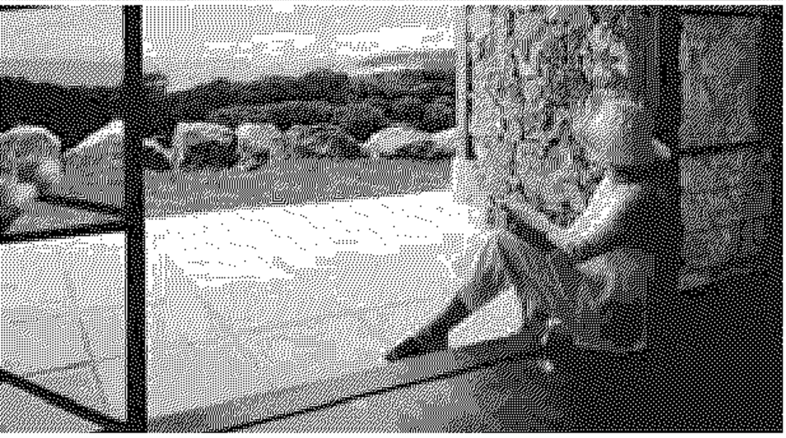
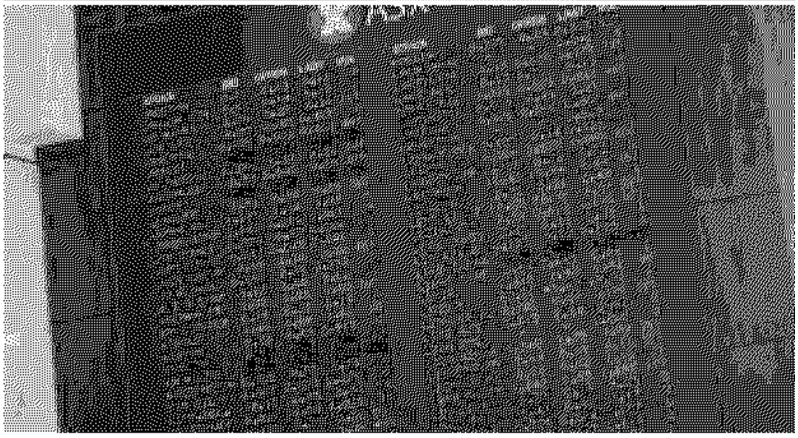
Building a future
founded on quality





MIRVAC

MIRVAC GROUP

ANNUAL REPORT 2005

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Integrating property under one strong brand

Mirvac's clear goal is to lead the industry by integrating all aspects of property under one effective management group. Together our brand, our people and our determination to provide quality products strongly support our continuing achievement of this goal.

The Group has $15 billion of assets under control across the property spectrum, from investment and development to hotels and now, funds management.

We own more than 60 commercial, retail, industrial and hotel properties with a total value of $2.9 billion. We manage in excess of $2.5 billion in property and infrastructure funds, 2,990 hotel rooms in 25 properties in Australia and New Zealand, and over 30,000 car parking spaces. We have a pipeline of $2.3 billion in non-residential developments.

Clear goals we constantly target

Our primary objective is to maximise securityholder value and total returns through an integrated business model.

Mirvac's four key divisions are Investment, Development, Hotel Management and Funds Management.

We gain the significant advantages of integration because the businesses, assets and activities of each Mirvac division complement all the others.

We work towards our goals by managing our assets actively and our capital prudently. We mitigate risk. We recruit and retain strong and focused staff. We work to benefit our securityholders by targeting sustainable growth and sound returns.

Generating future value for securityholders

Mirvac will continue to use its strongly integrated property business to build high-quality products which create value for its securityholders.

Our strategy is to increase our recurrent earnings by expanding our investment and funds management activities.

We will continue to develop quality residential projects. We will continue to look for opportunities to access third-party capital to provide additional flexibility in developing, owning and managing property assets.

Forward steps for the Group during the year

Mirvac Group took confident strides towards its goals through key investments and leasing deals, and by securing large acquisitions and development opportunities.

> Strategic acquisition:

On 7 January 2005, Mirvac acquired the James Fielding Group to strengthen the platform for future growth through the addition of James Fielding's property and infrastructure funds management business.

> Expansion in off-shore assets:

Our establishment of the JF US Industrial Trust is our first managed fund to invest off-shore.

> Strength in leasing:

Significant leasing deals strengthened our investment portfolio. These included a 15-year lease to Atlas of 13,000 square metres at Nexus Industrial Park in Liverpool and a seven-year lease to Pacific Brands of 9,994 square metres at 20-30 Scrivener Street in Warwick Farm.

> Hotel expansion:

We expanded our leading portfolio of managed hotels, adding Sea Temple Resort and Spa Palm Cove and The Sebel Maroochydore.

> Sustainable investing:

Commitments by Westscheme and Statewide Super to each invest $50 million expanded our Sustainable Investments Fund.

> Astute acquisitions:

We acquired the Travelodge Hotel Group portfolio for $240 million on behalf of NRMA Motoring and Services, JF Meridian Trust and Mirvac.

> Expanding our retail exposure:

Our exposure to the retail sector in our Investment portfolio increased with the acquisition of land at Ballina to build a new sub-regional shopping centre, the purchase of Hinkler Plaza Shopping Centre and the commencement of construction at the Orion Town Centre in south east Queensland.

Solid results that strengthened our platform

The four Mirvac divisions each produced encouraging results during the year, providing the Group with a strong platform on which to build for the future.

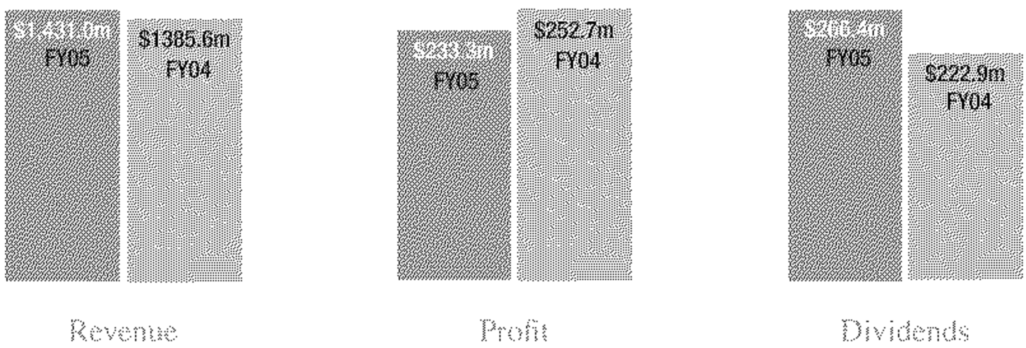
> Distribution up, value higher:
Mirvac paid securityholders a distribution of 33.8 cents per stapled security, up five per cent on the previous year. NTA per stapled security increased by 4.5 per cent, from $3.12 last year to $3.26 this year.

> Strong pipeline of residential sales:
Exchanged contracts rose to $877 million this year.

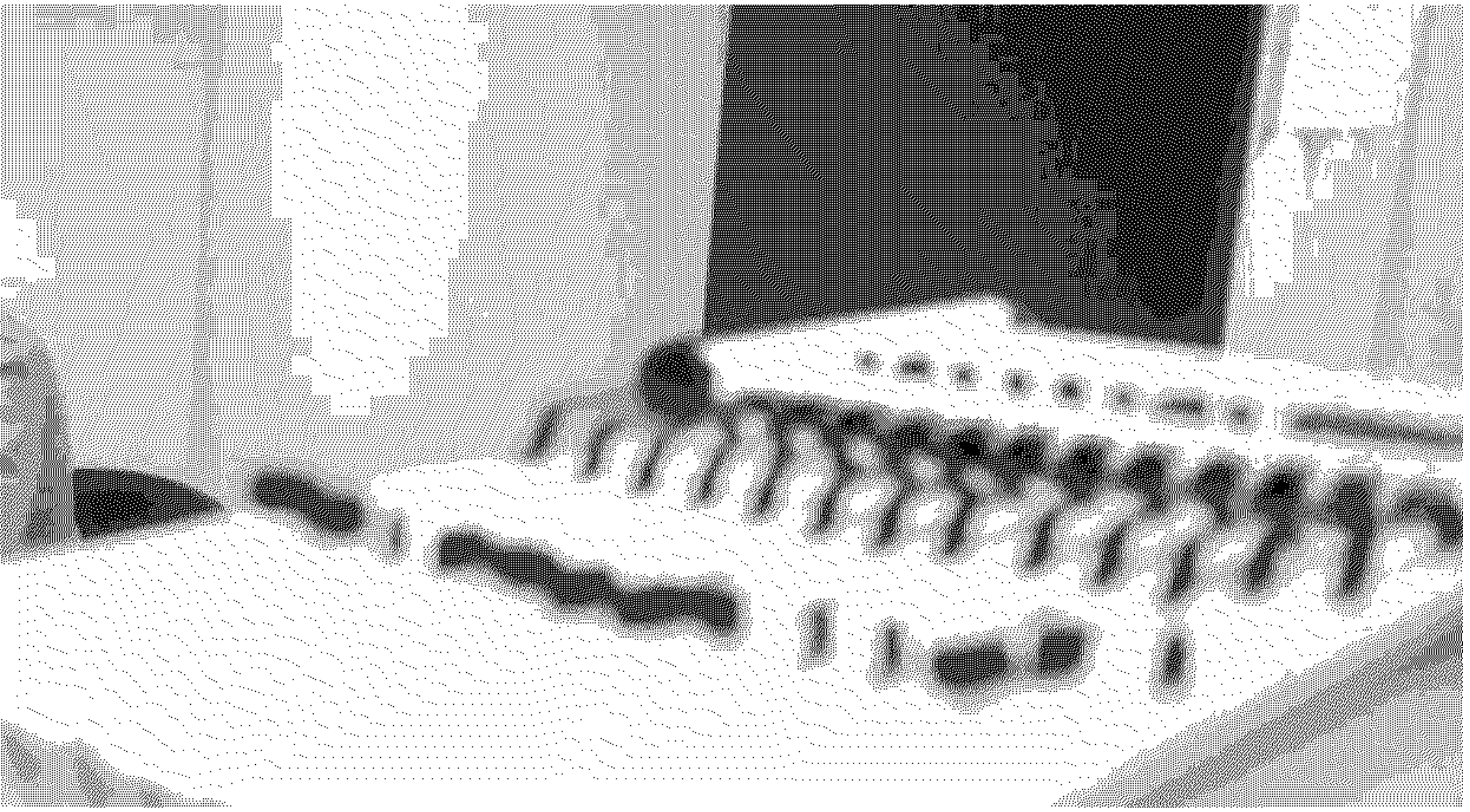
> Investment well ahead:
Our Investment division made a profit of $151.4 million after tax, an 11.6 per cent increase on the previous year.

> Correction affects results:
Development was the division most affected by the residential property correction, with a net profit of $85.4 million after tax, 26.4 per cent lower than the previous year.

> Hotels ahead, funds acquired:
The Hotel Management division made a net profit of $11.8 million after tax, an increase of 31.1 per cent over 2004. Our Funds Management division reported a net profit of $5.1 million after tax for the six months to 30 June 2005. This division had been part of the James Fielding Group, which Mirvac acquired on 7 January 2005.



Quality product
Quality people...



Mirvac's intellectual capital on all levels is the foundation of its continuing success

Mirvac Group employs 3,420 people across Australia and New Zealand, providing high quality property products and services.

We develop the product efficiently by using our own in-house design, construction, development, marketing and management, which gives us more control over the final quality product and ensures quality service.

Report from the Chairman

During a defining year for Mirvac Group, we have made key strategic changes aimed at increasing the long-term value of the Group.

2004/2005 was a challenging year for Mirvac, but also a year of expansion and generational change.

In a difficult market, profit after tax was $233.3 million, compared with $252.7 million in 2003/2004. Securityholders received total distributions of 33.8 cents per security, up from 33.2 cents, and net tangible assets rose to $3.26 per security from $3.12.

In November, we invited Greg Paramor to merge James Fielding Group, which he had founded, with Mirvac and to succeed Robert Hamilton as managing director. Following the agreement of James Fielding's securityholders, Mirvac's acquisition of James Fielding Group was completed in January 2005 and, under Greg's guidance, the two groups have been integrated successfully.

This acquisition has brought Mirvac Group a fourth line of business, funds management, which has great opportunities for growth and will help to maintain the Group's income throughout cycles in the property market. It has also increased significantly our investment development pipeline.

As planned, Robert Hamilton stepped down as managing director and will retire from the Board at the Annual General Meeting in November 2005. He was co-founder of Mirvac Group and chief architect of its expansion from total assets of $264 million in 1987, when Mirvac Limited listed on the ASX, to $5.5 billion in June 2005, and his contribution to the Group over more than 30 years has been outstanding. The Mirvac brand's strong reputation for quality is a lasting testament to his career.

As part of the generational change, the three executive directors who have contributed significantly to Mirvac Group's successful growth have also retired from their executive positions. Dennis Broit, who has been with Mirvac for more than 20 years and oversaw the creation of the current Group through the stapling of Mirvac Limited with the two trusts, retired as finance director in August. The Board is delighted Dennis accepted an invitation to remain as a non-executive director.

Roger Fortune, an executive director since 1987, is not seeking re-election at the Annual General Meeting, and Barry Neil, who ran the Investment division for many years, retired as a director in October 2004.

I thank Robert, Dennis, Roger and Barry for their leadership and hard work which have resulted in Mirvac's current high standing in the Australian property industry.

James MacKenzie, chairman of the Victorian WorkCover Authority and of the Victorian Transport Accident Commission, and Richard Turner, chairman of Capital Finance Australia, director of a number of major companies and a former CEO of Ernst & Young, joined the Mirvac board as non-executive directors following the acquisition of James Fielding Group. Subsequently, Anna Buduls and The Hon. Robert Webster retired following eight years as non-executive directors, and I thank them for their considerable contributions to the group.

After 10 years as chairman of Mirvac, I have decided not to seek re-appointment as a director and am delighted that James MacKenzie has agreed to succeed me as chairman.

Mirvac's success depends to a considerable degree upon maintaining the highest standards of corporate governance and considering the interests of our customers, employees, securityholders and all the people and organisations with which we do business. I encourage you to read our 10 Principles of Corporate Governance on page 42, which will continue to underpin all the Group's operations.

I am confident that together with Greg's skills and experience, the board and senior management of Mirvac Group has a suitable blend of experience, expertise and energy, and that this will enable the Group to build on its current strong reputation and become an even more significant force in the Australian property industry.

Adrian Lane
Chairman

Robert Hamilton

Robert Hamilton co-founded Mirvac Group in 1972 and has been the main architect of its growth. His passion for adopting the highest quality standards, underpinned by his inclusive management style and a full range of in-house architectural, planning and construction skills, has helped to build Mirvac into one of Australia's leading property investment and development groups.

Report from the Managing Director

This is my first report as Managing Director of Mirvac. Since taking over from Robert Hamilton in January of this year, my focus has been the successful integration of the James Fielding Group and ensuring the continued growth and evolution of Mirvac.

I am very impressed with the calibre, expertise and dedication of the Mirvac staff. There is a great culture of excellence, quality and continuous improvement and a very disciplined approach to delivering projects. I believe the combination of our staff with a strong, resilient and well-focused business model ensures Mirvac is well placed to capture the benefits of an integrated property group going forward.

Mirvac plans to be an industry leader in sustainable development. Our major projects are breaking new ground in this area, with:

> corporate leadership awards for reducing greenhouse gas emissions;

> promotion of energy-saving best practices through our commercial tenant handbook; and

> the launch of the Australian Sustainable Investments Fund.

The Group's full year profit of $233.3 million, a decrease on the previous financial year, was impacted by a downturn in the residential market, which is experiencing an orderly correction following a number of years of very strong growth.

The Development division reported a net profit after tax of $85.4 million, a 26.4 per cent decline from the previous corresponding period. A high level of construction activity across Australia has placed pressure on costs. We are, however, seeing these costs come down in certain States as markets normalise. This is particularly the case in New South Wales and Victoria.

The Investment division had a strong year, reporting a net profit after tax of $151.4 million, an increase of 11.6 per cent on the 2004 financial year.

Demonstrating the value of a diversified business stream, the Hotel Management division reported a net profit after tax of $11.8 million, up 31 per cent over the previous year, and the newly acquired Funds Management division contributed $5.1 million in the six months since its acquisition.

Full details of these divisions are contained in the management reports that follow.

Solid companies reward loyal supporters. These are the times when we see the real returns on all of our hard work in creating and maintaining the strength of the Mirvac brand. Our reputation stands tall. Mirvac is respected for its established values: for integrity; for the quality of its people, products and projects; and for a high-level ability to get the job done.

We believe the economic fundamentals in Australia are sound: low unemployment, low interest rates, growing migration, demand still matching supply, and a low rental vacancy. In this climate, we expect Mirvac to withstand the current cyclical correction in the residential property market. Indeed, we might discover opportunities to acquire prime sites on attractive terms during this period.

We envisage Mirvac as a company that people will want to do business with, to invest with and to work for. If we continue to achieve all three, the growth and prosperity of Mirvac will achieve outstanding returns through thoughtful, measured decision-making in property investment areas we know best.

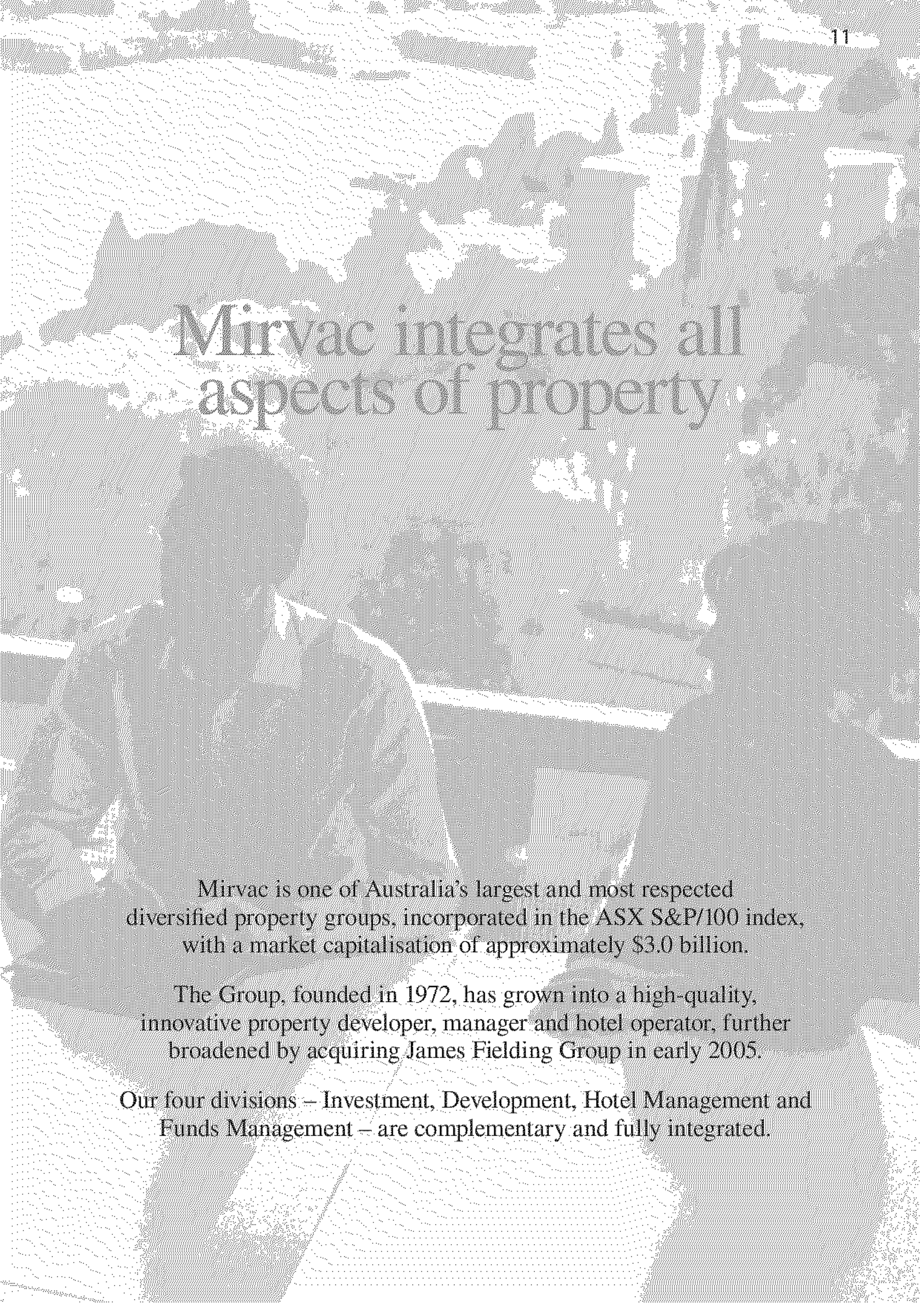
Mirvac's goals are simple and realistic. We want our securityholders to be part of a group that successfully integrates all aspects of property into one effective unit.

The outlook for the next financial year is positive. We have a strong, resilient and well-focused business model that is well placed to capture the benefits of an integrated property business.

Greg Paramor
Managing Director

Mirvac Group Results in Brief

		FY05	FY04	CHANGE
REVENUE	($m)	1,431	1,386	3.2%
PROFIT BEFORE TAX	($m)	270	296	-8.8%
PROFIT AFTER TAX	($m)	233	253	-7.9%
DIVIDENDS PER SECURITY	(cents)	33.8	32.2	5.0%
MARKET CAPITALISATION	($bn)	3.05	3.05	–



Mirvac integrates all aspects of property

Mirvac is one of Australia's largest and most respected diversified property groups, incorporated in the ASX S&P/100 index, with a market capitalisation of approximately $3.0 billion.

The Group, founded in 1972, has grown into a high-quality, innovative property developer, manager and hotel operator, further broadened by acquiring James Fielding Group in early 2005.

Our four divisions – Investment, Development, Hotel Management and Funds Management – are complementary and fully integrated.

We own & manage properties where people like to work...

40 Miller St., North Sydney, NSW

Our Investment division has a diverse portfolio of more than 60 investment-grade properties valued at $2.9 billion.

The portfolio includes commercial offices, retail centres, industrial properties, hotels and car parks, leased to quality tenants including leading Australian and international companies.

Mirvac's integrated business approach includes using specialised in-house asset management teams that are responsible for all leasing and property management across the entire portfolio. We have in-house design, development and construction expertise to improve and expand existing assets and evaluate acquisitions.

		FY05	FY04
REVENUE	($m)	266.7	234.6
NET PROFIT AFTER TAX	($m)	151.4	135.7
PORTFOLIO VALUE	($bn)	2.9	2.4

We develop properties
where people like to live...

Ephraim Island, Gold Coast, QLD

Our Development division has a proud record of developing quality owner-occupier and investment-grade properties, from apartments and houses to new commercial, retail and industrial assets.

In recent years we have expanded across Australia. As we grow, we strive to innovate in all sectors and extend Mirvac's reputation for the highest quality property developments.

Our integrated approach to delivering projects means we apply in-house expertise from different divisions in pursuit of project excellence. Our team ensures absolute quality control over the entire development process. We implement a quality planning, design, construction, sales and marketing process.

		FY05	FY04
REVENUE	($bn)	1.12	1.10
NET PROFIT AFTER TAX	($m)	85.4	116.0

We manage hotels where people like to stay...

Quay West Resort Bunker Bay, WA

Mirvac's Hotel Management division develops and manages a portfolio of quality hotel properties.

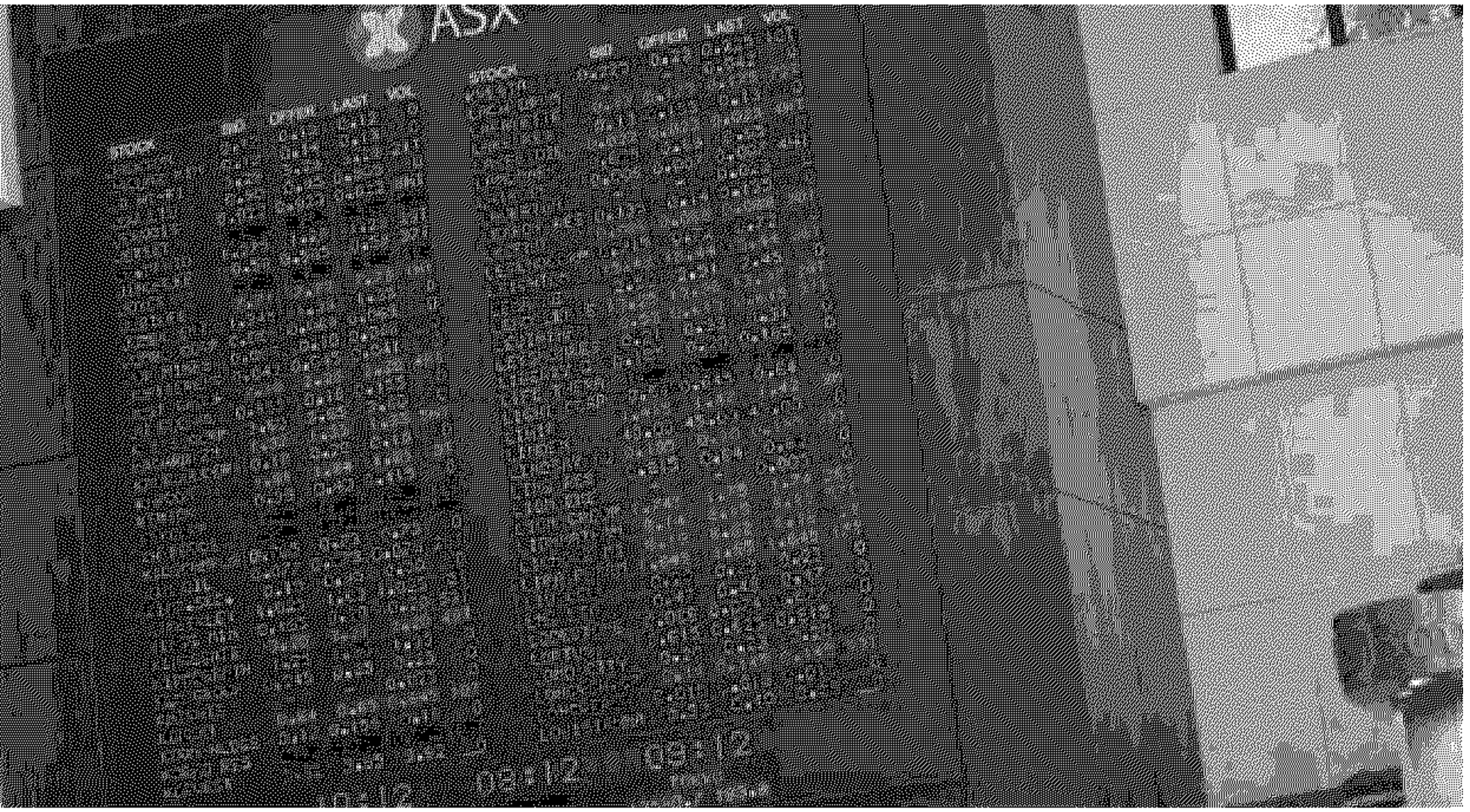
We are among the largest hotel managers in Australia, with 25 four and five star hotels and resorts, primarily operated under the Quay Grand, Quay West and Sebel brands.

Mirvac entered the hotel sector in 1977 to generate earnings by investing in hotels and apartment properties. We launched the Quay West and Sebel brands by combining hotel management expertise with our development and marketing skills.

High-quality service and attention to detail in each of our hotels distinguish our hospitality business.

		FY05	FY04
NET PROFIT AFTER TAX	($m)	11.8	9.0
OCCUPANCY	(%)	72	74
AVG. ROOM RATE	($)	178	168

We manage funds
where people like to invest...



James Fielding Funds Management is Mirvac Group's property and infrastructure funds management division.

The division manages funds in excess of $2.5 billion on behalf of more than 35,000 institutional, superannuation and private client investors. Our investment vehicles include listed and unlisted trusts, property debt funds and listed and unlisted infrastructure funds.

Our goal is to achieve superior investment performance for our clients within acceptable risk parameters and according to the investment objectives of the funds being managed.

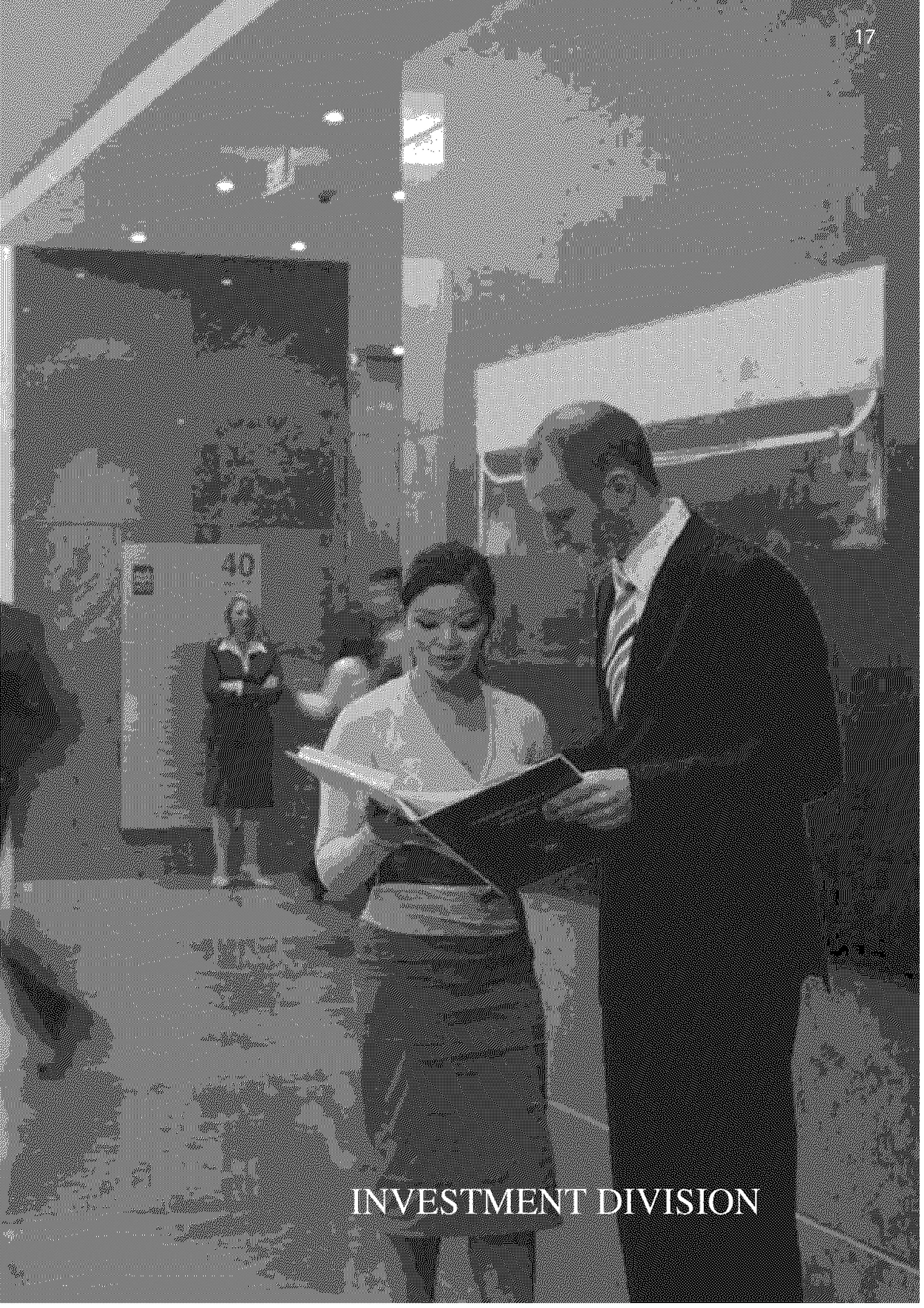
		FY05[1]
REVENUE	($m)	19.7
NET PROFIT AFTER TAX	($m)	5.1
FUNDS UNDER MANAGEMENT	($bn)	2.5[2]

[1] For six months 1 January 2005 to 30 June 2005

[2] $3.1bn before adjusting for joint venture interests

A strong portfolio, growing in value and returns

Mirvac's investment portfolio is diverse, with more than 60 high-grade commercial, retail, industrial and hotel properties valued at $2.9 billion, a strong tenant base and stable cash flows.



INVESTMENT DIVISION

Investment Division

Nicholas Collishaw
CEO

During the financial year, the portfolio grew by $583 million with our acquisition of the James Fielding Trust and through other asset acquisitions and revaluations in the commercial, industrial, retail and hotel sectors.

The Investment division improved its contribution to the Group's revenue by 14 per cent, largely through sustained occupancy levels and increased commercial and industrial rental rates and significant returns from new acquisitions.

Adding solid assets to the property mix

During the year the Investment division acquired assets that offered development potential or were structured transactions designed to minimise costs and increase investment returns.

We acquired Ballina Central Shopping Centre, purchasing the land with a fixed-price building contract. The acquisition of Hinkler Plaza completed our strategic holding in the Bundaberg CBD with the redevelopment of existing centres Hinkler Mall and Hinkler Place presently being combined and extended to be rebranded as Hinkler Central. Construction is due to be completed in March 2006.

After 30 June 2005, we acquired a 50 per cent interest in Cairns International Hotel, with TMG Developments. Mirvac will manage the hotel under the same name.

Active leasing keeps occupancy high

Active leasing during the year re-leased or produced new tenants for 149,000 square metres of commercial and industrial space.

At 30 June 2005, the commercial occupancy level was a very encouraging 97.2 per cent, continuing Mirvac's history of a high tenant retention rate. Our commercial average lease expiry, weighted by area, is 3.9 years, which compares favourably across the industry.

Our leasing team will increase its focus in 2006 on preparing to re-lease 101 Miller Street, North Sydney when Optus, the principal tenant, departs in October 2007.

Keeping a commercial balance

The diversity of the commercial portfolio aided our performance in successfully balancing returns from a blend of well performing and more challenging markets.

Our property managers continued the revaluation program, with 21 properties re-valued. The program produced an overall increase of $59.3 million, an average increase of 5.0 per cent over existing book value.

Commencing in 2003 the Investment division sought out commercial development opportunities to strengthen its investment base, allowing it to set development standards to attract substantial and financially secure occupiers.

This year we delivered 189 Grey Street in Southbank, which was completed in December 2004, and illustrates the benefits of Mirvac's integrated approach to property. Our Queensland development team managed the project, which was then leased by our national leasing group.

Together we produced an investment at a total cost of $40.9 million that was almost fully leased. At 30 June 2005, CB Richard Ellis valued the property at $50 million.

This successful integrated team approach was also utilised at the Bay Centre, Pyrmont (delivered in 2003), and we are now applying this approach at One Darling Island, also in Pyrmont, which is due for completion in March 2006.

Mirvac: a growing power in retail

The same integrated Mirvac approach is being applied to developing our retail portfolio, with nine centres currently under construction, extension or refurbishment.

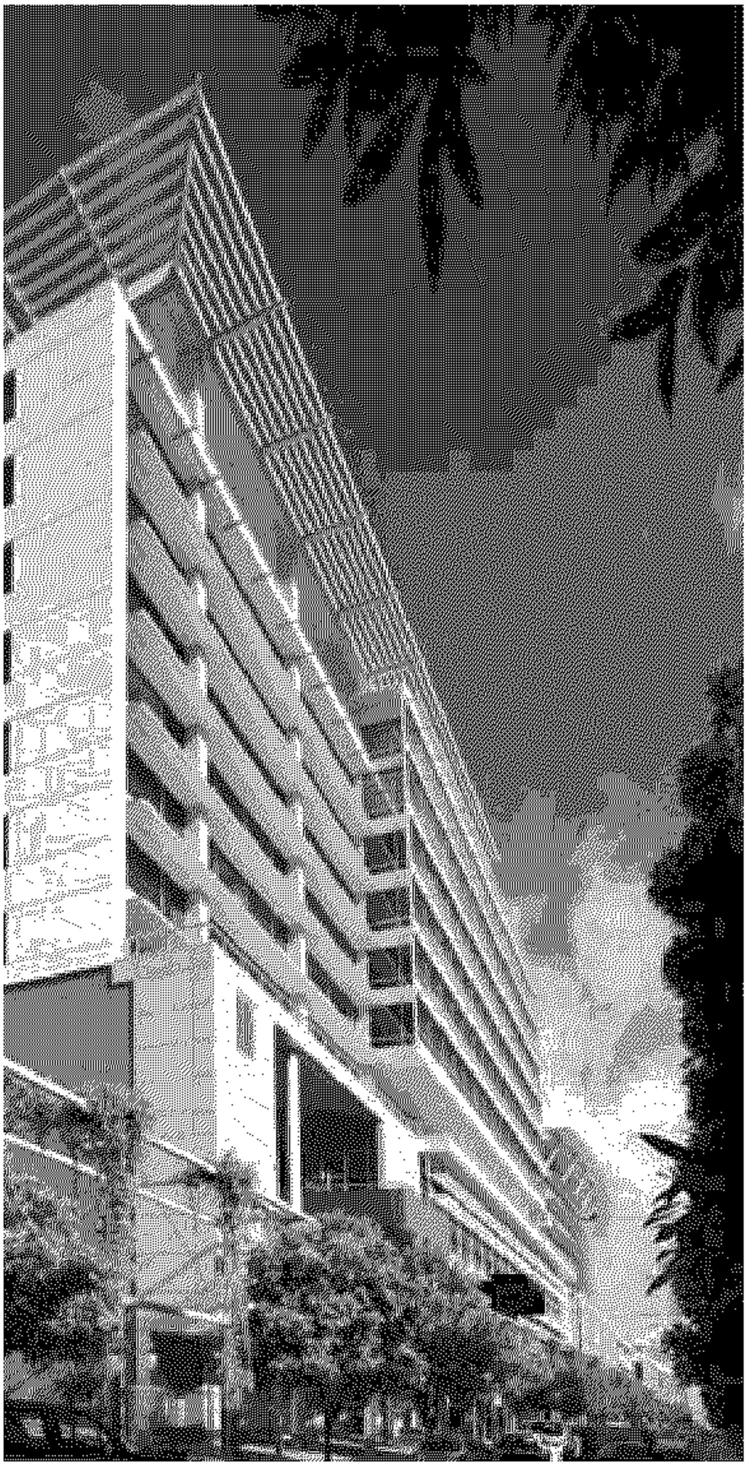
After 30 June 2005, we acquired Kwinana Hub Shopping Centre, south of Perth, for $32 million. We plan to fully refurbish the Centre and reposition it as a leading sub-regional centre.

LOOKING FORWARD: Repositioning to increase value

The Investment division's strategy for the coming year is to continue to acquire Mirvac-developed assets, as well as appropriate third-party purchases.

We will reposition the portfolio, selling non-core assets and replacing them with higher quality assets providing security of income over the medium term and assets where we can add value by repositioning or redeveloping the base asset into a securely leased investment grade asset.

IAG Centre, Southbank
Relationships built on value and strength



In keeping with Mirvac's stated strategy of being a market leader, we acquired a leasehold site in Brisbane's Southbank in 2003. Following on from the success of building Mirvac's Queensland headquarters at 164 Grey Street, Southbank, the Group acquired 189 Grey Street with a view of building an A-Grade commercial complex covering 12,500 square metres of office space supported by 224 square metres of service retail area.

Traditional Brisbane CBD tenants could now be offered an accommodation choice that not only provided large, efficient floor space and extensive natural light, but to their staff, the unbeatable amenity of Southbank. The Southbank precinct provides the benefits of the parklands, retail services and public transport all within close proximity to the CBD.

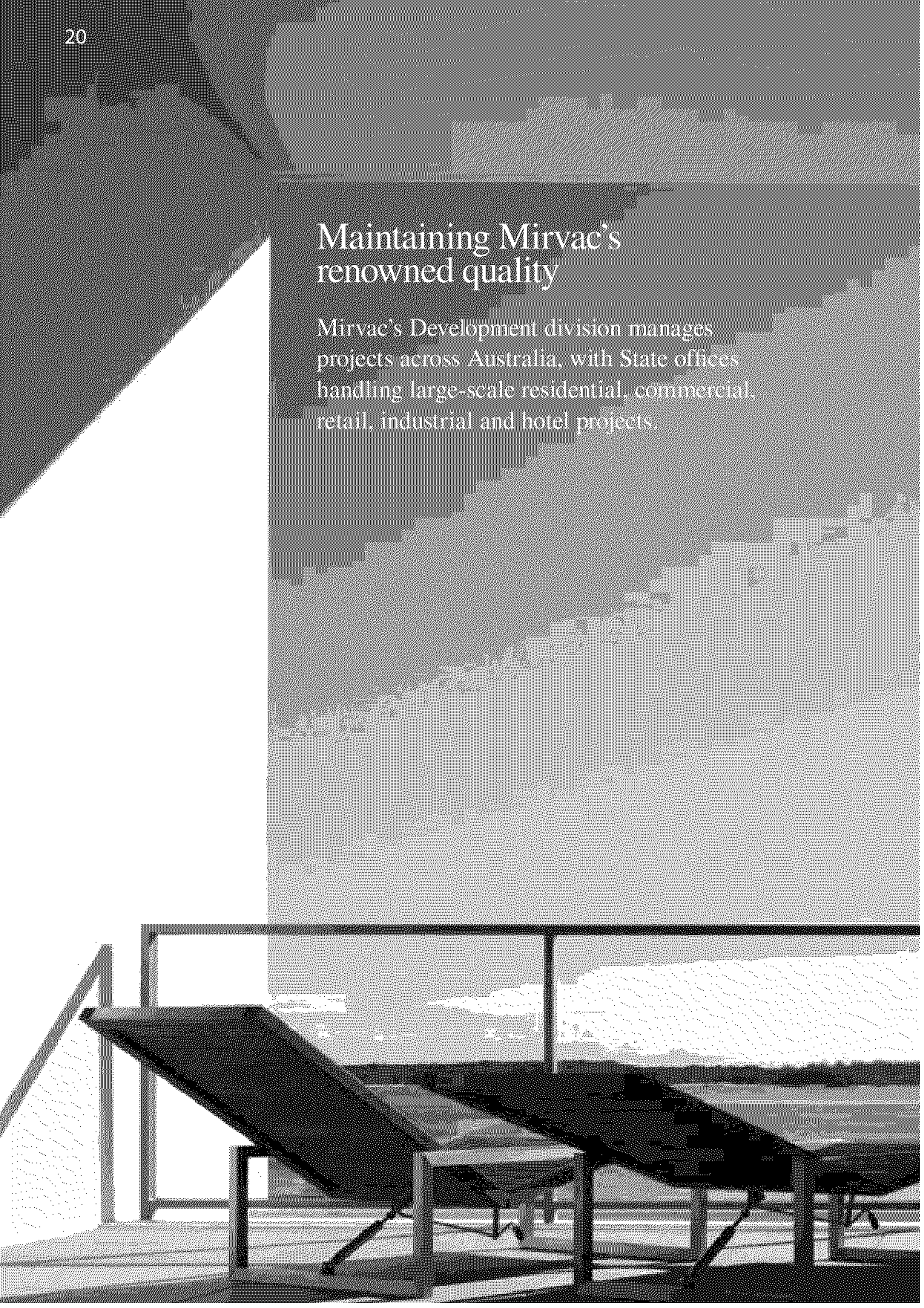
Construction commenced with the pre-commitment from Thiess Construction and soon followed up by IAG, the largest insurance group in Australia. Previously, IAG had moved into another Mirvac built and owned property in Sydney – the Bay Centre in Darling Harbour. IAG's Sydney experience was so well received they sought out Mirvac to replicate this for their Brisbane office.

The building was completed in 2004 at a cost of $40.9 million and valued on 30 June 2005 at $50 million, representing an increase of 22 per cent.

This project highlights the Group's skills in innovation, project organisation, development, project management, leasing and investment. It also highlights the importance of strong and committed tenant relationships based on value and service.

Maintaining Mirvac's renowned quality

Mirvac's Development division manages projects across Australia, with State offices handling large-scale residential, commercial, retail, industrial and hotel projects.



DEVELOPMENT DIVISION

Development Division
New South Wales


Mick O'Brien
CEO

Sticking to fundamentals in a softening market

We responded to the softening of the Sydney residential property market by focusing on the fundamentals of our property development activity – meeting the consistent demand for quality owner-occupied housing in premier locations.

This approach produced approximately 500 property exchanges during the year.

More residences wear the proud Mirvac brand

We completed and settled three major residential projects in Sydney. In Chatswood, Altura and b2e with 206 apartments and five commercial suites, and at Edgewood on the Cabarita waterfront with 106 houses and 169 apartments.

Successful sales campaigns included Epica in Chatswood, with 199 exchanges to 30 June 2005, an exceptional achievement in a softening residential market.

The clear attractions of our Latitude development in Milsons Point fostered early success. We pre-sold 92 of the 116 apartments and commercial suites before construction commenced in March 2005. Latitude, with panoramic harbour views, comprising one, two and three bedroom apartments, penthouses and ground-floor commercial suites, is scheduled to be completed in early 2007.

Quality housing in attractive environments

Magenta Shores, a 100-hectare beachfront site on the New South Wales central coast, will be a world-class residential and golf resort featuring a Quay West resort hotel, an 18-hole golf course and recreational facilities just 1.5 hours drive north of the Sydney CBD. We will develop high-quality residences of up to three and four bedrooms, most with magnificent golf course or ocean views. Stage-one houses and villas commenced in June 2005 with completion scheduled for mid-2006 in line with the hotel and golf course opening.

Saunders Wharf at Darling Island commenced in June 2005 and offers harbour and city views from many of the 27 luxury apartments, with professional suites at ground level. Completion is expected in mid-2006.

We returned to Sydney's leafy upper North Shore with construction commencing on 50 apartments at Warrawee due for completion in early 2006. We commenced building 74 apartments at Tryon Road, Lindfield, for completion in late 2006. Designed for local residents wishing to move out of high-maintenance large houses, they offer spacious single-level living areas with good security and enclosed parking within landscaped grounds.

Last stage of a renowned Sydney residential development

Our Walsh Bay joint venture continued, with construction commencing on Towns Place, the last residential building in the development. Included in the 65-apartment building, which is selling steadily, is a 191-space commercial car park that will provide an additional public amenity.

The Newington joint venture provides quality community living for nearly 5,000 residents. We have included leading environmental improvements such as recycled water, photo-voltaic cells for domestic energy generation and abundant parklands. During the year, the last Newington apartments were completed and at 30 June, 28 of the final 73 apartments had exchanged. We expect to complete Newington over the next two years, with some 150 houses still to be constructed.

Construction continues on Esperence, in Randwick, one of Sydney's popular eastern suburbs locations. The first stage, comprising 34 two-storey, four-bedroom residences with two-car garages, was released in December 2004, with 11 parkside homes due for completion in the first quarter of 2005-2006.

Adding strong industrial and retail assets

Mirvac's acquisition of James Fielding Group provided the division with more opportunities to develop industrial and retail sites to balance our residential activities and provide a longer term non-residential development pipeline.

Sydney Basin Airports, providing 160-hectares of developable land, were acquired from the Federal Government in 2003 by James Fielding Group in joint-venture arrangements. Following the approval in March 2005 of the Bankstown Airport Development Masterplan, planning has advanced for the development of 105-hectares with work expected to commence on site in late 2005.

Nexus Industrial Park, Liverpool is a 17-hectare site acquired by Mirvac Property Trust during the year. Following a successful leasing campaign, construction of the first industrial facility of 13,000 square metres, is scheduled for late 2005. Market interest in this type of property remains strong.

One Darling Island, a 22,125-square-metre commercial office building offering large floor-plates in a quality location, is scheduled for completion in early 2006.

LOOKING FORWARD: Making the most of our business advantages

Mirvac has in-house expertise and the ability to integrate development activities across our business divisions. This advantage provides us with unique opportunities to exploit a range of development markets in NSW and increase the value of our Investment, Hotel and Funds Management divisions.

Epica, Chatswood
Design that's outstanding, inside and out

Left to right: Altura; Epica, Chatswood

Epica is the third of four residential apartment buildings to be completed in the Pacific Place development at Chatswood in Sydney's north. The 33-storey building contains 221 quality apartments, seven commercial suites and 317 car spaces over six basement levels.

In creating Epica our vision was to complement the adjoining seashell-inspired Altura building in shape, texture and inner strength.

Epica, viewed from a distance, balances Altura while having its own striking profile that accentuates its position on the ridge of Chatswood's CBD.

The demand for high quality remains strong

We commenced building Epica in May 2003 and completed the project in June 2005. Mirvac's innovative construction methods enabled us to complete the building some six months ahead of original program estimates, at a considerable cost saving.

We began Epica's sales and marketing campaign in November 2004 with offers to Mirvac's VIP clientele. The successful VIP launch enabled a public release in January 2005. At 30 June 2005, Mirvac held 199 unconditional contracts of which 15 had settled. This represents more than 83 per cent of the total forecast sales revenue, an outstanding result in a slower market.

Epica exemplifies Mirvac's approach to development, under which we maintain total control from the project idea to its complete realisation. Epica is distinguished by excellent design and construction, with quality finishes throughout. It was developed using industry best-practice Environmentally Sustainable Development (ESD) principles and at the time of reporting had been well received by buyers.

Brett Draffen
CFO

Teamwork delivers value in Victoria

Mirvac's Development division in Victoria acquires and develops residential, commercial, retail and industrial projects.

The division also supports Mirvac's integrated property business by providing development skills and services to our Investment, Funds Management and Hotel Management divisions.

During 2005 the division, through strong teamwork, continued to focus on the delivery of existing projects despite a softening residential sector and continued pressure in the commercial market.

Beacon Cove lighting the way

During the year, the Victorian development office handled 12 major projects across the State and in South Australia.

Key achievements during the year included the continued success of Beacon Cove, bringing total sales in stage-eight to more than $120 million over the 18 months to 30 June 2005.

We completed Tower 5 at Yarra's Edge, Docklands, on time and within budget. With strong sales following the completion of stage-one of Marina YE at Yarra's Edge, we brought forward to October 2005 the completion target for stages two and three.

Stage-one refurbishment works at Waverley Gardens Shopping Centre progressed well during the year, and stage-two works were advanced for commencement in late 2005.

The Victorian office expanded activities into the South Australian market with the purchase of a strategic 66-hectare development site in Victor Harbour.

LOOKING FORWARD:
Balancing our portfolio for success

In 2005–2006, Mirvac in Victoria will continue to develop quality buildings in vibrant new communities, striving to excel in all facets of our integrated business model.

Victoria's residential market continued to consolidate in 2005. The housing market appeared to stabilise, with our projects recovering from the lower base experienced in the first half of the financial year. The outlook for housing remains positive, with predicted population growth and sound economic and demographic fundamentals continuing to underpin the sector.

The coastal residential market, however, continued to be subdued, with spring and summer sales figures during the year well down on previous years.

The residential apartment market in 2004–2005 experienced a short-term correction from the overheated conditions in 2001–2002. The market during the reporting year was characterised by high construction costs and a lack of investor demand. Current conditions are expected to be maintained in the short term, however a return to a more balanced supply/demand scenario is predicted based on undeniable demographic trends that are driving the shift to apartment living.

Demand in the commercial, retail and industrial markets remains strong. However, given the pressure on yields in recent years, we continued a measured approach to new acquisitions.

Maximising opportunities in southern Australia

For 2005–2006 and beyond, we plan to increase our exposure to the commercial, retail and industrial markets. We will restock our housing business to counter the completion of The Heath in late 2006.

In reviewing premium apartment opportunities we will seek to take advantage of our reputation for developing quality apartments, and to leverage the brand loyalty we have created in that market.

We plan to continue co-ordinating development opportunities with our Investment and Funds Management divisions, and to investigate additional opportunities in regional Victoria, South Australia and Tasmania.

Beacon Cove, Port Melbourne

For an historic site, a landmark development

In 2006 we will complete Beacon Cove, one of Mirvac's landmark Victorian developments. The $650 million project, commenced in 1995 as a joint venture with Major Projects Victoria, has transformed 32 hectares of Port Melbourne from an industrial wasteland into one of Melbourne's most awarded urban environments.

Beacon Cove is a master-planned residential community designed to maintain the historic elements of Port Melbourne. We refurbished water and land navigation beacons, preserved view corridors and linked the development with surrounding urban and parkland areas.

The project comprises 478 houses and 467 apartments in five waterfront towers. Integrated with the towers is Civic Square,

providing a recreation club, medical and child-care centres, waterfront restaurants and a light-rail link direct to Melbourne's CBD.

Making the most of a unique environment

The project includes public parks and waterfront promenade and the newly established Beacon Cove Beach. The final phase, stage eight, comprises 99 apartments and nine luxury waterfront homes priced from $435,000 to $4.5 million. Settlements of the apartments and homes are scheduled for the 2006 financial year, with the final stage predicted to contribute $130 million of the total project revenue of $650 million.

On completion, Beacon Cove will house some 2,400 residents, the majority being owner-occupiers. We are especially proud of Beacon Cove. It is a prime example of what a successful Public Private Partnership can achieve, consistent with the guiding principles of Melbourne 2030. The entire project embodies Mirvac's founding principle of achieving quality in planning, design, construction, project management and marketing, producing assets of enduring value.

Development Division
Queensland

Chris Freeman
CEO

Advancing within a strong State economy

Our Queensland office operates across all market sectors, maintaining our focus on quality, customer value and brand reputation by providing a fully integrated development capability. This financial year was a culmination of our five-year business plan, producing our best financial performance to date: approximately $3 billion in projects, with gross values reflecting our diversification into other market segments, from residential to retail and commercial.

In 2005 the Queensland residential market's short four-year cycle began to slow. The latest cycle had been characterised by strong price growth, high investor demand and construction cost increases.

However, with a strong State economy forecast to continue, we are well placed to continue substantial contributions to the Group.

Building an attractive island lifestyle

The $540 million Ephraim Island project, a joint venture with the Lewis Land Group of Companies, consists of 348 apartments, 21 villas and 14 detached houses. The project offers residents an island lifestyle close to the Gold Coast.

At 30 June 2005, 56 apartments had been completed and residents were moving in. The remainder of stage one was scheduled for completion by September 2005.

Sites that people seek, riverfront addresses

Cutters Landing, on the fringe of Brisbane's CBD, is a $279-million, multi-award-winning project comprising 268 apartments and 79 houses on the Brisbane River. The project performed strongly during the year with 88 properties settled, including 34 houses and 30 apartments in the heritage-listed Refinery. At 30 June 2005, 16 of the remaining 18 houses under construction had been sold.

At year's end, stage one of the $598 million Newstead Riverpark project was on schedule for completion. The project comprises 643 dwellings, including 180 riverfront apartments, with 77 luxury apartments, many with river, lake and city views, scheduled for release in 2006.

Quality housing for a growing State population

At 30 June 2005, our Queensland development office had 869 lots of land for which Mirvac divisions were designing and building project houses, further demonstrating the Group's integrated capacity.

During the year we made 114 housing starts and 135 completions as well as selling 49 vacant lots.

These quality residences range in price from $390,000 at Park Hill Village to $3.1 million at Waterline. The developments are important parts of our plan to strengthen our housing brand and fulfil our business forecasts.

Wide diversity: commercial and retail developments

189 Grey Street, Southbank, developed and retained by Mirvac, is a $50 million, 12,750-square-metre commercial building that was almost 100 per cent leased on completion in February 2005.

When Mirvac acquired James Fielding Group, we took development control of two major projects at Springfield – Orion Town Centre, and Education City, some 25 kilometres south-west of Brisbane.

Orion Town Centre will contain 194,000 square metres of retail floor space. Stage one comprises two retail malls anchored by Big W and Woolworths and a 23,000 square metre bulky goods space. Construction of stage one has commenced, with completion due in 2007.

Developing young minds and bodies

Education City, a joint venture with Springfield Land Corporation, incorporates an education and research centre covering 232,000 square metres. The University of Southern Queensland has secured 9,097 square metres in stage one, due for completion in early 2006.

In late June 2005, the Queensland Government announced that Mirvac was the preferred proponent in the Tennyson Riverside Development after a vigorous competitive bid process. The development includes a new State Tennis Centre with a 7,000-seat stadium; 22 clay, grass and hard courts; and an associated luxury residential development of 385 apartments. The State Tennis Centre and stage one of the residential precinct are scheduled for completion in late 2008.

LOOKING FORWARD: Balancing sectors for sound results

Going forward, non-residential sectors in Queensland look likely to remain under intense pressure, with developers competing aggressively for good projects. We will continue to actively manage construction costs, which at reporting time were historically high.

Our focus remains on achieving forecast financial results through optimum performance of existing projects, while sticking firmly to our core principles of value and quality.

We plan to diversify further by strengthening our integrated housing developments. The goal is to achieve at least 40 per cent of profits from houses built on land acquired and masterplanned by Mirvac, and extend our operations in non-residential markets.

Ephraim Island, Gold Coast
A living environment of uncompromising quality

Mirvac and the Lewis Land Group of Companies are jointly developing the $540 million Ephraim Island project in the middle of the Gold Coast's Broadwater, approximately 15 kilometres north of Surfers Paradise and 45 minutes drive from Brisbane.

We are transforming the 9.6-hectare island by building luxury apartments, waterfront villas and beachfront houses and creating extensive recreational facilities.

The residences capture views in all directions, maximising the benefits of the waterfront location, and offer spacious, contemporary living.

Buyers are keen to live on the island

This will be a premium residential environment that embodies Mirvac's uncompromising quality standards.

Since the launch in March 2003, over $330 million in property has been sold across three stages.

In 2005 we completed the first 58 apartments, the 115-berth private marina and the Well-Being Centre incorporating The Ephraim Spa and Darcy's Restaurant and Pantry.

Extensive open parkland, lakes and inlets – plus a conservation reserve covering more than 75 per cent of the island – combine with high-quality housing and recreational facilities to make this a development that achieves excellence and promises sound returns on our investment.

The development is scheduled for completion in 2007–2008.

Development Division
Western Australia

Adrian Fini
CEO

Keeping our brand at the forefront in the west

Mirvac Fini, our Western Australian office, performed well during the year and made a significant contribution to the Development division's performance.

We achieved solid sales results from land and luxury residential projects in a market which remained strong. We exchanged 588 contracts with a total value of some $200 million and secured several new projects to add continued diversity for future projects.

We successfully controlled costs to ensure the best possible construction price without compromising our high quality standards. Measures included national benchmarking, independent cost reviews, value management and buildability reviews, procurement strategies, tender review processes, variation controls and rigorous design reviews.

Awards that recognise our continuing quest for quality

Mirvac Fini's quality leadership was acknowledged through industry awards for excellence.

Quay West Resort Bunker Bay, three hours drive south of Perth in the Margaret River Wine Region, won two MBA Excellence in Construction awards, two RAIA awards in the Commercial and Colourbond categories, an RCIA award for Best New Restaurant and a Merit Certificate for Service.

During the year we launched Mirvac Fini Home, our new high-quality, architecturally designed, small-lot housing brand. We contributed to the Western Australian community through initiatives such as the Coolbellup New Living Program, and the Mindarie and Mandurah Community Development Funds.

The Western Australian Government's land development agency, LandCorp, selected Mirvac Fini as preferred joint-venture partner for the redevelopment of two prime former high school sites in Perth's affluent western suburbs of Swanbourne and Hollywood.

These sites will provide excellent residential land, with the opportunity to create further value for securityholders through our development process. They will complement our land sale successes during the year at our Mandurah and Mindarie estates.

Developing communities that are strong and sustainable

Our three land estates at Mandurah – Seascapes, Meadow Springs and Bridgewater – comprise more than 3,000 lots, on which we exchanged over 300 contracts during the year.

We launched the Sustainable Mandurah Home at the Meadow Springs estate to promote sustainable living practices in the area.

We completed five more homes in Mandurah. They are part of Eden Springs, where 30 architecturally designed homes will fringe the Meadow Springs championship golf course. Each of the completed homes, which form the Eden Springs Display Village, is furnished in an individual style, showing visitors the advantages of living in a Mirvac Fini home.

We plan to redevelop the landmark former Peninsula Hotel site into a $180-million residential, commercial and tourism precinct. Our plan proposes a hotel, commercial development and two apartment buildings that will enjoy open views of the ocean or estuary. Interest from potential owner-occupiers has been high.

At the Wharf, 35 minutes drive north of Perth in the award-winning suburb of Mindarie Keys, we sold out stages one, two and three of our development, with 128 homesites exchanged. Another 60 blocks are planned for release in 2005–2006.

Enduring attractions: views, open space, good design

Azure comprises 32 luxury residential apartments overlooking the Canning River in Mt Pleasant, four commercial properties and four home-office premises. By 30 June we had sold 25 properties, highlighting the strong demand for quality apartments in premier waterfront locations.

We released the second apartment building off-the-plan in September 2004 at The Peninsula, which is part of the $800-million Burswood joint-venture development. The Peninsula's innovative design includes a carefully planned mix of apartments, houses and terraced homes, located within some two hectares of public open space.

To 30 June 2005 we sold apartments worth $123 million off-the-plan for the first two buildings at The Peninsula. The third, Aqua, is scheduled for release in late 2005.

Our release of the first six luxury courtyard homes at The Peninsula in June 2005 launched Mirvac Fini's first housing product into the Western Australian market. The homes feature spacious living areas and contemporary courtyard spaces which flow seamlessly from inside to outdoors. A further 19 terraces and 16 courtyard homes were under construction at year's end.

LOOKING FORWARD: Continuing to grow with WA

Mirvac Fini plans to continue finding and developing key sites, opportunities and relationships, as we maintain Mirvac quality in all of our projects.

The Group's integrated range of services and our local knowledge of the Western Australian property market will combine to maximise our opportunities to succeed, as we weather seasonal fluctuations and continually target sound returns for securityholders.

Mandurah, Perth
Mirvac Fini is helping to foster a community

Since October 2001, Mirvac Fini has been actively involved in the Mandurah community, developing land, building residences, applying sustainable practices and undertaking community initiatives.

Mandurah, a satellite city 50 minutes drive south of the Perth CBD, has been one of the fastest growing centres in Australia.

We have developed and sold residential homesites on three estates in Mandurah – Seascapes, Meadow Springs and Bridgewater – which together offer some 3,000 community homesites in a precinct with a strong focus on growth.

We are fostering this sense of community by providing premier public open spaces as well as a comprehensive event and activity program for all residents to enjoy. We have encouraged the establishment of community groups and associations for the benefit of each estate.

A home that's designed to protect our environment

Mirvac Fini recently opened the Sustainable Mandurah Home, a single storey design that promotes sound environmental practices in the region.

During the year we commenced planning Eden Springs in Mandurah. This project will locate 30 architecturally designed homes beside the championship Meadow Springs golf course.

Our activities within Mandurah were set to expand further, with our placing of the former Peninsula Hotel site in Mandurah under contract. Potential interest in the premier residences we will create on this historic site, with their wide ocean and estuary views, has been high.

Mirvac Fini is determined to help Mandurah grow, through our careful development of the land and the luxury residential projects planned or under way. We are supporting initiatives designed to encourage community spirit to grow in parallel with high-quality housing in an excellent environment.

Development Division
New South Wales Housing

Robert Lynch
CFO

Continuing to succeed in a tighter market

Despite the overall residential housing market's softening during 2004–2005, our New South Wales Housing division, Mirvac Homes, recorded another highly successful year.

We achieved this by applying our proven Mirvac principles – providing consistently high-quality products and services, offering value, staying competitive, listening to our customers and working cohesively as a team.

Mirvac Homes operates primarily within the Sydney metropolitan middle and outer rings, on the central coast, in Newcastle and the Hunter and Illawarra regions. We focus on developing low-rise, medium-density residential housing estates, subdivisions that offer lifestyle advantages, and contract housing on private land.

This strategy has been successful and we plan to maintain it.

Quality underpins our strong sales record

Our key achievements during 2005 included selling out Sanctuary Gardens Estate, a 190-home, masterplanned estate of high architectural standards at Westleigh, in Sydney's northern suburbs. The project has won many building awards including, for two consecutive years, the Master Builders Association Excellence in Housing award for Best Integrated Housing Development in New South Wales.

We sold out Forestview, the first of two quality lifestyle estates at Belrose, in Sydney's north. The 28 two-storey luxury homes of approximately 40 square metres or more were all set on large blocks. We sold all but one home at Seaviewrise, our other Belrose development, which has bush and distant ocean views, swimming pool, spa and barbeque area.

We sold out Cascades Estate, a stylish and contemporary 94-home integrated community estate at Kellyville Ridge in Sydney's north west. At year's end we were completing the last sale at Sorrento Estate, our prestige 89-home development at Bateau Bay on the central coast.

We opened four new contract housing display homes at Aberglasslyn, to serve the burgeoning Newcastle market. We secured another four-home display site at New Home Zone in Warnervale on the central coast, with opening planned for late 2005.

Providing valuable packages to our customers

We commenced residential projects in various Sydney suburbs including Woodcroft, Glenfield, Castle Hill, Holsworthy and Hammondville.

At Edgewood in Woodcroft, 20 minutes drive from Parramatta and five minutes from Blacktown, we are developing 388 homes. Completed homes are ready for sale, as well as home-and-land packages that allow customers to choose a house from Mirvac Homes' range of designs to build on their land.

At Edgewood's first-stage sales release in May 2005, Mirvac VIP homebuyers placed deposits on all 27 homes available within 24 hours of the offer.

Panorama at Casula/Glenfield comprises a combination of vacant land on which to build a new Mirvac home plus a range of completed courtyard homes. This is a masterplanned estate with community clubhouse, tennis court, swimming pool and spa. The first sales release is scheduled for 2006. On completion the development will total 256 homes.

Valuable new estates in an area that's growing

Our new estate at Mornington, near Liverpool, is 15 kilometres from the Parramatta CBD and close to public transport, a future shopping centre and existing primary and high schools. We are developing 255 homes in the estate, which is scheduled for its first sales release of 23 homes in September 2005.

Northbrook, at Hammondville near Liverpool, will comprise 106 detached and attached completed homes, due for first sales release in late 2005.

Our estate at Castle Hill is a prestige development, comprising 63 homes, which commenced during the year and is scheduled for release in March 2006. These will be large, upmarket manor-style homes featuring contemporary two-storey and split-level designs.

Another estate in Auburn comprises 260 courtyard homes and town apartments, to be released in mid 2006.

Acacia Gardens at Blacktown will offer 116 completed homes, and is due for release during 2006.

LOOKING FORWARD:
Advancing Mirvac in a steady market

Through 2005–2006, in a steady residential housing market, we see the potential to increase our market share. We can do this by capitalising on Mirvac's strong brand, by expanding operations and opening more sales outlets in new areas, and by broadening our product line with new designs and products.

We will seek to provide properties in appropriate regions that retail below $500,000, and develop more medium-density housing in strategic locations. We will aim to expand our contract housing activity into more areas, and establish a new sales outlet in the Illawarra growth region.

These steps should combine with our forthcoming completion of many residences in popular locations and an intensive marketing campaign to lift results for Mirvac Homes during 2005–2006 and beyond.

Newbury, Stanhope Gardens
Making houses into homes, a suburb into a community

Newbury is a major Mirvac Homes project, a joint venture with Landcom at Stanhope Gardens in Sydney's north west.

On completion, Newbury will comprise some 1,800 homes on 157 hectares, making it one of Sydney's largest and most significant residential developments.

This is a benchmark project, expertly masterplanned using the latest design principles, creating a suburb that will offer outstanding lifestyle benefits and encourage a strong sense of community.

Adding all the elements that strengthen social bonds

Newbury includes seven residential neighbourhoods, most of which will have their own residents' club – a resort-like community centre with tennis court, swimming pool, spa and BBQ facilities. These are places for residents and their guests to socialise and strengthen community bonds.

Newbury has its own shops in the town centre of the estate, a primary school and plans for a high school. There is a major sports complex, many neighbourhood parks and a large reserve for community events.

A Mirvac achievement of which we are proud

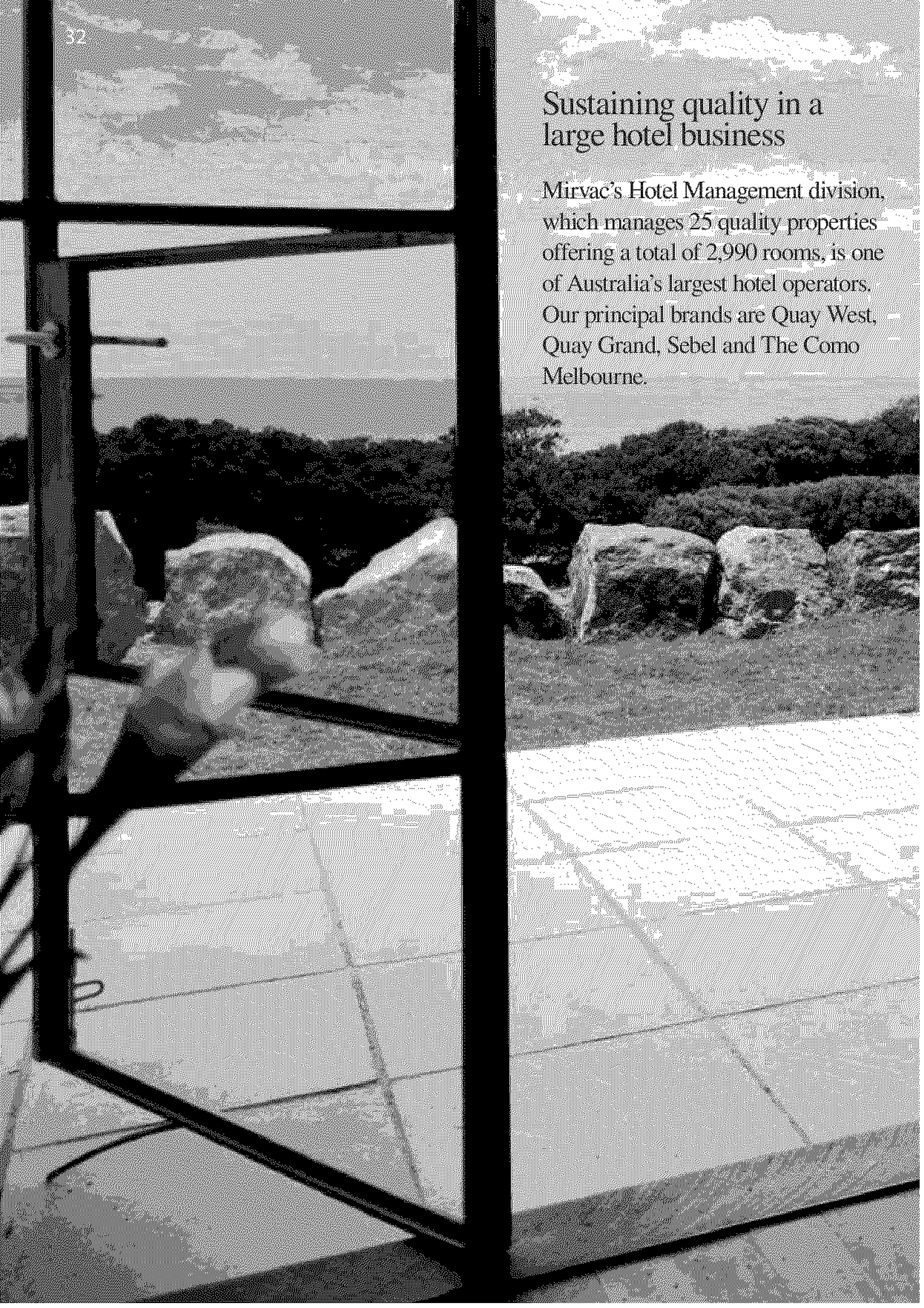
The Newbury community continues to grow and develop, assisted by two community development officers. They help organise community activities, social events and services such as the formation of playgroups and keeping residents informed through a regular newsletter.

To date, Newbury has been a great achievement for Mirvac.

At 30 June, we had sold 211 completed homes and 686 home sites, with Mirvac Homes contract houses being built on many of the blocks. We expect to continue this success in 2005–2006.

Sustaining quality in a large hotel business

Mirvac's Hotel Management division, which manages 25 quality properties offering a total of 2,990 rooms, is one of Australia's largest hotel operators. Our principal brands are Quay West, Quay Grand, Sebel and The Como Melbourne.



HOTEL MANAGEMENT

Hotel Management Division


Andrew Turner
CEO

The Hotel Management division achieved significant growth during the year; occupancy was 72 per cent and the average room rates increased from $168 to $176. The result was an increase in divisional profit to $11.8 million after tax, a 31 per cent increase over the previous year.

All major hotel market segments showed growth through the year, most strongly in the UK, Europe and North America, and we increased our domestic leisure and corporate business.

In studying our market share, 75 per cent of our hotels were in the top three against their direct competitors.

During the year, Mirvac received the coveted Best Hotel Accommodation Chain award for Australia, New Zealand and the South Pacific at the recent National Tourism Awards.

Hotel profits grow in New South Wales

Our 10 hotels in New South Wales all performed well during the year.

These properties all demonstrated solid profit increases over the previous year:

The Quay West Suites Sydney

The Sebel Residence Chatswood

The Sebel Resort and Spa Hawkesbury Valley

The Sebel Kirkton Park Hunter Valley, and

The Sebel Pier One Sydney.

The Sydney Marriott underwent a significant refurbishment and performed reasonably well despite the associated disruptions. We decided to sell the strata management lot at the Hyde Park Plaza because it was no longer consistent with our key brands.

The Como leads good Victorian performance

In Victoria all of our properties showed an increase in profit, most notably Como in Melbourne, up 39 per cent.

The Sebel Heritage Yarra Valley, is now recognised as one of the finest golf, conference and leisure destinations in the country and is performing well. A second golf course is scheduled for completion in 2006.

Mirvac acquired the management of The Sands Torquay in Victoria, where construction of a 100-room hotel will commence during 2005–2006.

Consolidating our role in north Queensland

In Queensland our hotel properties increased profit by 32 per cent. In August 2004, Sea Temple Resort and Spa Palm Cove opened, the first of four such resorts to be launched over the next two years. The Sea Temple in Port Douglas is on course to open in May 2006.

A major addition to our Queensland properties during the year was the Cairns International Hotel, in which we purchased a 50 per cent interest with TMG Developments, the owners of The Sebel Pier One in Sydney. Settlement occured after 30 June 2005.

The acquisition consolidates Mirvac as the major operator of hotels and resorts in north Queensland.

Hotels that are top performers in their markets

The two properties that Mirvac developed in Western Australia – Quay West Resort Bunker Bay and Sebel Residence East Perth – are top performers in the Western Australian market.

Both of our managed properties in Auckland, Quay West Suites and The Sebel Suites, also performed at the top of their market. During the year we also signed a management agreement for a new Sebel hotel in Tauranga – The Sebel Trinity Wharf Tauranga – which is scheduled to open in February 2006.

LOOKING FORWARD: Fine-tuning our hotels for better yields

All indicators for 2006 are encouraging, with forecast increases in Australian and international business. This trend, combined with relatively modest supply increases in most city and resort destinations, should translate into significant room yield increases for our hotels.

Our development strategy is to continue expanding the Sebel and Quay West brands. Our focus over 2005–2006 will be to continue to ensure customer satisfaction driven by well-trained, efficient and friendly staff.

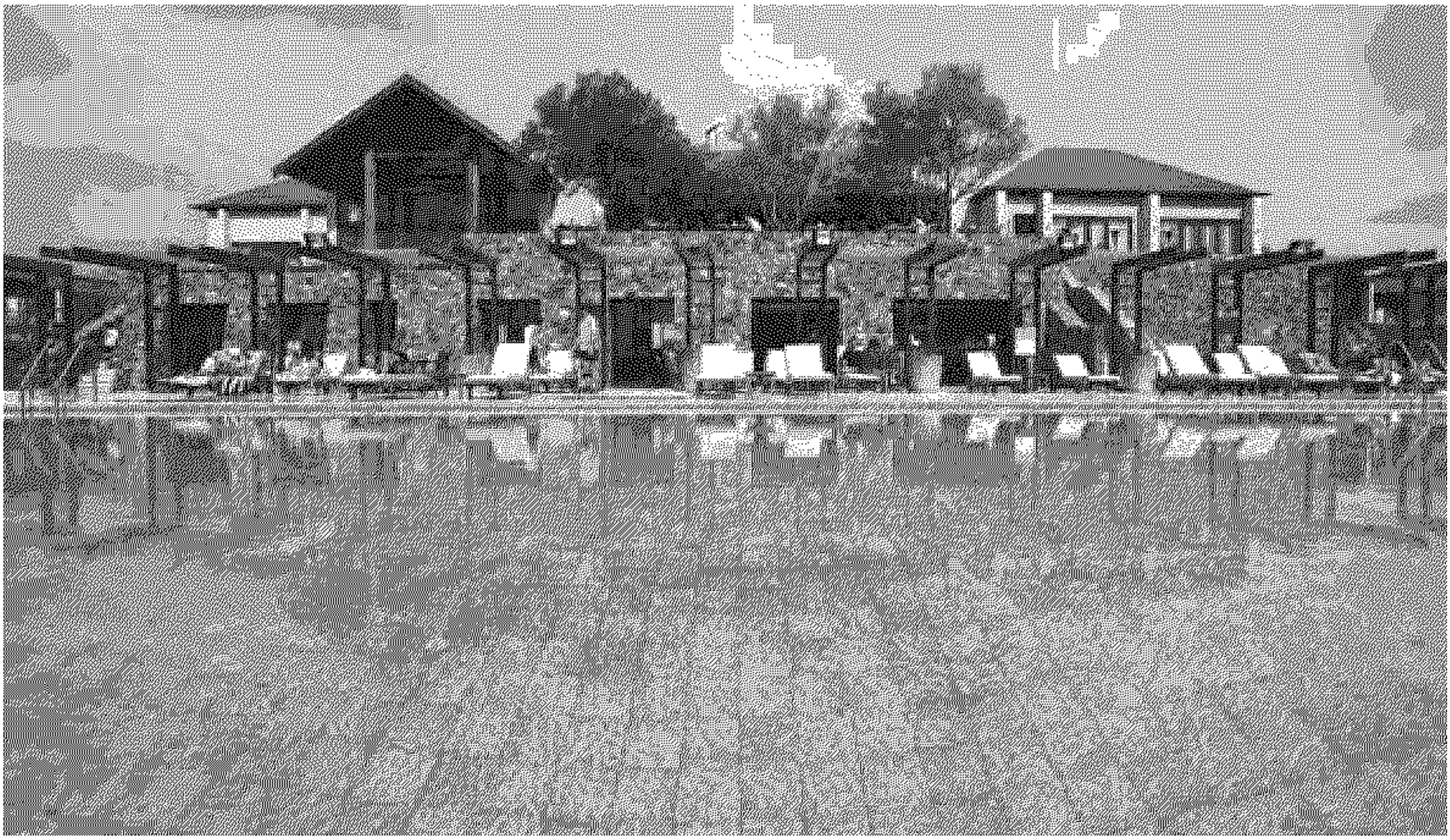
Our central reservations system is generating increased volume and our internet site has been an unqualified success. Our marketing and development strategy, combined with Mirvac's renowned quality and service, should strongly support our targeted future profit growth.

Quay West, Quay Grand & The Sebel
Names that promise real quality and value

Quay West and Quay Grand are the ultimate in luxury serviced apartments. Mirvac has led the development of serviced apartments since Quay West Suites Sydney opened in 1992. We have added Quay West properties in Brisbane, Melbourne and Auckland.

The first Quay West Resort opened at Bunker Bay in the Margaret River region in mid-2004, with another at Magenta Shores scheduled to open in mid-2006.

The success of the brand further underlines the advantages of our integrated business model by allowing divisions of the Mirvac Group to design, construct and manage Quay West properties.



Quay West Resort Bunker Bay, WA

Building on a tradition of high hotel standards

Since Mirvac acquired The Sebel brand in 1982 with the acquisition of Sebel Townhouse, at Elizabeth Bay in Sydney we have added 15 Sebel hotels throughout Australia and New Zealand.

Sebel hotels are individual, boutique properties offering a high standard of accommodation and personalised service. Location and ambience are central to the brand image.

We practise "the Mirvac way" in running our hotels. Quality, as always, is our hallmark. We ensure uncompromising attention to detail in each hotel, and a superior level of professional service, thereby providing our guests with real value for money and targeting yields that benefit our securityholders.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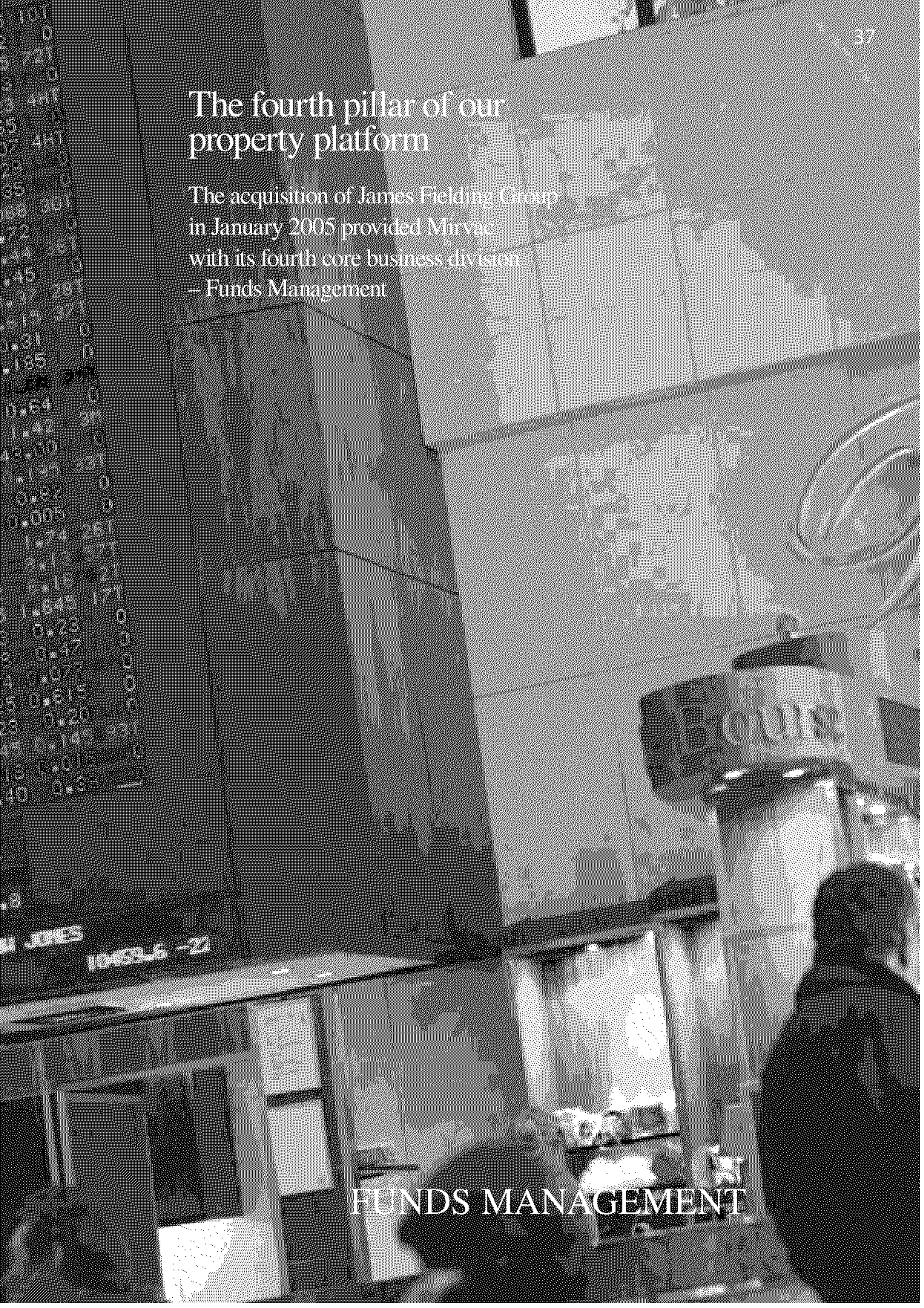
The fourth pillar of our property platform

The acquisition of James Fielding Group in January 2005 provided Mirvac with its fourth core business division – Funds Management



FUNDS MANAGEMENT

Funds Management Division

James Fielding Funds Management

Adrian Harrington
CEO

The Funds Management division targets superior investment performance for its clients, within acceptable risk parameters and according to the investment objectives of the funds we manage.

At 30 June 2005, James Fielding Funds Management managed approximately $2.5 billion ($3.1 billion before adjusting for joint-venture interests) in listed and unlisted property funds, property debt funds, property securities funds and listed and unlisted infrastructure funds.

Our investor base continued to grow during the year, building to more than 35,000 investors made up of institutions, superannuation funds, and individual investors, many of whom have multiple investments with us.

By integrating James Fielding Funds Management into Mirvac, the Group gained access to additional sources of third-party capital. This provides additional flexibility in holding, managing and funding property-related opportunities.

We expect further benefits through fostering active collaboration across the Group's divisions.

Generating growth and returns for our investors

JF Meridian Trust, an ASX-listed diversified property trust, generated strong growth during the year, delivering investors a total return of 37.3 per cent and outperforming the S&P/ASX 300 Property Accumulation Index, which was up by 18.4 per cent.

We successfully improved the quality of the Trust's portfolio and security of income by acquiring higher quality assets and selling under-performing assets. Gross assets of the Trust increased by 41 per cent to $924 million.

In May 2005, we successfully launched the ASX-listed JF US Industrial Trust, our first fund to invest in the US, with the acquisition of $497 million of industrial assets. The Trust plans to acquire additional industrial assets in the US.

We will continue to launch other listed and unlisted property funds that will own assets offshore. For these we will seek strong joint-venture partners to ensure that we have on-the-ground expertise to source investment opportunities and provide day-to-day management of the properties.

During the year we expanded James Fielding Direct, our unlisted property funds management business. We merged some smaller retail funds and acquired two new retail centres to create the $110 million James Fielding Retail Portfolio, which comprises six neighbourhood and bulky goods centres. At year's end we managed $240 million across our unlisted property funds.

James Fielding Infrastructure, a joint venture between Mirvac and Leighton Holdings, launched the James Fielding Infrastructure Growth Fund in June 2005. Our existing infrastructure funds continued to be well supported – the James Fielding Infrastructure Yield Fund raised $19.5 million. Two leading Australian superannuation funds – Westscheme and StateWide Super – each committed $50 million to our Australian Sustainable Investments Fund. We will continue to deploy the collective expertise of Mirvac and Leighton to seek out opportunities to expand our infrastructure funds under management.

We advanced further towards our long-term goal of being a major player in the property debt funds management with the launch of two new mortgage trusts in our joint venture with Balmain NB – the JF AQUA Income Fund and the JF AQUA High Income Fund. Both funds have been well received by the market. At 30 June, JF AQUA had $22.4 million invested, with undrawn commitments of a further $10 million.

The James Fielding Mezzanine Capital Fund, which manages a $120-million mandate on behalf of the Government of Singapore and Mirvac, had $84 million of mezzanine property loans committed at year's end.

Hotel Capital Partners (HCP), our hotel funds management business, manages two ASX-listed funds – Australian Hotel Fund, which generated total returns of 27.2 per cent to 30 June, and Tourism and Leisure Trust, which produced 28.7 per cent in the same period.

During the year HCP successfully established an unlisted fund on behalf of NRMA Motoring and Services, JF Meridian Trust and Mirvac, to acquire a $240-million portfolio of Travelodge hotels across Australia.

Perpetual James Fielding (PJF) – our joint venture with Perpetual Investments to manage property securities – increased funds under management to $464 million. Since 30 June 2005 we have agreed to sell our interest in PJF to Perpetual Investments.

James Fielding Funds Management has a 50 per cent strategic interest in Domaine Property Funds and Property Funds Australia (PFA), both proven managers of unlisted property funds with separate, excellent networks for raising capital. At 30 June 2005, Domaine managed $161 million in funds under management and PFA had $300 million.

LOOKING FORWARD: Maximising benefits through integration

James Fielding Funds Management is well placed to continue to provide investors with a wide range of property and infrastructure investment opportunities.

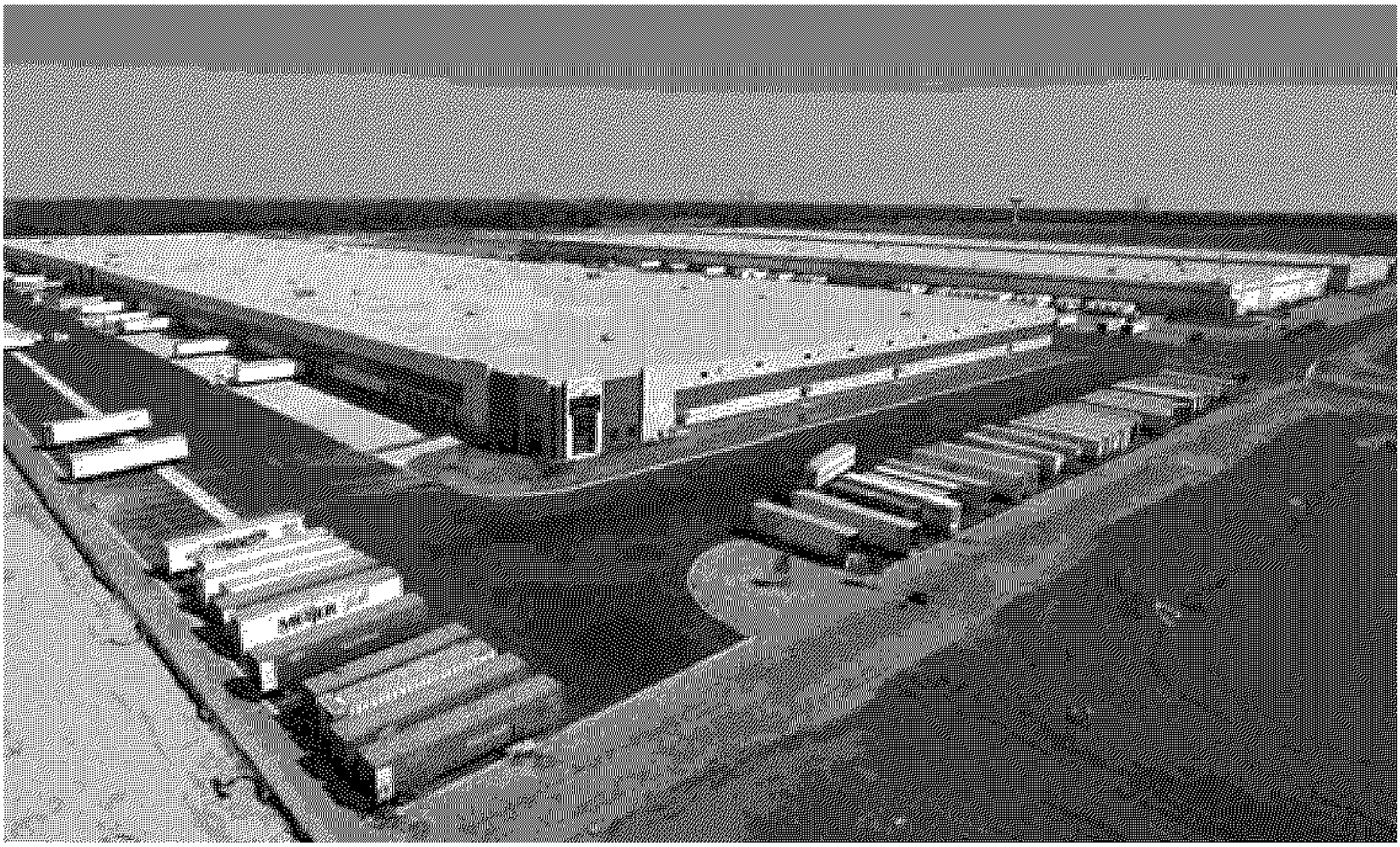
Our goals are to develop businesses and manage funds that offer attractive returns to investors and have potential for future growth and scalability.

JF US Industrial Trust
Providing an opportunity to invest in US real estate

In a highlight for our Funds Management division we successfully listed the JF US Industrial Trust (Trust) on the ASX in May 2005.

The Trust's initial acquisition was a 95 percent interest in 41 industrial properties in the Chicago region for A$487 million from CenterPoint Properties Trust (CenterPoint).

The Trust's acquisition of the properties, comprising almost one million square metres of space, was divided into four tranches. The first, comprising six properties, settled in May 2005 and the second, comprising 10 properties, settled in July 2005. The remaining two tranches are scheduled to settle in October 2005 (14 properties) and February 2006 (11 properties).



West Mississippi St., Elwood, Chicago

The Chicago region was selected for the Trust's initial US investment because it is the largest industrial market in the US, a leading centre of manufacturing, warehousing and distribution, and a major transportation hub. More than half of all US container traffic passes through Chicago. The city's O'Hare International Airport is one of the world's busiest.

The Trust entered the US industrial market with a strong joint-venture partner, CenterPoint, the largest owner and manager of industrial real estate in the Chicago region. CenterPoint retains a five per cent interest in the properties and provides asset and property management services.

The Trust is forecast to deliver an annualised cash distribution yield on average capital subscribed of 9.5 per cent for the 13.5 months ending 30 June 2006 and 9.75 per cent for the 12 months ending 30 June 2007.

Mirvac acquired an initial 4.9 per cent strategic interest in the ASX-listed Trust to provide an alignment of interest with investors.

STATUTORY AND FINANCIAL REPORTS

Mirvac Group Limited
Corporate Governance

The Mirvac Group compliance with the ASX Principles of Good Corporate Governance and Best Practice Recommendations is set out below.

The Mirvac Group Board has determined that Mirvac Group complies with all of the Recommendations as at June 30, 2005, other than recommendations 2.4 and 9.3. The explanation for the departure from these recommendations is included as part of the discussion of the relevant Principles.

Principle 1:
Lay solid foundations for management and oversight

The Mirvac Group adopted a Board Charter in July 2003 that sets out the functions and responsibilities of the Board, those delegated to management and defines the role and responsibilities of the Executive Committee. The Board Charter is posted on Mirvac's website. The Board and Board Committee Charters are reviewed each year. In June 2005, the existing Charters were confirmed, but as a result of the acquisition and integration of the James Fielding Group, the corporate governance structure of the Group will again be reviewed as part of the annual review in November 2005.

The Board has overall responsibility for Mirvac and its business operations. Its functions and responsibilities include enhancing securityholder value, oversight of the Group, appointing the Managing Director, formulating and approving strategy, reviewing risk management and internal compliance and control, monitoring performance of senior management, approving major capital expenditure, approving the Group budget and monitoring financial and other reporting. It delegates certain functions to the Executive Committee.

The Board meets bi-monthly and at other times as required. Non executive directors are kept informed of the Group's operations through regular Board papers and reports from the Managing Director and other members of the Executive Committee.

Directors are entitled to seek additional information at any time and have the right to seek independent professional advice at the expense of Mirvac, after consultation with the Chairman or Managing Director.

The locations for Board meetings are rotated through the primary places of business of the Group to enable regular site visits to inspect assets and developments across Australia. These visits are often over two days.

Principle 2:
Structure the Board to add value

MEMBERSHIP OF THE BOARD

The composition of the Mirvac Group Board is designed to provide a strong mix of general business experience and specific property-related skills as well as broader financial, legal and management skills. The Chairman of the Board, Adrian Lane, is an independent non executive director.

During the year the membership of the Board changed. The acquisition of the James Fielding Group resulted in the appointment of Greg Paramor as Managing Director, James MacKenzie and Richard Turner as independent non executive directors on 7 January 2005. Barry Neil, Robert Webster and Anna Buduls resigned as directors on 21 October 2004, 7 January 2005 and 29 July 2005 respectively. Both Robert Hamilton and Roger Fortune have announced that they will retire from the Mirvac Group and will not stand for re-election as directors at the November 2005 Annual and General Meetings. On 9 August 2005 the Director of Finance, Dennis Broit, announced his retirement as an executive. He will remain on the Board as a non executive director.

Following these changes, the Mirvac Group Board membership consists of an independent non executive Chairman (Adrian Lane), four independent non executive directors (Geoffrey Levy, Paul Biancardi, Richard Turner and James MacKenzie), one non independent non executive director (Dennis Broit), one Managing Director (Greg Paramor) and two executive directors (Robert Hamilton and Roger Fortune).

THE BOARD MEMBERS

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

Adrian J. Lane, B.A. LLB

Adrian Lane is the independent non executive Chairman of the Mirvac Group and has been a director since 1996. He is Chairman of both the Remuneration and Nomination Committees and a member of the Mirvac Audit Risk and Compliance Committee.

He 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 Chairman of The Smith Family and was Chairman of OPSM Group Ltd from 1980 until November 2002. Mr Lane is a former director of Amalgamated Holdings Ltd (from November 1989 to August 2003).

Gregory J. Paramor, F.A.P.I., F.A.I.C.D.

Greg Paramor was appointed Managing Director of Mirvac Group on 7 January 2005 following the acquisition of the James Fielding Group (JFG). He is Chairman of the Executive Committee.

Mr Paramor has been involved in the real estate and funds management industry for the past 33 years. He has participated in forming property vehicles for public investment since 1981 and was the co founder of Growth Equities Mutual, Paladin Australia and JFG. He has been directly involved in the organisation of approximately $6 billion of commercial, retail and industrial projects and property securities. He is a past president of the Property Council of Australia, past President of Investment Funds Association and a fellow of the Australian Property Institute.

He is also a director of a number of organisations and companies including the Garvan Institute of Medical Research and Leighton Properties Pty Limited. He has been a director of James Fielding Holdings Limited since July 2000.

Robert J. Hamilton, A.R.E.I., F.A.P.I.

Robert Hamilton is the former Managing Director of the Mirvac Group and has been a director since 1987.

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.

Mr Hamilton has advised that he will retire from the Mirvac Group and will not stand for re-election as a director in November 2005. In the three years to 30 June 2005, Mr Hamilton did not hold any other listed company directorships outside the Mirvac Group.

Dennis J. Broit, DIP. COMM., CPA

Mr Broit resigned as Mirvac Group's Finance Director on 9 August 2005 and continues as a non executive director. He has been a director since 1987 and closely associated with Mirvac since 1983.

Mr Broit has more than 35 years' experience in the property industry with specific expertise in the financing of property development and accountancy.

In the three years to 30 June 2005, Mr Broit did not hold any other listed company directorships outside the Mirvac Group.

Roger A. Fortune, F.A.P.I.

Roger Fortune is a non executive director. He has been a Mirvac director since 1987.

Mr Fortune has more than 35 years of experience in the management of major residential, commercial and retail developments in Australia and overseas and has expertise in the area of hotel management.

Mr Fortune has advised that he will retire from the Mirvac Group and will not stand for re-election as a director in November 2005. In the three years to 30 June 2005, Mr Fortune did not hold any other listed company directorships outside the Mirvac Group.

Geoffrey H. Levy, AO, B.Comm, LLB, ASIA

Geoffrey Levy is an independent non executive director of the Mirvac Group. He has been a Mirvac director since 1997 and is a member of the Nomination Committee.

Mr Levy has more than 20 years of experience in the financial and corporate advisory sectors. He is currently the Chairman of Investec Bank (Australia) Limited and its investment banking subsidiary, Investec Wentworth Pty Limited. He was formerly a partner of the law firm Freehills.

Mr Levy's other current listed company directorships comprise STW Communications Group Ltd (since November 1993), Ten Network Holdings Ltd (since April 1998), the Multiple Sclerosis Society of New South Wales (since October 2002) and is also Chairman of Miller's Retail Ltd (since April 2005). Mr Levy is a former director of Freedom Group Ltd (from June 1996 to July 2002).

He was appointed an Officer of the Order of Australia in the 2005 Queen's Birthday Honours List.

Paul J. Biancardi, B. Ec, FCA

Paul Biancardi is an independent non executive director of Mirvac and is Chairman of the Audit Risk and Compliance Committee. He has been a Mirvac director since 2001.

Mr Biancardi is a former taxation partner of PricewaterhouseCoopers (the current auditors of Mirvac Group) and was Chairman of Coopers & Lybrand from 1994 to 1997. He left PricewaterhouseCoopers in 1999 and joined the Mirvac Board in 2001. An experienced accountant, he brings extensive knowledge in the areas of finance, taxation and human resources to the Board. He is a director of Crescent Capital Partners. Mr Biancardi is former Chairman of Hamilton James and Bruce Group Ltd and was a director from August 2000 to November 2003.

James A. C. MacKenzie, BBus, FCA, F.A.I.C.D

James MacKenzie was appointed as an independent non executive director of Mirvac Group on 7 January 2005 and is a member of both the Audit Risk and Compliance Committee and the Remuneration Committee.

Mr MacKenzie has previously held the positions of Managing Director, Funds Management and Insurance at the ANZ Banking Group, Chief Executive Officer of Norwich Union Australia and the TAC. A Chartered Accountant by profession, Mr MacKenzie was also a partner in the Melbourne and Hong Kong offices of an international accounting firm now part of Deloitte, and he remains involved with Deloitte as a consultant. He is currently Chairman of the Victorian WorkCover Authority and the Victorian Transport Accident Commission (TAC) and is a director of Victorian Major Events Company Limited. He is also a member of the St Catherine's School Council and a Director of the Monivae College Foundation.

Mr MacKenzie currently holds or held directorships in the following listed companies during the past three years:

Amrad Corporation Limited (Director since April 2005)
Circadian Technologies Limited (Director since July 2002)
James Fielding Holdings Limited (since May 2001)
MedAire Inc (May 2004 to July 2005)
Child Care Centres of Australia Limited (August 2002 to July 2004)

Richard W. Turner, FCA, BEc, AM

Richard Turner was appointed as an independent non executive director of Mirvac Group on 7 January 2005 and is a member of both the Audit Risk and Compliance Committee and Nomination Committee.

Mr Turner is a chartered accountant and the former CEO of Ernst & Young. He is the Chairman of Capital Finance Australia Limited and a director of HBOS Australia Pty Limited and the Pain Management Research Institute at Royal North Shore Hospital.

Mr Turner's other current listed company directorships comprise Publishing and Broadcasting Ltd (since November 1998), Crown Limited (since October 2003) and James Fielding Holdings Limited (since February 2001). Mr Turner is a former director of Bank of Western Australia Ltd (from October 2002 to September 2004).

Anna Buduls, B.A., M.Comm

Anna Buduls was an independent non executive director of the Mirvac Group from 1997 until her resignation on 29 July 2005. She was a member of the Audit Risk and Compliance Committee and Chairman of the Remuneration Committee.

Ms Buduls has strong experience in securityholder communications, human resources, investor relations, the media and corporate finance. She is a director of Macquarie Generation and the Smith Family. Ms Buduls' other current listed company directorships comprise Hamilton James and Bruce Group Ltd (since October 2002) where she is Chairman, and SAI Global Ltd (since October 2003). Ms Buduls is a former director of Freedom Group Ltd (from October 1998 to November 2003).

The Hon. Robert J. Webster

Robert Webster was an independent non executive director from 1997 until his retirement on 7 January 2005. He was a member of both the Remuneration Committee and the Nomination Committee.

Mr Webster has extensive experience in politics and finance, as well as in human resources. He is a senior executive of Korn Ferry and a director of Allianz Australia and Macquarie Generation. Mr Webster has been a director of Brickworks Ltd since August 2001.

Barry H. R. Neil, B.E. (CIVIL), F.A.P.I.

Barry Neil was an executive director from 1987 until his retirement on 21 October 2004. He was the Chief Executive Officer of the Investment Division and was a member of the Executive Committee.

Mr Neil has more than 30 years of experience in construction and property development and asset management in Australia and overseas, and has been involved in the commercial development and property investment and management operations of Mirvac since 1983.

In the three years to 30 June 2005, Mr Neil did not hold any other listed company directorships outside the Mirvac Group.

COMPANY SECRETARIES

During the year to 30 June 2005, the Group Company Secretary was Susan Myers, BA, LLB, FCIS. A lawyer with extensive legal, corporate governance, compliance and company secretarial experience in listed entities, Ms Myers was appointed by the Board and held the position for three years.

The Assistant Company Secretary, Melanie Hedges, and the Chief Financial Officer, Tim Regan, have been appointed by the Board jointly as Company Secretary from 1 July 2005 until the recruitment of a replacement.

All directors have access to the Company Secretary.

INDEPENDENCE OF DIRECTORS

The Board regularly assesses the independence of its non executive directors. Formal guidelines to assist in determining the independence of directors, including materiality guidelines, were approved by the Board in July 2003. They were reviewed again on 18 August 2005 and are available on the Mirvac website.

Mirvac Group Limited
Corporate Governance

The independence of directors is reviewed at least annually, as well as when interests are disclosed.

The tests of independence demand that a non executive director:

> is not a substantial shareholder, or associated with a substantial shareholder, of Mirvac;

> has not been an executive of Mirvac within the past three years;

> has not been a principal of a material professional adviser or consultant to Mirvac within the past three years;

> is not a material supplier or customer of Mirvac, or associated with a material supplier or customer;

> has no material contractual relationship with Mirvac, except as a director;

> has not served on the Board for a period which could prejudice his/her ability to act in the best interests of Mirvac; and

> is free from any interest, business or relationship which could prejudice his/her ability to act in the best interests of Mirvac.

The Mirvac Board has determined that 'material' means a director who:

> is a shareholder of a company holding more than 2.5 per cent of the Group's voting stock or an officer of or otherwise associated directly or indirectly with a shareholder holding more than 2.5 per cent of the Group's voting stock;

> is a principal or employee of a professional adviser to the Group and its entities whose billings exceed 2.5 per cent of the adviser's total revenues;

> is a significant supplier or customer of the Group or its entities or an officer of or otherwise associated directly or indirectly with a significant supplier or customer.

On 18 August 2005 the Board determined that five of the six non executive directors, including the Chairman, were independent under Mirvac's guidelines. Mr Dennis Broit is a non executive director and is not considered independent as he was recently an employee of Mirvac.

TERM

All directors (except the Managing Director) are presented for re-election at the AGM at least every three years in accordance with the ASX Listing rules.

In the year to 30 June 2005, the Mirvac Board did not set a fixed term of office for its directors, which is a departure from Recommendation 2.4 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. The mix of experience and expertise of the current directors is of value to the Group, and the Board does not wish to arbitrarily limit their terms of office. Nominating a fixed term for directors may cause loss of experience and expertise, which is not in the best interests of the Mirvac Group nor its securityholders. The Board considers the term served by directors when assessing their independence.

PERFORMANCE EVALUATION

The Board reviews its performance each year and this is discussed in Principle 8.

BOARD COMMITTEES

The Board has four main committees – the Nomination Committee, the Audit Risk and Compliance Committee, the Remuneration Committee and the Executive Committee.

The Board monitors all its delegated functions at each Board meeting through a formal Board Committee reporting process.

As set out under Principle 1 above, the Charters for the Board committees were confirmed in June 2005 and are scheduled to be revised later in the year.

THE NOMINATION COMMITTEE

The Nomination Committee reviews the composition and performance of the Board, including the time required of directors, the appointment and retirement of directors and Board succession plans.

The Nomination Committee was established as a separate Committee, with its own Charter, in July 2003. Before that, its functions had been performed by the Remuneration Committee. The Nomination Committee Charter was confirmed by the Board in June 2005.

The membership of the Nomination Committee during the year ended 30 June 2005 was:

Adrian Lane (Committee Chairman) – non executive director

Robert Webster – non executive (retired 7 January 2005)

Robert Hamilton – executive (resigned 7 January 2005)

Geoffrey Levy – non executive (appointed 8 February 2005)

Greg Paramor – executive (appointed 8 February 2005)

The Committee meets at least once a year and when required. The Committee met on one occasion during the year.

The Nomination Committee Charter, Policy for the Appointment of Directors and the procedure for the selection and appointment of new directors are all available on the Mirvac website.

THE AUDIT RISK AND COMPLIANCE COMMITTEE

The Audit Risk and Compliance Committee is comprised solely of non executive independent directors. Details are set out under Principle 4.

THE REMUNERATION COMMITTEE

The Remuneration Committee is comprised of non executive, independent directors. Details are set out under Principle 9.

THE EXECUTIVE COMMITTEE

The Executive Committee oversees the day to day activities of Mirvac on behalf of the Board with delegated authority under the Board Charter.

The membership of the Executive Committee during the year ended 30 June 2005 was:

Robert Hamilton (Committee Chairman) –
(resigned as Chairman 7 January 2005)

Greg Paramor (Committee Chairman) –
(appointed Chairman 7 January 2005)

Dennis Broit – Finance Director (resigned 9 August 2005)

Roger Fortune – Executive Director
(on extended leave since February 2005)

Barry Neil – CEO Investments (retired 31 December 2004)

Nick Collishaw – CEO Investments (appointed 7 January 2005)

Adrian Harrington – CEO Funds Management
(appointed 7 January 2005)

Mick O'Brien – CEO Mirvac NSW

Adrian Fini – CEO Mirvac Fini WA

Chris Freeman – CEO Mirvac QLD

Robert Lynch – CEO NSW Homes

Brett Draffen – CEO Mirvac VIC

Chris Langford – CEO Retail Projects

Andrew Turner – CEO Mirvac Hotels and Resorts

The Executive Committee met on 14 occasions during the year.

The composition of the Executive Committee ensures that it has contributors from each major business division and each geographical area in which the Group operates. Monthly meetings ensure effective decision making and information sharing. The Executive Committee reports directly to the Board.

Principle 3:
Promote ethical and responsible decision-making

Mirvac insists on all directors and employees acting in an ethical manner and observing the highest standards of integrity.

The Mirvac Group Code of Conduct applies to all directors and employees. It refers to the Mission Statement, the Policy on Trading in Mirvac Securities and the Policy on Communication and Market Disclosure.

Together, these documents cover ethical standards, excellence in performance, unauthorised gains, conflict of interest, confidentiality, public statements, insider trading, integrity of operations and reporting and management of breaches of the Code. The Mission Statement refers to Mirvac's commitment to delivering quality to its employees, to its internal and external communications, to its training of staff and to its organisational efficiency.

The Policy on Trading in Mirvac Securities prohibits employees from buying or selling Mirvac securities if they have, or believe that they may have, non public price sensitive information. Directors and employees in sensitive positions where they are likely to have non public price sensitive information are nominated as "Restricted Officers" and a formal approval procedure applies to trading by them in Mirvac securities. There are exceptions for acquisitions of securities under the Employee Incentive Scheme and the Dividend Reinvestment Plan.

The implementation and effectiveness of the Code of Conduct and supporting Policies is monitored by Mirvac's Operations Review.

The Code of Conduct and the documents referred to in it were reviewed and confirmed by the Board in June 2005. The Code of Conduct will again be reviewed as part of the annual review in November 2005. The current policies, including the current Code of Conduct, are available on the Mirvac website.

Principle 4:
Safeguard Integrity in Financial Reporting

Both the Managing Director and the Chief Financial Officer have stated in writing to the Board that, for the year ended 30 June 2005:

> the Group's financial reports present a true and fair view, in all material respects, of the financial condition and operational results and have been prepared in accordance with all relevant accounting standards; and

> the integrity of the Group's financial reports is based on their assessment that there is material adherence to the Group's risk management policy and that the Group's associated internal compliance and control systems are operating efficiently. Risk Management is discussed further in Principle 7 below.

Their statement provides a reasonable but not absolute level of assurance about Mirvac's risk management, internal compliance and control systems. Their declaration is not a guarantee against unfavourable events or more volatile outcomes that may occur in the future. Management discussion and analysis of the financial results are included in the following financial reports.

THE AUDIT RISK AND COMPLIANCE COMMITTEE

The Audit Risk and Compliance Committee is a Committee of the Board and is comprised of independent non executive directors with sound accounting, financial, commercial and legal expertise.

The membership of the Audit Risk and Compliance Committee during the year ended 30 June 2005 was:

Paul Biancardi (Committee Chairman)

Adrian Lane

Anna Buduls – (retired 29 July 2005)

James MacKenzie – (appointed 15 February 2005)

Richard Turner – (appointed 15 February 2005)

The Chairman is a qualified accountant with extensive commercial experience. All members of the Committee are financially literate with a sound understanding of property investment and property development.

The Committee is required to meet at least four times a year and as needed, and advises the Board on all aspects of internal and external audit, including Mirvac's accounting procedures, financial reports, risk management and compliance systems. The Committee reports to the Board and also assists the Board on issues such as assessing the independence of directors.

The Committee has satisfied itself that Mirvac's financial statements and accounting procedures comply with accounting standards and other professional reporting requirements. It has examined the accounts for the year to 30 June 2005 and is confident that they provide a true and fair statement of the Group's financial performance and balance sheet.

In the year to 30 June 2005 the Committee met on six occasions and the external auditors attended four of those meetings. The external auditors also met with the Committee in the absence of management.

The internal audit role of the Manager, Operations Review, is separate from external audit and has access to and the right to seek information from management. The role reports to the Committee. The internal audit function is being reviewed by the Audit Risk and Compliance Committee and is being enhanced to better monitor the larger and more complex merged businesses.

The Charter of the Audit Risk and Compliance Committee was confirmed in June 2005. The Charter, together with the Policy on Review Selection Appointment and Rotation of External Auditors, is available on the Mirvac website.

Principle 5:
Make timely and balanced disclosure

Mirvac provides timely and relevant information to the ASX through announcements issued by the Company Secretary and complies with the continuous disclosure requirements in the ASX Listing Rules.

The Policy on Communications and Market Disclosure confirms the Mirvac Group's commitment to an efficient and informed market and to its use of electronic communication. To avoid premature information disclosure, the Policy includes a procedure for communication with the media and with analysts to ensure that all material information is announced to the market through the ASX before it is released to others. The Policy provides for announcements to be timely and to be checked by senior management for clarity, accuracy and completeness before being authorised for release.

The Policy was approved by the Board in June 2005 and is available on the Mirvac website.

Corporate Governance

Principle 6:
Respect the rights of securityholders

Every strategic and operational decision made by the Board is made with the aim of tangibly increasing or protecting securityholder value either in the medium or long term.

Mirvac is committed to providing securityholders with balanced and clear information about the Group so they can assess the Group's performance and prospects.

Reports on full year and half year results are mailed to securityholders. Complete accounts, together with all ASX announcements for the past three years, are available on the Mirvac website.

Care is taken to ensure that documents sent to securityholders are in plain language. Within legal constraints, Notices of Meetings are drafted to communicate the proposed resolutions to securityholders in a manner that avoids confusion and repetition. The full text of the Notice of Meetings and recent Annual Reports are available on the Mirvac website. E-mail is used to provide up to date information to investors who wish to receive them.

Securityholders are encouraged to attend Annual General Meetings and to raise queries with the Group. A toll free telephone service is available during business hours to provide securityholders with a personal and informed service.

Annual and General Meetings are held at a convenient time in a central and accessible location and arrangements are made to accommodate disabled securityholders. The external auditor attends the Annual and General Meetings each year and securityholders are given the opportunity to ask questions of the external auditor. Legal advisers also attend.

Investor Presentations and other relevant external briefings are posted on the Mirvac website after confirmation of release has been received from the ASX. Major financial announcements are webcast through the Mirvac website.

Principle 7:
Recognise and Manage Risk

Mirvac constantly balances its obligation and desire to create wealth for securityholders with the risks involved in the business development and investment opportunities that it pursues. Mirvac aims to manage its risk at an acceptable level according to Group objectives and appetite for risk by ensuring that all significant risks are identified and managed appropriately at the correct level within the organisation.

To maintain the alignment of risk management activities with corporate objectives, the Mirvac Group employs a risk management system based on Australian Standard 4360 wherein:

> the overall approach to risk management and the methodology associated with it is consistent across the Group and is embedded in all business processes;

> the approach to dealing with risk requires input from all levels within the organisation facilitating a top down and bottom up assessment of risk;

> monitoring and reporting on risk management and controls and their outcomes is given high priority;

> all employees are accountable for risk management, with ultimate accountability residing with the executive team and the Board;

> there are effective internal controls, which are monitored and tested on a regular basis to ensure their effectiveness over time and from time to time; and

> there is vigilance in the identification and management of new and changed risks.

Each Division within Mirvac has its own Risk Management Committee. These Committees meet quarterly to assess risks unique to their activities, producing minutes and a risk register. The Divisions then participate in a National Risk Group (chaired by the Chief Financial Officer) that assesses all risks across the Group. The Group's risk register is then tabled at the Executive Committee, Audit Risk and Compliance Committee and Board meetings.

Both the Audit Risk and Compliance Committee Charter and the document setting out the Group's approach to risk management, internal compliance and control are available on the Mirvac website.

Principle 8:
Encourage Enhanced Performance

The process for the performance evaluation of the Board, its Committees and executives was approved by the Board in June 2004.

BOARD

The performance of the Board, Board committees and individual non executive directors is reviewed each year through structured interviews focused on:

> the Board's contribution to strategy;

> the quality and timeliness of information;

> the Board's effectiveness in ensuring financial and operational management of the highest standards; and

> the committees' contribution to functional initiatives and controls.

For the past three years the performance of the Board has been formally reviewed. Interviews are conducted by the Chairman and, in alternate years, an external facilitator undertakes the review process in partnership with the Chairman. A report on overall performance is presented and discussed with the Board as a whole. Individual directors receive one-on-one feedback about their contribution to the effectiveness of the Board.

The Chairman is conducting an independent review of Board performance at the time of this Report and will present the results to the Board before the end of calendar 2005.

INDUCTION

A formal induction procedure has been approved by the Board for non executive directors. The induction includes a comprehensive review of business strategy, Mirvac Group culture, Group policies and key executives.

Separate meetings are arranged with the Chairman, Managing Director, various Chief Executive Officers, the Chief Financial Officer, HR Manager and Company Secretary to ensure full knowledge of both the Group's activities and the responsibilities of being an independent director.

The induction procedure was reviewed and confirmed by the Board in June 2004 and was used to induct new non executive directors after the acquisition of the James Fielding Group.

CONTINUING EDUCATION

The Performance Management and Performance Development process identifies areas for potential executive development and allows Mirvac to target training and continuing education to update and enhance executives' skills and knowledge.

The Board receives regular presentations and briefings from senior executives on Group operations and current trading conditions and trends, as well as the extensive information contained in the Board papers. The Board also attends an annual Strategic Conference.

Individual Board members attend a range of seminars aimed at keeping directors informed on accounting and governance developments.

EXECUTIVES

All Mirvac Group executives participate in an annual Performance Management and Performance Development Review. This formal annual process consolidates ongoing regular feedback which is a critical component of Mirvac's management approach.

The purpose of the review is to:

> review individual performance against predetermined objectives;

> set and agree personal and business objectives for the following period;

> evaluate the executive's overall contribution to the business;

> complete a development plan designed to enhance capability and performance; and

> gain an understanding of career aspirations/interest.

The Performance Management and Performance Development Review is critical input to the Remuneration Review, management development initiatives and succession planning.

Principle 9:
Remunerate Fairly and Responsibly

The Group has undertaken significant change to remuneration processes over the past 12 months with greater focus placed on providing direct linkage between performance and rewards.

Review of our performance management programme gives greater clarity to employees on the key outcomes required for success and provides specific feedback on their performance. Guidelines for Long Term Incentive awards were introduced to ensure internal equity and targeted reward. A review of Short Term Incentives has been undertaken and a more clearly defined, structured programme which is conditional on overall business performance and recognises individual contribution is being introduced for the 2006 financial year.

The Group will continue to review its remuneration policies and practices to ensure its policy of competitive, performance based remuneration in order to attract, retain and motivate the best talent in the industries in which it operates.

Mirvac's remuneration policy, principles and practices are discussed in more detail within the Remuneration Report which is set out on pages 52–57.

RETIREMENT BENEFITS

The only non executive director entitled to a retirement benefit 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. This is a departure from Recommendation 9.3 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. The retirement benefit has resulted from an existing agreement between the Group and the Chairman prior to the introduction of the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

THE REMUNERATION COMMITTEE

The Remuneration Committee is comprised of independent non executive directors. The membership of the Committee ensures it has financial, management and human resources expertise. The membership of the Remuneration Committee during the year ended 30 June 2005 was:

Anna Buduls (Committee Chairman)

Adrian Lane

Robert Webster (retired 7 January 2005)

James MacKenzie (appointed 8 February 2005)

The Group Managing Director and the Group General Manager Human Resources attend Committee meetings by invitation. The Group General Manager Human Resources is the Secretary to the Committee.

The Remuneration 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. In the year to 30 June 2005, the Committee met five times.

Where appropriate, the Committee seeks independent professional advice from third parties. The Charter of the Remuneration Committee was confirmed by the Board in June 2005 and is available on the Mirvac website.

Principle 10:
Recognise Stakeholders' Rights

Mirvac recognises its obligations to stakeholders and its performance in this regard is guided by the Code of Conduct and the Mission Statement and other documents referred to within those two documents that further guide the behaviour of directors and employees in carrying out their work. This is referred to in more detail under Principle 3.

The Mirvac Group
Concise Financial Report
for the year ended 30 June 2005

Mirvac Limited (ABN 92 003 280 699) and its Controlled Entities
Mirvac Property Trust (ABN 29 769 181 534) and its Controlled Entities

This concise financial report has been derived from the full financial report for the year ended 30 June 2005.

A copy of the full financial report, including the auditors' report on the full financial report, is available and will be sent to any member without charge, on request, by telephoning 1800 659 886. Alternatively, the full financial report may be accessed via the internet at the Mirvac website at www.mirvac.com.au.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Mirvac Group, consisting of Mirvac Limited and its controlled entities and Mirvac Property Trust and its controlled entities, as the full financial report.

The Mirvac Group
Directors' Report
for the year ended 30 June 2005

The directors of Mirvac Limited and Mirvac Funds Limited, as the Responsible Entity for Mirvac Property Trust, present their report for the Mirvac Group (the Group) for the year ended 30 June 2005.

This report includes the results of Mirvac Limited (the Company) and Mirvac Property Trust (the Trust), and the entities they controlled at the end of, or during, the year ended 30 June 2005.

DIRECTORS

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

A J Lane
P J Biancardi
G H Levy
R J Hamilton
D J Broit
R A Fortune

Mr B H R Neil resigned as a director on 21 October 2004, and continued as an executive until 31 December 2004. Mr R H Webster resigned as a director on 7 January 2005. Ms A Buduls resigned as a director on 29 July 2005.

Messrs J A C MacKenzie, G J Paramor and R W Turner were appointed on 7 January 2005.

PRINCIPAL ACTIVITIES

The principal continuing activities of the Group are property investment and management, hotel ownership and management and property development. During the year the Group acquired the James Fielding Group which was primarily a property funds management business.

DIVIDENDS/DISTRIBUTIONS

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

	2005 $000	2004 $000
June 2004 quarterly dividend/distribution paid on 30 July 2004 of 8.20 cents (2003 – 8.30 cents)	**58,176**	55,917
September 2004 quarterly dividend/distribution paid on 29 October 2004 of 8.30 cents (2003 – 7.90 cents)	**59,752**	53,537
December 2004 quarterly dividend/distribution paid on 28 January 2005 of 8.30 cents (2004 – 8.00 cents)	**60,473**	54,735
March 2005 quarterly dividend/distribution paid on 29 April 2005 of 8.60 cents (2004 – 8.10 cents)	**72,756**	56,470
	251,157	220,659

The June 2005 quarterly distribution of 8.60 cents ($73.4 million) declared on 30 June 2005, was paid on 29 July 2005.

Dividends and distributions paid and payable by the Group for the year ended 30 June 2005 totalled $266.4 million, being 33.8 cents per fully paid security (2004 – $222.9 million – 32.20 cents per fully paid security).

REVIEW OF OPERATIONS

A summary of Group revenues and results by segment is set out below:

	Segment Revenues		Segment Results	
	2005 $000	2004 $000	2005 $000	2004 $000
Property Investment and Management	**266,723**	234,596	**153,937**	136,741
Property Development	**1,123,981**	1,103,554	**121,968**	161,945
Hotel Ownership and Management	**112,002**	99,034	**14,396**	10,560
Funds Management	**19,748**	–	**5,642**	–
Unallocated/Inter-entity Eliminations	**(53,715)**	(36,737)	**(25,802)**	(12,993)
	1,468,739	1,400,447		
Profit from ordinary activities before income tax expense			**270,141**	296,253
Income tax expense			**(35,753)**	(43,555)
Net profit			**234,388**	252,698
Net profit attributable to outside equity interests			**(1,058)**	–
Net profit attributable to the stapled security holders of the Mirvac Group			**233,330**	252,698

Comments on the operations and the results of those operations are set out in the Discussion and Analysis of the Financial Statements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In accordance with the Explanatory Memorandum for the acquisition of the James Fielding Group issued on 12 November 2004, and the subsequent approval of the Scheme by the James Fielding Group securityholders on 17 December 2004, the Mirvac Group acquired all the issued shares of James Fielding Group (JFG) on 29 December 2004, the date of the Court approval of the Share Scheme. The acquisition was by way of issue of 0.73 Mirvac Group stapled securities for every JFG stapled security.

Increase in Contributed Equity from $1,978.4 million to $2,658.7 million as a result of:

	$000
Issue of 7,402,104 fully paid ordinary securities of $4.15 each under the distribution reinvestment plan (DRP)	30,717
Issue of 3,036,745 fully paid ordinary securities of $4.41 each under an employee share scheme	13,392
Issue of 8,686,282 fully paid ordinary securities of $4.31 each under the DRP	37,441
Issue of 109,389,632 fully paid ordinary securities of $4.82 each as consideration for the acquisition of JFG	527,258
Issue of 8,018,009 fully paid ordinary securities of $4.67 each under the DRP	37,469
Issue of 7,790,858 fully paid ordinary securities of $4.36 each under the DRP	33,996
Capital raising costs	(12)
Net increase in contributed equity	680,261

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 2005 that has significantly affected or may significantly affect:

(i) the Group's operations in future financial years, or

(ii) the results of those operations in future financial years, or

(iii) the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

In the opinion of the directors, it would prejudice the interests of the Group to provide additional information relating to likely developments in the operations of the Group, and the expected results of those operations in financial years subsequent to 30 June 2005.

ENVIRONMENTAL REGULATIONS

The Group 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

All projects are subject to consents, approvals and licences which control the development of land. Each project is undertaken with the guidance of a project specific Statement of Environmental Effects (SEE) or Environmental Impact Statement (EIS), which examines and controls all aspects of development. Each SEE or EIS includes a project specific Environmental Management Plan which guides the construction activities on-site, including handling of waste, materials 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.

Hotels

Mirvac Hotels are continuing with several sustainability initiatives throughout Australia, ranging from daily monitoring of energy consumption by each hotel to inform energy targets and national eco-efficiency targets, water conservation 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.

The Mirvac Group
Directors' Report (continued)
FOR THE YEAR ENDED 30 JUNE 2005

INFORMATION ON DIRECTORS

	PARTICULARS OF DIRECTORS' INTERESTS HELD IN STAPLED SECURITIES OF THE GROUP
Please see page 42 for further information on directors.	
Adrian J. Lane	93,649
Former directorships of listed entities in last 3 years	
Amalgamated Holdings – November 1989 to August 2003.	
OPSM Group Limited – Chairman – 1980 to November 2002.	
Interests in other related securities	
None	
Greg J. Paramor	5,351,821
Former directorships of listed entities in last 3 years	
James Fielding Group – Managing Director – July 2000 to January 2005.	
Interests in other related securities	
James Fielding Industrial Fund – 100,000 units	
James Fielding Retail Fund – 523,247 units	
James Fielding Tourist Fund – 100,000 units	
JF US Industrial Trust – 200,000 units	
Stadium Australia Trust – 5,000 stapled securities	
Q1 Construction Guarantee Facility mandated to James Fielding Investments	
Robert J. Hamilton	–
Former directorships of listed entities in last 3 years	
None	
Interests in other related securities	
None	
Paul J. Biancardi	7,000
Former directorships of listed entities in last 3 years	
Hamilton James & Bruce Group Limited – Chairman – August 2000 to November 2003.	
Interests in other related securities	
None	
Dennis J. Broit	2,887
Former directorships of listed entities in last 3 years	
None	
Interests in other related securities	
None	
Roger A. Fortune	32,571
Former directorships of listed entities in last 3 years	
None	
Interests in other related securities	
None	
Geoffrey H. Levy	37,654
Former directorships of listed entities in last 3 years	
Freedom Group Limited – June 1996 to July 2002.	
Interests in other related securities	
None	
James A.C.MacKenzie	51,929
Former directorships of listed entities in last 3 years	
Child Care Centres Australia Limited – August 2002 to July 2004.	
Medaire Incorporated – April 2004 to July 2005.	
James Fielding Group – Chairman – May 2001 to January 2005.	
Interests in other related securities	
None	
Richard W. Turner	64,396
Former directorships of listed entities in last 3 years	
Bank of Western Australia Limited – October 2002 to September 2004.	
James Fielding Group – February 2001 to January 2005.	
Interests in other related securities	
James Fielding Industrial Fund – 30,000 units	
Stadium Australia Trust – 2,000 stapled securities	

COMPANY SECRETARY

During the year to 30 June 2005, the Group Company Secretary was Susan Myers, BA, LLB, FCIS. A lawyer with extensive legal, corporate governance, compliance and company secretarial experience in listed entities, Ms Myers was appointed by the Board and held the position for three years, until her resignation on 30 June 2005. The Assistant Company Secretary, Melanie Hedges, and the Chief Financial Officer, Tim Regan, have been appointed by the Board jointly as Company Secretary from 1 July 2005 until the recruitment of a replacement.

MEETINGS OF DIRECTORS

The following table sets out the numbers of meetings of directors (including meetings of committees of directors) held during the year ended 30 June 2005, and the number 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	
	A	B	A	B	A	B	A	B	A	B	A	B
Number of meetings attended by :												
A J Lane	15	16	2	2	*	*	5	6	5	5	1	1
G J Paramor (appointed 7 January 2005)	5	5	*	*	7	7	*	*	*	*	*	*
R J Hamilton	16	16	*	*	13	14	*	*	*	*	1	1
P J Biancardi	14	16	2	2	*	*	6	6	*	*	*	*
D J Broit	15	16	*	*	11	14	*	*	*	*	*	*
A Buduls (resigned 29 July 2005)	14	16	2	2	*	*	6	6	5	5	*	*
R A Fortune	13	16	*	*	6	14	*	*	*	*	*	*
G H Levy	14	16	2	2	*	*	*	*	*	*	*	*
J A C MacKenzie (appointed 7 January 2005)	5	5	*	*	*	*	2	2	2	2	*	*
R W Turner (appointed 7 January 2005)	3	5	*	*	*	*	1	2	*	*	*	*
B H R Neil (resigned 21 October 2004)	4	5	*	*	5	7	*	*	*	*	*	*
R J Webster (resigned 7 January 2005)	8	10	2	2	*	*	*	*	3	3	1	1

A= Number of meetings attended

B= Number of meetings held during the period that the director was appointed

** = not a member of the relevant committee*

REMUNERATION REPORT

Principles Used to Determine the Nature and Amount of Remuneration

The Group has undertaken significant change to remuneration processes over the past twelve months with greater focus placed on providing direct linkage between Group and individual performance and rewards.

Review of our performance management programme gives greater clarity to employees on the key outcomes required for success and provides specific feedback on their performance.

The Short Term Incentive scheme has been redesigned to include an overall performance condition for all participants which requires achievement of a minimum of 95% of the Group profit target and 100% of the respective division profit target.

Guidelines for Long Term Incentive awards were undertaken and a more clearly defined, structured programme which is conditional on overall business performance and recognises individual contribution is being introduced for the 2006 financial year.

The Group will continue to review its remuneration policies and practices to ensure its policy of competitive, performance based remuneration in order to attract, retain and motivate the best talent in the industries in which it operates.

The Performance Management and Performance Development Programme is a fundamental platform in the remuneration of our executives.

At the beginning of each financial year, clear objectives are set for each executive in order to provide clarity and focus to the individual and the organisation.

There are a number of common objectives shared by the Executive Committee members including the following subject areas:

> Achievement of Group profit target

> Achievement of divisional profit target

> Training and development of staff

> Adherence to Group Risk Management and OHS&E platforms

> Communication of business performance and objectives to staff

The Mirvac Group
Directors' Report (continued)
FOR THE YEAR ENDED 30 JUNE 2005

REMUNERATION REPORT (CONTINUED)

Additional objectives which enhance the overall business strategy relating to the particular division are agreed at the beginning of each year for each Executive Committee member. The objectives are reviewed by the Remuneration Committee.

The executive's performance is evaluated at the end of the year by their direct manager and reviewed by the next level manager, and a development plan put in place to enhance continued improvement in individual performance and overall contribution. The Managing Director reviews the performance of the Executive Committee members and his direct reports and presents his evaluation to the Remuneration Committee.

The Performance Management and Performance Development tool is utilised across the whole business at all levels of employee.

The Performance Management and Development programme will continue to be refined and will in the coming year include further initiatives to provide feedback to executives on their performance and leadership capability.

Structure of Remuneration

The Group seeks to structure remuneration in order to reward individual performance and contribution, reward team performance, overall business performance and to enhance retention. Our 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

Fixed remuneration includes superannuation contributions, any additional voluntary superannuation contributions, novated lease costs for motor vehicles and for members of the Executive Committee an annual travel allowance.

Executives have flexibility to allocate components of fixed remuneration to certain benefits. In these circumstances the executive is charged the cost of fringe benefits tax. The cost to the Group is therefore the same.

(b) Short Term Variable Remuneration

The key drivers of variable remuneration are:

> Performance against Group and division profit performance measure against predetermined targets

> Overall business or division performance against predetermined objectives

> Individual contribution to Group or division performance

Short term variable remuneration consists of annual incentive payments based upon predetermined targets and evaluation of individual performance.

Members of the Executive Committee are rewarded based upon the performance of the business unit they lead, the Group performance and their individual performance.

The Managing Director's participation is conditional upon the Group achieving a pre-agreed profit target. No Short Term Incentive payments were made to the Managing Director and executive directors in 2005.

(c) Long Term Variable Remuneration

The Long Term Incentive schemes are available for all employees and are designed to share the benefit of the performance of the Group through the provision of loans to purchase securities. Loans are repayable via dividend payments or upon the sale of securities.

Employees are required to sell the securities and repay loans on termination of employment. The total value of the sold securities is applied to the loan. Loans available to employees under the Employee Incentive Scheme are non-recourse; however, there are loans available to eligible employees (including executive directors) which are full recourse subject to an agreed forgiveness schedule.

The key drivers of equity based remuneration are:

> Overall business performance

> Individual contribution and performance

> Criticality of the role/individual

> Potential of the individual to undertake a more senior role in the longer term

Guidelines (ranges for grants) are provided for the provision of loans which take into account the seniority of the position.

The EIS programme is designed to facilitate retention of staff, explicit alignment to business performance and linkage between employees and other securityholders in Mirvac. The programme ensures that all securityholders, including employees, benefit from increases in total securityholder return.

REMUNERATION REPORT (CONTINUED)

Review of Remuneration

(a) Each component of remuneration is reviewed annually throughout the Group to account for changes in market practice in the industries in which the Group operates.

(b) The review is undertaken giving consideration to collected market data from a variety of external sources, individual performance and business performance.

(c) Recommendations are submitted by each manager to their manager for approval. Each department manager is responsible for ensuring salary reviews are contained within the annual budget.

(d) Recommendations are then reviewed by the Group General Manager Human Resources 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 reviewed and approved by the Remuneration Committee.

The salary review process ensures that there are two levels of management approval to all changes in remuneration.

The implementation of the policy involves the provision of market competitive remuneration packages, targeted use of Short Term Incentives in the form of cash bonuses, and 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 particpate 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 objectives (annually set for each individual executive) which involve divisional and Group operational and financial goals.

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. This is a departure from Recommendation 9.3 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. The retirement benefit has resulted from an existing agreement between the Group and the Chairman prior to the introduction of the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

The Remuneration Committee

The Remuneration Committee is comprised of independent non-executive directors. The membership of the Committee ensures it has financial, management and human resources expertise. The membership of the Remuneration Committee during the year ended 30 June 2005 was:

Anna Buduls (Committee Chairman) – independent non–executive (retired 29 July 2005)
Adrian Lane (Committee Chairman) – independent non–executive (appointed Chairman 29 July 2005)
Robert Webster – independent non-executive (retired 7 January 2005)
James MacKenzie – independent non-executive (appointed 8 February 2005)

The Managing Director and Group General Manager Human Resources attend Committee meetings by invitation. The Group General Manager Human Resources is the Secretary to the Committee.

The Remuneration 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. In the year to 30 June 2005, the Committee met five times.

Where appropriate, the Committee seeks independent professional advice from third parties. The Charter of the Remuneration Committee was confirmed by the Board in June 2005, and is available on the Mirvac website.

The Mirvac Group
Directors' Report (continued)
FOR THE YEAR ENDED 30 JUNE 2005

REMUNERATION REPORT (CONTINUED)

Details of Remuneration

Details of the remuneration of each director of Mirvac Limited and Mirvac Funds Limited and each of the executives of the Group receiving the highest emoluments and with the greatest authority for the strategic direction and management of the Group are set out in the following tables.

2005

	Primary				Post-employment					
Specified Directors	Cash Salary & Fees $	Bonuses $	Non-Cash Benefits $	Employee Loan Interest $	Super Contributions $	Termination Benefits $	Total Current Employment Cost $	Accrued Retirement Benefits Paid/Payable $	Note	Addition of Current Cost of Employment & Future Retirement Benefits $
Executive										
G J Paramor – Managing Director	394,208	–	15,000	17,254	5,793	–	432,255	–	2	432,255
R J Hamilton	615,346	–	15,000	51,976	11,585	–	693,907	700,000	1	1,393,907
B H R Neil	224,592	–	23,546	83,281	41,862	2,810,913	3,184,194	–	3	3,184,194
D J Broit – Finance Director	483,748	–	96,972	242,095	14,279	–	837,094	–		837,094
Non-Executive										
A J Lane – Chairman	194,417	–	20,000	–	11,585	–	226,002	–		226,002
P J Biancardi	121,347	–	–	–	10,921	–	132,268	–		132,268
A Buduls	115,000	–	–	–	10,350	–	125,350	–		125,350
R A Fortune	252,075	–	97,235	–	11,585	–	360,895	724,605	4	1,085,500
G H Levy	78,000	–	–	–	7,020	–	85,020	–		85,020
J A C MacKenzie	76,527	–	–	–	6,887	–	83,414	–	2	83,414
R W Turner	63,349	–	–	–	5,701	–	69,050	–	2	69,050
R J Webster	42,000	–	–	–	3,780	–	45,780	–	3	45,780
TOTAL	**2,660,609**	**–**	**267,753**	**394,606**	**141,348**	**2,810,913**	**6,275,229**	**1,424,605**		**7,699,834**

Specified Executives	$	$	$	$	$	$	$	$	Note	$
N Collishaw	219,207	100,000	15,000	20,416	5,783	–	360,406	–	2	360,406
I C Costley	52,500	–	–	26,854	60,965	245,791	386,110	–	3	386,110
B Draffen	352,533	100,000	64,132	47,009	33,335	–	597,009	–		597,009
A G Fini	417,881	100,000	15,000	94,128	32,119	–	659,128	–		659,128
C Freeman	421,627	150,000	16,110	176,974	27,263	–	791,974	–		791,974
A Harrington	142,036	75,000	24,675	11,031	4,827	–	257,569	–	2	257,569
C Langford	331,927	–	36,487	52,876	11,585	–	432,875	–		432,875
R P Lynch	436,613	120,000	15,000	195,682	13,387	–	780,682	–		780,682
M V O'Brien	342,755	75,000	60,578	91,154	70,000	–	639,487	–		639,487
A Turner	271,432	20,000	53,983	118,774	39,585	–	503,774	–		503,774
TOTAL	**2,988,511**	**740,000**	**300,965**	**834,898**	**298,849**	**245,791**	**5,409,014**	**–**		**5,409,014**

Note

1. *Represents retirement benefit in recognition of years of service from commencement of employment in 1972, accrued during the year ended 30 June 2005 and payable only on retirement.*
2. *Remuneration is for period from appointment on 7 January 2005 to 30 June 2005.*
3. *Remuneration is for period from 1 July 2004 to resignation date of 31 December 2004 for B Neil (resigned as a director on 21 October 2004), 7 January 2005 for R J Webster and 30 September 2004 for I C Costley.*
4. *R A Fortune resigned as an executive director on 1 February 2005, and became a non-executive director. He was paid a retirement benefit of $1,724,605, of which $1,000,000 was accrued in the prior year.*

Bonus Payments

Due to the overall Group performance no executive director received a bonus for the year ended 30 June 2005. The Short Term Incentives were primarily based upon achievement of individual objectives for the senior executives.

N Collishaw, B Draffen, A Fini, C Freeman, A Harrington, and R Lynch received 100% of their bonus target. M O'Brien and A Turner partially achieved their objectives and received 75% and 50% respectively.

REMUNERATION REPORT (CONTINUED)

Details of Remuneration (continued)

2004

	Primary				Post-employment					
Specified Directors	**Cash Salary & Fees $**	**Bonuses $**	**Non-Cash Benefits $**	**Employee Loan Interest $**	**Super Contributions $**	**Termination Benefits $**	**Total Current Employment Cost $**	**Accrued Retirement Benefits Paid/Payable $**	**Note**	**Addition of Current Cost of Employment & Future Retirement Benefits $**
Executive										
R J Hamilton	713,998	130,000	–	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	–		894,964
D J Broit	466,008	120,000	81,972	192,074	12,020	–	872,074	–		872,074
R A Fortune	363,998	55,000	–	98,457	11,002	–	528,457	1,000,000	1	1,528,457
Non-Executive						–				
A J Lane	195,000	–	20,000	–	11,002	–	226,002	361,200	2	587,202
P J Biancardi	98,000	–	–	–	8,820	–	106,820	–		106,820
A Buduls	102,500	–	–	–	9,225	–	111,725	–		111,725
G H Levy	78,000	–	–	–	7,020	–	85,020	–		85,020
R J Webster	84,000	–	–	–	7,560	–	91,560	–		91,560
TOTAL	2,598,078	425,000	149,064	655,095	93,985	–	3,921,222	4,961,200		8,882,422

Specified Executives	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**Note**	**$**
I C Costley	395,000	50,000	–	69,542	40,000	–	554,542	–		554,542
B Draffen	264,801	–	30,167	39,583	28,556	–	363,107	–		363,107
A G Fini	402,881	74,000	–	75,915	32,119	–	584,915	–		584,915
C Freeman	360,575	110,000	–	157,274	74,426	–	702,275	–		702,275
C Langford	279,321	50,000	26,352	44,046	11,002	–	410,721	–		410,721
R P Lynch	421,613	120,000	–	177,582	13,387	–	732,582	–		732,582
M V O'Brien	266,524	74,000	103,623	65,527	69,996	–	579,670	–		579,670
A Turner	266,538	40,000	45,460	112,474	28,002	–	492,474	–		492,474
TOTAL	2,657,253	518,000	205,602	741,943	297,488	–	4,420,286	–		4,420,286

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.*

Mirvac's Performance

The following table summarises Mirvac's performance over the last 5 years (since the stapling of securities took place in June 1999) and highlights the movement in total securityholder return.

Year Ended 30 June	**Revenue $000**	**Net Profit after Tax $000**	**Distributions Paid (cpss)**	**Security Price at Start of Year $**	**Security Price at End of Year $**	**Total Securityholder Return (pa)**
2000	869,000	133,000	24.00	3.15	3.39	17.8%
2001	817,000	160,000	24.90	3.39	3.72	18.0%
2002	1,016,000	170,000	26.20	3.72	4.18	20.1%
2003	1,403,000	223,000	29.00	4.18	4.44	13.7%
2004	1,386,000	253,000	32.20	4.44	4.30	4.2%
2005	1,431,000	233,000	33.80	4.30	3.57	-10.1%

The Mirvac Group
Directors' Report (continued)
FOR THE YEAR ENDED 30 JUNE 2005

REMUNERATION REPORT (CONTINUED)

Service Agreements

The following table summarises the individual details of service agreements that are in place for Mirvac's directors as well as for each of the senior executives that comprise Mirvac's Executive Committee.

Name	Office Held	Term of Agreement	Notice Period	Severance Period	Renumeration Review Period	Eligible for STI?	Eligible for LTI?	Eligible for Termination Benefit?	Eligible for Other Benefits?[4]
Executive Directors									
G J Paramor	Managing Director	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
B H R Neil[3]	Executive Director	No term	3 months	9 months	12 months	Yes	Yes	Yes	Yes
D J Broit	Executive Director	No term	3 months	9 months	12 months	Yes	Yes	Yes	Yes
R J Hamilton	Executive Director	No term	3 months	9 months	12 months	Yes	Yes	On retirement	Yes
Non-Executive Directors									
A J Lane	Chairman, Non Executive Director	Stands for re-election every three years	None	None	None	No	No	On retirement	No
A Buduls[1]	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
G H Levy	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
R A Fortune	Non Executive Director	No term	3 months	9 months	12 months	Yes	Yes	On retirement	Yes
P J Biancardi	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
R W Turner	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
R J Webster[2]	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
Specified Executives									
A G Fini	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
A Harrington	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
A Turner	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
B Draffen	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
C Freeman	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
C Langford	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
M V O'Brien	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
N Collishaw	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
R P Lynch	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes

(1) Ms A Buduls retired as a director on 29 July 2005.
(2) R J Webster retired as a director on 7 January 2005.
(3) B H R Neil retired as a director on 21 October 2004, and continued as an employee until 31 December 2004.
(4) Other benefits are a travel allowance up to $15,000 (total cost to Group).

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position and, in accordance with the advice received from the audit committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

> all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor

> none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 59.

	Consolidated	
	2005	**2004**
	$	**$**
During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms.		
Audit services	**730,000**	571,500
Other assurance services	**387,000**	205,000
Taxation services	**527,000**	414,000
Advisory services	**290,000**	151,500
	1,934,000	1,342,000

INSURANCE OF OFFICERS

During the financial year, the Group paid a premium for an insurance policy insuring any past, present, or future director, secretary, executive officer or employee of the Group against certain liabilities.

In accordance with commercial practice, the insurance policy prohibits disclosure of the nature of the liabilities insured against and the amount of the premium.

ROUNDING OF AMOUNTS TO THE NEAREST THOUSAND DOLLARS

Mirvac Limited and Mirvac Property Trust are entities of the kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the financial report.

Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that class order.

This report is made in accordance with a resolution of the directors of Mirvac Limited and Mirvac Funds Limited as the Responsible Entity for Mirvac Property Trust.

A J Lane
Chairman

D J Broit
Director

Sydney
31 August 2005

PRICEWATERHOUSECOOPERS

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The Mirvac Group
Auditors' independence declaration
For the year ended 30 June 2005

As lead auditor for the audit of the Mirvac Group for the year ended 30 June 2005, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

B K Hunter
Partner

Sydney
31 August 2005

Liability is limited by the Accountant's Scheme under the Professional Standards Act 1994 (NSW)

The Mirvac Group
Discussion and Analysis of the Financial Statements
for the year ended 30 June 2005

This discussion and analysis is provided to assist readers in understanding the concise financial report. The concise financial report has been derived from the full financial report of the Mirvac Group, consisting of the combined financial reports of Mirvac Limited and its controlled entities and Mirvac Property Trust and its controlled entities.

STATEMENT OF FINANCIAL PERFORMANCE

Segment Analysis

An analysis of operating revenue and operating profit before income tax by segment is set out in note 3.

The factors contributing to the results of the combined entity include:

(i) Property Investment

Revenue for the year increased by 13.7% to $266.7 million, with the acquisition of the James Fielding Trust portfolio, five other properties acquired during the year and the effect of a full year's revenue from properties acquired in 2004, contributing to the increase in lettable areas.

Net profit after tax of $151.4 million was an 11.6% increase on the previous year, including 6 months profit from the James Fielding Trust and its subsidiaries.

(ii) Property Development

Profit after tax decreased by 26.4% to $85.4 million, reflecting a slowdown in the residential property market in the 2005 financial year, and higher construction costs.

A $10.7 million provision for loss has been raised in the 2005 financial year for isolated developments.

(iii) Hotels

Profit after tax increased by 30.2% to $11.8 million as a result of an increase in average room rate from $166 to $176, at an average occupancy of 72 per cent. The significant increase in profit is also attributable to major refurbishments being carried out in the prior financial year removing the availability of rooms, and hotel start up costs for new hotels being expensed in the prior year. In addition, three new hotel properties added to rooms under management, whilst one property was sold.

(iv) Funds Management

The acquisition of the James Fielding Group has added a funds management business to complement the other property related divisions of the Mirvac Group. Net profit after tax for the funds management division is for the six month period since acquisition on 29 December 2004 and totals $5.1 million. The major contributor to profit is primarily as a result of investment in the JF Meridian Trust and in its role as responsible entity. It is expected that the revenue and profit results of this division will increase as the Group seeks to diversify more of its business to this division.

Income Tax

Income tax expense has decreased with the lower level of corporate profits in the Group.

STATEMENT OF FINANCIAL POSITION

Assets

Total assets have increased by 28.3% to $5,523.9 million, primarily as a result of the acquisition of the James Fielding Group on 29 December 2004, and a build-up in inventory ahead of settlements forecast to occur in the next financial year.

Five new investment properties were acquired during the year, and 20 investment properties were revalued at year end resulting in a net revaluation increment of $54.3 million, including a writedown of the Optus Centre in North Sydney of $32 million ahead of Optus vacating the property in October 2007.

Liabilities

Liabilities have increased from $2,066.3 million to $2,542.6 million, primarily as a result of the assumption of debt of the James Fielding Group, and short term bank borrowings to fund additional levels of inventory.

Equity

Equity increased by 33.1% to $2,981.3 million as a result of:

(i) an increase in contributed equity by $680.3 million primarily being the scrip consideration for the acquisition of the James Fielding Group.

(ii) a decrease in retained earnings of $29.7 million to fund distributions.

(iii) net increments on revaluation of investment properties increasing revaluation reserves by $62.0 million, including an increment on revaluation of investment properties in associates of $7.7 million.

(iv) taking up outside equity interests of $30.5 million.

The Mirvac Group
Discussion and Analysis of the Financial Statements (continued)
for the year ended 30 June 2005

STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities

Net cash outflows from operating activities reflects the current mix of development projects on hand at 30 June 2005 where settlements have not yet occurred as demonstrated by the build-up in inventory.

Cash Flows from Investing Activities

The predominant cash flows from investing activities include the acquisition of five new investment properties, as well as contributions and loans to joint ventures to fund development activities.

Cash Flows from Financing Activities

Borrowings increased during the year primarily to fund the increase in development inventory.

The level of cash on hand is considerably lower than the previous year due to repayment of the multi-option presale securitisation program.

The Mirvac Group

Combined Statement of Financial Performance

for the year ended 30 June 2005

	Notes	2005 $000	2004 $000
Revenue from operating activities	4	**1,419,080**	1,378,543
Revenue from outside the operating activities (excluding share of net profits of associates and joint ventures)		**11,880**	7,091
TOTAL REVENUE FROM ORDINARY ACTIVITIES		**1,430,960**	1,385,634
Cost of goods sold		**(842,307)**	(801,578)
Employee benefits expense		**(129,356)**	(110,419)
Depreciation and amortisation expenses		**(10,288)**	(6,801)
Borrowing costs expense		**(93,290)**	(89,723)
Property outgoings		**(56,951)**	(54,142)
Provision for loss on inventory		**(10,733)**	–
Other expenses from ordinary activities		**(50,836)**	(41,156)
Carrying amount of investment properties and property, plant & equipment sold		**(4,837)**	(375)
Share of net profits of associates and joint ventures accounted for using equity method		**37,779**	14,813
PROFIT FROM ORDINARY ACTIVITIES BEFORE RELATED INCOME TAX EXPENSE		**270,141**	296,253
Income tax expense		**(35,753)**	(43,555)
NET PROFIT		**234,388**	252,698
Net profit attributable to outside equity interest		**(1,058)**	–
NET PROFIT ATTRIBUTABLE TO THE STAPLED SECURITYHOLDERS OF THE MIRVAC GROUP		**233,330**	252,698
Net increase in asset revaluation reserve		**61,979**	20,693
Net exchange differences on translation of financial report of foreign controlled entity		**1,603**	435
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS ATTRIBUTABLE TO THE STAPLED SECURITYHOLDERS OF THE MIRVAC GROUP RECOGNISED DIRECTLY IN EQUITY		**63,582**	21,128
TOTAL CHANGES IN EQUITY ATTRIBUTABLE TO THE STAPLED SECURITYHOLDERS OF THE MIRVAC GROUP OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		**296,912**	273,826

		Cents	Cents
Basic earnings per security	8	**29.86**	36.67
Diluted earnings per security	8	**29.86**	36.67

The above statement of financial performance should be read in conjunction with the accompanying notes , and discussion and analysis.

The Mirvac Group
Combined Statement of Financial Position
as at 30 June 2005

	Notes	2005 $000	2004 $000
CURRENT ASSETS			
Cash assets		**56,028**	332,120
Receivables		**232,730**	98,764
Inventories		**717,369**	588,440
Other		**20,968**	19,599
TOTAL CURRENT ASSETS		**1,027,095**	1,038,923
NON-CURRENT ASSETS			
Receivables		**193,961**	87,088
Inventories		**788,329**	602,727
Investments accounted for using the equity method		**293,168**	79,357
Other financial assets		**10,498**	28
Investment properties	6	**2,967,130**	2,445,972
Plant and equipment		**16,665**	17,132
Intangible assets		**200,171**	24,126
Deferred tax assets		**19,889**	7,688
Other		**6,980**	3,379
TOTAL NON-CURRENT ASSETS		**4,496,791**	3,267,497
TOTAL ASSETS		**5,523,886**	4,306,420
CURRENT LIABILITIES			
Payables		**165,744**	161,024
Interest bearing liabilities		**1,165,015**	125,016
Current tax liabilities		**5,072**	20,522
Provisions		**93,840**	75,580
Other		**10,421**	5,134
TOTAL CURRENT LIABILITIES		**1,440,092**	387,276
NON-CURRENT LIABILITIES			
Payables		**54,500**	75,500
Interest bearing liabilities		**919,805**	1,529,183
Deferred tax liabilities		**123,707**	71,470
Provisions		**4,460**	2,914
TOTAL NON-CURRENT LIABILITIES		**1,102,472**	1,679,067
TOTAL LIABILITIES		**2,542,564**	2,066,343
NET ASSETS		**2,981,322**	2,240,077
EQUITY			
Parent entity interest:			
Contributed equity		**2,658,671**	1,978,411
Reserves		**164,518**	104,342
Retained profits	7	**127,653**	157,324
Total parent entity interest		**2,950,842**	2,240,077
Outside equity interest in controlled entities		**30,480**	–
TOTAL EQUITY		**2,981,322**	2,240,077

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

The Mirvac Group
Combined Statement of Cash Flows
for the year ended 30 June 2005

	2005 $000	2004 $000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of goods and services tax)	**1,224,554**	1,634,014
Payments to suppliers and employees (inclusive of goods and services tax)	**(1,105,467)**	(1,274,986)
	119,087	359,028
Interest received	**6,560**	6,461
Dividends received	**1,194**	–
Borrowing costs paid	**(120,475)**	(89,024)
Income taxes paid	**(35,319)**	(26,314)
NET CASH (OUTFLOWS)/INFLOWS FROM OPERATING ACTIVITIES	**(28,953)**	250,151
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from net cash acquired on acquisition of controlled entity	**35,888**	–
Payment for property, plant and equipment	**(9,144)**	(5,566)
Repayments from joint venture operations/entities	**32,140**	34,579
Contributions to joint venture operations/entities	**(82,985)**	(9,890)
Loans to related entities	**(59,774)**	(21,167)
Repayment of loans by related entities	**761**	–
Loans to other entities	**(23,835)**	–
Repayment of loans by other entities	**3,055**	–
Proceeds from the sale of property, plant and equipment	**1,290**	96
Proceeds from disposal of investments	**3,573**	468
Proceeds on selldown of subsidiary	**8,506**	–
Payments for investment properties	**(234,518)**	(294,386)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES	**(325,043)**	(295,866)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**505,629**	1,208,007
Repayments of borrowings	**(298,400)**	(782,218)
Proceeds from issue of securities	**–**	47,136
Dividends/distributions paid	**(129,343)**	(128,501)
NET CASH INFLOWS FROM FINANCING ACTIVITIES	**77,886**	344,424
Net (decrease)/increase in cash held	**(276,110)**	298,709
Cash at the beginning of the financial year	**332,120**	33,481
Effect of exchange rate change on cash	**18**	(70)
CASH AT THE END OF THE FINANCIAL YEAR	**56,028**	332,120

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

The Mirvac Group
Notes to the Financial Statements
for the year ended 30 June 2005

NOTE 1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL STATEMENTS

The concise financial statements relate to the Group consisting of Mirvac Limited and the entities it controlled and Mirvac Property Trust and the entities it controlled at the end of, or during, the year ended 30 June 2005. The accounting policies adopted are consistent with those of the previous year.

The concise financial report had been prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 1039: *Concise Financial Reports*.

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

STAPLED SECURITIES TRADED ON THE AUSTRALIAN STOCK EXCHANGE

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

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

> property investment and management

> property development

> hotel management

> funds management

The entities forming the stapled group entered into a Deed of Co-Operation which provided that the members consider the interests of the Mirvac Group as a whole, when entering into any agreement or arrangement, or carrying out any act.

This Deed of Co-operation means that members of the stapled group, where permitted by law, will carry out activities with other members on a cost recovery basis, thereby maintaining the best interests of the Group as a whole.

The two Mirvac entities comprising the stapled group, remain separate legal entities in accordance with the Corporations Act 2001, and are each required to comply with the reporting and disclosure requirements of Accounting Standards and the Corporations Regulations 2001. Neither of the entities whose securities are stapled is a parent of the other entity and the entities do not have a common parent.

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.

NOTE 2. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

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

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

The Group has established a project team to manage the transition to AIFRS, 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 currently progressing to plan.

Set out below are the key areas expecting to change on adoption of AIFRS and our best estimate of the quantitative impact of the changes on total equity as at 30 June 2005 and on net profit for the year ended 30 June 2005.

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the AASB and the IASB. Therefore, until the Group prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

(i) Income Tax

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

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, whereby 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.

On implementation of AIFRS, an opening adjustment to shareholders equity will be required to recognise the deferred tax liability. The increase in the deferred tax liability in the statement of financial position at 1 July 2004 is $1,862,000 with a corresponding reduction against retained earnings.

For the year ended 30 June 2005 there is a reduction of the deferred tax liability of $546,000 and an increase in net profit and total equity of $546,000.

(ii) Investment Properties

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

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

On transition to AIFRS the balance of the asset revaluation reserve totalling $113,706,000 will be transferred to retained earnings.

If the change required by AASB 140 had been applied for the year ended 30 June 2005, the Group's retained earnings would have been $161,487,000 higher, net profit would have been $51,487,000 higher, and the asset revaluation reserve would have been $161,786,000 lower.

Additionally, share of profits from associates will increase as a result of revaluations being recognised through the statement of financial performance. If the policy had been applied during the year ended 30 June 2005, retained earnings would have been $7,718,000 higher, net profit would have been $7,718,000 higher and the asset revaluation reserve lower by the same amount.

The Mirvac Group
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 2. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS) (CONTINUED)

(iii) Owner Occupied Investment Properties

Under Australian Generally Accepted Accounting Principals (AGAAP), properties occupied by the Group are classified as investment properties and carried at fair value.

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

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

On transition to AIFRS, approximately $302,741,000 will be required to be reclassified to property, plant and equipment from investment properties.

The accumulated depreciation recognised on transition relating to assets carried at cost is $9,825,000, with the net impact on retained earnings being $6,878,000 (net of tax effect).

If the policy had been applied during the year ended 30 June 2005, total equity of the Group would have been approximately $10,306,000 lower (net of revaluation increment), and net profit would have been $8,982,000 (net of tax effect) lower for the year ended 30 June 2005 as a result of the depreciation charge on these assets measured at cost.

(iv) Intangible Assets – Goodwill

Under AASB 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 or groups of cash generating units. 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.

The Group intends to apply the exemption available in AASB 1, allowing it not to apply AASB 3 retrospectively and hence, prior years amortisation would not be written back at the date of transition. If the policy required by AASB 3 had been applied during the year ended 30 June 2005, total equity would have been $5,059,000 higher and net profit $5,059,000 higher.

(v) Financial Instruments

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

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

(vi) Trust Units

Under AASB 132: *Financial Instruments*, fixed life property trusts are required to classify units on issue as a financial liability rather than equity under AGAAP. Additionally, distributions to unit holders are classified as interest.

The directors have resolved that such classification would not be in the best interest of security holders and amended the constitution of the Mirvac Property Trust on 24 June 2005 to avoid such treatment.

NOTE 2. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS) (CONTINUED)

(vii) Equity-based Compensation Benefits

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

This will result in a change to the current accounting policy under which no expense is recognised for equity-based compensation.

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

Additionally loans and equity issued under the Employee Incentive Scheme that are non-recourse and held in trust will be derecognised on entry into AIFRS. Cash distributions paid to employee's in relation to these securities will be expensed when paid. If the policy required by AASB 2 had been applied on transition at 1 July 2004 the adjustments required result in a decrease in contributed equity of $63,087,000, a decrease in receivables of $50,955,000 and an increase of retained earnings of $12,132,000.

If the policy required by AASB 2 had been applied during the year ended 30 June 2005, total equity would have been approximately $50,316,000 lower and employee benefit expense $2,258,000 higher.

(viii) Lease Incentives

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

This will result in a change to the current accounting policy, under which lease incentives, including fit-out, are added to the carrying amount of the investment property.

The value of fit-out on transition to AIFRS which will be separately identified as part of the carrying value of investment property is $16,797,000 (net of amortisation). For the year ended 30 June 2005, an additional $16,358,000 in fit-out was capitalised. Net property income will be reduced by amortisation of the lease incentive totaling $4,200,000.

This amortisation of lease incentives will be offset by an adjustment to income from revaluation of investment property (non-operating profit item) which will maintain the fair value of investment properties. Such treatment results in no net impact on total equity at 1 July 2004, nor net profit for the year ended 30 June 2005.

(ix) Revenue Recognition – Development Projects

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

This will result in a change to the current accounting policy, whereby under UIG 53 revenue is recognised by applying the percentage completion method to that proportion of the project represented by pre-sold exchanged contracts.

On transition to AIFRS the adjustments required result in a decrease in total equity of $14,202,000.

If the policy required by AIFRS had been applied during the year ended 30 June 2005, total equity would have been $40,179,000 lower and net profit would have been $25,977,000 lower.

Additionally profits from joint venture developments were recognised in accordance with UIG 53 and included in share of profits from associates. If the policy had been applied during the year ended 30 June 2005, total equity would have been $11,015,000 lower and net profit $11,015,000 lower.

The Mirvac Group
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 2. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS) (CONTINUED)

Reconciliation of equity as presented under AGAAP to that under AIFRS:

	Note	30 June 2005** $'000	1 July 2004* $'000
TOTAL EQUITY UNDER AGAAP		**2,981,322**	2,240,077
Recognition of deferred tax liability	i	**(1,316)**	(1,862)
Depreciation of owner occupied investment properties/hotels	iii	**(10,306)**	(6,878)
Write-back of goodwill amortisation	iv	**5,059**	–
Derecognition of share capital – employee equity payments	vii	**(50,316)**	(50,955)
Share-based payment expense	vii	**(2,258)**	–
Reversal of UIG 53 profits	ix	**(40,179)**	(14,202)
Share of profit from associates – reversal of UIG 53 profits	ix	**(11,015)**	–
TOTAL EQUITY UNDER AIFRS		**2,870,991**	2,166,180

* *This column represents the adjustments as at the date of transition of AIFRS.*

** *This column represents the cumulative adjustments as at the date of transition to AIFRS and those for the year ended 30 June 2005.*

RECONCILIATION OF NET PROFIT UNDER AGAAP TO THAT UNDER AIFRS:

YEAR ENDED 30 JUNE 2005	Note	Combined $'000
NET PROFIT AS REPORTED UNDER AGAAP		**233,330**
Adjustment to income tax expense	i	**546**
Revaluation of investment properties	ii	**51,487**
Share of profits from associates – revaluation of investment properties	ii	**7,718**
Depreciation of owner occupied investment properties/hotels	iii	**(8,982)**
Write-back of goodwill amortisation	iv	**5,059**
Share-based payment expense	vii	**(2,258)**
Amortisation of lease incentives	viii	**(4,200)**
Revaluation investment properties (offset of amortisation lease incentives)	viii	**4,200**
Reversal of UIG 53 profits	ix	**(25,977)**
Share of profit from associates – reversal of UIG 53 profits	ix	**(11,015)**
NET PROFIT UNDER AIFRS		**249,908**

The Mirvac Group
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 3. AGGREGATED SEGMENTAL INFORMATION

PRIMARY REPORTING – BUSINESS SEGMENTS

	Property Investment $000	Hotels $000	Property Development $000	Funds Management $000	Eliminations/ Unallocated $000	Totals $000
30 JUNE 2005						
Sales to external customers	259,663	108,032	1,043,218	14,060	1,124	1,426,097
Intersegment sales	6,596	350	47,893	–	(54,839)	–
Total sales revenue	266,259	108,382	1,091,111	14,060	(53,715)	1,426,097
Share of net profits of associates and joint ventures	464	–	31,627	5,688	–	37,779
Other revenue including sale of investment properties	–	3,620	1,243	–	–	4,863
Total segment revenue	266,723	112,002	1,123,981	19,748	(53,715)	1,468,739
Segment result before interest and income tax	186,878	14,398	177,969	9,988	(25,802)	363,431
Net interest allocated	32,941	2	56,001	4,346	–	93,290
Profit/(Loss) from ordinary activities after interest and before related income tax expense	153,937	14,396	121,968	5,642	(25,802)	270,141
Income tax expense	2,499	2,628	36,581	504	(6,459)	35,753
Net Profit/(Loss)	151,438	11,768	85,387	5,138	(19,343)	234,388
Total Assets	2,917,393	164,534	1,899,263	442,462	100,234	5,523,886
Total Liabilities	779,758	13,001	1,613,703	74,059	62,043	2,542,564
Investments in associates and joint ventures	7,033	4,156	100,359	181,620	–	293,168
Acquisition of property, plant and equipment, intangibles and other non-current assets	156,024	2,238	4,615	122	444	163,443
Depreciation and amortisation expense	1,746	578	4,437	2,336	1,191	10,288
30 JUNE 2004						
Sales to external customers	227,997	98,081	1,052,465	–	–	1,378,543
Intersegment sales	6,040	780	30,751	–	(37,571)	–
Total sales revenue	234,037	98,861	1,083,216	–	(37,571)	1,378,543
Share of net profits of associates and joint ventures	–	–	14,813	–	–	14,813
Other revenue including sale of investment properties	559	173	5,525	–	834	7,091
Total segment revenue	234,596	99,034	1,103,554	–	(36,737)	1,400,447
Segment result before interest and income tax	167,734	10,564	220,420	–	(12,742)	385,976
Net interest allocated	30,993	4	58,475	–	251	89,723
Profit/(Loss) from ordinary activities after interest and before related income tax expense	136,741	10,560	161,945	–	(12,993)	296,253
Income tax expense	1,018	1,521	45,920	–	(4,904)	43,555
Net Profit/(Loss)	135,723	9,039	116,025	–	(8,089)	252,698
Total Assets	2,435,336	160,468	1,371,965	–	338,651	4,306,420
Total Liabilities	691,304	16,737	1,105,257	–	253,045	2,066,343
Investments in associates and joint ventures	–	–	79,357	–	–	79,357
Acquisition of property, plant and equipment, intangibles and other non-current assets	294,263	9,004	4,013	–	628	307,908
Depreciation and amortisation expense	113	342	5,314	–	1,032	6,801

SECONDARY REPORTING SEGMENT – GEOGRAPHICAL SEGMENTS

The combined entity operates predominantly in Australia.

The Mirvac Group
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

	2005 $000	2004 $000
NOTE 4. REVENUE FROM OPERATING ACTIVITIES		
Sales of goods	**756,518**	811,581
Rental income	**228,145**	207,984
Services	**159,515**	139,347
Interest on mezzanine loans	**721**	–
Construction contract revenue	**274,181**	219,631
	1,419,080	1,378,543
NOTE 5. DIVIDENDS/DISTRIBUTIONS		
Quarterly ordinary dividends/distributions paid as follows:		
8.30 cents per fully paid stapled security paid on 29 October 2004	**59,752**	
3.32 cents per stapled security franked at 30%		
7.90 cents per fully paid stapled security paid on 24 October 2003		53,537
3.16 cents per stapled security franked at 30%		
8.30 cents per fully paid stapled security paid on 28 January 2005	**60,473**	
3.32 cents per stapled security franked at 30%		
8.00 cents per fully paid stapled security paid on 30 January 2004		54,735
3.20 cents per stapled security franked at 30%		
8.60 cents per fully paid stapled security paid on 29 April 2005	**72,756**	
3.44 cents per stapled security franked at 30%		
8.10 cents per fully paid stapled security paid on 30 April 2004		56,470
3.24 cents per stapled security franked at 30%		
8.60 cents per fully paid stapled security paid on 29 July 2005	**73,426**	
3.44 cents per stapled security franked at 30%		
8.20 cents per fully paid stapled security paid on 30 July 2004		58,176
3.28 cents per stapled security franked at 30%		
Total distribution 33.80 cents per fully paid stapled security (2004: 32.20 cents per stapled security)	**266,407**	222,918
Dividends/distributions actually paid or satisfied by the issue of securities under the group distribution/dividend reinvestment plans during the years ended 30 June were as follows:		
Paid in cash	**111,535**	128,501
Satisfied by the issue of securities	**139,622**	92,158
	251,157	220,659

The franked portions of the proposed dividends will be franked out of existing franking credits as at the end of the financial year.
Franking credits available for subsequent financial years based on a tax rate of 30% total $10.7 million (2004: $18.7 million on a tax rate of 30%).

The Mirvac Group
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 6. INVESTMENT PROPERTIES

	Date Acquired	Cost & Additions to 30/6/05 $000	Book Value 30/6/05 $000	Book Value 30/6/04 $000	Last External Valuation $000	Date Last External Valuation $000	External Valuer/Notes
Mirvac Property Trust and Controlled Entities							
67 Albert Street, Chatswood, NSW	01/09/89	59,744	**73,000**	73,107	73,000	30/06/05	S Young – Savills A Johnston – Savills
30 Cowper Street, Parramatta, NSW	01/09/88	16,022	**19,500**	20,619	19,500	30/06/05	P Dale AAPI – CB Richard Ellis M Mallqui AAPI – CB Richard Ellis
Quay West Carpark, 111 Harrington Street, Sydney, NSW	30/11/89	37,546	**42,017**	41,952	41,600	30/06/03	S Kearney AAPI – FPD Savills
Orange City Centre, Summer Street, Orange, NSW	05/04/93	28,985	**35,608**	35,500	35,500	30/06/04	I D McLennan AAPI – Jones Lang LaSalle
Kawana Shoppingworld, Nicklin Way, Buddina, QLD	09/12/93 & 10/06/98	99,544	**141,594**	140,349	140,000	30/06/03	T Irving AAPI – CB Richard Ellis
Gippsland Centre, Cunninghame St, Sale, VIC	06/01/94	34,550	**45,000**	33,889	45,000	30/06/05	T Forrest AAPI – m3 Property D Magree FAPI – m3 Property
Como Centre, Cnr Toorak Rd & Chapel St, South Yarra, VIC	18/08/98	114,437	**141,300**	117,662	141,300	30/06/05	M Reynolds – Colliers International
James Ruse Business Park, 6 Boundary Rd, Northmead, NSW	14/07/94	19,782	**29,200**	27,780	29,200	30/06/05	P Dale AAPI – CB Richard Ellis A Bendell GAPI – CB Richard Ellis
20–30 Scrivener Street, Warwick Farm, NSW	24/12/93	18,526	**21,040**	21,000	21,000	30/06/04	C Olson FAPI – Knight Frank
Lovett Tower, 13 Keltie Street, Woden, ACT	14/07/94 & 28/02/99	47,990	**46,138**	46,026	46,000	31/12/03	P Harding FAPI – Knight Frank
The Marriott Hotel, 36 College Street, Sydney NSW	31/12/91	95,098	**75,445**	75,374	75,200	30/06/03	O Westerlund AAPI ANZPI – CB Richard Ellis S Fairfax MRICS AAPI – C B Richard Ellis
1–19 Hargrave Street, Sydney, NSW	31/12/91	4,351	**11,008**	8,996	11,000	1/03/05	S Fairfax ARIC AAPI – CB Richard Ellis L Tredwell GAPI – CB Richard Ellis
40 Miller St, North Sydney, NSW	31/03/98	59,617	**80,802**	80,294	80,250	30/06/03	TM Phelan FAPI – Knight Frank
1 Castlereagh St, Sydney, NSW	18/12/98	47,177	**54,869**	54,683	54,500	30/06/03	S Kearney AAPI – FPD Savills
271 Lane Cove Rd, North Ryde, NSW	05/04/00	18,617	**25,010**	25,000	25,000	01/03/04	TM Phelan FAPI – Knight Frank
Royal Domain Centre, 380 St Kilda Rd, Melbourne, VIC	04/10/95 & 02/04/01	85,305	**94,705**	94,546	94,500	31/12/03	D Gowing FAPI – CB Richard Ellis
164 Grey St, South Bank, QLD	29/06/01	8,261	**12,000**	9,475	12,000	31/03/05	T Irving AAPI – CB Richard Ellis D Mohr AAPI – CB Richard Ellis
Bay Centre, Cnr Pirrama & Edward Sts, Pyrmont NSW	29/06/01	58,944	**73,500**	73,500	73,500	30/04/03	S Kearney AAPI – FPD Savills
200 George Street, Sydney, NSW	31/10/01	24,189	**24,189**	24,168	24,000	31/10/03	A Pannifex – FPD Savills
190 George Street, Sydney NSW	05/08/03	45,633	**42,192**	42,113	42,000	30/09/03	A Pannifex – FPD Savills
Unit 23, 177 Pacific Highway, North Sydney, NSW	25/01/02	594	**594**	594	–	–	Internal Valuation 2005: Note (i)
Building 1,3 & 7 Riverside Quay, Southbank, VIC	15/04/02	84,743	**86,350**	82,847	86,350	30/06/05	M Reynolds AAPI – Colliers International
John Oxley Centre, 339 Coronation Drive, Milton, QLD	31/05/02	37,075	**43,000**	35,860	43,000	30/06/05	T Irving AAPI – CB Richard Ellis D Mohr AAPI – CB Richard Ellis
Blacktown Mega Centa, Blacktown Road, Blacktown, NSW	30/06/02	30,388	**40,000**	30,164	40,000	30/06/05	A Johnston AAPI – Savills A Pannifex AAPI – Savills
1–47 Percival Road, Smithfield, NSW	22/11/02	20,318	**21,135**	20,500	20,500	30/06/04	M Ward AAPI – FPD Savills
Waverley Gardens Shopping Centre, Cnr Police & Jackson Roads Mulgrave, VIC	15/11/02	54,845	**54,846**	53,852	53,850	30/04/03	C Ciurlino AAPI – m3 Property Strategists D Magree FAPI – m3 Property Strategists

The Mirvac Group
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 6. INVESTMENT PROPERTIES (CONTINUED)

	Date Acquired	Cost & Additions to 30/6/05 $000	Book Value 30/6/05 $000	Book Value 30/6/04 $000	Last External Valuation $000	Date Last External Valuation $000	External Valuer/Notes
The Village Centre, Charles Hackett Drive, St Marys, NSW	17/01/03	34,870	**34,893**	34,725	34,250	30/04/03	S Fox AAPI – m3 Property Strategists C Olson FAPI – m3 Property Strategists
Mooney Ponds Central, Homer Street, Mooney Ponds, VIC	20/05/03	25,947	**24,307**	24,172	24,100	30/06/03	J O'Leary FAPI – m3 Property Strategists D Magree FAPI – m3 Property Strategists
Hinkler Shopping Centre, Maryborough St, Bundaberg, QLD	12/08/03	37,768	**37,535**	36,632	36,500	30/09/03	T Irving AAPI – CB Richard Ellis D Mohr AAPI – CB Richard Ellis
44 Biloela Street, Villawood, NSW	24/09/03	18,828	**17,856**	17,306	17,300	30/09/03	A Graham AAPI – Colliers International
Building 2, Riverside Quay, Southbank, VIC	01/07/03	29,768	**28,650**	27,931	28,650	30/06/05	M Reynolds AAPI – Colliers International
Stanhope Village, Sentry Drive, Stanhope Gardens, NSW	14/11/03	22,425	**26,462**	24,000	24,000	31/03/04	A Johnson AAPI – FPD Savills
333–343 Frankston–Dandenong Road & 4 Abbotts Road, Dandenong South, VIC	15/01/04	12,456	**12,456**	12,200	12,200	31/03/04	P Dickinson AAPI – CB Richard Ellis
64 Biloela Street, Villawood NSW	02/02/04	22,698	**22,039**	22,000	22,000	31/03/04	M Ward AAPI – m3 Property Strategists
Ikon Retail, 81 Macleay Street, Potts Point NSW	07/05/04	12,244	**18,000**	12,733	18,000	30/06/05	A Johnston AAPI – Savills A Pannifex AAPI – Savills
IBM Building, 8 Brisbane Ave, Barton, ACT	28/06/85	12,020	**12,000**	10,851	12,000	30/06/05	P Harding FAPI – Knight Frank
Perpetual Trustees Building, 10 Rudd St, Canberra, ACT	15/10/87	19,359	**16,091**	15,773	15,750	30/06/03	P Harding FAPI – Knight Frank
54 Marcus Clarke Street, Canberra, ACT	15/10/87	21,625	**17,250**	14,983	17,250	30/06/05	P Harding FAPI – Knight Frank
St George Centre, 60 Marcus Clarke Street, Canberra, ACT	01/09/89	58,470	**48,170**	47,384	47,100	30/06/03	P Harding FAPI – Knight Frank
Burns Centre, 28 National Circuit, Forrest, ACT	27/09/90	18,587	**13,434**	13,434	13,400	30/06/03	P Harding FAPI – Knight Frank
Arts House, 40 Macquarie Street, Barton, ACT	08/12/95	17,095	**18,000**	16,771	18,000	30/06/05	P Harding FAPI – Knight Frank
38 Sydney Avenue, Forrest, ACT	26/06/96	34,163	**36,000**	33,834	36,000	30/06/05	P Harding FAPI – Knight Frank
Optus Centre, 101–103 Miller St, North Sydney, NSW	30/06/94	288,097	**365,000**	381,913	377,000	30/06/05	TM Phelan FAPI – Knight Frank KL Goddard FAPI – Knight Frank
The Metcentre, 60 Margaret St, Sydney, NSW (50% interest)	06/08/98	177,102	**162,932**	157,496	154,000	30/06/03	P Macadam AAPI – Colliers International
189 Grey Street	19/04/04	40,895	**50,000**	–	50,000	30/06/05	T Irving AAPI – CB Richard Ellis D Mohr AAPI – CB Richard Ellis
Bundaberg Plaza	24/09/04	6,342	**6,500**	–	6,500	30/06/05	T Irving AAPI – CB Richard Ellis D Mohr AAPI – CB Richard Ellis
127 Creek Street, Brisbane, QLD	1/05/98	47,186	**48,054**	–	48,000	30/06/04	S Pacey, AAPI – DTZ Australia
253 Wellington Road, Mulgrave, VIC and 18–20 Compark Circuit, Mulgrave, VIC	1/08/01	15,886	**15,960**	–	15,500	30/06/04	C Piasente, AAPI – m3 Property
101 Grenfell Street, Adelaide, SA	1/12/98	23,505	**27,925**	–	27,800	30/06/04	J Kenny, FAPI – CB Richard Ellis
30–32 Compark Circuit, Mulgrave, VIC	1/02/03	6,704	**7,975**	–	7,400	30/06/04	C Piasente, AAPI – m3 Property
9 Help Street, Chatswood, NSW	1/06/02	44,583	**33,598**	–	34,000	30/06/05	RC Price, AAPI – CB Richard Ellis
Peninsular Homemaker Ctr, 1128 Nepean Hwy, Mornington, VIC	1/12/03	53,398	**56,600**	–	56,600	30/06/05	T Forrest AAPI – m3 Property D Magree FAPI – m3 Property

NOTE 6. INVESTMENT PROPERTIES (CONTINUED)

	Date Acquired	Cost & Additions to 30/6/05 $000	Book Value 30/6/05 $000	Book Value 30/6/04 $000	Last External Valuation $000	Date Last External Valuation $000	External Valuer/Notes
Capital works in progress	–	119,156	**119,156**	36,071	–	–	At cost
Land held for development & deposit on investment property	–	128,491	**128,491**	47,183	–	–	At cost
Mirvac Limited and Controlled Entities							
Endeavour House, 88–102 Moverly Road, Coogee, NSW	28/05/03	82,083	**82,083**	82,083	–	–	Internal Valuation – Note (i)
55 Lavender Street, Milsons Point, NSW	03/07/01	–	**–**	60,606	60,600	31/03/04	TM Phelan FAPI – Knight Frank
107 Mount Street, North Sydney, NSW	01/02/02	35,149	**34,345**	–	34,000	30/06/04	J Waugh FAPI – Colliers International
251–261 Salmon Street, Port Melbourne, VIC	01/07/03	17,250	**17,250**	–	17,250	30/6/03	CJ Holroyd AAPI – Charter Keck Crane
Other Hotel Properties – Management Lots	various	47,348	**47,472**	48,186	–	–	Internal Valuation – Note (ii)
Forestry Land	01/03/04	50,200	**50,586**	–	–	–	Internal Valuation – Note (i)
Elimination of inter-group charges	–	–	**(3,982)**	(2,125)			
TOTAL INVESTMENT PROPERTIES			**2,967,130**	2,445,972			

(i) Internal Valuations at 30 June 2005

Properties not externally valued during the last twelve months are carried at internal (directors') valuation at 30 June 2005. The basis of valuation of investment properties is fair value being the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

(ii) Directors' Valuation at 30 June 2005 – Hotel Properties

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

The basis of valuation by directors of freehold land and buildings is the fair value of the properties at 30 June 2005.

The Mirvac Group
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

	2005 $000	2004 $000
NOTE 7. RETAINED PROFITS		
Retained profits at the beginning of the financial year	**157,324**	119,562
Net profit attributable to the stapled security holders of the Mirvac Group	**233,330**	252,698
Dividends/distributions provided for or paid	**(266,407)**	(222,918)
Aggregate of amounts transferred from reserves	**3,406**	7,982
Retained profits at the end of the financial year	**127,653**	157,324

	Cents	Cents
NOTE 8. EARNINGS PER SECURITY		
Basic earnings per security	**29.86**	36.67
Diluted earnings per security	**29.86**	36.67

	No.	No.
The weighted average number of ordinary securities outstanding during the year used in the calculation of basic earnings per security	**781,470,377**	689,040,443

NOTE 9. NET CURRENT LIABILITIES

The Group has reclassified $990 million of non-current interest bearing liabilities to current interest bearing liabilities as a result of bonds maturing during the year ended 30 June 2006, which will be reissued in the normal course of business.

NOTE 10. EVENTS OCCURRING AFTER REPORTING DATE

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

NOTE 11. FULL FINANCIAL REPORT

Further financial information can be obtained from the full financial report which is available, free of charge, on request.

A copy may be requested by telephoning 1800 659 886. Alternatively, the full financial report can be accessed via the internet at the Mirvac website at www.mirvac.com.au.

The Mirvac Group
Directors' Declaration
for the year ended 30 June 2005

The directors declare that in their opinion, the concise financial report of the combined entity for the year ended 30 June 2005 as set out on pages 60 to 75 complies with Accounting Standard AASB 1039: Concise Financial Reports.

The financial statements and specific disclosures included in this concise financial report have been derived from the full financial report for the year ended 30 June 2005.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the combined entity as the full financial report, which as indicated in Note 11, is available on request.

This declaration is made in accordance with a resolution of the directors of Mirvac Limited and Mirvac Funds Limited as the Responsible Entity for Mirvac Property Trust.

A J Lane
Chairman

D J Brolt
Director

Sydney
31 August 2005

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Independent Audit Report to the unitholders of The Mirvac Group

AUDIT OPINION

In our opinion:

(a) the concise financial report of The Mirvac Group for the year ended 30 June 2005 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*; and

(b) the remuneration disclosures that are contained in the directors' report on pages 52 to 57 comply with Australian Accounting Standard AASB 1046: *Director and Executive Disclosures by Disclosing Entities* (AASB 1046) and the *Corporations Regulations 2001*.

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

SCOPE

The concise financial report, remuneration disclosures and directors' responsibility

The financial report comprises the combined statement of financial position, combined statement of financial performance, combined statement of cash flows, discussion and analysis of and notes to the financial statements, and the directors' declaration for The Mirvac Group, for the year ended 30 June 2005.

The Mirvac Group has disclosed information about the remuneration of directors and executives ('remuneration disclosures') as required by AASB 1046, under the heading "remuneration report" on pages 52 to 57 of the directors report, as permitted by the *Corporations Regulations 2001*.

The directors of Mirvac Limited and Mirvac Funds Limited, as the responsible entity of Mirvac Property Trust, are responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standard 1039: *Concise Financial Reports*. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Audit approach

We conducted an independent audit of the concise financial report in order to express an opinion on it to the stapled securityholders of The Mirvac Group. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement and the remuneration disclosures comply with AASB 1046. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit.

We also performed an independent audit of the full financial report of The Mirvac Group for the financial year ended 30 June 2005.

Our audit report on the full financial report was signed on 31 August 2005 and was not subject to any qualification.

In conducting our audit of the concise financial report, we performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

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

> testing that the information included in the concise financial report is consistent with the information in the full financial report

> examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report which were not directly derived from the full financial report.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

PricewaterhouseCoopers

B K Hunter
PartnerSydney

31 August 2005

Liability is limited by the Accountant's Scheme under the Professional Standards Act 1994 (NSW)

Mirvac Limited and its Controlled Entities
Concise Financial Report
for the year ended 30 June 2005

Mirvac Limited (ABN 92 003 280 699) and its Controlled Entities

Contents	Page

This concise financial report has been derived from the full financial report for the year ended 30 June 2005.

A copy of the full financial report, including the Auditors' report on the full financial report, is available and will be sent to any member without charge, on request, by telephoning 1800 659 886. Alternatively, the full report may be accessed via the internet at the Mirvac website at www.mirvac.com.au.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entities comprising Mirvac Limited and its controlled entities, as the full financial report.

Mirvac Limited and its Controlled Entities
Directors' Report
for the year ended 30 June 2005

The 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 2005.

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	R J Hamilton
P J Biancardi	D J Broit
G H Levy	R A Fortune

Mr B H R Neil resigned as a director on 21 October 2004, and continued as an executive until 31 December 2004. Mr RH Webster resigned as a director on 7 January 2005. Ms A Buduls resigned as a director on 29 July 2005.

Messrs J A C MacKenzie, G J Paramor and R W Turner were appointed on 7 January 2005.

PRINCIPAL ACTIVITIES

The principal continuing activities of the consolidated entity are property investment and management, hotel ownership and management and property development. During the year the consolidated entity acquired James Fielding Holdings Limited which was primarily a property funds management business.

DIVIDENDS

Dividends paid to members during the financial year were as follows:

	2005 $000	2004 $000
June 2004 quarterly dividend paid on 30 July 2004 of 3.28 cents (2003 – 2.20 cents)	**23,271**	14,818
September 2004 quarterly dividend paid on 29 October 2004 of 3.32 cents (2003 – 3.16 cents)	**23,901**	21,415
December 2004 quarterly dividend paid on 28 January 2005 of 3.32 cents (2004 – 3.20 cents)	**24,189**	21,894
March 2005 quarterly dividend paid on 29 April 2005 of 3.44 cents (2004 – 3.24 cents)	**29,102**	22,586
	100,463	80,713

The June 2005 quarterly dividend of 3.44 cents ($29.4 million) declared on 30 June 2005, was paid on 29 July 2005.

Dividends paid and payable by the consoldiated entity for the year ended 30 June 2005 totalled $106.6 million, being 13.52 cents per fully paid share (2004: $89.2 million, being 12.88 cents per fully paid share).

REVIEW OF OPERATIONS

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

	Segment Revenues		Segment Results	
	2005 $000	2004 $000	2005 $000	2004 $000
Property Development	**1,125,485**	1,104,419	**130,712**	168,350
Property Investment	**38,370**	23,665	**5,256**	3,341
Hotels	**112,002**	99,034	**9,761**	6,227
Funds Management	**15,786**	–	**1,680**	–
Unallocated/Inter-entity Eliminations	**36,498**	33,055	**(30,543)**	(20,340)
	1,328,141	1,260,173		
Profit from ordinary activities before income tax expense			**116,866**	157,578
Income tax expense			**(35,753)**	(43,445)
Net profit			**81,113**	114,133
Net profit attributable to outside equity interests			**(114)**	–
Net profit attributable to members of Mirvac Limited			**80,999**	114,133

Comments on the operations and the results of those operations are set out in the Discussion and Analysis of the Financial Statements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In accordance with the Explanatory Memorandum for the acquisition of the James Fielding Group issued on 12 November 2004, and the subsequent approval of the Scheme by the James Fielding Group security holders on 17 December 2004, Mirvac Limited acquired all the issued shares of James Fielding Holdings Limited (JFH) on 29 December 2004, the date of the Court approval of the Share Scheme. The acquisition was by way of issue of 0.73 Mirvac Limited shares for every JFH share.

Increase in Contributed Equity from $500.0 million to $691.7 million as a result of:

	$000
Issue of 7,402,104 fully paid ordinary shares of $1.0997 each under the distribution reinvestment plan (DRP)	8,140
Issue of 3,036,745 fully paid ordinary shares of $1.1686 each under an employee share scheme	3,549
Issue of 8,686,282 fully paid ordinary shares of $1.2198 each under the DRP	10,596
Issue of 109,389,632 fully paid ordinary shares of $1.3641 each as consideration for the acquisition of JFH	149,214
Issue of 8,018,009 fully paid ordinary shares of $1.3225 each under the DRP	10,604
Issue of 7,790,858 fully paid ordinary shares of $1.2349 each under the DRP	9,620
Net increase in Contributed Equity	191,723

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 2005 that has significantly affected or may significantly affect:

(i) the consolidated entity's operations in future financial years, or

(ii) the results of those operations in future financial years, or

(iii) 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 2005.

ENVIRONMENTAL REGULATION

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 consolidated entity.

Property Development

All projects are subject to consents, approvals and licences which control the development of land. Each project is undertaken with the guidance of a project specific Statement of Environmental Effects (SEE) or Environmental Impact Statement (EIS), which examines and controls all aspects of development. Each SEE or EIS includes a project specific Environmental Management Plan which guides the construction activities on-site, including handling of waste, materials 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 consolidated entity'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.

Hotels

Mirvac Hotels are continuing with several sustainability initiatives throughout Australia, ranging from daily monitoring of energy consumption by each hotel to inform energy targets and national eco-efficiency targets; water conservation 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.

Mirvac Limited and its Controlled Entities
Directors' Report (continued)
for the year ended 30 June 2005

INFORMATION ON DIRECTORS

	PARTICULARS OF DIRECTORS' INTERESTS HELD IN STAPLED SECURITIES OF THE GROUP
Please see page 42 for further information on directors.	
Adrian J. Lane	93,649
Former directorships of listed entities in last 3 years Amalgamated Holdings – November 1989 to August 2003. OPSM Group Limited – Chairman – 1980 to November 2002. *Interests in other related securities* None	
Greg J. Paramor	5,351,821
Former directorships of listed entities in last 3 years James Fielding Group – Managing Director – July 2000 to January 2005. *Interests in other related securities* James Fielding Industrial Fund – 100,000 units James Fielding Retail Fund – 523,247 units James Fielding Tourist Fund – 100,000 units JF US Industrial Trust – 200,000 units Stadium Australia Trust – 5,000 stapled securities Q1 Construction Guarantee Facility mandated to James Fielding Investments	
Robert J. Hamilton	–
Former directorships of listed entities in last 3 years None *Interests in other related securities* None	
Paul J. Biancardi	7,000
Former directorships of listed entities in last 3 years Hamilton James & Bruce Group Limited – Chairman – August 2000 to November 2003. *Interests in other related securities* None	
Dennis J. Broit	2,887
Former directorships of listed entities in last 3 years None *Interests in other related securities* None	
Roger A. Fortune	32,571
Former directorships of listed entities in last 3 years None *Interests in other related securities* None	
Geoffrey H. Levy	37,654
Former directorships of listed entities in last 3 years Freedom Group Limited – June 1996 to July 2002. *Interests in other related securities* None	
James A.C.MacKenzie	51,929
Former directorships of listed entities in last 3 years Child Care Centres Australia Limited – August 2002 to July 2004. Medaire Incorporated – April 2004 to July 2005. James Fielding Group – Chairman – May 2001 to January 2005. *Interests in other related securities* None	
Richard W. Turner	64,396
Former directorships of listed entities in last 3 years Bank of Western Australia Limited – October 2002 to September 2004. James Fielding Group – February 2001 to January 2005. *Interests in other related securities* James Fielding Industrial Fund – 30,000 units Stadium Australia Trust – 2,000 stapled securities	

COMPANY SECRETARY

During the year to 30 June 2005, the Group Company Secretary was Susan Myers, BA, LLB, FCIS. A lawyer with extensive legal, corporate governance, compliance and company secretarial experience in listed entities, Ms Myers was appointed by the Board and held the position for three years, until her resignation on 30 June 2005. The Assistant Company Secretary, Melanie Hedges, and the Chief Financial Officer, Tim Regan, have been appointed by the Board jointly as Company Secretary from 1 July 2005 until the recruitment of a replacement.

MEETINGS OF DIRECTORS

The following table sets out the numbers of meetings of the company's directors (including meetings of committees of directors) held during the year ended 30 June 2005, and the number 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	
	A	B	A	B	A	B	A	B	A	B	A	B
Number of meetings attended by :												
A J Lane	15	16	2	2	*	*	5	6	5	5	1	1
G J Paramor (appointed 7 January 2005)	5	5	*	*	7	7	*	*	*	*	*	*
R J Hamilton	16	16	*	*	13	14	*	*	*	*	1	1
P J Biancardi	14	16	2	2	*	*	6	6	*	*	*	*
D J Broit	15	16	*	*	11	14	*	*	*	*	*	*
A Buduls (resigned 29 July 2005)	14	16	2	2	*	*	6	6	5	5	*	*
R A Fortune	13	16	*	*	6	14	*	*	*	*	*	*
G H Levy	14	16	2	2	*	*	*	*	*	*	*	*
J A C MacKenzie (appointed 7 January 2005)	5	5	*	*	*	*	2	2	2	2	*	*
R W Turner (appointed 7 January 2005)	3	5	*	*	*	*	1	2	*	*	*	*
B H R Neil (resigned 21 October 2004)	4	5	*	*	5	7	*	*	*	*	*	*
R J Webster (resigned 7 January 2005)	8	10	2	2	*	*	*	*	3	3	1	1

A= Number of meetings attended

B= Number of meetings held during the period that the director was appointed

** = not a member of the relevant committee*

REMUNERATION REPORT

Principles Used to Determine the Nature and Amount of Remuneration

The Group has undertaken significant change to remuneration processes over the past twelve months with greater focus placed on providing direct linkage between Group and individual performance and rewards.

Review of our performance management programme gives greater clarity to employees on the key outcomes required for success and provides specific feedback on their performance.

The Short Term Incentive scheme has been redesigned to include an overall performance condition for all participants which requires achievement of a minimum of 95% of the Group profit target and 100% of the respective division profit target.

Guidelines for Long Term Incentive awards were undertaken and a more clearly defined, structured programme which is conditional on overall business performance and recognises individual contribution is being introduced for the 2006 financial year.

The Group will continue to review its remuneration policies and practices to ensure its policy of competitive, performance based remuneration in order to attract, retain and motivate the best talent in the industries in which it operates.

The Performance Management and Performance Development Programme is a fundamental platform in the remuneration of our executives.

At the beginning of each financial year, clear objectives are set for each executive in order to provide clarity and focus to the individual and the organisation.

There are a number of common objectives shared by the Executive Committee members including the following subject areas:

- Achievement of Group profit target
- Achievement of divisional profit target
- Training and development of staff
- Adherence to Group Risk Management and OHS&E platforms
- Communication of business performance and objectives to staff

Mirvac Limited and its Controlled Entities
Directors' Report (continued)
for the year ended 30 June 2005

REMUNERATION REPORT (CONTINUED)

Additional objectives which enhance the overall business strategy relating to the particular division are agreed at the beginning of each year for each Executive Committee member. The objectives are reviewed by the Remuneration Committee.

The executive's performance is evaluated at the end of the year, by their direct manager and reviewed by the next level manager, and a development plan put in place to enhance continued improvement in individual performance and overall contribution. The Managing Director reviews the performance of the Executive Committee members and his direct reports and presents his evaluation to the Remuneration Committee.

The Performance Management and Performance Development tool is utilised across the whole business at all levels of employee.

The Performance Management and Development programme will continue to be refined and will in the coming year include further initiatives to provide feedback to executives on their performance and leadership capability.

Structure of Remuneration

The Group seeks to structure remuneration in order to reward individual performance and contribution, reward team performance, overall business performance and to enhance retention. Our 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

Fixed remuneration includes superannuation contributions, any additional voluntary superannuation contributions, novated lease costs for motor vehicles and for members of the Executive Committee an annual travel allowance.

Executives have flexibility to allocate components of fixed remuneration to certain benefits. In these circumstances the executive is charged the cost of fringe benefits tax. The cost to the Group is therefore the same.

(b) Short Term Variable Remuneration

The key drivers of variable remuneration are:

> Performance against Group and division profit performance measure against predetermined targets

> Overall business or division performance against predetermined objectives

> Individual contribution to Group or division performance

Short term variable remuneration consists of annual incentive payments based upon predetermined targets and evaluation of individual performance.

Members of the Executive Committee are rewarded based upon the performance of the business unit they lead, the Group performance and their individual performance.

The Managing Director's participation is conditional upon the Group achieving a pre-agreed profit target. No Short Term Incentive payments were made to the Managing Director and executive directors in 2005.

(c) Long Term Variable Remuneration

The Long Term Incentive Schemes are available for all employees and are designed to share the benefit of the performance of the Group through the provision of loans to purchase securities. Loans are repayable via dividend payments or upon the sale of securities.

Employees are required to sell the securities and repay loans on termination of employment. The total value of the sold securities is applied to the loan. Loans available to employees under the Employee Incentive Scheme are non-recourse; however, there are loans available to eligible employees (including executive directors) which are full recourse subject to an agreed forgiveness schedule.

The key drivers of equity based remuneration are:

> Overall business performance

> Individual contribution and performance

> Criticality of the role/individual

> Potential of the individual to undertake a more senior role in the longer term

Guidelines (ranges for grants) are provided for the provision of loans which take into account the seniority of the position.

The EIS programme is designed to facilitate retention of staff, explicit alignment to business performance and linkage between employees and other securityholders in Mirvac. The programme ensures that all securityholders, including employees, benefit from increases in total securityholder return.

REMUNERATION REPORT (CONTINUED)

Review of Remuneration

(a) Each component of remuneration is reviewed annually throughout the Group to account for changes in market practice in the industries in which the Group operates.

(b) The review is undertaken giving consideration to collected market data from a variety of external sources, individual performance and business performance.

(c) Recommendations are submitted by each manager to their manager for approval. Each department manager is responsible for ensuring salary reviews are contained within the annual budget.

(d) Recommendations are then reviewed by the Group General Manager Human Resources 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 reviewed and approved by the Remuneration Committee.

The salary review process ensures that there are two levels of management approval to all changes in remuneration.

The implementation of the policy involves the provision of market competitive remuneration packages, targeted use of Short Term Incentives in the form of cash bonuses, and 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 particpate 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 objectives (annually set for each individual executive) which involve divisional and Group operational and financial goals.

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. This is a departure from Recommendation 9.3 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. The retirement benefit has resulted from an existing agreement between the Group and the Chairman prior to the introduction of the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

The Remuneration Committee

The Remuneration Committee is comprised of independent non-executive directors. The membership of the committee ensures it has financial, management and human resources expertise. The membership of the Remuneration Committee during the year ended 30 June 2005 was:

Anna Buduls (Committee Chairman) – independent non-executive (retired 29 July 2005)
Adrian Lane (Committee Chairman) – independent non-executive (appointed Chairman 29 July 2005)
Robert Webster – independent non-executive (retired 7 January 2005)
James MacKenzie – independent non-executive (appointed 8 February 2005)

The Managing Director and Group General Manager Human Resources attend Committee meetings by invitation. The Group General Manager Human Resources is the Secretary to the Committee.

The Remuneration 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. In the year to 30 June 2005, the Committee met five times.

Where appropriate, the Committee seeks independent professional advice from third parties. The Charter of the Remuneration Committee was confirmed by the Board in June 2005, and is available on the Mirvac website.

Mirvac Limited and its Controlled Entities
Directors' Report (continued)
for the year ended 30 June 2005

REMUNERATION REPORT (CONTINUED)

Details of Remuneration

Details of the remuneration of each director of Mirvac Limited and each of the executives of the consolidated entity receiving the highest emoluments and with the greatest authority for the strategic direction and management are set out in the following tables.

2005

	Primary				Post-employment					
Specified Directors	Cash Salary & Fees $	Bonuses $	Non-Cash Benefits $	Employee Loan Interest $	Super Contributions $	Termination Benefits $	Total Current Employment Cost $	Accrued Retirement Benefits Paid/Payable $	Note	Addition of Current Cost of Employment & Future Retirement Benefits $
Executive										
G J Paramor – Managing Director	394,208	–	15,000	17,254	5,793	–	432,255	–	2	432,255
R J Hamilton	615,346	–	15,000	51,976	11,585	–	693,907	700,000	1	1,393,907
B H R Neil	224,592	–	23,546	83,281	41,862	2,810,913	3,184,194	–	3	3,184,194
D J Broit – Finance Director	483,748	–	96,972	242,095	14,279	–	837,094	–		837,094
Non-Executive						–				
A J Lane – Chairman	194,417	–	20,000	–	11,585	–	226,002	–		226,002
P J Biancardi	121,347	–	–	–	10,921	–	132,268	–		132,268
A Buduls	115,000	–	–	–	10,350	–	125,350	–		125,350
R A Fortune	252,075	–	97,235	–	11,585	–	360,895	724,605	4	1,085,500
G H Levy	78,000	–	–	–	7,020	–	85,020	–		85,020
J A C MacKenzie	76,527	–	–	–	6,887	–	83,414	–	2	83,414
R W Turner	63,349	–	–	–	5,701	–	69,050	–	2	69,050
R J Webster	42,000	–	–	–	3,780	–	45,780	–	3	45,780
TOTAL	**2,660,609**	**–**	**267,753**	**394,606**	**141,348**	**2,810,913**	**6,275,229**	**1,424,605**		**7,699,834**

Specified Executives	$	$	$	$	$	$	$	$	Note	$
N Collishaw	219,207	100,000	15,000	20,416	5,783	–	360,406	–	2	360,406
I C Costley	52,500	–	–	26,854	60,965	245,791	386,110	–	3	386,110
B Draffen	352,533	100,000	64,132	47,009	33,335	–	597,009	–		597,009
A G Fini	417,881	100,000	15,000	94,128	32,119	–	659,128	–		659,128
C Freeman	421,627	150,000	16,110	176,974	27,263	–	791,974	–		791,974
A Harrington	142,036	75,000	24,675	11,031	4,827	–	257,569	–	2	257,569
C Langford	331,927	–	36,487	52,876	11,585	–	432,875	–		432,875
R P Lynch	436,613	120,000	15,000	195,682	13,387	–	780,682	–		780,682
M V O'Brien	342,755	75,000	60,578	91,154	70,000	–	639,487	–		639,487
A Turner	271,432	20,000	53,983	118,774	39,585	–	503,774	–		503,774
TOTAL	**2,988,511**	**740,000**	**300,965**	**834,898**	**298,849**	**245,791**	**5,409,014**	**–**		**5,409,014**

Note

1. *Represents retirement benefit in recognition of years of service from commencement of employment in 1972, accrued during the year ended 30 June 2005 and payable only on retirement.*
2. *Remuneration is for period from appointment on 7 January 2005 to 30 June 2005.*
3. *Remuneration is for period from 1 July 2004 to resignation date of 31 December 2004 for B Neil (resigned as a director on 21 October 2004), 7 January 2005 for R J Webster and 30 September 2004 for I C Costley.*
4. *R A Fortune resigned as an executive director on 1 February 2005, and became a non-executive director. He was paid a retirement benefit of $1,724,605, of which $1,000,000 was accrued in the prior year.*

Bonus Payments

Due to the overall Group performance, no executive director received a bonus for the year ended 30 June 2005. The Short Term Incentives were primarily based upon achievement of individual objectives for the senior executives.

N Collishaw, B Draffen, A Fini, C Freeman, A Harrington, and R Lynch received 100% of their bonus target. M O'Brien and A Turner partially achieved their objectives and received 75% and 50% respectively.

REMUNERATION REPORT (CONTINUED)

Details of Remuneration (continued)

2004

	Primary				Post-employment					
Specified Directors	Cash Salary & Fees $	Bonuses $	Non-Cash Benefits $	Employee Loan Interest $	Super Contributions $	Termination Benefits $	Total Current Employment Cost $	Accrued Retirement Benefits Paid/Payable $	Note	Addition of Current Cost of Employment & Future Retirement Benefits $
Executive										
R J Hamilton	713,998	130,000	–	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	–		894,964
D J Broit	466,008	120,000	81,972	192,074	12,020	–	872,074	–		872,074
R A Fortune	363,998	55,000	–	98,457	11,002	–	528,457	1,000,000	1	1,528,457
Non-Executive						–				
A J Lane	195,000	–	20,000	–	11,002	–	226,002	361,200	2	587,202
P J Biancardi	98,000	–	–	–	8,820	–	106,820	–		106,820
A Buduls	102,500	–	–	–	9,225	–	111,725	–		111,725
G H Levy	78,000	–	–	–	7,020	–	85,020	–		85,020
R J Webster	84,000	–	–	–	7,560	–	91,560	–		91,560
TOTAL	2,598,078	425,000	149,064	655,095	93,985	–	3,921,222	4,961,200		8,882,422

Specified Executives	$	$	$	$	$	$	$	$	Note	$
I C Costley	395,000	50,000	–	69,542	40,000	–	554,542	–		554,542
B Draffen	264,801	–	30,167	39,583	28,556	–	363,107	–		363,107
A G Fini	402,881	74,000	–	75,915	32,119	–	584,915	–		584,915
C Freeman	360,575	110,000	–	157,274	74,426	–	702,275	–		702,275
C Langford	279,321	50,000	26,352	44,046	11,002	–	410,721	–		410,721
R P Lynch	421,613	120,000	–	177,582	13,387	–	732,582	–		732,582
M V O'Brien	266,524	74,000	103,623	65,527	69,996	–	579,670	–		579,670
A Turner	266,538	40,000	45,460	112,474	28,002	–	492,474	–		492,474
TOTAL	2,657,253	518,000	205,602	741,943	297,488	–	4,420,286	–		4,420,286

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.*

Mirvac's Performance

The following table summarises Mirvac's performance over the last 5 years (since the stapling of securities took place in June 1999) and highlights the movement in total security holder return.

Year Ended 30 June	Revenue $000	Net Profit after Tax $000	Distributions Paid (cpss)	Security Price at Start of Year $	Security Price at End of Year $	Total Securityholder Return (pa)
2000	869,000	133,000	24.00	3.15	3.39	17.8%
2001	817,000	160,000	24.90	3.39	3.72	18.0%
2002	1,016,000	170,000	26.20	3.72	4.18	20.1%
2003	1,403,000	223,000	29.00	4.18	4.44	13.7%
2004	1,386,000	253,000	32.20	4.44	4.30	4.2%
2005	1,431,000	233,000	33.80	4.30	3.57	-10.1%

Mirvac Limited and its Controlled Entities
Directors' Report (continued)
for the year ended 30 June 2005

REMUNERATION REPORT (CONTINUED)

Service Agreements

The following table summarises the individual details of service agreements that are in place for Mirvac's directors as well as for each of the senior executives that comprise Mirvac's Executive Committee.

Name	Office Held	Term of Agreement	Notice Period	Severance Period	Renumeration Review Period	Eligible for STI?	Eligible for LTI?	Eligible for Termination Benefit?	Eligible for Other Benefits?[4]
Executive Directors									
G J Paramor	Managing Director	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
B H R Neil[3]	Executive Director	No term	3 months	9 months	12 months	Yes	Yes	Yes	Yes
D J Broit	Executive Director	No term	3 months	9 months	12 months	Yes	Yes	Yes	Yes
R J Hamilton	Executive Director	No term	3 months	9 months	12 months	Yes	Yes	On retirement	Yes
Non-Executive Directors									
A J Lane	Chairman, Non Executive Director	Stands for re-election every three years	None	None	None	No	No	On retirement	No
A Buduls[1]	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
G H Levy	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
R A Fortune	Non Executive Director	No term	3 months	9 months	12 months	Yes	Yes	On retirement	Yes
P J Biancardi	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
R W Turner	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
R J Webster[2]	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
Specified Executives									
A G Fini	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
A Harrington	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
A Turner	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
B Draffen	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
C Freeman	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
C Langford	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
M V O'Brien	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
N Collishaw	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
R P Lynch	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes

(1) Ms A Buduls retired as a director on 29 July 2005.
(2) R J Webster retired as a director on 7 January 2005.
(3) B H R Neil retired as a director on 21 October 2004, and continued as an employee until 31 December 2004.
(4) Other benefits are a travel allowance up to $15,000 (total cost to company).

NON-AUDIT SERVICES

The consolidated entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the consolidated entity are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out below.

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

> all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor

> none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 89.

	Consolidated	
	2005	**2004**
	$	**$**
During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms.		
Audit services	**500,000**	377,000
Other assurance services	**278,000**	118,000
Taxation services	**485,000**	381,000
Advisory services	**238,000**	151,000
	1,501,000	1,027,000

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.

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.

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

A.J. LANE
Chairman

D. J. BROIT
Director

Sydney
31 August 2005

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Mirvac Limited and its Controlled Entities
Auditors' independence declaration
For the year ended 30 June 2005

As lead auditor for the audit of Mirvac Limited for the year ended 30 June 2005, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

B K Hunter
Partner

Sydney
31 August 2005

Discussion and Analysis of the Financial Statements

for the year ended 30 June 2005

Liability is limited by the Accountant's Scheme under the Professional Standards Act 1994 (NSW)

This discussion and analysis is provided to assist readers in understanding the concise financial report. The concise financial report has been derived from the full financial report of Mirvac Limited and its controlled entities.

STATEMENT OF FINANCIAL PERFORMANCE

Segment Analysis

An analysis of operating revenue and operating profit before income tax by segment is set out in note 3.

The factors contributing to the results of the combined entity include:

(i) Property Development

Profit after tax decreased by 24.2% to $91.9 million, reflecting a slowdown in the residential property market in the 2005 financial year, and higher construction costs.

A $10.7 million provision for loss has been raised in the 2005 financial year for isolated developments.

(ii) Hotels

Profit after tax increased by 51.6% to $7.1 million as a result of an increase in average room rate from $166 to $176, at an average occupancy of 72 per cent. The significant increase in profit is also attributable to major refurbishments being carried out in the prior financial year removing the availability of rooms, and hotel start up costs for new hotels being expensed in the prior year. In addition, three new hotel properties added to rooms under management, whilst one property was sold.

(iii) Property Investment

Net profit after tax increased by 48.4% to $3.4 million primarily as a result of the contribution of 6 months profits from operations conducted by James Fielding Holdings Ltd and its subsidiaries. James Fielding Holdings Ltd and its subsidiaries was acquired on 29 December 2004.

(iv) Funds Management

The acquisition of James Fielding Holdings Ltd and its subsidiaries has added a funds management business to complement the other property related divisions of the Mirvac Limited and its controlled entities. Net profit after tax for the funds management division is for the six month period since acquisition on 29 December 2004 and totals $1.2 million.

Income Tax

Income tax expense has decreased with the lower level of corporate profits in the Group.

STATEMENT OF FINANCIAL POSITION

Assets

Total assets have increased by 21.5% to $3,236.6 million, primarily as a result of the acquisition of James Fielding Holdings Ltd and its subsidiaries on 29 December 2004, and a build-up in inventory ahead of settlements forecast to occur in the next financial year.

Liabilities

Liabilities have increased from $2,009.7 million to $2,415.6 million, primarily as a result of the assumption of debt of James Fielding Holdings Ltd and its subsidiaries, and short term bank borrowings to fund additional levels of inventory.

Equity

Equity increased by 25.7% to $821.0 million as a result of:

(i) an increase in contributed equity by $191.7 million primarily being the scrip consideration for the acquisition of James Fielding Holdings Ltd and its subsidiaries

(ii) a decrease in retained earnings of $25.6 million to fund dividends

STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities

Net cash outflows from operating activities reflects the current mix of development projects on hand at 30 June 2005 where settlements have not yet occurred as demonstrated by the build-up in inventory.

Cash Flows from Investing Activities

The predominant cash flows from investing activities are contributions and loans to joint ventures to fund development activities.

Cash Flows from Financing Activities

Borrowings increased during the year primarily to fund the increase in development inventory.

The level of cash on hand is considerably lower than the previous year due to repayment of the multi-option presale securitisation program.

Mirvac Limited and its Controlled Entities
Statement of Financial Performance
for the year ended 30 June 2005

	Notes	Consolidated 2005 $000	2004 $000
Revenue from operating activities	4	**1,251,702**	1,207,040
Revenue from outside the operating activities (excluding share of net profits of associates and joint ventures)		**43,017**	38,320
TOTAL REVENUE FROM ORDINARY ACTIVITIES		**1,294,719**	1,245,360
Cost of goods sold		**(890,201)**	(832,329)
Employee benefits expense		**(129,356)**	(110,419)
Depreciation and amortisation expenses		**(8,925)**	(6,801)
Borrowing costs expense		**(96,163)**	(90,154)
Other expenses from ordinary activities		**(81,794)**	(62,836)
Carrying amount of investment properties and property, plant & equipment sold		**(4,837)**	(56)
Share of net profits of associates and joint ventures accounted for using equity method		**33,423**	14,813
PROFIT FROM ORDINARY ACTIVITIES BEFORE RELATED INCOME TAX EXPENSE		**116,866**	157,578
Income tax expense		**(35,753)**	(43,445)
NET PROFIT		**81,113**	114,133
Net profit attributable to outside equity interest		**(114)**	–
NET PROFIT ATTRIBUTABLE TO MEMBERS OF MIRVAC LIMITED		**80,999**	114,133
Net exchange differences on translation of financial report of foreign controlled entity		**1,603**	435
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS ATTRIBUTABLE TO MEMBERS OF MIRVAC LIMITED RECOGNISED DIRECTLY IN EQUITY		**1,603**	435
TOTAL CHANGES IN EQUITY ATTRIBUTABLE TO MEMBERS OF MIRVAC LIMITED OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		**82,602**	114,568
		Cents	**Cents**
Basic earnings per share	6	**10.36**	16.56
Diluted earnings per share	6	**10.36**	16.56

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

Mirvac Limited and its Controlled Entities
Statement of Financial Position
as at 30 June 2005

	Consolidated 2005 $000	Consolidated 2004 $000
CURRENT ASSETS		
Cash assets	**33,824**	246,998
Receivables	**763,175**	282,216
Inventories	**824,938**	608,471
Other	**17,682**	15,887
TOTAL CURRENT ASSETS	**1,639,619**	1,153,572
NON-CURRENT ASSETS		
Receivables	**296,782**	569,088
Inventories	**805,228**	618,767
Investments accounted for using the equity method	**128,755**	79,357
Other financial assets	**8**	28
Investment properties	**182,653**	193,160
Plant and equipment	**16,665**	17,132
Intangible assets	**147,026**	24,126
Deferred tax assets	**19,889**	7,688
TOTAL NON-CURRENT ASSETS	**1,597,006**	1,509,346
TOTAL ASSETS	**3,236,625**	2,662,918
CURRENT LIABILITIES		
Payables	**244,021**	139,274
Interest bearing liabilities	**1,165,015**	125,016
Current tax liabilities	**5,072**	20,522
Provisions	**49,208**	40,667
Other	**10,421**	5,134
TOTAL CURRENT LIABILITIES	**1,473,737**	330,613
NON-CURRENT LIABILITIES		
Payables	**84,215**	75,500
Interest bearing liabilities	**729,505**	1,529,183
Deferred tax liabilities	**123,707**	71,470
Provisions	**4,460**	2,914
TOTAL NON-CURRENT LIABILITIES	**941,887**	1,679,067
TOTAL LIABILITIES	**2,415,624**	2,009,680
NET ASSETS	**821,001**	653,238
EQUITY		
Contributed equity	**691,700**	499,977
Reserves	**5,338**	3,735
Retained profits	**123,963**	149,526
TOTAL EQUITY	**821,001**	653,238

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

Mirvac Limited and its Controlled Entities
Statement of Cash Flows
for the year ended 30 June 2005

	Consolidated 2005 $000	Consolidated 2004 $000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of goods and services tax)	**1,049,882**	1,444,084
Payments to suppliers and employees (inclusive of goods and services tax)	**(1,214,578)**	(1,309,207)
	(164,696)	134,877
Interest received	**37,736**	38,158
Dividends received	**362**	–
Borrowing costs paid	**(117,815)**	(89,024)
Income taxes paid	**(35,319)**	(26,314)
NET CASH (OUTFLOWS)/INFLOWS FROM OPERATING ACTIVITIES	**(279,732)**	57,697
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from net cash acquired on acquisition of controlled entity	**33,395**	–
Payments for property, plant and equipment	**(9,145)**	(5,251)
Payments for investment properties	**(798)**	(69,431)
Loans to related entities	**(59,774)**	(21,167)
Repayment of loans by related entities	**761**	–
Loans to other entities	**(23,835)**	–
Repayment of loans by other entities	**3,055**	–
Contributions to joint venture operations/entities	**(20,069)**	(9,890)
Repayments from joint venture operations/entities	**23,858**	34,579
Proceeds on selldown of subsidiary	**8,506**	–
Proceeds from the sale of property, plant and equipment	**4,856**	96
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES	**(39,190)**	(71,064)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**465,632**	1,208,007
Repayment of borrowings	**(298,400)**	(782,218)
Debentures issued to related parties	**–**	(150,000)
Proceeds from issue of shares	**–**	12,493
Dividends paid	**(61,502)**	(56,294)
NET CASH INFLOWS FROM FINANCING ACTIVITIES	**105,730**	231,988
Net (decrease)/increase in cash held	**(213,192)**	218,621
Cash at the beginning of the financial year	**246,998**	28,447
Effect of exchange rate change on cash	**18**	(70)
CASH AT THE END OF THE FINANCIAL YEAR	**33,824**	246,998

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

NOTE 1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL STATEMENTS

The concise financial statements relate to the consolidated entity consisting of Mirvac Limited and the entities it controlled at the end of, or during, the year ended 30 June 2005. The accounting policies adopted are consistent with those of the previous year, except as noted below.

The concise financial report has been prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 1039: *Concise Financial Reports*.

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

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.

NOTE 2. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

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

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS 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 AIFRS, 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 currently progressing to plan.

Set out below are the key areas expecting to change on adoption of AIFRS and our best estimate of the quantitative impact of the changes on total equity as at 30 June 2005 and on net profit for the year ended 30 June 2005.

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the AASB and the IASB. Therefore, until the consolidated entity prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

(i) Income Tax

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

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, whereby 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.

On implementation of AIFRS, an opening adjustment to shareholders equity will be required to recognise the deferred tax liability. The increase in the deferred tax liability in the statement of financial position at 1 July 2004 is $1,862,000 with a corresponding reduction against retained earnings.

For the year ended 30 June 2005 there is a reduction of the deferred tax liability of $546,000 and an increase in net profit and total equity of $546,000.

Mirvac Limited and its Controlled Entities
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 2. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS) (CONTINUED)

(ii) Owner Occupied Investment Properties

Under Australian Generally Accepted Accounting Principals (AGAAP), properties occupied by the consolidated entity, including owner-managed hotels are classified as investment properties and carried at fair value.

Under AIFRS any owner-managed hotels, including hotel management lots, are considered owner-occupied property, rather than investment property and will be depreciated.

The consolidated entity however intends to fair value certain classes of property, plant and equipment including hotel management lots. As a result the depreciation recognised on these properties will be offset by the revaluation increment to the asset revaluation reserve.

Hotel property, plant and equipment previously included within the carrying value of hotel management lots will be seperated and carried at cost and depreciated.

On transition to AIFRS, approximately $49,689,000 will be required to be reclassified to property, plant and equipment from investment properties.

The accumulated depreciation recognised on transition relating to assets carried at cost is $9,826,000, with the net impact on retained earnings being $6,878,000 (net of tax effect).

If the policy had been applied during the year ended 30 June 2005, total equity of the consolidated entity would have been approximately $10,306,000 lower (net of revaluation increment), and net profit would have been $3,428,000 (net of tax effect) lower for the year ended 30 June 2005 as a result of the depreciation charge on these assets measured at cost.

(iii) Intangible Assets – Goodwill

Under AASB 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 or groups of cash generating units. 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.

The consolidated entity intends to apply the exemption available in AASB 1, allowing it not to apply AASB 3 retrospectively and hence, prior years amortisation would not be written back at the date of transition. If the policy required by AASB 3 had been applied during the year ended 30 June 2005, total equity would have been $3,695,000 higher and net profit $3,695,000 higher.

(iv) Financial Instruments

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

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

(v) Equity-based Compensation Benefits

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

This will result in a change to the current accounting policy under which no expense is recognised for equity-based compensation.

As all equity instruments had vested prior to 1 January 2005 there would be no expense recognised by the consolidated entity for the year ended 30 June 2005.

Additionally loans and equity issued under the Employee Incentive Scheme that are non-recourse and held in trust will be derecognised on entry into AIFRS. Cash distributions paid to employee's in relation to these securities will be expensed when paid. If the policy required by AASB 2 had been applied on transition at 1 July 2004 the adjustments required result in a decrease in contributed equity of $21,449,000, a decrease in receivables of $9,318,000 and an increase of retained earnings of $12,132,000.

If the policy required by AASB 2 had been applied during the year ended 30 June 2005, total equity would have been approximately $10,373,000 lower and employee benefit expense $2,258,000 higher.

NOTE 2. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS) (CONTINUED)

(vi) Revenue Recognition – Development Projects

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

This will result in a change to the current accounting policy, whereby under UIG 53 revenue is recognised by applying the percentage completion method to that proportion of the project represented by pre-sold exchanged contracts.

On transition to AIFRS the adjustments required result in a decrease in total equity of $14,202,000.

If the policy required by AIFRS had been applied during the year ended 30 June 2005, total equity would have been $40,179,000 lower and net profit would have been $25,977,000 lower.

Additionally profits from joint venture developments were recognised in accordance with UIG 53 and included in share of profits from associates. If the policy had been applied during the year ended 30 June 2005, total equity would have been $11,015,000 lower and net profit $11,015,000 lower.

Reconciliation of equity as presented under AGAAP to that under AIFRS:

	Notes	30 June 2005** $000	1 July 2004* $000
TOTAL EQUITY UNDER AGAAP		**821,001**	653,238
Recognition of deferred tax liability	i	**(1,316)**	(1,862)
Depreciation of owner occupied investment properties/hotels	ii	**(10,306)**	(6,878)
Write-back of goodwill amortisation	iii	**3,695**	–
Derecognition of share capital – employee equity payments	v	**(10,373)**	(9,318)
Share-based payment expense	v	**(2,258)**	–
Reversal of UIG 53 profits	vi	**(40,179)**	(14,202)
Share of profit from associates – reversal of UIG 53 profits	vi	**(11,015)**	–
TOTAL EQUITY UNDER AIFRS		**749,249**	620,978

** This column represents the adjustments as at the date of transition of AIFRS.*

*** This column represents the cumulative adjustments as at the date of transition to AIFRS and those for the year ended 30 June 2005.*

Reconciliation of net profit under AGAAP to that under AIFRS:

YEAR ENDED 30 JUNE 2005	Notes	Consolidated $000
NET PROFIT AS REPORTED UNDER AGAAP		**80,999**
Adjustment to income tax expense	i	**546**
Depreciation of owner occupied investment properties/hotels	ii	**(3,428)**
Write-back of goodwill amortisation	iii	**3,695**
Share-based payment expense	v	**(2,258)**
Reversal of UIG 53 profits	vi	**(25,977)**
Share of profit from associates – reversal of UIG 53 profits	vi	**(11,015)**
NET PROFIT UNDER AIFRS		**42,562**

Mirvac Limited and its Controlled Entities
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 3. CONSOLIDATED SEGMENTAL INFORMATION

PRIMARY REPORTING – BUSINESS SEGMENTS

	Property Development $000	Hotels $000	Property Investment $000	Funds Management $000	Eliminations/ Unallocated $000	Consolidated Totals $000
30 JUNE 2005						
Sales to external customers	**1,082,106**	**108,032**	**38,281**	**14,060**	**–**	**1,242,479**
Intersegment sales	**–**	**350**	**–**	**–**	**(350)**	**–**
Total sales revenue	**1,082,106**	**108,382**	**38,281**	**14,060**	**(350)**	**1,242,479**
Share of net profits of associates and joint ventures	**31,697**	**–**	**–**	**1,726**	**–**	**33,423**
Other revenue including sale of investment properties	**11,682**	**3,620**	**89**	**–**	**36,848**	**52,239**
Total segment revenue	**1,125,485**	**112,002**	**38,370**	**15,786**	**36,498**	**1,328,141**
Segment result before interest and income tax	**186,712**	**9,763**	**5,256**	**6,026**	**5,272**	**213,029**
Net interest allocated	**56,000**	**2**	**–**	**4,346**	**35,815**	**96,163**
Profit/(Loss) from ordinary activities after interest and before related income tax expense	**130,712**	**9,761**	**5,256**	**1,680**	**(30,543)**	**116,866**
Income tax expense	**38,766**	**2,628**	**1,822**	**504**	**(7,967)**	**35,753**
Net Profit/(Loss)	**91,946**	**7,133**	**3,434**	**1,176**	**(22,576)**	**81,113**
Total Assets	**1,921,585**	**85,034**	**252,353**	**207,056**	**770,594** *	**3,236,622**
Total Liabilities	**1,545,491**	**13,001**	**49,853**	**179,584**	**627,693**	**2,415,622**
Investments in associates and joint ventures	**98,356**	**–**	**–**	**30,399**	**–**	**128,755**
Acquisition of property, plant and equipment, intangibles and other non-current assets	**4,615**	**2,238**	**63,216**	**122**	**444**	**70,635**
Depreciation and amortisation expense	**4,437**	**578**	**1,746**	**972**	**1,191**	**8,924**
30 JUNE 2004						
Sales to external customers	1,085,383	98,081	23,576	–	–	1,207,040
Intersegment sales	–	780	–	–	(780)	–
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	–	–	–	–	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	–	–	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	–	–	–	–	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

** Unallocated assets include debentures issued*

Secondary Reporting Segment – Geographical Segments

The consolidated entity operates predominantly in Australia.

	Consolidated	
	2005 $000	2004 $000
NOTE 4. REVENUE FROM OPERATING ACTIVITIES		
Sales of goods	**794,709**	591,950
Rental income	**9,991**	3,510
Services	**161,339**	391,949
Construction contract revenue	**285,663**	219,631
	1,251,702	1,207,040

	Parent Entity	
	2005 $000	2004 $000
NOTE 5. DIVIDENDS		
Quarterly dividends paid as follows:		
3.32 cents per fully paid share paid on 29 October 2004 franked at 30%	**23,901**	
3.16 cents per fully paid share paid on 24 October 2003 franked at 30%		21,415
3.32 cents per fully paid share paid on 28 January 2005 franked at 30%	**24,189**	
3.20 cents per fully paid share paid on 30 January 2004 franked at 30%		21,894
3.44 cents per fully paid share paid on 29 April 2005 franked at 30%	**29,102**	
3.24 cents per fully paid share paid on 30 April 2004 franked at 30%		22,586
3.44 cents per fully paid share paid on 29 July 2005 franked at 30%	**29,370**	
3.28 cents per fully paid share paid on 30 July 2004 franked at 30%		23,271
Total dividends 13.52 cents per fully paid share (2004: 12.88 cents per fully paid share)	**106,562**	89,166
Dividends actually paid or satisfied by the issue of shares under the dividend reinvestment plan during the years ended 30 June were as follows:		
Paid in cash	**61,502**	56,294
Satisfied by the issue of shares	**38,960**	24,422
	100,462	80,716

Franking credits available for subsequent financial years based on a tax rate of 30% total $10.7 million (2004: $18.7 million on a tax rate of 30%).

	Cents	Cents
NOTE 6. EARNINGS PER SHARE		
Basic earnings per share	**10.36**	16.56
Diluted earnings per share	**10.36**	16.56

	No.	No.
The weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	**781,470,377**	689,040,443

Mirvac Limited and its Controlled Entities
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 7. NET CURRENT LIABILITIES

The consolidated entity has reclassified $990 million of non-current interest bearing liabilities to current interest bearing liabilities as a result of bonds maturing during the year ended 30 June 2006, which will be reissued in the normal course of business.

NOTE 8. EVENTS OCCURING AFTER REPORTING DATE

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

NOTE 9. FULL FINANCIAL REPORT

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

Mirvac Limited and its Controlled Entities
Directors' Declaration
for the year ended 30 June 2005

The directors declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 2005 as set out on pages 90 to 99 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.

The financial statements and specific disclosures included in this concise financial report have been derived from the full financial report for the year ended 30 June 2005.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which as indicated in Note 9, is available on request.

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

A J Lane
Chairman

D J Broit
Director

Sydney
31 August 2005

PRICEWATERHOUSECOOPERS

Independent Audit Report to the unitholders of Mirvac Limited and its Controlled Entities

PricewaterhouseCoopers
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AUDIT OPINION

In our opinion:

(a) the concise financial report of Mirvac Limited for the year ended 30 June 2005 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*; and

(b) the remuneration disclosures that are contained in the directors' report on pages 82 to 87 comply with Australian Accounting Standard AASB 1046: *Director and Executive Disclosures by Disclosing Entities* (AASB 1046) and the *Corporations Regulations 2001*.

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

SCOPE

The concise financial report, remuneration disclosures and directors' responsibility

The financial report comprises the consolidated statement of financial position, consolidated statement of financial performance, consolidated statement of cash flows, discussion and analysis of and notes to the financial statements, and the directors' declaration for Mirvac Limited (the company), for the year ended 30 June 2005.

The company has disclosed information about the remuneration of directors and executives ('remuneration disclosures') as required by AASB 1046, under the heading "remuneration report" on pages 82 to 87 of the directors report, as permitted by the *Corporations Regulations 2001*.

The directors of the company are responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standard 1039: *Concise Financial Reports*. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Audit approach

We conducted an independent audit of the concise financial report in order to express an opinion on it 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 concise financial report is free of material misstatement and the remuneration disclosures comply with AASB 1046. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit.

We also performed an independent audit of the full financial report of the company for the financial year ended 30 June 2005. Our audit report on the full financial report was signed on 31 August 2005 and was not subject to any qualification.

In conducting our audit of the concise financial report, we performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

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

> testing that the information included in the concise financial report is consistent with the information in the full financial report

> examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report which were not directly derived from the full financial report.

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

Independence

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

PricewaterhouseCoopers

B K Hunter
PartnerSydney

31 August 2005

Liability is limited by the Accountant's Scheme under the Professional Standards Act 1994 (NSW)

Mirvac Property Trust and its Controlled Entities
Concise Financial Report
for the year ended 30 June 2005

Mirvac Property Trust (ABN 29 769 181 534) and its Controlled Entities

Contents	Page

This concise report has been derived from the full financial report for the year ended 30 June 2005.

A copy of the full financial report, including the auditors' report on the full financial report, is available and will be sent to any member without charge, on request, by telephoning 1800 659 886. Alternatively, the full report may be accessed via the internet at the Mirvac website at www.mirvac.com.au.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Mirvac Property Trust and its controlled entities as the full financial report.

Mirvac Property Trust and its Controlled Entities
Directors' Report
for the year ended 30 June 2005

The directors of Mirvac Funds Limited (ABN 70 002 561 640), the Responsible Entity of Mirvac Property Trust ("the Trust"), present their report together with the concise financial report of the Trust, for the year ended 30 June 2005.

RESPONSIBLE ENTITY

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

DIRECTORS OF THE RESPONSIBLE ENTITY

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

A J Lane	R J Hamilton
P J Biancardi	D J Broit
G H Levy	R A Fortune

B H R Neil, R J Webster and Ms A Buduls were directors from the beginning of the year until their resignations on 21 October 2004, 7 January 2005 and 29 July 2005 respectively date of this report. Messrs J A C MacKenzie, G J Paramor and R Turner were appointed directors on 7 January 2005 and continue in office.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity are investment in income producing commercial, industrial and retail properties.

DISTRIBUTIONS TO UNITHOLDERS

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

	2005 $000	2004 $000
June 2004 quarterly distribution paid on 30 July 2004 of 4.9200 cents (2003: 6.1005 cents)	**34,905**	41,099
September 2004 quarterly distribution paid on 29 October 2004 of 4.9800 cents (2003: 4.7400 cents)	**35,851**	32,123
December 2004 quarterly distribution paid on 28 January 2005 of 4.9800 cents (2004: 4.8000 cents)	**36,284**	32,842
March 2005 quarterly distribution paid on 29 April 2005 of 5.1600 cents (2004: 4.8600 cents)	**43,654**	33,882
	150,694	139,946

The June 2005 quarterly distribution of 5.1600 cents ($44.055 million) declared on 20 June 2005, was paid on 29 July 2005. Distributions totalling $159,844,000 were made for the year ended 30 June 2005 (2004: $133,752,000).

REVIEW OF OPERATIONS

The consolidated entity invests in high quality assets which will deliver secure income streams over the long term and may invest in assets with development potential that will produce high quality assets with secure income streams. Comments on the operations and the results of those operations are set out in the Discussion and Analysis of the Financial Report.

RESULTS

Net profit before revaluation of investments for the year ended 30 June 2005 was $156,438,000 (2004: $125,770,000).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In accordance with the Explanatory Memorandum for the acquisition of the James Fielding Group issued on 12 November 2004, and the subsequent approval of the Scheme by the James Fielding Group securityholders on 17 December 2004, Mirvac Property Trust acquired all the issued units of James Fielding Trust (JFT) on 29 December 2004, the date of Court approval of the Share Scheme. The acquisition was by way of issue of 0.73 Mirvac Property Trust units for every JFT unit. The effect of the acquisition is disclosed in note 6.

Increase in Contributed Equity from $1,504.534 million to $1,993.070 million as a result of:

	$000
Issue of 3,036,745 units at $3.2414 each under an employee share scheme	**9,842**
Issue of 31,897,253 units at between $3.0501 and $3.3506 each under the distribution reinvestment plan	**100,662**
Issue of 109,389,632 units at $3.4559 each to acquire James Fielding Trust	**378,044**
Transaction costs arising on unit issue	**(12)**
Net increase in Contributed Equity	**488,536**

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

At the date of this report, there is no other matter or circumstance has arisen since 30 June 2005 that has significantly affected, or may significantly affect:

(i) the operations of the consolidated entity in future financial years; or

(ii) the results of those operations in future financial years; or

(iii) the state of affairs of the consolidated entity in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Further information on likely developments in the operations of the consolidated entity and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the consolidated entity.

ENVIRONMENTAL REGULATION

The operations of the consolidated entity are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

The Trust 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, the Trust has adopted the Australian Building Greenhouse Rating (ABGR) tool.

FEES PAID TO THE RESPONSIBLE ENTITY OR ITS ASSOCIATES

Fees paid to the Responsible Entity and its associates out of Trust property during the year were $1,220,000 (2004: $1,254,000). Fees charged by the Responsible Entity represent recovery of costs. No fees were paid out of Trust property to the directors of the Responsible Entity during the year.

INFORMATION ON DIRECTORS OF THE RESPONSIBILE ENTITY

The names of the directors of Mirvac Funds Limited in office at the date of this report are set out below.

Please see pages 42 and 43 for information on directors' qualifications, experience and special responsibilities.

Director	Particulars of Directors' Interests in stapled securities of the Group
ADRIAN J. LANE	93,649
GREG J. PARAMOR	5,351,821
ROBERT J. HAMILTON	–
PAUL J. BIANCARDI	7,000
DENNIS J. BROIT	2,887
ROGER A. FORTUNE	32,571
GEOFFREY H. LEVY	37,654
JAMES A.C. MACKENZIE	51,929
RICHARD W. TURNER	64,396

COMPANY SECRETARY

During the year to 30 June 2005, the Company Secretary was Susan Myers, BA, LLB, FCIS. A lawyer with extensive legal, corporate governance, compliance and company secretarial experience in listed entities, Ms Myers was appointed by the Board and held the position for three years until her resignation on 30 June 2005. The Assistant Company Secretary, Melanie Hedges, and the Chief Financial Officer, Tim Regan, have been appointed by the Board jointly as Company Secretary from 1 July 2005 until the recruitment of a replacement.

REMUNERATION REPORT

Principles used to determine the nature and amount of remuneration

The Mirvac Group has undertaken significant change to remuneration processes over the past twelve months with greater focus placed on providing direct linkage between performance and rewards. Review of our performance management programme gives greater clarity to employees on the key outcomes required for success and provides specific feedback on their performance. The Short Term Incentive scheme has been redesigned to include an overall performance condition for all participants which requires achievement of a minimum of 95% of the Mirvac Group profit target and 100% of the respective division profit target. Guidelines for Long Term Incentive awards were undertaken and a more clearly defined, structured programme which is conditional on overall business performance and recognises individual contribution is being introduced for the 2006 financial year. The Mirvac Group will continue to review its remuneration policies and practices to ensure its policy of competitive, performance based remuneration in order to attract, retain and motivate the best talent in the industries in which it operates. The Performance Management and Performance Development Programme is a fundamental platform in the remuneration of our executives. At the beginning of each financial year clear objectives are set for each executive in order to provide clarity and focus to the individual and the organisation.

Mirvac Property Trust and its Controlled Entities
Directors' Report (continued)
for the year ended 30 June 2005

REMUNERATION REPORT (CONTINUED)

There are a number of common objectives shared by the Executive Committee members including the following subject areas:

- Achievement of Mirvac Group profit target
- Achievement of divisional profit target
- Training and development of staff
- Adherence to Mirvac Group Risk Management and OHS&E platforms
- Communication of business performance and objectives of staff

Additional objectives which enhance the overall business strategy relating to the particular division are agreed at the beginning of each year for each Executive Committee member. The objectives are reviewed by the remuneration committee.

The executive's performance is evaluated at the end of the year by their direct manager and reviewed by the next level manager, and a development plan put in place to enhance continued improvement in individual performance and overall contribution. The Managing Director reviews the performance of the Executive Committee members and his direct reports and presents his evaluation to the Remuneration Committee.

The Performance Management and Performance Development tool is utilised across the whole business at all levels of employee.

The Performance Management and Development programme will continue to be refined and will in the coming year include further initiatives to provide feedback to executives on their performance and leadership capability.

Structure of Remuneration

The Mirvac Group seeks to structure remuneration in order to reward individual performance and contribution, reward team performance, overall business performance and to enhance retention. Our 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

Fixed remuneration includes superannuation contributions, any additional voluntary superannuation contributions, novated lease costs for motor vehicles and for members of the executive committee an annual travel allowance.

Executives have flexibility to allocate components of fixed remuneration to certain benefits. In these circumstances the executive is charged the cost of fringe benefits tax. The cost to the Mirvac Group is therefore the same.

(b) Short Term Variable Remuneration

The key drivers of variable remuneration are:

- Performance against Mirvac Group and Division profit performance measure against predetermined targets
- Overall business or division performance against predetermined objectives
- Individual contribution to group or division performance

Short term variable remuneration consists of annual incentive payments based upon predetermined targets and evaluation of individual performance.

Members of the Executive Committee are rewarded based upon the performance of the business unit they lead, the group performance and their individual performance.

The Managing Director's participation is conditional upon the Mirvac Group achieving a pre-agreed profit target. No Short Term Incentive payment was made to the Managing Director in 2005.

(c) Long Term Variable Remuneration

The Long Term Incentive Scheme (Employment Incentive Scheme – EIS) is available for all employees and is designed to share the benefit of the performance of the Mirvac Group through the provision of a loan to purchase securities. The loan is repayable via dividend payments or upon the sale of securities. Employees are required to sell the securities and repay the loan on termination of employment. The total value of the sold securities is applied to the loan. Should the value of the securities be less than the value of the loan the employee is only required to repay the value of the securities.

The key drivers of equity based remuneration are:

- Overall business performance
- Individual contribution and performance
- Criticality of the role/individual
- Potential of the individual to undertake a more senior role in the longer term

REMUNERATION REPORT (CONTINUED)

Guidelines (ranges for grants) are provided for the provision of loans which take into account the seniority of the position.

The EIS programme is designed to facilitate retention of staff, explicit alignment to business performance and linkage between employees and other securityholders in the Mirvac Group. The programme ensures that all securityholder, including employees, benefit from increases in total securityholder return.

Review of Remuneration

(a) Each component of remuneration is reviewed annually throughout the Mirvac Group to account for changes in market practice in the industries in which the group operates.

(b) The review is undertaken giving consideration to collected market data from a variety of external sources, individual performance and business performance.

(c) Recommendations are submitted by each manager to their manager for approval. Each department manager is responsible for ensuring salary reviews are contained within the annual budget.

(d) Recommendations are then reviewed by the Mirvac Group General Manager Human Resources 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 reviewed and approved by the Remuneration Committee.

The salary review process ensures that there are two levels of management approval to all changes in remuneration.

The implementation of the policy involves the provision of market competitive remuneration packages, 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 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 objectives (annually set for each individual executive) which involve divisional and group operational and financial goals.

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. This is a departure from Recommendation 9.3 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. The retirement benefit has resulted from an existing agreement between the Mirvac Group and the Chairman prior to the introduction of the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

The Remuneration Committee

The Remuneration Committee is comprised of independent non-executive directors. The membership of the Committee ensures it has financial, management and human resources expertise. The membership of the Remuneration Committee during the year ended 30 June 2005 was:

Anna Buduls (Committee Chairman) – independent non-executive (retired 29 July 2005)
Adrian Lane (Committee Chairman) – independent non-executive (appointed Chairman 29 July 2005)
Robert Webster – independent non-executive (retired 7 January 2005)
James MacKenzie – independent non-executive (appointed 8 February 2005)

The Mirvac Group Managing Director and Group General Manager Human Resources attend Committee meetings by invitation. The Group General Manager Human Resources is the Secretary to the Committee.

The Remuneration 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 Mirvac 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. In the year to 30 June 2005, the Committee met five times.

Where appropriate, the Committee seeks independent professional advice from third parties. The Charter of the Remuneration Committee was confirmed by the Board in June 2005, and is available on the Mirvac website.

Mirvac Property Trust and its Controlled Entities
Directors' Report (continued)
for the year ended 30 June 2005

REMUNERATION REPORT (CONTINUED)

Details of Remuneration

Details of the remuneration of each director of Mirvac Funds Limited and each of the executives of the Mirvac Group receiving the highest emoluments and with the greatest authority for the strategic direction and management of the Group are set out in the following tables.

2005

	Primary				Post-employment					
Specified Directors	**Cash Salary & Fees $**	**Bonuses $**	**Non-Cash Benefits $**	**Employee Loan Interest $**	**Super Contributions $**	**Termination Benefits $**	**Total Current Employment Cost $**	**Accrued Retirement Benefits Paid/Payable $**	**Note**	**Addition of Current Cost of Employment & Future Retirement Benefits $**
Executive										
G J Paramor – Managing Director	394,208	–	15,000	17,254	5,793	–	432,255	–	2	432,255
R J Hamilton	615,346	–	15,000	51,976	11,585	–	693,907	700,000	1	1,393,907
B H R Neil	224,592	–	23,546	83,281	41,862	2,810,913	3,184,194	–	3	3,184,194
D J Broit – Finance Director	483,748	–	96,972	242,095	14,279	–	837,094	–		837,094
Non-Executive						–				
A J Lane – Chairman	194,417	–	20,000	–	11,585	–	226,002	–		226,002
P J Biancardi	121,347	–	–	–	10,921	–	132,268	–		132,268
A Buduls	115,000	–	–	–	10,350	–	125,350	–		125,350
R A Fortune	252,075	–	97,235	–	11,585	–	360,895	724,605	4	1,085,500
G H Levy	78,000	–	–	–	7,020	–	85,020	–		85,020
J A C MacKenzie	76,527	–	–	–	6,887	–	83,414	–	2	83,414
R W Turner	63,349	–	–	–	5,701	–	69,050	–	2	69,050
R J Webster	42,000	–	–	–	3,780	–	45,780	–	3	45,780
TOTAL	**2,660,609**	**–**	**267,753**	**394,606**	**141,348**	**2,810,913**	**6,275,229**	**1,424,605**		**7,699,834**

Specified Executives	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**Note**	**$**
N Collishaw	219,207	100,000	15,000	20,416	5,783	–	360,406	–	2	360,406
I C Costley	52,500	–	–	26,854	60,965	245,791	386,110	–	3	386,110
B Draffen	352,533	100,000	64,132	47,009	33,335	–	597,009	–		597,009
A G Fini	417,881	100,000	15,000	94,128	32,119	–	659,128	–		659,128
C Freeman	421,627	150,000	16,110	176,974	27,263	–	791,974	–		791,974
A Harrington	142,036	75,000	24,675	11,031	4,827	–	257,569	–	2	257,569
C Langford	331,927	–	36,487	52,876	11,585	–	432,875	–		432,875
R P Lynch	436,613	120,000	15,000	195,682	13,387	–	780,682	–		780,682
M V O'Brien	342,755	75,000	60,578	91,154	70,000	–	639,487	–		639,487
A Turner	271,432	20,000	53,983	118,774	39,585	–	503,774	–		503,774
TOTAL	**2,988,511**	**740,000**	**300,965**	**834,898**	**298,849**	**245,791**	**5,409,014**	**–**		**5,409,014**

Note

1. *Represents retirement benefit in recognition of years of service from commencement of employment in 1972, accrued during the year ended 30 June 2005 and payable only on retirement.*
2. *Remuneration is for period from appointment on 7 January 2005 to 30 June 2005.*
3. *Remuneration is for period from 1 July 2004 to resignation date of 31 December 2004 for B H R Neil (resigned as director on 21 October 2004), 7 January 2005 for R J Webster and 30 September 2004 for I C Costley.*
4. *R A Fortune resigned as an executive director on 1 February 2005, and became a non-executive director. He was paid a retirement benefit of $1,724,605, of which $1,000,000 was accrued in a prior year.*

REMUNERATION REPORT (CONTINUED)

Bonus Payments

Due to the overall Mirvac Group performance, no executive director received a bonus for the year ended 30 June 2005. The Short Term Incentives were primarily based upon achievement of individual objectives for the senior executives.

N Collishaw, B Draffen, A Fini, C Freeman, A Harrington, and R Lynch received 100% of their bonus target. M O'Brien and A Turner achieved their objectives and received 75% and 50% respectively.

Mirvac Group's Performance

The following table summarises Mirvac Group's performance over the last 5 years (since the stapling of securities took place in June 1999) and highlights the movement in total securityholder return.

Year Ended 30 June	Revenue $000	Net Profit after Tax $000	Distributions Paid (cpss)	Security Price at Start of Year $	Security Price at End of Year $	Total Securityholder Return (pa)
2000	869,000	133,000	24.00	3.15	3.39	17.8%
2001	817,000	160,000	24.90	3.39	3.72	18.0%
2002	1,016,000	170,000	26.20	3.72	4.18	20.1%
2003	1,403,000	223,000	29.00	4.18	4.44	13.7%
2004	1,386,000	253,000	32.20	4.44	4.30	4.2%
2005	1,431,000	233,000	33.80	4.30	3.57	-10.1%

Service Agreements

The following table summarises the individual details of service agreements that are in place for Mirvac Group's directors as well as for each of the senior executives that comprise Mirvac Group's Executive Committee.

Name	Office Held	Term of Agreement	Notice Period	Severance Period	Renumeration Review Period	Eligible for STI?	Eligible for LTI?	Eligible for Termination Benefit?	Eligible for Other Benefits?[4]
Executive Directors									
G J Paramor	Managing Director	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
B H R Neil[3]	Executive Director	No term	3 months	9 months	12 months	Yes	Yes	Yes	Yes
D J Broit	Executive Director	No term	3 months	9 months	12 months	Yes	Yes	Yes	Yes
R J Hamilton	Executive Director	No term	3 months	9 months	12 months	Yes	Yes	On retirement	Yes
Non-Executive Directors									
A J Lane	Chairman, Non Executive Director	Stands for re-election every three years	None	None	None	No	No	On retirement	No
A Buduls[1]	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
G H Levy	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
R A Fortune	Non Executive Director	No term	3 months	9 months	12 months	Yes	Yes	On retirement	Yes
P J Biancardi	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
R W Turner	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No
R J Webster[2]	Non Executive Director	Stands for re-election every three years	None	None	None	No	No	No	No

Mirvac Property Trust and its Controlled Entities
Directors' Report (continued)
for the year ended 30 June 2005

REMUNERATION REPORT (CONTINUED)

Name	Office Held	Term of Agreement	Notice Period	Severance Period	Renumeration Review Period	Eligible for STI?	Eligible for LTI?	Eligible for Termination Benefit?	Eligible for Other Benefits?[4]
Specified Executives									
A G Fini	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
A Harrington	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
A Turner	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
B Draffen	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
C Freeman	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
C Langford	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
M V O'Brien	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
N Collishaw	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes
R P Lynch	Executive Committee Member	No term	3 months	9 months	12 months	Yes	Yes	No	Yes

(1) Ms A Buduls retired as a director on 29 July 2005.

(2) R J Webster retired as a director on 7 January 2005.

(3) B H R Neil retired as a director on 21 October 2004, and continued as an employee until 31 December 2004.

(4) Other benefits are a travel allowance up to $15,000 (total cost to company).

INDEMNIFICATION AND INSURANCE OF OFFICERS

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

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 110.

ROUNDING OF AMOUNTS TO THE NEAREST THOUSAND DOLLARS

The Trust is a registered scheme 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 the concise financial report. Amounts in the directors' report and concise financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

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

A J Lane
Director

D J Broit
Director

Dated this 31 August 2005
Sydney

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Mirvac Property Trust
Auditors' independence declaration
For the year ended 30 June 2005

As lead auditor for the audit of Mirvac Property Trust for the year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

B K Hunter
Partner

Sydney
31 August 2005

Liability is limited by the Accountant's Scheme under the Professional Standards Act 1994 (NSW)

Mirvac Property Trust and its Controlled Entities
Discussion and Analysis of the Financial Report

for the year ended 30 June 2005

This discussion and analysis is provided to assist readers in understanding the concise financial report.

The concise financial report has been derived from the full financial report of Mirvac Property Trust and its controlled entities.

STATEMENT OF FINANCIAL PERFORMANCE

Profit from ordinary activities increased by 24.4% to $156.438 million, reflecting an increase of $30.668 million. After removing the effect of investment property sales in 2004, profit from ordinary activities increased by $20.959 million. The acquisition of James Fielding Trust on 29 December 2004 contributed $13.639 million to the profit of the Trust. The residual $7.320 million increase is attributable to growth in the portfolio and net profit from new investment properties exceeding increased borrowing costs.

STATEMENT OF FINANCIAL POSITION

Assets

The Trust's consolidated total assets increased by $731.727 million to $3,309.047 million. The acquisition of the James Fielding Trust contributed $501.979 million to the assets of the consolidated entity at 30 June 2005. The balance of the increase in total assets is due to investments in listed trusts, purchases of investment properties, redevelopment of existing properties and revaluation increments to investment properties.

Liabilities

The Trust's consolidated total liabilities increased by $174.421 million to $906.250 million. The acquisition of the James Fielding Trust contributed $177.406 million to the liabilities of the consolidated entity at 30 June 2005. An additional $40.000 million in interest bearing liabilities were required to fund the purchase of new investment properties.

Equity

Equity increased by $557.306 million due to the following:

> contributed equity increased $488.536 million mainly due to the acquisition of James Fielding Trust $378.044 million and also due to employee share scheme issues and dividend reinvestment plan issues

> reserves increased $58.573 million due mainly to revaluation increments to investment properties

> outside equity interest in controlled entities increased $10.197 million due to controlled entities acquired as part of the acquisition of the James Fielding Trust

RELATIONSHIP BETWEEN DEBT AND EQUITY

The gearing ratio, being the ratio of interest bearing liabilities to total assets, decreased from 23.2% to 22.8% due to cash assets at 30 June 2004 being utilized during the year to fund investments in listed trusts and investment property acquisitions.

STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities

Cash inflows from operating activities increased $26.057 million to $161.424 million due to the acquisition of the James Fielding Trust and investments in listed property trusts and three investment properties during the year ended 30 June 2005.

Cash Flows from Investing Activities

Cash outflows for additions to investment properties decreased by $95.956 million as only three investment properties and two development sites were acquired during the year ended 30 June 2005, compared to eight investment properties in 2004. Payment for other investments increased by $62.995 million due to investment in listed and unlisted property trusts during the year. No sales of investment properties occurred in 2005.

Cash Flows from Financing Activities

Cash outflows from financing activities were $3.122 million for the year ended 30 June 2005. Proceeds from borrowings decreased by $110.000 million as acquisitions were mainly funded by cash retained at 30 June 2004. Proceeds from unit issues were $9.830 million representing employee share issues.

Mirvac Property Trust and its Controlled Entities
Consolidated Statement of Financial Performance
for the year ended 30 June 2005

	Consolidated	
	2005 $000	2004 $000
REVENUE FROM ORDINARY ACTIVITIES		
Rental income	**245,329**	229,804
Interest income	**7,704**	493
Shares of profits of associates and joint venture partnerships accounted for using equity method	**4,425**	–
Distribution income from property trusts	**746**	–
Other income	**1,950**	–
Proceeds from sale of investment properties	**–**	62,545
TOTAL REVENUE FROM ORDINARY ACTIVITIES	**260,154**	292,842
Property outgoings	**(61,929)**	(60,035)
Borrowing cost expense	**(37,067)**	(32,246)
Carrying amount of investment properties sold	**–**	(72,254)
Other expenses from ordinary activities	**(4,317)**	(2,537)
NET PROFIT	**156,841**	125,770
Net profit attributable to outside equity interest	**(403)**	–
Net profit attributable to unitholders of Mirvac Property Trust	**156,438**	125,770
Net increment in asset revaluation reserve	**61,979**	20,693
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS ATTRIBUTABLE TO UNITHOLDERS OF MIRVAC PROPERTY TRUST RECOGNISED DIRECTLY IN EQUITY	**61,979**	20,693
TOTAL CHANGES IN EQUITY ATTRIBUTABLE TO UNITHOLDERS OF MIRVAC PROPERTY TRUST OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH UNITHOLDERS AS OWNERS	**218,417**	146,463

	Cents	Cents
Basic & diluted earnings per unit	**20.02**	18.25

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

Mirvac Property Trust and its Controlled Entities
Consolidated Statement of Financial Position
for the year ended 30 June 2005

		Consolidated	
	Notes	2005 $000	2004 $000
CURRENT ASSETS			
Cash assets		**19,824**	85,122
Receivables		**20,101**	11,938
TOTAL CURRENT ASSETS		**39,925**	97,060
NON-CURRENT ASSETS			
Receivables		**140,829**	–
Investments accounted for using equity method		**172,152**	–
Other financial assets		**26,870**	–
Investment properties	3	**2,604,179**	2,205,128
Intangible assets		**48,589**	–
Other		**6,503**	5,132
TOTAL NON-CURRENT ASSETS		**2,999,122**	2,210,260
TOTAL ASSETS		**3,039,047**	2,307,320
CURRENT LIABILITIES			
Payables		**168,887**	161,916
Interest bearing liabilities		**535,000**	53,000
Distribution payable to unitholders		**44,063**	34,913
TOTAL CURRENT LIABILITIES		**747,950**	249,829
NON-CURRENT LIABILITIES			
Interest bearing liabilities		**158,300**	482,000
TOTAL NON-CURRENT LIABILITIES		**158,300**	482,000
TOTAL LIABILITIES		**906,250**	731,829
NET ASSETS		**2,132,797**	1,575,491
EQUITY			
Parent entity interest			
Contributed equity		**1,993,070**	1,504,534
Reserves		**129,530**	70,957
Undistributed income		**–**	–
Total parent entity interest		**2,122,600**	1,575,491
Outside equity interest in controlled entities		**10,197**	–
TOTAL EQUITY		**2,132,797**	1,575,491

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

Mirvac Property Trust and its Controlled Entities

Consolidated Statement of Cash Flows

as at 30 June 2005

	Notes	Consolidated 2005 $000	Consolidated 2004 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental and other property income		**270,038**	253,470
Payments to suppliers		**(86,015)**	(86,564)
Interest received		**7,703**	411
Distributions received		**5,374**	–
Borrowing costs paid		**(35,676)**	(31,950)
NET CASH INFLOWS FROM OPERATING ACTIVITIES		**161,424**	135,367
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of controlled entity, net of cash acquired	6	**(6,323)**	–
Purchases of/additions to investment properties		**(155,785)**	(251,741)
Payment for other investments		**(62,995)**	
Proceeds from sale of investment properties		**–**	61,042
Proceeds from sale of assets		**1,503**	–
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		**(223,600)**	(190,699)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**40,000**	150,000
Proceeds from advances from entities related to the Responsible Entity		**2,550**	11,000
Repayment of advances from entities related to the Responsible Entity		**(5,000)**	–
Distributions paid		**(50,032)**	(72,209)
Distributions paid to outside equity interests in controlled entities		**(470)**	–
Proceeds from issue of units		**9,830**	46,629
NET CASH (OUTFLOWS)/INFLOWS FROM FINANCING ACTIVITIES		**(3,122)**	135,420
NET (DECREASE)/INCREASE IN CASH HELD		**(65,298)**	80,088
Cash at the beginning of the financial year		**85,122**	5,034
CASH AT THE END OF THE FINANCIAL YEAR		**19,824**	85,122

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

Mirvac Property Trust and its Controlled Entities
Notes to the Financial Statements
for the year ended 30 June 2005

NOTE 1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

BASIS OF ACCOUNTING

The concise financial statements relate to the consolidated entity consisting of Mirvac Property Trust and the entities it controlled at the end of, or during, the year ended 30 June 2005. The accounting policies adopted are consistent with those of the previous year.

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, Urgent Issues Group Consensus Views, the *Corporations Act 2001* and the provisions of the Trust Constitution. The financial statements and specific disclosures included in the concise financial report have been derived from the Trust's full financial report. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

THE MIRVAC GROUP – STAPLED SECURITIES

One Consolidated Mirvac Property Trust unit is stapled to one Consolidated Mirvac Limited share to form a Mirvac Group Stapled Security. The stapled securities are quoted and traded together on the Australian Stock Exchange and 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 provision; 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.

CURRENT LIABILITIES

The Trust has reclassified $482,000,000 of non-current interest bearing liabilities to current interest bearing liabilities as a result of bonds maturing during the year ended 30 June 2006, which will be reissued in the normal course of business.

IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

The Australian Accounting Standards Board (AASB) has adopted International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS (AIFRS), and the Urgent Issues Group (UIG) has issued abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of AIFRS 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 AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

To date, management has analysed most of the AIFRS. Set out below are the key areas expecting to change on adoption of AIFRS and our best estimate of the quantitative impact of the changes on total equity as at 30 June 2005 and on net profit for the year ended 30 June 2005.

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the AASB and the IASB. Therefore, until the consolidated entity prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

(i) Investment properties

Under AASB 140: Investment Property, the consolidated entity has elected to measure investment properties at fair value, with any gain or loss arising from changes in fair value recognised through the statement of financial performance. This will result in a change to the current accounting policy, under which changes in the fair value of investment properties are recognised in the asset revaluation reserve.

On transition to AIFRS, the balance of the asset revaluation reserve totalling $80,547,000 will be transferred to retained earnings. If the change required by AASB 140 had been applied for the year ended 30 June 2005, the consolidated entity's retained earnings would have been $54,261,000 higher, net profit would have been $54,261,000 higher, and the asset revaluation reserve would have been lower by the same amount.

Additionally, share of profits from associates will increase as a result of revaluations being recognised through the statement of financial performance. If the policy had been applied during the year ended 30 June 2005, retained earnings would have been $7,718,000 higher, net profit would have been $7,718,000 higher and the asset revaluation reserve lower by the same amount.

(ii) Goodwill

Under AASB 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 or groups of cash generating units. 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.

NOTE 1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT (CONTINUED)

The consolidated entity intends to apply the exemption available in AASB 1, allowing it not to apply AASB 3 retrospectively and hence, prior year's amortisation would not be written back at the date of transition. If the policy required by AASB 3 had been applied during the year ended 30 June 2005, total equity would have been $1,246,000 higher and net profit $1,246,000 higher.

(iii) Financial instruments

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

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

(iv) Trust Units

Under AASB 132 Financial Instruments, fixed life property trusts are required to classify units on issue as a financial liability rather than equity under AGAAP. Additionally, distributions to unit holders are classified as interest.

The directors have resolved that such classification would not be in the best interest of unitholders and amended the constitution of the Mirvac Property Trust on 24 June 2005 to avoid such treatment.

(v) Lease Incentives

Under AIFRS, lease incentives provided under an operating lease will be required to be recognised as an expense on a straight-line basis against rental income. As these incentives are repaid out of future lease payments, they are recognised as an asset in the consolidated statement of financial position as a component of the carrying amount of investment properties and amortised over the lease period.

This will result in a change to the current accounting policy, under which lease incentives, including fit-out, are added to the carrying amount of the investment property.

The value of fit-out on transition to AIFRS which will be separately identified as part of the carrying value of investment property is $16,797,000 (net of amortisation). For the year ended 30 June 2005, an additional $14,483,000 in fit-out was capitalised. Net property income will be reduced by amortisation of the lease incentive totalling $4,021,000.

This amortisation of lease incentives will, however, be offset by an adjustment to income from revaluation of investment property (non-operating profit item), which will maintain the fair value of investment properties. Such treatment results in no net impact on total equity at 1 July 2004, nor net profit for the year ended 30 June 2005.

Reconciliation of equity as presented under AGAAP to that under AIFRS:

	Note	30 June 2005** $000	1 July 2004* $000
Total equity under AGAAP		**2,132,797**	1,575,491
Write-back of goodwill amortisation	ii	**1,246**	–
Total equity under AIFRS		**2,134,043**	1,575,491

* This column represents the adjustments as at the date of transition of *AIFRS*.

** This column represents the cumulative adjustments as at the date of transition to *AIFRS* and those for the year ended 30 June 2005.

Reconciliation of net profit under AGAAP to that under AIFRS:

Year ended 30 June 2005	**Note**	**Consolidated $000**
Net profit as reported under AGAAP		**156,438**
Revaluation of investment properties	i	**54,261**
Share of profits from associates – revaluation of investment properties	i	**7,718**
Write-back of goodwill amortisation	ii	**1,246**
Amortisation of lease incentives	v	**(4,021)**
Revaluation investment properties (offset of amortisation lease incentives)	v	**4,021**
Net profit under AIFRS		**219,663**

Mirvac Property Trust and its Controlled Entities
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 2. UNITHOLDERS' DISTRIBUTIONS PROVIDED FOR OR PAID

	2005 $000	2004 $000
Quarterly ordinary distributions paid as follows:		
4.9800 cents per ordinary unit paid on 29 October 2004	**35,851**	
4.7400 cents per ordinary unit paid on 24 October 2003		32,122
4.9800 cents per ordinary unit paid on 28 January 2005	**36,284**	
4.8000 cents per ordinary unit paid on 30 January 2004		32,842
5.1600 cents per ordinary unit paid on 29 April 2005	**43,654**	
4.8600 cents per ordinary unit paid on 24 April 2004		33,882
5.1600 cents per ordinary unit paid on 29 July 2005	**44,055**	
4.9200 cents per ordinary unit paid on 30 July 2004		34,906
Total distribution 20.2800 cents per fully paid ordinary unit (2004: 19.3200 cents per ordinary unit)	**159,844**	133,752
TOTAL DISTRIBUTIONS PROVIDED FOR OR PAID	**159,844**	133,752
Distributions actually paid or satisfied by the issue of units under the group distribution reinvestment plans during the years ended 30 June 2005 and 2004 were as follows:		
Paid in cash	**50,032**	72,209
Satisfied by the issue of units	**100,662**	67,737
	150,694	139,946

NOTE 3. INVESTMENT PROPERTIES

			Consolidated Entity						
	Note	Date Acquired	Cost & Additions to 30/06/05 $000	Book Value 30/06/05 $000	Book Value 30/06/04 $000	Date Last External Valuation	Last External Valuation $000	External valuer	
67 Albert Avenue, Chatswood NSW		1/9/89	59,744	**73,000**	73,107	30/06/05	73,000	S Young A Johnston AAPI	Savills
30 Cowper Street, Parramatta NSW		1/9/88	16,022	**19,500**	20,619	30/06/05	19,500	P Dale AAPI M Maliqui AAPI	CB Richard Ellis
Quay West Car Park, 111 Harrington Street, Sydney NSW		30/11/89	37,546	**42,017**	41,952	30/06/03	41,600	S Kearney AAPI	FPDSavills
Orange City Centre, Summer Street, Orange NSW		5/4/93	28,985	**35,608**	35,500	30/06/04	35,500	I D McLennan AAPI	Jones Lang LaSalle
Kawana Shoppingworld, Nicklin Way, Buddina QLD		9/12/93 (1st 50%) 10/6/98 (2nd 50%)	99,544	**141,594**	140,349	30/06/03	140,000	T Irving AAPI D Mohr AAPI	CB Richard Ellis
Gippsland Centre, Cunninghame Street, Sale VIC		6/1/94	34,550	**45,000**	33,889	30/06/05	45,000	T Forrest AAPI D Magree FAPI	m3property
Como Centre, Cnr Toorak Road & Chapel Street, South Yarra VIC		18/8/98	114,437	**141,300**	117,662	30/06/05	141,300	M Reynolds AAPI	Colliers Int'l
James Ruse Business Park, 6 Boundary Road, Northmead NSW		14/7/94	19,782	**29,200**	27,780	30/06/05	29,200	P Dale AAPI A Bendell GAPI	CB Richard Ellis
20–30 Scrivener Street, Warwick Farm NSW		24/12/93	18,526	**21,040**	21,000	30/06/04	21,000	C Olson FAPI	Knight Frank
Lovett Tower, 13 Keltie Street, Woden ACT		14/7/94 (1st 50%) 28/2/99 (2nd 50%)	47,990	**46,138**	46,026	31/12/03	46,000	P Harding FAPI	Knight Frank
The Marriott Hotel, 36 College Street, Sydney NSW		31/12/91	82,955	**59,403**	59,331	30/06/03	71,300	O Westerlund AAPI ANZPI S Fairfax MRICS AAPI	CB Richard Ellis
1–19 Hargrave Street, Sydney NSW		31/12/91	4,351	**11,008**	8,996	01/03/05	11,000	S Fairfax AAPI L Tredwell GAPI	CB Richard Ellis
40 Miller Street, North Sydney NSW		31/3/98	59,617	**80,802**	80,294	30/06/03	80,250	T M Phelan FAPI	Knight Frank
1 Castlereagh Street, Sydney NSW		18/12/98	47,177	**54,869**	54,683	30/06/03	54,500	S Kearney AAPI	FPDSavills
271 Lane Cove Rd, North Ryde NSW		5/4/00	18,617	**25,010**	25,000	01/03/04	25,000	T M Phelan FAPI	Knight Frank
Royal Domain Centre, 380 St Kilda Road, Melbourne VIC		4/10/95 (1st 50%) 2/4/01 (2nd 50%)	85,305	**94,705**	94,546	31/12/03	94,500	D Gowing FAPI	CB Richard Ellis

Mirvac Property Trust and its Controlled Entities
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 3. INVESTMENT PROPERTIES (CONTINUED)

Consolidated Entity

	Note	Date Acquired	Cost & Additions to 30/06/05 $000	Book Value 30/06/05 $000	Book Value 30/06/04 $000	Date Last External Valuation	Last External Valuation $000	External valuer	
164 Grey Street, South Bank QLD		29/6/01	8,261	**12,000**	9,475	31/03/05	12,000	T Irving AAPI D Mohr AAPI	CB Richard Ellis
Bay Centre, Cnr Pirrama & Edward Streets, Pyrmont NSW		29/6/01	58,944	**73,500**	73,500	30/04/03	73,500	S Kearney AAPI	FPDSavills
200 George Street, Sydney NSW		31/10/01	24,189	**24,189**	24,168	31/10/03	24,000	A Pannifex FAPI	FPDSavills
Unit 23, 177 Pacific Highway, North Sydney NSW		25/1/02	594	**594**	594	–	–	Internal valuation 2005	
Building 1, 3 & 7, Riverside Quay, Southbank VIC		15/4/02	84,743	**86,350**	82,847	30/06/05	86,350	M Reynolds AAPI	Colliers Int'l
John Oxley Centre, 339 Coronation Drive, Milton QLD		31/5/02	37,075	**43,000**	35,860	30/06/05	43,000	T Irving AAPI D Mohr AAPI	CB Richard Ellis
Blacktown Mega Centa, Blacktown Road, Blacktown NSW		30/6/02	30,388	**40,000**	30,164	30/06/05	40,000	A Johnston AAPI A Pannifex AAPI	Savills
1–47 Percival Road, Smithfield NSW		22/11/02	20,318	**21,135**	20,500	30/06/04	20,500	M Ward AAPI	FPDSavills
Waverley Gardens Shopping Centre, Cnr Police & Jackson Roads, Mulgrave VIC		15/11/02	54,845	**54,846**	53,852	30/04/03	53,850	C Ciurlino AAPI D Magree FAPI	m3property
The Village Centre, Charles Hackett Drive, St Marys NSW		17/1/03	34,870	**34,893**	34,725	30/04/03	34,250	S Fox AAPI C Olson FAPI	m3property
Moonee Ponds Central, Homer Street, Moonee Ponds VIC		20/5/03	25,947	**24,307**	24,172	30/06/03	24,100	J O'Leary FAPI D Magree FAPI	m3property
Bldg 2, Riverside Quay, Southbank VIC		1/7/03	29,768	**28,650**	27,931	30/06/05	28,650	M Reynolds AAPI	Colliers Int'l
Hinkler Shopping Centre, Maryborough Street, Bundaberg QLD		12/8/03	37,768	**37,535**	36,632	30/09/03	36,500	T Irving AAPI D Mohr AAPI	CB Richard Ellis
190 George Street, Sydney NSW		5/8/03	45,633	**42,192**	42,113	30/09/03	42,000	A Pannifex FAPI	FPDSavills
44 Biloela Street, Villawood NSW		24/9/03	18,828	**17,856**	17,306	30/09/03	17,300	A Graham AAPI	Colliers Int'l
Stanhope Village, Sentry Drive, Stanhope Gardens NSW		14/11/03	22,425	**26,462**	24,000	31/03/04	24,000	A Johnston AAPI	FPDSavills

NOTE 3. INVESTMENT PROPERTIES (CONTINUED)

			Consolidated Entity						
	Note	Date Acquired	Cost & Additions to 30/06/05 $000	Book Value 30/06/05 $000	Book Value 30/06/04 $000	Date Last External Valuation	Last External Valuation $000	External valuer	
333–343 Frankston-Dandenong Road & 4 Abbotts Road, Dandenong South, VIC		15/1/04	12,456	**12,456**	12,200	31/03/04	12,200	P Dickinson AAPI	CB Richard Ellis
64 Biloela Street, Villawood NSW		2/2/04	22,698	**22,039**	22,000	31/03/04	22,000	M Ward AAPI	m3property
Ikon Retail, 81 Macleay Street, Potts Point NSW		7/5/04	12,244	**18,000**	12,733	30/06/05	18,000	A Johnston AAPI A Pannifex AAPI	Savills
189 Grey Street, Southbank QLD		19/4/04	40,895	**50,000**	–	30/06/05	50,000	T Irving AAPI D Mohr AAPI	CB Richard Ellis
Bundaberg Plaza, 16 Maryborough Street, Bundaberg QLD		24/9/04	6,342	**6,500**	–	30/06/05	6,500	T Irving AAPI D Mohr AAPI	CB Richard Ellis
IBM Building, 8 Brisbane Avenue, Barton ACT	3(ii)	28/6/85	12,020	**12,000**	10,851	30/06/05	12,000	P Harding FAPI	Knight Frank
Perpetual Trustees Building, 10 Rudd Street, Canberra ACT	3(ii)	15/10/87	19,359	**16,091**	15,773	30/06/03	15,750	P Harding FAPI	Knight Frank
54 Marcus Clarke Street, Canberra ACT	3(ii)	15/10/87	21,625	**17,250**	14,983	30/06/05	17,250	P Harding FAPI	Knight Frank
St George Centre, 60 Marcus Clarke Street, Canberra ACT	3(ii)	1/9/89	58,470	**48,170**	47,384	30/06/03	47,100	P Harding FAPI	Knight Frank
Burns Centre, 28 National Circuit, Forrest ACT	3(ii)	27/9/90	18,587	**13,434**	13,434	30/06/03	13,400	P Harding FAPI	Knight Frank
Arts House, 40 Macquarie Street, Barton ACT	3(ii)	8/12/95	17,095	**18,000**	16,771	30/06/05	18,000	P Harding FAPI	Knight Frank
38 Sydney Avenue, Forrest ACT	3(ii)	26/6/96	34,163	**36,000**	33,834	30/06/05	36,000	P Harding FAPI	Knight Frank
Optus Centre, 101-103 Miller Street, North Sydney NSW	3(ii)	30/6/94	288,097	**365,000**	381,913	30/06/05	365,000	T M Phelan FAPI	Knight Frank
The Metcentre, 60 Margaret Street, Sydney NSW (50% interest)	3(ii)	6/8/98	177,102	**162,932**	157,496	30/06/03	154,000	P Macadam AAPI W Doherty AAPI	Colliers Int'l
127 Creek Street, Brisbane QLD	3(iii)	1/5/98	47,186	**48,054**	–	30/06/04	48,000	S Pacey AAPI	DTZ Australia
253 Wellington Road, Mulgrave VIC and 18–20 Compark Circuit, Mulgrave VIC	3(iii)	1/8/01	15,856	**15,960**	–	30/06/04	15,500	C Piasente AAPI	m3 Property
101 Grenfell Street, Adelaide SA	3(iii)	1/12/98	23,505	**27,925**	–	30/06/04	27,800	J Kenny FAP	CB Richard Ellis

Mirvac Property Trust and its Controlled Entities
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 3. INVESTMENT PROPERTIES (CONTINUED)

Consolidated Entity

	Note	Date Acquired	Cost & Additions to 30/06/05 $000	Book Value 30/06/05 $000	Book Value 30/06/04 $000	Date Last External Valuation	Last External Valuation $000	External valuer	
30–32 Compark Circuit, Mulgrave VIC	3(iii)	1/2/03	6,704	**7,975**	–	30/06/04	7,400	C Piasente AAPI	m3 Property
9 Help Street, Chatswood NSW	3(iii)	1/6/02	44,583	**33,599**	–	30/06/05	34,000	RC Price AAPI	CB Richard Ellis
Peninsula Homemaker Ctr, 1128 Nepean Hwy, Mornington VIC	3(iii)	1/12/03	53,398	**56,600**	–	30/06/05	56,600	T Forrest AAPI D Magree FAPI	m3 Property
Land held for development & Deposit on investment properties				**128,491**	47,183			At cost	
Total investment properties				**2,604,179**	2,205,128				

(i) Internal Valuations at 30 June 2005 – investment properties

Properties not externally valued during the last twelve months are carried at internal (directors') valuation by the Responsible Entity at 30 June 2005. All other properties are carried at external valuation plus capital expenditure incurred since the date of external valuation.

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

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

(ii) These properties were acquired as part of the acquisition of Mirvac Commercial Trust on 13 September 2002 and were recorded at their fair value as at that date. However, the directors have decided to disclose in the note above the original date of acquisition and the original cost of, and addition to, these properties as recorded in the books of Mirvac Commercial Trust as they believe this information is more relevant to the users of this financial report.

(iii) These properties were acquired as part of the acquisition of James Fielding Trust on 29 December 2004 and were recorded at their fair value as at that date (note 6). However, the directors have decided to disclose in the note above the original date of acquisition and the original cost of, and addition to, these properties as recorded in the books of James Fielding Trust as they believe this information is more relevant to the users of this financial report.

NOTE 4. SEGMENT REPORTING

The Trust and its controlled entities derive income from investments in property, short-term deposits and securities authorised by the Trust Constitution. All such investments are located in Australia.

NOTE 5. EARNINGS PER UNIT

	2005 cents	2004 cents
Basic and diluted earnings per unit	**20.02**	18.25

	No.	No.
Weighted average number of ordinary units outstanding during the year	**781,470,377**	689,040,443

Mirvac Property Trust and its Controlled Entities
Notes to the Financial Statements (continued)
for the year ended 30 June 2005

NOTE 6. ACQUISITION OF CONTROLLED ENTITY

In accordance with the Explanatory Memorandum for the acquisition of the James Fielding Group issued on 12 November 2004, and the subsequent approval of the Scheme by the James Fielding Group securityholders on 17 December 2004, Mirvac Property Trust acquired all the issued units of James Fielding Trust (JFT) on 29 December 2004, the date of Court approval of the Share Scheme. The acquisition was by way of issue of 0.73 Mirvac Property Trust units for every JFT unit. The operating results of James Fielding Trust and its controlled entities have been included in the consolidated statement of financial performance since the date of acquisition.

Details of acquisition are as follows:

	2005 $'000
FAIR VALUE OF IDENTIFIABLE NET ASSETS OF CONTROLLED ENTITY ACQUIRED	
Investment properties	191,643
Investments accounted for using equity accounting	111,798
Receivables non-current	143,381
Other non-current assets	20,472
Receivables current	14,392
Cash	2,352
Payables current	(19,626)
Payables non-current	(680)
Interest bearing loans	(118,302)
	345,430
Less: Outside equity interest	10,330
	335,100
Goodwill on consolidation	49,835
Total consideration	384,935
TOTAL CONSIDERATION COMPRISE:	
Accrued acquisition costs	6,891
Units issued	378,044
	384,935

OUTFLOW OF CASH TO ACQUIRE CONTROLLED ENTITY, NET OF CASH ACQUIRED	
Payment of JFT distributions	8,675
Less: Balances acquired	
Cash	2,352
Outflow of cash	6,323

NOTE 7. EVENTS OCCURRING AFTER REPORTING DATE

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

NOTE 8. FULL FINANCIAL REPORT

Further financial information can be obtained from the full financial report which is available, free of charge, on request. A copy may be requested by telephoning 1800 659 886.

Mirvac Property Trust and its Controlled Entities
Directors' Declaration
for the year ended 30 June 2005

The directors of the Responsible Entity, Mirvac Funds Limited, declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 2005 as set out on pages 111 to 122 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.

The financial statements and specific disclosures included in this concise financial report have been derived from the full financial report for the year ended 30 June 2005.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report which, as indicated at Note 8, is available on request.

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

A J Lane
Director

D J Broit
Director

Dated this 31 August 2005
Sydney

PRICEWATERHOUSECOOPERS

Independent Audit Report to the unitholders of Mirvac Property Trust

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

AUDIT OPINION

In our opinion:

(a) the concise financial report of Mirvac Property Trust for the year ended 30 June 2005 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*; and

(b) the remuneration disclosures that are contained in the directors' report on pages 104 to 109 comply with Australian Accounting Standard AASB 1046: *Director and Executive Disclosures by Disclosing Entities* and the *Corporations Regulations 2001*.

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

SCOPE

The concise financial report, remuneration disclosures and directors' responsibility

The concise financial report comprises the consolidated statement of financial position, consolidated statement of financial performance, consolidated statement of cash flows, discussion and analysis of and notes to the financial statements, and the directors' declaration for Mirvac Property Trust (the Trust) for the year ended 30 June 2005.

The Trust has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), as required by AASB 1046, under the heading "remuneration report" on pages 104 to 109 of the directors' report, as permitted by the *Corporations Regulations 2001*.

The directors of Mirvac Funds Limited (the responsibility entity) are responsible for the preparation and presentation of the financial report in accordance with Australian Accounting Standard AASB 1039: *Concise Financial Reports*. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Audit approach

We conducted an independent audit of the concise financial report in order to express an opinion on it to the unitholders of the Trust. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement and the remuneration disclosures comply with AASB 1046 and the *Corporations Regulations 2001*. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit.

We also performed an independent audit of the full financial report of the Trust for the financial year ended 30 June 2005. Our audit report on the full financial report was signed on 31 August 2005 and was not subject to any qualification.

In conducting our audit of the concise financial report, we performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

We formed our audit opinion on the basis of these procedures, which included: testing that the information included in the concise financial report is consistent with the information in the full financial report; and, examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report which were not directly derived from the full financial report.

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

Independence

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

PricewaterhouseCoopers

B K Hunter
Partner

Sydney
31 August 2005

Liability is limited by the Accountant's Scheme under the Professional Standards Act 1994 (NSW)

Securityholder Information

prepared as at 31 August 2005

20 LARGEST SECURITYHOLDERS

Name	Number of securities held	Securities on issue %
Westpac Custodian Nominees Limited	148,148,417	17.35
J P Morgan Nominees Australia Limited	124,989,607	14.63
National Nominees Limited	102,572,820	12.01
ANZ Nominees Limited (Cash Income A/C)	41,633,235	4.88
Citicorp Nominees Pty Limited	41,295,680	4.84
Cogent Nominees Pty Limited	30,463,999	3.57
Bond Street Custodians Limited (Property Securities A/C)	14,959,874	1.75
AMP Life Limited	14,900,856	1.75
Cogent Nominees Pty Limited (SMP Accounts)	14,001,651	1.64
Citicorp Nominees Pty Limited (CFS WSLE Property Secs A/C)	7,647,288	0.90
Queensland Investment Corporation	7,339,318	0.86
RBC Global Services Australia Nominees Pty Limited (PIPOOLED A/C)	7,069,497	0.83
Perpetual Trustee Company Limited	7,056,934	0.83
Bond Street Custodians Limited (ENH Property Securities A/C)	7,042,372	0.82
Suncorp Custodian Services Pty Limited (AET)	6,617,500	0.78
Westpac Financial Services Limited	5,660,780	0.66
Transport Accident Commission	5,079,738	0.59
Victorian Workcover Authority	5,010,765	0.59
Suncorp Custodian Services Pty Limited (PRT)	4,377,223	0.51
ANZ Nominees Limited	4,341,271	0.51
Total top 20	600,208,825	70.30

SECURITYHOLDER SPREAD

Range	No of securityholders	No of securities
1 – 1,000	4,490	2,416,582
1,001 – 5,000	14,376	39,731,024
5,001 – 10,000	5,794	41,672,259
10,001 – 100,000	3,542	73,951,027
100,000+	193	696,020,111
Total	28,395	853,791,003

As at 31 August 2005 there were 588 holders of less than a marketable parcel of stapled securities.

SUBSTANTIAL HOLDERS

Registered holder	No of securities held
National Australia Bank Limited Group	43,853,213
AMP Limited	43,226,760

VOTING RIGHTS

There is only one class of Mirvac Group stapled security, which consists of one share in Mirvac Limited stapled to one unit in Mirvac Property Trust. All Mirvac Group stapled securities have equal voting rights.

Designed and produced by Armstrong Miller + McLaren

Directory

Responsible Entity

Mirvac Limited
ABN 92 003 280 699

Mirvac Funds Limited
ABN 70 002 561 640
as Responsible Entity of
Mirvac Property Trust
ARSN 086 780 645

Registered Office & Principal Office

Level 5, 40 Miller Street
North Sydney, NSW 2060

Telephone: (02) 9080 8000
Freecall: 1800 659 886
Facsimile: (02) 9004 8460

Web: www.mirvac.com.au

Group Offices

ACT

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2 Barry Drive
Canberra ACT 2601
Telephone: (02) 6247 4333
Facsimile: (02) 6249 6581

MIRVAC HOMES

Level 2
30 Cowper Street
Parramatta NSW 2150
Telephone: (02) 9893 8800
Facsimile: (02) 9893 8844

QUEENSLAND

Level 2
164 Grey Street
Southbank QLD 4101
Telephone: (07) 3859 5888
Facsimile: (07) 3010 1600

VICTORIA

Level 6
380 St Kilda Road
Melbourne VIC 3004
Telephone: (03) 9645 9400
Facsimile: (03) 9695 9444

MIRVAC FINI, WESTERN AUSTRALIA

Level 2
1002 Hay Street
Perth WA 6000
Telephone: (08) 9424 9900
Facsimile: (08) 9321 3839

Board of Directors

Adrian Lane (Chairman)
Greg Paramor
Robert Hamilton
Paul Biancardi
Dennis Broit
Roger Fortune
Geoffrey Levy
James MacKenzie
Richard Turner

Co-company Secretary

Melanie Hedges/Tim Regan

Auditors

PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 1171

Share Registry

ASX Perpetual Registrars
Level 8, 580 George Street
Sydney NSW 2000
www.asxperpetual.com.au

Stock Exchange Listing

Mirvac Group is listed on the Australian Stock Exchange
ASX Listing Code: MGR

Investor Enquiries

Correspondence
Mirvac Group
C/- ASX Perpetual Registrars
Level 8, 580 George Street
Sydney NSW 2000
Telephone: (02) 8280 7107
Freecall: 1800 356 444
Facsimile: (02) 9287 0309

Handling Complaints

Mirvac has an established policy for dealing with complaints. Investors wishing to complain should write to:

Mirvac Group
C/- ASX Perpetual Registrars
Level 8, 580 George Street
Sydney NSW 2000

or

Mirvac Group
Level 5, 40 Miller Street
North Sydney NSW 2060

Mirvac Funds Limited is a member of an independent dispute resolution scheme, the Financial Industry Complaints Service (FICS).

Protecting Privacy

Mirvac is careful to protect the privacy of investors. If investors discover that personal information we hold is inaccurate, incomplete or out-of-date, or if you no longer wish to receive material from Mirvac, you should contact our Privacy Officer by calling (02) 9080 8000 or by writing to:

The Privacy Officer
Mirvac Group
Level 5, 40 Miller Street
North Sydney NSW 2060
Facsimile: (02) 9080 8149