MIRVAC PROPERTY TRUST ANNUAL FINANCIAL REPORT 2013

by mirvac

ANNUAL FINANCIAL REPORT
For the year ended 30 June 2013

The consolidated entity comprises Mirvac Property Trust (ARSN 086 780 645) and its controlled entities.

Cover image: 8 Chifley, Sydney NSW

The Directors of Mirvac Funds Limited (ABN 70 002 561 640, AFSL 233121), the Responsible Entity of Mirvac Property Trust ("MPT" or "Trust") present their report, together with the consolidated report of MPT and its controlled entities ("consolidated entity") for the year ended 30 June 2013.

MPT and its controlled entities together with Mirvac Limited and its controlled entities form the stapled entity, Mirvac Group ("Mirvac" or "Group").

RESPONSIBLE ENTITY

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

DIRECTORS

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

– James MacKenzie
– Susan Lloyd-Hurwitz (appointed as a Director on 5 November 2012)
– Nicholas Collishaw (resigned as a Director on 31 October 2012)
– Marina Darling
– Gregory Dyer (appointed as a Director on 4 September 2012 and resigned as a Director on 5 April 2013)
– Peter Hawkins
– James Millar AM
– John Mulcahy
– John Peters
– Elana Rubin.

PRINCIPAL ACTIVITIES

The principal continuing activities of the consolidated entity consist of property investment for the purpose of deriving rental income and investments in listed and unlisted funds. There has been no significant change in the principal activities of the consolidated entity during the year.

DISTRIBUTIONS

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

	2013 $m	2012 $m
June 2012 quarterly distribution paid on 27 July 2012 2.40 cents (2012: 2.20 cents) per stapled unit	**82.0**	75.2
September 2011 quarterly distribution paid on 28 October 2011 2.00 cents per stapled unit	**—**	68.3
December 2012 half yearly distribution paid on 25 January 2013 4.20 cents (2012: 2.00 cents) per stapled unit	**143.9**	68.3
March 2012 quarterly distribution paid on 27 April 2012 2.00 cents per stapled unit	**—**	68.4
Total distributions paid	**225.9**	280.2

The June 2013 half yearly distribution of 4.50 cents per stapled unit totalling $164.9m was paid on 26 July 2013.

Distributions paid and payable by the Trust for the year ended 30 June 2013 totalled $308.8m, being 8.70 cents per stapled unit (2012: $287.0m – 8.40 cents per stapled unit).

NET CURRENT ASSET DEFICIENCY

As at 30 June 2013, the Trust is in a net current liability position of $297.6m. The Trust repays its borrowings with excess cash, but has access to the Group's syndicated facility which at 30 June 2013 had unused and available facility of $387.9m. Of the $297.6m net current liability position, $114.7m relates to bank borrowings due to mature in January 2014. On 3 July, the consolidated entity completed the extension and increase of its unsecured syndicated bank facility and it now has no current bank borrowings. Accordingly, the Directors of the Responsible Entity expect the Trust will have sufficient cash flows to meet all financial obligations as and when they fall due.

OPERATING AND FINANCIAL REVIEW

The statutory profit after tax attributable to the stapled unitholders of the Trust for the year ended 30 June 2013 was $457.9m (2012: $507.7m). The operating profit (profit before specific non-cash and significant items) was $415.3m (2012: $402.1m).

Operating profit is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash items and significant items. The Directors consider operating profit to reflect the core earnings of the consolidated entity.

The following table on page 02 summarises key reconciling items between statutory profit after tax attributable to the stapled unitholders of MPT and operating profit. The operating profit information included in the table below has not been subject to any specific audit procedures by the consolidated entity's auditor but has been extracted from note 3 of the accompanying financial statements for the year ended 30 June 2013, which have been subject to audit; refer to pages 48 and 49 for the auditor's report on the financial statements.

OPERATING AND FINANCIAL REVIEW / CONTINUED

	2013 $m	2012 $m
Profit attributable to the stapled unitholders of MPT	**457.9**	507.7
Specific non-cash items		
Net gain on fair value of investment properties	**(55.3)**	(164.2)
Net loss on fair value of investment properties under construction ("IPUC")	**5.3**	2.3
Loss on financial instruments	**1.2**	36.8
Straight-lining of lease revenue [1]	**(14.5)**	(14.9)
Amortisation of lease fitout incentives [2]	**13.2**	16.2
Foreign exchange loss	**1.3**	0.7
Net loss on fair value of investment properties, derivatives and other specific non-cash items included in share of net profit of associates and joint ventures [3]	**3.6**	2.8
Net loss on fair value of derivatives and other specific non-cash items included in discontinued operations [4]	**—**	9.2
Significant items		
Net loss on sale of discontinued operations [4]	**—**	7.3
Net loss/(gain) on sale of non-aligned assets	**2.6**	(1.8)
Operating profit (profit before specific non-cash items and significant items)	**415.3**	402.1

FINANCIAL CAPITAL MANAGEMENT AND OPERATIONAL HIGHLIGHTS

Key financial highlights for the year ended 30 June 2013:

- profit attributable to the stapled unitholders of MPT of $457.9m (2012: $507.7m), a decrease of 9.8 per cent, and was primarily as a result not achieving the same increases in property valuations compared to 2012;
- operating profit of $415.3m [5] (2012: $402.1m), representing 12.0 cents per stapled unit an increase of 3.3 per cent and was mainly attributed to a reduction in borrowing costs resulting from reduced average interest rates and loan repayments during the year. The increase in investment property rental revenue during the year of $19.0m or 3.4 per cent was contributed by the acquisition of seven new office properties from GE;
- total assets of $7,117.5m (2012: $6,479.6m) an increase of 9.8 per cent, primarily due to the increase in the Trust's investment properties as a result of net gain on fair value and the acquisition of seven office properties from GE, offset by the divestment of non-aligned assets during the year;
- $500.0m capital reallocation from MPT to Mirvac Limited;
- operating cash flow of $415.1m (2012: $403.2m) an increase of 3.0 per cent largely attributable to a reduction in borrowing costs and loan repayments during the year;
- distribution of $308.8m, representing 8.70 cents per stapled unit; and
- net tangible assets ("NTA") [6] of $1.55 per stapled security which was impacted by the Institutional Placement, Security Purchase Plan and the capital reallocation from MPT to Mirvac Limited.

The consolidated entity had a total portfolio value of $6,640.7m [7], with investments in 66 direct property assets, covering the office, retail, industrial and hotel sectors, as well as investments in other funds managed by Mirvac.

Key operational highlights for the consolidated entity for the year ended 30 June 2013:

- achieved 3.4 per cent like-for-like net operating income ("NOI") growth within MPT;
- maintained a high portfolio occupancy rate of 97.7 per cent [8] and a strong weighted average lease expiry ("WALE") of 6.9 years within MPT;
- leased 164,201 square metres within MPT;
- disposed of six non-core assets [9], realising $157.1m in gross sale proceeds;
- further strengthened strategic relationships with a 50.0 per cent joint venture with Keppel REIT in the Treasury Building development in Perth, WA; and
- acquired a portfolio of seven office assets from GE for a value of $584.0m (before costs).

Outlook [10]

Uncertainties surrounding US monetary policy, Chinese economic growth, a softening in white collar employment and the domestic economy transitioning away from mining investment make for a challenging environment. Nonetheless, an improvement in both economic and political stability should result in continued interest for quality products from both domestic and international investors.

The office portfolio, with low vacancy rates, high average fixed rent increases, quality tenant profile, manageable expiry profile and long weighted average lease term, continues to be well positioned to deliver strong returns.

In the retail sector, greater consumer caution and a slowing in household income growth, have continued to increase pressure on discretionary spending. MPT's retail portfolio is strongly biased towards non-discretionary spending, such as food. This area of spending continues to be far more resilient and, as a consequence, the Group's retail assets, located in core locations, should continue to perform strongly.

1) Included within Investment properties rental revenue in the Consolidated Statement of Comprehensive Income ("SoCI").
2) Included within Amortisation expenses in the SoCI.
3) Included within Share of net profit of associates and joint ventures accounted for using the equity method in the SoCI.
4) Included within Loss from discontinued operations in the SoCI.
5) Excludes specific non-cash items, significant items and related taxation.
6) NTA per stapled unit based on ordinary units including Employee Incentive Scheme ("EIS") securities.
7) Total portfolio includes: investment properties, investments accounted for using the equity method, other financial assets at fair value through the profit or loss and other financial assets.
8) By area, excluding assets under development, based on 100 per cent of building net lettable area.
9) Includes the sale of Logan Mega Centre, Logan, QLD, which completed 9 August 2013.
10) These future looking statements should be read in conjunction with future releases to the ASX.

Overall, the Trust remains focused on providing secure passive income, with key areas of focus including:

– improving the quality of the portfolio via non-aligned asset sales and creating new development product;
– extracting the benefit of the Group's demonstrated competitive advantages in remaining strategically overweight in the office sector; and
– focusing on prime sub-regional, neighbourhood and CBD shopping centres located in growth markets.

CAPITAL MANAGEMENT AND FUNDING

The consolidated entity's capital structure is monitored at the Group level. Key Capital management highlights relating to the Group for the year ended 30 June 2013 include:

– completed a $400m (before costs) Institutional Placement and Security Purchase Plan to fund the acquisition of the portfolio of office assets from GE;
– an increase in the weighted average debt maturity to 3.8 years;
– reduced average borrowing costs reduced to 5.9 per cent per annum at 30 June 2013 (including margins and line fees) and reduced by a further 20 basis points when the renewed bank debt facilities became effective;
– maintained the BBB credit rating from Standard & Poor's with the outlook raised to positive;
– continued to comfortably meet all debt covenants; and
– as announced to the market on 3 July 2013, the Group extended the term and increased the size of its unsecured syndicated bank loans, ensuring the Group has no maturities until March 2015.

Outlook

Whilst economic conditions remained challenging, the debt market has stabilised leading to debt margins reducing for investment grade credits enabling Mirvac to extend the maturity date and increase the amount of its senior unsecured debt facilities at lower margins, reducing interest expense in the future.

The Group remains focused on managing its capital position prudently by monitoring and accessing diversified sources of capital, including equity, domestic and international debt and wholesale capital. This focus will ensure Mirvac can continue to meet its strategic objectives without increasing its overall capital management risk profile.

Interests in the Trust	**2013 Units m**	2012 Units m
Total ordinary units issued	**3,659.9**	3,412.0
Stapled units under long term incentive ("LTI") plan and EIS	**5.1**	6.2
Total stapled units issued	**3,665.0**	3,418.2

Refer to note 20(b) to the financial statements for a reconciliation of the interests in the consolidated entity issued during the financial year.

ENVIRONMENTAL REGULATIONS

The consolidated entity is subject to compliance with both Federal and state environment protection legislation. Within Mirvac's health, safety and environment performance reporting systems, including internal and external audits and inspections, Mirvac has not experienced any incidents that have resulted in any significant harm to the environment.

A key initiative to reduce greenhouse gas emissions was a commitment to achieve an average 4.5 Star National Australian Built Environment Rating System, energy rating on applicable office buildings by June 2013. The consolidated entity achieved this target in December 2012, six months ahead of schedule. This has resulted in reduced operating costs, improved environmental performance, demonstrating excellent energy operational and management practices, and high efficiency systems and equipment.

Mirvac is required under the *National Greenhouse and Energy Reporting Act 2007* ("NGER") to report annually on greenhouse gas emissions, reductions, removals and offsets, and energy consumption and production figures.

Following the divestment of the Hotel Management business, Mirvac no longer triggers the *Energy Efficiency Opportunities Act 2006* ("EEO") threshold and was not required to participate in the year ended 30 June 2013. Mirvac deregistered from EEO in December 2012.

Mirvac is also subject to the commercial *Building Energy Efficiency Disclosure Act 2010*. This involves the disclosure of energy efficiency-related information at the point of sale or lease of office space greater than 2,000 square metres.

The Federal Government introduced a price on carbon pollution which became effective on 1 July 2012. Mirvac is not a liable entity under the legislation and is marginally affected. The legislation bill provides for increases in the total carbon cap and therefore does not preclude expansion of the number of directly liable entities before the scheme transitions to a cap and trade system in 2015.

RISKS

The consolidated entity faces risks of numerous types and to varying extents in its principal continuing activities of property investment for the purpose of deriving rental income. The consolidated entity's objective is to ensure those risks are identified and appropriate measures are implemented to mitigate or otherwise manage the impact. The consolidated entity's risk management framework is integrated with its day-to-day business processes and is supported by a dedicated Group Risk function.

The key business risks faced by the consolidated entity and how these are managed include:

– office: the demand for office space remains challenging across markets in which the consolidated entity operates. MPT's office portfolio metrics comprising a long WALE of 5.2 [1] years, high occupancy of 96.8 per cent, strong like-for-like rental growth of 3.9 per cent, along with the portfolio's outperformance against the IPD index over one, three and five years, demonstrates MPT's ability to maintain a strong and robust portfolio through the cycles. Uncertainty around new commercial office demand is mitigated through substantial pre-letting of commercial development in advance of construction (for example, the Ernst & Young pre-commitment at 200 George Street, Sydney, announced in January 2013);and
– retail: the current low retail sales growth environment continues to place pressure on retailers. The consolidated entity is focused on continually refreshing its retail assets (via refurbishment, redevelopment or remixing) to adapt to changing market dynamics. Furthermore, MPT maintains a focus on non-discretionary offerings, and a diversified tenancy mix, where no single specialty retailer contributes greater than 1.2 per cent of the total portfolio gross rent.

EQUITY INSTRUMENTS HELD BY DIRECTORS

Particulars of Directors' interests in the stapled securities of Mirvac or a related body corporate, are as follows on page 04.

1) By area, excluding assets under development.

EQUITY INSTRUMENTS HELD BY DIRECTORS / CONTINUED

Directors	Mirvac stapled securities	Interests in securities of related entities or related body corporate
James MacKenzie (direct)	138,789	—
– Mirvac Industrial Trust – units (direct)	—	122,643
– Mirvac Development Fund – Seascapes – units (indirect)	—	300,000
Susan Lloyd-Hurwitz (direct)		
– Performance rights	1,137,300	—
Marina Darling (direct)	38,875	—
Peter Hawkins (direct and indirect)	596,117	—
James Millar AM (indirect)	40,714	—
John Mulcahy (indirect)	25,000	—
John Peters (indirect)	30,000	—
Elana Rubin (direct)	25,917	—
Former Director		
Gregory Dyer (direct)		
– Performance rights (lapsing in September 2013)	446,000	—

During the year ended 30 June 2009, Mirvac introduced a security acquisition plan for Non-Executive Directors whereby they could sacrifice a portion of their Directors' fees each month and use them to acquire additional Mirvac stapled securities. No Non-Executive Directors acquired securities under this plan during the year ended 30 June 2013 (2012: nil). However, securities purchased in previous years continue to be held in the plan.

OPTIONS OVER UNISSUED SECURITIES

During the year ended 30 June 2013, no options over Mirvac stapled securities were issued to executives under the Long Term Incentive Plan ("LTIP"). Options over 299,169 (2012: 391,076) Mirvac stapled securities were forfeited during the year due to either employees leaving the Group or options reaching the expiration date. As a result of these movements, there are no remaining options held over Mirvac stapled securities under the LTP plan. No securities in the Group or any of its controlled entities were issued during or since FY13 as a result of the exercise of an option over unissued securities. Dilution that may result from securities being issued under Mirvac's LTI plans is capped at the limit set out in Australian Securities and Investments Commission's ("ASIC") Class Order 03/184, which provides that the number of unissued securities under those plans must not exceed five per cent of the total number of securities of that class as at the time of the relevant offer.

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 relevant. Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out in note 32 to the financial statements.

The Board has considered the position and, in accordance with the recommendation received from the Audit, Risk and Compliance committee ("ARCC") is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set in note 32 to the financial statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the ARCC to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermines the general principles relating to auditor independence as set out in the Accounting Professional & Ethics Standards 110 *Code of Ethics for Professional Accountants*, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the consolidated entity, acting as advocate for the consolidated entity or jointly sharing economic risk and rewards.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Details of the state of affairs of the consolidated entity are disclosed within the operating and financial review section.

MATTERS SUBSEQUENT TO THE END OF THE YEAR

On 3 July 2013, the Group completed the extension and increase of its unsecured syndicated bank facility. Refer to note 17 for further details.

No other matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect:

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

INSURANCE OF OFFICERS

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

FEES PAID TO THE RESPONSIBLE ENTITY OR ITS ASSOCIATES

Fees paid to the Responsible Entity out of Trust property during the year were $6.1m (2012: $5.8m). 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. Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in note 29 to the financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration required under section 307C of the *Corporations Act 2001* is set out on page 05.

AUDITOR

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

ROUNDING OF AMOUNTS

The Trust is an entity of the kind referred to in Class Order 98/0100 issued by the ASIC, relating to the rounding off of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest tenth of a million ("m") dollars in accordance with that class order.

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

Susan Lloyd-Hurwitz

Susan Lloyd-Hurwitz
Director

Sydney
23 August 2013

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor of the audit of Mirvac Property Trust for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

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

b) no contravention 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.

Matthew Lunn
Partner

Sydney
23 August 2013

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CONSOLIDATED FINANCIAL STATEMENTS

These financial statements cover the financial statements for the consolidated entity consisting of Mirvac Property Trust and its controlled entities. The financial statements are presented in Australian currency.

The Responsible Entity of Mirvac Property Trust is Mirvac Funds Limited (ABN 70 002 561 640, AFSL 233121), a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Mirvac Funds Limited
Level 26
60 Margaret Street
Sydney NSW 2000.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report on pages 01 to 04, both of which are not part of these financial statements.

The financial statements were authorised for issue by the Directors on 23 August 2013. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, the Trust has ensured that its corporate reporting is timely and complete. All press releases, financial reports and other information are available in the Investor Relations section on the Group's website: www.mirvac.com.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note	**2013 $m**	2012 $m
Revenue from continuing operations			
Investment properties rental revenue		**571.0**	552.0
Interest revenue	4	**38.7**	62.1
Other revenue		**2.9**	4.8
Total revenue from continuing operations		**612.6**	618.9
Other income			
Share of net profit of associates and joint ventures accounted for using the equity method	11	**10.8**	9.8
Net gain on fair value of investment properties	14	**55.3**	164.2
Total other income		**66.1**	174.0
Total revenue from continuing operations and other income		**678.7**	792.9
Investment properties expenses		**143.7**	135.8
Amortisation expenses	5	**21.6**	24.3
Net loss on fair value of IPUC	14	**5.3**	2.3
Loss on financial instruments	4	**1.2**	36.8
Foreign exchange loss		**1.3**	0.7
Net loss/(gain) on sale of non-aligned assets		**2.6**	(1.8)
Finance costs	5	**35.3**	73.7
Other expenses		**9.3**	8.2
Profit from continuing operations before income tax		**458.4**	512.9
Income tax expense	6	**0.5**	0.3
Profit from continuing operations		**457.9**	512.6
Loss from discontinued operations		**—**	(4.9)
Profit for the year		**457.9**	507.7
Other comprehensive income for the year			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	21	**1.0**	0.5
Items that will not be reclassified to profit or loss			
Share of other comprehensive income of associate accounted for using the equity method		**—**	8.3
Other comprehensive income for the year		**1.0**	8.8
Total comprehensive income for the year		**458.9**	516.5
Profit for the year is attributable to:			
– Stapled unitholders of MPT		**457.9**	507.7
Total comprehensive income for the year is attributable to:			
– Stapled unitholders of MPT		**458.9**	516.5

Earnings per stapled unit for profit from continuing operations attributable to the stapled unitholders of MPT		**Cents**	Cents
Basic earnings per stapled unit	7	**13.28**	15.03
Diluted earnings per stapled unit	7	**13.26**	15.00

Earnings per stapled unit for profit attributable to the stapled unitholders of MPT		**Cents**	Cents
Basic earnings per stapled unit	7	**13.28**	14.89
Diluted earnings per stapled unit	7	**13.26**	14.86

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	2013 $m	2012 $m
Current assets			
Cash and cash equivalents	33(a)	**5.2**	—
Receivables	8	**25.0**	21.6
Other financial assets at fair value through profit or loss	9	**12.0**	12.1
Other assets		**10.7**	10.2
Assets classified as held for sale and discontinued operations	10(b)	**49.5**	—
Total current assets		**102.4**	43.9
Non-current assets			
Receivables	8	**355.5**	508.2
Investments accounted for using the equity method	11	**201.2**	147.2
Derivative financial assets	12	**10.9**	—
Other financial assets	13	**145.1**	51.5
Investment properties	14	**6,232.9**	5,659.3
Intangible assets	15	**69.5**	69.5
Total non-current assets		**7,015.1**	6,435.7
Total assets		**7,117.5**	6,479.6
Current liabilities			
Payables	16	**120.4**	94.0
Borrowings	17	**114.7**	—
Provisions	18	**164.9**	82.0
Total current liabilities		**400.0**	176.0
Non-current liabilities			
Borrowings	17	**957.1**	559.7
Derivative financial liabilities	19	**—**	28.8
Total non-current liabilities		**957.1**	588.5
Total liabilities		**1,357.1**	764.5
Net assets		**5,760.4**	5,715.1
Equity			
Contributed equity	20	**5,006.0**	5,110.8
Reserves	21	**7.4**	6.4
Retained earnings	22	**747.0**	597.9
Equity, reserves and retained earnings attributable to the stapled unitholders of MPT		**5,760.4**	5,715.1

The above consolidated statement of financial position ("SoFP") should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

		Attributable to the stapled unitholders of MPT			
	Note	Contributed equity $m	Reserves $m	Retained earnings $m	Total $m
Balance 30 June 2011		5,105.5	30.0	344.8	5,480.3
Profit for the year		—	—	507.7	507.7
Other comprehensive income for the year		—	8.8	—	8.8
Total comprehensive income for the year		—	8.8	507.7	516.5
Employee Exemption Plan (“EEP”) units issued	20(b)	1.3	—	—	1.3
LTIP, LTP and EIS units converted, sold or forfeited	20(b)	4.0	—	—	4.0
Distributions provided for or paid	23	—	—	(287.0)	(287.0)
Transfers (out)/in	22	—	(32.4)	32.4	—
Total transactions with owners in their capacity as owners		5.3	(32.4)	(254.6)	(281.7)
Balance 30 June 2012		5,110.8	6.4	597.9	5,715.1
Profit for the year		—	—	457.9	457.9
Other comprehensive income for the year		—	1.0	—	1.0
Total comprehensive income for the year		—	1.0	457.9	458.9
EEP units issued	20(b)	0.7	—	—	0.7
LTIP, LTP and EIS units converted, sold or forfeited	20(b)	11.7	—	—	11.7
Contributions of equity, net of transaction costs	20(b)	382.8	—	—	382.8
Recapitalisation	20(b)	(500.0)	—	—	(500.0)
Distributions provided for or paid	23	—	—	(308.8)	(308.8)
Total transactions with owners in their capacity as owners		(104.8)	—	(308.8)	(413.6)
Balance 30 June 2013		**5,006.0**	**7.4**	**747.0**	**5,760.4**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Note	2013 $m	2012 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**604.0**	589.8
Payments to suppliers (inclusive of goods and services tax)		**(205.0)**	(193.4)
		399.0	396.4
Interest received		**38.5**	64.4
Associates and joint ventures distributions received		**12.1**	21.6
Borrowing costs paid		**(34.0)**	(78.9)
Income tax paid		**(0.5)**	(0.3)
Net cash inflows from operating activities	33(b)	**415.1**	403.2
Cash flows from investing activities			
Payments for investment properties		**(685.7)**	(242.5)
Proceeds from sale of investment properties and assets classified as held for sale		**139.7**	128.3
Proceeds from loans to entities related to Responsible Entity		**150.0**	100.0
Contributions to associates and joint ventures		**(54.3)**	(15.7)
Proceeds from sale of discontinued operations		**—**	123.3
Proceeds from sale of investments		**—**	23.0
Payments for other financial assets		**(93.6)**	(34.3)
Proceeds for financial assets at fair value through profit or loss		**0.1**	1.7
Net cash (outflows)/inflows from investing activities		**(543.8)**	83.8
Cash flows from financing activities			
Proceeds from borrowings		**2,260.0**	340.3
Repayments of borrowings		**(1,792.0)**	(1,084.8)
Payments for recapitalisation		**(500.0)**	—
Proceeds from issue of stapled units		**391.8**	1.5
Distributions paid		**(225.9)**	(280.2)
Net cash inflows/(outflows) from financing activities		**133.9**	(1,023.2)
Net increase/(decrease) in cash and cash equivalents		**5.2**	(536.2)
Cash and cash equivalents at the beginning of the year		**—**	536.2
Cash and cash equivalents at the end of the year	33(a)	**5.2**	—

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements of the consolidated entity consist of the consolidated financial statements of MPT and its controlled entities.

a) Mirvac – stapled securities

A Mirvac stapled security comprises one Mirvac Limited share "stapled" to one MPT unit to create a single listed security traded on the Australian Securities Exchange ("ASX"). The stapled securities cannot be traded or dealt with separately. The entities forming the stapled group entered into a Deed of Cooperation which provided that the members consider the interests of Mirvac as a whole, when entering into any agreement or arrangement, or carrying out any act. This Deed of Cooperation 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 Mirvac 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 AAS and the *Corporations Act 2001*. In accordance with AAS, Mirvac Limited has been deemed the parent entity of MPT. The stapled security structure will cease to operate on the first to occur of:

– Mirvac Limited or MPT 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 MPT.

The ASX 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.

b) Basis of preparation

These general purpose financial statements have been prepared in accordance with AAS, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"), Urgent Issues Group Interpretations and the *Corporations Act 2001*.

i) Net current asset deficiency

As at 30 June 2013, the Trust is in a net current liability position of $297.6m. The Trust repays its borrowings with excess cash, but has access to the Group's syndicated facility which at 30 June 2013 had unused and available facility of $387.9m. Of the $297.6m net current liability position, $114.7m relates to bank borrowings due to mature in January 2014. On 3 July, the consolidated entity completed the extension and increase of its unsecured syndicated bank facility and it now has no current bank borrowings. Accordingly, the Directors of the Responsible Entity expect the Trust will have sufficient cash flows to meet all financial obligations as and when they fall due.

ii) Compliance with International Financial Reporting Standards ("IFRS")

The consolidated financial statements of the consolidated entity also comply with IFRS as issued by the International Accounting Standards Board ("IASB").

iii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss and investment properties.

iv) Critical accounting estimates

The preparation of financial statements in conformity with AAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

v) Early adoption of standards

The consolidated entity has elected to apply the following pronouncement to the annual reporting period beginning 1 July 2012: AASB 2012–5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*. This includes applying the revised pronouncement to the comparatives in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

None of the items in the financial statements had to be restated as a result of applying this standard. However, the amendments removed the requirement to provide additional comparative information in all relevant notes where line items in the financial statements are affected as a result of a retrospective restatement (for example, because of an error).

Following the amendments, it is now sufficient if an entity includes a third balance sheet and explains the impact of the restatement on individual line items in the note that sets out the reasons for the restatement. The consolidated entity has no restatement to the financial statements during the year ended 30 June 2013.

vi) Comparative information

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

vii) Rounding of amounts

The Trust is an entity of the kind referred to in Class Order 98/100 issued by ASIC, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest tenth of a million dollars in accordance with that class order.

viii) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority, are presented as operating cash flow.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / CONTINUED

c) Principles of consolidation

i) Controlled entities

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of the consolidated entity at 30 June 2013 and the results of all controlled entities for the year then ended. Controlled entities are all those entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying an interest of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity. Controlled entities are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for the business combinations undertaken by the consolidated entity (refer to note 1(h)). Intercompany transactions and balances between consolidated entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity. Non-controlling interest ("NCI") in the results and equity of controlled entities are shown separately in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity.

ii) Associates

Associates are all entities over which the consolidated entity has significant influence but not control or joint control, generally accompanying a holding of between 20 per cent and 50 per cent of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The consolidated entity's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions receivable from associates reduce the carrying amount of the investments. When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the consolidated entity and its associates are eliminated to the extent of the consolidated entity's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity. As permitted by AASB 128 *Investments in Associates*, investments in associates within certain asset classes, including infrastructure investments, have been measured at fair value. Changes in fair value are recognised as income or expenses in the consolidated statement of comprehensive income in the year in which the change occurred.

iii) Joint ventures

Interests in joint venture entities and partnerships ("joint ventures") are accounted for in the consolidated financial statements using the equity method, after initially being recognised at cost. Under the equity method, the share of the profits or losses of the joint ventures is recognised in profit or loss, and the share of movements in reserves is recognised in other comprehensive income.

Profits or losses on transactions establishing joint ventures and transactions with the joint ventures are eliminated to the extent of the consolidated entity's ownership interest until such time as they are realised by the joint venture on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

iv) Changes in ownership interests

The consolidated entity treats transactions with NCI that do not result in a loss of control as transactions with equity owners of the consolidated entity. A change in ownership interest results in an adjustment between the carrying amounts of the controlling interests and NCI to reflect their relative interests in the controlled entity. Any difference between the amount of the adjustment to NCI and any consideration paid or received is recognised in a separate reserve within equity attributable to the stapled unitholders of the consolidated entity.

When the consolidated entity ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the consolidated entity had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate or joint venture is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision Maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer – Investment ("CEOI").

e) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of each of the consolidated entity's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Australian currency, which is MPT's functional and presentation currency.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / CONTINUED

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or they are attributable to part of the net investment in a foreign operation. Translation differences on non monetary financial assets and liabilities held at fair value are reported as part of the fair value gain or loss using the exchange rate applicable at the date fair value is determined. Translation differences on non monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non monetary financial assets such as equities classified as available-for-sale financial assets are included in a fair value reserve in equity.

iii) Foreign controlled entities

The results and financial position of entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– assets and liabilities at the end of the year are translated at the closing rate at the end of the year;
– income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rate prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
– all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign controlled entity is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The consolidated entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the consolidated entity's activities as described below. The consolidated entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

i) Rental income

Rental revenue for operating leases is recognised on a straight line basis over the term of the lease, except when an alternative basis is more representative of the pattern of service rendered through the provision of the leased premises. Lease incentives offered under operating leases are amortised on a straight line basis in profit or loss.

ii) Recoverable outgoings

Recovery of outgoings as specified in lease agreements is accrued on an estimated basis and adjusted when the actual amounts are invoiced to the respective tenants.

iii) Interest

Interest revenue is brought to account when earned, taking into account the effective yield on the financial asset.

iv) Dividends/distributions

Dividends/distributions are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

v) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the consolidated entity will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

g) Income tax

Under current legislation, the Trust is not liable for income tax, provided that the unitholders are presently entitled to the income of the Trust as determined in accordance with the Trust's Constitution. Tax allowances for building and plant and equipment depreciation are distributed to the stapled unitholders in the form of a tax deferred component of the distribution.

The Trust has a controlled entity based in the USA and is therefore subject to Federal and state taxes in the USA on earnings and profits. A deferred tax liability is recognised based on the temporary difference between the carrying amount of the assets and their associated tax cost base.

h) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a controlled entity comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the consolidated entity.

The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the controlled entity. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the consolidated entity recognises any NCI in the acquiree either at fair value or at the NCI's proportionate share of the acquiree's net identifiable assets.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / CONTINUED

The excess of the consideration transferred, the amount of any NCI in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the consolidated entity's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the controlled entity acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a discount on business combination. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Trust's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability.

Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the post-tax discount rate that reflects current market assessments of both the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised for the amount by which the asset's (or cash generating unit ("CGU")) carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). The lowest level at which the consolidated entity allocates and monitors goodwill is at the primary reporting segments level (refer to note 3).

j) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in profit or loss. When a trade receivable for which an impairment provision had been recognised becomes uncollectible in a subsequent period, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

l) Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, financial assets and investment properties that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

m) Investments and other financial assets

i) Classification

The consolidated entity classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each year.

– Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise, they are classified as non-current.

– Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the end of the year which are classified as non-current assets. Loans and receivables are included in receivables in the consolidated statement of financial position.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / CONTINUED

– Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity. If the consolidated entity were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those maturities less than 12 months from the end of the year, which are classified as current assets.

– Available-for-sale financial assets
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the year. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

ii) Financial assets – reclassification
The consolidated entity may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the consolidated entity may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the consolidated entity has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification. Reclassifications are made at fair value as of the reclassification date.

Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before the reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

iii) Recognition and derecognition
Regular way purchases and sales of investments are recognised on trade date, being the date on which the consolidated entity commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When units classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment units.

iv) Measurement
At initial recognition, the consolidated entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the consolidated entity's right to receive payments is established. Interest income from these financial assets is included in the net gain/(loss). Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

v) Impairment of financial assets
The consolidated entity assesses at the end of each year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

– Assets carried at amortised cost
For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the consolidated entity may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss. Impairment testing of trade receivables is described in note 1(k).

– Assets classified as available-for-sale
If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period. If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / CONTINUED

n) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The consolidated entity designates certain derivatives as either (1) hedges of the fair value of recognised assets, liabilities or firm commitments ("fair value hedges"); or (2) hedges of highly probable forecast transactions ("cash flow hedges"). The consolidated entity documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The consolidated entity also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

i) Fair value hedges

Changes in the fair value derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other income or other expenses. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item will affect profit or loss (for instance, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventories) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability. When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

o) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of each year. The quoted market price used for financial assets held by the consolidated entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of the year. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as estimated discounted cash flow ("DCF"), are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments. Transaction costs are included in the initial carrying amounts of the financial instruments, which are not carried at fair value through profit or loss.

p) Convertible notes

At 30 June the consolidated entity held $145.1m of convertible notes (2012: $51.5m) associated with funding two joint ventures, Mirvac 8 Chifley Trust $97.2m (2012: $51.5m) and Mirvac (Old Treasury) Trust $47.9m (2012: nil). The consolidated entity has an investment accounted for using the equity method in each of the issuing joint ventures. Convertible notes have been issued to fund the development costs of investment property currently under construction held by the trusts. Upon completion of each property, the convertible notes may be converted into equity held in the trusts and the investment accounted for using the equity method will increase by the value of the convertible notes held.

q) Investment properties

i) Investment properties

Investment properties are properties held for long term rental yields and for capital appreciation. Investment properties are carried at fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases, with any gain or loss arising from a change in fair value recognised in profit or loss. Investment properties are revalued by external valuers on a rotation basis with approximately 50 per cent of the portfolio being valued annually. Investment properties which are not subject to an external valuation at the end of the reporting period are fair valued internally by management. The carrying amount of the investment properties recorded in the consolidated statement of financial position includes components relating to lease incentives.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / CONTINUED

Investment properties also include properties that are under construction for future use as investment properties. These are carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete. The fair value of IPUC is determined by using estimation models including DCF and residual valuations. The estimated value of future assets is based on the expected future income from the project, using current yields of similar completed properties. The remaining expected costs of completion plus risk adjusted development margin are deducted from the estimated future asset value.

ii) Investment properties under redevelopment

Existing investment properties being redeveloped for continued future use are carried at fair value.

iii) Lease incentives

Lease incentives provided under an operating lease by the consolidated entity as lessor are recognised 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. Where the investment property is supported by a valuation that incorporates the value of lease incentives, the investment property is revalued back to the valuation amount after the lease incentive amortisation has been charged as an expense.

r) Intangible assets

i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the consolidated entity's share of the net identifiable assets of the acquired controlled entity, associate or joint venture at the date of acquisition. Goodwill on acquisitions of controlled entities is included in intangible assets. Goodwill on acquisition of associates and joint ventures is included in the carrying value of investments in associates or joint ventures. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (refer to note 3).

s) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

t) Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual drawdown of the facility, are recognised as prepayments and amortised on a straight line basis over the term of the facility. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the end of the year. Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

u) Provisions

Provisions for legal claims, contracts and make good obligations are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the year. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

v) Contributed equity

Ordinary units are classified as equity. Incremental costs directly attributable to the issue of new units or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new units or options, or for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration. In accordance with AASB 2 *Share-based Payment*, units issued as part of the LTI plan and EIS are not classified as ordinary units, until such time as the employee loans are fully repaid or the employee leaves Mirvac. If the consolidated entity reacquires its own equity instruments, for example, as the result of a security buy-back, those instruments are deducted from equity and the associated units are cancelled. No gain or loss is recognised in profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

w) Distributions

Provision is made for the amount of any distribution declared at or before the end of the year but not distributed by the end of the year.

x) Earnings per stapled unit

i) Basic earnings per stapled unit

Basic earnings per stapled unit are calculated by dividing the profit attributable to unitholders of the Trust by the weighted average number of ordinary units outstanding during the year. In calculating basic earnings per stapled unit, units issued under the EIS have been excluded from the weighted average number of units.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / CONTINUED

ii) Diluted earnings per stapled unit

Diluted earnings per stapled unit adjusts the figures used in the determination of basic earnings per stapled unit to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary units (including those units issued under the EIS) and the weighted average number of units assumed to have been issued for no consideration in relation to dilutive potential ordinary units.

y) Parent entity financial information

The financial information for the parent entity, Mirvac Property Trust, disclosed in note 35 has been prepared on the same basis as the consolidated financial statements, except as set out below:

i) Investments in controlled entities, associates and joint ventures

Investments in controlled entities, associates and joint ventures are accounted for at cost in the financial statements of the Trust. Dividends/distributions received from associates and joint ventures are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

ii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of controlled entities for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

z) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2013 year. The consolidated entity's assessment of the impact of these new standards and interpretations is set out below:

i) AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 20151). AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the consolidated entity's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. There will be no impact on the consolidated entity's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the consolidated entity does not have any such liabilities. The consolidated entity has not yet determined the impact of the change but does not believe the impact will be material. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The consolidated entity has not yet decided when to adopt AASB 9.

ii) AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, revised AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*, and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (effective 1 January 2013). In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 112 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. The consolidated entity has performed a detailed analysis on all its investments in joint ventures and associates and does not expect the new standard to have any significant impact on its composition. AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. The consolidated entity's investment in the joint venture partnership will be classified as a joint venture under the new rules. As the consolidated entity already applies the equity method in accounting for these investment, AASB 11 will not have any impact on the amounts recognised in its financial statements. AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 Consolidated and Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. Application of this standard by the consolidated entity will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the consolidated entity's investments. Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remea sure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The consolidated entity does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the year ending 30 June 2014.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / CONTINUED

iii) AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013). AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The consolidated entity has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The consolidated entity does not intend to adopt the new standard before its operative date, which means they apply from 1 July 2013.

iv) AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (effective 1 July 2013). In July 2011, the AASB decided to remove the individual key management personnel ("KMP") disclosure requirements from AASB 124 *Related Party Disclosures*, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the *Corporations Act 2001*. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The *Corporations Act 2001* requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

v) AASB 2012-3 and AASB 2012-2 *Offsetting Financial Assets and Financial Liabilities* (Amendments to IAS 32) and *Disclosures-Offsetting Financial Assets and Financial Liabilities* (Amendments to IFRS 7) (effective 1 January 2014 and 1 January 2013 respectively). In December 2011, the IASB made amendments to the application guidance in IAS 32 *Financial Instruments: Presentation*, to clarify some of the requirements for offsetting financial assets and financial liabilities in the consolidated statement of financial position. These amendments are effective from 1 January 2014. They are unlikely to affect the accounting for any of the entity's current offsetting arrangements. However, the IASB has also introduced more extensive disclosure requirements into IFRS 7 which will apply from 1 January 2013. The AASB has made equivalent changes to AASB 132 *Financial Instruments: Presentation* and AASB 7 *Financial Instruments: Disclosures*. The consolidated entity will provide a number of additional disclosures in relation to its offsetting arrangements. The consolidated entity intends to apply the new rules for the first time from 1 July 2013.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future year and on foreseeable future transactions.

2 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements and estimates are continually evaluated, based on historical experience and other factors, including expectations of future events that may have a financial impact and are believed to be reasonable under the circumstances.

a) Critical judgements in applying MPT's accounting policies

The following are the critical judgements that management has made in the process of applying the consolidated entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

i) Fair value estimation

Where financial assets and liabilities are carried at fair value, the fair value is based on assumptions of future events and involves significant estimates. The basis of valuation is set out in note 1(o); however, the fair values of derivatives reported at the end of the year may differ if there is volatility in market rates, indexes, equity prices or foreign exchange rates in future periods.

b) Key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimations and assumptions. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the year, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next year:

i) Impairment of goodwill

The consolidated entity annually tests whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(r). Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from each CGU and a suitable discount rate in order to calculate the net present value ("NPV"). The carrying amount of goodwill at the end of the year was $69.5m (2012: $69.5m). There was no impairment loss recognised during the year (2012: nil). Details on the assumptions used are provided in note 15(b).

ii) Estimated impairment of investments accounted for using the equity method

The investments are tested for impairment, by comparing recoverable amounts (higher of value in use, and fair value less costs to sell) with the carrying amounts, whenever there is indication that the investment may be impaired. In determining the value in use of the investment, the consolidated entity estimates the present value of the estimated future cash flows expected to arise from distributions to be received from the investment and from its ultimate disposal.

iii) Fair value of investments not traded in active markets

The fair value of investments not traded in an active market is determined by the unit price as advised by the fund manager. The unit price is determined by the NPV calculations using future cash flows and an appropriate post-tax discount rate. The carrying value of investments not traded in an active market determined using the above techniques and assumptions is $12.0m (2012: $12.1m) and is disclosed as other financial assets at fair value through profit or loss (refer to note 9).

2 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES / CONTINUED

iv) Valuation of investment properties

The consolidated entity uses judgement in respect of the fair values of investment properties. Investment properties are revalued by external valuers on a rotation basis with approximately 50 per cent of the portfolio being valued annually. Investment properties which are not subject to an external valuation at the end of the reporting date are fair valued internally by management. The assumptions used in the estimations of fair values include expected future market rentals, discount rates, market prices and economic conditions. The reported fair values of investment properties reflect the market conditions at the end of the year. While this represents the best estimation of fair value at the reporting date, actual sale prices achieved (should the investment properties be sold) may be higher or lower than the most recent valuation. This is particularly relevant in periods of market illiquidity or uncertainty. The carrying value at the end of the year for investment properties was $6,232.9m (2012: $5,659.3m). Details on investment properties are provided in note 14.

v) Valuation of IPUC

IPUC are valued at fair value. There are generally no active markets for IPUC and fair value is considered to be the estimated market price that would be paid for the partially completed property, reflecting the expectations of market participants of the value of the property when complete less deductions for the estimated costs to complete with appropriate adjustments for risk and profit. The fair value is determined on the basis of either DCF or residual methods. Both methods require consideration of the project risks which are relevant to the development process, including but not limited to construction and letting risks. The estimated value of future assets is based on the expected future income from the project, using current yields of similar completed properties. The net loss on fair value of IPUC was $5.3m (2012: net loss of $2.3m). The carrying value of $74.9m (2012: $34.2m) at the end of the year is included in investment properties (refer to note 14).

vi) Valuation of derivatives and other financial instruments

The consolidated entity uses judgement in selecting the appropriate valuation technique for financial instruments not quoted in an active market. Valuation of derivative financial instruments involves assumptions based on quoted market rates adjusted for specific features of the instrument. The valuations of any financial instrument may change in the event of market volatility.

3 SEGMENTAL INFORMATION

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise financing and other borrowing costs, indirect investments, other income and expenses. The consolidated entity operates predominantly in one geographic segment, Australia.

Segment results are now reported in a manner that is consistent with the internal reporting provided to the CODM. The CODM that makes strategic decisions for the consolidated entity has been identified as the CEOI. The CEOI allocates resources to and assesses the performance of the operating segments of the consolidated entity. Net operating income is considered a key indicator of analysis when evaluating the consolidated entity's ability to pay distributions to stapled unitholders.

a) Descriptions of business segments

Individual business segments have been identified on the basis of grouping individual products or services subject to similar risks and returns.

The main business segments of the consolidated entity are the investment in properties which are leased to third parties for the following uses:

- office – office accommodation;
- retail – retail accommodation;
- industrial – factories and other industrial use accommodation;
- other – hotel and car park facilities accommodation; and
- unallocated – not attributed directly to one of the above segments.

b) Inter-segment transfers

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

c) Comparative information

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

d) Operating profit

Operating profit is a financial measure which is not prescribed by AAS and represents the profit under AAS adjusted for specific non-cash items and significant items which management considers to reflect the core earnings of the consolidated entity.

e) Segment liabilities

The amounts provided to the CEOI with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. The consolidated entity's borrowings and derivative financial instruments are not considered to be segment liabilities but rather are managed by the Mirvac Group Treasury function.

f) Geographical analysis

The consolidated entity operates predominantly in Australia.

g) Customer analysis

In total, 71.9 per cent of the consolidated entity's revenue is derived from Australian Government, ASX listed and multinational tenants (2012: 71.1 per cent). In the current period, Westpac /St George provided 12.2 per cent of the consolidated entity's revenue (2012: 14.4 per cent).

h) Disposal group and discontinued operations

The segment note presents the results of the consolidated entity in a format consistent with that of both prior year and management reporting. An additional column has been presented for the year ended 30 June 2012, which details the impact of the reallocation of the results of the disposal group to discontinued operation. Refer to note 10 for more information.

3 SEGMENTAL INFORMATION / CONTINUED

2013	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	**Consolidated SoCI $m**
Revenue from continuing operations						
Investment properties rental revenue	332.1	190.6	37.2	11.1	—	**571.0**
Interest revenue	—	—	—	—	38.7	**38.7**
Other revenue	—	—	—	—	2.9	**2.9**
Total revenue from continuing operations	332.1	190.6	37.2	11.1	41.6	**612.6**
Other income						
Share of net profit of associates and join ventures accounted for using the equity method	—	—	—	—	10.8	**10.8**
Net gain/(loss) on fair value of investment properties	30.1	22.0	6.1	(2.9)	—	**55.3**
Total other income	30.1	22.0	6.1	(2.9)	10.8	**66.1**
Total revenue from continuing operations and other income	362.2	212.6	43.3	8.2	52.4	**678.7**
Investment properties expenses	62.7	72.1	5.5	3.4	—	**143.7**
Amortisation expenses	15.2	5.7	0.7	—	—	**21.6**
Net loss on fair value of IPUC	—	5.3	—	—	—	**5.3**
Loss on financial instruments	—	—	—	—	1.2	**1.2**
Foreign exchange loss	—	—	—	—	1.3	**1.3**
Net loss on sale of non-aligned assets	—	—	—	—	2.6	**2.6**
Finance costs	—	—	—	—	35.3	**35.3**
Other expenses	—	—	—	—	9.3	**9.3**
Profit from continuing operations before income tax	284.3	129.5	37.1	4.8	2.7	**458.4**
Income tax expense	—	—	—	—	0.5	**0.5**
Profit from continuing operations	284.3	129.5	37.1	4.8	2.2	**457.9**
Loss from discontinued operations	—	—	—	—	—	**—**
Profit attributable to the stapled unitholders of MPT	**284.3**	**129.5**	**37.1**	**4.8**	**2.2**	457.9

2013	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	**Total $m**
Profit attributable to the stapled unitholders of MPT	284.3	129.5	37.1	4.8	2.2	**457.9**
Specific non-cash items						
Net gain/(loss) on fair value of investment properties	(30.1)	(22.0)	(6.1)	2.9	—	**(55.3)**
Net loss on fair value of IPUC	—	5.3	—	—	—	**5.3**
Loss on financial instruments	—	—	—	—	1.2	**1.2**
Straight-lining of lease revenue [1]	(12.5)	—	(2.0)	—	—	**(14.5)**
Amortisation of lease fitout incentives [2]	11.4	1.5	0.3	—	—	**13.2**
Foreign exchange loss	—	—	—	—	1.3	**1.3**
Net loss on fair value of investment properties, derivatives and other specific non-cash items included in share of net profit of associates and joint ventures [3]	—	—	—	—	3.6	**3.6**
Significant items						
Net loss from sale of non-aligned assets	—	—	—	—	2.6	**2.6**
Operating profit (profit before specific non-cash and significant items)	**253.1**	**114.3**	**29.3**	**7.7**	**10.9**	415.3

1) Included within Investment properties rental revenue in the SoCI.
2) Included within Amortisation expenses in the SoCI.
3) Included within Share of net profit of associates and joint ventures accounted for using the equity method in the SoCI.

3 SEGMENTAL INFORMATION / CONTINUED

2013	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	**Consolidated SoCI $m**
Operating profit						
Investment properties rental revenue	319.6	190.6	35.2	11.1	—	**556.5**
Investment properties expenses	(66.5)	(76.3)	(5.9)	(3.4)	—	**(152.1)**
Net property income	253.1	114.3	29.3	7.7	—	**404.4**
Interest revenue	—	—	—	—	38.7	**38.7**
Other revenue	—	—	—	—	2.9	**2.9**
Share of net profit of associates and joint ventures accounted for using the equity method	—	—	—	—	14.4	**14.4**
Finance costs	—	—	—	—	(35.3)	**(35.3)**
Other expenses	—	—	—	—	(9.3)	**(9.3)**
Income tax expense	—	—	—	—	(0.5)	**(0.5)**
Operating profit (profit before specific non-cash and significant items)	**253.1**	**114.3**	**29.3**	**7.7**	**10.9**	**415.3**

2012	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	Total inc. discontinued operations $m	Discontinued operations [1] $m	Consolidated SoCI $m
Revenue from continuing operations								
Investment properties rental revenue	322.1	180.8	37.8	11.3	—	552.0	—	552.0
Interest revenue	—	—	—	—	62.1	62.1	—	62.1
Other revenue	—	—	—	—	4.8	4.8	—	4.8
Total revenue from continuing operations	322.1	180.8	37.8	11.3	66.9	618.9	—	618.9
Other income								
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	—	—	—	—	12.2	12.2	(2.4)	9.8
Net gain on fair value of investment properties	129.3	30.6	0.6	3.7	—	164.2	—	164.2
Total other income	129.3	30.6	0.6	3.7	12.2	176.4	(2.4)	174.0
Total revenue from continuing operating and other income	451.4	211.4	38.4	15.0	79.1	795.3	(2.4)	792.9
Investment properties expenses	63.5	63.0	6.0	3.3	—	135.8	—	135.8
Amortisation expenses	17.4	6.2	0.7	—	—	24.3	—	24.3
Net loss on fair value of IPUC	2.3	—	—	—	—	2.3	—	2.3
Loss on financial instruments	—	—	—	—	36.8	36.8	—	36.8
Foreign exchange loss	—	—	—	—	0.7	0.7	—	0.7
Net loss/(gain) on sale of non-aligned assets	—	—	—	—	5.5	5.5	(7.3)	(1.8)
Finance costs	—	—	—	—	73.7	73.7	—	73.7
Other expenses	—	—	—	—	8.2	8.2	—	8.2
Profit/(loss) from continuing operations before income tax	368.2	142.2	31.7	11.7	(45.8)	508.0	4.9	512.9
Income tax expense	—	—	—	—	0.3	0.3	—	0.3
Profit/(loss) from continuing operations	368.2	142.2	31.7	11.7	(46.1)	507.7	4.9	512.6
Loss from discontinued operations	—	—	—	—	—	—	(4.9)	(4.9)
Profit/(loss) attributable to the stapled unitholders of MPT	368.2	142.2	31.7	11.7	(46.1)	507.7	—	507.7

1) Reclassification of the results of the assets that form part of the disposal group. Refer to note 10 for further information.

2012	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	Total $m
Profit/(loss) attributable to the stapled unitholders of MPT	368.2	142.2	31.7	11.7	(46.1)	507.7
Specific non-cash items						
Net gain on fair value of investment properties	(129.3)	(30.6)	(0.6)	(3.7)	—	(164.2)
Net loss on fair value of IPUC	2.3	—	—	—	—	2.3
Loss on financial instruments	—	—	—	—	36.8	36.8
Straight-lining of lease revenue [1]	(14.1)	—	(0.8)	—	—	(14.9)
Amortisation of lease fitout incentives [2]	14.0	1.8	0.4	—	—	16.2
Foreign exchange loss	—	—	—	—	0.7	0.7
Net loss on fair value of investment properties, derivatives and other specific non-cash items included in share of net profit of associates and net loss of joint ventures [3]	—	—	—	—	2.8	2.8
Net loss on fair value of derivatives and other specific non-cash items included in discontinued operations [4]	—	—	—	—	9.2	9.2
Significant items						
Net loss on sale of discontinued operations [4]	—	—	—	—	7.3	7.3
Net gain on sale of non-aligned assets	—	—	—	—	(1.8)	(1.8)
Operating profit (profit before specific non-cash and significant items)	241.1	113.4	30.7	8.0	8.9	402.1

1) Included within Investment properties rental revenue in the SoCI.
2) Included within Amortisation expenses in the SoCI.
3) Included within Share of net profit of associates and joint ventures accounted for using the equity method in the SoCI.
4) Included within Loss from discontinued operations in the SoCI.

3 SEGMENTAL INFORMATION / CONTINUED

2012	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	Total inc. discontinued operations $m	Discontinued operations [1] $m	Consolidated SoCI $m
Operating profit								
Investment properties rental revenue	308.0	180.8	37.0	11.3	—	537.1	—	537.1
Investment properties expenses	(66.9)	(67.4)	(6.3)	(3.3)	—	(143.9)	—	(143.9)
Net property income	241.1	113.4	30.7	8.0	—	393.2	—	393.2
Interest revenue	—	—	—	—	62.1	62.1	—	62.1
Other revenue	—	—	—	—	4.8	4.8	—	4.8
Share of net profit of associates and joint ventures accounted for using the equity method	—	—	—	—	12.6	12.6	11.6	24.2
Finance costs	—	—	—	—	(73.7)	(73.7)	—	(73.7)
Other expenses	—	—	—	—	(8.2)	(8.2)	—	(8.2)
Income tax expense	—	—	—	—	(0.3)	(0.3)	—	(0.3)
Operating profit/(loss) (profit before specific non-cash and significant items)	241.1	113.4	30.7	8.0	(2.7)	390.5	11.6	402.1

1) Reclassification of the results of the assets that form part of discontinued operations. Refer to note 10 for further infomation.

	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	**Consolidated SoFP/SoCI $m**
30 June 2013						
Total assets	4,138.2	1,645.5	348.8	100.4	884.6	**7,117.5**
Total liabilities	4.5	29.7	6.9	—	1,316.0	**1,357.1**
Investments in associates and joint ventures	—	—	—	—	201.2	**201.2**
Acquisitions of investment properties including capital expenditures	679.5	54.6	6.6	2.7	—	**743.4**
Amortisation expenses	15.2	5.7	0.7	—	—	**21.6**
30 June 2012						
Total assets	3,526.9	1,598.4	399.4	100.6	854.5	6,479.6
Total liabilities	3.9	4.7	—	—	755.9	764.5
Investments in associates and joint ventures	—	—	—	—	147.2	147.2
Acquisitions of investment properties including capital expenditures	151.4	63.6	11.4	2.0	—	228.4
Amortisation expenses	17.4	6.2	0.7	—	—	24.3

4 REVENUE FROM CONTINUING OPERATIONS AND OTHER INCOME

	2013 $m	2012 $m
Interest revenue		
Cash and cash equivalents	**1.3**	12.0
Loans to joint ventures	**7.8**	2.3
Loans to entities related to Responsible Entity	**29.6**	47.8
Total interest revenue	**38.7**	62.1
Loss on financial instruments		
Loss on fair value of interest rate derivatives	**(2.3)**	(32.2)
Gain/(loss)on interest rate derivatives	**1.1**	(3.5)
Loss on fair value of other financial assets at fair value through profit or loss	**—**	(1.1)
Loss on financial instruments	**(1.2)**	(36.8)

5 EXPENSES

Profit before income tax includes the following specific expenses:	Note	**2013 $m**	2012 $m
Finance costs			
Interest and finance charges paid/payable		**33.4**	69.3
Borrowing costs amortised		**1.9**	4.4
Total finance costs		**35.3**	73.7
Amortisation expenses			
Lease fitout incentives		**13.2**	16.2
Lease incentives		**8.4**	8.1
Total amortisation expenses		**21.6**	24.3
Other charges against assets			
Impairment of trade receivables	8(c)	**—**	0.1

6 INCOME TAX

Income tax expense	2013 $m	2012 $m
Tax expense	**0.5**	0.3
Income tax expense	**0.5**	0.3
Income tax expense is attributable to:		
Foreign tax on US sourced income	**0.3**	0.3
Other taxes	**0.2**	—
	0.5	0.3

7 EARNINGS PER STAPLED UNIT

	2013 Cents	2012 Cents
Basic earnings per stapled unit		
From continuing operations	**13.28**	15.03
From discontinued operations	**—**	(0.14)
Total basic earnings per stapled unit attributable to the stapled unitholders of MPT	**13.28**	14.89
Diluted earnings per stapled unit [1]		
From continuing operations	**13.26**	15.00
From discontinued operations	**—**	(0.14)
Total diluted earnings per stapled unit attributable to the stapled unitholders of MPT	**13.26**	14.86

	$m	$m
Basic and diluted earnings		
From continuing operations	**457.9**	512.6
From discontinued operations	**—**	(4.9)
Profit attributable to the stapled unitholders of MPT	**457.9**	507.7

Weighted average number of stapled units used as denominator [1]	Number m	Number m
Weighted average number of stapled units used in calculating basic earnings per unit	**3,448.7**	3,409.9
Adjustment for calculation of diluted earnings per unit issued under EIS	**5.7**	7.4
Weighted average number of units used in calculating diluted earnings per stapled unit	**3,454.4**	3,417.3

1) Diluted stapled units include the options and rights issued under the current LTI plans as the exercise of these equity instruments is contingent on conditions during the vesting period.

8 RECEIVABLES

	Gross $m	Provision for impairment $m	Net $m
30 June 2013			
Current receivables			
Trade receivables	**2.2**	**(0.2)**	**2.0**
Other receivables	**23.0**	**—**	**23.0**
	25.2	**(0.2)**	**25.0**
Non-current receivables			
Other receivables	**5.5**	**—**	**5.5**
Loans to entities related to Responsible Entity	**350.0**	**—**	**350.0**
	355.5	**—**	**355.5**
Total receivables	**380.7**	**(0.2)**	**380.5**

8 RECEIVABLES / CONTINUED

	Gross $m	Provision for impairment $m	Net $m
30 June 2012			
Current receivables			
Trade receivables	1.1	(0.2)	0.9
Other receivables	20.7	—	20.7
	21.8	(0.2)	21.6
Non-current receivables			
Other receivables	8.2	—	8.2
Loans to entities related to Responsible Entity	500.0	—	500.0
	508.2	—	508.2
Total receivables	530.0	(0.2)	529.8

a) Trade receivables
The average credit period on trade receivables is 30 days. No interest is charged on any outstanding trade receivables. Refer to note 8(d) for details regarding the credit risk of receivables.

b) Other receivables
These amounts generally arise from transactions outside of the classification of trade receivables such as GST receivables and other sundry debtors.

c) Provision for impairment of trade receivables
Movements in the provision for impairment of trade receivables are detailed below:

	2013 $m	2012 $m
Balance 1 July	**(0.2)**	(0.1)
Provision for impairment recognised	**—**	(0.1)
Balance 30 June	**(0.2)**	(0.2)

The consolidated entity has not written off any impairment of trade receivables during the current year (2012: nil). There was no loss applied against the provision for impairment of receivables. The creation and release of the provision for impaired receivables have been included in other expenses in profit or loss where these relate to the impairment of trade receivables.

d) Credit risk
Receivables consist of a large number of customers. The consolidated entity does not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of customers and, where appropriate, a provision for impairment of receivables is raised. The consolidated entity holds collateral in certain circumstances which takes the form of bank guarantees or security deposits. There is no concentration of credit risk with respect to receivables as the consolidated entity has a large number of customers, geographically dispersed.

The ageing of receivables is detailed below:

	2013 Total receivables $m	**2013 Provision for impairment $m**	2012 Total receivables $m	2012 Provision for impairment $m
Not past due	**378.7**	**—**	528.8	—
Renegotiated	**—**	**—**	—	—
Past due 1-30 day(s)	**1.8**	**—**	0.7	—
Past due 31-60 days	**—**	**—**	0.3	—
Past due 61-90 days	**0.1**	**(0.1)**	0.1	(0.1)
Past due 91-120 days	**0.1**	**(0.1)**	—	—
Past 120 days	**—**	**—**	0.1	(0.1)
Total	**380.7**	**(0.2)**	530.0	(0.2)

Under certain circumstances, the consolidated entity has not provided for all balances past due as it has been determined that there has not been a significant change in credit quality at the end of the year based upon the customer's payment history and analysis of the customer's financial accounts. The consolidated entity holds collateral over receivables of $78.6m (2012: $73.3m). The fair value of the collateral held equals the fair value of the receivables for which the collateral is held. The terms of the collateral are if payment due is not received per the agreed terms, the consolidated entity is able to claim the collateral held.

e) Interest rate risk exposures
Refer to note 30 for the consolidated entity's exposure to interest rate risk.

9 OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	**2013 $m**	2012 $m
Units in unlisted fund			
Balance 1 July		**12.1**	19.2
Transfer to investment in associate accounted for using the equity method		**—**	(4.3)
Capital distribution received		**(0.1)**	(1.7)
Loss on revaluation		**—**	(1.1)
Balance 30 June	24(c)	**12.0**	12.1

Changes in fair values of other financial assets at fair value through profit or loss are recorded as gain or loss on financial instruments in profit or loss.

a) Unlisted units

Unlisted units are traded in inactive markets. The fair value of investments that are not traded in an active market is determined by the unit price as advised by the trustee of the fund. Unlisted units in the trust are units in JF Infrastructure Yield Fund ("JFIYF") owned by James Fielding Trust of 12.9m units (21.8 per cent).

The fair value of the units in JFIYF is determined based on the value of the underlying assets held by the fund. The assets of the fund are subject to regular external valuations. These valuations are based on discounted net cash inflows from expected future income and/or comparable sales of similar assets. Appropriate discount rates determined by the external valuer are used to determine the present value of the net cash inflows based on a market interest rate adjusted for the risk premium specific to each asset. The fair value is determined using valuation techniques that are not supported by prices from an observable market; so, the fair value recognised in the financial statements could change significantly if the underlying assumptions made in estimating the fair values were significantly changed.

b) Price risk exposures

Refer to note 30 for the consolidated entity's exposure to price risk on other financial assets at fair value through profit or loss.

10 ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

a) Discontinued operations

There were no discontinued operations as at 30 June 2013 (2012: nil). During the year ended 30 June 2012, the consolidated entity entered into contracts for the sale of its Hotel Management business and various associated investments following a strategic review of this business. The sale was completed on 22 May 2012. As part of the sale, the Trust disposed of its units in the Mirvac Wholesale Hotel Fund, previously accounted for as an associate using the equity method.

b) Assets classified as held for sale

	2013 $m	2012 $m
Non-current assets held for sale		
Investment property		
Logan Megacentre, Logan QLD[1]	**49.5**	—

1) Settlement occurred 9 August 2013.

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Note	**2013 $m**	2012 $m
Consolidated statement of financial position			
Investments accounted for using the equity method			
Investments in associates	24	**124.0**	125.1
Investments in joint ventures	25	**77.2**	22.1
		201.2	147.2
Consolidated statement of comprehensive income			
Share of net profit of associates and joint ventures accounted for using equity method			
Investments in associates	24	**9.8**	9.8
Investments in joint ventures	25	**1.0**	—
		10.8	9.8

12 DERIVATIVE FINANCIAL ASSETS

	2013 $m	2012 $m
Non-current		
Interest rate swap contracts – fair value	**10.9**	—

a) Instruments used by the consolidated entity

Refer to note 30 for information on derivative financial instruments used by the consolidated entity.

b) Risk exposures

Refer to note 30 for the consolidated entity's exposure to interest rate, credit and foreign exchange risk on interest rate swaps.

13 OTHER FINANCIAL ASSETS

	2013 $m	2012 $m
Non-current		
Convertible notes issued by:		
Mirvac 8 Chifley Trust	**97.2**	51.5
Mirvac (Old Treasury) Trust	**47.9**	—
	145.1	51.5

At 30 June 2013 the consolidated entity held $145.1m of convertible notes (2012: $51.5m) associated with funding two joint ventures, Mirvac 8 Chifley Trust $97.2m (2012: $51.5m) and Mirvac (Old Treasury) Trust $47.9m (2012: nil). The consolidated entity has an investment accounted for using the equity method in each of the issuing joint ventures. Convertible notes have been issued to fund the development costs of investment property currently under construction held by the Trust. Upon completion of each property, the convertible notes may be converted into equity held in the trusts and the investment accounted for using the equity method will increase by the value of the convertible notes held.

14 INVESTMENT PROPERTIES

	Date of acquisition	Book value **2013 $m**	Book value 2012 $m	Capitalisation rate **2013 %**	Capitalisation rate 2012 %	Discount rate **2013 %**	Discount rate 2012 %	Date of last external valuation	Last external valuation $m
Mirvac Property Trust and its controlled entities									
1 Castlereagh Street, Sydney NSW	Dec 1998	**71.0**	72.0	**7.63**	7.63	**9.25**	9.25	Jun 2012	72.0
1 Darling Island, Pyrmont NSW	Apr 2004	**178.2**	179.2	**7.00**	7.00	**9.00**	9.25	Dec 2012	175.0
1 Hugh Cairns Avenue, Bedford Park SA [1,2]	Aug 2010	**—**	16.5	**—**	9.50	**—**	10.00	Jun 2011	17.8
1 Woolworths Way, Bella Vista NSW [1]	Aug 2010	**248.0**	246.6	**7.75**	7.75	**8.88**	9.25	Jun 2013	248.0
1-47 Percival Road, Smithfield NSW	Nov 2002	**30.5**	29.0	**8.25**	8.25	**9.75**	9.75	Dec 2011	28.3
10 Julius Avenue, North Ryde NSW [1]	Dec 2009	**51.2**	53.9	**8.50**	8.50	**9.50**	9.25	Jun 2013	51.2
10-20 Bond Street, Sydney NSW (50% interest) [1]	Dec 2009	**181.8**	175.5	**6.88**	6.88	**9.00**	9.00	Dec 2011	162.0
101-103 Miller Street & Greenwood Plaza, North Sydney NSW (50% interest)	Jun 1994	**272.0**	259.0	**6.75-7.00**	6.75-7.00	**9.00-9.25**	9.00-9.25	Dec 2012	267.5
12 Julius Avenue, North Ryde NSW [1]	Dec 2009	**23.5**	23.4	**8.50**	8.50	**9.50**	9.25	Jun 2013	23.5
189 Grey Street, Southbank QLD	Apr 2004	**78.6**	76.7	**7.63**	7.63	**9.25**	9.25	Dec 2011	73.0
19 Corporate Drive, Cannon Hill QLD [1,2]	Aug 2010	**—**	23.0	**—**	8.75	**—**	9.75	Jun 2011	24.0
190 George Street, Sydney NSW [3]	Aug 2003	**—**	40.0	**—**	8.00	**—**	9.50	Dec 2011	40.0
1900-2060 Pratt Boulevard, Chicago Illinois USA	Dec 2007	**35.0**	29.1	**7.50**	7.50	**9.25**	9.25	Dec 2011	28.1
191-197 Salmon Street, Port Melbourne VIC	Jul 2003	**101.6**	102.5	**8.00**	8.00	**9.25**	9.25	Jun 2012	102.5
200 George Street, Sydney NSW [3]	Oct 2001	**—**	29.1	**—**	8.00	**—**	9.50	Dec 2011	27.5
210 George Street, Sydney NSW [4]	May 2013	**26.0**	—	**8.00**	—	**9.50**	—	—	—
220 George Street, Sydney NSW [4]	May 2013	**57.0**	—	**8.00**	—	**9.50**	—	—	—
271 Lane Cove Road, North Ryde NSW	Apr 2000	**31.3**	31.3	**8.25**	8.25	**9.50**	9.50	Jun 2012	31.3
275 Kent Street, Sydney NSW [1]	Aug 2010	**830.0**	792.0	**6.75**	6.75	**9.00**	9.00	Jun 2012	792.0
3 Rider Boulevard, Rhodes NSW [1]	Dec 2009	**84.3**	80.9	**8.00**	8.00	**9.25**	9.25	Jun 2013	84.3
32 Sargents Road, Minchinbury NSW [1,2]	Dec 2009	**—**	23.5	**—**	8.75	**—**	9.50	Jun 2011	23.5
33 Corporate Drive, Cannon Hill QLD [1]	Aug 2010	**15.2**	16.0	**9.00**	9.00	**10.00**	9.75	Jun 2013	15.2
340 Adelaide Street, Brisbane QLD [1]	Dec 2009	**60.0**	65.4	**8.75**	9.00	**9.25**	10.00	Dec 2012	60.0
37 Pitt Street, Sydney NSW [4]	May 2013	**67.0**	—	**8.25**	—	**9.50**	—	—	—
38 Sydney Avenue, Forrest ACT	Jun 1996	**35.5**	35.0	**8.50**	8.50	**9.50**	9.50	Dec 2012	35.5
40 Miller Street, North Sydney NSW	Mar 1998	**105.5**	103.6	**7.25**	7.25	**9.25**	9.25	Jun 2012	103.6
47-67 Westgate Drive, Altona North VIC [1]	Dec 2009	**19.1**	19.1	**9.75**	9.50	**10.00**	9.75	Dec 2011	19.1
5 Rider Boulevard, Rhodes NSW	Sep 2011	**126.9**	123.3	**8.00**	7.63	**9.25**	9.13	Dec 2012	124.0
51 Pitt Street, Sydney NSW [4]	May 2013	**24.0**	—	**8.25**	—	**9.50**	—	—	—
52 Huntingwood Drive, Huntingwood NSW [1,2]	Dec 2009	**—**	22.0	**—**	8.50	**—**	9.75	Jun 2011	22.0
54 Marcus Clarke Street, Canberra ACT	Oct 1987	**14.7**	15.9	**9.75**	9.50	**10.50**	9.75	Dec 2012	14.7
54-60 Talavera Road, North Ryde NSW [1]	Aug 2010	**47.0**	45.5	**7.50**	7.50	**9.25**	9.50	Dec 2012	47.0
55 Coonara Avenue, West Pennant Hills NSW [1]	Aug 2010	**100.5**	105.1	**8.50**	8.50	**9.50**	9.50	Dec 2012	100.5
6-8 Underwood Street, Sydney NSW [4]	May 2013	**9.0**	—	**8.25**	—	**9.50**	—	—	—
60 Marcus Clarke Street, Canberra ACT	Sep 1989	**48.5**	49.6	**8.75**	8.75	**9.50**	9.50	Jun 2013	48.5
64 Biloela Street, Villawood NSW [2]	Feb 2004	**—**	19.1	**—**	10.50	**—**	10.75	Jun 2011	19.1
90 Collins Street, Melbourne VIC [4]	May 2013	**170.0**	—	**7.25**	—	**8.75**	—	—	—
Allendale Square, 77 St Georges Terrace, Perth WA [4]	May 2013	**231.0**	—	**8.25**	—	**9.50**	—	—	—
Aviation House, 16 Furzer Street, Phillip ACT	Jul 2007	**68.6**	68.3	**7.75**	7.75	**9.50**	9.50	Jun 2012	68.3
Bay Centre, Pirrama Road, Pyrmont NSW	Jun 2001	**109.2**	106.9	**7.65**	7.65	**9.25**	9.25	Dec 2011	103.5
Broadway Shopping Centre, Broadway NSW (50% interest)	Jan 2007	**255.0**	245.0	**6.00**	6.00	**9.00**	9.00	Jun 2012	245.0
Cherrybrook Village Shopping Centre, Cherrybrook NSW [1]	Dec 2009	**84.6**	80.0	**7.25**	7.50	**9.25**	9.50	Jun 2013	84.6

14 INVESTMENT PROPERTIES / CONTINUED

	Date of acquisition	Book value 2013 $m	Book value 2012 $m	Capitalisation rate 2013 %	Capitalisation rate 2012 %	Discount rate 2013 %	Discount rate 2012 %	Date of last external valuation	Last external valuation $m
City Centre Plaza, Rockhampton QLD [1]	Dec 2009	**49.0**	48.7	**8.00**	8.00	**9.50**	9.75	Jun 2013	49.0
Como Centre, Cnr Toorak Road & Chapel Street, South Yarra VIC	Aug 1998	**159.9**	153.5	**8.00-8.50**	7.75-8.75	**9.00-11.00**	9.29-9.75	Jun 2013	159.9
Cooleman Court, Weston ACT [1]	Dec 2009	**47.6**	46.5	**7.75**	7.75	**9.50**	9.50	Dec 2011	46.0
Gippsland Centre, Sale VIC	Jan 1994	**48.5**	49.1	**8.50**	8.25	**9.50**	9.50	Dec 2011	49.1
Hinkler Central, Bundaberg QLD	Aug 2003	**92.0**	91.0	**7.75**	7.75	**9.50**	9.50	Dec 2012	92.0
John Oxley Centre, 339 Coronation Drive, Milton QLD	May 2002	**56.1**	56.0	**9.00**	9.00	**10.00**	10.00	Dec 2012	56.0
Kawana Shoppingworld, Buddina QLD	Dec 1993 (50%) & Jun 1998 (50%)	**230.7**	215.7	**6.75**	6.75	**9.25**	9.25	Dec 2011	209.7
Logan Megacentre, Logan QLD [2]	Oct 2005	**—**	55.5	**—**	9.75	**—**	10.50	Dec 2012	52.0
Metcentre & 60 Margaret Street, Sydney NSW (50% interest)	Aug 1998	**247.0**	229.7	**6.5-7.00**	6.5-7.00	**9.00**	9.00-9.25	Dec 2012	238.5
Moonee Ponds Central (Stage II), Moonee Ponds VIC	Feb 2008	**41.5**	40.0	**8.50**	8.50	**9.75**	9.75	Jun 2012	40.0
Moonee Ponds Central, Moonee Ponds VIC	May 2003	**25.3**	25.5	**7.75**	7.75	**9.50**	9.50	Jun 2012	25.5
Nexus Industry Park (Building 1), Lyn Parade, Prestons NSW	Aug 2004	**19.2**	18.3	**8.00**	8.13	**9.25**	9.50	Jun 2013	19.2
Nexus Industry Park (Building 2), Lyn Parade, Prestons NSW	Aug 2004	**14.6**	12.5	**8.00**	8.25	**9.50**	9.50	Dec 2012	14.4
Nexus Industry Park (Building 3), Lyn Parade, Prestons NSW	Aug 2004	**25.3**	23.7	**8.00**	8.13	**9.25**	9.50	Jun 2013	25.3
Nexus Industry Park (Building 4), Lyn Parade, Prestons NSW	Aug 2004	**35.0**	33.5	**8.00**	8.00	**9.50**	9.50	Jun 2012	33.5
Nexus Industry Park (Building 5), Lyn Parade, Prestons NSW	Aug 2004	**17.1**	15.5	**8.00**	8.13	**9.50**	9.50	Dec 2012	16.4
Orange City Centre, Orange NSW	Apr 1993	**48.0**	48.0	**8.50**	8.50	**9.75**	10.00	Dec 2011	49.0
Orion Springfield Town Centre, Springfield QLD	Aug 2002	**129.0**	124.0	**6.75**	6.75	**9.25**	9.25	Dec 2012	128.0
Quay West Car Park, 109-111 Harrington Street, Sydney NSW	Nov 1989	**30.5**	29.5	**8.50**	8.50	**10.00**	10.00	Jun 2013	30.5
Rhodes Shopping Centre, Rhodes NSW (50% interest)	Jan 2007	**125.0**	115.0	**7.00**	7.00	**9.25**	9.25	Jun 2013	125.0
Riverside Quay, Southbank VIC	Apr 2002 & Jul 2003	**194.7**	192.1	**7.75-8.00**	7.75-8.00	**9.25-10.00**	9.25-10.00	Dec 2011	176.0
Royal Domain Centre, 380 St Kilda Road, Melbourne VIC	Oct 1995 (50%) & Apr 2001 (50%)	**118.0**	110.0	**8.00**	8.00	**9.00**	9.00	Jun 2013	118.0
Sirius Building, 23 Furzer Street, Phillip ACT	Feb 2010	**246.0**	240.0	**7.50**	7.50	**9.50**	9.50	Jun 2012	240.0
St Marys Village Centre, St Marys NSW	Jan 2003	**44.0**	43.0	**7.75**	7.75	**9.00**	9.50	Dec 2012	44.0
Stanhope Village, Stanhope Gardens NSW	Nov 2003	**87.0**	73.8	**7.50**	7.50	**9.25**	9.25	Dec 2011	70.5
Waverley Gardens Shopping Centre, Mulgrave VIC	Nov 2002	**135.7**	132.0	**7.75**	7.75	**9.50**	9.50	Dec 2011	131.5
Total investment properties		**6,158.0**	5,625.1						
IPUC									
4 Dalley Street & Laneway, Sydney NSW [3]	Mar 2004	**—**	2.2	**—**	6.75	**—**	9.25	Dec 2011	—
200 George Street, Sydney NSW (50% interest) [5]	Dec 2012	**44.1**	—	**6.50**	—	**8.75**	—	Dec 2012	37.6
Orion Springfield land, Springfield QLD	Aug 2002	**30.8**	32.0	**6.50-9.50**	6.5-9.25	**10.25-10.25**	9.25-10.75	Dec 2012	33.0
Total IPUC		**74.9**	34.2						
Total investment properties and IPUC		**6,232.9**	5,659.3						

1) Date of acquisition represents business combination acquisition date.
2) Investment property disposed of or reclassified to held for sale during the year.
3) 50% of the property disposed of during the year. The remaining 50% was reclassified as IPUC and amalgamated as 200 George Street, Sydney NSW during the year.
4) Investment property acquired during the year.
5) Represents the amalgamated development site of 190 George Street, 200 George Street, and 4 Dalley Street & Laneway, Sydney NSW. Date of acquisition represents date of site amalgamation.

a) Reconciliation of carrying amounts of investment properties

At fair value	2013 $m	2012 $m
Balance 1 July	**5,659.3**	5,474.0
Additions	**124.4**	110.8
Acquisitions including costs	**619.0**	117.6
Net gain on fair value of investment properties	**55.3**	164.2
Net loss of fair value of IPUC	**(5.3)**	(2.3)
Net gain from foreign currency translation	**2.9**	1.6
Assets classified as held for sale	**(49.5)**	—
Disposals	**(142.7)**	(126.2)
Sale of asset and transfer to equity accounted investments	**—**	(49.0)
Amortisation of fitout incentives, leasing costs and rent incentive	**(30.5)**	(31.4)
Balance 30 June	**6,232.9**	5,659.3

b) Amounts recognised in profit or loss for investment properties

Investment properties rental revenue	**571.0**	552.0
Investment properties expenses	**(143.7)**	(135.8)
	427.3	416.2

14 INVESTMENT PROPERTIES / CONTINUED

c) Valuation basis

i) Investment properties

Investment properties are carried at fair value. Valuation methods used to determine the fair value include market sales comparison, DCF and capitalisation rate ("CR"). The fair value for a property may be determined by using a combination of these and other valuation methods.

Market sales comparison: The sales comparison approach utilises recent sales of comparable properties, adjusted for any differences including the nature, location and lease profile, to indicate the fair value of a property. Where there is a lack of recent sales activity, adjustments are made from previous comparable sales to reflect changes in economic conditions.

DCF: DCF projections derived from contracted rents, market rents, operating costs, lease incentives, lease fees, capital expenditure and future income on vacant space are discounted at a rate to arrive at a value. The discount rate is a market assessment of the risk associated with the cash flows, and the nature, location and tenancy profile of the property relative to returns from alternative investments, Consumer Price Index rates and liquidity risk. It is assumed that the property is sold at the end of the investment period at a terminal value. The terminal value is determined by using an appropriate terminal CR. The consolidated entity's terminal CRs are in the range of an additional nil to 75 basis points above the respective property's CR.

CR: An assessment is made of fully leased net income based on contracted rents, market rents, operating costs and future income on vacant space. The adopted fully leased net income is capitalised in perpetuity from the valuation date at an appropriate CR. The CR reflects the nature, location and tenancy profile of the property together with current market investment criteria, as evidenced by current sales evidence. Various adjustments including incentives, capital expenditure, and reversions to market rent are made to arrive at the property value.

ii) IPUC

There are generally no active markets for IPUC; therefore, a lack of comparable transactions for IPUC usually requires the use of estimation models. The two main estimation models used to value IPUC are residual and DCF valuations. The residual method of determining the value of a property uses the estimated total cost of the development, including construction and associated expenditures, finance costs, and an allowance for developer's risk and profit is deducted from the end value of the completed project. The resultant figure is then adjusted back to the date of valuation to give the residual value.

d) Property portfolio

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

	2013 $m	2012 $m
Investment properties per consolidated statement of financial position	**6,232.9**	5,659.3
Investment properties classified as assets held for sale	**49.5**	—
	6,282.4	5,659.3

e) Assets pledged as security

No debt facility is secured by real property mortgages or a fixed and floating charge.

15 INTANGIBLE ASSETS

	2013 $m	2012 $m
Balance 1 July	**69.5**	69.5
Impairment	**—**	—
Balance 30 June	**69.5**	69.5

a) Allocation of goodwill by business segments

A segment level summary of the goodwill allocations is presented below:

	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	Total $m
2013						
Goodwill	44.5	—	7.6	—	17.4	69.5
Balance 30 June	**44.5**	**—**	**7.6**	**—**	**17.4**	**69.5**
2012						
Goodwill	44.5	—	7.6	—	17.4	69.5
Balance 30 June	44.5	—	7.6	—	17.4	69.5

15 INTANGIBLE ASSETS / CONTINUED

b) Key assumptions used for value in use calculations for goodwill

Goodwill is allocated to the consolidated entity's CGUs identified according to business segments.

The recoverable amount of CGUs is determined using the higher of fair value less cost to sell, and its value in use. The value in use calculation is based on financial forecasts approved by management covering a 10 year period. For each business segment CGU, no forecast growth rate is assumed as the value in use calculations are based on forecast cash flows from existing investment properties and other investments. The discount rates used are post-tax and reflect specific risks relating to the relevant segment.

CGU	Growth rate [1] 2013 %	Growth rate [1] 2012 %	Discount rate 2013 %	Discount rate 2012 %
Office	**—**	—	**9.5**	9.5
Retail	**—**	—	**9.5**	9.5
Industrial	**—**	—	**9.5**	9.5
Other	**—**	—	**9.5**	9.5

1) The value in use calculation is based on financial budgets and forecasts approved by management covering a 10 year period. No forecast growth rate is assumed as the value in use calculations are based on forecast cash flows from existing investment properties.

The recoverable amount of goodwill exceeds the carrying value at 30 June 2013. Management considers that for the carrying value to exceed the recoverable amount, there would have to be unreasonable changes to key assumptions. Management considers the chances of these changes occurring as unlikely.

c) Impairment of goodwill

There was no impairment of goodwill during the year (2012: nil).

16 PAYABLES

	2013 $m	2012 $m
Current		
Trade payables	**19.4**	15.6
Other creditors and accruals	**19.6**	24.9
Rent in advance	**18.2**	15.7
Security deposits received	**1.4**	1.0
Amounts due to entities related to Responsible Entity [1]	**61.8**	36.8
	120.4	94.0

1) Further information in relation to amounts due to related entities is set out in note 29.

17 BORROWINGS

	Note	2013 $m	2012 $m
Current			
Unsecured			
Bank loans		**114.7**	—
		114.7	—
Non-current			
Unsecured			
Bank loans		**735.0**	338.9
Domestic medium term notes ("MTN")	17(a)(ii)	**200.0**	200.0
Loan from related party	17(a)(iii)	**22.1**	20.8
		957.1	559.7

a) Borrowings

i) Unsecured bank loans

The consolidated entity has access to unsecured bank facilities totalling $1,410.0m (2012: $1,590.0m). The consolidated entity has the ability to draw from this syndicated facility containing three tranches: a $350.0m tranche maturing in January 2014, a $530.0m tranche maturing in January 2015 and a $530.0m tranche maturing in January 2016. Subject to compliance with the terms, these facilities may be drawn at any time.

ii) Domestic MTN

The consolidated entity has a total of $200.0m (2012: $200.0m) of domestic MTN outstanding maturing in March 2015. Interest is payable semi-annually in arrears in accordance with the terms of the notes.

iii) Loan from related party

The consolidated entity has an unsecured loan from a related party of $22.1m (2012: $20.8m). The loan is held in US dollars and translated into Australian dollars monthly. The facility expires on 7 December 2017.

17 BORROWINGS / CONTINUED

b) Financing arrangements

	2013 $m	2012 $m
Total facilities		
Unsecured bank loans [1]	**1,410.0**	1,590.0
Domestic MTN	**200.0**	200.0
Loan from related party	**26.5**	25.0
	1,636.5	1,815.0
Used at end of the year		
Unsecured bank loans [1]	**1,022.1**	862.9
Domestic MTN	**200.0**	200.0
Loan from related party	**22.1**	20.8
	1,244.2	1,083.7
Unused at end of the year		
Unsecured bank loans [1]	**387.9**	727.1
Loan from related party	**4.4**	4.2
	392.3	731.3

1) Total bank loan facility relates to Mirvac, this facility is available to the consolidated entity and Mirvac Limited. The consolidated entity had drawn down $849.7m at 30 June 2013 (2012: $338.9m).

c) Fair value

	Carrying amount		Fair value	
	2013 $m	2012 $m	2013 $m	2012 $m
Included in consolidated statement of financial position				
Non-traded financial liabilities				
Bank loans	**849.7**	338.9	**849.7**	338.9
Domestic MTN	**200.0**	200.0	**200.0**	200.0
Loan from related party	**22.1**	20.8	**22.1**	20.8
	1,071.8	559.7	**1,071.8**	559.7

None of the classes above is readily traded on organised markets in standardised form.

i) Included in consolidated statement of financial position

The fair value for borrowings less than 12 months to maturity is deemed to equal the carrying amounts. All other borrowings are discounted if the effect of discounting is material. The fair value of borrowings is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for liabilities with similar risk profiles.

ii) Not included in consolidated statement of financial position

The Trust and certain controlled entities have potential financial liabilities which may arise from certain contingent liabilities disclosed in note 26. No material losses are anticipated in respect of any of those contingent liabilities and the fair value disclosed is the estimated amount which would be payable by the consolidated entity as consideration for the assumption of those contingent liabilities by another party.

d) Changes to financing arrangements

On 3 July 2013, the Group completed the extension and increase of its unsecured syndicated bank facility to $1,700.0m. The transaction is in line with the Group's stated debt strategy to increase its debt maturity profile and also addresses the Group's $350.0m facility expiring in January 2014.

The multicurrency revolving facility is made up of two to five year maturities and has extended the Group's weighted average debt maturity from 3.2 to 3.8 years. Details are as follows:

– two year facility of $680.0m;
– four year facility of $510.0m; and
– five year facility of $510.0m.

Eight of Mirvac's existing banks and one new bank have committed to the facility, providing a diversified group of nine major domestic and international banks. The financial covenants under the new facility remain unchanged.

18 PROVISIONS

	2013 $m	2012 $m
Distributions payable[1]	**164.9**	82.0
Balance 1 July	**82.0**	75.2
Interim and final distributions	**308.8**	287.0
Payments made	**(225.9)**	(280.2)
Balance 30 June	**164.9**	82.0

1) The amounts reported in the provision include distributions paid/payable to unitholders of the Trust.

19 DERIVATIVE FINANCIAL LIABILITIES

	2013 $m	2012 $m
Interest rate swap contracts – fair value	**—**	28.8

a) Instruments used by the consolidated entity
Refer to note 30 for information on instruments used by the consolidated entity.

b) Interest rate risk exposures
Refer to note 30 for the consolidated entity's exposure to interest rate risk on interest rate swaps.

20 CONTRIBUTED EQUITY

a) Paid up equity

	2013 Units m	2012 Units m	2013 $m	2012 $m
Mirvac Property Trust – ordinary units issued	**3,659.9**	3,412.0	**5,006.0**	5,110.8
Total contributed equity	**3,659.9**	3,412.0	**5,006.0**	5,110.8

b) Movements in paid up equity
Movements in paid up equity of MPT for the year ended 30 June 2013 were as follows:

	Issue date	Issue price $	Note	Number m	$m
Balance 1 July 2012				3,412.0	5,110.8
EEP stapled units issued	14 March 2013	1.64	20(c)	0.4	0.7
LTIP, LTP and EIS stapled units converted, sold or forfeited			20(c)	8.6	11.7
Acquisition of GE portfolio		1.69	20(d)	238.9	389.8
Less: transaction costs arising on issue of units				—	(7.0)
Recapitalisation	14 June 2013			—	(500.0)
Balance 30 June 2013				**3,659.9**	**5,006.0**
Balance 1 July 2011				3,409.3	5,105.5
EEP stapled units issued	22 March 2012	1.16	20(c)	1.3	1.3
LTIP, LTP and EIS stapled units converted, sold or forfeited			20(c)	1.4	4.0
Balance 30 June 2012				3,412.0	5,110.8

Ordinary units
All ordinary units were fully paid at 30 June 2013. Ordinary units entitle the holder to participate in distributions and the proceeds on winding up of the consolidated entity in proportion to the number of and amount paid on the units held. On a show of hands, every holder of ordinary units present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each unit is entitled to one vote.

c) LTIP, LTP, EIS and EEP issues

i) Current LTP
During the year, 23.3m (2012: 33.4m) performance rights and nil (2012: 0.3m) options were issued to participants under the plan. The number of issued rights and options are net of adjustments due to forfeiture of rights and options as a result of termination of employment. During the year $3.4m performance rights (2012: 0.1m) and no options (2012: nil) vested.

20 CONTRIBUTED EQUITY / CONTINUED

ii) EEP

At 30 June 2013, 5.4m (2012: 5.0m) stapled units have been issued to employees under the EEP.

iii) Superseded LTI and EIS plans

During the year, no securities were issued to employees of Mirvac Limited and its controlled entities under the superseded LTI plan and EIS (2012: nil). The total number of stapled securities issued to employees under the superseded LTI and EIS at 30 June 2013 was 5.1m (2012: 6.2m). The market price per ordinary stapled security at 30 June 2013 was $1.61 (2012: $1.28). Securities issued as part of the superseded LTI plan and EIS are not classified as ordinary securities, until such time as the vesting conditions are satisfied, employee loans are fully repaid or the employee leaves Mirvac.

d) Acquisition of GE portfolio

During the year, the consolidated entity completed an equity placement, comprising of 236.7m stapled units with a value of $386.2m under a fully underwritten institutional placement and 2.2m stapled units with a value of $3.7m under a retail placement, both at an offer price of $1.69 per stapled security.

e) Recapitalisation

On 14 June 2013, the consolidated entity made a capital distribution of $500.0m. The capital distribution was compulsorily applied by way of additional capital subscription in respect of existing shares in Mirvac Limited.

f) Reconciliation of units issued on the ASX

Under AAS, units issued under the Mirvac employee LTI plans are required to be accounted for as an option and are excluded from total issued equity, until such time as the relevant employee loans are fully repaid or the employee leaves the Group. Total ordinary units issued as detailed above are reconciled to units issued on the ASX as follows:

	2013 Units m	2012 Units m
Total ordinary units disclosed	**3,659.9**	3,412.0
Stapled units issued under LTI plan and EIS	**5.1**	6.2
Total units issued on the ASX	**3,665.0**	3,418.2

g) Capital risk management

Refer to note 30 for the consolidated entity's capital risk management.

21 RESERVES

a) Reserves

	2013 $m	2012 $m
Capital reserve	**(1.4)**	(1.4)
Foreign currency translation reserve	**2.0**	1.0
NCI reserve	**6.8**	6.8
	7.4	6.4

b) Movements in reserves

Capital reserve

There were no movements in the capital reserve during the year.

Foreign currency translation reserve	**2013 $m**	2012 $m
Balance 1 July	**1.0**	0.5
Increase in reserve due to translation of foreign operations	**1.0**	0.5
Balance 30 June	**2.0**	1.0

NCI reserve

There were no movements in the NCI reserve during the year.

c) Nature and purpose of reserves

i) Capital reserve

The capital reserve represents the cost of issuing the scrip for the purchase consideration of Mirvac Real Estate Investment Trust.

ii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations of the Trust are taken to the foreign currency fluctuation reserve, as described in note 1(e).

iii) NCI reserve

Transactions with NCI that do not result in a loss of control are accounted directly through equity. The NCI reserve is used to record the difference between the fair value of the NCI acquired or disposed and any consideration paid/received.

22 RETAINED EARNINGS

	2013 $m	2012 $m
Balance 1 July	**597.9**	344.8
Profit for the year attributable to the stapled unitholders of MPT	**457.9**	507.7
Transfer in from asset revaluation reserve	**—**	32.4
Distributions provided for or paid	**(308.8)**	(287.0)
Balance 30 June	**747.0**	597.9

23 DISTRIBUTIONS

Ordinary stapled units	2013 $m	2012 $m
Half yearly/Quarterly ordinary distributions paid as follows:		
2.00 cents per stapled unit paid on 28 October 2011	**—**	68.3
4.20 cents per stapled unit paid on 25 January 2013	**143.9**	—
2.00 cents per stapled unit paid on 27 January 2012	**—**	68.3
2.00 cents per stapled unit paid on 27 April 2012	**—**	68.4
4.50 cents per stapled unit paid on 26 July 2013	**164.9**	—
2.40 cents per stapled unit paid on 27 July 2012	**—**	82.0
Total distribution 8.70 cents (2012: 8.40 cents) per stapled unit	**308.8**	287.0

There was no distribution reinvestment plan in place for either year; all distributions were satisfied in cash.

24 INVESTMENTS IN ASSOCIATES

a) Associates accounted for using the equity method

Investments in associates are accounted for using the equity method of accounting. Information relating to associates is set out below:

Name of entity	Principal activities	Interest 2013 %	Interest 2012 %	2013 $m	2012 $m
Australian Sustainable Forestry Investors	Forestry and environmental asset management	**25.2**	25.2	**4.4**	4.4
Mirvac Industrial Trust [1]	Listed property trust investment	**14.1**	14.1	**—**	—
Tucker Box Hotel Group	Hotel investment	**49.0**	49.0	**119.6**	120.7
				124.0	125.1

1) The consolidated entity equity accounts for this investment as an associate even though it owns less than 20 per cent of the voting or potential voting power due to the fact that is has significant influence over this entity as the responsible entity is Mirvac Funds Management Limited, a related party of the Responsible Entity of the Trust.

b) Movements in carrying amounts and aggregate share

	Note	2013 $m	2012 $m
Movements in carrying amounts			
Balance 1 July		**125.1**	249.0
Transfers from other financial assets at fair value through profit or loss		**—**	4.3
Equity acquired		**—**	1.0
Discontinued operations sold		**—**	(130.7)
Distributions received		**(10.9)**	(15.5)
Share of profit from continuing operations	11	**9.8**	9.8
Share of loss from discontinued operations		**—**	(1.1)
Share of other comprehensive income of associate accounted for using the equity method		**—**	8.3
Balance 30 June		**124.0**	125.1

	2013 $m	2012 $m
MPT's aggregate share of associates' assets and liabilities		
Current assets	**8.5**	9.3
Non-current assets	**240.2**	240.5
Total assets	**248.7**	249.8
Current liabilities	**7.8**	6.9
Non-current liabilities	**102.6**	104.7
Total liabilities	**110.4**	111.6
Net assets	**138.3**	138.2

24 INVESTMENTS IN ASSOCIATES / CONTINUED

	Note	2013 $m	2012 $m
MPT's aggregate share of associates' revenues, expenses and results			
Revenues		**24.0**	25.3
Expenses		**(13.8)**	(16.6)
Profit before income tax		**10.2**	8.7
MPT's aggregate share of associates' expenditure commitments			
Capital commitments		**—**	—
Fair value of listed investments in associates			
Mirvac Industrial Trust		**8.1**	5.6

c) Investment in associates accounted for at fair value

Name of entity	Principal activities	Interest 2013 %	Interest 2012 %	2013 $m	2012 $m
JF Infrastructure Yield Fund	Infrastructure investment	**21.8**	21.8	**12.0**	12.1

25 INVESTMENTS IN JOINT VENTURES

a) Joint ventures accounted for using the equity method

Investments in joint ventures include those in corporations, partnerships and other entities and accounted for in the consolidated financial statements using the equity method of accounting. All joint ventures were established in Australia. Information relating to joint ventures is set out below:

Name of entity	Principal activities	Interest 2013 %	Interest 2012 %	2013 $m	2012 $m
Mirvac 8 Chifley Trust	Property investment	**50.0**	50.0	**42.1**	22.1
Mirvac (Old Treasury) Trust	Property investment	**50.0**	—	**35.1**	—
				77.2	22.1

b) Movements in carrying amounts and aggregate share

	Note	2013 $m	2012 $m
Movements in carrying amounts			
Balance 1 July		**22.1**	—
Distributions received		**(0.2)**	—
Transfer in from IPUC		**—**	7.4
Share of profit from ordinary operating activities	11	**1.0**	—
Equity acquired		**54.3**	14.7
Balance 30 June		**77.2**	22.1
MPT's aggregate share of joint ventures' assets and liabilities			
Current assets		**51.8**	2.3
Non-current assets		**170.9**	71.8
Total assets		**222.7**	74.1
Current liabilities		**0.4**	0.5
Non-current liabilities		**145.1**	51.5
Total liabilities		**145.5**	52.0
Net assets		**77.2**	22.1

	2013 $m	2012 $m
MPT's aggregate share of joint ventures' revenue, expenses and results		
Revenue	**1.0**	—
Expenses	**—**	—
Profit before income tax	**1.0**	—
MPT's aggregate share of joint ventures' expenditure commitments		
Capital commitments	**100.7**	80.8

26 CONTINGENT LIABILITIES

The consolidated entity had contingent liabilities at 30 June 2013 in respect of the following:

	2013 $m	2012 $m
Bank guarantees and performance bonds issued by external parties in respect of certain performance obligations granted in the normal course of business.	**—**	0.1
Claims for damages in respect of injury sustained due to health and safety issues have been made during the year. The potential effect of these claims indicated by legal advice is that if the claims were to be successful against the consolidated entity, they would result in a liability.	**1.2**	3.6

As part of the ordinary course of business of the consolidated entity, disputes can arise with suppliers, customers and other third parties. Where there is a present obligation, a liability is recognised. Where there is a possible obligation, which will only be determined by a future event and it is considered probable that a liability will arise, they are disclosed as a contingent liability. Where the possible obligation is remote, no disclosure is given. The consolidated entity does not provide details of these as to do so may prejudice the consolidated entity's position.

27 COMMITMENTS

Capital commitments	**2013 $m**	2012 $m
Investment properties and other commitments		
Not later than one year	**70.7**	69.1
Later than one year but not later than five years	**28.1**	15.4
Later than five years	**—**	—
	98.8	84.5

28 KMP

a) Determination of KMP

KMP are those people with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Mirvac has previously considered all members of the Executive Leadership Team ("ELT") to be KMP. However, during the year ended 30 June 2013 the composition of ELT expanded significantly to include new business heads, as well as heads of support functions. Under the expanded structure, the new ELT members who head business functions are considered KMP, while the heads of support functions are not considered to be KMP.

For Mirvac, the KMP are therefore:
– the Managing Director, Finance Director and members of the ELT who head a business ("Senior Executives"); and
– Non-Executive Directors.

For the year ended 30 June 2013, the Senior Executives were:

Senior Executives	Position	Term as KMP
Susan Lloyd-Hurwitz	CEO & Managing Director (appointed 5 November 2012)	Part year
Andrew Butler	Chief Executive Officer, Investment	Full year
Brett Draffen	Chief Executive Officer, Development and Group Strategy	Full year
Gregory Dyer [1]	Finance Director (appointed 4 September 2012)	Part year
Gary Flowers [2]	Chief Operating Officer (until 21 January 2013)	Full year
	Group Executive, Business Initiatives (from 22 January 2013)	
Jonathan Hannam	Group Executive, Capital (appointed 9 January 2013)	Part year
Bevan Towning [3]	Chief Executive Officer, Capital Partnerships (from 9 July 2012)	Part year
Former Executives		
Nicholas Collishaw	CEO & Managing Director (ceased employment on 31 October 2012)	Part year
Justin Mitchell	Chief Financial Officer (ceased employment on 1 October 2012)	Part year

1) Ceasing employment with Mirvac on 5 September 2013.
2) Ceasing employment with Mirvac on 1 October 2013.
3) Ceasing employment with Mirvac on 20 September 2013.

b) KMP compensation excluding Non-Executive Directors' compensation

KMP are employed by Mirvac Projects Pty Limited. Payments made from the consolidated entity to Mirvac Funds Limited do not include any amounts directly attributable to the compensation of KMP.

c) KMP compensation	**2013 $m**	2012 $m
Short term employment benefits	**13.1**	11.7
Post-employment benefits	**0.2**	0.2
Security based payments	**0.8**	1.7
Termination benefits	**1.9**	—
Other long term benefits	**0.1**	0.1
	16.1	13.7

28 KMP / CONTINUED

d) Equity instrument disclosures relating to KMP

i) Security holdings

The number of ordinary securities in Mirvac held during the year by each Director and other KMP, including their personally-related parties, is set out below. There were no securities granted during the year as compensation.

	Balance 1 July	Securities issued under EEP	Other changes [1]	**Balance 30 June**
2013				
Directors				
James MacKenzie	129,914	—	8,875	**138,789**
Marina Darling	—	—	38,875	**38,875**
Peter Hawkins	596,117	—	—	**596,117**
James Millar AM	40,714	—	—	**40,714**
John Mulcahy	25,000	—	—	**25,000**
John Peters	—	—	30,000	**30,000**
Elana Rubin	10,000	—	15,917	**25,917**
Former Director				
Nicholas Collishaw	2,036,512	—	(2,036,512)	**—**
Other KMP				
Andrew Butler	139,796	—	—	**139,796**
Brett Draffen	272,781	—	200,825	**473,606**
Gary Flowers	—	—	99,300	**99,300**
Other Former KMP				
Justin Mitchell	153,929	—	(153,929)	**—**
2012				
Directors				
James MacKenzie	129,914	—	—	129,914
Nicholas Collishaw	2,036,512	—	—	2,036,512
Peter Hawkins	596,117	—	—	596,117
James Millar AM	40,714	—	—	40,714
Penny Morris	241,136	—	(241,136)	—
John Mulcahy	25,000	—	—	25,000
Elana Rubin	10,000	—	—	10,000
Other KMP				
Andrew Butler	139,796	—	—	139,796
Brett Draffen	272,781	—	—	272,781
Justin Mitchell	153,929	—	—	153,929

1) Other changes include additions/disposals resulting from first or final disclosure of a KMP and other changes to options and performance rights.

ii) Options

The number of options over ordinary securities in Mirvac held during the year by each Director and other KMP, including their personally-related parties, is set out below:

	Balance 1 July	Options issued under LTP	Other changes [1]	**Balance 30 June**	Unvested
2013					
Former Director					
Nicholas Collishaw	103,310	—	(103,310)	**—**	—
Other KMP					
Brett Draffen	64,570	—	(64,570)	**—**	—
Other former KMP					
Justin Mitchell	34,437	—	(34,437)	**—**	—
2012					
Director					
Nicholas Collishaw	2,026,410	—	(1,923,100)	103,310	—
Other KMP					
Andrew Butler	—	—	—	—	—
Brett Draffen	603,070	—	(538,500)	64,570	—
Gary Flowers	192,300	—	(192,300)	—	—
Justin Mitchell	367,737	—	(333,300)	34,437	—

1) Other changes include additions/disposals resulting from first or final disclosure of a KMP and other changes to security holdings, options and performance rights.

28 KMP / CONTINUED

iii) Performance rights

The number of performance rights in Mirvac held during the year by each Director and other KMP, including their personally-related parties, is set out below:

	Balance 1 July	Rights issued under LTP	Other changes [1]	**Balance 30 June**
2013				
Director				
Susan Lloyd-Hurwitz	—	1,137,300	—	**1,137,300**
Former Director				
Nicholas Collishaw	5,807,100	—	(5,807,100)	**—**
Other KMP				
Andrew Butler	98,834	—	—	**98,834**
Brett Draffen	1,547,547	489,800	(499,000)	**1,538,347**
Gregory Dyer	—	446,000	—	**446,000**
Gary Flowers	1,008,190	374,067	(264,800)	**1,117,457**
Jonathan Hannam	—	198,407	—	**198,407**
Bevan Towning	—	454,921	—	**454,921**
Other Former KMP				
Justin Mitchell	452,029	—	(452,029)	**—**
2012				
Director				
Nicholas Collishaw	5,272,800	1,403,900	(869,600)	5,807,100
Other KMP				
Andrew Butler	160,700	10,334	(72,200)	98,834
Brett Draffen	1,194,700	596,347	(243,500)	1,547,547
Gary Flowers	732,200	362,990	(87,000)	1,008,190
Justin Mitchell	514,300	88,429	(150,700)	452,029

1) Other changes include additions/disposals resulting from first or final disclosure of a KMP and other changes to security holdings, options and performance rights.

e) Loans to Directors and other KMP

The consolidated entity has not made, guaranteed or secured, directly or indirectly, any loans to the KMP or their personally-related parties at any time during the year.

f) Other transactions with KMP

There are a number of transactions between KMP and the consolidated entity. The terms and conditions of these transactions are considered to be no more favourable than in similar transactions on an arm's length basis. On occasions, Directors and other KMP may purchase goods and services from Mirvac. These purchases are on terms and conditions available to Mirvac employees generally. As set out in the Directors' report, a number of the Directors of Mirvac are also Directors of other companies. On occasions, the Group may purchase goods and services from or supply goods and services to these entities. These transactions are undertaken on normal commercial terms and conditions and the Director or other KMP does not directly influence these transactions.

29 RELATED PARTIES

a) Controlled entities

Interests in controlled entities are set out in note 31.

b) The 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, incorporated in New South Wales and its ultimate parent entity is Mirvac Limited, incorporated in New South Wales.

c) KMP

Disclosures relating to KMP are set out in note 28.

d) Responsible Entity's fees

As outlined in the Explanatory Memorandum dated 4 May 1999, as part of the merger of Mirvac, Mirvac Funds Limited reduced its Responsible Entity fees to a recovery of cost basis. Fees charged by Mirvac Funds Limited for the year to 30 June 2013 were \$6.1m (2012: \$5.8m) in accordance with the terms contained in the merger proposal in 1999.

29 RELATED PARTIES / CONTINUED

e) Transactions with related parties

The following transactions occurred with related parties:

	2013 $'000	2012 $'000
Revenue from continuing operations and other income		
Investment properties rental revenue from entities related to Responsible Entity	**7,431**	10,738
Interest received from entities related to Responsible Entity	**29,597**	47,835
Expenses		
Fees paid to Responsible Entity	**6,135**	5,799
Interest paid to entities related to Responsible Entity	**69**	425
Property management fee expense paid to entity related to Responsibility Entity	**11,001**	10,792
Other expenses paid to entities related to Responsible Entity	**1,760**	1,760
Capital expenditure paid/payable to entities related to Responsible Entity	**38,222**	2,734
Recapitalisation	**500,000**	—

f) Outstanding balances in relation to transactions with related parties

The following balances are outstanding at the end of the year in relation to transactions with related parties:

	2013 $'000	2012 $'000
Non-current receivables		
Loans to entities related to Responsible Entity	**350,000**	500,000
Current payables		
Amounts due to entities related to Responsible Entity	**61,826**	36,811
Non-current borrowings		
Loan from related party	**22,102**	20,803

g) Terms and conditions

Transactions relating to distributions are on the same terms and conditions that applied to other unitholders.

Other transactions were made on normal commercial terms and conditions with variable terms for the repayment and interest payable and receivable at market rates on the loans between the parties.

30 FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The consolidated entity's overall risk management program seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses various derivative financial instruments to manage certain risk exposures, specifically in relation to interest rate and foreign exchange risks on borrowings. Derivatives are exclusively used for hedging purposes and are not held for trading or speculative purposes. Financial risk management is carried out by a central treasury department ("Mirvac Group Treasury") under policies approved by the Board. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity. Mirvac Group Treasury identifies, evaluates, reports and manages financial risks in close cooperation with the consolidated entity's operating units in accordance with Board policy.

The consolidated entity holds the following financial instruments:

	Note	2013 $m	2012 $m
Financial assets			
Cash and cash equivalents	33(a)	**5.2**	—
Receivables	8	**380.5**	529.8
Other financial assets at fair value through profit or loss	9	**12.0**	12.1
Derivative financial assets	12	**10.9**	—
Other financial assets	13	**145.1**	51.5
		553.7	593.4
Financial liabilities			
Payables	16	**120.4**	94.0
Borrowings	17	**1,071.8**	559.7
Derivative financial liabilities	19	**—**	28.8
		1,192.2	682.5

The carrying values of trade receivables (less impairment provision) and payables are assumed to approximate their fair values due to their short term nature. Derivative financial assets and liabilities are valued based upon valuation techniques.

30 FINANCIAL RISK MANAGEMENT / CONTINUED

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial asset or financial liability will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and price risk.

i) Currency risk

Foreign exchange risk refers to the change in value between foreign currencies and the Australian dollar. This change affects the assets and liabilities of the consolidated entity which are denominated in currencies other than Australian dollars. The consolidated entity foreign exchange risks arise mainly from:

– borrowings denominated in currencies other than Australian dollars which are predominantly US dollars;

– investments in offshore operations which are located in the United States; and

– receipts and payments which are denominated in other currencies.

The consolidated entity manages its foreign exchange risk for its assets and liabilities denominated in other currencies by borrowing in the same currency as that in which the offshore business operates to form a natural hedge against the movement in exchange rates. Translation gains or losses on the net investment in foreign operations are recorded through the foreign currency translation reserve.

Sensitivity analysis

Based upon current exposures, there is no material foreign exchange sensitivity in the consolidated entity.

ii) Interest rate risk

The consolidated entity's interest rate risk arises from long term borrowings, cash and cash equivalents, receivables and derivatives.

Borrowings

Borrowings issued at variable rates expose the consolidated entity to cash flow interest rate risk. Borrowings issued at fixed rates expose the consolidated entity to fair value interest rate risk. The consolidated entity's policy is to have no more than 100% of borrowings subject to fixed interest rates. This policy was complied with at the end of the year. The consolidated entity manages its cash flow interest rate risk by using interest rate derivatives. Such interest rate derivatives have the economic effect of converting borrowings from floating rates to fixed or capped rates. Under the interest rate derivatives, the consolidated entity agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The following table sets out the consolidated entity's net exposure to interest rate risk by maturity periods. Exposures arise predominantly from liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate liabilities to maturity.

		Fixed interest maturing in						
	Floating interest rate $m	1 year or less $m	Over 1 to 2 year(s) $m	Over 2 to 3 years $m	Over 3 to 4 years $m	Over 4 to 5 years $m	Over 5 years $m	**Total $m**
2013								
Loan from related party	22.1	—	—	—	—	—	—	**22.1**
Bank loans	849.7	—	—	—	—	—	—	**849.7**
Domestic MTN	—	—	200.0	—	—	—	—	**200.0**
Interest rate swaps [1]	150.0	—	(150.0)	—	—	—	—	**—**
Total	**1,021.8**	**—**	**50.0**	**—**	**—**	**—**	**—**	**1,071.8**
2012								
Loan from related party	20.8	—	—	—	—	—	—	20.8
Bank loans	338.9	—	—	—	—	—	—	338.9
Domestic MTN	—	—	—	200.0	—	—	—	200.0
Interest rate swaps [1]	(313.8)	—	—	(47.9)	—	280.0	81.7	—
Total	45.9	—	—	152.1	—	280.0	81.7	559.7

1) Notional principal amounts.

30 FINANCIAL RISK MANAGEMENT / CONTINUED

Derivative instruments used by the consolidated entity

The consolidated entity has at times entered into interest rate derivatives to convert fixed rates to floating interest rates to give the consolidated entity the flexibility to use existing derivative positions and maintain fixed rate exposures within the target range.

The consolidated entity enters into a variety of bought and/or sold option agreements which allows rates to float between certain ranges and agreements which allow the relevant bank to cancel options if certain conditions arise, the benefit of which is lower fixed rates. The rates will revert to no worse than the floating rate payable as if no derivatives were entered into. These derivatives are recorded on the consolidated statement of financial position at fair value in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. Floating to fixed derivatives currently in place do not cover any (2012: 86 per cent) of the loan principal outstanding. There are no floating to fixed interest rate swap derivatives in place as at 30 June 2013. As at 30 June 2012, interest rates ranged between 5.17 per cent and 6.12 per cent per annum. At 30 June 2013, the notional principal amounts, interest rates and periods of expiry of the interest rate swap contracts held by the consolidated entity were as follows:

	Floating to fixed				Fixed to floating			
	2013 Interest rates % pa	**2013 $m**	2012 Interest rates % pa	2012 $m	**2013 Interest rates % pa**	**2013 $m**	2012 Interest rates % pa	2012 $m
1 year or less	—	—	—	—	—	—	—	—
Over 1 to 2 year(s)	—	—	—	—	**8.25**	**150.0**	—	—
Over 2 to 3 years	—	—	5.17	102.1	—	—	8.25	150.0
Over 3 to 4 years	—	—	—	—	—	—	—	—
Over 4 to 5 years	—	—	5.67-6.12	280.0	—	—	—	—
Over 5 years	—	—	5.17	81.7	—	—	—	—
		—		463.8		**150.0**		150.0

The contracts require settlement of net interest receivable or payable each reset date (generally 90 days). The settlement dates generally coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

Cash and cash equivalents

Cash held exposes the consolidated entity to cash flow interest rate risk.

Receivables

The consolidated entity's exposure to interest rate risk for current and non-current receivables is set out in the following tables:

			Fixed interest maturing in							
	Note	Floating interest rate $m	1 year or less $m	Over 1 to 2 year(s) $m	Over 2 to 3 years $m	Over 3 to 4 years $m	Over 4 to 5 years $m	Over 5 years $m	Non-interest bearing	**Total $m**
2013										
Trade receivables	8	—	—	—	—	—	—	—	**2.0**	**2.0**
Related party receivables	8	**350.0**	—	—	—	—	—	—	—	**350.0**
Other receivables	8	—	**3.0**	**2.5**	—	—	—	—	**23.0**	**28.5**
		350.0	**3.0**	**2.5**	—	—	—	—	**25.0**	**380.5**
2012										
Trade receivables	8	—	—	—	—	—	—	—	0.9	0.9
Related party receivables	8	500.0	—	—	—	—	—	—	—	500.0
Other receivables	8	—	2.8	2.9	2.5	—	—	—	20.7	28.9
		500.0	2.8	2.9	2.5	—	—	—	21.6	529.8

Sensitivity analysis

The consolidated entity's interest rate risk exposure arises from long term borrowings, cash held with financial institutions and receivables. Based upon a 50 (2012: 50) basis point increase or decrease in Australian interest rates, the impact on profit after tax has been calculated taking into account all underlying exposures and related derivatives. This sensitivity has been selected as this is considered reasonable given the current level of both short term and long term interest rates.

The impact on the consolidated entity's result of a 50 (2012: 50) basis point increase in interest rates would be an increase in profit of $7.2m (2012: increase of $5.0m). The impact on the consolidated entity's result of a 50 (2012: 50) basis point decrease in interest rates would be a decrease in profit of $7.0m (2012: decrease of $6.1m). The impact on the consolidated entity of a movement in US dollar interest rates would not be material to profit of the consolidated entity.

The interest rate sensitivities of the consolidated entity vary on an increase/decrease 50 basis point movement in interest rates due to the interest rate optionality of a small number of derivatives.

30 FINANCIAL RISK MANAGEMENT / CONTINUED

iii) Price risk

The consolidated entity is exposed to equity price risk arising from an equity investment (refer to note 9). The equity investment is held for the purpose of selling in the near term. As this investment is not listed, the fund manager provides a unit price each six months. At the end of the reporting period, if the unit prices had been five (2012: five per cent) per cent higher or lower, the effect on net profit for the year would have been $0.6m (2012: $0.6m). This investment represents less than one per cent of the consolidated entity's net assets and therefore represents minimal risk to the consolidated entity.

b) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and will cause a financial loss. The consolidated entity has exposures to credit risk on cash and cash equivalents, receivables and derivative financial assets; the maximum exposure to credit risk is based on the total value of the consolidated entity's financial assets, net of any provisions for impairment, as shown in note 8. To help manage this risk, the consolidated entity has a policy for establishing credit limits for the entities dealt with which is based on the size or previous trading experience of the entity. Based upon the size or previous trading experience, the consolidated entity may require collateral, such as bank guarantees, lease or security deposits in relation to investment properties.

The consolidated entity may also be subject to credit risk for transactions which are not included in the consolidated statement of financial position, such as when the consolidated entity provides a guarantee for another party. Details of the consolidated entity's contingent liabilities are disclosed in note 26. The credit risk arising from derivatives transactions and cash held with financial institutions exposes the consolidated entity if the contracting entity is unable to complete its obligations under the contracts. The consolidated entity's policy is to spread the amount of net credit exposure among major financial institutions which are rated the equivalent of A or above from the major rating agencies. The consolidated entity's net exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties. Refer to note 8 for the management of credit risk relating to receivables.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, the ability to close out market positions, and the ability to raise funds through the issue of new units through various means including placements and/or the consolidated entity's DRP. Mirvac prepares and updates regular forecasts of the consolidated entity's liquidity requirements to ensure that committed credit lines are kept available in order to take advantage of growth opportunities. Surplus funds are generally only invested in highly liquid instruments. The Trust's financial liabilities are largely inter-trust loan balances with entities within the consolidated entity; as such, these balances do not pose any liquidity risk to Mirvac.

At 30 June 2013, the consolidated entity has minimal liquidity risk due to there being only $114.7m of current borrowings (2012: nil) and access to undrawn facilities of $387.9m (2012: $727.1m).

d) Capital risk

The consolidated entity's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide returns to unitholders and meet its strategic objectives without increasing its overall risk profile. In assessing the optimal capital structure, the Group seeks to maintain an investment grade credit rating of BBB to reduce the cost of capital and diversify its sources of debt capital.

The consolidated entity's capital structure is monitored at the Group level. At 30 June 2013, the gearing ratio (net debt including cross currency swaps to total tangible assets less cash) was 23.6 per cent (2012: 22.7 per cent). The Group's target gearing ratio is 20 to 30 per cent. This may be exceeded in order to take advantage of appropriate opportunities, such as acquisitions as they arise. To manage the Group's gearing ratio, a number of mechanisms are available. These may include adjusting the amount of distributions paid to unitholders, adjusting the number of units on issue (via buy-backs), or the disposal of assets.

Mirvac prepares quarterly consolidated statements of financial position, statements of comprehensive income and cash flow updates for the current year and five year forecasts. These forecasts are used to monitor the Group's capital structure and future capital requirements, taking into account future market conditions.

Mirvac complied with all its borrowing covenant ratios at 30 June 2013. The Group's gearing ratios were as follows:

	2013 $m	2012 $m
Net interest bearing debt less cash [1]	**2,133.6**	1,873.5
Total tangible assets less cash	**9,054.3**	8,267.6
Gearing ratio (%)	**23.6**	22.7

1) US dollar denominated borrowings translated at cross currency instrument rate excluding leases.

30 FINANCIAL RISK MANAGEMENT / CONTINUED

e) Fair value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

– quoted prices (unadjusted) in active markets for identical assets or liabilities (level one);
– inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level two); and
– inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level three).

The following table presents the consolidated entity's assets and liabilities measured and recognised at fair value at 30 June 2013 and 30 June 2012:

	Note	Level one $m	Level two $m	Level three $m	**Total $m**
2013					
Assets					
Other financial assets at fair value through profit or loss					
– unlisted units	9	—	—	12.0	**12.0**
Other financial assets	13	—	—	145.1	**145.1**
Derivatives used for hedging	12	—	10.9	—	**10.9**
		—	**10.9**	**157.1**	**168.0**
2012					
Assets					
Other financial assets at fair value through profit or loss					
– unlisted units	9	—	—	12.1	12.1
Other financial assets	13	—	—	51.5	51.5
		—	—	63.6	63.6
Liabilities					
Derivatives used for hedging	19	—	28.8	—	28.8
		—	28.8	—	28.8

The following table presents the movements in level three instruments held by the consolidated entity:

	Note	**2013 $m**	2012 $m
Balance 1 July		**63.6**	19.2
Transfer to investments in associate accounted for using the equity method	9	**—**	(4.3)
Capital distribution received	9	**(0.1)**	(1.7)
Loss on revaluation	9	**—**	(1.1)
Acquisitions	13	**93.6**	51.5
Balance 30 June		**157.1**	63.6

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and available-for-sale securities) is based on quoted market prices at the end of the year. The quoted market price used for financial assets held by the consolidated entity is the current bid price. These instruments are included in level one. The fair value of financial instruments that are not traded in active markets (for example, over-the-counter derivatives) is determined using valuation techniques.

The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long term debt for disclosure purposes. Other techniques, such as estimated DCF, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level three. The consolidated entity's maturity of net and gross settled derivative financial instruments is provided in the following table. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 FINANCIAL RISK MANAGEMENT / CONTINUED

	Maturing in						
	1 year or less $m	Over 1 to 2 year(s) $m	Over 2 to 3 years $m	Over 3 to 4 years $m	Over 4 to 5 years $m	Over 5 years $m	**Total $m**
2013							
Non-interest bearing							
Payables	120.4	—	—	—	—	—	**120.4**
Interest bearing							
Loan from related party	0.1	0.1	0.3	0.5	22.4	—	**23.4**
Bank loans	135.0	304.6	461.9	—	—	—	**901.5**
Domestic MTN	14.3	216.5	—	—	—	—	**230.8**
Derivatives							
Net settled (interest rate swaps)	—	—	—	—	—	—	**—**
Fixed to floating swaps	(6.3)	(8.0)	—	—	—	—	**(14.3)**
	263.5	**513.2**	**462.2**	**0.5**	**22.4**	**—**	**1,261.8**
2012							
Non-interest bearing							
Payables	94.0	—	—	—	—	—	94.0
Interest bearing							
Loan from related party	0.1	0.1	0.1	0.2	0.3	21.0	21.8
Bank loans	11.8	65.6	11.2	294.0	—	—	382.6
Domestic MTN	14.3	16.5	216.5	—	—	—	247.3
Derivatives							
Net settled (interest rate swaps)	11.2	11.8	10.2	8.9	3.5	(2.4)	43.2
Fixed to floating swaps	(4.8)	(7.5)	(7.2)	—	—	—	(19.5)
	126.6	86.5	230.8	303.1	3.8	18.6	769.4

31 INTERESTS IN CONTROLLED ENTITIES OF MPT

Name of entity	Country of establishment /incorporation	Class of units/shares	Equity holding [1] **2013 %**	2012 %
10-20 Bond Street Trust	Australia	Units	**100**	100
1900-2000 Pratt Inc.	USA	Ordinary	**100**	100
197 Salmon Street Trust	Australia	Units	**100**	100
275 Kent Street Holding Trust [2]	Australia	Units	**100**	—
380 St Kilda Road Trust	Australia	Units	**100**	100
Bedford Park Office Trust [3]	Australia	Units	**—**	100
Cannon Hill Office Trust	Australia	Units	**100**	100
Chifley Holding Trust [2]	Australia	Units	**100**	—
Davey Financial Management Birkdale Fair Trust [3]	Australia	Units	**—**	100
Davey Financial Management Pender Place Shopping Centre Trust [3]	Australia	Units	**—**	100
George Street Holding Trust [2]	Australia	Units	**100**	—
James Fielding Retail Property Sub Trust [3]	Australia	Units	**—**	100
James Fielding Trust	Australia	Units	**100**	100
JF Infrastructure – Sustainable Equity Fund	Australia	Units	**100**	100
JF Property Trust	Australia	Units	**100**	100
JFIF New South Wales Trust [3]	Australia	Units	**—**	100
JFIF Victorian Trust	Australia	Units	**100**	100
JFM Hotel Trust	Australia	Units	**100**	100
Lanyon Marketplace Trust [3]	Australia	Units	**—**	100
Meridian Investment Trust No. 1	Australia	Units	**100**	100
Meridian Investment Trust No. 2	Australia	Units	**100**	100
Meridian Investment Trust No. 3	Australia	Units	**100**	100
Meridian Investment Trust No. 4	Australia	Units	**100**	100
Meridian Investment Trust No. 5	Australia	Units	**100**	100
Meridian Investment Trust No. 6	Australia	Units	**100**	100
Mirvac 210 George Street Trust [2]	Australia	Units	**100**	—
Mirvac 220 George Street Trust [2]	Australia	Units	**100**	—
Mirvac 90 Collins Street Trust [2]	Australia	Units	**100**	—
Mirvac Allendale Square Trust [2]	Australia	Units	**100**	—
Mirvac Broadway Sub-Trust	Australia	Units	**100**	100

31 INTERESTS IN CONTROLLED ENTITIES OF MPT / CONTINUED

Name of entity	Country of establishment /incorporation	Class of units/shares	Equity holding [1] 2013 %	Equity holding [1] 2012 %
Mirvac Commercial No.1 Sub-Trust	Australia	Units	**100**	100
Mirvac Commercial No.3 Sub-Trust [2]	Australia	Units	**100**	—
Mirvac Commercial Trust	Australia	Units	**100**	100
Mirvac Funds Finance Pty Limited	Australia	Ordinary	**100**	100
Mirvac Funds Loan Note Pty Limited	Australia	Ordinary	**100**	100
Mirvac Glasshouse Sub-Trust	Australia	Units	**100**	100
Mirvac Group Funding No.2 Limited	Australia	Ordinary	**100**	100
Mirvac Group Funding No.3 Pty Limited	Australia	Ordinary	**100**	100
Mirvac Industrial Fund	Australia	Units	**100**	100
Mirvac Lake Haven Sub-Trust [3]	Australia	Units	**—**	100
Mirvac Office Trust	Australia	Units	**100**	100
Mirvac Pitt Trust [2]	Australia	Units	**100**	—
Mirvac Property Trust No.2	Australia	Units	**100**	100
Mirvac Real Estate Investment Trust	Australia	Units	**100**	100
Mirvac Retail Fund [3]	Australia	Units	**—**	100
Mirvac Retail Head Trust	Australia	Units	**100**	100
Mirvac Retail Sub-Trust No.1	Australia	Units	**100**	100
Mirvac Rhodes Sub-Trust	Australia	Units	**100**	100
Mirvac Wholesale Office Platform Trust [2]	Australia	Units	**100**	—
Mt Sheridan Plaza Trust [3]	Australia	Units	**—**	100
North Ryde Office Trust	Australia	Units	**100**	100
Old Wallgrove Road Trust	Australia	Units	**100**	100
Old Treasury Holding Trust [2]	Australia	Units	**100**	—
Peninsula Homemaker Centre Trust [3]	Australia	Units	**—**	100
Pennant Hills Office Trust	Australia	Units	**100**	100
Property Performance Fund No. 3	Australia	Units	**100**	100
Property Performance Fund No. 4	Australia	Units	**100**	100
Property Performance Fund No. 5	Australia	Units	**100**	100
Springfield Regional Shopping Centre Trust	Australia	Units	**100**	100
The George Street Trust	Australia	Units	**100**	100
The Mulgrave Trust	Australia	Units	**100**	100
Uni No.1 Office Trust [3]	Australia	Units	**—**	100
WOT CMBS Pty Ltd	Australia	Ordinary	**100**	100
WOT Holding Trust	Australia	Units	**100**	100
WOT Loan Note Pty Ltd	Australia	Ordinary	**100**	100
WOW Office Trust	Australia	Units	**100**	100

1) The proportion of ownership is equal to the proportion of voting power held.
2) This trust was established during the year.
3) This trust was wound up and unit holding was redeemed during the year.

32 REMUNERATION OF AUDITORS

During the year, the following fees were paid or payable for services provided by the auditor of the consolidated entity, its related practices and non-related audit firms:

	2013 $000	2012 $000
a) Assurance services		
Audit services		
Audit and review of financial reports	**521.4**	538.0
Compliance services and regulatory returns	**171.6**	158.0
Total remuneration for assurance services	**693.0**	696.0
b) Taxation services		
Tax advice and compliance services	**58.8**	208.9
Total remuneration for taxation services	**58.8**	208.9

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	2013 $m	2012 $m
a) Reconciliation of cash		
Cash at the end of the year as shown in the consolidated statement of cash flows is the same as consolidated statement of financial position, the detail of which follows:		
Cash at bank and on hand	**5.2**	—
Cash and cash equivalents	**5.2**	—

b) Reconciliation of profit attributable to the stapled unitholders of MPT to net cash inflows from operating activities

	Note	2013 $m	2012 $m
Profit attributable to the stapled unitholders of MPT		**457.9**	507.7
Net gain on fair value of investment properties	14	**(55.3)**	(164.2)
Net loss on fair value of IPUC	14	**5.3**	2.3
Amortisation expenses	5	**21.6**	24.3
Non-cash lease incentives		**(19.9)**	(18.7)
Loss on financial instruments	4	**1.2**	36.8
Foreign exchange loss		**1.3**	0.7
Net loss/(gain) on sale of non-aligned assets		**2.6**	(1.8)
Net loss on sale of discontinued operations		**—**	7.3
Share of net gain of associates and joint ventures not received as distributions		**(10.4)**	(8.6)
Decrease in receivables		**5.1**	22.2
Increase)/decrease in other assets		**(0.2)**	3.2
Increase/(decrease) in payables		**5.9**	(8.0)
Net cash inflows from operating activities		**415.1**	403.2

34 EVENTS OCCURRING AFTER THE END OF THE YEAR

On 3 July 2013, the Group completed the extension and increase of its unsecured syndicated bank facility. Refer to note 17 for further details.

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

35 PARENT ENTITY FINANCIAL INFORMATION

a) Summary of financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	Note	2013 $m	2012 $m
Statement of financial position			
Current assets		**598.4**	573.0
Total assets		**7,043.9**	6,686.0
Current liabilities		**269.6**	167.4
Total liabilities		**1,319.4**	1,131.1
Equity			
Contributed equity	20(a)	**5,006.0**	5,110.8
Reserves		**7.6**	7.6
Retained earnings		**710.9**	436.5
		5,724.5	5,554.9
Profit for the year		**583.2**	449.4
Total comprehensive income		**583.2**	449.4

b) Guarantees entered into by the parent entity

A controlled entity is a joint borrower under the unsecured borrowings facility agreement. MPT and a number of its controlled entities along with Mirvac Limited and a number of its subsidiaries are party to a guarantee deed poll in which all those companies agree to guarantee the joint borrowers under the facility.

The controlled entity did not provide any other guarantees at 30 June 2013 or 30 June 2012.

c) Contingent liabilities of the parent entity

The parent entity did not have any other contingent liabilities other than the item referred to in note 35(b) at 30 June 2013 or 30 June 2012.

d) Contractual commitments for the acquisition of property, plant and equipment

As at 30 June 2013, the parent entity had no contractual commitments for the acquisition of investment property (2012: nil).

DIRECTORS' DECLARATION

In the Directors' opinion:

a) the financial statements and notes set out on pages 06 to 46 are in accordance with the *Corporations Act 2001*, including:
   i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Note 1(b) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the IASB.

The Directors have been given the declarations by the CEO & Managing Director and the Group Financial Controller required by section 295A of the *Corporations Act 2001*.

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

Susan Lloyd-Hurwitz

Susan Lloyd-Hurwitz
Director

Sydney
23 August 2013

INDEPENDENT AUDITOR'S REPORT

to the unitholders of Mirvac Property Trust

pwc

Report on the financial report

We have audited the accompanying financial report of Mirvac Property Trust (the Trust), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Mirvac Property Trust Group (the consolidated entity). The consolidated entity comprises the Trust and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of Mirvac Funds Limited as responsible entity for Mirvac Property Trust are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the 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.

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

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
DX 77 Sydney, Australia
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au

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

Auditor's opinion
In our opinion:

a) the financial report of Mirvac Property Trust is in accordance with the *Corporations Act 2001*, including:
i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
b) the financial report and notes also comply with *International Financial Reporting Standards* as disclosed in note 1.

PricewaterhouseCoopers

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
23 August 2013

Registered office/Principal office
Mirvac Group (comprising Mirvac Limited and
Mirvac Funds Limited as responsible entity of Mirvac Property Trust)

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Securities exchange listing
Mirvac Group is listed on the
Australian Securities Exchange (ASX code: MGR)

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James MacKenzie (Chairman)
Susan Lloyd-Hurwitz (CEO & Managing Director)
Marina Darling
Peter Hawkins
James Millar AM
John Mulcahy
John Peters
Elana Rubin

Company Secretary
Natalie Allen

Stapled security registry
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Sydney NSW 2000

Securityholder enquiries
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outside Australia + 61 2 8280 7107 (outside Australia)

www.linkmarketservices.com.au

Correspondence should be sent to:
Mirvac Group
C/- Link Market Services Limited
Locked Bag 14
Sydney South NSW 1235

Further investor information can be located in the Investor Information tab on Mirvac's website at www.mirvac.com.

Auditor
PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

AGM
Mirvac's 2013 AGM will be held at 10.00 am (Australian Eastern Daylight Time) on Thursday, 14 November 2013, in the RACV Club, Level 17, 501 Bourke Street, Melbourne VIC.

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Electronic version of Annual Report
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