Appendix 4E

Preliminary Final Report - Year ended 30 June 2009

Name of entity:	**MIRVAC REAL ESTATE INVESTMENT TRUST**

ARSN:	089 535 526

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		Up/Down	A$'000
2.1	Revenues from ordinary activities	Down 3.1%	106,894
2.2	Profit from ordinary activities after tax attributable to members^	Down 3,815.2%	(251,188)
2.3	Net profit for year attributable to members^	Down 3,815.2%	(251,188)

^ Before financing costs to unitholders

2.4	**Distributions (dividends)**	**Amount per security**	**Franked amount per security**
	Total distribution	**3.250 cents**	**Nil**
	Interim distribution – 14 November 2008	1.625 cents	Nil
	Final distribution – 27 February 2009	1.625 cents	Nil

2.5	Record date for determining entitlements to the distribution	30 June 2009

2.6	A full explanation of the above figures is documented in Mirvac Real Estate Investment Trust's announcement to the market and audited financial report. Item 2.1 is down 3.1% from the corresponding previous period of $110.3 million. This number differs to the previously reported number at 30 June 2008 of $153.1 million by $42.8 million. This change has occurred due to a change in reclassification of revenue items in 2008 to match as a comparative the corresponding expense items in 2009. These reclassified items are: - The net gain on sale of investment properties of $3.5 million - The net gain on sale of financial assets of $2.2 million - The change in fair value of derivative financial instruments $10.5 million - The share of net profit of associates and joint ventures accounted for using the equity method $26.6 million

9.0	Net tangible asset per security attributable to unitholders* for 30 June 2009 was $0.85 ($1.28 as at 30 June 2008).

All other information requiring disclosure to comply with listing rule 4.3A is contained in Mirvac Real Estate Investment Trust's announcement to the market and audited financial report for the year ended 30 June 2009.

MIRVAC REAL ESTATE INVESTMENT TRUST AND ITS CONTROLLED ENTITIES

Annual Financial Report
30 June 2009

This annual financial report covers Mirvac Real Estate Investment Trust (ARSN 089 535 526) as an individual entity and the consolidated entity consisting of Mirvac Real Estate Investment Trust and its controlled entities.

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The responsible entity of Mirvac Real Estate Investment Trust is Mirvac REIT Management Limited (ABN: 70 002 060 228), a company limited by shares, incorporated and domiciled in Australia. The responsible entity's registered address is:

Level 26,
60 Margaret Street,
Sydney NSW 2000.

The financial report was authorised for issue on 25 August 2009. The Directors have the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete.
All press releases, financial reports and other information are available on our website:
www.mirvac.com/investmentmanagement/mrz/home.

Mirvac Real Estate Investment Trust and its controlled entities
Directors' Report
30 June 2009

The Directors of Mirvac REIT Management Limited (ABN: 70 002 060 228), the Responsible Entity of Mirvac Real Estate Investment Trust (the parent entity) present their report, together with the financial report of Mirvac Real Estate Investment Trust and its controlled entities (the Trust) for the year ended 30 June 2009. The financial report is presented in the Australian currency.

Directors

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

Mr P F Barker – Chairman
Mr N R Collishaw
Mr G B Hodgetts
Mr K R Strang
Mr R W Turner

Principal activities

The principal activity of the Trust is the investment in rental properties in Australia including properties in the retail, commercial, industrial and hotel sectors . Other activities include investments in unlisted trusts, cash and deposits in Australia.

Distributions

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

	2009 $'000	2008 $'000
June 2008 quarterly distribution paid on 29 August 2008 of 2.650 cents per unit (2008: finance costs to unitholders of 2.575 cents per unit plus a 1.000 cents per unit special distribution)	**16,623**	22,425
September 2008 quarterly distribution paid on 14 November 2008 of 1.625 cents per unit (2008: finance costs to unitholders of 2.650 cents per unit)	**10,193**	16,623
December 2008 quarterly distribution paid on 27 February 2009 of 1.625 cents per unit (2008: 2.650 cents per unit)	**10,193**	16,623
March 2009 quarterly distribution Nil cents per unit (2008: 2.65 cents per unit)	**-**	16,623
Total distributions paid	**37,009**	72,294

The distribution frequency was changed during the year from quarterly to a semi-annual basis.
The Distribution Re-investment Plan (DRP) was re-activated during the year, effective from 30 June 2009.

Interests in the Trust

	2009 Number of units '000	2008 Number of units '000
The movement in units on issue in the Trust during the financial year is set out below:		
Units on issue 1 July	**627,269**	627,269
Units on issue at 30 June	**627,269**	627,269

Mirvac Real Estate Investment Trust and its controlled entities
Directors' Report
30 June 2009

Review and results of operations

The net loss before finance costs attributable to unitholders for the consolidated entity for year ended 30 June 2009 was $251.2 million (30 June 2008: net profit of $6.8 million). The operating profit (profit before specific non-cash and significant items) for the year ended 30 June 2009 was $38.6 million (30 June 2008: $58.1 million)

Operating profit is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards adjusted for specific non-cash items and other significant items, which management consider to reflect the operating earnings of the Trust.

The following table summarises the key reconciling items between net profit and operating profit:

	2009 $'000	2008 $'000
Net (loss)/profit	**(251,188)**	6,761
Change in fair value of investment properties	**196,659**	822
Change in fair value of managed security properties	**-**	4,794
Change in fair value of investment assets	**12,967**	49,354
Change in fair value of derivative financial instruments	**45,748**	(10,434)
Net gain from change in fair value of investment properties and derivatives included in the share of profit of associates and joint ventures	**20,442**	(9,315)
Change in fair value of rental guarantee payable and other loans	**447**	272
Amortisation of lease incentives	**911**	934
Impairment of goodwill	**-**	14,894
Impairment of property, plant and equipment	**12,602**	-
Operating profit excluding specific non-cash adjustments	**38,588**	58,082

Value of assets	**2009 $'000**	**2008 $'000**
Total assets	**1,021,270**	1,479,995
Net assets	**531,701**	803,275

Significant changes in the state of affairs

Refinance of short term borrowings

On the 15 September 2008, the Trust entered into a new $625 million facility with a syndicate of lenders comprising Westpac Banking Corporation, ING, ANZ Bank and the Royal Bank of Scotland. The $625 million facility is in two tranches with Tranche A of $312.5 million expiring in September 2010 and Tranche B of $312.5 million expiring in September 2011. Execution of all documentation and conditions precedent were completed on 7 November 2008 and the existing facility with Westpac Banking Corporation was repaid on that date.

On 30 June 2009, the facility agreement was amended and the facility was reduced to $550 million, of which Tranche A was reduced to a limit of $237.5 million and Tranche B remained at $312.5 million. As at 30 June 2009 principal of $457 million was outstanding.

Sale of Australian listed equity and listed property trust portfolios and investment in Trafalgar Corporate Group

During August 2008, the Trust progressively sold down its holdings in listed equities and listed property trusts. The proceeds from the sell down were $61.2 million.

In April 2009, the Trust sold all of its holding in Trafalgar Corporate Group, the proceeds from the sales were $4.1 million.

Purchase of land at Woden, ACT

On 1 July 2008 the Trust completed the purchase of land located at 23 Furzer St, Woden, ACT for $23 million plus costs. The purchase is part of the construction project for the new development to be leased by the Department of Health and Ageing on completion. The title to this property is leasehold.

This land has been classified as Property, plant and equipment in the balance sheet.

Sale of managed security property at 423 Pennant Hills Rd, Pennant Hills, NSW

On 12 December 2008 the Trust completed the assignment of the mortgage over 423 Pennant Hills Rd, Pennant Hills NSW for total proceeds of $27.25 million before costs. This was the final property held as a managed security property by the Trust.

Sale of Birkdale Fair, Birkdale, QLD

On 15 December 2008 the Trust completed the sale of Birkdale Fair, Birkdale, QLD for total proceeds of $15.25 million before costs.

Sale of Mt Sheridan Plaza and vacant adjoining land, Cairns, QLD

On 19 January 2009 the Trust completed the sale of Mt Sheridan Plaza and adjoining vacant land, Cairns, QLD for $26.25 million (before costs).

Sale of 90 Ashford Ave, Milperra, NSW

On 2 February 2009 the Trust completed the sale of 90 Ashford Ave, Milperra, NSW for $11.25 million (before costs).

Sale of Alexandra Hills Shopping Centre, Alexandra Hills, QLD

On 16 March 2009 the Trust completed the sale of Alexandra Hills Shopping Centre, Alexandra Hills, QLD for $40.0 million (before costs).

Sale of 35-45 Furzer Street, Woden, ACT

On 26 June 2009 the Trust completed the sale of 35-45 Furzer Street, Woden for $12.0 million (before costs). The sale is in connection with the construction project for the new development to be leased by the Department of Health and Ageing on completion.

Sale of Lanyon Marketplace, Conder, ACT

On 29 June 2009 the Trust completed the sale of Lanyon Marketplace, Conder, ACT for $21.4 million (before costs).

Change in distribution frequency and reactivation of the Trust's Distribution Re-investment Plan (DRP)

During the year, the distribution frequency was changed from quarterly to semi-annually. Effective from 30 June 2009 the Distribution Re-investment Plan was also reactivated.

Securing of Government Green Building Fund Grant

During the year, the Trust was successful in securing a grant of $500,000 as part of the Government's Green Building Fund program, which has been set up to assist commercial office buildings reduce their energy consumption and greenhouse gas emissions. The grant was received in respect of 340 Adelaide Street, Brisbane and will be used by the Trust as to increase the building's energy efficiency to a 4.5 Star NABERS rating from a current estimated 1.5 Stars. During the financial year 2009 $100,000 of the grant was received by the Trust.

There are no other significant changes in the state of affairs of the Trust.

Mirvac Real Estate Investment Trust and its controlled entities
Directors' Report
30 June 2009

Matters subsequent to the end of the financial year

In the opinion of the directors of the responsible entity of the Trust, no matters or circumstances have arisen in the interval between the end of the financial year and the date of this report to significantly affect the operations of the Trust, the results of those operations, or the state of affairs, in future financial years.

Likely developments and expected results of operations

In the opinion of the Directors, it would prejudice the interests of the Trust to provide additional information relating to likely developments in the operations of the Trust and the expected results of those operations in financial years subsequent to 30 June 2009.

Environmental regulation

The Trust is subject to environmental regulation in respect of its land and property development activities. The relevant authorities are provided with regular updates, and to the best of the directors' knowledge, all activities have been undertaken in compliance with the requirements of planning approvals.

Indemnification and insurance of officers and the auditor

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to the responsible entity or the auditors of the Trust. As long as the officers of the responsible entity act in accordance with the constitution and the law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The auditor of the Trust is in no way indemnified out of the assets of the Trust.

Fees paid to and interests held in the Trust by the responsible entity or its associates

Fees paid to the responsible entity and its associates out of Trust property during the year are disclosed in note 26 of the financial statements.

No fees were paid out of Trust property to the directors of the responsible entity during the year.

The number of interests in the Trust held by the responsible entity or its associates as at the end of the financial year are disclosed in note 26 of the financial statements.

Rounding of amounts to nearest thousand dollars

The Trust is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order unless otherwise indicated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* is set out on page 6.

Auditor

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

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

Grant B Hodgetts
Director
Sydney 25 August 2009

PricewaterhouseCoopers
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GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Auditor's Independence Declaration

As lead auditor for the audit of Mirvac Real Estate Investment Trust for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the year; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mirvac Real Estate Investment Trust and the entities it controlled during the period.

M Laithwaite

Marcus Laithwaite
Partner
PricewaterhouseCoopers

Sydney
25 August 2009

Mirvac Real Estate Investment Trust and its controlled entities
Corporate Governance Statement
30 June 2009

MIRVAC REIT MANAGEMENT LIMITED

This statement sets out the key corporate governance principles adopted by Directors in governing Mirvac REIT Management Limited ("MRML"), and reflects the corporate governance policies and practices in place throughout the year ended 30 June 2009.

MRML is a wholly owned subsidiary of Mirvac Limited ("Mirvac") and as a matter of good corporate governance MRML exists for the specific purpose of acting as responsible entity, trustee or manager whilst having the benefit of the resources of Mirvac.

MRML is the responsible entity of Mirvac Real Estate Investment Trust (the "Trust"). The Trust is listed on the Australian Securities Exchange ("ASX") and the ASX Listing Rules require all listed entities to report on the extent to which their corporate governance practices follow the principles and recommendations contained in the ASX Corporate Governance Council's publication "Principles of Good Corporate Governance and Best Practice Recommendations" which was issued in March 2003 and subsequently revised through "Corporate Governance Principles and Recommendations, 2nd Edition" ("Recommendations"). References to the Recommendations appear in brackets.

We consider our practices to be compliant with the Recommendations in all aspects unless disclosed otherwise. Copies of MRML's corporate governance policies and practices, as suggested by the Recommendations, are available from Mirvac's website at www.mirvac.com.

Directors (Recommendation 1.1)

The primary objective of MRML is to build long term Investor value for the funds for which it acts as responsible entity. The Board achieves this by setting strategic direction, focusing on issues critical to the success of the funds and the management of risk. MRML has established comprehensive standards of corporate governance and adopted a Board Charter outlining the Board's accountabilities and responsibilities. The Charter also outlines the responsibilities delegated to management. Directors' profiles, their tenure and the profiles of executive staff are shown below. A copy of the MRML Board Charter is available on Mirvac's website at www.mirvac.com.

Paul Barker
BBus, FCA, ACIS
Non-executive Chairman

Paul Barker is Chairman of the Transport Accident Commission, Deputy Chairman of the Victorian WorkCover Authority, Chairman of the Emergency Services Telecommunications Authority, Chairman of Stadium Operations Limited (Telstra Dome), a former director of Employment National Limited and a past Chairman of the Victorian division of the Institute of Chartered Accountants.

Mr Barker has extensive experience in accounting and financial services both in Australia and overseas. Formerly Chief Executive of Audit Victoria, he also held senior group executive positions with Standard Chartered Bank in Hong Kong, Singapore and London. He is a Fellow of the Institute of Chartered Accountants in Australia and a member of the Institute of Chartered Secretaries.

Mr Barker was appointed as Non-executive Chairman to the boards of Mirvac REIT Management Limited, Mirvac Funds Management Limited and Mirvac Wholesale Funds Management Limited (formerly Hotel Capital Partners Limited) in March 2007 and the Mirvac PFA Limited board in November 2007.

Nicholas R Collishaw
SA (Fin), AAPI
Managing Director

Nick Collishaw was appointed Managing Director on 26 August 2008. Prior to this appointment he was the Executive Director – Investment Management responsible for Mirvac's Investment Management operations including Mirvac Property Trust, external funds management and Hotel & Resorts, having been appointed to the Mirvac Board on 19 January 2006.

Mr Collishaw has been involved in property and property funds management for over 20 years and has extensive experience in commercial, retail and industrial property throughout Australia. In various roles he has coordinated business acquisitions and investment fund creation, as well as implemented portfolio sales programs and managed large investment acquisitions.

Prior to joining Mirvac in 2005 following its merger with the James Fielding Group, Mr Collishaw was an Executive Director and Head of Property at James Fielding Group. He has also held senior positions with Deutsche Asset Management, Paladin Australia Limited and Schroders Australia.

Mr Collishaw is a Director of the Property Industry Foundation.

Grant Hodgetts
BA, Assoc, Dip, Vals, AAPI
Executive Director

Grant Hodgetts has been involved in property and funds management since 1979. Mr Hodgetts joined Mirvac's Investment Management division in February 2006 and was appointed CEO — Australia for Mirvac Investment Management in May 2007.

Prior to joining Mirvac, he was Head of Property in the Specialised Capital Group of Westpac Institutional Bank; a Division Director of Property Investment Banking at Macquarie Bank; director of Richard Ellis (Vic) Pty Ltd; and an executive of the AMP Society's Property division.

Mr Hodgetts holds a BA, Associate Diploma in Valuations and an Advanced Certificate in Business Studies (Real Estate). Mr Hodgetts is an Associate of the Australian Property Institute and is a licensed real estate agent in Victoria.

He was appointed to the boards of Mirvac REIT Management Limited, Mirvac Funds Management Limited and Mirvac Wholesale Funds Management Limited (formerly Hotel Capital Partners Limited) in April 2006 and the Mirvac PFA Limited board in November 2007.

Ross Strang
Solicitor LLB (Hons)
Non-executive Director

Ross Strang is a consultant to Kemp Strang, a Sydney based commercial law firm. Mr Strang is one of Kemp Strang's founders and was a partner in the practice for over 30 years.

Mr Strang has extensive experience in commercial, property, construction and securities matters on a broad front and is well known in legal and wider circles. He is a member of the Australian Institute of Company Directors.

Mr Strang became a Non-executive Director of Mirvac REIT Management Limited, Mirvac Funds Management Limited and Mirvac Wholesale Funds Management Limited (formerly Hotel Capital Partners Limited) in May 2007 and the Mirvac PFA Limited board in October 2007.

Richard Turner
AM BEc, FCA
Non-executive Director

Mr Turner is a Chartered Accountant by profession and former CEO of Ernst & Young, following a career of over 30 years with that organisation until his retirement. He is Chairman of HBOS Australia Limited. Mr Turner is also a director of Crown Holdings Limited and Crown Melbourne Limited and is a Chair of the Crown Limited and Crown Melbourne Limited Board Audit and Corporate Governance Committee.

Mr Turner was a past director and President of The Smith Family and past Chairman and current director of the Pain Management Institute at Royal North Shore Hospital. Mr Turner became Non executive Director on the boards of Mirvac REIT Management Limited in March 2003, Mirvac Funds Management Limited in December 2001, Mirvac Wholesale Funds Management Limited (formerly Hotel Capital Partners Limited) in January 2005 and Mirvac PFA Limited in October 2007.

Mr Turner is also a Non-executive Director of Mirvac Limited and is a member of Mirvac's Audit, Risk and Compliance and Remuneration Committees.

Role of the Chairman (Recommendations 2.2 and 2.3)

The Chairman of the MRML Board is appointed by Mirvac's Directors and, as specified in the MRML Board Charter, must be an independent, Non-executive Director who at the same time is not the Chief Executive. The Chairman's specific role is detailed in the MRML Board Charter.

Independence of Directors (Recommendations 2.1 and 2.6)

The MRML Board has developed a policy, contained in the MRML Board Charter, to determine the independence of its Directors. This determination is conducted annually or at any other time where the circumstances of a Director change such as to warrant reconsideration. The MRML Board currently has three external Non-executive Directors, each of whom is independent (Mr Paul Barker, Mr Ross Strang and Mr Richard Turner), and two Executive Directors (Mr Nicholas Collishaw and Mr Grant Hodgetts). The MRML Board therefore has a majority of independent directors as required by the Board Charter and the Recommendations.

Conflicts of interest

The MRML Board approved Recommendations for Board members dealing with conflicts of interests with their duties as Directors of MRML are detailed in the MRML Board Charter. In addition, Mirvac's Code of Conduct and Ethical Business Behaviours also sets down Recommendations for dealing with conflicts of interest that may arise particularly for executives and other employees.

Access to information and independent advice (Recommendation 2.6)

As detailed in the MRML Board Charter, the MRML Board and its Committees may seek advice from independent experts whenever it is considered appropriate. Individual Directors, with the consent of the MRML Chairman, may seek independent professional advice on any matter connected to their responsibilities as an MRML Director, at MRML's expense.

MRML Board and executive performance (Recommendations 1.2, 1.3, 2.5 and 2.6)

The MRML Chairman, supported by the Company Secretary of MRML, undertakes an annual review of:

> The Board's role;
> The Board processes and the Committees appointed to support the Board;
> The Board's performance including the performance of its Committees; and
> Each individual Director's performance.

The process entails obtaining feedback from each MRML Director through questionnaires that remain confidential and anonymous. The MRML Board then reviews the report prepared by the Chairman arising from the feedback collected and actions are determined as necessary.

Evaluation of key executives' performance is conducted on an ongoing basis to ensure that progress is being made towards attainment of the approved strategies and plans. Formal reviews of the respective executive's performance against business and personal objectives agreed at the beginning of the financial year are conducted annually. This formal review was completed for the year ended 30 June 2009 in accordance with the process described.

Nomination and appointment of new directors (Recommendations 2.4 and 2.6)

MRML has a number of resources available to it from Mirvac, including Mirvac's Nomination Committee, to assist in the identification and recommendation of candidates to the MRML Board, as well as access to external consultants to assist the Committee and the MRML Board to ensure a wide selection of potential directors is assessed. A copy of the Mirvac Nomination Committee Charter for the nomination and appointment of directors is available on Mirvac's website at www.mirvac.com. The membership of the Mirvac Nomination Committee at 30 June 2009 comprised of Mr James MacKenzie, Mr Paul Biancardi and Mr Nicholas Collishaw. Each member attended all meetings of the Committee held during the year ended 30 June 2009.

All new Directors are required to sign and return a letter of appointment which sets out the key terms and conditions of their appointment, including duties, rights and responsibilities, the time commitment envisaged and MRML's expectations of its Directors. New Directors also receive a Director's pack containing relevant Trust and company documents, company directory and key policies.

Retirement and re-election of Directors (Recommendation 2.6)

In the year ended 30 June 2009 MRML did not set a fixed term of office for its Directors. The mix of experience and expertise of the current Directors is of value to MRML and it does not wish to arbitrarily limit their terms of office. Nominating a fixed term for Directors may cause loss of experience and expertise, which is not in the best interest of MRML nor Investors in the Trust. The Board does consider the term served by a Director during their annual independence review.

Board Committees (Recommendations 2.4, 2.6, 4.1, 4.2, 4.3, 4.4, 7.1 and 8.1)

In order to achieve operational efficiencies the Board has established a number of committees and delegated certain powers to those committees in accordance with MRML's Constitution and the *Corporations Act 2001*. The delegated powers have been clearly delineated in a Limits of Authority document, approved by the MRML Board, and compliance with this document is subject to internal audits.

The Board has established the following Standing Committees:

> MRML Executive Committee;
> Investment Committee;
> Scheme Compliance Committee; and
> Audit, Risk and Compliance Committee.

Each Committee has adopted its own terms of reference or Charter, approved by the MRML Board, setting out matters relevant to its composition and responsibilities. The terms of reference and Charters are reviewed annually by the Board and copies are available from Mirvac's website at www.mirvac.com.

Investment Committee

The principal role of the Investment Committee is as follows:

> Recommending the overall investment strategy for the Trust.
> Monitoring investment markets in which the business operates and recommending the acquisition and disposal of assets.
> Monitoring investment performance and ensuring compliance with the investment strategy.
> Monitoring implementation of, and compliance with, the risk management framework and approved policies.
> Ensuring, investigating and reviewing valuation of the assets of the Trust.

The membership of the Investment Committee has been carefully determined to provide the relevant experience and expertise appropriate to the Trust's investments. The Investment Committee is accountable to the MRML Board and will report to the Board and provide appropriate advice and recommendations.

Scheme Compliance Committee

The principal roles of the Scheme Compliance Committee include monitoring compliance with the requirements of the Trust's Compliance Plan and MRML's Australian Financial Services Licence, reporting their findings to the MRML Board, monitoring and reporting any breaches of the Corporations Act 2001 or the Constitution of the Trust, reporting to the Australian Securities and Investments Commission, regularly assessing the adequacy of the Trust's Compliance Plan and making any recommendations to reflect changes in legislation.

The following additional Committees of Mirvac are relied upon by the MRML Board:

> Human Resources Committee;
> Nomination Committee; and
> Health, Safety and Environment Committee.

These Committees have each adopted their own terms of reference or Charters. Copies of the current terms of reference or Charters are available from Mirvac's website at www.mirvac.com.

External auditor relationship (Recommendation 4.4)

Mirvac's Audit, Risk and Compliance Committee ("ARCC"), in accordance with its Charter, is responsible for overseeing the relationship with MRML's external auditor, PricewaterhouseCoopers, including reviewing the terms of engagement of the external auditor and the scope of the external audit program each year. The ARCC is also responsible for monitoring and evaluating the performance, and independence, of the external auditor.

The ARCC comprises the following members:

> Mr Paul Biancardi, BEc, FCA, Non-executive Director;
> Mr Peter Hawkins, BCA (Hons), FAICD, SF Fin, FAIM, ACA (NZ), Non-executive Director;
> Ms Penny Morris, BArch (Hons), MEnvSci, DipCD, FRAIA, FAICD, Non-executive Director; and
> Mr Richard Turner, BEc, FCA, Non-executive Director.

The Chairman of MRML is a standing invitee to all ARCC meetings.

Each member attended all eight ARCC meetings which were held during the year ended 30 June 2009, with the exception of Mr Peter Hawkins who was present at seven meetings. The MRML Board has endorsed Mirvac's Policy for Auditor Independence which forms part of the ARCC's Charter and is available from Mirvac's website at www.mirvac.com.

PricewaterhouseCoopers has provided the ARCC with a half yearly and annual certification of its continued independence, in accordance with the requirements of the Corporations Act 2001, and in particular confirmed that it did not carry out any services or assignments during the year ended 30 June 2009 that were not compatible with auditor independence.

Risk management (Recommendations 7.1, 7.2 and 7.4)

MRML recognises the responsibility associated with its role as responsible entity of the Trust and in recognition that risk management is a key element of effective corporate governance the MRML Board has adopted the Mirvac Risk Management Policy statement and associated procedures for identifying, assessing and managing strategic, operational, financial and reputational risks. The policy forms a key component of the overall control environment and is reviewed annually. The objectives of the policy are:

> To provide a systematic approach to risk management aligned to Mirvac's strategic objectives;
> To define the mechanisms by which the Trust determines its risk appetite and considers and manages risks; and
> To articulate the roles and accountabilities for the management, oversight and governance of risk.

A copy of this policy is available on Mirvac's website at www.mirvac.com.

Supporting the policy is a "Risk Management Roadmap and Framework" that has been prepared to provide direction in addressing risk exposures through a structured implementation of risk management processes. The application of the policy and procedures is ultimately the responsibility of the MRML Board, which has in turn delegated specific authority as follows:

> To the ARCC to provide advice, review effectiveness and review policies and procedures.
> To Mirvac's risk management department to provide a centralised role in advising the various business units on executing risk management and mitigation strategies, as well as consolidating risk reporting to the MRML Executive Committee, the ARCC and ultimately the MRML Board.
> To the Internal Audit team to assess risk controls, enhance processes and to monitor controls to provide assurance to the ARCC and the Board that the material risks and compliance obligations are being effectively managed.
> To the Health, Safety and Environment ("HSE") Committee to oversee and report on the performance of HSE management, in particular, HSE risks and legal obligations.

For the year ended 30 June 2009, management has reported to the MRML Board that risk management is working effectively to manage the Trust's material risks. The independent Chartered Accounting firm Ernst & Young was engaged to assist Mirvac in managing an effective internal audit/operational review function that reports to the ARCC and MRML Board on key risks and compliance obligations and confirming effective management of appropriate control processes.

Executive assurance (Recommendations 7.3 and 7.4)

The Chief Executive Officer and Financial Controllers of MRML have provided the following assurance to the MRML Board in connection with the Trust's full year financial statements and reports, namely that in their opinion, to the best of their knowledge and belief:

a) The financial records of the Trust for the year ended 30 June 2009 have been properly maintained in accordance with section 286 of the Corporations Act 2001;
b) The financial statements of the Trust and the notes to those statements for the year ended 30 June 2009 comply with the relevant accounting standards;
c) The Trust's financial statements, and the notes to those statements, for the year ended 30 June 2009 give a true and fair view of the financial position, operational results and the performance of the Trust;
d) The statements referred to in paragraphs (a) to (c) above are founded on a system of risk management and internal compliance and control which implements the policies adopted by the MRML Board; and
e) Mirvac's risk management, internal compliance and control systems are operating effectively in all material respects in relation to financial reporting risks.

The effective control environment established by Mirvac's Board supports this assurance. These declarations provide a reasonable but not absolute level of assurance about risk management, internal compliance and control systems, and do not imply a guarantee against adverse events or more volatile conditions and outcomes in the future.

Remuneration (Recommendations 8.1, 8.2 and 8.3)

Details of MRML's remuneration policies and practices including the relationship between remuneration, performance and returns to Investors are detailed in Mirvac's Annual Report posted on Mirvac's website at www.mirvac.com.

Mirvac's Human Resources Committee is responsible for making assessments and recommendations as to the appropriate remuneration of MRML Directors. A copy of the Mirvac Human Resources Committee Charter is available on Mirvac's website at www.mirvac.com. The membership of the Human Resources Committee comprises Mr James MacKenzie, Mr Paul Biancardi, Mr Peter Hawkins, Ms Penny Morris and Mr Richard Turner. Each member attended all meetings of the Committee during the year ended 30 June 2009.

None of the MRML Directors participates in unvested entitlements under any equity-based remuneration scheme, or is entitled to retirement benefits, other than superannuation.

Corporate conduct and responsibility (Recommendations 3.1 and 3.3)

Integrity is one of Mirvac's core values. In Mirvac's 37 year history, it has built a reputation for integrity and in dealing fairly, honestly and transparently with all stakeholders. MRML has adopted the Mirvac Code of Conduct (the "Code") which espouses its core values and reflects the Recommendations in terms of the matters addressed. The Code applies to the MRML Board, executives and all employees and a copy of the Code has been made available to all. A copy is available from Mirvac's website at www.mirvac.com.

Non-Executive Directors, executives and employees are encouraged to report promptly in good faith any serious violations or suspected serious violations of the law or the Code. To facilitate this, Mirvac has established its "Open Line" program to allow staff to report in good faith suspected fraud, theft, criminal activity or any other conduct which may cause loss or be detrimental to Mirvac's reputation. The Open Line program sets out the measures to be taken and the protection to be provided in instances where violations or other suspected matters are reported.

Mirvac supports the democratic process within Australia and does make modest donations to Australia's major political parties to facilitate attendance at conferences and meetings where the company is able to provide its views on policies and matters that may impact its operations. Mirvac's Code stipulates that donations can only be made on the approval of the Managing Director of Mirvac.

The Mirvac Foundation was established in 2008 to be the focus of Mirvac's charitable support. The Foundation is currently providing financial support to charities in each state that care for the homeless and Mirvac staff personally donate money and time to the Foundation.

Policies and Procedures (Recommendations 3.2, 3.3, 5.1, 5.2, 6.1 and 6.2)

There are a number of policies and procedures publicly available through the Mirvac website at www.mirvac.com which have been adopted by MRML, including but not limited to:

- Security Trading Policy;
- Continuous Disclosure Policy; and
- Communications Policy.

Mirvac Real Estate Investment Trust and its controlled entities
Income Statements
For the year ended 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Revenue					
Rental revenue		**99,534**	98,899	**-**	-
Gain on derivative financial instruments		**2,011**	-	**2,011**	-
Other revenue	5	**5,349**	11,362	**141,271**	106,347
Total revenue		**106,894**	110,261	**143,282**	106,347
Expenses					
Property outgoings		**(27,024)**	(26,424)	**-**	-
Amortisation of lease incentives		**(911)**	(934)	**-**	-
Net (loss)/gain on sale of investment properties		**(5,550)**	3,490	**-**	-
Net loss on disposal of managed security property		**(541)**	-	**-**	-
Change in fair value of investment properties	14	**(196,659)**	(822)	**-**	-
Change in fair value of managed security property	15	**-**	(4,794)	**-**	-
Change in fair value of financial assets		**(13,118)**	(47,136)	**(8,418)**	(14,716)
Change in fair value of derivative financial instruments		**(45,748)**	10,434	**(45,748)**	10,434
Share of net (loss)/profit of associates and joint ventures accounted for using the equity method		**(5,196)**	26,564	**-**	-
Finance costs expense	6	**(42,315)**	(38,722)	**(40,824)**	(38,566)
Impairment of goodwill		**-**	(14,894)	**-**	-
Impairment of property, plant and equipment		**(12,602)**	-	**-**	-
Fair value adjustments of controlled entities		**-**	-	**(298,431)**	(55,447)
Other expenses	7	**(8,418)**	(10,262)	**(1,049)**	(1,291)
Total expenses		**(358,082)**	(103,500)	**(394,470)**	(99,586)
Net (loss)/profit		**(251,188)**	6,761	**(251,188)**	6,761
Financing costs attributable to unitholders					
Finance costs to unitholders*		**-**	(26,781)	**-**	(26,781)
Decrease/(Increase) in net assets attributable to unitholders		**-**	-	**-**	-
Net (loss)/profit attributable to unitholders		**(251,188)**	(20,020)	**(251,188)**	(20,020)
Earnings per share for profit attributable to unitholders					
Basic earnings per unit (cents)**	28	**(40.04)**	(3.19)	**(40.04)**	(3.19)
Diluted earnings per unit (cents)**	28	**(40.04)**	(3.19)	**(40.04)**	(3.19)

The above Income Statements should be read in conjunction with the accompanying notes.

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Distributions paid and payable	22	**(20,386)**	(49,869)	**(20,386)**	(49,869)

* Due to the finite life clause contained in the Trust's constitution, and in accordance with *AASB 132 Financial Instruments: Presentation*, the units in the Trust up until 12 December 2007 were classified as debt for accounting purposes. The Trust's constitution was amended on 13 December 2007 such that the finite life clause was removed. Therefore for the period 1 July 2007 to 12 December 2007, $26.8 million of the Trust's result (including unrealised valuation gains) has been disclosed as a finance cost in the Income Statement. Since 13 December 2007, the units on issue are classified as equity; therefore finance costs attributable to unitholders will not be recorded in future periods.

** Earnings used in the calculation of earnings per unit represent "net profit/(loss) attributable to unitholders" and reflect earnings for the period 13 December 2007 to 30 June 2008. Earnings per unit information is not disclosed for the period 1 July to 12 December 2007 as the class of units that are publicly traded were considered to be debt instruments in accordance with *AASB 132 Financial Instruments: Presentation* requirements.

Mirvac Real Estate Investment Trust and its controlled entities
Balance Sheets
As at 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Current assets					
Cash and cash equivalents	8	**13,888**	14,751	**2,400**	3,443
Receivables	9	**4,056**	7,716	**115,791**	16,038
Financial assets held at fair value through profit or loss	10	**-**	72,721	**-**	12,490
Other assets	11	**1,596**	25,641	**-**	-
Total current asset		**19,540**	**120,829**	**118,191**	**31,971**
Non-current assets					
Investments in controlled entities	12	**-**	-	**744,601**	1,040,703
Investments in associates and joint ventures	13	**205,040**	226,819	**-**	-
Investment properties	14	**760,650**	1,060,511	**-**	-
Loans to controlled entities		**-**	-	**361,648**	479,401
Secured receivable - managed security property	15	**-**	27,150	**-**	-
Property, plant and equipment	16	**15,000**	-	**-**	-
Derivative financial instruments	19	**-**	19,336	**-**	19,336
Other financial assets		**21,040**	25,350	**-**	-
Total non-current assets		**1,001,730**	**1,359,166**	**1,106,249**	**1,539,440**
Total assets		**1,021,270**	**1,479,995**	**1,224,440**	**1,571,411**
Current liabilities					
Payables	17	**15,857**	12,160	**216,240**	107,225
Borrowings	18	**356**	643,730	**1,534**	644,288
Derivative financial instruments	19	**565**	-	**565**	-
Provision for distributions	22	**-**	16,623	**-**	16,623
Total current liabilities		**16,778**	**672,513**	**218,339**	**768,136**
Non-current liabilities					
Borrowings	18	**454,800**	4,207	**456,409**	-
Derivative financial instruments	19	**17,991**	-	**17,991**	-
Total non-current liabilities		**472,791**	**4,207**	**474,400**	**-**
Total liabilities		**489,569**	**676,720**	**692,739**	**768,136**
Net assets		**531,701**	**803,275**	**531,701**	**803,275**
Equity					
Contributed equity	20	**668,230**	668,230	**668,230**	668,230
Retained earnings	21	**(136,529)**	135,045	**(136,529)**	135,045
Total equity		**531,701**	**803,275**	**531,701**	**803,275**

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

Total consolidated current liabilities of the Trust exceed total consolidated current assets as at 30 June 2008, due to the short term nature of the Trust's borrowings which were refinanced during the year. Refer to note 18.

Mirvac Real Estate Investment Trust and its controlled entities
Statements of Changes in Equity
For the year ended 30 June 2009

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Total equity at the beginning of the financial year	**803,275**	-	**803,275**	-
Transfer of liabilities attributable to unitholders from liability to equity in accordance with AASB 132*	**-**	873,164	**-**	873,164
Equity as at 13 December 2007	**-**	873,164	**-**	873,164
Profit for the period 13 December 2007 to 30 June 2008	**-**	(20,020)	**-**	(20,020)
Total recognised changes in equity for the period 13 December 2007 to 30 June 2008	**-**	(20,020)	**-**	(20,020)
Loss for the year ended 30 June 2009	**(251,188)**	-	**(251,188)**	-
Total recognised changes in equity for the year ended 30 June 2009	**(251,188)**	-	**(251,188)**	-
Distributions paid/provided for	**(20,386)**	(49,869)	**(20,386)**	(49,869)
Total equity at the end of the financial year	**531,701**	803,275	**531,701**	803,275

* Due to the finite life clause contained in the Trust's constitution, and in accordance with *AASB 132 Financial Instruments: Presentation*, the units in the Trust up until 12 December 2007 were classified as debt for accounting purposes. The Trust's constitution was amended to meet the classification of equity such that the finite life clauses were removed, and therefore from 13 December 2007 the units and finance costs attributable to unitholders are considered equity and are therefore incorporated into the statement of changes in equity.

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

Mirvac Real Estate Investment Trust and its controlled entities
Cash Flow Statements
For the year ended 30 June 2009

	Notes	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Cash flows from operating activities					
Cash receipts in the course of operations (inclusive of GST)		**101,770**	101,969	**695**	361
Cash payments in the course of operations (inclusive of GST)		**(39,457)**	(37,770)	**(1,045)**	(1,367)
Interest received		**1,079**	992	**25,113**	30,126
Property trust distributions/dividends received		**4,664**	9,415	**618**	3,142
Distributions received from associates and joint ventures		**16,583**	16,949	**13,079**	81,777
Net cash inflow from operating activities	27	**84,639**	91,555	**38,460**	114,039
Cash flows from investing activities					
Proceeds from sale of investment properties		**122,072**	29,181	**-**	-
Proceeds from sale of managed security properties		**26,809**	-	**-**	-
Payments for capital expenditure on investment properties		**(17,198)**	(22,790)	**-**	-
Payments for capital expenditure on managed security property	15	**(344)**	(580)	**-**	-
Payments for purchase of land		**(603)**	(23,690)	**-**	-
Payments for investments in controlled entities		**-**	(179,150)	**(2,327)**	(179,150)
Payments for financial assets		**(1,340)**	(30,744)		-
Proceeds from realisation of financial assets		**65,309**	26,061	**4,072**	-
Proceeds from government grant		**100**	-	**100**	-
Loans to associates and joint ventures		**-**	101	**-**	-
Loans from controlled entities		**-**	-	**226,664**	152,630
Net cash outflow from investing activities		**194,805**	(201,609)	**228,509**	(26,520)
Cash flows from financing activities					
Finance costs on borrowings (including establishment fees)		**(59,298)**	(37,236)	**(47,003)**	(37,782)
Proceeds from borrowings		**600,000**	838,000	**600,000**	641,000
Repayment of borrowings		**(784,000)**	(615,000)	**(784,000)**	(615,000)
Finance costs to unitholders/distributions paid		**(37,009)**	(72,294)	**(37,009)**	(72,294)
Net cash inflow from financing activities		**(280,307)**	113,470	**(268,012)**	(84,076)
Net increase/(decrease) in cash and cash equivalents held		**(863)**	3,414	**(1,043)**	3,443
Cash and cash equivalents at the beginning of the financial year		**14,751**	11,337	**3,443**	-
Cash and cash equivalents at the end of the financial year	8	**13,888**	14,751	**2,400**	3,443

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

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial report includes separate financial statements for Mirvac Real Estate Investment Trust as the parent entity and the consolidated entity consisting of Mirvac Real Estate Investment Trust and its controlled entities.

The financial statements were authorised for issue by the directors of the responsible entity on the 26 August, 2009. The directors of the responsible entity have the power to amend and reissue the financial report.

a. Basis of preparation

This general purpose financial report has been prepared in accordance with the Trust's Constitution, Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. Where current year items are revenue/expense in the consolidated income statement, the prior year balance has been reclassified to correspond with the current year.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of Mirvac Real Estate Investment Trust and its controlled entities comply with International Financial Reporting Standards (IFRS).

Critical accounting estimates and judgement
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust'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 3.

b. Principles of consolidation

(i) Subsidiaries

The consolidated financial statements consist of the assets and liabilities of all entities controlled by Mirvac Real Estate Investment Trust as at 30 June 2009, and the results of all controlled entities for the year then ended.

Subsidiaries are all those entities over which the Trust has the power to govern the financial and operating policies, generally accompanying a shareholding 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 Trust controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Trust. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Trust.

Inter-company transactions, balances and unrealised gains on transactions between entities in the Trust have been eliminated on consolidation. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Trust.

Investments in subsidiaries are accounted for at fair value in the individual financial statements of Mirvac Real Estate Investment Trust.

As at 30 June 2009 the parent entity is in a net current asset deficiency position. This is due to loans from subsidiaries classified as current. The subsidiaries are not expected to call in loans due from the parent entity in the short term and it is expected that the parent entity will be able to meet its financial obligations.

1. Summary of significant accounting policies (continued)

(ii) Associates

Associates are all entities over which the Trust has significant influence but not control, generally accompanying a shareholding 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 Trust's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Trust's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions receivable from associates reduce the carrying amount of the investment.

Unrealised gains on transactions between the Trust and its associates are eliminated to the extent of the Trust's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Trust.

(iii) Joint Ventures

The interest in a joint venture partnership is accounted for in the consolidated financial statements using the equity method. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet.

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the Trust's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

c. Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

d. 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, rebates and amounts collected on behalf of third parties.

The Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Trust and specific criteria have been met for each of the Trust's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the revenue have been resolved.

Revenue is recognised for the major business activities as follows:

(i) Rental revenue
Rental revenue from operating leases is recognised in income on a straight line basis over the lease term.

(ii) Dividend and distribution income
Dividends and distributions are recognised as income on the date that the dividends and distributions are declared and the right to receive payment is established.

1. Summary of significant accounting policies (continued)

(iii) Gains and losses on financial assets held at fair value through profit or loss
Changes in the fair value of investment assets are recognised as income or expense and are determined as the difference between the fair value at period end or consideration received (if sold during the period) and the fair value as at the prior period end or cost (if the investment was acquired during the period). Income is recognised on trade date – the date on which the Trust commits to purchase or sell the asset.

During the year, the Trust sold all of its financial assets held at fair value through profit and loss.

(iv) Sale of investment properties
The gain or loss on disposal of investment properties is calculated as the difference between the carrying amount of the asset at the time of the disposal and the proceeds on disposal and is included in the income statement in the year of disposal. Income is recognised when risks and rewards of ownership have been transferred to the buyer, which is considered to occur on settlement.

(v) Interest income
Interest income on deposits, performing loans and discounted securities is recognised on an effective interest rate basis.

e. Expenses

(i) Property outgoings
Property outgoings including rates, taxes and other property outgoings (including maintenance and repairs) are brought to account on an accruals basis.

(ii) Responsible entity's fees
Fees payable to the responsible entity are recognised as an expense by the Trust on an accruals basis. Fees relating to specific events or transactions are charged upon completion or occurrence of the relevant service or event.

f. Taxation

Under current legislation, the Trust and its controlled entities are not liable for income tax, provided that the taxable income and taxable realised gains are fully distributed to investors each year.

g. Leases

Under *AASB 117: Leases*, rental income on operating leases is brought to account on a straight-line basis over the lease term. Where there are fixed rental reviews, future rental income is to be brought to account as a receivable and amortised over the lease term.

Incentives may be provided to lessees to enter into an operating lease. These incentives may be in the form of cash, rent free periods, lessee or lessor owned fitouts. They are amortised on a straight-line basis over the term of the lease. The carrying amount of the lease incentives is reflected in the fair value of the investment properties.

h. Impairment of assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Trust's share of the net identifiable assets of an acquired subsidiary at the date of acquisition. Goodwill is not amortised and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value 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. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

1. Summary of significant accounting policies (continued)

i. Acquisition of assets

The purchase method of accounting is used for all acquisition of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Where 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 entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

j. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held 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.

k. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement no more than 30 days from the date of recognition.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impaired receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

The amount of the impairment loss is recognised in the income statement within other expenses. When a receivable for which an impairment provision had been recognised become uncollectible in a subsequent period, it is written off against the allowance impairment provision. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

l. Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset 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 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 is recognised at the date of derecognition.

Non-current assets are not amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of an asset classified as held for sale continue to be recognised. Non-current assets classified as held for sale are presented separately from the other assets in the consolidated balance sheet.

m. Investments and other financial assets

(i) Financial assets held at fair value through the profit or loss

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date – the date on which the Trust commits to purchase or sell the asset. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all the risks and rewards of ownership.

1. Summary of significant accounting policies (continued)

(ii) Fair value in an active market

The fair value of financial assets traded in active markets is based on their quoted market prices at the balance sheet date and throughout the year on a monthly basis at the close of trade for the last business day of the month, without any deduction for estimated future selling costs. Financial assets are priced at current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Trust establishes fair value by using valuation techniques. These include the use of recent arms length transactions and reference to other instruments that are substantially the same.

n. Secured receivables - managed security properties

Managed security properties are properties where the Trust has taken possession of a property as a result of the borrower defaulting on a loan for which the property was given as security. The Trust holds a registered first ranking mortgage over these properties but is not the legal registered owner.

As mortgagee in possession, the Trust has certain rights as outlined in a memorandum between the parties. The Trust, as mortgagee, has the power of sale and all other powers, rights and remedies upon the mortgagee by the common law, equity, the *Real Property Act 1900* of the state, the *Conveyancing Act 1919* to the state and any other statute. The mortgage may be exercised by the Trust in respect of the Mortgagor and the Mortgaged property. This gives the Trust additional, but not unfettered, right to the proceeds from these properties up to the maximum of the outstanding loan balance.
Managed security properties are carried at fair values not exceeding the outstanding loan amount. Changes in fair values are brought to account in the consolidated income statement. Rental income received on these properties is brought to account in the income statement in line with note 1d (i) and property outgoings is brought to account in line with note 1e (i).

The process for changing the mortgagee in possession properties to investment properties is initiated when the responsible entity of the Trust decides to exercise its rights as mortgagee in possession to recover the maximum amount of the outstanding loan balance from a sale of the mortgaged assets through a public campaign. If the reserve price, set at the outstanding loan balance, is not obtained through the public sale, then the mortgagee can elect to transfer title to their name. In the event that the mortgagee transfers title to its name, the asset is re-classified as an investment property at fair value from the date of the transfer of title.

Managed security properties are accounted for consistent with the accounting treatment for investment properties.
During the year the Trust sold 423 Pennant Hills Road, Pennant Hills NSW which was the last managed security property and accordingly the Trust no longer holds any managed security properties.

o. Investment properties

Investment properties comprising retail shopping centres, industrial facilities and commercial office buildings are held for long term rental yields and for capital appreciation and are not occupied by the Trust. Investment properties are carried at fair value, which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Trust uses alternative valuation methods such as discounted cash flow projections. The carrying amount includes components relating to lease incentives. Changes in fair values are recorded in the income statement.

Valuations

Investment properties are initially measured at cost plus transaction costs and are subsequently measured at fair value and revalued at least once every financial year, to ensure the carrying amount of each property does not differ materially from its fair value at the reporting date.

1. Summary of significant accounting policies (continued)

The Trust's Constitution requires the responsible entity to have the consolidated entity's property investments independently valued at intervals of not more than three years. However, in line with Mirvac's Valuation Policy, the requirement for revaluation is at intervals of not more than every two years and not using the same independent valuer not more than three times. These valuations are considered by the directors of the responsible entity when determining fair value. When assessing fair value, the directors will also consider the discounted cash flow of the property, the highest and best use of the property and sales of similar properties.

Fair value is based on the price at which a property might reasonably be expected to be sold at the date of valuation, assuming:

(i) a willing, but not anxious, buyer and seller on an arm's length basis;
(ii) a reasonable period in which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;
(iii) that the property will be reasonably exposed to that market;
(iv) that no account is taken of the value or other advantage or benefit, additional to the market value, to the buyer incidental to ownership of the property being valued.

All investment properties are considered one class of asset. Accounting standards prohibit investment properties to be depreciated where the fair value model is used.

p. Property, Plant and Equipment

Property, plant and equipment comprise investment properties under construction.

Property under construction is carried at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimate recoverable amount. The impairment loss recognised during the period was $12,601,951 (2008: nil). Details of this impairment and details of the assumptions used by management in assessing the impairment are provided in note 16.

q. Trade and other payables

These amounts represent liabilities for goods and services provided to the Trust prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

r. Borrowings

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 the income statement over the period of the borrowings using the effective interest rate method. Fees including legal costs paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight line basis over the term of the facility.

Finance costs include:

- interest on short term and long term borrowings,
- amortisation of discounts or premiums relating to borrowings, and
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings, and
- interest receipts and payments under interest rate swap agreements.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings which expire within twelve months from the end of the financial year are classified as current.

1. Summary of significant accounting policies (continued)

s. Borrowing costs

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 it's intended use or sale. Other borrowing costs are expensed.

t. Derivatives

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 Trust has taken the view that the derivatives held do not qualify for hedge accounting. Changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the income statement.

u. Provision for distribution

Provision is made for the amount of any distribution declared, determined or publicly recommended by the directors on or before the end of the reporting period but not distributed at financial year end.

v. Distributions/Finance costs paid to unitholders

In accordance with the Trust Constitution, the Trust distributes its distributable income to investors. For the period 1 July to 12 December 2007, distributions were recognised in the income statement as finance costs to unitholders. On 13 December 2007, a unitholder's meeting was held and the constitution of the Trust was amended by removing the maximum term of the Trust making the Trust "perpetual". Units of the Trust thereby are not considered debt instruments under *AASB 132 Financial Instruments: Presentation*, and distributions to unitholders are paid from the equity of the Trust. The distributions were paid quarterly, but during the year the frequency was amended to semi-annually.

w. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

x. Earnings per unit

(i) Basic earnings per unit
Basic earnings per unit is calculated by dividing the net profit attributable to investors of the Trust, excluding any costs of servicing equity other than ordinary units, by the weighted average number of ordinary units outstanding during the financial year.

(ii) Diluted earnings per unit
Diluted earnings per unit adjusts the figures used in the determination of basic earnings per unit to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary units and the weighted average number of additional ordinary units that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

y. Retained earnings/ net assets attributable to investors

Non-distributable income is included in the Trust's retained earnings/net assets attributable to investors and may consist of unrealised changes in the net fair value of financial instruments held at fair value through profit or loss, derivative financial instruments, changes in the fair value of investment properties, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible. Net capital gains on the realisation of any financial instruments (including any adjustments for tax deferred income previously taken directly to net assets attributable to investors) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax.

1. Summary of significant accounting policies (continued)

z. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the GST amount receivable or payable. The amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

aa. Rounding of amounts

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

ab. New accounting standards and UIG interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Trust's assessment of the impact of these new standards and interpretations is set out below.

(i) *AASB 8 Operating Segments* and *AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8*
AASB 8 and *AASB 2007-3* are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

(ii) *Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]*
The revised *AASB 123* is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Trust, as the Trust already capitalises borrowing costs relating to qualifying assets.

(iii) *Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101*
A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Trust intends to apply the revised standard from 1 July 2009.

(iv) AASB 132 *Financial Instruments: Presentation* and AASB 2008-2 Amendments to Australian Accounting Standards – *Puttable Financial Instruments and Obligations Arising on Liquidation* (Revised AASB 132).
Revised AASB 132 is applicable for reporting periods beginning on or after 1 January 2009. The Trust has not adopted this standard early.

1. Summary of significant accounting policies (continued)

(v) AASB 140 (Amendment) *Investment Property* and consequential amendments to AASB 116) (Effective from 1 January 2009)
The amendments were made by AASB 2008-5 *Amendments to Australia Accounting Standards arising from the Annual Improvements Project* in July 2008. Property that is under construction or development for future use as investment property is within the scope of AASB 140. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The Trust currently has Property, Plant and Equipment which is being developed for use as an investment property on completion and will apply this amended standard in future reporting periods.

2. Financial risk management

The Trust's activities expose it to a variety of financial risks; market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Trust's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Trust. The Trust uses derivative financial instruments such as interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes i.e. not as trading or other speculative instruments. The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, aging analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by a central treasury department (Mirvac Group Treasury) under policies approved by the Board of Directors of the Responsible Entity. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Responsible Entity provides written principles for overall risk management as well as policies covering specific areas such as interest rate risk, credit risk, and use of derivative financial instruments.

The Trust and its controlled entities hold the following financial instruments:

	Consolidated		Parent entity	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Financial assets				
Cash and cash equivalents	**13,888**	14,751	**2,400**	3,443
Receivables	**4,056**	7,716	**115,791**	16,038
Financial assets held at fair value through profit or loss	**-**	72,721	**-**	12,490
Derivative financial instruments	**-**	19,336	**-**	19,336
Loans to controlled entities	**-**	-	**361,648**	479,401
Other financial assets	**21,040**	25,350	**-**	-
	38,984	139,874	**479,839**	530,708
Financial liabilities				
Payables	**15,857**	12,160	**216,240**	107,225
Derivative financial instruments	**18,556**	-	**18,556**	-
Borrowings	**455,156**	647,937	**457,943**	644,288
Provision for distributions	**-**	16,623	**-**	16,623
	489,569	676,720	**692,739**	768,136

2. Financial risk management (continued)

(a) Market risk

(i) Foreign exchange risk

The Trust is not subject to foreign exchange risk. All amounts are transacted in Australian dollars.

(ii) Price risk

During the financial year, the Trust disposed of its investments in equity securities and listed property trust securities.

Accordingly the Trust no longer has an exposure to price risk. For the year ended 30 June 2008 the Trust was exposed to equity securities and listed property trust (LPT) securities price risk. This arose from investments held by the Trust and classified on the balance sheet as held at fair value through profit and loss.

To manage its price risk, the Trust diversified its equities portfolio across industry sectors and for both the equities and LPT portfolio a minimum number of stocks and maximum exposure per stock. The Trust also engaged a specialist mandate manager for both the equities portfolio and the LPT portfolio to manage the portfolios within prescribed investment guidelines.

All of the Trust's equity and LPT investments were publicly traded and included in the ASX/S&P 200 Index or ASX/S&P AREIT 200 Index. The parent entity had invested in a listed property trust which was included in the ASX/S&P 300 Property Index.

The table below summarises the impact of increases/decreases of these two indexes on the Trust's and parent entity's profit for the 2008 financial year and on equity as at 30 June 2008. The analysis is based on the assumption that the indexes had both increased/decreased in 2008 by 10%, with all other variables held constant and all the Trust's investments had moved according to the historical correlation with the index. The analysis assumes the movement in the Index occurs over the course of one day immediately following the report date as in practice there would be a risk free return component which is not considered in this analysis. Whilst this is a meaningful expectation based on historical performance, the actual outcome can deviate from this.

	Consolidated			
	Impact on profit		Impact on equity	
Index	**2009 $'000**	**2008 $'000**	**2009 $'000**	**2008 $'000**
ASX/S&P 200 Index	-	2,873	-	2,873
ASX/S&P AREIT 200 Index	-	2,675	-	2,675
	-	5,548	-	5,548

	Parent entity			
	Impact on profit		Impact on equity	
Index	**2009 $'000**	**2008 $'000**	**2009 $'000**	**2008 $'000**
ASX/S&P 300 Property Index	-	1,249	-	1,249
	-	1,249	-	1,249

Profit for the year would increase/decrease as a result of gains/losses on equity and LPT securities classified as at fair value through profit and loss.

(iii) Fair value and cash flow interest rate risk

As the Trust has minimal interest-bearing assets, the Trust's income and operating cash inflows are substantially independent of changes in market interest rates.

The Trust's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the Trust to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Trust to fair value interest-rate risk. The Trust's policy is to maintain approximately 70% - 80% of its borrowings at fixed rates using interest rate swaps. As at 30 June 2009 the borrowings of the Trust were 88.6% hedged. Management in consultation with Mirvac Treasury is constantly reviewing the hedging position of the Trust in connection with the level of debt and aims to maintain hedging at the Trust's hedging policy level where possible.

2. Financial risk management (continued)

As at the reporting date, the Trust had the following variable rate borrowings and interest rate swap contracts outstanding:

	30 June 2009 balance $'000	30 June 2008 balance $'000
Borrowings from banks and other financial institutions	**457,000**	641,000
Interest rate swaps (notional principle amount)	**(405,000)**	(455,000)
Net exposure to cash flow interest rate risk	**52,000**	186,000

The Trust manages its cash flow interest-rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Trust raises borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Trust borrowed at fixed rates directly. Under the interest-rate swaps, the Trust agrees with other parties to exchange, at specified intervals (usually quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Trust sensitivity

The Trust's interest rate risk exposure arises predominantly from long term borrowings. Based upon a 100 basis point increase or decrease in interest rates, the impact on profit has been calculated taking into account all underlying exposures and related hedges. This sensitivity has been selected as this is considered reasonable given the current level of interest rates.

If interest rates were to increase with all other variables held constant this would result in an increase in finance cost and a (decrease) in profit. Conversely the exact opposite will occur if interest rates were to decrease.

The impact on the Trust's result of a 100 basis point increase in interest rates would be an increase in interest expense of $4,570,000 and a decrease in expense from the change in fair value of derivative financial assets of $16,468,674, resulting in an overall decease in expense of $11,898,674 (2008: an overall decrease in expense of $11,992,157). The impact on the Trust's result of a 100 basis point decrease in interest rates would be a reduction in interest expense of $4,570,000 and an increase in expense from the change in fair value of derivative financial assets of $18,169,008 resulting in a total overall increase in expense of $13,599,008 (2008: an overall increase in expense of $13,331,965). The change in equity would be identical to the change in profit and loss for the years ended 30 June 2009 and 2008, as no amounts are recognised directly in equity.

Parent entity sensitivity

The parent entity's main interest rate risk arises from the Trust's borrowings held at a variable interest rate.

The impact on the parent entity's result of a 100 basis point increase in interest rates would be an increase in interest expense of $4,570,000 and a decrease in expense from the change in fair value of derivative financial assets of $16,468,674, resulting in an overall decease in expense of $11,898,674 (2008: an overall decrease in expense of $11,992,157). The impact on the parent entity's result of a 100 basis point decrease in interest rates would be a reduction in interest expense of $4,570,000 and an increase in expense from the change in fair value of derivative financial assets of $18,169,008 resulting in a total overall increase in expense of $13,599,008 (2008: an overall increase in expense of $13,331,965). The change in equity would be identical to the change in profit and loss for the years ended 30 June 2009 and 2008, as no amounts are recognised directly in equity.

(b) Credit risk

Credit risk primarily arises from the risk that a tenant will fail to perform contractual obligations including honouring the terms of the lease agreements either in whole or in part, under a contract. Other credit risk arises from cash and cash equivalents, derivative financial instruments with banks and financial institutions, as well as other loans provided from time to time, including those loans from the parent entity to a controlled entity.

Credit risk from tenants is minimised by securing bank guarantees and security deposits, and drawing on these in the case of default by a tenant. Ongoing credit evaluation is performed on the financial condition of tenants and, where appropriate, an allowance for doubtful debtors is raised. For further details regarding other receivables refer to the table in note 9.

2. Financial risk management (continued)

(b) Credit risk (continued)

Concentrations of credit risk from tenants are minimised primarily by:
- ensuring tenants, together with the respective credit limits, are approved, and
- ensuring that leases are undertaken with a large number of tenants.

As such, the Trust does not have a concentration of credit risk that arises from an exposure to a single tenant. Furthermore, the Trust does not have a material exposure to a group of counterparties which are expected to be affected similarly by changes in economic or other conditions.

Other credit risks from cash and cash equivalents and derivative financial instruments, both which are held by banks and financial institutions are minimised as only banks and financial institutions with a minimum rating of ‘A’ are accepted. For derivative financial instruments there is only a credit risk where the contracting entity is liable to pay the Trust in the event of a closeout.

The parent entity is subject to credit risk from cash and cash equivalents, loans to controlled entities and derivative financial instruments, and are minimised as described above.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. The Trust manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the Trust aims at maintaining flexibility in funding by keeping committed credit lines available.

Financing arrangements

The Trust and the parent entity had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated		**Parent entity**	
	2009	**2008**	**2009**	**2008**
	$’000	**$’000**	**$’000**	**$’000**
Floating rate				
- Expiring within one year	**-**	59,000	**-**	59,000
- Expiring beyond one year	**93,000**	-	**93,000**	-
	93,000	59,000	**93,000**	59,000

The facility may be drawn at any time, subject to gearing and liquidity covenants.

Maturities of financial liabilities

The following tables analyse the Trust and parent entity’s financial liabilities, gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the reporting date.

2. Financial risk management (continued)

Consolidated

As at 30 June 2009	Less than 1 year $'000	Between 1-2 years $'000	Between 2-5 years $'000	Over 5 years $'000	Total Contractual cash flows $'000	Carrying Amount (asset)/ liability $'000
Non-derivatives						
Non-interest bearing	16,213	(2,200)	-	-	14,013	14,013
Variable rate	-	237,500	219,500	-	457,000	457,000
Total non-derivatives	16,213	235,300	219,500	-	471,013	471,013
Derivatives						
Net settled interest rate swaps	1,477	(422)	(1,533)	2,181	1,703	18,556
Total derivatives	1,477	(422)	(1,533)	2,181	1,703	18,556

Consolidated

As at 30 June 2008	Less than 1 year $'000	Between 1-2 years $'000	Between 2-5 years $'000	Over 5 years $'000	Total Contractual cash flows $'000	Carrying Amount (asset)/ liability $'000
Non-derivatives						
Non-interest bearing	31,513	4,654	-	-	36,167	35,720
Variable rate	641,000	-	-	-	641,000	641,000
Total non-derivatives	672,513	4,654	-	-	677,167	676,720
Derivatives						
Net settled interest rate swaps	(5,517)	(4,768)	(7,439)	(290)	(18,014)	(19,336)
Total derivatives	(5,517)	(4,768)	(7,439)	(290)	(18,014)	(19,336)

Parent entity

As at 30 June 2009	Less than 1 year $'000	Between 1-2 years $'000	Between 2-5 years $'000	Over 5 years $'000	Total Contractual cash flows $'000	Carrying Amount (asset)/ liability $'000
Non-derivatives						
Non-interest bearing	217,774	(591)	-	-	217,183	217,183
Variable rate	-	237,500	219,500	-	457,000	457,000
Total non-derivatives	217,774	236,909	219,500	-	674,183	674,183
Derivatives						
Net settled interest rate swaps	1,477	(422)	(1,533)	2,181	1,703	18,556
Total derivatives	1,477	(422)	(1,533)	2,181	1,703	18,556

2. Financial risk management (continued)

Parent entity

As at 30 June 2008	Less than 1 year $'000	Between 1-2 years $'000	Between 2-5 years $'000	Over 5 years $'000	Total Contractual cash flows $'000	Carrying Amount (asset)/ liability $'000
Non-derivatives						
Non-interest bearing	**127,136**	-	-	**-**	**127,136**	**127,136**
Variable rate	**641,000**	-	-	**-**	**641,000**	**641,000**
Total non-derivatives	**768,136**	-	-	**-**	**768,136**	**768,136**
Derivatives						
Net settled interest rate swaps	**(5,517)**	**(4,768)**	**(7,439)**	**(290)**	**(18,014)**	**(19,336)**
Total derivatives	**(5,517)**	**(4,768)**	**(7,439)**	**(290)**	**(18,014)**	**(19,336)**

Refinancing risk

Refinancing risk, also part of liquidity risk, is the risk that the maturity profile of debt makes it difficult to re-finance (or rollover) maturing debt, or that it creates an excessive exposure to potentially unfavourable market conditions at any given time. The Trusts main liquidity risk is the ability to refinance current borrowings. The Trust refinanced its short term borrowings during the year, into two tranches, Tranche A of $237.5 million expiring in September 2010 and Tranche B of $312.5 million expiring in September 2011. As at 30 June 2009 total outstanding principal was $457 million. Refer to note 18 for further details.

The Trust is exposed to refinancing risks arising from the availability of finance as well as the interest rates and credit margins at which financing is available. The Trust manages this risk, where appropriate, by refinancing borrowings in advance of the maturity of the borrowing and using interest rate derivatives to hedge known and forecast positions and reviewing potential transactions to understand the impact on the credit rating.

(d) 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 is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Trust is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example units in unlisted trusts and investments in unlisted subsidiaries) is determined using valuation techniques. The Trust uses a variety of methods to determine fair value and makes assumptions that are based on market conditions existing at each balance date in addition to other techniques, such as estimated discounted cash flows. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

3. Critical accounting estimates and judgements

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

(a) Critical accounting estimates and assumptions

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated value of the managed security property and investment properties

Estimates are made by the Trust in respect of the fair value of the managed security property and investment properties. These investments are reviewed regularly for impairment by reference to external independent property valuations, recent similar sales and market conditions, using generally accepted market practices. Where these are not available, discounted cash flow models are used to estimate the fair value.

3. Critical accounting estimates and judgements (continued)

The carrying value as at 30 June for investment properties was $760,650,000 (2008: $1,060,511,000) and the managed security property was $nil following its sale on 12 December 2008 (2008: $27,150,000)

Refer to note 14 and 15 for further information on estimates and judgement used in determining the fair value of managed security and investment properties.

(ii) Estimated value of financial derivatives

Estimates are made by the Trust in respect of the fair value of financial derivatives. These financial derivatives are reviewed regularly for impairment by reference to external independent valuations from financial institutions, which are readily available.

The carrying amount of financial derivatives as at 30 June 2009 was a liability of $18,556,227 (2008: An asset of $19,336,000).

(iii) Fair value if investments not traded in active markets

The fair value of investments that are not traded in an active market is determined by using valuation techniques. The Trust uses its judgement to select appropriate methods and to make assumptions that are based on market conditions existing at each balance date to determine fair value of investments in unlisted trusts.

The carrying value of investments not traded in an active market is determined by reference to the net assets of the trust and are disclosed as other financial assets. The value of these investments at 30 June 2009 was $21,039,500 (2008; $25,350,000).

(b) Critical judgements in applying the Trust's accounting policies

(i) Going concern

The financial report has been prepared on a going concern basis. This basis assumes that the Trust will realise its assets and extinguish its liabilities in the normal course of business.

4. Segment information

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

Geographic segments

The Trust operates in one geographic segment, being Australia.

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 segment of the consolidated entity is the investment in properties which are leased to third parties for the following uses:

- Retail - Accommodation for retail outlets
- Commercial - Office accommodation
- Industrial - Accommodation for factories and other industrial use
- Hotels - Hotel accommodation
- Other - Unallocated – not attributed to one of the above segments

4. Segment information (continued)

2009 Business Segments	Retail $'000	Commercial $'000	Industrial $'000	Hotels $'000	Other $'000	Consolidated $'000
Income						
Rental revenue	41,860	39,057	18,617	-	-	99,534
Interest and other income	-	-	-	-	2,678	2,678
Dividend and distribution received	-	-	-	-	2,671	2,671
Gain on derivative financial instruments	-	-	-	-	2,011	2,011
Total income	41,860	39,057	18,617	-	7,360	106,894
Total segment result before finance costs to unitholders	(58,975)	(68,925)	(21,975)	3,994	(105,307)	(251,188)
Segment assets	375,682	337,856	180,116	114,640	-	1,008,294
Unallocated assets	-	-	-	-	12,976	12,976
Total assets	375,682	337,856	180,116	114,640	12,976	1,021,270
Segment liabilities	10,199	3,857	625	12	20,545	35,238
Unallocated liabilities	167,256	150,634	80,306	50,348	5,787	454,331
Total liabilities	177,455	154,491	80,931	50,360	26,332	489,569
Other segment information						
Investments in associates and joint ventures	57,810	46,854	6,995	93,381	-	205,040
Share of net (loss)/profit of associates and joint ventures	(880)	(6,782)	367	2,099	-	(5,196)
Acquisitions of managed and investment properties and property, plant and equipment - including capital expenditures	23,974	28,388	423	-	-	52,784
Impairment of goodwill	-	-	-	-	-	-
Impairment of property, plant and equipment	-	12,602	-	-	-	12,602

Mirvac Real Estate Investment Trust and its controlled entities
Notes to the Financial Statements
For the year ended 30 June 2009

4. Segment information (continued)

2008 Business Segments	Retail $'000	Commercial $'000	Industrial $'000	Hotels $'000	Other $'000	Consolidated $'000
Income						
Rental revenue	42,761	38,123	18,015	-	-	98,899
Interest and other income	-	-	-	-	2,875	2,875
Dividend and distribution received	-	-	-	-	8,487	8,487
Total income	42,761	38,123	18,015	-	11,362	110,261
Total segment result before finance costs to unitholders	31,942	34,312	15,139	20,397	(95,029)	6,761
Segment assets	543,136	475,521	229,470	100,724	-	1,348,851
Unallocated assets	-	-	-	-	131,144	131,144
Total assets	543,136	475,521	229,470	100,724	131,144	1,479,995
Segment liabilities	9,504	3,450	637	-	-	13,591
Unallocated liabilities	236,239	206,830	99,809	43,810	76,441	663,129
Total liabilities	245,743	210,280	100,446	43,810	76,441	676,720
Other segment information						
Investments in associates and joint ventures	61,783	57,318	6,995	100,723	-	226,819
Share of net profit of associates and joint ventures	1,861	3,923	383	20,397		26,564
Acquisitions of managed and investment properties including capital expenditures	148,421	702	37,566	-	-	186,689
Impairment of goodwill	-	-	-	-	14,894	14,894
Impairment of property, plant and equipment	-	-	-	-	-	-

5. Other income

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Interest	**1,079**	992	**25,113**	30,557
Dividends	**27**	2,278	**-**	-
Distributions	**2,645**	6,209	**115,517**	75,181
Other	**1,598**	1,883	**641**	609
	5,349	11,362	**141,271**	106,347

6. Finance costs expense

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Interest and finance charges paid/payable	**42,537**	38,523	**40,164**	38,264
Amount capitalised	**(2,313)**	(1,170)	**-**	-
Borrowing costs amortised	**2,091**	1,369	**660**	302
	42,315	38,722	**40,824**	38,566

a) Capitalised borrowing costs

During the year, borrowing costs of $2.31 million (2008: $1.17 million) were capitalised to qualifying assets. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings every month, in this case 6.78% (2008: 6.51%).

7. Other expenses from ordinary activities

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
- Responsible entity fees (note 26)	**6,409**	7,414	**-**	-
- Distributions, registry and report costs	**630**	723	**630**	723
- Trustee fees	**299**	310	**-**	-
- Other expenses	**1,080**	1,815	**419**	568
	8,418	10,262	**1,049**	1,291

8. Current assets – Cash and cash equivalents

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Cash at bank	**12,688**	13,435	**2,400**	3,443
Deposits at call	**1,200**	1,316	-	-
	13,888	14,751	**2,400**	3,443

The cash and deposits at call are earning floating interest rates between 2.68% and 3.03% (2008: 7.04% and 7.24%).

9. Current assets – Receivables

	Consolidated		Parent entity	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Rent receivable	**2,620**	3,133	-	-
Less: provision for impairment	**(147)**	(58)	-	-
	2,473	3,075	-	-
Interest receivable	**-**	-	**928**	2,536
Dividends and distributions receivable	**219**	2,211	**-**	618
Other receivables	**1,364**	2,430	**162**	621
Distributions receivable from controlled entities	**-**	-	**114,701**	12,263
	4,056	7,716	**115,791**	16,038

(a) Impaired rent receivables

As at 30 June 2009 current rent receivables of the Trust with a nominal value of $147,218 (2008: $58,215) were impaired. The amount of the provision was $147,218 (2008: $58,215). The individually impaired receivables relate to tenants who are small business operators and which are in unexpectedly difficult economic situations. The impairment amount is over and above the security deposit or bank guarantee held. There were no impaired rent receivables for the parent entity in 2009 or 2008.

The ageing of impaired receivables is as follows:

	Consolidated	
	2009 $'000	**2008 $'000**
0 - 30 days	**19**	4
31 - 60 days	**15**	4
61 - 90 days	**17**	4
Over 90 days	**96**	46
	147	58

Movements in the provision for impairment are as follows:

	Consolidated	
	2009 $'000	**2008 $'000**
Balance at the beginning of the year	**58**	-
Amounts written off during the year	**(22)**	(125)
Provision for impairment recognised	**147**	183
Amounts recovered during the year	**(36)**	-
Balance at end of year	**147**	58

The creation of the provision for impaired receivables has been included in "other expenses" in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

9. Current assets – Receivables (continued)

(b) Past due but not impaired

As at 30 June 2009, rent receivables of $606,417 (2008: $649,000) were past due but not impaired. There were no rent receivables for the parent entity in 2009 or 2008. The ageing analysis of the Trust's rent receivables is as follows:

	Consolidated Total receivables 2009 $'000	Consolidated Total receivables 2008 $'000
Not past due	**1,866**	2,426
Renegotiated	**-**	-
Past due 0 - 30 days but not impaired	**75**	490
Past due 31 - 60 days	**36**	48
Past due 61 - 90 days	**27**	54
Past 90 days	**469**	57
	2,473	3,075

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(c) Fair value and credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 2 on the risk management policy of the Trust and the credit quality of the Trust's trade receivables.

10. Current assets – Financial assets held at fair value through profit or loss

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Australian listed equity securities	**-**	33,805	**-**	-
Australian listed property trust securities	**-**	38,916	**-**	12,490
	-	72,721	**-**	12,490

Financial assets are valued in accordance with the policies contained in note 1(m)(ii). Gains or losses from financial assets are accounted for in accordance with note 1(d)(iii) and 1(m)(i).

11. Current assets – Other

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Prepayments and deferred expenses	**1,596**	1,951	**-**	-
Purchase of land pending settlement	**-**	23,690	**-**	-
	1,596	25,641	**-**	-

12. Non-current assets – Investments in controlled entities

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Investments in controlled entities	-	-	**744,601**	1,040,703

Name of entity	Country of incorporation	Equity holding 2009 %	Equity holding 2008 %
Meridian Investment Trust No 1	Australia	**100***	100*
Meridian Investment Trust No 2	Australia	**100***	100*
Meridian Investment Trust No 3	Australia	**100***	100*
Meridian Investment Trust No 4	Australia	**100***	100*
Meridian Investment Trust No 5	Australia	**100***	100*
Meridian Investment Trust No 6	Australia	**100***	100*
JF Property Trust	Australia	**35.46****	35.46**
10-20 Bond Street Trust	Australia	**100***	100*
JFM Hotel Trust	Australia	**100***	100*
Mirvac Industrial Fund	Australia	**100***	100*
Mirvac Retail Fund	Australia	**100***	100*
Davey Financial Management Pender Place Shopping Centre Trust	Australia	**100***	100*
Davey Financial Management Birkdale Fair Trust	Australia	**100***	100*
Lanyon Marketplace Trust	Australia	**100***	100*
Mirvac Funds Finance Pty Limited	Australia	**100***	100*
Mirvac Funds Loan Note Pty Limited	Australia	**100***	100*

* Beneficial percentage held by economic entity
** 64.54% is beneficially owned by the Meridian Investment Trusts 1 - 6

13. Non-current assets – Investments in associates and joint ventures

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Investments in associates	**151,191**	162,506	**-**	-
Investments in joint ventures	**53,849**	64,313	**-**	-
	205,040	226,819	**-**	-

Associates accounted for using the equity method:

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

Name	Principal activities	Ownership interest 2009 %	Ownership interest 2008 %	2009 $'000	2008 $'000
Springfield Regional Shopping Centre Trust	Property investment	**33.33**	33.33	**57,810**	61,783
Tucker Box Hotel Group* (Travelodge Hotel Group)	Property investment	**49.00**	49.00	**93,381**	100,723
				151,191	162,506

The Springfield Regional Shopping Centre Trust is a Trust established in Australia.
The Tucker Box Hotel Group is the economic entity formed by the stapling of the Tucker Box Hotel Trust (a Trust established in Australia) and the Tucker Box Hotel Company Pty Ltd (a company established in Australia).

	Consolidated 2009 $'000	Consolidated 2008 $'000
Movements in carrying amounts of investments in associates:		
Carrying amount at the beginning of the financial year	**162,506**	152,784
New capital invested	**-**	45
Share of associate profits	**1,996**	22,258
Less:		
Distributions received/receivable	**(12,578)**	(12,581)
Revaluation decrement of undeveloped land	**(733)**	-
Carrying amount at the end of the financial year	**151,191**	162,506
Summarised financial information of associates:		
The Trust's share of revenue, profits, assets and liabilities of associates are:		
Revenue	**20,176**	33,221
Profit from ordinary activities	**2,331**	23,136
Assets	**237,435**	244,689
Liabilities	**89,586**	87,324
Share of associates' expenditure commitments:		
Springfield Regional Shopping Centre Trust	**-**	-
Tucker Box Hotel Group	**1,373**	-
	1,373	-

* This investment was previously the Tuckerbox Hotel Trust. In June 2008 the Tucker Box Hotel Trust set up a new subsidiary, the Tucker Box Hotel Company Pty Ltd. On 30 June 2008, Tucker Box Hotel Trust transferred its 100% interest in the Tucker Box Hotel Company Pty Ltd to its unitholders, of which the Trust owns 49%, by way of an in specie distribution. Following this transfer, the units of the Tuckerbox Hotel Trust were stapled to the shares of the Tucker Box Hotel Company Pty Ltd to form the Tucker Box Hotel Group.

13. Non-current assets – Investments in associates and joint ventures (continued)

Investments in joint ventures

Interests in joint venture entities are accounted for in the consolidated financial statements using the equity method of accounting. Information relating to the joint venture entities is set out below.

Name	Principal activities	Ownership interest 2009 %	Ownership interest 2008 %	2009 $'000	2008 $'000
Old Wallgrove Road Trust	Property investment	**50.00**	50.00	**6,995**	6,995
197 Salmon Street Trust	Property investment	**50.00**	50.00	**46,854**	57,318
				53,849	64,313

Each of the above joint ventures is a Trust established in Australia

	Consolidated 2009 $'000	Consolidated 2008 $'000
Movements in carrying amounts of investments in joint ventures:		
Balance at the beginning of the financial year	**64,313**	64,420
Share of joint venture net profits	**(6,416)**	4,306
Less: Distributions received/receivable	**(4,048)**	(4,413)
Carrying amount of investments at end of the financial year	**53,849**	64,313
Summarised financial information of joint ventures:		
The Trust's share of revenue, profits, assets and liabilities of joint ventures are:		
Revenue	**4,107**	4,692
Profit from ordinary activities	**(6,416)**	4,306
Assets	**51,105**	62,488
Liabilities	**1,437**	1,338
Share of joint venture capital commitments:		
Old Wallgrove Road Trust	**-**	-
197 Salmon Street Trust	**-**	-
	-	-

14. Non-current assets – Investment properties

Property	Ownership %	Date acquired	Last Valuation date	Independent valuation amount $'000	Independent valuer	Cap rate 30 Jun 2009 %	Cap rate 30 Jun 2008 %	Discount rate 30 Jun 2009 %	Discount rate 30 Jun 2008 %	Book value 30 Jun 2009 $'000	Book value 30 Jun 2008 $'000
Commercial											
35-45 Furzer Street, Woden, ACT	100	Feb 2000	Jun 2008	18,100	A	**-**	9.25	**-**	10.00	**-**	18,100
3 Rider Boulevard, Rhodes, NSW	100	Jan 2007	Jun 2009	70,000	B	**8.00**	7.00	**9.50**	8.75	**70,000**	77,800
10-20 Bond Street, Sydney, NSW	50	Jul 2004	Jun 2009	109,000	C	**7.50**	5.88	**9.25**	8.25	**109,000**	150,000
12 Cribb Street, Milton, QLD	100	Apr 1999	Dec 2008	18,500	D	**9.00**	7.25	**9.75**	9.50	**15,000**	19,000
340 Adelaide Street, Brisbane, QLD	100	Sep 1998	Jun 2009	63,000	D	**9.00**	7.50	**9.50**	9.00	**63,000**	77,000
591-609 Doncaster Road, Doncaster, VIC	100	Jun 2002	Dec 2008	21,800	E	**9.50**	7.50	**10.00**	8.75	**17,300**	22,000
Industrial											
10 Julius Avenue, North Ryde, NSW	100	Dec 2005	Jun 2009	56,000	F	**8.00**	6.75	**9.50**	8.75	**56,000**	65,300
12 Julius Avenue, North Ryde, NSW	100	Nov 1999	Jun 2009	24,500	F	**8.25**	7.00	**9.50**	8.75	**24,500**	29,700
32 Sargents Road, Minchinbury, NSW	100	Feb 2004	Jun 2009	23,700	G	**8.75**	7.00	**9.25**	8.75	**23,700**	30,250
52 Huntingwood Drive, Huntingwood, NSW	100	Nov 2004	Jun 2009	22,800	G	**8.75**	7.25	**9.25**	8.75	**22,800**	27,250
90 Ashford Avenue, Milperra, NSW	100	Sep 2007	Oct 2008	11,250	H	**-**	7.75	**-**	9.00	**-**	12,800
108-120 Silverwater Road, Silverwater, NSW	100	Mar 2000	Dec 2008	27,200	I	**8.75**	7.75	**9.50**	8.75	**25,250**	29,500
47-67 Westgate Drive, Altona North, VIC	100	Sep 2007	Dec 2008	22,500	J	**9.00**	7.00	**9.50**	8.75	**20,000**	26,000
Retail											
Cooleman Court, Weston, ACT	100	Nov 2004	Jun 2009	47,600	K	**7.75**	N/a	**9.50**	N/a	**47,600**	42,235

14. Non-current assets – Investment properties (continued)

Property	Ownership %	Date acquired	Last Valuation date	Independent valuation amount $'000	Independent valuer	Cap rate 30 Jun 2009 %	Cap rate 30 Jun 2008 %	Discount rate 30 Jun 2009 %	Discount rate 30 Jun 2008 %	Book value 30 Jun 2009 $'000	Book value 30 Jun 2008 $'000
Lanyon Market Place, Condor, ACT	100	Sep 2007	Dec 2008	23,000	L	**-**	6.75	**-**	9.00	**-**	27,000
Cherrybrook Village Shopping Centre, Cherrybrook , NSW	100	Jun 2005	Jun 2009	75,000	M	**7.25**	6.25	**9.25**	8.75	**75,000**	82,000
Chester Square, Shopping Centre, Chester Hill, NSW	100	Mar 2007	Jun 2009	28,000	N	**8.25**	7.00	**10.00**	9.00	**28,000**	33,000
Moonee Beach Shopping Centre, Coffs Harbour, NSW	100	Feb 2007	Dec 2008	18,000	O	**9.50**	7.50	**10.25**	9.25	**15,250**	27,250
Pender Place Shopping Centre, Maitland, NSW	100	Sep 2007	Dec 2008	11,000	P	**9.25**	7.25	**10.00**	8.75	**10,250**	10,000
Taree City Centre, Taree, NSW	100	Nov 2004	Jun 2009	54,000	Q	**8.00**	6.50	**9.50**	9.00	**54,000**	65,000
Alexandra Hills Shopping Centre, Alexandra Hills, QLD	100	Aug 2000	Dec 2008	41,000	R	**-**	7.00	**-**	9.00	**-**	45,500
Birkdale Fair, Birkdale, QLD	100	Sep 2007	Jun 2007	15,000	R	**-**	7.00	**-**	9.25	**-**	16,000
City Centre Plaza, Rockhampton, QLD	100	Mar 2004	Jun 2009	45,000	S	**8.00**	6.75	**9.50**	8.75	**45,000**	51,500
Morayfield Supa Centre, Morayfield, QLD	100	Sep 2007	Dec 2008	40,000	R	**9.25**	7.75	**9.75**	9.25	**39,000**	47,600
Mt Sheridan Plaza and adjoining vacant land, Cairns, QLD	100	Sep 2007	Jun 2007	28,300	T	**-**	7.25	**-**	8.75	**-**	28,726
				914,250						**760,650**	1,060,511

Non-current assets pledged as security

Refer to note 18 for information on non-current assets pledged as security by the Trust or its controlled entities.

14. Non-current assets – Investment properties (continued)

Valuers' names and qualifications

A Martin Fidden, Registered Valuer No. 7153 of Savills (NSW) Pty Ltd
B Russell McKinnon, AAPI Certified Practicing Valuer, Registered Real Estate Valuer No. 2875 (NSW) and Michael Pisano, Certified Practicing Valuer, Registered Real Estate Valuer No. 20076 (NSW) of Colliers International
C David M Castles FAPI, Registered Valuer No. VAL3616 and Keith L Goddard of Knight Frank Valuations
D Andrew Sutton, AAPI, Registered Valuer No. 3205 and Tom Irving, AAPI, Registered Valuer No. 2510 of CB Richard Ellis Pty Ltd
E Ben Koops, AAPI, Certified Practicing Valuer and Leigh Melbourne, AAPI, AFIN, Certified Practicing Valuer of Savills (VIC) Pty Limited
F Michael Pisano, Certified Practicing Valuer, Registered Real Estate Valuer No. 20076 (NSW) and Dwight Hillier AAPI MRICS National Director – CBD Commercial Valuation of Colliers International
G Scott Young, Registered Valuer No. 3251 of and Andrew Johnston, Divisional Director Valuation & Consultancy Savills (NSW) Pty Ltd
H Bobby Dunimagloski, AAPI, Certified Practising Valuer, Registered Real Estate Valuer No. 6823 (NSW) of Colliers International
I Adam Gander, AAPI, Certified Practising Valuer (Reg No. 6069) of Jones Lang LaSalle (NSW) Pty Ltd
J Julian Vautin AAPI, API Member No. 2313 (VIC) and David Jessup, National Director of Colliers International Consultancy and Valuation Pty Limited
K Heath Crampton, AAPI Director – Retail Certified Practicing Valuer
L Ben Stewart, Registered Valuer 6399 of Savills (NSW) Pty Ltd
M David McLennan Certified Practicing Valuer (Reg No. 019460) and Declan Walsh Registered Valuer (reg no. 019306) of Jones Lang LaSalle Advisory
N Andrew Johnston AAPI MRICS Certified Practicing Valuer, Registered Valuer No. 3223 and Chris Paul AAPI, Certified Practicing Valuer, Registered Valuer No. 18998 of Savills (NSW) Pty ltd
O Heath Crampton, AAPI Registered Valuer No. 6661 (NSW) and Tanja Simlesa, AAPI, Certified Practising Valuer, Registered Real Estate Valuer no. 017172 (NSW) Colliers International Consultancy and Valuation Pty Limited
P Phillip G Allenby, FAPI, Registered Valuer No. VAL2523 of Knight Frank Valuations
Q Heath Crampton, AAPI Registered Valuer No. 6661 (NSW) and Eugene King GAPI Assistant Valuer – Retail, Registered Real Estate Valuer No. 016732 (NSW) of Colliers International Consultancy and Valuation Pty Limited
R Matthew Buckley, Registered Valuer No. 1771 of Savills (QLD) Pty Limited
S Paul Kwan AAPI, Certified Practicing Valuer, Registered Valuer (QLD) No. 2423 and Samantha McInnes, AAPI, Certified Practicing Valuer, Registered Valuer (QLD) No. 3208 of Knight Frank Valuations Queensland
T Andrew Johnston, Registered Real Estate Valuer No. 3223 (QLD) and Ben Stewart, Registered Valuer 6399 of Savills (NSW) Pty Ltd

Valuations of investment properties
The basis of valuation of investment properties is fair value being the amounts for which the assets could be exchanged between knowledgeable, 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. Properties not independently valued during the last 12 months are carried at director's valuation at 30 June 2009.

14. Non-current assets – Investment properties (continued)

Uncertainty around property valuations

The global market for many types of real estate has been severely affected by the recent volatility in global financial markets. The lower levels of liquidity and volatility in the banking sector have translated into a general weakening of market sentiment towards real estate and the number of real estate transactions has significantly reduced.

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is not a forced seller prepared to sell at any price. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition.

The current lack of comparable market evidence relating to pricing assumptions and market drivers means that there is less certainty in regard to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may also be significantly prolonged.

The fair value of investment property has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimates of fair value as at the balance sheet date, the current market uncertainty means that if investment property is sold in the future, the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial report.

Reconciliation of carrying amounts of investment properties
Reconciliations of the carrying amounts of investment properties at the beginning and end of the current and previous financial year are set out below.

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Carrying amount at start of financial year	**1,060,511**	877,312	-	-
Valuation (decrement)/ increment	**(196,659)**	(822)	-	-
Lease incentives	**654**	1,370	-	-
Amortisation of lease incentives	**(767)**	(1,338)	-	-
Acquisitions	**-**	-	-	-
Acquisitions resulting from purchase of controlled entities	**-**	165,884	-	-
Additions	**25,510**	20,805	-	-
Disposals during the financial year	**(128,599)**	(2,700)	-	-
Carrying amount at end of financial year	**760,650**	1,060,511	-	-

15. Non-current assets – Managed security property

Property	Type	Mortgagee in possession date	Independent Valuation Date	Independent Valuation $'000	Independent valuer	Book value Jun 2009 $'000	Book value Jun 2008 $'000
423 Pennant Hills Road, Pennant Hills, NSW	Commercial	Oct 1990	Jun 2007	31,500	A	**-**	27,150

Valuers' names and qualifications

A. Scott Young, FAPI, Certified Practising Valuer, Registered Real Estate Valuer No. 3251 of Savills (NSW) Pty Limited

Valuation of managed security property
The basis of valuation of the managed security property is fair value, being the amounts for which the assets could be exchanged between knowledgeable, 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.

Collateral
The managed security property was held as collateral for loans payable by the registered owner on the title. The fair value of the collateral held at 30 June 2008 was equal to the book value of the managed security property. The Trust was entitled to the rewards and subject to the risks of the managed security property as if it were the legal owner. The Trust was not obliged to return the collateral until such time that the loan plus accumulated interest could have been extinguished. The Trust had the right to foreclose on the mortgage and transfer the title to real property or sell the collateral, subject to the conditions as described in note 1(n). On 12 December 2008, the Trust assigned the mortgage and no longer held the managed security property.

Reconciliation of carrying amount of the managed security property
Reconciliation of the carrying amount of the managed security property at the beginning and end of the current and previous financial year are set out below**.**

	Consolidated		Parent entity	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Carrying amount at beginning of financial year	**27,150**	31,500	**-**	-
Valuation (decrement)/increment	**-**	(4,794)	**-**	-
Lease incentives	**247**	401	**-**	-
Amortisation of lease incentives	**(144)**	(136)	**-**	-
Additions	**97**	179	**-**	-
Assignment of mortgage	**(27,350)**	-		
Carrying amount at end of financial year	**-**	27,150	**-**	-

16. Non-current assets – Property, plant and equipment

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Opening balance 1 July	**-**	-	**-**	-
Transfer from prepayments to Property, plant and equipment	**569**	-	**-**	-
Additions		-	**-**	-
- Land plus acquisition costs	**24,700**	-	**-**	-
- Capital expenditure	**2,333**	-	**-**	-
Impairment	**(12,602)**	-	**-**	-
Closing balance	**15,000**	-	**-**	-

Property, plant and equipment at 30 June 2009 represents the land at 23 Furzer St, Woden ACT

During the period the carrying value of property, plant and equipment was impaired by $12,601,951 (2008: nil). The impairment charge represents the difference between the fair value less costs to sell (recoverable amount) and the carrying value of the property, plant and equipment.

The impairment loss recognised was in relation to the development land currently being constructed into a building to be leased by the Department of Health and Ageing on completion. The value of the land has been impacted by adverse current market conditions, which has impeded the recoverable amount of the land. Accordingly an impairment review was undertaken using the fair value less cost to sell based on its assessed market value.

17. Current liabilities – Payables

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade creditors	**3,780**	6,818	**432**	440
Rent received in advance	**1,656**	3,116	**-**	-
Loan from controlled entities	**-**	-	**215,695**	106,785
Responsible entity fees payable	**913**	1,171	**-**	-
Other creditors	**9,508**	1,055	**113**	-
	15,857	12,160	**216,240**	107,225

18. Borrowings

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Current liabilities				
Interest expense payable to financial institutions	**2,036**	3,519	**827**	-
Interest expense payable to controlled entities	**-**	-	**1,209**	3,519
Borrowing costs capitalised	**(4,430)**	(789)	**(1,143)**	(231)
Borrowings from financial institutions	**-**	641,000	**-**	-
Borrowings from controlled entity	**-**	-	**-**	641,000
Covenant amendment fee payable	**2,750**	-	**641**	-
	356	643,730	**1,534**	644,288
Non-current liabilities				
Borrowing costs capitalised	**(2,200)**	-	**(591)**	-
Borrowings from financial institutions	**457,000**	-	**-**	-
Borrowings from controlled entity	**-**	-	**457,000**	-
Other borrowings	**-**	4,207	**-**	-
	454,800	4,207	**456,409**	-
Total borrowings	**455,156**	**647,937**	**457,943**	**644,288**

All carrying values represent fair values at the end of the financial year. The maturity profile of the borrowings facility from financial institutions of $550 million – Tranche A of $237.5 million is due to expire in September 2010 and Tranche B of $312.5 million is due to expire in September 2011.

18. Borrowings (continued)

(a) Assets pledged as security

The bank loans of the Trust are secured by first mortgages over the Trust's investment properties. The carrying amounts of assets pledged as security for current borrowings are:

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
First mortgage				
Investment properties	**760,650**	1,060,511	**-**	-
Managed security property	**-**	27,150	**-**	-
Investment in Springfield Regional Shopping Centre Trust	**57,810**	-	**-**	-
Investments in joint ventures	**53,849**	-		
Total assets pledged as security	**872,309**	1,087,661	**-**	-

(b) Financing arrangements

Unrestricted access was available at balance date to the following:

	Consolidated	
	2009	**2008**
	$'000	**$'000**
Loan note facility		
Total facilities	**550,000**	700,000
Used at balance date	**(457,000)**	(641,000)
Unused at balance date	**93,000**	59,000

(c) Interest rate risk exposures

The following table sets out the Trust's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate by maturity periods. Exposures arise predominantly from liabilities bearing variable interest rates as the Trust intends to hold fixed rate liabilities to maturity.

		Consolidated Fixed interest maturing in:				
2009	**Floating interest rate $'000**	**1 year or less $'000**	**1 to 5 years $'000**	**More than 5 years $'000**	**Non-interest bearing $'000**	**Total $'000**
Borrowings	**457,000**	**-**	**-**	**-**	**(1,844)**	**455,156**
Interest rate swaps*	**(405,000)**	**40,000**	**195,000**	**170,000**	**-**	**-**
	52,000	**40,000**	**195,000**	**170,000**	**(1,844)**	**455,156**

*Notional principal amounts

		Consolidated Fixed interest maturing in:				
2008	**Floating interest rate $'000**	**1 year or less $'000**	**1 to 5 years $'000**	**More than 5 years $'000**	**Non-interest bearing $'000**	**Total $'000**
Borrowings	641,000	-	-	-	2,730	643,730
Interest rate swaps*	(455,000)	-	225,000	230,000	-	-
	186,000	-	225,000	230,000	2,730	643,730

*Notional principal amounts

18. Borrowings (continued)

(d) Capital management strategy

The Trust's objectives when managing capital (units) is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for investors and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Trust may adjust the amount of distributions paid to investors, return capital to investors, issue new units or sell assets to reduce debt. Consistently with others in the industry, the Trust monitors capital on the basis of the gearing ratio, which is not to exceed 45%. This ratio is calculated as total interest bearing liabilities divided by total tangible assets of the Trust. (2008: not to exceed 50%, calculated as total interest bearing liabilities divided by total tangible assets of the Trust including the Trust's share of total interest bearing liabilities and total tangible assets of all investments accounted for using the equity method where the Trust owns more than 20%).

The gearing ratios at 30 June 2009 and 30 June 2008 were as follows:

	Consolidated	
	2009	**2008**
	$'000	**$'000**
Total borrowings	**455,156**	719,407
Total tangible assets	**1,021,270**	1,553,287
Gearing ratio	**44.6%**	46.3%

19. Derivative financial instruments

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Non-current assets				
Interest rate swap contracts	**-**	19,336	**-**	19,336
Current liabilities				
Interest rate swap contracts	**565**	-	**565**	-
Non-current liabilities				
Interest rate swap contracts	**17,991**	-	**17,991**	-

(a) Instruments used by the Trust

The Trust enters into derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates, in accordance with the Trust's financial risk management policies.

(i) Interest rate swap contracts

Bank loans of the Trust currently bear an average variable interest rate. It is policy to protect part of the loans from exposure to fluctuations in interest rates. Accordingly, the Trust has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and pay interest at fixed rates.

Swaps currently in place cover approximately 89% (2008: 71%) of the total loan principle outstanding. The contracts require settlement on a net basis every 90 days. All hedges are considered to be ineffective and accordingly the gain or loss from remeasuring the contracts at fair value is immediately recognised in the income statement.

At balance date these contracts were a liability with fair value of $18.6 million (2008: asset of $19.3 million). For the financial year ended 30 June 2009, $45.8 million was recognised as an expense (2008: $10.4 million as income) from the decrease in the fair value of interest rate swaps from the prior year.

19. Derivative financial instruments (continued)

At 30 June 2009, the notional principal amounts and periods of expiry of the interest rate swaps contracts are as follows:

	2009 $'000	2008 $'000
Less than 1 year	**40,000**	-
1 – 2 years	**-**	40,000
2 – 3 years	**45,000**	25,000
3 – 4 years	**100,000**	60,000
4 – 5 years	**50,000**	100,000
More than 5 years	**170,000**	230,000
	405,000	455,000

The Trust also has an interest rate swap contract of $60 million which is currently inactive and will re-commence from 4 December 2012 to 4 December 2017, which has not been included in the above table.

20. Contributed equity

	Consolidated and Parent entity			
	2009 units	2008 units	2009 $'000	2008 $'000
Ordinary units	**627,269**	627,269	**675,365**	675,365
Equity issue costs	**-**	-	**(7,135)**	(7,135)
Total contributed equity	**627,269**	627,269	**668,230**	668,230

21. Retained earnings

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Opening balance at the beginning of the financial year	**135,045**	-	**135,045**	-
Transfer of retained earnings from liability to equity in accordance with AASB 132 on 13 December 2007*	**-**	204,934	**-**	204,934
Net profit from 13 December 2007 to 30 June 2008*	**-**	(20,020)	**-**	(20,020)
Net profit from 1 July 2008 to 30 June 2009	**(251,188)**	-	**(251,188)**	-
Distributions paid/provided for from 13 December 2007 to the end of the financial year*	**-**	(49,869)	**-**	(49,869)
Distributions paid during the financial year ended 30 June 2009	**(20,386)**	-	**(20,386)**	-
Closing balance at the end of the financial year	**(136,529)**	135,045	**(136,529)**	135,045

*At a unitholder's meeting held on 13 December 2007, the constitution of the Trust was amended by removing the maximum term of the Trust making the Trust "perpetual" and transferring the units of the Trust from debt instruments to equity under *AASB 132 Financial Instruments*.

22. Finance costs/Distributions paid and payable to unitholders

	2009 $'000	2009 CPU	2008 $'000	2008 CPU
Finance costs				
September quarter – paid	**-**	**-**	16,623	2.650
	-	**-**	16,623	2.650
Distributions				
September quarter – paid	**10,193**	**1.625**	-	-
December quarter – paid	**10,193**	**1.625**	16,623	2.650
March quarter – paid	**-**	**-**	16,623	2.650
June quarter – payable	**-**	**-**	16,623	2.650
	20,386	**3.250**	49,869	7.950
Total finance costs and distributions paid and payable	**20,386**	**3.250**	66,492	10.600

The distribution frequency was changed during the year from quarterly to a semi-annual basis.

The Distribution Re-investment Plan (DRP) was re-activated during the year, effective from 30 June 2009.

The Trust has distributed all of its taxable income to unitholders for the years ended 30 June 2009 and 30 June 2008.

23. Remuneration of auditors

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

	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
Auditors of the Trust				
PricewaterhouseCoopers:				
Audit and review of financial reports and other audit work	**276,805**	283,937	**48,168**	51,153
Other services				
PricewaterhouseCoopers:				
Due diligence services	**-**	120,000	**-**	120,000
Non-PricewaterhouseCoopers:				
Due diligence services	**-**	154,000	**-**	154,000
Taxation services	**239,028**	146,900	**8,000**	16,075
Property outgoing audit	**27,734**	75,835	**-**	-
Compliance audit	**8,400**	7,900	**8,400**	7,900
	275,162	504,635	**16,400**	297,975
	551,967	788,572	**64,568**	349,128

It is the Trust's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Trust are important. These assignments are principally due diligence engagements, or where PricewaterhouseCoopers is awarded assignments on a competitive basis.

24. Contingencies

The Trust had no contingent liabilities and no contingent assets at 30 June 2009.

25. Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the financial year but not recognised as a liability is as follows:

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Commitments for expenditure relating to investment properties:				
Within one year	**212,369**	13,900	**-**	-
Later than one year and not later than five years	**-**	208,700	**-**	-
Later than five years	**-**	-	**-**	-
	212,369	222,600	**-**	-

26. Related party transactions

a. Responsible entity

The responsible entity of Mirvac Real Estate Investment Trust is Mirvac REIT Management Limited ("Responsible Entity") whose immediate and ultimate holding company is Mirvac Holdings Limited.

b. Joint ventures and associates

Interests in related party joint ventures and associates are set out in Note 13.

c. Key management personnel

Key management personnel is persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the responsible entity.

(a) Directors

Key management personnel includes persons who were directors of Mirvac REIT Management Limited during the financial year:

Mr P F Barker – Chairman
Mr N R Collishaw
Mr G B Hodgetts
Mr K R Strang
Mr R W Turner

(b) Other key management personnel

Other key management personnel who were responsible for planning, directing and controlling the activities of the Trust, directly or indirectly during the financial year include:

Garry Wilcox

(c) Key management personnel compensation

Key management personnel are employed and paid by Mirvac Projects Pty Ltd. Payments made from the Trust to Mirvac REIT Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

(d) Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the year.

26. Related party transactions (continued)

(e) Key management personnel unit holdings

No key management personnel held units in the Trust during the financial year.

(f) Other transactions within the Trust

Apart from those details disclosed in this note, no key management personnel has entered into a material contract with the Trust since the end of the previous financial year and there were no material contracts involving director's interests subsisting at year end.

d. Responsible entity's remuneration

At a unitholder's meeting held on 13 December 2007 the Trust's Constitution was changed and the responsible entity fee was reduced to 0.50% per annum of total assets, calculated and payable on a monthly basis, effective from 1 October 2007. For the year ended 30 June 2008, the management fee was 0.75% per annum on total assets up to $400 million and at 0.65% per annum on total assets in excess of $400 million for the three months to 30 September 2007 and 0.50% per annum of total assets for the nine months to 30 June 2008.

The changes to the Trust's Constitution also include a performance fee for the responsible entity effective for the financial year commencing on 1 July 2008. During the year ended 30 June 2009 the Trust did not perform in line with the required benchmarks and accordingly no performance fee is payable to the responsible entity for the 2009 financial year.

In addition to management fees the responsible entity and its associates are entitled to

i. property management and leasing fees based on market rates;
ii. advisory fees for acquisitions, redevelopments and treasury matters based on market rates;
iii. reimbursement of trust expenses incurred on behalf of the Trust.

Set out below are the fees paid or payable by the Trust and consolidated entities to responsible entity (and its associates) during the year:

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Property management and leasing fees	**2,810,290**	2,681,184	**-**	-
Responsible entity's fee	**6,409,265**	7,414,029	**-**	-
Management and compliance fees-other related entities	**177,662**	154,735	**177,662**	154,735
Development fees*	**2,432,090**	10,307,825	**-**	-
Acquisition fees	**-**	-	**-**	-
Treasury fees	**471,960**	-	**471,960**	-
	12,301,267	20,557,773	**649,622**	154,735
Reimbursement of Trust expenses	**73,091**	112,667	**-**	-
Other amounts paid to an associate of the responsible entity**	**2,327,040**	-	**-**	-
The following amounts are included in accounts payable as owed to responsible entity at balance date	**912,803**	1,170,795	**-**	-

* Development fees include amounts paid in connection with development management services and reimbursement of costs directly related to the development including travel and staff costs. During the financial year, the Trust paid $2.4 million (2008: $10.2 million) in development fees to an associate of the responsible entity. For the year ended 30 June 2009 these were in relation to developments at Woden, Cooleman Court, Mt Sheridan Plaza (up until its sale) and Chester Square.

** During the year the Trust repaid a loan to an associate of the responsible entity of $2,327,040 being for vacant land at Moryafield which the associate had been developing through a joint venture with an external third party.

26. Related party transactions (continued)

e. Related party unitholding

The following related parties of the responsible entity held and have acquired Mirvac Real Estate Investment Trust units at prevailing market rates. As at 30 June 2009 these interests were:

	2009 Number of units	2008 Number of units
Perpetual Nominees Limited as custodian for James Fielding Trust	**154,437,289**	144,358,495

f. Wholly-owned group

Details of interests in wholly-owned controlled entities are set out in note 12. Details of dealings with these entities are set out below.

g. Loans

Loans between entities in a wholly-owned group are unsecured and some are interest bearing at commercial lending rates.

h. Distributions

	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
Distributions received or due and receivable by the Trust from wholly-owned controlled entities	**-**	-	**114,898,019**	73,326,198

i. Other related party transactions

During the year the Trust purchased units/shares in the following related parties on arms length commercial terms and conditions:

	Consolidated 2009 $	Consolidated 2008 $
Mirvac Industrial Fund	**-**	**39,285,588**
Mirvac Retail Fund	**674,842**	**43,906,581**
Lanyon Marketplace Trust	**488,678**	**32,919,242**
Davey Financial Management Birkdale Fair Trust	**535,219**	**26,347,445**
Davey Financial Management Pender Place Shopping Centre Trust	**628,301**	**30,239,770**
Tuckerbox Hotel Company Pty Ltd	**-**	**45,868**
	2,327,040	**172,744,494**

During the financial year ended 30 June 2009, the Trust purchased units in four sub trusts of the Trust being, 489,747 units in the Mirvac Retail Fund for total consideration of $674,842, 280,315 units in Lanyon Marketplace Trust for total consideration of $488,678, 351,127 units in Davey Financial Management Birkdale Fair Trust for total consideration of $535,219, and 557,322 units in Davey Financial Management Pender Place Shopping Centre Trust for total consideration of $628,301.

26. Related party transactions (continued)

During the financial year ended 30 June 2008, the Trust purchased 100% of the units in the Mirvac Industrial Fund for $21 million and Mirvac Retail Portfolio for $73.1 million; these unlisted funds were managed by Mirvac Funds Management Limited, a related party of the Responsible Entity. Mirvac Retail Portfolio was de-stapled and further equity of $60.3 million was invested in the previously stapled four trusts being Mirvac Retail Fund, Lanyon Marketplace Trust, Davey Financial Management Birkdale Fair Trust and the Davey Financial Management Pender Place Shopping Centre Trust, to repay the debt of the fund. Further equity of $18.3 million was also invested in the Mirvac Industrial Fund to repay the debt of the fund.

On 29 November 2008, the Trust established two new companies, Mirvac Funds Finance Pty Ltd and Mirvac Funds Loan Notes Pty Limited to facilitate the new loan note structure for the Trust's borrowings.

In June 2008 the Tucker Box Hotel Trust set up a new subsidiary, the Tucker Box Hotel Company Pty Ltd.
On 30 June 2008, Tucker Box Hotel Trust transferred its 100% interest in the Tucker Box Hotel Company Pty Ltd to its unitholders, of which the Trust owns 49%, by way of an in specie distribution. Following this transfer, the units of the Tuckerbox Hotel Trust were stapled to the shares of the Tucker Box Hotel Company Pty Ltd to form the Tucker Box Hotel Group.

27. Reconciliation of net profit to net cash inflow from operating activities

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Net (loss)/profit	**(251,188)**	6,761	**(251,188)**	6,761
Gain on derivative financial instruments	**(2,011)**	-	**(2,011)**	-
Change in fair value of managed and investment properties	**196,659**	5,616	**-**	-
Impairment of property, plant and equipment	**12,602**	-	**-**	-
Change in fair value of investment properties and derivatives included in the share of net profit from associates and joint ventures	**20,442**	(9,316)	**-**	-
Lease incentive amortisations	**911**	1,474	**-**	-
Change in net market value of financial assets	**13,118**	47,136	**8,418**	14,716
Change in fair value of derivatives	**45,748**	(10,434)	**45,748**	(10,434)
Impairment of goodwill	**-**	14,894	**-**	14,894
Loss/(profit) on sale of investment properties	**5,550**	(3,490)	**-**	-
Loss on sale of managed security property	**541**	-	**-**	-
Finance costs to financial institutions	**42,315**	38,722	**40,824**	38,566
Fair value rental guarantee	**447**			
Fair value adjustments of controlled entities	**-**	-	**298,431**	40,553
Change in operating assets and liabilities:				
Net movements in debtors and prepayments	**3,923**	261	**(101,766)**	9,066
Net movements in creditors and accruals	**(4,418)**	(69)	**4**	(83)
Net cash inflow from operating activities	**84,639**	91,555	**38,460**	114,039

28. Earnings per unit

	Consolidated 2009	2008*
Earnings per unit		
Basic earnings per unit (cents)	**(40.04)**	(3.19)
Diluted earnings per unit (cents)	**(40.04)**	(3.19)
Reconciliation of earnings used in calculating earnings per unit	**$'000**	**$'000**
Basic and diluted earnings per unit		
Net loss used in calculating earnings per unit**	**(251,188)**	(20,020)
Weighted average number of units used as denominator	**'000**	**'000**
Weighted average number of units used in calculating basic earnings per unit	627,269	627,269
Weighted average number of units used in calculating diluted earnings per unit	627,269	627,269

* Earnings per unit information is disclosed for the period 13 December 2007 to 30 June 2008 as the class of units that are publicly traded were considered to be debt instruments in accordance with *AASB 132 Financial Instruments: Presentation* requirements up to 12 December 2007.

** Earnings used in the 2008 comparative calculation of earnings per unit represent "net profit/(loss) attributable to unitholders" and reflect earnings for the period 13 December 2007 to 30 June 2008.

29. Events occurring after reporting date

In the opinion of the directors of the responsible entity of the Trust, no matters or circumstances have arisen in the interval between the end of the financial year and the date of this report to significantly affect the operations of the Trust, the results of those operations, or the state of affairs, in future financial years.

Directors' Declaration

In the opinion of the directors of the responsible entity:

a) The financial statements and notes set out on pages 14 to 55 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 parent entity and Trust's financial position as at 30 June 2009 and of their performance, for the financial year ended on that date; and

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

The directors have been given the declarations by the Chief Executive Officer and Finance Manager as required by section 295A of the Corporations Act 2001.

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

Grant B Hodgetts
Director

Sydney
25 August 2009

PRICEWATERHOUSECOOPERS

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Independent auditor's report to the unitholders of

Mirvac Real Estate Investment Trust

Report on the financial report

We have audited the accompanying financial report of Mirvac Real Estate Investment Trust (the Trust), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Mirvac Real Estate Investment Trust and Mirvac Real Estate Investment 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 REIT Management Limited (the responsible entity of the Trust) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. These Auditing 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.

PRICEWATERHOUSECOOPERS

Independent audit report to the unitholders of Mirvac Real Estate Investment Trust (continued)

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

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

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 Real Estate Investment Trust is in accordance with the *Corporations Act 2001*, including:

> (i) giving a true and fair view of the Trust's and consolidated entity's financial position as at 30 June 2009 and of their 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*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

PricewaterhouseCoopers

PricewaterhouseCoopers

M. Laithwaite

Marcus Laithwaite
Partner

Sydney
25 August 2009