current
P Morris	Aristocrat Leisure Limited	February 2004	Current
	Clarius Group Limited (formerly Candle Australia Limited)	August 2005	Current
G J Paramor	Australian Agriculture Company Limited	June 2007	May 2008
R W Turner	Consolidated Media Holdings Limited (formerly called Publishing and Broadcasting Limited)	November 1998	Current
	Crown Limited	July 2007	Current
P J O Hawkins	St George Bank Limited	April 2007	Current
	Visa Inc	October 2007	Current

1) Mr MacKenzie resigned as director of Circadian Technologies Limited in July 2008.

NON-AUDIT SERVICES
The Mirvac Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Mirvac Group are relevant (non-audit services).

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out in note 37 to the Full Financial Report.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit, Risk and Compliance Committee (ARCC) is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in the Full Financial Report, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the ARCC to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES110: *Code of Ethics for Professional Accountants*, including reviewing or auditing the auditor's own work, acting in a management or a decision making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

INSURANCE OF OFFICERS
During the financial year, Mirvac Group paid a premium for an insurance policy insuring any past, present, or future Director, Secretary, Executive Officer or employee of Mirvac Group against certain liabilities. In accordance with commercial practice, the insurance policy prohibits disclosure of the nature of the liabilities insured against and the amount of the premium.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

AUDITOR INDEPENDENCE DECLARATION
A copy of the Auditors' Independence Declaration required under section 307C of the *Corporations Act 2001* is set out on page 48.

ROUNDING OF AMOUNTS
Mirvac Limited is the kind of entity referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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

G J Paramor
Director

Sydney
26 August 2008

AUDITOR'S INDEPENDENCE DECLARATION

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
Sydney NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

As lead auditor for the audit of Mirvac Limited for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mirvac Limited and the entities it controlled during the period.

R L Gavin
Partner
PricewaterhouseCoopers

Sydney
26 August 2008

Liability limited by a scheme approved under Professional Standards Legislation

1. GOVERNANCE AT MIRVAC GROUP

The Mirvac Group has implemented various systems and processes to ensure that the interests of securityholders and other stakeholders in the Mirvac Group are protected at all times.

The Board is responsible for ensuring that Mirvac Group is properly managed and is committed to maintaining the highest standards of corporate governance and fostering a culture that values ethical behaviour, integrity and respect to protect those stakeholders' interests.

This Statement sets out the key corporate governance principles adopted by Directors in governing Mirvac Group and reflects the corporate governance policies and practices in place as at 30 June 2008 and throughout the year ending on that date.

Mirvac Group predominantly operates in Australia but has increasing interests off-shore, and its stapled securities are listed on the Australian Securities Exchange (ASX).

The ASX Listing Rules require all listed entities to report on the extent to which their corporate governance practices follow the principles and recommendations contained in the ASX Corporate Governance Council's publication "Corporate Governance Principles and Best Practice Recommendations" which was issued in 2003.

Mirvac Group reported in its 2007 Corporate Governance Statement that it considered its governance practices complied with those Principles and Recommendations.

During the 2007/08 year the ASX Corporate Governance Council (Council) published its revised "Corporate Governance Principles and Recommendations" (Recommendations).

These Recommendations are to apply to a company's first financial year commencing on or after 1 January 2008. For Mirvac Group, these Recommendations will first apply for its financial year commencing 1 July 2008, with compliance to be reported in its 2009 Annual Report.

However, the Council has encouraged companies to make an early transition to adopting these Recommendations and to disclose their corporate governance practices by reference to these Recommendations in their reporting for the 2007/08 year.

Mirvac Group has moved to adopt these Recommendations now and this Corporate Governance Statement reports on the compatibility of Mirvac Group's compliance practices with the Recommendations.

As detailed in this Statement, Mirvac Group considers its practices do comply with the Recommendations in all aspects unless disclosed otherwise.

Copies of Mirvac Group's corporate governance policies and practices are posted to its website as required by the Recommendations (www.mirvac.com).

2. BOARD OF DIRECTORS

2.1 Board role and responsibilities

The primary objective of the Mirvac Group Board is to build long-term securityholder value with due regard to other stakeholder interests.

The Board has formalised its roles and responsibilities into a Board Charter which also clarifies the roles and responsibilities that are delegated to management.

In summary, the Board's accountabilities and responsibilities cover the following areas:

- strategy and planning;
- personnel;
- remuneration;
- capital management and financial reporting;
- performance monitoring;
- risk management; and
- audit and compliance.

Responsibility for the day to day management and administration of Mirvac Group is delegated by the Board to the Managing Director, assisted by the Executive Committee.

The Managing Director manages the Group in accordance with the strategy, plans and delegations approved by the Board.

The Board monitors the decisions and actions of the Managing Director and the performance of the Group to gain assurance that progress is being made towards attainment of the approved strategies and plans. The Board also monitors the performance of the Group through its Committees.

The Managing Director provides open and detailed reports on the Group's performance and related matters to each Board meeting. The Chief Operating Officer and Chief Financial Officer provide comprehensive reports on Mirvac Group's financial performance and other relevant matters such as debt position and status of financing facilities.

A copy of the Board Charter is available on Mirvac Group's website.

Recommendations 1.1 and 2.6

2. BOARD OF DIRECTORS / CONTINUED

2.2 Board size and composition
The Board determines its size and composition subject to the limits imposed by Mirvac Group's Constitutions, which provide that there be a minimum of three and a maximum of 10 Directors.

The Board is to comprise a majority of independent Non-Executive Directors with an appropriate range of skills, experience and expertise to deal with current and emerging issues of the business. Mirvac Group's Board comprises five independent Non-Executive Directors and three Executive Directors. Details of the Directors in office as at the date of this Report, including their qualifications, experience, date of appointment and their status as independent or executive are set out on pages 31 and 32.

The Board considers that its Directors collectively bring the range of skills, knowledge and experience necessary to direct the Group.

Recommendations 2.1 and 2.6

2.3 Role of the Chairman
The Chairman of the Board is appointed by the Directors and, as specified in the Board Charter, must be an independent Non-Executive Director who at the same time is not the Chief Executive of the Group.

The Chairman, Mr James MacKenzie, is an independent Non-Executive Director who is also Chairman of the Board's Nomination Committee and a member of its Human Resources Committee.

The Chairman's specific role is detailed in the Board Charter. In general the Chairman leads the Board and ensures that its principles and processes are maintained including the timely provision of accurate and clear information to Directors. The Chairman also encourages debate and active engagement in the Boardroom and in conjunction with the Managing Director and Group Company Secretary sets agendas for Board meetings that focus on strategy and performance. The Chairman is also responsible for facilitating the relationship between the Board and the Managing Director and other Executives in particular.

Recommendations 2.2 and 2.3

2.4 Independence of Directors
The Board considers that an appropriate balance between independent Non-Executive, and Executive, Directors is necessary to appropriately govern Mirvac Group effectively and to promote securityholder interests. It is committed to ensuring a majority of the Board is independent at all times.

The Board has developed a policy, contained in the Board Charter, to determine the independence of its Directors. This determination is conducted annually or at any other time where the circumstances of a Director change such as to warrant reconsideration.

Independent Directors must be independent of management and any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgement as Directors of Mirvac Group.

It is Mirvac Group's view and that of its Board, that each of its Non-Executive Directors is independent. Each Director has exercised judgement and discharged his or her responsibilities in an unrestricted and independent manner throughout the year. No Non-Executive Director has a relationship that may affect his or her independent status and each continues to satisfy the specific materiality tests set down by the Board Charter.

Recommendations 2.1 and 2.6

2.5 Conflicts of interest
The Board approved guidelines for Board members dealing with conflicts of interests with their duties as Directors of Mirvac Group as detailed in the Board Charter.

A Director with an actual or potential conflict of interest in relation to a matter before the Board does not receive any papers prepared in relation to that matter and, when the matter comes before the Board for discussion, is not present for the discussion and takes no part in the decision making process.

Minutes recording the matter in which a Director is considered to have a conflict of interest are not provided to that Director. However, the Chairman would normally advise the conflicted Director of the broad nature of the matter for discussion and the progress of the matter through the Board process.

Mirvac's Code of Conduct/Ethical Business Behaviour policy also sets down guidelines for dealing with conflicts of interest that may arise particularly for Executives and other employees.

2.6 Meetings of the Board
The Board is scheduled to meet at least six times per year, and at any other time to deal with specific matters between the scheduled meetings. In addition, Directors, with key Executives, hold a strategy session annually in mid year to determine strategic direction and related issues for the ensuing year. A follow up session is usually held about six months later to review how the Group is performing against the strategic objectives set.

Papers are circulated well in advance of meetings in either electronic or paper form to assist in the decision making process. Board meetings are also scheduled away from head office at the Group's state and regional offices to provide Directors with the opportunity to view the businesses that comprise Mirvac Group and to meet employees from those businesses.

Details of the number of Board and Committee meetings held during the year together with the number of meetings attended by each Director are contained within the Directors' Report section of this Annual Report.

2.7 Review of Board and Executive performance

a) Board

The performance of the Board is reviewed annually by the Chairman supported by the Group Company Secretary. The appraisal is conducted initially by way of questionnaires completed by each Director individually which effectively review:

- the performance of the Board and each of its Committees against the requirements of their respective charters;
- the individual performance of the Chairman and each Director; and
- the processes and procedures of the Board to identify areas for improvement.

The completed questionnaires are used as the basis of interviews and discussions conducted by the Chairman with Directors.

The appraisal process conducted during the year ended 30 June 2008 indicated that no major issues or concerns were identified that required further attention. The primary focus of the Board over the next 12 months will be to implement strategies and monitor Executive performance to continue to deliver securityholder value over the longer term in the face of a more challenging operating environment.

The Human Resources Committee reviews and makes recommendations to the Board on the criteria for, and the evaluation of, the performance of the Managing Director. The Managing Director evaluates the performance of the Executive Directors in their capacity as Executives of the Group.

b) Key Executives

Evaluation of key Executives' performance is conducted annually by the Managing Director. This evaluation includes assessment of the respective Executive's performance against business and personal objectives agreed at the beginning of the year. A copy of this evaluation of each key Executive is also reviewed by the Human Resources Committee.

The Managing Director also monitors Executive performance throughout the year through regular meetings where progress towards achieving the set objectives is assessed and discussed.

Recommendations 1.2, 1.3, 2.5 and 2.6

2.8 Nomination and appointment of new Directors

Mirvac Group's Board Nomination Committee is responsible for identification and recommendation of candidates to the Board.

External consultants may be retained to assist the Committee to ensure a wide selection of potential Directors is assessed.

All new Directors are required to sign and return a letter of appointment which sets out the key terms and conditions of their appointment, including duties, rights and responsibilities, the time commitment envisaged and the Group's expectations of its Directors.

Directors (other than the Managing Director) appointed during a year only hold office until the next Annual General Meeting following their appointment, where upon they must retire and seek election by securityholders. Mirvac Group provides securityholders with relevant information on the candidates for election in such instances.

Recommendations 2.4 and 2.6

2.9 Retirement and re-election of Directors

Mirvac Group's Constitutions provide that one-third of Directors must retire each year and seek re-election by securityholders at the Annual General/General Meetings. This ensures that the maximum time that each Director can serve in any single appointment is three years. The Managing Director is not included in the number of Directors that must retire each year.

The Chairman will evaluate the contribution of retiring Directors prior to the Board endorsing their standing for re-election. At this time, Mirvac Group has not imposed any maximum on the number of terms that a Non-Executive Director may serve.

Recommendation 2.6

2.10 Access to independent information and advice

As detailed in the Board Charter, the Board and its Committees may seek advice from independent experts whenever it is considered appropriate. Individual Directors, with the consent of the Chairman, may seek independent professional advice on any matter connected to their responsibilities as a Director of Mirvac Group, at the Group's expense. No Director availed him or herself of this right during the year.

Recommendation 2.6

3. BOARD COMMITTEES

3.1 Committees' charters and membership

The Board has established the following standing Committees to assist it in the discharge of its responsibilities:

- Audit, Risk and Compliance Committee (ARCC);
- Human Resources Committee (HR);
- Nomination Committee (Nomination); and
- Health, Safety and Environment Committee (HSE)

Each Committee has adopted its own terms of reference or Charter, approved by the Board, setting out matters relevant to its composition and responsibilities. The Charters are reviewed annually by the Board.

Copies of the Committee Charters are available in the corporate governance section of Mirvac Group's website.

In general, the review of capital management, financial reporting, risk management and audit and compliance matters has been delegated to the Audit, Risk and Compliance Committee.

Personnel and remuneration matters have been delegated to the Human Resources Committee, with the review of the composition of, and appointments to, the Board delegated to the Nomination Committee.

The HSE Committee was formed during the year to assist the Board to lead the Group's commitment to HSE matters.

In addition, project approvals to purchase or invest/divest and approvals to commence construction to a value or cost up to $25 million each have been delegated to the Executive Committee for approval.

All Directors are entitled to attend meetings of the standing Committees. Papers considered by the standing Committees are available to all Directors via an electronic portal with access restricted to Directors only.

Minutes of all standing Committee, and the Executive Committee, meetings are provided as part of the papers for Board meetings, and the proceedings of each meeting are reported by the Committee Chairman at the next Board meeting.

Each Committee is entitled to the resources and information it requires to discharge its responsibilities, including direct access to employees and advisors.

The performance of each Committee, including its individual members, is evaluated as part of the annual performance review of the Board conducted by the Chairman.

Members of the standing Committees are:

	ARCC	HR	Nomination	HSE
James MacKenzie		✓	✓(ch)	
Paul Biancardi	✓(ch)	✓	✓	
Peter Hawkins	✓	✓(ch)		
Penny Morris	✓	✓		✓(ch)
Richard Turner	✓	✓		
Greg Paramor			✓	

(ch) designates Chairman of the Committee.

Each Committee member is an independent Non-Executive Director, with the exception of Mr Greg Paramor who is the Managing Director. The HSE Committee, although chaired by an independent Non-Executive Director, comprises a number of Executives and other senior managers with expertise in HSE matters.

Details of the number of meetings held by each Committee during the year, together with the number attended by each Committee member, are contained within the Directors' Report section of this Annual Report.

The Executive Committee meets monthly and comprises the Managing Director, Executive Directors, business unit Chief Executives, Chief Operating Officer, Group Company Secretary, Chief Financial Officer and General Manager, Human Resources who are all Mirvac Group employees.

Recommendations 2.4, 2.6, 4.1, 4.3, 4.4 and 8.1

3.2 Audit, Risk and Compliance Committee (ARCC)
Each member of the Committee has the technical expertise to enable the Committee to effectively discharge its mandate, chaired by Mr Paul Biancardi, a Chartered Accountant with extensive knowledge of taxation, finance and human resources in particular.

The Managing Director, Chief Operating Officer and Chief Financial Officer as well as representatives of the external and internal auditors attend all meetings by invitation. The ARCC regularly meets with the external auditors without management present.

The role of the ARCC is to assist the Board in fulfilling its oversight responsibilities in relation to the Group's financial reporting, legal and regulatory compliance, internal controls and risk management as well as the internal and external audit functions, as fully detailed in its Charter.

Also reporting to the ARCC is the Compliance Committee which has direct responsibility for monitoring and reviewing the Compliance Plans of Mirvac Group entities that hold Australian Financial Service (AFS) licences, and overseeing their adherence to all applicable laws and regulations.

The Compliance Committee meets on a quarterly basis and comprises four independent members.

Through the ARCC, the Compliance Committee reports to the respective boards of the AFS licensed entities.

Recommendations 4.1, 4.2, 4.4 and 7.1

3.3 Human Resources Committee (HR)
The objective of this Committee is to assist the Board in ensuring Mirvac Group has coherent remuneration policies and practices which are consistent with the Group's strategic goals and human resource objectives by attracting and retaining Directors and Executives and other employees who will create value for securityholders.

The Committee also ensures the Group fairly and responsibly remunerates Directors and Executives having regard to the performance of Mirvac Group, the performance of the individuals and the general remuneration environment.

Full details are contained in the HR Committee Charter which is posted to Mirvac's website.

The Managing Director and General Manager, Human Resources attend all meetings of the Committee by invitation.

Recommendations 8.1 and 8.3

3.4 Nomination Committee
The objective of this Committee is to assist the Board in ensuring that Mirvac Group has Boards of effective composition, size, expertise and commitment to adequately discharge their responsibilities and duties, having regard to the law and the highest standards of governance, with the specific responsibilities as set out in its Charter. The Committee also oversees succession planning within the Board, including the Managing Director/Chief Executive position.

Recommendations 2.4 and 2.6

3.5 HSE Committee
Each member of this Committee has the technical expertise to enable the Committee to effectively discharge its mandate, chaired by Ms Penny Morris who has extensive experience in HSE matters, particularly in the property development and construction industries.

The objectives of this Committee are to assist the Mirvac Group Board lead the Group's commitment to HSE matters by reporting on compliance with applicable statutory requirements, codes, standards and guidelines, as well as measurable objectives and targets aimed at the elimination of work related incidents or impacts from the Group's activities, products and services.

The HSE Committee meets monthly and reports to each Mirvac Group Board meeting on Mirvac's performance against set goals and targets.

4. EXTERNAL AUDITOR RELATIONSHIP
Mirvac Group's Audit, Risk and Compliance Committee (ARCC) in accordance with its Charter, is responsible for overseeing the relationship with the Group's external auditor, PricewaterhouseCoopers, including the terms of engagement of the external auditor and the scope of the external audit program each year. The ARCC is also responsible for monitoring and evaluating the performance, and independence, of the external auditor.

4.1 Approach to auditor independence
The Board has adopted a Policy for Auditor Independence which forms part of the ARCC's Charter published on Mirvac Group's website.

That Policy endorses the fundamental principles of auditor independence that, in order to be eligible to undertake any non-audit related services, the external auditor must not, as a result of that assignment:

- create a mutual or conflicting interest with that of Mirvac Group;
- audit their own work;
- act in a management capacity or as an employee; or
- act as an advocate for Mirvac Group.

The Policy also details the services that the external auditor will be prohibited from performing.

4.2 Certification of independence
PricewaterhouseCoopers has provided the ARCC with a half yearly and annual certification of its continued independence, in accordance with the requirements of the *Corporations Act 2001*, and in particular confirmed that it did not carry out any services or assignments during the year ended 30 June 2008 that were not compatible with auditor independence.

4.3 Other monitoring of independence
During the current year, Mr Mark Haberlin retired as the lead audit partner of Mirvac Group's Financial Statements and Reports and was replaced by Mr Ross Gavin.

In addition to the audit partner rotation and appointment requirements set out in the Policy and in the *Corporations Act 2001*, the ARCC also reviews and approves, or declines, as considered appropriate before the engagement commences, any individual engagement for non-audit services involving fees exceeding $100,000. Below this amount, approval, or otherwise as considered appropriate, is delegated to the Chief Financial Officer.

No work will be awarded to the external auditor if the ARCC (or the Chief Financial Officer as applicable) believes such work would give rise to a "self review threat" (as defined in APES110: *Code of Ethics for Professional Accountants*) or would create a conflict, or perceived conflict, of interest for the external auditor or any member of the audit team, or would otherwise compromise the auditor's independence requirements under the *Corporations Act 2001*.

4.4 Attendance at the Annual General Meeting/ General Meeting.
A partner of Mirvac Group's external auditor, PricewaterhouseCoopers, attends all Annual General/ General Meetings of Mirvac Group and is available to answer questions from securityholders on the conduct and the content of the Auditor's report of the Group. Securityholders are also provided with a reasonable opportunity to ask questions of the Auditor at the Meetings.

The external auditor is also allowed a reasonable opportunity to answer written questions submitted by securityholders to the Meetings. No questions were directed to the Auditors in regard to the content of Mirvac Group's 2007 Financial Report or the content of the Auditor's report for the Group and no questions were directed to the auditors at Mirvac Group's 2007 Annual General Meeting/General Meeting.

Recommendation 6.2

5. RECOGNISE AND MANAGE RISK

5.1 Approach to risk management

Mirvac Group is a leading ASX listed, integrated real estate group with approximately $27.2 billion of activities under control across the real estate investment and development spectrum.

These activities involve risks of varying kinds and to varying extents. Risks can relate to both threats to existing activities as well as failure to take advantage of opportunities that may arise. Mirvac Group's objective is to ensure those risks are identified and, where practical and economic, measures implemented to mitigate or otherwise manage the impact those risks may have on the Group's activities.

In recognition that risk management is a key element of effective corporate governance, Mirvac Group has adopted a Risk Management Policy statement, which is published on its website, as well as implementing specific and comprehensive procedures for identifying and managing its financial and operational risks.

The Mirvac Group Board is responsible for approving and reviewing the Risk Management Policy and risk strategy. To assist the Board in discharging its risk management responsibilities, certain activities have been delegated for particular review by the ARCC, as described in its Charter.

The management of risk and the implementation of mitigation measures are the responsibility of management under the direction of the Managing Director and the Executive Committee.

The Board determines the overall risk appetite and approves the strategies, policies and practices to ensure that risks are identified and managed within the context of this risk appetite.

Mirvac Group's approach to risk management is to establish an effective control environment to manage "material risks" to its business. A "material risk" is defined as the probability that an action, inaction or natural event may hinder or prevent the achievement of key business objectives.

The risk management and internal control systems within Mirvac include policies, processes, practices and procedures to provide reasonable assurance that:

- risk exposure is identified and adequately monitored and managed; and
- there is an appropriate level of compliance with policies, standards, procedures and applicable laws, regulations and licences.

The risk management framework is based on the Australian/New Zealand standard (AS/NZS 4360:2004) for risk management.

Each business unit within Mirvac Group has its own risk management committee which meet regularly to assess the risks relevant to its particular activities and to develop a business specific risk register. These business units then participate in a National Risk Group, chaired by the Chief Operating Officer that assesses all risks identified across the Group. The National Risk Group's risk register is tabled at all meetings of the Executive Committee, ARCC and Board, respectively.

These risk registers identify the particular risk, the residual exposure (be it "low", "medium" or "high"), as well as provide an assessment of the effectiveness of the controls and programs implemented to mitigate or manage the risk or its impact on the Mirvac Group.

During the year, the independent Chartered Accounting firm Ernst & Young continued to assist Mirvac Group's Internal Audit function in managing an effective internal audit/operational review program across the Group's operations. Internal Audit's role is to assess risks, enhance processes and monitor controls to provide assurance to the ARCC and the Board that the material risks and compliance obligations are being effectively managed through the implementation and maintenance of appropriate control processes.

The Head of Internal Audit, Mr Grant Katz, reports to the Chief Operating Officer and also has unfettered access to the ARCC and its Chairman at all times.

Mirvac Group's Risk Management Policy and underlying strategies are reviewed annually by the ARCC and the Board to ensure continued application and relevance. Management review of the implementation and effectiveness of this Policy is undertaken regularly by the National Risk Group.

The above arrangements were in place for the year ended 30 June 2008. However prior to year end, Mirvac Group commenced a comprehensive review of its current Risk Management Policy and risk appetite position.

A new Risk Management Road Map and Framework is also being prepared to provide improved guidance to the Group's operations in implementing appropriate processes to address or manage the range of current risk exposures identified across the Group. As at 30 June 2008, this work was well advanced but yet to be finalised.

As previously noted, the Board has delegated responsibility to management in all of the Group's business units for executing risk management to acceptable standards. Internal Audit will facilitate the process by providing a centralised role for overseeing risk management and assurance across these varied business units, as well as consolidating risk reporting for different stakeholders.

5. RECOGNISE AND MANAGE RISK / CONTINUED
This Risk Management Framework sets a standardised approach to managing risk within Mirvac Group, whilst maintaining a sufficient degree of flexibility to allow the various business units to adopt appropriate strategies to address their particular risk exposures.

Recommendations 7.1, 7.2 and 7.4

5.2 Executive assurance
The Managing Director and the Chief Financial Officer have provided the following assurance to the Mirvac Group Board in connection with the Group's full year financial statements and reports, namely that in their opinion, to the best of their knowledge and belief:

a) the financial records of Mirvac Group for the year ended 30 June 2008 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

b) the financial statements of Mirvac Group and the notes to those statements for the year ended 30 June 2008 comply with the relevant accounting standards;

c) the Group's financial statements, and the notes to those statements, for the year ended 30 June 2008 give a true and fair view of the financial position, operational results and the performance of Mirvac Group;

d) the statements referred to in paragraphs a) to c) above are founded on a system of risk management and internal compliance and control which implements the policies adopted by the Mirvac Group Board; and

e) Mirvac Group's risk management and internal compliance and control system is operating effectively in all material respects in relation to financial reporting risks.

The effective control environment established by the Mirvac Group's Board supports this assurance provided by the Managing Director and Chief Financial Officer.

However, it should be noted that associates and joint ventures, which are not controlled by Mirvac Group, are not covered for the purposes of this assurance or declaration given under section 295A of the *Corporations Act 2001*.

Further, these declarations provide a reasonable but not absolute level of assurance about risk management, internal compliance and control systems, and do not imply a guarantee against adverse events or more volatile conditions and outcomes in the future.

Recommendations 7.3 and 7.4

6. REMUNERATION POLICIES AND PRACTICES
The Remuneration Report on pages 33 to 46 details Mirvac Group's remuneration policies and practices including the relationship between remuneration, Group performance and returns to securityholders.

Recommendations 8.1, 8.2 and 8.3

7. CORPORATE CONDUCT AND RESPONSIBILITY

7.1 Approach to corporate conduct
Integrity is one of Mirvac Group's core values. In the Group's 36 year history, it has built a reputation for integrity and in dealing fairly, honestly and transparently with all stakeholders.

Mirvac Group has adopted a Code of Conduct/Ethical Business Behaviour policy which espouses its core values and reflects the Recommendations in terms of the matters addressed. Each member of the Executive Committee certifies to the ARCC their adherence to the requirements of the Code on a quarterly basis.

The Code of Conduct/Ethical Business Behaviour policy applies to Mirvac Group's Board of Directors, Executives and all other employees. A copy of the Code has been made available to all and is posted on the Group's intranet and is available within the Investor Information section of the website.

Recommendations 3.1 and 3.3

7.2 Compliance with the Code of Conduct
To fulfil Mirvac Group's commitment to its core values and the requirements of the Code of Conduct/Ethical Business Behaviour policy, the Group needs to be able to ensure that:

› violations of the Code and these values are detected and reported; and

› appropriate action is taken in response to any violations.

Accordingly, Mirvac Group encourages its Non-Executive Directors, Executives and other employees to report promptly in good faith any serious violations or suspected serious violations of the law or its Code of Conduct/Ethical Business Behaviour policy. To facilitate this, and in addition to the quarterly sign-off referred to in Section 7.1, the Group has established its "Open Line" program to allow staff to report in good faith suspected fraud, theft, criminal activity or any other conduct which may cause loss or be detrimental to Mirvac Group's reputation. The Open Line program sets out the measures to be taken and the protection to be provided in instances where violations or other suspected matters are reported.

Further, Part 9.4AAA of the *Corporations Act 2001* also provides protection to "whistleblowers" in certain specified circumstances.

Recommendations 3.1 and 3.3

7.3 Political and charitable donations
The Mirvac Group supports the democratic process within Australia and does make modest donations to Australia's major political parties to facilitate attendance at conferences and meetings where the Company is able to provide its views on policies and matters that may impact its operations. The Mirvac Group's Code of Conduct/Ethical Business Behaviour policy stipulates that donations can only be made on the approval of the Managing Director.

During the year ended 30 June 2008, Mirvac Group donated $112,023 in total to the major political parties in Australia.

During the year, the Mirvac Foundation was established to be the focus of the Mirvac Group's charitable support. The Foundation is currently supporting financially in each state, charities that care for the homeless. The Mirvac Group's staff also donate financially to the Foundation and donate their time to support the various organisations' activities. In addition to making a direct financial contribution to the Foundation, Mirvac matches the financial contributions of staff to the Foundation, makes staff available to provide development and construction advice as well as providing materials and personnel to assist in building programs. Staff are also permitted time off with full pay to support the charities in other areas of their respective operations, where this is feasible.

7.4 Security Trading Policy
Mirvac Group has implemented a Security Trading Policy that covers dealings in securities by Directors, Executives and other designated employees as well as their respective associates. These persons may only deal in Mirvac Group securities, or in securities of other public, listed entities that are related to Mirvac Group, in certain periods as identified in the Policy. Notwithstanding this, no Director, Executive or other employee may deal whenever they are in possession of price sensitive information. Any securities dealing in the Group by Directors is notified to the ASX within five business days of the dealing. Mirvac Group does not stipulate any minimum security holding requirements by its Directors.

In particular, the Policy also prohibits Executives and other employees hedging options they may hold over Mirvac Group securities.

Mirvac Group's Security Trading Policy is available within the Investor Information section of its website.

Recommendations 3.2, 3.3 and 8.3

7.5 Market Disclosure Policy and Practice
Mirvac Group is committed to:

- effectively communicating with its securityholders and facilitating an efficient and informed market in its securities by keeping the market appraised through announcements to the ASX, of all material information; and
- compliance with the requirements of the *Corporations Act 2001*, ASX Listing Rules and Recommendations.

The Group's Continuous Disclosure Policy is designed to support its commitment to a fully informed market in its securities by ensuring that announcements are:

- made to the ASX in a timely manner, are factual and do not omit material information; and
- expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Supporting the Continuous Disclosure Policy is its Communications Policy which governs Mirvac Group's policy in relation to interactions with external individuals, investors, analysts and other market participants.

The Group Company Secretary is responsible for the Group's compliance with its continuous disclosure obligations and for overseeing and co-ordinating disclosures to the ASX and other interested parties.

All disclosures are posted to Mirvac Group's website. Also posted to its website are annual and half year reports, profit releases, market briefings, notices of meetings and its regular property compendium. Web-casting and teleconferencing facilities are provided for market briefings to encourage participation from all stakeholders, regardless of location.

Mirvac Group is also rotating the location of its Annual General Meeting/General Meeting each year, after many years in Sydney, to allow securityholders in other states to participate in person. The 2007 Meetings were held in Brisbane in November 2007, with the 2008 Meetings to be held in Melbourne.

The Continuous Disclosure and Communications Policies are posted to Mirvac Group's website under the Investor Information section.

Recommendations 5.1, 5.2, 6.1 and 6.2

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 $'000	2007 $'000
Revenue			
Development and construction revenue		**1,211,000**	1,274,151
Rental revenue from investment properties		**322,529**	300,079
Hotel operations revenue		**163,748**	158,230
Fee revenue		**59,784**	40,815
Interest revenue	4	**19,307**	14,012
Dividend revenue		**1,626**	1,417
Other revenue		**19,827**	13,140
Total revenue from continuing operations		**1,797,821**	1,801,844
Other income			
Net gain from fair value adjustments on investment properties		**146,270**	239,460
Share of net profit of associates and joint ventures accounted for using the equity method		**–**	53,149
Gain on financial instruments	4	**25,145**	50,266
Foreign exchange gains	4	**51,432**	49,191
Net gain on sale of investments		**2,406**	22,636
Net gain on sale of investment property		**41,146**	28,868
Net gain on assets reclassified as held for sale		**48,578**	13,988
Net gain on sale of property, plant and equipment		**15,852**	456
Total other income		**330,829**	458,014
Total revenue and other income		**2,128,650**	2,259,858
Cost of property development and construction		**(959,658)**	(1,008,410)
Investment property outgoings		**(78,150)**	(70,538)
Hotel operating expenses		**(53,679)**	(50,932)
Share of net loss of associates and joint ventures accounted for using the equity method		**(50,208)**	–
Employee benefits expense		**(201,828)**	(164,207)
Depreciation and amortisation expense	5	**(27,728)**	(25,847)
Impairment of management rights		**(18,910)**	–
Impairment of investment in associates and joint ventures		**(76,110)**	–
Finance costs expense		**(139,888)**	(147,105)
Loss on financial instruments		**(24,812)**	(72,668)
Selling and marketing		**(42,991)**	(44,413)
Provision for loss on inventory		**(219,871)**	(12,258)
Other expenses		**(82,288)**	(65,351)
Profit before income tax		**152,529**	598,129
Income tax benefit/(expense)		**22,865**	(30,698)
Profit for the year		**175,394**	567,431
Profit attributable to minority interest		**(3,592)**	(11,375)
Net profit attributable to the stapled securityholders of Mirvac Group		**171,802**	556,056
Earnings per stapled security for net profit attributable to the stapled securityholders of Mirvac Group			
Basic earnings per security	6	**16.58**	58.65
Diluted earnings per security	6	**16.31**	57.46

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2008

	Note	2008 $'000	2007 $'000
Current assets			
Cash and cash equivalents		**29,273**	25,294
Receivables		**310,516**	455,362
Current tax assets		**63,301**	39,989
Inventories		**683,153**	346,126
Other financial assets at fair value through profit or loss		**19,262**	17,770
Assets classified as held for sale		**6,274**	65,997
Other current assets		**47,426**	41,923
Total current assets		**1,159,205**	**992,461**
Non-current assets			
Receivables		**182,185**	86,684
Inventories		**1,000,842**	1,273,974
Investments accounted for using the equity method		**600,182**	671,944
Derivative financial assets		**95,127**	69,861
Investment properties	8	**3,436,782**	3,431,177
Property, plant and equipment		**633,485**	492,155
Intangible assets		**320,845**	291,498
Deferred tax assets		**64,122**	42,496
Other non-current assets		**–**	370
Total non-current assets		**6,333,570**	**6,360,159**
Total assets		**7,492,775**	**7,352,620**
Current liabilities			
Payables		**325,389**	281,979
Borrowings		**138,000**	33
Provisions		**95,633**	87,292
Other current liabilities		**33,882**	30,419
Total current liabilities		**592,904**	**399,723**
Non-current liabilities			
Payables		**16,385**	93,126
Borrowings		**2,199,898**	2,552,842
Derivative financial liabilities		**110,632**	85,855
Deferred tax liabilities		**139,462**	135,283
Provisions		**23,327**	5,381
Total non-current liabilities		**2,489,704**	**2,872,487**
Total liabilities		**3,082,608**	**3,272,210**
Net assets		**4,410,167**	**4,080,410**
Equity			
Contributed equity	7	**3,771,459**	3,322,183
Reserves		**133,816**	77,093
Retained earnings		**435,265**	611,218
Total Parent Entity interest		**4,340,540**	4,010,494
Minority interest		**69,627**	69,916
Total equity		**4,410,167**	**4,080,410**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	Issued capital $'000	Reserves $'000	Retained earnings $'000	Minority interest $'000	Total $'000
Balance at 1 July 2007	**3,322,183**	**77,093**	**611,218**	**69,916**	**4,080,410**
Increment on revaluation of property, plant and equipment, net of tax	–	51,985	–	–	51,985
Exchange differences on translation of foreign operations	–	(2,359)	–	–	(2,359)
Net income recognised directly in equity	–	49,626	–	–	49,626
Net profit		–	171,802	3,592	175,394
Total recognised income and expenses for the year	–	49,626	171,802	3,592	225,020
Security based payment transactions	–	7,097	–	–	7,097
Equity based compensation – movement in retained earnings	–	–	1,142	–	1,142
EIS securities converted/sold/forfeited	8,189	–	–	–	8,189
Contributions of equity, net of transaction costs	441,087	–	–	–	441,087
Dividends/distributions provided for or paid	–	–	(348,897)	–	(348,897)
Minority interest	–	–	–	(3,881)	(3,881)
Balance at 30 June 2008	**3,771,459**	**133,816**	**435,265**	**69,627**	**4,410,167**
Balance at 1 July 2006	**2,728,575**	**54,064**	**366,678**	**18,741**	**3,168,058**
Increment on revaluation of property, plant and equipment, net of tax	–	22,253	–	–	22,253
Exchange differences on translation of foreign operations	–	(72)	–	–	(72)
Net income recognised directly in equity	–	22,181	–	–	22,181
Net profit	–	–	556,056	11,375	567,431
Total recognised income and expenses for the year	–	22,181	556,056	11,375	589,612
Security based payment transactions	–	848	–	–	848
Equity based compensation – movement in retained earnings	–	–	751	–	751
EIS securities converted/sold/forfeited	21,149	–	–	–	21,149
Contributions of equity, net of transaction costs	572,459	–	–	–	572,459
Dividends/distributions provided for or paid	–	–	(312,267)	–	(312,267)
Minority interest	–	–		39,800	39,800
Balance at 30 June 2007	**3,322,183**	**77,093**	**611,218**	**69,916**	**4,080,410**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	2008 $'000	2007 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of Goods and Services Tax)	**1,954,903**	1,677,777
Payments to suppliers and employees (inclusive of Goods and Services Tax)	**(1,747,500)**	(1,540,850)
	207,403	136,927
Interest received	**15,467**	14,012
Associates and joint venture distributions received	**77,897**	69,789
Dividends received	**1,626**	1,534
Borrowing costs paid	**(173,359)**	(161,481)
Income taxes paid	**(8,114)**	(74,256)
Net cash inflows/(outflows) from operating activities	**120,920**	**(13,475)**
Cash flows from investing activities		
Payments for property, plant and equipment	**(89,707)**	(67,182)
Proceeds from the sale of assets	**60,926**	63,589
Payments for investment properties	**(218,048)**	(604,995)
Proceeds from the sale of investment properties and assets held for sale	**467,283**	285,163
Movements in loans to related entities	**(67)**	(1,045)
Movements in loans to unrelated entities	**3,632**	(5,894)
Contributions to associates and joint ventures	**(206,025)**	(351,384)
Proceeds from associates and joint ventures	**2,398**	90,383
Purchase of controlled entities	**(60,123)**	(82,303)
Proceeds from sale of investments	**30,256**	150,536
Net cash outflows from investing activities	**(9,475)**	**(523,132)**
Cash flows from financing activities		
Proceeds from borrowings	**1,314,931**	1,417,997
Repayment of borrowings	**(1,531,428)**	(1,201,722)
Proceeds from issue of securities	**298,337**	449,240
Dividends/distributions paid	**(201,134)**	(156,364)
Net cash (outflows)/inflows from financing activities	**(119,294)**	**509,151**
Net decrease in cash and cash equivalents	**(7,849)**	(27,456)
Cash received on acquisition of business combinations	**12,719**	(2,180)
Cash and cash equivalents at the beginning of the period	**25,294**	54,925
Effects of exchange rate changes on cash and cash equivalents	**(891)**	5
Cash and cash equivalents at the end of the period	**29,273**	**25,294**

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTE 1. BASIS OF PREPARATION

The Concise Financial Report relates to the Consolidated Entity consisting of Mirvac Limited and the entities it controlled at the end of, or during, the year ended 30 June 2008. The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

The presentation currency used in this Concise Financial Report is Australian dollars. A full description of the accounting policies adopted by Mirvac Group and its controlled entities is provided in the notes to the financial statements which form part of the Full Financial Report.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The Mirvac Group — stapled securities

Mirvac Group stapled securities comprise one Mirvac Limited security and one Mirvac Property Trust unit to create a single listed entity traded on the Australian Securities Exchange. The stapled securities cannot be traded or dealt with separately.

The entities forming the stapled Mirvac Group entered into a Deed of Co-operation which provided that the members consider the interests of Mirvac Group as a whole, when entering into any agreement or arrangement, or carrying out any act. This Deed of Co-operation means that members of the stapled group, where permitted by law, will carry out activities with other members on a cost recovery basis, thereby maintaining the best interests of Mirvac Group as a whole.

The two Mirvac Group entities comprising the stapled group, remain separate legal entities in accordance with the *Corporations Act 2001*, and are each required to comply with the reporting and disclosure requirements of Accounting Standards and the *Corporations Act 2001*. In accordance with Urgent Issues Group Interpretation 1013, "Consolidated Financial Reports in relation to Pre-Date-Of-Transition Stapling Arrangements", Mirvac Limited has been deemed the Parent entity of Mirvac Property Trust.

The stapled security structure will cease to operate on the first to occur of:

- either of Mirvac Limited or Mirvac Property Trust resolving by special resolution in general meeting and in accordance with its constitution to terminate the stapling provisions; or
- the commencement of the winding up of Mirvac Limited or Mirvac Property Trust.

The Australian Securities Exchange reserves the right (but without limiting its absolute discretion) to remove one or more entities with stapled securities from the official list if any of their securities cease to be 'stapled' together, or any equity securities of the same class are issued by one entity which are not stapled to equivalent securities in the other entity or entities.

The principal accounting policies adopted in the preparation of the financial report are set out in the Full Financial Report. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Mirvac Limited as an individual entity and the Mirvac Group consisting of Mirvac Limited and its controlled entities (including Mirvac Property Trust and its controlled entities).

NOTE 2. SEGMENTAL INFORMATION

a) Primary segments

The Mirvac Group's segment reporting format is that of business segments as Mirvac Group's risks and rates of return are affected predominantly by differences in the products and services produced.

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Mirvac Group is organised into two core business segment divisions:

Development

The Development segment's primary operations are construction and property development of residential, commercial, industrial and retail development projects throughout Australia. In addition project management fees are received from the management of development and construction projects on behalf of joint ventures and residential development funds.

Investment

Investment comprises Mirvac Property Trust and Mirvac Asset Management (formerly Mirvac Real Estate Services). The Investment segment has properties covering the retail, commercial, industrial and hotel sectors, held for the purpose of producing rental income throughout Australia. Income is also derived from investments in associated entities including Mirvac Real Estate Investment Trust and Mirvac Industrial Trust. Fees are also received by Mirvac Asset Management which provides asset management services to both Investment and Funds Management.

Funds Management

Funds Management includes Hotel Management. Funds Management and Hotel Management facilitate capital interaction between Mirvac Group's two core divisions, being Investment and Development, and undertake the management of external funds and hotels across Australasia.

b) Geographical segment
The Mirvac Group operates predominantly in Australia.

c) Inter-segment transfers
Segment revenues, expenses and results include transfers between segments. Such transfers are based on an arm's length basis and are eliminated on consolidation.

		Investment	Funds Management			
2008	Development $'000	MPT/ MAM $'000	Hotel Management $'000	Funds Management $'000	Unallocated/ elimination $'000	Totals $'000
External revenue	1,247,750	358,659	166,938	52,918	(28,444)	**1,797,821**
Inter-segment sales	71,919	68,928	–	48	(140,895)	**–**
Total revenue	1,319,669	427,587	166,938	52,966	(169,339)	**1,797,821**
Investment property revaluations	–	181,809	–	–	(35,539)	**146,270**
Net foreign exchange gain/(loss)	–	–	(316)	–	51,748	**51,432**
Net gain on financial instruments	–	19,533	–	–	5,612	**25,145**
Net gain on sale of investments	–	–	–	2,406	–	**2,406**
Profit on sale of investment property	–	41,146	–	–	–	**41,146**
Profit on held for sale assets	–	48,578	–	–	–	**48,578**
Net gain/(loss) on disposal of property, plant and equipment	16,704	(41)	(168)	(179)	(464)	**15,852**
Total segment revenue and other income	1,336,373	718,612	166,454	55,193	(147,982)	**2,128,650**
Segment result before interest and tax	(2,064)	447,948	14,243	(89,023)	(97,993)	**273,111**
Net interest allocated [1]	(63,717)	(43,990)	(597)	(4,899)	(7,379)	**(120,582)**
Profit/(loss) after interest and before tax	(65,781)	403,958	13,646	(93,922)	(105,372)	**152,529**
Income tax benefit						**22,865**
Net profit						**175,394**
Outside equity interest						**(3,592)**
Net profit attributable to Mirvac Group securityholders						**171,802**
Total assets	5,129,143	5,253,453	293,299	866,762	(4,049,882)	**7,492,775**
Total liabilities	4,917,146	1,634,175	242,492	829,597	(4,540,802)	**3,082,608**
Investments in associates and joint ventures	241,612	366,928	–	38,542	(46,900)	**600,182**
Acquisitions of investments and property, plant and equipment	3,403	233,376	4,527	552	6,690	**248,548**
Depreciation and amortisation expense	3,338	11,159	4,906	863	7,462	**27,728**
Provision for loss on inventory	219,871	–	–	–	–	**219,871**
Impairment of management rights	–	–	–	18,910	–	**18,910**
Impairment of investments	–	76,110	–	–	–	**76,110**
Share of associates and joint venturers' net profit/(loss)	26,258	10,611	–	(85,293)	(1,784)	**(50,208)**

1) Net interest includes interest revenue of $19,307,000 and interest expense of $139,888,000.

NOTE 2. SEGMENTAL INFORMATION / CONTINUED

		Investment	Funds Management			
2007	Development $'000	MPT/ MAM $'000	Hotel Management $'000	Funds Management $'000	Unallocated/ elimination $'000	Totals $'000
External revenue	1,331,776	322,453	158,394	34,531	(45,310)	**1,801,844**
Inter-segment sales	199,443	69,579	527	767	(270,316)	**–**
Total revenue	1,531,219	392,032	158,921	35,298	(315,626)	**1,801,844**
Investment property revaluations	–	245,805	–	–	(6,345)	**239,460**
Share of associates and joint ventures profit	22,375	15,678	–	16,644	(1,548)	**53,149**
Net foreign exchange gain/(loss)	–	–	9	(2)	49,184	**49,191**
Net gain on financial instruments	–	41,115	–	–	9,151	**50,266**
Net gain on sale of investments	22,175	350	–	792	(681)	**22,636**
Profit on sale of investment property	1,701	27,167	–	–	–	**28,868**
Profit on held for sale assets	–	13,988	–	–	–	**13,988**
Net gain/(loss) on disposal of property, plant and equipment	(56)	(7)	521	–	(2)	**456**
Total segment revenue and other income	1,577,414	736,128	159,451	52,732	(265,867)	**2,259,858**
Segment result before interest and tax	213,334	560,113	9,479	25,979	(77,683)	**731,222**
Net interest allocated[1]	(73,278)	(44,970)	(26)	(1,339)	(13,480)	**(133,093)**
Profit/(loss) after interest and before tax	140,056	515,143	9,453	24,640	(91,163)	**598,129**
Income tax expense						**(30,698)**
Net profit						**567,431**
Outside equity interest						**(11,375)**
Net profit attributable to Mirvac Group securityholders						**556,056**
Total assets	4,867,643	5,275,573	213,745	770,936	(3,775,277)	**7,352,620**
Total liabilities	4,597,420	2,091,366	175,944	634,784	(4,227,304)	**3,272,210**
Investments in associates and joint ventures	171,722	440,226	–	94,712	(34,716)	**671,944**
Acquisitions of investments and property, plant and equipment	7,324	626,360	47,062	335	1,833	**682,914**
Depreciation and amortisation expense	5,142	9,006	5,624	144	5,931	**25,847**
Provision for loss on inventory	12,258	–	–	–	–	**12,258**

1) Net interest includes interest revenue of $14,012,000 and interest expense of $147,105,000.

NOTE 3. DIVIDENDS/DISTRIBUTIONS

Ordinary stapled securities	2008 $'000	2007 $'000
Quarterly ordinary distributions paid as follows:		
7.975 cents per fully paid stapled security paid on 27 October 2006 (1.65 cents per stapled security franked at 30%)	–	71,641
8.225 cents per fully paid stapled security paid on 26 October 2007 (Unfranked distribution)	**84,042**	–
7.975 cents per fully paid stapled security paid on 25 January 2007 (1.65 cents per stapled security franked at 30%)	–	79,705
8.225 cents per fully paid stapled security paid on 25 January 2008 (Unfranked distribution)	**84,514**	–
7.975 cents per fully paid stapled security paid on 27 April 2007 (1.595 cents per stapled security franked at 30%)	–	80,366
8.225 cents per fully paid stapled security paid on 24 April 2008 (Unfranked distribution)	**89,786**	–
7.975 cents per fully paid stapled security paid on 27 July 2007 (1.595 cents per stapled security franked at 30%)	–	80,907
8.225 cents per fully paid stapled security paid on 25 July 2008 (Unfranked distribution)	**90,555**	–
Total dividend/distribution 32.9 cents per fully paid stapled security (2007: 31.9 cents per stapled security)	**348,897**	312,619

Distribution Reinvestment Plan (DRP)

Dividends/distributions actually paid/payable or satisfied by issue of securities under the Group dividend/distribution reinvestment plan were as follows:

Paid in cash	**196,626**	156,364
Satisfied by the issue of securities	**142,623**	144,371
	339,249	300,735

NOTE 4. REVENUE

	2008 $'000	2007 $'000
Interest revenue		
Cash and cash equivalents	**11,316**	7,640
Joint venture and related party loans	**3,481**	3,030
Mezzanine loans	**4,489**	3,193
Others	**21**	149
Total interest revenue	**19,307**	14,012
Gain on financial instruments		
Gain on interest rate derivatives	**24,758**	48,590
Gain on revaluation of other financial instruments	**387**	1,676
Gain on financial instruments	**25,145**	50,266
Foreign exchange gains	**51,432**	49,191

NOTE 5. EXPENSES

Profit for the year includes the following specific expenses	2008 $'000	2007 $'000
Amortisation		
Lease fit-outs	**6,550**	6,478
Amortisation of intangibles	**701**	1,706
Deferred expenses	**2,664**	1,978
Total amortisation	**9,915**	10,162
Loss on financial instruments		
Loss on cross currency derivatives	**24,812**	72,668
Loss on financial instruments	**24,812**	72,668
Other charges against assets		
Provision for loss on inventory	**219,871**	12,258
Bad and doubtful debts – trade debtors	**594**	655
Impairment of management rights	**18,910**	–
Other provisions – long service leave	**2,601**	2,544
Rental expense relating to operating leases	**3,652**	3,957

NOTE 6. EARNINGS PER SECURITY

	2008 Cents	2007 Cents
Earnings per security		
Basic earnings per security	**16.58**	58.65
Diluted earnings per security[1]	**16.31**	57.46
Reconciliation of earnings used in calculating earnings per security	**$'000**	$'000
Basic and diluted earnings per security		
Net profit used in calculating earnings per security	**171,802**	556,056
Weighted average number of securities used as denominator	**Number**	Number
Weighted average number of securities used in calculating basic earnings per security	**1,036,006,036**	948,120,903
Adjustment for calculation of diluted earnings per security: Securities issued under EIS	**17,438,211**	19,542,385
Weighted average number of securities used in calculating diluted earnings per security	**1,053,444,247**	967,663,288

1) Diluted securities does not include the performance rights and options issued under the current LTI plan as the exercise of these equity instruments are contingent on conditions during the vesting period.

NOTE 7. CONTRIBUTED EQUITY

a) Paid up capital

	2008 Securities	2007 Securities	2008 $'000	2007 $'000
Total contributed equity	**1,084,371,184**	995,918,784	**3,771,459**	3,322,183

b) Movements in paid up capital of the Mirvac Group for the 2008 year

			No of securities	
	Issue date	Issue price	000's	$'000's
Opening balance at 30 June 2007			995,919	3,322,183
Distribution reinvestment plan issues	27/07/2007	$5.50	7,285	40,067
Distribution reinvestment plan issues	26/10/2007	$5.36	5,381	28,833
Distribution reinvestment plan issues	25/01/2008	$5.95	6,407	38,101
Private security placement	01/02/2008	$5.20	57,692	300,000
Distribution reinvestment plan issues	24/04/2008	$3.81	9,348	35,626
Less: Transaction costs arising on security issue			–	(1,540)
EIS securities converted/sold/forfeited	Various		2,339	8,189
Closing balance at 30 June 2008			**1,084,371**	**3,771,459**

c) Reconciliation of securities issued on ASX

Under AIFRS, securities issued under the Mirvac Employee LTI schemes are required to be accounted for as an option and are excluded from total issued capital, until such time as the relevant employee loans are fully repaid or the employee leaves the Mirvac Group.

Total ordinary securities issued as detailed above is reconciled to securities issued on the Australian Securities Exchange (ASX) as follows:

	2008 Number
Total ordinary securities issued	**1,084,371,184**
Securities issued under LTI and EIS	**16,605,128**
Total securities issued on ASX	**1,100,976,312**

NOTE 8. INVESTMENT PROPERTIES

	Date of acquisition	**Cost and additions to 30 June 2008 $'000**	**Book value 30 June 2008 $'000**	Book value 30 June 2007 $'000	Date of last external valuation	Last external valuation $'000
Mirvac Property Trust and its controlled entities						
1 Castlereagh Street, Sydney NSW	18/12/1998	**50,283**	**87,500**	72,000	31/12/2007	87,000
1 Darling Island, Pyrmont NSW	15/05/2006	**134,501**	**186,500**	155,000	31/12/2006	144,500
127 Creek Street, Brisbane QLD	01/05/1998	**–**	**–**	88,972	30/06/2006	72,000
1-47 Percival Road, Smithfield NSW	22/11/2002	**20,926**	**25,300**	23,800	31/03/2008	25,300
189 Grey Street, Southbank QLD	19/04/2004	**39,224**	**72,000**	65,000	30/06/2007	65,000
190 George Street, Sydney NSW	05/08/2003	**46,862**	**46,000**	45,000	31/03/2008	46,000
1900-2000 Pratt Boulevard, Elk Grove Village, Illinois USA	06/12/2007	**42,608**	**42,608**	–	–	–
200 George Street, Sydney NSW	31/10/2001	**24,689**	**30,500**	28,000	31/03/2008	30,500
253 Wellington Road and 18-20 Compark Circuit, Mulgrave VIC	01/08/2001	**15,924**	**15,200**	19,000	31/03/2008	15,200
271 Lane Cove Road, North Ryde NSW	05/04/2000	**18,669**	**43,500**	30,700	31/03/2008	43,500
30-32 Compark Circuit, Mulgrave VIC	01/02/2003	**6,723**	**6,550**	8,300	31/03/2008	6,550
333-343 Frankston and Dandenong Roads and 4 Abbotts Road, Dandenong South VIC	15/01/2004	**12,631**	**15,350**	13,700	31/03/2008	15,350
38 Sydney Avenue, Forrest ACT	26/06/1996	**32,019**	**44,500**	39,500	31/12/2006	38,000
40 Miller Street, North Sydney NSW[1]	31/03/1998	**66,989**	**100,000**	–	31/03/2008	100,000
44 Biloela Street, Villawood NSW	24/09/2003	**18,882**	**18,500**	20,100	31/03/2008	18,500
54 Marcus Clarke Street, Canberra ACT	15/10/1987	**14,271**	**21,000**	19,500	31/12/2006	18,800
64 Biloela Street, Villawood NSW	02/02/2004	**22,702**	**25,800**	25,000	31/03/2008	25,800
7 Railway Street, Chatswood NSW	11/08/2003	**–**	**–**	4,170	31/12/2005	3,750
Arts House, 40 Macquarie Street Barton ACT	08/12/1995	**–**	**–**	19,000	30/06/2005	18,000
Ballina Central, Ballina NSW	01/12/2004	**44,711**	**40,200**	42,500	31/03/2008	40,200
Bay Centre, Corner Pirrama and Edward Streets, Pyrmont NSW	29/06/2001	**57,858**	**111,000**	88,500	31/03/2008	111,000
Blacktown Mega Centre, Blacktown Road, Blacktown NSW	30/06/2002	**32,352**	**48,500**	45,000	30/06/2007	45,000
Broadway Shopping Centre, Broadway NSW	15/01/2007	**227,393**	**227,000**	226,500	–	–
Buildings 1,2,3 and 7, Riverside Quay, Southbank VIC	15/04/2002 and 01/07/2003	**119,068**	**129,000**	128,450	30/06/2007	128,450
Como Centre, Corner Toorak Road and Chapel Street, South Yarra VIC[2]	18/08/1998	**117,137**	**145,642**	144,700	30/06/2007	176,383
Gippsland Centre, Cunninghame Street, Sale VIC	06/01/1994	**34,966**	**52,750**	55,700	30/06/2007	55,700
Glasshouse, 48 Furzer Street, Phillip ACT	19/07/2007	**78,345**	**73,920**	–	31/03/2008	74,000
Hinkler Shopping Centre, Maryborough Street, Bundaberg QLD	12/08/2003	**79,223**	**96,000**	92,400	31/03/2008	96,000
James Ruse Business Park, 6 Boundary Road, Northmead NSW	14/07/1994	**23,069**	**30,750**	30,600	31/12/2006	30,500
John Oxley Centre, 339 Coronation Drive, Milton QLD	31/05/2002	**43,470**	**66,250**	58,500	30/06/2007	58,500

1) Property previously classified as owner-occupied buildings until 1 July 2007.
2) Valuation includes the Como Hotel which has been reclassified to owner-occupied properties.

NOTE 8. INVESTMENT PROPERTIES / CONTINUED

	Date of acquisition	Cost and additions to 30 June 2008 $'000	Book value 30 June 2008 $'000	Book value 30 June 2007 $'000	Date of last external valuation	Last external valuation $'000
Kawana Shoppingworld, Nicklin Way, Buddina QLD	09/12/1993 (1st 50%) 10/06/1998 (2nd 50%)	**105,461**	**195,000**	176,000	31/12/2007	195,000
Kwinana Hub Shopping Centre, Corner Gilmore and Chisham Aves, Kwinana WA	16/09/2005	**27,494**	**30,000**	29,500	31/03/2008	30,000
Lake Haven Mega Centre, Lake Haven NSW	15/01/2007	**52,256**	**42,250**	–	31/12/2007	47,000
Logan Mega Centre, Slacks Creek QLD	01/03/2007	**80,984**	**83,750**	82,500	30/06/2007	82,500
Moonee Ponds Central, Homer Street, Moonee Ponds VIC	20/05/2003	**26,302**	**25,600**	25,500	31/03/2008	25,600
Nexus Industry Park (Atlas), Prestons NSW	03/08/2004	**16,945**	**20,300**	19,500	31/03/2008	20,300
Nexus Industry Park (Building 3), Prestons NSW	03/08/2004	**20,213**	**25,250**	–	31/12/2007	26,000
Nexus Industry Park (EWR), Prestons NSW	03/08/2004	**13,034**	**15,000**	14,500	30/06/2007	14,500
101-103 Miller Street, North Sydney[3]	30/06/1994	**189,982**	**228,500**	372,000	30/06/2007	372,000
Orange City Centre, Summer Street, Orange NSW	05/04/1993	**31,765**	**54,000**	52,500	31/03/2008	54,000
Orion Springfield, Springfield Lakes QLD	15/03/2007	**130,478**	**150,000**	155,000	30/06/2007	155,000
Peninsula Lifestyle Centre, 1128 Nepean Highway, Mornington VIC	01/12/2003	**55,307**	**56,000**	58,500	30/06/2007	58,500
Perpetual Trustees Building, 10 Rudd Street, Canberra ACT	15/10/1987	**14,843**	**22,000**	19,600	31/03/2008	22,000
Quay West Car Park, 111 Harrington Street, Sydney NSW	30/11/1989	**37,606**	**48,000**	45,000	31/03/2008	48,000
Rhodes Shopping Centre, Rhodes NSW	15/01/2007	**106,214**	**111,500**	111,500	–	–
Royal Domain Centre, 380 St Kilda Road, Melbourne VIC	04/10/1995 (1st 50%) 02/04/2001 (2nd 50%)	**90,006**	**115,500**	92,500	31/12/2007	114,500
St George Centre, 60 Marcus Clarke Street, Canberra ACT	01/09/1989	**47,010**	**58,023**	54,000	31/03/2008	58,000
Stanhope Village, Sentry Drive, Stanhope Gardens NSW	14/11/2003	**54,311**	**65,500**	65,000	30/06/2007	65,000
The Metcentre, 60 Margaret Street, Sydney NSW (50% interest)[4]	06/08/1998	**–**	**–**	191,000	31/12/2007	227,000
The Village Centre, Charles Hackett Drive, St Marys NSW	17/01/2003	**39,440**	**47,000**	44,500	31/12/2007	48,000
Waverley Gardens Shopping Centre, Corner Police and Jackson Roads, Mulgrave VIC	15/11/2002	**133,988**	**147,500**	145,000	30/06/2007	145,000
Mirvac Limited and its controlled entities						
Forestry land	13/03/2004	**50,375**	**60,715**	55,330	30/06/2008	60,715
Taree Shopping Centre, Taree NSW	01/12/2006	**32,561**	**32,483**	32,655	31/12/2007	32,500
Blue Street, North Sydney[5] NSW	26/06/2001	**1,090**	**1,091**	–	–	–
Total investment properties		**2,783,160**	**3,436,782**	3,431,177		

3) During the period, 50 per cent of this investment property was disposed of. The book value reported at 30 June 2007 is the value at 100 per cent ownership.
4) During the period, this property was transferred to owner-occupied buildings.
5) Investment property previously classified as inventory.

NOTE 8. INVESTMENT PROPERTIES / CONTINUED

Valuation basis
Investment properties are revalued by external valuers on the basis of a quarter of the portfolio being valued half yearly. The basis of valuation of investment properties is fair value, being the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Properties not externally valued during the reporting period are carried at Directors' internal valuation.

The carrying amount of the investment properties recorded in the Balance Sheet includes components relating to lease incentives.

NOTE 9. EVENTS OCCURRING AFTER REPORTING DATE

Acquisition of Chantrey Limited
On 1 July 2008, Mirvac UK Limited, a wholly owned subsidiary, acquired the remaining 50 per cent interest in Chantrey Limited for a cash consideration of $548,000. Under the terms of the acquisition, a final payment will be made in June 2010. The consideration payable will be calculated using a formula combining average funds under management and earnings before interest and tax (EBIT) as at that time.

The financial effect of the above transaction has not been brought to account at 30 June 2008. The operating results and assets and liabilities of the company will be consolidated from 1 July 2008.

Retirement and appointment of Mirvac Group's Managing Director
On 27 July 2008, the Chairman of Mirvac Group, James MacKenzie, announced that the Board had appointed Nick Collishaw, Mirvac's Executive Director, to take over the role of Managing Director on the retirement of Greg Paramor. Mr Paramor will leave Mirvac Group after delivering the Company's Annual Results on 26 August 2008.

Other events
No other circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of Mirvac Group, the results of those operations, or the state of affairs of Mirvac Group in future financial years.

NOTE 10. FULL FINANCIAL REPORT
Further financial information can be obtained from the Full Financial Report which is available, free of charge on request. A copy may be requested by telephoning 1800 659 886. Alternatively, the Full Financial Report can be accessed via the internet at the Mirvac Group's website at www.mirvac.com.

DIRECTORS' DECLARATION

The Directors declare that in their opinion, the Concise Financial Report of the Consolidated Entity for the year ended 30 June 2008 as set out in pages 25 to 70 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.

The Concise Financial Report is an extract from the Full Financial Report for the year ended 30 June 2008. The financial statements and the specific disclosures included in the Concise Financial Report have been derived from the Full Financial Report.

The Concise Financial Report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the Full Financial Report, which is available on request.

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

G J Paramor
Director

Sydney
26 August 2008

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MIRVAC LIMITED

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
Sydney NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

REPORT ON THE CONCISE FINANCIAL REPORT

The accompanying Concise Financial Report of Mirvac Group comprises the balance sheet as at 30 June 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Mirvac Group for the year ended 30 June 2008. The Mirvac Group comprises Mirvac Limited and its entities it controlled during the year, including Mirvac Property Trust and its entities it controlled during the year. The Concise Financial Report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' responsibility for the Concise Financial Report

The directors of Mirvac Limited are responsible for the preparation and presentation of the Concise Financial Report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation of the Concise Financial Report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the Concise Financial Report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Mirvac Group for the year ended 30 June 2008. Our audit report on the financial report for the year was signed on 26 August 2008 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the Concise Financial Report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the Concise Financial Report complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the Concise Financial Report.

Liability limited by a scheme approved under Professional Standards Legislation

For further explanation of an audit, visit our website **http://www.pwc.com/au/financialstatementaudit**.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion on the financial report
In our opinion, the Concise Financial Report of Mirvac Group for the year ended 30 June 2008 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

Auditor's opinion on the remuneration report
In our opinion, the Remuneration Report of Mirvac Limited for the year ended 30 June 2008 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

R L Gavin
Partner

Sydney
26 August 2008

MIRVAC PROPERTY TRUST AND ITS CONTROLLED ENTITIES CONCISE FINANCIAL REPORT

30 JUNE 2008
This Concise Financial Report covers Mirvac Property Trust (ARSN 086 780 645) and its controlled entities.

Directors' Report	**75**
Auditor's Independence Declaration	80
Concise Financial Report	
Consolidated Income Statement	81
Consolidated Balance Sheet	82
Consolidated Statement of Changes in Equity	83
Consolidated Cash Flow Statement	84
Notes to the Consolidated Financial Statements	85
Directors' Declaration	**93**
Independent Audit Report to the Unitholders of Mirvac Property Trust	**94**

RELATIONSHIP OF THE CONCISE FINANCIAL REPORT TO THE FULL FINANCIAL REPORT
The Concise Financial Report is an extract from the Full Financial Report for the year ended 30 June 2008.

The financial statements and specific disclosures included in the Concise Financial Report have been derived from the Full Financial Report.

The Concise Financial Report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Mirvac Property Trust and its controlled entities as the Full Financial Report. Further financial information can be obtained from the Full Financial Report.

The Full Financial Report and Auditor's Report will be sent to members on request, free of charge. Please call 1800 659 886 and a copy will forwarded to you. Alternatively, the Full Financial Report may be accessed via the internet at the Mirvac Group's website at www.mirvac.com.

The Directors of Mirvac Funds Limited (ABN 70 002 561 640), the Responsible Entity of Mirvac Property Trust (Trust) present their report, together with the Concise Financial Report of the Trust and its controlled entities (Consolidated Entity), for the year ended 30 June 2008.

Mirvac Property Trust and its controlled entities together with Mirvac Limited and its controlled entities form the stapled entity, Mirvac Group.

RESPONSIBLE ENTITY
The Responsible Entity of the Trust is Mirvac Funds Limited, an entity incorporated in New South Wales. The immediate Parent Entity of the Responsible Entity is Mirvac Woolloomooloo Pty Limited (ABN 44 001 162 205), incorporated in New South Wales, and its ultimate Parent Entity is Mirvac Limited (ABN 92 003 280 699), incorporated in New South Wales.

DIRECTORS
The following persons were Directors of Mirvac Funds Limited during the whole of the financial year and up to the date of this report:

Mr J A C MacKenzie
Mr G J Paramor (retired 26 August 2008)
Mr P J Biancardi
Mr N R Collishaw
Mr A G Fini
Mr P J O Hawkins
Ms P Morris
Mr R W Turner

PRINCIPAL ACTIVITIES
The principal continuing activities of the Consolidated Entity consisted of property investment for the purpose of deriving rental income and investments in listed and unlisted funds.

DISTRIBUTIONS
Distributions paid to unitholders during the financial year were as follows:

	2008 $'000	2007 $'000
June 2007 quarterly distribution paid on 27 July 2007 6.38 cents per unit (2007: 4.65 cents per unit)	**64,725**	41,410
September 2007 quarterly distribution paid on 26 October 2007 8.225 cents per unit (2007: 6.38 cents per unit)	**84,042**	57,313
December 2007 quarterly distribution paid on 25 January 2008 8.225 cents per unit (2007: 6.38 cents per unit)	**84,514**	63,807
March 2008 quarterly distribution paid on 24 April 2008 8.225 cents per unit (2007: 6.38 cents per unit)	**89,786**	64,293
Total distributions paid	**323,067**	**226,823**

The June 2008 quarterly distribution of 8.225 cents per unit totalling $90.6 million declared on 30 June 2008 was paid on 25 July 2008.

Distributions paid and payable by the Trust for the year ended 30 June 2008 totalled $348.9 million, being 32.9 cents per unit (2007: $250.1 million – 25.52 cents per unit).

REVIEW OF OPERATIONS

The net profit after tax for the Consolidated Entity attributable to unitholders for the year ended 30 June 2008 was $396.0 million (2007: $505.2 million). The operating profit (before specific non-cash and significant items) was $288.1 million (2007: $241.9 million).

Operating profit is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards adjusted for specific non-cash items and significant items, which management considers to reflect the core earnings of the Consolidated Entity.

The following table summarises key reconciling items between net profit after tax and operating profit:

	2008 $'000	2007 $'000
Net profit attributable to the unitholders	**396,042**	505,189
Specific non-cash items		
Net gain from fair value adjustments on investment properties	**(181,808)**	(245,805)
Net gain on fair value of derivative financial instruments	**(18,572)**	(38,738)
Straight line of lease revenue	**(669)**	–
Amortisation of lease incentives	**8,189**	6,748
Net loss from fair value of investment properties, derivatives and other specific non-cash items included in share of associates profits	**10,560**	6,261
Net (gain)/loss from fair value of investment properties, derivatives and other specific non-cash items included in minority interest	**(1,757)**	8,263
Significant items		
Impairment of investment in associates and joint ventures	**76,110**	–
Operating profit (before specific non-cash and significant items)	**288,095**	241,918

HIGHLIGHTS

Key financial highlights for the year ended 30 June 2008 include:

- AIFRS earnings of 38.23 cents per unit;
- Operating profit of 27.81 cents per unit (before specific non-cash and significant items);
- Final distribution of 32.90 cents per unit;
- Net increase of $181.8 million in revaluations across the investment property portfolio; and
- Rise in NTA per unit to $3.26 from $3.13 at 30 June 2007.

VALUE OF ASSETS
The Consolidated Entity's assets are valued in accordance with policies stated in note 1 to the financial statements. The Consolidated Entity's total assets are as follows:

	2008 $'000	2007 $'000
Total assets	**5,131,964**	5,204,939

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS
Changes in the state of affairs of the Consolidated Entity are set out in the Directors' Report and financial statements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR
At the date of this report, there is no matter or circumstance which has arisen since 30 June 2008 that has significantly affected, or may significantly affect:

a) the Consolidated Entity's operations in future financial years; or
b) the results of those operations in future financial years; or
c) the Consolidated Entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS
In the opinion of the Directors, it would prejudice the interests of the Consolidated Entity to provide additional information relating to likely developments in the operations of the Consolidated Entity, and the expected results of those operations in financial years subsequent to 30 June 2008.

ENVIRONMENTAL REGULATIONS
The Consolidated Entity is subject to significant environmental legislation and associated regulations and Acts. The Consolidated Entity is committed to the implementation of responsible and practical management procedures to minimise environmental impacts and provide compliance under the government regulations applicable to all areas of its operations.

FEES PAID TO THE RESPONSIBLE ENTITY OR ITS ASSOCIATES
Fees paid to the Responsible Entity and its associates out of Trust property during the year were $3,027,000 (2007: $3,036,000). Fees charged by the Responsible Entity represent recovery of costs. No fees were paid out of Trust property to the Directors of the Responsible Entity during the year.

DIRECTORS' INTERESTS

Particulars of Directors' relevant interests in the units of the Trust or a related entity, in debentures of (or interests in a registered scheme made available by) the Trust or a related entity and their rights or options over any such units, debentures or registered scheme interests as notified by the Directors to the Australian Securities Exchange in accordance with section 250G of the *Corporations Act 2001* as at 30 June 2008 are as follows:

Directors	Interests in units of related entities	Mirvac Property Trust units
J A C MacKenzie		55,978
Mirvac Real Estate Investment Trust – units	93,841	
Mirvac Industrial Trust – units	122,643	
Mirvac Development Fund – Seascapes – units	300,000	
G J Paramor		5,755,654
Mirvac Domaine Land Fund – units	200,000	
Mirvac Tourist Park Portfolio – units	100,000	
Mirvac Industrial Trust – units	306,609	
Mirvac Development Fund – Meadow Springs – units	80,000	
Steel River Project – project units	500,000	
Performance rights		327,270
Options		1,162,240
P J Biancardi		8,041
Mirvac Development Fund – Seascapes – units	25,000	
Mirvac Development Fund – Meadow Springs – units	50,000	
N R Collishaw		1,461,255
Mirvac Domaine Land Fund – units	17,500	
Mirvac Tourist Park Fund – units	10,000	
Mirvac Development Fund – Seascapes – units	25,000	
Tomago Project – project units	50,000	
Performance rights		116,360
Options		413,240
A G Fini		8,816,781
Mirvac Development Fund – Seascapes – units	100,000	
Mirvac Development Fund – Meadow Springs – units	400,000	
Mirvac Industrial Trust – units	100,000	
Performance rights		116,360
Options		413,240
P J O Hawkins		18,684
P Morris		42,841
R W Turner		69,241
Mirvac Development Fund – Seascapes – units	25,000	
Mirvac Development Fund – Meadow Springs – units	25,000	

DIRECTORS' INTERESTS / CONTINUED
Messrs Paramor, Collishaw and Fini participated in the Long-term Incentive (LTI) plan and the general employee exemption plan with the approval of Mirvac Group's securityholders during the year.

For the year ended 30 June 2008, Mr Paramor received 327,270 performance rights and 1,162,240 options under the LTI plan and 180 stapled securities under the general employee exemption plan.

For the year ended 30 June 2008, each of Messrs Collishaw and Fini received 116,360 performance rights and 413,240 options under the LTI plan and 180 stapled securities under the general employee exemption plan.

Mirvac Group's Non-Executive Directors do not participate in any security purchase plan operated by Mirvac Group other than the Distribution Reinvestment Plan on the same terms and conditions as are available to other Mirvac Group securityholders. However, with effect from 1 July 2008 Non-Executive Directors will be permitted to sacrifice some or all of their fees on a monthly basis to acquire Mirvac Group securities on market on a set day each month.

No Director has entered into any contract under which the Director is entitled to a benefit and that confers a right to call for or deliver securities in, or debentures of, or interests in a registered scheme made available by the Trust or a related body corporate.

OPTIONS OVER UNISSUED UNITS
During the year ended 30 June 2008, options over 4,246,500 units were issued to Executives pursuant to Mirvac Group's LTI plan.

No units in the Trust or any of its controlled entities were issued during or since the year ended 30 June 2008 as a result of the exercise of an option over unissued securities.

NON-AUDIT SERVICES
The Consolidated Entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity are relevant (non-audit services).

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out in note 33 to the Full Financial Report.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit, Risk and Compliance Committee (ARCC) is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in the Full Financial Report, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the ARCC to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES110: *Code of Ethics for Professional Accountants*, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

INSURANCE OF OFFICERS
During the financial year, the Responsible Entity has not indemnified, or entered into any agreement indemnifying against a liability, any person who is or who has been an officer of the Responsible Entity of the Trust. No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to Mirvac Funds Limited.

AUDITOR'S INDEPENDENCE DECLARATION
A copy of the Auditor's Independence Declaration required under section 307C of the *Corporations Act 2001* is set out on page 80.

ROUNDING OF AMOUNTS
The Trust is the kind of entity referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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

G J Paramor
Director

Sydney
26 August 2008

AUDITOR'S INDEPENDENCE DECLARATION

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
Sydney NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

AUDITOR'S INDEPENDENCE DECLARATION
As lead auditor for the audit of Mirvac Property Trust for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mirvac Property Trust and the entities it controlled during the period.

R L Gavin
Partner
PricewaterhouseCoopers

Sydney
26 August 2008

Liability limited by a scheme approved under Professional Standards Legislation

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 $'000	2007 $'000
Revenue			
Rental revenue from investment properties		**318,984**	305,278
Interest revenue	4	**69,959**	70,911
Distribution revenue		**1,977**	1,787
Other revenue		**780**	875
Total revenue from continuing operations		**391,700**	**378,851**
Other income			
Net gain on sale of investments		**–**	350
Net gain on assets reclassified as held for sale		**48,578**	13,988
Net gain on sale of investment property		**41,146**	27,167
Share of net profit of associates and joint ventures accounted for using the equity method		**9,830**	14,865
Gain on financial instruments	4	**19,533**	41,115
Net gain from fair value adjustments on investment properties		**181,808**	245,805
Total other income		**300,895**	**343,290**
Total revenue and other income		**692,595**	**722,141**
Amortisation expense	5	**(10,853)**	(8,726)
Finance costs expense	5	**(114,085)**	(115,813)
Investment property outgoings		**(85,749)**	(77,616)
Impairment of investment in associates and joint ventures		**(76,110)**	–
Other expenses		**(7,367)**	(5,250)
Profit before income tax		**398,431**	514,736
Income tax expense	6(a)	**(528)**	–
Profit for the year		**397,903**	514,736
Profit attributable to minority interest		**(1,861)**	(9,547)
Net profit attributable to the unitholders of Mirvac Property Trust		**396,042**	**505,189**
Earnings per unit for net profit attributable to the unitholders of Mirvac Property Trust			
Basic earnings per unit	7	**38.23**	53.28
Diluted earnings per unit	7	**37.60**	52.21

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2008

	Note	2008 $'000	2007 $'000
Current assets			
Cash and cash equivalents		8,503	16,299
Receivables		887,904	942,683
Other financial assets at fair value through profit or loss		25,618	24,657
Assets classified as held for sale		–	53,500
Other assets		6,137	4,365
Total current assets		**928,162**	1,041,504
Non-current assets			
Derivative financial instruments		63,826	45,254
Investments accounted for using the equity method		365,257	439,535
Investment properties	9	3,628,531	3,484,876
Property, plant and equipment		96,240	143,822
Intangible assets		49,948	49,948
Total non-current assets		**4,203,802**	4,163,435
Total assets		**5,131,964**	5,204,939
Current liabilities			
Payables		133,231	133,469
Provisions		90,555	64,737
Total current liabilities		**223,786**	198,206
Non-current liabilities			
Borrowings		1,326,734	1,838,117
Deferred tax liabilities		206	–
Total non-current liabilities		**1,326,940**	1,838,117
Total liabilities		**1,550,726**	2,036,323
Net assets		**3,581,238**	3,168,616
Equity			
Contributed equity	8	2,880,164	2,512,905
Reserves		(27)	–
Retained earnings		642,802	595,657
Total Parent Entity interest		3,522,939	3,108,562
Minority interest		58,299	60,054
Total equity		**3,581,238**	3,168,616

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	Issued capital $'000	Reserves $'000	Retained earnings $'000	Minority interest $'000	Total $'000
Balance at 1 July 2007	**2,512,905**	**–**	**595,657**	**60,054**	**3,168,616**
Exchange differences on translation of foreign operations	–	(27)	–	–	(27)
Net income recognised directly in equity	–	(27)	–	–	(27)
Net profit	–	–	396,042	–	396,042
Total recognised income and expenses for the year	–	(27)	396,042	–	396,015
EIS securities converted/sold/forfeited	5,864	–	–	–	5,864
Contributions of equity, net of transaction costs	361,395	–	–	–	361,395
Distributions provided for or paid	–	–	(348,897)	–	(348,897)
Minority interest	–	–	–	(1,755)	(1,755)
Balance at 30 June 2008	**2,880,164**	**(27)**	**642,802**	**58,299**	**3,581,238**
Balance at 1 July 2006	**2,044,080**	**–**	**340,606**	**10,018**	**2,394,704**
Net profit	–	–	505,189	–	505,189
Total recognised income and expenses for the year	–	–	505,189	–	505,189
EIS securities converted/sold/forfeited	16,200	–	–	–	16,200
Contributions of equity, net of transaction costs	452,625	–	–	–	452,625
Distributions provided for or paid	–	–	(250,138)	–	(250,138)
Minority interest	–	–		50,036	50,036
Balance at 30 June 2007	**2,512,905**	**–**	**595,657**	**60,054**	**3,168,616**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 $'000	2007 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of Goods and Services Tax)		**338,366**	325,325
Payments to suppliers (inclusive of Goods and Services Tax)		**(126,975)**	(122,235)
		211,391	203,090
Interest received		**69,474**	75,169
Distributions received		**35,118**	21,685
Income taxes paid	6(a)	**(322)**	–
Borrowing costs paid		**(115,051)**	(117,270)
Net cash inflows from operating activities		**200,610**	**182,674**
Cash flows from investing activities			
Payments for property, plant and equipment		**(9,618)**	(100,118)
Payments for investment properties		**(217,334)**	(584,470)
Proceeds from the sale of investment properties		**467,170**	313,200
Contributions to associates and joint ventures		**(38,715)**	(176,584)
Proceeds from sale of joint ventures		**12,800**	17,263
Payments for other financial assets		**–**	(885)
Loans to entities related to the Responsible Entity		**–**	(405,000)
Repayment of loans by entities related to the Responsible Entity		**50,000**	335,000
Net cash inflows/(outflows) from investing activities		**264,303**	**(601,594)**
Cash flows from financing activities			
Proceeds from borrowings		**677,620**	1,805,000
Repayment of borrowings		**(1,185,027)**	(1,615,000)
Distributions paid		**(207,021)**	(117,940)
Distributions paid to minority interests in controlled entities		**(3,618)**	(1,184)
Proceeds from issue of units		**245,337**	360,151
Net cash (outflows)/inflows from financing activities		**(472,709)**	**431,027**
Net (decrease)/increase in cash and cash equivalents		**(7,796)**	12,107
Cash and cash equivalents at the beginning of the year		**16,299**	4,192
Cash and cash equivalents at the end of the year		**8,503**	**16,299**

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTE 1. BASIS OF PREPARATION

The Concise Financial Report relates to the Consolidated Entity consisting of Mirvac Property Trust and the entities it controlled at the end of, or during, the year ended 30 June 2008. The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

The presentation currency used in this Concise Financial Report is Australian dollars. A full description of the accounting policies adopted by Mirvac Property Trust and its controlled entities is provided in the notes to the financial statements which form part of the Full Financial Report.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The Mirvac Group — stapled securities

One Mirvac Property Trust unit is stapled to one Mirvac Limited security to form a Mirvac Group stapled security. The stapled securities are quoted and traded together on the Australian Securities Exchange and cannot be traded or dealt with separately.

The entities forming the stapled group entered into a Deed of Co-operation which provided that the members consider the interests of Mirvac Group as a whole, when entering into any agreement or arrangement, or carrying out any act. This Deed of Co-operation means that members of the stapled group, where permitted by law, will carry out activities with other members on a cost recovery basis, thereby maintaining the best interests of Mirvac Group as a whole.

The two Mirvac Group entities comprising the stapled group, remain separate legal entities in accordance with the *Corporations Act 2001*, and are each required to comply with the reporting and disclosure requirements of Accounting Standards and the *Corporations Act 2001*.

The stapled security structure will cease to operate in the event of:

- either of Mirvac Limited or Mirvac Property Trust resolving by special resolution in general meeting and in accordance with its constitution to terminate the stapling provisions; or
- the commencement of the winding up of Mirvac Limited or Mirvac Property Trust.

The Australian Securities Exchange reserves the right (but without limiting its absolute discretion) to remove one or more entities with stapled securities from the official list if any of their securities cease to be 'stapled' together, or any equity securities of the same class are issued by one entity which are not stapled to equivalent securities in the other entity or entities.

The principal accounting policies adopted in the preparation of the financial report are set out in the Full Financial Report. These policies have been consistently applied to all the years presented, unless otherwise stated.

NOTE 2. SEGMENTAL INFORMATION

a) **Primary segments**
The Consolidated Entity derives income from investments in property, short-term deposits and securities authorised by the Trust Constitution.

b) **Geographical segment**
The Consolidated Entity operates predominantly in Australia.

NOTE 3. DISTRIBUTIONS

Ordinary units	2008 $'000	2007 $'000
Quarterly ordinary distributions paid as follows:		
8.225 cents per ordinary unit paid on 26 October 2007	**84,042**	–
6.38 cents per ordinary unit paid on 27 October 2006	**–**	57,313
8.225 cents per ordinary unit paid on 25 January 2008	**84,514**	–
6.38 cents per ordinary unit paid on 25 January 2007	**–**	63,807
8.225 cents per ordinary unit paid on 24 April 2008	**89,786**	–
6.38 cents per ordinary unit paid on 27 April 2007	**–**	64,293
8.225 cents per ordinary unit paid on 25 July 2008	**90,555**	–
6.38 cents per ordinary unit paid on 27 July 2007	**–**	64,725
Total distribution 32.9 cents per fully paid ordinary unit (2007: 25.52 cents per ordinary unit)	**348,897**	**250,138**

Distribution Reinvestment Plan (DRP)

Distributions actually paid/payable or satisfied by the issue of units under the Group distribution reinvestment plan were as follows:		
Paid in cash	**207,021**	117,940
Satisfied by the issue of units	**116,046**	108,883
	323,067	**226,823**

NOTE 4. REVENUE

	2008 $'000	2007 $'000
Interest revenue		
Cash and cash equivalents	**1,890**	1,731
Loans to entities related to the Responsible Entity and controlled entities	**68,069**	69,180
Total interest revenue	**69,959**	**70,911**
Gain on financial instruments		
Gain on interest rate derivatives	**18,572**	38,738
Gain on revaluation of other financial instruments	**961**	2,377
Gain on financial instruments	**19,533**	**41,115**

NOTE 5. EXPENSES

Profit for the year includes the following specific expenses	2008 $'000	2007 $'000
Finance costs		
Interest on bank overdraft and loans	**113,180**	113,083
Borrowing costs amortised	**905**	2,730
Total finance costs expense	**114,085**	115,813
Amortisation		
Landlord fit-outs	**8,189**	6,748
Deferred expenses	**2,664**	1,978
Total amortisation	**10,853**	8,726
Other charges against assets		
Bad and doubtful debts – trade debtors	**320**	8

NOTE 6. INCOME TAX

	2008 $'000	2007 $'000
a) Income tax expense		
Income tax expense is attributable to:		
Increase in deferred tax liabilities (b)	**206**	–
US tax on foreign income	**322**	–
Total income tax expense	**528**	–
b) Deferred tax liabilities		
The balance comprise of temporary differences attributable to investment properties:		
Movements		
Opening balance	**–**	–
Deferred tax expense	**206**	–
	206	–

NOTE 7. EARNINGS PER UNIT

	2008 Cents	2007 Cents
Earnings per unit		
Basic earnings per unit	**38.23**	53.28
Diluted earnings per unit [1]	**37.60**	52.21
Reconciliation of earnings used in calculating earnings per unit	**$'000**	$'000
Basic and diluted earnings per unit		
Net profit used in calculating earnings per unit	**396,042**	505,189
Weighted average number of securities used as denominator	**Number**	Number
Weighted average number of securities used in calculating basic earnings per unit	**1,036,006,036**	948,120,903
Adjustment for calculation of diluted earnings per unit: Securities issued under EIS	**17,438,211**	19,542,385
Weighted average number of securities used in calculating diluted earnings per unit	**1,053,444,247**	967,663,288

1) Diluted units does not include the performance rights and options issued under the current LTI plan as the exercise of these equity instruments are contingent on conditions during the vested period.

NOTE 8. CONTRIBUTED EQUITY

a) Paid up capital

	2008 Units	2007 Units	2008 $'000	2007 $'000
Total contributed equity	**1,084,371,184**	995,918,784	**2,880,164**	2,512,905

b) Movements in paid up capital of the Trust for the 2008 year

			No of units	
	Issue date	Issue price	000's	$'000's
Opening balance at 30 June 2007			995,919	2,512,905
Distribution reinvestment plan issues	27/07/2007	$4.36	7,285	31,765
Distribution reinvestment plan issues	26/10/2007	$4.40	5,381	23,698
Distribution reinvestment plan issues	25/01/2008	$4.89	6,407	31,315
Private security placement	01/02/2008	$4.27	57,692	246,570
Distribution reinvestment plan issues	24/04/2008	$3.13	9,348	29,281
Less: Transaction costs arising on unit issue			–	(1,234)
EIS securities converted/sold/forfeited	Various		2,339	5,864
Closing balance at 30 June 2008			1,084,371	2,880,164

c) Reconciliation of securities issued on ASX

Under AIFRS, units issued under the Mirvac Employee Incentive Scheme (EIS) are required to be accounted for as an option and are excluded from total issued capital, until such time as the relevant employee loans are fully repaid or the employees leaves Mirvac Group.

Total ordinary units issued as detailed above is reconciled to units issued on the Australian Securities Exchange (ASX) as follows:

	2008 Number
Total ordinary units issued	1,084,371,184
Units issued under EIS	16,605,128
Total units issued on ASX	**1,100,976,312**

NOTE 9. INVESTMENT PROPERTIES

	Date of acquisition	**Cost and additions to 30 June 2008 $'000**	**Book value 30 June 2008 $'000**	Book value 30 June 2007 $'000	Date of last external valuation	Last external valuation $'000
Quay West Car Park, 111 Harrington Street, Sydney NSW	30/11/1989	**37,606**	**48,000**	45,000	31/03/2008	48,000
Orange City Centre, Summer Street, Orange NSW	05/04/1993	**31,765**	**54,000**	52,500	31/03/2008	54,000
Kawana Shoppingworld, Nicklin Way, Buddina QLD	09/12/1993 (1st 50%) 10/06/1998 (2nd 50%)	**105,461**	**195,000**	176,000	31/12/2007	195,000
Gippsland Centre, Cunninghame Street, Sale VIC	06/01/1994	**34,966**	**52,750**	55,700	30/06/2007	55,700
Como Centre, Corner Toorak Road and Chapel Street, South Yarra VIC	18/08/1998	**119,664**	**177,680**	176,383	30/06/2007	176,383
James Ruse Business Park, 6 Boundary Road, Northmead NSW	14/07/1994	**23,069**	**30,750**	30,600	31/12/2006	30,500
40 Miller Street, North Sydney NSW	31/03/1998	**66,989**	**100,000**	95,500	31/03/2008	100,000
1 Castlereagh Street, Sydney NSW	18/12/1998	**50,283**	**87,500**	72,000	31/12/2007	87,000
271 Lane Cove Road, North Ryde NSW	05/04/2000	**18,669**	**43,500**	30,700	31/03/2008	43,500
Royal Domain Centre, 380 St Kilda Road, Melbourne VIC	04/10/1995 (1st 50%) 02/04/2001 (2nd 50%)	**90,006**	**115,500**	92,500	31/12/2007	114,500
164 Grey Street, Southbank QLD	29/06/2001	**7,137**	**19,000**	14,500	31/12/2007	19,000
Bay Centre, Corner Pirrama and Edward Streets, Pyrmont NSW	29/06/2001	**57,858**	**111,000**	88,500	31/03/2008	111,000
200 George Street, Sydney NSW	31/10/2001	**24,689**	**30,500**	28,000	31/03/2008	30,500
Buildings 1,2,3 and 7, Riverside Quay, Southbank VIC	15/04/2002 and 01/07/2003	**119,068**	**129,000**	128,450	30/06/2007	128,450
John Oxley Centre, 339 Coronation Drive, Milton QLD	31/05/2002	**43,470**	**66,250**	58,500	30/06/2007	58,500
Blacktown Mega Centre, Blacktown Road, Blacktown NSW	30/06/2002	**32,352**	**48,500**	45,000	30/06/2007	45,000
1-47 Percival Road, Smithfield NSW	22/11/2002	**20,926**	**25,300**	23,800	31/03/2008	25,300
Waverley Gardens Shopping Centre, Corner Police and Jackson Roads, Mulgrave VIC	15/11/2002	**133,988**	**147,500**	145,000	30/06/2007	145,000
The Village Centre, Charles Hackett Drive, St Marys NSW	17/01/2003	**39,440**	**47,000**	44,500	31/12/2007	48,000
Moonee Ponds Central, Homer Street, Moonee Ponds VIC	20/05/2003	**26,302**	**25,600**	25,500	31/03/2008	25,600
Hinkler Shopping Centre, Maryborough Street, Bundaberg QLD	12/08/2003	**79,223**	**96,000**	92,400	31/03/2008	96,000
190 George Street, Sydney NSW	05/08/2003	**46,862**	**46,000**	45,000	31/03/2008	46,000
44 Biloela Street, Villawood NSW	24/09/2003	**18,882**	**18,500**	20,100	31/03/2008	18,500
64 Biloela Street, Villawood NSW	02/02/2004	**22,702**	**25,800**	25,000	31/03/2008	25,800
Stanhope Village, Sentry Drive, Stanhope Gardens NSW	14/11/2003	**54,311**	**65,500**	65,000	30/06/2007	65,000

NOTE 9. INVESTMENT PROPERTIES / CONTINUED

	Date of acquisition	**Cost and additions to 30 June 2008 $'000**	**Book value 30 June 2008 $'000**	Book value 30 June 2007 $'000	Date of last external valuation	Last external valuation $'000
333-343 Frankston and Dandenong Roads and 4 Abbotts Road, Dandenong South VIC	15/01/2004	**12,631**	**15,350**	13,700	31/03/2008	15,350
189 Grey Street, Southbank QLD	19/04/2004	**39,224**	**72,000**	65,000	30/06/2007	65,000
Ballina Central, Ballina NSW	01/12/2004	**44,711**	**40,200**	42,500	31/03/2008	40,200
Nexus Industry Park (Atlas), Prestons NSW	03/08/2004	**16,945**	**20,300**	19,500	31/03/2008	20,300
Nexus Industry Park (EWR), Prestons NSW	03/08/2004	**13,034**	**15,000**	14,500	30/06/2007	14,500
Nexus Industry Park (Building 3), Prestons NSW	03/08/2004	**20,213**	**25,250**	–	31/12/2007	26,000
1 Darling Island, Pyrmont, NSW	15/05/2006	**134,501**	**186,500**	155,000	31/12/2006	144,500
Kwinana Hub Shopping Centre, Corner Gilmore and Chisham Aves, Kwinana WA	16/09/2005	**27,494**	**30,000**	29,500	31/03/2008	30,000
Perpetual Trustees Building, 10 Rudd Street, Canberra ACT	15/10/1987	**14,843**	**22,000**	19,600	31/03/2008	22,000
54 Marcus Clarke Street, Canberra, ACT	15/10/1987	**14,271**	**21,000**	19,500	31/12/2006	18,800
St George Centre, 60 Marcus Clarke Street, Canberra ACT	01/09/1989	**47,010**	**58,023**	54,000	31/03/2008	58,000
Arts House, 40 Macquarie Street, Barton ACT	08/12/1995	**–**	**–**	19,000	30/06/2005	18,000
38 Sydney Avenue, Forrest ACT	26/06/1996	**32,019**	**44,500**	39,500	31/12/2006	38,000
101-103 Miller Street, North Sydney NSW	30/06/1994	**189,982**	**228,500**	372,000	30/06/2007	372,000
The Metcentre, 60 Margaret Street, Sydney NSW (50% interest)	06/08/1998	**188,524**	**235,000**	191,000	31/12/2007	227,000
127 Creek Street, Brisbane QLD	01/05/1998	**–**	**–**	88,972	30/06/2006	72,000
253 Wellington Road and 18-20 Compark Circuit, Mulgrave VIC	01/08/2001	**15,924**	**15,200**	19,000	31/03/2008	15,200
30-32 Compark Circuit, Mulgrave VIC	01/02/2003	**6,723**	**6,550**	8,300	31/03/2008	6,550
Peninsula Lifestyle Centre, 1128 Nepean Highway, Mornington VIC	01/12/2003	**55,307**	**56,000**	58,500	30/06/2007	58,500
Logan Mega Centre, Slacks Creek QLD	01/03/2007	**80,984**	**83,750**	82,500	30/06/2007	82,500
Orion Springfield, Springfield Lakes QLD	15/03/2007	**130,478**	**150,000**	155,000	30/06/2007	155,000
Broadway Shopping Centre, Broadway NSW	15/01/2007	**227,393**	**227,000**	226,500	–	–
Rhodes Shopping Centre, Rhodes NSW	15/01/2007	**106,214**	**111,500**	111,500	–	–
Lake Haven Mega Centre, Lake Haven NSW	15/01/2007	**52,256**	**42,250**	–	31/12/2007	47,000
Glasshouse, 48 Furzer Street, Phillip ACT	19/07/2007	**78,345**	**73,920**	–	31/03/2008	74,000
1900-2000 Pratt Boulevard, Elk Grove Village, Illinois USA	06/12/2007	**42,608**	**42,608**	–	–	–
7 Railway Street, Chatswood NSW	11/08/2003	–	–	4,171	31/12/2005	3,750
Total investment properties			**3,628,531**	3,484,876		

NOTE 9. INVESTMENT PROPERTIES / CONTINUED

a) Valuation basis
Investment properties are revalued by external valuers on a rotation basis with one half of the portfolio being valued annually. The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between knowledgeable willing parties in an arm's length transaction. Investment properties which are not subject to an external valuation at the reporting date are carried at Directors' internal valuation.

The carrying amount of the investment properties recorded in the Balance Sheet includes components relating to lease incentives.

b) Property portfolio
The consolidated entity's property portfolio is made up as follows:

	2008 $'000	2007 $'000
Investment properties per Balance Sheet	**3,628,531**	3,484,876
Properties classified as current assets held for sale	**–**	53,500
Properties under construction classified as property, plant and equipment	**96,240**	143,822
	3,724,771	3,682,198

NOTE 10. EVENTS OCCURRING AFTER REPORTING DATE

Retirement and appointment of Mirvac Group's Managing Director
On 27 July 2008, the Chairman of Mirvac Group, James MacKenzie, announced that the Board had appointed Nick Collishaw, Mirvac's Executive Director, to take over the role of Managing Director on the retirement of Greg Paramor. Mr Paramor will leave Mirvac Group after delivering the Company's Annual Results on 26 August 2008.

Other events
No circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

NOTE 11. FULL FINANCIAL REPORT
Further financial information can be obtained from the Full Financial Report which is available, free of charge, on request. A copy may be requested by telephoning 1800 659 886. Alternatively, the Full Financial Report can be accessed via the internet at the Mirvac Group's website at www.mirvac.com.

DIRECTORS' DECLARATION

The Directors declare that in their opinion, the Concise Financial Report of the Consolidated Entity for the year ended 30 June 2008 as set out in pages 74 to 92 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.

The Concise Financial Report is an extract from the Full Financial Report for the year ended 30 June 2008. The financial statements and specific disclosures included in the Concise Financial Report have been derived from the Full Financial Report.

The Concise Financial Report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the Full Financial Report, which is available on request.

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

G J Paramor
Director

Sydney
26 August 2008

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MIRVAC PROPERTY TRUST

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
Sydney NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

REPORT ON THE CONCISE FINANCIAL REPORT

The accompanying Concise Financial Report of Mirvac Property Trust comprises the balance sheet as at 30 June 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Mirvac Property Trust for the year ended 30 June 2008. The Concise Financial Report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' responsibility for the Concise Financial Report

The directors of Mirvac Funds Limited, the responsible entity for Mirvac Property Trust, are responsible for the preparation and presentation of the Concise Financial Report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation of the Concise Financial Report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the Concise Financial Report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Mirvac Property Trust for the year ended 30 June 2008. Our audit report on the financial report for the year was signed on 26 August 2008 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the Concise Financial Report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the Concise Financial Report complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the Concise Financial Report.

Liability limited by a scheme approved under Professional Standards Legislation

For further explanation of an audit, visit our website **http://www.pwc.com/au/financialstatementaudit**.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion on the financial report
In our opinion, the Concise Financial Report of Mirvac Property Trust for the year ended 30 June 2008 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

PricewaterhouseCoopers

R L Gavin
Partner

Sydney
26 August 2008

MIRVAC GROUP — STAPLING OF SECURITIES
Mirvac Group was originally formed by the "stapling" of the securities of three listed entities being Mirvac Limited, Capital Property Trust and Mirvac Property Trust in June 1999, by way of a scheme of arrangement.

In 2001/02 Mirvac Group was simplified by Mirvac Property Trust acquiring all the units in the Capital Property Trust (which by then had been renamed Mirvac Commercial Trust), such that the resulting stapled structure consisted of one Mirvac Limited share stapled to one Mirvac Property Trust unit. This stapled structure remains in place today. Further details may be found under History in the Investor Information section of Mirvac Group's website — www.mirvac.com.

SECURITIES EXCHANGE LISTING
Mirvac Group's stapled securities are quoted on the ASX, trading under the code: MGR. The stapled securities cannot be dealt with or traded separately.

There are currently 1,135,350,772 stapled securities on issue.

The stapled security price is reported daily in the Industrial Share table in the Market trading data published in daily newspapers. The stapled security price may also be accessed on Mirvac Group's website or at www.asx.com.au.

For the purpose of ASX Listing Rule 4.10, unless otherwise stated, the information in this section is current as at 10 September 2008.

SECURITYHOLDER ENQUIRIES
Securityholders with queries concerning their holding, distribution payments or related matters should contact Mirvac Group's registry:

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Telephone 61 2 8280 7100
Fax 61 2 9287 0303
Website: www.linkmarketservices.com.au
Investor Enquiries 1800 356 444

When contacting the registry please quote your current address details together with your Security Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Issuer Sponsored or CHESS statements.

Mirvac Group's website, in the Investor Information section, is also a useful reference point for securityholders.

Securityholders who wish to advise the registry of a change of address or change of other details should do so in writing or online at www.mirvac.com.

DISTRIBUTION PAYMENTS
Directors propose to pay distributions to securityholders quarterly in January, April, July and October of each year.

Securityholders are encouraged to receive their distributions electronically, rather than by cheque, as a secure and efficient means of payment. Distributions can be paid directly into any bank, building society or credit union account in Australia.

Payments are electronically credited on the day the distribution is paid and confirmed by mailed payment advice.

Securityholders wishing to use this facility should contact Mirvac Group's registry.

A distribution history is available in the Investor Information section of Mirvac's website.

Mirvac Group currently has activated a Distribution Reinvestment Plan (DRP) that allows securityholders to apply cash distributions to subscribe for additional fully paid Mirvac Group stapled securities. The allocation price of stapled securities is calculated in accordance with, and is subject to, the rules of the DRP. The price is advised to the market upon calculation.

A copy of the DRP rules is available on Mirvac Group's website or by contacting the registry. Securityholders who wish to participate in the DRP, or vary their participation in the DRP, should contact the registry directly.

PROVISION OF INFORMATION TO SECURITYHOLDERS
Mirvac Group publishes, and posts to its website, its Concise Annual Report in September/October each year.

Full financial statements are lodged with the ASX and ASIC and are also available within the Investor Information section of Mirvac Group's website. Other reports available within this section include Mirvac Group's Preliminary Final Report (Appendix 4E) released in August of each year, Half Year Reports released in February of each year, Property Compendium and relevant research reports and presentations.

Mirvac Group is very conscious of the environmental impact of printing and dispatching hard copies of its Annual Report and is encouraging all securityholders to receive communications from the Group by email if possible. The provision of information by Mirvac Group to its securityholders by email is immediate and secure, as well as providing significant cost savings particularly in printing and postage.

PROVISION OF INFORMATION TO SECURITYHOLDERS / CONTINUED
Securityholders can elect to receive the following communications electronically:

- Concise Annual Report;
- Notices of Meetings and Proxy forms; and
- Major market announcements.

Securityholders who wish to register their email address should contact Mirvac Group's registry.

Following the changes to the *Corporations Act 2001* enacted by the Federal Government last year, and consistent with Mirvac Group's commitment to the environment and sustainable practices, the Group now provides its Annual Report to all securityholders online, with a hard copy of the Report only provided to securityholders who specifically request to receive a copy in this form.

All securityholders receive Notices of Meetings, Proxy forms and other communications either electronically or in hard copy form, as requested, regardless of whether or not they have elected to receive the Annual Report in hard copy.

SUBSTANTIAL SECURITYHOLDERS
As recorded in Mirvac Group's register as at 10 September 2008.

Name	Date of Last Notice Received	Number of Stapled Securities	Percentage of Issued Capital[1]
Nakheel Investments (Australia) Pty Limited and its related entities.	29/07/08	168,487,978	14.84
Vanguard Investments Australia Limited	28/03/08	57,599,407	5.28
Barclays Group	02/06/08	55,406,323	5.03

1) Percentage of Issued Capital held as at date Notice provided.

RANGE OF SECURITY HOLDINGS
As at 10 September 2008.

Range	Number of Holders	Number of Securities
1 – 1,000	6,572	2,715,316
1,001 – 5,000	13,178	36,751,147
5,001 – 10,000	5,714	40,693,013
10,001 – 100,000	3,658	74,122,914
100,001 – over	164	981,068,382
Total Number of Securityholders	**29,286**	**1,135,350,772**

Number of securityholders holding less than a marketable parcel: 1,008.

20 LARGEST SECURITYHOLDERS

The 20 largest securityholders on Mirvac Group's register as at 10 September 2008 are:

Name	Number of Stapled Securities	Percentage of Issued Capital
HSBC Custody Nominees (Australia) Limited	237,017,228	20.87%
National Nominees Limited	189,699,555	16.71%
UBS Nominees Pty Limited	166,303,656	14.65%
J.P. Morgan Nominees Australia Limited	130,598,063	11.50%
Citicorp Nominees Pty Limited	51,738,891	4.56%
Cogent Nominees Pty Limited	18,464,098	1.63%
ANZ Nominees Limited (Cash Income A/C)	17,627,249	1.55%
AMP Life Limited	16,493,718	1.45%
Citicorp Nominees Pty Limited (CFS WSLE Property Securities A/C)	13,201,773	1.16%
Cogent Nominees Pty Limited (SMP Accounts)	13,183,020	1.16%
UBS Wealth Management Nominees Australia Pty Limited	11,629,361	1.02%
Bond Street Custodians Limited (ENH Property Securities A/C)	11,100,754	0.98%
Citicorp Nominees Pty Limited (CFSIL Commonwealth Property A/C)	6,947,793	0.61%
RBC Dexia Investor Services Australia Nominees Pty Limited	6,523,085	0.57%
Citicorp Nominees Pty Limited (CFSIL CFS WS Index Prop. A/C)	5,680,186	0.50%
ANZ Nominees Limited (Income Reinvestment Plan A/C)	5,119,880	0.45%
Queensland Investment Corporation	4,835,527	0.43%
Suncorp Custodian Services Pty Limited	3,524,462	0.31%
Questor Financial Services Limited	3,297,032	0.30%
RBC Dexia Investor Services Australia Nominees Pty Limited (PI Select A/C)	3,293,644	0.29%
Total	**916,278,975**	**80.70%**
Total Stapled Securities on Issue	**1,135,350,772**	**100%**

VOTING RIGHTS

Subject to the Constitutions of Mirvac Limited and of Mirvac Property Trust and to any rights or restrictions for the time being attached to any class of shares or stapled securities:

a) on a show of hands, each Member present in person and each other person present as a proxy, Attorney or Representative of a Member has one vote; and

b) on a poll, each Member present in person has one vote for each fully paid stapled security held by the Member, and each person present as proxy, Attorney or Representative of a Member has one vote for each fully paid stapled security held by the Member that the person represents.

FIVE YEAR SUMMARY

$'000 (unless otherwise stated)	2008	2007	2006	2005	2004
STATEMENT OF FINANCIAL PERFORMANCE YEAR ENDED 30 JUNE[1]					
Total revenue from ordinary activities	2,128,650	2,206,709	1,743,783	1,260,880	1,385,634
Share of net profits/(loss) of associates and joint ventures	(50,208)	53,149	62,261	53,393	14,813
Cost of goods sold	(959,658)	(1,008,410)	(828,396)	(691,053)	(801,578)
Borrowing costs expense	(139,888)	(147,105)	(134,912)	(98,667)	(89,723)
Employee benefits expense	(201,828)	(164,207)	(168,382)	(129,356)	(110,419)
Property outgoings	(78,150)	(70,538)	(61,573)	(56,951)	(54,142)
Other expenses from ordinary activities	(546,389)	(271,469)	(124,552)	(76,694)	(48,332)
Profit from ordinary activities before tax	152,529	598,129	488,229	265,435	296,253
Income tax benefit/(expense)	22,865	(30,698)	(44,834)	(19,918)	(43,555)
Net profit after tax	175,394	567,431	443,395	245,517	252,698
Net profit attributable to the stapled securityholders of Mirvac Group	171,802	556,056	441,094	244,459	252,698
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE					
Total Assets	7,492,775	7,352,620	6,055,134	5,334,485	4,306,420
Inventories	1,683,995	1,620,100	1,616,138	1,510,654	1,191,167
Investment Properties	3,436,782	3,431,177	2,753,641	2,407,782	2,445,972
Total Liabilities	3,082,608	3,272,210	2,887,076	2,498,694	2,066,343
Interest Bearing Liabilities	2,337,898	2,552,875	2,334,887	2,084,820	1,654,199
Total Equity	4,410,167	4,080,410	3,168,058	2,835,791	2,240,077
SECURITY INFORMATION AS AT 30 JUNE					
Number of stapled securities on issue	1,100,976,312	1,014,502,219	890,623,405	853,791,003	716,869,477
Number of stapled securityholders	29,363	28,554	28,170	28,395	21,464
Earnings per stapled security (cents)	16.58	58.65	52.18	32.07	36.67
Distributions per stapled security (cents)	32.90	31.90	31.00	33.80	32.20
Net tangible assets per security ($)	3.77	3.80	3.30	3.07	3.12
Closing stapled security price ($)	2.96	5.70	4.35	3.57	4.30

1) The above statements of financial performance and financial position are derived from previously published Concise Financial Reports for Mirvac Group for the years 2004 to 2007 inclusive. Year 2004 was prepared in accordance with Australian Generally Accepted Accounting Principles (AGAAP) and years 2005 and 2007 inclusive, were prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS). The above statements of financial performance and financial position for 2008 have been derived from the Concise Financial Reports contained in this Annual Report, also prepared in accordance with AIFRS.

DIRECTORY

ANNUAL GENERAL MEETING
The 2008 Annual General Meeting/General Meeting of Mirvac Group will be held at 10.00am (Melbourne time) on Friday, 14 November 2008 in the Grand Waldorf Rooms 1 & 2, The Sebel Albert Park, 65 Queens Road, Melbourne, Victoria, 3004. Full details of the Meetings are contained in the separate Notice of Annual General Meeting/General Meeting sent to all securityholders.

FINANCIAL CALENDAR[1]

30 September 2008	Record date to determine entitlements for September quarter 2008 distribution
24 October 2008	September quarter 2008 distribution paid
14 November 2008	Annual General Meeting
31 December 2008	Half year end
17 February 2009	Half year release
30 June 2009	Full year end
25 August 2009	Full year release

1) Some dates are indicative only and may be subject to change.

DIRECTORS
Mr James MacKenzie (Chairman)
Mr Nick Collishaw (Managing Director)
Mr Paul Biancardi (Deputy Chairman)
Mr Adrian Fini
Mr Peter Hawkins
Ms Penny Morris
Mr Richard Turner

COMPANY SECRETARY
Mr Michael Smith

AUDITOR
PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

SECURITIES EXCHANGE LISTING
Australia (ASX Code: MGR)

STAPLED SECURITY REGISTRY
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Telephone 61 2 8280 7100
Facsimile 61 2 9287 0303
Enquiries 1800 356 444

REGISTERED OFFICE/ PRINCIPAL OFFICE
Level 26
60 Margaret Street
Sydney NSW 2000

Telephone 61 2 9080 8000
Fax 61 2 9080 8111

Australian Capital Territory
St George Centre Annex
Ground Floor, Suite 1, 2 Barry Drive
Canberra ACT 2601
Telephone 61 2 6247 4333
Facsimile 61 2 6249 6581

New South Wales
Level 26, 60 Margaret Street
Sydney NSW 2000
Telephone 61 2 9080 8000
Fax 61 2 9080 8111

Queensland
Level 2, 164 Grey Street
Southbank QLD 4101
Telephone 61 7 3859 5888
Facsimile 61 7 3010 1600

Victoria
Level 6, 380 St Kilda Road
Melbourne VIC 3004
Telephone 61 3 9645 9400
Facsimile 61 3 9695 9444

Western Australia
Level 2, 1002 Hay Street
Perth WA 6000
Telephone 61 8 9424 9900
Facsimile 61 8 9321 3839

London
Level 5, 20 Savile Row
London W1S3PR
Telephone 44 20 7292 0585
Facsimile 44 20 7292 0595

ENVIRONMENTALLY RESPONSIBLE PAPER

This report is printed using Mohawk Via which is manufactured with non-polluting Green Power electricity generated from wind power, it contains 30% post consumer waste which is Processed Chlorine Free (PCF) which is combined with ECF pulp sourced from SFI, CSA & FSC certified, well managed forests. Environmentally responsible Via is manufactured under a strict environmental management system.

HELP SAVE PAPER BY DOWNLOADING AN ELECTRONIC VERSION

An electronic version of this report is available on Mirvac's website www.mirvac.com. Securityholders who do not require a printed Annual Report, or who receive more than one copy due to multiple shareholdings, can help reduce the number of copies printed by advising the Share Register in writing of changes to their report mailing preferences.

Securityholders who choose not to receive printed reports will continue to receive all other shareholder information, including Notices of Securityholders' Meetings.

MOHAWK wind power

ENVIRONMENTAL SAVINGS DERIVED FROM USING PAPER MADE WITH WIND ENERGY AND POST-CONSUMER RECYCLED FIBRE CONTENT FOR THIS ANNUAL REPORT:

19.8 trees preserved for the future

25.9 kg waterborne waste not created

31,767 litre wastewater flow saved

421 kg solid waste not generated

829 kg net greenhouse gases prevented

4,101.2 kWh kilowatt hours of energy not consumed

1,436 kg air emissions not generated

1 barrel of crude oil not used

equivalent to not driving **5,520** km

equivalent to planting **214** trees

DESIGNDAVEY : SOS PRINT + MEDIA