MIRVAC LIMITED
AND CONTROLLED ENTITIES

(ABN 92 003 280 699)

CONSOLIDATED FINANCIAL REPORT

30 JUNE 2004

CONTENTS

MIRVAC LIMITED
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Mirvac Limited and the entities it controlled at the end of, or during, the year ended 30 June 2004.

DIRECTORS

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

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

PRINCIPAL ACTIVITIES

The principal continuing activities of the consolidated entity are property development, hotel operations and property investment and management.

EARNINGS PER SHARE

	2004 Cents	2003 Cents
Basic earnings per share	**16.56**	15.90
Diluted earnings per share	**16.56**	15.90

ORDINARY DIVIDEND

The 2003 ordinary dividend of $14,818,803 (2.1995 cents per fully paid share) referred to in the directors' report dated 25 August 2003 was paid on 25 July 2003.

Details of dividends in respect of the current year are as follows:	2004 $000	2003 $000
Quarterly ordinary dividends paid as follows:		
3.160 cents per fully paid share paid on 24 October 2003 franked at 30%	**21,415**	
2.1989 cents per fully paid share paid on 25 October 2002 franked at 30%		13,702
3.200 cents per fully paid share paid on 30 January 2004 franked at 30%	**21,894**	
1.8285 cents per fully paid share paid on 31 January 2003 franked at 30%		11,394
3.240 cents per fully paid share paid on 30 April 2004 franked at 30%	**22,586**	
1.8418 cents per fully paid share paid on 24 April 2003 franked at 30%		12,402
3.280 cents per fully paid share paid on 30 July 2004 franked at 30%	**23,271**	
2.1995 cents per fully paid share paid on 25 July 2003 franked at 30%		14,818
Total dividends in respect of the year - 12.880 cents per fully paid share (2003: 8.0687 cents per fully paid share)	**89,166**	52,316

REVIEW OF OPERATIONS

A summary of consolidated revenues and results by significant industry segment is set out below:

	SEGMENT REVENUES		SEGMENT RESULTS	
	2004 $000	2003 $000	2004 $000	2003 $000
Property Development	**1,104,419**	1,160,867	**168,350**	144,781
Property Investment	**23,665**	19,422	**3,341**	1,079
Hotels	**99,034**	88,652	**6,227**	8,516
Unallocated / Eliminations	**33,055**	30,022	**(20,340)**	(12,362)
	1,260,173	1,298,963		
Profit from ordinary activities before income tax expense			**157,578**	142,014
Income tax expense			**43,445**	40,184
Net profit attributable to members of Mirvac Limited			**114,133**	101,830

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

Comments on the operations and the results of those operations are set out below:

(a) Property Development
Profit after tax increased by 16.7% to $121.252 million, reflecting contributions from major projects and a higher contribution from housing developments, as the division responds to changing market conditions by adjusting its residential product mix. Divisional sales revenue to external customers decreased by 4.4%, however, when allowing for the effect of a change in accounting policy in 2003, remained strong when compared to the prior period.

(b) Property Investment and Management
The division provides property management services to the consolidated entity and the stapled trusts at cost. Total sales revenue increased by 21.8% to $23.665 million mainly from property management services and a full year's rental income from an investment asset purchased in 2003. Profit after tax of $2.314 million is attributed to the rental income from the investment asset purchased in 2003.

(c) Hotels
Revenues for the year increased by 11.7% to 99.034 million as a result of an increase in average room rate from $162 to $168, and three new hotel properties adding to rooms under management. While revenue increased, profits after tax decreased by $21.4% to $4.706 million as several hotels underwent major refurbishments which removed the availability of rooms, and hotel start up costs for new hotels under management were expensed.

INTEREST RATE CONTRACTS

As part of the Board's overall risk management policy, the consolidated entity has entered into interest rate contracts to protect its finance facilities from exposure to increasing interest rates. The weighted average maturity of these contracts is 3.9 years.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

(a) Increase in Contributed Equity from $458.743 million to $499.977 million as a result of:	Stapled security price	$000
Issue of 382,070 fully paid ordinary shares of $1.1676 each under the distribution reinvestment plan	$4.41	446
Issue of 3,603,022 fully paid ordinary shares of $1.1695 each under an employee share scheme	$4.41	4,214
Issue of 6,421,220 fully paid ordinary shares of $1.0902 each under the distribution reinvestment plan	$4.11	7,000
Issue of 95,272 fully paid ordinary shares of $1.1265 each under an employee share scheme	$4.25	107
Issue of 6,495,802 fully paid ordinary shares of $1.1195 each under the distribution reinvestment plan	$4.22	7,272
Issue of 6,460,111 fully paid ordinary shares of $1.1195 each under a private placement on underwriting of distribution reinvestment plan	$4.22	7,232
Issue of 7,980,323 fully paid ordinary shares of $1.2160 each under the distribution reinvestment plan	$4.59	9,704
Issue of 4,325,048 fully paid ordinary shares of $1.2160 each under a private placement on underwriting of distribution reinvestment plan	$4.59	5,259
Net increase in Contributed Equity		41,234

The distribution reinvestment plan was open to all investors on 30 September 2003, when the previous maximum of 30,000 securities eligible for participation in the plan was removed.
The distribution reinvestment plan issues for the December 2003 and March 2004 quarters were fully underwritten by Merrill Lynch International (Australia) Ltd and J P Morgan Australia Ltd respectively.

(b) Issue of Commercial Mortgage Backed Securities

Series 2003 - 1 year Commercial Notes were issued for a total of $161.000 million on 28 May 2003, as $137.000 million Class 1 and $24.000 million Class 2 floating rate notes. The notes were repaid on 22 October 2003.
Series 2003 -1, 5 year Commercial Notes were issued for a total of $138.000 million on 22 October 2003, as $102.000 million Class 1 (AAA), $18.000 million Class 2 (AA) and $18.000 million Class 3 (A) fixed rate notes. The notes have a scheduled maturity date for repayment on 22 October 2008.
Series 2003 -2, 2 Year Commercial Notes were issued for a total of $120.000 million on 22 October 2003, as $88.000 million Class 1 (AAA), $16.000 million Class 2 (AA) and $16.000 million Class 3 (A) floating rate notes. The notes have a scheduled maturity date for repayment on 22 October 2005.
Additional series 2001-1 floating rate Commercial Notes were issued for a total of $140.000 million. The notes have a maturity date for repayment on 5 June 2006.
Additional series 2003-2 floating rate Commercial Notes were issued for a total of $40.000 million The notes have a maturity date for repayment on 22 October 2005.

The issue of the notes replaced bank-funded debt.

DIRECTORS' REPORT (continued)

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

At the date of this report, there is no other matter or circumstance which has arisen since 30 June 2004 that has significantly affected or may significantly affect:
(a) the consolidated entity's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the consolidated entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

In the opinion of the directors, it would prejudice the interests of the consolidated entity to provide additional information relating to likely developments in the operations of the consolidated entity, and the expected results of those operations in financial years subsequent to 30 June 2004.

ENVIRONMENTAL REGULATIONS

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

Property Development and Construction

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

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

Hotel Operations

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

Asset Management

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

INFORMATION ON DIRECTORS

Director, Experience and Areas of Special Responsibilities	PARTICULARS OF DIRECTORS' INTERESTS IN STAPLED SECURITIES OF THE GROUP Stapled Securities Quoted
The names of the directors of Mirvac Limited in office at the date of this report and details of their qualifications, experience and special responsibilities are set out below.	
ADRIAN J. LANE, B.A. LLB is the non-executive and independent Chairman of The Mirvac Group. Mr Lane brings 40 years of senior legal and commercial experience to the Board, with a strong commitment to good corporate governance and the interests of securityholders. He is a member of the Audit Risk & Compliance Committee and the Remuneration Committee, and is Chairman of the Nomination Committee. Mr Lane is chairman of The Smith Family and was chairman of OPSM Group Limited from 1980 to 2002. He has been a Mirvac director since 1996.	67,649
ROBERT J. HAMILTON, A.R.E.I., F.A.P.I. is the Managing Director of The Mirvac Group, Chairman of the Executive Committee and a member of the Nomination Committee. Mr Hamilton has extensive knowledge of the property investment and development industry and co-founded Mirvac in 1972. Since that time he has overseen its progress from being a Sydney-based development company to one of Australia's largest and most respected property groups. He has been on the Mirvac Board since 1987.	13,199,132

MIRVAC LIMITED
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DIRECTORS' REPORT (continued)

INFORMATION ON DIRECTORS (continued)

Director, Experience and Areas of Special Responsibilities (continued)	PARTICULARS OF DIRECTORS' INTERESTS IN STAPLED SECURITIES OF THE GROUP Stapled Securities
PAUL J. BIANCARDI, B Ec, FCA is a non-executive and independent director of The Mirvac Group, and is Chairman of the Audit Risk & Compliance Committee. Mr Biancardi has extensive experience in the areas of finance, taxation and human resources. He is a director of Crescent Capital Partners Limited. Mr Biancardi joined the Mirvac Board in 2001.	7,000
DENNIS J. BROIT, DIP. COMM., CPA is an executive director of The Mirvac Group and the Finance Director. He is a member of the Executive Committee. Mr Broit has more than 36 years experience in the property industry with specific expertise in the financing of property development. He has been closely associated with the Group since 1983 and has been a director of Mirvac since 1987.	1,061,053
ANNA BUDULS, B.A., M.Comm is a non-executive and independent director of The Mirvac Group. She is a member of the Audit Risk & Compliance Committee and Chairman of the Remuneration Committee. Ms Buduls has strong experience in investor relations, the media and corporate advisory. She is a director of SAI Global Limited, Macquarie Generation, The Smith Family and Hamilton James & Bruce Group Limited. She has been a director of Mirvac since 1997.	8,099
ROGER A. FORTUNE, F.A.P.I. is an executive director of The Mirvac Group and is a member of the Executive Committee. Mr Fortune has more than 36 years experience in the management of major residential, commercial and retail developments in Australia and overseas and has expertise in the area of hotel management. He has been a director of Mirvac since 1987.	1,135,713
GEOFFREY H. LEVY, B.Comm, LLB, ASIA is a non-executive and independent director of The Mirvac Group. Mr Levy has more than 21 years of experience in the financial and corporate advisory sectors. He is currently Chief Executive Officer of Investec Bank (Australia) Limited and its investment banking subsidiary, Investec Wentworth Pty Limited and holds non-executive directorships in other listed entities, being STW Group Limited and Ten Network Holdings Limited. He has been a director of Mirvac since 1997.	35,597
BARRY H.R. NEIL, B.E. (CIVIL) F.A.P.I. is an executive director of The Mirvac Group and Chief Executive Officer of the Investment Division. Mr Neil is a member of the Executive Committee. Mr Neil has more than 31 years of experience in construction and property development and asset management in Australia and overseas. He has been involved in the commercial development and property investment and management operations of Mirvac since 1983. Mr Neil has been a director of Mirvac since 1987.	1,259,357
THE HON. ROBERT J. WEBSTER is a non-executive and independent director of The Mirvac Group, and is a member of the Remuneration Committee and Nomination Committee. Mr Webster has extensive experience in politics and finance, as well as in human resources. Mr Webster is a senior executive of Korn Ferry and a director of Allianz Australia, Brickworks Ltd and Macquarie Generation. He has been a director of Mirvac since 1997.	12,911

MEETINGS OF DIRECTORS

The following table sets out the numbers of meetings of the company's board of directors (including meetings of committees of directors) held during the year ended 30 June 2004, and the numbers of meetings attended by each director.

	Full Meetings of Board of Directors	Meetings of Non-executive Directors	Directors' Executive Committee Meetings	Audit Risk & Compliance Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
Number of meetings held	8	1	12	8	4	1
Number of meetings attended by :						
A J Lane	8	1	*	8	4	1
R J Hamilton	8	*	12	*	*	1
P J Biancardi	8	1	*	8	*	*
D J Broit	7	*	11	*	*	*
A Buduls	8	1	*	8	4	*
R A Fortune	8	*	11	*	*	*
G H Levy	8	1	*	*	*	*
B H R Neil	8	*	9	*	*	*
R J Webster	8	1	*	*	4	1

* not a member of the relevant committee

DIRECTORS' REPORT (continued)

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Messrs P J Biancardi, D J Broit and G H Levy are directors retiring by rotation who, being eligible, offer themselves for re-election.

REMUNERATION REPORT

Principles used to determine the nature and amount of remuneration
The Mirvac Group remuneration policy seeks to ensure competitive, performance based remuneration in order to attract, retain and motivate the best talent in the industries in which it operates.
Performance Management and Performance Development are the core elements of our remuneration practices.

Structure of Remuneration
Remuneration is structured in the following components:

a) Fixed Remuneration
The key drivers of fixed remuneration are;
* Individual performance evaluated against predetermined objectives
* The competitive environment for the individual's skills and capabilities.

b) Short Term Variable Remuneration
The key drivers of variable remuneration are;
* Overall business or division performance against predetermined objectives
* Individual contribution to group or division performance.

c) Long Term Variable Remuneration
The key drivers of equity based remuneration are;
* Overall business performance
* Individual contribution
* Criticality of the role / individual
* Potential of the individual to undertake a more senior role in the longer term.

Review of Remuneration
a) Each component of remuneration is reviewed annually throughout the Group
b) The review is undertaken giving consideration to collected market data, individual performance and business performance
c) Recommendations are submitted by each manager to their manager
d) Recommendations are then reviewed by the Group Human Resources Manager and the relevant Executive Committee members
e) Staff who report directly to an Executive Committee member have their salaries reviewed by the Managing Director
f) Salaries of Executive Directors and members of the Executive Committee are determined by the Remuneration Committee.

The implementation of the Policy involves the provision of market competitive remuneration packages, limited, targeted use of short term incentives in the form of cash bonuses, and extensive awarding of long term incentives in the form of Mirvac securities issued under loan plans approved by Mirvac securityholders from time to time. Certain key executives are also invited to participate in an Executive Retention Plan that includes periodic forgiveness of loans.
In addition to the above there are a range of other benefits that employees may be offered. These are intended to encourage ongoing skills development and to engender company loyalty.

The Remuneration Committee exercises discretion in relation to payment of remuneration, including bonuses, and the recommendation of the issue of securities under the Employee Incentive Scheme (EIS) to executive directors and key executives. The Remuneration Committee exercises its discretion based on the Remuneration Policy summarised above. The EIS has been approved by securityholders, and the payment of equity remuneration to executive directors and to employees is made in accordance with that plan. No individual is directly involved in deciding his or her remuneration.

Remuneration of Directors and Divisional CEOs
Non-executive directors are remunerated by fees, including statutory superannuation. Non-executive directors do not receive options or bonus payments, and they do not participate in the EIS.
The remuneration of executive directors and the Divisional Chief Executive Officers is reviewed in detail by the Remuneration Committee and approved by the Board. Market competitive remuneration packages are paid to executives and strict criteria need to be met in order to determine the level of each executive's participation in either short or long term incentives. The major criteria include the attainment of personal key performance indicators (annually set for each individual executive) which involve divisional and group operational and financial goals, and Mirvac Group delivery of total securityholder returns.

Retirement Benefits
The only non-executive director entitled to retirement benefits is the Chairman. The benefit, previously in existence for the Chairman ceased to accrue and is capped at $361,200 as at 30 June 2003.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (continued)

Composition of the Remuneration Committee
The Remuneration Committee is comprised of non-executive independent directors, is chaired by Anna Buduls, and includes Robert Webster and Adrian Lane. The membership of the committee ensures it has financial, management and human resource expertise.
The Committee approves remuneration packages and policies applicable to the managing director, directors and senior executives. The total remuneration available for non-executive directors is approved by Mirvac securityholders.
The Committee also oversees the Group's employee incentive schemes, performance packages, superannuation entitlements, retirement and termination entitlements and fringe benefits policies. The Committee meets twice a year and as required. Where appropriate, the Committee seeks independent professional advice from third parties. The Charter of the Remuneration committee was last reviewed by the Board in June 2004.

Details of the nature and amount of each element of the emoluments of each director of Mirvac Limited and each of the five officers of the company and the consolidated entity receiving the highest emoluments for the year ended 30 June 2004 are set out in the following tables.

	Primary				Post-employment				
Directors of Mirvac Limited	Cash Salary and fees $	Bonuses $	Non-Cash Benefits $	Employee Loan Interest $	Super Contributions $	Total current employment cost $	Accrued Retirement Benefits $	Note	Addition of current cost of employment & future retirement benefits $
R J Hamilton	713,998	130,000	0	149,600	11,002	1,004,600	3,600,000	1	4,604,600
B H R Neil	496,574	120,000	47,092	214,964	16,334	894,964	0		894,964
D J Broit	466,008	120,000	81,972	192,074	12,020	872,074	0		872,074
R A Fortune	363,998	55,000	0	98,457	11,002	528,457	1,000,000	1	1,528,457
A J Lane	195,000	0	20,000	0	11,002	226,002	361,200	2	587,202
P J Biancardi	98,000	0	0	0	8,820	106,820	0		106,820
A Buduls	102,500	0	0	0	9,225	111,725	0		111,725
G H Levy	78,000	0	0	0	7,020	85,020	0		85,020
R J Webster	84,000	0	0	0	7,560	91,560	0		91,560
Total	2,598,078	425,000	149,064	655,095	93,985	3,921,222	4,961,200		8,882,422

	Primary				Post-employment				
Specified executives of the consolidated entity	Cash Salary and fees $	Bonuses $	Non-Cash Benefits $	Employee Loan Interest $	Super Contributions $	Total current employment cost $	Accrued Retirement Benefits $	Note	Addition of current cost of employment & future retirement benefits $
R P Lynch	421,613	120,000	0	177,582	13,387	732,582	0		732,582
C Freeman	360,575	110,000	0	157,274	74,426	702,275	0		702,275
A G Fini	402,881	74,000	0	75,915	32,119	584,915	0		584,915
M V O'Brien	266,524	74,000	103,623	65,527	69,996	579,670	0		579,670
I C Costley	395,000	50,000	0	69,542	40,000	554,542	0		554,542
Total	1,846,593	428,000	103,623	545,840	229,928	3,153,984	0		3,153,984

Note
1. Represents retirement benefit in recognition of years of service from commencement of employment in 1972, accrued during the year ended 30 June 2004 and payable only on retirement.
2. Represents retirement benefit in recognition of years of service from commencement of appointment in 1996, capped at $361,200, accrued during the year ended 30 June 2004 and payable only on retirement.

INSURANCE OF OFFICERS

During the financial year, the company paid a premium for an insurance policy insuring any past, present, or future director, secretary, executive officer or employee of the company or its subsidiaries against certain liabilities. In accordance with commercial practice, the insurance policy prohibits disclosure of the nature of the liabilities insured against and the amount of the premium.

AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

ROUNDING OF AMOUNTS TO THE NEAREST THOUSAND DOLLARS

The company 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 directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that class order.

Signed at SYDNEY this twenty sixth day of August 2004, in accordance with a resolution of the directors.

A. J. LANE
Chairman

D. J. BROIT
Director

STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Revenue from operating activities	2	**1,207,040**	1,243,494	**527**	734
Revenue from outside the operating activities (excluding share of net profits of associates and joint ventures)	2	**38,320**	33,811	**113,393**	70,533
Total revenue from ordinary activities		**1,245,360**	1,277,305	**113,920**	71,267
Cost of goods sold		**(832,329)**	(935,364)	**0**	0
Employee benefits expense		**(87,381)**	(73,026)	**(571)**	(466)
Depreciation and amortisation expenses	3	**(6,801)**	(6,903)	**0**	0
Borrowing costs expense	3	**(90,154)**	(66,893)	**0**	0
Other expenses from ordinary activities		**(85,874)**	(74,029)	**(1,519)**	(7,083)
Carrying amount of investment properties and property, plant & equipment sold		**(56)**	(734)	**0**	(9)
Share of net profits of associates and joint ventures		**14,813**	21,658	**0**	0
Profit from ordinary activities before related income tax expense		**157,578**	142,014	**111,830**	63,709
Income tax expense	4	**43,445**	40,184	**7,764**	2,613
Net profit attributable to members of Mirvac Limited	27	**114,133**	101,830	**104,066**	61,096
Net exchange differences on translation of financial report of foreign controlled entity	26 (b)	**435**	(814)	**0**	0
Total revenues and expenses and valuation adjustments attributable to members of Mirvac Limited recognised directly in equity		**435**	(814)	**0**	0
Total changes in equity attributable to members of Mirvac Limited other than those resulting from transactions with owners as owners		**114,568**	101,016	**104,066**	61,096
		Cents	Cents		
Basic earnings per share	37	**16.56**	15.90		
Diluted earnings per share	37	**16.56**	15.90		

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

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2004

	Notes	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
CURRENT ASSETS					
Cash assets		**246,998**	28,447	**208,884**	0
Receivables	5	**282,216**	218,860	**243,366**	139,472
Inventories	6	**608,471**	656,312	**0**	0
Other	7	**15,887**	11,551	**6,520**	2,193
TOTAL CURRENT ASSETS		**1,153,572**	915,170	**458,770**	141,665
NON-CURRENT ASSETS					
Receivables	8	**569,088**	423,468	**872,012**	795,357
Investments accounted for using the equity method	9	**79,357**	89,385	**0**	0
Other financial assets	10	**28**	28	**112,875**	112,875
Investment properties	11	**193,160**	122,076	**0**	0
Inventories	12	**618,767**	537,732	**0**	0
Plant and equipment	13	**17,132**	17,395	**1**	1
Intangible assets	14	**24,126**	25,473	**0**	0
Deferred tax assets	15	**7,688**	6,844	**10,352**	1,595
TOTAL NON-CURRENT ASSETS		**1,509,346**	1,222,401	**995,240**	909,828
TOTAL ASSETS		**2,662,918**	2,137,571	**1,454,010**	1,051,493
CURRENT LIABILITIES					
Payables	16	**139,274**	112,886	**389,261**	404
Interest bearing liabilities	17	**125,016**	86	**125,000**	0
Current tax liabilities	18	**20,522**	16,226	**20,855**	539
Provisions	19	**40,667**	26,255	**23,273**	14,821
Other	20	**5,134**	3,525	**0**	0
TOTAL CURRENT LIABILITIES		**330,613**	158,978	**558,389**	15,764
NON-CURRENT LIABILITIES					
Interest bearing liabilities	21	**1,529,183**	1,228,409	**143,000**	376,492
Payables	22	**75,500**	90,000	**154,436**	188,209
Deferred tax liabilities	23	**71,470**	70,934	**71,023**	0
Provisions	24	**2,914**	2,648	**0**	0
TOTAL NON-CURRENT LIABILITIES		**1,679,067**	1,391,991	**368,459**	564,701
TOTAL LIABILITIES		**2,009,680**	1,550,969	**926,848**	580,465
NET ASSETS		**653,238**	586,602	**527,162**	471,028
EQUITY					
Contributed equity	25	**499,977**	458,743	**499,977**	458,743
Reserves	26	**3,735**	3,300	**0**	0
Retained profits	27	**149,526**	124,559	**27,185**	12,285
TOTAL EQUITY		**653,238**	586,602	**527,162**	471,028

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

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STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		1,444,084	1,006,259	107,498	59,487
Payments to suppliers and employees (inclusive of goods and services tax)		(1,330,374)	(1,223,978)	0	0
		113,710	(217,719)	107,498	59,487
Interest received		38,158	32,727	27,393	15,533
Borrowing costs paid		(89,024)	(64,154)	0	0
Income taxes paid		(26,314)	(30,482)	(3,725)	(5,963)
Net cash inflows / (outflows) from operating activities	(b)	36,530	(279,628)	131,166	69,057
Cash flows from investing activities					
Payment for purchase of controlled entity		0	0	0	(8,000)
Payment for property, plant and equipment		(5,251)	(7,308)	0	0
Payment for investment properties		(69,431)	(82,578)	0	0
Contributions to joint venture operations / entities		(9,890)	(72,883)	0	0
Repayments from joint venture operations / entities		34,579	32,868	0	0
Proceeds from the sale of property and equipment		96	222	0	0
Net cash outflows from investing activities		(49,897)	(129,659)	0	(8,000)
Cash flows from financing activities					
Proceeds from borrowings		1,208,007	927,000	265,000	253,770
Repayment of borrowings		(782,218)	(516,000)	(143,481)	(336,605)
Debentures issued to related parties		(150,000)	0	0	0
Proceeds from issue of shares		12,493	52,450	12,493	52,450
Dividends paid		(56,294)	(48,672)	(56,294)	(48,672)
Net cash inflows / (outflows) from financing activities		231,988	414,778	77,718	(79,057)
Net increase / (decrease) in cash held		218,621	5,491	208,884	(18,000)
Cash at the beginning of the financial year		28,447	22,956	0	18,000
Effect of exchange rate change on cash		(70)	0	0	0
Cash at the end of the financial year	(a)	246,998	28,447	208,884	0

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

a) Reconciliation of Cash

For the purposes of the statements of cash flows, cash includes cash at bank, cash on hand and investments in money market instruments.
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the statement of financial position as follows :

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Cash on hand	215	208	0	0
Cash at bank	245,065	26,506	208,884	0
Deposits at call	1,718	1,733	0	0
Balance per statements of cash flows	246,998	28,447	208,884	0

Details of the consolidated entity's finance facilities are set out in note 21.
Dividends satisfied by the issue of shares under the dividend / distribution reinvestment plan are shown in note 25.

b) Reconciliation of profit from ordinary activities after income tax to net cash (outflows) / inflows from operating activities

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Profit from ordinary activities after related income tax	114,133	101,830	104,066	61,096
Depreciation and amortisation	6,801	6,903	0	0
Increase in provisions	1,226	1,964	0	5,000
Loss on sale of property, plant and equipment	(36)	438	0	0
Share of profits of joint ventures not received as distributions	(14,813)	(14,210)	0	0
Change in operating assets and liabilities -				
Increase / (Decrease) in income taxes payable	4,296	16,226	20,316	(1,880)
(Decrease) / Increase in tax effected balances	(308)	4,471	62,266	(1,470)
Increase in receivables	(54,143)	(30,944)	(147,432)	(111,354)
Increase in inventories	(33,194)	(471,403)	0	0
Increase in other assets	(2,727)	0	0	0
Increase in creditors	16,803	106,080	90,084	118,648
(Increase) / Decrease in bond / bill discount payable	(1,508)	(983)	1,866	(983)
Net cash inflows / (outflows) from operating activities	36,530	(279,628)	131,166	69,057

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, and the Corporations Act 2001. Unless otherwise stated, the accounting policies adopted are consistent with those adopted in the previous year. The financial statements are prepared in accordance with the historical cost convention, except for certain assets which, as noted, are stated at valuations. Comparative information is reclassified where appropriate to enhance comparability.

Stapled Securities traded on the Australian Stock Exchange
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 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.

Adoption of International Financial Reporting Standards
The Australian Accounting Standards Board (AASB) is adopting International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB will issue Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006. Information about how the transition to Australian equivalents to IFRS is being managed, and the key differences in accounting policies that are expected to arise, is set out in note 1 (x).

(a) Principles of Consolidation

The consolidated financial statements comprise the assets and liabilities of all entities controlled by Mirvac Limited ("company" or "parent entity") as at 30 June 2004 and the results of all controlled entities for the year then ended.
Mirvac Limited and its controlled entities together are referred to in this financial report as the consolidated entity.
The effects of all transactions between entities in the consolidated entity are eliminated in full.
Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated statement of financial performance and statement of financial position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of financial position from the date on which control commences.
Where control of an entity ceases during the year its results are included for that part of the year during which control existed.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the post-acquisition profits or losses of associates is recognised as revenue in the consolidated statement of financial performance, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. Associates are those entities over which the consolidated entity exercises significant influence, but not control.

Investments for joint ventures are accounted for as set out in note 1(q).

(b) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences.
The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts, at the rates which are expected to apply when those timing differences reverse.

Tax consolidation legislation
Mirvac Limited and its wholly-owned Australian controlled entities 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.

As a consequence, Mirvac Limited, as the head entity in the tax consolidated group, recognises current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under an accounting tax sharing agreement with the tax consolidated entities are recognised separately as tax-related amounts receivable or payable. Expenses and revenues arising under the tax sharing agreement are recognised as a component of income tax expense (revenue).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Income Tax (continued)

Tax consolidation legislation (continued)

The deferred tax balances recognised by the parent entity in relation to wholly-owned entities joining the tax consolidated group are measured based on their carrying amounts at the level of the tax consolidated group before the implementation of the tax consolidation regime.

(c) Foreign Currency Translation

(i) Foreign Controlled Entity
As the foreign controlled entity is self sustaining, its assets and liabilities are translated into Australian currency at rates of exchange current at balance date, while its revenues and expenses are translated at the average of rates ruling during the year. The foreign controlled entity is based in New Zealand. Exchange differences arising on translation are taken to the foreign currency translation reserve.

(d) Receivables and Revenue Recognition

(i) Revenue is recognised for the major business activities as follows:

Development projects - where a pre-completion exchanged contract exists and the outcome of the project can be reliably estimated, revenue is recognised by applying the percentage completion method to that proportion of the project represented by the pre-sold exchanged contracts. The threshold for the recognition of profits on pre-sold development projects is generally set at 50% of completion. Each project is assessed to determine whether the different risks and levels of uncertainty associated specifically to the project, require the threshold to be re-assessed so that uncertainties are reduced and the project revenues and expenses can be reliably estimated.
When the outcome of a project cannot be reliably estimated, costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.
Where it is probable that a loss will arise, the excess of costs over revenue is recognised as an expense immediately.
For development projects, or that part of the project, where no pre-sold exchanged contracts exist, revenue is recognised on settlement of contract of sale. (Refer to note 1(e)).

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

Hotel and other trade debtors - revenue is recognised when goods and services have been provided to the customer.

Investment properties - revenue is recognised when rental income is due and receivable.

(ii) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from date of recognition. Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists and in any event where the debt is more than 90 days overdue.

(e) Inventories

Inventories comprise development projects, construction contracts and hotel stock.

(i) Development Projects

Development projects are valued at the lower of cost and recoverable amount.
Cost includes the cost of acquisition, development, borrowing costs, plus recognised profits and foreign exchange differences during development, and is after crediting, where applicable, rental income relating to such projects during the development period.
After development is completed, borrowing costs, foreign exchange differences and other holding charges are expensed as incurred.
Where a pre-completion exchanged contract exists and the outcome of the project can be reliably estimated, profits are brought to account by applying the percentage completion method to that proportion of the project represented by the pre-sold exchanged contracts.
For development projects, or that part of the project, where no pre-sold exchanged contracts exist, profit is recognised on settlement of contract of sale.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Inventories (continued)

(ii) Construction Contracts

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

Contract costs include all costs directly related to specific contracts, and costs that are specifically chargeable to the customer under the terms of the contract (as determined for development projects).
The stage of completion is measured as a percentage complete of the construction contract, conditional upon the receipt of the first progress claim under the contract.

(f) Non-Current Assets

(i) Recoverable Amount of Non-Current Assets

The recoverable amount of an asset is the net amount expected to be recovered through net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs.

The expected net cash flows included in determining recoverable amounts of non-current assets are discounted to their present values using a Board-determined, risk adjusted discount rate.

(ii) Revaluation of Non-Current Assets

Subsequent to initial recognition as assets, land and buildings (including integral plant and equipment) classified as investment properties, are measured at fair value being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction.
Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from its fair value at the reporting date.

In respect of the regular revaluations of investment properties to assess fair market value, the revaluation adjustments are treated as follows: -
Revaluation increments are credited directly to the asset revaluation reserve, unless they are reversing a previous decrement recognised as an expense in net profit or loss, in which case the increment is recognised as revenue in net profit or loss.

Revaluation decrements are recognised as expenses in net profit or loss, unless they are reversing revaluation increments previously credited to, and still included in the balance of, the asset revaluation reserve in respect of that same class of assets, in which case they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets.

Potential capital gains tax is not taken into account in determining revaluation amounts unless it is expected that a liability for such tax will crystallise.

Investment Properties

Investment properties comprise investment interests in land and buildings (including integral plant and equipment) held for the purpose of letting to produce rental income, and include hotels and integral plant and equipment.

Investment properties (excluding hotels and integral plant and equipment) of Mirvac Limited and its controlled entities 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 valuation, are reviewed annually by the directors and if materially different from the carrying value, are either externally valued or adjusted to fair value.

Where a property is acquired during the financial year and not revalued externally at balance date, the costs of acquisition are capitalised and included in the carrying value of the property. Where an unconditional contract has been entered into for the purchase of an investment property, the purchase price including stamp duty is included in the carrying value of the property.

(g) Investments

Investments are recorded at the lower of cost or net realisable value and income is recognised in the statement of financial performance when received.
Information determined in accordance with the equity method of accounting is set out in note 31 in respect of investments in associated entities (joint venture partnerships). Associated entities are those entities, other than controlled entities, over which the consolidated entity exercises significant influence, but not control.

The interest in joint venture partnerships is accounted for as set out in note 1(q) (ii).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Depreciation of Plant and Equipment

Depreciation is calculated so as to write off the net cost of each item of plant and equipment over its expected useful life.
The expected useful lives are as follows:

Plant and equipment 3 to 15 years

(i) Leasehold Improvements

The cost of improvements to or on leasehold properties for office premises, is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter.
Leasehold improvements held at the reporting date are being amortised over periods to 10 years.

(j) Leased Non-Current Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets (finance leases), and operating leases under which the lessor effectively retains substantially all such risks and benefits (note 1(t)).

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments.
Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the consolidated entity will obtain ownership of the asset, the life of the asset. Lease assets held at the reporting date are being amortised over periods ranging up to 4 years.

(k) Intangible Assets

Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired, is brought to account as goodwill.
Goodwill is amortised using the straight line method, over periods not exceeding twenty years, being the period during which the future benefits are expected to arise.
The unamortised balance of goodwill is reviewed at each balance date, and written off to the statement of financial performance to the extent that the future benefits are no longer probable.

(l) Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Goodwill is brought to account on the basis described in note 1(k).

(m) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

(n) Interest Bearing Liabilities

Commercial notes, debentures, bills of exchange and bank overdrafts, are carried at their principal amounts. Interest is accrued over the period it becomes due and is recorded as other debtors, where prepaid, or other creditors, where payable.

(o) Dividends

Provision is made for the amount of any dividends declared, determined or publicly recommended by the directors of Mirvac Limited, on or before the end of the financial year but not distributed at balance date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(p) Interest Rate Agreements

The consolidated entity has entered into interest rate option agreements, and interest rate swap agreements, in order to fix exposure to fluctuations in interest rates.
The net amount receivable or payable under interest rate agreements is progressively brought to account over the period to settlement. The amount recognised is accounted for as an adjustment to interest and finance charges during the period and is included in other debtors or other creditors at each reporting date.

Where an interest rate swap is terminated early and the hedged anticipated transactions are no longer expected to occur as designated, the gains or losses arising on the swap upon its early termination are recognised in the statement of financial performance as at the date of the termination.
When the hedged anticipated transactions are still expected to occur as designated, the gains and losses on the swap upon its early termination are deferred and included on a systematic basis in the measurement of these anticipated interest transactions when they occur.
These financial instruments are not held for speculative purposes.

(q) Joint Ventures

(i) Joint Venture Operations

The proportionate interests in the assets, liabilities and expenses of unincorporated joint venture operations have been included in the financial statements under the appropriate headings. Details of the joint venture operations are set out in note 31.

(ii) Joint Venture Entities

Interests in joint venture entities are accounted for using the equity method. Under this method the share of the profits or losses of the entities are recognised in the statement of financial performance, and the share of movements in reserves in the statement of financial position. Details relating to the entities are set out in note 31.
Transactions with the joint venture entities are eliminated to the extent of the consolidated entity's ownership interest until such time as they are realised by the joint venture entities on consumption or sale.

(r) Employee benefits

(i) Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, annual leave and sick leave expected to be settled within twelve months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long Service Leave

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

(iii) Bonuses

A liability for bonuses payable is recognised in other creditors when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:
- there are formal terms for determining the amount of the benefit
- the amounts to be paid are determined before the time of completion of the financial report, or
- past practice gives clear evidence of the amount of the obligation.

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

(iv) Employee Benefit on-costs

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(s) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except as stated in note 1 (e)(i).
Borrowing costs include:
- interest on bank overdrafts and short - term and long-term borrowings
- amortisation of discounts or premiums relating to borrowings
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings
- certain exchange differences arising from foreign currency borrowings.

(t) Operating Leases

Operating leases are leases under which the lessor effectively retains substantially all risks and benefits incidental to ownership of the leased assets. Operating lease payments are charged to the statement of financial performance in the periods in which they are incurred.

(u) Earnings per Share

(i) Basic Earnings per Share

Basic earnings per share is determined by dividing the net profit after income tax attributable to the members of Mirvac Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of shares outstanding during the year, adjusted for bonus elements in ordinary shares, if any, issued during the year.

(ii) Diluted Earnings per Share

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

(v) Web site costs

Costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are considered to be expenses. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised as an asset and amortised over the period of the expected benefits, which approximates 3 years.

(w) Rounding of Amounts

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

(x) International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) is adopting International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB will issue Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The consolidated entity has established a project team to manage the transition to Australian equivalents to IFRS, including training of staff and system and internal control changes to gather all the required financial information. The project team is chaired by the Chief Financial Officer, and has prepared a timetable for managing the transition which is on schedule.
To date the project team has analysed most of the Australian equivalents to IFRS and has identified a number of accounting policy changes that will be required. In some cases, choices of accounting policies are available, including elective exemptions under Pending Accounting Standard AASB 1 - First time adoption of Australian Equivalents to International Financial Reporting Standards. Some of these choices are still being analysed to determine the most appropriate accounting policy for the consolidated entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(x) International Financial Reporting Standards (IFRS) (continued)

Major changes identified to date that will be required to the consolidated entity's existing accounting policies include the following:

(i) Income tax
Under the Australian equivalent to IAS 12 Income Taxes, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts directly in equity are also recognised directly in equity.
This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit and loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

(ii) Investment Properties
Under the Australian equivalent to IAS 40 - Investment Property, changes in fair value of investment properties will be adjusted through the statement of financial performance rather than through reserves.
Some investment properties classified as owner occupied, will be reclassified as property, plant and equipment and will have to be depreciated. Fair value adjustments are only recognised on an individual asset basis, not on a class of assets basis.

(iii) Intangible Assets - Goodwill
Under the Australian equivalent to IFRS 3 - Business Combinations, amortisation of goodwill will be prohibited, and will be replaced by annual impairment testing focusing on the cash flows of the related cash generating unit.
This will result in a change to the current accounting policy, under which goodwill is amortised on a straight line basis over the period during which the benefits are expected to arise and not exceeding 20 years.

(iv) Financial Instruments
Under the Australian equivalent to IAS 32 - Financial Instruments: Disclosure and Presentation, the current classification of financial instruments issued by entities in the consolidated entity will not change.
Under the Australian equivalent to IAS 39 - Financial Instruments: Recognition and Measurement there may be major impacts as a result of:
* financial assets held by the consolidated entity being subject to classification as either held for trading, held-to-maturity, available for sale or loans and receivables, and depending upon classification, measured at fair value or amortised cost.
* financial instruments must be recognised in the statement of financial position and all derivatives must be carried on the balance sheet at fair value. Movements in the fair value of cash flow hedges will be deferred in equity if the requirements for hedge accounting are met.

Under IAS 39, loans not at market rates of interest will be assessed at the net present value of the loans over the estimated term of repayment. On initial adoption of IFRS, the adjustment to net present value will require any variance to the carrying amount to be recognised directly to retained earnings with subsequent variances recognised directly to profit and loss.

(v) Changes to Accounting Policies
Under the Australian equivalent to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to Australian equivalents to IFRS, as not all standards have been analysed as yet, and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to Australian equivalents to IFRS on the consolidated entity's financial position and reported results.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2004

	Consolidated		Parent Entity	
	2004	2003	**2004**	2003
	$000	$000	**$000**	$000
2. REVENUE				
Revenue from operating activities				
Sales of goods	**811,581**	899,128	**0**	0
Rental income	**3,510**	336	**0**	0
Services	**391,949**	344,030	**527**	734
	1,207,040	1,243,494	**527**	734
Revenue from outside the operating activities				
Interest	**38,158**	32,727	**27,393**	15,533
Sale of non-current assets and property management business	**96**	1,084	**0**	0
Foreign exchange gains	**66**	0	**0**	0
Dividends	**0**	0	**86,000**	55,000
	38,320	33,811	**113,393**	70,533
Revenue from ordinary activities (excluding share of equity accounted net profits of associates and joint ventures)	**1,245,360**	1,277,305	**113,920**	71,267
Included in revenue from services is construction contract revenue of	**250,383**	213,644	**0**	0

3. PROFIT FROM ORDINARY ACTIVITIES

(a) Net gains and expenses
Profit from ordinary activities before related income tax expense includes the following specific net gains and expenses:

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Net gains				
Foreign exchange gain	**66**	2	**0**	0
Net gain on disposal of plant and equipment	**40**	0	**0**	0
Net gain on disposal of investment properties and property management business	**0**	750	**0**	0
Expenses				
Borrowing costs				
Interest and finance charges paid / payable	**98,175**	64,154	**0**	0
Less: Amount capitalised	**(62,616)**	(46,774)	**0**	0
Interest capitalised in current and prior year expensed this year	**54,595**	49,513	**0**	0
Borrowing costs expensed	**90,154**	66,893	**0**	0
Finance lease contingent rentals	**84**	84	**0**	0
Net loss on disposal of property, plant and equipment	**0**	400	**0**	0
Depreciation				
Plant & Equipment	**5,192**	4,940	**0**	0
Total Depreciation	**5,192**	4,940	**0**	0
Amortisation				
Goodwill	**1,347**	1,498	**0**	0
Office leasehold improvements	**248**	214	**0**	0
Equipment under finance lease	**14**	251	**0**	0
Total Amortisation	**1,609**	1,963	**0**	0
Other charges against assets				
Provision for loss on projects	**0**	(288)	**0**	0
Provision for diminution in value of investment	**0**	0	**0**	5,000
Bad & doubtful debts - trade debtors	**473**	21	**0**	0
Other Provisions				
Employee benefits	**6,226**	2,251	**0**	0
Total other provisions	**6,226**	2,251	**0**	0
Foreign exchange loss	**0**	45	**0**	0
Rental expense relating to operating leases	**22,194**	21,200	**0**	0

4. INCOME TAX

(a) Income tax expense

The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:

	Consolidated		Parent Entity	
	2004 $000	2003 $000	2004 $000	2003 $000
Profit from ordinary activities before income tax expense	157,578	142,014	111,830	63,709
Income tax calculated at 30% (2003:30%)	47,273	42,604	33,549	19,113
Tax effect of permanent differences -				
Non-deductible and non-assessable items	635	851	10	0
Capital profit on sale of building	(4,430)	0	0	0
Rebateable dividends	0	0	(25,800)	(16,485)
Income tax adjusted for permanent differences	43,478	43,455	7,759	2,628
Over provision in previous year	(33)	(3,271)	5	(15)
Income tax expense attributable to profit from ordinary activities before impact of tax consolidation	43,445	40,184	7,764	2,613
Profit from ordinary activities before income tax expense - tax consolidated group (excluding parent entity)			127,280	0
Income tax calculated at 30% (2003:30%)			38,184	0
Tax effect of permanent differences -				
Non-deductible and non-assessable items			195	0
Capital profit on sale of building			(4,117)	0
Income tax adjusted for permanent differences			34,262	0
Income tax expense - tax consolidated group (excluding parent entity)			34,262	0
			42,026	2,613
Net deferred tax liabilities of tax consolidated group entities assumed on implementation of tax consolidation	0	0	62,249	0
Compensation received from tax consolidated group entities	0	0	(96,511)	0
Aggregate income tax expense	43,445	40,184	7,764	2,613

(b) Tax losses

The amount of Future Income Tax Benefit at note 15 attributable to tax losses	0	0	0	0

The benefit of the tax losses will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised, or
(ii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation, and
(iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

4. INCOME TAX (continued)

(c) Tax consolidation legislation

Mirvac Limited and its wholly-owned Australian subsidiaries have decided to implement the tax consolidation legislation from 1 July 2003.
The Australian Taxation Office has not yet been notified of this decision.
The accounting policy on implementation of the legislation is set out in note 1(b).
The impact on the income tax expense for the year is disclosed in the tax reconciliation above.

The wholly-owned entities have fully compensated Mirvac Limited for deferred tax liabilities assumed by Mirvac Limited on the date of the implementation of the legislation and have been fully compensated for any deferred tax assets transferred to Mirvac Limited.

The entities have entered into a tax sharing and funding agreement. Under the terms of this agreement, the wholly-owned entities reimburse Mirvac Limited for any current income tax payable by Mirvac Limited arising in respect of their activities.
The reimbursements are payable at the same time as the associated income tax liability falls due and have therefore been recognised as a current tax-related receivable by Mirvac Limited (refer to note 5)
In the opinion of the directors, the tax sharing agreement is also a valid agreement under the tax consolidation legislation and limits the joint and several liability of the wholly-owned entities in the case of a default by Mirvac Limited.

5. CURRENT ASSETS - RECEIVABLES

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Trade debtors	**50,062**	23,773	**0**	0
Less: Provision for doubtful debts	**(677)**	(204)	**0**	0
	49,385	23,569	**0**	0
Amounts due from controlled entities	**0**	0	**96,323**	102,513
Amounts due from related entities	**184,929**	143,857	**0**	0
Amounts due from associated entities	**5,410**	350	**0**	0
Tax related amounts receivable from wholly-owned entities **	**0**	0	**82,819**	0
Income tax refunds	**0**	12,824	**0**	3,556
Other receivables	**42,492**	38,260	**64,224**	33,403
	282,216	218,860	**243,366**	139,472

Tax related amounts receivable from wholly-owned entities
** Refer to note 4 for details about tax sharing and compensation arrangements.

6. CURRENT ASSETS - INVENTORIES

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Development projects				
Cost of acquisition	**176,476**	221,198	**0**	0
Development costs and recognised profits	**285,552**	317,768	**0**	0
Rates and taxes	**9,503**	4,164	**0**	0
Borrowing costs capitalised during development	**22,385**	19,900	**0**	0
Provision for losses	**0**	0	**0**	0
	493,916	563,030	**0**	0
Construction work in progress (amount due from customers for contract work)				
Contract costs incurred and recognised profits less recognised losses	**523,863**	521,695	**0**	0
Less: Progress billings	**(410,087)**	(429,376)	**0**	0
	113,776	92,319	**0**	0

Amounts totalling $2,716,000 (2003: $2,587,000) received as advances on construction contracts in progress are included in consolidated trade creditors.
Total progress billings and advances received in relation to construction contracts in progress amount to $412,803,000 (2003: $431,963,000)

Hotel inventories	**779**	963	**0**	0
	608,471	656,312	**0**	0

Aggregate Carrying Amount of Inventories

Current - as above	**608,471**	656,312	**0**	0
Non-current (note 12)	**618,767**	537,732	**0**	0
	1,227,238	1,194,044	**0**	0

Inventories pledged as security
Refer to note 21 for information on assets pledged as security.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2004

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
7. CURRENT ASSETS - OTHER				
Prepayments	**10,753**	8,026	**6,520**	2,193
Right of Indemnity - deposits held in trust	**5,134**	3,525	**0**	0
	15,887	11,551	**6,520**	2,193
8. NON-CURRENT ASSETS - RECEIVABLES				
Loans to employees *	**38,821**	33,441	**38,821**	33,441
Loans to directors of the parent entity and specified executives *	**17,798**	14,961	**17,798**	14,961
Loans to directors of controlled entities *	**8,191**	11,195	**8,191**	11,195
Amounts owing by controlled entities	**0**	0	**807,202**	735,760
Other receivables	**22,278**	1,871	**0**	0
Debentures	**482,000**	362,000	**0**	0
	569,088	423,468	**872,012**	795,357

Loans to employees, directors and specified executives

* Loans advanced under approved Employee Incentive Scheme (note 38)

In accordance with the various Employee Share Schemes approved at the annual general meetings of the members of Mirvac Limited, Mirvac Property Trust and Mirvac Commercial Trust held on 1 November 2001, and the Employee Loan Scheme approved by a special resolution of the members of Mirvac Limited on 26 August 1987, loans have been made to directors of Mirvac Limited and Mirvac Funds Limited and certain directors, specified executives and employees of the controlled entities of Mirvac Limited. Further information in relation to loans to directors and specified executives is set out in note 35.

Debentures
Debentures issued to Mirvac Commercial Trust and Mirvac Property Trust under the terms of the issue of Commercial Notes borrowings - refer to note 21.
Debentures totalling $362.000 million are repayable on 5 June 2006 and $120.000 million repayable on 22 October 2005.

9. NON-CURRENT ASSETS - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Interests in joint ventures (note 31)	**79,357**	89,385	**0**	0

Interests in joint ventures include the following project entities:
Mirvac Lend Lease Village Consortium partnership - "Newington" in NSW: Walsh Bay Partnership - "Walsh Bay" in NSW: Mindarie joint venture arrangement - "Mindarie" in WA: Majestic Quays joint venture arrangement - "Majestic Quays" in WA: Panorama joint venture arrangement - "Panorama" in WA : Ephraim Island joint venture in Queensland: Burswood joint venture in WA.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2004

10. NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

Non-traded investments

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Shares in controlled entities	0	0	117,875	117,875
Provision for diminution in value of investment	0	0	(5,000)	(5,000)
	0	0	112,875	112,875
Shares / units in other corporations	28	28	0	0
Total non-traded investments - at cost	28	28	112,875	112,875

Shares held in controlled entities

NAME OF ENTITY		COUNTRY OF INCORP'N	CLASS OF SHARES	EQUITY HOLDING 2004 %	EQUITY HOLDING 2003 %
Mirvac Projects Pty Ltd and its controlled entities -		AUSTRALIA	ORDINARY	100	100
Ford Mirvac Unit Trust		AUSTRALIA	UNITS	100	100
Mirvac International Pty Ltd and its controlled entity -		AUSTRALIA	ORDINARY	100	100
Mirvac Developments NZ Ltd		NEW ZEALAND	ORDINARY	100	100
Mirvac Parking Pty Ltd		AUSTRALIA	ORDINARY	100	100
Mirvac Precinct 2 Pty Limited	*	AUSTRALIA	ORDINARY	100	100
Mirvac Projects No.2 Pty Ltd		AUSTRALIA	ORDINARY	100	100
Mirvac Property Advisory Services Pty Ltd		AUSTRALIA	ORDINARY	100	100
Mirvac (Walsh Bay) Pty Limited	*	AUSTRALIA	ORDINARY	100	100
Mirvac Woolloomooloo Pty Ltd and its controlled entities -		AUSTRALIA	ORDINARY	100	100
Mirvac Hotels Pty Ltd		AUSTRALIA	ORDINARY	100	100
Mirvac Funds Limited		AUSTRALIA	ORDINARY	100	100
Newington Homes Pty Limited		AUSTRALIA	ORDINARY	100	100
Planned Retirement Living Pty Ltd		AUSTRALIA	ORDINARY	100	100
Capital Property Management Limited (in voluntary liquidation)		AUSTRALIA	ORDINARY	100	100
HPA Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac (Beacon Cove) Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac Capital Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac Constructions Pty Ltd		AUSTRALIA	ORDINARY	100	100
Mirvac Constructions (Homes) Pty Ltd (incorporated on 7 April 2004) (note (a))	*	AUSTRALIA	ORDINARY	100	0
Mirvac Constructions (QLD) Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac Constructions (VIC) Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac Constructions (WA) Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac (Docklands) Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac Finance Pty Limited	*	AUSTRALIA	ORDINARY	100	100
Mirvac Fini Holdings Pty Limited	*	AUSTRALIA	ORDINARY	100	100
Mirvac Fini (WA) Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac George Street Pty Ltd (formerly Notron No 340 Pty Ltd)	*	AUSTRALIA	ORDINARY	100	100
Mirvac Homes (NSW) Pty Ltd		AUSTRALIA	ORDINARY	100	100
Mirvac Homes (QLD) Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac Homes (WA) Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac Home Builders (VIC) Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac International No. 3 Pty Ltd	*	AUSTRALIA	ORDINARY	100	100
Mirvac JV's Pty Limited	*	AUSTRALIA	ORDINARY	100	100
Mirvac Management Limited	*	AUSTRALIA	ORDINARY	100	100
Mirvac Mandurah Pty Limited	*	AUSTRALIA	ORDINARY	100	100
Mirvac Properties Pty Ltd		AUSTRALIA	ORDINARY	100	100
Mirvac Queensland Pty Ltd		AUSTRALIA	ORDINARY	100	100
Mirvac Real Estate Pty Ltd		AUSTRALIA	ORDINARY	100	100
Mirvac Treasury Limited	*	AUSTRALIA	ORDINARY	100	100
Mirvac Treasury No. 2 Pty Limited	*	AUSTRALIA	ORDINARY	100	100
Mirvac Treasury No. 3 Limited	*	AUSTRALIA	ORDINARY	100	100
Mirvac Victoria Pty Ltd		AUSTRALIA	ORDINARY	100	100

* Each of these entities has an issued share capital of less than $1,000.

(a) Acquisition of controlled entities
(i) Mirvac Constructions (Homes) Pty Ltd
The company was incorporated on 7 April 2004 with contributed equity of $2. The cash consideration for the acquisition was $2.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2004

11. NON-CURRENT ASSETS - INVESTMENT PROPERTIES

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Freehold land and buildings - investment property - At internal valuation (note (i))	**143,471**	82,073	**0**	0
Freehold land and buildings and associated plant and equipment - hotel properties				
At Directors' valuation 30 June 2004 (note (ii))	**49,689**	0	**0**	0
At Directors' valuation 30 June 2003 (note (ii))	**0**	40,003	**0**	0
	193,160	122,076	**0**	0

RECONCILIATION

A reconciliation of the carrying amounts of investment properties at the beginning and end of the current financial year is set out below:

Consolidated	Hotel Properties $000	Investment Property $000	Total $000
Carrying amount at 1 July 2003	40,003	82,073	122,076
Additions	9,722	61,398	71,120
Disposals	(36)	0	(36)
Carrying amount at 30 June 2004	49,689	143,471	193,160

Valuations

(i) Internal Valuation at 30 June 2004 - Investment property
Where a property is acquired during the financial year and not revalued externally at balance date, the costs of acquisition are capitalised and included in the carrying value of the property.

(ii) Directors' Valuation at 30 June 2004 and 30 June 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.

Non-current assets pledged as security

Refer to note 21 for information on non-current assets pledged as security.

12. NON-CURRENT ASSETS - INVENTORIES

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Development projects				
Cost of acquisition	**462,701**	396,285	**0**	0
Development costs and recognised profits	**96,531**	104,673	**0**	0
Rates and taxes	**11,063**	6,615	**0**	0
Borrowing costs capitalised during development	**21,905**	17,015	**0**	0
Provision for losses	**(428)**	(428)	**0**	0
	591,772	524,160	**0**	0
Construction work in progress (amount due from customers for contract work)				
Contract costs incurred and recognised profits less recognised losses	**26,995**	13,572	**0**	0
	618,767	537,732	**0**	0

13. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Office leasehold improvements				
At Cost	**1,510**	1,615	**0**	0
Less: accumulated amortisation	**(655)**	(553)	**0**	0
	855	1,062	**0**	0
Plant and equipment				
At Cost	**33,524**	37,277	**1**	1
Less: accumulated depreciation	**(17,266)**	(21,083)	**0**	0
	16,258	16,194	**1**	1

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
13. NON-CURRENT ASSETS - PLANT AND EQUIPMENT (continued)				
Plant and equipment under finance lease	104	433	0	0
Less: accumulated amortisation	(85)	(294)	0	0
	19	139	0	0
	17,132	17,395	1	1
SUMMARY:				
Plant and equipment,				
At Cost	35,034	38,892	1	1
Under finance lease	104	433	0	0
Less: accumulated depreciation / amortisation	(18,006)	(21,930)	0	0
	17,132	17,395	1	1

RECONCILIATION

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below:

	Office Leasehold Improvements $000	Plant and Equipment $000	Plant & Equip under finance lease $000	Total $000
Consolidated				
Carrying amount at 1 July 2003	1,062	16,194	139	17,395
Additions	53	5,279	0	5,332
Disposals	(12)	(23)	(106)	(141)
Depreciation / amortisation expense (note 3)	(248)	(5,192)	(14)	(5,454)
Carrying amount at 30 June 2004	855	16,258	19	17,132

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
14. NON-CURRENT ASSETS - INTANGIBLES				
Goodwill on acquisition of businesses and controlled entities	31,285	31,285	0	0
Less: Accumulated amortisation	(7,159)	(5,812)	0	0
	24,126	25,473	0	0
15. NON-CURRENT ASSETS - DEFERRED TAX ASSETS				
Future income tax benefit (note 4(b))	7,688	6,844	10,352	1,595
16. CURRENT LIABILITIES - PAYABLES				
Trade creditors	62,341	51,780	84	41
Other creditors and accruals	75,933	60,106	2,891	363
Amounts due to controlled entities	0	0	386,286	0
Amounts due to related entities	1,000	1,000	0	0
	139,274	112,886	389,261	404
17. CURRENT LIABILITIES - INTEREST BEARING LIABILITIES				
Bank Loans - secured (note 21)	125,000	0	125,000	0
Lease liabilities - secured (notes 21 and 33)	16	86	0	0
	125,016	86	125,000	0
18. CURRENT LIABILITIES - CURRENT TAX LIABILITIES				
Income tax	20,522	16,226	20,855	539
	20,522	16,226	20,855	539
19. CURRENT LIABILITIES - PROVISIONS				
Employee benefits (note 38)	17,394	11,434	0	0
Dividends	23,273	14,821	23,273	14,821
	40,667	26,255	23,273	14,821
20. CURRENT LIABILITIES - OTHER				
Deposits held in trust	5,134	3,525	0	0

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
21. NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES				
Bank overdraft	**0**	19,319	**0**	18,358
Commercial notes	**1,227,568**	850,926	**0**	0
Bank loans	**301,600**	358,134	**143,000**	358,134
Lease liabilities (note 33)	**15**	30	**0**	0
	1,529,183	1,228,409	**143,000**	376,492
Secured Liabilities				
The following liabilities are secured:				
Bank overdraft	**0**	19,319	**0**	18,358
Commercial notes	**1,352,568**	850,926	**0**	0
Bank loans	**301,600**	358,134	**268,000**	358,134
Lease liabilities	**31**	116	**0**	0
Total secured current and non-current liabilities	**1,654,199**	1,228,495	**268,000**	376,492

Security for Borrowings

Commercial Notes (Commercial Mortgage Backed Securities - CMBS)
The consolidated entity has three issues of commercial notes outstanding under its CMBS program as at 30 June 2004 as follows: $160,000,000 maturing on 22 October 2005 (2003: $161,000,000), $830,000,000 maturing on 5 June 2006 (2003: $690,000,000) and $138,000,000 maturing on 22 October 2008 (2003: $nil).
Interest is payable either quarterly or semi-annually in arrears in accordance with the terms of the notes.
The notes are secured by a first ranking real property mortgage over specific investment properties of Mirvac Property Trust and its controlled entities, members of the stapled Mirvac Group, and by a fixed and floating charge over some of the assets of the consolidated entity.

Mirvac Funds Limited, as the responsible entity of Mirvac Property Trust, has a joint and several liability for the notes, and has guaranteed the obligations of Mirvac Limited to the notes issues.

Multi-Option Presale Securitisation Program
The consolidated entity has two issues of medium term notes under its Multi-Option Presale Securitisation (MOPS) program as at 30 June 2004 as follows:
$125,000,000 notes maturing on 15 July 2004 (2003: $nil), and $100,000,000 notes maturing on 15 July 2005 (2003: $nil).
Interest is payable either quarterly or semi-annually in arrears in accordance with the terms of the notes. The notes are secured by a first ranking real property mortgage over specific items of inventory and by a fixed and floating charge over some of the assets of the consolidated entity.

Other bank borrowings
The consolidated entity has a syndicated multi-option borrowing facility totalling $505,000,000 (2003 - $505,000,000), maturing on 7 April 2007, which is secured by real property mortgages over inventory, a floating charge and an equitable charge over the assets and undertakings of the consolidated entity and a floating charge over the assets and undertakings of Mirvac Property Trust and its controlled entities.
Mirvac Funds Limited, as the responsible entity of Mirvac Property Trust, has a joint and several liability for the borrowings, and has guaranteed the obligations of Mirvac Limited to the multi-option borrowing facility.

The consolidated entity has a syndicated securitisation facility totalling $300,000,000 (2003: $300,000,000) maturing on 15 March 2005, which is secured by a specific charge over the assets securitised.
The securitisation facility may be drawn at any time. Interest rates on the facility are variable and are determined at the date of the securitisation.

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

Financing Arrangements	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Commercial notes (CMBS) repayable on 5 June 2006	**830,000**	690,000	**0**	0
Commercial notes (CMBS) repayable on 28 November 2003	**0**	161,000	**0**	0
Commercial notes (CMBS) repayable on 22 October 2005	**160,000**	0	**0**	0
Commercial notes (CMBS) repayable on 22 October 2008	**138,000**	0	**0**	0
Multi-Option Presale Securitisation notes repayable on 15 July 2004	**125,000**	0	**125,000**	0
Multi-Option Presale Securitisation notes repayable on 15 July 2005	**100,000**	0	**100,000**	0

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
21. NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES (continued)				
Financing Arrangements (continued)				
Total syndicated multi-option borrowing facility available at balance date	**505,000**	505,000	**505,000**	505,000
Total bank securitisation facility available at balance date (unutilised 2004 - $300,000,000; 2003 - $92,678,000)	**300,000**	300,000	**300,000**	300,000
Total unused bank credit available at balance date - multi-option borrowing facilities	**192,000**	118,000	**192,000**	118,000

Assets pledged as security
All the assets of the consolidated entity are pledged as security under a floating charge and an equitable charge for multi-option borrowing facilities.

22. NON-CURRENT LIABILITIES - PAYABLES

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Other accrual - deferred land payment	**75,500**	90,000	**0**	0
Amounts due to controlled entities	**0**	0	**154,436**	188,209
	75,500	90,000	**154,436**	188,209

23. NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Deferred income tax	**71,470**	70,934	**71,023**	0
	71,470	70,934	**71,023**	0

24. NON-CURRENT LIABILITIES - PROVISIONS

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Employee benefits (note 38)	**2,914**	2,648	**0**	0
	2,914	2,648	**0**	0

25. CONTRIBUTED EQUITY

	Parent Entity 2004 $000	Parent Entity 2003 $000
(i) Paid up capital		
Ordinary shares fully paid	**499,977**	458,743
	499,977	458,743

(ii) Movements in issued and paid up ordinary share capital of the company during the past two years were as follows:

Details	Date	Note	Number of Shares	Issue Price	Shares $000
Opening balance	30/06/02		618,041,902		398,815
Distribution reinvestment plan issues	26/07/02	(a)	440,704	$1.3073	576
Employee share scheme issues	22/08/02	(b)	3,688,440	$1.3197	4,868
Distribution reinvestment plan issues	25/10/02	(a)	556,044	$1.2747	709
Employee share scheme issues	07/11/02	(b)	435,000	$1.0923	475
Distribution reinvestment plan issues	31/01/03	(a)	444,175	$1.0720	476
Share placement with institutions	18/02/03	(c)	49,751,244	$1.0653	53,000
Less: Transaction costs associated with institutional placement		(c)			(550)
Employee share scheme issues	21/03/03	(b)	6,095	$1.0869	7
Distribution reinvestment plan issues	24/04/03	(a)	340,901	$1.0778	367
Closing balance	30/06/03		673,704,505		458,743
Distribution reinvestment plan issues	25/07/03	(a)	382,070	$1.1676	446
Employee share scheme issues	20/08/03	(b)	3,603,022	$1.1695	4,214
Distribution reinvestment plan issues	24/10/03	(a)	6,421,220	$1.0902	7,000
Employee share scheme issues	07/11/03	(b)	95,272	$1.2650	107
Distribution reinvestment plan issues	30/01/04	(a)	6,495,802	$1.1195	7,272
Share placement with institutions on underwriting of distribution reinvestment plan	30/01/04	(c)	6,460,111	$1.1195	7,232
Distribution reinvestment plan issues	30/04/04	(a)	7,980,323	$1.2160	9,704
Share placement with institutions on underwriting of distribution reinvestment plan	30/04/04	(c)	4,325,048	$1.2160	5,259
Closing balance	**30/06/04**		**709,467,373**		**499,977**

25. CONTRIBUTED EQUITY (continued)

(a) Dividend / Distribution Reinvestment Plan

The company, as part of The Mirvac Group whose securities are stapled, participates in The Mirvac Group distribution reinvestment plan. The distribution reinvestment plan was open to all investors on 30 September 2003, when the previous maximum of 30,000 securities eligible for participation in the plan was removed.
Under the distribution reinvestment plan, holders of ordinary securities may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary securities rather than being paid in cash.
Securities issued under the plan are issued at a 2% discount to the market price.

(b) Employee Share Scheme Issues

During the financial year 3,698,294 ordinary shares (2003: 4,129,535 shares) were issued to employees of Mirvac Limited and its controlled entities. The shares were issued at market price.
The total of ordinary stapled securities issued to employees under the Employee Incentive Scheme at 30 June 2004 is 17,342,778 (2003: 17,163,366). The market price per ordinary stapled security at 30 June 2004 was $4.30 (2003: $4.44).
Information relating to the employee share schemes is set out in note 38.

(c) Share placement with institutions

On 18 February 2003, The Mirvac Group issued 49,751,244 stapled securities as an institutional placement. The placement securities were issued at a price of $4.02 per security, which represented a 2.2% discount.
The funds raised from the private placement were used to retire debt and to fund investment acquisitions and growth opportunities.

Securities eligible for issue under the distribution reinvestment plan, and not taken up by securityholders, for the December 2003 and March 2004 quarter distributions, were placed with Merrill Lynch International (Australia) Ltd and JP Morgan Australia Ltd respectively, under underwriting agreements. The placement securities were issued at the same price as the distribution reinvestment plan issues.

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

26. RESERVES

	Consolidated		Parent Entity	
	2004	2003	**2004**	2003
	$000	$000	**$000**	$000
a) Composition				
Capital profits reserve	**4,706**	4,706	**0**	0
Currency fluctuation reserve	**(971)**	(1,406)	**0**	0
	3,735	3,300	**0**	0
b) Movements in Reserves were:				
Capital profits reserve				
Opening balance	**4,706**	4,706	**0**	0
Transfer from Asset revaluation reserve	**0**	0	**0**	0
Closing balance	**4,706**	4,706	**0**	0
Currency fluctuation reserve				
Opening balance	**(1,406)**	(592)	**0**	0
Increase in reserve due to translation of foreign controlled entity	**435**	(814)	**0**	0
Closing balance	**(971)**	(1,406)	**0**	0
Total reserves	**3,735**	3,300	**0**	0

c) Nature and purpose of Reserves

i) Capital reserve

The capital reserve is used to record the net revaluation increment or decrement on disposal of investment properties. The balance of the reserve may be transferred to retained earnings and used to satisfy distributions to shareholders.

ii) Currency fluctuation reserve

Exchange differences arising on translation of the foreign controlled entity of Mirvac Limited are taken to the foreign currency fluctuation reserve, as described in note 1(c) (i).

27. RETAINED PROFITS

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Retained profits at the beginning of the financial year	**124,559**	75,045	**12,285**	3,505
Net profit attributable to the shareholders of Mirvac Limited	**114,133**	101,830	**104,066**	61,096
Dividends provided for or paid	**(89,166)**	(52,316)	**(89,166)**	(52,316)
Retained profits at the end of the financial year	**149,526**	124,559	**27,185**	12,285

28. DIVIDENDS

Ordinary dividends

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Interim dividends paid fully franked @ 30% (2003: 30%)			**65,895**	37,495
Dividends proposed fully franked @ 30% (2003: 30%)			**23,271**	14,821
Total dividends provided for or paid			**89,166**	52,316

Dividends actually paid or satisfied by the issue of shares under the dividend / distribution reinvestment plan during the years ended 30 June 2004 and 2003 were as follows:

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Paid in cash			**56,294**	48,672
Satisfied by the issue of shares			**24,422**	2,130
			80,716	50,802

The franked portions of the proposed dividends will be franked out of existing franking credits as at the end of the financial year.

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Existing franking credits available			**522**	7,567
Franking credits available for subsequent financial years based on a tax rate of 30% (2003: 30%)	**18,659**	27,207	**522**	7,567

The above amounts represent the balances of the franking accounts as at the end of the financial year, adjusted for:

(a) franking credits that will arise from the payment of the current tax liability
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date, and
(d) franking credits that may be prevented from being distributed in subsequent financial years.

Franking credits of $28,121,000 were transferred from wholly-owned entities to the parent entity at the time these entities entered the tax consolidated group on 1 July 2003.

29. FINANCIAL INSTRUMENTS

(a) Derivative Instruments

Mirvac Limited and certain of its controlled entities are parties to derivative financial instruments in the normal course of business, in order to limit exposure to fluctuations in interest rates.
Under the terms of the Commercial Mortgage Backed Securities issues, a controlled entity of Mirvac Limited was required to enter into fixed interest rate agreements, whereby the controlled entity is obliged to pay a fixed interest rate of 9.25% if interest floating rates rise above 9.25%, for the period from 5 June 2006 to 5 December 2007. Mirvac Limited has sold an identical contract where it would receive 9.25% if interest rates rise above 9.25% for the period from 5 June 2006 to 5 December 2007.

Interest Rate Contracts

The consolidated entity has entered into interest rate contracts under which it is obliged to pay interest at fixed rates, to protect that part of the borrowing facilities subject to floating rates of interest, from exposure to increasing interest rates.
The contracts are settled on a net basis, with amounts receivable or payable settled immediately.

The consolidated entity has 70% (2003 - 67%) of the gross debt outstanding subject to fixed rates. The fixed interest rates range between 4.37% and 6.09% (2003: 5.75% and 5.99%). One contract of $50.000 million, commencing on 5 June 2005, will revert to floating rates if the 90 day Bill rate exceeds 7.5% for the 90 day period. Other contracts allow the variable interest rate to float between a minimum of 4.25% and a maximum of 6.00%

At 30 June 2004, the principal amounts and periods of expiry of the loans subject to interest rate swaps are as follows:	2004 $000	2003 $000
Less than 1 year	**50,000**	0
2 to 3 years	**100,000**	150,000
3 to 5 years	**400,000**	150,000
Over 5 years	**250,000**	400,000
	800,000	700,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2004

29. FINANCIAL INSTRUMENTS (continued)

(a) Derivative Instruments (continued)

Interest Rate Contracts (continued)
As these contracts fix exposure to future interest rate movements, any unrealised gains and losses on the contracts, are deferred and will be recognised in the measurement of the underlying transaction.
The net payment, which represents the present value of the difference between the consolidated entity's fixed interest commitment over the term of the contracts and the current cash rate, which would have occurred if the contracts were terminated at 30 June 2004 was a receipt of $4,937,000 (2003: Payment of $18,638,000).

(b) Interest Rate Risk Exposure
The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

30 June 2004	Notes	Floating interest rate $000	Fixed interest maturing in: 1 year or less $000	Over 1 to 5 years $000	More than 5 years $000	Non-interest bearing $000	Total $000
Financial Assets							
Cash		246,998	-	-	-	-	246,998
Debentures	8	161,000	-	321,000	-	-	482,000
Receivables	5,8	-	-	-	-	369,304	369,304
		407,998	0	321,000	0	369,304	1,098,302
Weighted average interest rate		5.42%	-	6.30%	-	-	-
Financial Liabilities							
Payables	16	-	-	-	-	139,274	139,274
Bank overdraft	21	-	-	-	-	-	0
Commercial notes	17,21	1,005,000	60,000	287,568	-	-	1,352,568
Bank loans	21	301,600	-	-	-	-	301,600
Lease liabilities	17,21	-	16	15	-	-	31
Interest rate contracts (notional principal amounts)		(800,000)	50,000	500,000	250,000	-	0
		506,600	110,016	787,583	250,000	139,274	1,793,473
Weighted average interest rate (excluding margin)		5.38%	4.90%	5.69%	5.99%	-	-
Net financial assets / (liabilities)		(98,602)	(110,016)	(466,583)	(250,000)	230,030	(695,171)

30 June 2003	Notes	Floating interest rate $000	Fixed interest maturing in: 1 year or less $000	Over 1 to 5 years $000	More than 5 years $000	Non-interest bearing $000	Total $000
Financial Assets							
Cash		28,447	-	-	-	-	28,447
Debentures	8	-	-	362,000	-	-	362,000
Receivables	5,8	-	-	-	-	306,328	306,328
		28,447	0	362,000	0	306,328	696,775
Weighted average interest rate		4.70%	-	6.71%	-	-	-
Financial Liabilities							
Payables	16	-	-	-	-	112,886	112,886
Bank overdraft	21	-	-	19,319	-	-	19,319
Commercial notes	17,21	440,000	161,000	249,926	-	-	850,926
Bills of exchange	21	358,134	-	-	-	-	358,134
Lease liabilities	17,21	-	86	30	-	-	116
Interest rate contracts (notional principal amounts)		(700,000)	-	700,000	-	-	0
		98,134	161,086	969,275	0	112,886	1,341,381
Weighted average interest rate (excluding margin)		4.83%	4.83%	5.64%	-	-	-
Net financial assets / (liabilities)		(69,687)	(161,086)	(607,275)	0	193,442	(644,606)

(c) Credit Risk Exposure
The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position is the carrying amount net of any provisions for doubtful debts. The consolidated entity does not have any material credit risk to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

(d) Net Fair Value of Financial Assets and Liabilities
The net fair value of cash and cash equivalents and other non-interest bearing financial assets and financial liabilities of the consolidated entity approximates their carrying value.
Commercial notes have a net fair value equal to their face value of $1,353,000,000.
The net fair value of financial assets or financial liabilities arising from interest rate swap agreements has been determined as the carrying amount, which represents the amount currently receivable or payable at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2004

30. RECEIVABLES AND PAYABLES DENOMINATED IN FOREIGN CURRENCIES

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Amounts not fully hedged				
Receivables				
Current,				
New Zealand dollars	**3,614**	2,710	**0**	0
Non-Current,				
New Zealand dollars	**0**	0	**0**	0
Payables				
Current,				
New Zealand dollars	**10**	5	**0**	0
Non-Current,				
New Zealand dollars	**0**	0	**0**	0

31. INTERESTS IN JOINT VENTURES

a) Joint Venture Operations

Joint venture operations are aggregated into the financial statements on the basis of the percentage participating interest in the joint venture as follows:

The Arbor on Grey Retail Joint Venture

A controlled entity has entered into a joint venture arrangement called The Arbor on Grey Retail Joint Venture to develop a retail property at Southbank, in Brisbane, Queensland.
The controlled entity has a 35% participating interest in the joint venture.
The property is still under development and has not contributed to the profit of the consolidated entity.

The consolidated entity's aggregate share of the assets employed in the joint venture is included in the consolidated statement of financial position under the following classifications: -	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Current Assets - Cash	**38**	22	**0**	0
Current Assets - Receivables	**71**	106	**0**	0
Non-Current Assets - Inventories - Development Costs	**1,135**	674	**0**	0
Share of assets employed in joint venture operations	**1,244**	802	**0**	0
Total aggregate joint venture operation's contribution to the profit of the consolidated entity	**0**	0	**0**	0

b) Joint Venture Entities

Joint venture entities include corporations, partnerships and other entities and are equity accounted and included in Interests in Joint Ventures - refer note 9.

Mirvac Lend Lease Village Consortium / Newington

A controlled entity has entered into a partnership agreement called Mirvac Lend Lease Village Consortium, with an entity related to a shareholder of the company, Lend Lease Corporation Limited. The partnership will develop residential and commercial property known as Newington The Olympic Village.
The controlled entity's interest in the partnership is based on the different precincts within the development site, which determine the partner's participation in the profit or loss of each precinct.

Walsh Bay Partnership

A controlled entity has entered into a partnership agreement called Walsh Bay Partnership, to jointly re-develop an eight hectare waterfront site known as Walsh Bay in Sydney. The controlled entity has a 50% participating interest in the partnership.

Mindarie Joint Venture

A controlled entity has entered into a joint venture arrangement to develop property for residential housing in Perth, Western Australia.
The controlled entity has a 15% participating interest in the joint venture.

Majestic Quays Joint Venture

A controlled entity has entered into a joint venture arrangement to develop property for residential housing in Perth, Western Australia.
The controlled entity has a 25% participating interest in the joint venture.
Where land is purchased from the joint venture, for development by the controlled entity, the development is included in inventories.

Panorama Joint Venture

A controlled entity has entered into a joint venture arrangement to develop property for residential housing in Perth, Western Australia.
The controlled entity has a 17% participating interest in the joint venture.

Ephraim Island Joint Venture

A controlled entity has entered into a joint venture arrangement to develop property for residential housing on Ephraim Island in Queensland.
The controlled entity has a 50% participating interest in the joint venture.

31. INTERESTS IN JOINT VENTURES (continued)

b) Joint Venture Entities (continued)

Burswood Joint Venture

A controlled entity of Mirvac Limited has acquired a 50% interest in the development company which will develop residential housing at Burswood, in Perth, Western Australia.

Aggregated information relating to the above joint venture entities presented in accordance with the accounting policy described in note 1(q)(ii) is set out below:

	Consolidated		Parent Entity	
	2004	2003	2004	2003
	$000	$000	$000	$000
Retained profits attributable to the entities				
At the beginning of the financial year	30,294	16,035	0	0
At the end of the financial year	46,162	30,294	0	0
Movement in carrying amount of investment in entities				
Carrying amount at the beginning of the financial year	89,385	30,744	0	0
New capital contributions	9,890	72,883	0	0
Distributions received	(13,852)	(7,448)	0	0
Repayment of capital contributions	(20,879)	(28,452)	0	0
Share of profits from ordinary activities before tax	14,813	21,658	0	0
Carrying amount at the end of the financial year	79,357	89,385	0	0
Joint Venture Entities - Aggregate share of entities' assets and liabilities				
Current assets	59,630	98,001	0	0
Non-current assets	73,151	40,969	0	0
Total assets	132,781	138,970	0	0
Current liabilities	41,986	44,486	0	0
Non-current liabilities	11,438	5,099	0	0
Total liabilities	53,424	49,585	0	0
Net Assets	79,357	89,385	0	0
Aggregate share of entities' revenues, expenses and results				
Revenues	98,693	157,640	0	0
Expenses	(83,880)	(135,982)	0	0
Profit from ordinary activities before income tax	14,813	21,658	0	0

(c) Other "Joint Venture Arrangements"

Other joint venture arrangements conducted by various controlled entities of the group, involve development projects and construction contracts carried out in conjunction with joint venture parties as follows:

Bunker Bay - a construction contract with a development company in Western Australia, which is included in inventories.
Docklands - a contract with the Victorian government for the progressive purchase of land in Victoria for development purposes, which is included in inventories.
Stanhope Gardens - a construction contract with Landcom to construct residential housing in NSW, which is included in inventories.
Woodcroft - a construction contract with CSR to construct residential housing in NSW, which is included in inventories.
Waterline Bulimba - a construction contract with Roche Group to construct residential housing in Queensland, which is included in inventories.
Park Hill - a construction contract with Canon Hill Developments Pty Ltd to construct residential housing in Queensland, which is included in inventories.
Beacon Cove - a contract with the Victorian government to purchase and develop land, which is included in inventories.

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2004

	Consolidated		Parent Entity	
	2004	2003	**2004**	2003
	$000	$000	**$000**	$000
32. CONTINGENT LIABILITIES				
Contingent liabilities in respect of certain performance guarantees granted in the normal course of business	**65,043**	55,738	**65,043**	55,738

No material loss is anticipated.

The consolidated 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.

33. COMMITMENTS FOR EXPENDITURE

Capital Commitments

Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities payable:

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Not later than one year	**111,972**	6,544	**0**	0
Later than one year but not later than 5 years	**58,343**	63,266	**0**	0
Later than 5 years	**0**	0	**0**	0
	170,315	69,810	**0**	0

Lease Commitments

Operating Leases

Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Not later than one year	**16,364**	14,819	**0**	0
Later than one year but not later than 5 years	**22,371**	28,640	**0**	0
Later than 5 years	**18,745**	20,205	**0**	0
	57,480	63,664	**0**	0

Finance Leases

Commitments in relation to finance leases are payable as follows:

	Consolidated 2004 $000	Consolidated 2003 $000	Parent Entity 2004 $000	Parent Entity 2003 $000
Not later than one year	**16**	84	**0**	0
Later than one year but not later than 5 years	**16**	36	**0**	0
Later than 5 years	**0**	0	**0**	0
Minimum lease payments	**32**	120	**0**	0
Less: Future finance charges	**(1)**	(4)	**0**	0
Provided for in the accounts	**31**	116	**0**	0
Representing lease liabilities:				
Current (note 17)	**16**	86	**0**	0
Non-current (note 21)	**15**	30	**0**	0
	31	116	**0**	0

The weighted average interest rate implicit in the leases is 7.7% (2003: 7.7%).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2004

34. CONSOLIDATED SEGMENTAL INFORMATION

PRIMARY REPORTING - BUSINESS SEGMENTS	Property Development $000	Hotels $000	Property Investment $000	Eliminations/ Unallocated $000	Consolidated Totals $000
30 JUNE 2004					
Sales to external customers	**1,085,383**	**98,081**	**23,576**	**0**	**1,207,040**
Intersegment sales	**0**	**780**	**0**	**(780)**	**0**
Total sales revenue	**1,085,383**	**98,861**	**23,576**	**(780)**	**1,207,040**
Share of net profits of associates and joint ventures	**14,813**	**0**	**0**	**0**	**14,813**
Other revenue including sale of investment properties	**4,223**	**173**	**89**	**33,835**	**38,320**
Total segment revenue	**1,104,419**	**99,034**	**23,665**	**33,055**	**1,260,173**
Segment result before interest and income tax	**226,826**	**6,231**	**3,341**	**11,334**	**247,732**
Net interest allocated	**58,476**	**4**	**0**	**31,674**	**90,154**
Profit/(Loss) from ordinary activities after interest and before related income tax expense	**168,350**	**6,227**	**3,341**	**(20,340)**	**157,578**
Income tax expense	**47,098**	**1,521**	**1,027**	**(6,201)**	**43,445**
Net Profit / (Loss)	**121,252**	**4,706**	**2,314**	**(14,139)**	**114,133**
Total Assets	**1,383,030**	**80,968**	**191,867**	**1,007,053**	**2,662,918**
Total Liabilities	**1,105,799**	**16,776**	**7,059**	**880,046**	**2,009,680**
Investments in associates and joint ventures	**79,357**	**0**	**0**	**0**	**79,357**
Acquisition of property, plant and equipment, intangibles and other non-current assets	**4,013**	**9,004**	**63,216**	**628**	**76,861**
Depreciation and amortisation expense	**5,314**	**342**	**113**	**1,032**	**6,801**
30 JUNE 2003					
Sales to external customers	1,135,611	88,643	19,240	0	1,243,494
Intersegment sales	0	0	0	0	0
Total sales revenue	1,135,611	88,643	19,240	0	1,243,494
Share of net profits of associates and joint ventures	21,658	0	0	0	21,658
Other revenue including sale of investment properties	3,598	9	182	30,022	33,811
Total segment revenue	1,160,867	88,652	19,422	30,022	1,298,963
Segment result before interest and income tax	184,305	8,531	1,079	14,992	208,907
Net interest allocated	39,524	15	0	27,354	66,893
Profit/(Loss) from ordinary activities after interest and before related income tax expense	144,781	8,516	1,079	(12,362)	142,014
Income tax expense	40,894	2,525	367	(3,602)	40,184
Net Profit / (Loss)	103,887	5,991	712	(8,760)	101,830
Total Assets	1,423,168	76,490	111,123	526,790	2,137,571
Total Liabilities	956,624	18,604	5,625	570,116	1,550,969
Investments in associates and joint ventures	89,385	0	0	0	89,385
Acquisition of property, plant and equipment, intangibles and other non-current assets	4,737	1,974	82,260	1,051	90,022
Depreciation and amortisation expense	5,405	563	83	852	6,903

34. CONSOLIDATED SEGMENTAL INFORMATION (continued)

(a) Business Segments

The consolidated entity is organised into the following business segment divisions.
Property Development - Construction and property development of residential, commercial and retail development projects throughout Australia.
Hotels - Hotel ownership and management of high quality branded serviced apartments, hotels and resorts, throughout Australia and New Zealand.
Property Investment - Property and asset management and car parking operations throughout Australia.

(b) Geographical Segment

The consolidated entity operates predominantly in Australia.

(c) Inter-segment transfers

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

35. DIRECTOR AND EXECUTIVE DISCLOSURES

Directors

The following persons were directors of Mirvac Limited during the financial year:

Chairman - non-executive
A J Lane

Executive directors
R J Hamilton, Managing Director
D J Broit, Finance Director
R A Fortune
B H R Neil, CEO Investments Division

Non-executive directors
P J Biancardi
A Buduls
G H Levy
R J Webster

Specified Executives

The following persons were the five specified executives of the consolidated entity during the year ended 30 June 2004.

Name	Position	Employer
I C Costley	Chief Executive NSW Development	Mirvac Projects Pty Limited
A G Fini	Chief Executive Mirvac Fini	Mirvac Fini (WA) Pty Limited
C Freeman	Chief Executive Queensland	Mirvac Projects Pty Limited
R P Lynch	Chief Executive Mirvac Homes NSW	Mirvac Constructions Pty Limited
M V O'Brien	Chief Executive Victoria	Mirvac Projects Pty Limited

Remuneration of directors and executives

Principles used to determine the nature and amount of remuneration
The Mirvac Group remuneration policy seeks to ensure competitive, performance based remuneration in order to attract, retain and motivate the best talent in the industries in which it operates.
Performance Management and Performance Development are the core elements of our remuneration practices.

Structure of Remuneration
Remuneration is structured in the following components:

a) Fixed Remuneration
The key drivers of fixed remuneration are;
* Individual performance evaluated against predetermined objectives
* The competitive environment for the individual's skills and capabilities.

35. DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

Remuneration of directors and executives (continued)

Structure of Remuneration (continued)

b) Short Term Variable Remuneration
The key drivers of variable remuneration are;
* Overall business or division performance against predetermined objectives
* Individual contribution to group or division performance.

c) Long Term Variable Remuneration
The key drivers of equity based remuneration are;
* Overall business performance
* Individual contribution
* Criticality of the role / individual
* Potential of the individual to undertake a more senior role in the longer term.

Review of Remuneration
a) Each component of remuneration is reviewed annually throughout the Group
b) The review is undertaken giving consideration to collected market data, individual performance and business performance
c) Recommendations are submitted by each manager to their manager
d) Recommendations are then reviewed by the Group Human Resources Manager and the relevant Executive Committee members
e) Staff who report directly to an Executive Committee member have their salaries reviewed by the Managing Director
f) Salaries of Executive Directors and members of the Executive Committee are determined by the Remuneration Committee.

The implementation of the Policy involves the provision of market competitive remuneration packages, limited, targeted use of short term incentives in the form of cash bonuses, and extensive awarding of long term incentives in the form of Mirvac securities issued under loan plans approved by Mirvac securityholders from time to time. Certain key executives are also invited to participate in an Executive Retention Plan that includes forgiveness of loans.
In addition to the above there are a range of other benefits that employees may be offered. These are intended to encourage ongoing skills development and to engender company loyalty.

The Remuneration Committee exercises discretion in relation to payment of remuneration, including bonuses, and the recommendation of the issue of securities under the Employee Incentive Scheme (EIS) to executive directors and key executives. The Remuneration Committee exercises its discretion based on the Remuneration Policy summarised above. The EIS has been approved by securityholders, and the payment of equity based remuneration to executive directors and to employees is made in accordance with that plan. No individual is directly involved in deciding his or her remuneration.

Remuneration of Directors and Divisional CEOs
Non-executive directors are remunerated by fees, including statutory superannuation. Non-executive directors do not receive options or bonus payments, and they do not participate in the EIS.
The remuneration of executive directors and the Divisional Chief Executive Officers is reviewed in detail by the Remuneration Committee and approved by the Board. Market competitive remuneration packages are paid to executives and strict criteria need to be met in order to determine the level of each executive's participation in either short or long term incentives. The major criteria include the attainment of personal key performance indicators (annually set for each individual executive) which involve divisional and group operational and financial goals, and Mirvac Group delivery of total securityholder returns.

Retirement Benefits
The only non-executive director entitled to retirement benefits is the Chairman. The benefit, previously in existence for the Chairman ceased to accrue and is capped at $361,200 as at 30 June 2003.

Composition of the Remuneration Committee
The Remuneration Committee is comprised of non-executive independent directors, is chaired by Anna Buduls, and includes Robert Webster and Adrian Lane. The membership of the committee ensures it has financial, management and human resource expertise.
The Committee approves remuneration packages and policies applicable to the managing director, directors and senior executives. The total remuneration available for non-executive directors is approved by Mirvac securityholders.
The Committee also oversees the Group's employee incentive schemes, performance packages, superannuation entitlements, retirement and termination entitlements and fringe benefits policies. The Committee meets twice a year and as required. Where appropriate, the Committee seeks independent professional advise from third parties. The Charter of the Remuneration committee was last reviewed by the Board in June 2004.

Employee Share Schemes
Information of the Employee Share Schemes, which are available to the executive directors and specified executives, is set out in note 38.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2004

35. DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

Details of remuneration

Details of the remuneration of each director of Mirvac Limited and each of the five specified executives of the consolidated entity, including their personally-related entities, are set out in the following tables.

2004	Primary				Post-employment	Total current employment cost	Accrued Retirement Benefits	Note	Addition of current cost of employment & future retirement benefits
Directors of Mirvac Limited	Cash Salary and fees $	Bonuses $	Non-Cash Benefits $	Employee Loan Interest $	Super Contributions $	$	$		$
R J Hamilton	713,998	130,000	0	149,600	11,002	1,004,600	3,600,000	1	4,604,600
B H R Neil	496,574	120,000	47,092	214,964	16,334	894,964	0		894,964
D J Broit	466,008	120,000	81,972	192,074	12,020	872,074	0		872,074
R A Fortune	363,998	55,000	0	98,457	11,002	528,457	1,000,000	1	1,528,457
A J Lane	195,000	0	20,000	0	11,002	226,002	361,200	2	587,202
P J Biancardi	98,000	0	0	0	8,820	106,820	0		106,820
A Buduls	102,500	0	0	0	9,225	111,725	0		111,725
G H Levy	78,000	0	0	0	7,020	85,020	0		85,020
R J Webster	84,000	0	0	0	7,560	91,560	0		91,560
Total	2,598,078	425,000	149,064	655,095	93,985	3,921,222	4,961,200		8,882,422

2003	Primary				Post-employment	Total current employment cost	Accrued Retirement Benefits	Note	Addition of current cost of employment & future retirement benefits
Directors of Mirvac Limited	Cash Salary and fees $	Bonuses $	Non-Cash Benefits $	Employee Loan Interest $	Super Contributions $	$	$		$
R J Hamilton	694,481	175,000	0	135,913	10,519	1,015,913	0		1,015,913
B H R Neil	477,127	150,000	49,993	151,904	16,238	845,262	0		845,262
D J Broit	449,401	150,000	81,972	141,890	11,537	834,800	0		834,800
R A Fortune	349,481	80,000	0	90,639	10,519	530,639	0		530,639
A J Lane	161,481	0	0	0	10,519	172,000	0		172,000
P J Biancardi	78,899	0	0	0	7,101	86,000	0		86,000
A Buduls	85,899	0	0	0	7,730	93,629	0		93,629
G H Levy	61,926	0	0	0	5,574	67,500	0		67,500
R J Webster	67,890	0	0	0	6,110	74,000	0		74,000
Total	2,426,585	555,000	131,965	520,346	85,847	3,719,743	0		3,719,743

Note
1. Represents retirement benefit in recognition of years of service from commencement of employment in 1972, accrued during the year ended 30 June 2004 and payable only on retirement.
2. Represents retirement benefit in recognition of years of service from commencement of appointment in 1996, capped at $361,200, accrued during the year ended 30 June 2004 and payable only on retirement.

2004	Primary				Post-employment	Total current employment cost	Accrued Retirement Benefits	Note	Addition of current cost of employment & future retirement benefits
Specified executives of the consolidated entity	Cash Salary and fees $	Bonuses $	Non-Cash Benefits $	Employee Loan Interest $	Super Contributions $	$	$		$
R P Lynch	421,613	120,000	0	177,582	13,387	732,582	0		732,582
C Freeman	360,575	110,000	0	157,274	74,426	702,275	0		702,275
A G Fini	402,881	74,000	0	75,915	32,119	584,915	0		584,915
M V O'Brien	266,524	74,000	103,623	65,527	69,996	579,670	0		579,670
I C Costley	395,000	50,000	0	69,542	40,000	554,542	0		554,542
Total	1,846,593	428,000	103,623	545,840	229,928	3,153,984	0		3,153,984

2003	Primary				Post-employment	Total current employment cost	Accrued Retirement Benefits	Note	Addition of current cost of employment & future retirement benefits
Specified executives of the consolidated entity	Cash Salary and fees $	Bonuses $	Non-Cash Benefits $	Employee Loan Interest $	Super Contributions $	$	$		$
R P Lynch	401,613	150,000	0	136,151	13,387	701,151	0		701,151
C Freeman	366,000	100,000	0	73,370	49,000	588,370	0		586,370
A G Firri	372,881	70,000	0	49,500	32,119	524,500	0		524,500
M V O'Brien (from 1/9/2002 to 30/6/2003)	207,046	60,000	69,895	9,954	63,333	410,228	0		410,228
I C Costley	290,750	50,000	0	34,155	40,000	414,905	0		414,905
Total	1,638,290	430,000	69,895	303,130	197,839	2,639,154	0		2,639,154

35. DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

Details of remuneration (continued)

Service Agreements

Remuneration and other terms of employment for the Managing Director, Executive Director Finance, Chief Executive Investments and Divisional Chief Executives are formalised in Service Agreements and where applicable Executive Loan Agreements.
The primary terms of the agreements relating to remuneration are set out below.

R J Hamilton, Managing Director
* Term of agreement - commencing 28 June 2004
* Period of notice - three months by either party
* Total fixed remuneration - inclusive of superannuation for the year ended 30 June 2005, $750,000 to be reviewed annually by the Remuneration Committee
* On termination of employment for any reason other than for gross misconduct, an amount equal to five times average remuneration for the past three years.
* The agreement details obligations of the employee with regards to confidentiality and intellectual property during employment and subsequent to termination.

D J Broit, Executive Director Finance
* Term of agreement - commencing 15 June 2004
* Period of notice - three months by either party
* Total fixed remuneration - inclusive of superannuation for the year ended 30 June 2005, $580,000 to be reviewed annually by the Remuneration Committee
* Payment of termination benefit on early termination by the employer other than for poor performance or serious misconduct, equal to nine months fixed remuneration
* In the event of constructive dismissal or redundancy, a loan forgiveness of an amount equal to the lesser of the balance of the loan owing to the Company issued under the Employee Loan Scheme and $1 million excluding any amount owing under the Employee Share Scheme.
* The agreement details obligations of the employee with regards to confidentiality and intellectual property during employment and subsequent to termination.

B H R Neil, Executive Director - Chief Executive Investments
* Term of agreement - commencing 15 June 2004
* Period of notice - three months by either party
* Total fixed remuneration - inclusive of superannuation for the year ended 30 June 2005, $580,000 to be reviewed annually by the Remuneration Committee
* Payment of termination benefit on early termination by the employer other than for poor performance or serious misconduct, equal to nine months fixed remuneration
* In the event of constructive dismissal or redundancy, a loan forgiveness of an amount equal to the lesser of the balance of the loan owing to the Company issued under the Employee Loan Scheme and $1 million excluding any amount owing under the Employee Share Scheme.
* The agreement details obligations of the employee with regards to confidentiality and intellectual property during employment and subsequent to termination.

R A Fortune, Executive Director
* Term of agreement - commencing 7 June 2004
* Period of notice - three months by either party
* Total fixed remuneration - inclusive of superannuation for the year ended 30 June 2005, $388,000 to be reviewed annually by the Remuneration Committee
* On termination of employment for any reason other than for gross misconduct, an amount equal to $1 million after tax.

R P Lynch, Chief Executive Mirvac Homes NSW
* Term of agreement - commencing 15 June 2004
* Period of notice - three months by either party
* Total fixed remuneration - inclusive of superannuation for the year ended 30 June 2005, $450,000 to be reviewed annually by the Remuneration Committee
* Payment of termination benefit on early termination by the employer other than for poor performance or serious misconduct, equal to nine months fixed remuneration
* In the event of constructive dismissal or redundancy, a loan forgiveness of an amount equal to the lesser of the balance of the loan owing to the Company issued under the Employee Loan Scheme and $0.8 million excluding any amount owing under the Employee Share Scheme.
* The agreement details obligations of the employee with regards to confidentiality and intellectual property during employment and subsequent to termination.

C Freeman, Chief Executive Queensland
* Term of agreement - commencing 15 June 2004
* Period of notice - three months by either party
* Total fixed remuneration - inclusive of superannuation for the year ended 30 June 2005, $450,000 to be reviewed annually by the Remuneration Committee
* Payment of termination benefit on early termination by the employer other than for poor performance or serious misconduct, equal to nine months fixed remuneration
* In the event of constructive dismissal or redundancy, a loan forgiveness of an amount equal to the lesser of the balance of the loan owing to the Company issued under the Employee Loan Scheme and $0.8 million excluding any amount owing under the Employee Share Scheme.
* The agreement details obligations of the employee with regards to confidentiality and intellectual property during employment and subsequent to termination.

35. DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

Service Agreements (continued)

A G Fini, Chief Executive Mirvac Fini
* Term of agreement - commencing 15 June 2004
* Period of notice - three months by either party
* Total fixed remuneration - inclusive of superannuation for the year ended 30 June 2005, $450,000 to be reviewed annually by the Remuneration Committee
* Payment of termination benefit on early termination by the employer other than for poor performance or serious misconduct, equal to nine months fixed remuneration
* The agreement details obligations of the employee with regards to confidentiality and intellectual property during employment and subsequent to termination.

M V O'Brien, Chief Executive Victoria
* Term of agreement - commencing 15 June 2004
* Period of notice - three months by either party
* Total fixed remuneration - inclusive of superannuation for the year ended 30 June 2005, $450,000 to be reviewed annually by the Remuneration Committee
* Payment of termination benefit on early termination by the employer other than for poor performance or serious misconduct, equal to nine months fixed remuneration
* In the event of constructive dismissal or redundancy, a loan forgiveness of an amount equal to the lesser of $0.25 million or the balance of the loan owing to the Company issued under the Employee Loan Scheme excluding any loan in respect to the Employee Share Scheme.
* The agreement details obligations of the employee with regards to confidentiality and intellectual property during employment and subsequent to termination.

I C Costley, Chief Executive NSW Development
* Term of agreement - commencing 1 July 2002
* Period of notice - three months by either party
* Total fixed remuneration - inclusive of superannuation for the year ended 30 June 2005, $450,000 to be reviewed annually by the Remuneration Committee
* Payment of termination benefit on early termination by the employer other than for poor performance or serious misconduct, equal to nine months fixed remuneration
* The agreement details obligations of the employee with regards to confidentiality and intellectual property during employment and subsequent to termination.

Share holdings
Each of the directors of Mirvac Limited and the specified executives of the consolidated entity participate in the employee share schemes.

Details of the number of shares in the company held during the financial year by each director of Mirvac Limited and each of the five specified executives of the consolidated entity, including their personally-related entities, are set out below:

	Ordinary Securities			
Name	Balance at the start of the year No.	Employee share issues during the year No.	Other changes during the year No.	Balance at the end of the year No.
Directors of Mirvac Limited				
R J Hamilton	13,197,927	0	1,205	13,199,132
B H R Neil	1,212,309	47,048	0	1,259,357
D J Broit	1,013,971	47,048	34	1,061,053
R A Fortune	1,116,208	0	19,505	1,135,713
A J Lane	67,649	0	0	67,649
P J Biancardi	7,000	0	0	7,000
A Buduls	7,660	0	439	8,099
G H Levy	33,664	0	1,933	35,597
R J Webster	12,210	0	701	12,911
Specified executives of the consolidated entity				
R P Lynch	550,000	45,320	0	595,320
C Freeman	350,000	45,320	0	395,320
A G Fini	50,000	45,320	0	95,320
M V O'Brien	18,754	22,660	0	41,414
I C Costley	205,545	11,330	0	216,875

35. DIRECTOR AND EXECUTIVE DISCLOSURES (continued)

Loans to directors and executives

Details of loans made to directors of Mirvac Limited and the five specified executives of the consolidated entity, including their personally-related entities, are set out below:

Aggregates for directors and specified directors

2004 - Group	Balance at the start of the year $	Interest not charged $	Balance at the end of the year $	Number in Group at the end of the year No.
Directors of Mirvac Limited	9,706,662	655,095	10,429,876	4
Specified executives of the consolidated entity	6,054,062	545,840	7,368,404	5

Individuals with loans above $100,000 during the financial year

2004 - Name	Note				Highest indebtedness during the year # $
Directors of Mirvac Limited					
R J Hamilton	(a)	1,918,480	120,637	1,768,173	1,918,480
	(b)	448,219	28,963	433,072	448,219
B H R Neil	(a)	1,936,876	121,394	1,777,993	1,968,835
	(b)	402,762	34,262	567,448	567,448
	(c)	905,155	59,288	908,510	908,510
D J Broit	(a)	1,923,542	120,957	1,780,781	1,972,626
	(b)	604,143	47,113	755,059	755,059
	(c)	0	24,004	1,000,000	1,000,000
R A Fortune	(a)	1,265,414	79,211	1,157,423	1,265,414
	(b)	302,071	19,246	281,417	302,071
Specified executives					
R P Lynch	(a)	1,542,992	107,825	1,614,794	1,742,992
	(c)	800,000	69,757	800,000	800,000
C Freeman	(a)	1,033,388	75,884	1,149,118	1,233,388
	(c)	800,000	81,390	800,000	800,000
A G Fini	(a)	198,522	23,358	380,144	398,522
	(c)	800,000	52,557	800,000	800,000
M V O'Brien	(a)	71,186	9,885	163,369	171,186
	(c)	250,000	55,642	500,000	500,000
I C Costley	(a)	557,974	37,747	560,979	607,974
	(c)	0	31,795	600,000	600,000

Loan repayments are made partly from distributions and from sales of underlying securities.

a) Share purchases under the Employee Incentive Scheme (EIS) are by interest-free employee loans. The loans are non-recourse in the event of disposal. The stapled securities issued are held as security until the loans are repaid.

b) Loans advanced after June 2002 to executive directors under the Employee Incentive Scheme (EIS) are by interest-free employee loan and are full recourse loans in the event of disposal. The stapled securities issued are held as security until the loans are repaid.

c) Loans made under the Employee Loan Scheme are interest-free employee loans, repayable over periods from 6 to 10 years, and repayable in full upon the member ceasing to be an employee. The loans are secured by mortgage over the property or shares purchased.
Loans issued under the Employee Loan Scheme are subject to a periodic forgiveness schedule, and may also be subject to terms set out in the service agreements noted above.
No write-downs or allowances for doubtful receivables have been recognised in relation to any loans made to directors or specified executives.

Other Transactions with Directors and director-related entities

(a) Relatives of the directors of Mirvac Limited are employed under normal commercial terms and conditions in administrative roles.
(b) The directors of Mirvac Limited and Mirvac Funds Limited have the ability to utilise the facilities of the hotels under management at rates offered to all employees.
(c) One director, Mr R J Hamilton, has utilised the construction services of controlled entities for the construction of a private residential dwelling. Payment for construction services incurred by the controlled entities were fully reimbursed, and are fully indemnified for any services provided.
(d) Two directors, Messrs DJ Broit and GH Levy purchased properties from the consolidated entity on contracts of sale based on normal commercial terms and conditions.
(e) One director, Ms A Buduls is a director of Hamilton James & Bruce Group Limited which provided corporate recruitment services to the consolidated entity, at normal commercial terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2004

	Consolidated 2004	Consolidated 2003	Parent Entity 2004	Parent Entity 2003
35. DIRECTOR AND EXECUTIVE DISCLOSURES (continued)	$	$	$	$
Other Transactions with Directors and director-related entities (continued)				
Aggregate amounts of each of the above transactions with directors and director-related entities;				
Amounts recognised as revenue				
Sale of residential properties and property management business	1,960,100	6,447,100	0	0
Construction services for domestic residential premises	3,500,000	2,622,400	0	0
Amounts recognised as expense				
Consulting and recruitment services	32,400	622,300	0	0

36. REMUNERATION OF AUDITORS

During the year the auditor of the parent entity and its related practices earned the following remuneration:

	Consolidated 2004 $	Consolidated 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
PricewaterhouseCoopers - Australian firm				
Audit or review of financial reports of the consolidated entity or any entity of the consolidated entity	376,500	438,000	0	0
Other assurance services	118,000	92,000	0	0
Total audit and other assurance services	494,500	530,000	0	0
Advisory services	149,500	168,000	0	0
Taxation	360,000	434,000	0	0
Total remuneration	1,004,000	1,132,000	0	0
Related practices of PricewaterhouseCoopers Australian firm (including overseas PricewaterhouseCoopers firms)				
Audit or review of financial reports of the consolidated entity or any entity of the consolidated entity	2,000	2,000	0	0
Total audit and other assurance services	2,000	2,000	0	0
Taxation	21,000	40,000	0	0
Total remuneration	23,000	42,000	0	0

It is the consolidated entity's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the consolidated entity are important, and on the approval of the Chairman of the Audit Risk & Compliance Committee or the Committee itself, acting on advice from management.
Non audit assignments are principally advice on income tax, GST, stamp duty and other indirect taxes.

	2004	2003
37. EARNINGS PER SHARE	Cents	Cents
Basic earnings per share	16.56	15.90
Diluted earnings per share	16.56	15.90
	No.	No.
The weighted average number of ordinary shares outstanding during the year in the calculation of basic earnings per share	689,040,443	640,500,977

	Consolidated 2004	Consolidated 2003	Parent Entity 2004	Parent Entity 2003
38. EMPLOYEE BENEFITS	$000	$000	$000	$000
Employee benefit and related on-cost liabilities				
Provision for employee benefits				
Current (note 19)	17,394	11,434	0	0
Non-Current (note 24)	2,914	2,648	0	0
Aggregate employee benefit and related on-cost liabilities	20,308	14,082	0	0
Employee numbers				
Average number of employees during the financial year	2,702	2,867	0	0

The aggregate employee benefit and related on-cost liability includes amounts for annual leave and long service leave. As explained in note 1 (r) (ii), the the amount for long service leave that is expected to be settled more than twelve months from the reporting date is measured at its present value.

38. EMPLOYEE BENEFITS (continued)

Employee Share Issues

The total of all shares issued under all employee share schemes is limited to 5% of the issued shares of the parent entity in any five year period.

Employee Incentive Scheme (EIS)
The issue of shares under the EIS Scheme was approved by an ordinary resolution at the annual general meeting of the members of the parent entity held on 1 November 2001, for a further three years.
All full time employees (including executive directors) of Mirvac Limited and its controlled entities are eligible to participate in the scheme.
Employees are able to acquire ordinary shares, which are issued at the market value existing at the date of issue. Purchase of the shares is by employee loan (note 8). All shares are issued on acceptance of the offer by the employee.
3,698,294 ordinary shares (2003: 4,129,535 shares) were issued to employees of Mirvac Limited and its controlled entities during the year, at various market prices per share. Refer to note 25.
Subject to the conditions for disposal of securities issued under the EIS scheme, loans are non-recourse in the event of disposal, except for EIS loans issued to executive directors of Mirvac Limited and Mirvac Funds Limited totalled $400,000 (2003: $1,792,200) which are full recourse loans in the event of a loss on disposal.
The total of ordinary stapled securities issued to employees under the Employee Incentive Scheme outstanding as at 30 June 2004 is 17,342,778 (2003: 17,163,366). The market price per ordinary stapled security at 30 June 2004 was $4.30 (2003: $4.44).

Mirvac Executive Share and Option Plan (MESOP)
The plan was adopted by a special resolution at the annual general meeting of the members of the parent entity held on 6 November 1996.
The MESOP is limited to executives of the company approved by the Board. Participating executives do not receive benefits unless targets are achieved. Funds for the acquisition of fully paid ordinary shares under the MESOP scheme are limited to the lesser of -
i) 5% of Mirvac Limited annual pre-tax consolidated net profit: or
ii) $2,000,000.
No securities were acquired during the year ended 30 June 2004 (2003: Nil).
At 30 June 2004, the number of acquired securities outstanding under the MESOP was 173,239 (2003: 278,697).
The market price per ordinary security at 30 June 2004 was $4.30 (2003: $4.44).

Employee Loan Scheme

The Employee Loan Scheme was approved by a special resolution of the members of Mirvac Limited on 26 August 1987. Under the terms of the loan scheme, loans are only made to eligible employees (including executive directors), under terms and conditions at the discretion of the directors of Mirvac Limited. Eligibility under the loan scheme is at the discretion of the directors of Mirvac Limited.
The total of all loans issued under the loan scheme shall not exceed 2.5% of the total issued share capital and reserves of Mirvac Limited and its controlled entities. Loans are immediately repayable upon the member ceasing to be an employee.
At 30 June 2004, loans totalling $11,575,000 (2003: $11,100,000) were offered to employees, $11,115,000 (2003: $8,356,000) of which were drawn down at 30 June 2004. These loans have a periodic forgiveness schedule.

Superannuation Commitments

The parent entity and its controlled entities participate in a voluntary accumulation plan. The plan provides lump sum benefits on retirement, disability or death for employees who are invited by their employer to join the plan.
Employees are not required to make contributions but may contribute voluntarily.The employers contribute such amounts as are agreed with the employees concerned. These contributions are legally enforceable. There are sufficient funds available to meet any benefits that would have vested under the plan in the event of termination of the plan or the voluntary or compulsory termination of the employment of any employee.

39. RELATED PARTIES

Directors and specified executives
Disclosures relating to directors and specified executives are set out in note 35.

	Consolidated	
	2004	2003
Other Related Parties	**$000**	$000
Transactions with related parties were as follows:		
(i) Transactions between Mirvac Limited and its related entities with the Mirvac Property Trust and its controlled entities whose Responsible Entity is Mirvac Funds Limited, a controlled entity, consisted of:		
Aggregate amounts included in the determination of profit from ordinary activities before income tax -		
(a) Property management, leasing fee and commission revenue	**5,395**	4,310
(b) Property development and construction management revenue	**30,751**	41,456
(c) Interest revenue	**32,189**	24,868
(d) Operating lease rental expense	**19,187**	17,757
(e) Responsible entity fee	**1,254**	1,055
(ii) Transactions between Mirvac Limited and its related entities with Lend Lease Corporation Limited and its controlled entities, a shareholder of the company, consisted of:		
(a) Construction contract revenue - Mirvac Lend Lease Village Consortium (note 31)	**22,403**	47,379
(b) (Contributions to) repayments of partnership operations - Mirvac Lend Lease Village Consortium (note 31)	**0**	0

39. RELATED PARTIES (continued)

Ownership Interests in Related Parties

Interests held in the following classes of related parties are set out in the following notes:

(a) Controlled Entities - note 10
(b) Associates - note 9
(c) Joint Ventures - note 31

Wholly Owned Group

Transactions between Mirvac Limited and related entities in the wholly owned group consisted of:

(a) receipt of dividends and interest, and payment of interest, by Mirvac Limited - (refer notes 2 and 3)
(b) loans advanced by, and repaid to, Mirvac Limited
(c) consideration payable for tax losses transferred to Mirvac Limited
(d) transactions between Mirvac Limited and its wholly-owned Australian controlled entities under the accounting tax sharing agreement described in note 1(b).

The aggregate amounts receivable from and repayable to related parties in the wholly owned group at balance date were as follows :

	Parent	
	2004	2003
	$000	$000
Current receivable (note 5) - controlled entities (dividends)	**96,323**	102,513
Current receivable (note 5) - tax related amounts receivable from wholly-owned entities	**82,819**	0
Non-current receivable (note 8) - controlled entities (loans)	**807,202**	735,760
Current payable (note 16) - controlled entities (loans)	**386,286**	0
Non-current payable (note 22) - controlled entities (loans)	**154,436**	188,209

All the above transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for repayment of principal on loans advanced by Mirvac Limited, and of those, certain loans do not attract interest.

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2004

The directors declare that the financial statements and notes set out on pages 7 to 41:

(a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) give a true and fair view of the company's and consolidated entity's financial position as at 30 June 2004 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001, 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.

A. J. LANE
Chairman

D. J. BROIT
Director

Sydney
26 August 2004

Audit Opinion

In our opinion, the financial report of Mirvac Limited:

* gives a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Mirvac Limited and the Mirvac Limited Group (defined below) as at 30 June 2004, and of their performance for the year ended on that date, and

* is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, and the Corporations Regulations 2001.

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

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Mirvac Limited (the company) and the Mirvac Limited Group (the consolidated entity), for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

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

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, and the Corporations Regulations 2001, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

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

* examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

* assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

When this audit report is included in a document containing the directors' report, our procedures include reading the directors' report to determine whether it contains any material inconsistencies with the financial report.

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

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

Independence

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

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants

B. K. Hunter

B. K. Hunter
Partner

Sydney
26 August 2004