

MIRVAC GROUP

Half year Report for the period ended 31 December 2007

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

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 30 June 2007 and any public announcements made by the Mirvac Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Mirvac Group
Results for announcement to the market
For the half year ended 31 December 2007

	First half 2008 \$'000	First half 2007 \$'000	Increase \$'000	%
Net profit attributable to the stapled security holders of the Mirvac Group	388,373	208,341	180,032	86.4
Operating profit (profit after adjusting for specific non-cash items) attributable to the stapled security holders of the Mirvac Group	214,966	152,219	62,747	41.2
Basic EPS (cents) ¹	38.65	22.96	15.69	68.3
Basic EPS after adjusting for specific non-cash items (cents) ¹	21.39	16.77	4.62	27.5
Diluted EPS (cents) ²	37.97	22.47	15.50	69.0
Diluted EPS after adjusting for specific non-cash items (cents) ²	21.02	16.42	4.60	28.0

¹ EPS excludes securities issued under the Executive Incentive Scheme (EIS)

² EPS includes securities issued under the Executive Incentive Scheme (EIS)

Key ratios	First half 2008	First half 2007
Profit before tax/total revenues and other income	33.8%	24.4%
Profit after tax/equity interests	8.8%	5.6%
Net tangible asset backing per ordinary security (AIFRS) – excluding EIS securities	\$4.02	\$3.59
Net tangible asset backing per ordinary security (AIFRS) – including EIS securities	\$3.96	\$3.52

Distributions	Amount per security
September 2007 quarterly distribution (paid 26 October 2007)	8.225 cents
December 2007 quarterly distribution (paid 25 January 2008)	8.225 cents
Record date of determining entitlements to the distribution	31 December 2007

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Review of operations and activities

The net profit after tax for the Group for the half year ended 31 December 2007 was \$388.4 million (2006: \$208.3 million). The operating profit (profit before specific non-cash AIFRS items) was \$215.0 million (2006: \$152.2 million). The following table summaries key reconciling items between net profit after tax and operating profit.

	First half 2008 \$'000	First half 2007 \$'000
Net profit attributable to the stapled security holders¹	388,373	208,341
Net gains from fair value of investment properties (excluding owner-occupied)	(143,400)	(48,448)
Unrealised gains on fair value of derivatives and associated foreign exchange movements	(53,839)	(12,605)
Expensing of security based payments	4,574	1,637
Depreciation of owner-occupied investment properties, hotels and hotel management lots (including hotel property, plant and equipment)	4,038	3,395
Amortisation of lease incentives	3,229	3,715
Net gain/(loss) from fair value of investment properties and derivatives included in share of associates profits	115	(1,789)
Tax effect of non-cash adjustments	11,876	(2,027)
Operating profit	214,966	152,219

¹ Includes gain on assets classified as held for sale relating to 101 Miller Street and Greenwood Plaza totalling \$48.6m which is conditional as at 31 December 2007.

Key financial highlights for the six months ended 31 December 2007 included:

- Net profit after tax of \$388.4 million
- Operating profit after tax of \$215.0 million
- AIFRS earnings of 38.65 cents per stapled security
- Operating earnings of 21.02 cents per stapled security
- Gross increase of \$179.1 million in revaluations across the MPT property portfolio
- A 5.8 per cent rise in NTA per stapled security to \$4.02 from \$3.80 at 30 June 2007
- Exchanged contracts of \$1.05 billion; and
- Gearing of 29.8 per cent¹.

¹ Post capital gearing, interest bearing liabilities (hedged foreign currency debt) less cash / total assets less cash.

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Funds Management

As at 31 December 2007 Mirvac's Funds Management division had \$13.5 billion of internal and external funds management activities under control. Internal Funds Management, with a total portfolio value of \$4.2 billion, had investments in 57 properties, covering the commercial, retail, industrial and hotel sectors as well as investments in a number of Mirvac's managed funds.

External Funds Management had real estate and infrastructure funds under management of \$9.3 billion (before adjustments for joint venture interests), and a managed hotel portfolio of 5,364 rooms across 40 properties in Australia, New Zealand and the Pacific.

Results

The Group's Funds Management division performed strongly during the past six months achieving a net profit before tax of \$395.1 million, and an operating profit of \$204.1 million, representing an increase of 44.8 per cent on the previous corresponding period.

Operational Highlights

Internal Funds Management

Mirvac Property Trust's (MPT) portfolio continued to deliver stable, sustainable cashflows to the broader Group during the six months to 31 December 2007. Mirvac's ability to effectively manage each asset in order to achieve optimum returns was demonstrated through:

- > 726 rent reviews completed across the portfolio and executed 174 leasing transactions over 115,546sqm of space.
- > \$306 million² of prudently timed disposals of non-core assets, \$179.1 million of revaluations and \$126.3 million of acquisitions undertaken in the six months.

External Funds

Activities undertaken by External Funds Management have resulted in funds under management increasing to \$9.3 billion, up 2.2 per cent on June 2007.

During the past six months the key activities included:

- > Acquired full ownership of two boutique funds management businesses:
 - Domaine Property Funds Limited was acquired in September 2007, which manages a range of specialised funds on behalf of institutional, retail and private client investors with approximately \$586 million in funds under management.
 - Property Funds Australia Limited was acquired in October 2007. It manages the \$680 million, BSX-listed Mirvac PFA Diversified Property Trust.

Both vehicles complement Mirvac's external funds management business and provide excellent opportunities for further growth in funds under management.

- > Launched first UK property development fund, the City Regeneration Fund via Chantrey, Mirvac's UK-based subsidiary which is fully third party funded.

² Total book value, including assets held for sale.

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Results for announcement to the market
For the half year ended 31 December 2007

- > Continued the Group's strategy of recycling capital on the balance sheet and generating recurring management fee income which included:
 - The Mirvac Wholesale Hotel Fund continued to attract international investor interest with one of Germany's largest fund managers investing in late November. The Fund's major asset, the Sebel & Citigate King George Square, was revalued at 31 December at \$148 million - up 13 per cent on the February 2007 purchase price of \$131 million.
 - The AustralianSuper Mandate increased via the 50 per cent acquisition in 664 Collins Street, Melbourne, a landmark CBD site which will be developed into a 47,000sqm commercial building.
- > Rationalisation of non-core and smaller, unscalable funds continued during the half year in line with the strategic direction for Mirvac's unlisted real estate funds to be more closely aligned to Mirvac's core activities including:
 - Mirvac Funds Management Limited retired as responsible entity in July 2007, of the Mirvac Childcare Fund in favour of Austock Property Management Limited whose core competency lies in the management of childcare assets.
 - Mirvac Real Estate Investment Trust [ASX Code: MRZ] acquired all the securities in the Mirvac Industrial Fund and Mirvac Retail Portfolio in September 2007 for a total cash consideration of \$94.1 million. The acquisition expands MRZ's portfolio with further opportunities to add value through development and refurbishment.

Development

At 31 December 2007, the Group's Development division had \$14.3 billion of activities under control. Development comprises two principal areas; residential (housing, medium and high density housing, and land sub-division) with \$12.1 billion of activities under control and a future pipeline of 29,067 lots; and non-residential (commercial, retail and industrial) with \$2.2 billion of activities.

Results

The Group's Development division performed strongly to 31 December 2007 achieving a net operating profit before tax of \$51.0 million, representing an increase of 3.4 per cent on the previous corresponding period.

Operational Highlights

The Development division continued to deliver quality residential products resulting in the settlement of 1,072 lots as at 31 December 2007. The division has \$1.05 billion in exchanged contracts at 31 December 2007.

- > Key highlights of residential projects included:
 - *Tennyson Reach*, Tennyson, QLD – \$203 million of exchanged contracts. Stage one completely sold-out.
 - *Beachside Leighton*, WA – \$192 million of exchanged contracts. Sold-out stage one of the landmark oceanfront project comprising 48 apartments and 12 penthouses.
 - *The Peninsula*, Burswood, WA – \$146 million of exchanged contracts.
 - *The Point*, Mandurah, WA - \$137 million of exchanged contracts.
 - *Waverley Park*, VIC – \$60 million of exchanged contracts.
 - *Rhodes*, NSW - \$24 million of exchanged contracts.

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- > Continued the diversification strategy with growth in non-residential development:
- Acquired in joint venture with Leighton Properties, Section 63 site in Canberra, ACT (26,844sqm land, 108,000sqm lettable) – to be redeveloped into a mixed use but predominantly commercial building.
 - Acquired first regional project in Hayles Wharf, Townsville, QLD – mixed use development.
 - Agreed terms for the acquisition of industrial landbanks throughout QLD, covering 565 hectares.
 - Acquired landmark Melbourne CBD site in joint venture with AustralianSuper – for development of a 47,000 sqm office building.
 - Announced as the preferred developer for the 2.9 hectare hotel and residential development in Port Hedland, WA – development to include a 4 star, 140 room hotel, more than 50 apartments and single home lots and a range of community facilities.

Capital Management

At 31 December 2007 Mirvac's gearing was 33.8 per cent. Post 31 December, Mirvac undertook a \$300 million capital raising which further reduced gearing to 29.8 per cent. Mirvac has only \$138 million of debt expiring in the next 12 months which will be funded from existing undrawn facilities.

Mirvac Group Directors' Report

The Directors of Mirvac Limited present their report, together with the consolidated half year report of the Mirvac Group, for the period ended 31 December 2007.

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

Directors

The following persons were Directors of Mirvac Limited during the whole of the financial period 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

Review of operations

A review of the operations of the Mirvac Group for the half year ended 31 December 2007 and the results of those operations are covered in the review of operations and activities on pages 3 to 6.

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 8 and forms part of this report.

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 Director's report and financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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



G J Paramor
Director

Sydney
12 February 2008

Auditors' Independence Declaration

As lead auditor for the review of Mirvac Limited for the half year ended 31 December 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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



R L Gavin
Partner
PricewaterhouseCoopers

Sydney
12 February 2008

Mirvac Group
Consolidated Income Statement
For the half year ended 31 December 2007

	Note	First half 2008 \$'000	First half 2007 \$'000
Revenue			
Development and construction revenue		582,127	542,189
Revenue from investment properties		163,441	141,872
Hotel operations revenue		90,777	74,582
Fee revenue		23,406	18,112
Interest revenue		11,296	6,881
Dividend and distribution revenue		1,013	53
Other revenue		26,420	2,474
Total revenue		898,480	786,163
Other income			
Net gains from fair value adjustments on investment properties		143,400	48,448
Share of net profits of associates and joint ventures accounted for using the equity method		21,644	27,240
Net gain/(loss) on financial instruments		37,128	(1,610)
Net foreign exchange gains		17,344	16,002
Net gain on sale of investments		2,410	-
Net gain on sale of investment property		46,211	22,079
Net gain on assets classified as held for sale		48,578	7,150
Net gain on sale of property, plant & equipment		13,271	13
Total other income		329,986	119,322
Total revenues and other income		1,228,466	905,485
Cost of property development and construction		(478,170)	(421,006)
Investment property expenses		(38,915)	(29,247)
Hotel operating expenses		(31,128)	(27,405)
Employee benefits expense		(116,417)	(79,182)
Depreciation and amortisation		(13,376)	(11,876)
Finance costs expense	4	(78,533)	(67,771)
Selling and marketing		(20,839)	(21,253)
Other expenses		(35,325)	(27,201)
Profit before income tax		415,763	220,544
Income tax expense		(25,578)	(11,501)
Profit for the period		390,185	209,043
Profit attributable to minority interest		(1,812)	(702)
Net profit attributable to the stapled security holders of the Mirvac Group		388,373	208,341
Earnings per stapled security for net profit attributable to the stapled security holders of the Mirvac Group			
		Cents	Cents
Basic earnings per security	3	38.65	22.96
Diluted earnings per security	3	37.97	22.47

Mirvac Group
Consolidated Balance Sheet
As at 31 December 2007

	Note	December 2007 \$'000	June 2007 \$'000
Current assets			
Cash and cash equivalents		110,402	25,294
Receivables		300,237	455,362
Current tax assets		29,056	39,989
Inventories		702,455	346,126
Other financial assets at fair value through profit or loss		18,876	17,770
Non-current assets classified as held for sale		241,163	65,997
Other current assets		48,880	41,923
Total current assets		1,451,069	992,461
Non-current assets			
Receivables		86,459	86,684
Inventories		1,013,828	1,273,974
Investments accounted for using the equity method	5	631,414	671,944
Derivative financial instruments		90,784	69,861
Investment properties		3,417,045	3,431,177
Property, plant and equipment		578,671	492,155
Intangible assets		351,481	291,498
Deferred tax assets		39,557	42,496
Other non-current assets		-	370
Total non-current assets		6,209,239	6,360,159
Total assets		7,660,308	7,352,620
Current liabilities			
Payables		233,824	282,219
Borrowings	6	138,000	33
Provisions		92,752	87,292
Other current liabilities		37,576	30,179
Total current liabilities		502,152	399,723
Non-current liabilities			
Payables		63,689	93,126
Borrowings	6	2,444,900	2,552,842
Derivative financial instruments		69,729	85,855
Deferred tax liabilities		157,839	135,283
Provisions		3,406	5,381
Total non-current liabilities		2,739,563	2,872,487
Total liabilities		3,241,715	3,272,210
Net assets		4,418,593	4,080,410
Equity			
Contributed equity	7	3,398,985	3,322,183
Reserves		118,637	77,093
Retained earnings		831,371	611,218
Total parent entity interest		4,348,993	4,010,494
Minority interest		69,600	69,916
Total equity		4,418,593	4,080,410

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

Mirvac Group
Consolidated Statement of Changes in Equity
For the half year ended 31 December 2007

	Issued Capital \$'000	Reserves \$'000	Retained Earnings \$'000	Minority Interest \$'000	Total \$'000
Balance at 1 July 2007	3,322,183	77,093	611,218	69,916	4,080,410
Increment on revaluation of property, plant and equipment, net of tax	-	40,771	-	-	40,771
Exchange differences on translation of foreign operations	-	(1,798)	-	-	(1,798)
Net income recognised directly in equity	-	38,973	-	-	38,973
Net profit for the half year	-	-	388,373	-	388,373
Total recognised income and expenses for the period	-	38,973	388,373	-	427,346
Share based payment transactions	-	2,571	-	-	2,571
Equity based compensation – movement in retained earnings	-	-	336	-	336
EIS securities converted/sold/forfeited	5,956	-	-	-	5,956
Contributions of equity, net of transaction costs	70,846	-	-	-	70,846
Dividends provided for or paid	-	-	(168,556)	-	(168,556)
Minority interest	-	-	-	(316)	(316)
Balance at 31 December 2007	3,398,985	118,637	831,371	69,600	4,418,593
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	-	6,799	-	-	6,799
Exchange differences on translation of foreign operations	-	1,335	-	-	1,335
Net income recognised directly in equity	-	8,134	-	-	8,134
Net profit for the half year	-	-	208,341	-	208,341
Total recognised income and expenses for the period	-	8,134	208,341	-	216,475
Share based payment transactions	-	73	-	-	73
Equity based compensation – movement in retained earnings	-	-	(109)	-	(109)
EIS securities converted/sold/forfeited	10,103	-	-	-	10,103
Contributions of equity, net of transaction costs	497,372	-	-	-	497,372
Dividends provided for or paid	-	-	(151,346)	-	(151,346)
Minority interest	-	-	-	(31)	(31)
Balance at 31 December 2006	3,236,050	62,271	423,564	18,710	3,740,595

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

Mirvac Group
Consolidated Cash Flow Statement
For the half year ended 31 December 2007

	First half 2008 \$'000	First half 2007 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	1,148,316	852,650
Payments to suppliers and employees (inclusive of goods and services tax)	(937,705)	(667,289)
	210,611	185,361
Interest received	6,488	3,442
Joint venture partnership distributions received	32,283	31,441
Dividends and distributions received	1,013	55
Borrowing costs paid	(87,462)	(83,945)
Income taxes paid	4,919	(24,802)
Net cash inflows from operating activities	167,852	111,552
Cash flows from investing activities		
Payment for property, plant and equipment	(34,252)	(57,517)
Proceeds from the sale of property, plant and equipment and other assets including assets classified as held for sale	101,759	92
Payments for investment properties	(170,472)	(71,107)
Proceeds from the sale of investment properties	154,158	92,560
Net movement in loans to related entities	(29,014)	10,792
Net movement in loans to other entities	3,598	(41,652)
Contributions to joint venture operations/entities	(33,489)	(115,965)
Repayments from joint venture operations/entities	34,724	4,119
Purchase of controlled entity net of cash acquired	(46,355)	(585)
Payments for investments	-	(913)
Net cash outflows from investing activities	(19,343)	(180,176)
Cash flows from financing activities		
Proceeds from borrowings	415,539	861,772
Repayment of borrowings	(387,034)	(1,100,005)
Proceeds from issue of shares	-	415,351
Dividends/distributions paid	(91,906)	(69,230)
Net cash (outflows)/inflows from financing activities	(63,401)	107,888
Net increase in cash and cash equivalents	85,108	39,264
Cash and cash equivalents at the beginning of the period	25,294	54,925
Effects of exchange rate changes on cash and cash equivalents	-	(4)
Cash and cash equivalents at the end of the period	110,402	94,185

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

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year ended 31 December 2007

1. Basis of preparation of the half year report

This general purpose financial report for the interim half year reporting period ended 31 December 2007 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The financial statements of the Mirvac Group consist of the consolidated financial statements of Mirvac Limited (the Parent entity) and its controlled entities, which includes Mirvac Property Trust (the Trust) and its controlled entities.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 30 June 2007 and any public announcements made by the Mirvac Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. Segment information

a) Primary reporting business 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 predominately by differences in the products and services produced.

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

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

- **Funds Management**

The Funds Management segment 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 and Mirvac 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 and Hotel Management.

- **Development**

The Development segment consists of construction and property development of residential, commercial, industrial and retail development projects throughout Australia.

The cash and borrowings of Mirvac Property Trust are included in the Internal Funds Management segment.

b) Geographical segment

The Group operates predominantly in Australia.

c) Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. Such transfers are eliminated on consolidation.

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year 31 December 2007

2. Segment information (continued)

	Funds Management					Totals \$'000
	Internal Funds Management		External Funds Management			
First half 2008	Development \$'000	MPT/MRES \$'000	Hotel Management \$'000	External Funds \$'000	Unallocated/ Elimination \$'000	
External revenue	597,784	165,451	109,318	22,153	3,774	898,480
Inter-segment sales	29,188	44,718	89	336	(74,331)	-
Total revenue	626,972	210,169	109,407	22,489	(70,557)	898,480
Investment property revaluations	-	179,131	-	-	(35,731)	143,400
Share of associates and joint ventures profit/(loss)	13,657	13,429	-	(5,136)	(306)	21,644
Net foreign exchange gain/(loss)	-	-	(51)	-	17,395	17,344
Net gain on financial instruments	-	14,562	-	-	22,566	37,128
Net gain on sale of investments	3	-	-	2,406	1	2,410
Net gain on sale of investment property	-	46,211	-	-	-	46,211
Net gain on assets classified as held for sale	-	48,578	-	-	-	48,578
Gain/(loss) on disposal of property, plant & equipment	14,004	(41)	(176)	(51)	(465)	13,271
Total segment revenue and other income	654,636	512,039	109,180	19,708	(67,097)	1,228,466
Segment result before interest and tax	86,632	412,663	8,371	1,374	(26,040)	483,000
Net interest allocated ¹	(35,585)	(26,949)	(831)	434	(4,306)	(67,237)
Profit/(loss) after interest and before tax	51,047	385,714	7,540	1,808	(30,346)	415,763
Income tax expense						(25,578)
Net profit - before minority interest						390,185
Total assets	4,847,812	5,398,881	251,665	344,044	(3,182,094)	7,660,308
Total liabilities	4,525,589	1,918,567	203,831	206,611	(3,612,883)	3,241,715
Investments in associates and joint ventures	193,294	430,690	-	38,786	(31,356)	631,414
Acquisitions of investments and property, plant and equipment	29,121	186,401	2,337	385	3,997	222,241
Depreciation and amortisation expense	1,779	5,190	2,561	324	3,522	13,376

¹ Net interest includes interest revenue of \$11,296,000 and finance costs of \$78,533,000.

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year 31 December 2007

2. Segment information (continued)

	Funds Management					Totals \$'000
	Internal Funds Management		External Funds Management			
	Development \$'000	MPT/MRES \$'000	Hotel Management \$'000	External Funds \$'000	Unallocated/ Elimination \$'000	
First half 2007						
External revenue	549,519	137,832	75,582	16,349	6,881	786,163
Inter-segment sales	5,682	40,063	11	2,888	(48,644)	-
Total revenue	555,201	177,895	75,593	19,237	(41,763)	786,163
Investment property revaluations	-	51,384	-	-	(2,936)	48,448
Share of associates and joint ventures profit	6,347	15,008	620	5,265	-	27,240
Net foreign exchange gain/(loss)	-	-	(16)	(41)	16,059	16,002
Net gain/ (loss) on financial instruments	-	17,475	-	146	(19,231)	(1,610)
Net gain on sale of investment property	-	22,079	-	-	-	22,079
Net gain on assets classified as held for sale	-	7,150	-	-	-	7,150
Gain on disposal of property, plant & equipment	7	-	6	-	-	13
Total segment revenue and other income	561,555	290,991	76,203	24,607	(47,871)	905,485
Segment result before interest and tax	82,424	206,193	4,880	11,533	(23,596)	281,434
Net interest allocated ¹	(33,170)	(20,574)	(21)	(1,389)	(5,736)	(60,890)
Profit/(loss) after interest and before tax	49,254	185,619	4,859	10,144	(29,332)	220,544
Income tax expense						(11,501)
Net profit - before minority interest						209,043
Total assets	5,217,762	4,595,984	132,443	259,148	(3,869,701)	6,335,636
Total liabilities	4,918,320	1,694,826	103,644	125,067	(4,246,816)	2,595,041
Investments in associates and joint ventures	163,608	313,952	620	77,776	(20,612)	535,344
Acquisitions of investments and property, plant and equipment	987	114,302	13,115	1,012	121	129,537
Depreciation and amortisation expense	1,592	7,272	2,525	46	441	11,876

¹ Net interest includes interest revenue of \$6,881,000 and finance costs of \$67,771,000.

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year 31 December 2007

3. Earnings per security

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

	First half 2008 Cents	First half 2007 Cents
Earnings per security		
Basic earnings per security	38.65	22.96
Basic earnings per security after adjusting for specific non-cash items	21.39	16.77
Diluted earnings per security	37.97	22.47
Diluted earnings per security after adjusting for specific non-cash items	21.02	16.42
Reconciliation of earnings used in calculating earnings per security	\$'000	\$'000
<i>Basic and diluted earnings per security</i>		
Net profit used in calculating basic and diluted earnings per security	388,373	208,341
Net gains from fair value of investment properties (excluding owner-occupied)	(143,400)	(48,448)
Unrealised gains on fair value of derivatives and associated foreign exchange movements	(53,839)	(12,605)
Expensing of security based payments	4,574	1,637
Depreciation of owner-occupied investment properties, hotels and hotel management lots (including hotel property, plant and equipment)	4,038	3,395
Amortisation of lease incentives	3,229	3,715
Net loss/(gain) from fair value of investment properties and derivatives included in share of associates' profits	115	(1,789)
Tax effect of non-cash adjustments	11,876	(2,027)
Net profit used in calculating earnings per security – after adjusting for specific non-cash items	214,966	152,219
Weighted average number of securities used as denominator		
	Number	Number
Weighted average number of securities used in calculating basic earnings per security	1,004,928,865	907,560,671
Adjustment for calculation of diluted earnings per security:		
Securities issued under EIS	17,847,047	19,494,315
Weighted average number of securities used in calculating operating earnings per security	1,022,775,912	927,054,986

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year 31 December 2007

4. Finance costs

	First half 2008 \$'000	First half 2007 \$'000
Interest and finance charges paid/payable	87,630	80,596
Amount capitalised	(34,461)	(39,644)
Interest capitalised in current and prior periods expensed this period	23,160	25,143
Borrowing costs amortised	2,204	1,676
Total finance costs	78,533	67,771

5. Associates and joint ventures

	December 2007 \$'000	June 2007 \$'000
Investments in equity accounted associates – note 5 (a)	342,161	362,127
Investments in joint ventures - note 5 (b)	289,253	309,817
Investments accounted for using the equity method	631,414	671,944

a) Investment in associates

Name	Principal activities	Ownership		Investment	
		December 2007 %	June 2007 %	December 2007 \$'000	June 2007 \$'000
177 Salmon Street	Property development	20%	20%	362	1,026
Archbold Road Trust	Property development	20%	20%	29	30
Australian Hotel Trust	Hotel investment	-	20%	-	3,959
Freespirit Resorts Pty Ltd	Tourist park management	25%	25%	100	9
Mirvac Childcare Funds ¹	Unlisted property trust	1%	-	18	-
Mirvac Industrial Fund ¹	Unlisted property trust	-	15%	-	4,109
Mirvac Real Estate Investment Trust	Listed property trust	21%	20%	176,535	171,546
Mirvac Industrial Trust ¹	Listed property trust	10%	10%	35,317	37,387
Mirvac Wholesale Hotel Fund	Hotel investment	45%	49%	127,091	141,936
New Forests Pty Ltd	Forestry and environmental asset manager	20%	20%	696	437
Spring Farm	Property development	20%	20%	28	-
BAC Devco Pty Ltd	Property development	33%	33%	191	191
Mindarie Keys Joint Venture ¹	Property development	15%	15%	298	-
Panorama Joint Venture	Property development	17%	17%	2	3
Tuckerbox Pty Ltd ¹	Hotel investment	1%	1%	1,494	1,494
Total equity accounted associates				342,161	362,127

¹ The Mirvac Group equity accounts for these investments as associates even though it owns less than 20% of the voting or potential voting power due to the fact that the responsible entity is a Mirvac consolidated entity.

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year 31 December 2007

5. Associates and joint ventures (continued)

b) Investment in joint venture entities

Name	Principal activities	Ownership		Investment	
		December 2007	June 2007	December 2007	June 2007
		%	%	\$'000	\$'000
197 Salmon Street Trust	Property investment	50%	50%	55,207	55,187
Australian Centre for Life Long Learning	Property development	50%	50%	19,890	21,914
Bankstown Airport Development Pty Ltd	Property development	50%	50%	3	3
Bargara Lifestyle Development Pty Ltd	Property development	50%	50%	574	574
BL Developments Pty Ltd	Property development	50%	50%	37,645	37,354
Chantrey Ltd	Funds management	50%	50%	5,833	6,133
Chantrey City Regeneration Fund	Property development	20%	80%	2,542	10,918
CN Collins Pty Ltd	Property development	50%	-	15,000	-
Domaine Investment Trust	Funds management	50%	50%	237	357
Domaine Property Funds Ltd ²	Funds management	100%	50%	-	15,757
Ephraim Island Joint Venture	Property development	50%	50%	30,830	31,763
High Sky Pty Ltd	Property development	33%	33%	-	22
HPAL Freehold Pty Ltd	Property development	50%	50%	166	416
Infocus Infrastructure Management Pty Ltd	Property management	50%	50%	891	691
J F Infrastructure Pty Ltd	Funds management	50%	50%	-	1,551
Lifestyle Villages Management Pty Ltd	Funds management	50%	50%	100	100
Lifestyle Villages Trust	Property development	50%	50%	2,054	2,054
Mirvac Australian Super Trust (formally Mirvac ARF Pty Ltd)	Funds management	50%	50%	19,932	18,149
Mirvac Lend Lease Village Consortium/Newington Olympic Village	Property development	50%	50%	5,070	9,892
Mirvac Pacific Pty Ltd	Property development	50%	50%	28,536	28,303
MVIC Finance 2 Pty Ltd	Property development	50%	50%	37	37
New Zealand Sustainable Investments Fund	Property investment	33%	33%	14,300	15,678
Old Wallgrove Road Trust	Property investment	50%	50%	7,666	7,830
Prosaine Management Pty Ltd	Funds management	50%	-	283	-
Quadrant Real Estate Advisors	Funds management	50%	50%	5,672	-

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year 31 December 2007

5. Associates and joint ventures (continued)

b) Investment in joint venture entities (continued)

Name	Principal activities	Ownership		Investment	
		December 2007 %	June 2007 %	December 2007 \$'000	June 2007 \$'000
Rockbank	Property development	50%	50%	14,378	14,378
Mirvac Wholesale Residential Development Fund	Property development	20%	20%	5,206	6,218
Phoenix Estates Pty Ltd	Property development	50%	50%	149	149
Property Funds Australia Ltd ²	Funds management	100%	50%	-	7,192
Swanbourne Joint Venture	Property development	50%	50%	17,052	16,976
Walsh Bay Partnership	Property development	50%	50%	-	221
Total joint venture entities				289,253	309,817

¹ All joint venture entities are incorporated in Australia with the exception of Quadrant Real Estate Advisors, LLC which is incorporated in the United States and Chantrey Limited and Chantrey City Regeneration Fund which are incorporated in the United Kingdom.

² Domaine Property Funds Limited and Property Funds Australia Limited became subsidiaries of the Mirvac Group during the half year ended 31 December 2007. Refer to note 9 for disclosure of the acquisitions.

6. Borrowings

	December 2007 \$'000	June 2007 \$'000
Unsecured		
Syndicated bank loans	1,440,881	1,398,127
Domestic medium term notes	500,000	500,000
Foreign term notes	435,363	451,852
Secured		
Bank loans	71,050	66,746
Commercial mortgaged backed securities	138,000	138,000
Deferred borrowing costs	(2,396)	(1,883)
Lease liabilities	2	33
Total borrowings	2,582,900	2,552,875
Total borrowings comprise of:		
Current	138,000	33
Non-current	2,444,900	2,552,842
Total borrowings	2,582,900	2,552,875

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year 31 December 2007

6. Borrowings (continued)

Syndicated Bank loans

The Mirvac Group has an unsecured revolving multi-option loan facility totalling \$2,225 million (June 2007: \$2,225 million), of which \$1,112.5 million (June 2007: \$1,112.5 million) matures in June 2009 and \$1,112.5 million (June 2007: \$1,112.5million) matures in June 2011. Subject to the compliance with the terms, the bank loan facilities may be drawn at any time.

Commercial notes (CMBS)

The Mirvac Group has one issue of commercial notes outstanding under its Commercial Mortgage Backed Securities (CMBS) program totalling \$138 million which matures on 22 October 2008 (June 2007: \$138 million). Interest is payable semi-annually in arrears in accordance with the terms of the notes. At expiry, the CMBS will be repaid from existing undrawn facilities.

Domestic Medium Term Notes Program

The Mirvac Group completed a domestic bond issue in September 2006 for \$200 million maturing in September 2010. This was followed up by a second domestic bond issue in February 2007 for \$300 million maturing in March 2010. Interest is payable either quarterly or semi-annually in arrears in accordance with the terms of the notes.

US Bond Program Foreign medium term notes

The Mirvac Group completed a note issue in the US Private Placement market in November 2006. The issue is made up of US\$275 million maturing in November 2016 and US\$100 million maturing in November 2018. An additional AUD \$10m maturing in November 2016 was also issued in conjunction with this placement. Interest is payable semi-annually in arrears for all notes. The notes were issued with fixed and floating rate coupons payable in USD and swapped back to AUD floating rate coupons through cross currency principal and interest rate swaps.

Other bank borrowings

Controlled entities have a secured bank facilities totalling \$77 million (June 2007: \$77 million) maturing in February 2010 and June 2010.

Lease liabilities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year 31 December 2007

7. Equity securities issued

	December 2007 \$'000	June 2007 \$'000
Total ordinary securities	3,398,985	3,322,183
Movement in the number of securities during the half year:		
		Number
Opening balance 1 July 2007		995,918,784
Movements:		
EIS securities converted/sold/forfeited and DRP		14,545,551
Closing balance 31 December 2007		1,010,464,335

Securities issued on ASX

Under AIFRS, securities issued under the Mirvac Employee Incentive Scheme (EIS) and Long Term Incentive Plan (LTI) are required to be accounted for as options and are excluded from the total issued capital.

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

	Number
Total ordinary securities issued	1,010,464,335
Securities issued under EIS and LTI	17,065,342
Total securities issued on ASX at 31 December 2007	1,027,529,677

8. Dividends/distributions

Dividends/distributions paid or provided to security holders during the financial period were as follows:

	First half 2008 \$'000	First half 2007 \$'000
8.225 cents per fully paid stapled security paid on 26 October 2007 (Unfranked distribution)	84,042	
8.225 cents per fully paid stapled security paid on 25 January 2008 (Unfranked distribution)	84,514	
7.975 cents per fully paid stapled security paid on 27 October 2006 (1.65 cents per fully stapled security franked at 30%)		71,641
7.975 cents per fully paid stapled security paid on 25 January 2007 (1.65 cents per fully stapled security franked at 30%)		79,705
Total dividend/distribution	168,556	151,346

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year 31 December 2007

8. Dividends/distributions (continued)

Distribution Reinvestment Plan (DRP)

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

	First half 2008 \$'000	First half 2007 \$'000
Paid/payable in cash	101,620	75,803
Satisfied by the issue of securities	66,936	75,543
Total dividend/distribution	168,556	151,346

9. Acquisition of businesses

The Mirvac Group acquired controlling interests in the following companies during the half year ending 31 December 2007.

Domaine Property Funds Limited

The Mirvac Group acquired the remaining 50% interest in Domaine Property Funds Limited for a consideration of \$40,726,000 on 10 September 2007.

	100% Carrying value \$'000	50% Carrying value \$'000	50% Recognised on Acquisition \$'000	100% Recognised on Consolidation \$'000
Property, plant & equipment	101	51	51	101
Cash and cash equivalents	5,049	2,525	2,525	5,049
Accounts receivable	13,501	6,751	6,751	13,501
Management contracts	-	-	7,255	7,255
Investments accounted for using the equity method	454	227	227	454
Other assets	12,674	6,337	6,337	774
Total assets	31,779	15,891	23,146	27,134
Accounts payable	2,152	1,076	1,076	2,152
Provisions	1,245	623	623	1,245
Borrowings	1,520	760	760	1,520
Other liabilities	12,223	6,111	6,111	323
Deferred tax liability	-	-	2,177	2,177
Total liabilities	17,140	8,570	10,747	7,417
Fair value of identifiable net assets			12,399	19,717
Goodwill			28,327	36,655
			40,726	56,372

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year 31 December 2007

9. Acquisition of businesses (continued)

Cash outflow on acquisition is as follows:

	\$'000
Cash consideration	40,726
Cash acquired	(5,049)
Net cash outflow	35,677

From the date of acquisition Domaine Property Funds Limited has contributed \$492,939 to the net profit before tax of the Group. If the acquisition had taken place at the beginning of the financial year, the net profit before tax for the Group would have decreased by \$111,000 and revenue from continuing operations would have increased by \$999,450.

Property Funds Australia Limited

The Mirvac Group acquired the remaining 50% interest in Property Funds Australia Limited for a consideration of \$18,355,000 on 10 October 2007.

	100% Carrying value \$'000	50% Carrying value \$'000	50% Recognised on Acquisition \$'000	100% Recognised on Consolidation \$'000
Property, plant & equipment	62	31	31	62
Deferred tax asset	325	163	163	325
Cash and cash equivalents	7,670	3,835	3,835	7,670
Accounts receivable	1,011	506	506	1,011
Management contracts	-	-	3,896	3,896
Other assets	350	175	175	350
Total assets	9,418	4,710	8,606	13,314
Accounts payable	675	337	337	675
Provisions	1,657	829	829	1,657
Other liabilities	1,062	531	531	1,062
Deferred tax liability	19	10	1,179	1,188
Total liabilities	3,413	1,707	2,876	4,582
Fair value of identifiable net assets			5,730	8,732
Goodwill			12,625	18,170
			18,355	26,902

Cash outflow on acquisition is as follows:

	\$'000
Cash consideration	18,355
Cash acquired	(7,670)
Net cash outflow	10,685

From the date of acquisition Property Funds Australia Limited has contributed \$98,435 to the net profit before tax of the Group. If the acquisition had taken place at the beginning of the financial year, the net profit before tax for the Group would have increased by \$395,389 and revenue from continuing operations would have increased by \$4,173,122.

Mirvac Group
Notes to the Consolidated Financial Statements
For the half year 31 December 2007

10. Contingent liabilities and Commitments

a) Contingent liabilities

There have been no material changes to any contingent liabilities that were disclosed in the financial statements at 30 June 2007.

b) Performance guarantees

The Mirvac Group has also provided performance guarantees which are indeterminable in amount in the course of normal business.

No material losses are anticipated in respect of these contractual obligations.

c) Contingent commitments

The Mirvac Group has the following contingent commitments not recognised on its balance sheet at 31 December 2007.

Mirvac has entered into an agreement in relation to acquiring the remaining 50% interest in a joint venture. The option under the agreement is exercisable over periods from the 2008 to 2010 financial years. The sale price is calculated on an average of 'funds under management' and 'earnings before interest, tax, depreciation and amortisation' over a period comprising past and future periods as well as the 'net tangible assets' of the company at settlement date. No amount has been recognised on the balance sheet as at 31 December 2007, as the sale price calculation takes into account future performance of the joint ventures.

d) Capital commitments

The Mirvac Group has the following capital commitments not recognised on its balance sheet at 31 December 2007.

Mirvac through its 80% owned subsidiary Industrial Commercial Property Solutions Pty Ltd, have entered into conditional Put and Call Options to purchase industrial property sites for \$85 million, exercisable September 2008 and \$129 million exercisable September 2009.

11. Events occurring after reporting date

On 24 January 2008, the Mirvac Group successfully completed a \$300 million private placement with Nakheel. The placement was conducted at a fixed price of \$5.20 per stapled security. Stapled securities issued pursuant to the placement rank equally with the Mirvac Group's existing stapled securities. Following this placement, available liquidity via cash and committed bank facilities increases to over \$1.1 billion with \$138 million of debt maturing over the next twelve months.

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

Mirvac Group
Directors' declaration

For the half year ended 31 December 2007

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 9 and 24 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2007 and of its performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



G. J. Paramor
Director

Sydney
12 February 2008

**INDEPENDENT AUDITOR'S REVIEW REPORT
to the shareholders of Mirvac Limited**

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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mirvac Limited, the company, which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for both the Mirvac Group (the consolidated entity). The consolidated entity comprises both the company and the entities it controlled during that half-year, including Mirvac Funds Limited as responsible entity for Mirvac Property Trust and its controlled entities.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mirvac Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not

enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

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


Independence

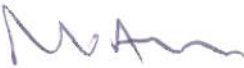
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Mirvac Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.


PricewaterhouseCoopers


R L Gavin
Partner

Sydney
12 February 2008