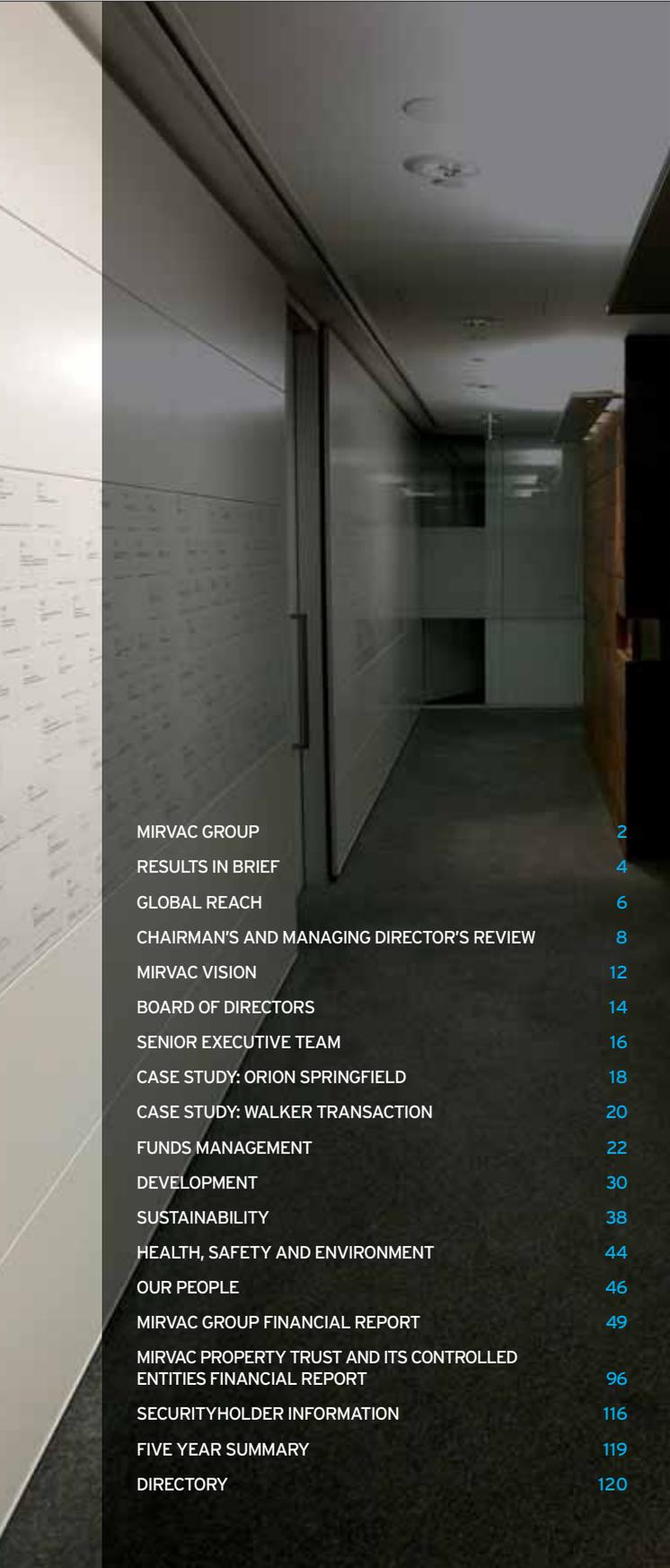


MIRVAC GROUP
ANNUAL REPORT 2007



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FRONT COVER: SOLAR PANEL AT ORION SPRINGFIELD, QLD. IT IS THE LARGEST SOLAR PANEL IN A SHOPPING CENTRE IN AUSTRALIA, GENERATING ENOUGH ENERGY TO POWER 2.5 HOMES PER DAY ON AVERAGE.



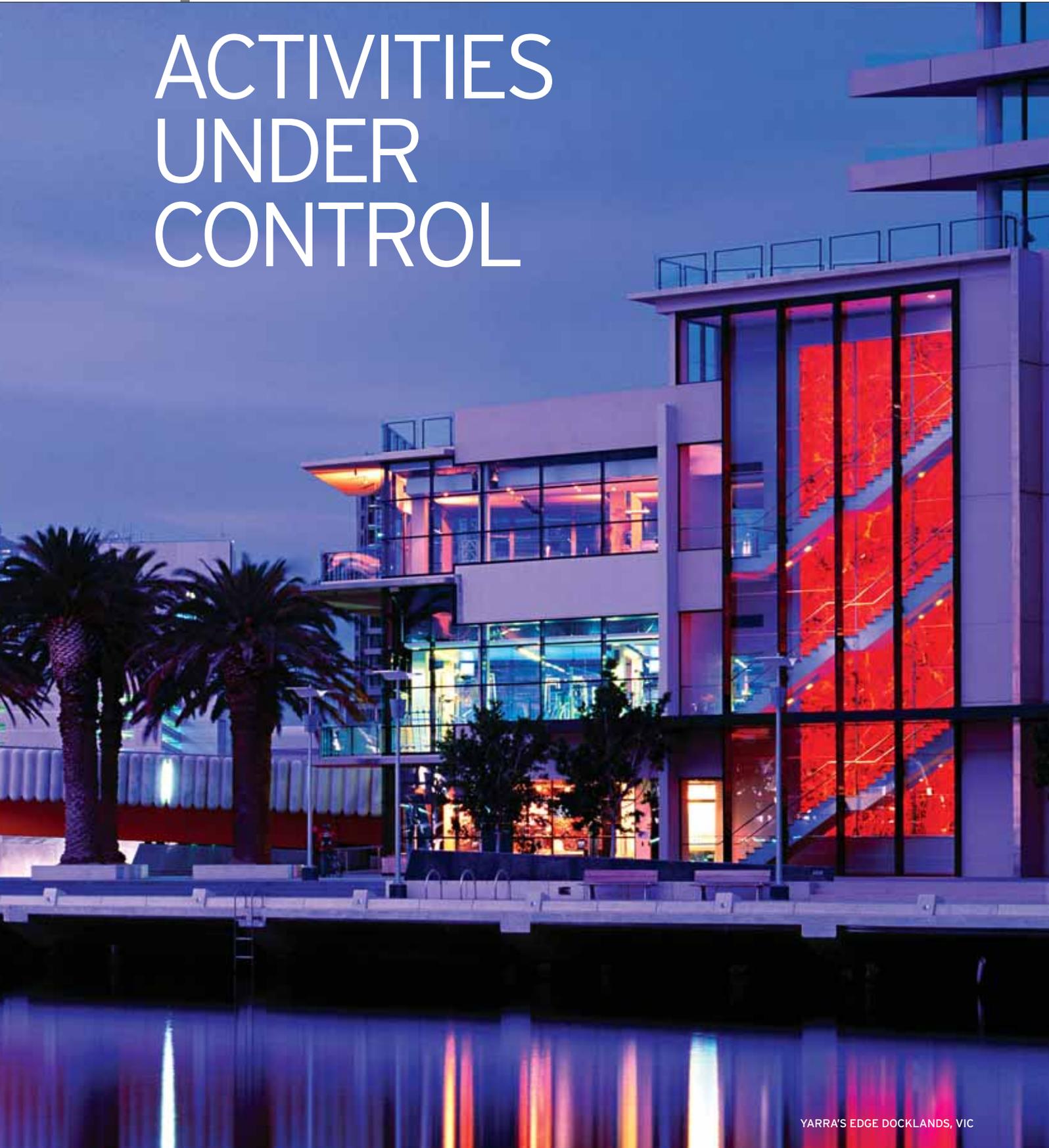


FUNDS MANAGEMENT DEVELOPMENT

DIVERSIFIED
BUSINESS LINES

\$26.3 BILLION

ACTIVITIES UNDER CONTROL



YARRA'S EDGE DOCKLANDS, VIC

FINANCIAL HIGHLIGHTS

	FY07	FY06	CHANGE
REVENUE	\$2,220.9m	\$1,806.0m	23.0%
NPAT	\$556.1m	\$441.1m	26.1%
OPERATING PROFIT ¹	\$319.1m	\$274.4m	16.3%
EPS	58.65c	52.18c	12.4%
EPS ¹	32.97c	31.64c	4.2%
DPS	31.90c	31.00c	3.0%
NTA ²	\$3.80	\$3.38	12.5%

STRONG FINANCIAL PERFORMANCE

\$319.1m

32.97c

\$7.4bn

\$3.80



16.3%

OPERATING PROFIT ¹



4.2%

EPS ¹



20.8%

TOTAL ASSETS



12.5%

NTA ²

1) OPERATING PROFIT AFTER TAX EXCLUDING NON-CASH AIFRS ADJUSTMENTS.
 2) NTA BASED ON ISSUED SECURITIES EXCLUDING EIS SECURITIES.

MIRVAC'S STRONG RESULT IS DIRECTLY ATTRIBUTED TO OUR TWO DIVISIONS, FUNDS MANAGEMENT AND DEVELOPMENT, WORKING TOGETHER TO DELIVER A STABLE STREAM OF RESILIENT EARNINGS.

CAPITAL MANAGEMENT

	JUNE 07	JUNE 06
S&P RATING	BBB	BBB
TOTAL INTEREST BEARING DEBT	\$2,552m	\$2,326m
% HEDGED	79.6%	70.5%
WEIGHTED AVERAGE HEDGE MATURITY	4.5 yrs	4.5 yrs
AVERAGE BORROWING RATE ¹	6.79%	6.38%
GEARING ²	35.3%	38.0%

1) INCLUDES MARGINS & LINE FEES.

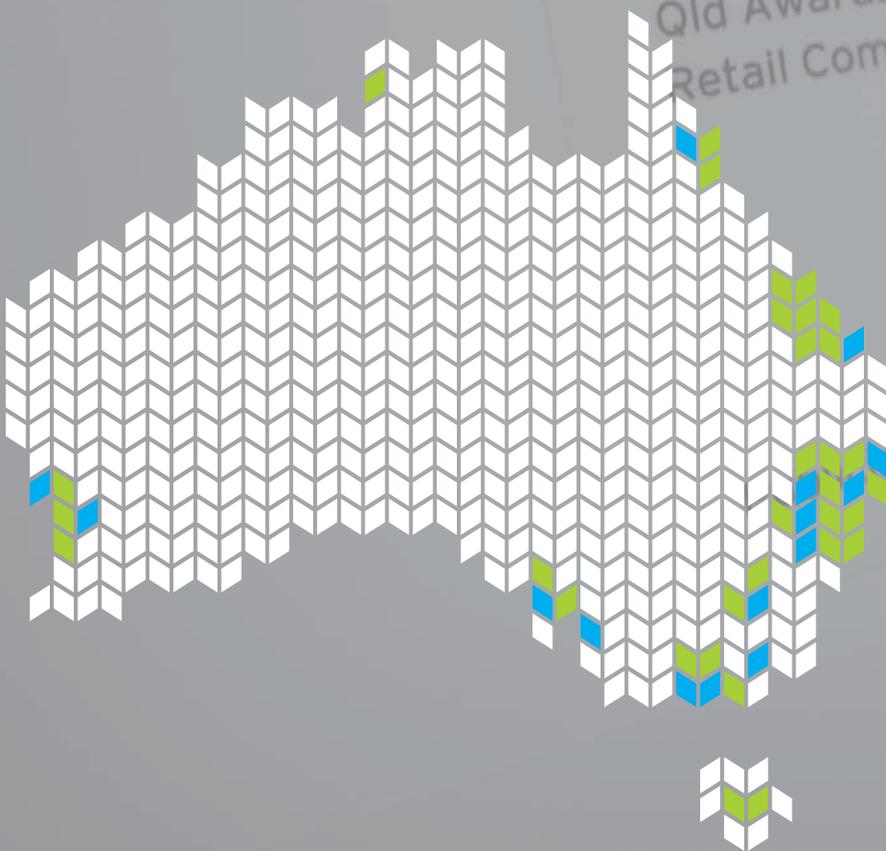
2) INTEREST BEARING LIABILITIES (HEDGED FOREIGN CURRENCY DEBT) LESS CASH / TOTAL ASSETS LESS CASH.

GLOBAL REACH

UNITED KINGDOM



AUSTRALIA



NEW ZEALAND



- FUNDS MANAGEMENT
- DEVELOPMENT



UNITED STATES OF AMERICA

MIRVAC IS EXTENDING ITS ACTIVITIES OFFSHORE
TO ACCELERATE THE SCALE OF OPERATIONS
NECESSARY TO GENERATE HIGHER RECURRENT
EARNINGS AND RETURNS TO OUR STAKEHOLDERS

THE 2006/7 FINANCIAL YEAR MARKED A FURTHER STAGE IN THE TRANSFORMATION OF MIRVAC INTO A FULLY INTEGRATED REAL ESTATE GROUP, A PROCESS THAT COMMENCED IN 2005.

A NUMBER OF STRATEGIC OBJECTIVES SET BY THE BOARD
AT THE TIME WERE ACHIEVED DURING THE YEAR AND FURTHER
OPPORTUNITIES TO GROW AND DEVELOP THE GROUP ARE
CURRENTLY UNDER CONSIDERATION.

FINANCIAL PERFORMANCE

It is pleasing to report that Mirvac Group again delivered a strong performance in the last financial year, notwithstanding continuing subdued conditions in some residential markets, notably New South Wales.

Revenue increased for the third successive year, by 23 per cent \$2,220.9 million. Net profit after tax increased by 26.1 per cent to \$556.1 million and operating profit, which is profit after tax excluding non-cash AIFRS adjustments, increased by 16.3 per cent to \$319.1 million.

Earnings per security increased by 4.2 per cent to 32.97 cents, on an enlarged capital base, which supported the full year distribution of 31.90 cents per security, a 3.0 per cent increase on the prior year.

The Distribution Reinvestment Plan remained activated throughout the year, with over 50 per cent of Mirvac Group's issued capital participating.

This financial performance is attributable to Mirvac's many business units working together to deliver a stable stream of resilient earnings for the Group, in line with our stated strategies. Through this integrated platform, Mirvac has actively managed its balance sheet activity, recycling capital in an efficient manner to realise a resilient stream of long-term management fee income.

OPERATING HIGHLIGHTS

In pursuit of its stated growth strategies, during the year Mirvac successfully:

- › acquired a \$1.12 billion portfolio of property assets from Walker Corporation;
- › acquired a \$328.3 million portfolio of hotels from Carlton Hotel Group;
- › established \$655.5 million of new wholesale funds; and
- › renewed the mandate from AustralianSuper to 2010 with an increased commitment of \$100 million per annum over that period.

Mirvac Property Trust delivered growth through \$1.2 billion of acquisitions, development completions (by Mirvac) and revaluations.

The Development Division restocked its pipeline of future activity through the acquisition of a number of prime sites around Australia, yielding over 11,900 residential lots with an end sale value of over \$3.7 billion.

OPERATIONAL REVIEW

During the year, the former separate operating divisions Investment, Funds Management and Hotels and Resorts were merged into one aligned Divisional unit, called Funds Management, headed by Nicholas Collishaw, an Executive Director of the Group. The Division was structured into internal and external funds management activities.

The Division enjoyed a strong 2006/7 year achieving a net profit after tax of \$529.4 million, a 47.4 per cent increase on the prior year, and operating profit of \$267.3 million, an increase of 28.7 per cent on the prior year.

As at 30 June 2007, the Funds Management Division had \$13.3 billion of activities under control. Internal Funds Management, with a total portfolio value of \$4.2 billion, had investments in 55 properties covering the retail, commercial, industrial and hotel sectors, as well as investments in a number of Mirvac's managed funds.

1) TOTAL TRANSACTION VALUE BEFORE ADJUSTING FOR JOINT VENTURE INTERESTS AND MIRVAC MANAGED ENTITIES.



GREG PARAMOR (MANAGING DIRECTOR) AND JAMES MACKENZIE (CHAIRMAN)

External Funds Management had real estate and infrastructure funds under management of \$9.1 billion, and a managed hotel portfolio of 5,439 rooms across 42 properties in Australia, New Zealand and the Pacific region. The Division will maintain its focus on growing scalable funds, particularly those that are built on collaborative opportunities across the Group.

The former state based development businesses were also consolidated during the year into a unified Development Division, headed by Adrian Fini, also an Executive Director of the Group.

Despite subdued conditions in some of its markets, the Division achieved an operating profit after tax of \$98.6 million, a 7.5 per cent increase on the previous year's result. The Division also achieved strong sales during the year with 1,958 lot settlements and \$689.2 million in exchanged contracts at year-end, 50 per cent of which are expected to settle in the 2007/8 year.

As at 30 June 2007, the Division had \$13.0 billion of activities under control, of which residential comprised \$11.1 billion with a future pipeline of 29,016 lots, and \$1.9 billion in activities across the commercial, retail, industrial and hotel sectors.

During the year, the Division undertook an extensive re-stocking programme and acquired 13 prime development sites around Australia.

The Division also diversified its activities with the delivery during the year to Mirvac Property Trust of four retail projects and one industrial project. The acquisition of the Industrial Commercial Property Solutions (ICPS) business during the year also increased Mirvac's capabilities and expertise primarily in the development of industrial projects. ICPS will continue to provide tailored industrial property solutions to their existing corporate clients and now for the Mirvac Group.

OVERSEAS OPPORTUNITIES

Real estate is an increasingly global business and Mirvac recognises that it needs to extend its funds management activities offshore in particular to achieve the scale of operations necessary to generate higher recurrent earnings and further facilitate the Group's ability to recycle its capital.

However while real estate is going global, it remains very much a local business, and it is critical that Mirvac forms and maintains relationships with established offshore partners and investors. To that end a senior executive, Adrian Harrington has relocated to London to manage these relationships, enhance the existing interests Mirvac has with its off-shore partners Chantrey in the UK and Quadrant in the US, as well as seek new international opportunities for the Group. Opportunities also exist for the Hotel business to extend its management expertise into Europe and the Middle East.

CAPITAL MANAGEMENT

Mirvac Group continues to prudently manage its capital to support its growth and expansion strategies.

The BBB long-term credit rating issued on the Group by Standard & Poor's in 2006 was maintained. An attractive refinancing programme was completed during the year with support from both local and offshore institutions. To complement the refinancing, the Group also raised \$375 million through an institutional placement and \$46 million through a Security Purchase Plan, which was supported by over 10,000 of our securityholders.

Despite the activity undertaken during the year, Mirvac's gearing at 30 June 2007 was a comfortable 35.3 per cent compared to 38.0 per cent a year ago.

The Group continued to rollout its Mirvac Value Add (MVA) programme across all of its businesses to focus on the returns achieved from the capital employed. Positive securityholder value is achieved when returns on the capital invested exceed the cost of that capital. MVA is a tool to measure financial performance and assists in the optimum allocation of capital across divisions and between projects and other opportunities.



MAIN STREET, ORION SPRINGFIELD, QLD

SUSTAINABILITY

Sustainability has become an essential element of developing and managing residential and non-residential properties and Mirvac continues to deliver outstanding examples of sustainability in action in our projects.

During the year, Mirvac undertook a comprehensive strategic planning process to set the future direction for sustainability across the Group, encompassing all its activities.

Guiding principles have been established aligned to the Group's values, which set the vision for sustainability performance, and priority areas identified as detailed elsewhere in this Annual Report. Appropriate performance targets are also being established for these priority areas.

Mirvac's leadership in sustainable development practices has been recognised in the numerous awards received during the year for projects that have reduced energy, greenhouse gas emissions and water use whilst at the same time creating vibrant communities in which we live, work, shop and stay.

MIRVAC'S PEOPLE

We are appreciative of the leadership and support provided by Mirvac's Board and Senior Executive Team, and we also thank all of our employees for their efforts and achievements throughout the year.

A number of initiatives were introduced during the year to assist in Mirvac becoming a preferred employer of choice.

More competitive remuneration structures based on performance, which clearly enunciate how awards can be achieved, were introduced for staff at various levels. All employees now have the opportunity to share in Mirvac's success through the introduction of a general employee security acquisition plan under which gifts of up to \$1,000 of Mirvac securities are made each year. We have also introduced more training and skills enhancement programmes, increased HSE processes and practices including a 'well-being' programme, as well as a number of other benefits of being an employee of the Group.

A new long-term incentive scheme is proposed for implementation aligned to common practice in the Australian market, as detailed in the Remuneration Report in the Directors' Report on pages 59 - 69, which securityholders will be asked to approve at the Annual and General Meetings of the Group to be held in November.

The commitment, expertise and dedication of all of Mirvac's employees are again reflected in the year's financial results and in the numerous awards our activities and individuals received.



PACIFIC PLACE, NSW

OUTLOOK

Despite the recent volatility in debt and equity markets arising from concerns with the US sub-prime mortgage market, Mirvac is confident that economic fundamentals in Australia remain positive.

We expect growth to accelerate in the current year underpinned by strong labour markets, high immigration, low unemployment and continued business investment. Housing construction should also accelerate supported by investors and first homebuyers returning to the market as rental vacancies fall and rents rise. Dwelling supply remains below historical long-term demand. We also believe the likelihood of interest rate rises in the foreseeable future has diminished but inflationary pressures will have to be carefully managed. However, housing affordability remains an issue and the costs of, and delays in, delivery of new stock to the market may constrain supply.

With \$26.3 billion of diverse activities under its control, a strong balance sheet and an experienced and skilled workforce, Mirvac remains well placed to capitalise on the opportunities that will arise in the markets for both its primary development and funds management offerings.

Mirvac will continue to recycle assets and developments through its funds management capabilities to maximise returns and will continue to investigate opportunities in key global markets.

We thank our securityholders for your support and we trust that your investment in Mirvac will continue to be rewarding for you over both the short and longer term.

James MacKenzie
Chairman

Greg Paramor
Managing Director

OUR VISION IS TO MAKE THE MIRVAC NAME THE LEADING INTEGRATED QUALITY BRAND IN REAL ESTATE FUNDS MANAGEMENT AND DEVELOPMENT.

WE CONTINUE TO DELIVER ON OUR STRATEGY TO ACHIEVE OUR VISION.

TWO YEARS AGO THE FOLLOWING STRATEGIC OBJECTIVES WERE SET:	THESE OBJECTIVES REMAIN IN PLACE TODAY. ACHIEVEMENTS IN 2006/7 WERE:
<p>CREATE AN INTEGRATED PROPERTY PLATFORM</p> 	<ul style="list-style-type: none"> > Mirvac restructured into two integrated operating Divisions - Funds Management and Development. > Two new wholesale funds created from assets sourced from Mirvac. Funds will be managed by Mirvac and assets managed and developed by Mirvac. > Four retail developments and one industrial project delivered by Mirvac to Mirvac Property Trust to grow its portfolio of income producing assets.
<p>CONTINUE TO DIVERSIFY THE DEVELOPMENT BUSINESS</p> 	<ul style="list-style-type: none"> > 29 commercial, industrial and retail projects with a value of \$1.9 billion to be delivered over the next few years. > Industrial Commercial Property Solutions acquired to increase industrial expertise and focus within Mirvac. > Even spread of residential development pipeline across NSW, VIC, QLD and WA. > Not reliant on any one state but positioned to capitalise on recovering eastern seaboard markets.
<p>CONTINUE TO EXPAND RECURRENT EARNINGS</p> 	<ul style="list-style-type: none"> > Mirvac Property Trust portfolio value increased by 20.7% to \$4.2 billion. Portfolio quality improved through acquisitions and development completions and disposals of non-core assets. > External funds under management increased by \$1.3 billion to \$9.1 billion. > New wholesale funds launched in Australia and UK; smaller non-core funds rationalised. > Hotel rooms under management increase to 5,439 across 42 hotels and resorts.

TWO YEARS AGO THE FOLLOWING STRATEGIC OBJECTIVES WERE SET:

THESE OBJECTIVES REMAIN IN PLACE TODAY. ACHIEVEMENTS IN 2006/7 WERE:

PRUDENTLY MANAGE CAPITAL



- > S&P 'BBB' long-term credit rating maintained.
- > Debt refinancing programme completed during year with diversification into the Australian and US debt markets.
- > Gearing reduced to 35.3% at year end at lower end of 35-40% range.
- > 'Mirvac Value Add' developed which focuses on returns from capital employed and returns to stakeholders over the longer term.

LEVERAGE THE MIRVAC BRAND



- > New logo developed and all internal and external funds under management renamed.
- > Mirvac Hotel brands now in use in 42 hotels and resorts in Australia, New Zealand and the Pacific.
- > Mirvac Design established to give aligned identity to Mirvac's architectural and internal design activities.
- > New logo in widespread use across internal and external communications.

MAINTAIN STRONG MANAGEMENT



- > Stable Board setting strategy and leading Mirvac.
- > Stable, integrated executive team with extensive experience working collaboratively.
- > Recruiting new people with required skills and expertise to support growing businesses.
- > Implemented appropriate, transparent remuneration policies to reward performance.
- > Training and learning programmes implemented to build skills and keep refreshed.

COMMIT TO SUSTAINABLE AND RESPONSIBLE BUSINESS ACTIVITIES



- > Continue to implement sustainability initiatives across all its businesses and developments.
- > Recognised through numerous awards such as the awarding of the 2007 Banksia Climate Award to Mirvac for its achievement in reducing greenhouse gas emissions by the use of new technology at its residential development at Glenfield in Sydney.

BOARD OF DIRECTORS



JAMES MACKENZIE
CHAIRMAN
BBus, FCA, FAICD

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

Chairman of the Nomination Committee.

Member of the Human Resources Committee.



GREG PARAMOR
MANAGING DIRECTOR
FAPI, FAICD, FRICS

Mr Paramor was appointed Managing Director of Mirvac Group on 7 January 2005 following the acquisition of James Fielding Group (JFG).

Member of the Nomination Committee.



PAUL BIANCARDI
DEPUTY CHAIRMAN
BEc, FCA

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

Chairman of the Audit, Risk and Compliance Committee.

Member of the Human Resources Committee.

Member of the Nomination Committee.

Further details of the Directors' experience is contained in the Directors' Report on pages 56 - 57.



NICK COLLISHAW
EXECUTIVE DIRECTOR
SA (Fin), AAPI

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

He is Executive Director of Mirvac Group's Funds Management Division.



ADRIAN FINI
EXECUTIVE DIRECTOR
BCom

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

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



PETER HAWKINS
NON-EXECUTIVE DIRECTOR
BCA (Hons), ACA (NZ), FAIB, ABINZ, FAICD

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

Chairman of the Human Resources Committee.

Member of the Audit, Risk and Compliance Committee.



PENNY MORRIS AM
NON-EXECUTIVE DIRECTOR
BArch (Hons), MEnvSci, DipCD, FRAIA, FAICD

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

Member of the Audit, Risk and Compliance Committee.

Member of the Human Resources Committee.



RICHARD TURNER AM
NON-EXECUTIVE DIRECTOR
BEC, FCA

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

Member of the Audit, Risk and Compliance Committee.

Member of the Human Resources Committee.



MICHAEL SMITH
GROUP COMPANY SECRETARY
BA, FAICD, ACIS

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

Secretary of the Audit, Risk and Compliance Committee.

Secretary of the Human Resources Committee.

Secretary of the Nomination Committee.

SENIOR EXECUTIVE TEAM



GREG PARAMOR
MANAGING DIRECTOR
FAPI, FAICD, FRICS

Mr Paramor was appointed Managing Director of Mirvac Group following the acquisition of JFG in January 2005.

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



NICK COLLISHAW
EXECUTIVE DIRECTOR
Funds Management
SA (Fin), AAPI

Mr Collishaw was appointed to the Mirvac Board on 19 January 2006. He is Executive Director of Mirvac Group's Funds Management Division, which has a portfolio of over 55 properties valued at approximately \$4.2 billion, following the acquisition of JFG in January 2005.

He has been involved in property funds management for over 20 years and has extensive experience in commercial, retail and industrial property throughout Australia. Prior to Mirvac and JFG, Mr Collishaw has held senior positions with a number of leading organisations.



ADRIAN FINI
EXECUTIVE DIRECTOR
Development
BCom

Mr Fini was appointed to the Mirvac Group Board on 19 January 2006. He Executive Director of Mirvac Group's Development Division.

Mr Fini has been involved in property development since 1977 and was appointed Managing Director of the Fini Group in 1994. Following its merger with the Mirvac Group in 2001, he became the Chief Executive of the expanded business.



TIM REGAN
CHIEF OPERATING OFFICER
BEC, CA, FAPI

Mr Regan is the Chief Operating Officer at Mirvac. He has over 20 years experience in corporate finance and project management and is responsible for finance, treasury, insurance, IT, administration and special projects at Mirvac.

Mr Regan previously worked at JFG as Chief Operating Officer, and was formerly Chief Financial Officer of Mirvac Group for two years until this present appointment. Prior to JFG, he worked with the Sydney Organising Committee for the Olympic Games for five years in a variety of commercial and operational roles and PricewaterhouseCoopers for 10 years in its infrastructure and insolvency divisions.



JOHN BUNTING
GROUP GENERAL MANAGER
Human Resources
BA, MBA

Mr Bunting is a Human Resources professional with over 30 years experience gained in the consultancy, manufacturing, building, and finance industries.

He was appointed to Group General Manager Human Resources, Mirvac, in October 2006 and is responsible for Health Safety and Environment, Learning and Development, Remuneration and Benefits, Living Quality, and Human Resources Operations.



JUSTIN MITCHELL
CHIEF FINANCIAL OFFICER
BCom, CA, SA (Fin)

Mr Mitchell is a Chartered Accountant with over 12 years finance experience gained in the property industry and professional accounting firms.

He was appointed as Chief Financial Officer of Mirvac Group in July 2007 and is responsible for the Group's finance function including corporate accounting, tax, financial analysis, forecasting and statutory reporting.



MICHAEL SMITH
GROUP COMPANY SECRETARY
BA, FAICD, ACIS

Mr Smith was appointed Group Company Secretary of the Mirvac Group in October 2005.

Prior to that, he was Company Secretary of Promina Group Limited from its float in 2003 and has also been Company Secretary for Australand Holdings Limited, Walker Corporation Limited, National Foods Limited and Macquarie Bank Limited. Mr Smith has extensive experience in legal, risk management, corporate governance, compliance and company secretarial practice for over 25 years in listed and public companies in Australia.



EVAN CAMPBELL

CHIEF EXECUTIVE OFFICER
Western Australian Development

Mr Campbell was appointed Chief Executive Officer of Western Australian Development in April 2007.

He commenced employment with Mirvac in 1992 in Sydney and over the past 15 years has been the Development Manager responsible for many projects including Beacon Cove in Melbourne, as well as Newington Olympic Village and Pacific Place in Chatswood, Sydney.



GREG COLLINS

CHIEF EXECUTIVE OFFICER
Victorian Development
BCom, FDIA, AAPI, ANZPI

Mr Collins was appointed Chief Executive Officer of Victorian Development in December 2006. He has been with the Mirvac Group for 12 years having formerly held positions as Development Director in Queensland for eight years and prior to that in Mirvac New South Wales Development and Homes Divisions.

During those appointments, Mr Collins completed many strategic acquisitions of significant projects for the Group.



BRETT DRAFFEN

CHIEF EXECUTIVE OFFICER
NSW Development
BBus

Mr Draffen was appointed Chief Executive Officer of New South Wales Development in August 2006. He was formerly the Chief Executive Officer of Victorian Development, having been appointed to that role in July 2004.

Prior to that appointment, he was a Development Director with Mirvac Fini in Western Australia and has been involved in all aspects of the property industry since 1988.



CHRIS FREEMAN

CHIEF EXECUTIVE OFFICER
Queensland Development
BCom, FAICD, FAIBF, FDIA

Mr Freeman joined the Group in March 1998, as Chief Executive Officer, Queensland Development.

He is the Past Deputy Chairman of Brisbane Festival Limited, Chapter Chair for the Australian Business Arts Foundation (AbaF), Director of Major Brisbane Festivals Limited and is a Past Director of Tennis Queensland and is Chair of the Brisbane City Council's Urban Futures Board - CBD Masterplan Committee.



ADRIAN HARRINGTON

CHIEF EXECUTIVE OFFICER
Funds Management US&UK
BSc (Hons), FFin

Mr Harrington has over 16 years experience in the funds management and real estate industries. He was appointed CEO of Mirvac's Funds Management Division in January 2005.

He previously held senior positions at JFG, Deutsche Asset Management, Paladin Australia and the Property Council of Australia.

Mr Harrington has recently relocated to London to oversee Mirvac's off-shore activities and growth.



GRANT HODGETTS

CHIEF EXECUTIVE OFFICER
Funds Management Australia
BA, AssocDipVals, AAPI

Mr Hodgetts has been involved in property and funds management since 1979. He joined Mirvac's Funds Management Division in February 2006.

Prior to joining Mirvac, he was Head of Property in the Specialised Capital Group of Westpac Institutional Bank; a Division Director of Property Investment Banking at Macquarie Bank; a Director of Richard Ellis (VIC) Pty Ltd; and an Executive of the AMP Society's Property Division.



ANDREW TURNER

CHIEF EXECUTIVE OFFICER
Hotels and Resorts
BSc (Hons)

Mr Turner has been Chief Executive Officer of Mirvac Hotels and Resorts since 1994 and is responsible for the management of Mirvac's 42 hotels & resorts in Australia, New Zealand and the Pacific.

He has extensive experience in the hotels and resorts industry.

OUTSTANDING SUSTAINABLE DEVELOPMENTS





Opened in March 2007, Mirvac's Orion Springfield is one of Australia's most environmentally friendly shopping centres, delivering significant environmental benefits (when compared to a similar sized shopping centre) across areas such as energy, water, indoor environmental quality, transport, management, ecology, materials and emissions.

Orion Springfield has been designed to use just over half of the energy of a similar sized shopping centre, reducing CO₂ emissions by around 5,000 tonnes per year. This is the equivalent to taking 1,352 cars off the road per year. Innovative water management initiatives will achieve 68 per cent reduction in potable water use (enough to fill 40 Olympic size swimming pools per year).

This project was conceived more than seven years ago with a vision of creating a masterplanned, world class, environmentally friendly town centre. The process of planning, community consultation, innovative design and world leading technology has involved the substantial efforts of a great number of people across Mirvac's workforce. Orion Springfield has taken a construction team of more than 3,985 people and 980,000 hours of labour to build stage 1 of what will eventually be a 40 hectare shopping, entertainment and recreational precinct.

Stage 1 of the retail and town centre development features more than 100 specialty stores and services and more than 2,100 car parks. Covering 35,000 square metres, the development cost \$155 million to construct.

In recognition of Mirvac's commitment to a greener future, Orion Springfield has won a number of awards since opening, and in particular was awarded the 2007 Queensland Environment Protection Authority Award for Sustainability in Urban Development or the Built Environment.

RECYCLED TIMBER USED THROUGHOUT THE CENTRE TO ASSIST WITH VENTILATION

\$1.124 BILLION ACQUISITION



BROADWAY SHOPPING CENTRE, SYDNEY

IN JANUARY 2007, MIRVAC ACQUIRED A PORTFOLIO OF PROPERTIES AND BUSINESSES FROM WALKER CORPORATION PTY LIMITED FOR TOTAL CONSIDERATION OF \$1.124 BILLION, OF WHICH \$739.4 MILLION WAS ACQUIRED DIRECTLY BY MIRVAC, WITH THE BALANCE BY RELATED ENTITIES AND JOINT VENTURE PARTNERS.

This significant transaction provided Mirvac with a unique opportunity to integrate a range of high quality investment and development assets into Mirvac's current business streams.

The portfolio had a strong alignment to Mirvac's existing assets and projects but also provided greater geographical and sector diversity.

The portfolio included:

- › Broadway Shopping Centre, a 49,300 square metre shopping centre in the heart of Sydney's university precinct and densely populated Pyrmont peninsula, acquired for \$430 million¹, reflecting an initial yield of 5.60 per cent (before transaction costs);
- › Rhodes Shopping Centre, adjacent to Sydney's largest Ikea store and located in the heart of a rapidly developing prime residential precinct, comprising 37,580 square metres, acquired for \$198 million¹, reflecting an initial yield of 5.75 per cent (before transaction costs);
- › 5 Rider Boulevard at Rhodes, a 26,000 square metre A-grade commercial office building currently under construction by Mirvac. In March 2007, Alcatel-Lucent signed a pre-commitment to 15,494 square metres over six levels for an initial period of 10 years with two further three year options, and rights to lease a further 2,500 square metres;
- › Rhodes Waterside, a landmark waterfront community-based residential development located adjacent to the Millennium Parklands and Sydney Olympic Park. Upon completion, it will comprise 1,384 apartments;
- › Lake Haven, a 27,870 square metre large format retail centre under construction, acquired for \$48.5 million;
- › A series of development sites around the Hope Island Resort Golf Course and a Hope Island harbourside site, providing the opportunity for Mirvac to develop approximately 260 products. Hope Island Resort is a masterplanned integrated resort and residential community on 360 hectares of land approximately 35 minutes from Brisbane.

The acquisition enhanced Mirvac's development pipeline in the eastern states, adding to sustainable earnings growth in 2008 and beyond.

Since completing the acquisition, Mirvac has successfully sold Hope Island residential lots and Rhodes Waterside to the newly established Mirvac Wholesale Residential Development Partnership as part of Mirvac's strategy to recycle capital, increase its recurring income streams and grow its funds under management.

This deal allows Mirvac to draw on its internal construction, development, retail and funds management expertise to enhance the value of assets acquired.

In recognition of this transaction, it was awarded Deal of the Year by the NSW Urban Taskforce in August 2007.

¹) A 50 PER CENT INTEREST WAS ACQUIRED BY THE PERRON GROUP.



INTERNAL FUNDS MANAGEMENT → \$4.2 BILLION

55 INVESTMENT GRADE ASSETS
INDIRECT REAL ESTATE INVESTMENTS

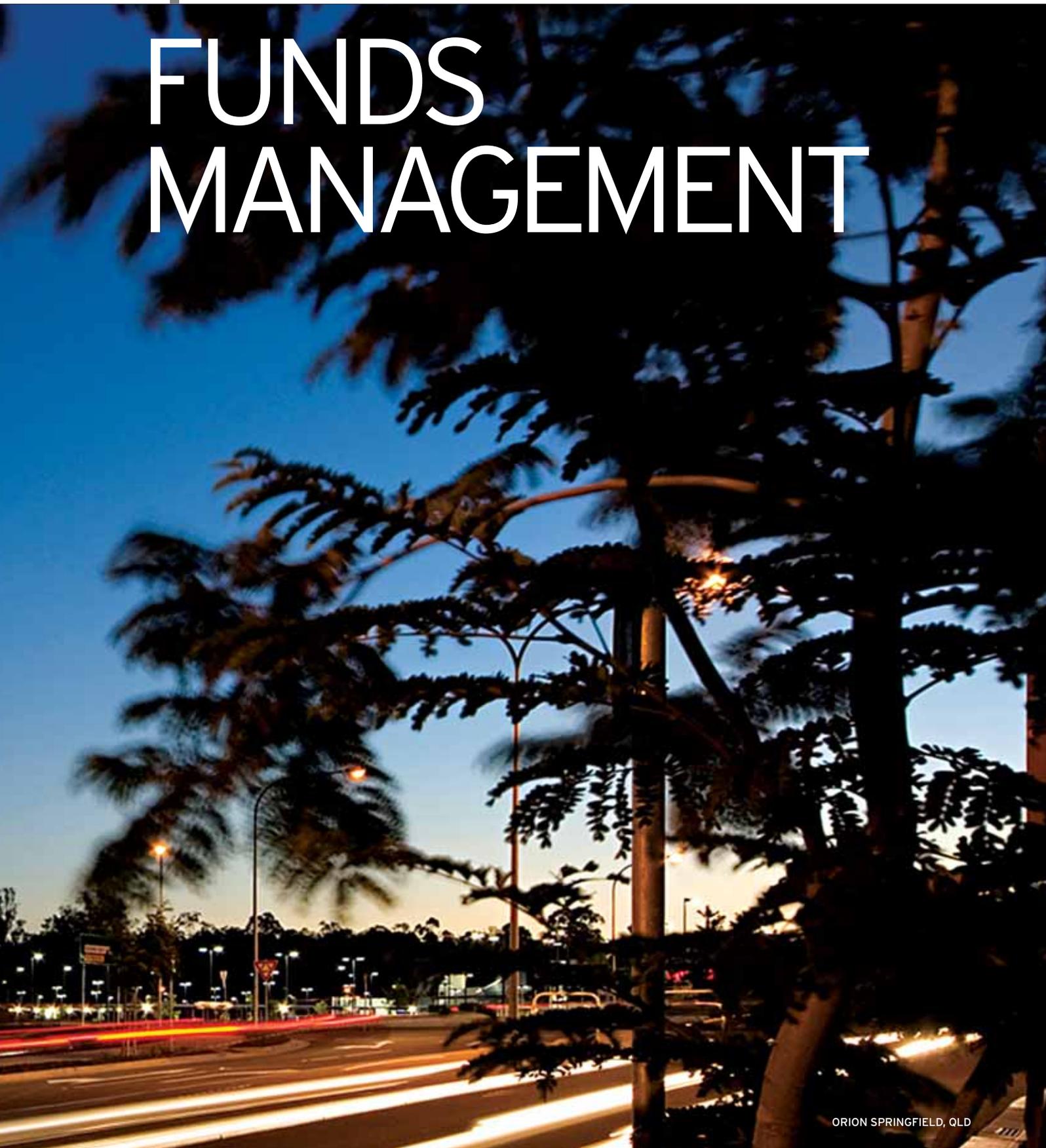
EXTERNAL FUNDS MANAGEMENT → \$9.1 BILLION

EQUITY FUNDS
DEBT FUNDS
INFRASTRUCTURE FUNDS

5,439 ROOMS ACROSS 42 HOTELS AND RESORTS

\$13.3 BILLION

FUNDS MANAGEMENT



ORION SPRINGFIELD, QLD

THE FUNDS MANAGEMENT PLATFORM IS A PROFITABLE AND SCALABLE BUSINESS THAT CONTINUES TO EXPAND.

THE GROUP'S FUNDS MANAGEMENT DIVISION PERFORMED STRONGLY DURING THE YEAR ACHIEVING A NET PROFIT AFTER TAX OF \$529.4 MILLION, A 47.4 PER CENT INCREASE ON LAST YEAR AND DIVISIONAL OPERATING PROFIT OF \$267.3 MILLION, REPRESENTING AN INCREASE OF 28.7 PER CENT ON THE PRIOR YEAR.

As part of the business restructure that occurred during the year, the Funds Management Division is now divided into Internal Funds Management comprising Mirvac Property Trust (MPT) and Mirvac Real Estate Services, and External Funds Management comprising external funds and hotel management.

As at 30 June 2007, the Funds Management Division had \$13.3 billion of internal and external funds management activities under its control.

INTERNAL FUNDS MANAGEMENT

Internal Funds Management, with a total portfolio value of \$4.2 billion, owns 55 properties, covering the retail, commercial, industrial and hotel sectors as well as investments in a number of Mirvac Group's managed funds.

Internal Funds Management delivered \$1.2 billion in growth for the year ended 30 June 2007. The key drivers of this growth came from MPT's quality asset acquisitions, development completions (by Mirvac), revaluations and co-investment in external funds.

Greater diversity and improved quality across MPT's portfolio was achieved with the acquisition of \$363.2 million of retail assets and the disposal of \$391.7 million non-core assets. The development pipeline also delivered four retail developments and an industrial warehouse at a cost of \$241.8 million.

Mirvac's in-house property management team negotiated deals totalling 243,171 square metres of space, which represents 25.9 per cent of the portfolio.

Occupancy across the portfolio increased to 97.3 per cent as at 30 June 2007.

MPT also realised \$245.8 million of asset revaluations, representing an increase in NTA of approximately 24.2 cents per stapled security¹.

EXTERNAL FUNDS MANAGEMENT

Activities undertaken by External Funds during the year allowed the Group to recycle capital and earn stable income streams for investors.

External Funds Management has real estate and infrastructure funds under management of \$9.1 billion, and a managed hotel portfolio of 5,439 rooms across 42 properties in Australia, New Zealand and the Pacific.

During the year, the External Funds team continued to focus on growing scalable funds, particularly those that built on collaborative opportunities across Mirvac's other business units. This was highlighted by the establishment of two products targeted exclusively at the wholesale market; the Mirvac Wholesale Residential Development Partnership and Mirvac Wholesale Hotel Fund.

The Mirvac Wholesale Residential Development Partnership (MWRDP) comprises a number of major institutional investors that have committed equity of \$300 million to acquire projects from Mirvac for development. Up to 46.0 per cent of that commitment has been contributed to date to fund the acquisition of the initial portfolio. The balance will be called over the life of MWRDP to fund existing and future residential development projects. Mirvac has been retained to complete the developments on behalf of MWRDP. The assets acquired to date have a gross realisation value exceeding \$1 billion.

The Mirvac Wholesale Hotel Fund (MWHF) is an open-ended, \$320 million, sector specific fund with a portfolio of six Australian hotels located in Sydney, Melbourne, Brisbane and Cairns. Three major institutions have invested in the MWHF and Mirvac Group has retained an interest that will not exceed 20 per cent in the medium to long term. Total value of the portfolio is \$457 million. The Fund's initial portfolio consists of four hotels recently acquired from Carlton Hotel Group, together with the Marriott Hotel, Sydney and a 50 per cent interest in the Cairns International Hotel both of which have been acquired from Mirvac. All six hotels are of a 4 to 4.5 star standard and provide a total of 1,819 rooms. Mirvac's hotel and resorts business unit is responsible for the hotel management of the portfolio.

Mirvac's externally listed vehicles achieved sustainable growth with Mirvac Real Estate Investment Trust [ASX: MRZ] growing funds under management by 18 per cent from

1) INCLUDES 100 PER CENT OF ORION SPRINGFIELD'S REVALUATION, OF WHICH MPT OWNS 66.6 PER CENT, AND EXCLUDES JOINT VENTURES.



\$1.1 billion to \$1.3 billion; and Mirvac Industrial Trust [ASX: MIX] continuing to build and reposition its US industrial portfolio with assets under management totalling AUD886 million.

Mirvac's External Funds Management platform provides unique access to strategic, sustainable development opportunities with quality joint venture partners.

The strength of the relationships Mirvac has with a number of significant Australian and overseas institutions demonstrates Mirvac's capacity to become a leading global fund manager.

The longstanding mandate with AustralianSuper was renewed through to June 2010 under which AustralianSuper will commit equity of \$100 million per annum to value-added and development opportunities in partnership with Mirvac. This mandate entered into development agreements with Mirvac in May 2007 to develop the balance of The Peninsula residential development in Burswood, Perth (pictured) and the Magenta Shores residential development on the Central Coast, NSW. Mirvac remains responsible for the delivery of these projects on behalf of the mandate.

In September 2006, Mirvac acquired a 50 per cent stake in Chantrey Limited, a UK based property company which specialises in planning, architecture, project management, property development and consultancy. The UK property market is one of the leading markets in the world and provides Mirvac with excellent growth potential. Post 30 June, Chantrey launched its first fund, the City Regeneration Fund. The Fund primarily invests in residential property redevelopment opportunities in London and the south east UK, concentrating in regeneration zones, such as East London's 'Thames Gateway'. A major global institution headquartered in London has entered into a joint venture agreement to take 75 per cent of the Fund, with Mirvac committing to retaining 25 per cent of the Fund.

The Division continued to expand its real estate debt business with debt funds under management at \$3.5 billion at 30 June 2007. The joint venture Mirvac AQUA business expanded its product offering, with funds under management at approximately \$200 million. The mandate held to manage mezzanine debt funds on behalf of the Government of Singapore Investment Corporation also achieved a record level, with approximately \$144 million in quality, secured loans provided to corporate clients.

The Atlanta (US) based Quadrant Real Estate Advisors business, in which Mirvac Group also holds a 50 per cent interest, grew from USD2.6 billion to USD2.8 billion. Importantly, credit quality within the debt portfolios remains sound with no exposure to the US sub-prime debt market or the US residential mortgages market in general. Due to the recent US market events, Quadrant has actually benefited from an increase in returns caused by the widening spreads in the CMBS market and an increase in volumes in the whole loan market as investors seek quality products in times of uncertainty and volatility.

The infrastructure joint venture with Leighton Holdings Limited experienced another year of strong activity, consolidating its investment in Melbourne's Telstra Dome on behalf of a consortium of institutional investors, and acquiring interests in key transport related investments (Lane Cove Tunnel and Rivercity Motorway).

Mirvac's Hotels and Resorts business strengthened its position as one of Australia's leading hotel managers during the year increasing the number of hotels under management from 27 to 42, with rooms under management increasing from 3,124 to 5,439. The average room rate also increased from \$184 per night to \$198 per night, reflecting the quality of the hotels under management.

Mirvac Hotels and Resorts continues to manage well known brands including Sebel, Quay West, Quay Grand and Citigate. The business operates hotels and serviced apartments in all major cities and regions in Australia and New Zealand and now in the South Pacific, with the Sebel Vanuatu opening in June this year. Opportunities for further off-shore expansion are currently under investigation.

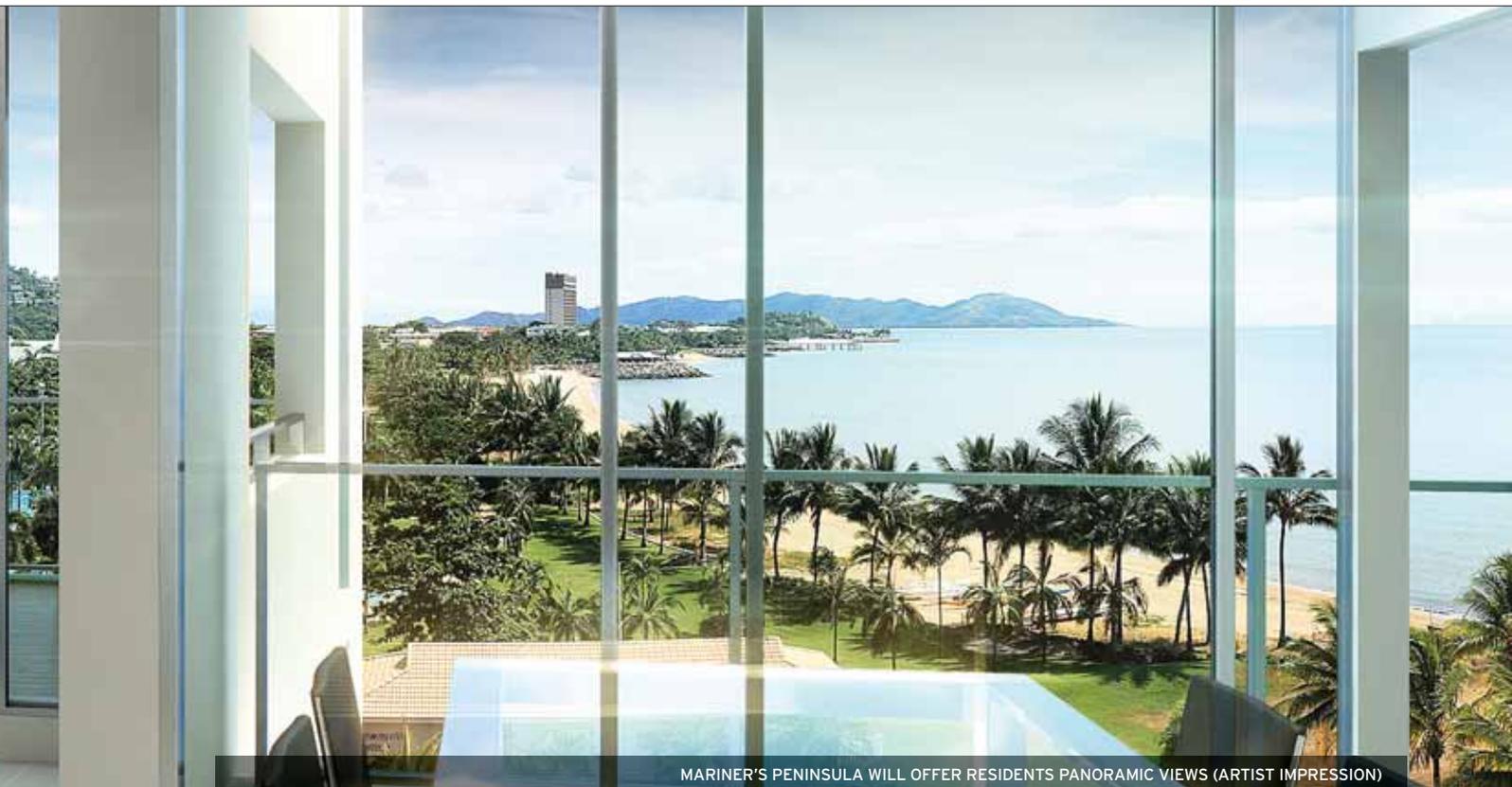
OUTLOOK

Mirvac's Funds Management Division will continue with its strategy to provide new listed and unlisted funds for Mirvac to efficiently utilise its capital and ensure a reliable stream of recurrent earnings for Mirvac Group and attractive returns for Mirvac's securityholders and other investors.

The MPT portfolio will continue to deliver stable, sustainable cash flows to the broader Group, while the External Funds team will continue to grow scalable funds, particularly those that leverage the core skills of Mirvac's other business units.



MIRVAC WHOLESALE RESIDENTIAL DEVELOPMENT PARTNERSHIP



MARINER'S PENINSULA WILL OFFER RESIDENTS PANORAMIC VIEWS (ARTIST IMPRESSION)

THROUGH MIRVAC'S INTEGRATED PLATFORM WE ARE ABLE TO EFFECTIVELY MANAGE BALANCE SHEET ACTIVITY, RECYCLE CAPITAL AND REALISE A STEADY STREAM OF LONG-TERM MANAGEMENT FEE INCOME.

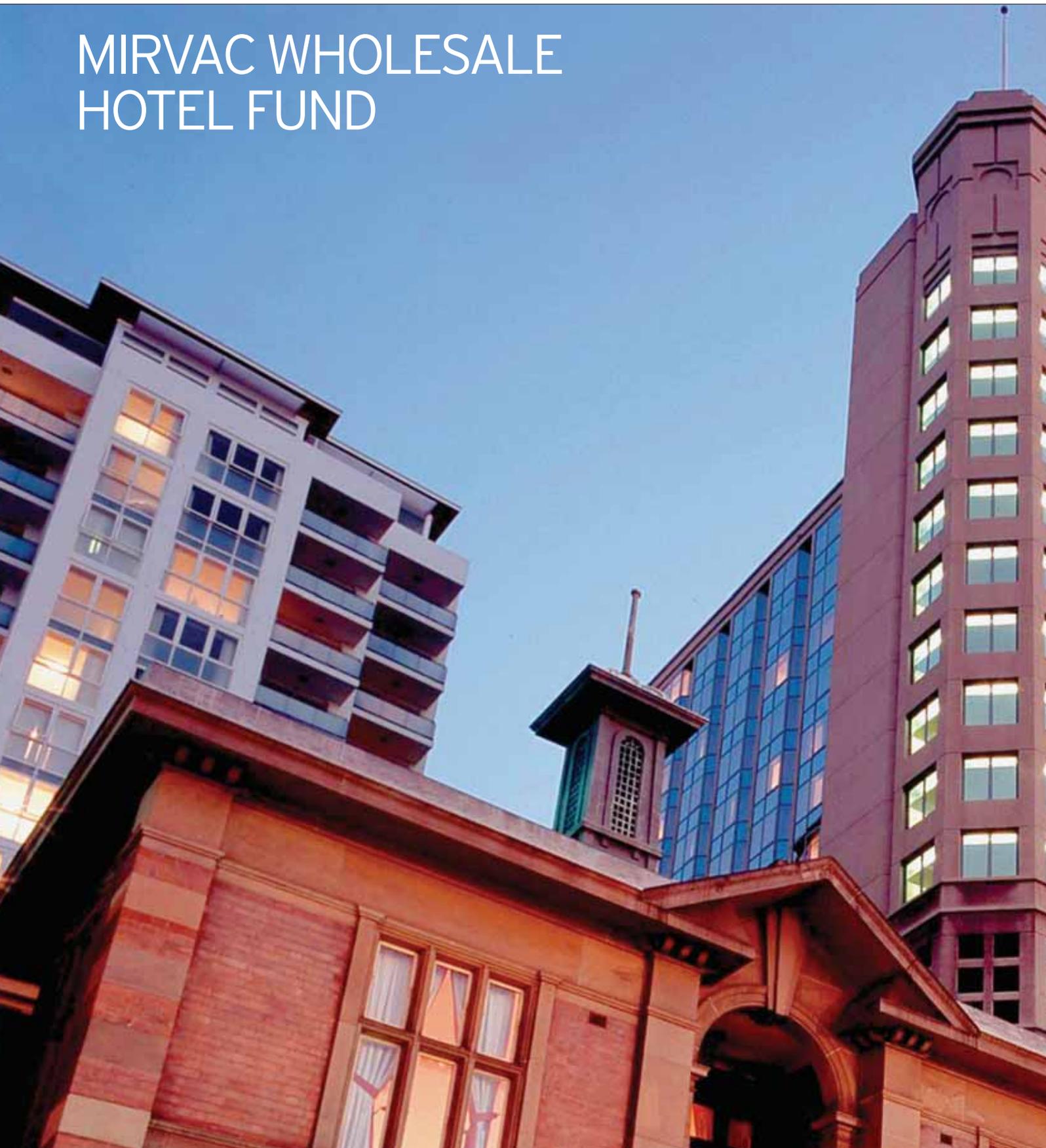
The Mirvac Wholesale Residential Development Partnership (MWRDP) was established in June 2007.

MWRDP was established with a number of major institutional Investors. The Fund is a closed-end vehicle with interests in seven well located residential development projects around Australia, providing diversity by location, product type, timing and stage of the development cycle. All projects are to be delivered by Mirvac's Development Division.

MWRDP raised equity commitments of \$300 million to acquire projects from Mirvac. Up to 46.0 per cent of the commitment has been contributed to date to fund the acquisition of the initial portfolio. The balance will be called over the life of MWRDP to fund existing and future residential development projects. Mirvac has been retained to complete the developments on behalf of MWRDP. The assets acquired to date have a gross realisation value exceeding \$1 billion.

Mariner's Peninsula, Mirvac's first residential development in Townsville, Queensland has already attracted record sales of over \$81 million in four days. Uniquely positioned on Cleveland Bay, Mariner's Peninsula will offer a mix of waterfront apartments and beachfront homes with uninterrupted panoramic views across the Bay to Magnetic Island.

MIRVAC WHOLESALE HOTEL FUND





WHOLESALE FUND CAPTURING THE BENEFITS OF MIRVAC'S BROAD REAL ESTATE EXPERTISE AND INTEGRATED PLATFORM

Mirvac's Funds Management Division launched the Mirvac Wholesale Hotel Fund (MWHF) in June 2007.

MWHF is an open-ended, sector specific fund with initial equity of \$320 million and a portfolio of six Australian hotels located in Sydney, Melbourne, Brisbane and Cairns. The total value of the portfolio is \$457 million.

MWHF's initial portfolio consists of four hotels recently acquired from Carlton Hotel Group, together with the Marriott Hotel, Sydney and a 50 per cent interest in the Cairns International Hotel both of which have been acquired from Mirvac. All six hotels are of a 4 to 4.5 star standard and provide a total of 1,819 rooms.

MWHF has received strong support from a number of major institutions. Mirvac Group has also committed to retaining an interest in the Fund of minimum 20 per cent.

MWHF is a prime example of Mirvac's integrated platform in action with two hotels from the portfolio being sourced from Mirvac Property Trust, a dedicated team of Mirvac personnel from the Funds Management Division managing the Fund, and the Hotels and Resorts business operating all the hotels within the portfolio.

The establishment of MWHF reinforces Mirvac's existing presence in the wholesale market and provides investors with access to a high quality investment opportunity within the hotel sector.

CITIGATE CENTRAL HOTEL, SYDNEY

\$13.0 BILLION DEVELOPMENT



RESIDENTIAL → \$11.1 BILLION 29,016 LOTS

HOUSING
MEDIUM AND HIGH DENSITY
LAND SUBDIVISION

NON-RESIDENTIAL → \$1.9 BILLION

COMMERCIAL
RETAIL
INDUSTRIAL
HOTELS



EPHRAIM ISLAND BEACH HOMES, QLD

DESPITE SUBDUED CONDITIONS IN SOME OF ITS MARKETS, THE DIVISION ACHIEVED A SATISFACTORY OPERATING PROFIT AFTER TAX OF \$98.6 MILLION FOR THE 2006/7 YEAR, A 7.5 PER CENT INCREASE ON THE PREVIOUS YEAR'S RESULT.

STRONG REGIONAL DIFFERENCES IN THE ACTIVITY WITHIN RESIDENTIAL MARKETS REMAINED IN THE YEAR UNDER REVIEW, REFLECTING THE DIFFERING PERFORMANCES OF THE RESPECTIVE STATE ECONOMIES.

Queensland and Western Australia continued to perform well, although Western Australia was less buoyant than in the prior year, as housing affordability became an issue with rising house prices. Victoria and New South Wales were more subdued but are showing signs of recovery as the respective state economies improve.

As at 30 June 2007, the Division had \$13.0 billion of activity under its control. Its residential activity, of \$11.1 billion, comprised 29,016 lots across housing, medium and high density and land subdivision with an even spread across Mirvac's states of operation.

During the year, the Division continued its strategy of increasing its non-residential developments and the \$1.9 billion of activity at year end was evenly spread among commercial, industrial and retail projects.

The Division also progressed the integration of its activities across the broader Mirvac Group, supplying finished product to Mirvac Property Trust and development projects for other funds and mandates managed by the Funds Management Division.

Mirvac continues to enjoy a strong reputation and brand recognition for developing quality residential products. This was reflected in the continued strong pre-sales and settlements the Group secured during the year. Over 1,950 lots were settled during the year including the following major projects:

DEVELOPMENT	NO. OF LOTS SETTLED	TOTAL VALUE \$'m
Latitude, Lavender Bay, NSW	111	\$160.6
Magenta Shores, NSW	112	\$108.5
Saunders Wharf, NSW	29	\$57.5
Ephraim Island, QLD	64	\$37.1
Waverley Park, VIC	128	\$50.8
The Peninsula, WA	108	\$77.9

Pre-sales (exchanged contracts) at 30 June 2007 totalled \$689.2 million of which 50 per cent will settle in 2007/8, underpinning revenue and profit for that year. In particular, Mirvac enjoyed strong demand for its apartment developments; Cambridge, Sydney (132 lots for \$111 million), The Point, Mandurah, WA (99 lots for \$133 million), Ephraim Island, QLD (10 lots for \$14 million) and Waverley Park, VIC (60 lots for \$25 million).

The Division undertook a major restocking programme during the year and was successful in acquiring over 11,900 lots with an end sale value of over \$3.7 billion.

A number of prime sites were acquired including:

- > The Royal at Newcastle, NSW;
- > Leighton Beach, WA;
- > Rockbank, VIC (in joint venture); and
- > Gainsborough Greens, QLD (in joint venture),

leaving Mirvac well positioned with attractive locations for development as the eastern seaboard markets improve over the next year.

The Division also increased its non-residential activity as part of its diversification strategy. Four significant retail developments were delivered to Mirvac Property Trust during the year at a cost of \$241.8 million, being:

- > Orion Springfield (Stage 1), QLD;
- > Logan Mega Centre, QLD;
- > Waverley Gardens Shopping Centre (Stage 2), VIC;
- > Stanhope Gardens (Stage 2), NSW.

Further stages of the Nexus Industry Park (pictured) were also completed for the Trust during the year. As noted earlier the Division currently has 29 non-residential projects either in progress or the planning stage at a total value of \$1.9 billion, including the complete refurbishment and redevelopment of the 19,250 square metre Goodsell Building in Sydney's CBD.



NEXUS INDUSTRY PARK, NSW

The acquisition of the Industrial Commercial Property Solutions business during the year will assist in increasing the Division's non-residential capabilities and expertise, particularly in the development of industrial projects.

The underlying economic factors for the residential market remain strong with high immigration and low unemployment, dwelling supply below historical long-term demand and rental markets tightening in all capital cities. As rents rise, first homebuyers and investors are returning to the market. However, affordability remains an issue but is likely to improve in the absence of any further interest rate hikes and most developers are experiencing some delays and increasing costs in bringing product to the market.

Mirvac expects housing construction in the coming year to be strong in Victoria, moderate in Queensland and Western Australia and recovering in New South Wales.

The outlook for the Development Division also remains positive. More than \$680 million in exchanged contracts will underpin divisional profit for the next few years. The Division's ability to restock its development pipeline with attractively located sites around Australia will allow it to continue to develop quality products, either for direct sale or in support of Mirvac's fund management activities. The Division's broader spread of skills and expertise will allow it to continue to expand its non-residential business, again either as part of Mirvac's integrated platform supporting other Mirvac businesses or on behalf of third party clients.

Mirvac expects the Division's revenue and profit to increase in the coming year as a result of its increased activity, particularly in the improved economic conditions in the major markets of New South Wales and Victoria.

THE MIRVAC TEAM RECOGNISES THE NEED TO CONSTANTLY DEVELOP NEW, INNOVATIVE PRODUCT THAT DEMONSTRATES OUR RELENTLESS COMMITMENT TO OUR QUALITY BRAND AND OUR CUSTOMERS.



BEACHSIDE LEIGHTON, WA

BEACHSIDE LEIGHTON, WESTERN AUSTRALIA

In October 2006, Mirvac acquired more than two hectares of prime oceanfront land situated between North Fremantle and Cottesloe in Western Australia for \$80 million. This landmark development, to be known as Beachside Leighton, will be transformed into a \$450 million community featuring approximately 150 residences including apartments and terraced houses, a boutique hotel, restaurants, cafes and retail spaces.

Beachside Leighton is set to become one of the finest residential waterfront projects in Western Australia.

The development will showcase leading and innovative design principles and will bring together Mirvac's in-house architectural team, Mirvac Design, and other leading external architects to create an address that is visually inspiring, capitalising on its unique location whilst at the same time environmentally sustainable and sensitive to its surroundings.

Mirvac was selected as the preferred tenderer to develop the land by the Western Australian state government developer, LandCorp, following a competitive tender process.



THE ROYAL AT NEWCASTLE BEACH, NSW DEVELOPMENT SITE

THE ROYAL AT NEWCASTLE BEACH, NSW

During the year, Mirvac announced that it was the successful tenderer to redevelop the iconic former Royal Newcastle Hospital located on the edge of Newcastle Beach. In a co-venture agreement with the New South Wales state government developer, Landcom, Mirvac intends to transform the site into a \$320 million mixed use coastal village to be known as The Royal at Newcastle Beach.

Mirvac proposes to create a carefully considered and diverse contemporary mix of approximately 300 apartments, a Sebel branded hotel with conference centre facilities and restaurants located around a central public square, as well as boutique retail and strata commercial space.

Mirvac's vision for The Royal is to embrace this truly stunning coastal location by transforming the area into a vibrant, year round community hub that can be enjoyed by visitors and residents alike. Mirvac's strong leadership role in setting industry benchmarks for sustainable development is set to continue at The Royal with coastal urban renewal initiatives to be undertaken throughout the development.

Given the regional importance of Newcastle Beach, Mirvac's in-house architectural team, Mirvac Design, will be working in collaboration with other leading external architects to ensure an exceptional design outcome.

It is anticipated demolition of the existing structure will commence in October 2007 with the first buildings completed in late 2009.



ARTIST IMPRESSION OF THE COMPLETED TENNYSON REACH RESIDENTIAL PROJECT AND STATE TENNIS CENTRE

TENNYSON REACH, QUEENSLAND

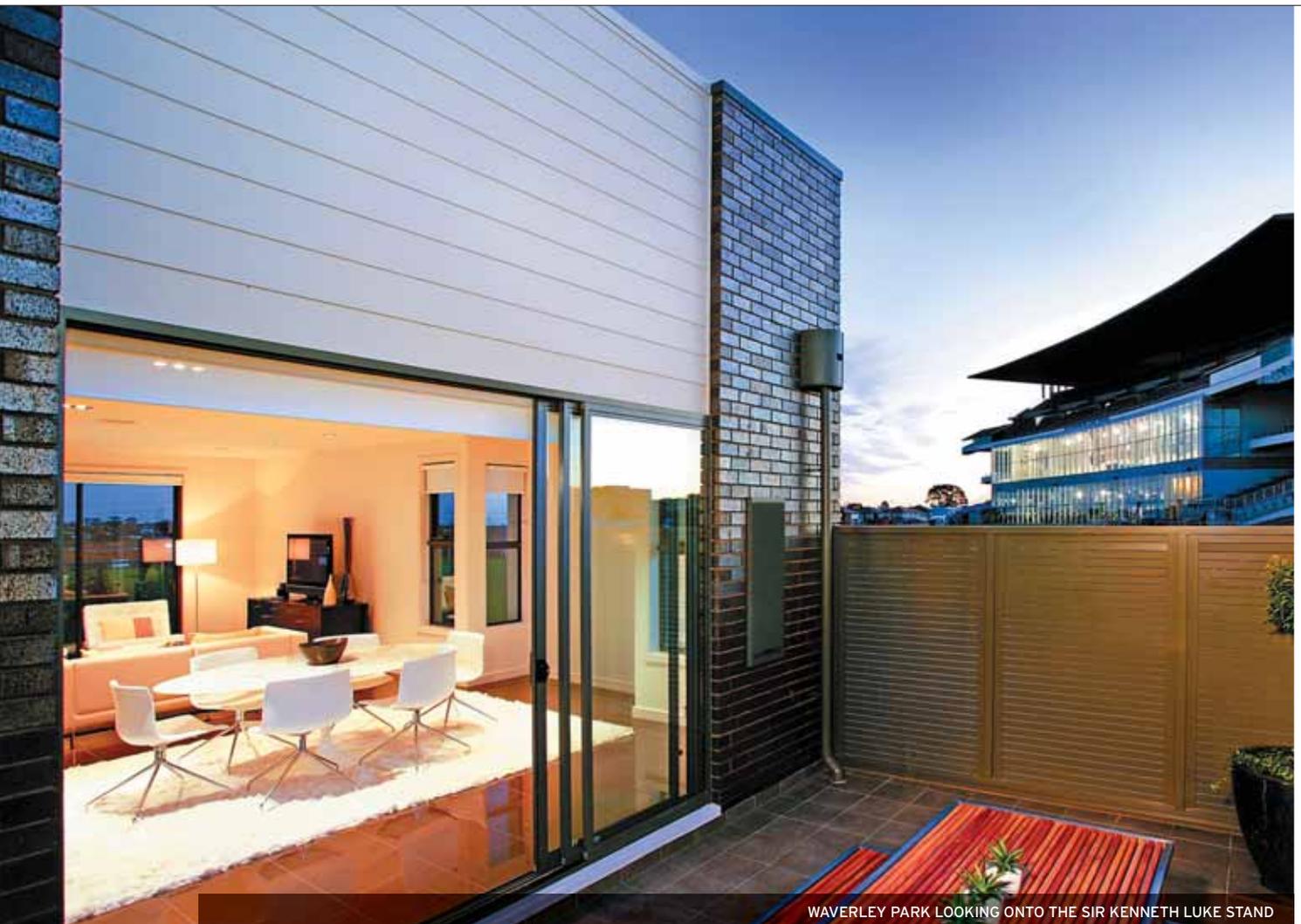
Just nine kilometres from the Brisbane CBD, Tennyson is one of Brisbane's most beautiful riverside suburbs. Mirvac's Tennyson Reach will offer a premium range of north facing apartments, pavilions and penthouses on the edge of the Brisbane River.

Mirvac's in-house architectural team, Mirvac Design, drew inspiration from the surrounding environment, the outlook and the history of the site to create six apartment buildings which will provide spectacular river vistas. Each residence will also receive water and energy saving devices as part of Mirvac's commitment to being a recognised industry leader in sustainability.

The development will provide public access to a stretch of the Brisbane River that had been closed off for decades because of a disused power station on the site.

In partnership with the state government, Mirvac is also responsible for the delivery of the landmark State Tennis Centre, representing a new and exciting home for tennis in Queensland. The venue will showcase the game's biggest stars and ensure that young, Queensland tennis hopefuls have every opportunity to advance their skills to international standards. The annual Men's and Women's Hardcourt Championships will be hosted here from 2009.

The first residential apartments at Tennyson Reach have been met with very strong market acceptance. More than 100 apartments of the first stage release of 115 sold within four days at an average price of more than \$1.65 million. These sales are a record for any residential project in Brisbane and bode well for the remaining four buildings yet to be released. Construction on stage one commenced in August with the first two buildings to be completed by the second quarter in 2009.



WAVERLEY PARK LOOKING ONTO THE SIR KENNETH LUKE STAND

WAVERLEY PARK, VICTORIA

For over 30 years, Waverley Park, Victoria, was a premier sporting venue attracting thousands of passionate football supporters. In December 2001 Mirvac won the tender for a proposal to build a planned residential community at Waverley Park that was sympathetic to the cultural and historical significance of the site. The plan included approximately 1,500 dwellings that would be home to over 4,000 residents over the next few years, as well as a high quality community park and training ground for the Hawthorn AFL Club.

With over 475 homes now sold at Waverley Park, the Mirvac team has commenced work on the next stages of this project where innovative design and sustainable housing options will set new benchmarks for completely planned communities in Victoria.

Customers from the newly completed first stage have been extremely receptive of their spacious four bedroom homes commenting on the quality and high level of finish.

In 2004 work commenced on the regeneration of the Waverley Park Oval and today Waverley Park's football heritage is alive and well with Hawthorn Football Club using the transformed Sir Kenneth Luke stand as its administrative and training headquarters. This means residents can enjoy football up close and personal as they watch the Hawks train on the original AFL oval, almost in their own backyard.



THIS SOLAR PANEL AT ORION SPRINGFIELD PROVIDES ENOUGH RENEWABLE ENERGY ON AVERAGE KWH USAGE TO POWER ALL THE LIGHTS IN MAIN STREET AND THE WATER COURSE SYSTEM



MIRVAC'S SUSTAINABILITY COMMITMENT HAS COME INTO MUCH SHARPER FOCUS OVER THE PAST 12 MONTHS, POSITIONING MIRVAC TO REMAIN AT THE FOREFRONT OF SUSTAINABLE ACTIVITY.

While continuing to deliver outstanding examples of sustainability in action, Mirvac also undertook a comprehensive strategic planning process to set the future direction for sustainability across the Group.

Guiding principles have been established in-line with Group values which set the vision for sustainability performance.

Through the strategic planning process, six sustainability priority areas were identified. These priority areas are considered most significant to Mirvac and our stakeholders based on current activities. They are however, under constant review and may change as Mirvac, and the world in which we operate, changes.

THE MIRVAC APPROACH TO SUSTAINABILITY

<p>INTEGRITY</p> 	<p>Mirvac leadership is characterised by sustainable thinking.</p> <p>Sustainability performance driven by ambitious, measurable performance targets.</p>
<p>DIVERSITY</p> 	<p>Innovative, sustainable products and services offered across the business.</p>
<p>CREATING CONNECTIONS</p> 	<p>Stakeholder partnerships drive innovation and sustainable solutions.</p>
<p>SHARING SUCCESS</p> 	<p>Mirvac "club members" expand their capacity to create a sustainable way of life.</p>

The priority areas are:

- > Business Conduct;
- > Mirvac People;
- > Stakeholders;
- > Supply Chain;
- > Environmental Impact; and
- > Climate Change Adaptation.

It is against each of these areas that performance targets will be established for all areas of activity.

In line with this sharper sustainability focus, Mirvac has also significantly boosted in-house sustainability expertise through the appointment of a Group Sustainability Manager and Projects Co-ordinator.

KEY HIGHLIGHTS

GREENHOUSE GAS ACCOUNTING AND RISK MANAGEMENT

Mirvac again participated in the International Carbon Disclosure Project (CDP) at the invitation of the Investor Group on Climate Change. Overall, participation in the CDP has emerged as a global standard for corporate disclosure of climate risk. CDP is also a key indicator to institutional investors that climate-related risks are quantifiable, and that those well positioned against the impacts of such risks can benefit from the shift to a lower carbon economy. For Mirvac, the ability to quantify and understand those aspects of its business which produce greenhouse gas emissions has begun to materialise as a competitive advantage with social, economic and environmental benefits.

Based on the 2005 CDP4 response, Mirvac was included in the Climate Leadership Index (CLI) - Australia and New Zealand for the Real Estate Investment Trusts sector. The CLI recognises those companies best positioned to adequately address key areas of climate change risk and opportunity that have the potential to affect their business.

EFFICIENCY PROGRAMME FOR MANAGED PROPERTIES

A national approach to energy, water and Australian Building Greenhouse Ratings (ABGR) is now formalised. Mirvac's entire commercial property portfolio has been assessed in 2006 and provided with a preliminary ABGR and a National Australian Building water rating together with action plans to improve the performance of each asset.



THE ASFI AND NZSFI FORESTRY PLANTATIONS COVER OVER 33,000 HECTARES AND ARE LOCATED IN VIC, SA, WA AND NZ

KEY SUSTAINABILITY INITIATIVES

WATER EFFICIENT HOUSING - ASHGROVE, AUBURN, NSW

At Ashgrove, an 11.4 hectare brownfield site in the western suburbs of Sydney, Mirvac adopted an innovative water sensitive urban design strategy including both water quality and site retention functions through stormwater conveyance, tank storage, harvesting of stormwater, and distribution for the purpose of private dwelling toilet flushing and irrigation as well as public park irrigation including the community facilities. As a result of the stormwater harvesting scheme, the development reduces potable water consumption by 10 million litres per annum or 45 per cent of everyday use. Mirvac has completed the first 56 dwellings and will continue developing the land until 2010. This initiative is a finalist in the 2007 HIA-Boral GreenSmart Awards.

AUSTRALIAN AND NEW ZEALAND SUSTAINABLE FORESTRY INVESTORS (ASFI AND NZSFI¹⁾) AND THE JF INFRASTRUCTURE SUSTAINABLE EQUITY FUND (SEF)

Mirvac's wholesale environmental investment funds are designed to provide high quality investment returns from the underlying forestry assets while enhancing these returns through the commercialisation of greenhouse gas emissions abatement and other ecosystem/environmental services such as water quality and biodiversity enhancement. Establishment of ASFI, NZSFI and SEF was prompted by demand for institutional investment products in forestry and related environmental services, and the desire to bring together investors that share a common view of environmental sustainability and ethical investment.

1) FORMERLY AUSTRALIAN AND NEW ZEALAND SUSTAINABLE INVESTMENTS FUND ASIF AND NZSIF



MIRVAC IS INCORPORATING SUSTAINABLE PRACTICES IN ALL ITS DEVELOPMENTS

This early experience in emissions abatement markets has provided valuable learning opportunities and a strong base for expansion of such activities. It also has potential to contribute materially to investment profitability with an increasing price on emissions abatement. In February 2007, ASFI transacted its first sale with 15,000 tonnes of voluntary emission reduction credits sold to the Victorian state government.

ENERGY MONITORING PROGRAMME (EMP) FOR MANAGED PROPERTIES

EMP is a software package to aid in building management by providing a portal to a range of data via the introduction of high level and sub metering protocols and reconciliation of energy purchases. This enables building managers to maintain a focus on energy use, the key to improving energy efficiency and environmental outcomes.

CONTRIBUTING TO THE NEXT GENERATION OF SUSTAINABILITY EXCELLENCE

Mirvac has partnered with Bond University to create Australia's first tertiary programme in sustainable development. Sponsorship of the AIESEC Green Entrepreneurship Challenge for university students may just uncover the 'next big thing' to make us more sustainable. Mirvac also offered a full scholarship to an undergraduate student enrolled in the University of NSW Bachelor of Renewable Energy Engineering degree programme.

As part of its partnership with Bond University, Mirvac is also establishing a purpose built facility to house the School of Sustainable Development.

The School, designed by Mirvac Design, will provide leadership in sustainable development with the new building forming a living laboratory, allowing students to experience many of the principles of sustainability first hand. Significant targets have been set for the reduction of water and energy usage and for the use of recycled materials.

This partnership has provided Mirvac with a unique and valuable understanding of the many issues associated with the design and delivery of sustainable developments.



MIRVAC VISION ESTATE, NSW

ADOPTING LEADING EDGE TECHNOLOGIES

The GridX trigeneration system at Mirvac Vision Estate, within the Panorama Estate at Glenfield, NSW, (pictured above) launched in April 2007, is Australia's first residential housing estate powered by natural gas using technology generating three forms of energy from a single source. The GridX trigeneration system achieves an 80 per cent efficiency factor compared with 35 per cent achieved by traditional coal fired electricity and delivers an immediate 33 per cent reduction in greenhouse gas emissions.

SUSTAINABILITY FOR MIRVAC PEOPLE

The Mirvac Sustainable Living Programme is enabling Mirvac people to create a more sustainable way of life. Currently in the development phase, the programme will deliver a mix of education and access to products and services to enable Mirvac people to make changes, small or large, to their eco-footprint.

CONTINUED EXTERNAL RECOGNITION

Mirvac's approach and commitment to sustainability is well recognised. Mirvac has maintained its listing on United Kingdom's FTSE4Good Global Index. A listing in the Australian SAM Sustainability Index (AuSSI) recognises Mirvac as one of the top sustainability-driven companies within the entire Australian economy. Mirvac was also awarded the 2006 Department of Energy, Utilities and Sustainability (NSW) Premier's Sustainability Excellence Award and in partnership with GridX was awarded the 2007 Banksia Climate Award, one of Australia's most prestigious environmental awards.

RELEASE OF FIRST PUBLIC SUSTAINABILITY REPORT

Another important milestone for Mirvac was the publication of its first public Sustainability Report (www.mirvac.com.au) detailing Mirvac's sustainability initiatives and sense of focus on social, economic and environmental sustainability. Mirvac will release a 2007 Report in line with the Global Reporting Initiative (GRI3) guidelines.

HEALTH, SAFETY AND ENVIRONMENT

INTRODUCTION

Mirvac's commitment to Health, Safety and Environment (HSE) issues is central to our core business values. Our vision is simple - a corporate culture where incidents that compromise HSE are an unacceptable outcome.

Mirvac's HSE performance continued to improve during the 2006/7 financial year. Our higher risk workplaces became safer through improved practices, as indicated by the improved safety audit scores achieved compared to the prior year, and as a consequence our incidence of injury and cost of workers compensation claims were reduced significantly.

Mirvac continued to develop its HSE capacity during the year through the introduction of a number of policies including:

- › An Employee Assistance Programme to provide professional advice and assistance to all employees and their families;
- › A Young Worker "Look Out" safety programme launched across the Development Division;
- › A policy on UV/ Sunlight and the procurement of appropriate protective clothing for employees required to work outdoors; and
- › A noise control policy and related management and awareness programmes.

MANAGEMENT SYSTEMS

Mirvac recently introduced a new HSE Management System (HSEMS) which is aligned to the requirements of the Australian/ New Zealand AS/NZS 4801 (safety) and International ISO 14001 (environment) standards as well as the Occupational Health and Safety Assessment Series OHS AS18001. The new HSEMS will allow Mirvac to adopt a standardised approach to HSE across all Divisions and regions of operation.

The HSEMS outlines roles, responsibilities and accountabilities for key positions within the Group including the Board, Managing Director, Senior Executive group and other management functions.

GOVERNMENT AND INDUSTRY INVOLVEMENT

Mirvac continued to partner with governments and industry on HSE improvement strategies. Notable initiatives during the year included participation with the New South Wales Government in the Memorandum of Understanding on Noise Management in the Construction Industry; a review of the Draft Code of Practice on Safe Design with WorkSafe Western Australia, and participation in a hospitality industry manual handling initiative with the WorkCover Authority of New South Wales which was aligned to the National OHS Improvement Strategy 2002-2012.

Mirvac's HSE personnel continued to be represented across a number of working groups to improve safety and environmental management outcomes for a number of industry sectors including hospitality and commercial and residential design and development.

TRAINING

Mirvac introduced a number of specialised training activities during the year including OHS Liability for the Group's Directors and Senior Executives. A significant innovation was the implementation of relevant internet based training in which over 2,000 of our employees participated. The positive response by employees to this type of training has prompted the development of further internet based courses including risk management for all employees and food safety for our Hotel employees.

A total of 18,571 hours of HSE related training was undertaken by staff during the year which was a 53 per cent increase in the hours undertaken in the previous year and a 187 per cent increase in the participation rate.

INJURY MANAGEMENT

The number of workers compensation claims across the Group reduced during the year and the total cost of claims reduced by 25 per cent to \$344,000. The incidence of severe injury and average time lost in particular were reduced significantly. Our improved injury management practices achieved a 99 per cent success rate in returning employees to pre-injury work, a 95 per cent success rate in returning employees to work within 24 hours of injury and a 100 per cent success rate in offering suitable duties to employees returning from injury.

The predominant causes of injury across the Group continues to be body stressing (33 per cent) and slips, trips and falls (16 per cent). Whilst these causes are lower than the Australian average for all industries as published in the 7th Comparative Performance Monitoring Report (Workplace Relations Ministers' Council), Mirvac recognises that more work, training and focused programmes will need to be undertaken to reduce these causes of injury further so as to ensure the health and well being of our employees and that our work practices and places are as safe as possible.

AWARDS

Mirvac's enhanced HSE practices were recognised by the awarding by the Australian Hotels Association (NSW) of the OHS Hotel of the Year to Mirvac's Quay West Suites Sydney, and by the award by the Master Builders Association for excellence in Workplace Health and Safety to Mirvac's Queensland Development business for its Waterline residential project at Bulimba in Brisbane.

LOOK OUT

YOUNG WORKER
mirvac
NEW TO THE INDUSTRY

For NEW STARTERS, APPRENTICES or TRAINEES

So, if you see this symbol, please Look Out for our New Starters to the construction industry

As these workers' special attention is given, it is essential that they receive a thorough induction including a training or assessment programme. All employees must undergo a comprehensive induction and safety training before commencing work. Please contact your local Mirvac office for more information.

mirvac

Keep an eye on the new guy!

LAUNCHED IN AUGUST 2006 THE "LOOK OUT" SAFETY INITIATIVE WAS A FIRST IN THE INDUSTRY AND ENSURES YOUNG WORKERS ARE GIVEN SPECIAL ATTENTION TO PROTECT THEM FROM RISK AND INJURY

DURING THE YEAR, THE NUMBER OF MIRVAC EMPLOYEES GREW FROM 3,600 TO JUST UNDER 5,500 WITH MOST OF THAT GROWTH COMING FROM WITHIN THE HOTELS BUSINESS UNIT, REFLECTING ITS INCREASED ACTIVITY.

We also placed two expatriates in the US, two in the UK, and one in Vanuatu, to grow our businesses in these countries. We expect this trend to continue as Mirvac seeks more opportunities off-shore, and look forward to employing nationals of those countries as part of that growth.

In 2006, Mirvac conducted a survey of all employees which while generally positive in most areas clearly indicated two aspects that needed improvement, being remuneration practices, and personal development opportunities. These two areas have been the focus of much of our work this year.

In the area of remuneration, a new policy was approved in which Mirvac targeted its fixed pay and incentive opportunities to comparable companies within the ASX 200 Index. Specifically, data was collected from the 15 companies immediately above and below Mirvac's position, which included a number of our industry peers. As a result, for many managers, their incentive opportunities have been increased but more of their remuneration is "at risk" and dependent upon the Group's financial performance.

During the year, we also launched a general Employee Exemption Plan which offers all employees with 12 months service the opportunity to be awarded up to \$1,000 of Mirvac securities exempt from tax. Over 1,570 employees have accepted this offer and are now Mirvac securityholders. At more senior levels, long-term incentives are now focused around security acquisition, thus further aligning management interests with that of securityholders.

A range of leadership and personnel related training programmes were also offered with a pleasing participation rate by over 500 of Mirvac's managers. The focus of the programmes was on leading people skills which are immediately applicable in any part of Mirvac. We continue to support a large number of employees completing studies at either undergraduate or masters levels, and are looking to substantially increase this facility for employees over the next few years.

A revised Performance Review format was introduced with the goal of promoting discussion between an employee and their manager and agreeing personal development initiatives and performance targets for the ensuing year.

Mirvac recognises that many employees are working long hours and spending more time travelling to and from work. To help employees achieve more of a balance in their working lives, the Living Quality Programme was introduced which initially provides employees with the opportunity to take part in a variety of light group exercise programmes during work hours to improve their health, fitness and general well being. This programme has been extended to include more social related activities and it is pleasing to report that these opportunities have been well supported by employees. Mirvac also actively supports its employees' participation in numerous corporate triathlons and fun-runs held around the country.

Also introduced during the year was the Employee Assistance Programme, a confidential and independent counselling service which provides five hours free-of-cost assistance to employees typically for financial, marital and dependency issues.

Mirvac aims to be a preferred place of work for our existing, as well as for prospective, employees. We believe the initiatives introduced this year assist in achieving that aim, and will contribute to Mirvac creating a culture which blends high performance with employee satisfaction and enjoyment in all of our various work environments.



ON-SITE TRAINING OCCURS AT ALL OF MIRVAC'S DEVELOPMENTS

Marketing Awards

2002

UDIA

Qld Awards for
Mirvac Queen
in the advanc

Turnaround Campaign | WA | Winner

Mirvac QL

2002

UDIA

Qld Awards for Excellence
Retail Commercial Small

Publicis - Mojo House, South Bank | QLD

ards
ing Category
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MIRVAC GROUP CONCISE FINANCIAL REPORT

30 JUNE 2007

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

RELATIONSHIP OF THE CONCISE FINANCIAL REPORT TO THE FULL FINANCIAL REPORT

The concise financial report is an extract from the full financial report for the year ended 30 June 2007. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

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

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

DIRECTORS' REPORT

The Directors of Mirvac Limited present their report, together with the financial report of the Mirvac Group, for the year ended 30 June 2007.

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

DIRECTORS

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

Mr J A C MacKenzie
Mr G J Paramor
Mr P J Biancardi
Mr N R Collishaw
Mr A G Fini
Mr P J O Hawkins
Ms P Morris
Mr R W Turner

PRINCIPAL ACTIVITIES

The principal continuing activities of the Mirvac Group consist of real estate development of residential and non-residential projects, and real estate funds management.

DIVIDENDS/DISTRIBUTIONS

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

	2007 \$'000	2006 \$'000
June 2006 quarterly dividend/distribution paid on 28 July 2006 7.75 cents per stapled security (2006: 8.60 cents per stapled security)	69,023	73,426
September 2006 quarterly dividend/distribution paid on 27 October 2006 7.975 cents per stapled security (2006: 7.75 cents per stapled security)	71,641	66,555
December 2006 quarterly dividend/distribution paid on 25 January 2007 7.975 cents per stapled security (2006: 7.75 cents per stapled security)	79,705	66,560
March 2007 quarterly dividend/distribution paid on 27 April 2007 7.975 cents per stapled security (2006: 7.75 cents per stapled security)	80,366	67,802
Total dividends/distributions paid	300,735	274,343

The June 2007 quarterly dividend/distribution of 7.975 cents per stapled security totalling \$80.9 million declared on 30 June 2007 was paid on 27 July 2007.

Dividends and distributions paid and payable by the Mirvac Group for the year ended 30 June 2007 totalled \$312.6 million, being 31.9 cents per stapled security (2006: \$269.9 million - 31.0 cents per stapled security).

REVIEW OF OPERATIONS AND ACTIVITIES

The net profit after tax for the Group for the year ended 30 June 2007 was \$556.1 million (2006: \$441.1 million). The operating profit (profit before specific non-cash AIFRS items) was \$319.1 million (2006: \$274.4 million). The following table summarises key reconciling items between net profit after tax and operating profit:

	2007 \$'000	2006 \$'000
Net profit attributable to the stapled securityholders	556,056	441,094
Net gain from fair value of investment properties (excluding owner-occupied)	(239,460)	(151,838)
Net gain on fair value of derivative financial instruments	(24,530)	(30,243)
Expensing of security based payments	2,340	8,851
Depreciation of owner-occupied investment properties, hotels and hotel management lots	6,464	7,815
Amortisation of lease incentives	6,748	5,589
Net loss/(gains) from fair value of investment properties and derivatives included in share of associates, profits	6,105	(13,066)
AIFRS adjustments included in minority interest	9,464	-
Tax effect of non-cash adjustments	(4,124)	6,229
Operating profit	319,063	274,431

MIRVAC GROUP FINANCIAL HIGHLIGHTS

The principal activities of the Mirvac Group consist of real estate Funds Management and Development. As part of a business restructure across these two core business platforms, the Funds Management Division is now divided into Internal Funds Management (the investment portfolio and Mirvac Real Estate Services) and External Funds Management (external funds and hotel management), with Development comprising residential and non-residential activities.

The Group's businesses are well positioned for further growth and will continue to allow Mirvac to take advantage of real estate cycles across all sectors and the locations in which the Group operates. In turn, this provides a stable stream of resilient earnings that is not reliant on yield compression to deliver strong results for securityholders.

The growth of Mirvac Group's earnings has been achieved through the Group's capacity to successfully integrate business activities, with the Development Division providing property assets for the Funds Management Division. This allows Mirvac to successfully manage its balance sheet, recycle capital in an efficient manner and realise a steady stream of long-term management fee income. Mirvac's funds management platform provides a profitable and scaleable business that expanded its reach globally during the 12 months.

The Mirvac Group's streamlined business delivered another strong result this year culminating in a net profit after tax of \$556.1 million, an increase of 26.1 per cent on the previous 12 months results, with operating profit after tax of \$319.1 million, an increase of 16.3 per cent. Full year distributions to securityholders of 31.9 cents per stapled security represented a 3.0 per cent increase on the previous year.

Key financial highlights for the 12 months ended 30 June 2007 include:

- › Net profit after tax of \$556.1 million, an increase of 26.1 per cent
- › Operating profit after tax of \$319.1 million, an increase of 16.3 per cent
- › AIFRS earnings of 58.7 cents per stapled security
- › Operating earnings of 33.0 cents per stapled security
- › Full year distribution of 31.9 cents per stapled security
- › Increase of \$245.8 million in revaluations across the investment property portfolio
- › 12.5 per cent rise in NTA per stapled security to \$3.80 from \$3.38 at 30 June 2006
- › Activities under control increased from \$22.2 billion at 30 June 2006 to \$26.3 billion
- › Exchanged contracts of \$689.2 million for residential developments
- › Gearing of 34.5 per cent

OPERATIONAL HIGHLIGHTS

Funds Management

As at 30 June 2007, the Funds Management Division has \$13.3 billion of internal and external funds management activities under control. Internal Funds Management, with a total portfolio value of \$4.2 billion, has investments in more than 55 properties, covering the retail, commercial, industrial and hotel sectors as well as investments in a number of the Mirvac Group's managed funds.

External Funds Management has real estate and infrastructure funds under management of \$9.1 billion, and a managed hotel portfolio of 5,439 rooms across 42 properties in Australia, New Zealand and the Pacific.

Mirvac's Funds Management Division will continue with its strategy to provide the vehicles necessary for Mirvac to efficiently utilise its capital. The MPT portfolio will continue to deliver stable, sustainable cash flows to the broader Group, while the External Funds team will continue to grow scaleable funds, particularly those that leverage the core skills of Mirvac. The Hotel Management business will seek hotel management opportunities in the Pacific, Middle East and Europe.

The Group's Funds Management Division performed strongly during the year achieving a net profit after tax of \$529.4 million, a 47.4 per cent increase on the previous 12 months, and the Divisional operating profit was \$267.3 million, representing an increase of 28.7 per cent.

Internal Funds Management

MPT improved its portfolio quality and lease security through:

- › Acquisition of \$363.2 million of quality retail assets across New South Wales with stable income streams and the disposal of non-core assets for \$41.5 million over carrying value, after costs.
- › Strong leasing activity with over 25.9 per cent of the portfolio or 243,171sqm leased (commercial 98,290sqm / industrial 20,209sqm / retail 124,672sqm), providing an occupancy rate of 97.3 per cent.
- › MPT realised \$245.8 million of asset revaluations, representing an increase in NTA of approximately 24.2 cents per stapled security¹.
- › Development pipeline delivered \$241.8 million (at cost) of completions across four retail developments and an industrial warehouse.

External Funds Management

Activities undertaken by External Funds during the year allowed the Group to recycle capital and earn stable income streams for investors through:

- › Launch of two external wholesale funds - the Mirvac Wholesale Residential Development Partnership (MWRDP) which is a closed-end vehicle with interests in seven well located residential development projects around Australia that are each diversified by location, product type, timing and stage of the development cycle. Mirvac has partnered with a number of institutional investors to commit equity of \$300 million to MWRDP, of which 46.0 per cent is to be contributed to fund the acquisition of the initial portfolio. The balance will be called over the life of MWRDP, to fund existing and future residential development projects. Mirvac's co-investment will be 20 per cent in MWRDP. The Mirvac Wholesale Hotel Fund is an open-ended, sector specific unlisted fund with initial equity commitments of \$320 million and a portfolio of six Australian hotels located in Sydney, Melbourne, Brisbane and Cairns. Total value of the investment portfolio is \$457 million.
- › Renewal of Mirvac's longstanding mandate with AustralianSuper through to June 2010 under which AustralianSuper will commit equity of \$100 million per annum to valued-added and development opportunities in partnership with Mirvac. AustralianSuper entered into development agreements with Mirvac in May 2007 to develop the balance of The Peninsula Residential development in Burswood, Perth and the Magenta Shores residential development on the Central Coast, NSW. Mirvac is responsible for the delivery of these projects.

1) Includes 100 per cent of Orion Springfield's revaluation of which MPT owns 66.6 per cent and excludes joint ventures.

- > Acquisition of a 50 per cent stake in Chantrey Limited, a UK based property company which specialises in planning, architecture, project management, property development and consultancy. In March 2007, the company launched its first fund, the Chantrey City Regeneration Fund. Mirvac currently holds an 80 per cent interest in the Fund; this interest will shortly be diluted down to 25 per cent as a result of a major institutional investor taking up a 75 per cent interest in the Fund.
- > Sustainable growth in externally listed vehicles with Mirvac Real Estate Investment Trust [ASX: MRZ] growing funds under management by 18 per cent from \$1.1 billion to \$1.3 billion and Mirvac Industrial Trust [ASX: MIX] continuing to build and reposition its US industrial portfolio with assets under management totalling A\$886 million.
- > Continuation of the real estate debt business with the debt funds under management at \$3.5 billion.
 - The JV Mirvac AQUA business expanded its product offering with funds under management at approximately \$200 million.
 - The GIC mandate also achieved a record high with approximately \$144 million in loans outstanding.
 - Quadrant Real Estate Advisors grew from US\$2.6 billion (A\$3.5 billion) to US\$2.8 billion (A\$3.3 billion).
 - Importantly, credit quality within the debt portfolios remain sound with no exposure to the US sub-prime debt market or the US residential mortgages market in general. Due to the recent US market events, Quadrant has benefited from an increase in returns caused by the widening spreads in the CMBS market and an increase in volumes in the whole loan market.
- > The infrastructure joint venture with Leighton Holdings Limited growing its assets under management with the acquisition of Melbourne's Telstra Dome on behalf of a consortium of institutional investors, and acquiring interests in key transport related investments (Lane Cove Tunnel and Rivercity Motorway).

Hotel Management continued to expand through:

- > Expansion of the number of hotels under management from 27 to 42, with rooms under management increasing from 3,124 to 5,439.
- > The average room rate increased from \$183 per night to \$198 per night.

Development

At 30 June 2007, the Development Division had \$13.0 billion of activities under control. Development comprises two principal areas: Residential (housing, medium and high density housing, and land sub-division) with \$11.1 billion activities under control and a future pipeline of 29,016 lots; and \$1.9 billion activities under control across the commercial, retail, industrial and hotel sector.

During the financial year, the Development Division continued with its diversification strategy with growth in non-residential development. The Division has successfully secured strong residential pre-sales, and acquired prime development sites as part of its inventory restocking activities in supply constrained markets. The Division has progressed well in integrating its activities across the broader Mirvac business platform, including supporting significant funds management initiatives that have enabled the Group to recycle capital off-balance sheet and provide a recurring and reliable income stream for securityholders.

The Development Division performed strongly during the year achieving an operating profit after tax of \$98.6 million, a 7.5 per cent increase on the previous 12 months.

- > Continued focus on delivery of quality products. During the year, the Development Division continued to deliver quality products resulting in the settlement of 1,958 lots¹ with key projects including:
 - Latitude Apartments, Lavender Bay, NSW (111 lots, \$160.6 million)
 - Magenta Shores, NSW (112 lots, \$108.5 million)
 - Saunders Wharf, NSW (29 lots, \$57.5 million)
 - Ephraim Island, QLD (64 lots, \$37.1 million)
 - Waverley Park, VIC (128 lots \$50.8 million)
 - The Peninsula, WA (108 lots, \$77.9 million)².

1) Excludes sales into External Funds.

2) 100 per cent share

- › Secured income beyond 2007 with strong pre-sales. The value of the Mirvac Group's exchanged contracts at 30 June 2007 was \$689.2 million resulting predominantly from pre-sales at:
 - Cambridge Apartments, Chatswood, NSW (132 lots, \$111.0 million) - sold out prior to completion and is one of the first residential buildings in Australia incorporating co-generation technology.
 - Rhodes Waterside, NSW (44 lots, \$24.2 million) - integration of Rhodes Waterside, post-acquisition from Walker Corporation with strong level of pre-sales to date in the Adina building.
 - The Point, Mandurah, WA (99 lots, \$133.4 million) - development will incorporate two luxury apartment buildings with 120 apartments, a serviced apartment hotel, an associated restaurant and bar and speciality retail space.
 - Ephraim Island, QLD (10 lots, \$14.3 million) - stages 1 & 2 apartments sold out. Stage 3 apartments, villas and houses available.
 - Waverley Park, VIC (60 lots, \$24.5 million) - over 500 homes have been sold at Waverley Park and on development completion this \$640 million development will be home to over 4,000 residents living in 1,500 homes.
- › Continued restocking of inventory. The Division acquired 13 prime residential development sites during the year totalling 11,903 lots with an end value of \$3.7 billion. Key acquisitions included:
 - The Royal at Newcastle, NSW - a \$319.2 million redevelopment of the former Royal Newcastle Hospital including apartments, hotel and retail.
 - Leighton Beach, WA - prime waterfront site which will be developed into a \$449.1 million premier coastal village featuring apartments, terraced homes, retail and a hotel.
 - Gainsborough Greens, QLD - \$879.3 million redevelopment of a golf course, surrounding and adjacent land covering over 2,000 developable lots in joint venture with City Pacific.
 - Rockbank, VIC - \$965.0 million redevelopment covering 6,500 lots in joint venture with Jayaland Corp Limited, subject to rezoning.
- › Continued diversification into non-residential. The Development Division increased its non-residential activity through:
 - Commencement of Development Approval (DA) process for the 19,250sqm Goodsell Building, 8-12 Chifley Square, Sydney, NSW - a commercial development on behalf of MPT and AustralianSuper.
 - Commencement of DA process for iQ at North Ryde, NSW - a 24,000sqm commercial development on behalf of MPT.
 - Opening of the multiple award winning Orion Springfield, stage 1, valued at \$155 million with over 32,000sqm GLA on behalf of MPT and Mirvac Real Estate Investment Trust.
 - Expansion of industrial activity across Australia including the acquisition of ICPS - an independent company that creates and delivers innovative property solutions for institutions and other corporations.
 - Total non-residential development completions for the 12 months to 30 June 2007 equalled \$241.8 million through the delivery of four key retail developments: Orion Springfield (stage 1), Waverley Gardens Shopping Centre (stage 2), Logan Mega Centre and Stanhope Gardens (stage 2).
- › Achieved greater synergies across an integrated platform. The Division supported significant funds management initiatives enabling the Group to recycle capital off-balance sheet and provide recurring and reliable income streams via:
 - Renewal of the AustralianSuper mandate until June 2010 - AustralianSuper will commit \$100 million per year over the term of the contract. In May 2007, the AustralianSuper mandate, managed by the Funds Management Division, entered into development arrangements with Mirvac to develop the balance of The Peninsula, WA residential development and the Magenta Shores residential development on the Central Coast, NSW.
 - Mirvac Wholesale Residential Development Partnership - a closed-end fund, launched and managed by the Funds Management Division, that acquired interests in seven well located Mirvac residential projects, that provides the Fund with geographic spread, and a good mix of product and timing across the development cycle, and the capacity to acquire further projects in partnership with the Mirvac Group.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Changes in the state of affairs of the Mirvac Group are set out in this Directors' Report and the financial statements. Refer to note 28 of the full financial statements for details of changes to debt facilities and note 30 for securities issued. In the opinion of Directors, there were no other significant changes in the state of affairs of the Mirvac Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

At the date of this report, there is no matter or circumstance which has arisen since 30 June 2007 that has significantly affected or may significantly affect:

- a) the Mirvac Group's operations in future financial years, or
- b) the results of those operations in future financial years, or
- c) the Mirvac Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

In the opinion of the Directors, it would prejudice the interests of the Mirvac Group to provide additional information relating to likely developments in the operations of the Mirvac Group, and the expected results of those operations in financial years subsequent to 30 June 2007.

ENVIRONMENTAL REGULATIONS

The Mirvac Group is subject to significant environmental legislation and associated regulations and Acts. The Mirvac Group is one of 24 Australian companies and 726 companies globally, to meet globally recognised corporate responsibility standards by achieving listing on the FTSE4Good Global Index. The Mirvac Group is committed to the maintenance of responsible and practical management procedures to minimise environmental impacts and provide compliance under the government regulations applicable to all areas within the Mirvac Group.

Property development

All projects are subject to consents, approvals and licences which control the development of land. Each project is undertaken with the guidance of a project specific Statement of Environmental Effects (SEE) or Environmental Impact Statement (EIS) which examines and controls all aspects of development. Each SEE or EIS includes a project specific Environmental Management Plan which guides the construction activities on-site, including handling of waste, materials reuse and recycling, traffic movements, site logistics, hazard protection measures, pollution mitigation (noise, dust, run-off), retention of flora and fauna, biodiversity systems for the control of stormwater run-off and archaeology, as relevant.

Continual monitoring of, and compliance with, these controls are undertaken within each project as part of the Mirvac Group's integrated health and safety environment.

During the year, there were no significant environmental breaches within any of the Mirvac Group's activities. There were minor infringements which received immediate rectification. The Mirvac Group, as standard policy, advises sub-contractors of its environmental policy and monitors each sub-contractor's responsibilities and performance.

Hotels

Mirvac Hotels are continuing with several sustainability initiatives throughout Australia, ranging from daily monitoring of energy consumption by each hotel to inform energy targets and national eco-efficiency targets; water conservation; building operational and maintenance training; capital expenditure analysis; piloting of renewable energy systems; implementing waste control; researching indoor air quality; and participating in community partnerships.

Asset management

The Mirvac Group continues to implement a range of initiatives throughout the commercial investment portfolio that have resulted in significant reductions in energy consumption, providing financial and environmental benefits. To benchmark these initiatives and the environmental performance of its assets against industry standards, the Mirvac Group has adopted the Australian Building Greenhouse Rating (ABGR) tool.

INFORMATION ON DIRECTORS

Directors' experience and areas of special responsibilities

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

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

Chairman of the Nomination Committee
Member of the Human Resources Committee

Mr MacKenzie was appointed to the Mirvac Board on 7 January 2005 as a Non-Executive Director and was appointed Chairman at the conclusion of the Annual General Meeting held on 10 November 2005.

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

He has also previously held the positions of Managing Director, Funds Management and Insurance at the Australia and New Zealand Banking Group Limited, Chief Executive Officer of the then named Norwich Union Australia, and a Director of the prominent funds management companies Paladin Australia, Portfolio Partners and Victorian Funds Management Corporation.

Mr MacKenzie is formerly the Chairman of the Victorian Transport Accident Commission and the Victorian WorkCover Authority and continues on both Boards of Management as a Director. He is also a Director of Bravura Solutions Limited, Circadian Technologies Limited and Strategic Pooled Development Limited.

Gregory J Paramor, Managing Director,
FAPI, FAICD, FRICS

Member of the Nomination Committee

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

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

Mr Paramor is a director of a number of not for profit organisations, including the Garvan Institute of Medical Research, The Property Industry Foundation and The National Breast Cancer Foundation. He was also recently appointed to the Board of Australian Agricultural Company Limited an Australian listed public company.

Paul J Biancardi, Deputy Chairman, BEc, FCA

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

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

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

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

Nicholas R Collishaw, Executive Director, SA (Fin), AAPI

Mr Collishaw was appointed to the Mirvac Board on 19 January 2006. He is currently the Executive Director responsible for Mirvac Group's Funds Management Division with responsibility for Mirvac Property Trust, External Funds Management and Hotel Management.

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

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

Adrian G Fini, Executive Director, BCom

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

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

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

Peter J O Hawkins, Non-Executive Director, BCA (Hons), ACA (NZ), FAIB, ABINZ, FAICD

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

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

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

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

Mr Hawkins is currently Chairman of Visa International Asia Pacific and a Director of Visa International, St George Bank Limited, Liberty Financial Services Pty Limited, Treasury Corporation of Victoria and Camberwell Grammar School. He also chairs Visa International's Audit Risk and Finance Committee.

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

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

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

An experienced Director for more than 15 years, Ms Morris has also been a Director of the Colonial State Bank, Australia Post Corporation, Howard Smith Limited, EnergyAustralia, Indigenous Land Corporation, Country Road Limited, Jupiters Limited, Principal Real Estate Investors (Australia) Limited, Strathfield Group Limited, Landcom and the Sydney Harbour Foreshore Authority.

Ms Morris is currently a Director of Aristocrat Leisure Limited, Candle Australia Limited, the NSW Institute of Teachers and the Bowel Cancer & Digestive Research Institute Australia.

Richard W Turner AM, Non-Executive Director, BEc, FCA

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

Mr Turner was appointed a Non-Executive Director of the Mirvac Group on 7 January 2005. He is a Chartered Accountant by profession and the former Chief Executive Officer of Ernst & Young, following a career of over 30 years with that organisation until his retirement.

He is currently a Director of Publishing and Broadcasting Limited (PBL) and, HBOS Australia Pty Limited and was formerly a past President and Director of The Smith Family and past Chairman and a current Director of Pain Management Research Institute.

Mr Turner also currently serves as Chairman of PBL's Finance and Audit and Corporate Governance Committees and has been a Director of Crown Limited since October 2003 (which delisted in September 2005).

GROUP COMPANY SECRETARY

Michael G A Smith, Mirvac Group Company Secretary, BA, FAICD, ACIS

Secretary of the Audit, Risk and Compliance Committee
Secretary of the Human Resources Committee
Secretary of the Nomination Committee

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

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

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The number of meetings of Mirvac Group's Board of Directors and of each Board Standing Committee held during the year ended 30 June 2007, and the number of meetings attended by each Director is detailed below:

Director	Board		Committees					
	A	B	Audit, Risk and Compliance		Human Resources		Nomination Committee	
			A	B	A	B	A	B
Mr J A C MacKenzie	14	17	-	-	3	4	2	2
Mr G J Paramor	17	17	-	-	-	-	2	2
Mr P J Biancardi	17	17	7	7	4	4	2	2
Mr N R Collishaw	17	17	-	-	-	-	-	-
Mr A G Fini	13	17	-	-	-	-	-	-
Mr P J O Hawkins	17	17	7	7	4	4	-	-
Ms P Morris	17	17	7	7	-	-	-	-
Mr R W Turner	16	17	7	7	3	4	-	-

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

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

Notes

- 1) Mr MacKenzie was granted leave of absence from three meetings for medical reasons.
- 2) Eight of the seventeen meetings held were special meetings related to a specific potential transaction only.
- 3) The meetings missed by Mr Fini and Mr Turner were special meetings only, not the regular scheduled Board meetings during the year.
- 4) Ms Morris was appointed to the Human Resources Committee post 30 June 2007.

OTHER DIRECTORSHIPS

Details of all Directorships of other listed companies held by each Director in the three years immediately before 30 June 2007 and the period for which each Directorship was held are as follows:

Director	Company	Date appointed	Date ceased
J A C MacKenzie	Bravura Solutions Limited	Apr-06	Current
	Child Care Centres Australia Limited	Aug-02	Jul-04
	Circadian Technologies Limited	Jul-02	Current
	James Fielding Holdings Limited	May-01	Jan-05
	Medaire Inc.	Apr-04	Jul-05
	Strategic Pooled Development Limited	Nov-05	Current
	Zenyth Therapeutics Limited	Apr-05	Nov-06
G J Paramor	James Fielding Holdings Limited	Jul-00	Jan-05
	Australian Agriculture Company Limited	Jun-07	Current
N R Collishaw	James Fielding Holdings Limited	Nov-02	Jan-05
A G Fini	Little World Brewing Limited	Nov-99	Current
P J O Hawkins	St George Bank Limited	Apr-07	Current
P Morris	Aristocrat Leisure Limited	Feb-04	Current
	Candle Australia Limited	Aug-05	Current
	Principal Real Estate Investors (Australia) Limited	Nov-03	Oct-04
	Strathfield Group Limited	Mar-05	Jun-05
R W Turner	Bank of Western Australia Limited	Oct-02	Sep-04
	Crown Limited	Oct-03	Sep-05
	James Fielding Holdings Limited	Feb-01	Jan-05
	Publishing and Broadcasting Limited	Nov-98	Current

DIRECTORS' REPORT

REMUNERATION REPORT

REMUNERATION REPORT

This Remuneration Report is set out under the following sections:

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

The information provided under sections 1 to 5 includes remuneration disclosures that are required under Accounting Standard AASB 124: Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited. The disclosures in section 6 are additional disclosures required by the Corporations Act 2001 and Corporations Regulations 2001 which have not been audited.

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Details of Mirvac Group's remuneration philosophy, policies and practices together with details of Directors' and Executives' remuneration for the year ended 30 June 2007 are as follows:

a) Overview - remuneration philosophy, policies and practices

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

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

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

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

The Human Resources Committee (formerly called the Remuneration Committee - name changed to reflect its broader role), consisting of four independent, Non-Executive Directors, advises the full Board of Directors on remuneration policies and practices generally, and makes specific recommendations on remuneration packages, incentives and other terms of employment for Non-Executive and Executive Directors, including the Managing Director, as well as the Executive Committee.

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

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

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

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

The Performance Management and Development System is a fundamental tool in the remuneration and development of all the Mirvac Group's employees and particularly for its Executive Committee members. At the beginning of each financial year, clear objectives are set for all, in order to provide clarity and focus to the individual and to the organisation as to what is expected to be achieved in the ensuing period.

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

- > Achievement of the Mirvac Group's profit targets;
- > Achievement of their respective business unit's profit target (if applicable) and other key performance indicators;
- > Leadership both within their business unit and division as well as across the Mirvac Group;
- > Adherence to the Mirvac Group's risk management and health, safety and environment requirements and targets;
- > Training and development of staff to allow them to fulfil their potential as contributors to the Group.

DIRECTORS' REPORT

REMUNERATION REPORT

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

b) Relationship between remuneration policy and the Mirvac Group performance

Over the three year period from 1 July 2004 to 30 June 2007, remuneration of key management personnel grew by 21 per cent. Against this Mirvac Group's Total Securityholder Return (TSR), measured as the appreciation in the Mirvac Group's security price including reinvestment of distributions, grew by 64.98 per cent over that same period.

c) Structure of remuneration

Remuneration within the Mirvac Group has, for a number of years, including the current year under review, been structured with three distinct components: fixed remuneration, short-term variable remuneration, and long-term variable remuneration.

i) Fixed remuneration:

The key drivers of fixed remuneration are:

- › Individual performance evaluated against the pre-determined objectives; and
- › The competitive market environment for the individual's skills and capabilities or the role the individual performs.

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

ii) Short-term variable remuneration

The key drivers of short-term variable remuneration are:

- › Performance of Mirvac Group overall, measured against pre-determined targets such as the annual budget; and
- › An individual's contribution to the Mirvac Group or business unit's performance as well as their own performance in meeting or exceeding pre-determined targets or objectives.

Short-term variable remuneration consists of an annual incentive payment as a cash bonus.

Members of the Executive Committee, including Executive Directors, are rewarded based on the above factors as well as their achievement (as a minimum) of the common objectives detailed earlier. Increasingly, more of this group's total remuneration is variable and "at risk" if performance criteria are not met or exceeded each year.

The Managing Director's participation is conditional upon the Mirvac Group achieving a pre-determined profit target.

Last year, for the first time the Mirvac Group also introduced a deferral aspect to its short-term incentive scheme. For awards over \$70,000, 40 per cent was deferred for payment in the following year. For the current year and in the future, 50 per cent of the component above \$50,000 of any award will be deferred and paid in the following year. No interest is payable on the deferred component.

iii) Long-term variable remuneration

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

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

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

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

Two performance conditions have been imposed before the securities acquired under the LTI plan vest with the participant; being a measure based on:

- › Relative Total Securityholder Return (TSR); and
- › Absolute Compound Earnings Per Security (EPS) growth

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

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

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

The second performance condition to be achieved is absolute EPS growth (compound) by the Mirvac Group. An entitlement to vesting under this condition will only occur when Mirvac Group's EPS growth reaches 4 per cent compound over a three year period, detailed in the table below:

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

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

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

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

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

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

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

For the year ended 30 June 2007, the details of the securities issued under the LTI plan are as follows:

	Number
Initial number of securities allotted	3,416,167
Forfeited / sold	(125,937)
Vested for "qualifying reasons"	(1,381)
Total securities on issue as at 30 June 2007	3,288,849

Other than the above securities that vested for a qualifying reason, no other securities issued under the LTI plan vested during the year to 30 June 2007. No further securities have been issued in the period since 30 June 2007 to the date of this Report.

DIRECTORS' REPORT

REMUNERATION REPORT

Non-Executive Directors do not participate in the short-term or long-term variable schemes described above, or in any other security acquisition or incentive scheme operated by Mirvac Group, other than the Distribution Reinvestment Plan open to all qualifying Mirvac Group securityholders.

Both the EIS that was replaced in 2006 and the LTI plan introduced last year are closed to new participants and will remain in "run-off" mode until all loans made under each arrangement are extinguished, as a new long-term incentive plan is being introduced, as detailed in the next section.

d) New long-term incentive scheme

In the 2006 Federal Budget, the Treasurer announced proposed amendments to the employee security scheme and related capital gains tax concessions embodied in Division 13A of the Income Tax Act 1936 (Act). With effect from 1 July 2006, stapled securities listed on the Australian Securities Exchange, such as those issued by the Mirvac Group, were proposed to be included under the definition of ordinary securities in the Act and be eligible for the tax deferral and tax exemption concessions of Division 13A. Prior to the Treasurer's announcement, these concessions only applied to ordinary securities and not to stapled securities. The Bill to give effect to the changes announced by the Treasurer only received Royal Assent and became law on 12 April 2007. These changes will allow stapled security groups, such as Mirvac Group, to offer executives and employees the types of equity award plans that are common in the Australian market (such as performance rights, share options and retention equity plans) without incurring a Fringe Benefits Tax (FBT) cost. The Bill confirmed that the changes will apply retrospectively with effect from 1 July 2006.

In the light of these announced changes becoming law, the Mirvac Group's Human Resources Committee has reviewed the Group's current long-term incentive arrangements and approved the development of a new plan that will be consistent with current market practice in Australia, as described below.

The new long-term incentive plan being developed will apply to the Managing Director, Executive Directors, Senior Executives and other executive employees only.

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

The Board has determined, on the recommendation of the Human Resources Committee, that the same two performance conditions and hurdles as were imposed on the plan introduced in 2006, and approved by securityholders, will also be imposed on this plan, being measures based on:

- › Relative TSR; and
- › Absolute, compound EPS growth.

EPS represents basic EPS adjusted for certain items, including investment property revaluations, unrealised gains on financial instruments, expensing share based payments, depreciating owner occupied properties, amortising lease incentives, share of associates AIFRS adjustments and tax effect of AIFRS adjustments.

TSR is the total return to securityholders provided by security price appreciation and reinvested distributions expressed as a percentage of investment. Under this condition, Mirvac Group's TSR is measured against the TSR of each entity in a comparator group (being the ASX/S&P 200 Property Trust Accumulation Index) over a three year period.

The satisfaction of each condition is given an equal weighting in terms of the total number of performance rights (and options for the Managing Director, Executive Directors and Senior Executive group) that may vest (that is, 50 per cent of the total performance rights held by a participant is subject to each performance condition).

The Mirvac Group's TSR ranking will determine whether any performance rights and options vest and are exercisable under this measure.

The second performance condition to be achieved is compound EPS growth. An entitlement to exercise the performance rights and options under this condition will only occur when the Mirvac Group's EPS growth reaches four per cent compound over the three year period.

The term of the performance rights is 10 years. The term of the options is five years. However, if the performance rights and options do not vest after the three year performance period from grant, they will lapse. Participants will be prohibited from hedging their unvested performance rights and options. No loans will be made to participants under this plan. Any hedging of vested but unexercised options may only be undertaken upon notification to the Company Secretary prior to the hedging occurring. There is also no intention to retest the performance conditions in the future.

If the performance rights and options, or a portion of each, vest and are exercised, entitlements will be satisfied by either an allotment of new securities or by purchase on market of existing Mirvac Group securities, at the Board's discretion.

Non-Executive Directors will not be eligible to participate in this new long-term incentive plan. No performance rights or options have been issued to any participant under this plan as at the date of this Report.

e) Other equity schemes in the Mirvac Group

During the year under review, and following the Treasurer's announcement of amendments to Division 13A regarding stapled securities, Mirvac Group introduced a general employee exemption plan whereby offers were made to eligible Australian based employees (but not to Non-Executive Directors) to acquire Mirvac Group stapled securities to a value of \$1,000 per annum tax free. Securities acquired under this plan must be held for a minimum of three years (or earlier cessation of employment with the Group), during which time the securities are subject to a restriction on disposal but otherwise holders enjoy the same rights and benefits as other holders of Mirvac Group's stapled securities. The plan, including participation by the Managing Director and the Executive Directors, was approved by members at the Group's 2006 Annual General Meeting.

As at 30 June 2007, 302,968 stapled securities have been issued to employees under this plan. No securities have subsequently been issued in the period from 30 June 2007 to the date of this Report.

f) Non-Executive Directors' remuneration

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

At the 2006 Annual General Meeting, securityholders approved an increase in this aggregate amount to \$1,200,000 per annum.

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

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

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

2. DETAILS OF REMUNERATION

Details of the remuneration of each Director and the key management personnel (as defined in AASB 124: Related Party Disclosures) of Mirvac Group are set out in the following tables. The key management personnel of the parent entity and of the Mirvac Group includes members of the Executive Committee who report directly to the Managing Director.

This includes the eight Group Executives who received the highest remuneration for the year ended 30 June 2007. These Executives are:

- > G Collins - Chief Executive Victoria
- > E Campbell- Chief Executive Western Australia
- > B Draffen - Chief Executive New South Wales
- > C Freeman - Chief Executive Queensland
- > A Harrington - Joint Chief Executive Funds Management
- > G Hodgetts - Joint Chief Executive Funds Management
- > T J Regan - Chief Operating Officer
- > A Turner - Chief Executive Hotels

DIRECTORS' REPORT

REMUNERATION REPORT

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

1) Salary and wages includes accrued annual leave paid out on retirement.

2) Bonuses relate to amounts accrued for the relevant financial year.

3) Non-monetary benefits include motor vehicle costs and car parking and are inclusive of related fringe benefits tax.

4) Employee loans are interest free and provided for personal use (excludes EIS loans). Compensation includes amounts forgiven during the year, imputed interest and related fringe benefits tax.

5) Value of securities issued under the EIS is derived from an option pricing model. Refer to the full financial report for details.

6) Long service leave relates to amounts accrued during the financial period.

7) Remuneration for R P Lynch is from 1 July 2006 to his resignation on 9 August 2006.

8) Remuneration for M V O'Brien is from 1 July 2006 to his resignation on 6 July 2006.

Bonus payments

Bonus payments relating to the 2007 financial year were based on the achievement of financial targets for both the Mirvac Group and its Divisions and individual performance of the Executive Committee members.

For the Managing Director and Chief Operating Officer, the bonus award was primarily based on the Mirvac Group's achievement of its Net Profit After Tax (NPAT) and Earnings Per Security (EPS) targets. For the remaining Executive Directors and other Key Management Personnel, the bonus was based partially on the same Group results and partially on results in their respective Divisions. Individual performance criteria used in assessing all Executive Committee members included achievement of Health Safety and Environment targets, leadership goals, development of business relationships and development of staff.

The maximum opportunity as a percentage of fixed remuneration for Executive Committee members for the 2007 financial year was as follows:

	Bonus - Maximum Opportunity	Bonus - Actual Award
G J Paramor	100%	37.5%
N R Collishaw	100%	63.6%
A G Fini	100%	63.6%
Other key management personnel	80%	40% - 50%

The current bonus system is being redesigned to ensure that the pay mix of Executive Committee members has a meaningful portion of their total remuneration at risk. It is expected that the new bonus plan will formalise the bonus targets for Executive Committee members, other executives, and key managers. The maximum bonus opportunity will be set with reference to the market 75th percentile and be awarded for superior achievement only. In addition, consideration is being given to placing future deferred bonus payments into Mirvac Group stapled securities during the period of deferral to further align the interests of employees with those of securityholders.

DIRECTORS' REPORT

REMUNERATION REPORT

	Short-term benefits				Post-employment	Security based payment	Termination benefits	Other long-term benefits	Total
	Cash salary & fees ¹	Bonuses ²	Non-cash benefits ³	Employee loans ⁴	Super contributions	Value of securities issued ⁵	Long service leave ⁶		
2006	\$	\$	\$	\$	\$	\$	\$	\$	\$
Executive Directors									
G J Paramor	724,100	320,000	14,762	–	75,900	80,619	–	77,986	1,293,367
R J Hamilton ⁷	389,103	–	4,331	–	3,902	–	–	53,701	451,037
D J Broit ⁸	147,869	–	28,632	13,486	7,028	–	3,040,139	25,314	3,262,468
N R Collishaw ⁹	457,860	188,000	7,865	–	12,140	106,477	–	43,342	815,684
A G Fini ¹⁰	446,081	188,000	6,634	100,970	38,119	106,477	–	40,398	926,679
R A Fortune ⁷	28,400	–	–	–	2,556	–	–	–	30,956
Non-Executive Directors									
A J Lane ⁷	70,586	–	–	–	4,583	–	–	–	75,169
P J Biancardi	148,014	–	–	–	65,750	–	–	–	213,764
A Buduls ¹¹	16,590	–	–	–	1,493	–	–	–	18,083
G H Levy ¹²	51,999	–	–	–	4,680	–	–	–	56,679
J A C MacKenzie	237,575	–	–	–	100,000	–	–	–	337,575
R W Turner	130,021	–	–	–	58,826	–	–	–	188,847
P J O Hawkins ¹³	40,051	–	–	–	3,605	–	–	–	43,656
P Morris ¹³	41,311	–	–	–	–	–	–	–	41,311
Other key management personnel									
B Draffen	402,647	184,000	80,001	521,403	40,562	106,477	–	10,571	1,345,661
C Freeman	378,751	188,000	24,806	257,722	100,587	106,477	–	(10,971)	1,045,372
A Harrington	347,224	150,000	31,001	–	12,140	85,182	–	–	625,547
R P Lynch	456,613	100,000	39,191	239,547	13,387	106,477	–	12,892	968,107
M V O'Brien	335,813	125,000	84,325	161,076	100,587	106,477	–	31,046	944,324
T J Regan	372,648	180,000	33,077	–	12,140	106,477	–	39,062	743,404
A Turner	326,373	144,200	7,865	193,291	50,140	42,590	–	8,724	773,183
Total	5,549,629	1,767,200	362,490	1,487,495	708,125	953,730	3,040,139	332,065	14,200,873

1) Salary and wages includes accrued annual leave paid out on retirement.

2) Bonuses relate to amounts accrued for the relevant financial year.

3) Non-monetary benefits include motor vehicle costs and car parking and are inclusive of related fringe benefits tax.

4) Employee loans are interest free and provided for personal use (excludes EIS loans). Compensation includes amounts forgiven during the year, imputed interest and related fringe benefits tax.

5) Value of securities issued under the EIS is derived from an option pricing model. Refer to the full financial report for details.

6) Long service leave relates to amounts accrued during the financial period.

7) Remuneration for A J Lane, R J Hamilton, and R A Fortune is from 1 July 2005 to their resignation on 10 November 2005.

8) Remuneration for D J Broit is from 1 July 2005 to his resignation on 23 February 2006.

9) N R Collishaw was appointed as a Director on 19 January 2006. Amounts shown above include all Mr Collishaw's remuneration during the reporting period. He did not receive any remuneration in his capacity as a Director.

10) A G Fini was appointed as a Director on 19 January 2006. Amounts shown above include all Mr Fini's remuneration during the reporting period. He did not receive any remuneration in his capacity as a Director.

11) Remuneration for A Buduls is from 1 July 2005 to her resignation on 29 July 2005.

12) Remuneration for G H Levy is from 1 July 2005 to his resignation date on 3 March 2006.

13) Remuneration for P J O Hawkins and P Morris is from the date of their appointments on 19 January 2006 to the end of the financial year.

Bonus payments

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

3. SERVICE AGREEMENTS

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

- > general duties;
- > remuneration and other benefits; and
- > termination of employment and termination benefits.

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

Name	Term of agreement	Notice period	Severance period	Remuneration period	Eligible for STI	Eligible for LTI	Eligible for termination benefit	Eligible for other benefits
G J Paramor	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
N Collishaw	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
A G Fini	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
E Campbell	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
G Collins	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
B Draffen	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
C Freeman	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
A Harrington	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
G Hodgetts	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
T J Regan	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
A Turner	No term	3 months	9 months	12 months	Yes	Yes	No	Yes

4. EQUITY INSTRUMENTS HELD BY KEY MANAGEMENT PERSONNEL

The relevant interests held in stapled securities of Mirvac Group by the key management personnel are detailed in the full financial statements.

5. OTHER BENEFITS

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

DIRECTORS' REPORT

REMUNERATION REPORT

6. ADDITIONAL INFORMATION

a) Loans to key management personnel

Information on loans to Executive Directors and other key management personnel are set out in note 39 of the full financial statements. Loans are not provided to Non-Executive Directors or to the Managing Director.

b) Directors' interests

Particulars of Directors' relevant interests in the stapled securities of the Mirvac Group or a related body corporate, in debentures of (or interests in a registered scheme made available by) the Mirvac Group or a related body corporate and their rights or options over any such securities, debentures or registered scheme interests as notified by the Directors to the Australian Securities Exchange in accordance with Section 250G of the Corporations Act 2001 as at 30 June 2007 are as follows:

Directors	Interests in securities of related entities	Mirvac Group stapled securities
J A C MacKenzie		55,906
Mirvac Real Estate Investment Trust - units	93,841	
Mirvac Industrial Trust - units	122,643	
Mirvac Development Fund - Seascapes - units	300,000	
G J Paramor		5,755,474
Mirvac Retail Portfolio - units	523,247	
Mirvac Tourist Park Portfolio - units	100,000	
Mirvac Industrial Trust - units	306,609	
Mirvac Development Fund - Seascapes - units	350,000	
Mirvac Development Fund - Meadow Springs - units	80,000	
P J Biancardi		8,041
Mirvac Development Fund - Seascapes - units	25,000	
Mirvac Development Fund - Meadow Springs - units	50,000	
N R Collishaw		1,451,137
Mirvac Industrial Fund	45,000	
Mirvac Tourist Park Fund - units	10,000	
Mirvac Development Fund - Seascapes - units	25,000	
A G Fini		8,780,046
Mirvac Development Fund - Seascapes - units	100,000	
Mirvac Development Fund - Meadow Springs - units	400,000	
Mirvac Industrial Trust - units	100,000	
P J O Hawkins		18,684
P Morris		42,841
R W Turner		68,338
Mirvac Development Fund - Seascapes - units	25,000	
Mirvac Development Fund - Meadow Springs - units	25,000	

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

For the year ended 30 June 2007, Mr Paramor received 339,303 stapled securities under the LTI plan and 192 stapled securities under the general employee exemption plan.

For the year ended 30 June 2007, each of Messrs Collishaw and Fini received 77,306 stapled securities under the LTI plan and 192 stapled securities under the general employee exemption plan.

Mirvac Group's Non-Executive Directors do not participate in any security purchase plan operated by the Mirvac Group other than the Distribution Reinvestment Plan on the same terms and conditions as are available to other Mirvac Group securityholders.

During the year to 30 June 2007 Mirvac Group also offered a security purchase plan to all its securityholders to acquire up to \$5,000 of Mirvac Group securities. Directors participated in this plan on the same terms as other securityholders.

No Director has entered into any contract under which the Director is entitled to a benefit and that confers a right to call for or deliver securities in, or debentures of, or interests in a registered scheme made available by Mirvac Limited or a related body corporate other than Mr Fini. As disclosed in Mirvac Group's 2006 Annual Report, Mr Fini and interests associated with Mr Fini's family were allotted 2,605,025 Mirvac Group stapled securities during the year pursuant to the Share Sale Agreement entered into with Mirvac Limited in 2001 to acquire the Fini business in Western Australia.

c) Options over unissued securities

No options over unissued stapled securities of the Mirvac Group or over securities of any of the controlled entities within the Group were granted during, or since, the year ended 30 June 2007, to the date of this Directors' Report.

No options over unissued securities or interests of the Mirvac Group or any of its controlled entities were granted to any of the Directors or to any of the key management personnel of the Mirvac Group, and no options were granted during or since the year ended as part of their remuneration, to the date of this Directors' Report.

No unissued securities or interests in the Mirvac Group or any of its controlled entities are under option as at the date of this Directors' Report.

No securities in the Mirvac Group or any of its controlled entities were issued during or since the year ended 30 June 2007 as a result of the exercise of an option over unissued securities.

NON-AUDIT SERVICES

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

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out in note 42 of the full financial report.

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

- › All non-audit services have been reviewed by the ARCC to ensure they do not impact the impartiality and objectivity of the auditor.
- › None of the services undermine the general principles relating to auditor independence as set out in APES 110: Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risk and rewards.

INSURANCE OF OFFICERS

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration required under Section 307C of the Corporations Act 2001 is set out on page 71.

ROUNDING OF AMOUNTS

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
21 August 2007

AUDITOR'S INDEPENDENCE DECLARATION



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Sydney NSW 1171
DX 77 Sydney
Australia

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As lead auditor for the audit of Mirvac Limited for the year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink, appearing to read 'M Haberlin', with a long horizontal stroke extending to the right.

MARK HABERLIN
Partner
PricewaterhouseCoopers

Sydney
21 August 2007

1. GOVERNANCE AT MIRVAC GROUP

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

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

This Statement sets out the key corporate governance principles adopted by Directors in governing the Mirvac Group and reflects the corporate governance policies and practices in place as at 30 June 2007 and throughout the year ending on that date.

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

The ASX Listing Rules require all listed entities to report on the extent to which they have followed the Best Practice Recommendations contained in the ASX Corporate Council's "Principles of Good Corporate Governance and Best Practice Recommendations" issued in March 2003.

As detailed in this Statement, Mirvac Group considers it has complied with all the Best Practice Recommendations throughout the year.

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

2. BOARD OF DIRECTORS

2.1. Board role and responsibilities

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

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

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

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

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

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

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

The Managing Director provides open and detailed reports on the Mirvac Group's performance and related matters to each Board meeting.

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

ASX Best Practice Recommendations 1.1 and 2.5

2.2. Board size and composition

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

The Boards are to comprise a majority of independent Non-Executive Directors with an appropriate range of skills, experience and expertise to deal with current and emerging issues of the business. Mirvac Group's Boards currently comprises five independent Non-Executive Directors and three Executive Directors. Details of the Directors in office as at the date of this Annual Report, including their qualifications, experience, date of appointment and their status as independent or executive are set out on pages 56 to 57.

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

ASX Best Practice Recommendation 2.2

2.3. Role of the Chairman

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

The Chairman, Mr James MacKenzie, is an independent Non-Executive Director appointed by the Board following the Annual General Meeting in November 2005.

Mr MacKenzie is also Chairman of the Board's Nomination Committee and a member of its Human Resources Committee.

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

ASX Best Practice Recommendations 2.2 and 2.3

2.4. Independence of Directors

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

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

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

It is the Mirvac Group's view and that of its Board, that each of its Non-Executive Directors is independent. Each Director has exercised judgement and discharged his or her responsibilities in an unrestricted and independent manner throughout the year. Each satisfies all the independent criteria set down in the Best Practice Recommendations as well as the specific materiality tests set down in the Board Charter.

The Chairman, Mr MacKenzie, provides consulting fees to the Chartered Accounting firm Deloitte Touche Tohmatsu. Mirvac Group has paid fees to Deloitte Touche Tohmatsu during the year for non-audit services as disclosed in note 39 of the full financial report. The Board believes the level of fees paid by the Mirvac Group to Deloitte has not affected Mr MacKenzie's status as an independent Director, or his ability to exercise his unfettered and independent judgement at all times.

ASX Best Recommendations 2.1 and 2.5

2.5. Conflicts of interest

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

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

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

2.6. Meetings of the Board

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

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

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

2.7. Review of Board and Executive performance

a) Board

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

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

The completed questionnaires are used as the basis of interviews conducted by the Chairman and the Group Company Secretary with each Director on an individual basis. An assessment of the Chairman's performance is also discussed during this interview process without the presence of the Chairman. The results of these interviews, and the completed questionnaires, are collated and discussed with the Board. Private meetings between the Chairman and an individual Director may also be convened if warranted or requested.

The appraisal process conducted during the year ended 30 June 2007 indicated that no major issues or concerns were identified that required further attention.

The Human Resources Committee reviews and makes recommendations to the Board on the criteria for, and the evaluation of, the performance of the Managing Director.

b) Key Executives

Evaluation of key executives' performance is conducted annually by the Managing Director in conjunction with the Group General Manager Human Resources. This evaluation includes assessment of the respective executive's performance against business and personal objectives agreed at the beginning of the year. A copy of this evaluation of each key executive is also reviewed by the Human Resources Committee.

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

ASX Best Practice Recommendation 8.1

2.8. Nomination and appointment of new Directors

The Board Nomination Committee is responsible for identification and recommendation of candidates to the Board.

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

Candidates are assessed by the Committee, and then the full Board against a range of criteria including experience, professional skills, personal qualities, whether their profiles will augment the existing and desired Board competencies, as well as their availability to commit themselves to the Board's activities.

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

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

ASX Best Practice Recommendations 2.4 and 2.5

2.9. Retirement and re-election of Directors

Mirvac Group's Constitutions provide that one-third of Directors must retire each year and seek re-election by securityholders. This ensures that the maximum time that each Director can serve in any single appointment is three years.

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

2.10. Access to independent information and advice

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

ASX Best Practice Recommendation 2.5

3. BOARD COMMITTEES

3.1. Committees' charters and membership

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

- › Audit, Risk and Compliance Committee (ARCC)
- › Human Resources Committee (HR); and
- › Nomination Committee

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

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

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

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

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

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

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

Members of the standing Committees are:

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

(ch) designates Chairman of the Committee.

Each Committee member is an independent, Non-Executive Director, with the exception of Mr Greg Paramor who is the Managing Director. Details of the number of meetings held by each Committee during the year, together with the number attended by each Committee member, are contained within the Directors' Report section of this Annual Report.

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

ASX Best Practice Recommendations 2.4, 2.5, 4.2, 4.4, 4.5, 7.3, 8.1, 9.2 and 9.5

3.2. Audit, Risk and Compliance Committee (ARCC)

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

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

The role of the ARCC is to assist the Board in fulfilling its oversight responsibilities in relation to the Group's financial reporting, legal and regulatory compliance, internal controls and risk management as well as the internal and external audit functions, as fully detailed in its Charter. Also reporting to the ARCC is the Compliance Committee which has direct responsibility for monitoring and reviewing the Compliance Plans of Mirvac Group entities that hold Australian Financial Service (AFS) licences, and overseeing their adherence to all applicable laws and regulations.

The Compliance Committee meets on a quarterly basis and comprises three independent members: Messrs Robert Summerton (Chairman), Hall Metcalf and Robert Scott.

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

ASX Best Practice Recommendations 4.2, 4.3, 4.5 and 7.1

3.3. Human Resources Committee (HR)

The objective of the HR Committee as detailed in its Charter is to assist the Board in ensuring the Mirvac Group:

- › has coherent remuneration policies and practices which are consistent with the Group's strategic goals and human resource objectives by attracting and retaining Directors and Executives and other employees who will create value for securityholders; and
- › fairly and responsibly remunerates Directors and Executives having regard to the performance of the Mirvac Group, the performance of the individuals and the general remuneration environment.

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

ASX Best Practice Recommendations 9.2 and 9.5

3.4. Nomination Committee

The objective of this Committee is to assist the Board in ensuring that the Mirvac Group has Boards of effective composition, size, expertise and commitment to adequately discharge their responsibilities and duties, having regard to the law and the highest standards of governance, with the specific responsibilities as set out in its Charter.

ASX Best Practice Recommendations 2.4 and 2.5

4. EXTERNAL AUDITOR RELATIONSHIP

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

4.1. Approach to auditor independence

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

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

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

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

4.2. Certification of independence

PricewaterhouseCoopers has provided the ARCC with a half yearly and annual certification of its continued independence, in accordance with the requirements of the Corporations Act 2001, and in particular confirmed that it did not carry out any services or assignments during the year ended 30 June 2007 that were not compatible with auditor independence.

4.3. Other monitoring of independence

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

No work will be awarded to the external auditor if the ARCC (or the Chief Financial Officer as applicable) believes such work would give rise to a "self review threat" (as defined in APES 110: Code of Ethics for Professional Accountants) or would create a conflict, or perceived conflict, of interest for the external auditor or any member of the audit team, or would otherwise compromise the auditor's independence requirements under the Corporations Act.

4.4. Attendance at the Annual General Meeting/ General Meeting

A partner of Mirvac Group's external auditor, PricewaterhouseCoopers, attends all Annual General Meetings (AGM)/General Meetings and is available to answer questions from securityholders on the conduct of the audit of the Group. Securityholders are also provided with a reasonable opportunity to ask questions of the auditor at the AGM/General meeting.

The external auditor is also allowed a reasonable opportunity to answer written questions submitted by securityholders to the AGM/General meeting.

No questions were directed to the auditor in regard to the audit of Mirvac Group's 2006 Financial Report and no questions were directed to the auditors at the Mirvac Group's 2006 AGM/General Meeting.

ASX Best Practice Recommendation 6.2

5. RECOGNITION AND MANAGEMENT OF RISK

5.1. Approach to risk management

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

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

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

Mirvac Group's Risk Management Policy recognises the Board's fiduciary obligations and desire to create securityholder wealth. To achieve this, the Group is required to pursue business development and investment opportunities that may involve risk taking. Risk can relate to both threats to operations and a failure to take advantage of opportunities.

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

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

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

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

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

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

During the year, the independent Chartered Accounting firm Ernst & Young assisted the Group in developing an effective internal audit/operational review function across its operations. The function's role is to assess risks, enhance processes and monitor controls to provide assurance to the ARCC and the Board that the key risks and compliance obligations are being effectively managed.

An internal audit plan has been prepared and approved by the ARCC, incorporating priorities identified by Ernst & Young in their high level risk assessment of the Group. Specific aspects of the plan have also been agreed with the Mirvac Group's external auditors to ensure no duplication of effort and that reliance can be placed on the work done where appropriate to assist the external audit process.

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

A Sub-Committee of the National Risk Group, the Health, Safety and Environment Steering Committee, reviews and reports on the management of the Group's safety, health and environment risks and legal obligations.

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

ASX Best Practice Recommendation 7.1

5.2. Executive assurance

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

- a) the financial records of the Mirvac Group for the year ended 30 June 2007 have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
- b) the financial statements of the Mirvac Group and the notes to those statements for the year ended 30 June 2007 comply with the relevant accounting standards;
- c) the Group's financial statements, and the notes to those statements, for the year ended 30 June 2007 give a true and fair view of the financial position, operational results and performance of the Mirvac Group;
- d) the statements referred to in paragraphs a) to c) above are founded on a system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- e) Mirvac Group's risk management and internal compliance and control system is operating effectively in all material respects.

The effective control environment established by the Board supports this assurance provided by the Managing Director, Chief Operating Officer and Chief Financial Officer.

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

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

ASX Best Practice Recommendations 4.1, 7.2 and 7.3

6. REMUNERATION POLICIES AND PRACTICES

The Remuneration Report on pages 59 to 69 details the Mirvac Group's remuneration policies and practices including the relationship between remuneration, Group performance and returns to securityholders.

ASX Best Practice Recommendations 9.1, 9.3, 9.4 and 9.5

7. CORPORATE CONDUCT AND RESPONSIBILITY

7.1. Approach to corporate conduct

Integrity is one of the Mirvac Group's core values. In the Group's 35 year history, it has built a reputation for integrity and in dealing fairly, honestly and transparently with all stakeholders.

Mirvac Group has adopted a Code of Conduct which espouses its core values and reflects the ASX Best Practice Recommendations in terms of the matters addressed.

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

ASX Best Practice Recommendations 3.1, 3.3 and 10.1

7.2. Compliance with the Code of Conduct

To fulfil the Mirvac Group's commitment to its core values and the requirements of the Code of Conduct, the Group needs to be able to ensure that:

- > violations of the Code and these values are detected and reported; and
- > appropriate action is taken in response to any violations.

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

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

ASX Best Practice Recommendations 3.1 and 3.3

7.3. Security Trading Policy

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

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

ASX Best Practice Recommendations 3.2 and 3.3

7.4. Market disclosure policy and practice

Mirvac Group is committed to:

- > effectively communicating with its securityholders and facilitating an efficient and informed market in its securities by keeping the market apprised through announcements to the ASX, of all material information; and
- > compliance with the requirements of the Corporations Act 2001, ASX Listing Rules and the ASX Corporate Governance Best Practice Guidelines.

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

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

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

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

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

Mirvac Group is also rotating the location of its Annual General Meeting/General Meeting each year, after many years in Sydney, to allow securityholders in other States to participate in person. The 2007 meetings will be held in Brisbane in November.

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

ASX Best Practice Recommendations 5.1, 5.2 and 6.1

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
Revenue			
Development and construction revenue		1,273,088	1,111,693
Revenue from investment properties		300,079	252,322
Hotel operations revenue		169,516	127,683
Fee revenue		40,815	39,000
Interest revenue		14,012	9,548
Dividend revenue		1,534	1,292
Other revenue		14,203	5,556
Total revenue		1,813,247	1,547,094
Other income			
Net gain from fair value adjustments on investment properties		239,460	151,838
Share of net profit of associates and joint ventures accounted for using the equity method		53,032	62,261
Net gain on financial instruments		–	33,539
Net foreign exchange gain		49,191	–
Net gain on sale of investments		22,636	5,037
Net gain on sale of investment properties		28,868	6,552
Net gain on held for sale assets		13,988	–
Net gain/(loss) on sale of property, plant and equipment		456	(277)
Total other income		407,631	258,950
Total revenue and other income		2,220,878	1,806,044
Cost of property development and construction		(1,008,394)	(794,291)
Investment property outgoings		(70,538)	(61,573)
Hotel operating expenses		(50,948)	(40,962)
Employee benefits expense		(175,491)	(168,382)
Depreciation and amortisation expense		(25,847)	(19,292)
Finance costs expense	4	(147,105)	(134,912)
Net loss on financial instruments		(22,402)	–
Selling and marketing expense		(44,536)	(37,371)
Provision for loss on inventory		(12,258)	(17,822)
Other expenses		(65,230)	(43,210)
Profit before income tax		598,129	488,229
Income tax expense		(30,698)	(44,834)
Profit for the year		567,431	443,395
Profit attributable to minority interest		(11,375)	(2,301)
Net profit attributable to the stapled securityholders of the Mirvac Group		556,056	441,094
Earnings per stapled security for net profit attributable to the stapled securityholders of the Mirvac Group			
Basic earnings per security	5	58.65	52.18
Diluted earnings per security	5	57.46	50.85

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

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
Current assets			
Cash and cash equivalents		25,294	54,925
Receivables		455,362	127,577
Current tax assets		39,989	21,514
Inventories		346,126	844,290
Other financial assets at fair value through profit or loss		17,770	17,200
Non-current assets classified as held for sale		65,997	28,698
Other current assets		41,923	34,940
Total current assets		992,461	1,129,144
Non-current assets			
Receivables		86,684	116,955
Inventories		1,273,974	771,848
Investments accounted for using the equity method		671,944	427,699
Derivative financial instruments		69,861	21,637
Investment properties	7	3,431,177	2,753,641
Property, plant and equipment		492,155	599,927
Intangible assets		291,498	224,898
Deferred tax assets		42,496	29,953
Other non-current assets		370	416
Total non-current assets		6,360,159	4,946,974
Total assets		7,352,620	6,076,118
Current liabilities			
Payables		282,219	292,278
Borrowings		33	1,200,042
Provisions		87,292	72,222
Other current liabilities		30,179	29,412
Total current liabilities		399,723	1,593,954
Non-current liabilities			
Payables		93,126	34,500
Borrowings		2,552,842	1,125,876
Derivative financial instruments		85,855	-
Deferred tax liabilities		135,283	148,603
Provisions		5,381	5,127
Total non-current liabilities		2,872,487	1,314,106
Total liabilities		3,272,210	2,908,060
Net assets		4,080,410	3,168,058
Equity			
Contributed equity	6	3,322,183	2,728,575
Reserves		77,093	54,064
Retained earnings		611,218	366,678
Total parent entity interest		4,010,494	3,149,317
Minority interest		69,916	18,741
Total equity		4,080,410	3,168,058

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Minority interest \$'000	Total \$'000
Balance at 1 July 2006	2,728,575	54,064	366,678	18,741	3,168,058
Increment on revaluation of property, plant and equipment, net of tax	-	22,253	-	-	22,253
Exchange differences on translation of foreign operations	-	(72)	-	-	(72)
Net income recognised directly in equity	-	22,181	-	-	22,181
Net profit	-	-	556,056	11,375	567,431
Total recognised income and expenses for the year	-	22,181	556,056	11,375	589,612
Security based payment transactions	-	848	-	-	848
Equity based compensation - movement in retained earnings	-	-	751	-	751
EIS securities converted/sold/forfeited	21,149	-	-	-	21,149
Contributions of equity, net of transaction costs	572,459	-	-	-	572,459
Dividends/distributions provided for or paid	-	-	(312,267)	-	(312,267)
Minority interest	-	-	-	39,800	39,800
Balance at 30 June 2007	3,322,183	77,093	611,218	69,916	4,080,410
Balance at 1 July 2005	2,575,182	25,045	205,084	30,480	2,835,791
Adjustment on adoption of AASB 132 and AASB 139 to retained earnings	-	-	(8,691)	-	(8,691)
Increment on revaluation of property, plant and equipment, net of tax	-	21,301	-	-	21,301
Exchange differences on translation of foreign operations	-	(1,133)	-	-	(1,133)
Net income recognised directly in equity	-	20,168	(8,691)	-	11,477
Net profit	-	-	441,094	2,301	443,395
Total recognised income and expenses for the year	-	20,168	432,403	2,301	454,872
Security based payment transactions	-	8,851	-	-	8,851
Equity based compensation - movement in retained earnings	-	-	261	-	261
EIS securities converted/sold/forfeited	22,709	-	-	-	22,709
Contributions of equity, net of transaction costs	130,684	-	-	-	130,684
Dividends/distributions provided for or paid	-	-	(271,070)	-	(271,070)
Minority interest	-	-	-	(14,040)	(14,040)
Balance at 30 June 2006	2,728,575	54,064	366,678	18,741	3,168,058

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$'000	2006 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	1,677,777	1,714,031
Payments to suppliers and employees (inclusive of goods and services tax)	(1,540,850)	(1,241,206)
	136,927	472,825
Interest received	14,012	9,548
Dividends received	1,534	1,292
Borrowing costs paid	(161,481)	(166,761)
Income taxes paid	(74,256)	(36,373)
Net operating cash flows	(83,264)	280,531
Cash flows from investing activities		
Payments for property, plant and equipment	(67,182)	(137,475)
Proceeds from the sale of property, plant and equipment	63,589	1,719
Payments for investment properties	(604,995)	(268,719)
Proceeds from the sale of investment properties	285,163	62,744
Net movement in loans to related parties	(1,045)	37,652
Net movement in loans to other entities	(5,894)	208
Contributions to joint venture operations/entities	(351,384)	(157,957)
Repayments from joint venture operations/entities	160,172	45,025
Purchase of controlled entities net of cash acquired	(82,303)	(14,706)
Proceeds from sale of investments	150,536	43,558
Net investing cash flows	(453,343)	(387,951)
Cash flows from financing activities		
Proceeds from borrowings	1,417,997	3,003,858
Repayment of borrowings	(1,201,722)	(2,753,871)
Proceeds from issue of securities	449,240	63,170
Dividends/distributions paid	(156,364)	(206,859)
Net financing cash flows	509,151	106,298
Net decrease in cash and cash equivalents	(27,456)	(1,122)
Cash received on acquisition of business combinations	(2,180)	-
Cash and cash equivalents at the beginning of the year	54,925	56,028
Effects of exchange rate changes on cash and cash equivalents	5	19
Cash and cash equivalents at the end of the year	25,294	54,925

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION

The concise financial report has been prepared in accordance with the Corporations Act 2001 and the Accounting Standard AASB 1039: Concise Financial Reports. The concise financial report, including the financial statements and specific disclosures included in the concise financial report, has been derived from the full financial report of the Mirvac Group.

The presentation currency used in this concise financial report is Australian dollars. A full description of the accounting policies adopted by the Mirvac Group is provided in the notes to the financial statements which form part of the full financial report.

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

The Mirvac Group - stapled securities

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

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

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

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

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

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

NOTE 2. SEGMENTAL INFORMATION

a) Primary segments

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

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Mirvac Group is organised into two core business segment divisions:

Funds Management

Funds Management is divided into Internal and External Funds Management. Internal Funds Management has investments in properties covering the retail, commercial, industrial and hotel sectors, held for the purpose of producing rental income throughout Australia. Income is also derived from investments in associated entities including Mirvac Real Estate Investment Trust (formerly JF Meridian Trust) and Mirvac Industrial Trust (formerly JF US Industrial Trust). Fees are also received by Mirvac Real Estate Services which provides asset management services to internal and external funds.

External Funds Management comprises External Funds (formerly James Fielding Funds Management) and Hotel Management.

Development

Construction and property development of residential, commercial, industrial and retail development projects throughout Australia.

b) Geographical segment

The Mirvac Group operates predominantly in Australia.

c) Inter-segment transfers

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

NOTE 2. SEGMENTAL INFORMATION CONTINUED

	Development	Funds Management				Unallocated/ Elimination	Total
		Internal Funds Management	External Funds Management				
			MPT/ MRES	Hotel Management	External Funds		
2007	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
External revenue	1,324,052	374,473	169,644	34,835	(89,757)	1,813,247	
Inter-segment sales	202,178	17,676	-	463	(220,317)	-	
Total revenue	1,526,230	392,149	169,644	35,298	(310,074)	1,813,247	
Investment property revaluations	-	245,805	-	-	(6,345)	239,460	
Share of associates and joint venture's profit	22,375	15,561	-	16,644	(1,548)	53,032	
Net foreign exchange gain/(loss)	-	-	9	(2)	49,184	49,191	
Net gain on sale of investments	22,175	350	-	792	(681)	22,636	
Profit on sale of investment properties	1,701	27,167	-	-	-	28,868	
Profit on held for sale assets	-	13,988	-	-	-	13,988	
Gain/(loss) on disposal of property, plant & equipment	(61)	(7)	526	-	(2)	456	
Total segment revenue and other income	1,572,420	695,013	170,179	52,732	(269,466)	2,220,878	
Segment result before interest and tax	211,762	560,113	9,544	25,979	(76,176)	731,222	
Net interest allocated ¹	(70,922)	(44,970)	(514)	(1,339)	(15,348)	(133,093)	
Profit/(loss) after interest and before tax	140,840	515,143	9,030	24,640	(91,524)	598,129	
Income tax expense						(30,698)	
Net profit						567,431	
Total assets	4,817,139	5,275,573	207,145	315,921	(3,263,158)	7,352,620	
Total liabilities	4,445,947	2,091,366	176,015	166,769	(3,607,887)	3,272,210	
Investments in associates and joint ventures	171,722	440,226	-	94,712	(34,716)	671,944	
Acquisitions of investments and property, plant and equipment	7,324	626,360	47,062	335	1,833	682,914	
Depreciation and amortisation expense	3,509	9,006	5,543	144	7,645	25,847	

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SEGMENTAL INFORMATION CONTINUED

	Development	Funds Management				Total
		Internal Funds Management	External Funds Management		Unallocated/ Elimination	
			MPT/ MRES	Hotel Management		
2006	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	1,091,219	307,221	104,918	46,755	-	1,550,113
Inter-segment sales	167,726	13,006	-	-	(180,732)	-
Total revenue	1,258,945	320,227	104,918	46,755	(180,732)	1,550,113
Investment property revaluation	-	156,557	-	-	(4,719)	151,838
Share of associates and joint venture's profit	33,605	28,472	524	(340)	-	62,261
Net gain/ (loss) on financial instruments	-	-	-	-	30,243	30,243
Net gain on sale of investments	-	5,037	-	-	-	5,037
Profit on sale of investment properties	-	6,552	-	-	-	6,552
Total segment revenue and other income	1,292,550	516,845	105,442	46,415	(155,208)	1,806,044
Segment result before interest and tax	202,977	379,647	9,277	21,587	105	613,593
Net interest allocated	(71,983)	(38,655)	(36)	(822)	(13,868)	(125,364)
Profit/(loss) after interest and before tax	130,994	340,992	9,241	20,765	(13,763)	488,229
Income tax expense						(44,834)
Net profit						443,395
Total assets	5,044,526	4,332,668	139,220	264,961	(3,705,257)	6,076,118
Total liabilities	4,788,588	1,924,431	123,469	179,543	(4,107,971)	2,908,060
Investments in associates and joint ventures	86,592	305,118	8	56,800	(20,819)	427,699
Acquisitions of property, plant and equipment	3,845	395,515	6,213	84	-	405,657
Depreciation and amortisation expense	2,992	12,662	2,479	205	954	19,292

NOTE 3. DIVIDENDS/DISTRIBUTIONS

	2007 \$'000	2006 \$'000
Ordinary stapled securities		
Quarterly ordinary distributions paid as follows:		
7.975 cents per stapled security paid on 27 October 2006 (1.65 cents per stapled security franked at 30%)	71,641	–
7.75 cents per stapled security paid on 28 October 2005 (3.32 cents per stapled security franked at 30%)	–	66,555
7.975 cents per stapled security paid on 25 January 2007 (1.65 cents per stapled security franked at 30%)	79,705	–
7.75 cents per stapled security paid on 27 January 2006 (3.32 cents per stapled security franked at 30%)	–	66,560
7.975 cents per stapled security paid on 27 April 2007 (1.595 cents per stapled security franked at 30%)	80,366	–
7.75 cents per stapled security paid on 28 April 2006 (3.44 cents per stapled security franked at 30%)	–	67,802
7.975 cents per stapled security paid on 27 July 2007 (1.595 cents per stapled security franked at 30%)	80,907	–
7.75 cents per stapled security paid on 28 July 2006 (3.44 cents per stapled security franked at 30%)	–	69,023
Total dividend/distribution 31.9 cents per stapled security (2006: 31.00 cents per stapled security)	312,619	269,940

Dividend Reinvestment Plan (DRP)

Dividends/distributions actually paid/payable or satisfied by issue of securities under the DRP were as follows:

	2007 \$'000	2006 \$'000
Paid in cash	156,364	206,859
Satisfied by the issue of securities	144,371	67,484
	300,735	274,343

NOTE 4. FINANCE COSTS

Finance costs:

Interest and finance charges paid/payable	167,529	166,761
Amount capitalised	(75,218)	(92,027)
Interest capitalised in current and prior year expensed this year	49,421	55,566
Borrowing costs amortised	5,373	4,612
Finance costs expense	147,105	134,912

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. EARNINGS PER SECURITY

In calculating basic earnings per security, securities issued under the Mirvac EIS have been excluded from the weighted average number of securities.

	2007 Cents	2006 Cents
Earnings per security		
Basic earnings per security	58.65	52.18
Basic earnings per security - before non-cash AIFRS items	33.65	32.46
Diluted earnings per security	57.46	50.85
Diluted earnings per security - before non-cash AIFRS items	32.97	31.64
Reconciliation of earnings used in calculating earnings per security	\$'000	\$'000
Basic and diluted earnings per security		
Net profit used in calculating earnings per security	556,056	441,094
Basic and diluted earnings per security - before non-cash AIFRS		
Net profit used in calculating earnings per security	556,056	441,094
Net gain from fair value of investment properties (excluding owner-occupied)	(239,460)	(151,838)
Unrealised gain on fair value of derivative financial instruments	(24,530)	(30,243)
Expensing of security based payments	2,340	8,851
Depreciation of owner-occupied investment properties, hotels and hotel management lots	6,464	7,815
Amortisation of lease incentives	6,748	5,589
Net gain from fair value of investment properties and derivatives included in share of associates' profits	6,105	(13,066)
AIFRS adjustments included in minority interest	9,464	-
Tax effect of non-cash adjustments	(4,124)	6,229
Net profit used in calculating earnings per security - before non-cash AIFRS	319,063	274,431
Weighted average number of securities used as denominator	Number	Number
Weighted average number of securities used in calculating basic earnings per security	948,120,903	845,280,249
Adjustment for calculation of diluted earnings per security: Securities issued under EIS	19,542,385	22,104,555
Weighted average number of securities used in calculating diluted earnings per security	967,663,288	867,384,804

NOTE 6. CONTRIBUTED EQUITY**a) Paid up capital**

	2007 Securities	2006 Securities	2007 \$'000	2006 \$'000
Total contributed equity	995,918,784	870,037,575	3,322,183	2,728,575

b) Movements in paid up capital of the Mirvac Group for the 2007 and 2006 years were as follows:

	Number
Opening balance - 1 July 2006	870,037,575
Movement - EIS securities converted/sold/forfeited and DRP	125,881,209
Closing balance - 30 June 2007	995,918,784

Under AIFRS, securities issued under EIS are required to be accounted for as an option and are excluded from total issued capital.

c) Reconciliation of securities issued on ASX

Under AIFRS, securities issued under EIS 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 Securities Exchange (ASX) as follows:

	Number
Total ordinary securities issued	995,918,784
Securities issued under EIS	18,583,435
Total securities issued on ASX	1,014,502,219

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. INVESTMENT PROPERTIES

	Date of acquisition	Cost & additions	Book value	Book value	Date of last external valuation	Last external valuation
		to 30/06/2007	30/06/2007	30/06/2006		
		\$'000	\$'000	\$'000		
Mirvac Property Trust and its controlled entities						
67 Albert Avenue, Chatswood NSW	01/09/1989	–	–	73,250	30/06/2005	73,000
Quay West Car Park, 111 Harrington Street, Sydney NSW	30/11/1989	37,570	45,000	45,000	30/06/2006	45,000
Orange City Centre, Summer Street, Orange NSW	05/04/1993	31,333	52,500	49,000	30/06/2006	49,000
Kawana Shoppingworld, Nicklin Way, Buddina QLD	09/12/1993 (1st 50%) 10/06/1998 (2nd 50%)	104,463	176,000	175,000	31/12/2005	175,000
Gippsland Centre, Cunninghame Street, Sale VIC	06/01/1994	34,625	55,700	46,000	30/06/2007	55,700
Como Centre, Cnr Toorak Road & Chapel Street, South Yarra VIC	18/08/1998	118,716	144,700 ¹	118,400	30/06/2007	176,383
James Ruse Business Park, 6 Boundary Road, Northmead NSW	14/07/1994	20,111	30,600	29,500	31/12/2006	30,500
20-30 Scrivener Street, Warwick Farm NSW	24/12/1993	–	–	21,500	30/06/2006	21,500
Lovett Tower, 13 Keltie Street, Woden ACT	14/07/1994 (1st 50%) 28/02/1999 (2nd 50%)	–	–	48,500	31/12/2003	46,000
36 College Street, Sydney NSW	31/12/1991	–	–	24,503	30/06/2006	24,500
1-19 Hargrave Street, Sydney NSW	31/12/1991	4,475	–	12,000	01/03/2005	11,000
1 Castlereagh Street, Sydney NSW	18/12/1998	49,270	72,000	65,400	31/12/2005	65,000
271 Lane Cove Road, North Ryde NSW	05/04/2000	18,669	30,700	30,500	30/06/2006	30,500
Royal Domain Centre, 380 St Kilda Road, Melbourne VIC	04/10/1995 (1st 50%) 02/04/2001 (2nd 50%)	85,912	92,500	92,000	30/06/2006	92,000
Bay Centre, Cnr Pirrama & Edward Streets, Pyrmont NSW	29/06/2001	58,047	88,500	88,000	30/04/2006	88,000
200 George Street, Sydney NSW	31/10/2001	24,613	28,000	26,500	30/06/2006	26,500
Unit 23, 177 Pacific Highway, North Sydney NSW	25/01/2002	–	–	588	31/12/2006	760
Building 1,2,3 & 7, Riverside Quay, Southbank VIC	15/04/2002 & 01/07/2003	116,744	128,450	115,500	30/06/2007	128,450
John Oxley Centre, 339 Coronation Drive, Milton QLD	31/05/2002	37,649	58,500	43,000	30/06/2007	58,500
Blacktown Mega Centa, Blacktown Road, Blacktown NSW	30/06/2002	30,664	45,000	41,000	30/06/2007	45,000
1-47 Percival Road, Smithfield NSW	22/11/2002	20,928	23,800	23,800	30/06/2006	23,800
Waverley Gardens Shopping Centre, Cnr Police & Jackson Roads, Mulgrave VIC	15/11/2002	133,032	145,000	101,400	30/06/2007	145,000
The Village Centre, Charles Hackett Drive, St Marys NSW	17/01/2003	38,939	44,500	43,500	31/12/2005	43,000
Moonee Ponds Central, Homer Street, Moonee Ponds VIC	20/05/2003	26,140	25,500	25,300	30/06/2006	25,300
Hinkler Shopping Centre, Maryborough Street, Bundaberg QLD	12/08/2003	80,794	92,400	91,000	30/06/2006	91,000
190 George Street, Sydney NSW	05/08/2003	47,347	45,000	44,000	30/06/2006	44,000
44 Biloela Street, Villawood NSW	24/09/2003	18,880	20,100	20,000	30/06/2006	20,000
64 Biloela Street, Villawood NSW	02/02/2004	22,702	25,000	25,000	30/06/2006	25,000
Stanhope Village, Sentry Drive, Stanhope Gardens NSW	14/11/2003	53,616	65,000	28,000	30/06/2007	65,000
333-343 Frankston-Dandenong Rds & 4 Abbots Road, Dandenong South, VIC	15/01/2004	12,485	13,700	13,700	30/06/2007	13,700
189 Grey Street, Southbank QLD	19/04/2004	39,835	65,000	50,000	30/06/2007	65,000
Ballina Central, Ballina NSW	01/12/2004	43,050	42,500	41,000	30/06/2006	41,000

1) Valuation includes the Como Hotel which has been reclassified to owner-occupied properties.

NOTE 7. INVESTMENT PROPERTIES CONTINUED

	Date of acquisition	Cost & additions	Book value	Book value	Date of last external valuation	Last external valuation
		to 30/06/2007	30/06/2007	30/06/2006		
		\$'000	\$'000	\$'000		\$'000
Nexus Industry Park (Atlas), Prestons NSW	03/08/2004	16,992	19,500	19,000	30/06/2006	19,000
Nexus Industry Park (EW), Prestons NSW	03/08/2004	12,881	14,500	-	30/06/2007	14,500
1 Darling Island, Pyrmont, NSW	15/05/2006	112,988	155,000	86,000	31/12/2006	144,500
Bundaberg Plaza, 16 Maryborough Street, Bundaberg QLD	24/09/2004	-	-	6,500	30/06/2005	6,500
Kwinana Hub Shopping Centre, Cnr Gilmore & Chisham Avenues, Kwinana WA	16/09/2005	27,335	29,500	27,250	30/06/2006	27,250
IBM Building, 8 Brisbane Avenue, Barton ACT	28/06/1985	-	-	12,500	30/06/2005	12,000
Perpetual Trustees Building, 10 Rudd Street, Canberra ACT	15/10/1987	19,724	19,600	18,000	30/06/2006	18,000
54 Marcus Clarke Street, Canberra, ACT	15/10/1987	21,361	19,500	17,300	31/12/2006	18,800
St George Centre, 60 Marcus Clarke Street, Canberra ACT	01/09/1989	58,749	54,000	53,500	30/06/2006	53,500
Burns Centre, 28 National Circuit, Forrest ACT	27/09/1990	-	-	15,550	30/06/2006	15,550
Arts House, 40 Macquarie Street, Barton ACT	08/12/1995	17,118	19,000	19,000	30/06/2005	18,000
38 Sydney Avenue, Forrest ACT	26/06/1996	34,225	39,500	37,000	31/12/2006	38,000
Optus Centre, 101-103 Miller Street, North Sydney	30/06/1994	288,809	372,000	365,000	30/06/2007	372,000
The Metcentre, 60 Margaret Street, Sydney NSW (50% interest)	06/08/1998	179,232	191,000	180,000	31/12/2005	179,000
127 Creek Street, Brisbane QLD	01/05/1998	48,796	88,972	72,000	30/06/2006	72,000
253 Wellington Road & 18-20 Compark Circuit, Mulgrave VIC	01/08/2001	15,782	19,000	17,000	30/06/2006	17,000
30-32 Compark Circuit, Mulgrave VIC	01/02/2003	6,719	8,300	8,750	30/06/2006	8,750
9 Help Street, Chatswood NSW	01/06/2002	-	-	34,000	30/06/2005	34,000
Peninsula Homemaker Centre, 1128 Nepean Highway, Mornington VIC	01/12/2003	53,491	58,500	57,000	30/06/2007	58,500
Logan Mega Centre, Slacks Creek QLD	01/03/2007	79,019	82,500	-	30/06/2007	82,500
Orion Springfield, Springfield Lakes QLD	15/03/2007	130,207	155,000	-	30/06/2007	155,000
Broadway Shopping Centre, Broadway NSW	15/01/2007	226,982	226,500	-	-	-
Rhodes Shopping Centre, Rhodes NSW	15/01/2007	106,255	111,500	-	-	-
7 Railway Street, Chatswood NSW	11/08/2003	11,955	4,170	3,950	31/12/2005	3,750
Mirvac Limited and its controlled entities						
Forestry land	13/03/2004	-	55,330	52,500	30/06/2006	52,500
Taree Shopping Centre, Taree NSW	01/12/2006	32,579	32,655	-	-	-
Total investment properties		2,811,808	3,431,177	2,753,641		

a) Valuation basis

The basis of valuation of investment properties is fair value, being the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Properties not externally valued during the reporting period are carried at internal Directors' valuation.

Investment properties are revalued by external valuers on the basis of one-half of the portfolio being valued annually.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. INVESTMENT PROPERTIES CONTINUED

b) Property portfolio

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

	2007 \$'000	2006 \$'000
Investment properties per Balance Sheet	3,431,177	2,753,641
Property intended for redevelopment classified as inventory	82,255	82,083
Owner-occupied buildings (including hotels) classified as property, plant and equipment	154,672	202,973
Properties classified as assets held for sale	65,997	28,698
Hotel management lots classified as property, plant and equipment	61,450	28,488
Properties under construction classified as property, plant and equipment	232,665	346,180
	4,028,216	3,442,063

NOTE 8. EVENTS OCCURRING AFTER REPORTING DATE

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

NOTE 9. FULL FINANCIAL REPORT

Further financial information can be obtained from the full financial report which is available, free of charge, on request. A copy may be requested by telephoning 1800 659 886. Alternatively, the full financial report can be accessed via the internet at the Mirvac website at www.mirvac.com.au.

DIRECTORS' DECLARATION

The Directors declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 2007 as set out in pages 50 to 92 complies with Accounting Standard AASB 1039: Concise Financial Reports.

The concise financial report is an extract from the full financial report for the year ended 30 June 2007. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which is available on request.

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



G J PARAMOR
Director

Sydney
21 August 2007

INDEPENDENT AUDIT REPORT

to the members of Mirvac Limited



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Report on the Concise Financial Report

The accompanying concise financial report of Mirvac Group (defined below) comprises the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Mirvac Group for the year ended 30 June 2007. The Mirvac Group comprises Mirvac Limited and the entities it controlled during that year, including Mirvac Property Trust and the entities it controlled during that year. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' Responsibility for the Concise Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Mirvac Group for the year ended 30 June 2007. Our audit report on the financial report for the year was signed on 21 August 2007 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

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

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

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Mirvac Limited on 21 August 2007 would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's opinion

In our opinion, the concise financial report of Mirvac Group for the year ended 30 June 2007 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.



PRICEWATERHOUSECOOPERS



MARK HABERLIN
Partner

Sydney
21 August 2007

MIRVAC PROPERTY TRUST AND ITS CONTROLLED ENTITIES CONCISE FINANCIAL REPORT

30 JUNE 2007

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RELATIONSHIP OF THE CONCISE FINANCIAL REPORT TO THE FULL FINANCIAL REPORT

The concise financial report is an extract from the full financial report for the year ended 30 June 2007. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Mirvac Property Trust (ARSN 086 780 645) and its controlled entities as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to Unitholders on request, free of charge. Please call 1800 659 886 and a copy will be forwarded to you. Alternatively, the full financial report may be accessed via the internet at the Mirvac Group website at www.mirvac.com.au

DIRECTORS' REPORT

The Directors of Mirvac Funds Limited (ABN 70 002 561 640), the responsible entity of Mirvac Property Trust (Trust) present their report, together with the financial report of the Trust and its controlled entities (consolidated entity), for the year ended 30 June 2007.

Mirvac Property Trust together with Mirvac Limited form the stapled entity, Mirvac Group.

RESPONSIBLE ENTITY

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

DIRECTORS

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

Mr J A C MacKenzie
Mr G J Paramor
Mr P J Biancardi
Mr N R Collishaw
Mr A G Fini
Mr P J O Hawkins
Ms P Morris
Mr R W Turner.

PRINCIPAL ACTIVITIES

The principal continuing activities of the consolidated entity consisted of property investment for the purpose of deriving rental income and investments in listed and unlisted funds.

DISTRIBUTIONS

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

	2007 \$'000	2006 \$'000
June 2006 quarterly distribution paid on 28 July 2006 of 4.65 cents per unit (2006: 5.16 cents)	41,414	44,055
September 2006 quarterly distribution paid on 27 October 2006 of 6.38 cents per unit (2006: 4.65 cents)	57,313	39,933
December 2006 quarterly distribution paid on 25 January 2007 of 6.38 cents per unit (2006: 4.65 cents)	63,807	39,936
March 2007 quarterly distribution paid on 27 April 2007 of 6.38 cent per unit (2006: 4.65 cents)	64,293	40,681
Total distributions paid	226,827	164,605

The June 2007 quarterly distribution of 6.38 cents per unit (\$64.7 million) declared on 30 June 2007, was paid on 27 July 2007.

Distributions paid and payable by the Trust for the year ended 30 June 2007 totalled \$250,138,000 (2006: \$161,964,000).

DIRECTORS' REPORT

REVIEW OF OPERATIONS

	2007 \$'000	2006 \$'000
The net profit for the consolidated entity attributable to the unitholders for the year was	505,189	376,633
The operating profit (profit excluding AIFRS specific non-cash adjustments) was	241,918	183,814

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

Net profit attributable to the unitholders	505,189	376,633
Net gain from fair value of investment properties	(245,805)	(180,154)
Unrealised gain on fair value of derivative financial instruments	(38,738)	(6,645)
Amortisation of lease incentives	6,748	5,811
Net gain from fair value of investment properties and derivatives included in share of associates' profits	14,524	(11,831)
Operating profit	241,918	183,814

HIGHLIGHTS

Key financial highlights for the year ended 30 June 2007 include:

- > AIFRS earnings of 53.28 cents per unit
- > Operating earnings of 25.52 cents per unit (excluding non-cash AIFRS items)
- > Full year distribution of 25.52 cents per unit
- > Net increase of \$245.81 million in revaluations across the investment property portfolio
- > Rise in NTA per unit to \$3.13 from \$2.70 at 30 June 2006.

VALUE OF ASSETS

The consolidated entity's assets are valued in accordance with policies stated in note 1 of the full financial statements. The total consolidated entity's assets are as follows;

	2007 \$'000	2006 \$'000
Total assets	5,204,939	4,279,894

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Changes in the state of affairs of the consolidated entity are set out in the Directors' Report and financial statements. Refer to note 20 of the full financial statements for details of debt facilities and note 21 of the full financial statements for units issued. In the opinion of Directors, there were no other significant changes in the state of affairs of the consolidated entity during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

At the date of this report, there is no matter or circumstance which has arisen since 30 June 2007 that has significantly affected, or may significantly affect:

- the consolidated entity's operations in future financial years, or
- the results of those operations in future financial years, or
- the consolidated entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

In the opinion of the Directors, it would prejudice the interests of the consolidated entity to provide additional information relating to likely developments in the operations of the consolidated entity, and the expected results of those operations in financial years subsequent to 30 June 2007.

ENVIRONMENTAL REGULATIONS

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

FEES PAID TO THE RESPONSIBLE ENTITY OR ITS ASSOCIATES

Fees paid to the responsible entity and its associates out of Trust property during the year were \$3,036,000 (2006: \$1,592,000). Fees charged by the responsible entity represent recovery of costs. No fees were paid out of Trust property to the Directors of the responsible entity during the year.

DIRECTORS' INTERESTS

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

Directors	Mirvac Group stapled securities	Interests in securities of related entities
J A C MacKenzie	55,906	
Mirvac Real Estate Investment Trust - units		93,841
Mirvac Industrial Trust - units		122,643
Mirvac Development Fund - Seascapes - units		300,000
G J Paramor	5,755,474	
Mirvac Retail Portfolio - units		523,247
Mirvac Tourist Park Portfolio - units		100,000
Mirvac Industrial Trust - units		306,609
Mirvac Development Fund - Seascapes - units		350,000
Mirvac Development Fund - Meadow Springs - units		80,000
P J Biancardi	8,041	
Mirvac Development Fund - Seascapes - units		25,000
Mirvac Development Fund - Meadow Springs - units		50,000
N R Collishaw	1,451,137	
Mirvac Industrial Fund		45,000
Mirvac Tourist Park Fund - units		10,000
Mirvac Development Fund - Seascapes - units		25,000
A G Fini	8,780,046	
Mirvac Development Fund - Seascapes - units		100,000
Mirvac Development Fund - Meadow Springs - units		400,000
Mirvac Industrial Trust - units		100,000
P J O Hawkins	18,684	
P Morris	42,841	
R W Turner	68,338	
Mirvac Development Fund - Seascapes - units		25,000
Mirvac Development Fund - Meadow Springs - units		25,000

OPTIONS OVER UNISSUED UNITS

No options over unissued units of the Trust or any of its controlled entities were granted during, or since, the year ended 30 June 2007.

No options over unissued units or interests of the Trust or any of its controlled entities were granted to any of the Directors or to any of the key management personnel of the Trust, and no options were granted during or since the year ended as part of their remuneration.

No unissued units or interests in the Trust or any of its controlled entities are under option as at the date of this report.

No units in the Trust or interests in any of its controlled entities were issued during or since the year ended 30 June 2007 as a result of the exercise of an option over unissued units or interests.

INSURANCE OF OFFICERS

During the financial year, the Trust has not indemnified, or made a relevant agreement for indemnifying against a liability, any person who is or who has been an officer of the responsible entity. No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to Mirvac Funds Limited.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration required under Section 307C of the Corporations Act 2001 is set out on page 101.

ROUNDING OF AMOUNTS

The Trust is of the 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 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
21 August 2007

AUDITOR'S INDEPENDENCE DECLARATION



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As lead auditor for the audit of Mirvac Property Trust for the year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink, appearing to read 'M Haberlin', with a long horizontal stroke extending to the right.

MARK HABERLIN
Partner
PricewaterhouseCoopers

Sydney
21 August 2007

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
Revenue			
Rental revenue		305,278	273,256
Interest revenue		70,911	14,777
Distribution revenue		1,904	1,519
Other revenue		875	917
Total revenue		378,968	290,469
Other income			
Net gain on sale of investments		350	–
Net gain on held for sale assets		13,988	–
Share of net profit of associates and joint ventures accounted for using the equity method		14,748	28,661
Net gain on sale of investment properties		27,167	5,203
Net unrealised gain on financial instruments		41,115	8,391
Net gain from fair value adjustments on investment properties		245,805	180,154
Total other income		343,173	222,409
Total revenue and other income		722,141	512,878
Amortisation expense		(8,726)	(7,293)
Finance costs expense	4	(115,813)	(53,412)
Property outgoings		(77,616)	(67,803)
Other expenses		(5,250)	(6,931)
Profit for the year		514,736	377,439
Profit attributable to minority interest		(9,547)	(806)
Net profit attributable to the unitholders of the Mirvac Property Trust		505,189	376,633
Earnings per unit for net profit attributable to the unitholders of the Mirvac Property Trust			
Basic earnings per unit	5	53.28	44.56
Diluted earnings per unit	5	52.21	43.42

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

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2007

	Note	2007 \$'000	2006 \$'000
Current assets			
Cash and cash equivalents		16,299	4,192
Receivables		942,683	857,249
Other financial assets at fair value through profit or loss		26,151	22,890
Non-current assets classified as held for sale		53,500	19,000
Other current assets		4,365	4,105
Total current assets		1,042,998	907,436
Non-current assets			
Derivative financial instruments		45,254	6,516
Investments accounted for using the equity method		438,041	293,502
Investment properties	7	3,484,876	2,887,069
Property, plant and equipment		143,822	135,423
Intangible assets		49,948	49,948
Total non-current assets		4,161,941	3,372,458
Total assets		5,204,939	4,279,894
Current liabilities			
Payables		133,469	197,184
Borrowings		–	1,200,000
Provisions		64,737	41,422
Total current liabilities		198,206	1,438,606
Non-current liabilities			
Borrowings		1,838,117	446,584
Total non-current liabilities		1,838,117	446,584
Total liabilities		2,036,323	1,885,190
Net assets		3,168,616	2,394,704
Equity			
Contributed equity	6	2,512,905	2,044,080
Retained earnings		595,657	340,606
Total parent entity interest		3,108,562	2,384,686
Minority interest		60,054	10,018
Total equity		3,168,616	2,394,704

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

	Issued capital \$'000	Retained earnings \$'000	Minority interest \$'000	Total \$'000
Balance at 1 July 2006	2,044,080	340,606	10,018	2,394,704
Net profit	-	505,189	-	505,189
Total recognised income and expenses for the year	-	505,189	-	505,189
EIS securities converted/sold/forfeited	16,200	-	-	16,200
Contributions of equity, net of transaction costs	452,625	-	-	452,625
Distributions provided for or paid	-	(250,138)	-	(250,138)
Minority interest	-	-	50,036	50,036
Balance at 30 June 2007	2,512,905	595,657	60,054	3,168,616
Balance at 1 July 2005	1,934,474	126,067	10,197	2,070,738
Adjustment on adoption of AASB 132 and AASB 139 to retained earnings	-	(130)	-	(130)
Net profit	-	376,633	-	376,633
Total recognised income and expenses for the year	-	376,503	-	376,503
EIS securities converted/sold/forfeited	15,906	-	-	15,906
Contributions of equity, net of transaction costs	93,700	-	-	93,700
Distributions provided for or paid	-	(161,964)	-	(161,964)
Minority interest	-	-	(179)	(179)
Balance at 30 June 2006	2,044,080	340,606	10,018	2,394,704

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$'000	2006 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	325,325	308,818
Payments to suppliers (inclusive of goods and services tax)	(122,235)	(119,361)
	203,090	189,457
Interest received	75,169	9,975
Distributions received	1,904	4,737
Borrowing costs paid	(117,270)	(49,234)
Net operating cash flows	162,893	154,935
Cash flows from investing activities		
Payments for property, plant and equipment	(100,118)	(42,643)
Payments for investment properties	(584,470)	(170,996)
Proceeds from the sale of investment properties	313,200	51,081
Contributions to joint venture and associated entities	(176,584)	(99,976)
Repayments from joint ventures and associates	19,782	12,603
Proceeds from the sale of joint venture entity	17,263	-
Payments for units issued in acquisition of controlled entities	-	(6,974)
Payments for other investments financial assets	(885)	(189)
Loans to entities related to the responsible entity	(405,000)	(912,601)
Repayments of loans by entities related to the responsible entity	335,000	223,029
Loans to controlled entities	-	-
Repayments of loans by controlled entities	-	-
Net investing cashflows	(581,812)	(946,666)
Cash flows from financing activities		
Repayments of loans to entities related to the responsible entity	-	(658,500)
Proceeds from borrowings	1,390,000	1,701,700
Repayments of borrowings	(1,200,000)	(210,000)
Distributions paid	(117,940)	(116,264)
Distributions paid to minority interest in controlled entities	(1,185)	(984)
Proceeds from issue of units	360,151	60,147
Net financing cash flows	431,026	776,099
Net increase/(decrease) in cash and cash equivalents	12,107	(15,632)
Cash and cash equivalents at the beginning of the year	4,192	19,824
Cash and cash equivalents at the end of the year	16,299	4,192

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION

The concise financial report has been prepared in accordance with the Corporations Act 2001 and the Accounting Standard AASB 1039 'Concise Financial Reports'. The concise financial report, including the financial statements and specific disclosures included in the concise financial report, has been derived from the full financial report of Mirvac Property Trust and its controlled entities.

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

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

The Mirvac Group – stapled securities

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

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

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

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

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

NOTE 2. SEGMENTAL INFORMATION

Business segments

Primary reporting segment - business segments

The consolidated entity derives income from investments in property, short-term deposits and securities authorised by the Trust Constitution.

Geographical segment

The combined entity operates predominantly in Australia.

NOTE 3. DISTRIBUTIONS

	2007 \$'000	2006 \$'000
Ordinary units		
Quarterly ordinary distributions paid as follows:		
6.38 cents per ordinary unit paid on 27 October 2006	57,313	
4.65 cents per ordinary unit paid on 28 October 2005		39,933
6.38 cents per ordinary unit paid on 25 January 2007	63,807	
4.65 cents per ordinary unit paid on 27 January 2006		39,936
6.38 cents per ordinary unit paid on 27 April 2007	64,293	
4.65 cents per ordinary unit paid on 28 April 2006		40,681
6.38 cents per ordinary unit paid on 27 July 2007	64,725	
4.65 cents per ordinary unit paid on 28 July 2006		41,414
Total distribution 25.52 cents per fully paid ordinary unit (2006: 18.60 cents per ordinary unit)	250,138	161,964
Distributions actually paid or satisfied by the issue of units under the group distribution reinvestment plans during the years ended 30 June 2007 and 2006 were as follows:		
Paid in cash	117,940	116,264
Satisfied by the issue of units	108,883	48,341
	226,823	164,605

NOTE 4. FINANCE COSTS

Finance costs		
Interest and finance charges paid/payable	113,083	51,432
Borrowing costs amortised	2,730	1,980
Finance costs expense	115,813	53,412

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. EARNINGS PER UNIT

	2007 Cents	2006 Cents
<hr/>		
Earnings per unit		
Basic earnings per unit	53.28	44.56
Basic earnings per unit before non-cash AIFRS items	25.52	21.75
Diluted earnings per unit	52.21	43.42
Diluted earnings per unit - before non-cash AIFRS items	25.00	21.19
Reconciliation of earnings used in calculating earnings per unit	\$'000	\$'000
<hr/>		
Basic and diluted earnings per unit		
Net profit used in calculating earnings per unit	505,189	376,633
<hr/>		
Basic and diluted earnings per unit - before non-cash AIFRS		
Net profit used in calculating earnings per unit	241,918	183,814
<hr/>		
Weighted average number of securities used as denominator	Number	Number
<hr/>		
Weighted average number of securities used in calculating basic earnings per unit	948,120,903	845,280,249
Adjustment for calculation of diluted earnings per unit:		
Securities issued under EIS	19,542,385	22,104,555
<hr/>		
Weighted average number of securities used in calculating diluted earnings per unit	967,663,288	867,384,804

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

NOTE 6. CONTRIBUTED EQUITY

Consolidated	2007 Units	2006 Units	2007 \$'000	2006 \$'000
a) Paid up capital				
Mirvac Property Trust - ordinary units issued	995,918,784	870,037,575	2,512,905	2,044,080
Total contributed equity	995,918,784	870,037,575	2,512,905	2,044,080

	Issue date	Issue price	No of units '000	\$'000
b) Movements in paid up capital of the Trust for the 2007 year were as follows:				
Balance at 30 June 2006			870,038	2,044,080
Distribution Reinvestment Plan issues	28/07/2006	\$3.41	7,693	26,199
Distribution Reinvestment Plan issues	27/10/2006	\$3.64	7,846	28,570
Equity raising	31/10/2006	\$3.81	78,125	297,300
Security purchase plan	18/12/2006	\$3.81	9,509	36,209
Escrow profit shares	22/12/2006	\$3.46	2,605	9,016
Distribution Reinvestment Plan issues	25/01/2007	\$4.17	7,530	31,363
Distribution Reinvestment Plan issues	27/04/2007	\$4.13	6,852	28,321
Transaction costs arising on unit issue			-	(4,353)
EIS units converted/sold/forfeited	various		5,722	16,200
Balance at 30 June 2007			995,920	2,512,905

c) Reconciliation of securities issued on ASX

Under AIFRS, units issued under the EIS are required to be accounted for as an option and are excluded from total issued capital.

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

	2007 Number
Total ordinary units issued	995,918,784
Units issued under EIS	18,583,435
Total units issued on ASX	1,014,502,219

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. NON-CURRENT ASSETS INVESTMENT PROPERTIES

	Date of acquisition	Cost & additions	Book value	Book value	Date of last external valuation	Last external valuation
		to 30/06/2007 \$'000	30/06/2007 \$'000	30/06/2006 \$'000		\$'000
67 Albert Avenue, Chatswood NSW	01/09/1989	-	-	73,250	30/06/2005	73,000
Quay West Car Park, 111 Harrington Street, Sydney NSW	30/11/1989	37,570	45,000	45,000	30/06/2006	45,000
Orange City Centre, Summer Street, Orange NSW	05/04/1993	31,333	52,500	49,000	30/06/2006	49,000
Kawana Shoppingworld, Nicklin Way, Buddina QLD	09/12/1993 (1st 50%) 10/6/1998 (2nd 50%)	104,463	176,000	175,000	31/12/2005	175,000
Gippsland Centre, Cunninghame Street, Sale VIC	06/01/1994	34,625	55,700	46,000	30/06/2007	55,700
Como Centre, Cnr Toorak Road & Chapel Street, South Yarra VIC	18/08/1998	118,716	176,383	143,605	30/06/2007	176,383
James Ruse Business Park, 6 Boundary Road, Northmead NSW	14/07/1994	20,111	30,600	29,500	31/12/2006	30,500
20-30 Scrivener Street, Warwick Farm NSW	24/12/1993	-	-	21,500	30/06/2006	21,500
Lovett Tower, 13 Keltie Street, Woden ACT	14/7/1994 (1st 50%) 28/2/1999 (2nd 50%)	-	-	48,500	31/12/2003	46,000
36 College Street, Sydney NSW	31/12/1991	-	-	77,724	30/06/2006	24,500
1-19 Hargrave Street, Sydney NSW	31/12/1991	-	-	12,000	01/03/2005	11,000
40 Miller Street, North Sydney NSW	31/03/1998	60,781	95,500	95,000	30/06/2006	95,000
1 Castlereagh Street, Sydney NSW	18/12/1998	49,270	72,000	65,400	31/12/2005	65,000
271 Lane Cove Road, North Ryde NSW	05/04/2000	18,669	30,700	30,500	30/06/2006	30,500
Royal Domain Centre, 380 St Kilda Road, Melbourne VIC	04/10/1995 (1st 50%) 2/4/2001 (2nd 50%)	85,912	92,500	92,000	30/06/2006	92,000
164 Grey Street, Southbank QLD	29/06/2001	7,206	14,500	12,500	31/12/2006	14,100
Bay Centre, Cnr Pirrama & Edward Streets, Pyrmont NSW	29/06/2001	58,047	88,500	88,000	30/04/2006	88,000
200 George Street, Sydney NSW	31/10/2001	24,613	28,000	26,500	30/06/2006	26,500
Unit 23, 177 Pacific Highway, North Sydney NSW	25/01/2002	-	-	590	31/12/2006	760
Building 1,2,3 & 7, Riverside Quay, Southbank VIC	15/04/2002 & 01/7/2003	116,744	128,450	115,500	30/06/2007	128,450
John Oxley Centre, 339 Coronation Drive, Milton QLD	31/05/2002	37,649	58,500	43,000	30/06/2007	58,500
Blacktown Mega Centa, Blacktown Road, Blacktown NSW	30/06/2002	30,664	45,000	41,000	30/06/2007	45,000
1-47 Percival Road, Smithfield NSW	22/11/2002	20,928	23,800	23,800	30/06/2006	23,800
Waverley Gardens Shopping Centre, Cnr Police & Jackson Roads, Mulgrave VIC	15/11/2002	133,032	145,000	101,400	30/06/2007	145,000
The Village Centre, Charles Hackett Drive, St Marys NSW	17/01/2003	38,939	44,500	43,500	31/12/2005	43,000
Moonee Ponds Central, Homer Street, Moonee Ponds VIC	20/05/2003	26,140	25,500	25,300	30/06/2006	25,300
Hinkler Shopping Centre, Maryborough Street, Bundaberg QLD	12/08/2003	80,794	92,400	91,000	30/06/2006	91,000
190 George Street, Sydney NSW	05/08/2003	47,347	45,000	44,000	30/06/2006	44,000
44 Biloela Street, Villawood NSW	24/09/2003	18,880	20,100	20,000	30/06/2006	20,000
64 Biloela Street, Villawood NSW	02/02/2004	22,702	25,000	25,000	30/06/2006	25,000

NOTE 7. NON-CURRENT ASSETS INVESTMENT PROPERTIES CONTINUED

	Date of acquisition	Cost & additions	Book value	Book value	Date of last external valuation	Last external valuation
		to 30/06/2007 \$'000	30/06/2007 \$'000	30/06/2006 \$'000		\$'000
Stanhope Village, Sentry Drive, Stanhope Gardens NSW	14/11/2003	53,616	65,000	28,000	30/06/2007	65,000
333-343 Frankston-Dandenong & 4 Abbotts Roads, Dandenong South, VIC	15/01/2004	12,485	13,700	13,700	30/06/2006	13,700
189 Grey Street, Southbank QLD	19/04/2004	39,835	65,000	50,000	30/06/2007	65,000
Ballina Central, Ballina NSW	01/12/2004	43,050	42,500	41,000	30/06/2006	41,000
Nexus Industry Park (Atlas), Prestons NSW	03/08/2004	16,992	19,500	19,000	30/06/2006	19,000
Nexus Industry Park (EWR), Prestons NSW	03/08/2004	12,881	14,500	-	30/06/2007	14,500
1 Darling Island, Pyrmont, NSW	15/05/2006	112,988	155,000	86,000	31/12/2006	144,500
Bundaberg Plaza, 16 Maryborough Street, Bundaberg QLD	24/09/2004	-	-	6,500	30/06/2005	6,500
Kwinana Hub Shopping Centre, Cnr Gilmore & Chisham Avenues, Kwinana WA	16/09/2005	27,335	29,500	27,250	30/06/2006	27,250
IBM Building, 8 Brisbane Avenue, Barton ACT	28/06/1985	-	-	12,500	30/06/2005	12,000
Perpetual Trustees Building, 10 Rudd Street, Canberra ACT	15/10/1987	19,724	19,600	18,000	30/06/2006	18,000
54 Marcus Clarke Street, Canberra ACT	15/10/1987	21,361	19,500	17,300	31/12/2006	18,800
St George Centre, 60 Marcus Clarke Street, Canberra ACT	01/09/1989	58,749	54,000	53,500	30/06/2006	53,500
Burns Centre, 28 National Circuit, Forrest ACT	27/09/1990	-	-	15,550	30/06/2006	15,550
Arts House, 40 Macquarie Street, Barton ACT	08/12/1995	17,118	19,000	19,000	30/06/2005	18,000
38 Sydney Avenue, Forrest ACT	26/06/1996	34,225	39,500	37,000	31/12/2006	38,000
Optus Centre, 101-103 Miller Street, North Sydney	30/06/1994	288,809	372,000	365,000	30/06/2007	372,000
The Metcentre, 60 Margaret Street, Sydney NSW (50% interest)	06/08/1998	179,232	191,000	180,000	31/12/2005	179,000
127 Creek Street, Brisbane QLD	01/05/1998	48,796	88,972	72,000	30/06/2006	72,000
253 Wellington Road & 18-20 Compark Circuit, Mulgrave VIC	01/08/2001	15,782	19,000	17,000	30/06/2006	17,000
30-32 Compark Circuit, Mulgrave VIC	01/02/2003	6,719	8,300	8,750	30/06/2006	8,750
9 Help Street, Chatswood NSW	01/06/2002	-	-	34,000	30/06/2005	34,000
Peninsula Homemaker Centre, 1128 Nepean Highway, Mornington VIC	01/12/2003	53,491	58,500	57,000	30/06/2007	58,500
Logan Mega Centre, Slacks Creek QLD	01/03/2007	79,019	82,500	-	30/06/2007	82,500
Orion Springfield, Springfield Lakes QLD	15/03/2007	130,207	155,000	-	30/06/2007	155,000
Broadway Shopping Centre, Broadway NSW	15/01/2007	226,982	226,500	-	-	-
Rhodes Shopping Centre, Rhodes NSW	15/01/2007	106,255	111,500	-	-	-
7 Railway Street Chatswood NSW	11/08/2003	11,955	4,171	3,950	31/12/2005	3,750
Total investment properties			3,484,876	2,887,069		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. NON-CURRENT ASSETS INVESTMENT PROPERTIES CONTINUED

a) Valuation basis

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

Investment properties are carried at fair value, representing open market value determined at each balance date, with any gain or loss arising from a change in fair value recognised in the Income Statement in the period.

Investment properties are revalued by external valuers on a rotation basis with one half of the portfolio being valued annually. Investment properties which are not subject to an external valuation at the reporting date are fair valued internally by management.

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

b) Property portfolio

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

	2007 \$'000	2006 \$'000
Investment properties per Balance Sheet	3,484,876	2,887,069
Properties classified as assets held for sale	53,500	19,000
Properties under construction classified as property, plant and equipment	143,822	135,423
	<u>3,682,198</u>	<u>3,041,492</u>

NOTE 8. EVENTS OCCURRING AFTER REPORTING DATE

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

NOTE 9. FULL FINANCIAL REPORT

Further financial information can be obtained from the full financial report which is available, free of charge, on request. A copy may be requested by telephoning 1800 659 886. Alternatively, the full financial report can be accessed via the internet at the Mirvac Group website at www.mirvac.com.au.

DIRECTORS' DECLARATION

The Directors declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 2007 as set out in pages 97 to 112 complies with Accounting Standard AASB 1039: Concise Financial Reports.

The concise financial report is an extract from the full financial report for the year ended 30 June 2007. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which is available on request.

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



G J PARAMOR
Director

Sydney
21 August 2007

INDEPENDENT AUDIT REPORT

to the unitholders of Mirvac Property Trust



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Report on the Concise Financial Report

The accompanying concise financial report of Mirvac Property Trust comprises the balance sheet as at 30 June 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Mirvac Property Trust for the year ended 30 June 2007. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' Responsibility for the Concise Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Mirvac Property Trust for the year ended 30 June 2007. Our audit report on the financial report for the year was signed on 21 August 2007 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

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

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

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Mirvac Funds Limited on 21 August 2007 would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's opinion

In our opinion, the concise financial report of Mirvac Property Trust for the year ended 30 June 2007 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.



PRICEWATERHOUSECOOPERS



MARK HABERLIN
Partner

Sydney
21 August 2007

MIRVAC GROUP - STAPLING OF SECURITIES

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

In 2001/2, Mirvac Group was simplified by Mirvac Property Trust acquiring all the units in Capital Property Trust (which by then had been renamed Mirvac Commercial Trust), such that the resulting stapled structure consisted of one Mirvac Limited share stapled to one Mirvac Property Trust unit. This stapled structure remains in place today. Further details may be found under History in the Investor Information section of Mirvac Group's website - www.mirvac.com.au.

SECURITIES EXCHANGE LISTING (ASX)

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

There are currently 1,021,786,932 stapled securities on issue.

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

For the purpose of ASX Listing Rule 4.10, unless otherwise stated, the information in this section is current as at 12 September 2007.

SECURITYHOLDER ENQUIRIES

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

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

Telephone (02) 8280 7100
Fax (02) 9287 0303

Website www.linkmarketservices.com.au
Investor enquiries 1800 356 444

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

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

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

DISTRIBUTION PAYMENTS

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

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

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

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

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

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

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

PROVISION OF INFORMATION TO SECURITYHOLDERS

Mirvac Group provides its Annual Report to securityholders in September/October each year.

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

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

PROVISION OF INFORMATION TO SECURITYHOLDERS CONTINUED

Securityholders can elect to receive the following communications electronically:

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

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

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

All securityholders will still receive Notices of Meetings, Proxy forms and other communications regardless of whether or not they have elected to receive the Annual Report in hard copy.

SUBSTANTIAL SECURITYHOLDERS

As recorded in Mirvac Group's register as at 12 September 2007:

Name	Date of last notice received	Number of stapled securities	Percentage of issued capital ¹
Macquarie Bank Limited (Group)	16/7/2007	73,415,263	7.23%
AMP Limited	29/3/2006	52,845,812	6.04%

1) Percentage of issued capital held as at date notice provided.

RANGE OF SECURITYHOLDINGS

As at 12 September 2007.

Range	Number of holders	Number of securities
1 - 1,000	4,940	2,158,914
1,001 - 5,000	13,468	37,667,852
5,001 - 10,000	5,906	41,761,650
10,001 - 100,000	3,757	76,298,857
100,001 - over	192	863,899,659
Total number of securityholders	28,263	1,021,786,932

Number of securityholders holding less than a marketable parcel: 566

SECURITYHOLDER INFORMATION

TWENTY LARGEST SECURITYHOLDERS

The 20 largest securityholders on Mirvac Group's register as at 12 September 2007 are:

Name	Number of stapled securities	Percentage of issued capital
HSBC Custody Nominees (Australia) Limited	237,157,066	23.21%
JPMorgan Nominees Australia Limited	144,884,865	14.18%
National Nominees Limited	99,154,893	9.70%
Citicorp Nominees Pty Limited	83,131,349	8.14%
ANZ Nominees Limited (Cash Income A/C)	72,443,596	7.09%
Cogent Nominees Pty Limited	27,209,159	2.66%
AMP Life Limited	17,919,259	1.75%
Citicorp Nominees Pty Limited (CFS WSLE Property Secs A/C)	14,153,959	1.39%
UBS Nominees Pty Limited	13,069,320	1.28%
Cogent Nominees Pty Limited (SMP Accounts)	12,455,439	1.22%
Bond Street Custodians Limited (Property Securities A/C)	11,612,239	1.14%
Bond Street Custodians Limited (ENH Property Securities A/C)	8,999,270	0.88%
RBC Dexia Investor Services Australia Nominees Pty Limited	6,418,779	0.63%
ANZ Nominees Limited (Income Reinvestment Plan A/C)	5,668,755	0.56%
Citicorp Nominees Pty Limited (CFSIL CFS WS Index Prop. A/C)	4,944,838	0.48%
Mr Antonio Fini	4,331,876	0.42%
GJP Investments Pty Ltd	4,134,154	0.40%
Suncorp Custodian Services Pty Limited	4,068,699	0.41%
Queensland Investment Corporation	3,725,896	0.36%
Questor Financial Services Limited	3,609,362	0.35%
Total	779,092,773	76.25%
Total stapled securities on issue	1,021,786,932	100%

VOTING RIGHTS

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

- > on a show of hands, each Member present in person and each other person present as a proxy, Attorney or Representative of a Member has one vote; and
- > on a poll, each Member present in person has one vote for each fully paid stapled security held by the Member, and each person present as proxy, Attorney or Representative of a Member has one vote for each fully paid stapled security held by the Member that the person represents.

FIVE YEAR SUMMARY

\$'000 (unless otherwise stated)	2003	2004	2005	2006 ²	2007 ²
Income Statement					
- year ended 30 June¹					
Total revenue from ordinary activities	1,402,760	1,385,634	1,430,960	1,743,783	2,167,846
Share of net profits of associates and joint ventures	21,658	14,813	37,779	62,261	53,032
Cost of goods sold	(893,767)	(801,578)	(842,307)	(828,396)	(1,008,394)
Borrowing costs expense	(65,862)	(89,723)	(93,290)	(134,912)	(147,105)
Employee benefits expense	(73,026)	(110,419)	(129,356)	(168,382)	(175,491)
Property outgoings	(46,941)	(54,142)	(56,951)	(61,573)	(70,538)
Other expenses from ordinary activities	(81,300)	(48,332)	(76,694)	(124,552)	(221,221)
Profit from ordinary activities before tax	263,522	296,253	270,141	488,229	598,129
Income tax expense	(40,184)	(43,555)	(35,753)	(44,834)	(30,698)
Net profit after tax	223,338	252,698	234,388	443,395	567,431
Net profit attributable to the stapled securityholders of Mirvac Group	223,338	252,698	233,330	441,094	556,056
Balance Sheet as at 30 June					
Total assets	3,641,755	4,306,420	5,523,886	6,055,134	7,352,620
Inventories	1,180,990	1,191,167	1,505,698	1,616,138	1,620,100
Investment properties	2,123,059	2,445,972	2,967,130	2,753,641	3,431,177
Total Liabilities	1,608,186	2,066,343	2,542,564	2,887,076	3,272,210
Interest Bearing liabilities	1,228,495	1,654,199	2,084,820	2,334,887	2,552,875
Total equity	2,033,569	2,240,077	2,981,322	3,168,058	4,080,410
Security information as at 30 June					
Number of stapled securities on issue	677,689,597	716,869,477	853,791,003	890,623,405	1,014,502,219
Number of stapled securityholders	20,461	21,464	28,395	28,170	28,554
Earnings per stapled security (cents)	34.87	36.67	29.86	52.18	58.65
Distributions per stapled security (cents)	29.00	32.20	33.80	31.00	31.90
Net tangible assets per security (\$)	2.98	3.12	3.26	3.30	3.80
Closing stapled security price (\$)	4.44	4.30	3.57	4.35	5.70

1) The above Income Statements and Balance Sheets are derived from previously published concise financial reports for Mirvac Group for the years 2003 to 2006 inclusive. Years 2003 to 2005 were prepared in accordance with Australia Generally Accepted Accounting Principles. The above Income Statement and Balance Sheet for 2007 have been derived from the concise financial reports contained in this Annual Report.

2) The above Income Statements and Balance Sheets for 2006 and 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards.

ANNUAL GENERAL MEETING/GENERAL MEETING

The 2007 Annual General Meeting/General Meeting of Mirvac Group will be held at 10.30am (Brisbane time) on Friday, 16 November 2007 in the Roosevelt & Kennedy Rooms, The Sebel & Citigate Hotel, King George Square, Brisbane, Queensland. Full details of the Meetings are contained in the separate Notice of Annual General Meeting/General Meeting sent to all securityholders.

FINANCIAL CALENDAR¹

28 September 2007	Record date to determine entitlements for September quarter 2007 distribution
26 October 2007	September quarter 2007 distribution paid
16 November 2007	Annual General Meeting/General Meeting
28 December 2007	Record date to determine entitlements for December quarter 2007 distribution
31 December 2007	Half year end
25 January 2008	December quarter 2007 distribution paid
12 February 2008	Half year release
28 March 2008	Record date to determine entitlements for March quarter 2008 distribution
24 April 2008	March quarter 2008 distribution paid
27 June 2008	Record date to determine entitlements for June quarter 2008 distribution
30 June 2008	Full year end
25 July 2008	June quarter 2008 distribution paid

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

DIRECTORS

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

COMPANY SECRETARY

Mr Michael Smith

AUDITOR

PricewaterhouseCoopers
 201 Sussex Street
 Sydney NSW 2000

SECURITIES EXCHANGE LISTING

Australia (ASX code: MGR)

STAPLED SECURITY REGISTRY

Link Market Services Limited
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 Sydney NSW 2000

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

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

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

MOHAWK wind power

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25.2 trees preserved for the future



33 kg waterborne waste not created



40,521 litre wastewater flow saved



538 kg solid waste not generated



1,057 kg net greenhouse gases prevented



17,850,357 BTUs energy not consumed



2,563 kg air emissions not generated



2 barrels of crude oil not used



48 cubic metres of natural gas unused



equivalent to not driving 9,849 km



equivalent to planting 382 trees

