

Appendix 4D

Half Year Report

Results for Announcement to the Market

Name of entity

MIRVAC GROUP (STAPLED SECURITY "MGR")

ABN or equivalent company reference	Half yearly <i>(tick)</i>	Preliminary final <i>(tick)</i>	Half year/financial year ended ('current period')
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	31 DECEMBER 2003

For Announcement to the market

	up/down	26.7%	to	\$'000 682,414
Revenues from ordinary activities				
Net profit for the period attributable to members	up/down	16.5%	to	117,002
Dividends (distributions)		Amount per security		Franked amount per security
Interim quarterly distribution (refer to page 18)		8.00 cents		3.20 cents
Previous corresponding period (refer to page 18)		6.90 cents		1.8285 cents
Record date for determining entitlements to the dividend/distribution	31 DECEMBER 2003			

February 18, 2004



Media and Stock Exchange Announcement

MIRVAC HALF YEAR PROFIT UP 16.5% TO \$117 MILLION

The Mirvac Group today reported a net profit after tax of \$117 million for the six months to December 2003, an increase of 16.5 per cent on the previous corresponding period.

Earnings per security for the period increased by 6.6 per cent to 17.23 cents. Distribution per security increased by 15.6 per cent to 15.9 cents.

Mirvac Group managing director Mr Robert Hamilton said the continued strong performance across all of its divisions meant Mirvac was on track to produce a net profit for the full year in the order of \$252 million compared with the 2003 result of \$223 million.

“We are well positioned to continue our growth path, with very high quality residential projects in Western Australia, Victoria, Queensland and NSW due to come on stream in coming years, as well as an excellent diversified investment portfolio,” Mr Hamilton said.

“Our Investment Division continues to be the main engine of Mirvac and we are working hard to add value to our existing assets as well as expanding investment portfolio through development and acquisition.”

The Investment Division produced a 16.3 per cent increase in net profit after tax to \$66.6 million in the six month period. The total value of the portfolio has increased to \$2.18 billion following acquisitions, continued development and revaluations.

During the period Mirvac completed acquisitions of industrial land at Prestons, Smithfield and Villawood in Sydney and Dandenong in Melbourne, office buildings at 190 George St in Sydney and Riverside Quay in Southbank, Melbourne, and two adjoining retail centres at Bundaberg in Queensland. The first stage development of Stanhope Village was also completed and the retail centre commenced trading in December last year.

Since December 31, Mirvac has also acquired an industrial property adjoining its existing site in Villawood.

Mirvac Investments chief executive Mr Barry Neil said although the commercial leasing market was still challenging, Mirvac had completed leasing deals totalling approximately 58,600sqm of commercial and industrial space during the period.

Mirvac increased occupancy in its commercial portfolio to 96.7 per cent with Mr Neil believing there were signs that the office market may be improving.

“Patronage at CBD foodhalls and car parks would suggest that white collar employment has been increasing,” Mr Neil said.

“This will eventually translate into increased demand for office space and I expect we will begin to see a steady reduction in vacancies and in the size of incentives currently being offered by owners.”

Mirvac’s retail portfolio performed well, with 4.8 per cent like for like actual income growth and occupancy at 98.7 per cent.

Mirvac completed stage 1 development of Stanhope Village and stage 2 of the Greenwood Plaza redevelopment and has DA approval for a major redevelopment of Waverley Gardens. A DA has been submitted for the redevelopment of the Bundaberg retail centres, with work expected to commence later this calendar year.

Mirvac also has commercial developments planned at Hickson Road, Walsh Bay, and Darling Island II at Pymont, and is continuing to develop a \$43 million office building in Southbank, Brisbane.

Mr Neil said Mirvac would continue to investigate acquisition opportunities, particularly in the retail and industrial sectors.

The Mirvac Development Division produced a 5.6 per cent increase in net profit after tax to \$45.4 million.

Mirvac managing director Mr Robert Hamilton said that with more projects due to settle in the second half, there would be a greater proportion of development profits appear in the six months to June.

“In line with our conservative approach, a significantly higher proportion of profit from a residential project is taken to account during the period that the project settles,” Mr Hamilton said.

“In the second half we will be booking revenue from a number of projects including the ikon development in Potts Point, Altura in Chatswood, Tower 3 at Yarra’s Edge and the third stage of Cutters Landing.”

Demand for the Group’s residential developments remained strong despite the two recent increases in official interest rates.

“We believe very strongly that if we continue to concentrate on the best sites, develop well-designed, top quality product and market and present it well, then we will continue to enjoy strong demand for our developments,” Mr Hamilton said.

“We believe a slowing in the residential market to more normal levels will be of benefit to us because of our strong reputation for quality and the strength of our brand.”

Mirvac controls 21,500 lots in Western Australia, Victoria, NSW and Queensland, which offer a good future mix between apartments and housing.

Mr Hamilton said the Group would continue to increase its focus on integrated housing developments and housing developments with a “lifestyle” appeal to second home buyers and retirees, such as Magenta Shores at North Entrance, Lorne and Torquay in Victoria and Bunker Bay in Western Australia.

The Hotel and Resorts Division posted a 2.7 per cent increase in net profit after tax to \$5.8 million.

Mr Hamilton said Mirvac-managed hotels performed well in a difficult trading environment, achieving average occupancy of 75 per cent and an average room rate of \$171, an increase of \$10 compared with December 2002.

“Ever since the Sydney Olympics it has been nothing but bad news for the hotel sector, with Ansett collapsing, terrorist attacks, SARS and now the Asia bird flu all impacting on demand,” Mr Hamilton said.

“We have been successful in broadening our product through the opening of the Citigate Sebel brand in Sydney and the Sebel Residence in East Perth and establishing an alliance with the Juniper Group to manage several projects they are developing.

“The current half will see the opening of the Quay West Bunker Bay in the Margaret River region of WA.”

During the period, Mirvac launched Australia’s first ever Multi-option Pre-sales Securitisation Program, as well as its third CMBS issue. The MOPS issue has won two awards, including the Asia Money securitisation deal of the year.

Further Information
Peter Kermode
Group Manager Corporate Affairs
(02) 9080 8474

Results for Announcement to the Market

1 Ratios	31 Dec 2003	31 Dec 2002
Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue	19.2%	21.4%
Profit after tax / equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	5.6%	5.7%

2 Earnings per security (EPS)	31 Dec 2003	31 Dec 2002
Basic EPS	17.23 cents	16.16 cents
Diluted EPS	17.23 cents	16.16 cents
Weighted average number of ordinary securities outstanding during the period	679,040,041	621,376,477

3 NTA backing	31 Dec 2003	31 Dec 2002
Net tangible asset backing per ordinary security	\$3.02	\$2.79

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

Results for Announcement to the Market

5 Loss of control of entities having material effect

Name of entity (or group of entities)

-

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

\$ -

Date to which the profit (loss) has been calculated

-

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

\$ -

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

\$ -

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

Group's share of associates and joint venture entities:

Profit (loss) from ordinary activities before tax

	31 Dec 2003 \$'000	31 Dec 2002 \$'000
Profit (loss) from ordinary activities before tax	8,965	9,542
Income tax on ordinary activities	2,690	2,863
Profit (loss) from ordinary activities after tax	6,275	6,679
Extraordinary items net of tax	-	-
Net profit (loss)	6,275	6,679
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	6,275	6,679

Income tax on ordinary activities

Profit (loss) from ordinary activities after tax

Extraordinary items net of tax

Net profit (loss)

Adjustments

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

Interest in Joint Venture Entities comprise -

<u>Name of Joint Venture Entity</u>	<u>Principal Activity</u>	<u>Participating Interest</u>
Mirvac Lend Lease Village Consortium	Residential construction -- Newington NSW	Varies as to precincts
Walsh Bay Partnership	Residential construction -- Walsh Bay NSW	50% interest
Mindarie Joint Venture	Residential development -- Perth WA	15% interest
Majestic Quays Joint Venture	Residential development -- Perth WA	25% interest
Panorama Joint Venture	Residential development -- Perth WA	17% interest
Ephraim Island Joint Venture	Residential development -- Queensland	50% interest

Results for Announcement to the Market

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

Date the dividend (distribution) is payable

30 JANUARY 2004

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

31 DECEMBER 2003

8 Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend: Current year	15.90 cents	6.36 cents	-
Previous year	13.75 cents	4.03 cents	-

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

	31 Dec 2003 \$'000	31 Dec 2002 \$'000
Ordinary securities <i>(each class separately)</i>	108,274	85,686
Preference securities <i>(each class separately)</i>	-	-
Other equity instruments <i>(each class separately)</i>	-	-
Total	108,274	85,686

Results for Announcement to the Market

10 Dividends/distributions provided for or paid

Ordinary Stapled Securities – The Mirvac Group

Quarterly ordinary distributions paid as follows:

- 7.90 cents per fully paid stapled security paid on 24 October 2003
- 3.16 cents franked at 30%
- 6.85 cents per fully paid stapled security paid on 25 October 2002
- 2.1989 cents franked at 30%
- 6.90 cents per fully paid stapled security paid on 31 January 2003
- 1.8285 cents franked at 30%
- 8.00 cents per fully paid stapled security paid on 30 January 2004
- 3.20 cents franked at 30%

Total distribution 15.90 cents (2002: 13.75 cents)

Total Dividends/Distributions provided for or paid

Dividends/Distributions actually paid or satisfied by the issue of securities under the group distribution/dividend reinvestment plans during the half-years ended 31 December 2003 and 2002 were as follows:

Paid in cash

Satisfied by the issue of securities

31 Dec 2003 \$'000	31 Dec 2002 \$'000
53,537	
	42,646
	43,040
54,737	
108,274	85,686
108,274	85,686
81,358	81,054
28,096	3,001
109,454	84,055

11 Franking credits available

45,419,165 class 'C' franking credits franked at 30% available at 31 December 2003

12 Dividend/distribution plan

The dividend or distribution plans shown below are in operation.

MIRVAC GROUP DISTRIBUTION REINVESTMENT PLAN

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

31 DECEMBER 2003

Any other disclosures in relation to dividends (distributions).

Distribution Reinvestment Plan opened to all investors on 30 September 2003.

Distribution Reinvestment Plan for the December 2003 quarter was fully underwritten by Merrill Lynch International (Australia) Ltd.

Results for Announcement to the Market

13 Issued and quoted securities at end of current period

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
Preference securities <i>(description)</i>	NIL	NIL	NIL	NIL
Changes during current period				
(a) Increases through issues				
(b) Decreases through returns of capital, buybacks, redemptions				
Ordinary securities	684,206,089	684,206,089	-	-
Changes during current period				
(a) Increases through issues	382,070	832,070	440.6	440.6
	3,603,022	3,603,022	441.3	441.3
	6,421,220	6,421,220	411.4	411.4
	95,272	95,272	425.1	425.1
(b) Decreases through returns of capital, buybacks	-	-	-	-
Convertible debt securities <i>(description and conversion factor)</i>	NIL	NIL	NIL	NIL
Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
Options <i>(description and conversion factor)</i>	NIL	NIL	Exercise Price	Expiry Date
Issued during current period	NIL	NIL	NIL	NIL
Exercised during current period	NIL	NIL	NIL	NIL
Expired during current period	NIL	NIL	NIL	NIL
Debentures <i>(description)</i>	NIL	NIL		
Changes during current period	-	-		
Unsecured notes <i>(description)</i>	NIL	NIL		
Changes during current period	-	-		

Compliance Statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.
- 2 This report, and the accounts, upon which the report is based, use the same accounting policies.
- 3 This report gives a true and fair view of the matters disclosed.
- 4 The entity has a formally constituted audit committee.



Sign here: Date: 18 FEBRUARY 2004
(Director)

Print name: DENNIS JOSEPH BROIT

THE MIRVAC GROUP
CONSISTING OF THE COMBINED FINANCIAL REPORTS OF
MIRVAC LIMITED (ABN 92003280699) AND ITS CONTROLLED ENTITIES
AND
MIRVAC PROPERTY TRUST (ABN 29769181534) AND ITS CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2003

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DIRECTORS' STATEMENT

The directors present their report on the combined entity consisting of Mirvac Limited and its controlled entities and Mirvac Property Trust and its controlled entities, for the half-year ended 31 December 2003.

DIRECTORS

At the date of this report the following persons were directors of Mirvac Limited and Mirvac Funds Limited, as the Responsible Entity for Mirvac Property Trust, during the whole of the half-year and up to the date of this report.

A J Lane	R J Hamilton
P J Biancardi	D J Broit
A Buduls	R A Fortune
G H Levy	B H R Neil
R H Webster	

REVIEW OF OPERATIONS

A summary of combined revenues and results for the half-year by significant industry segments is set out below:

	SEGMENT REVENUES 31 DEC 2003 \$000	SEGMENT REVENUES 31 DEC 2002 \$000	SEGMENT RESULTS 31 DEC 2003 \$000	SEGMENT RESULTS 31 DEC 2002 \$000
Property Investment	116,406	97,825	67,366	57,348
Property Development	534,159	420,450	59,315	57,798
Hotel Ownership and Management	48,272	46,231	7,186	7,029
Eliminations / Unallocated	(9,458)	(16,408)	(2,555)	(7,182)
	<u>691,379</u>	<u>548,098</u>	<u>131,312</u>	<u>114,993</u>
Profit from ordinary activities before income tax expense			131,312	114,993
Income tax expense			<u>14,310</u>	<u>14,548</u>
Net profit attributable to the stapled security holders of The Mirvac Group			<u>117,002</u>	<u>100,445</u>

Comments on the operations and the results of those operations are set out in Appendix 4D - Media and Stock Exchange Announcement and are summarised below:

(a) Property Investment

The division achieved a net profit after tax of \$66.628 million, a 16.3% increase over the previous corresponding period, as a result of new acquisitions totalling approximately \$276.6 million since December 2002 contributing to the half-year result.

(b) Property Development

The division's net profit after tax increased by 5.6% over the previous corresponding period to \$45.406 million. Demand for residential developments remained strong despite recent increases in official interest rates.

(c) Hotels

Net profit after tax increased by 2.7% to \$5.774 million over the previous corresponding period, a good performance in a difficult trading environment. The division achieved average occupancy levels of 75% and an average room rate of \$171, an increase of \$10 compared to December 2002.

ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS


Mirvac Limited and Mirvac Property Trust are entities 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 of Mirvac Limited and Mirvac Funds Limited.

Signed at Sydney this eighteenth day of February 2004.



R.J. HAMILTON
Director



D.J. BROIT
Director

COMBINED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	Notes	Combined	
		31 DEC 2003 \$000	31 DEC 2002 \$000
Revenue from operating activities		678,806	534,066
Revenue from outside the operating activities (excluding share of net profits of associates and joint ventures)		3,608	4,490
Revenue from ordinary activities		682,414	538,556
Cost of goods sold		(419,452)	(316,977)
Employee benefits expense		(37,685)	(36,475)
Depreciation and amortisation expenses		(3,373)	(3,415)
Borrowing costs expense	3	(41,688)	(24,526)
Property outgoings		(26,549)	(21,133)
Other expenses from ordinary activities		(31,302)	(29,064)
Carrying amount of investment properties and property, plant & equipment sold		(18)	(32)
Costs incurred in unsuccessful takeover offer (no applicable income tax expense)		0	(1,483)
Share of net profits of associates and joint ventures		8,965	9,542
Profit from ordinary activities before income tax expense		131,312	114,993
Income tax expense		14,310	14,548
Net profit attributable to the stapled security holders of The Mirvac Group		117,002	100,445
Net increase in asset revaluation reserve		5,572	0
Net exchange differences on translation of financial report of foreign controlled entity		154	(272)
Total revenues, expenses and valuation adjustments attributable to the stapled security holders of The Mirvac Group recognised directly in equity		5,726	(272)
Total changes in equity other than those resulting from transactions with owners as owners		122,728	100,173
		Cents	Cents
Basic earnings per security	5	17.23	16.16
Diluted earnings per security	5	17.23	16.16

The above combined statement of financial performance should be read in conjunction with the accompanying notes.

COMBINED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2003

	Notes	COMBINED	
		31 DEC 2003 \$000	30 JUN 2003 \$000
CURRENT ASSETS			
Cash assets		60,232	33,481
Receivables		78,869	88,530
Inventories		803,336	643,258
Other		10,505	13,680
TOTAL CURRENT ASSETS		952,942	778,949
NON-CURRENT ASSETS			
Receivables		96,571	85,598
Investment properties	7	2,314,000	2,123,059
Investments accounted for using the equity method	8	29,992	53,385
Other financial assets		29	28
Inventories		577,870	547,732
Plant and equipment		17,543	17,395
Deferred tax assets		7,561	6,844
Intangible assets		24,800	25,612
Other		6,721	3,153
TOTAL NON-CURRENT ASSETS		3,076,087	2,862,806
TOTAL ASSETS		4,028,029	3,641,755
CURRENT LIABILITIES			
Payables		120,356	128,996
Interest bearing liabilities		15	86
Current tax liabilities		10,641	16,226
Provisions		65,903	67,362
Other		4,952	3,525
TOTAL CURRENT LIABILITIES		201,867	216,195
NON-CURRENT LIABILITIES			
Payables		80,000	90,000
Interest bearing liabilities		1,580,109	1,228,409
Deferred tax liabilities		70,390	70,934
Provisions		3,237	2,648
TOTAL NON-CURRENT LIABILITIES		1,733,736	1,391,991
TOTAL LIABILITIES		1,935,603	1,608,186
NET ASSETS		2,092,426	2,033,569
EQUITY			
Contributed equity		1,867,215	1,822,811
Reserves		96,921	91,196
Retained profits	9	128,290	119,562
TOTAL EQUITY		2,092,426	2,033,569

The above combined statement of financial position should be read in conjunction with the accompanying notes.

COMBINED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	Combined	
	31 DEC 2003 \$000	31 DEC 2002 \$000
<u>Cash Flows from Operating Activities</u>		
Receipts from customers (inclusive of goods and services tax)	633,267	636,524
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(648,111)</u>	<u>(659,593)</u>
	(14,844)	(23,069)
Interest received	2,641	3,601
Borrowing costs paid	(42,281)	(36,262)
Income taxes paid	<u>(33,111)</u>	<u>(18,949)</u>
Net cash outflows from operating activities	<u>(87,595)</u>	<u>(72,679)</u>
<u>Cash Flows from Investing Activities</u>		
Payment for property, plant and equipment	(2,868)	(3,389)
Proceeds from the sale of property and equipment	47	104
Payments for investment properties	(185,687)	(113,961)
Proceeds from the sale of investment properties	0	1,755
Contributions to joint venture operations/entities	(1,700)	(8,056)
Proceeds from repayment of equity in joint ventures	34,204	0
Other	<u>0</u>	<u>(17)</u>
Net cash outflows from investing activities	<u>(156,004)</u>	<u>(123,544)</u>
<u>Cash Flows from Financing Activities</u>		
Proceeds from borrowings	351,707	262,738
Dividends / Distributions paid	<u>(81,358)</u>	<u>(80,087)</u>
Net cash inflows from financing activities	<u>270,349</u>	<u>182,651</u>
Net increase / (decrease) in cash held	26,750	(13,572)
Cash at the beginning of the reporting period	33,481	31,506
Effects of exchange rate changes on cash	<u>1</u>	<u>58</u>
Cash at the end of the reporting period	<u>60,232</u>	<u>17,992</u>

The above combined statement of cash flows should be read in conjunction with the accompanying notes.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003****1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS**The Mirvac Group - Stapling of Securities

Mirvac Group Stapled Securities, quoted and traded together on the Australian Stock Exchange, comprise one Consolidated Mirvac Limited share and one Consolidated Mirvac Property Trust unit. The stapled securities cannot be traded or dealt with separately.

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

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

The Stapled Security structure will cease to operate on the first to occur of:

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

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

Basis of Accounting

The financial statements of The Mirvac Group consist of the aggregated financial statements of the combined entity comprising Mirvac Limited and its controlled entities and Mirvac Property Trust and its controlled entities.

None of the entities whose securities are stapled is a parent of the other entity and the entities do not have a common parent.

The financial statements are a general purpose financial report, which has been prepared to satisfy the requirements of the Urgent Issues Group Consensus View 13, "The Presentation of the Financial Report of Entities Whose Securities are Stapled", and in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), and other authoritative pronouncements of the Australian Accounting Standards Board.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, it is recommended that this report should be read in conjunction with the Annual Report for the year ended 30 June 2003 and any public announcements made by The Mirvac Group during the half-year in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Stock Exchange.

The accounting policies adopted in preparing the financial statements have been consistently applied by the individual entities comprising the combined financial statements, and are consistent with those of the previous financial year and corresponding interim reporting period, except as otherwise stated.

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

2. AGGREGATED SEGMENTAL INFORMATIONPRIMARY REPORTING - BUSINESS SEGMENTS31 DECEMBER 2003

	Property Investment \$000	Property Development \$000	Hotels \$000	Eliminations/ Unallocated \$000	Combined Totals \$000
Total Assets	2,226,373	1,620,738	152,194	28,724	4,028,029
Sales to external customers	115,031	516,988	47,787	0	678,806
Intersegment sales	3,070	5,908	480	(9,458)	0
Total sales revenue	118,101	521,896	48,267	(9,458)	678,806
Share of net profits of associates and joint ventures	0	8,965	0	0	8,965
Other revenue including sale of investment properties	305	3,298	5	0	3,608
Total segment revenue	118,406	534,159	48,272	(9,458)	691,379
Segment result before interest and income tax	82,395	85,972	7,188	(2,555)	173,000
Net interest allocated	15,029	26,557	2	0	41,688
Profit/(Loss) from ordinary activities after interest and before income tax expense	67,366	59,315	7,186	(2,555)	131,312
Income tax expense applicable to ordinary activities	738	13,909	1,412	(1,749)	14,310
Net Profit / (Loss)	66,628	45,406	5,774	(806)	117,002

31 DECEMBER 2002

Total Assets	1,877,045	1,162,472	151,755	21,756	3,213,028
Sales to external customers	95,114	392,838	46,114	0	534,066
Intersegment sales	2,451	14,089	0	(16,540)	0
Total sales revenue	97,565	406,927	46,114	(16,540)	534,066
Share of net profits of associates and joint ventures	0	9,542	0	0	9,542
Other revenue including sale of investment properties	260	3,981	117	132	4,490
Total segment revenue	97,825	420,450	46,231	(16,408)	548,098
Segment result before interest and income tax	70,915	68,746	7,036	(7,178)	139,519
Net interest allocated	13,567	10,948	7	4	24,526
Profit/(Loss) from ordinary activities after interest and before income tax expense	57,348	57,798	7,029	(7,182)	114,993
Income tax expense applicable to ordinary activities	62	14,790	1,406	(1,710)	14,548
Net Profit / (Loss)	57,286	43,008	5,623	(5,472)	100,445

Secondary Reporting Segment - Geographical segments - The combined entity operates predominantly in Australia.

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	<u>Combined</u>	
	<u>31 DEC 2003</u>	<u>31 DEC 2002</u>
	\$000	\$000
3. <u>BORROWING COSTS</u>		
Interest and finance charges paid	48,445	36,262
Less: Amount capitalised	(31,704)	(22,522)
Interest capitalised in current and prior year expensed this year	<u>24,947</u>	<u>10,786</u>
	<u>41,688</u>	<u>24,526</u>
4. <u>DISTRIBUTIONS / DIVIDENDS</u>		
Distributions / dividends provided for or paid during the half-year	<u>108,274</u>	<u>85,686</u>
5. <u>EARNINGS PER SECURITY</u>		
	<u>Combined</u>	
	<u>31 DEC 2003</u>	<u>31 DEC 2002</u>
Basic earnings per security	<u>17.23 cents</u>	<u>16.16 cents</u>
Diluted earnings per security	<u>17.23 cents</u>	<u>16.16 cents</u>
	No.	No.
The weighted average number of ordinary securities outstanding during the half-year used in the calculation of basic earnings per security	<u>679,040,041</u>	<u>621,376,477</u>

	<u>Combined</u>		<u>Combined</u>	
	<u>31 DEC 2003</u>	<u>31 DEC 2002</u>	<u>31 DEC 2003</u>	<u>31 DEC 2002</u>
	Securities	Securities	\$000	\$000
6. <u>EQUITY SECURITIES ISSUED</u>				
Issue of ordinary securities during the half-year:				
Employee share scheme issues	3,698,294	4,123,440	16,305	16,957
Issued for no consideration:				
Distribution reinvestment plan issues	6,803,290	996,748	28,099	4,001
De-stapling of Mirvac Group securities on simplification (refer Note (a))	0	(622,171,046)	0	0
Re-stapling of Mirvac Group securities (refer Note (a))	0	622,171,046	0	0
	<u>10,501,584</u>	<u>5,120,188</u>	<u>44,404</u>	<u>20,958</u>

(a) Simplification of Stapled Group

On 13 September 2002, the Australian Stock Exchange suspended trading in Mirvac Stapled Securities ("MGR") and the existing stapled security structure was de-stapled, as Mirvac Property Trust acquired all of the units of Mirvac Commercial Trust. Mirvac Property Trust units were re-consolidated and the Mirvac Group securities re-stapled in the simplified structure. Mirvac Group Stapled Securities, quoted and traded together on the Australian Stock Exchange, now comprise one Consolidated Mirvac Limited share and one Consolidated Mirvac Property Trust unit.

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

7. INVESTMENT PROPERTIES	Date Acquired	Cost & Additions to 31/12/03 \$000	Book Value 31/12/03 \$000	Book Value 30/06/03 \$000	Latest External Valuation \$000	Date Last External Valuation	External Valuer / Notes
AT VALUATION							
Mirvac Property Trust and controlled entities							
Egis Tower, Chatswood, NSW	01/09/89	55,320	70,986	70,405	69,500	30/06/02	D McGrath - FPD Savills
30 Cowper Street, Parramatta NSW	01/09/88	15,940	20,614	20,601	20,500	30/06/02	A Graham AAPI - Colliers International
Quay West Carpark, 111 Harrington Street, Sydney NSW	30/11/89	37,154	41,828	41,600	41,600	30/06/03	S Kearney AAPI - FPD Savills
Orange City Centre, Orange NSW	05/04/93	28,846	30,278	30,129	30,000	30/06/01	JE Burdekin FAPI-Jones Lang LaSalle BR Stewart GAPI-Jones Lang LaSalle
Kawana Shoppingworld, Buddina, QLD	09/12/93 & 10/06/98	97,996	140,045	140,000	140,000	30/06/03	T Irving AAPI - CB Richard Ellis D Mohr AAPI - CB Richard Ellis
Gippsland Centre, Cunningham St, Sale VIC	08/01/94	34,320	33,741	33,300	32,500	30/06/02	D Magree FAPI - M3 Property Strategists
Corno Centre, Cnr Toorak Rd & Chapel St, South Yarra VIC	18/08/98	108,950	115,961	115,602	115,000	30/06/02	P Grieve AAPI - CB Richard Ellis
James Ruse Business Park, Boundary Rd, Northmead NSW	14/07/94	19,050	27,468	27,102	27,100	30/06/02	K Kaymaz AAPI - Colliers International
20-30 Scrivener St, Warwick Farm NSW	24/12/93	17,931	20,104	19,986	19,800	30/06/01	J Waugh AAPI - Colliers Jardine
Lovett Tower, Kellie St, Woden, ACT	01/04/94 & 28/02/99	47,852	48,000	41,429	46,000	31/12/03	Philip Harding FAPI - Knight Frank
The Marriott Hotel, College St & Hargrave St, Sydney NSW	31/12/91	94,856	75,206	75,200	75,200	30/06/03	O Westerlund AAPI ANZPI -CB Richard Ellis S Fairfax MRICS AAPI -CB Richard Ellis
1-19 Hargrave Street, Sydney NSW	31/12/91	4,100	8,996	8,987	9,000	01/03/02	S Fairfax ARIC AAPI -CB Richard Ellis
40 Miller St, North Sydney NSW	31/03/98	59,066	80,250	80,250	80,250	30/06/03	TM Phelan FAPI - Knight Frank
1 Castlereagh St, Sydney NSW	18/12/98	46,817	54,509	54,500	54,500	30/06/03	S Kearney AAPI - FPD Savills
271 Lane Cove Rd, North Ryde, NSW	05/04/00	18,853	20,111	20,111	20,000	01/03/01	TM Phelan FAPI - Knight Frank
Royal Domain Centre, 380 St Kilda Rd, VIC	04/10/95 & 02/04/01	85,100	94,590	87,299	94,500	31/12/03	D Gowing FAPI - CB Richard Ellis
164 Grey St, South Bank, QLD	29/06/01	8,261	9,475	9,475	9,500	01/03/02	T Irving AAPI - CB Richard Ellis D Mohr AAPI - CB Richard Ellis
Bay Centre, Pirrama & Edward Sts Pyrmont NSW	29/06/01	59,144	73,500	73,500	73,500	30/04/03	S Kearney AAPI - FPD Savills
55 Lavender Street, Milsons Point, NSW	03/07/01	59,645	59,625	59,606	59,500	01/03/02	TM Phelan FAPI - Knight Frank GA Thomson FAPI - Knight Frank
200 George Street, Sydney, NSW	31/10/01	31,347	31,649	24,009	24,000	24/10/03	A Pannifex - FPD Savills
180 George Street, Sydney NSW	05/08/03	45,442	42,000	-	42,000	30/09/03	A Pannifex - FPD Savills
Unit 23, 177 Pacific Highway, North Sydney, NSW	25/01/02	594	594	594	-	-	Internal Valuation 2003: Note (i)
Riverside Quay, Southbank, VIC	15/04/02	82,743	81,371	81,164	80,000	30/06/02	M Reynolds AAPI - Colliers International
John Oxley Centre, 339 Coronation Drive, Milton, QLD	31/05/02	35,335	35,411	35,395	35,300	30/06/02	T Irving AAPI - CB Richard Ellis D Mohr AAPI - CB Richard Ellis
Blacktown Mega Centa, Blacktown, NSW	30/06/02	30,035	30,035	30,035	30,000	01/03/02	ID Mc Lennan AAPI / JE Burdekin FAPI Jones Lang LaSalle Advisory
1-47 Percival Road, Smithfield, NSW	22/11/02	19,489	19,489	14,220	-	-	Internal Valuation 2003: Note (i)
Waverley Gardens Shopping Centre, Cnr Police & Jackson Roads Mulgrave VIC	15/11/02	53,849	53,850	53,850	53,850	30/04/03	C Ciurino AAPI - M3 Property Strategists D Magree FAPI - M3 Property Strategists
The Village Centre, St Mary's NSW	17/01/03	34,577	34,599	34,252	34,250	30/04/03	S Fox AAPI - M3 Property Strategists C Olson FAPI - M3 Property Strategists
Moonsey Ponds Central, VIC	20/05/03	25,763	24,123	24,100	24,100	30/06/03	J O'Leary FAPI - M3 Property Strategists D Magree FAPI - M3 Property Strategists
Hinkler Shopping Centre, Bundaberg QLD	12/08/03	36,834	36,602	-	36,500	30/09/03	T Irving AAPI - CB Richard Ellis D Mohr AAPI - CB Richard Ellis
44 Biloela Street, Villawood, NSW	24/09/03	18,271	17,300	-	17,300	30/09/03	A Graham AAPI - Colliers International
Building 2, Riverside Quay, Southbank VIC	01/07/03	29,275	27,800	-	27,800	30/09/03	M Reynolds AAPI - Colliers International
Starhope Gardens, Newbury NSW	14/11/03	19,151	19,151	-	-	-	Internal Valuation 2003: Note (i)
8 Brisbane Ave, Canberra ACT	28/08/85	11,782	10,678	10,678	10,650	30/06/02	Philip Harding FAPI - Knight Frank
Perpetual Trustees Building, 10 Rudd St, Canberra ACT	15/10/87	19,056	15,788	15,750	15,750	30/06/03	Philip Harding FAPI - Knight Frank
54 Marcus Clarke St, Canberra ACT	15/10/87	21,802	14,974	14,974	14,900	30/06/02	Philip Harding FAPI - Knight Frank
St George Centre, 80 Marcus Clarke St, Canberra ACT	01/09/89	57,813	47,314	47,100	47,100	30/06/03	Philip Harding FAPI - Knight Frank
Burns Centre, 28 National Circuit, Canberra ACT	27/08/90	18,574	13,420	13,400	13,400	30/06/03	Philip Harding FAPI - Knight Frank
Arts House, 40 Macquarie St, Canberra ACT	08/12/95	17,081	16,783	16,780	16,750	30/06/02	Philip Harding FAPI - Knight Frank
38 Sydney Ave, Canberra ACT	28/06/98	34,133	33,805	33,805	33,800	30/06/02	Philip Harding FAPI - Knight Frank
The Optus Centre, 101-103 Miller St, North Sydney NSW	30/06/94	283,361	377,967	377,000	377,000	30/06/03	TM Phelan FAPI - Knight Frank KL Goddard FAPI - Knight Frank
The Metcentre, 80 Margaret St, Sydney NSW (50% interest)	06/08/98	170,591	156,421	154,000	154,000	30/06/03	P Macadam AAPI - Colliers International W Doherty AAPI - Colliers International
Capital works in progress		19,042	19,042	13,055	-	-	At cost
Land held for development & deposit on investment property		9,867	9,867	-	-	-	At cost
Mirvac Limited and controlled entities							
Endeavour House, 88-102 Meverly Road, Coogee, NSW	28/05/03	82,083	82,083	82,073	-	-	Internal Valuation 2003: Note (i)
Other Hotel Properties	various	40,755	40,755	40,003	37,086	-	Directors' Valuation 2003: Note (ii)
Elimination of inter-group charges		-	(1,846)	(2,240)			
Total Investment Properties		2,147,357	2,314,600	2,123,059			

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

7. INVESTMENT PROPERTIES (continued)

(i) Internal Valuations at 31 December 2003

Properties not externally valued during the reporting period are carried at internal (directors') valuation at 31 December 2003.

All other properties are carried at external valuation plus capital expenditure incurred since the date of external valuation.

The basis of valuation of investment properties is fair value being the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

(ii) Directors' Valuation at 31 December 2003 - Hotel properties

Freehold land and buildings and associated plant and equipment includes the plant and equipment associated with the operation of hotel management agreements, leasehold strata-titled interests in managed hotels and owned hotels.

The basis of valuation by directors of freehold land and buildings is the fair value of the properties at 30 June 2003.

8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Equity accounted investments include investments in joint ventures.

Joint Ventures - Aggregate share of assets and liabilities

	<u>Combined</u>		
	<u>31 DEC 2003</u>	<u>30 JUN 2003</u>	<u>31 DEC 2002</u>
	\$000	\$000	\$000
Current Assets	55,949	98,001	97,340
Non-current Assets	11,117	4,969	11,933
Total Assets	67,066	102,970	109,273
Current Liabilities	30,126	44,486	67,640
Non-current Liabilities	6,948	5,099	2,933
Total Liabilities	37,074	49,585	70,473
Net Assets	29,992	53,385	38,800

9. RETAINED PROFITS

Retained profits at the beginning of the half-year	119,562	92,393	77,634
Net profit attributable to the stapled security holders of The Mirvac Group	117,002	122,893	100,445
Dividends / Distributions provided for or paid	(108,274)	(102,679)	(85,686)
Aggregate of amounts transferred from reserves	0	6,955	0
Retained profits at the end of the half-year	128,290	119,562	92,393

10. CONTINGENT LIABILITIES

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

No material loss is anticipated.

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

	<u>Combined</u>	
	<u>31 DEC 2003</u>	<u>30 JUN 2003</u>
	\$000	\$000
	68,401	55,738

11. TAX CONSOLIDATION

Mirvac Limited and its wholly-owned Australian subsidiaries have decided to implement the tax consolidation legislation as of 1 July 2003.

The Australian Taxation Office has not yet been notified of this decision.

The entities have entered into a tax sharing agreement, which limits the tax liabilities of the entities forming the Tax Consolidated group.

As a consequence, Mirvac Limited, as the head entity in the tax consolidated group, will recognise current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled group in future financial statements as if those transactions, events and balances were its own, in addition to the current and deferred tax balances arising in relation to its own transactions, events and balances.

Amounts receivable or payable under the tax sharing agreement will be recognised separately by Mirvac Limited as tax-related amounts receivable or payable.

At the date of this report, the implementation of the tax consolidation regime is not expected to have a material impact on the carrying value of deferred tax assets and liabilities of the Mirvac Group as at 31 December 2003.

12. EVENTS OCCURRING SUBSEQUENT TO REPORTING DATE

a) Investment property acquisitions

Investment properties which are in the process of acquisition by Mirvac Property Trust and which have not been brought to account in the financial statements at 31 December 2003 are as follows:

	\$000
An industrial estate in Dandenong Victoria	11,525
An industrial estate in Villawood NSW	14,750
An industrial estate in Prestons NSW	22,000
	<u>48,275</u>

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2002

The directors declare that the financial statements and notes set out on pages 2 to 9:

- (a) comply with Accounting Standards and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the combined entity's financial position as at 31 December 2003 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that the combined entity 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 of Mirvac Limited and Mirvac Funds Limited as the Responsible Entity for Mirvac Property Trust.

Signed at Sydney this eighteenth day of February 2004.



R.J. HAMILTON
Director



D.J. BROIT
Director

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of The Mirvac Group does not present fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, the financial position of The Mirvac Group (defined below) as at 31 December 2003 and the results of its operations and cash flows for the half-year ended on that date.

This statement must be read in conjunction with the rest of our review report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for The Mirvac Group (the Group), for the half-year ended 31 December 2003.

The Group comprises Mirvac Limited and the entities it controlled during that half-year and Mirvac Property Trust and the entities it controlled during the half-year.

The directors of Mirvac Limited and Mirvac Funds Limited, as responsible entity for Mirvac Property Trust, are responsible for the preparation and presentation of the financial report in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We conducted an independent review in order for the Group to lodge the financial report with the Australian Stock Exchange. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly a view in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory financial reporting requirements in Australia, which is consistent with our understanding of the Group's financial position and the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- inquiries of Mirvac Limited and Mirvac Funds Limited personnel, and
- analytical procedures applied to financial data.

When this review report is included in a document containing information in addition to the financial report, our procedures include reading the other information to determine whether it contains any material inconsistencies with the financial report.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

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 followed applicable independence requirements of Australian professional ethical pronouncements.

PricewaterhouseCoopers
Chartered Accountants

B.K. Hunter
Partner

Sydney
18 February 2004