



**MEDIA and STOCK EXCHANGE ANNOUNCEMENT**

**22 FEBRUARY 2006**

## Half Year Report

Mirvac Group is pleased to release its financial results for the half year ended 31 December 2005. Please find attached:

- Appendix 4D – Half Year Report
- Interim Financial Report for the Mirvac Group
- Results Presentation Slides
- Property Compendium

A presentation of the results is to be held in the ASX Auditorium, Exchange Square, Bridge Street, Sydney today, 22 February 2006 commencing at 9.30am.

A handwritten signature in black ink, appearing to read 'M Smith', written in a cursive style.

**Michael Smith**  
Group Company Secretary

## MIRVAC GROUP (STAPLED SECURITY “MGR”)

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

# Appendix 4D

## Half Year Report

### For the period ended 31 December 2005

(previous corresponding period: half year ended 28 December 2004)

This interim financial report is the first Mirvac Group interim financial report to be prepared in accordance with AIFRS's. AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

### Results for Announcement to the Market

				\$'000
Total revenues and other income	up	45.8%	to	866,227
Profit from ordinary activities after tax attributable to the stapled security holders of the Mirvac Group	up	127.7 %	to	208,015
Net profit attributable to the stapled security holders of the Mirvac Group	up	127.7 %	to	208,015
Operating profit (profit before non-cash AIFRS adjustments) attributable to the stapled security holders of the Mirvac Group	up	40%	to	134,917
<b>Dividends/(distributions)</b>		<b>Amount per security</b>		<b>Franked amount per security</b>
Interim September 2005 quarterly distribution (paid 28 October 2005)		7.75 cents		3.10 cents
Interim December 2005 quarterly distribution (paid 27 January 2006)		7.75 cents		3.10 cents

February 22, 2006



## Media and Stock Exchange Announcement

**MIRVAC GROUP REPORTS A HALF YEAR PROFIT OF \$208.0 MILLION**

### **HIGHLIGHTS**

Key financial highlights for the six months ended 31 December 2005 include:

- AIFRS net profit after tax of \$208.0 million - operating profit after tax (excluding non-cash AIFRS items) of \$134.9 million
- AIFRS earnings of 24.92 cents per stapled security - operating earnings (excluding non-cash AIFRS items) of 16.17 cents per stapled security
- Interim distribution of 15.50 cents per stapled security
- Net increase of \$83.8 million in revaluations across the investment property portfolio
- Rise in NTA per stapled security to \$3.23 (AIFRS) from \$3.15 at 30 June 2005.
- Exchanged contracts of \$784 million at 31 December 2005

### **RESULTS**

Mirvac Group today reported an AIFRS net profit after tax of \$208.0 million for the six months to 31 December 2005, including investment property valuations of \$83.8 million. The operating profit after tax (excluding non-cash AIFRS items) was \$134.9 million, a 40.0% increase on the previous corresponding period.

The half year distribution of 15.50 cents per stapled security was supported by earnings per security for the period of 24.92 cents (AIFRS) or 16.17 cents (operating earnings) per stapled security.

Mirvac reintroduced its Distribution Reinvestment Plan during the reporting period, which raised \$66.5 million from the December quarter's distribution.

Managing Director of Mirvac, Mr Greg Paramor, said, "Significant profit growth was achieved in a tough market through our integrated and diversified property platform delivering strong results."

“The half year profit result was particularly encouraging considering the diverse market conditions across our four principal business divisions.

“Our investment portfolio continued to perform strongly underpinned by quality assets in the strengthening commercial sector, and subregional centres positioned in growth catchment areas. Our hotel business had a strong result and we achieved solid expansion in our funds management business. On the residential front, our business performed well given the challenging market conditions. Western Australia and Queensland were the strongest performing markets.

“We continue to focus on capturing the benefits of our integrated property business and delivering long-term growth in distribution and capital value to security holders.

“Mirvac is diversifying its development business and expanding recurrent earnings, particularly through investment and funds management initiatives,” Mr Paramor said.

Mirvac currently has in excess of \$20 billion of assets under control across the investment, development, hotel and funds management spectrum. More specifically, the Mirvac Group has investments in more than 60 properties covering the retail, commercial, industrial and hotel sectors with a total portfolio value of \$3.1 billion. The Group also has property, infrastructure and funds under management of \$6.5 billion, a managed hotel portfolio of over 2,900 rooms across 25 properties in Australia & New Zealand, and a non-residential development pipeline of \$2.1 billion, both for internal retention and external sale.

Mr Paramor said, “The last 6 months have been extremely active across our integrated property divisions.”

New business and activities have included:

- A second major leasing deal involving a pre-commitment at Nexus Industry Park to develop a 10,000 square metre facility for the NSW headquarters of EW Reinforcement.
- Mirvac Homes entered the Victorian housing market in December with a 550 dwelling housing estate 25 kilometres North of Melbourne. Mirvac Homes has also secured a 67 hectare site in the coastal township of Victor Harbour, South Australia which is undergoing rezoning and is expected to generate 600 lots. Display homes sites have been secured in Playford Waters in Smithfield and Bayswood Estate in Aldinga Beach in South Australia.
- The repositioning of the Investments portfolio with the sale of non-core assets including 107 Mount Street, North Sydney, and Ikon Retail, Potts Point and 101 Grenfell Street, Adelaide (latter two settled post 31 December 2005). Two prime retail sites were acquired; Kwinana Hub Shopping Centre in Western Australia and the Mega Centre Springwood in South East Queensland.
- Launch and full subscription of Seascapes, Mandurah, the first unlisted property development fund. The fund raised \$12.8 million and when combined with debt, will acquire, develop and sell 528 residential lots in Mandurah, Western Australia.
- The post 31 December acquisition of Quadrant Real Estate Advisers, which added \$3.1 billion to funds under management. Quadrant, 50 per cent owned by Mirvac, will manage real estate debt funds on behalf of a range of leading institutional and pension fund clients.

## **DIVISIONAL OVERVIEW**

### **Investments**

The Investment Division reported an AIFRS net profit after tax of \$156.8 million, a 125.8 per cent increase on the previous corresponding period. The increase reflects the AIFRS adjustments for revaluing assets. The Investment portfolio has grown to \$3.1 billion through internal developments, acquisitions and revaluations.

CEO of Investments, Mr Nicholas Collishaw said, “In line with our repositioning strategy, the Trust concentrated on the sale of non-core assets and the future acquisition of larger assets with either development potential, or structured deals that minimise transaction costs and enhance investment returns.

“Retail remains Investment’s key sector where development has commenced on Orion Greater Springfield Town Centre in South East Queensland, and we completed acquisitions of Kwinana Hub Shopping Centre, Perth for \$32.0 million and Springwood Mega Centre, Queensland for \$8.0 million (land only).”

The Investment Division retains an investment property development pipeline in excess of \$1.3 billion.

New leasing deals totalling over 59,000 square metres of commercial / industrial space and retail deals of 20,850 square metres have been negotiated to new occupiers or existing tenants. Mirvac continued its history of high tenant retention of 81 per cent with commercial occupancy levels at 97.4 per cent coupled with the industrial portfolio occupancy at 96.4 per cent and retail at 99.1 per cent. Mirvac’s weighted average lease expiry is in good shape; commercial (4.0 years), retail (6.6 years) and industrial (4.5 years).

During the financial year the revaluations of the property portfolio increased by a net \$83.8 million across commercial, retail and industrial sectors. The key revaluations included:

- Kawana Shoppingworld, QLD, up \$30.8 million
- 60 Margaret Street, Metcentre, Sydney, up \$15.7 million
- 1 Castlereagh Street, Sydney, up \$9.9 million

The Investment’s portfolio repositioning strategy included the sale of a non-core asset, 107 Mount Street, North Sydney, for \$35.8 million and Ikon Retail, Potts Point for \$6.3 million and post 31 December 2005 disposals of 101 Grenfell Street, Adelaide for \$30.4 million and Ikon Retail, Potts Point for a further \$15.5 million, all sold above book value.

### **Development**

The Development Division reported an AIFRS net profit after tax of \$43.0 million, a 105.9 per cent increase from the previous corresponding period.

Mr Paramor said, “Good quality residential developments in well placed locations such as Peninsula Burswood, Western Australia and Ephraim Island, Queensland have attracted strong interest and sales.

“Several projects such as Esperance at Randwick, New South Wales and Yarra’s Edge in Victoria continue to have sluggish sales and we have taken an additional write-down on Esperance of \$6.5 million (before tax), which is included in our half year earnings. We have seen construction costs starting to ease in New South Wales and Victoria as markets continue to normalise. ”

The value of Mirvac's exchanged contracts as at the end of December was \$784 million. This relates predominately to strong pre-sales at Latitude, Lavender Bay, and Aqua at the Peninsula, Burswood, and Mandurah, both in Western Australia.

Mirvac has a strong residential land bank of 18,067 lots, of which 13,514 are house and land.

Mr Paramor said, "Mirvac continues to focus on the delivery of quality projects that underpins Mirvac's unique brand and our sales figures again demonstrate this ability."

"We believe the residential market stabilised during the second half of 2005 and investor activity has declined from the unusually high levels recorded between 2002 and 2004.

"The residential market is likely to remain subdued through the first half of 2006, however, signs of the next upturn in construction activity are evident. Rental markets are relatively tight, and dwelling approvals are well below underlying demand, of around 165,000 per annum.

"The return of first-home buyers in most metropolitan markets is encouraging and high levels of international migration provide additional support to underlying demand for housing," Mr Paramor said.

Mirvac believes the market has experienced a soft landing and the Group is well placed across Australia to participate in the recovery.

### **Funds Management**

The Funds Management Division reported an AIFRS net profit after tax of \$17.1 million for the six months to 31 December 2005.

At 31 December 2005, funds under management totalled \$3.4 billion which is a 9.7 per cent increase from \$3.1 billion reported at 30 June 2005.

Mr Adrian Harrington, CEO Funds Management, said, "The past six months have been very active with the launch of our first unlisted residential development fund, Seascapes, Mandurah, and acquisitions by JF Meridian Trust, the Travelodge Hotel Portfolio and the James Fielding Tourist Park Fund.

"The outlook for funds management is extremely positive highlighted by the recent launch of Quadrant Real Estate Advisers, a US based institutional real estate funds management business, which is a 50/50 joint venture between Mirvac and the senior management team, which added A\$3.1 billion to funds under management post 31 December 2005.

"The Funds Management Division will continue to provide Mirvac with a solid platform to grow its annuity income stream and we expect further benefits through fostering active collaboration across the Group," Mr Harrington said.

### **Hotels**

The Hotels Division reported an AIFRS net profit after tax of \$6.3 million, a rise of 23.2 per cent for the same period last year.

Mr Andrew Turner, CEO of Hotels, said, "It is encouraging to note that all of our operations produced increased profit results. Trading conditions were particularly buoyant in Sydney and Melbourne metropolitan hotels. The division benefited from an average occupancy of 74 per cent and an average room rate increase of 4.4 per cent from \$176 to \$184.

“During the period, the Hotel division acquired a 50 per cent interest in the Cairns International Hotel. The current portfolio totals 25 hotels and resorts across Australia and New Zealand which will contribute to recurrent earnings for the Group,” Mr Turner said.

There is significant activity over this calendar year with the opening of the following five properties:

- The Sebel Manly Beach - May 2006
- Sea Temple Resort & Spa Port Douglas - May 2006
- Quay West Resort Magenta Shores - July 2006
- The Sebel Harbour Lights Cairns - September 2006
- The Sebel Trinity Wharf Tauranga - September 2006

Mr Turner added, “Our focus continues to be on achieving customer satisfaction driven by well trained and committed staff. We believe our marketing and development strategy, combined with Mirvac’s quality and service will generate future profit growth.”

### **OUTLOOK**

The Board of Mirvac confirmed the Group is on track to meet its FY06 earnings guidance.

### **BOARD APPOINTMENTS**

There have been a number of changes to the Mirvac Group’s Board underpinning its commitment to develop Mirvac as an integrated property group delivering superior returns to security holders.

Chairman, Adrian Lane, alongside Directors, Bob Hamilton and Roger Fortune, retired from the Board at the AGM in November. The Board elected James MacKenzie to succeed Adrian Lane as Chairman. James MacKenzie joined the Mirvac Group Board in January 2005 having previously been the Chairman of James Fielding Group.

Further appointments to the Board post 31 December 2005, included independent Directors Peter Hawkins and Penny Morris together with the executive appointments of Nicholas Collishaw and Adrian Fini.

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For further information, please contact:

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Managing Director  
02 9080-8801

Tim Regan  
Chief Financial Officer  
02 9080-8806

## Results for Announcement to the Market

<b>1 Ratios</b>	<b>31 Dec 2005</b>	28 Dec 2004
Profit before income tax / revenue Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue	<b>26.8%</b>	17.2%
Profit after tax / equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	<b>7.2%</b>	3.2 %

<b>2 Earnings per security (EPS)</b>	<b>31 Dec 2005</b>	28 Dec 2004
Basic EPS	<b>24.92 cents</b>	12.91 cents
Basic EPS before non-cash AIFRS items	<b>16.17 cents</b>	13.61 cents
Diluted EPS	<b>24.25 cents</b>	12.68 cents
Diluted EPS before non-cash AIFRS items	<b>15.73 cents</b>	13.37 cents
Weighted average number of ordinary securities outstanding during the period	<b>834,592,701</b>	707,539,874
Weighted average number of securities used in calculating diluted earnings per security	<b>857,819,438</b>	720,619,239

<b>3 NTA backing</b>	<b>31 Dec 2005</b>	28 Dec 2004
Net tangible asset backing per ordinary security (AIFRS) - excluding EIS securities	<b>\$3.23</b>	\$3.08
Net tangible asset backing per ordinary security (AIFRS) – including EIS securities	<b>\$3.14</b>	\$3.00

<b>4 Control gained over entities having material effect</b>	
Name of entity (or group of entities)	-
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	\$ -
Date from which such profit has been calculated	-

Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$ -
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### 5 Loss of control of entities

Name of entity (or group of entities)

- Zimara – disposed 31 December 2005
- James Fielding Infrastructure Yield Fund – disposed 15 August 2005

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control

The disposal of the above two entities do not have a material effect on the Group.

Date to which the profit (loss) has been calculated

-

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period

\$ -

Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

\$ -

### 6 Details of aggregate share of profits (losses) of associates and joint venture entities

**Group's share of associates and joint venture entities:**

Profit (loss) from ordinary activities before tax

23,268

4,556

Income tax on ordinary activities

6,980

1,367

**Profit (loss) from ordinary activities after tax**

**16,288**

**3,189**

Extraordinary items net of tax

-

**Net profit (loss)**

**16,288**

**3,189**

Adjustments

-

**Share of net profit (loss) of associates and joint venture entities**

**16,288**

**3,189**

	31 Dec 2005 \$'000	28 Dec 2004 \$'000
Profit (loss) from ordinary activities before tax	23,268	4,556
Income tax on ordinary activities	6,980	1,367
<b>Profit (loss) from ordinary activities after tax</b>	<b>16,288</b>	<b>3,189</b>
Extraordinary items net of tax		-
<b>Net profit (loss)</b>	<b>16,288</b>	<b>3,189</b>
Adjustments		-
<b>Share of net profit (loss) of associates and joint venture entities</b>	<b>16,288</b>	<b>3,189</b>

Interest in joint ventures and associates comprise -

<u>Name of entity</u>	<u>Principal Activity</u>	<u>Participating Interest</u>
Australian Hotel Trust	Hotel management	19.9%
Australasian Tourist Park Holdings Pty Ltd	Tourist park management	25.0%
JF Meridian Trust	Listed property trust	19.87%

<u>Name of entity</u>	<u>Principal Activity</u>	<u>Participating Interest</u>
Archbold Rd	Property development	20.0%
177 Salmon St	Property development	20.0%
The Arbor on Grey Retail Joint Venture	Property development	35.0%
Mirvac Lend Lease Village Consortium / Newington :	Property development	
Olympic Village		33.0%
Precinct 1 & 3		50.0%
MVIC Finance 2 Pty Ltd	Property development	50.0%
Mindarie Joint Venture	Property development	15.0%
Majestic Quays Joint Venture	Property development	25.0%
Panorama Joint Venture	Property development	17.0%
Walsh Bay Partnership	Property development	50.0%
Ephraim Island Joint Venture	Property development	50.0%
BL Developments Pty Ltd	Property development	50.0%
High Sky Pty Ltd	Property development	33.3%
HPAL Freehold Pty Ltd	Property development	50.0%
Hoxton Park Airport Development P/L	Property development	50.0%
BAC Devco Pty Ltd	Property development	33.3%
Bankstown Development Pty Ltd	Property development	50.0%
James Fielding Infrastructure Pty Ltd	Funds management	50.0%
Domaine Property Funds Ltd	Funds management	50.0%
Property Funds Australia Ltd	Funds management	50.0%
JF Aqua Pty Ltd	Funds management	50.0%
Arcadis (JFUSIT)	Funds management	50.0%
Australian Centre for Life Long Learning	Property development	50.0%
Phoenix Estates Pty Ltd	Property development	50.0%
197 Salmon Street	Property Investment	50.0%
Old Wargrove Road	Property Investment	50.0%
New Zealand Sustainable Infrastructure Fund	Infrastructure investment	33.3%
Bambor Pty Ltd	Property development	50.0%
Lifestyle Villages Trust	Property development	50.0%
Lifestyle Villages Management Pty Ltd	Property development	50.0%
Bargara Lifestyle Development Pty Ltd	Property development	50.0%
Swanbourne	Property development	50.0%
Playford Waters	Property development	50.0%

<u>Name of entity</u>	<u>Principal Activity</u>	<u>Participating Interest</u>
New Forests	Forestry asset management	20.0%
Notron No346 Pty Ltd	Hotel investment	50.0%
James Fielding Infrastructure Yield Fund	Infrastructure investment	44.7%

**7 Dividends (in the case of a trust, distributions)**

Date the dividend (distribution) is payable 27 JANUARY 2006

Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved) 30 DECEMBER 2005

**8 Amount per security**

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Interim dividend:</b> Current year	15.50 cents	6.20 cents	-
Previous year	16.60 cents	6.64 cents	-

**9 Half-year report - interim dividend (distribution) on all securities**

	31 Dec 2005 \$'000	28 Dec 2004 \$'000
Ordinary securities <i>(each class separately)</i>	<b>133,115</b>	120,227
Preference securities <i>(each class separately)</i>	-	-
Other equity instruments <i>(each class separately)</i>	-	-
<b>Total</b>	<b>133,115</b>	120,227

**10 Dividends/distributions provided for or paid**

Ordinary Stapled Securities – The Mirvac Group

Quarterly ordinary distributions paid as follows:

- 7.75 cents per fully paid stapled security paid on 27 January 2006
- 3.10 cents franked at 30%
- 7.75 cents per fully paid stapled security paid on 28 October 2005
- 3.10 cents franked at 30%
- 8.30 cents per fully paid stapled security paid on 28 January 2005
- 3.32 cents franked at 30%
- 8.30 cents per fully paid stapled security paid on 29 October 2004
- 3.32 cents franked at 30%

Total distribution 15.50 cents (2004: 16.60 cents)

**Total Dividends/Distributions provided for or paid**

Dividends/Distributions actually paid or satisfied by the issue of securities under the group distribution/dividend reinvestment plans during the half-years ended 31 December 2005 and 28 December 2004 were as follows:

- Paid in cash
- Satisfied by the issue of securities

30 Dec 2005 \$'000	28 Dec 2004 \$'000
66,560	
66,555	
	60,473
	59,754
133,115	120,227
133,115	120,227
139,992	49,769
-	68,159
139,992	117,928

**11 Franking credits available**

16,438,459 class 'C' franking credits franked at 30% available at 31 December 2005.

**12 Dividend/distribution plan**

The dividend or distribution plans shown below are in operation.

Mirvac Group distribution reinvestment plan (the distribution reinvestment plan was not in operation for the full six months ending 31 December 2005. It was reinstated at 27 December 2005.)

The last date for receipt of election notices for the dividend or distribution plan

30 DECEMBER 2005

Any other disclosures in relation to dividends (distributions).

N/A

**13 Issued and quoted securities at end of current period**

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
<b>Preference securities</b> <i>(description)</i>	NIL	NIL	NIL	NIL
Changes during current period				
(a) Increases through issues				
(b) Decreases through returns of capital, buybacks, redemptions				
<b>*Ordinary securities</b>	<b>858,841,677</b>	<b>858,841,677</b>	-	-
Changes during current period				
(a) Increases through issues	4,987,557	4,987,557	406.40	406.40
	63,117	63,117	396.09	396.09
(b) Decreases through returns of capital, buybacks	-	-	-	-
<b>Convertible debt securities</b> <i>(description and conversion factor)</i>	NIL	NIL	NIL	NIL
Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
<b>Options</b> <i>(description and conversion factor)</i>	NIL	NIL	Exercise Price	Expiry Date
Issued during current period	NIL	NIL	NIL	NIL
Exercised during current period	NIL	NIL	NIL	NIL
Expired during current period	NIL	NIL	NIL	NIL
<b>Debentures</b> <i>(description)</i>	NIL	NIL		
Changes during current period	-	-		
<b>Unsecured notes</b> <i>(description)</i>	NIL	NIL		
Changes during current period	-	-		

## **The Mirvac Group**

**The Mirvac Group comprises Mirvac Limited (ABN 92 003 280 699) and its combined entities,  
including Mirvac Property Trust and its Controlled Entities**

### **Interim Financial Report for the Half Year Ended**

**31 December 2005**

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This interim financial report does not contain all the notes normally included in an annual financial report. Accordingly, it is recommended that this report should be read in conjunction with the Annual Report for the year ended 30 June 2005 and any public announcements made by the Mirvac Group during the half-year in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Stock Exchange.

# Mirvac Group

## Directors' Report

The directors of Mirvac Limited present their report, together with the consolidated financial report of the Mirvac Group, for the half year ending 31 December 2005.

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

### Directors

At the date of this report the following persons were directors of Mirvac Limited during the whole of the half-year and up to the date of this report unless otherwise indicated:

J A C MacKenzie	A G Fini (appointed 19 January 2006)
G J Paramor	P J O Hawkins (appointed 19 January 2006)
P J Biancardi	G H Levy
D J Broit	P Morris (appointed 19 January 2006)
N R Collishaw (appointed 19 January 2006)	R W Turner

Ms A Buduls resigned as a director on 29 July 2005. Messrs AJ Lane, RJ Hamilton, and RA Fortune resigned as directors on 10 November 2005.

### Review of Operations

The net profit after tax for the Group for the six months ended 31 December 2005 was \$208,015,000 (28 December 2004: \$91,359,000). The operating profit (profit excluding non cash AIFRS adjustments) was \$134,917,000 (28 December 2004: \$96,326,000). The following table summarises key reconciling items between net profit after tax and operating profit.

	<b>6 months ended 31 December 2005</b>	<b>6 months ended 31 December 2004</b>
	<b>\$'000</b>	<b>\$'000</b>
Net profit attributable to the stapled security holders	208,015	91,359
Net gains from fair value of investment properties	(83,772)	(1,355)
Unrealised gains on fair value of derivative financial instruments (net of tax)	(3,836)	-
Expensing of share based payments	8,714	-
Depreciation of owner-occupied investment properties, hotels and hotel management lots (including hotel PP&E)	4,053	4,708
Amortisation of lease incentives	2,817	1,614
Net gains from fair value of investment properties and derivatives included in share of associates profits	(1,074)	-
<b>Operating profit</b>	<b>134,917</b>	<b>96,326</b>

### Highlights

Key financial highlights for the six months ended 31 December 2005 include:

- AIFRS earnings of 24.92 cents per stapled security
- Operating earnings of 16.17 cents per stapled security (excluding non-cash AIFRS items)
- Interim distribution of 15.50 cents per stapled security
- Net increase of \$83.8 million in revaluations across the investment property portfolio
- Rise in NTA per stapled security to \$3.23 (AIFRS) from \$3.15 at 30 June 2005
- Exchanged contracts of \$784 million at 31 December 2005

## **Mirvac Group**

### **Directors' Report (continued)**

#### **Overview of results**

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The half year distribution of 15.50 cents per stapled security was supported by earnings per security for the period of 24.92 (AIFRS) or 16.17 (operating earnings) per stapled security.

Mirvac reintroduced its Distribution Reinvestment Plan during the reporting period, which raised \$66.5 million from the December quarter's distribution.

The half year profit result was encouraging considering the diverse market conditions across Mirvac's four principal business divisions. The result demonstrates that Mirvac's integrated property is delivering solid results to security holders.

The investment portfolio continued to perform strongly underpinned by quality assets in the strengthening commercial sector and subregional centres positioned in growth catchment areas. The hotel business had a strong result and the Group achieved solid expansion in the funds management business. On the residential front, the business performed well given the challenging market conditions with Western Australia and Queensland the strongest performing markets.

The 6 months to 31 December 2005 have been active across the Group's integrated property divisions. New business and activities have included:

- A second major leasing deal involving a pre-commitment at Nexus Industry Park to develop a 10,000 square metre facility for the NSW headquarters of EW Reinforcement.
- Mirvac Homes entered the Victorian housing market in December with a 550 dwelling housing estate 25 kilometres North of Melbourne. Mirvac Homes also secured a 67 hectare site in the coastal township of Victor Harbour, South Australia which is undergoing rezoning and is expected to generate 600 lots. Display homes sites have been secured in Playford Waters in Smithfield and Bayswood Estate in Aldinga Beach in SA.
- The repositioning of the Investments portfolio with the sale of non-core assets including 107 Mount Street, North Sydney, and Ikon Retail, Potts Point and 101 Grenfell Street, Adelaide (latter two settled post 31 December 2005). As well as the acquisition of two prime retail sites; Kwinana Hub Shopping Centre in Western Australia and Springwood Megacentre in South East Queensland.
- Launch and full subscription of Seascapes, Mandurah, the first unlisted property development fund. The fund raised \$12.8 million and, when combined with debt, will acquire, develop and sell 528 residential lots in Mandurah, WA.
- The post 31 December acquisition of Quadrant Real Estate Advisers, which added \$3.1 billion to funds under management. Quadrant, 50 per cent owned by Mirvac, will manage real estate debt funds on behalf of a range of leading institutional and pension fund clients.

#### **Divisional overview**

##### ***Investments***

The Investment Division reported an AIFRS net profit after tax of \$156.8 million, a 125.8 per cent increase on the previous corresponding period. The increase reflects the AIFRS adjustments for revaluing assets of \$83.8 million. The Investment portfolio has grown to \$3.1 billion through internal developments, acquisitions and revaluations.

In line with Mirvac's repositioning strategy, the Trust concentrated on the sale of non-core assets and the future acquisition of larger assets with either development potential, or structured deals that minimise transaction costs and enhance investment returns.

## **Mirvac Group**

### **Directors' Report (continued)**

#### *Investments (continued)*

Retail remains Investment's key sector where development has commenced on Orion Greater Springfield Town Centre in South East Queensland, and completed the acquisitions of Kwinana Hub Shopping Centre, Perth for \$27.2 million and Springwood Mega Centre, Queensland for \$8.0 million (land only).

The Investment Division retains an investment property development pipeline in excess of \$1.3 billion.

New leasing deals totalling over 59,000 square metres of commercial / industrial space and retail deals of 20,850 square metres have been negotiated to new occupiers or existing tenants. Mirvac continued its history of high tenant retention of 81 per cent with commercial occupancy levels at 97.4 per cent coupled with the industrial portfolio occupancy at 96.4 per cent and retail at 99.1 per cent. Mirvac's weighted average lease expiry is in good shape; commercial - 4 years, retail- 6.6 years, industrial- 4.5 years.

During the financial year the revaluations of the property portfolio increased by a net \$83.8 million across commercial, retail and industrial sectors. The key revaluations included:

- Kawana Shoppingworld, QLD, up \$30.8 million
- 60 Margaret Street, Metcentre, Sydney, up \$15.7 million
- 1 Castlereagh Street, Sydney, up \$9.9 million

The Investment's portfolio repositioning strategy included the sale of a non-core asset, 107 Mount Street, North Sydney, for \$35.8 million and Ikon Retail, Potts Point for \$6.3 million

#### *Developments*

The Development Division reported an AIFRS net profit after tax of \$43.0 million, a 105.9 per cent increase from the previous corresponding period.

Good quality residential developments in well placed locations such as Peninsula Burswood, Western Australia and Ephraim Island, Queensland have attracted strong interest and sales. However several projects such as Esperance at Randwick, New South Wales and Yarra's Edge in Victoria continue to have sluggish sales and the Group has taken an additional write-down on Esperance of \$6.5 million (before tax) during the period.

The value of Mirvac's exchanged contracts as at the end of December was \$784 million. This relates predominately to strong pre-sales at Latitude, Lavender Bay, and Aqua at the Peninsula, Burswood, and Mandurah, both in Western Australia.

Mirvac has a strong residential land bank of 18,067 lots, of which 13,514 are house and land.

#### *Funds Management*

The Funds Management Division reported an AIFRS net profit after tax of \$17.1 million for the six months to 31 December 2005.

At 31 December 2005, funds under management totalled \$3.4 billion (including joint ventures) which is a 9.7 per cent increase from \$3.1 billion reported at 30 June 2005.

The past six months have been very active with the launch of Mirvac's first unlisted residential development fund, Seascapes, Mandurah, and acquisitions by JF Meridian Trust, the Travelodge Hotel Portfolio and the James Fielding Tourist Park Fund.

In October, Mirvac sold its 50% interest in Perpetual James Fielding, a specialist property securities business.

# Mirvac Group

## Directors' Report (continued)

### Divisional overview (continued)

#### *Hotels*

The Hotels Division reported an AIFRS net profit after tax of \$6.3 million, a rise of 23.2 per cent for the same period last year.

All of the Group's hotel operations produced increased profit results. Trading conditions were particularly buoyant in Sydney and Melbourne metropolitan hotels. The division benefited from an average occupancy of 74 per cent and an average room rate increase of 4.4 per cent from \$176 to \$184.

During the period, the Hotel division acquired a 50 per cent interest in the Cairns International Hotel. The current portfolio totals 25 hotels and resorts across Australia and New Zealand which will contribute to recurrent earnings for the Group.

#### Impact of adopting International Financial Reporting Standards (AIFRS)

This interim financial report is the first Mirvac Group interim financial report to be prepared in accordance with AIFRS's. AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied in preparing these financial statements.

The adoption of AIFRS has impacted the income statement of the Group due to:

- Fair valuing investment properties;
- Amortisation of owner occupied investment properties, hotels and hotel management lots;
- Fair valuing financial instruments which do not qualify for hedge accounting;
- Expensing of share based payments;
- Cessation of UIG 53 profit recognition for development projects and amortisation of goodwill; and
- Amortisation of lease incentives.

#### Auditor Independence Declaration

A copy of the Auditors' Independence Declaration required under section 307c of the Corporations Act 2001 is set out on page 6.

#### Rounding of Amounts to the Nearest Thousand Dollars

Mirvac Limited is of the kind 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  
22 February 2006

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## AUDITORS INDEPENDENCE DECLARATION

As lead auditor for the audit of Mirvac Limited for the half year ended 31 December 2005, 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 half year including Mirvac Property Trust and the entities it controlled during the half year.



Mark Haberlin  
Partner

Sydney  
22 February 2006

**Mirvac Group**  
**Consolidated Income Statement**  
**For the Half Year Ended 31 December 2005**

	Notes	Consolidated	
		31 Dec 2005 \$'000	28 Dec 2004 \$'000
<u>Revenues and other income</u>			
Development and construction revenue		513,727	405,490
Rental income		123,094	107,604
Interest income		3,549	2,492
Net gain on sale of non-current assets		5,011	108
Unrealised gain on financial instruments - net		5,353	-
Share of net profits of associates and joint ventures accounted for using the equity method		23,268	4,556
Net gains from fair value adjustments on investment properties		83,772	1,355
Other income		108,453	72,377
<b>Total revenues and other income</b>		<b>866,227</b>	<b>593,982</b>
<u>Cost of goods sold</u>			
Cost of goods sold		(401,696)	(325,130)
Employee benefits expense		(86,007)	(58,309)
Depreciation and amortisation		(9,369)	(8,875)
Finance costs	3	(61,535)	(50,728)
Property outgoing		(29,576)	(26,659)
Provision for loss on inventory		(6,500)	-
Other expenses		(39,641)	(22,265)
<b>Profit before income tax</b>		<b>231,903</b>	<b>102,016</b>
Income tax expense		(23,235)	(10,657)
<b>Profit for the half-year</b>		<b>208,668</b>	<b>91,359</b>
Profit attributable to minority interest		(653)	-
<b>Net profit attributable to the stapled security holders of the Mirvac Group</b>		<b>208,015</b>	<b>91,359</b>
 <b>Earnings per stapled security for net profit attributable to the ordinary equity holders of the Mirvac Group</b>			
		Cents	Cents
Basic earnings per security	5	24.92	12.91
Diluted earnings per security	5	24.25	12.68

The above consolidated income statement should be read in conjunction with the accompanying notes.

**Mirvac Group**  
**Consolidated Balance Sheet**  
**As at 31 December 2005**

	Notes	Consolidated	
		31 Dec 2005 \$'000	30 Jun 2005 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		59,540	56,028
Receivables		188,007	232,730
Inventories		688,361	641,385
Non-current assets classified as held for sale	7	40,502	-
Other		35,692	20,968
<b>TOTAL CURRENT ASSETS</b>		<b>1,012,102</b>	<b>951,111</b>
<b>NON-CURRENT ASSETS</b>			
Receivables		137,332	121,204
Inventories		879,015	870,412
Investments accounted for using the equity method		391,515	275,823
Other financial assets		-	10,498
Investment properties	8	2,484,963	2,405,408
Property, plant and equipment	9	516,489	482,421
Intangible assets		212,788	212,935
Deferred tax assets		19,603	19,889
Other		1,146	1,948
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,642,851</b>	<b>4,400,538</b>
<b>TOTAL ASSETS</b>		<b>5,654,953</b>	<b>5,351,649</b>
<b>CURRENT LIABILITIES</b>			
Payables		178,042	182,320
Interest bearing liabilities		1,420,898	1,165,015
Derivative financial instruments		3,339	-
Current tax liabilities		-	5,072
Provisions		69,842	77,264
Other		17,979	10,421
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,690,100</b>	<b>1,440,092</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables		35,683	54,500
Interest bearing liabilities		899,759	919,805
Deferred tax liabilities		118,357	99,424
Provisions		4,858	4,460
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,058,657</b>	<b>1,078,189</b>
<b>TOTAL LIABILITIES</b>		<b>2,748,757</b>	<b>2,518,281</b>
<b>NET ASSETS</b>		<b>2,906,196</b>	<b>2,833,368</b>
<b>EQUITY</b>			
Contributed equity	6	2,586,503	2,575,182
Reserves		34,714	25,045
Retained profits	10	267,108	202,661
Total parent entity interest		2,888,325	2,802,888
Minority interest in controlled entities		17,871	30,480
<b>TOTAL EQUITY</b>		<b>2,906,196</b>	<b>2,833,368</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

**Mirvac Group**  
**Consolidated Statement of Changes in Equity**  
**For the Half Year Ended 31 December 2005**

	Notes	Consolidated	
		31 Dec 2005 \$'000	28 Dec 2004 \$'000
<b>Total equity at the beginning of the half year</b>		<b>2,833,368</b>	<b>2,161,720</b>
Adjustment on adoption of AASB 132 and AASB 139 to retained earnings		(8,691)	-
Increment on revaluation of property, net of tax		1,167	2,653
Exchange differences on translation of foreign operations		(214)	-
<b>Net income recognised directly in equity</b>		<b>(7,738)</b>	<b>2,653</b>
<b>Net profit for the half year</b>		<b>208,015</b>	<b>91,359</b>
<b>Total recognised income and expenses for the half year</b>		<b>200,277</b>	<b>94,012</b>
Transactions with equity holders in their capacity as equity holders:			
Share based payment transactions		8,714	-
Equity based compensation – movement in retained earnings		(1,762)	(3,303)
EIS securities converted/sold/forfeited		11,323	12,981
Contributions of equity, net of transaction costs		-	68,161
Dividends provided for or paid	4	(133,115)	(120,227)
Minority interest		(12,609)	-
		<b>(127,449)</b>	<b>(42,388)</b>
<b>Total equity at the end of the half year</b>		<b>2,906,196</b>	<b>2,213,344</b>
Total recognised income and expense for the half year is attributable to:			
Members of Mirvac Group		199,624	94,012
Minority Interest		653	-
		<b>200,277</b>	<b>94,012</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Mirvac Group**  
**Consolidated Cash Flow Statement**  
**For the Half Year Ended 31 December 2005**

	<b>Consolidated</b>	
	<b>31 Dec 2005</b>	<b>28 Dec 2004</b>
	<b>\$000</b>	<b>\$000</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers (inclusive of goods and services tax)	882,131	657,642
Payments to suppliers and employees (inclusive of goods and services tax)	(714,581)	(753,111)
	<u>167,550</u>	<u>(95,469)</u>
Interest received	3,544	2,492
Borrowing costs paid	(73,713)	(53,193)
Income taxes paid	(29,746)	(22,503)
	<u>67,635</u>	<u>(168,673)</u>
<b>Net cash inflows / (outflows) from operating activities</b>		
<b>Cash Flows from Investing Activities</b>		
Payment for property, plant and equipment	(28,970)	(33,782)
Proceeds from the sale of property, plant and equipment	535	88
Payments for investment properties	(78,615)	(63,612)
Proceeds from the sale of investment properties	6,288	3,930
Loans to related entities	(39,218)	-
Repayment of loans by related entities	580	-
Loans to other entities	(2,708)	-
Repayment of loans by other entities	18,494	-
Contributions to joint venture operations/ entities	(75,552)	(4,850)
Proceeds from repayment of equity in joint ventures	5,662	8,100
Proceeds from disposal of investments in controlled entities	40,126	-
Proceeds from sale of investments	3,324	-
Payment for investments	(7,274)	-
	<u>(157,328)</u>	<u>(90,126)</u>
<b>Net cash outflows from investing activities</b>		
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	453,808	310,924
Repayment of borrowings	(218,870)	(138,400)
Dividends / distributions paid	(140,629)	(49,770)
	<u>94,309</u>	<u>122,754</u>
<b>Net cash inflows from financing activities</b>		
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>4,616</b>	<b>(136,045)</b>
Cash and cash equivalents at the beginning of the half-year	54,911	332,120
Effects of exchange rate changes on cash and cash equivalents	13	38
	<u>59,540</u>	<u>196,113</u>
<b>Cash and cash equivalents at the end of the half-year</b>		

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
**For the Half Year Ended 31 December 2005**

***1. Summary of significant accounting policies***

This general purpose financial report for the interim half year reporting period ended 31 December 2005 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The financial statements of the Mirvac Group consist of the consolidated financial statements of Mirvac Limited and its combined entities including Mirvac Property Trust and its controlled entities.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2005 and any public announcements made by the Mirvac Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**“The Mirvac Group” – Stapled Securities**

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

With the establishment of the Mirvac Group and its common investors, the Group has common directors and common business objectives, and operates as a consolidated entity with four core businesses:

- property investment and management
- property development
- hotel ownership and management
- funds management

The entities forming the stapled group entered into a Deed of Co-Operation which provided that the members consider the interests of the 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 the Group as a whole.

The two Mirvac 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, as the stapling arrangement occurred prior to the AIFRS transition date (1 July 2004).

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

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

The financial statements are a general purpose financial report, which has been prepared to satisfy the requirements of the Urgent Issues Group Interpretation 1013, “Consolidated Financial Reports in relation to Pre-Date-Of-Transition Stapling Arrangements”, and in accordance with Accounting Standard AASB 134: *Interim Financial Reporting*, other mandatory professional reporting requirements (Urgent Issues Group Interpretations Views), and other authoritative pronouncements of the Australian Accounting Standards Board.

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
**For the Half Year Ended 31 December 2005**

**1. Summary of significant accounting policies (continued)**

**(a) Basis of preparation of half-year financial report**

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

**Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (AIFRS).**

This interim financial report is the first Mirvac Group interim financial report to be prepared in accordance with AIFRSs. AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied in preparing these financial statements.

Financial statements of the Mirvac Group until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the Mirvac Group interim financial report for the half year ended 31 December 2005, management has amended certain accounting, valuation and consolidation methods applied in the previous AGAAP financial statements to comply with AIFRS. The Group has taken the exemption available under AASB 1 to only apply AASB 132 *Financial Instruments: Disclosure and Presentation*, AASB 139 *Financial Instruments: Recognition and Measurement*.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS are given in note 13.

**Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

**(b) Principles of consolidation**

**(i) Subsidiaries**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Mirvac Group as at 31 December 2005 and the results of all subsidiaries for the half-year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(h)).

Intercompany transactions and balances between Group entities are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

**(ii) Associates**

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
**For the Half Year Ended 31 December 2005**

**1. Summary of significant accounting policies (continued)**

**(b) Principles of consolidation (continued)**

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investments.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in associates within certain asset classes, including infrastructure investments, have been measured at net market value. Changes in net market value are recognised as revenue or expenses in the income statement in the financial year which the change occurred.

*(iii) Joint ventures*

Joint venture operations

The proportionate interests in the assets, liabilities and expenses of a joint venture operation have been incorporated in the financial statements under the appropriate headings.

Joint venture entities

The interest in a joint venture partnership is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet.

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the group's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

**(c) Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

**(d) Foreign currency translation**

*(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Mirvac Group's functional and presentation currency.

*(ii) Foreign controlled entity*

The results and financial position of entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
**For the Half Year Ended 31 December 2005**

**1. Summary of significant accounting policies (continued)**

**(d) Foreign currency translation (continued)**

- revenues and expenses are translated at the average of rates ruling during the year; and
- all resulting exchange differences are recognised as a separate component of equity.

**(e) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

*(i) Development projects and land sales*

Revenue is recognised for development projects (refer to note 1(I)) and land sales on settlement of the contract of sale.

*(ii) Construction contracts*

Revenue and expenses are recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. Where it is probable that a loss will arise from a construction contract, the excess of total costs over revenue is recognised as an expense immediately.

When the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

*(iii) Hotel revenue*

Revenue is recognised when goods and services have been provided to the customer.

*(iv) Rental income*

Rental revenue for operating leases is recognised on a straight line basis over the term of the lease, except when an alternative basis is more representative of the pattern of service rendered through the provision of the leased premises. Lease incentives offered under operating leases are amortised on a straight-line basis and offset against rental income.

*(v) Recoverable outgoings*

Recovery of outgoings as specified in lease agreements is accrued on an estimated basis and adjusted when the actual amounts are invoiced to the respective tenants.

*(vi) Fees*

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

**(f) Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
**For the Half Year Ended 31 December 2005**

**1. Summary of significant accounting policies (continued)**

**(f) Income tax (continued)**

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Mirvac Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2003.

Under the current income tax legislation Mirvac Property Trust is not liable for income tax, provided its taxable income is fully distributed to unit holders each financial year. The Trust is liable for tax on capital gains to the extent that these are not fully distributed to the unit holders.

**(g) Leases**

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**(h) Acquisitions of assets**

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1(s)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
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**1. Summary of significant accounting policies (continued)**

**(i) Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

**(j) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**(k) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised costs, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

**(l) Inventories**

Inventories comprises of development projects, construction contracts and hotel stock.

*(i) Development projects*

Development projects are valued at the lower of cost and recoverable amount. Cost includes the cost of acquisition, development, borrowing costs and all other costs directly related to specific projects, including an allocation of direct overhead expenses. After the development is completed, borrowing costs, and other holding charges are expensed as incurred. Profits on development projects are not brought to account until they are settled.

*(ii) Construction contracts*

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under payables.

Contract costs include all costs directly related to specific contracts, and costs that are specifically chargeable to the customer under the terms of the contract.

The stage of completion is measured as a percentage complete of the construction contract.

*(iii) Hotel stock*

Hotel stock is stated at lower of cost and net realisable value.

**(m) Non-current assets held for sale**

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

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
**For the Half Year Ended 31 December 2005**

**1. Summary of significant accounting policies (continued)**

**(m) Non-current assets held for sale (continued)**

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

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

**(n) Investments and other financial assets**

**From 1 July 2005**

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

*(i) Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset as held for trading if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

*(ii) Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date being the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
**For the Half Year Ended 31 December 2005**

**1. Summary of significant accounting policies (continued)**

**(n) Investments and other financial assets (continued)**

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its costs is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is measured as the difference between the acquisition cost and the current fair value less any impairment loss on that financial asset previously recognised in profit and loss and is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

**(o) Derivatives**

**Adjustments on transition date: 1 July 2005**

The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 are that derivatives are measured on a fair value basis. Changes in fair value are either taken to the income statement or an equity reserve (refer below). At the date of transition (1 July 2005) changes in the carrying amounts of derivatives are taken to retained earnings or reserves, depending on whether the criteria for hedge accounting are satisfied at the transition date.

**From 1 July 2005**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

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

*(i) Fair value hedge*

Changes in the fair value derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

*(ii) Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the

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**For the Half Year Ended 31 December 2005**

**1. Summary of significant accounting policies (continued)**

**(o) Derivatives (continued)**

gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

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

*(iii) Derivatives that do not qualify for hedge accounting*

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

**(p) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Transaction costs are included in the initial carrying amounts of the financial instruments.

**(q) Property, plant and equipment**

Property, plant and equipment comprises land and buildings, plant and equipment (including hotel plant and equipment), owner occupied hotel management lots, owner occupied freehold hotels, owner occupied properties and investment properties under construction.

Increases in the carrying amounts arising on revaluation of property, plant and equipment are credited to the Asset Revaluation Reserve in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

*(i) Plant and equipment (including hotel plant and equipment)*

Plant and equipment (including hotel plant and equipment) is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

*(ii) Owner occupied hotel management lots*

Hotel management lots are classified as owner occupied where the lot is owned and managed by the Mirvac Group. The management lots land and buildings are shown at fair value, less subsequent depreciation for buildings. Any

**Mirvac Group**  
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**1. Summary of significant accounting policies (continued)**

**(q) Property, plant and equipment (continued)**

accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

*(iii) Owner occupied freehold hotels*

Owner occupied freehold hotels are shown at fair value, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

*(iv) Owner occupied administration properties*

Administration properties are classified as owner occupied where the Group occupies more than 10% of the total lettable area of the individual property. Owner occupied administration properties are shown at fair value, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

*(v) Investment property under construction*

Investment property under construction are carried at cost and only depreciated once fully constructed.

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

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Buildings	40 years
- Plant and Equipment	3 – 15 years
- Office leasehold	1 – 10 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimate recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement on a net basis when the risks and rewards pass to the purchaser. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

**(r) Investment property**

*(i) Investment properties*

Investment properties are properties held for long-term rental yields and for capital appreciation.

Investment properties are initially recognised at cost including any acquisition costs. Investment properties are subsequently stated at fair value at each balance date with any gain or loss arising from a change in fair value recognised in the income statement in the period.

External revaluations are made with sufficient regularity but at least every three years to ensure that the carrying amount of each investment property does not differ materially from its fair value.

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

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
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**1. Summary of significant accounting policies (continued)**

**(r) Investment property (continued)**

*(ii) Investment properties under development*

Existing investment properties being redeveloped for continued future use are carried at fair value.

**(s) Lease incentives**

Lease incentives provided under an operating lease are recognised as an expense on a straight-line basis against rental income. As these incentives are repaid out of future lease payments, they are recognised as an asset in the consolidated balance sheet as a component of the carrying amount of investment properties and amortised over the lease period.

The amortisation of lease incentives has been offset by an adjustment to income from revaluation of investment property (non-operating profit item) which maintains the fair value of investment properties.

**(t) Intangible assets**

*(i) Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

*(i) Goodwill (continued)*

Goodwill is allocated to cash-generating units for the purpose of impairment testing

*(ii) Management rights*

Management rights are carried at fair value at the date of acquisition. The balance of management rights is reviewed at each balance date for any impairment, and written off to the income statement to the extent that the future benefits are no longer probable.

**(u) Trade and other payables**

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

Payables whose settlement is deferred, are measured at amortised cost.

**(v) Borrowings and borrowing costs**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
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**1. Summary of significant accounting policies (continued)**

**(v) Borrowings and borrowing costs (continued)**

Borrowing costs are recognised as expenses in the period in which they are incurred, except as stated in note 1(I)(i). Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings
- amortisation of discounts or premiums relating to borrowings
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings

**(w) Employee benefits**

*(i) Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

*(ii) Long service leave*

The liability for long service leave vesting within twelve months of the reporting date is recognised and is measured in accordance with (i) above. The liability for long service leave vesting more than twelve months from the reporting date is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates attaching, at the reporting date, to national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash flows.

*(iii) Share-based payments*

Share-based compensation benefits are provided to employees via the Mirvac Employee Incentive Scheme (EIS).

*Equity instruments granted before 7 November 2002 and/or vested before 1 January 2005*

No expense is recognised in respect of these equity instruments.

*Equity instruments granted after 7 November 2002 and vested after 1 January 2005*

The fair value of equity instruments granted under the Employee Incentive Scheme is recognised as an employee benefit expense. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the equity instrument.

The fair value at grant date is independently determined using a bi-nomial option pricing model that takes into account the exercise price, the vesting and performance criteria, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the equity instrument.

*iv) Bonuses*

A liability for bonuses payable is recognised in other creditors when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there are formal terms for determining the amount of the benefit
- the amounts to be paid are determined before the time of completion of the financial report, or
- past practice gives clear evidence of the amount of the obligation

Liabilities for bonuses are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

*(v) Employee benefit on-costs*

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

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
**For the Half Year Ended 31 December 2005**

**1. Summary of significant accounting policies (continued)**

**(x) Contributed equity**

Ordinary securities are classified as equity.

Per AASB 2: "Share Based Payments", securities issued as part of the Mirvac EIS are not classified as ordinary shares, until such time as the employee loans are fully repaid or they leave the Group.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

**(y) Dividends**

Provision is made for the amount of any dividend declared on or before the end of the half-year but not distributed at balance date.

**(z) Earnings per share**

*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the half-year.

*(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**(aa) Comparative information**

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

**(ab) Rounding of amounts**

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

**(ac) Accounting period - comparatives**

In accordance with Section 323D (2) of the Corporations Act 2001, the directors elected to prepare the financial report for the comparative period from 1 July 2004 to 28 December 2004. This election was adopted to allow the financial statements to be prepared prior to the acquisition of the James Fielding Group on 29 December 2004.

**(ad) Net current liabilities**

The Group has reclassified \$1.421 billion of non-current interest bearing liabilities to current interest bearing liabilities as a result of bonds maturing within the next twelve months, which will be reissued in the normal course of business.

## 2. Aggregated segmental information

	Property Investment \$000	Property Development \$000	Hotels \$000	Funds Management \$000	Unallocated \$000	Eliminations \$000	Consolidated Totals \$000
<b>Primary Reporting Business Segments</b>							
<b>31 December 2005</b>							
Sales to external customers	141,786	523,033	66,827	17,050	389	-	749,085
Intersegment sales	3,491	40,965	-	-	-	(44,456)	-
<b>Total sales revenue</b>	<b>145,277</b>	<b>563,998</b>	<b>66,827</b>	<b>17,050</b>	<b>389</b>	<b>(44,456)</b>	<b>749,085</b>
Revaluation of investment property	83,772	-	-	-	-	-	83,772
Share of net profits of associates and joint ventures	1,244	9,678	849	11,497	-	-	23,268
Other revenue including sale of investment properties	415	113	-	4,221	5,353	-	10,102
<b>Total segment revenue</b>	<b>230,708</b>	<b>573,789</b>	<b>67,676</b>	<b>32,768</b>	<b>5,742</b>	<b>(44,456)</b>	<b>866,227</b>
Segment result before interest and income tax	179,097	98,464	8,144	24,690	*(16,957)	-	293,438
Net interest allocated	(21,474)	(36,745)	-	(3,316)	-	-	(61,535)
Profit/(loss) from ordinary activities after interest and before income tax expense	157,623	61,719	8,144	21,374	(16,957)	-	231,903
Income tax expense applicable to ordinary activities	(862)	(18,674)	(1,883)	(4,289)	2,473	-	(23,235)
<b>Net profit / (loss)</b>	<b>156,761</b>	<b>43,045</b>	<b>6,261</b>	<b>17,085</b>	<b>(14,484)</b>	<b>-</b>	<b>208,668</b>
<b>Total assets</b>	<b>3,086,967</b>	<b>1,872,568</b>	<b>174,511</b>	<b>479,885</b>	<b>21,419</b>	<b>-</b>	<b>5,635,350</b>
<b>Depreciation and amortisation expense</b>	<b>5,430</b>	<b>1,399</b>	<b>1,899</b>	<b>140</b>	<b>501</b>	<b>-</b>	<b>9,369</b>
<b>Total liabilities</b>	<b>715,914</b>	<b>1,788,808</b>	<b>13,746</b>	<b>64,322</b>	<b>47,608</b>	<b>-</b>	<b>2,630,398</b>
<b>Investments in associates and joint ventures</b>	<b>56,889</b>	<b>98,192</b>	<b>17,572</b>	<b>218,862</b>	<b>-</b>	<b>-</b>	<b>391,515</b>

\* Includes share based payment expense of \$8,714,000, and income of \$5,353,000 on fair value of derivatives.

### 28 December 2004

Sales to external customers	116,557	408,913	55,037	-	-	-	580,507
Intersegment sales	2,553	9,323	350	-	-	(12,226)	-
<b>Total sales revenue</b>	<b>119,110</b>	<b>418,236</b>	<b>55,387</b>	<b>-</b>	<b>-</b>	<b>(12,226)</b>	<b>580,507</b>
Revaluation of investment property	1,355	-	-	-	-	-	1,355
Share of net profits of associates and joint ventures	-	4,556	-	-	-	-	4,556
Other revenue including sale of investment properties	2,116	1,414	3,990	-	44	-	7,564
<b>Total segment revenue</b>	<b>122,581</b>	<b>424,206</b>	<b>59,377</b>	<b>-</b>	<b>44</b>	<b>(12,226)</b>	<b>593,982</b>
Segment result before interest and income tax	87,112	64,139	5,592	-	(6,318)	-	150,525
Net interest allocated	(16,259)	(32,538)	(1)	-	289	-	(48,509)
Profit / (loss) from ordinary activities after interest and before income tax expense	70,853	31,601	5,591	-	(6,029)	-	102,016
Income tax expense applicable to ordinary activities	(1,444)	(10,697)	(508)	-	1,992	-	(10,657)
<b>Net profit/ (loss)</b>	<b>69,409</b>	<b>20,904</b>	<b>5,083</b>	<b>-</b>	<b>(4,037)</b>	<b>-</b>	<b>91,359</b>
<b>Total assets</b>	<b>2,510,270</b>	<b>1,625,605</b>	<b>145,184</b>	<b>-</b>	<b>124,817</b>	<b>-</b>	<b>4,405,876</b>
<b>Depreciation and amortisation expense</b>	<b>3,078</b>	<b>1,596</b>	<b>3,599</b>	<b>-</b>	<b>602</b>	<b>-</b>	<b>8,875</b>
<b>Total liabilities</b>	<b>745,092</b>	<b>948,324</b>	<b>12,845</b>	<b>-</b>	<b>419,554</b>	<b>-</b>	<b>2,125,815</b>
<b>Investments in associates and joint ventures</b>	<b>-</b>	<b>63,443</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,451</b>

Secondary Reporting Segment – Geographical segments – The consolidated entity operates predominantly in Australia.

**Mirvac Group**  
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**3. Finance costs**

	Consolidated	
	31 Dec 2005	28 Dec 2004
Interest and finance charges paid	\$000	\$000
Less: Amount capitalised	73,713	53,193
Interest capitalised in current and prior years expensed this year	(39,177)	(33,281)
Borrowing costs amortised	24,838	28,597
	2,161	2,219
	<b>61,535</b>	<b>50,728</b>

**4. Distributions / dividends**

Distributions / dividends provided for or paid during the half-year	133,115	120,227
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**5. Earnings per security**

Earnings per security has been calculated in accordance with AIFRS. In calculating basic earnings per security, securities issued under the Mirvac Employee Incentive Scheme have been excluded from the weighted average number of securities.

<u>Earnings per security:</u>	<u>Cents</u>	<u>Cents</u>
Basic earnings per security	24.92	12.91
Basic earnings per security before non-cash AIFRS items	16.17	13.61
Diluted earnings per security	24.25	12.68
Diluted earnings per security – before non-cash AIFRS items	15.73	13.37
 <u>Reconciliation of earnings:</u>	 <u>\$'000</u>	 <u>\$'000</u>
 <i>Basic and diluted earnings per security</i>		
Net profit used in calculating earnings per security	<b>208,015</b>	91,359
 <i>Basic and diluted earnings for security – before non-cash AIFRS</i>		
Net profit used in calculating earnings per security	<b>134,917</b>	96,326
 <u>Weighted average number of securities:</u>	 <u>Number</u>	 <u>Number</u>
Weighted average number of security used in calculating basic earnings per security	<b>834,592,701</b>	707,539,874
Weighted average number of securities used in calculating diluted earnings per security	<b>857,819,438</b>	720,619,239

The difference in basic and diluted weighted average number of securities is due to the effect of securities issued under the Employee Incentive scheme which have been excluded in calculating basic earnings per security.

**Mirvac Group**  
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**6. Equity securities issued**

	Consolidated		Consolidated	
	31 Dec 2005	28 Dec 2004	31 Dec 2005	28 Dec 2004
	Securities	Securities	\$'000	\$'000
	Number	Number	\$'000	\$'000
Total ordinary securities	834,976,776	711,931,700	2,586,503	1,996,464

**Movement in securities during the half-year:**

	Number
Opening balance – 1 July 2005	832,083,977
EIS securities converted/sold/forfeited	2,892,799
Closing balance - 31 December 2005	834,976,776

Under AIFRS, securities issued under the Mirvac Employee Incentive Scheme are required to be accounted for as an option and are excluded from total issued capital.

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

	Number
Total ordinary securities issued (AIFRS)	834,976,776
Securities issued under EIS	23,864,901
Total securities issued on ASX	858,841,677

## 7. Non-current assets classified as held for sale

	Date of acquisition	Cost & additions to 31/12/05 \$000	Book value 31/12/05 \$000	Book value 30/06/05 \$000	Date of last external valuation	Latest external valuation \$000	External valuer
<b>Mirvac Property Trust and its controlled entities</b>							
<b>Current</b>							
Ikon Retail, 81 Macleay Street, Potts Point NSW	(i) 7/05/04	8,818	12,550	-	30/06/05	18,000	A Johnston AAPI A Pannifex AAPI Savills
101 Grenfell Street, Adelaide SA	1/12/98	23,627	27,952	-	30/06/04	27,800	J Kenny FAPI CB Richard Ellis
<b>Total non-current assets classified as held for sale</b>			<b>40,502</b>	<b>-</b>			

(i) During the period, 4 strata lots in the iKon Retail property were sold.

## 8. Investment properties

Note	Date of acquisition	Cost & additions to 31/12/05 \$000	Book value 31/12/05 \$000	Book value 30/06/05 \$000	Date of last external valuation	Latest external valuation \$000	External valuer
<b>Mirvac Property Trust and its controlled entities</b>							
67 Albert Avenue, Chatswood NSW	1/09/89	59,583	73,028	73,000	30/06/05	73,000	S Young A Johnston AAPI Savills
Quay West Car Park, 111 Harrington Street, Sydney NSW	(i) 30/11/89	37,551	43,000	42,017	30/06/03	41,600	S Kearney AAPI FPDSavills
Orange City Centre, Summer Street, Orange NSW	(i) 5/04/93	29,170	38,000	35,608	30/06/04	35,500	I D McLennan AAPI Jones Lang LaSalle
Kawana Shoppingworld, Nicklin Way, Buddina QLD	9/12/93 (1 <sup>st</sup> 50%) 10/6/98 (2 <sup>nd</sup> 50%)	100,796	175,000	141,594	31/12/05	175,000	A Johnston AAPI Savills
Gippsland Centre, Cunninghame Street, Sale VIC	6/01/94	34,564	45,028	45,000	30/06/05	45,000	T Forrest AAPI D Magree FAPI m3property
Como Centre, Cnr Toorak Road & Chapel Street, South Yarra VIC	18/08/98	114,986	116,120	115,300	30/06/05	115,306	M Reynolds AAPI Colliers Int'l
James Ruse Business Park, 6 Boundary Road, Northmead NSW	14/07/94	20,007	29,255	29,200	30/06/05	29,200	P Dale AAPI A Bendelf GAPI CB Richard Ellis
20-30 Scrivener Street, Warwick Farm NSW	(i) 24/12/93 14/07/94	18,564	21,500	21,040	30/06/04	21,000	C Olson FAPI Knight Frank
Lovett Tower, 13 Keltie Street, Woden ACT	(i) 28/02/99 (1 <sup>st</sup> 50%) (2 <sup>nd</sup> 50%)	44,048	48,000	46,138	31/12/03	46,000	P Harding FAPI Knight Frank
36 College Street, Sydney NSW	(i) 31/12/91	33,430	22,000	22,000	30/06/03	22,000	O Westerlund AAPI CB Richard Ellis
1 – 19 Hargrave Street, Sydney, NSW	31/12/91	4,475	11,132	11,008	01/03/05	11,000	S Fairfax AAPI L Tredwell GAPI CB Richard Ellis

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**8. Investment properties (continued)**

Note	Date of acquisition	Cost & additions to 31/12/05 \$000	Book value 31/12/05 \$000	Book value 30/06/05 \$000	Date of last external valuation	Latest external valuation \$000	External valuer	
	18/12/98	47,456	<b>65,000</b>	54,869	31/12/05	65,000	A Pannifex FAPI	FPDSavills
(i)	5/04/00	18,650	<b>26,000</b>	25,010	01/03/04	25,000	T M Phelan FAPI	Knight Frank
(i)	4/10/95 (1 <sup>st</sup> 50%) 2/04/01 (2 <sup>nd</sup> 50%)	84,567	<b>96,000</b>	94,705	31/12/03	94,500	D Gowing FAPI	CB Richard Ellis
(i)	29/06/01	58,290	<b>79,000</b>	73,500	30/04/03	73,500	S Kearney AAPI	FPDSavills
(i)	31/10/01	24,140	<b>25,500</b>	24,189	31/10/03	24,000	A Pannifex FAPI	FPDSavills
	25/01/02	596	<b>591</b>	594	-	-		
	15/04/02 1/07/03	114,950	<b>115,215</b>	115,000	30/06/05	115,000	M Reynolds AAPI	Colliers Int'l
	31/05/02	37,110	<b>43,032</b>	43,000	30/06/05	43,000	T Irving AAPI D Mohr AAPI	CB Richard Ellis
	30/06/02	30,492	<b>40,067</b>	40,000	30/06/05	40,000	A Johnston AAPI A Pannifex AAPI	Savills
(i)	22/11/02	21,043	<b>22,500</b>	21,135	30/06/04	20,500	M Ward AAPI	FPDSavills
	15/11/02	93,085	<b>93,120</b>	54,846	30/04/03	53,850	C Ciurlino AAPI	m3property
	17/01/03	38,612	<b>43,000</b>	34,893	31/12/05	43,000	S Zaman AAPI S Fox AAPI	m3property
(i)	20/05/03	25,967	<b>24,500</b>	24,307	30/06/03	24,100	J O'Leary FAPI D Magree FAPI	m3property
	12/08/03	37,768	<b>37,535</b>	37,535	30/09/03	36,500	T Irving AAPI D Mohr AAPI	CB Richard Ellis
(i)	5/08/03	45,662	<b>43,000</b>	42,192	30/09/03	42,000	A Pannifex FAPI	FPDSavills
(i)	24/09/03	18,828	<b>18,500</b>	17,856	30/09/03	17,300	A Graham AAPI	Colliers Int'l
(i)	14/11/03	22,392	<b>28,000</b>	26,462	31/03/04	24,000	A Johnston AAPI	FPDSavills
(i)	15/01/04	12,507	<b>13,250</b>	12,456	31/03/04	12,200	P Dickinson AAPI	CB Richard Ellis
(i)	2/02/04	22,702	<b>23,000</b>	22,039	31/03/04	22,000	M Ward AAPI	m3property
	7/05/04	-	-	18,000	30/06/05	18,000	A Johnston AAPI A Pannifex AAPI	Savills
	19/04/04	40,595	<b>49,996</b>	50,000	30/06/05	50,000	T Irving AAPI D Mohr AAPI	CB Richard Ellis
	24/09/04	6,342	<b>6,500</b>	6,500	30/06/05	6,500	T Irving AAPI D Mohr AAPI	CB Richard Ellis
	16/09/05	27,209	<b>27,209</b>	-	-	-		

**Mirvac Group**  
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**8. Investment properties (continued)**

		Date of acquisition	Cost & additions to 31/12/05 \$000	Book value 31/12/05 \$000	Book value 30/06/05 \$000	Date of last external valuation	Latest external valuation \$000	External valuer	
		IBM Building, 8 Brisbane Avenue, Barton ACT	12,347	12,325	12,000	30/06/05	12,000	P Harding FAPI	Knight Frank
	(i)	Perpetual Trustees Building, 10 Rudd Street, Canberra ACT	19,679	17,500	16,091	30/06/03	15,750	P Harding FAPI	Knight Frank
		54 Marcus Clarke Street, Canberra ACT	21,284	17,261	17,250	30/06/05	17,250	P Harding FAPI	Knight Frank
	(i)	St George Centre, 60 Marcus Clarke Street, Canberra ACT	58,461	49,000	48,170	30/06/03	47,100	P Harding FAPI	Knight Frank
	(i)	Burns Centre, 28 National Circuit, Forrest ACT	18,599	14,000	13,434	30/06/03	13,400	P Harding FAPI	Knight Frank
		Arts House, 40 Macquarie Street, Barton ACT	17,132	17,989	18,000	30/06/05	18,000	P Harding FAPI	Knight Frank
		38 Sydney Avenue, Forrest ACT	34,223	36,021	36,000	30/06/05	36,000	P Harding FAPI	Knight Frank
		Optus Centre, 101 – 103 Miller Street, North Sydney NSW	288,170	365,222	365,000	30/06/05	365,000	T M Phelan FAPI	Knight Frank
		The Metcentre, 60 Margaret Street, Sydney NSW (50% interest)	175,958	179,000	162,932	31/12/05	179,000	D Hillier AAPI	Colliers Int'l
	(i)	127 Creek Street, Brisbane QLD	48,185	53,500	48,054	30/06/04	48,000	S Pacey AAPI	DTZ Australia
		253 Wellington Road and 18-20 Compark Circuit, Mulgrave VIC	15,790	16,005	15,960	30/06/04	15,500	C Piasente AAPI	m3 Property
		101 Grenfell Street, Adelaide SA	-	-	27,925	30/06/04	27,800	J Kenny FAPI	CB Richard Ellis
		30-32 Compark Circuit, Mulgrave VIC	6,704	7,995	7,975	30/06/04	7,400	C Piasente AAPI	m3 Property
		9 Help Street, Chatswood NSW	44,583	33,599	33,599	30/06/05	34,000	RC Price AAPI	CB Richard Ellis
		Peninsula Homemaker Centre, 1128 Nepean Hwy, Mornington VIC	53,433	56,636	56,600	30/06/05	56,600	T Forrest AAPI D Magree FAPI	m3 Property
		Land held for development & deposit on investment properties	11,534	3,750	10,209	-	-	T M Phelan FAPI	Knight Frank
<b>Mirvac Limited and its controlled entities</b>									
		107 Mount St, North Sydney, NSW	35,149	-	33,715	30/06/04	34,000	J Waugh FAPI	Knight Frank
		251-261 Salmon St, Port Melbourne, VIC	17,943	17,943	17,250	30/06/03	17,250	CJ Holroyd AAPI	Charter Keck Crane
		Forestry Land - ASIF	50,200	50,603	50,586	-	-		
		Elimination of inter-group charges	-	(5,964)	(6,335)	-	-		
<b>Total investment properties non-current</b>				<b>2,484,963</b>	<b>2,405,408</b>				

## 8. Investment properties (continued)

### (i) Internal valuations at 31 December 2005

Properties not externally valued during the reporting period are carried at internal (directors') valuation at 31 December 2005.

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.

Investment properties are revalued by external valuers on the basis of one third of the portfolio being valued annually. Investment properties in the reporting period, which are not due for external revaluation, are reviewed annually by the directors and if materially different from the carrying value, are either externally valued or adjusted to fair value.

### (ii) Total property portfolio

The Group's property portfolio is made up as follows:

	Consolidated	
	31 Dec 2005	30 Jun 2005
	\$'000	\$'000
Investment properties per balance sheet	2,484,963	2,405,408
Property intended for redevelopment classified as inventory	82,083	82,083
Owner occupied buildings (including hotels) classified as property, plant and equipment	177,994	191,747
Properties classified as assets held for sale	40,502	-
Hotel management lots classified as property, plant and equipment	26,307	27,093
Properties under construction classified as property, plant and equipment	263,616	237,438
	<b>3,075,465</b>	<b>2,943,769</b>

## 9. Property, plant and equipment

	Consolidated	
	31 Dec 2005	30 Jun 2005
	\$'000	\$'000
Plant and equipment	25,936	28,904
Leased assets	7	11
Owner occupied hotel management lots	26,307	27,093
Owner occupied freehold hotels	87,623	77,214
Owner occupied administration properties	113,000	111,761
Investment property under construction	263,616	237,438
	<b>516,489</b>	<b>482,421</b>

## 10. Retained profits

	Consolidated	
	31 Dec 2005	28 Dec 2004
	\$'000	\$'000
Retained profits at the beginning of the half-year	202,661	235,531
Adjustment on adoption of AASB 132 and AASB 139	(8,691)	-
Equity based compensation	(1,762)	(3,303)
Net profit attributable to the stapled security holders	208,015	90,749
Dividends / distributions provided for or paid	(133,115)	(120,227)
	<b>267,108</b>	<b>202,750</b>

**Mirvac Group**  
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<b>Consolidated</b>	
<b>31 Dec 2005</b>	<b>30 Jun 2005</b>
<b>\$'000</b>	<b>\$'000</b>

***11. Contingent liabilities***

Contingent liabilities in respect of certain performance guarantees in the normal course of business

<b>80,010</b>	<b>52,953</b>
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No material loss is anticipated.

The Group has provided performance guarantees which are indeterminable in amount in respect of certain developments. No material losses are anticipated in respect of these contractual obligations.

***12. Events occurring subsequent to reporting***

**(i) Launch of Quadrant Real Estate Advisors, LLC**

Subsequent to the half year end, Group announced the launch of a new US based institutional real estate funds management business, Quadrant Real Estate Advisors, LLC (Quadrant). Quadrant is 50% owned by the Mirvac Limited and 50% owned by the former senior executives of GMAC Institutional Advisors, LP's Real Estate Fixed Income Group.

**(ii) Sale of investment properties**

In December 2005 the consolidated entity exchanged contracts to sell the following properties:

- 101 Grenfell Street, Adelaide for cash consideration of \$30.4 million.
- Seven lots at 81 Macleay Street, Potts Point for cash consideration of \$21.8 million. Four of the seven lots settled in December 2005.

With the exception of the four lots at 81 Macleay Street, which were settled in December 2005, the above transactions have not been brought to account at 31 December 2005.

### 13. Explanation of transition to Australian equivalents to IFRSs

(1) Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRS's (AIFRS).

(a) At the date of transition to AIFRS: 1 July 2004

	Notes	Previous AGAAP \$'000	Effect of Transition to AIFRS \$'000	AIFRS \$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		332,120	-	332,120
Receivables		98,764	-	98,764
Inventories	ix	588,440	(20,485)	567,955
Other		19,599	-	19,599
<b>TOTAL CURRENT ASSETS</b>		<b>1,038,923</b>	<b>(20,485)</b>	<b>1,018,438</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	vii	87,088	(50,955)	36,133
Inventories	ii	602,727	82,082	684,809
Investments accounted for using the equity method		79,357	-	79,357
Other financial assets		28	-	28
Investment properties	ii, iii	2,445,972	(397,463)	2,048,509
Property, plant and equipment	iii	17,132	304,209	321,341
Intangible assets		24,126	-	24,126
Deferred tax assets		7,688	-	7,688
Other	viii	3,379	(3,379)	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,267,497</b>	<b>(65,506)</b>	<b>3,201,991</b>
<b>TOTAL ASSETS</b>		<b>4,306,420</b>	<b>(85,991)</b>	<b>4,220,429</b>
<b>CURRENT LIABILITIES</b>				
Payables	v	161,024	14,056	175,080
Interest bearing liabilities		125,016	-	125,016
Current tax liabilities		20,522	-	20,522
Provisions	v	75,580	(14,056)	61,524
Other		5,134	-	5,134
<b>TOTAL CURRENT LIABILITIES</b>		<b>387,276</b>	<b>-</b>	<b>387,276</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		75,500	-	75,500
Interest bearing liabilities		1,529,183	-	1,529,183
Deferred tax liabilities	i	71,470	(7,634)	63,836
Provisions		2,914	-	2,914
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,679,067</b>	<b>(7,634)</b>	<b>1,671,433</b>
<b>TOTAL LIABILITIES</b>		<b>2,066,343</b>	<b>(7,634)</b>	<b>2,058,709</b>
<b>NET ASSETS</b>		<b>2,240,077</b>	<b>(78,357)</b>	<b>2,161,720</b>
<b>EQUITY</b>				
Parent entity interest:				
Contributed equity	vii	1,978,411	(63,087)	1,915,324
Reserves	ii	104,342	(93,477)	10,865
Retained profits	x	157,324	78,207	235,531
<b>Total parent entity interest</b>		<b>2,240,077</b>	<b>(78,357)</b>	<b>2,161,720</b>
Minority interest in controlled entities		-	-	-
<b>TOTAL EQUITY</b>		<b>2,240,077</b>	<b>(78,357)</b>	<b>2,161,720</b>

### 13. Explanation of transition to Australian equivalents to IFRSs (continued)

(b) At the end of the last half year reporting period under previous AGAAP: 28 December 2004

	Notes	Previous AGAAP \$'000	Effect of Transition to AIFRS \$'000	AIFRS \$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		196,113	-	196,113
Receivables		92,362	-	92,362
Inventories	ix	792,032	(54,213)	737,819
Other		19,585	-	19,585
<b>TOTAL CURRENT ASSETS</b>		<b>1,100,092</b>	<b>(54,213)</b>	<b>1,045,879</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	vii	119,596	(54,668)	64,928
Inventories	ii	672,842	82,083	754,925
Investments accounted for using the equity method	ix	71,522	(8,071)	63,451
Other financial assets		28	-	28
Investment properties	ii, iii	2,529,460	(457,259)	2,072,201
Property, plant and equipment	iii	17,230	361,949	379,179
Intangible assets	iv	23,453	673	24,126
Deferred tax assets		8,875	-	8,875
Other	viii	4,797	(3,638)	1,159
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,447,803</b>	<b>(78,931)</b>	<b>3,368,872</b>
<b>TOTAL ASSETS</b>		<b>4,547,895</b>	<b>(133,144)</b>	<b>4,414,751</b>
<b>CURRENT LIABILITIES</b>				
Payables	v	155,683	13,860	169,543
Interest bearing liabilities		273,009	-	273,009
Current tax liabilities		83	-	83
Provisions	v	77,256	(13,860)	63,396
Other		7,954	-	7,954
<b>TOTAL CURRENT LIABILITIES</b>		<b>513,985</b>	<b>-</b>	<b>513,985</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		54,500	-	54,500
Interest bearing liabilities		1,553,706	-	1,553,706
Deferred tax liabilities	i	97,086	(21,494)	75,592
Provisions		3,624	-	3,624
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,708,916</b>	<b>(21,494)</b>	<b>1,687,422</b>
<b>TOTAL LIABILITIES</b>		<b>2,222,901</b>	<b>(21,494)</b>	<b>2,201,407</b>
<b>NET ASSETS</b>		<b>2,324,994</b>	<b>(111,650)</b>	<b>2,213,344</b>
<b>EQUITY</b>				
Parent entity interest:				
Contributed equity	vii	2,059,961	(63,497)	1,996,464
Reserves	ii	103,108	(88,978)	14,130
Retained profits	x	161,925	40,825	202,750
<b>Total parent entity interest</b>		<b>2,324,994</b>	<b>(111,650)</b>	<b>2,213,344</b>
Minority interest in controlled entities		-	-	-
<b>TOTAL EQUITY</b>		<b>2,324,994</b>	<b>(111,650)</b>	<b>2,213,344</b>

### 13. Explanation of transition to Australian equivalents to IFRSs (continued)

(c) At the end of the last full year reporting period under previous AGAAP: 30 June 2005

	Notes	Previous AGAAP \$'000	Effect of Transition to AIFRS \$'000	AIFRS \$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		56,028	-	56,028
Receivables		232,730	-	232,730
Inventories	ix	717,369	(75,984)	641,385
Other		20,968	-	20,968
<b>TOTAL CURRENT ASSETS</b>		<b>1,027,095</b>	<b>(75,984)</b>	<b>951,111</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	vii	193,961	(72,757)	121,204
Inventories	ii	788,329	82,083	870,412
Investments accounted for using the equity method	ix	293,168	(17,345)	275,823
Other financial assets		10,498	-	10,498
Investment properties	ii, iii	2,967,130	(561,722)	2,405,408
Property, plant and equipment	iii	16,665	465,756	482,421
Intangible assets	iv	200,171	12,764	212,935
Deferred tax assets		19,889	-	19,889
Other	viii	6,980	(5,032)	1,948
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,496,791</b>	<b>(96,253)</b>	<b>4,400,538</b>
<b>TOTAL ASSETS</b>		<b>5,523,886</b>	<b>(172,237)</b>	<b>5,351,649</b>
<b>CURRENT LIABILITIES</b>				
Payables	v	165,744	16,576	182,320
Interest bearing liabilities		1,165,015	-	1,165,015
Current tax liabilities		5,072	-	5,072
Provisions	v	93,840	(16,576)	77,264
Other		10,421	-	10,421
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,440,092</b>	<b>-</b>	<b>1,440,092</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		54,500	-	54,500
Interest bearing liabilities		919,805	-	919,805
Deferred tax liabilities	i	123,707	(24,283)	99,424
Provisions		4,460	-	4,460
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,102,472</b>	<b>(24,283)</b>	<b>1,078,189</b>
<b>TOTAL LIABILITIES</b>		<b>2,542,564</b>	<b>(24,283)</b>	<b>2,518,281</b>
<b>NET ASSETS</b>		<b>2,981,322</b>	<b>(147,954)</b>	<b>2,833,368</b>
<b>EQUITY</b>				
Parent entity interest:				
Contributed equity	vii	2,658,671	(83,489)	2,575,182
Reserves	ii	164,518	(139,473)	25,045
Retained profits	x	127,653	75,008	202,661
<b>Total parent entity interest</b>		<b>2,950,842</b>	<b>(147,954)</b>	<b>2,802,888</b>
Minority interest in controlled entities		30,480	-	30,480
<b>TOTAL EQUITY</b>		<b>2,981,322</b>	<b>(147,954)</b>	<b>2,833,368</b>

### 13. *Explanation of transition to Australian equivalents to IFRSs (continued)*

#### (2) **Reconciliation of profit under previous AGAAP to profit under Australian equivalents to IFRSs (AIFRS)**

	Notes	6 months ending 28 December 2004 \$'000	12 months ending 30 June 2005 \$'000
Net profit under previous AGAAP		123,592	233,330
AIFRS adjustments:			
Reversal of UIG 53 profits	ix	(33,726)	(36,914)
Net gains from fair value adjustments to investment properties	ii	1,355	53,393
Depreciation and amortisation expenses of property, plant and equipment, and lease incentives	iii, viii	(6,322)	(11,389)
Reversal of goodwill amortisation	iv	673	5,058
Adjusted share of net profit of associates due to reversal of UIG 53 profits	ix	(5,650)	(15,735)
Adjusted share of net profit of associates due to reversal of valuation on investment properties from reserves	ii	-	7,718
Income tax	i	11,437	17,170
<b>Net profit under AIFRS</b>		<b>91,359</b>	<b>252,631</b>

#### (3) **Reconciliation of cash flow statement for the year ended 30 June 2005**

The adoption of AIFRS's has not resulted in any material adjustments to the cash flow statement.

#### (4) **Notes to the reconciliation**

##### (i) **Income Tax**

Under AASB 112 Income Taxes, deferred tax balances are determined using the balance sheet method. Deferred tax is the tax expected to be payable or recoverable by the entity, on differences between the tax bases of asset and liabilities and their carrying value per the balance sheet. This has resulted in the recognition of a deferred tax liability in relation to revalued assets (excluding trust revaluations).

This differs to the previous accounting policy, under which deferred tax balances were determined using the income statement method, whereby items were only tax effected if they were included in the determination of pre-tax accounting profit and loss and/or taxable income or loss and current and deferred taxes could not be recognised directly in equity.

##### (ii) **Investment Properties**

Under AASB 140 Investment Property, the Group has elected to measure investment properties at fair value, with any gain or loss arising from changes in fair value, net of applicable tax, recognised through the income statement.

This has resulted in a change to the previous accounting policy under which changes in the fair value of investment properties are recognised in the asset revaluation reserve, with no provision recognised for tax unless it is expected that a liability for tax will crystallise.

In addition the carrying value of investment properties recorded in the balance sheet is inclusive of components relating to lease incentives. Under AGAAP rent free incentives were separately categorised on the balance sheet (i.e. in addition to the carrying value).

On transition to AIFRS, fair value adjustments for investment properties recorded in the asset revaluation reserve have been reclassified to retained earnings.

Property intended for sale in the ordinary course of business or in the process of construction is not classified as investment properties, but rather classified as inventory.

##### (iii) **Owner Occupied Investment Properties**

Under AGAAP, properties occupied by the Group are classified as investment properties and carried at fair value.

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
**For the Half Year Ended 31 December 2005**

**13. Explanation of transition to Australian equivalents to IFRSs (continued)**

(iii) Owner Occupied Investment Properties (continued)

Under AIFRS, where the Group occupies a significant portion of an owned building, these assets are no longer classified as investment property but have been reclassified to property, plant and equipment and depreciated. Additionally any owner-managed hotels, including hotel management lots, are considered owner-occupied property, rather than investment property and have been depreciated.

The Group has fair valued certain classes of property, plant and equipment including owner occupied investment properties. As a result the depreciation recognised on these properties has been offset by a revaluation increment to the asset revaluation reserve.

(iv) Intangible Assets - Goodwill

Under AASB 3 Business Combinations, amortisation of goodwill is prohibited, and has been replaced by annual impairment testing focusing on the cash flows of the related cash generating unit or groups of cash generating units. This has resulted in a change to the previous AGAAP accounting policy, under which goodwill was amortised on a straight line basis over the period during which the benefits were expected to arise and not exceeding 20 years.

The Group has applied the exemption available in AASB 1, allowing it not to apply AASB 3 retrospectively and hence, prior years amortisation has not been written back at the date of transition, however amortisation from transition date to 30 June 2005 has been added back.

(v) Provisions

Under AIFRS, annual leave no longer meets the definition of a provision, but is classified as an accrual.

(vi) Financial Instruments

The Group has taken advantage of the exemption available under AASB 1: First-time adoption of Australian Equivalents to International Financial Reporting Standards, to apply AASB 132 and AASB 139 only from 1 July 2005. This allows the Group to apply previous AGAAP to the comparative information of financial instruments within the scope of AASB 132 and AASB 139 for the half year ending 31 December 2005 and full year ending 30 June 2006 financial statements.

Under AIFRS financial instruments will generally be recognised at fair value in the balance sheet. Derivatives taken out to reduce exposure to fluctuations in floating interest rates may be accounted for as cash flow hedges provided that the hedge designation, documentation and effectiveness tests can be met. If these tests are satisfied the derivative is measured at fair value and gains and losses are reflected directly in equity until the hedged transaction occurs, when they are released to the income statement. To the extent that the hedges do not satisfy the above tests, then a corresponding portion of the gain or loss is reflected in the income statement directly.

On adoption of AASB 139 as at 1 July 2005, an adjustment to decrease retained earnings of \$8.691 million has been recognised as the Group has assessed hedges not to be effective.

(vii) Equity-based Compensation Benefits

Under AASB 2 Share-based Payment, the Group is required to recognise an expense for the fair value of equity instruments, measured at grant date, issued to employees under the Employee Incentive Scheme. The Group applied the exemption available in AASB1 and has not recognised an expense for equity instruments issued before 7 November 2002 and/or vested by 1 January 2005.

This differs from the previous accounting policy under which no expense was recognised for equity based compensation.

As all equity instruments had vested prior to 1 January 2005 there was no expense recognised by the Group for the year ended 30 June 2005.

**Mirvac Group**  
**Notes to the Consolidated Financial Statements**  
**For the Half Year Ended 31 December 2005**

**13. Explanation of transition to Australian equivalents to IFRSs (continued)**

(vii) Equity-based Compensation Benefits (continued)

Additionally loans and equity issued under the Employee Incentive Scheme that are non-recourse and held in trust have been derecognised on entry into AIFRS.

(viii) Lease incentives

Under AIFRS, all lease incentives provided under an operating lease are required to be recognised as an expense on a straight-line basis against rental income and are recognised as an asset in the consolidated balance sheet as a component of the carrying amount of investment properties.

This differs from the previous accounting policy, under which rent free incentives were separately classified as a receivable and amortised, and fitout incentives were capitalised as part of investment properties but were not amortised.

The amortisation of lease incentives has been offset by an adjustment to income from the revaluation of investment properties in order to maintain the fair value of investment properties. Such treatment results in no net impact on total equity at 1 July 2004, nor net profit for the year ended 30 June 2005.

(ix) Revenue Recognition – Development Projects

Under AIFRS revenue will be recognised in relation to development projects when settlement occurs.

This differs from the previous accounting policy, whereby under UIG 53 revenue was recognised by applying the percentage completion method to that proportion of the project represented by pre-sold exchanged contracts.

Additionally, profits from joint venture developments were recognised in accordance with UIG 53 and included in share of profits from associates.

(x) Retained earnings

The effect on retained earnings of the changes set out above are as follows:

	Notes	1 Jul 2004 \$'000	28 Dec 2004 \$'000	30 Jun 2005 \$'000
Depreciation of owner occupied investment properties/hotels	iii	-	(2,653)	(5,366)
Depreciation of hotel furniture, fittings and equipment	iii	(11,172)	(13,227)	(13,178)
Write-back of goodwill amortisation	iv	-	673	5,058
Amortisation of lease incentives	viii	(6,730)	(8,344)	(10,747)
Revaluation investment properties (offset amortisation of lease incentives)	viii	6,730	8,344	10,747
Reversal of UIG 53 profits	ix	(20,485)	(54,213)	(75,984)
Share of profit from associates – reversal of UIG 53 profits	ix	-	(8,071)	(15,735)
Transfer from reserves	ii	93,476	91,631	144,764
Equity based compensation	vii	12,132	8,829	10,732
Devaluation of deferred leasing costs	ii	(3,379)	(3,638)	(4,879)
Write off of additional losses in associates		-	-	(509)
Adjustment to income tax expense	i	7,635	21,494	30,105
<b>Total increase</b>		<b>78,207</b>	<b>40,825</b>	<b>75,008</b>

## Mirvac Group Directors' Declaration

### For the Half Year Ended 31 December 2005

In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 37 are in accordance with the Corporations Act 2001, including:
- (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2005 and of their performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



G J Paramor  
Director

Sydney  
22 February 2006

## Independent audit report to the shareholders of Mirvac Limited

### Audit opinion

In our opinion, the financial report of The Mirvac Group (defined below):

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of The Mirvac Group as at 31 December 2005 and of its performance for the half-year ended on that date, and
- is presented in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

### Scope

#### The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for The Mirvac Group (the consolidated entity), for the half-year ended 31 December 2005. The consolidated entity comprises Mirvac Limited and the entities it controlled during the half year including Mirvac Property Trust and the entities it controlled during the half year.

The directors of Mirvac Limited and Mirvac Funds Limited, as responsible entity of Mirvac Property Trust, are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### Audit approach

We conducted an independent audit in order to express an opinion to the stapled securityholders of The Mirvac Group. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and its performance as represented by the results of its operations and cash flows.

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

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

Our procedures include reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report.


While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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

## Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

  
PricewaterhouseCoopers

  
Mark Haberlin  
Partner

Sydney  
22 February 2006



# 1H06 RESULTS

*22 February 2006*







- Overview of the Mirvac Group
- 1H06 Results
- Divisional Performance
- Market Outlook
- Strategy
- Q&A



- Leading integrated property group
- Experienced and focused management team
- Maintaining our position as the leading residential brand in Australia
- Growing recurrent earnings through FUM, Investments and Hotels
- Repositioning the investment portfolio
- Diversifying the development business
- Strong pipeline of assets under control
- Exchanged residential contracts of \$784m



# OVERVIEW

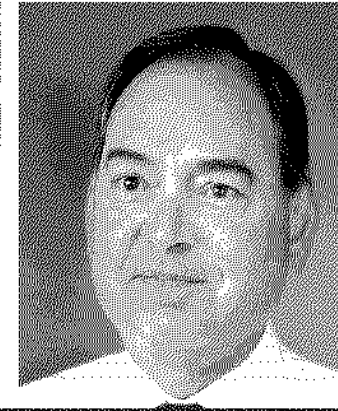
## MIRVAC GROUP BOARD



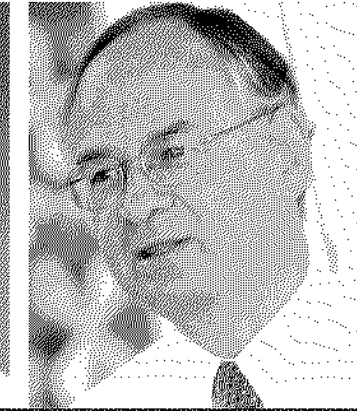
James MacKenzie  
Non-Executive  
Chairman



Greg Paramor  
Managing  
Director



Paul Biancardi  
Non-Executive  
Director



Denis Broit  
Non-Executive  
Director



Nick Collishaw  
Executive  
Director



Adrian Fini  
Executive  
Director



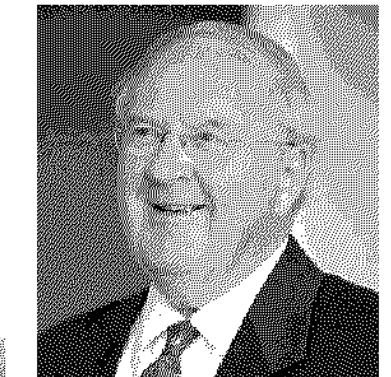
Peter Hawkins  
Non-Executive  
Director



Geoffrey Levy  
Non-Executive  
Director



Penny Morris  
Non-Executive  
Director



Richard Turner  
Non Executive  
Director



# OVERVIEW

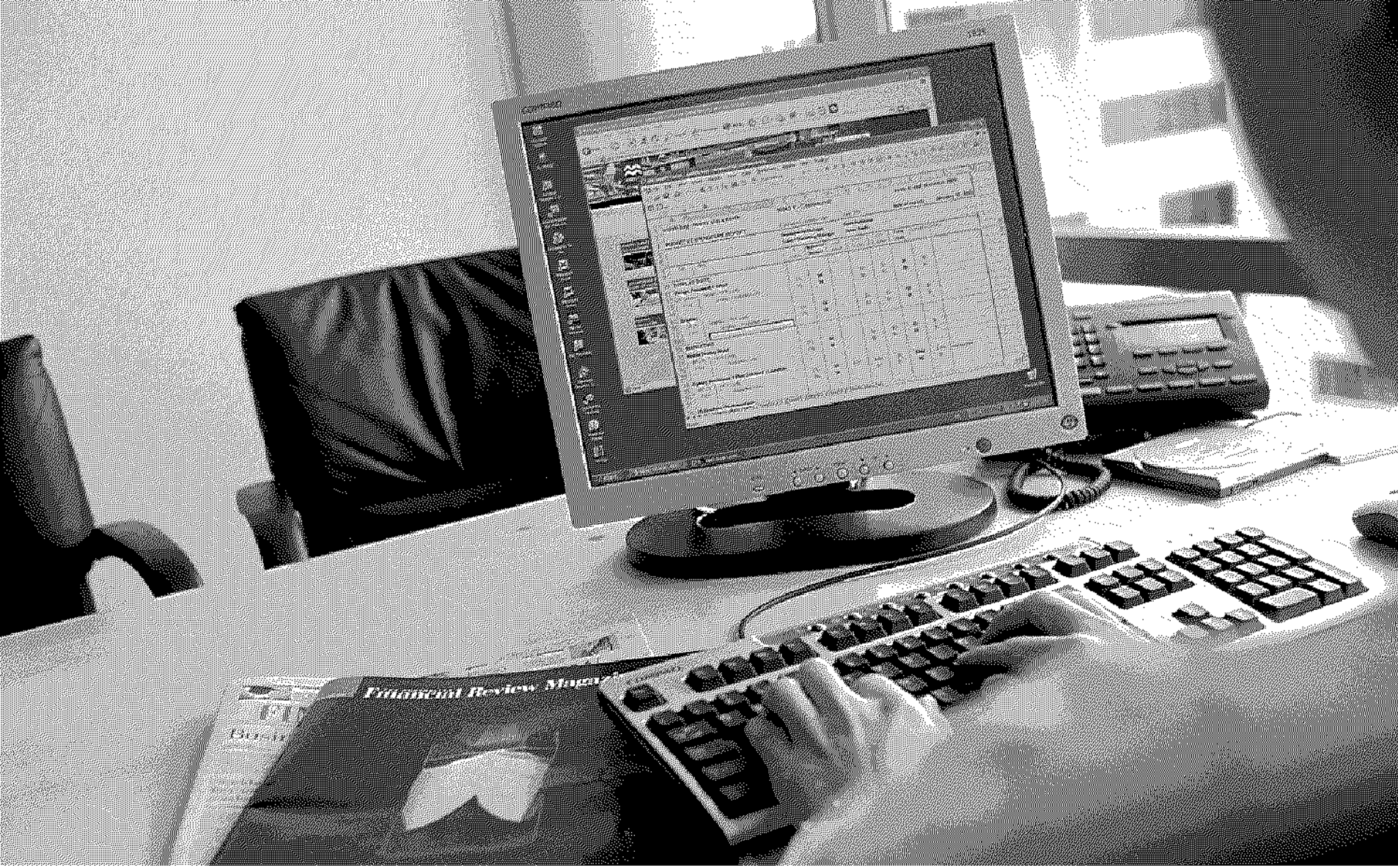
## MIRVAC'S INTEGRATED PLATFORM

Investment	Development	Hotels	Funds Management
<ul style="list-style-type: none"> <li>•Property Trust(s):               <ul style="list-style-type: none"> <li>- Commercial</li> <li>- Industrial</li> <li>- Retail</li> <li>- Hotels</li> <li>- Car parks</li> </ul> </li> </ul> <p>Over 60 properties Portfolio value - \$3.1bn</p>	<ul style="list-style-type: none"> <li>• Residential (18,067 lots under control)</li> <li>• Retail</li> <li>• Commercial</li> <li>• Industrial</li> <li>• Hotels</li> </ul> <p>Residential pipeline \$8.3bn Non-resi pipeline of \$2.1bn</p>	<ul style="list-style-type: none"> <li>• 4 owned:               <ul style="list-style-type: none"> <li>- The Como</li> <li>- Sydney Marriott</li> <li>- Cairns International</li> <li>- Sebel Residence</li> </ul> </li> <li>• Manage:               <ul style="list-style-type: none"> <li>- 25 hotels, 2900 rooms</li> <li>- 1 Golf Course</li> </ul> </li> </ul> <p>74% occupancy average Avg room rate of \$184</p>	<ul style="list-style-type: none"> <li>• Listed Trusts</li> <li>• Unlisted Funds</li> <li>• Debt Funds</li> <li>• Infrastructure funds</li> </ul> <p>Service over 35,000 clients FUM of \$6.5bn<sup>1</sup></p>

### \$20 Billion Of Assets Under Control To Enhance Mirvac's Operating Divisions

Investment Assets	Residential Property	Investment Developments	Hotels	Funds Under Management
----------------------	-------------------------	----------------------------	--------	---------------------------

1. Includes FUM generated by acquisition of Quadrant



RESULTS

*Chief Financial Officer – Tim Regan*

AIFRS	1H06 <sup>1</sup>	1H05 <sup>2</sup>	Change
Revenue	\$866.2m	\$594.0m	46%
NPAT	\$208.0m	\$91.4m	127%
EPS	24.92c	12.91c	93%
NTA <sup>3</sup>	\$3.23	\$3.08	5%

## Notes

- 1 Includes \$83.8m of investment property revaluations
- 2 1H05 comparison has been restated under AIFRS
- 3 NTA based on issued securities excluding EIS securities

Operating profit <sup>1</sup>	1H06	1H05	Change
Revenue	\$777.1m	\$592.6m	31%
NPAT	\$134.9m	\$96.3m	40%
EPS	16.17c	13.61c	19%
DPS	15.50c	16.60c	(7%)

## Notes

1 Operating profit after tax excluding non-cash AIFRS items

**Impact to profit & loss:**

- Fair valuing investment properties
- Depreciation of owner occupied investment properties, hotels and hotel management lots
- Amortisation of lease incentives
- Fair valuing financial instruments
- Expensing share based payments
- Cessation of UIG53 development profit recognition
- Cessation of amortisation of goodwill

**No impact on:**

- Distributions
- Net cash flows
- Business fundamentals
- Strategic direction

\$m	1H06	1H05
<b>NPAT (AIFRS)</b>	<b>208.0</b>	<b>91.4</b>
- Investment properties revaluations	(83.8)	(1.4)
- Unrealised gains on financial instruments	(3.8)	-
- Expensing share based payments	8.7	-
- Depreciating owner occupied properties	4.1	4.7
- Amortising lease incentives	2.8	1.6
- Share of associates AIFRS adjustments	(1.1)	-
<b>Operating profit<sup>1</sup></b>	<b>134.9</b>	<b>96.3</b>

## Notes

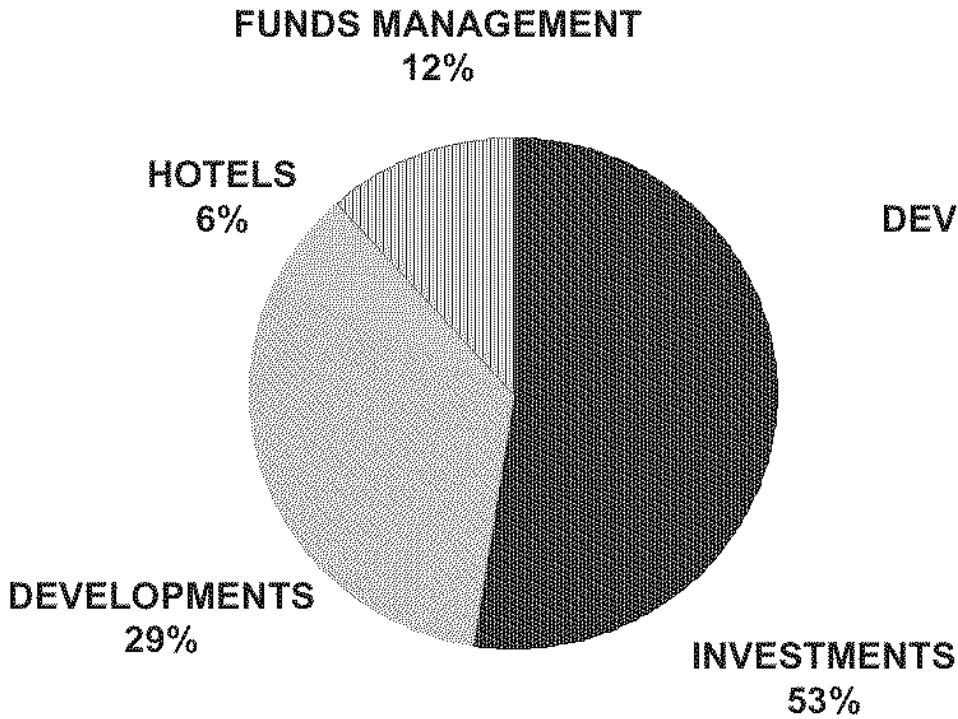
1 Operating profit after tax excluding non-cash AIFRS items

# DIVISIONAL OPERATING PROFIT

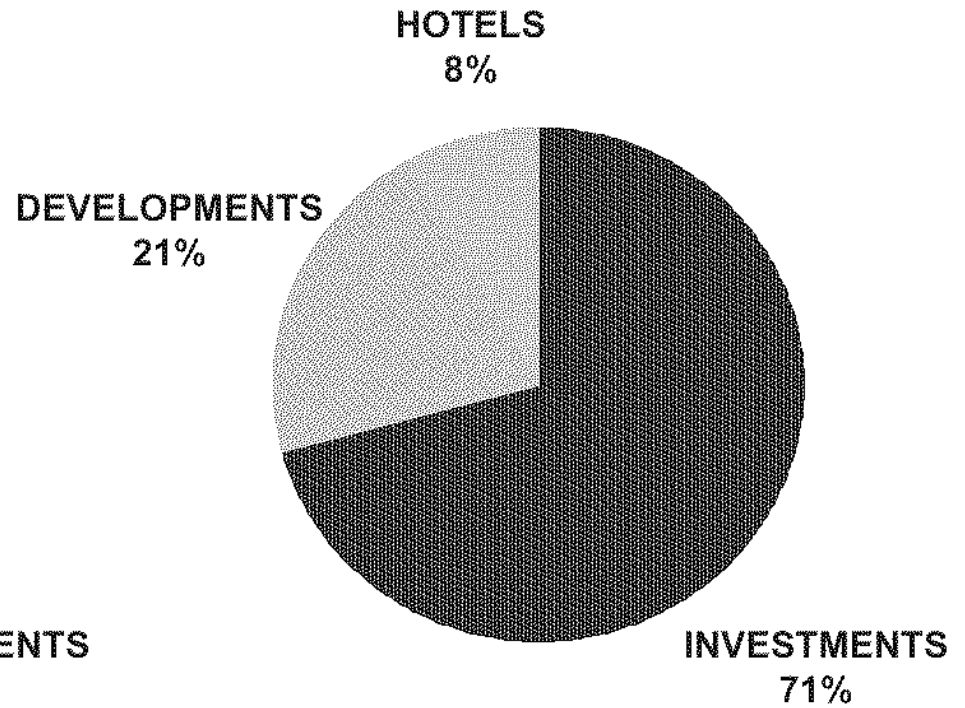
\$m	1H06	1H05	Change
Investments <sup>1</sup>	76.6	71.1	8%
Developments	43.0	20.9	106%
Hotels	8.9	8.3	7%
Funds Management	17.1	-	-
Corporate / unallocated	(10.7)	(4.0)	167%
<b>Operating profit<sup>2</sup></b>	<b>134.9</b>	<b>96.3</b>	<b>40%</b>

## Notes

- 1 Excludes Trust investments in hotels and funds management products
- 2 Operating profit after tax excluding non-cash AIFRS items



**1H06**



**1H05**

	1H06
Net interest bearing debt	\$2,261m
% fixed or hedged	75%
Fixed interest maturity	3.7 yrs
Average borrowing rate <sup>1</sup>	6.39%
Gearing – Group <sup>2</sup>	39.8%
Gearing – Group <sup>3</sup>	40.4%

## Notes

- 1 Includes margins and fees
- 2 Interest bearing liabilities less cash / total assets less cash plus EIS loans
- 3 Interest bearing liabilities less cash / total assets less cash

- Actively managing debt portfolio
- Recycling capital from investment and development book
- DRP activated for December quarter
- Distribution policy is to payout 100% of operating profit



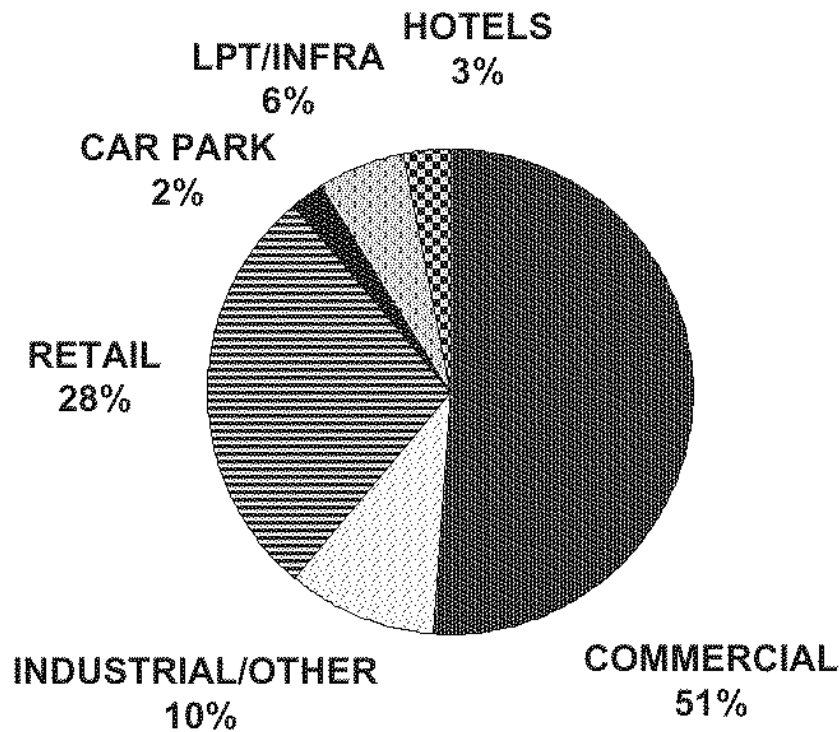
- Net profit after tax of \$156.8m<sup>1</sup>, a 126% increase
- Operating profit of \$76.6m<sup>1</sup>, an 8% increase
- Investment portfolio grown to \$3.1bn
- Acquisitions
  - Kwinana Hub Shopping Centre, Perth - \$32.0m
  - Springwood Mega Centre, Qld - \$8.0m (land only - end value \$92m)
- Revaluations
  - \$83.8m net uplift on book value (up 6.6%)
- Disposals
  - 107 Mount St, North Sydney - \$35.8m
  - Ikon Retail, Potts Point<sup>2</sup> - \$21.8m
  - 101 Grenfell St, Adelaide<sup>2</sup> - \$30.4m

1. Excludes Trust investments in hotels and funds management products

2. Settlements post 31 Dec 2005

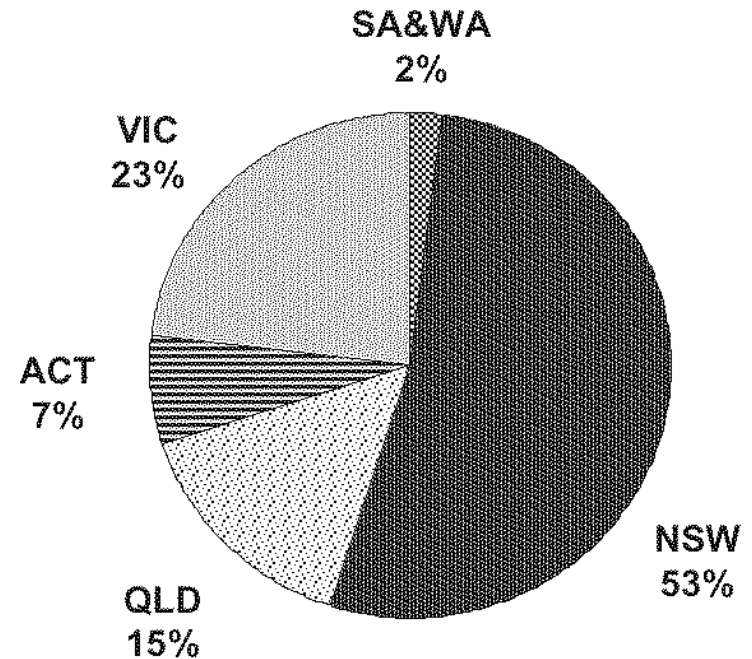
# DIVERSIFICATION BY ASSET VALUE

\$3.1 billion Investment Portfolio



**1H06**

Sector Diversification



**1H06**

Geographic Diversification

1. Geographic diversification graph excludes LPT/Infrastructure



*Commercial and Industrial Portfolio*

## COMMERCIAL AND INDUSTRIAL HIGHLIGHTS

- Portfolio net income increased 2.8% (like for like)
- Commercial portfolio occupancy at 97.4% (up from 97.2%)
- Industrial portfolio occupancy at 96.4% (down from 99.1%)
- Leased 59,000 sqm commercial / industrial space (10% of portfolio)
- Strong tenant retention of 81%
- 180 tenant rent reviews (35% by area) - 4.5% avg rental increase
- Portfolio challenges
  - 101 Miller Street, North Sydney
  - Keltie St, Woden
  - No.1 Darling Island, Pyrmont



## Nexus Industry Park, Liverpool

- Construction for Atlas Holdings (13,000m<sup>2</sup>) due to be completed Mar 2006
- Second pre-lease secured to EW Reinforcement (10,000m<sup>2</sup>) for 7 years –completion late 2006
- Balance of site under negotiation

## Darling Island, Pyrmont

- Completion forecast Mar 2006
- Construction costs in line with budget
- Negotiations progressing well for major tenant commitments



- Strong absorption offsetting supply increase
- Vacancy rates falling in almost all markets  
exceptions: Parramatta, Adelaide, Melbourne
- Cyclical variation between cities through to 2008:
  - strong: Brisbane, Perth
  - turnaround: Sydney and non CBD NSW markets
  - weak: Adelaide and Canberra (over-supply)
  - stabilising: Melbourne
- Most non-CBD markets will continue to perform strongly
- 2006 a recovery year for the commercial market

# INDUSTRIAL MARKET: ANOTHER GOOD YEAR

- Focus on transport, infrastructure related locations
- Land banking and strong investor demand should persist through 2006
- Prime locations now attract premium values and institutional investors
- Location specific opportunities
  - Western Sydney
  - Tradecoast
  - Select Melbourne locations

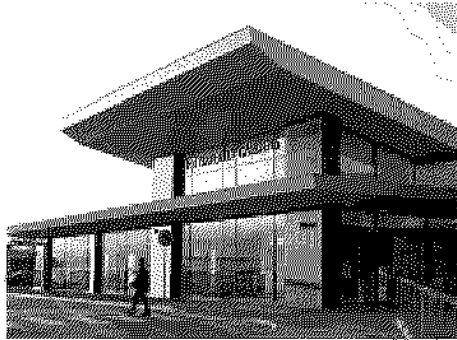


*Retail Portfolio*

Neighbourhood and regional centres owned <sup>1</sup>	16
Occupancy	99.1%
Comparable net income growth	3.8%
MAT growth (total comparable centres)	2.8%
Specialty sales <sup>2</sup>	\$8,469 per sqm
Specialty occupancy cost (average total portfolio)	11.5%

1. Excludes Orion Town Centre , Springwood and Ballina Central which are under development

2. Includes GST



## Waverley Gardens

- Stage 1 complete and trading well
- Stage 2 commenced works for Big W, refurbished food court and new specialties

## Hinkler Central

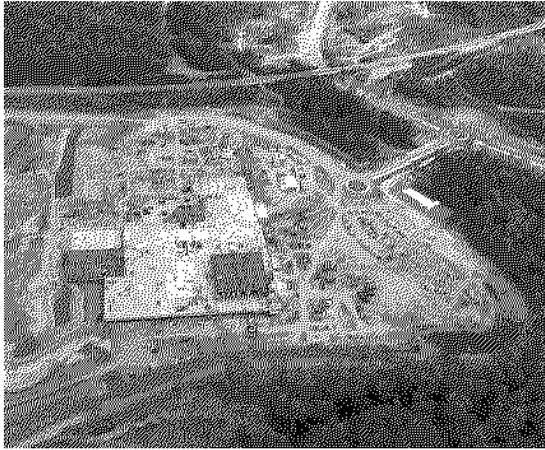
- Due to open June 2006, construction well advanced
- Leasing progressing and on budget



## Ballina Central

- Big W and Action Supermarket commenced fit out
- Scheduled to open late April 2006

# RETAIL LEASING AND DEVELOPMENT HIGHLIGHTS

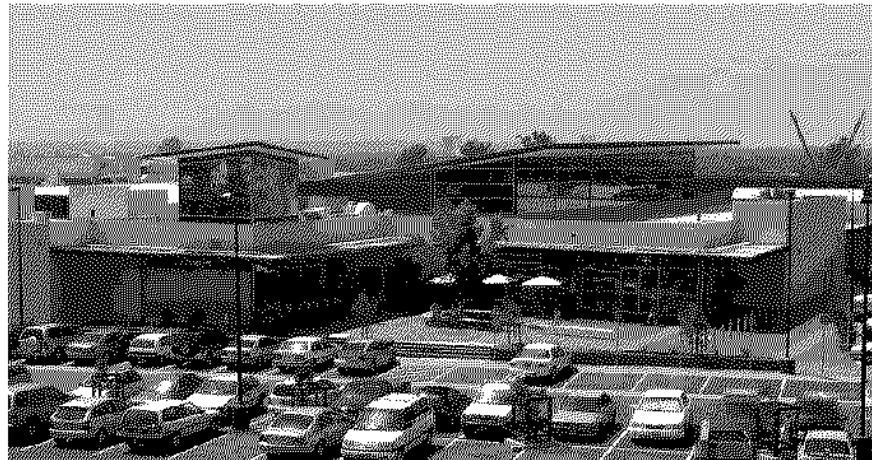


## Orion Town Centre Stage 1

- Specialty leasing approximately 30% with scheduled opening April 2007
- Planning underway for Stage 2 and entertainment precinct

## Stanhope Gardens Stage 2

- DA approved for Kmart and 30 new specialties
- Site works to commence April 2006 with Easter 2007 opening



## Kwinana, WA



- Planning and negotiations well advanced for inclusion of new DDS and specialties
- Expected centre size on completion 23,000m<sup>2</sup>
- DA lodgement expected mid 2006

## The Mega Centre Springwood, QLD

- Construction commenced and terms agreed for 27% of Centre
- Due to open early 2007



# MPT DEVELOPMENT PIPELINE

Project	Est. Value (\$m)	Status
Waverley Gardens Stage 2	37	Estimated completion end 2007
Hinkler Central	88	Completion expected Jun 2006
Orion Greater Springfield Stage 1 (66.6%)	104	Construction well advanced. Opening Apr 2007
Ballina Central	44	Opening Apr 2006
Stanhope Village Stage 2	32	DA approved. Site works commenced Apr 2006
The Mega Centre Springwood	92	Construction commenced. Opening early 2007
<b>Retail - current</b>	<b>397</b>	
No. 1 Darling Island	119	Project completion expected Mar 2006
<b>Commercial - current</b>	<b>119</b>	
Nexus Industry Park	91	Atlas & EW Reinforcement pre-commitments
Network at Eastern Creek (50%)	21	
<b>Industrial -current</b>	<b>112</b>	
<b>Total Current Projects</b>	<b>628</b>	
<b>Total Future Projects</b>	<b>698</b>	Kwinana, Orion Stage 2, George Street
<b>Total MPT Projects</b>	<b>1,326</b>	

- Remains a premium asset class
- Supply pipeline strong in some areas
- Consumer spending growing more slowly  
4% - 5% in 2006-2008 vs 5% - 7% in 2002-2005
- Yields already tight – likely to stay that way
- Focus on location, efficiency, marketing, repositioning
- Investor focus on expanding existing centres and upgrading sub-regionals

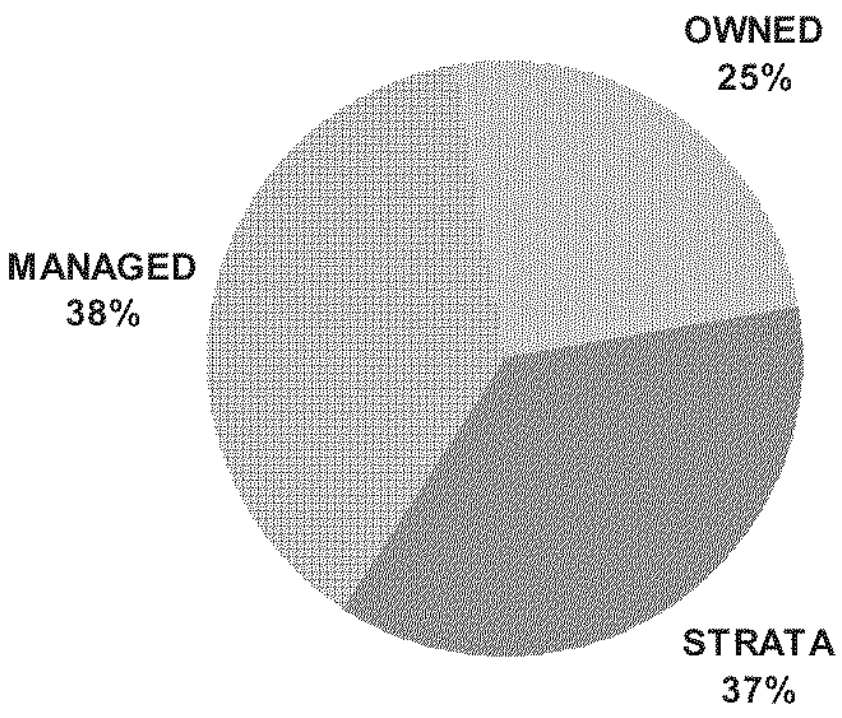
- Portfolio continues to be in very good shape, with WALE:
  - Commercial; 4.0 years
  - Retail; 6.6 years
  - Industrial; 4.5 years
- Procurement of new investment grade assets via Mirvac Projects is well entrenched over next 5 years
- Asset sales balanced against completion of development projects
- Continued focus on improving the quality of the portfolio
- Portfolio expected to benefit from strengthening Sydney office market
  - 1 Castlereagh St, Sydney
  - 1 Darling Island, Pyrmont
  - 101 Miller St, North Sydney



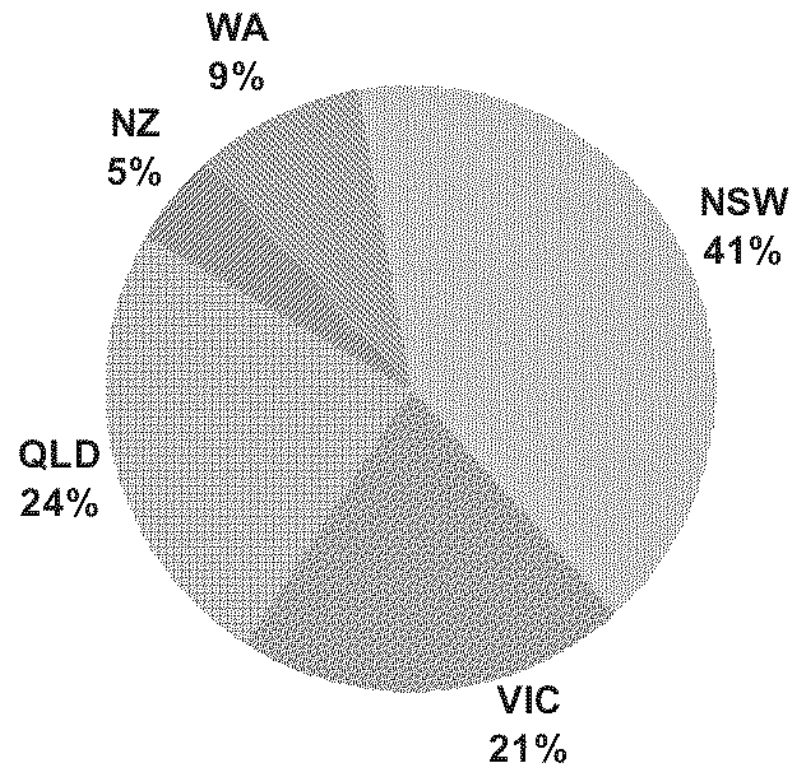
HOTELS



- Net profit after tax of \$6.3m, a 23% increase
- Operating profit of \$8.9m, a 7% increase
- Acquired 50% interest in Cairns International Hotel, QLD
- Occupancy average of 74%
- Average room rate increased from \$176 to \$184
- Refurbishment of:
  - Sydney Marriott Hotel
  - Quay West Suites Sydney
  - Quay West Suites Brisbane
  - Quay Grand Suites
  - The Sebel Reef House & Spa Palm Cove



Management Types  
(number of rooms)



Profit by Region

**Total Number of Rooms 2,913**



- Continue to expand hotels under management
- 5 new openings:
  - The Sebel Manly Beach
  - Sea Temple Resort & Spa Port Douglas
  - Quay West Resort Magenta Shores
  - The Sebel Harbour Lights Cairns
  - The Sebel Trinity Wharf Tauranga (NZ)



- Strong growth in domestic and international traffic
- Future growth tourism rather than business travel
- Lower air fares drives domestic tourism
- Rising wages, ageing population are long-term positives
- Limited new supply implies rising occupancy and room rates
- Investor interest from domestic and offshore funds





# FUNDS MANAGEMENT HIGHLIGHTS

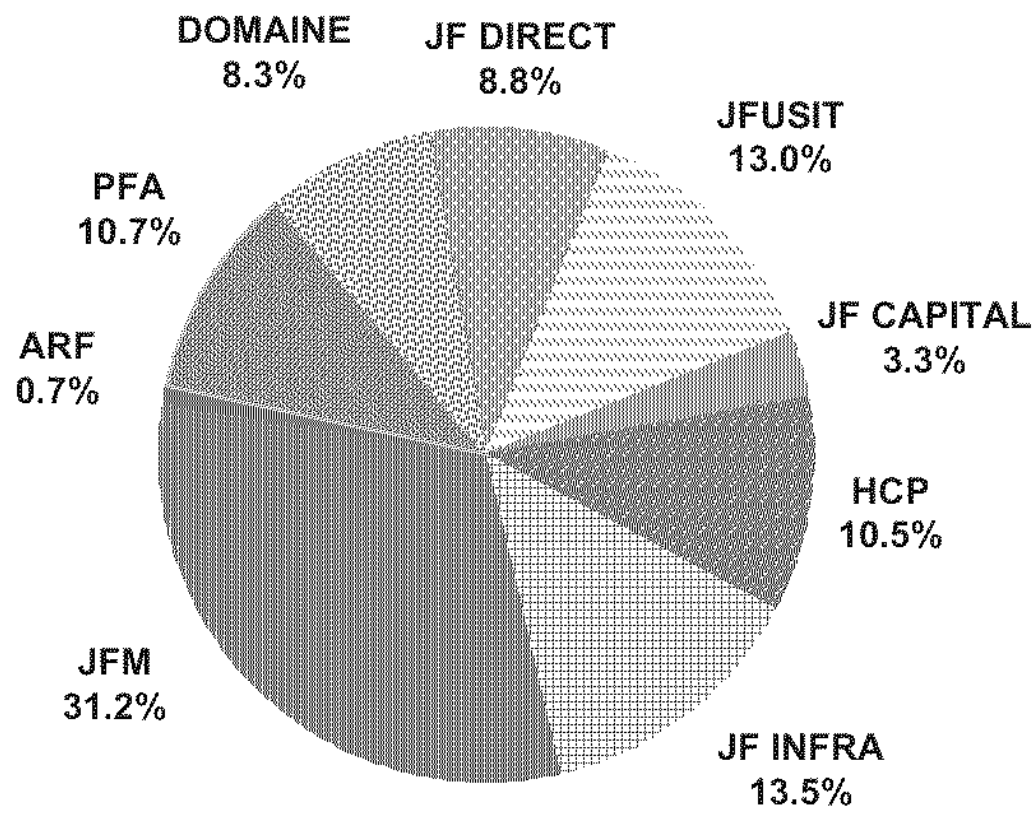
- Net profit after tax of \$17.1m
- Operating profit of \$17.1m
- Funds under management increased to \$6.5bn<sup>1</sup>
- Launched
  - James Fielding Development Fund – Seascapes
- Expanded
  - JF US Industrial Trust<sup>2</sup>
  - JF Meridian Trust
  - Travelodge Hotel Portfolio
  - James Fielding Tourist Park Fund
- GIC renewed mezzanine finance mandate – increased size and fees
- Sold 50% interest in Perpetual James Fielding Property Securities business

1. 100% interest includes Quadrant Real Estate Advisors which was launched in January 06
2. JF US Industrial settled Tranche 2 in July 05, Tranche 3 in October 05 and Tranche 4 in February 06



# FUNDS MANAGEMENT

## FUNDS UNDER MANAGEMENT



\$3.4bn<sup>1</sup>

1. Before adjusting for JV interests and the inclusion of Quadrant Real Estate Advisors (A\$3.1bn)



- Focus on businesses and funds:
  - that deliver sound investment returns to our investors
  - that are scaleable
  - are in sectors or markets where we have competitive advantage
  - offer opportunities to generate efficiencies in management
- Continue to launch selected new funds  
infrastructure, property debt and unlisted property funds
- Provide new sources of third party capital for Mirvac
- Facilitate new investment/development opportunities for Mirvac
- Leverage off enhanced distribution capacity  
cross sell across Mirvac's clients and investors, and Quadrant's clients
- Grow Quadrant's FUM and offer opportunities for Australian investors to access Quadrant's US capabilities



DEVELOPMENT

*CEO WA Developments – Adrian Fini*



- Net profit after tax of \$43.0m, a 106% increase
- Operating profit of \$43.0M
- Residential market- soft landing in 2006
- Exchanged contracts of \$784m
- Remains leading residential brand synonymous with quality
- EBIT margin on cost: 21%



### **Epica, Chatswood**

Acquired: Aug 1998

Total project value: \$170m

Project period: 2003 – 2006

Total lots: 228

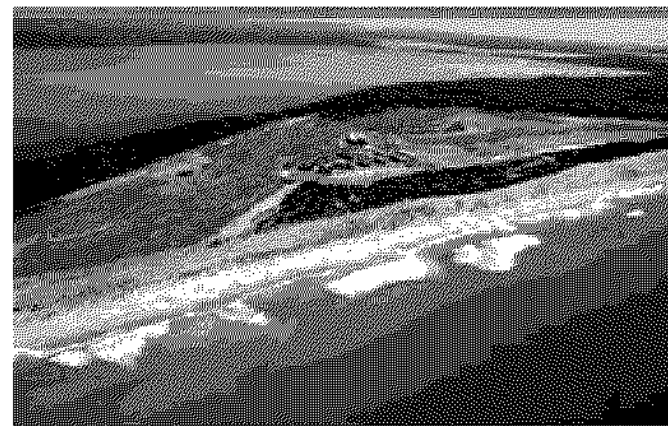
### **Magenta Shores, Magenta**

Acquired: Sept 2002

Total project value: \$530m

Project period: 2004 – 2010

Total lots: 511



### **Towns Place, Walsh Bay**

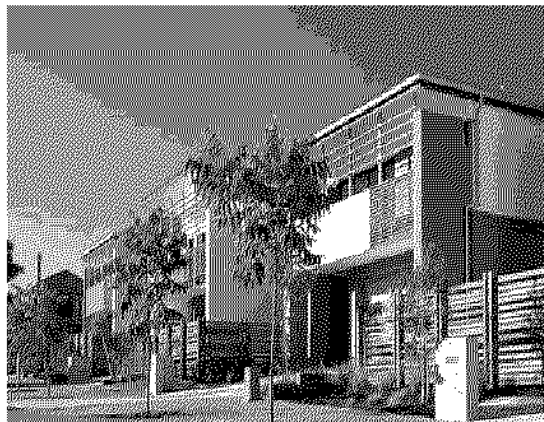
Acquired: Oct 1997

Total project value: \$100m

Project period: 2004 – 2006

Total lots: 65

Joint Venture



### **Waterline, Bulimba**

Acquired: Jun 2002

Total project value: \$135m

Project period: 2004 – 2008

Total lots: 141

### **Ephraim Island, Gold Coast**

Acquired: Nov 2002

Total project value: \$545m

Project period: 2003 – 2010

Total lots: 383

Joint Venture



### **Cutters Landing, Brisbane**

Acquired: Jun 2000

Total project value: \$260m

Project period: 2004 – 2006

Total lots: 347



### **Beacon Cove, Port Melbourne**

Acquired: 1995

Total project value: \$130m (Stage 8)

Project period: 2004 – 2006 (Stage 8)

Total lots: 108 (Stage 8)

Joint Venture

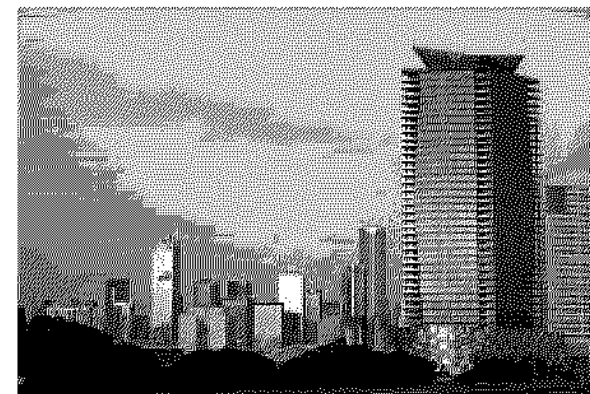
### **Yarra's Edge - T5, Docklands**

Acquired: Mar 2002

Total project value: \$196m

Project period: 2002 – 2006

Total lots: 191



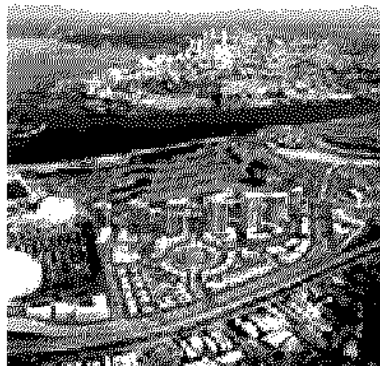
### **Waverley Park, Mulgrave**

Acquired: Dec 2001

Total project value: \$640m

Project period: 2002 – 2014

Total lots: 1,500

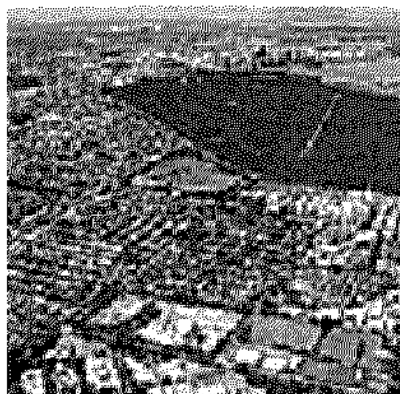
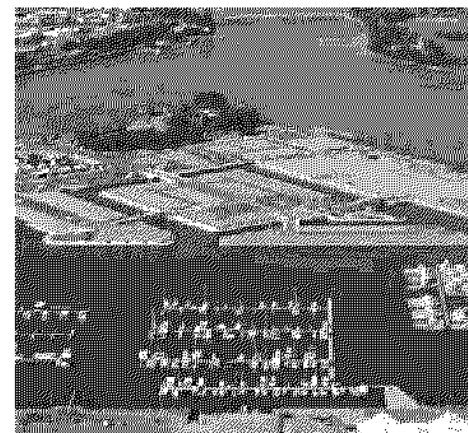


### **Peninsula, Burswood**

Acquired: Feb 2003  
Total project value: \$860m  
Project period: 2002 – 2015  
Total lots: 1,008  
Joint Venture

### **The Point, Peninsula Mandurah**

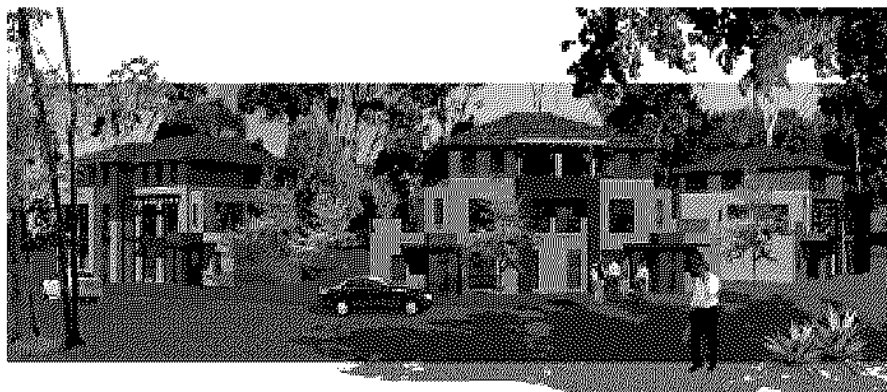
Acquired: Apr 2005  
Total project value: \$208m  
Project period: 2005 – 2008  
Total lots: 169



Hollywood Site

### **Hollywood (Nedlands) & Swanbourne (redevelopment of the two former high school sites)**

Contracted: May 2005  
Total project value: \$104m  
Project period: 2005 – 2007  
Total lots: 154  
Joint Venture



### **Mornington, Holsworthy**

Acquired: Feb 2003

Total project value: \$93m

Project period: 2002 – 2007

Total lots: 255

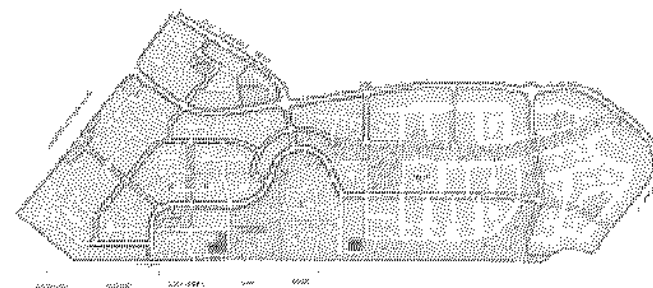
### **Panorama, Glenfield**

Acquired: Jun 2001

Total project value: \$270m

Project period: 2001 – 2008

Total lots: 615



### **Edgewood, Woodcroft**

Acquired: Apr 2003

Total project value: \$118m

Project period: 2003 – 2006

Total lots: 388

Joint Venture



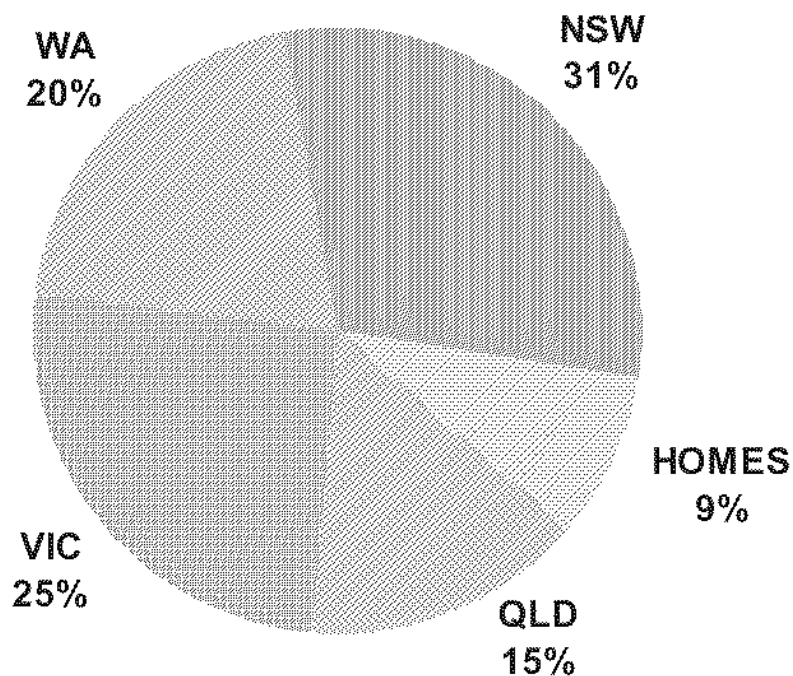
# DEVELOPMENT

## NON-RESIDENTIAL DEVELOPMENT PIPELINE

Projects	Est Value (\$m)	Status
600 Lorimer Street	54	Demolition works commenced Dec 05
Sydney Basin Airports	430	Master planning underway
18 Marcus Clarke Street	140	Lease executed with DAFF
177 Salmon Street	19	Subdivision completed in Dec 2005
251-261 Salmon Street	25	Conditional contract executed Jan 2006
Education City, Stage 1A	89	Completion due Apr 2006
Sargents Rd, Minchinbury	25	STE pre-commitment completed Aug 2004
<b>Total Non - MPT Projects</b>	<b>782</b>	

## Settlements at 31 Dec 05

House & land lots – 1,201 Medium density lots – 489

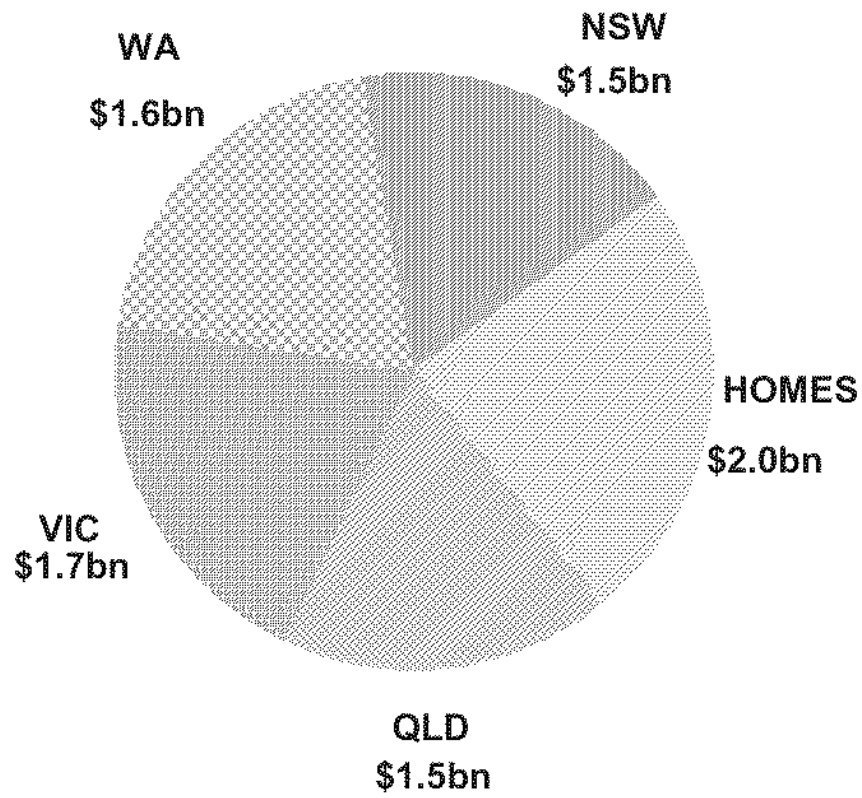
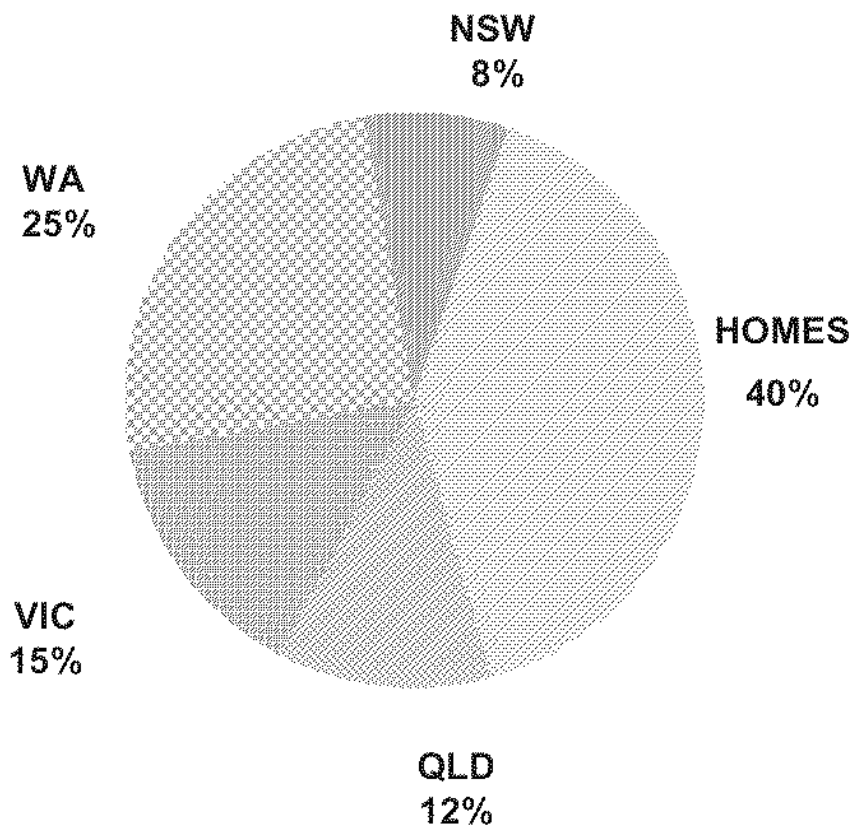


1H06 Revenue - \$558.0m



**18,067 Lots Under Control**

**Forecast Revenue \$8.3bn**





- Focus on major integrated developments
- Expand number of lifestyle developments
- Residential sales pipeline
  - exchanged contracts of \$784 million (at 31 December 05)
  - forecast revenue of \$8.3 billion over approx 10 years
  - 18,067 lots under control:
    - 13,514 houses / land
    - 4,553 medium density
- Expanded non-residential team with mandate to acquire opportunities across commercial, industrial and retail development for retention and sale



- Approvals - below long term trend
- Owner occupier lending buoyant, investors weak
- First home buyers returning to market
- Vacancy rates five-year lows, rents rising
- Apartment over-supply localised and temporary
- Affordability low but improving
- Individual states have diverse conditions



OUTLOOK



- Growth forecast to rise
- Unemployment around 30 year low
- Interest rates low, tightening bias
- Consumer spending stabilising
- Business investment – key driver of economy
- Inflation is within RBA band
- Strong company profit growth



- **Leverage integrated property platform**
- **Continue to grow recurrent earnings**
- **Maintain position as leading residential brand in Australia**
- **Grow non-residential development for retention and / or sale**
- **Strong pipeline of assets under control**
- **Re-weight Investment portfolio**
- **Expand existing leading hotel brands via management contracts**
- **Grow FUM across the property spectrum- listed and unlisted**
- **Experienced and focused management team in place**



- Management in tough market has achieved significant profit growth
- Integrated and diversified property development strategy delivering strong results
- Platforms for scalability achieved in Funds Management
- Increasing recurrent earnings and reducing risk
- On track to achieve earnings guidance for FY06

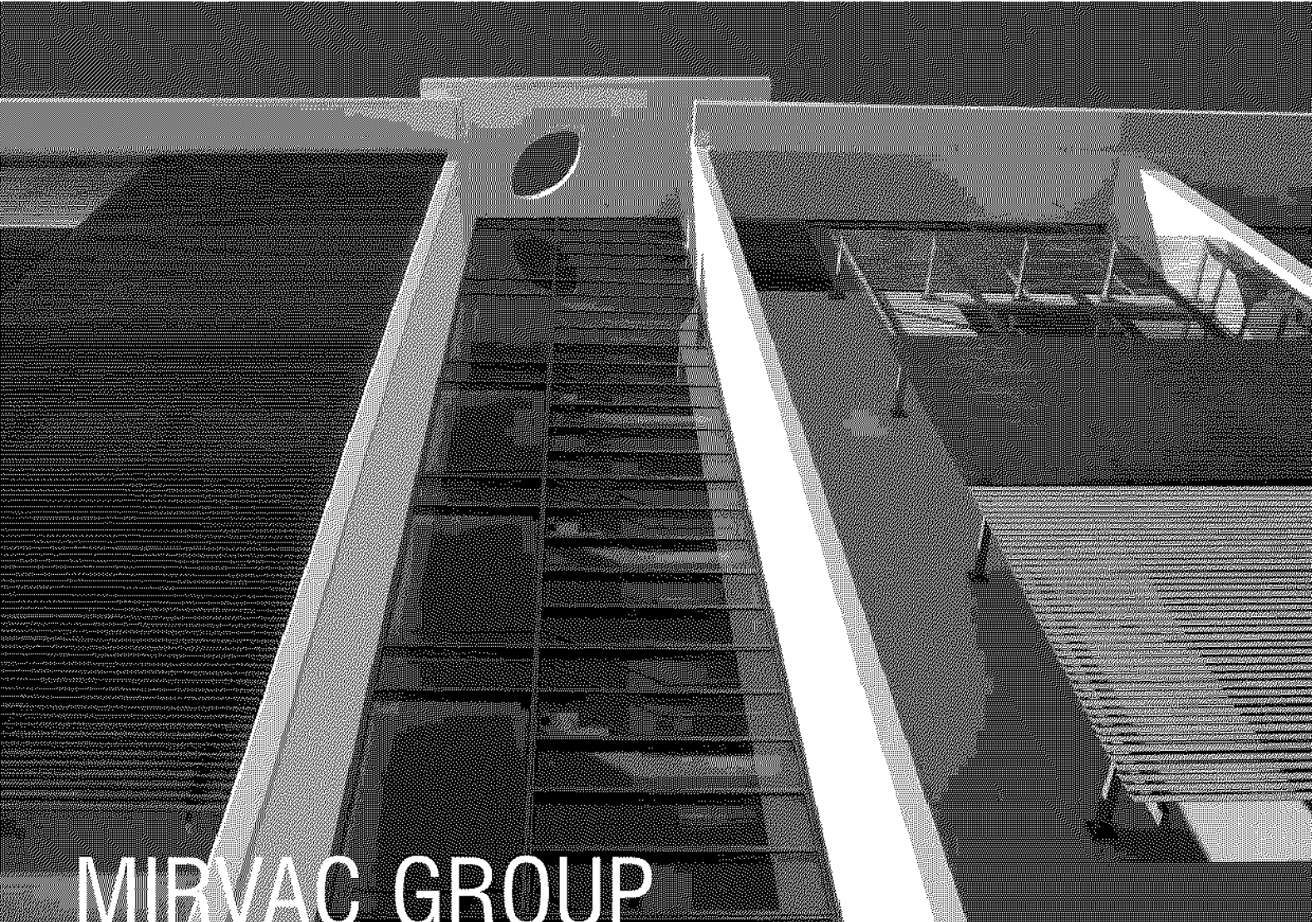
# Q&A



# 1H06 RESULTS

*22 February 2006*





# MIRVAC GROUP



## PROPERTY COMPENDIUM

31 DECEMBER 2005



## CONTENTS

- 1 ■ INVESTMENT PORTFOLIO
- 2 ■ DEVELOPMENT
- 3 ■ HOTELS & RESORTS
- 4 ■ FUNDS MANAGEMENT



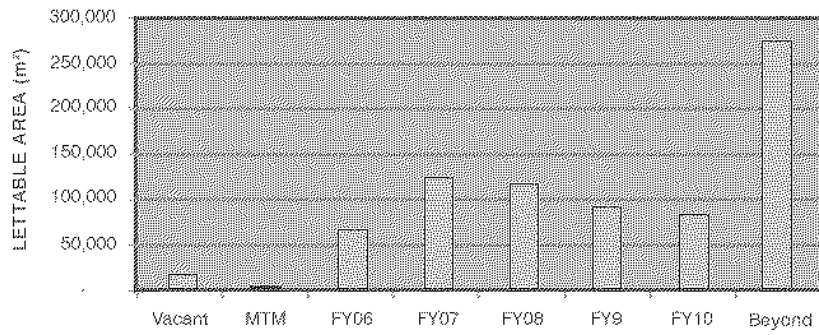
MIRVAC

## INVESTMENT PORTFOLIO

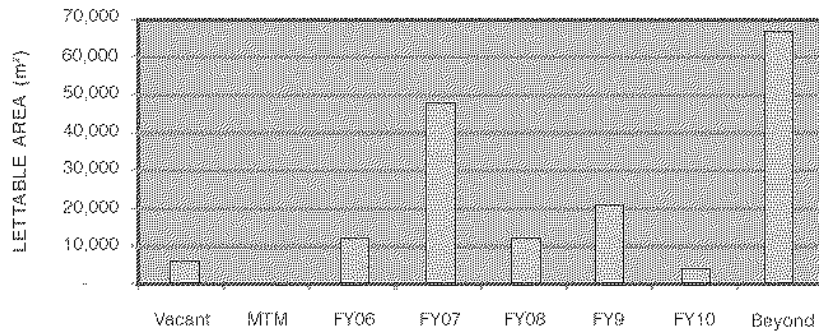
COMMERCIAL  
RETAIL  
INDUSTRIAL  
CAR PARK



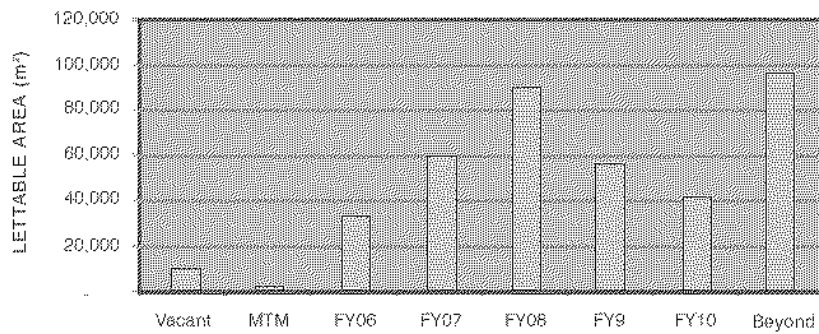
TOTAL PORTFOLIO EXPIRY PROFILE - BY AREA



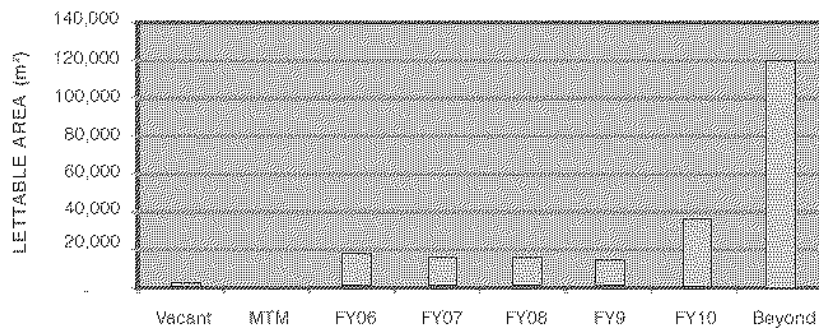
TOTAL INDUSTRIAL PORTFOLIO EXPIRY PROFILE - BY AREA



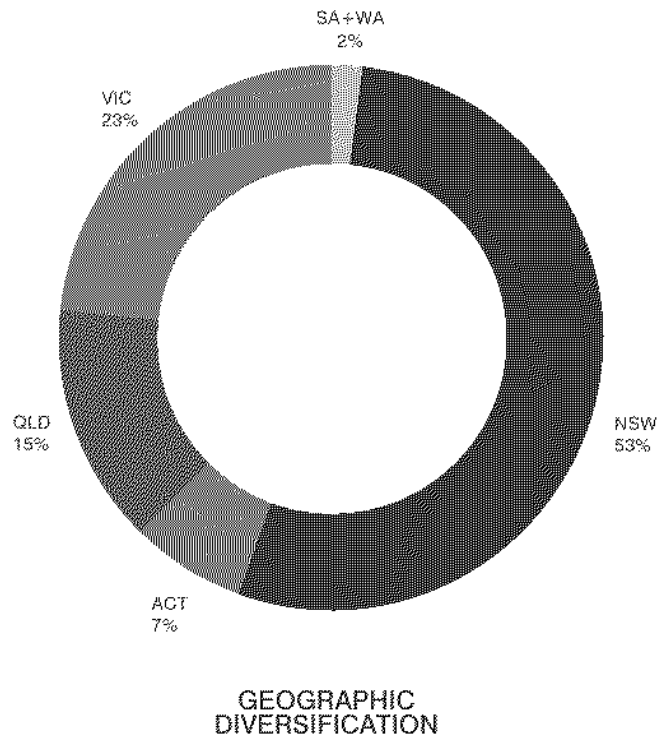
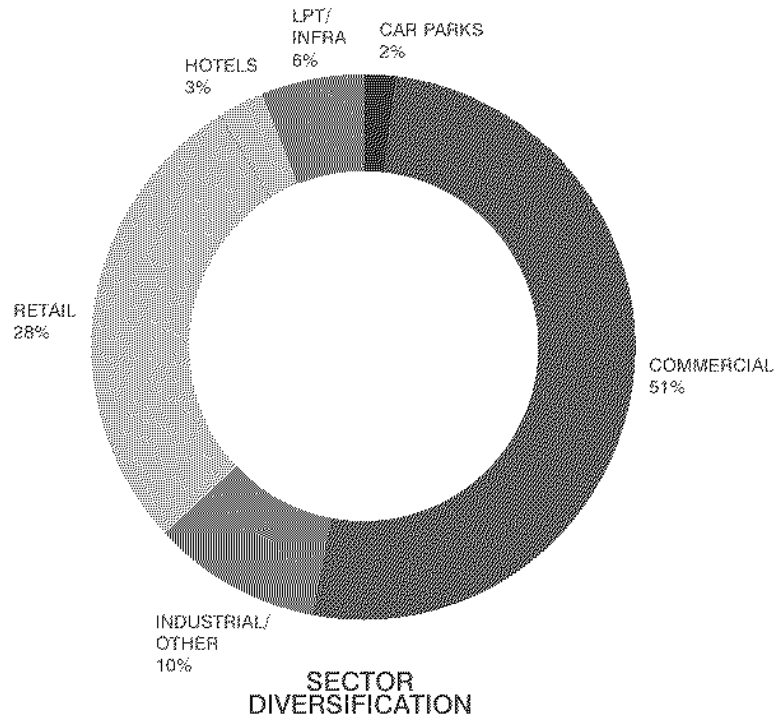
TOTAL COMMERCIAL PORTFOLIO EXPIRY PROFILE - BY AREA



TOTAL RETAIL PORTFOLIO EXPIRY PROFILE - BY AREA



# INVESTMENT PORTFOLIO



## COMMERCIAL

PROPERTY	LOCATION	AREA	VALUATION
101 - 103 Miller Street	North Sydney, NSW	37,758 sqm	\$248,000,000
40 Miller Street	North Sydney, NSW	12,664 sqm	\$80,250,000
Bay Centre Pirrama Road	Darling Harbour, NSW	15,972 sqm	\$79,000,000
60 Margaret Street	Sydney, NSW	40,748 sqm	\$134,000,000 (50% interest)
67 Albert Street	Chatwood, NSW	15,185 sqm	\$73,000,000
1 Castlereagh Street	Sydney, NSW	11,637 sqm	\$65,000,000
30 Cowper Street	Parramatta, NSW	8,028 sqm	\$19,500,000
190 George Street	Sydney, NSW	9,498 sqm	\$42,000,000
200 George Street	Sydney, NSW	5,593 sqm	\$24,000,000
Sony House 1-19 Hargrave Street	Sydney, NSW	4,395 sqm	\$11,000,000
26 College Street	Sydney, NSW	4,675 sqm	\$22,000,000
9 Help Street	Chatswood, NSW	9,932 sqm	\$34,000,000
38 Sydney Avenue	Forrest, ACT	9,099 sqm	\$36,000,000
St George Centre 60 Marcus Clarke Street	Canberra, ACT	12,117 sqm	\$47,100,000
Arts House 40 Macquarie Street	Barton, ACT	5,503 sqm	\$18,000,000
Perpetual Building 10 Rudd Street	Canberra, ACT	4,736 sqm	\$15,750,000
Phillips Fox Building 54 Marcus Clarke Street	Canberra, ACT	5,277 sqm	\$17,250,000
Lovett Tower 13 Kellie Street	Woden, ACT	20,540 sqm	\$46,000,000
Burns Centre 28 National Circuit	Forrest, ACT	4,012 sqm	\$13,400,000
IBM Building B Brisbane Avenue	Barton, ACT	4,048 sqm	\$12,000,000
Como Centre Cm Toorak Road & Chapel Street	South Yarra, VIC	25,440 sqm	\$73,000,000
Royal Domain Centre 380 St Kilda Road	Melbourne, VIC	24,616 sqm	\$94,500,000
Riverside Quay Southbank	Melbourne, VIC	30,582 sqm	\$97,100,000
191-197 Salmon Street	Port Melbourne, VIC	21,762 sqm	\$50,250,000 (50% interest)
101 Grenfell Street	Adelaide, SA	13,196 sqm	\$27,800,000
Mojo Building 164 Grey Street, South Bank	Brisbane, QLD	3,079 sqm	\$12,000,000
189 Grey Street South Bank	Brisbane, QLD	12,728 sqm	\$50,000,000
John Oxley Centre 339 Coronation Drive	Brisbane, QLD	13,174 sqm	\$43,030,000
127 Creek Street	Brisbane, QLD	18,408 sqm	\$48,000,000

# COMMERCIAL



## 101-103 MILLER STREET

**LOCATION**  
North Sydney, NSW

**DESCRIPTION**  
Landmark office/retail complex located in the heart of the North Sydney CBD with a direct link to North Sydney rail station. The complex was built in 1992/93.

### SUMMARY INFORMATION

Grade:	Premium Grade
Ownership:	100%
Area:	37,758 sqm
Acquisition Date:	June 1994
Valuation:	\$248,000,000
Valuation Date:	30 June 2005
Book Value:	\$248,030,000
Capitalisation Rate:	7.00%
Discount Rate:	9.00%
Car Spaces:	534

### MAJOR TENANTS

Optus	37,047 sqm
-------	------------

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	0%
	FY08	99%
	FY09	0%
	FY10	0%
	Beyond	1%



## 40 MILLER STREET

**LOCATION**  
North Sydney, NSW

**DESCRIPTION**  
Developed by Mirvac, this building is located adjacent to North Sydney railway station and enjoys commanding views of the harbour from all floors and a four star SEDA rating for energy efficiency.

### SUMMARY INFORMATION

Grade:	A Grade
Ownership:	100%
Area:	12,664 sqm
Acquisition Date:	March 1998
Valuation:	\$80,250,000
Valuation Date:	30 June 2003
Book Value:	\$81,500,000
Capitalisation Rate:	7.50%
Discount Rate:	10.00%
Car Spaces:	102

### MAJOR TENANTS

Mirvac Group	5,579 sqm
Baulderstone Hornibrook	3,287 sqm

LEASE EXPIRY PROFILE	Vacant	9%
	FY06	1%
	FY07	10%
	FY08	0%
	FY09	26%
	FY10	0%
	Beyond	54%



## COMMERCIAL



### BAY CENTRE

#### LOCATION

Pirrama Road, Darling Harbour, NSW

#### DESCRIPTION

A modern five level office building located adjacent to Darling Harbour. The building has floor plates in excess of 3,000 sqm with harbour and city views from all levels. Developed by Mirvac.

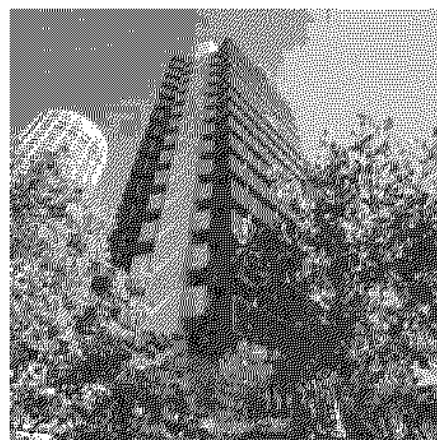
#### SUMMARY INFORMATION

Grade:	A Grade
Ownership:	100%
Area:	15,972 sqm
Acquisition Date:	June 2001
Valuation:	\$73,500,000
Valuation Date:	30 April 2003
Book Value:	\$79,000,000
Capitalisation Rate:	8.00%
Discount Rate:	10.25%
Car Spaces:	127

#### MAJOR TENANTS

IAG	12,279 sqm
Collex	3,097 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	0%
	FY08	0%
	FY09	80%
	FY10	0%
	Beyond	20%



### 60 MARGARET STREET

#### LOCATION

Sydney, NSW

#### DESCRIPTION

A commercial and retail property in the centre of the Sydney CBD with a direct link to Wynyard railway station and bus terminal. The complex was developed in 1980.

#### SUMMARY INFORMATION

Grade:	A Grade
Ownership:	50%
Area:	40,748 sqm
Acquisition Date:	August 1998
Valuation:	\$134,000,000 (50% interest)
Valuation Date:	31 December 2005
Book Value:	\$134,000,000
Capitalisation Rate:	6.75%
Discount Rate:	8.75%
Car Spaces:	141

#### MAJOR TENANTS

Vero Insurance Limited	5,224 sqm
Reuters	5,385 sqm

LEASE EXPIRY PROFILE	Vacant	5%
	FY06	4%
	FY07	19%
	FY08	34%
	FY09	4%
	FY10	8%
	Beyond	26%



# COMMERCIAL



## 67 ALBERT AVENUE

### LOCATION

Chatswood, NSW

### DESCRIPTION

A modern 15 level A Grade commercial office building in the Chatswood CBD. Prime location close to the bus/rail interchange with excellent views and good natural light.

### SUMMARY INFORMATION

Grade:	A Grade
Ownership:	100%
Area:	15,185 sqm
Acquisition Date:	September 1989
Valuation:	\$73,000,000
Valuation Date:	30 June 2005
Book Value:	\$73,030,000
Capitalisation Rate:	7.50%
Discount Rate:	9.00%
Car Spaces:	204

### MAJOR TENANTS

PMP Limited	2,213 sqm
Quintiles	2,204 sqm

LEASE EXPIRY PROFILE	Vacant	3%
	FY06	0%
	FY07	4%
	FY08	3%
	FY09	25%
	FY10	38%
	Beyond	27%



# COMMERCIAL



## 1 CASTLEREAGH STREET

**LOCATION**  
Sydney, NSW

**DESCRIPTION**  
The building offers modern accommodation with an efficient 549 sqm floor plate and good natural light on three sides. The 21 level commercial office building was fully refurbished in 1992.

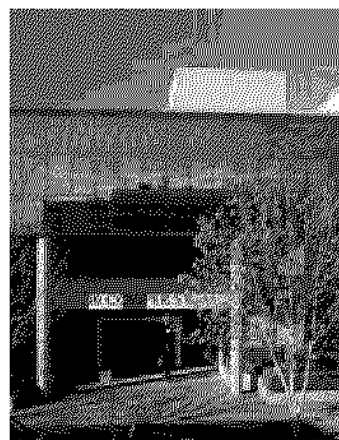
### SUMMARY INFORMATION

Grade:	B Grade
Ownership:	100%
Area:	11,637 sqm
Acquisition Date:	December 1998
Valuation:	\$65,000,000
Valuation Date:	31 December 2005
Book Value:	\$65,000,000
Capitalisation Rate:	7.00%
Discount Rate:	9.00%
Car Spaces:	52

### MAJOR TENANTS

Perpetual Trustee	3,266 sqm
Skandia	1,648 sqm

<b>LEASE EXPIRY PROFILE</b>	Vacant	0%
	FY06	18%
	FY07	13%
	FY08	25%
	FY09	8%
	FY10	23%
	Beyond	13%



## 30 COWPER STREET

**LOCATION**  
Parramatta, NSW

**DESCRIPTION**  
A modern office building erected over two basement car park levels and three upper office levels. The property is located on the eastern side of Cowper Street.

### SUMMARY INFORMATION

Grade:	B Grade
Ownership:	100%
Area:	8,028 sqm
Acquisition Date:	September 1998
Valuation:	\$19,500,000
Valuation Date:	30 June 2005
Book Value:	\$19,500,000
Capitalisation Rate:	9.00%
Discount Rate:	9.75%
Car Spaces:	214

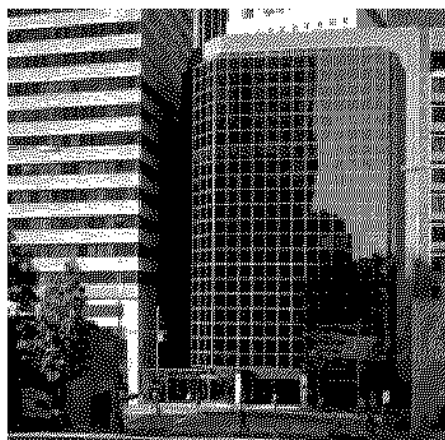
### MAJOR TENANTS

Woolworths	5,343 sqm
Mirvac Group	1,749 sqm

<b>LEASE EXPIRY PROFILE</b>	Vacant	0%
	FY06	0%
	FY07	67%
	FY08	0%
	FY09	33%
	FY10	0%
	Beyond	0%



# COMMERCIAL



## 190 GEORGE STREET

**LOCATION**  
Sydney, NSW

**DESCRIPTION**  
The building is well specified and is close to Circular Quay, Wynyard and other amenities. The site forms part of a planned Mirvac office development.

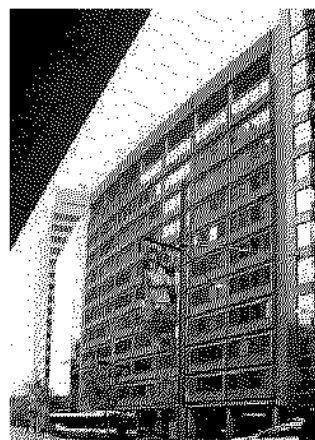
**SUMMARY INFORMATION**

Grade:	B Grade
Ownership:	100%
Area:	9,498 sqm
Acquisition Date:	August 2003
Valuation:	\$42,000,000
Valuation Date:	30 September 2003
Book Value:	\$43,000,000
Capitalisation Rate:	7.75%
Discount Rate:	10.00%
Car Spaces:	30

**MAJOR TENANTS**

Loch Tess #3 P/L	1,702 sqm
Downer EDI Ltd	1,704 sqm

<b>LEASE EXPIRY PROFILE</b>	Vacant	18%
	FY06	9%
	FY07	0%
	FY08	9%
	FY09	18%
	FY10	8%
	Beyond	38%



## 200 GEORGE STREET

**LOCATION**  
Sydney, NSW

**DESCRIPTION**  
This is a strategic acquisition, giving Mirvac a presence in an area of the Sydney CBD which has potential for commercial redevelopment. Mirvac owns adjoining buildings.

**SUMMARY INFORMATION**

Grade:	C Grade
Ownership:	100%
Area:	5,593 sqm
Acquisition Date:	October 2001
Valuation:	\$24,000,000
Valuation Date:	31 October 2003
Book Value:	\$25,500,000
Capitalisation Rate:	8.00%
Discount Rate:	10.50%
Car Spaces:	15

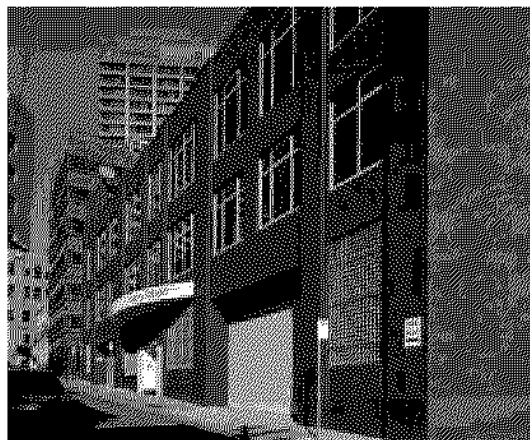
**MAJOR TENANTS**

Loch Tess #3 P/L	1,787 sqm
Arab Bank	1,226 sqm

<b>LEASE EXPIRY PROFILE</b>	Vacant	0%
	FY06	16%
	FY07	10%
	FY08	17%
	FY09	32%
	FY10	5%
	Beyond	19%



# COMMERCIAL



## SONY HOUSE

### LOCATION

1-19 Hargrave Street, Sydney, NSW

### DESCRIPTION

Refurbished three level office building located adjacent to the Sydney Marriott hotel complex on the eastern fringe of the Sydney CBD.

### SUMMARY INFORMATION

Grade:	C Grade
Ownership:	100%
Area:	4,395 sqm
Acquisition Date:	December 1991
Valuation:	\$11,000,000
Valuation Date:	1 March 2005
Book Value:	\$11,132,000
Capitalisation Rate:	8.00%
Discount Rate:	9.50%
Car Spaces:	60

### MAJOR TENANTS

Sony Music	4,395 sqm
------------	-----------

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	0%
	FY08	0%
	FY09	0%
	FY10	100%
	Beyond	0%



## 26 COLLEGE STREET

### LOCATION

Sydney, NSW

### DESCRIPTION

A five level building that forms part of the Sydney Marriott hotel complex, located on the eastern fringe of the city. Has sweeping views over Hyde Park.

### SUMMARY INFORMATION

Grade:	B Grade
Ownership:	100%
Area:	4,675 sqm
Acquisition Date:	December 1991
Valuation:	\$20,700,000
Valuation Date:	30 June 2003
Book Value:	\$22,000,000
Capitalisation Rate:	7.75%
Discount Rate:	10.25%
Car Spaces:	173

### MAJOR TENANTS

Thiess Contractors	1,875 sqm
Football Federation Australia Ltd	944 sqm

LEASE EXPIRY PROFILE	Vacant	20%
	FY06	40%
	FY07	20%
	FY08	0%
	FY09	20%
	FY10	0%
	Beyond	0%



# COMMERCIAL



## 9 HELP STREET

**LOCATION**  
Chatswood, NSW

**DESCRIPTION**  
A modern office building comprising nine office levels and three basement levels of car parking. It is located on the northern side of Help Street, opposite the Zenith Centre and close to Chatswood rail and bus interchange.

**SUMMARY INFORMATION**

Grade:	A Grade
Ownership:	100%
Area:	9,932 sqm
Acquisition Date:	June 2002
Valuation:	\$34,000,000
Valuation Date:	30 June 2005
Book Value:	\$34,000,000
Capitalisation Rate:	8.25%
Discount Rate:	9.75%
Car Spaces:	129

**MAJOR TENANTS**

CSR	9,686 sqm
-----	-----------

<b>LEASE EXPIRY PROFILE</b>	Vacant	0%
	FY06	0%
	FY07	98%
	FY08	0%
	FY09	0%
	FY10	0%
	Beyond	2%



## 38 SYDNEY AVENUE

**LOCATION**  
Forrest, ACT

**DESCRIPTION**  
Constructed in 1997 and comprises a low rise four level office tower. The building offers floor plates of approximately 2,100 sqm to 2,400 sqm and is located in the Parliamentary Triangle.

**SUMMARY INFORMATION**

Grade:	A Grade
Ownership:	100%
Area:	9,099 sqm
Acquisition Date:	June 1996
Valuation:	\$36,000,000
Valuation Date:	30 June 2005
Book Value:	\$36,020,000
Capitalisation Rate:	8.00%
Discount Rate:	9.50%
Car Spaces:	68

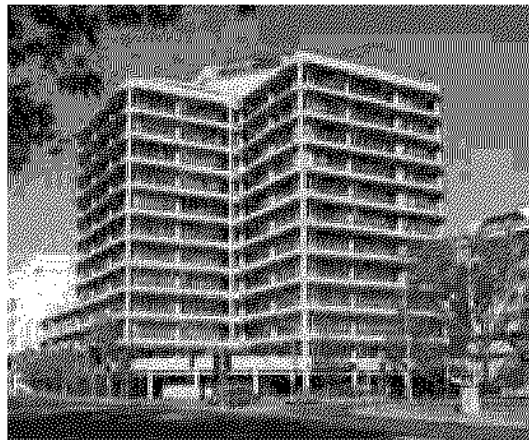
**MAJOR TENANTS**

DOCITA	8,975 sqm
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<b>LEASE EXPIRY PROFILE</b>	Vacant	0%
	FY06	0%
	FY07	1%
	FY08	99%
	FY09	0%
	FY10	0%
	Beyond	0%



# COMMERCIAL



## ST GEORGE CENTRE

### LOCATION

60 Marcus Clarke Street, Canberra, ACT

### DESCRIPTION

Widely recognised as Canberra's most prominent building, the St George Centre was constructed in 1988 and comprises twin 13-level towers linked by a central core.

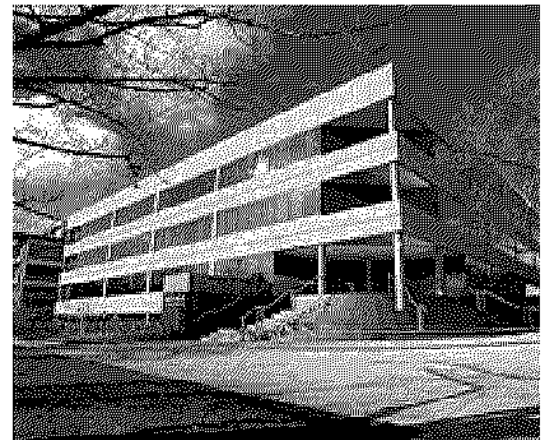
### SUMMARY INFORMATION

Grade:	A Grade
Ownership:	100%
Area:	12,117 sqm
Acquisition Date:	September 1989
Valuation:	\$47,100,000
Valuation Date:	30 June 2003
Book Value:	\$48,261,000
Capitalisation Rate:	8.75%
Discount Rate:	10.25%
Car Spaces:	134

### MAJOR TENANTS

Melliesons	1,805 sqm
St George Bank	1,237 sqm

LEASE EXPIRY PROFILE	Vacant	1%
	FY06	4%
	FY07	12%
	FY08	25%
	FY09	14%
	FY10	24%
	Beyond	21%



## ARTS HOUSE

### LOCATION

40 Macquarie Street, Barton, ACT

### DESCRIPTION

The building was developed in 1997 and comprises a three level low rise office building. Located in the popular Parliamentary Triangle with floor plates of approximately 1,800 sqm.

### SUMMARY INFORMATION

Grade:	A Grade
Ownership:	100%
Area:	5,503 sqm
Acquisition Date:	December 1995
Valuation:	\$18,000,000
Valuation Date:	30 June 2005
Book Value:	\$18,000,000
Capitalisation Rate:	8.75%
Discount Rate:	9.75%
Car Spaces:	66

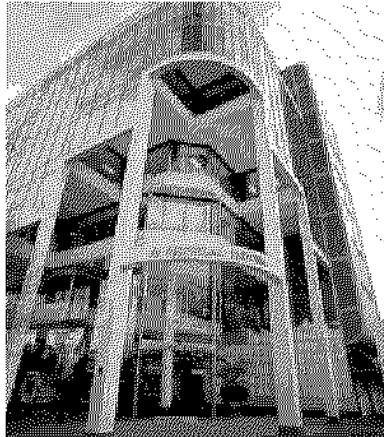
### MAJOR TENANTS

Attorney General's Dept	3,657 sqm
Aust Govt Solicitors	818 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	15%
	FY08	9%
	FY09	66%
	FY10	0%
	Beyond	10%



## COMMERCIAL



### PERPETUAL BUILDING

#### LOCATION

10 Rudd Street, Canberra, ACT

#### DESCRIPTION

Constructed in 1985, this seven-level building is located in the centre of the professional sector of the Canberra CBD.

#### SUMMARY INFORMATION

Grade:	A Grade
Ownership:	100%
Area:	4,736 sqm
Acquisition Date:	October 1987
Valuation:	\$15,750,000
Valuation Date:	30 June 2003
Book Value:	\$17,500,000
Capitalisation Rate:	9.50%
Discount Rate:	11.25%
Car Spaces:	41

#### MAJOR TENANTS

Booz Allen Hamilton	838 sqm
SAS Institute Australia	434 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	20%
	FY08	25%
	FY09	8%
	FY10	6%
	Beyond	40%



### PHILLIPS FOX BUILDING

#### LOCATION

54 Marcus Clarke Street, Canberra, ACT

#### DESCRIPTION

Constructed in 1986, the building comprises a nine level office building with rooftop and individual floor plant rooms, and basement storage and parking.

#### SUMMARY INFORMATION

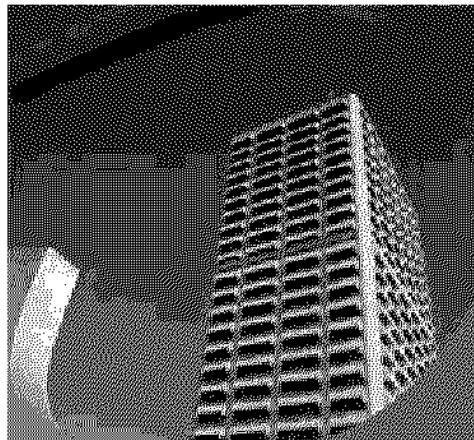
Grade:	A Grade
Ownership:	100%
Area:	5,277 sqm
Acquisition Date:	October 1987
Valuation:	\$17,250,000
Valuation Date:	30 June 2005
Book Value:	\$17,261,000
Capitalisation Rate:	9.00%
Discount Rate:	10.00%
Car Spaces:	48

#### MAJOR TENANTS

Phillips Fox	1,417 sqm
Marsh	625 sqm

LEASE EXPIRY PROFILE	Vacant	4%
	MTM	12%
	FY06	4%
	FY07	11%
	FY08	6%
	FY09	48%
	FY10	9%
	Beyond	18%

# COMMERCIAL



## LOVETT TOWER

### LOCATION

13 Kellie Street, Woden, ACT

### DESCRIPTION

The tallest office tower in Canberra with 24 levels. It was constructed in 1973 and substantially upgraded in 1999. The tower enjoys natural light from all levels and substantial views.

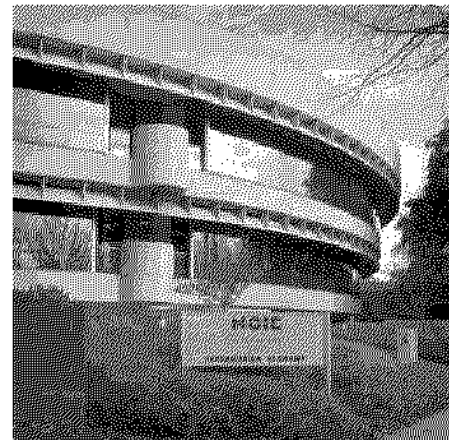
### SUMMARY INFORMATION

Grade:	B Grade
Ownership:	100%
Area:	20,540 sqm
Acquisition Date:	July 94 (50%) Feb 99 (50%)
Valuation:	\$46,000,000
Valuation Date:	31 December 2003
Book Value:	\$48,000,000
Capitalisation Rate:	10.00%
Discount Rate:	11.00%
Car Spaces:	18

### MAJOR TENANTS

Dept of Veteran Affairs	11,352 sqm
ATSIS	8,922 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	55%
	FY07	0%
	FY08	0%
	FY09	0%
	FY10	44%
	Beyond	1%



## BURNS CENTRE

### LOCATION

28 National Circuit, Forrest, ACT

### DESCRIPTION

Comprises a two level low rise office building with rooftop plant room and undercroft storage and parking. It is well located within the Parliamentary Triangle.

### SUMMARY INFORMATION

Grade:	A Grade
Ownership:	100%
Area:	4,012 sqm
Acquisition Date:	September 1990
Valuation:	\$13,400,000
Valuation Date:	30 June 2003
Book Value:	\$14,000,000
Capitalisation Rate:	9.50%
Discount Rate:	11.00%
Car Spaces:	108

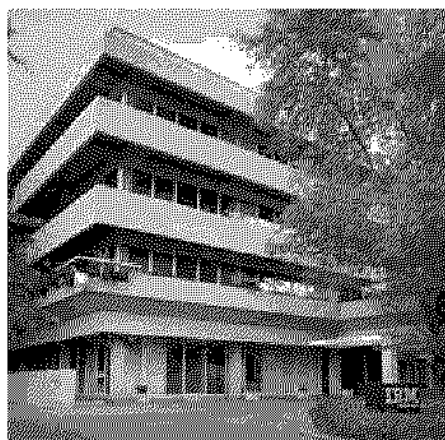
### MAJOR TENANTS

DOCITA	4,012 sqm
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LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	0%
	FY08	0%
	FY09	0%
	FY10	0%
	Beyond	100%



## COMMERCIAL



### IBM BUILDING

#### LOCATION

8 Brisbane Avenue, Barton, ACT

#### DESCRIPTION

The building was developed in 1984 for occupation by the current tenant, IBM. Located in the Government precinct of Barton, it comprises a low rise, five level office building.

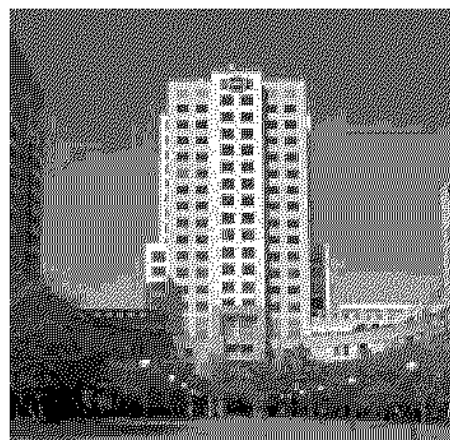
#### SUMMARY INFORMATION

Grade:	B Grade
Ownership:	100%
Area:	4,048 sqm
Acquisition Date:	June 1985
Valuation:	\$12,000,000
Valuation Date:	30 June 2005
Book Value:	\$12,325,000
Capitalisation Rate:	9.50%
Discount Rate:	10.00%
Car Spaces:	55

#### MAJOR TENANTS

IBM	4,048 sqm
-----	-----------

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	0%
	FY08	0%
	FY09	0%
	FY10	0%
	Beyond	100%



### COMO CENTRE

#### LOCATION

Corner Toorak Road & Chapel Street, South Yarra, VIC

#### DESCRIPTION

The complex includes a retail centre with over 30 speciality shops, a commercial car park and a 100-room 5 star hotel. Office accommodation is spread across three commercial towers.

#### SUMMARY INFORMATION

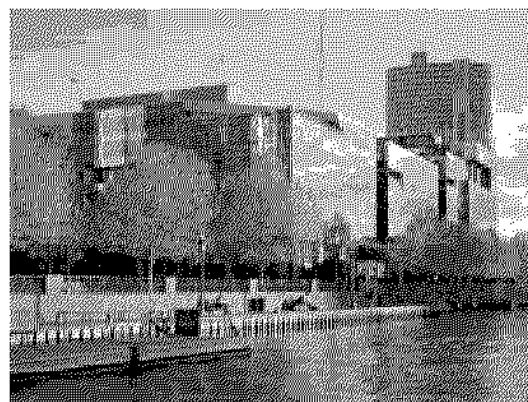
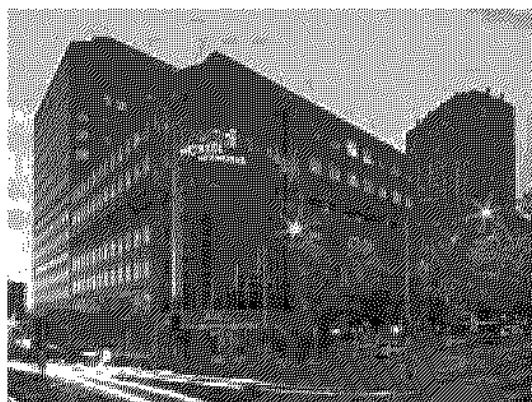
Grade:	A Grade
Ownership:	100%
Area:	25,440 sqm
Acquisition Date:	August 1998
Valuation:	\$73,000,000
Valuation Date:	30 June 2005
Book Value:	\$73,806,000
Capitalisation Rate:	8.25% - 8.50%
Discount Rate:	9.50% - 9.75%
Car Spaces:	621

#### MAJOR TENANTS

Channel 10	4,512 sqm
Telstra	3,680 sqm
Buena Vista	1,532 sqm

LEASE EXPIRY PROFILE	Vacant	7%
	FY06	19%
	FY07	32%
	FY08	8%
	FY09	8%
	FY10	2%
	Beyond	24%

## COMMERCIAL



### ROYAL DOMAIN CENTRE

#### LOCATION

380 St Kilda Road, Melbourne, VIC

#### DESCRIPTION

Prominently located at the city end of the St Kilda Road commercial precinct, opposite the Royal Botanical Gardens and adjacent to the St Kilda Road tram station.

#### SUMMARY INFORMATION

Grade:	A Grade
Ownership:	100%
Area:	24,618 sqm
Acquisition Date:	Oct 95 (50%) April 01 (50%)
Valuation:	\$94,500,000
Valuation Date:	31 December 2003
Book Value:	\$96,000,000
Capitalisation Rate:	8.00%
Discount Rate:	9.75%
Car Spaces:	489

#### MAJOR TENANTS

Noriel	4,956 sqm
Zinifex Australia	4,056 sqm
Mt Eliza	3,623 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	25%
	FY07	26%
	FY08	1%
	FY09	31%
	FY10	1%
	Beyond	16%

### RIVERSIDE QUAY

#### LOCATION

Southbank, Melbourne, VIC

#### DESCRIPTION

A modern commercial office complex built as three separate buildings together with 164 basement cars. A separate building at the rear incorporates a 560 space car park.

#### SUMMARY INFORMATION

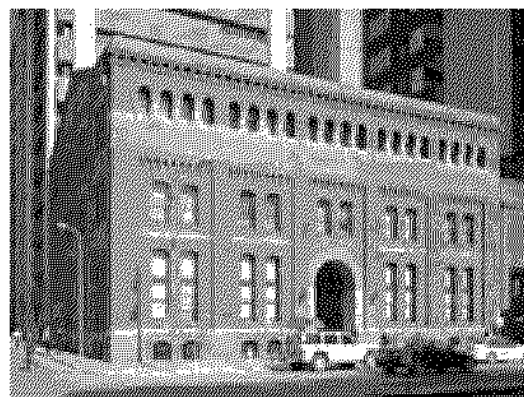
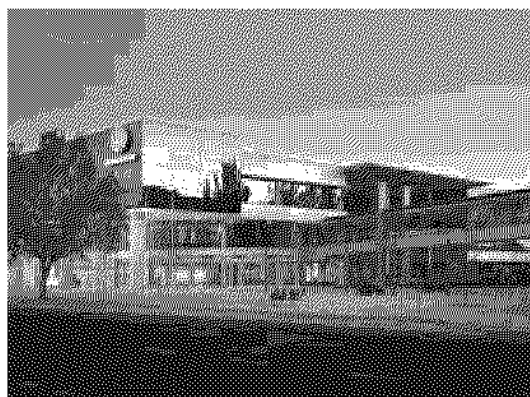
Grade:	A Grade
Ownership:	100%
Area:	30,582 sqm
Acquisition Date:	April 2002 (1&3), Sept 2003 (2)
Valuation:	\$97,100,000
Valuation Date:	30 June 2005
Book Value:	\$97,300,000
Capitalisation Rate:	8.25%
Discount Rate:	9.25%
Car Spaces:	164

#### MAJOR TENANTS

Telstra	5,772 sqm
Asia Space	3,169 sqm
URS Australia	3,096 sqm

LEASE EXPIRY PROFILE	Vacant	7%
	FY06	6%
	FY07	10%
	FY08	30%
	FY09	11%
	FY10	19%
	Beyond	16%

# COMMERCIAL



## 191-197 SALMON STREET

### LOCATION

Port Melbourne, VIC

### DESCRIPTION

This recently completed development is the headquarters for GM Holden Ltd. The building is designed in a "campus style" with each floor area greater than 7,000 sqm. The building was completed in April 2005.

### SUMMARY INFORMATION

Property Grade:	A Grade
Ownership:	50%
Area:	21,762 sqm
Acquisition Date:	July 2003
Valuation:	\$50,250,000 (50% interest)
Valuation Date:	30 June 2005
Book Value:	\$50,211,000
Capitalisation Rate:	7.00%
Discount Rate:	8.50%
Car Spaces:	1,055

### MAJOR TENANTS

GM Holden Ltd	21,762 sqm
---------------	------------

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	0%
	FY08	0%
	FY09	0%
	FY10	0%
	Beyond	100%

## 101 GRENFELL STREET

### LOCATION

Adelaide, SA

### DESCRIPTION

Strategically located in the CBD, close to the central shopping precinct and several major car parking stations. It comprises 12 levels of office space, a ground floor plaza area and basement parking.

### SUMMARY INFORMATION

Grade:	B Grade
Ownership:	100%
Area:	13,196 sqm
Acquisition Date:	December 1998
Valuation:	\$27,800,000
Valuation Date:	30 June 2004
Book Value:	\$27,952,000*
Capitalisation Rate:	9.50%
Discount Rate:	11.00%
Car Spaces:	43

### MAJOR TENANTS

Minister for Government Enterprises	11,701 sqm
-------------------------------------	------------

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	1%
	FY08	7%
	FY09	92%
	FY10	0%
	Beyond	0%

\* Sold post 31 Dec 2005

# COMMERCIAL



## MOJO BUILDING

### LOCATION

164 Grey Street, South Bank, Brisbane, QLD

### DESCRIPTION

This boutique office building is located in the developing fringe office market of South Bank. Over three levels, the building offers sensational views across the Brisbane River to the CBD.

### SUMMARY INFORMATION

Grade:	A Grade
Ownership:	100%
Area:	3,079 sqm
Acquisition Date:	June 2001
Valuation:	\$12,000,000
Valuation Date:	1 March 2005
Book Value:	\$12,000,000
Capitalisation Rate:	8.00%
Discount Rate:	9.75%
Car Spaces:	38

### MAJOR TENANTS

Mirvac Group	1,969 sqm
Mojo	1,016 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	33%
	FY08	67%
	FY09	0%
	FY10	0%
	Beyond	0%



## 189 GREY STREET

### LOCATION

South Bank, Brisbane, QLD

### DESCRIPTION

This new 12 storey commercial development was completed by Mirvac in February 2005. The building features extensive natural light, large efficient floor plates of 1,643 sqm, as well as spectacular river and city views. The South Bank precinct provides the benefits of the parklands, retail services and public transport.

### SUMMARY INFORMATION

Grade:	A Grade
Ownership:	100%
Area:	12,728 sqm
Acquisition Date:	February 2005
Valuation:	\$50,000,000
Valuation Date:	30 June 2005
Book Value:	\$50,000,000
Capitalisation Rate:	7.25%
Discount Rate:	9.50%
Car Spaces:	148

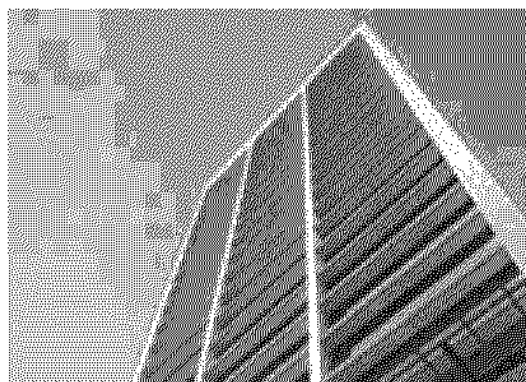
### MAJOR TENANTS

IAG	7,281 sqm
Thiess	4,658 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	0%
	FY08	2%
	FY09	0%
	FY10	4%
	Beyond	94%



# COMMERCIAL



## JOHN OXLEY CENTRE

**LOCATION**  
339 Coronation Drive, Brisbane, QLD

**DESCRIPTION**  
A modern commercial office building with ground and four upper levels constructed in 1989. The building is well located on Coronation Drive with views across the river to the CBD.

### SUMMARY INFORMATION

Grade:	B Grade
Ownership:	100%
Area:	13,174 sqm
Acquisition Date:	May 2002
Valuation:	\$43,000,000
Valuation Date:	30 June 2005
Book Value:	\$43,030,000
Capitalisation Rate:	8.00%
Discount Rate:	9.50%
Car Spaces:	306

### MAJOR TENANTS

Origin Energy	6,348 sqm
Australia Post	1,661 sqm

<b>LEASE EXPIRY PROFILE</b>	Vacant	1%
	MTM	1%
	FY06	3%
	FY07	48%
	FY08	11%
	FY09	15%
	FY10	13%
	Beyond	10%

## 127 CREEK STREET

**LOCATION**  
Brisbane, QLD

**DESCRIPTION**  
This property comprises a 26 storey office building with two levels of basement car parking. The building is strategically located between Adelaide and Ann Streets, close to Central Railway Station, Queen Street Mall and the financial heart of the CBD.

### SUMMARY INFORMATION

Grade:	B Grade
Ownership:	100%
Area:	18,408 sqm
Acquisition Date:	May 1998
Valuation:	\$48,000,000
Valuation Date:	30 June 2004
Book Value:	\$63,500,000
Capitalisation Rate:	8.25% - 8.50%
Discount Rate:	10.29%
Car Spaces:	123

### MAJOR TENANTS

Queensland Railways	4,895 sqm
Queensland State Govt	2,630 sqm

<b>LEASE EXPIRY PROFILE</b>	Vacant	0%
	MTM	1%
	FY06	4%
	FY07	25%
	FY08	31%
	FY09	21%
	FY10	6%
	Beyond	13%



## RETAIL

PROPERTY	LOCATION	AREA	VALUATION
Kawana Shoppingworld Nicklin Way	Buddina, QLD	29,792 sqm	\$175,000,000
Greenwood Plaza Pacific Highway	North Sydney, NSW	8,719 sqm	\$117,000,000
Metcentre 60 Margaret Street	Sydney, NSW	5,758 sqm	\$45,000,000
Waverley Gardens Police Road	Muirgrave, VIC	28,803 sqm	\$53,850,000
Como Centre Retail Cnr Toorak Road & Chapel Street	South Yarra, VIC	6,894 sqm	\$22,500,000
Stanhope Village (Stage 1) Sentry Drive	Stanhope Gardens, NSW	7,259 sqm	\$24,000,000
St Marys Village Centre Charles Hacket Drive	St Marys, NSW	16,170 sqm	\$43,000,000
Gippsland Centre 37-38 Cunninghame Street	Sale, VIC	23,310 sqm	\$45,000,000
Orange City Centre Cnr Anson Street & Summer Street	Orange, NSW	18,082 sqm	\$35,500,000
Hinkler Centres 16 Maryborough Street	Bundaberg, QLD	20,775 sqm	\$36,500,000
Bundaberg Plaza	Bundaberg, QLD	3,770 sqm	\$6,500,000
Blacktown Mega Centre Blacktown Road	Blacktown, NSW	25,287 sqm	\$40,000,000
Moonee Ponds Central Homer Street	Moonee Ponds, VIC	6,242 sqm	\$24,100,000
Ikon Retail Macleay Street	Potts Point, NSW	2,916 sqm	\$18,000,000
Peninsula Homemaker Centre Nepean Highway	Morrington, VIC	32,156sqm	\$56,600,000
Kwinana Hub Gilmore Avenue	Kwinana Town Centre, WA	17,336.80 sqm	n/a

RETAIL



**KAWANA SHOPPINGWORLD**

**LOCATION**

Nicklin Way, Buddina, QLD

**DESCRIPTION**

The centre comprises Woolworths, Big W, Bi-Lo and 102 specialty shops. Unique for a centre of this size is the 1,710 car spaces that are within a single-level parking format.

**SUMMARY INFORMATION**

Grade:	Sub Regional
Ownership:	100%
Area:	29,792 sqm
Acquisition Date:	Dec 93 (50%) Jun 98 (50%)
Valuation:	\$175,000,000
Valuation Date:	31 December 2005
Book Value:	\$175,000,000
Capitalisation Rate:	6.75%
Discount Rate:	8.75%
Centre MAT (as at 31 Dec 05):	\$213.9m
Car Spaces:	1,710

**MAJOR TENANTS**

Big W	8,383 sqm
Woolworths	3,654 sqm
Bi Lo	3,351 sqm

**LEASE EXPIRY PROFILE**

Vacant	0%
FY06	4%
FY07	4%
FY08	13%
FY09	7%
FY10	7%
Beyond	64%

**GREENWOOD PLAZA**

**LOCATION**

Pacific Highway, North Sydney, NSW

**DESCRIPTION**

Greenwood Plaza is a three level centre comprising 105 retail and service outlets. The ground level retail flows directly into North Sydney Railway Station.

**SUMMARY INFORMATION**

Grade:	CBD Retail
Ownership:	100%
Area:	8,719 sqm
Acquisition Date:	June 1994
Valuation:	\$117,000,000
Valuation Date:	30 June 2005
Book Value:	\$117,188,000
Capitalisation Rate:	7.00%
Discount Rate:	10.00%
Centre MAT (as at 31 Dec 05):	\$72.2m
Car Spaces:	n/a

**MAJOR TENANTS**

Greenwood Hotel	858 sqm
IGA Supermarket	713 sqm

**LEASE EXPIRY PROFILE**

Vacant	0%
FY06	12%
FY07	12%
FY08	27%
FY09	20%
FY10	14%
Beyond	15%



# RETAIL



## METCENTRE

**LOCATION**  
60 Margaret Street, Sydney, NSW

**DESCRIPTION**  
Metcentre was redeveloped in 2003 to provide additional shops along George and Margaret Streets, a new mall on level five and improvements to the food court.

### SUMMARY INFORMATION

Grade:	CBD Retail
Ownership:	50%
Area:	5,758 sqm
Acquisition Date:	August 1998
Valuation:	\$45,000,000
Valuation Date:	31 December 2005
Book Value:	\$45,000,000
Capitalisation Rate:	6.50%
Discount Rate:	8.50%
Centre MAT (as at 31 Dec 05):	\$30.4m
Car Spaces:	n/a

### MAJOR TENANTS

Priceline	680 sqm
Bay Swiss	539 sqm
Virgin	267 sqm

<b>LEASE EXPIRY PROFILE</b>	Vacant	0%
	FY06	0%
	FY07	20%
	FY08	20%
	FY09	19%
	FY10	20%
	Beyond	19%

## WAVERLEY GARDENS

**LOCATION**  
Police Road (corner Jacksons Road) Mulgrave, VIC

**DESCRIPTION**  
Waverley Gardens sits adjacent to Mirvac's Waverley Park residential development and the Monash freeway. A major upgrade and expansion was completed late 2005, with a second stage now under construction.

### SUMMARY INFORMATION

Grade:	Sub Regional
Ownership:	100%
Area:	28,803 sqm
Acquisition Date:	November 2002
Valuation:	\$53,850,000
Valuation Date:	30 April 2003
Book Value:	\$93,438,000
Capitalisation Rate:	10.00%
Discount Rate:	10.50%
Centre MAT (as at 31 Dec 05):	n/a
Car Spaces:	2,245

### MAJOR TENANTS

Safeway	3,509 sqm
Target	6,100 sqm
Coles	3,240 sqm

<b>LEASE EXPIRY PROFILE</b>	Vacant	0%
	FY06	3%
	FY07	23%
	FY08	6%
	FY09	1%
	FY10	12%
	Beyond	55%



## RETAIL



### COMO CENTRE RETAIL

#### LOCATION

Corner Toorak Road and Chapel Street, South Yarra, VIC

#### DESCRIPTION

The Como Centre is a mixed use office, retail and hotel complex, with the retail component comprising about 30 specialty shops. Located on the popular Chapel Street shopping strip.

#### SUMMARY INFORMATION

Grade:	CBD Retail
Ownership:	100%
Area:	6,894 sqm
Acquisition Date:	August 1998
Valuation:	\$22,500,000
Valuation Date:	30 June 2005
Book Value:	\$22,500,000
Capitalisation Rate:	9.00%
Discount Rate:	9.75%
Centre MAT (as at 31 Dec 05):	\$9.0m
Car Spaces:	n/a

#### MAJOR TENANTS

Palace Cinema	1,642 sqm
Napolean Cosmetics	508 sqm
Studio Italia	772 sqm

LEASE EXPIRY PROFILE	Vacant	11%
	FY06	6%
	FY07	6%
	FY08	17%
	FY09	12%
	FY10	17%
	Beyond	31%



### STANHOPE VILLAGE (STAGE 1)

#### LOCATION

Sentry Drive, Stanhope Gardens, NSW

#### DESCRIPTION

Developed by Mirvac, Stanhope Village opened in late 2003. The centre is anchored by a Coles Supermarket and comprises 21 specialty shops. An expansion of the centre is planned for late 2006.

#### SUMMARY INFORMATION

Grade:	Convenience Centre
Ownership:	100%
Area :	7,259 sqm
Acquisition Date:	November 2003
Valuation:	\$24,000,000
Valuation Date:	31 March 2004
Book Value:	\$28,000,000
Capitalisation Rate:	7.75%
Discount Rate:	10.25%
Centre MAT(as at 31 Dec 05):	\$47.3m
Percentage change:	130.10%
Car Spaces:	355

#### MAJOR TENANTS

Coles	3,629 sqm
-------	-----------

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	0%
	FY08	1%
	FY09	29%
	FY10	7%
	Beyond	58%



## RETAIL



### ST MARYS VILLAGE CENTRE

#### LOCATION

Charles Hacket Drive, St Marys, NSW

#### DESCRIPTION

A sub regional centre in Sydney's western suburbs, St Marys services an area extending between Penrith and Mt Druitt.

#### SUMMARY INFORMATION

Grade:	Sub Regional
Ownership:	100%
Area:	16,170 sqm
Acquisition Date:	January 2003
Valuation:	\$43,000,000
Valuation Date:	31 December 2005
Book Value:	\$43,000,000
Capitalisation Rate:	7.00%
Discount Rate:	9.25%
Centre MAT (as at 31 Dec 05):	\$81.6m
Car Spaces:	690

#### MAJOR TENANTS

Target	8,023 sqm
Woolworths	4,234 sqm

LEASE EXPIRY PROFILE	Vacant	1%
	FY06	2%
	FY07	5%
	FY08	7%
	FY09	2%
	FY10	3%
	Beyond	80%

### GIPPSLAND CENTRE

#### LOCATION

37-39 Cunninghame Street, Sale, VIC

#### DESCRIPTION

Located in the heart of Sale's CBD, the Gippsland Centre is a DDS based shopping centre with one level shopping, enhanced by on-grade parking.

#### SUMMARY INFORMATION

Grade:	Sub Regional
Ownership:	100%
Area:	23,310 sqm
Acquisition Date:	January 1994
Valuation:	\$45,000,000
Valuation Date:	30 June 2005
Book Value:	\$45,028,000
Capitalisation Rate:	7.75%
Discount Rate:	9.75%
Centre MAT (as at 31 Dec 05):	\$106.9m
Car Spaces:	1,062

#### MAJOR TENANTS

Target	7,778 sqm
Coles	3,388 sqm
Safeway	4,701 sqm

LEASE EXPIRY PROFILE	Vacant	1%
	FY06	3%
	FY07	4%
	FY08	9%
	FY09	1%
	FY10	40%
	Beyond	42%

## RETAIL



### ORANGE CITY CENTRE

#### LOCATION

Corner of Anson Street and Summer Street, Orange, NSW

#### DESCRIPTION

The dominant centre in the city of Orange and surrounding districts. The complex incorporates a two-level Myer, together with Big W, 38 specialty shops and undercover parking for 414 cars.

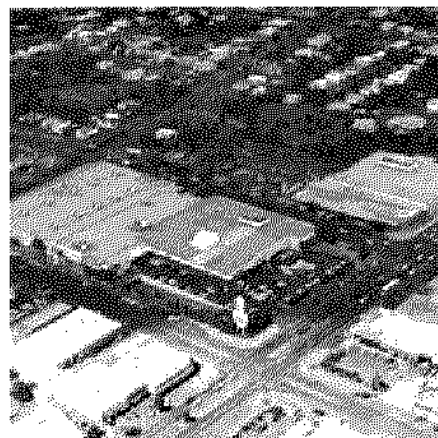
#### SUMMARY INFORMATION

Grade:	Sub Regional
Ownership:	100%
Area:	18,062 sqm
Acquisition Date:	April 1993
Valuation:	\$35,500,000
Valuation Date:	30 June 2004
Book Value:	\$36,000,000
Capitalisation Rate:	9.00%
Discount Rate:	10.25%
Centre MAT (as at 31 Dec 05):	\$72.0m
Car Spaces:	414

#### MAJOR TENANTS

Big W	7,221 sqm
Myer	6,858 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	40%
	FY07	7%
	FY08	2%
	FY09	2%
	FY10	5%
	Beyond	43%



### HINKLER CENTRES (EXISTING)

#### LOCATION

16 Maryborough Street, Bundaberg, QLD

#### DESCRIPTION

In the growing town of Bundaberg, this centre comprises two separate buildings, Hinkler Place and Hinkler Mail. Mirvac recently commenced redevelopment in 2005 to combine both centres into a single retail centre, with completion expected in 2006.

#### SUMMARY INFORMATION

Grade:	Sub Regional
Ownership:	100%
Area:	20,775
Acquisition Date:	August 2003
Valuation:	\$36,500,000
Valuation Date:	30 September 2003
Book Value:	\$37,632,000
Capitalisation Rate:	8.50%
Discount Rate:	10.00%
Centre MAT (as at 31 Dec 05):	n/a <sup>1</sup>
Car Spaces:	990

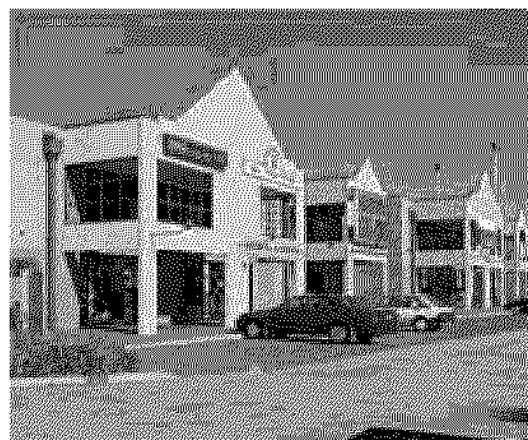
#### MAJOR TENANTS

Kmart <sup>1</sup>	6,810 sqm
Coles <sup>1</sup>	3,313 sqm
Woolworths <sup>1</sup>	3,548 sqm

<sup>1</sup> Under re-development



## RETAIL



### BUNDABERG PLAZA

#### LOCATION

Bundaberg, QLD

#### DESCRIPTION

The supermarket based centre is strategically located adjacent to Mirvac's Hinkler Centres. An Action Supermarket anchors the centre with specialty shops and parking for 236 cars.

#### SUMMARY INFORMATION

Grade:	Neighbourhood
Ownership:	100%
Area:	3,770 sqm
Acquisition Date:	September 2004
Valuation:	\$6,500,000
Valuation Date:	30 June 2005
Book Value:	\$6,500,000
Capitalisation Rate:	8.25%
Discount Rate:	9.25%
Centre MAT (as at 31 Dec 05):	\$23.2m
Car Spaces:	236

#### MAJOR TENANTS

Action Supermarket	2,645 sqm
--------------------	-----------

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	11%
	FY07	7%
	FY08	2%
	FY09	3%
	FY10	4%
	Beyond	73%

### BLACKTOWN MEGA CENTA

#### LOCATION

Blacktown Road, Blacktown, NSW

#### DESCRIPTION

Blacktown Mega Centa is located on the fringe of the Blacktown CBD and comprises a broad range of household and bulky goods stores aimed at servicing the growing region.

#### SUMMARY INFORMATION

Grade:	Bulky Goods Centre
Ownership:	100%
Area:	25,287 sqm
Acquisition Date:	June 2002
Valuation:	\$40,000,000
Valuation Date:	30 June 2005
Book Value:	\$40,067,000
Capitalisation Rate:	7.75%
Discount Rate:	9.25%
Centre MAT (as at 31 Dec 05):	n/a
Car Spaces:	546

#### MAJOR TENANTS

Bunnings	11,606 sqm
Harvey Norman	5,429 sqm

LEASE EXPIRY PROFILE	Vacant	2%
	FY06	3%
	FY07	5%
	FY08	7%
	FY09	3%
	FY10	8%
	Beyond	72%



## RETAIL



### MOONEE PONDS CENTRAL

#### LOCATION

Homer Street, Moonee Ponds, VIC

#### DESCRIPTION

Moonee Ponds Central is a convenience based neighbourhood shopping centre anchored by a Coles supermarket. The centre is less than 7km north of the Melbourne CBD.

#### SUMMARY INFORMATION

Grade:	Convenience Centre
Ownership:	100%
Area:	6,242 sqm
Acquisition Date:	May 2003
Valuation:	\$24,100,000
Valuation Date:	30 June 2003
Book Value:	\$24,500,000
Capitalisation Rate:	8.00%
Discount Rate:	10.00%
Centre MAT (as at 31 Dec 05):	\$54.2m
Car Spaces:	414

#### MAJOR TENANTS

Coles	4,000 sqm
-------	-----------

LEASE EXPIRY PROFILE	Vacant	3%
	FY06	4%
	FY07	0%
	FY08	2%
	FY09	13%
	FY10	8%
	Beyond	70%



### IKON RETAIL

#### LOCATION

Macleay Street, Potts Point, Sydney, NSW

#### DESCRIPTION

The convenience centre is well located in the heart of Potts Point, Sydney. It is anchored by a Woolworths supermarket and seven specialty shops.

#### SUMMARY INFORMATION

Grade:	Convenience Centre
Ownership:	100%
Area:	2,916 sqm
Acquisition Date:	May 2004
Valuation:	\$18,000,000
Valuation Date:	30 June 2005
Book Value:	\$18,000,000*
Capitalisation Rate:	6.75%
Discount Rate:	9.00%
Centre MAT (as at 31 Dec 05):	n/a
Car Spaces:	12

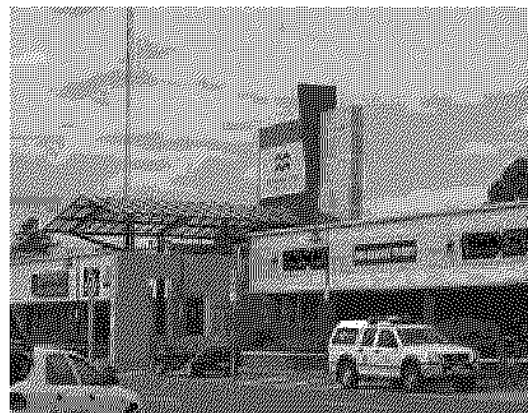
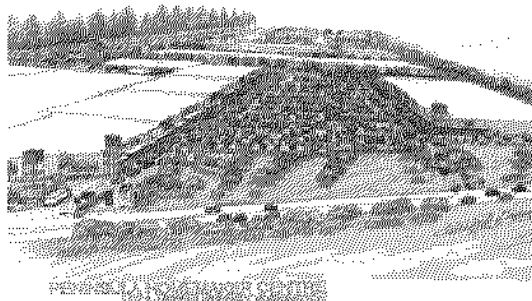
#### MAJOR TENANTS

Woolworths	2,000 sqm
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LEASE EXPIRY PROFILE	Vacant	4%
	FY06	0%
	FY07	0%
	FY08	4%
	FY09	0%
	FY10	7%
	Beyond	85%

\* Sold post 31 Dec 2005

# RETAIL



## PENINSULA HOMEMAKER CENTRE

### LOCATION

Nepean Highway, Mornington, VIC

### DESCRIPTION

This site will be home to a 32,000 sqm bulky goods facility, which was acquired in June 2005.

### SUMMARY INFORMATION

Grade:	Bulky Goods
Ownership:	100%
Area:	32,156 sqm
Acquisition Date:	June 2004
Valuation:	\$56,600,000
Valuation Date:	30 June 2005
Book Value:	\$56,636,000
Capitalisation Rate:	7.75%
Discount Rate:	9.25%
Centre MAT (as at 31 Dec 05):	n/a
Car Spaces:	n/a

### MAJOR TENANTS

Betta Electrical	3,203 sqm
------------------	-----------

### LEASE EXPIRY PROFILE

Vacant	0%
FY06	0%
FY07	0%
FY08	0%
FY09	0%
FY10	25%
Beyond	75%

## KWINANA HUB

### LOCATION

Gilmore Avenue, Kwinana Town Centre, WA

### DESCRIPTION

The site is well located in the town centre with major supermarkets as anchor tenants and specialty shops. Mirvac plans to undertake a redevelopment of the centre in the future.

### SUMMARY INFORMATION

Grade:	Subregional
Ownership:	100%
Area:	17,336.60 sqm
Acquisition Date:	September 2005
Valuation:	n/a
Valuation Date:	n/a
Book Value:	\$27,210,000
Capitalisation Rate:	n/a
Discount Rate:	n/a
Centre MAT (as at 31 Dec 05):	n/a

### MAJOR TENANTS

Woolworths	3,541 sqm
Coles	2,670 sqm
Best & Less	1,696 sqm

### LEASE EXPIRY PROFILE

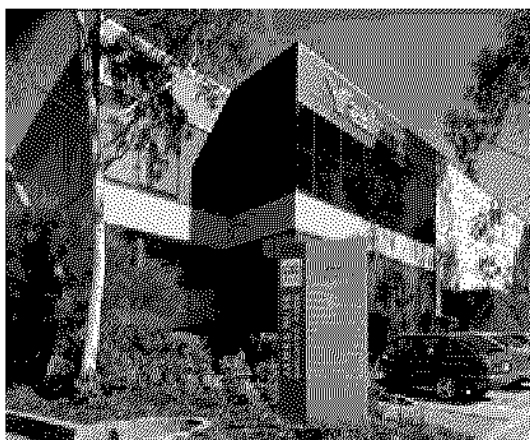
Vacant	0%
FY06	3%
FY07	25%
FY08	10%
FY09	3%
FY10	16%
Beyond	45%



## INDUSTRIAL

PROPERTY	LOCATION	AREA	VALUATION
James Ruse Business Park 6 Boundary Road	Northmead, NSW	26,481 sqm	\$29,200,000
Scrivener Street 20-30 Scrivener Street	Warwick Farm, NSW	31,371 sqm	\$21,000,000
North Ryde 271 Lane Cove Road	North Ryde, NSW	11,516 sqm	\$25,000,000
Smithfield 1-47 Percival Street	Smithfield, NSW	21,492 sqm	\$20,500,000
44 Biloela Street	Villawood, NSW	15,839 sqm	\$17,300,000
64 Biloela Street	Villawood, NSW	22,937 sqm	\$22,000,000
Hawdon Industry Park 4 Abbots Road & 333-343 Frankston Road	Dandenong, VIC	20,835 sqm	\$12,200,000
Mulgrave Business Park 18-20 Compark Circuit, 30-32 Compark Circuit & 253 Wellington Road	Mulgrave, VIC	9,532 sqm	\$23,850,000
Como Centre Car Park Chapel Street	South Yarra, VIC	n/a	\$19,800,000
Quay West Car Park 109-111 Harrington Street	Sydney, NSW	n/a	\$41,600,000
Riverside Quay Car Park Cnr Riverside Quay & Southbank Boulevard	Melbourne, VIC	n/a	\$17,700,000

## INDUSTRIAL



### JAMES RUSE BUSINESS PARK

#### LOCATION

6 Boundary Road, Northmead, NSW

#### DESCRIPTION

A modern multi-tenanted office/warehouse estate comprising five separate industrial buildings situated on the north-western side of Boundary Road.

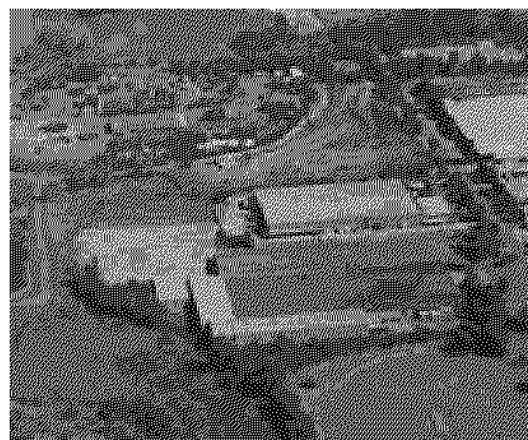
#### PROPERTY DETAILS

Ownership:	100%
Area:	26,481 sqm
Acquisition Date:	July 1994
Valuation:	\$29,200,000
Valuation Date:	30 June 2005
Book Value:	\$29,255,000
Capitalisation Rate:	8.00%
Discount Rate:	9.50%

#### MAJOR TENANTS

Brambles	9,764 sqm
KCI Medical	1,820 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	3%
	FY07	57%
	FY08	14%
	FY09	11%
	FY10	14%
	Beyond	0%



### SCRIVENER STREET

#### LOCATION

20-30 Scrivener Street, Warwick Farm, NSW

#### DESCRIPTION

The property, in the Warwick Farm industrial precinct, comprises a mixture of both modern and older style warehouse/office accommodation in three individual lettable areas.

#### PROPERTY DETAILS

Ownership:	100%
Area:	31,371 sqm
Acquisition Date:	December 1993
Valuation:	\$21,000,000
Valuation Date:	30 June 2004
Book Value:	\$21,000,000
Capitalisation Rate:	9.50%
Discount Rate:	10.50%

#### MAJOR TENANTS

Fantastic Furniture	21,377 sqm
Pacific Brands	9,994 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	68%
	FY08	0%
	FY09	0%
	FY10	0%
	Beyond	32%

## INDUSTRIAL



### NORTH RYDE

#### LOCATION

271 Lane Cove Road, North Ryde, NSW

#### DESCRIPTION

The property is situated on the south-western corner of Lane Cove Road and Waterloo Road. The existing improvements consist of two free-standing commercial/industrial buildings. This property is held as a future re-development project.

#### PROPERTY DETAILS

Ownership:	100%
Area:	11,516 sqm
Acquisition Date:	April 2000
Valuation:	\$25,000,000
Valuation Date:	1 March 2004
Book Value:	\$25,000,000
Capitalisation Rate:	8.00%
Discount Rate:	10.00%

#### MAJOR TENANTS

Foxtel	6,718 sqm
Thriess/John Holland	3,355 sqm

LEASE EXPIRY PROFILE	Vacant	13%
	FY06	0%
	FY07	29%
	FY08	0%
	FY09	0%
	FY10	0%
	Beyond	58%



### SMITHFIELD

#### LOCATION

1-47 Percival Street, Smithfield, NSW

#### DESCRIPTION

This property fronts the Cumberland Highway at Smithfield and provides direct access to the M4 Motorway. The site provides users with functional and flexible accommodation. A new office/warehouse was designed and constructed for Sandvik in 2003.

#### PROPERTY DETAILS

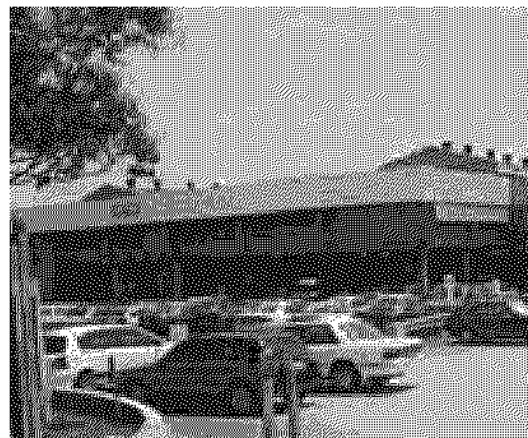
Ownership:	100%
Area:	21,432 sqm
Acquisition Date:	November 2002
Valuation:	\$20,500,000
Valuation Date:	30 June 2004
Book Value:	\$21,845,000
Capitalisation Rate:	8.00% - 9.00%
Discount Rate:	10.00% - 10.25%

#### MAJOR TENANTS

Sandvik Australia	15,976 sqm
Tyco	5,455 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	0%
	FY07	19%
	FY08	0%
	FY09	0%
	FY10	0%
	Beyond	81%

## INDUSTRIAL



### 44 BILOELA STREET VILLAWOOD

**LOCATION**

Villawood, NSW

**DESCRIPTION**

The property includes a total building area of 15,839 sqm, made up of prime high clearance warehouse and office space. There is potential to extend the warehouse by up to 3,000 sqm.

**PROPERTY DETAILS**

Ownership:	100%
Area:	15,839 sqm
Acquisition Date:	September 2003
Valuation:	\$17,300,000
Valuation Date:	30 September 2003
Book Value:	\$17,656,000
Capitalisation Rate:	8.75%
Discount Rate:	10.25%

**MAJOR TENANTS**

First Fleet	15,839 sqm
-------------	------------

<b>LEASE EXPIRY PROFILE</b>	Vacant	0%
	FY06	0%
	FY07	0%
	FY08	0%
	FY09	100%
	FY10	0%
	Beyond	0%

### 64 BILOELA STREET VILLAWOOD

**LOCATION**

Villawood, NSW

**DESCRIPTION**

Major tenant Visy Industrial Plastics, occupies an existing office/warehouse building of 15,882 sqm. A 7,055 sqm high clearance warehouse will be developed for Visy.

**PROPERTY DETAILS**

Ownership:	100%
Area:	22,937 sqm
Acquisition Date:	February 2004
Valuation:	\$22,000,000
Valuation Date:	31 March 2004
Book Value:	\$22,042,000
Capitalisation Rate:	8.50%
Discount Rate:	10.00%

**MAJOR TENANTS**

Visy	22,937 sqm
------	------------

<b>LEASE EXPIRY PROFILE</b>	Vacant	0%
	FY06	0%
	FY07	0%
	FY08	0%
	FY09	0%
	FY10	0%
	Beyond	100%



## INDUSTRIAL



### HAWDON INDUSTRY PARK

#### LOCATION

4 Abbots Road and 333-343 Frankston Road, Dandenong, VIC

#### DESCRIPTION

This modern estate comprises four separate office and warehouse buildings and is fully leased with lease terms ranging from three to seven years.

#### PROPERTY DETAILS

Ownership:	100%
Area:	20,635 sqm
Acquisition Date:	January 2004
Valuation:	\$12,200,000
Valuation Date:	31 March 2004
Book Value:	\$12,510,000
Capitalisation Rate:	9.75%
Discount Rate:	10.75%

#### MAJOR TENANTS

CSR	5,852 sqm
Toy Kingdom	5,759 sqm

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	28%
	FY07	21%
	FY08	24%
	FY09	0%
	FY10	0%
	Beyond	28%

## INDUSTRIAL



### MULGRAVE BUSINESS PARK

#### LOCATION

18-20 Compark Circuit, 30-32 Compark Circuit & 253 Wellington Road, Mulgrave, VIC

#### DESCRIPTION

This site comprises three modern office buildings ranging from two to three storeys with car parking.

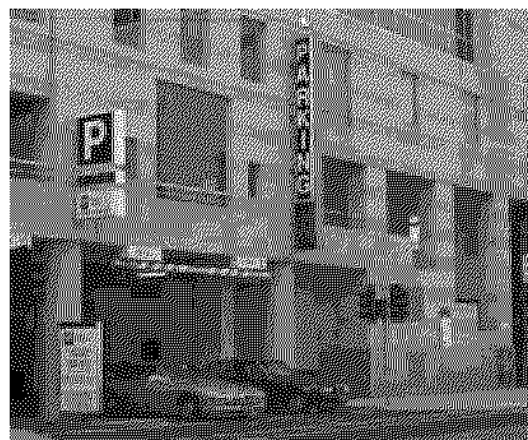
#### PROPERTY DETAILS

Ownership:	100%
Area:	9,532 sqm
Acquisition Date:	August 2001 (1 & 2) & January 2003 (3)
Valuation:	\$23,850,000
Valuation Date:	30 June 2004
Book Value:	\$23,940,000
Capitalisation Rate:	8.00%-8.25%
Discount Rate:	9.25%
Car Spaces:	379

#### MAJOR TENANTS

National Foods	3,704.9 sqm
----------------	-------------

LEASE EXPIRY PROFILE	Vacant	0%
	FY06	25%
	FY07	0%
	FY08	36%
	FY09	0%
	FY10	0%
	Beyond	39%



### COMO CENTRE CAR PARK

#### LOCATION

Chapel Street, South Yarra, VIC

#### DESCRIPTION

A multi-level car park comprising 621 spaces servicing the Como Centre complex including office, hotel, cinemas and retail.

#### PROPERTY DETAILS

Ownership:	100%
Acquisition Date:	August 1998
Valuation:	\$19,800,000
Valuation Date:	30 June 2005
Book Value:	\$19,814,000
Capitalisation Rate:	8.25%
Discount Rate:	11.00%
Number of Bays	621

#### MAJOR TENANTS

Mirvac Parking
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## INDUSTRIAL



### QUAY WEST CAR PARK

#### LOCATION

109-111 Harrington Street, Sydney, NSW

#### DESCRIPTION

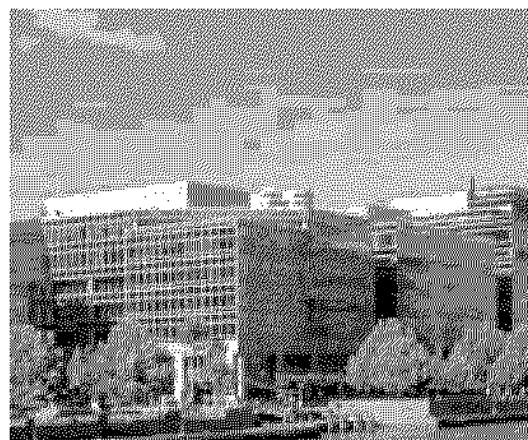
An eight level commercial car park comprising 600 spaces located under Quay West Suites in the Rocks area. Close to the financial district of the CBD and several five star hotels. Three retail outlets are also included.

#### PROPERTY DETAILS

Ownership:	100%
Acquisition Date:	November 1989
Valuation:	\$41,600,000
Valuation Date:	30 June 2003
Book Value:	\$42,023,000
Capitalisation Rate:	8.50%
Discount Rate:	10.75%
Number of Bays:	600

#### MAJOR TENANTS

Mirvac Parking



### RIVERSIDE QUAY CAR PARK

#### LOCATION

Cnr Riverside Quay & Southbank Boulevard, Melbourne, VIC

#### DESCRIPTION

A modern commercial office complex built as three separate buildings together with 164 basement car spaces. A separate building at the rear incorporates a 560-space car park.

#### PROPERTY DETAILS

Ownership:	100%
Acquisition Date:	April 2002
Valuation:	\$17,700,000
Valuation Date:	30 June 2005
Book Value:	\$17,914,000
Capitalisation Rate:	8.00%
Discount Rate:	11.00%
Number of Bays:	560

#### MAJOR TENANTS

Mirvac Parking

## CAR PARK

Mirvac Parking operates the following car parks under management:

NAME	TYPE	LOCATION	SPACES	INVESTMENT OWNERSHIP
Quay West	Commercial	Sydney	600	100% Owned
Westfield	Retail	Chatswood	2,800	Managed
Westfield	Retail	Parramatta	4,650	Managed
Westfield	Retail	Burwood	3,100	Managed
Westfield	Retail	Hornsby	3,570	Managed
Westfield	Retail	Liverpool	3,600	Managed
Westfield	Retail	Penrith	3,500	Managed
Westfield	Retail	Woden	2,525	Managed
Optus Centre	Commercial / Retail	North Sydney	534	100% Owned
Marriott Hotel	Hotel	Sydney	230	100% Owned*
Chatswood Chase	Retail	Chatswood	2,330	Managed
67 Albert Ave	Commercial	Chatswood	204	100% Owned
60 Margaret St	Commercial	Sydney	141	50% Owned
AMP	Retail	Warringah	4,460	Managed
QVB	Commercial / Retail	Sydney	660	Managed
The Comc Centre	Commercial / Retail	Melbourne	621	100% Owned
Riverside Quay	Commercial	Melbourne	560	100% Owned
<b>TOTAL</b>			<b>34,085</b>	

\* Owned by Hotel Division

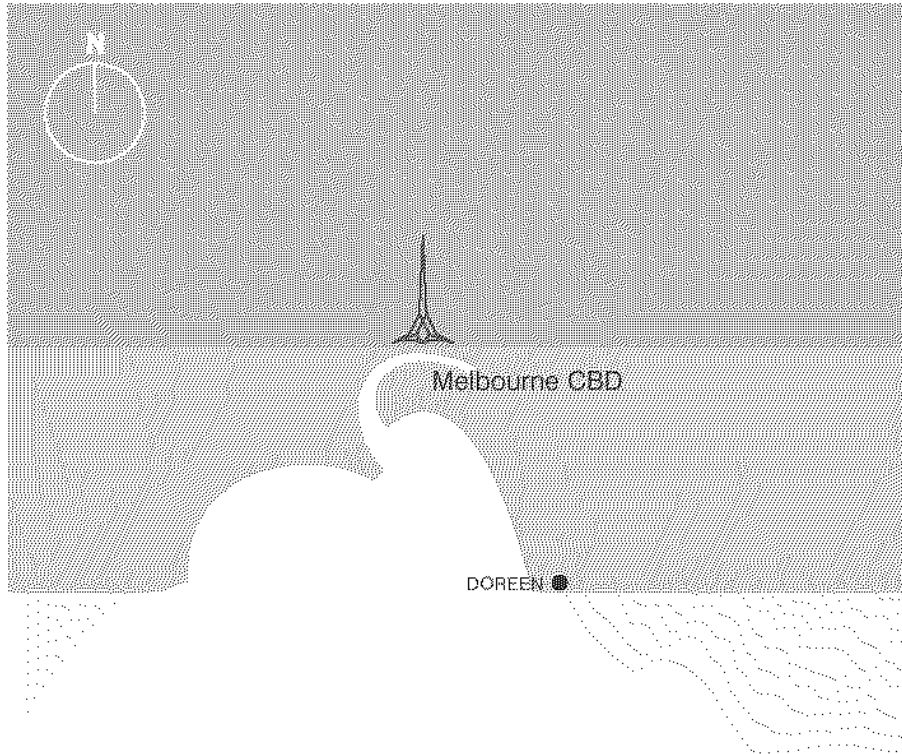




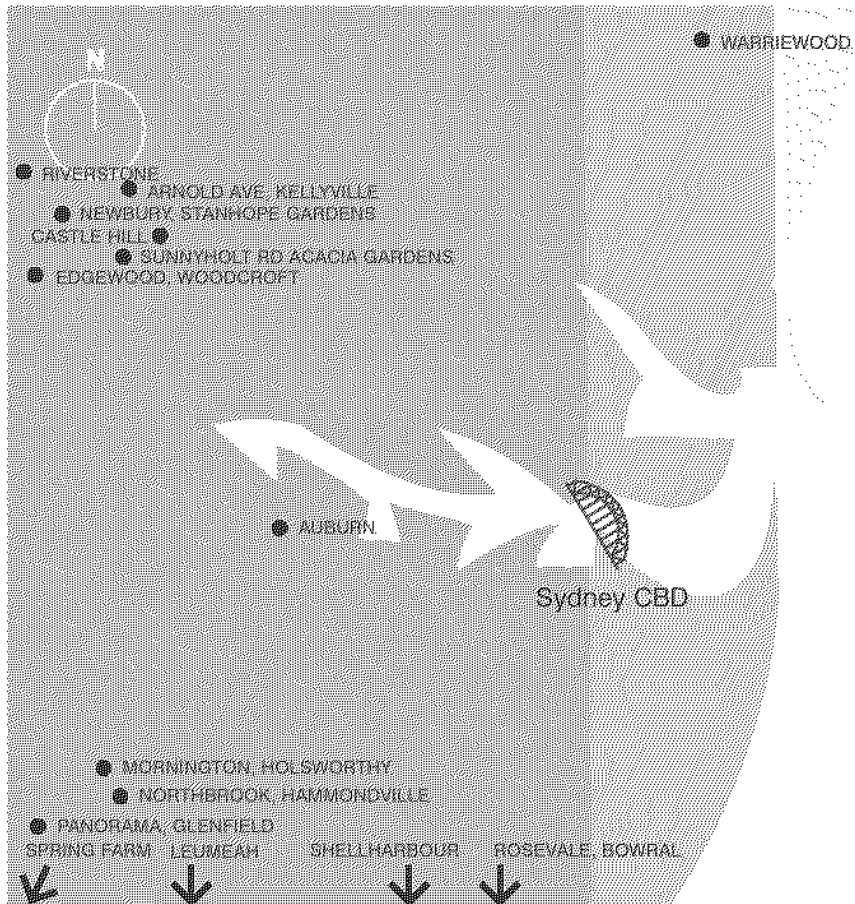
## DEVELOPMENT

HOMES  
NEW SOUTH WALES  
QUEENSLAND  
VICTORIA (INCLUDES SOUTH AUST.)  
WESTERN AUSTRALIA  
NON RESIDENTIAL

RESIDENTIAL - HOMES



VIC HOMES



NSW HOMES

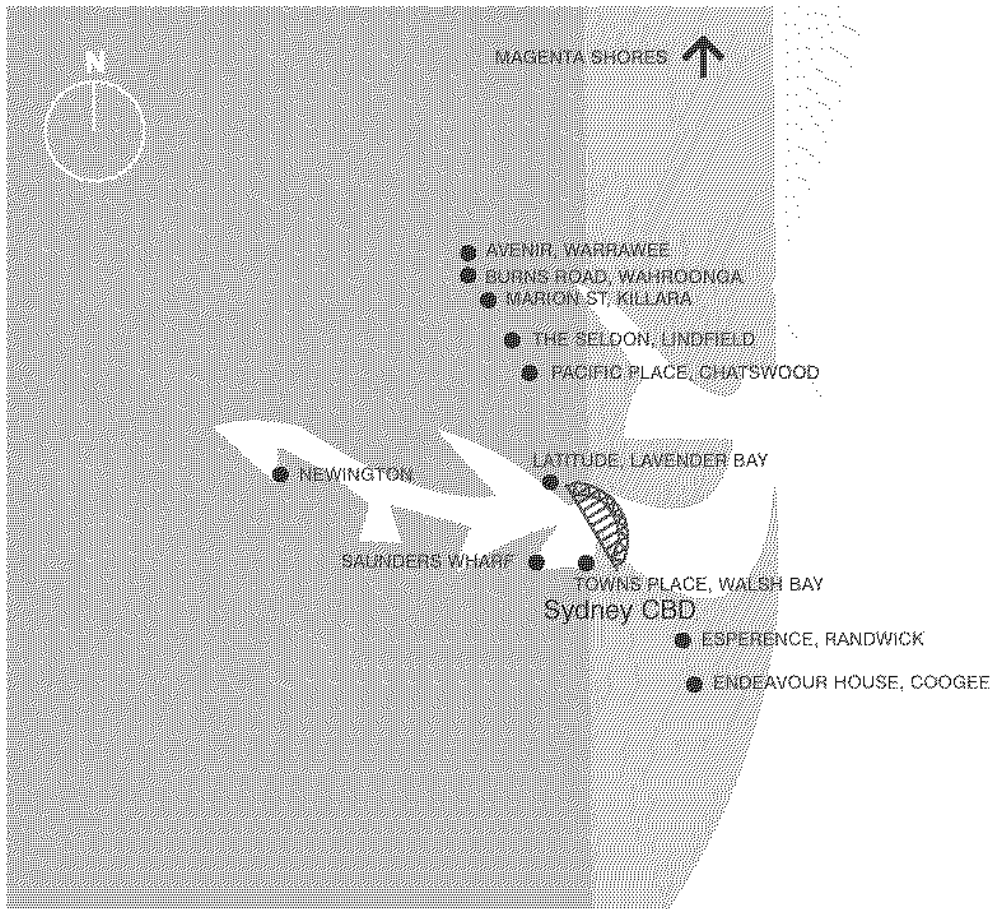


# RESIDENTIAL - HOMES

PROPERTY/ ACQUISITION DATE	LOCATION	TOTAL PROJECT VALUE \$M	TOTAL LOTS	EXCHANGED	SETTLED	RELEASED	PROJECT PERIOD	CURRENT PRICE RANGE	DESCRIPTION
Panorama (Jun 2001)	Glenfield	270	615	3	3	105	2001- 2008	\$290,000- \$510,000	Mix of integrated lifestyle and retail lots, ranging from attached terraces to 600 sqm lots
Rosevale (Jun 2001)	Bowral	12	27	6	6	27	2001- 2005	\$525,000- \$590,000	Single storey, three bedroom product
Newbury Estate (Dec 1999)	Stanhope	420	1,781	828	783	993	1999- 2007	\$250,000- \$520,000	Mix of integrated lifestyle and retail lots, ranging from attached terraces to 600 sqm lots
Edgewood (Apr 2003)	Woodcroft	118	388	36	-	97	2003- 2006	\$275,000- \$365,000	Mix of integrated and retail lots
Sunnyholt Rd (Dec 2003)	Acacia Gardens	50	116	-	-	43	2003- 2006	\$395,000- \$450,000	Lifestyle estate comprising attached 120 sqm to 150 sqm product and detached 180 sqm four bedroom product
Auburn (Oct 2003)	Auburn	130	260	-	-	-	2003- 2005	\$340,000- \$675,000	Lifestyle estate with attached two bedroom product and detached four bedroom product
Arnold Ave (Jun 2002)	Kellyville	4	1	-	-	-	2002- 2005	\$3.5m- \$4m	Retail lots 1x lot - sale of school site
Northbrook (Jul 2003)	Hammondville	38	106	2	-	32	2003- 2006	\$355,000- \$675,000	Lifestyle estate comprising detached homes
Mornington (Feb 2003)	Holsworthy	93	255	30	-	73	2004- 2007	\$355,000- \$370,000	Mix of integrated lifestyle attached homes
Castle Hill (Jun 2002)	Castle Hill	50	63	-	-	Yet to be released	2002- 2006	\$795,000- \$995,000	Lifestyle estate comprising detached homes
Riverstone (Sep 2003)	Riverstone	61	202	-	-	Yet to be released	2003- 2008	\$295,000	Retail lots
Spring Farm (May 2001)	Spring Farm	162	459	-	-	Yet to be released	2006- 2009	\$260,000- \$440,000	Mix of integrated lifestyle and retail lots, ranging from attached terraces to 600 sqm lots
WarriewoodA (Apr 2003)	Warriewood	19	26	-	-	Yet to be released	2003- 2007	\$700,000- \$760,000	Detached homes from 160 sqm to 200 sqm
WarriewoodB (Jul 2003)	Warriewood	40	61	-	-	Yet to be released	2003- 2006	\$650,000- \$735,000	Detached homes from 160 sqm to 200 sqm
Leumeah (2005)	Leumeah	32	92	-	-	Yet to be released	2006- 2008	\$325,000- \$395,000	Attached and detached homes
Shellharbour (2005)	Shellharbour	13	42	-	-	Yet to be released	2005- 2007	\$285,000- \$375,000	Attached and detached homes
Victor Harbour (Apr 2005)	Victor Harbour, SA	109	700	-	-	Yet to be released	2005- 2013	\$130,000- \$190,000	Residential with traditional courtyard villas and integrated housing lots.
Bridge Inn Road	Doreen, VIC	165	550	-	-	Yet to be released	2005- 2011	\$128,000- \$178,000	Mix of integrated lifestyle and retail lots.



# RESIDENTIAL - NEW SOUTH WALES



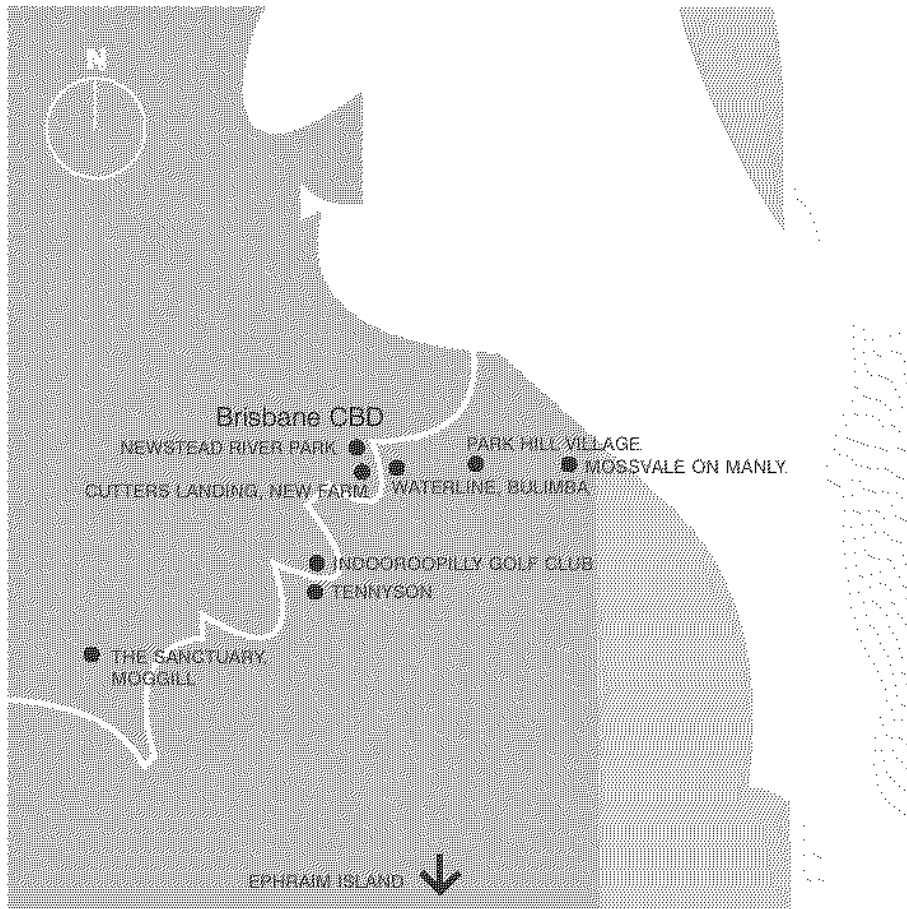
## RESIDENTIAL - NEW SOUTH WALES

PROPERTY/ ACQUISITION DATE	LOCATION	TOTAL PROJECT VALUE \$M	TOTAL LOTS	EXCHANGED	SETTLED	RELEASED	PROJECT PERIOD	CURRENT PRICE RANGE	DESCRIPTION
Newington* (1996)	Newington	1,000	1,900	1,668	1,645	1,727	1997- 2008	\$430,000- \$750,000	Houses and apartments
Towns Place* (Sept 1997)	Walsh Bay	100	65	41	-	65	2004- 2006	\$845,000- \$3.7m	Luxury apartment building, part of Walsh Bay mixed development
Epica (Aug 1998)	Chatswood	170	228	223	222	228	2003- 2006	\$800,000- \$900,000	High rise apartment building - only 2 bed apartments available
Latitude (Jun 2004)	Lavender Bay	184	117	94	-	117	2005- 2007	\$480,000- \$4.9m	High rise apartment building
Esperence (June 2003)	Randwick	122	80	22	16	45	2003- 2008	\$1.1m- \$1.9m	Luxury homes and terraces
Avenir (Oct 2001)	Warravee	46	50	1	-	50	2004- 2006	\$525,000- \$1.3m	Spacious apartments designed for empty nesters
The Seldon (Mar 2004)	Lindfield	104	74	32	-	74	2005- 2006	\$775,000- \$2.2m	Spacious apartments designed for empty nesters
Marian Street (Jun 2003)	Killara	85	60	-	-	Yet to be released	2006- 2007	tba	Spacious apartments designed for empty nesters
Saunders Wharf (Dec 2002)	Pymont	80	33	-	-	Yet to be released	2004- 2006	tba	Luxury waterfront apartments designed for owner-occupiers
Building H (Aug 1996)	Chatswood	90	132	-	-	Yet to be released	2006- 2008	tba	High rise apartment building
Magenta Shores (Oct 2001)	North Entrance	530	511	-	-	Yet to be released	2004- 2010	tba	Quay West resort complex and golf course estate, houses and villas
Burns Road (Nov 2002)	Wahroonga	29	17	-	-	Yet to be released	2005- 2007	tba	Housing
Endeavour House (Apr 2003)	Coogee	252	124	-	-	Yet to be released	2008- 2011	tba	Housing

\* Joint Ventures



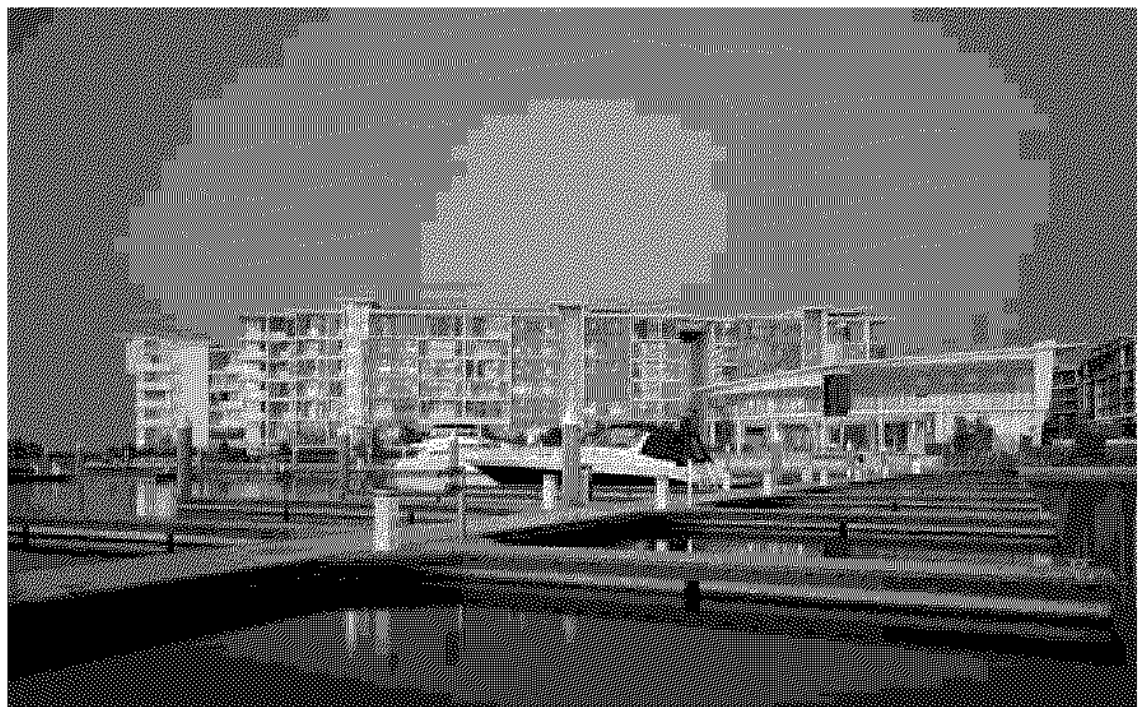
RESIDENTIAL - QUEENSLAND



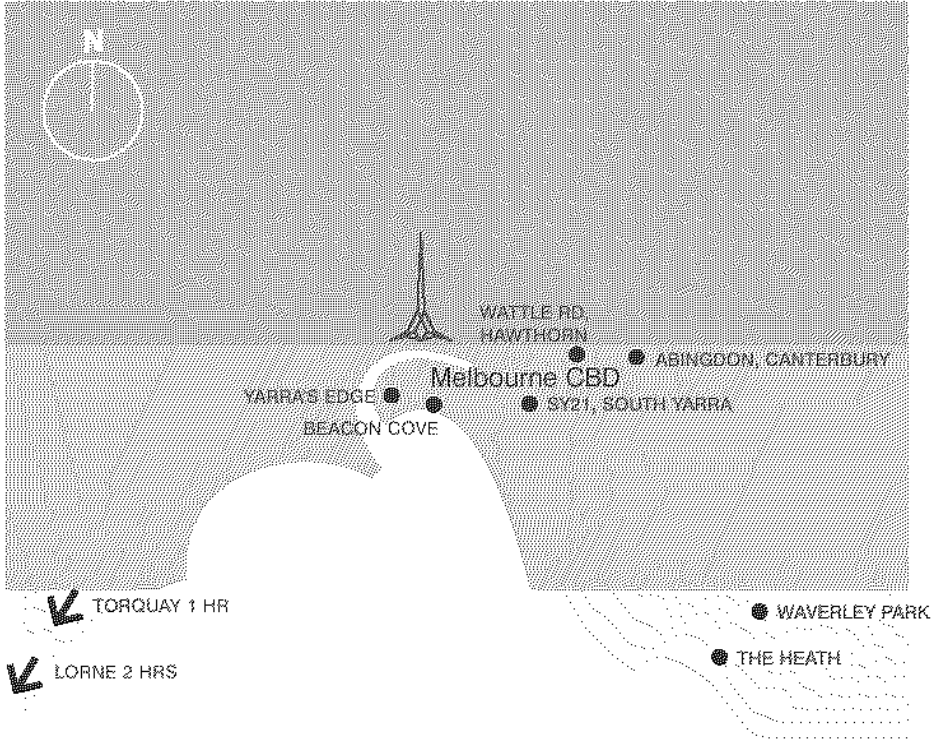
RESIDENTIAL - QUEENSLAND

PROPERTY	LOCATION	TOTAL PROJECT VALUE \$M	TOTAL LOTS	EXCHANGED	SETTLED	RELEASED	PROJECT PERIOD	CURRENT PRICE RANGE	DESCRIPTION
Cutters Landing (2000)	Brisbane	36	34	34	34	34	2004-2006	\$875,000-\$1.7m	Homes near Brisbane River
Mossvale on Manly (Mar 2001)	Manly	187	502	186	165	198	2003-2011	\$469,000-\$595,000	Family homes and land only lots
Waterline* (Jul 2002)	Bulimba	135	142	74	67	98	2004-2008	\$499,500-\$3.2m	Attached and detached homes and apartments
Ephraim Island* (Nov 2002)	Gold Coast	545	363	346	133	410	2003-2010	\$720,000-\$4.2m	Apartments, villas, houses and marina berths
Park Hill Village* (Nov 2000)	Brisbane	86	261	202	149	229	2002-2007	\$382,500-\$565,000	Small lot homes, townhouses and vacant land
The Sanctuary on Moggill (Sep 2004)	Moggill	86	358	-	-	Yet to be released	2005-2013	\$181,000-\$231,000	Moggill land sales and contract housing
Newstead River Park (Jul 2001)	Brisbane	625	643	-	-	Yet to be released	2003-2012	\$528,000-\$4.0m+	Mix of apartments on and near Brisbane River
Indooroopilly Golf Club (Oct 2004)	Indooroopilly	430	265	-	-	Yet to be released	2007-2013	\$800,000-\$3.0m+	Awaiting approvals/apartments
Tennyson Riverside development (Jun 2005)	Brisbane	485	385	-	-	Yet to be released	2006-2012	\$675,000-\$3.5m+	Apartments and state tennis centre/awaiting approval

\* Joint Ventures



RESIDENTIAL - VICTORIA



## RESIDENTIAL - VICTORIA (includes Playford Waters, South Australia)

PROPERTY	LOCATION	TOTAL PROJECT VALUE \$M	TOTAL LOTS	EXCHANGED	SETTLED	RELEASED	PROJECT PERIOD	CURRENT PRICE RANGE	DESCRIPTION
Waverley Park (Dec 2001)	Mulgrave	640	1,500	81	241	393	2002-2014	Houses/Terraces \$357,000-\$615,000 Land \$225,000-\$335,000	Housing, land and apartment project
The Heath (Jun 1999)	Heatherton	200	507	35	456	508	1999-2006	\$399,000-\$586,000	Large family homes
Abingdon (Dec 2002)	Canterbury	57	64	-	8	64	2004-2006	\$550,000-\$2.0m	Luxury apartments for empty nesters
Lorne Chalet (Mar 2003)	Lorne	35	42	21	-	42	2003-2006	\$550,000-\$1.5m	Apartments in coastal holiday town
Beacon Cove <sup>2</sup> (1995-Site)	Port Melbourne	130	108	17	87	108	2004-2006 <sup>2</sup>	\$435,000-\$4.5m	Final stage of bay-side development
Yarra's Edge - T5 <sup>3</sup> (Mar 2002)	Docklands	196	191	28	138	191	2002-2006	\$475,000-\$3.5m	Luxury high rise apartment tower
Coast @ The Sands (Jan 2004)	Torquay	57	124	22	44	94	2004-2008	\$360,000-\$510,000	Golf Course estate in Torquay
SY21 - Malcolm (May 1997)	South Yarra	48	96	-	94	96	2000-2005	\$375,000-\$1.2m	Apartments in inner ring suburb of South Yarra
Playford Waters <sup>1</sup> (May 2005)	Smithfield, SA	23	281	3	14	50	2005-2008	\$80,000	Land subdivision
Hawthorn (Mar 2004)	Hawthorn	46	52	-	-	Yet to be released	2004-2008	\$500,000-\$1.4m	Luxury apartments in inner eastern suburb

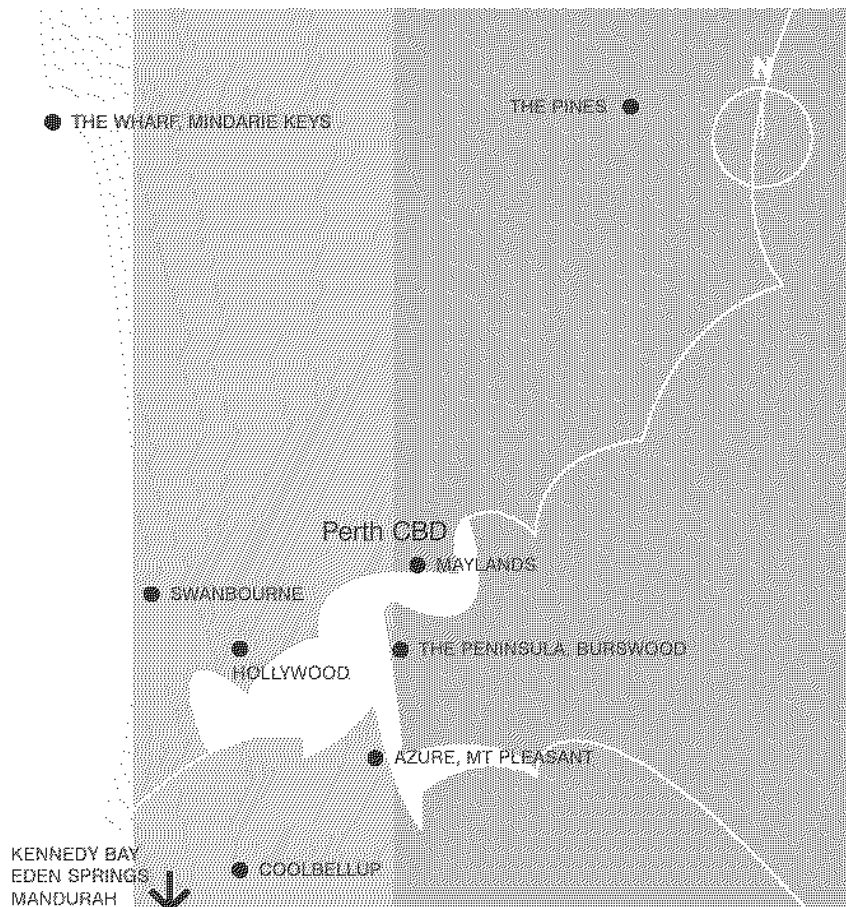
1 Joint Venture

2 Stage 8 Beacon Cove

3 Future stages of Yarra's Edge encompassing 850 - 1100 dwellings are planned to be completed from 2007 to 2015



# RESIDENTIAL - WESTERN AUSTRALIA



# RESIDENTIAL - WESTERN AUSTRALIA

PROPERTY/ ACQUISITION DATE	LOCATION	TOTAL PROJECT VALUE \$M	TOTAL LOTS	EXCHANGE/ RELEASED	SETTLED	RELEASED	PROJECT PERIOD	CURRENT PRICE RANGE	DESCRIPTION
Azure Apartments (Jan 2003)	Mt Pleasant	33	40	37	35	40	Completion 2005	\$500,000- \$1.1m	Luxury apartments on Canning River
Quay West Resort Bunker Bay* (Nov 2001)	Bunker Bay, Margaret River	61	153	101	98	153	Completed in 2004	\$250,000- \$825,000	153 self contained luxury villas within Resort
Mindarie Keys* (1998)	Mindarie	247	1,543	1,436	1436	1,436	1996- 2007	\$215,000- \$4m	Land subdivision north of Perth
<b>PENINSULA DEVELOPMENT*</b>									
Allegro*	Burswood	61	87	76	-	77	Completion 2006	\$385,000- \$2.25m	First apartment tower at The Peninsula
Axis*	Burswood	86	116	94	-	103	Completion 2007	\$475,000- \$2.3m	Second apartment tower at The Peninsula
Aqua*	Burswood	72	89	-	-	Yet to be released	2006- 2008	\$485,000- \$2.6m	Third apartment tower at The Peninsula
Lot 23*	Burswood	40	26	-	-	Yet to be released	2006- 2008	\$1.1m- \$2.2m	Golf course low rise apartments
Lot 18	Burswood	15	24	-	-	Yet to be released	2006- 2008	\$390,000- \$850,000	Mid rise Apartments
Peninsula Housing*	Burswood	39	62	25	13	25	2006	\$690,000- \$1.1m	Luxury housing
<b>TOTAL PENINSULA DEVELOPMENT* (Feb 2003)</b>	Burswood	860	1008	195	13	205	2002- 2015	Various	Fully planned and integrated riverfront suburb 2 kms from Perth CBD
Mandurah Land Estates (Aug 2003)	Mandurah	412	2,600+	1,040	923	1,131	2003- 2015	\$115,000- \$400,000	Land estates south of Perth (Bridgewater, Meadow Springs and Seascapes)
JFFM Seascapes Property Development Fund	Mandurah	102	529	32	-	35	2005	\$120,000- \$150,000	Property Development Fund co-ordinated by James Fielding Funds Management
Mandurah Housing (Jun 2003)	Mandurah	500+	1,000+	18	-	22	2005- 2011	\$400,000+	Housing within Mandurah Land Estates
Kennedy Bay* (Jul 2002)	Fort Kennedy	403	660	-	-	Yet to be released	2004- 2014	tba	Housing with ocean and golf course views. Town centre opportunities
Maylands (Feb 2004)	Maylands	8	13	-	-	Yet to be released	2004- 2006	\$500,000- \$750,000	Subdivision on the Swan River
The Point - Mandurah (Peninsula Hotel) (Apr 2005)	Mandurah	208	168	101	-	102	2005- 2008	\$695,000- \$4.0m	Two apartment towers and a six level hotel with 30 twin key serviced apts and 47 hotel suites. Majority of apartments will have ocean, marina and/or estuary views
Swanbourne* (Jun 2005)	Swanbourne	50	78	-	-	Yet to be released	2005- 2007	\$500,000- \$1.2m	Land subdivision and built form in joint venture with WA state government land developer
Hollywood High School* (May 2005)	Hollywood	43	75	-	-	Yet to be released	2005- 2006	\$500,000- \$1.2m	Land subdivision and built form in joint venture with WA state government land developer

\* Joint Ventures/Management Contracts



# NON RESIDENTIAL



## ONE DARLING ISLAND

**LOCATION**  
1 Darling Island Road, Pyrmont NSW

**DESCRIPTION**  
A grade commercial office building comprising 22,197 sqm over six levels with basement carparking and ground floor retail.  
  
The building is designed with two separate floor plates on the north and south of a central core, creating flexibility to accommodate tenants of various sizes. The typical floor size for the northern zone is 1,450 sqm and the southern zone is 2,630 sqm.

COST/REVENUE SUMMARY	
Land (inc. costs)	\$9.5m
Est. development, construction & finance costs	\$94.7m
<b>Total Development Costs</b>	<b>\$104.2m</b>

**Forecast Net Income on completion** \$8.9m

**Capitalisation Rate** 7.50%

**Forecast Value on Completion** \$118.7m

PROJECT TIMING	
Land acquisition:	April 2004
Construction period:	23 months
Forecast completion:	March 2006



Timeline as at 31 December 2005  
■ % Construction progress

**PROJECT UPDATE**  
Works are substantially complete, with the building nearing availability for tenant occupation.

**Ownership:** 100%



## NEXUS INDUSTRY PARK LIVERPOOL

**LOCATION**  
Lyn Parade, Prestons NSW

**DESCRIPTION**  
Former Liverpool Showground site is zoned 4(a) Industrial. The site when fully developed will accommodate over 70,000 sqm of buildings. Mirvac has secured two industrial pre-commitments to the site.  
  
Atlas Group Limited will lease a new purpose built 13,000 sqm facility for a term of 15 years.  
  
EW Reinforcement will lease a new purpose built facility of 9600m<sup>2</sup> for a term of 7 years.

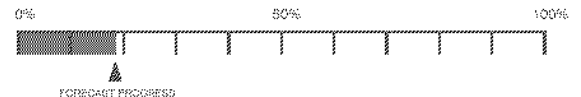
COST/REVENUE SUMMARY	
Land (inc. costs)	\$23.2m
Est. development, construction & finance costs	\$67.24m
<b>Total Development Costs</b>	<b>\$90.44m</b>

**Forecast Net Income on completion** \$7.04m

**Capitalisation Rate** 7.75%

**Forecast Value on Completion** \$91.0m

PROJECT TIMING	
Land acquisition:	August 2004
Development period:	August 2005 - June 2007



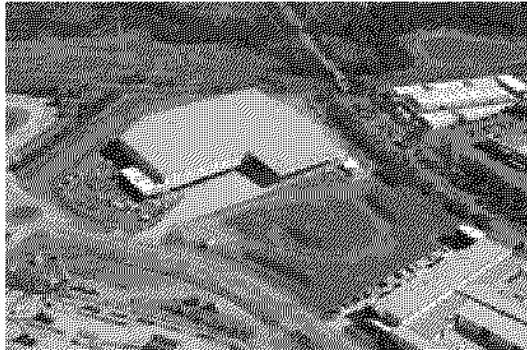
Timeline as at 31 December 2005  
■ % Construction progress

**PROJECT UPDATE**  
Site Bulk Earthworks are complete and construction of Atlas facility is due for completion on 31st March 2006. Development application lodged for EW Reinforcement.

**Ownership:** 100%



## NON RESIDENTIAL



### SARGENTS ROAD

**LOCATION**  
Minchinbury NSW

**DESCRIPTION**  
Two stage Council Approved development of 4 Ha of industrial land.

**COST/REVENUE SUMMARY (STAGES 1 & 2)**

Land (inc. costs)	\$6.0m
Est. development, construction & finance costs	\$16.0m
<b>Total Development Costs</b>	<b>\$22.0m</b>

**Forecast Net Income on completion** \$2.0m

**Capitalisation Rate** 8.00%

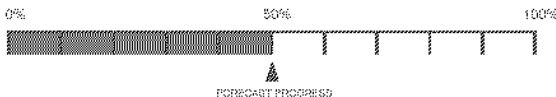
**Forecast Value on Completion** \$25.0m

**STAGE 1 TIMING**

Land acquisition:	June 2004
Design commencement:	January 2004
Construction period:	8 months
Forecast completion	August 2004

**STAGE 2 TIMING**

Land acquisition:	tba
Design commencement:	tba
Construction period:	tba
Forecast completion	tba



Timeline as at 31 December 2005

■ % Construction progress

**PROJECT UPDATE**

Stage one 10,000sqm Warehouse precommitted to Star Track Express completed August 2004. STE have a 2 year option over Stage 2 with a right to extend the option by a further 3 years. Land and building sold to JF Meridian. JF Developments retain Stage 2 development rights via a Development Management Agreement for the second stage 9,500sqm warehouse.

**Ownership:** 100% of Stage 2 development rights

### NETWORK AT EASTERN CREEK

**LOCATION**  
Eastern Creek, NSW

**DESCRIPTION**  
Strategically located 6 hectare industrial site in close proximity to the new M7 Westlink.

The site will accommodate approximately 30,000sqm.

**COST/REVENUE SUMMARY (STAGES 1 & 2)**

Land (inc. costs)	\$11.3m
Est. development, construction & finance costs	\$30.9m
<b>Total Development Costs</b>	<b>\$42.1m</b>

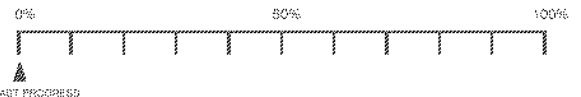
**Forecast Net Income on completion** \$3.2m

**Capitalisation Rate** 7.50%

**Forecast Value on Completion** \$42.0m

**PROJECT TIMING**

Land acquisition:	December 2002
Construction period:	24 months
Forecast completion	May 2008



Timeline as at 31 December 2005

■ % Construction progress

**PROJECT UPDATE**

**Ownership:** 50% Mirvac Property Trust  
50% JF Meridian



# NON RESIDENTIAL



## ARCHBOLD ROAD

**LOCATION**  
Corner of Archbold and Sargents Road, Minchinbury NSW

**DESCRIPTION**  
Servicing and subdivision of 4 Ha (existing Lots 7 & 8) into 12 industrial lots with a 4 (c) Special Industrial Zoning (light industrial with bulky goods permitted).

<b>COST/REVENUE SUMMARY</b>	
Land (inc. costs)	\$8.8m
Est. development, construction & finance costs	\$2.3m
<b>Total Development Costs</b>	<b>\$11.2m</b>

**Forecast Net Income on completion** TBA

<b>PROJECT TIMING</b>	
Land acquisition:	October 2004
Design commencement:	February 2005
Construction period:	6 months
Forecast completion	August 2005



Timeline as at 31 December 2005  
■ % Construction progress

**PROJECT UPDATE**  
Subdivision works complete. 7x Lots settled. Marketing continuing.

Ownership: 20%



## HOXTON PARK AIRPORT

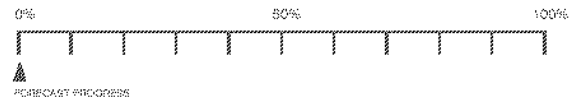
**LOCATION**  
Intersection of M7 and Cowpasture Road, Hoxton Park NSW

**DESCRIPTION**  
Development of 82 Ha (gross) made available by the closure of the Airport in October 2008.

<b>COST/REVENUE SUMMARY</b>	
Land (inc. costs)	\$38.0m
Est. development, construction & finance costs	\$79.2m
<b>Total Development Costs</b>	<b>\$117.2m</b>

**Forecast Net Income on completion** TBA

<b>PROJECT TIMING</b>	
Land acquisition:	December 2003
Design commencement:	TBA
Construction period:	24 months
Forecast completion	October 2010



Timeline as at 31 December 2005  
■ % Construction progress

**PROJECT UPDATE**  
Masterplanning for services and rezoning underway.

Consortium: 50% Mirvac  
50% Leighton Properties



## NON RESIDENTIAL



### BANKSTOWN AIRPORT

**LOCATION**

Cnr Milperra Road and Henry Lawson Drive, Bankstown NSW

**DESCRIPTION**

Development and sale of 104Ha (gross) of land surplus to the aeronautical requirements of the Airport. Figures assume land subdivision and sell only.

**COST/REVENUE SUMMARY**

Land (inc. costs)	\$98.0m
Est. development, construction & finance costs	\$149.1m
<b>Total Development Costs</b>	<b>\$247.1m</b>

**Forecast Net Income on completion** TBA

**Capitalisation Rate** TBA

**Forecast Value on Completion** \$291.7m

**PROJECT TIMING**

Land acquisition:	December 2003
Design commencement:	January 2006
Construction period:	24 months
Forecast completion:	January 2008



### CAMDEN AIRPORT

**LOCATION**

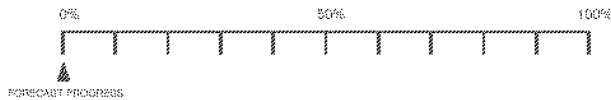
Aerodrome Road, Camden NSW

**DESCRIPTION**

An assessment of future development potential at Camden Airport is currently being undertaken.

**PROJECT TIMING**

Land acquisition:	December 2003
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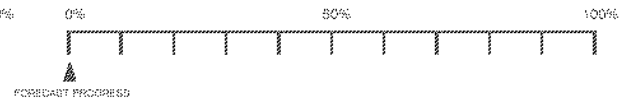
Timeline as at 31 December 2005

■ % Construction progress

**PROJECT UPDATE**

Masterplanning underway and detailed design of stage 1 of the ring road commenced. 4Ha sold to Toll Holdings.

Consortium:	33.3% Mirvac
	33.3% Leighton Properties
	33.3% Westscheme



Timeline as at 31 December 2005

■ % Construction progress

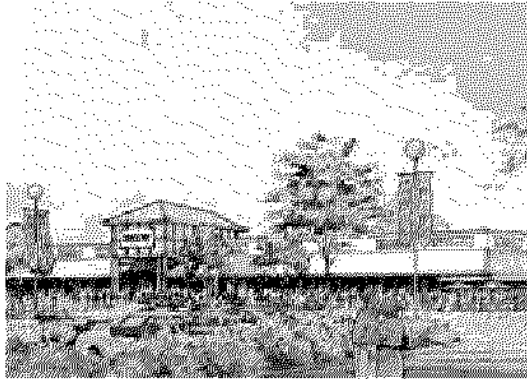
**PROJECT UPDATE**

Redevelopment land identified in March 2005 approved masterplan.

Consortium:	23% Mirvac
	23% Leighton Properties
	54% BAC Airports



## NON RESIDENTIAL



### BALLINA CENTRAL

#### LOCATION

Pacific Highway, Ballina, NSW

#### DESCRIPTION

Development of sub-regional shopping centre of over 17,500m<sup>2</sup>, including Big W, Action and approximately 27 speciality shops plus freestanding Hungry Jacks and Woolworths Petrol outlets.

#### COST/REVENUE SUMMARY

Land (inc. costs)	\$11.75m
Est. development, construction & finance costs	\$31.18m
<b>Total Development Costs</b>	<b>\$42.93m</b>

Forecast Net Income on completion **\$3.0m**

Capitalisation Rate **6.80%**

Forecast Value on Completion **\$44m**

#### PROJECT TIMING

Land acquisition:	January 2005
Design commencement:	Early 2004
Construction period:	13 months
Forecast completion	April 2006

### STANHOPE VILLAGE (STAGE 2)

#### LOCATION

Sentry Drive, Stanhope Gardens, NSW

#### DESCRIPTION

Expansion of existing shopping centre to over 15,400m<sup>2</sup> adding Kmart and approximately 30 speciality shops to existing Coles, speciality shops and commercial suites.

#### COST/REVENUE SUMMARY

Land (inc. costs)	\$6.1m
Est. development, construction & finance costs	\$25.69m
<b>Total Development Costs</b>	<b>\$31.79m</b>

Forecast Net Income on completion **\$2.3m**

Capitalisation Rate **7.18%**

Forecast Value on Completion **\$32m**

#### PROJECT TIMING

Land acquisition:	February 2006
Design commencement:	September 2005
Construction period:	13 months
Forecast completion	April 2007



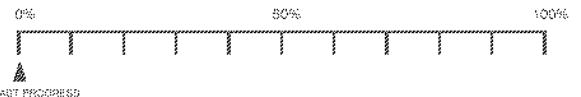
Timeline as at 31 December 2005

■ % Construction progress

#### PROJECT UPDATE

Works substantially complete. Forecast staged opening April-June 2006. Speciality leasing in progress.

Ownership: 100%



Timeline as at 31 December 2005

■ % Construction progress

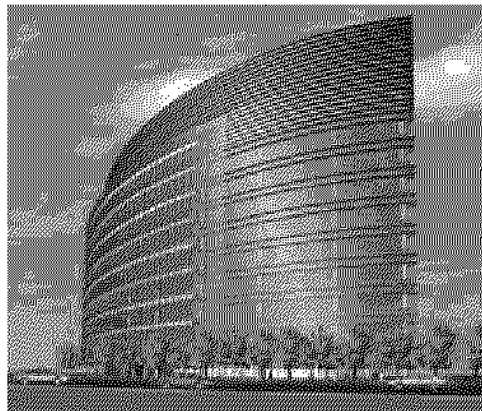
#### PROJECT UPDATE

DA approved. Design Complete. Anticipated commencement March 2006.

Ownership: 100%



# NON RESIDENTIAL



## 18 MARCUS CLARKE STREET

### LOCATION

18 Marcus Clarke Street, Canberra ACT

### DESCRIPTION

A Grade office building comprising 27,683m<sup>2</sup> NLA with 231 car spaces located in the Canberra CBD.

### COST/REVENUE SUMMARY

Land (inc. costs)	\$8.4m
Est. development, construction & finance costs	\$98.6m
<b>Total Development Costs</b>	<b>\$107.0m</b>

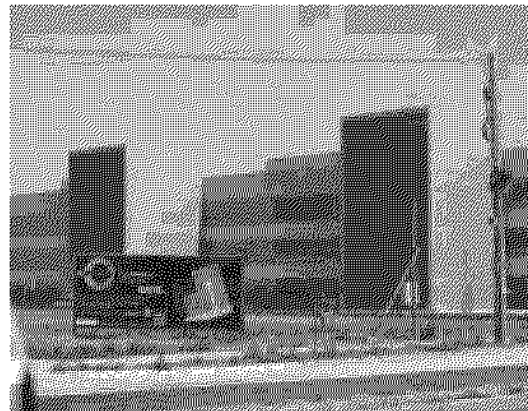
**Forecast Net Income on completion** \$9.4m

**Capitalisation Rate** 6.75%

**Forecast Value on Completion** \$139.5m

### PROJECT TIMING

Land acquisition:	July 2005
Construction period:	22 months
Forecast completion	Late 2007



## 177 SALMON STREET

### LOCATION

Port Melbourne VIC

### DESCRIPTION

12-Lot light industrial land sub-division.

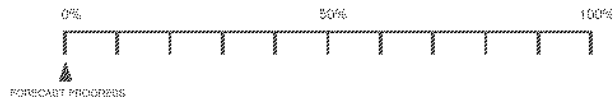
### COST/REVENUE SUMMARY

Land (inc. costs)	\$12.3m
Est. development, construction & finance costs	\$4.5m
<b>Total Development Costs</b>	<b>\$16.8m</b>

**Forecast Sales Revenue** \$18.6m

### PROJECT TIMING

Land acquisition:	December 2004
Forecast completion	December 2005



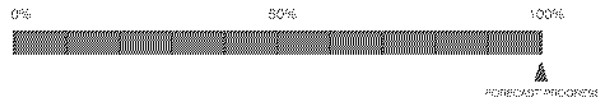
Timeline as at 31 December 2005

■ % Construction progress

### PROJECT UPDATE

Agreement for lease executed with Department of Agriculture, Forestry and Fisheries to lease all office levels.

Ownership: 50%



Timeline as at 31 December 2005

■ % Construction progress

### PROJECT UPDATE

Demolition works were completed end July '05. Head contract for civil and infra-structure works commenced mid August '05. Sales campaign in progress.

Ownership: 20%



# NON RESIDENTIAL



## 251 SALMON STREET

### LOCATION

251 Salmon Street, Port Melbourne VIC

### DESCRIPTION

Refurbishment, re-leasing and on selling of existing commercial building.

### COST/REVENUE SUMMARY

Land (inc. costs)	\$9.1m
Est. development, construction & project development management costs	\$2.6m
<b>Total Development Costs</b>	<b>\$11.7m</b>

Forecast Net Income on completion \$1.1m

Capitalisation Rate 8.00%

Forecast Value on Completion \$13.2m

### PROJECT TIMING

Land acquisition:	July 2003
Forecast completion	May 2006

## 261 SALMON STREET

### LOCATION

261 Salmon Street, Port Melbourne VIC

### DESCRIPTION

Refurbishment, re-leasing and on selling of existing commercial building with industrial warehouse annex.

### COST/REVENUE SUMMARY

Land (inc. costs)	\$8.1m
Est. development, construction & project development management costs	\$1.9m
<b>Total Development Costs</b>	<b>\$10.0m</b>

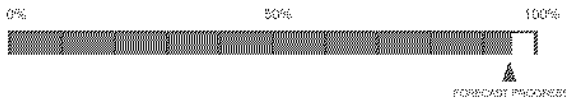
Forecast Net Income on completion \$0.9m

Capitalisation Rate 8.00%

Forecast Value on Completion \$11.7m

### PROJECT TIMING

Land acquisition:	July 2003
Forecast completion	May 2006



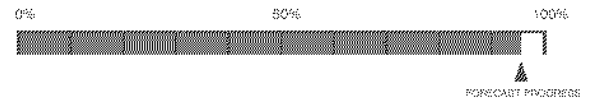
Timeline as at 31 December 2005

■ % Construction progress

### PROJECT UPDATE

Conditional contract signed mid January 2006. Settlement subject to further site investigations.

Ownership: 100%



Timeline as at 31 December 2005

■ % Construction progress

### PROJECT UPDATE

Conditional contract signed mid January 2006. Settlement subject to further site investigations

Ownership: 100%



## NON RESIDENTIAL



### 600 LORIMER STREET

**LOCATION**

Port Melbourne VIC

**DESCRIPTION**

Re-development of industrial property into 20 office/warehouse units.

**COST/REVENUE SUMMARY**

Land (inc. costs)	\$17.0m
Est. development, construction & finance costs	\$34.9m
<b>Total Development Costs</b>	<b>\$51.9m</b>

Forecast Net Income on completion **\$4.2m**

Capitalisation Rate **7.75%**

Forecast Value on Completion **\$54.2m**

**PROJECT TIMING**

Land acquisition:	December 2005
Construction period:	13 months
Forecast completion	2007

### WAVERLEY GARDENS - STAGE 2

**LOCATION**

Cnr Police & Jacksons Rd, Mulgrave VIC

**DESCRIPTION**

The additional area will accommodate a DDS with a further 20 speciality tenancies and new multi level carparking. The net result will deliver a double supermarket, double DDS centre with 130 speciality tenancies.

**COST/REVENUE SUMMARY**

Land (inc. costs)	\$53.8m
Est. development, construction & finance costs	\$78.9m
<b>Total Development Costs</b>	<b>\$132.7m</b>

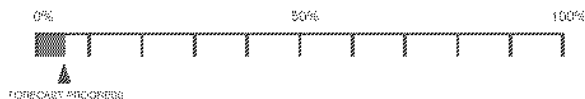
Forecast Net Income on completion **\$10.2m**

Capitalisation Rate **7.25%**

Forecast Value on Completion **\$37m**

**PROJECT TIMING**

Land acquisition:	November 2002
Construction period:	18 months
Forecast completion	April 2007

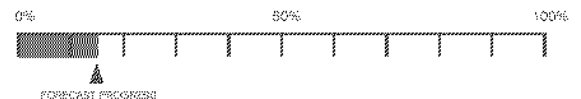


Timeline as at 31 December 2005  
 ■ % Construction progress

**PROJECT UPDATE**

Settlement of the land occurred in December 2005. A planning permit for the 20 unit development was issued in October 2005. Demolition works commenced in December 2005 and are due for completion in March 2006. Construction is due to commence late July 2006.

Ownership: 100%



Timeline as at 31 December 2005  
 ■ % Construction progress

**PROJECT UPDATE**

Planning complete. Commenced construction November 2005. Leasing ongoing.

Ownership: 100%



# NON RESIDENTIAL



## ORION GREATER SPRINGFIELD - STAGE 1

**LOCATION**  
Cnr Centenary Highway and Springfield Greenbank Arterial, Springfield QLD

**DESCRIPTION**  
Development of first stage of new town centre, including Woolworths, Big W, 100 Specialty shops and restaurants, and bulky goods.

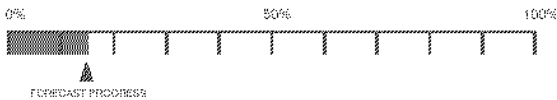
**COST/REVENUE SUMMARY**

Land (inc. costs)	\$5.7m
Est. development, construction & finance costs	\$150.1m
<b>Total Development Costs including infrastructure for future stages</b>	<b>\$155.8m</b>

**Forecast Net Income on completion** \$11.4m

**PROJECT TIMING**

Land acquisition:	August 2002
Construction period:	21 months
Forecast completion	March 2007



Timeline as at 31 December 2005  
■ % Construction progress

**PROJECT UPDATE**  
Piling is complete, with in ground services works, ground slabs and suspended structure underway. Leasing of specialty tenancies continues, with focus on Main Street tenants.

**Ownership:** 66.66%

## HINKLER CENTRAL

**LOCATION**  
16 Maryborough Street, Bundaberg QLD

**DESCRIPTION**  
Refurbishment and extension of two existing Centres Hinkler Place and Hinkler Mall.

**COST/REVENUE SUMMARY**

Land (inc. costs)	\$37.6m
Est. development, construction & finance costs	\$43.1m
<b>Total Development Costs</b>	<b>\$80.7m</b>

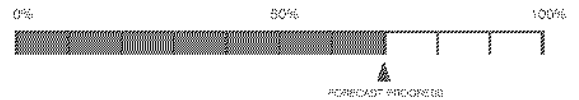
**Forecast Net Income on completion** \$6.4m

**Capitalisation Rate** 7.50%

**Forecast Value on Completion** \$88.0m

**PROJECT TIMING**

Land acquisition:	July 2003
Construction period:	18 months
Forecast completion	June 2006



Timeline as at 31 December 2005  
■ % Construction progress

**PROJECT UPDATE**  
Works to existing centres almost complete. Roof and services installation to new expansion area is well underway.

**Ownership:** 100%



## NON RESIDENTIAL



### EDUCATION CITY - STAGE 1A

#### LOCATION

Sinnathamby Boulevard, Springfield, QLD

#### DESCRIPTION

Education City is an 18 hectare campus for multi-educational use. The campus includes University of Southern Queensland, TAFE, an English college, a vocational training college, an ABC Childcare centre, a retail centre and 110 student accommodation rooms. Stage 2 will include a primary school.

#### COST/REVENUE SUMMARY

Land (inc. costs)	\$5.6m
Est. development, construction & finance costs	\$70.6m
<b>Total Development Costs</b>	<b>\$76.2m</b>

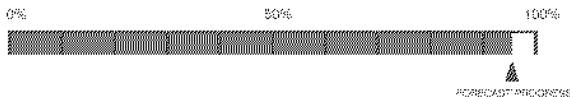
Forecast Net Income on completion \$6.8m

Capitalisation Rate 7.40%

Forecast Value on Completion \$89.0m

#### PROJECT TIMING

Land acquisition:	March 2005
Design commencement:	April 2005
Construction period:	12 months
Forecast completion:	April 2006



Timeline as at 31 December 2005

■ % Construction progress

#### PROJECT UPDATE

Construction is now 95% completed. The USQ building, Auditorium and Childcare Centre buildings are fully leased and the Vocational Education Training Building is 43% leased. Mirvac Real Estate has been appointed to manage the facilities of the project.

Ownership: 50%

### THE MEGA CENTRE SPRINGWOOD

#### ADDRESS

Pacific Highway, Slacks Creek 20km south east of the Brisbane CBD near the intersection of Paradise Road.

#### DESCRIPTION

The development will be a two level enclosed bulky goods homemaker complex adjacent to a new 28,000m<sup>2</sup> IKEA superstore. It will comprise 27 tenancies plus 5 kiosks.

#### COST/REVENUE SUMMARY

Project under development by Vendor. Settlement on completion, with purchase price based on an agreed yield.

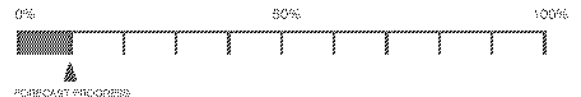
Forecast Net Income on completion \$6.7m

Capitalisation Rate 7.25%

Forecast Value on Completion \$92.4m

#### PROJECT TIMING

Land acquisition:	September 2005
Construction period:	18 months
Forecast completion:	March 2007



Timeline as at 31 December 2005

■ % Construction progress

#### PROJECT UPDATE

Bulk excavation completed. Major piles completed. 1st Concrete pour to commence early February.

Ownership: 100%





## HOTELS & RESORTS

PROPERTY NAME	STATE LOCATION	OWNERSHIP	NO ROOMS*
Quay Grand Suites Sydney	NSW	Strata	68
Quay West Suites Sydney	NSW	Strata	117
Sydney Marriott Hotel	NSW	100% Owned	241
The Sebel Residence Chatswood	NSW	Strata	55
The Sebel Pier One Sydney	NSW	Managed	160
Citigate Sebel Sydney	NSW	Managed	270
The Sebel Resort & Spa Hawkesbury Valley	NSW	Managed	105
The Sebel Kirkton Park Hunter Valley	NSW	Managed	71
Citigate Sebel Waterfront Resort The Entrance	NSW	Managed	123
The Sebel Aquiluna Beach Resort Coffs Harbour	NSW	Managed	60
The Como Melbourne	VIC	100% Owned	107
Quay West Suites Melbourne	VIC	Strata	112
The Sebel Melbourne	VIC	Strata	115
The Sebel Heritage Yarra Valley	VIC	Managed	102
The Sandis Torquay	VIC	Managed	0
Quay West Suites Brisbane	QLD	Strata	68
The Sebel Suites Brisbane	QLD	Strata	156
The Sebel Resort Noosa	QLD	Strata	73
The Sebel Marcochydore	QLD	Managed	72
The Sebel Reef House & Spa Palm Cove	QLD	Managed	69
Sea Temple Resort & Spa Palm Cove	QLD	Managed	104
Cairns International Hotel	QLD	50% Owned	321
The Sebel Residence East Perth	WA	100% Owned	57
Quay West Resort Bunker Bay	WA	Strata	149
Quay West Suites Auckland	NZ	Strata	58
The Sebel Suites Auckland	NZ	Strata	131

**OPENING IN 2005/2006**

The Sebel Manly Beach

Sea Temple Resort & Spa Port Douglas

**OPENING IN 2006/2007**

Quay West Resort Magenta Shores

The Sebel Harbour Lights Cairns

The Sebel Trinity Wharf Tauranga (New Zealand)

\* Number of rooms may vary from time to time due to rooms in the strata and managed pool.





## FUNDS MANAGEMENT

JF MERIDIAN TRUST  
JF CAPITAL  
JF AQUA  
QUADRANT REAL ESTATE ADVISORS  
JF INFRASTRUCTURE  
JF DIRECT  
JF US INDUSTRIAL TRUST  
HOTEL CAPITAL PARTNERS  
DOMAINE PROPERTY FUNDS  
PROPERTY FUNDS AUSTRALIA  
ARF MANDATE

# JF MERIDIAN TRUST

JF Meridian Trust (JFM) is a separately listed diversified property trust trading on the Australian Stock Exchange. JFM's major investments are direct property including interests in eight commercial properties, nine shopping centres, six business park/industrial properties and ten Travelodge hotels.

JFM also has investments in listed property trusts, mortgages, listed Australian equities and cash.

At 31 December 2005 JFM's had a market capitalisation of approximately \$782 million and gross assets of approximately \$950 million.

PROPERTY	STATE	OWNERSHIP (%)	ACQUISITION DATE	INDEPENDENT VALUATION DATE	INDEPENDENT VALUATION (\$M)	BOOK VALUE (\$M)	CAPITALISATION RATE (%)	LETTABLE AREA (SQM)
<b>COMMERCIAL</b>								
10-20 Bond Street, Sydney	NSW	50	Jul 04	Jun 04	136.20	145.92	6.75	37,860
191-197 Salmon Street, Port Melbourne	VIC	50	Jul 03	Jun 05	50.25	50.53	7.00	21,762
340 Adelaide Street, Brisbane	QLD	100	Sep 98	Jun 05	40.00	40.21	8.25	13,305
48-52 Furzer Street, Woden	ACT	100	Feb 00	Jun 05	30.00	30.00	14.50	20,665
423 Pennant Hills Road, Pennant Hills (MIP)	NSW	100	Oct 90	Dec 04	29.00	29.06	8.50	8,571
38 Akuna Street, Canberra	ACT	100	Jul 02	Jun 05	21.50	21.50	16.00	12,552
591- 609 Doncaster Road, Doncaster	VIC	100	Jun 02	Jun 05	19.30	19.25	8.00	6,868
12 Cribb Street, Milton	QLD	100	Apr 99	Jun 05	11.25	11.28	8.00	3,301
<b>COMMERCIAL TOTAL</b>					<b>337.50</b>	<b>347.75</b>	<b>8.46<sup>1</sup></b>	<b>124,684</b>
<b>RETAIL</b>								
Cherrybrook Village Shopping Centre, Sydney	NSW	100	Jun 05	Dec 05	74.00	74.00	6.50	9,309
Taree City Centre, Taree	NSW	100	Jul 01 (50%) Nov 04 (50%)	Jun 05	51.70	51.83	7.25	15,784
City Centre Plaza, Rockhampton	QLD	100	Mar 04	Jun 05	40.00	40.00	7.75	14,245
Coolerman Court, Weston	ACT	100	Jul 01 (50%) Nov 04 (50%)	Jun 05	35.40	35.42	8.00	9,944
Alexandra Hills Shopping Centre, Brisbane	QLD	100	Aug 00	Jun 05	34.80	34.83	7.75	12,409
Kogarah Town Centre, Sydney	NSW	100	Oct 03	Jun 05	24.40	24.44	8.00	5,073
740-742 Toorak Road, Hawthorn East	VIC	100	-	Dec 04	17.00	17.00	-	-
Orion Town Centre, Greater Springfield	QLD	33	Jun 03	Jun 03	13.30	14.38	-	-
Chester Square Shopping Centre <sup>2</sup>	NSW	100	Oct 80	Dec 05	11.80	12.00	9.00	6,540
<b>TOTAL RETAIL</b>					<b>302.60</b>	<b>303.68</b>	<b>7.43<sup>3</sup></b>	<b>73,304</b>
<b>INDUSTRIAL/ BUSINESS PARK</b>								
52 Huntingwood Drive, Huntingwood	NSW	100	Nov 04	Nov 04	25.50	27.42	7.75	19,286
10-12 Julius Avenue, North Ryde	NSW	100	Nov 99- Nov 05	Nov 05	90.20	90.20	7.41 <sup>3</sup>	20,759
108-120 Silverwater Road, Silverwater	NSW	100	Mar 00	Jun 05	25.50	25.52	8.50	17,830
Lot 17 Sargents Road, Minchinbury	NSW	100	Feb 04	Jun 05	17.70	17.69	7.75	12,438
16 Rodborough Road, Frenchs Forest <sup>1</sup>	NSW	100	Feb 00	Dec 05	14.00	14.00	9.00	8,539
Lot 101 Old Walkgrove Road, Eastern Creek	NSW	50	Jun 04	Jun 04	11.10	6.66	-	-
<b>TOTAL INDUSTRIAL</b>					<b>184.00</b>	<b>180.91</b>	<b>7.78<sup>3</sup></b>	<b>78,852</b>
<b>HOTEL (TRAVELODGE HOTEL GROUP JOINTLY OWNED WITH NRMA &amp; MIRVAC)</b>								
Travelodge - NSW	NSW	49	Mar 05	Dec 04-Jun 05	84.32	91.20	9.00-10.00	-
Travelodge - QLD	QLD	49	Mar 05	Dec 04	1.80	2.00	10.50	-
Travelodge - VIC	VIC	49	Mar 05	Dec 04	20.75	22.45	9.25	-
<b>TOTAL HOTEL</b>					<b>106.87</b>	<b>115.65</b>	<b>9.26<sup>3</sup></b>	
<b>TOTAL PROPERTY</b>					<b>930.97</b>	<b>948.19</b>	<b>8.10<sup>3</sup></b>	<b>277,040</b>

<sup>1</sup> Exchanged contracts to dispose of this asset post Dec 2005. Settlement scheduled to occur in March 2006.

<sup>2</sup> Mortgagee in possession.

<sup>3</sup> Weighted capitalisation rate.



## JF CAPITAL

JF Capital is the division of James Fielding Funds Management that focuses on the debt component of the property investment equation. JF Capital generates income through management fees and performance fees for managing funds on behalf of investors.

At 31 December 2005, JF Capital had approximately \$142.8 million in funds under management.

## JF AQUA

JF AQUA is an investment management company owned by JF Capital Pty Limited and AQUA Funds Management Pty Limited, a wholly owned subsidiary of Balmain NB Corporation Limited. JF AQUA has been engaged by James Fielding Funds Management to provide investment management services in connection with the Funds.

FUND	ASSETS	FUND SIZE \$M
James Fielding Mezzanine Capital Fund (Co-investment mandate between James Fielding Investments (16.67%) and Government Investment Corporation of Singapore (83.33%))	Currently holding mortgages over 6 properties / projects	91.9
JF AQUA High Income Fund	Invests in JF AQUA Mezzanine Debt Pool Invests in JF AQUA Construction Debt Pool Invests in JF AQUA Senior Debt Pool and Cash	30.0
JF AQUA Income Fund	Invests in JF AQUA Senior Debt Pool	15.3
JF AQUA Senior Debt Pool	Includes investments by JF AQUA Income Fund	16.2
JF AQUA Construction Debt Pool	Includes investments by JF AQUA High Income Fund	0.4
JF AQUA Mezzanine Debt Pool	Includes investments by JF AQUA High Income Fund	26.5

## QUADRANT REAL ESTATE ADVISORS

In January 2006, Mirvac Group launched a new US based institutional real estate funds management business, Quadrant Real Estate Advisors, LLC. Quadrant is a 50/50 joint venture between the senior management of Quadrant and the Mirvac Group. Current funds under management exceed A\$3.1 billion.

Quadrant currently offers single client accounts and commingled (wholesale) funds across the public and private debt markets. Over time, Quadrant will expand its product suite to include single client accounts and commingled funds that invest in equity real estate in the US.

Quadrant's strategy is to continue to develop leading edge public and private real estate investment products. It is intended that the Quadrant Fund will be launched in the first half of 2006 and will allow both US and Australian investors access to high stable income returns with liquidity by seeking relative value across the four quadrants (public and private, debt and equity) of the US real estate investments universe.

Key client list includes:

- California Public Employees' Retirement System (CalPERS)
- AXA - Equitable
- TIAA - CREF
- City of Austin Police Retirement System
- Ohio Police and Fire Pension Fund

Quadrant is headquartered in Atlanta, Georgia.



## JF INFRASTRUCTURE

James Fielding Infrastructure (JFI) is a 50/50 joint venture between Mirvac Group and Leighton Holdings Limited (LHL).

JFI brings together Mirvac's and LHL's complimentary expertise in funds management, infrastructure development, construction and investment respectively.

JFI's strategy is to use this combined expertise to capture the significant synergies between the property sector and related infrastructure sector, for the benefit of its investors.

FUNDS	INVESTMENTS	GROSS ASSETS \$M
James Fielding Infrastructure Yield Fund (JFIYF)	15% equity interest <sup>1</sup> in International Parking Group - beneficial owner of eight major hospital car parks in Sydney and Brisbane  33% equity interest in BAC Airports Group, which beneficially owns Bankstown and Camden Airports in Sydney	37.1
Australian Sustainable Investments Fund (ASIF) / New Zealand Sustainable Investments Fund	20,642 hectares of freehold forestry land in Victoria, South Australia and Western Australia 13,344 hectares of freehold forestry land Gisborne, New Zealand	108.6
Sustainable Equity Fund (SEF)	SEF holds an equity investment in ASIF. Assets as above	5.3
<b>ASSET MANAGEMENT MANDATES</b>		
Stadium Australia Trust	Telstra Stadium	157.6 <sup>1</sup>
International Parking Group	Leases / Licenses held over eight major hospital car parks in Sydney and Brisbane	152.6
<b>TOTAL</b>		<b>461.2</b>

<sup>1</sup> Most recent valuation as at 31 December 2005



## JF DIRECT

James Fielding Direct (JFD) is the division of James Fielding Funds Management that manages unlisted property funds, including property syndicates, wholesale funds and private client investments across a diverse range of asset classes. JFD currently has seven active funds in commercial, retail, industrial, tourist parks and childcare centres.

At 31 December 2005 JFD had approximately \$300 million in funds under management.

ASSET CLASS/FUND	LOCATION	OWNERSHIP	LETTABLE AREA SQM	FUND SIZE \$M
<b>COMMERCIAL</b>				
<b>Wool House Trust</b>				20.97
369 Royal Parade, Parkville	VIC	100%	8,860	
<b>Toowong Corporate Centre Trust</b>				16.70
Toowong Corporate Centre, Toowong <sup>1</sup>	QLD	100%	6,389	
<b>RETAIL</b>				
<b>James Fielding Retail Portfolio</b>				117.1
Busselton Home Depot, Busselton	WA	100%	24,122	
Morayfield SuperCentre, Morayfield	QLD	100%	12,341	
Mt Sheridan Plaza, Cairns	QLD	100%	7,655	
Mt Sheridan, Lot 4, Cairns	QLD	100%	3,35ha <sup>2</sup>	
Lanyon Marketplace, Conder	ACT	100%	5,463	
Birkdale Fair Shopping Centre, Birkdale	QLD	100%	5,372	
Pender Place Shopping Centre, Maitland	NSW	100%	4,839	
<b>INDUSTRIAL</b>				
<b>James Fielding Industrial Fund</b>				44.19
47-67 Westgate Drive, Altona North	VIC	100%	25,486	
677 Springvale Road, Mulgrave	VIC	100%	12,769	
90 Ashford Avenue, Murrumbidgee	NSW	100%	7,970	
<b>ALTERNATIVE</b>				
<b>James Fielding Tourist Park Fund</b>				29.45
FreeSpirit Resort, Darwin	NT	100%	11.25ha	
Fraser Lodge Holiday Park, Hervey Bay	QLD	100%	3.19ha	
<b>James Fielding Childcare Fund Series One</b>				29.77
31 Childcare centres	SA/QLD	100%	30.61 ha	
<b>James Fielding Property Development Fund</b>				38.91
Seascapes, Mandurah	WA	100%	48ha	

<sup>1</sup> Subject to Sale

<sup>2</sup> Subject to Development Agreement with JF Developments



# JF US INDUSTRIAL TRUST

JF US Industrial Trust (JFUSIT) is a property trust listed on the Australian Stock Exchange that currently owns industrial assets located in or adjacent to the Chicago region. As at 31 December 2005, the Trust had gross assets of approximately A\$400 million, and following the completion of the acquisition of 10 properties in Tranche 4 in February 2006, the Trust will comprise 41 industrial assets valued at A\$560 million.

The portfolio is leased to a diverse range of quality tenants in established industrial markets. The Trust acquired a 95 per cent interest in the portfolio from CenterPoint Properties Trust, who, via a joint venture with the Trust, retain a 5 per cent interest in the portfolio.

PROPERTY	CITY	PURCHASE PRICE (US\$M) <sup>1</sup>	INDEPENDENT VALUATION (US\$M) <sup>2</sup>	YIELD ON ACQUISITION (%) <sup>1,2</sup>	GROSS LETTABLE AREA (SF)
6600 River Road	Hodgkins	19.0	19.2	8.9%	630,410
13040 South Pulaski Avenue	Aisip	14.2	14.2	8.4%	400,076
6510 West 73rd Street	Bedford Park	12.3	12.3	9.0%	309,000
6558 West 73rd Street	Bedford Park	11.6	11.6	9.3%	301,000
6751 South Sayre	Bedford Park	9.4	9.5	8.2%	242,690
7200 South Mason Avenue	Bedford Park	7.9	8.0	8.2%	207,345
6000 West 73rd Street	Bedford Park	5.9	5.9	8.1%	148,091
9801 South 78th Avenue	Hickory Hills	4.3	4.5	8.7%	83,096
9700 Harlem Avenue	Bridgeview	4.1	4.1	9.4%	101,140
1200 - 1224 Independence Boulevard	Romeoville	2.0	2.4	6.8%	42,804
10047 Virginia Avenue	Chicago Ridge	1.4	1.4	8.9%	35,450
21705 - 21707 West Mississippi Street	Elwood	34.7	40.0	7.1%	1,022,554
27413 South Baseline Road	Elwood	18.0	21.0	7.5%	213,500
2727 West Diehl Road	Naperville	31.3	34.9	7.7%	440,343
1455 Sequoia Drive	Aurora	10.7	10.8	7.5%	257,600
920 Frontenac Road	Naperville	5.5	5.3	8.4%	121,220
1020 Frontenac Road	Naperville	4.3	4.3	5.3%	99,684
1560 Frontenac Road	Naperville	3.7	4.0	6.8%	85,608
11601 South Central Avenue	Aisip	9.4	9.8	10.14%	260,000
3602 North Kennicott Avenue	Arlington Heights	6.5	6.2	8.7%	94,300
800 - 850 Regency Drive	Glendale Heights	4.8	4.1	12.5%	48,230
900 East 103rd Street	Chicago	16.5	17.5	10.8%	529,214
1445 - 1645 Greenleaf Avenue	Elk Grove Village	7.9	8.0	8.3%	150,000
10700 Waveland Avenue	Franklin Park	5.7	5.6	9.4%	134,600
1796 Sherwin Avenue	Des Plaines	5.0	5.0	9.0%	95,220
1850 Greenleaf Avenue	Elk Grove Village	3.2	3.8	9.2%	58,627
308 S Division Street	Harvard	28.8	36.0	8.1%	1,350,450
5980 West Touhy Avenue	Niles	15.2	15.2	11.0%	302,378
1750 South Lincoln Drive	Freeport	14.5	17.8	11.4%	499,200
3145 Central Avenue	Waukegan	10.8	10.7	9.6%	292,000
28160 North Keith Drive	Lake Forest	4.3	4.8	8.3%	77,924
3849 - 3865 Swanson Court	Gurnee	4.6	4.0	7.1%	100,000
1541 - 1543 Abbott Drive	Wheeling	1.8	1.9	10.4%	43,930
W165 N5830 Ridgewood Drive	Menomonee Falls	17.4	17.4	8.4%	300,120
8200 100th Street	Pleasant Prairie	7.1	7.1	8.1%	148,472
6736 West Washington	West Allis	5.5	5.5	7.2%	113,620
525 West Marquette Avenue	Oak Creek	4.5	4.8	9.4%	112,144
5110 South 6th Street	Milwaukee	3.3	3.3	10.3%	58,500
8100 100th Street	Pleasant Prairie	2.1	2.1	9.2%	38,290
EC VI - 4507 Columbia	Hammond	8.2	8.2	9.6%	256,595
EC VI - 4531 Columbia	Hammond	7.8	8.1	10.4%	266,967
<b>TOTAL/AVERAGE</b>		<b>392.7</b>	<b>420.3</b>	<b>8.75%</b>	<b>10,072,392</b>

<sup>1</sup> Based on 100% of Property. Acquisition costs not included

<sup>2</sup> Equated to initial contracted rent annualised / purchase price. Does not adjust for vacancy



# HOTEL CAPITAL PARTNERS

## TOURISM & LEISURE TRUST

Tourism & Leisure Trust (TLT) is an ASX listed ownership vehicle for hotel property. Hotel Capital Partners was appointed responsible entity of the Trust on 30 June 2000. The Trust currently owns one asset, an apartment hotel known as the Medina Executive. The property is leased to Medina Serviced Apartments Pty Limited providing base and performance rental provisions.

## AUSTRALIAN HOTEL FUND

Hotel Capital Partners was appointed responsible entity of the Australian Hotel Fund (AHO) on 11 June 2002. The Trust's three assets are all in New South Wales (Peppers Fairmont Resort in the Blue Mountains, Peppers Anchorage in Port Stephens and Peppers Manor House in the Southern Highlands), are all outstanding properties in terms of location and physical attributes.

FUND / ASSET	LOCATION	OWNERSHIP	VALUATION \$M (VALUATION DATE)	NO OF ROOMS	TENURE
<b>TLT</b>					
Medina Executive Brisbane	QLD	100%	27.3 (Oct 2005)	161	Freehold
<b>AHO</b>					
Peppers Fairmont Resort	NSW	100%	44.6 (Jun 2005)	210	Freehold
Peppers Anchorage Resort	NSW	100%	18.0 (Jun 2005)	80 plus 90 berth marina	Leasehold (Exp 2068)
Peppers Manor House & Mt Broughton Golf Club	NSW	100%	5.9 (Jun 2004)	43 plus golf course	Freehold

## ASSET MANAGEMENT MANDATES

Hotel Capital Partners provides asset management services to the Travelodge Group which is 49% owned by JF Meridien Trust, 50% NRMA Motoring and Services and 1% by Mirvac Group.

## TRAVELODGE HOTEL PORTFOLIO

HOTEL	ROOMS	DATE ACQUIRED	VALUATION \$M (VALUATION DATE)
Travelodge Blacktown, NSW	120	March 2005	11.7 (Dec 2004)
Travelodge Bankstown, NSW	108	March 2005	10.5 (Dec 2004)
Travelodge Sydney, NSW	406	March 2005	67.5 (Dec 2004)
Travelodge Merri-Warrigah, NSW	120	March 2005	9.9 (Dec 2004)
Travelodge Martin Place, NSW	86	March 2005	15.4 (Dec 2004)
Travelodge Macquarie North Ryde, NSW	120	March 2005	13.1 (Dec 2004)
Travelodge Garden City, QLD	120	March 2005	3.7 (Dec 2004)
Travelodge Southbank Melbourne, VIC	275	March 2005	42.3 (Dec 2004)
Travelodge Wynyard, NSW	268	June 2005	43.9 (Jun 2005)
Travelodge Newcastle City, NSW <sup>1</sup>	134	February 2006	11.8 (Dec 2005)

<sup>1</sup> Acquired post 31 December 2005



## DOMAINE PROPERTY FUNDS

Domaine Property Funds Limited is a boutique property group with extensive experience in property investment and funds management. Mirvac Group acquired a 50% interest in Domaine in August 2004.

### PROPERTY INVESTMENT FUNDS

ASSET	LOCATION	SECTOR	ACQUISITION DATE	BOOK VALUE \$M	
<b>DOMAINE HUNTER FUND</b>					
The Forum, 240-244 Pacific Highway, Charlestown	NSW	Commercial and cinema complex	December 1999	20.0	
525 High Street, Maitland	NSW	Commercial office	October 2003	6.1	
6 Hartley Drive, Thornton	NSW	Industrial laboratory	June 2004	4.9	
326 Hillsborough Road, Warren Bay	NSW	Tourism recreation	August 2005	6.1	
<b>DOMAINE ST KILDA FUND</b>					
474 St Kilda Road, Melbourne	VIC	Commercial	June 2001	24.6	
<b>DOMAINE CREEK STREET FUND</b>					
200 Creek Street Brisbane	QLD	Commercial	October 2002	23.0	
<b>DOMAINE DIVERSIFIED PROPERTY FUND</b>					
263 Clarence Street, Sydney	NSW	Commercial strata	September 2004	6.9	
31 Murray Dwyer Circuit, West Mayfield	NSW	Commercial	November 2004	7.2	
19-27 Devlin Street, Ryde	NSW	Commercial	May 2005	5.4	
Clarinda Street, Parkes	NSW	Retail	June 05	8.9	
Lot 37, Laverton North	VIC	Industrial	June 05	18.4	
158 Karawatha Drive, Mt Creek	QLD	Retail	June 05	9.6	
<b>DOMAINE SEQ GROWTH FUND &amp; TRUST</b>					
Mt Gravatt Shopping Centre	QLD	Retail	December 2005 (land)	10.5	
Casamvale Shopping Centre	QLD	Retail	December 2005 (land)	16.8	
Yatala	QLD	Cold storage facility	May 2005	18.9	
<b>DOMAINE LAND FUND</b>					
PROPERTY	LOCATION	SECTOR	PROJECT PERIOD	GROSS REALISATION VALUE \$M	NUMBER OF LOTS
Ash Road, Prestons	NSW	Residential	2004-2005	8.3	27
Bulwer Road, Moss Vale	NSW	Residential	2004-2005	12.0	65
Old Punt Road, Tomago	NSW	Industrial	2004-2006	19.8	48
Steeffriver, Newcastle	NSW	Industrial	2005-2006	57.8	68



## PROPERTY FUNDS AUSTRALIA

PFA Diversified Property Trust (PFADPT) is an Australian unit trust listed on the Bendigo Stock Exchange and owns a portfolio of Australian investment grade properties valued at approximately \$334 million. The portfolio includes retail, office, industrial, entertainment and car parking sector assets.

Mirvac Group acquired a 50% interest in Property Funds Australia Limited, the responsible entity of the PFADPT in August 2004.

### PROPERTY INVESTMENT PORTFOLIO

ASSET	LOCATION	SECTOR	% OF PORTFOLIO VALUE	CURRENT INDEPENDENT VALUATION (\$M)
Civic Tower	Sydney, NSW	Office	16.27	54.4 <sup>1</sup>
Sevenoaks	Cannington, WA	Office	11.22	37.5
Homeworld Centre	Tuggeranong, ACT	Retail/Office	9.72	32.5
The Lands Building	Hobart, TAS	Office	8.67	29.0
Garden Square	Upper Mt Gravatt, QLD	Office	9.36	31.3
Anzac Square	Brisbane, QLD	Office	7.18	24.0
Cairns Hypermart	Cairns, QLD	Retail/Industrial/ Office	5.09	17.0
388 Queen Street	Brisbane, QLD	Office	5.68	19.0
180 Queen Street	Brisbane, QLD	Office/Retail	5.38	18.0
Riverdale Centre	Dubbo, NSW	Retail /Entertainment	4.73	15.8
544 Kessels Road	MacGregor, QLD	Retail/Industrial	3.62	12.1
Centro on James - Stage 3	Fortitude Valley, QLD	Retail /Entertainment	3.29	11.0
The Precinct	Coorparoo, QLD	Office/Retail	3.14	10.5
AAPT Centre	Richmond, VIC	Industrial/Office	4.58	15.3
33 McDowell Street	Welshpool, WA	Industrial	2.06	6.9
			100	334.3

<sup>1</sup> 50% interest



## ARF MANDATE

James Fielding Funds Management has been appointed to manage a separate value-added/ opportunistic mandate on behalf of Australian Retirement Fund (ARF), a leading industry super fund. The mandate is primarily focused on property development and value-adding projects (including the refurbishment and reletting of existing buildings). ARF invests 80% and James Fielding Developments Pty Limited invests 20%.

ASSETS	TYPE
177 Salmon Street, Port Melbourne, VIC	Land subdivision - Business Park
Archbold Road, Minchinbury, NSW	Land subdivision - Industrial
18 Marcus Clarke St, Civic, ACT	Commercial development



**DISCLAIMER**

The information made available through this property compendium, including any expression of opinion or forecast, has been obtained from or based on sources believed by Mirvac Group to be reliable. Mirvac Group does not warrant the accuracy, completeness or currency of the information. Mirvac Group and its related companies will not be liable for any inaccuracies, omissions or errors in the content nor for any loss or damage arising from action taken in reliance on the information.

