Appendix 4E

Preliminary final report – Year ended 30 June 2009

Name of entity:	**MIRVAC INDUSTRIAL TRUST**
ARSN:	**113 489 624**

Detail of the reporting period

Current period:	1 July 2008 - 30 June 2009
Previous corresponding period:	1 July 2007 - 30 June 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET		**Down**	**A$'000**
2.1	Revenues from ordinary activities	2.59%	89,403
2.2	Profit from ordinary activities after tax attributable to members	1,808.77%	(224,147)
2.3	Net profit for year attributable to members	1,808.77%	(224,147)

2.4	Distributions (dividends)	**Amount per security**	**Franked amount per security**
	Total distribution	2.500 cents	Nil
	Interim and final distribution – 31 December 2008	2.500 cents	Nil

2.5	Record date for determining entitlements to the distribution	N/A
2.6	A full explanation of the above figures is documented in Mirvac Industrial Trust's announcement to the market and audited financial report.	

		30 Jun 2009 A$	**30 Jun 2008 A$**
9	Net tangible asset per security attributable to unitholders	0.24	0.70

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

MIRVAC INDUSTRIAL TRUST

Annual Financial Report
30 June 2009

This annual financial report covers Mirvac Industrial Trust (ARSN 113 489 624) as an individual entity and the consolidated entity consisting of Mirvac Industrial Trust and its controlled entities.

Index	Page

The responsible entity of Mirvac Industrial Trust is Mirvac Funds Management Ltd (ABN 78 067 417 663). The responsible entity's registered office is Level 26, 60 Margaret Street, Sydney NSW 2000 Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Director's report on pages 2 to 5, which is not part of this financial report.

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 in the Investor Information Section on our website: www.mirvac.com.

Mirvac Industrial Trust
Directors' Report

The board of directors of Mirvac Funds Management Limited (as the responsible entity of Mirvac Industrial Trust) present their report on Mirvac Industrial Trust and its controlled entities (the Trust) for the year ended 30 June 2009.

Directors

The following persons were directors of the responsible entity during the whole of the financial year and up to the date of this report unless otherwise indicated:

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 property investment. The Trust operates in one geographical area, the United States of America. There were no significant changes in principal activities during the year.

The Trust did not have any employees during the year.

Distributions

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

	2009 $'000	2008 $'000
June 2008 distribution paid on 29 August 2008 of 3.100 cents (2008: 4.875 cents)	**11,236**	18,021
December 2008 distribution paid on 27 February 2009 of 2.500 cents (2008: 4.875 cents)	**9,062**	18,021
Total distributions paid	**20,298**	36,042

The June 2009 year end distribution is nil. Distributions paid and payable by the Trust for the year ended 30 June 2009 totalled $9.1 million, being 2.5 cents per fully paid unit (2008: $29.3 million – 7.975 cents per fully paid unit).

Review and results of operations

The net loss attributable to unitholders for the Trust for year ended 30 June 2009 was $224.1 million (30 June 2008: $11.7 million). The operating profit (profit before specific non-cash and significant items) for the year ended 30 June 2009 was $16.8 million (30 June 2008: $27.9 million)

Operating profit is a financial measure of 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 core earnings of the consolidated entity.

The following table summarises key reconciling items between net profit/(loss) after tax and operating profit.

	2009 $'000	2008 $'000
Net loss attributable to unitholders	**(224,147)**	(11,743)
Specific non-cash items		
Recognition of rental income on a straight line basis	**(1,072)**	(1,607)
Change in fair value of derivative financial instruments	**17,516**	(4,991)
Change in fair value of investment properties	**225,927**	63,014
Deferred tax benefit	**(7,497)**	(15,284)
Amortisation	**1,710**	877
Changes in fair value of investment properties, derivatives and other specific non-cash items included in minority interests	**(3,725)**	(2,363)
Significant items		
Impairment of goodwill	**8,088**	-
Operating profit (profit before specific non-cash and significant items)	**16,800**	27,903

Value of assets

The Trust's total assets are as follows:

	2009 $'000	2008 $'000
Total assets	**565,282**	716,020

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 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 statements.

Matters subsequent to the end of the financial year

In the opinion of the directors of the responsible entity of the Trust, no other 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.

Significant changes in the state of affairs

On the 11th February 2009 the Trust announced that it has acquired CenterPoint Properties Trust's 5 per cent minority interest in CenterPoint Mirvac LLC (controlled entity) for US$13.6 million, before costs. The acquisition of CenterPoint's minority interest is in accordance with the terms set out in the Joint Venture Agreement with the price reflecting CenterPoint's initial equity contributions into the Joint Venture.

During the year the Trust announced it had appointed financial advisors to review strategic options of the Trust. As a result of the review the responsible entity resolved to proceed to a formal expression of interest campaign.

After reviewing the Trust's going concern status the directors of the responsible entity of the Trust have concluded that they have reasonable grounds to expect the Trust to be able to pay its debts as and when they fall due. The Trust has thereby prepared its 30 June 2009 financial report on a going concern basis. However, due to the reasons set out in note 1(b), there is significant uncertainty regarding the Trust's ability to continue as a going concern.

Likely developments and expected results of operations

In the opinion of the Directors, it would prejudice the interests of the consolidated entity to provide additional information relating to likely developments in the operations of the consolidated entity, and the expected results of those operations in financial years subsequent to 30 June 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 on 1 July	**362,458**	369,654
Units bought back during the financial year	**-**	(7,196)
Units on issue at 30 June	**362,458**	362,458

Value of assets	**$'000**	$'000
Value of Trust assets at 30 June	**565,282**	716,020

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 the planning approvals.

Indemnities and insurance premiums of officers and auditors

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. So 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 auditors of the Trust are in no way indemnified out of the assets of the Trust.

Responsible Entity's remuneration

Details of responsible entity's remuneration are set out in note 21.

Non-audit services

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

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out in note 18 of the financial report.

The board of directors has considered the position and, in accordance with the advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out in note 18, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Rounding of amounts to nearest thousand dollars

Pursuant to 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 to the nearest thousand dollars in accordance with that Class Order.

Auditor

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

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 and forms part of this report.

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

Grant B Hodgetts
Director

Sydney
25 August 2009

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Auditor's Independence Declaration

As lead auditor for the audit of Mirvac Industrial 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 Industrial Trust and the entities it controlled during the period.

M. Laithwaite

Marcus Laithwaite
Partner
PricewaterhouseCoopers

Sydney
25 August 2009

MIRVAC FUNDS MANAGEMENT LIMITED
CORPORATE GOVERANCE STATEMENT

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

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

MFML is the responsible entity of Mirvac Industrial 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 MFML'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 MFML 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. MFML 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 MFML 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 Funds Management Limited, Mirvac REIT 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 Funds Management Limited, Mirvac REIT 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 Funds Management Limited, Mirvac REIT 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 Funds Management Limited in December 2001, Mirvac REIT Management Limited in March 2003, 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 MFML Board is appointed by Mirvac's Directors and, as specified in the MFML 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 MFML Board Charter.

Independence of Directors (Recommendations 2.1 and 2.6)

The MFML Board has developed a policy, contained in the MFML 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 MFML 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 MFML Board therefore has a majority of independent directors as required by the Board Charter and the Recommendations.

Conflicts of interest

The MFML Board approved Recommendations for Board members dealing with conflicts of interests with their duties as Directors of MFML are detailed in the MFML 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 MFML Board Charter, the MFML Board and its Committees may seek advice from independent experts whenever it is considered appropriate. Individual Directors, with the consent of the MFML Chairman, may seek independent professional advice on any matter connected to their responsibilities as an MFML Director, at MFML's expense.

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

The MFML Chairman, supported by the Company Secretary of MFML, 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 MFML Director through questionnaires that remain confidential and anonymous. The MFML 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)

MFML 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 MFML Board, as well as access to external consultants to assist the Committee and the MFML 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 MFML'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 MFML 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 MFML 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 MFML 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 MFML's Constitution and the *Corporations Act 2001*. The delegated powers have been clearly delineated in a Limits of Authority document, approved by the MFML Board, and compliance with this document is subject to internal audits.

The Board has established the following Standing Committees:
> MFML 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 MFML 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 MFML 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 MFML's Australian Financial Services Licence, reporting their findings to the MFML 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 MFML 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 MFML'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 MFML 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 MFML 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)

MFML 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 MFML 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 MFML 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 MFML Executive Committee, the ARCC and ultimately the MFML 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 MFML 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 MFML 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 MFML have provided the following assurance to the MFML 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 MFML 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 MFML'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.au.

Mirvac's Human Resources Committee is responsible for making assessments and recommendations as to the appropriate remuneration of MFML 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 MFML 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. MFML 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 MFML 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 MFML, including but not limited to:

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

Mirvac Industrial Trust
Income Statements
For the year ended 30 June 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Revenue					
Rental revenue		**88,106**	77,801	**-**	-
Distribution revenue		**-**	-	**18,097**	30,298
Interest revenue		**292**	1,122	**263**	533
Total revenue from continuing operations		**88,398**	78,923	**18,360**	30,831
Other income					
Change in fair value of derivative financial instruments		**-**	4,991	**-**	4,757
Realised foreign currency gain		**1,005**	7,346	**1,005**	7,346
Profit on sale of investment properties		**-**	519	**-**	-
Total other income		**1,005**	12,856	**1,005**	12,103
Total revenue and other income		**89,403**	91,779	**19,365**	42,934
Expenses					
Property outgoings		**(32,047)**	(25,069)	**-**	-
Loss on sale of investment properties		**(3,443)**	-	**-**	-
Change in fair value of investment properties		**(225,927)**	(63,014)	**-**	-
Change in fair value of derivative financial instruments		**(17,516)**	-	**(17,852)**	-
Finance costs to financial institutions		**(27,609)**	(24,241)	**-**	-
Impairment of goodwill	8	**(8,088)**	-	**(359)**	-
Impairment of investment in controlled entities	8	**-**	-	**(263,008)**	-
Management fees		**(3,883)**	(3,508)	**(3,883)**	(3,508)
Other expenses	4	**(5,302)**	(2,663)	**(1,963)**	(981)
Total expenses		**(323,815)**	(118,495)	**(287,065)**	(4,489)
Withholding tax	3a	**(492)**	(1,452)	**(414)**	(1,452)
Deferred tax benefit	3a	**7,497**	15,284	**-**	-
Total tax (expense)/benefit		**7,005**	13,832	**(414)**	(1,452)
Net profit/(loss) after tax		**(227,407)**	(12,884)	**(268,114)**	36,993
Net loss attributable to minority interests		**3,260**	1,141	**-**	-
Net profit/(loss) attributable to unitholders		**(224,147)**	(11,743)	**(268,114)**	36,993
Basic earnings per unit (cents)	24	**(61.84)**	(3.20)		
Diluted earnings per unit (cents)	24	**(61.84)**	(3.20)		

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

Mirvac Industrial Trust
Balance Sheets
As at 30 June 2009

		Consolidated		Parent entity	
		2009	2008	**2009**	2008
	Note	**$'000**	$'000	**$'000**	$'000
Current assets					
Cash and cash equivalents	5	**18,819**	25,152	**1,332**	12,878
Receivables	6	**5,559**	12,293	**149**	14
Derivative financial instruments	12	**-**	6,264	**-**	6,264
Non current assets held for sale	9	**-**	26,039	**-**	-
Other	7	**2,065**	3,636	**365**	509
Total current assets		**26,443**	73,384	**1,846**	19,665
Non-current assets					
Investment in controlled entities	8	**-**	-	**83,415**	346,423
Investment properties	10	**538,839**	632,905	**-**	-
Derivative financial instruments	12	**-**	9,731	**-**	9,731
Total non-current assets		**538,839**	642,636	**83,415**	356,154
Total assets		**565,282**	716,020	**85,261**	375,819
Current liabilities					
Payables	11	**28,888**	28,073	**828**	4,667
Borrowings	13	**-**	5,194	**-**	-
Provision for distribution		**-**	11,236	**-**	11,236
Derivative financial instruments	12	**505**	-	**505**	-
Total current liabilities		**29,393**	44,503	**1,333**	15,903
Non-current liabilities					
Borrowings	13	**446,382**	396,421	**-**	-
Deferred tax liabilities	3b	**-**	7,497	**-**	-
Derivative financial instruments	12	**1,842**	669	**1,352**	-
Total non-current liabilities		**448,224**	404,587	**1,352**	-
Total liabilities		**477,617**	449,090	**2,685**	15,903
Net assets attributable to unitholders		**87,665**	266,930	**82,576**	359,916
Equity					
Contributed equity	14	**341,544**	341,708	**341,544**	341,708
Reserves	15a	**(10,241)**	(76,515)	**-**	-
Undistributed income/(loss)	15b	**(243,686)**	(10,477)	**(258,968)**	18,208
Minority interest		**48**	12,214	**-**	-
Total equity		**87,665**	266,930	**82,576**	359,916

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

Mirvac Industrial Trust
Statements of Changes in Equity
For the year ended 30 June 2009

		Consolidated		Parent entity	
		2009	2008	**2009**	2008
	Notes	**$'000**	$'000	**$'000**	$'000
Total equity at the beginning of the financial year		**266,930**	356,530	**359,916**	357,314
Profit/(loss) for the financial year		**(227,407)**	(12,884)	**(268,114)**	36,993
Exchange difference on translation of foreign operations	15a	**66,274**	(38,699)	**-**	-
Total recognised income and expense for the financial year		**(161,133)**	(51,583)	**(268,114)**	36,993
Transactions with unitholders in their capacity as unitholders:					
Units bought back	14	**-**	(4,866)	**-**	(4,866)
Equity transition costs		**(164)**	(268)	**(164)**	(268)
Distribution paid/payable minority interest		**(8,906)**	(3,626)	**-**	-
Distribution paid/payable to unitholders	16	**(9,062)**	(29,257)	**(9,062)**	(29,257)
Total equity at the end of the financial year		**87,665**	266,930	**82,576**	359,916

Total recognised income and expense for the financial year attributable to:

Unitholders of Mirvac Industrial Trust	**(157,873)**	(50,442)	**(268,114)**	36,993
Minority interest	**(3,260)**	(1,141)	**-**	-
	(161,133)	(51,583)	**(268,114)**	36,993

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

Mirvac Industrial Trust
Cash Flow Statements
For the year ended 30 June 2009

		Consolidated		Parent entity	
		2009	2008	**2009**	2008
	Notes	**$'000**	$'000	**$'000**	$'000
Cash flows from operating activities					
Cash receipts in the course of operations (inclusive of GST)		**82,250**	73,428	**-**	-
Cash payments in the course of operations (inclusive of GST)		**(44,563)**	(31,891)	**(10,034)**	(4,826)
Withholding tax paid		**(492)**	(1,451)	**(414)**	(1,451)
Interest received		**292**	1,113	**263**	533
Distribution received		**-**	-	**18,043**	35,757
Finance costs paid		**(27,145)**	(24,189)	**-**	-
Proceeds from sale of derivative financial instruments		**1,058**	1,887	**1,058**	1,887
Net cash inflows from operating activities	23	**11,400**	18,897	**8,916**	31,900
Cash flows from investing activities					
Purchase of investment properties		**(3,204)**	(21,140)	**-**	-
Proceeds from sale of investment properties		**55,652**	19,814	**-**	-
Payments for purchase of minority interests		**(22,265)**	-	**-**	-
Net cash inflow/(outflows) from investing activities		**30,183**	(1,326)	**-**	-
Cash flows from financing activities					
Payment for buy-back of units		**-**	(4,866)	**-**	(4,866)
Equity transaction costs paid		**(164)**	(388)	**(164)**	(137)
Proceeds from borrowings		**26,144**	2,078	**-**	-
Repayments of borrowings		**(56,440)**	(3,257)	**-**	-
Distributions paid		**(20,298)**	(36,042)	**(20,298)**	(36,042)
Net cash outflows from financing activities		**(50,758)**	(42,475)	**(20,462)**	(41,045)
Net decrease in cash and cash equivalents held		**(9,175)**	(24,904)	**(11,546)**	(9,145)
Cash and cash equivalents at the beginning of the financial year		**25,152**	48,926	**12,878**	22,023
Effects of exchange rate changes on cash and cash equivalents		**2,842**	1,130	**-**	-
Cash and cash equivalents at the end of the financial year	5	**18,819**	25,152	**1,332**	12,878

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

Note 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 the period presented, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with the Trust's Constitution, Australian Accounting Standards, 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. The directors of the responsible entity have the power to amend and reissue the financial report.

Compliance with IFRS
The financial report of Mirvac Industrial Trust and its controlled entities also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

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

Critical accounting estimates
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 2.

(b) Going concern

After reviewing the Trust's going concern status the directors of the responsible entity of the Trust have concluded that they have reasonable grounds to expect the Trust to be able to pay its debts as and when they fall due. The Trust has thereby prepared its 30 June 2009 financial report on a going concern basis. However, due to the reasons set out below, there is significant uncertainty regarding the Trust's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Strategic review
On the basis of the continuing deterioration in the global credit market, the directors of the responsible entity conducted during the year a review of the Trust's operational outlook and financial position.

On 11 February 2009, the Trust announced that it had appointed financial advisors to review strategic options of the Trust. As a result of the review the responsible entity resolved to proceed to a formal expression of interest campaign in respect of the Trust's investment property portfolio.

The Trust concluded the formal expression of interest campaign in connection with the realisation of assets in May 2009 with the Trust receiving a number of conditional expressions of interest. The responsible entity believes it prudent to continue to explore these expressions of interest further in order to achieve an outcome that is in the best interest of the unitholders. Discussions with these parties are ongoing and may or may not result in the realisation of assets.

Note 1 Summary of significant accounting policies (continued)

Debt refinancing

The Trust has a commercial mortgage backed security (CMBS) debt facility of US$123.5m (A$152.2m) due to expire on 7 August 2010. Due to the uncertainty inherent in current debt markets, the Trust has commenced discussions with potential lenders and is investigating refinancing alternatives. This process also includes simultaneous discussions with the Trust's current CMBS debt servicers, who act on behalf of the lenders, to obtain short-term extensions. The Trust has engaged Quadrant Real Estate Advisors (debt advisors) to assist with this process. The CMBS is non recourse debt and is secured only against the assets owned by the relevant controlled entity. There is no cross collateralisation between the individual controlled entities. Further details on the borrowings of the Trust can be found in Note 13.

On 15 May 2009, the responsible entity notified its unitholders that it is in their best interests that no distribution is paid for the six month period ended 30 June 2009. This will enable the Trust to retain capital to assist in refinancing negotiations with potential lenders.

During the normal course of business the Trust will continue to rationalise its non-core assets with material vacancy, expiry and risk to strengthen the balance sheet and assist in refinancing upcoming debt maturities.

Although the strategies above are being pursued there is no certainty that the Trust will be able to arrange re-financing of the facility. The Trust is in compliance with its debt and financial instruments covenants as at 30 June 2009. The Trust will continue to monitor its covenants closely with its debt advisors.

The directors of the responsible entity of the Trust believe that there are reasonable grounds to expect that debts will be able to be paid as and when they become due and payable in recognition of the following possibilities:

- Extension of existing loan facilities;
- Refinancing existing facilities with new lenders;
- Sale of investment properties; or
- Generating operating cash flows that are significantly in excess of interest obligations.

No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Trust not continue as a going concern.

Net current liability position

As at 30 June 2009 the Trust is in a net current liability position of $3.0 million. Current liabilities include real estate taxes of $19.2 million that will be paid as and when they fall due over the twelve months to 30 June 2010. The directors of the responsible entity have reviewed the cash flow forecasts of the Trust and consider it is reasonable to expect the Trust to have sufficient cash flows to meet obligations as and when they fall due.

(c) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Mirvac Industrial Trust as at 30 June 2009, and the results of all controlled entities for the year then ended. Mirvac Industrial Trust and its controlled entities are referred to in this financial report as the Trust.

Subsidiaries are 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.

All inter-company balances and 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.

Note 1 Summary of significant accounting policies (continued)

Minority interests in the results and equity of subsidiaries are shown separately in the Income Statement and Balance Sheet respectively.

Investments in controlled entities are accounted for in the parent financial statements of the Trust and are subject to an annual impairment assessment in accordance with Note 1(x).

(d) Foreign currency translation

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

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Trust entities
The results and financial position of all the Trust entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of a net investment in foreign entities are taken to unitholders' equity. When a foreign operation is sold or borrowings that form part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Income Statement as part of the gain or loss on sale. Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Revenue recognition

Rental revenue
Rental revenue from operating leases is recognised on a straight line basis over the term of the lease.

Dividends and distributions
Dividends and distributions are recognised as income on the date that the dividends and distributions are declared.

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.

Interest income
Interest income on deposits and loans is recognised on an effective interest rate basis.

Note 1 Summary of significant accounting policies (continued)

(f) Expenses

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

Responsible Entity's fees
Fees payable to the responsible entity are recognised in the Income Statement on an accruals basis. Fees relating to specific events or transactions are charged upon completion or occurrence of the relevant service or event.

(g) Leases

Under AASB 117 *Leases*, rental revenue on operating leases is to be 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) Acquisition of assets

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

Where 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.

(i) 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 cash and which are subject to an insignificant risk of changes in value.

(j) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are 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. A provision for doubtful 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. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The movement in the provision amount is recognised in the Income Statement.

(k) Investment properties

Investment properties, comprising of industrial buildings in the Chicago region, are held for long term rental yields and for capital appreciation and are not occupied by the Trust. The carrying amount includes components relating to lease incentives.

Note 1 Summary of significant accounting policies (continued)

Valuations

Investment properties are measured at cost plus transaction costs and are subsequently measured at fair value and revalued every reporting date to ensure the carrying amount of each property does not differ materially from its fair value at the reporting date. Changes in fair values are recorded in the Income Statement.

The Trust's Constitution requires the responsible entity to have the consolidated entity's property investments independently valued at intervals of not more than two years. 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:

- a willing, but not anxious, buyer and seller on an arm's length basis;
- 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;
- that the property will be reasonably exposed to that market;
- 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.

(l) 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.

(m) Interest bearing liabilities

Interest bearing liabilities are initially measured at cost, being the fair value of the consideration received net of issue and other transaction costs associated with the borrowings.

After initial recognition, interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

(n) 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. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Trust has taken the view that the derivatives held do not qualify for hedge accounting. Changes in fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Income Statement. The fair value balance of forward exchange contracts is determined using forward exchange rates at the Balance Sheet date.

Note 1 Summary of significant accounting policies (continued)

(o) Finance costs to financial institutions

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 only if used for hedging purposes.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference in 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 method.

(p) Distributions

In accordance with the Trust Constitution, the Trust fully distributes its distributable income to unitholders. Distributable income is determined by reference to the taxable income of the Trust. The distributions are payable half-yearly.

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 balance date.

(q) Provisions

Provisions for legal claims are recognised when the Trust has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(r) 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.

(s) Earnings per unit

Basic earnings per unit
Basic earnings per unit is calculated by dividing the net profit attributable to unitholders 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.

Diluted earnings per unit
Diluted earnings per unit adjusts the figures used in the determination of basic earnings per unit by taking into account the impact of any dilutive potential ordinary units.

(t) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of 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 with the amount of GST included. 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.

Note 1 Summary of significant accounting policies (continued)

(u) 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.

(v) 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 depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

(w) Taxation

Under current legislation, the Trust and its controlled entities are not liable for income tax, provided that the taxable income and taxable realised gain is fully distributed to unitholders each year. Tax allowances for building and plant and equipment depreciation are distributed to unitholders in the form of a tax deferred component of the distribution.

The consolidated entity may ultimately realise a capital gain or loss on disposal which if not distributed, may attract a US income tax liability. If the gain is distributed, a US withholding tax liability may arise and may give rise to a foreign tax credit which would be available to unitholders. A deferred tax liability is recognised based on the temporary difference between the carrying amount of the assets and their associated tax cost base.

(x) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Refer to Note 8 for impairment of investment in controlled entities.

(y) 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.

Note 1 Summary of significant accounting policies (continued)

(i) Revised AASB 123 *Borrowing Costs* and AASB 2007-*6 Amendments to Australian Accounting Standards arising from AASB 123* (effective from 1 January 2009)

The revised AASB 123 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.

(ii) AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (effective from 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. The Trust will adopt AASB 8 from 1 July 2009. It is likely to result in an increase in the number of reportable segments presented. In addition, the segments will be reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. As goodwill is allocated by management to groups of cash-generating units on a segment level, the change in reportable segment may also require a reallocation of goodwill. However, this is not expected to result in any additional impairment of goodwill.

(iii) Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (effective from 1 January 2009)

The September 2007 revised AASB 101 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 will apply the revised standard from 1 July 2009.

(iv) Revised AASB 3 *Business Combinations*, AASB 127 *Consolidated and Separate Financial Statements* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* (effective 1 July 2009)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. This is different to the Trust's current policy which is set out in note 1(h) above.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses, see note 1(b). The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. This is consistent with the Trust's current accounting policy if significant influence is not retained.

The Trust will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2009.

(v) AASB *Interpretation 16 Hedges of a Net Investment in a Foreign Operation* (effective 1 October 2008)

AASB-I 16 clarifies which foreign currency risks qualify as hedged risk in the hedge of a net investment in a foreign operation and that hedging instruments may be held by any entity or entities within the Trust. It also provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. The Trust will apply the interpretation prospectively from 1 July 2009.

Note 1 Summary of significant accounting policies (continued)

(vi) AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective 1 July 2009)

The amendments to AASB 5 *Discontinued Operations* and AASB 1 *First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards* are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The Trust will apply the amendments prospectively to all partial disposals of subsidiaries from 1 July 2009.

(vii) 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 Australian 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 amendments will not have an impact on the Trust's operations, as there are no investment properties are held by the Trust.

(viii) AASB 2008-7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (effective 1 July 2009)

In July 2008, the AASB approved amendments to AASB 1 *First-time Adoption of International Financial Reporting Standards* and AABS 127 *Consolidated and Separate Financial Statements*. The Trust will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment. Under the entity's current policy, these dividends are deducted from the cost of the investment. Furthermore, when a new intermediate parent entity is created in internal reorganisations it will measure its investment in subsidiaries at the carrying amounts of the net assets of the subsidiary rather than the subsidiary's fair value.

(ix) AASB 2008-8 *Amendment to IAS 39 Financial Instruments: Recognition and Measurement* (effective 1 July 2009)

AASB 2008-8 amends AASB 139 *Financial Instruments: Recognition and Measurement* and must be applied retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges. The Trust will apply the amended standard from 1 July 2009. It is not expected to have a material impact on the Trust's financial statements.

(x) AASB Interpretation 17 *Distribution of Non-cash Assets to Owners* and AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17*

AASB-I 17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders. These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the income statement on distribution. This is different to the Trust's current policy which is to measure distributions of non-cash assets at their carrying amounts. The interpretation further clarifies when a liability for the dividend must be recognised and that it is also measured at fair value. The Trust will apply the interpretation prospectively from 1 July 2009.

Note 2 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.

Fair value of derivatives and investment properties
Actual estimates are made by the Trust in respect of the fair values of derivatives (note 1(n)) and investment properties (note 1(k)). The values of these assets are reviewed regularly by reference to external independent valuations and market conditions, using generally accepted market practices.

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

The Trust has made critical judgements in its accounting policies regarding going concern. This is detailed in note 1(b).

Note 3 Tax

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
(a) Income tax expense				
Tax (expense)/benefit	**(7,005)**	(13,832)	**414**	1,452
	(7,005)	(13,832)	**414**	1,452
Income tax expense is attributable to:				
Decrease in deferred tax liabilities (note b)	**(7,497)**	(15,284)	**-**	-
Increase in withholding tax	**492**	1,452	**414**	1,452
	(7,005)	(13,832)	**414**	1,452

(b) Deferred tax liabilities

The balance comprise temporary differences attributable to investment properties:

Movements				
Opening balance	**7,497**	22,781	**-**	-
Deferred tax benefit	**(7,497)**	(15,284)	**-**	-
	-	7,497	**-**	-

The Trust is subject to US withholding tax pursuant to Foreign Investment Real Property Tax Act (FIRPTA) for any capital gains on future sales at a rate of 35% upon distribution of the capital gain. Tax can be deferred where the gain is not distributed and the proceeds from the sale are reinvested in a qualifying asset, this gain is then reflected in the tax cost base of the qualifying asset. Movements in deferred tax are recorded in the Consolidated Income Statements of the Trust.

Note 4 Other expenses

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Other expenses				
- Audit fees (note 18)	**527**	370	**228**	206
- Trust expenses	**3,065**	1,416	**1,735**	775
- Amortisation	**1,710**	877	**-**	-
	5,302	2,663	**1,963**	981

Note 5 Current assets - Cash and cash equivalents

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Cash at bank	**18,819**	25,152	**1,332**	12,878

Note 6 Current assets - receivables

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Rent receivable	**1,939**	601	**-**	-
Provision for impairment	**(711)**	(236)	**-**	-
Other receivable	**4,182**	11,914	**-**	-
GST receivable	**149**	14	**149**	14
	5,559	12,293	**149**	14

(a) Rent receivable

Impaired trade receivables
As at 30 June 2009 current trade receivables of the Trust with a nominal value of $791,630 (2008: Nil) were impaired. The amount of the provision was $710,791 (2008: $235,757). The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations.

It was assessed that a portion of the receivables is expected to be recovered. There were no impaired trade receivables for the parent in 2009 or 2008.

Past due but not impaired
As at 30 June 2009, trade receivables of $1,228,449 (2008: $364,579) were past due but not impaired. There were no trade receivables for the parent entity in 2009 and 2008. The ageing analysis of the Trust's trade receivables is as follows:

	Consolidated	
	2009	2008
	$'000	$'000
Less than 30 days	**975**	220
31 – 60 days	**253**	34
61 – 90 days	**-**	55
90+ days	**-**	56
	1,228	365

Note 6 Current assets – receivables (continued)

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. There is no significant concentration of credit risk in the Trust's tenants receivable. Risk management policy of the Trust and the credit quality of the entity's trade receivables are set out in note 17.

(b) Other receivable
These amounts generally arise from straight line rent, expense recoverable to be charged every calendar year and transactions outside the usual operating activities of the Trust. Based on the credit history of these receivables, it is expected that these amounts will be received when due.

Note 7 Current assets - other

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Prepayments and other assets	**2,065**	3,636	**365**	509

Note 8 Non-current assets - Investment in controlled entities

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Opening Investments in controlled entities			**346,423**	346,423
Impairment charge			**(263,008)**	-
Investments in controlled entities	**-**	-	**83,415**	346,423

As a result of the decline in the value of investment properties over the course of the year, the directors of the responsible entity of the trust have concluded that an indicator of impairment had occurred for the parent entity's investment in its controlled entities. In accordance with the accounting standards, the Trust performed an impairment assessment of the investment in controlled entities. Arising from that assessment, an impairment loss of $263.0 million was recognised in the current period.

This impairment loss has no impact on the consolidated result. The recoverable amount of the investment in controlled entities was determined as the fair value less costs to sell as this was deemed to be the most appropriate valuation method.

Name of entity	Country of incorporation	Equity holding 2009 %	Equity holding 2008 %
Mirvac US Industrial Property Fund, Inc.	USA	99.9*	99.9*
Mirvac US Industrial Property Trust	USA	99.9*	99.9*
Mirvac Chicago Industrial, LLC[1]	USA	100.0*	95.0*

** Beneficial percentage held by economic entity.*

[1] Mirvac US Industrial Property Trust purchased the 5% minority interest on 10 February 2009. Subsequent to year end CenterPoint Mirvac, LLC has renamed to Mirvac Chicago Industrial, LLC.

Impairment of goodwill

Upon acquisition of the minority interest of the Trust in February 2009 an impairment was realised in accordance with Note 1(x).

Note 9 Current assets – Non-current assets held for sale

Property	Type	Ownership %	Date acquired	2009 $'000	2008 $'000
2727 West Diehl Road, Naperville*	Industrial	95	May-05	-	710
920 Frontenac Road, Naperville*	Industrial	95	Jul-05	-	4,344
2801 Busse Road, Elk Grove Village*	Industrial	95	Jun-06	-	20,985
Total				-	26,039

** The Trust has disposed of these assets during the financial year.*

Note 10 Non-current assets - Investment properties

Property	Date acquired	Book Value Jun-09 $'000	Book Value Jun-08 $'000	Cap Jun-09 (%)	Cap Jun-08 (%)	Discount Rate Jun-09 (%)	Discount Rate Jun-08 (%)	Independent Valuation date	Independent Valuation amount	Independent valuer
2727 West Diehl Road, Naperville	May-05	29,086	28,625	8%	7%	9%	8%	Jun-09	29,086	A
6510 West 73rd Street, Bedford Park	May-05	8,750	8,622	9%	8%	10%	10%	Jun-09	8,750	A
800-850 Regency Drive, Glendale Heights	May-05	4,437	4,702	9%	8%	10%	10%	Jun-09	4,437	A
W165 N5830 Ridgewood Drive, Menomonee Falls	May-05	17,501	18,165	9%	8%	11%	9%	Jun-09	17,501	C
1445-1645 Greenleaf Avenue, Elk Grove Village	May-05	6,655	8,175	9%	7%	11%	9%	Jun-09	6,655	F
308 South Division Street, Harvard	May-05	20,951	28,568	11%	9%	13%	11%	Jun-09	20,951	F
900 East 103rd Street, Chicago	Jul-05	9,736	13,193	10%	8%	13%	11%	Jun-09	9,736	F
3145 Central Avenue, Waukegan	Jul-05	8,874	11,427	10%	8%	12%	9%	Jun-09	8,874	F
7200 South Mason Avenue, Bedford Park	Jul-05	9,243	7,863	8%	8%	10%	9%	Jun-09	9,243	A
28160-70 North Keith Drive, Lake Forest	Jul-05	4,163	4,539	9%	8%	11%	9%	Dec-08	4,930	E
3602 North Kennicott Avenue, Arlington Heights	Jul-05	6,902	5,818	9%	7%	10%	9%	Jun-09	6,902	F
9700 South Harlem Avenue, Bridgeview	Jul-05	1,725	3,117	10%	8%	12%	9%	Jun-09	1,725	F
27413 South Baseline Road, Elwood	Jul-05	17,747	25,971	8%	6%	10%	8%	Jun-09	17,747	A
21705-07 West Mississippi Street, Elwood	Jul-05	45,354	52,708	7%	6%	8%	8%	Jun-09	45,354	A
1020 Frontenac Road, Naperville	Nov-05	4,437	4,364	9%	8%	10%	9%	Jun-09	4,437	A
8200 100th Street, Pleasant Prairie	Nov-05	6,755	7,729	9%	8%	11%	9%	Jun-08	9,169	C
13040 South Pulaski Avenue, Alsip	Nov-05	9,243	12,051	9%	8%	11%	10%	Jun-09	9,243	A
1850 Greenleaf Avenue, Elk Grove Village	Nov-05	3,413	4,123	9%	7%	10%	9%	Dec-08	4,067	A
6751-55 South Sayre Avenue, Bedford Park	Nov-05	7,518	7,835	9%	8%	11%	10%	Jun-09	7,518	F
1796 Sherwin Avenue, Des Plaines	Nov-05	4,683	5,664	8%	8%	10%	9%	Jun-09	4,683	A
6000 West 73rd Street, Bedford Park	Nov-05	6,039	6,129	9%	8%	10%	9%	Jun-09	6,039	F
6736 West Washington Street, West Allis	Nov-05	-	6,389	-	-	-	-	Jun-08	-	-
8100 100th Street, Pleasant Prairie	Nov-05	2,218	2,367	9%	8%	11%	9%	Jun-09	2,218	C
5110 South 6th Street, Milwaukee	Nov-05	3,512	3,510	9%	8%	11%	9%	Jun-09	3,512	C
525 West Marquette Avenue, Oak Creek	Nov-05	5,423	5,261	9%	8%	11%	10%	Jun-09	5,423	C

Note 10 Non-current assets - Investment properties (continued)

Property	Date acquired	Book Value Jun-09 $'000	Book Value Jun-08 $'000	Cap Jun-09 (%)	Cap Jun-08 (%)	Discount Rate Jun-09 (%)	Discount Rate Jun-08 (%)	Independent Valuation date	Independent Valuation amount	Independent valuer
1750 South Lincoln Drive, Freeport	Nov-05	11,831	15,718	10%	9%	12%	10%	Jun-09	11,831	F
6600 River Road, Hodgkins	Feb-06	18,363	21,121	9%	8%	10%	9%	Jun-09	18,363	A
5990 West Touhy, Niles	Feb-06	16,515	17,270	9%	8%	10%	11%	Jun-09	16,515	A
3849-3865 Swanson Court	Feb-06	3,373	4,124	9%	8%	11%	10%	Dec-08	4,437	E
11601 South Central Avenue, Alsip	Feb-06	8,935	9,631	9%	8%	10%	9%	Jun-09	8,935	E
6558 West 73rd Street, Bedford Park	Feb-06	10,722	10,832	9%	8%	10%	9%	Jun-09	10,722	A
4527 Columbia, Hammond	Feb-06	7,641	8,622	10%	9%	12%	9%	Jun-09	7,641	B
4531 Columbia, Hammond	Feb-06	6,409	8,622	10%	9%	12%	9%	Jun-09	6,409	G
5619-5625 West 115th Street, Alsip	Jun-06	11,831	14,971	9%	8%	10%	9%	Jun-09	11,831	A
620 South Butterfield Road, Mundelein	Jun-06	2,588	3,324	9%	8%	10%	9%	Jun-09	2,588	A
900 West University Drive, Arlington Heights	Jun-06	7,641	6,545	8%	7%	9%	9%	Jun-09	7,641	A
21399 Torrence Avenue, Sauk Village	Jun-06	10,784	10,534	9%	8%	11%	10%	Jun-09	10,784	E
7447 South Central, Bedford Park	Jun-06	2,711	3,293	10%	8%	11%	10%	Jun-09	2,711	A
100 West Whitehall, Northlake	Jun-06	14,173	15,167	8%	7%	9%	9%	Jun-09	14,173	A
1605 Penny Lane, Schaumburg	Jun-06	2,328	2,389	9%	8%	10%	9%	Jun-08	2,835	A
200 South Mitchell, Addison	Jun-06	7,912	9,474	9%	7%	10%	9%	Jun-09	7,912	E
2600 Elmhurst Road, Elk Grove Village	Jun-06	6,162	7,836	9%	7%	10%	9%	Jun-09	6,162	F
16750 Vincennes Road, South Holland	Jun-06	6,261	6,566	9%	8%	11%	10%	Jun-09	6,261	E
850 Arthur Avenue, Elk Grove Village	Jun-06	2,342	3,117	9%	7%	10%	9%	Jun-09	2,342	A
2003-2201 South 114th Street, West Allis	Jun-06	-	8,103	-	-	-	-	Jun-08	-	-
3511 West Green Tree Road, Milwaukee	Jun-06	-	4,467	-	-	-	-	Jun-08	-	-
301 East Vienna Avenue, Milwaukee	Jun-06	4,005	4,467	9%	8%	10%	9%	Jun-09	4,005	C
11100 West Silver Spring Road, Milwaukee	Jun-06	4,437	5,714	9%	8%	10%	9%	Jun-09	4,437	C
875 West Diggins Street, Harvard	Jun-06	5,682	6,098	10%	8%	11%	10%	Jun-09	5,682	E

Note 10 Non-current assets - Investment properties (continued)

Property	Date acquired	Book Value Jun-09 $'000	Book Value Jun-08 $'000	Cap Jun-09 (%)	Cap Jun-08 (%)	Discount Rate Jun-09 (%)	Discount Rate Jun-08 (%)	Independent Valuation date	Independent Valuation amount	Independent valuer
1810 Northwestern Drive, Gurnee	Jun-06	5,423	7,064	9%	8%	11%	9%	Jun-09	5,423	A
6600 North Industrial Road, Milwaukee	Jun-06	3,660	3,933	9%	9%	11%	10%	Dec-08	4,190	C
7620 South 10th Street, Oak Creek	Jun-06	5,669	5,107	9%	8%	10%	10%	Jun-09	5,669	C
1111 Bowes Road, Elgin	Jun-06	9,810	9,770	9%	7%	10%	9%	Jun-09	9,810	E
625 Willowbrook Center Parkway, Willowbrook	Jun-06	6,248	7,670	9%	8%	11%	9%	Jun-09	6,248	E
24700 Corporate Circle, Sussex	Jun-06	5,916	7,339	9%	9%	10%	10%	Jun-09	5,916	C
1665 Penny Lane, Schaumburg	Jun-06	2,342	2,285	8%	7%	10%	9%	Jun-09	2,342	A
1500 W Zellman Court, Milwaukee	Jun-06	2,837	3,033	9%	8%	11%	10%	Dec-08	3,389	C
6400 West Enterprise Drive, Mequon	Jun-06	27,298	30,057	9%	7%	10%	9%	Jun-09	27,298	C
1301 Tower Road, Schaumburg	Jun-06	6,902	8,628	9%	8%	10%	9%	Jun-09	6,902	A
342-46 Carol Lane, Elmhurst	Jun-06	5,287	6,917	9%	7%	10%	9%	Jun-09	5,287	E
1100 Lakeside Drive, Gurnee	Jun-06	3,982	3,993	9%	8%	10%	9%	Dec-08	4,005	A
514-532 Hicks Road, Palatine	Jun-06	2,345	3,945	9%	8%	11%	9%	Dec-08	3,574	E
5450 Kraft Avenue, Grand Rapids	Jun-06	3,452	3,220	10%	9%	11%	10%	Jun-09	3,452	D
712 North Central Avenue, Wood Dale	Jun-06	5,212	5,935	9%	8%	11%	9%	Dec-08	6,162	A
5101 Darmstadt Road, Hillside	Jun-06	5,479	5,878	8%	7%	10%	9%	Dec-08	5,792	A
1900 Nth 5th Avenue, River Grove	Dec-06	9,983	11,063	9%	8%	11%	10%	Jun-09	9,983	A
1880 Country Farm Drive, Naperville	Jul-07	9,983	12,148	8%	7%	10%	9%	Jun-09	9,983	A
Total		**538,839**	**632,905**						**547,842**	

Note 10 Non-current assets - Investment properties (continued)

Non-current assets pledged as security

The title to all properties is freehold. JP Morgan Chase and Northwestern Mutual Life Insurance Company hold the title deeds as security over the interest bearing liabilities.

Valuers' names and qualifications

A. Daniel J. Bajadek, State Certified General Real Estate Appraiser, Illinois Licence Number 553.000273, CB Richard Ellis.
B. Daniel J. Bajadek, State Certified General Real Estate Appraiser, Indiana Licence Number CG49300081, CB Richard Ellis.
C. P. Linas Norusis, Certified General Appraiser, Wisconsin Licence Number 190-010, CB Richard Ellis.
D. Lesley J. Linder, State Certified General Real Estate Appraiser, Michigan Licence Number 1201003343, CB Richard Ellis.
E. Lesley J. Linder, State Certified General Real Estate Appraiser, Illinois Licence Number 553.001947, CB Richard Ellis.
F. Michael J. Schaeffer, State Certified General Real Estate Appraiser, Illinois Licence Number 553.000885, Cushman & Wakefield of Illinois, Inc.
G. Christopher E Jarvis, Certified General Real Estate Appraiser, Indiana Licence Number TP10800729, PGP Valuation Inc.

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.

Reconciliation of carrying amount of investment properties

Reconciliation 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 beginning of financial year	**632,905**	792,225	-	-
Acquisitions	**-**	14,610	-	-
Additions	**2,952**	6,840	-	-
Disposals	**(31,964)**	-	-	-
Valuation decrement	**(225,927)**	(63,014)	-	-
Transfer of investment properties to non-current assets held for sale (refer to Note 9)	**-**	(26,039)	-	-
Lease incentives	**3,856**	-	-	-
Amortisation of lease incentives	**(780)**	-	-	-
Fixed rental increase in lease straight-lining	**2,072**	-	-	-
Reclassification of other assets*	**10,917**	-	-	-
Foreign currency translation movements	**144,808**	(91,717)	-	-
Carrying amount at end of financial year	**538,839**	632,905	-	-

** Note lease incentives and straight line adjustments of fixed rent reviews have been reclassified from other assets to investment properties as they are included in the fair value carrying amount of the investment properties.*

Note 11 Current liabilities - payables

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Trade creditors	**4,218**	2,868	**787**	460
Rent received in advance	**2,263**	2,159	**-**	-
Security deposits	**3,149**	2,828	**-**	-
Management fees	**-**	2,161	**-**	2,161
Amounts due to related parties	**-**	1,878	**-**	1,878
Real estate taxes	**19,217**	16,011	**-**	-
Other payables	**41**	168	**41**	168
	28,888	28,073	**828**	4,667

Note 12 Derivative financial instruments

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Current assets				
Forward foreign exchange contracts	**-**	6,264	**-**	6,264
Non-current assets				
Forward foreign exchange contracts	**-**	9,731	**-**	9,731
	-	15,995	**-**	15,995
Current liabilities				
Forward foreign exchange contracts	**505**	-	**505**	-
Non-current liabilities				
Forward foreign exchange contracts	**1,352**	-	**1,352**	-
Interest rate swap contracts	**490**	669	**-**	-
	2,347	669	**1,857**	-

Note 13 Borrowings

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Current liabilities - Borrowings				
Secured bank loans	**-**	5,194	**-**	-
Total current liabilities	**-**	5,194	**-**	-
Non-current liabilities - Borrowings				
Secured bank loans:				
Commercial Mortgage Backed Securities (CMBS)	**232,061**	202,306	**-**	-
Bank loans	**180,184**	183,830	**-**	-
Loans from related parties	**21,937**	-	**-**	-
Other loans	**12,200**	10,285	**-**	-
Total non-current liabilities	**446,382**	396,421	**-**	-
Total borrowings	**446,382**	401,615	**-**	-

Note 13 Borrowings (continued)

Details of Property Secured Loans:

Instrument	Principal US Dollar $'000	Maturity	Interest Rate	Principal Australian Dollar $'000*
CMBS	117,450	7 August 2010	5.43%	144,750
CMBS	64,779	7 February 2011	5.54%	79,836
Floating Interest Cap	6,065	7 August 2010	LIBOR plus 110 basis points	7,475
Floating Debt	9,900	1 June 2022	Coupon rate plus 160 basis points	12,200
Fixed Debt	146,201	1 July 2011	5.76%	180,184
Floating Debt	17,800	18 December 2010	LIBOR plus 681 basis points	21,937
Total Debt	**362,195**			**446,382**

** Principal has been converted at the 30 June 2009 AUD/USD exchange rate of 0.8114.*

Assets pledged as security

The controlled entities of the Trust have secured debt relating specifically to the assets owned by the relevant controlled entity. These debt facilities are not cross collateralised and as such are secured only against the assets owned by the relevant controlled entity.

The carrying amounts of the assets pledged as security are:

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Investment properties	**538,839**	632,905		
Total assets pledged as security	**538,839**	632,905	**-**	-

Note 14 Contributed equity

Parent and Consolidated Entity	2009 Units '000	2008 Units '000	2009 $'000	2008 $'000
Issue of equity	**362,458**	369,654	**341,708**	346,842
Less units bought back	**-**	(7,196)	**-**	(4,866)
Less equity transaction costs	**-**	-	**(164)**	(268)
Balance at the end of the financial year	**362,458**	362,458	**341,544**	341,708

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

Unit buy-back
During January/February 2008 the Trust purchased and cancelled 7,196,094 units on-market. The buy-back and cancellation were approved by the board. The units were acquired at a weighted average price of 67 cents per unit, with prices ranging from 58 cents to 70 cents. The total cost was $4,865,976, including $42,685 of transaction costs. The total reduction in paid up capital was $4,823,291.

Note 15 Reserves and undistributed income

Parent and Consolidated Entity	**Consolidated**		**Parent entity**	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
(a) Reserves				
Foreign currency translation reserve				
Balance at the beginning of the financial year	**(76,515)**	(37,816)	**-**	-
Currency translation differences	**66,274**	(38,699)	**-**	-
Balance at the end of the financial year	**(10,241)**	(76,515)	**-**	-
(b) Undistributed income				
Undistributed income at the beginning of the financial year	**(10,477)**	30,523	**18,208**	10,472
Net profit/(loss) attributable to unitholders	**(224,147)**	(11,743)	**(268,114)**	36,993
Distributions provided for or paid	**(9,062)**	(29,257)	**(9,062)**	(29,257)
Undistributed income/(loss) at the end of financial year	**(243,686)**	(10,477)	**(258,968)**	18,208

Note 16 Distributions paid and payable to unitholders

Parent and Consolidated Entity	**2009 $'000**	**2009 CPU**	2008 $'000	2008 CPU
December 2008 - paid	**9,062**	**2.500**	18,021	4.875
June 2009	**-**	**-**	11,236	3.100
	9,062	**2.500**	29,257	7.975

Note 17 Capital and financial risk management

The Trust's activities expose it to capital risk and a variety of financial risks: market risk (including currency risk and interest rate 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 foreign exchange contracts to hedge foreign exchange risk exposures. Derivatives are exclusively used for hedging purposes, ie not as trading or other speculative instruments, although do not qualify for hedge accounting. 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 foreign exchange and ageing analysis for credit risk to determine market risk.

Risk management is carried out by the responsible entity under policies approved by the Board of Directors. The responsible entity identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments and non-derivative financial instruments.

Capital risk management

The Trust's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for unitholders 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 dividends paid to unitholders, return capital to unitholders or sell assets to reduce debt. Consistent with others in the industry, the Trust monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total assets.

Note 17 Capital and financial risk management (continued)

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Total borrowings	**446,382**	401,615	**-**	-
Total assets	**565,282**	716,020	**85,261**	375,819
Gearing ratio	**78.97%**	56.09%	**-**	-

Financial risk management

(a) Market risk
Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. Components of market risk to which we are exposed are discussed below:

Foreign exchange risk
Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

The Trust operates in the United States of America and is exposed to foreign exchange risk arising from currency exposures to the US dollar. Management has set up a policy requiring the Trust to manage the foreign exchange risk against the functional currency. The Trust is required to hedge its foreign exchange risk exposure arising from future commercial transactions and to manage its foreign exchange risk for its assets and liabilities in foreign currency by borrowing in the same functional currency of its investment to form a natural economic hedge against any foreign currency fluctuations.

The Trust's policy is not to hedge unrealised fair value increases/decreases which may have occurred in its foreign currency assets. The assets are revalued at the end of each reporting period with the fair value movement reflected in equity as a movement in foreign currency translation reserve. Forward exchange contracts are valued at the end of each reporting period with the fair value movement reflected in the Income Statement as exchange gains or losses. Derivative financial instruments are held at fair value on the Balance Sheet.

The Trust's Australian dollar equivalents exposure to foreign currency risk at the reporting date was as follows:

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Assets				
Cash and cash equivalents	**17,487**	12,273	**-**	-
Receivables	**5,411**	9,947	**-**	-
Derivative financial instruments	**-**	15,995	**-**	15,995
Investment in controlled entities	**-**	-	**83,415**	346,423
Non-current assets held for sale	**-**	26,039	**-**	
Investment properties	**538,839**	632,905	**-**	-
Other	**1,989**	3,289	**-**	-
Total assets	**563,726**	700,448	**83,415**	362,418
Liabilities				
Payables	**28,351**	23,405	**-**	-
Borrowings	**446,382**	401,615	**-**	-
Derivative financial instruments	**2,347**	669	**1,857**	-
Total liabilities	**477,080**	425,689	**1,857**	-
Net assets	**86,646**	274,759	**81,558**	362,418

Note 17 Capital and financial risk management (continued)

Foreign exchange contracts are entered into based on forecast distributions from the entities for the ensuing financial years. The contracts are timed to mature at the end of each reporting period when the distribution is expected to be received from the entities.

The cash flows are expected to occur at various dates from the balance date to the period outlined below. At 30 June 2009, the details of outstanding contracts are set out below:

	Buy Australian dollars		**Sell US dollars**		**Average exchange rate**	
	2009	2008	**2009**	2008	**2009**	2008
Maturity	**$'000**	$'000	**$'000**	$'000		
Less than 1 year	**33,538**	36,982	**24,976**	27,422	**0.7447**	0.7415
1 – 2 years	**26,236**	33,538	**19,570**	24,976	**0.7459**	0.7447
2 – 3 years	**17,880**	26,236	**13,658**	19,570	**0.7639**	0.7459
3 – 4 years	**15,995**	18,707	**12,649**	14,286	**0.7908**	0.7637
4 – 5 years	**-**	15,995	**-**	12,648	**-**	0.7907
Total	**93,649**	131,458	**70,853**	98,902	**0.7566**	0.7523

	Buy US dollars		**Sell Australian dollars**		**Average exchange rate**	
	2009	2008	**2009**	2008	**2009**	2008
Maturity	**$'000**	$'000	**$'000**	$'000		
Less than 1 year	**20,162**	1,171	**27,125**	1,571	**0.7433**	0.7454
1 – 2 years	**10,194**	905	**13,712**	1,213	**0.7434**	0.7461
2 – 3 years	**6,268**	-	**8,437**	-	**0.7429**	-
Less than 1 year	**36,624**	2,076	**49,274**	2,784	**0.7433**	0.7457

Sensitivity
The Trust's foreign currency translation risk associated with the foreign investments results in some volatility to the foreign currency translation reserve. The impact on the foreign currency translation reserve relates to translation of the net assets of our foreign controlled entities including the impact of hedging.

The Trust's result is fully hedged in 2008 and 2009. However the foreign currency derivative contracts are not deemed to be effective hedges under AIFRS. As a result they are recognised at fair values with changes in fair values during the year recognised in the Income Statement and therefore affect the net profit.

Net equity and profit movements that would result from a change by -/+ 5% in the Australian/US dollar exchange rate are as follow:

Consolidated	**Equity foreign currency reserve**		**Net profit**	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
- 5%	**4,294**	14,269	**(100)**	812
+ 5%	**(3,884)**	(12,963)	**91**	(787)

Parent entity	**Equity foreign currency reserve**		**Net profit**	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
- 5%	**(100)**	812	**(100)**	812
+ 5%	**91**	(787)	**91**	(787)

Note 17 Capital and financial risk management (continued)

Cash flow and fair value interest rate risk
The Trust's interest rate risk arises from long-term borrowings. Borrowings issued at floating rates expose the Trust to cash flow interest rate risk. Borrowings issued at fixed rates expose the Trust to fair value interest rate risk. At 30 June 2009, 90.70% (2008: 93.60%) of the Trust's borrowings are at fixed rates. During 2009 and 2008, all of the Trust's borrowings are in US dollars.

The Trust manages its cash flow interest rate risk by raising long-term borrowings at fixed rates. As at the reporting date, the Trust had the following floating rate borrowings outstanding:

	2009		2008	
	Weighted average interest rate %	**Balance $'000**	Weighted average interest rate %	Balance $'000
Bank loans	**4.53%**	**41,613**	3.54%	25,734

An analysis by maturities is provided in (c) below.

Sensitivity

Based upon a 100 basis point increase or decrease in interest rates, the impact on profit after tax has been calculated taking into account all underlying exposures. This sensitivity has been selected as this is considered reasonable given the current level of both short term and long term interest rates in the United States. If interest rates were to increase with all other variables held constant this would result in an increase in finance costs and a decrease in profit. Conversely the exact opposite will occur if interest rates were to decrease.

At 30 June 2009, if interest rates in the United States of America had changed by -/+ 100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $337,650 lower/higher (2008: $247,710 lower/higher), mainly as a result of higher/lower interest expenses.

(b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to tenants, including outstanding receivables and committed transactions. Credit risk is managed on the Trust basis. Risk control assesses the credit quality of the tenants, taking into account the tenants financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Trust.

The compliance with credit limits by tenants is regularly monitored by management. Tenants' receivables are required to be settled in cash, mitigating credit risk. For some receivables the Trust may also obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. Tenant receivables are considered impaired when all legal measures have been exhausted unsuccessfully to recover receivables. There are no impaired receivables as at 30 June 2009.

The Trust is also exposed to credit risk arising from transactions in cross currency swaps. For credit purposes, there is only a credit risk where the contracting entity is liable to pay us in the event of a closeout. Derivative counterparties and cash transactions are limited to financial institutions that meet minimum credit rating criteria in accordance with the Trust's policy requirements.

Note 17 Capital and financial risk management (continued)

The credit quality of other financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Cash at bank and short-term bank deposits	**18,819**	25,152	**1,332**	12,878
Derivative financial assets/(liabilities)	**(2,347)**	15,326	**(1,857)**	15,995

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities 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 with a variety of counterparties.

The Trust has fully drawn its borrowing facilities at the reporting date. The tables below analyse the Trust's financial liabilities, net and 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.

Consolidated – At 30 June 2009	**Less than 1 year $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**	**Total contractual cash flows $'000**	**Carrying amount (assets)/ liabilities $'000**
Non-derivatives						
Non-interest bearing	**-**	**-**	**-**	**-**	**-**	**-**
Floating rate	**1,914**	**30,400**	**732**	**14,135**	**47,181**	**41,613**
Fixed rate	**22,337**	**238,434**	**180,212**	**-**	**440,983**	**404,770**
Total non-derivatives	**24,251**	**268,834**	**180,944**	**14,135**	**488,164**	**446,383**
Derivatives						
Net settled (cross currency swaps)	**6,742**	**12,689**	**9,443**	**15,995**	**44,869**	**-**
Total derivatives	**6,742**	**12,689**	**9,443**	**15,995**	**44,869**	**-**

Consolidated – At 30 June 2008	**Less than 1 year $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**	**Total contractual cash flows $'000**	**Carrying amount (assets)/ liabilities $'000**
Non-derivatives						
Non-interest bearing	-	-	-	-	-	-
Floating rate	5,906	712	11,344	13,388	31,350	25,734
Fixed rate	21,099	21,099	389,551	-	431,749	375,881
Total non-derivatives	27,005	21,811	400,895	13,388	463,099	401,615
Derivatives						
Net settled (cross currency swaps)	35,411	32,325	60,938	-	128,674	-
Total derivatives	35,411	32,325	60,938	-	128,674	-

Note 17 Capital and financial risk management (continued)

Parent entity – At 30 June 2009	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivatives						
Non-interest bearing	-	-	-	-	-	-
Floating rate	-	-	-	-	-	-
Fixed rate	-	-	-	-	-	-
Total non-derivatives	-	-	-	-	-	-
Derivatives						
Net settled (cross currency swaps)	6,413	12,524	9,443	15,995	44,375	-
Total derivatives	6,413	12,524	9,443	15,995	44,375	-

Parent entity – At 30 June 2008	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivatives						
Non-interest bearing	-	-	-	-	-	-
Floating rate	-	-	-	-	-	-
Fixed rate	-	-	-	-	-	-
Total non-derivatives	-	-	-	-	-	-
Derivatives						
Net settled (cross currency swaps)	35,412	32,324	60,938	-	128,674	-
Total derivatives	35,412	32,324	60,938	-	128,674	-

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 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 is determined using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Trust for similar financial instruments.

Note 18 Remuneration of auditor

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
Auditors of the Trust				
PricewaterhouseCoopers:				
Audit and review of financial reports and other audit work	**526,964**	369,691	**227,563**	205,998
Other services				
PricewaterhouseCoopers:				
Taxation services	**155,780**	131,012	**139,336**	31,000
Other services	**158,425**	57,000	**6,817**	57,000
	841,169	557,703	**373,716**	293,998

Non-audit services
The responsible entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Trust are important. These assignments are principally taxation services and due diligence reporting on acquisitions or where PricewaterhouseCoopers is awarded assignments on a competitive basis.

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

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

- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the Trust or jointly sharing economic risk and rewards.

Note 19 Contingent liabilities and contingent assets

The following guarantees have been given by the Trust or its controlled entities.

- A controlled entity of the Trust, Mirvac Chicago Industrial LLC has provided a guarantee to JP Morgan Chase to guarantee the obligations due under the forward foreign exchange contracts entered into by the Mirvac Industrial Trust. The amounts due under the guarantee are limited to the amount otherwise distributable by Mirvac Chicago Industrial LLC to Mirvac US Industrial Property Trust.

No material claims are anticipated in respect of either of the above guarantees and the Trust had no other contingent liabilities and no contingent assets at 30 June 2009.

Note 20 Commitments

There are no capital commitments at 30 June 2009.

Note 21 Related parties

Responsible entity

The responsible entity of Mirvac US Industrial Trust is Mirvac Funds Management Limited ("Responsible Entity") whose immediate holding company is Mirvac Holdings Limited whose ultimate holding company is Mirvac Limited.

Note 21 Related parties (continued)

Key management personnel

Directors

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly, including any director (whether executive or otherwise) of the Trust.

Key management personnel include persons who were Directors of the responsible entity at any time during the financial year as follows:

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

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 period include:

Nicholas Blake

Key management personnel compensation

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

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 period.

Key management personnel unit holdings

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

Other transactions

No key management personnel have entered into a material contract with the Trust and there were no material contracts involving director's interests existing throughout the year.

Responsible Entity

The following related parties of the responsible entity hold and have acquired Mirvac US Industrial Trust units at prevailing market rates. At 30 June 2009 these interests consisted of:

	2009 Number of Units	2008 Number of Units
Mirvac Property Trust	**50,742,790**	50,742,790

Note 21 Related parties (continued)

Responsible Entity's remuneration

In accordance with the Trust Constitution, Mirvac Funds Management Limited (and its associates) are entitled to receive:

- a management fee of 0.50 per cent of the value of the Trust's direct or indirect proportionate interest in the properties and other assets of the Trust (on a gross value basis), calculated monthly based on the value of such assets at the end of the relevant month and payable at the end of each quarter;

- a due diligence fee of 0.25 per cent of the purchase price of any and all assets directly or indirectly acquired by the Trust;

- a debt arrangement fee of 0.50 per cent of the amount of any future borrowing drawn for the purpose of acquiring assets directly or indirectly for the Trust;

- an acquisition fee of 0.75 per cent of the purchase price of all assets directly or indirectly acquired by the Trust;

- a disposal fee of 0.75 per cent for all assets directly or indirectly disposed of by the Trust, where the sale price exceeds the original cost or carrying value including costs of any third party broker;

- reimbursement of trust expenses incurred on behalf of the Trust.

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

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Management fees	**3,883**	3,508	**3,883**	3,508
Reimbursement of trust expenses	**561**	452	**561**	452
The following amounts are included in accounts payable as owed to the responsible entity at balance date	**-**	1,442	**-**	1,442

Controlled entities

Details of interests in controlled entities are set out in note 8.

Amounts owing to related parties

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Loans from Mirvac Holdings Ltd				
Beginning of the year	**1,878**	1,747	**1,878**	1,747
Loans repayments made	**(1,878)**	-	**(1,878)**	-
Interest charged	**163**	131	**163**	131
Interest paid	**(163)**	-	**(163)**	-
End of year	**-**	1,878	**-**	1,878

Note 21 Related parties (continued)

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Loans from Mirvac Group Finance Ltd				
Beginning of the year	**-**	-	**-**	-
Loans advanced	**21,937**	-	**-**	-
Interest charged	**687**	-	**-**	-
Interest paid	**(687)**	-	**-**	-
End of year	**21,937**	-	**-**	-

Distributions

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Distributions received or due and receivable by the Trust from wholly-owned controlled entities	**-**	-	**18,097**	30,298

Debt advisory services

During the year a controlled entity of the Trust obtained debt advisory services from Quadrant Real Estate Advisors, LLC (Quadrant) in the US. Quadrant is a related party to the responsible entity.

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Debt advisory service fees relating to Quadrant incurred by the controlled entity of the Trust	**267,486**	167,261	**-**	-

Note 22 Events occurring after reporting date

In the opinion of the directors of the responsible entity of the Trust, no matters or circumstances other than the above have arisen in the interval between the end of the financial period 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.

Note 23 Reconciliation of net profit to net cash inflow from operating activities

	Consolidated		Parent entity	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Net profit/(loss) from ordinary activities	**(227,407)**	(12,884)	**(268,114)**	36,993
Depreciation and amortisation	**1,710**	877	**-**	-
Rental income on a straight line basis	**(1,072)**	(1,607)	**-**	-
Change in fair value of investment properties	**225,927**	63,014	**-**	-
Change in fair value of derivative financial instruments	**17,516**	(4,991)	**17,852**	(4,757)
Impairment of investment in controlled entities	**-**	-	**263,008**	-
Change in operating assets and liabilities:				
Increase in trade debtors and prepayments	**5,769**	(6,654)	**135**	(373)
Increase/(decrease) in trade creditors and payables	**(3,546)**	(3,574)	**(3,965)**	37
Decrease in provision for deferred tax	**(7,497)**	(15,284)	**-**	-
Net cash inflow from operating activities	**11,400**	18,897	**8,916**	31,900

Note 24 Earnings per unit

	Consolidated	
	2009	2008
Basic earnings per unit (cents)	**(61.84)**	(3.20)
Diluted earnings per unit (cents)	**(61.84)**	(3.20)

	2009	2008
	'000	'000
Weighted average number of units outstanding during the financial year used in the calculation of basic earnings per unit	**362,458**	366,400
Weighted average number of units outstanding during the financial year used in the calculation of diluted earnings per unit	**362,458**	366,400

Note 25 Segment information

With the exception of derivatives held by the parent entity in Australia, the Trust operates solely within the United States of America industrial property investment industry and consequently the financial report reflects the operations of this segment alone.

Mirvac Industrial Trust
Directors' Declaration
For the year ended 30 June 2009

In the opinion of the directors of the responsible entity:

(a) the financial statements and notes set out on pages 13 to 46 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the Trust's and consolidated entity's financial position as at 30 June 2009 and of their performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date; and
- (iii) the Trust has operated in accordance with the provisions of the constitution dated 21 March 2005, during the year ended 30 June 2009; and

(b) whilst there is significant uncertainty as to whether the Trust can continue as a going concern as outlined in Note 1b, 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 Director Investment and Financial Controller 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

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Independent auditor's report to the unitholders of

Mirvac Industrial Trust

Report on the financial report

We have audited the accompanying financial report of Mirvac Industrial 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 Industrial Trust and Mirvac Industrial Trust Group (the consolidated entity). The consolidated entity comprises the Trust and the entities it controlled at year end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of Mirvac Funds 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.

PRICEWATERHOUSECOOPERS

Independent audit report to the unitholders of Mirvac Industrial Trust (continued)

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

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 Industrial 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).

Significant uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 1 (b) in the financial report which indicates that there is a significant uncertainty whether the Mirvac Industrial Trust Group will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

PricewaterhouseCoopers

Marcus Laithwaite
Partner

Sydney
25 August 2009