mirvac

INTERIM

MPT | REPORT

MIRVAC PROPERTY TRUST
& ITS CONTROLLED ENTITIES

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

by mirvac

INTERIM REPORT

For the half year ended 31 December 2013

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

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Mirvac Property Trust during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Directors of Mirvac Funds Limited (ABN 70 002 561 640, AFSL 233121), the Responsible Entity of Mirvac Property Trust ("MPT" or "Trust") present their report, together with the consolidated report of MPT and its controlled entities ("consolidated entity") for the half year ended 31 December 2013.

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

RESPONSIBLE ENTITY

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

DIRECTORS

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

– John Mulcahy
– James MacKenzie (resigned as a Director on 30 January 2014)
– Susan Lloyd-Hurwitz
– Marina Darling (resigned as a Director on 24 January 2014)
– Peter Hawkins
– James Millar AM
– John Peters
– Elana Rubin.

OPERATING AND FINANCIAL REVIEW

The statutory profit after tax attributable to the stapled unitholders of the Trust for the half year ended 31 December 2013 was $273.6m (December 2012: $269.2m). The operating profit (profit before specific non-cash and significant items) was $209.5m (December 2012: $208.1m).

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

The following table summarises key reconciling items between statutory profit after tax attributable to the stapled unitholders of MPT and operating profit. The operating profit information included in the table below has not been subject to any specific review procedures by the consolidated entity's auditor but has been extracted from note 3 of the accompanying financial statements for the half year ended 31 December 2013, which have been subject to review; refer to pages 25 and 26 for the auditor's report on the financial statements.

	31 December 2013 $m	31 December 2012 $m
Profit attributable to the stapled unitholders of MPT	**273.6**	269.2
Specific non-cash items		
Net gain on fair value of investment properties	**(70.2)**	(65.1)
Net loss on fair value of investment properties under construction ("IPUC")	**3.6**	1.0
Loss/(gain) on financial instruments	**1.8**	(0.7)
Straight-lining of lease revenue [1]	**(4.8)**	(6.6)
Amortisation of lease fitout incentives [2]	**6.0**	6.6
Foreign exchange loss/(gain)	**0.6**	(0.3)
Net (gain)/loss on fair value of investment properties, derivatives and other specific non-cash items included in the share of net profit of associates and joint ventures [3]	**(1.4)**	1.7
Significant items		
Net loss on sale of non-aligned assets	**0.3**	2.3
Operating profit (profit before specific non-cash items and significant items)	**209.5**	208.1

1) Included within Investment properties rental revenue in the consolidated Statement of Comprehensive Income ("SoCI").
2) Included within Amortisation expense in the consolidated SoCI.
3) Included within Share of net profit of associates and joint ventures accounted for using the equity method in the consolidated SoCI.

FINANCIAL, CAPITAL MANAGEMENT AND OPERATIONAL HIGHLIGHTS

Key financial highlights for the half year ended 31 December 2013 were:

– profit attributable to the stapled unitholders of MPT of $273.6m an increase of 1.6 per cent from $269.2m (December 2012);
– operating profit after tax of $209.5m [1] (December 2012: $208.1m) representing 5.7 cents per stapled unit ("CPSU");
– $300.0m capital reallocation from MPT to Mirvac Limited; and
– half year distributions of $161.3m, representing 4.4 CPSU.

Key operational highlights for the half year ended 31 December 2013 were:

– achieved 3.3 per cent like-for-like net operating income growth;
– maintained high occupancy at 97.8 per cent; [2]
– total investment property revaluations provided a net uplift of $66.6m over the previous book value for the six months to 31 December 2013;
– leased 91,251 square meters (6.8 per cent of net lettable area) [3]
– acquired two Melbourne CBD office assets (367 Collins Street, Melbourne, VIC and 477 Collins Street, Melbourne, VIC), one Sydney CBD retail asset (Harbourside Shopping Centre, Sydney, NSW) and one industrial asset (60 Wallgrove Road, Eastern Creek, NSW) for a total value of $606.8m. The acquisitions are aligned with Mirvac's strategy of acquiring quality assets in core locations with value add potential;
– exchanged contracts on one non-core industrial asset (54-60 Talavera Road, North Ryde, NSW) realising $48.0m in gross sale proceeds [4];
– exchanged contracts on two non-core retail assets (Orange City Centre, Orange, NSW and Gippsland Centre, Sale, VIC) realising $100.0m in gross sale proceeds [4].

Key capital management [5] highlights for the half year ended 31 December 2013 were:

– maintained strong liquidity with $800.9m of cash and undrawn committed bank facilities held;
– significantly increased the weighted average debt maturity to 4.8 years;
– reduced average borrowing costs to 5.6 per cent per annum as at 31 December 2013 (including margins and line fees), despite significantly increasing the tenure and diversity of the Group's debt;
– continued to comfortably meet all debt covenants; and
– Standard & Poor's upgraded the Group's credit rating from BBB to BBB+ with stable outlook.

Outlook [6]

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

MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR

On 19 February 2014 the Group announced it had signed a relationship deed with US based financial services organisation TIAA-CREF. Under the Deed, TIAA-CREF has an exclusive first right to acquire 50 per cent of co-investment opportunities in prime-grade Australian office assets sourced or developed by Mirvac for the next three years. The exclusive first right will apply to stable assets and development opportunities acquired by Mirvac after 19 February 2014, but not to Mirvac's existing portfolio, acquisitions of additional interests in assets under pre-existing rights, or future assets acquired as part of a portfolio transaction. Mirvac and TIAA-CREF will each hold a 50 per cent interest in assets acquired under the Alliance. The financial effects of this transaction have not been brought to account at 31 December 2013. Any assets acquired under the agreement will be accounted for in the future periods to which they relate.

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration required under section 307C of the *Corporations Act 2001* is set out on page 03.

AUDITOR

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

ROUNDING OF AMOUNTS

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

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

Susan Lloyd-Hurwitz

Susan Lloyd-Hurwitz
Director

Sydney
20 February 2014

1) Excludes specific non-cash items and significant items.
2) By area, excludes IPUC, based on 100 per cent of net lettable area.
3) Includes 8 Chifley Square, Sydney, NSW.
4) Settlment expected to take place in March 2014.
5) The consolidated entity's capital structure is monitored at the Group level; all items referred to relate to Mirvac Group.
6) These future looking statements should be read in conjunction with future releases to the Australian Stock Exchange ("ASX").

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Mirvac Property Trust for the half-year ended 31 December 2013, 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 review; and

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

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

Matthew Lunn
Partner

PricewaterhouseCoopers

Sydney
20 February 2014

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2013

	Note	**31 December 2013 $m**	31 December 2012 $m
Revenue from continuing operations			
Investment properties rental revenue	9(b)	**311.9**	281.9
Interest revenue		**15.4**	19.5
Other revenue		**—**	0.2
Total revenue from continuing operations		**327.3**	301.6
Other income			
Net gain on fair value of investment properties		**70.2**	65.1
Share of net profit of associates and joint ventures accounted for using the equity method	8	**10.6**	5.7
Total other income		**80.8**	70.8
Total revenue from continuing operations and other income		**408.1**	372.4
Investment properties expenses	9(b)	**79.3**	66.4
Amortisation expenses		**10.0**	10.9
Finance costs	4	**32.5**	19.5
Net loss on fair value of IPUC		**3.6**	1.0
Net loss on sale of non-aligned assets		**0.3**	2.3
Other expenses		**6.2**	3.9
Foreign exchange loss/(gain)		**0.6**	(0.3)
Loss/(gain) on financial instruments		**1.8**	(0.7)
Profit from continuing operations before income tax		**273.8**	269.4
Income tax expense		**(0.2)**	(0.2)
Profit for the half year		**273.6**	269.2
Other comprehensive income for the half year			
Items that may be reclassified to profit or loss			
Gain/(loss) on translation of foreign operations		**0.5**	(0.2)
Other comprehensive income/(loss) for the half year		**0.5**	(0.2)
Total comprehensive income for the half year		**274.1**	269.0
Profit for the half year is attributable to:			
– Stapled unitholders of MPT		**273.6**	269.2
Total comprehensive income for the half year is attributable to:			
– Stapled unitholders of MPT		**274.1**	269.0

Earnings per stapled unit for profit attributable to the stapled unitholders of MPT		**Cents**	Cents
Basic earnings per stapled unit	5	**7.5**	7.9
Diluted earnings per stapled unit	5	**7.5**	7.9

The above consolidated SoCI should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Note	**31 December 2013 $m**	30 June 2013 $m
Current assets			
Cash and cash equivalents	17(a)	**31.5**	5.2
Receivables		**31.3**	25.0
Other financial assets at fair value through profit or loss	6	**12.2**	12.0
Other assets		**10.8**	10.7
Assets classified as held for sale	7	**148.0**	49.5
Total current assets		**233.8**	102.4
Non-current assets			
Receivables		**4.0**	355.5
Investments accounted for using the equity method	8	**212.7**	201.2
Derivative financial assets	6	**8.9**	10.9
Other financial assets	6	**155.6**	145.1
Investment properties	9	**6,533.4**	6,232.9
Intangible assets	10	**69.5**	69.5
Total non-current assets		**6,984.1**	7,015.1
Total assets		**7,217.9**	7,117.5
Current liabilities			
Payables		**144.5**	120.4
Borrowings	11	**—**	114.7
Provisions		**161.3**	164.9
Total current liabilities		**305.8**	400.0
Non-current liabilities			
Borrowings	11	**1,337.8**	957.1
Total non-current liabilities		**1,337.8**	957.1
Total liabilities		**1,643.6**	1,357.1
Net assets		**5,574.3**	5,760.4
Equity			
Contributed equity	12	**4,707.1**	5,006.0
Reserves		**7.9**	7.4
Retained earnings		**859.3**	747.0
Equity, reserves and retained earnings attributable to the stapled unitholders of MPT		**5,574.3**	5,760.4

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2013

		Attributable to the stapled unitholders of MPT			
	Note	Contributed equity $m	Reserves $m	Retained earnings $m	Total $m
Balance 1 July 2013		5,006.0	7.4	747.0	5,760.4
Profit for the half year		—	—	273.6	273.6
Other comprehensive income for the half year		—	0.5	—	0.5
Total comprehensive income for the half year		**—**	**0.5**	**273.6**	**274.1**
Long term performance ("LTP"), long term incentive plan ("LTIP") and employee incentive scheme ("EIS") units converted, sold, vested or forfeited		1.5	—	—	1.5
Contributions of equity, net of transaction costs		(0.4)	—	—	(0.4)
Recapitalisation		(300.0)	—	—	(300.0)
Distributions provided for or paid	13	—	—	(161.3)	(161.3)
Total transactions with owners in their capacity as owners		(298.9)	—	(161.3)	(460.2)
Balance 31 December 2013		**4,707.1**	**7.9**	**859.3**	**5,574.3**
Balance 1 July 2012		5,110.8	6.4	597.9	5,715.1
Profit for the half year		—	—	269.2	269.2
Other comprehensive income for the half year		—	(0.2)	—	(0.2)
Total comprehensive income for the half year		—	(0.2)	269.2	269.0
LTI and EIS units converted, sold, vested or forfeited		10.8	—	—	10.8
Distributions provided for or paid	13	—	—	(143.9)	(143.9)
Total transactions with owners in their capacity as owners		10.8	—	(143.9)	(133.1)
Balance 31 December 2012		5,121.6	6.2	723.2	5,851.0

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2013

	Note	**31 December 2013 $m**	31 December 2012 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**330.2**	299.6
Payments to suppliers (inclusive of goods and services tax)		**(104.4)**	(91.1)
		225.8	208.5
Interest received		**11.9**	17.7
Associates and joint venture distributions received		**5.7**	5.4
Borrowing costs paid		**(34.2)**	(20.0)
Income tax paid		**(0.2)**	(0.2)
Net cash inflows from operating activities	17(b)	**209.0**	211.4
Cash flows from investing activities			
Payments for investment properties		**(364.1)**	(22.8)
Proceeds from sale of investment properties and assets classified as held for sale		**49.9**	141.0
Proceeds from/(payments for) loans to entities related to the Responsible Entity		**350.0**	(147.0)
Contributions to associates and joint ventures		**(7.6)**	(5.0)
Payments for purchase of other financial assets		**(10.5)**	(11.4)
Proceeds from financial assets at fair value through profit or loss		**—**	0.1
Net cash inflows/(outflows) from investing activities		**17.7**	(45.1)
Cash flows from financing activities			
Proceeds from borrowings		**705.0**	1,110.0
Repayments of borrowings		**(1,540.1)**	(1,186.4)
Proceeds from loans from entities related to the Responsible Entity		**1,100.0**	—
Proceeds from issue of stapled units		**—**	8.3
Payments for contributions of equity, net of transaction costs		**(0.4)**	—
Payments for recapitalisation		**(300.0)**	—
Distributions paid		**(164.9)**	(82.0)
Net cash outflows from financing activities		**(200.4)**	(150.1)
Net increase in cash and cash equivalents		**26.3**	16.2
Cash and cash equivalents at the beginning of the half year		**5.2**	—
Cash and cash equivalents at the end of the half year	17(a)	**31.5**	16.2

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This condensed consolidated interim report for the half year reporting period ended 31 December 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The financial statements of the consolidated entity consist of the consolidated financial statements of MPT and its controlled entities. A Mirvac stapled security comprises one Mirvac Limited share "stapled" to one MPT unit to create a single listed entity traded on the ASX. The stapled securities cannot be traded or dealt with separately.

This condensed consolidated interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by MPT during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Net current asset deficiency

As at 31 December 2013, the Trust is in a net current liability position of $72.0m. The Trust repays its borrowings with excess cash, but had access to $742.7m of unused borrowing facilities at 31 December 2013. Accordingly, the Directors of the Responsible Entity expect that the Trust will have sufficient cash flows to meet all financial obligations as and when they fall due.

a) Changes in accounting policy

The consolidated entity changed one of its accounting policies as the result of new or revised accounting standards which became effective from the annual reporting period commencing on 1 July 2013. The affected policy and standard are:

– Principles of consolidation – new standards AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*.

Other new standards that are applicable for the first time for the December 2013 half year report are AASB 13 *Fair Value Measurement*, AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* and AASB 2012-5 A*mendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*. These standards have introduced new disclosures for the interim report but did not affect the consolidated entity's accounting policies or any of the amounts recognised in the financial statements.

i) Principles of consolidation – subsidiaries and joint arrangements

AASB 10 was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements* and in Interpretation 112 *Consolidation – Special Purpose Entities*. Under the new principles, the consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The consolidated entity has reviewed its investments in other entities to assess whether the consolidation conclusion in relation to these entities is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

Under AASB 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The consolidated entity has assessed the nature of its joint arrangements and determined to have only joint ventures. As a result of this assessment, two of the consolidated entity's interests in associates had been reclassified as interests in joint ventures; however, there is no material impact to the consolidated entity's SoFP during the interim reporting period.

The accounting for the consolidated entity's joint ventures has not changed as a result of the adoption of AASB 11. The consolidated entity continues to recognise its interests in joint ventures by using the equity method. Under this method, the interests are initially recognised in the consolidated SoFP at cost and adjusted thereafter to recognise the consolidated entity's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively. When the consolidated entity's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long term interests that, in substance, form part of the consolidated entity's net investment in the joint ventures), the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

As required under AASB 11, the change in policy has been applied retrospectively; however, there is no impact to the entity's consolidated SoFP at 30 June 2013.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Impact of standards issued but not yet applied by MPT

i) AASB 9 Financial Instruments

This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the consolidated entity's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. In the current reporting period, the consolidated entity did not recognise any such gains in other comprehensive income and did not hold any available-for-sale debt investments.

There will be no impact on the consolidated entity's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the consolidated entity does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The consolidated entity has not yet decided when to adopt AASB 9.

There are no other standards with effective dates in the future that are expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

2 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

a) Critical judgements in applying MPT's accounting policies

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

i) Fair value estimation

Where financial assets and liabilities are carried at fair value, the fair value is based on assumptions of future events and involves significant estimates. The fair values of derivatives reported at the end of the reporting period may differ if there is volatility in market rates, indexes, equity prices or foreign exchange rates in future periods.

b) Key sources of estimation uncertainty

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

i) Impairment of goodwill

The consolidated entity annually tests whether goodwill has suffered any impairment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units ("CGU") to which goodwill has been allocated. The value in use calculation requires the consolidated entity to estimate the future cash flows expected to arise from each CGU and a suitable discount rate in order to calculate the net present value ("NPV"). The carrying amount of goodwill at the end of the reporting period is $69.5m (June 2013: $69.5m). There was no impairment loss recognised during the half year (December 2012: $nil).

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

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

iii) Fair value of investments not traded in active markets

The fair value of investments not traded in an active market is determined by the unit price as advised by the fund manager. The unit price is determined by the NPV calculations using future cash flows and an appropriate post-tax discount rate. The carrying value of investments not traded in an active market determined using the above techniques and assumptions at the end of the reporting period was $12.2m (June 2013: $12.0m) and is disclosed as other financial assets at fair value through profit or loss.

iv) Valuation of investment properties

The consolidated entity uses judgement in respect of the fair values of investment properties. Investment properties are revalued by external valuers on a rotation basis with approximately one-half of the portfolio being valued annually. Investment properties which are not subject to an external valuation at the end of the reporting period are fair valued internally by management. The assumptions used in the estimations of fair values include expected future market rentals, discount rates, market prices and economic conditions. The reported fair values of investment properties reflect the market conditions at the end of the reporting period. While this represents the best estimation of fair value at the reporting date, actual sale prices achieved (should the investment properties be sold) may be higher or lower than the most recent valuation. This is particularly relevant in periods of market illiquidity or uncertainty. The carrying value at the end of the reporting period for investment properties was $6,533.4m (June 2013: $6,232.9m).

2 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

v) Valuation of IPUC

IPUC are valued at fair value. There are generally no active markets for IPUC and fair value is considered to be the estimated market price that would be paid for the partially completed property, reflecting the expectations of market participants of the value of the property when complete less deductions for the estimated costs to complete with appropriate adjustments for risk and profit. The fair value is determined on the basis of either discounted cash flow ("DCF") or residual methods. Both methods require consideration of the project risks which are relevant to the development process, including but not limited to construction and letting risks. The estimated value of future assets is based on the expected future income from the project, using current yields of similar completed properties. The net loss on fair value of IPUC was $3.6m (December 2012: $1.0m). The carrying value of $83.4m (June 2013: $74.9m) at the end of the reporting period is included in investment properties (refer to note 9).

vi) Valuation of derivatives and other financial instruments

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

3 SEGMENTAL INFORMATION

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

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

a) Description of business segments

Individual business segments have been identified on the basis of grouping individual products or services subject to similar risks and returns. The main business segments of the consolidated entity are the investment in properties which are leased to third parties for the following uses:

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

b) Inter-segment transfers

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

c) Comparative information

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

d) Operating profit

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

e) Segment liabilities

The amounts provided to the CODM with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. The consolidated entity's borrowings and derivative financial instruments are not considered to be specific segment liabilities and are included in unallocated in note 3.

f) Geographical analysis

The consolidated entity operates predominantly in Australia, with investments in the United States of America.

g) Customer analysis

In total, 74.6 per cent of the consolidated entity's revenue is derived from Australian Government, ASX listed and multinational tenants (December 2012: 72.8 per cent). In the current period, Westpac Banking Corporation provides 12.1 per cent of the consolidated entity's revenue (December 2012: 14.1 per cent).

3 SEGMENTAL INFORMATION (CONTINUED)

Half year ended 31 December 2013	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	**Consolidated SoCI $m**
Revenue from continuing operations						
Investment properties rental revenue	195.2	93.1	17.6	6.0	—	**311.9**
Interest revenue	—	—	—	—	15.4	**15.4**
Total revenue from continuing operations	195.2	93.1	17.6	6.0	15.4	**327.3**
Other income						
Net gain on fair value of investment properties	37.3	32.0	0.9	—	—	**70.2**
Share of net profit of associates and joint ventures accounted for using the equity method	—	—	—	—	10.6	**10.6**
Total other income	37.3	32.0	0.9	—	10.6	**80.8**
Total revenue from continuing operations and other income	232.5	125.1	18.5	6.0	26.0	**408.1**
Investment properties expenses	38.9	36.2	2.4	1.8	—	**79.3**
Amortisation expenses	7.0	2.7	0.3	—	—	**10.0**
Finance costs	—	—	—	—	32.5	**32.5**
Net loss on fair value of IPUC	—	3.6	—	—	—	**3.6**
Net loss on sale of non-aligned assets	—	0.3	—	—	—	**0.3**
Other expenses	—	—	—	—	6.2	**6.2**
Foreign exchange loss	—	—	—	—	0.6	**0.6**
Loss on financial instruments	—	—	—	—	1.8	**1.8**
Profit/(loss) from continuing operations before income tax	186.6	82.3	15.8	4.2	(15.1)	**273.8**
Income tax expense	—	—	—	—	(0.2)	**(0.2)**
Profit/(loss) attributable to the stapled unitholders of MPT	**186.6**	**82.3**	**15.8**	**4.2**	**(15.3)**	**273.6**

Half year ended 31 December 2013	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	**Total $m**
Profit attributable to the stapled unitholders of MPT	186.6	82.3	15.8	4.2	(15.3)	**273.6**
Specific non-cash items						
Net gain on fair value of investment properties	(37.3)	(32.0)	(0.9)	—	—	**(70.2)**
Net loss on fair value of IPUC	—	3.6	—	—	—	**3.6**
Loss on financial instruments	—	—	—	—	1.8	**1.8**
Straight-lining of lease revenue [1]	(4.0)	—	(0.8)	—	—	**(4.8)**
Amortisation of lease fitout incentives [2]	5.4	0.5	0.1	—	—	**6.0**
Foreign exchange loss	—	—	—	—	0.6	**0.6**
Net gain on fair value of investment properties, derivatives and other specific non-cash items included in share of net profit of associates and joint ventures [3]	—	—	—	—	(1.4)	**(1.4)**
Significant items						
Net loss on sale of non-aligned assets [4]	—	0.3	—	—	—	**0.3**
Operating profit/(loss) before specific non-cash items and significant items)	**150.7**	**54.7**	**14.2**	**4.2**	**(14.3)**	**209.5**

1) Included within Investment properties rental revenue in the consolidated SoCI.
2) Included within Amortisation expense in the consolidated SoCI.
3) Included within Share of net profit of associates and joint ventures accounted for using the equity method in the consolidated SoCI.
4) Net loss on the sale of non-aligned assets in the consolidated SoCI.

Half year ended 31 December 2013	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	**Consolidated SoCI $m**
Operating profit						
Investment properties rental revenue [1]	191.2	93.1	16.8	6.0	—	**307.1**
Investment properties expenses [2]	40.5	38.4	2.6	1.8	—	**83.3**
Net property income	150.7	54.7	14.2	4.2	—	**223.8**
Interest revenue	—	—	—	—	15.4	**15.4**
Share of net profit of associates and joint ventures accounted for using the equity method	—	—	—	—	9.2	**9.2**
Finance costs	—	—	—	—	(32.5)	**(32.5)**
Other expenses	—	—	—	—	(6.2)	**(6.2)**
Income tax expense	—	—	—	—	(0.2)	**(0.2)**
Operating profit/(loss) before specific non-cash items and significant items)	**150.7**	**54.7**	**14.2**	**4.2**	**(14.3)**	**209.5**

1) Investment properties rental revenue reconciles to that in the consolidated SoCI after adjusting for straight-lining of lease revenue.
2) Investment properties expense reconciles to that in the consolidated SoCI when combined with amortisation expenses, after adjusting for amortisation of lease fitout incentives.

3 SEGMENTAL INFORMATION (CONTINUED)

Half year ended 31 December 2012	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	Consolidated SoCI $m
Revenue from continuing operations						
Investment properties rental revenue	164.5	92.5	19.1	5.8	—	281.9
Interest revenue	—	—	—	—	19.5	19.5
Other revenue	—	—	—	—	0.2	0.2
Total revenue from continuing operations	164.5	92.5	19.1	5.8	19.7	301.6
Other income						
Net gain/(loss) on fair value of investment properties	42.5	13.7	10.3	(1.4)	—	65.1
Share of net profit of associates and joint ventures accounted for using the equity method	—	—	—	—	5.7	5.7
Foreign exchange gain	—	—	—	—	0.3	0.3
Gain on financial instruments	—	—	—	—	0.7	0.7
Total other income	42.5	13.7	10.3	(1.4)	6.7	71.8
Total revenue from continuing operations and other income	207.0	106.2	29.4	4.4	26.4	373.4
Investment properties expenses	30.6	31.2	2.8	1.8	—	66.4
Amortisation expenses	7.8	2.8	0.3	—	—	10.9
Finance costs	—	—	—	—	19.5	19.5
Net loss on fair value of IPUC	—	1.0	—	—	—	1.0
Net loss on sale of non-aligned assets	1.6	0.1	0.6	—	—	2.3
Other expenses	—	—	—	—	3.9	3.9
Profit from continuing operations before income tax	167.0	71.1	25.7	2.6	3.0	269.4
Income tax expense	—	—	—	—	(0.2)	(0.2)
Profit attributable to the stapled unitholders of MPT	167.0	71.1	25.7	2.6	2.8	269.2

Half year ended 31 December 2012	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	Total $m
Profit attributable to the stapled unitholders of MPT	167.0	71.1	25.7	2.6	2.8	269.2
Specific non-cash items						
Net (gain)/loss on fair value of investment properties	(42.5)	(13.7)	(10.3)	1.4	—	(65.1)
Net loss on fair value of IPUC	—	1.0	—	—	—	1.0
Gain on financial instruments	—	—	—	—	(0.7)	(0.7)
Straight-lining of lease revenue [1]	(6.2)	—	(0.4)	—	—	(6.6)
Amortisation of lease fitout incentives [2]	5.8	0.7	0.1	—	—	6.6
Foreign exchange gain	—	—	—	—	(0.3)	(0.3)
Net loss on fair value of investment properties, derivatives and other specific non-cash items included in share of net profit of associates and joint ventures [3]	—	—	—	—	1.7	1.7
Significant items						
Net loss on sale of non-aligned assetss [4]	1.6	0.1	0.6	—	—	2.3
Operating profit (profit before specific non-cash items and significant items)	125.7	59.2	15.7	4.0	3.5	208.1

1) Included within Investment properties rental revenue in the consolidated SoCI.
2) Included within Amortisation expense in the consolidated SoCI.
3) Included within Share of net profit of associates and joint ventures accounted for using the equity method in the consolidated SoCI.
4) Net loss on the sale of non-aligned assets in the consolidated SoCI.

Half year ended 31 December 2012	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	Consolidated SoCI $m
Operating profit						
Investment properties rental revenue [1]	158.3	92.5	18.7	5.8	—	275.3
Investment properties expenses [2]	(32.6)	(33.3)	(3.0)	(1.8)	—	(70.7)
Net property income	125.7	59.2	15.7	4.0	—	204.6
Interest revenue	—	—	—	—	19.5	19.5
Other revenue	—	—	—	—	0.2	0.2
Share of net profit of associates and joint ventures accounted for using the equity method	—	—	—	—	7.4	7.4
Finance costs	—	—	—	—	(19.5)	(19.5)
Other expenses	—	—	—	—	(3.9)	(3.9)
Income tax expense	—	—	—	—	(0.2)	(0.2)
Operating profit (profit before specific non-cash items and significant items)	125.7	59.2	15.7	4.0	3.5	208.1

1) Investment properties rental revenue reconciles to that in the consolidated SoCI after adjusting for straight-lining of lease revenue.
2) Investment properties expense reconciles to that in the consolidated SoCI when combined with amortisation expenses, after adjusting for amortisation of lease fitout incentives.

3 SEGMENTAL INFORMATION (CONTINUED)

	Office $m	Retail $m	Industrial $m	Other $m	Unallocated $m	**Consolidated SoFP/SoCI $m**
31 December 2013						
Total assets	4,511.3	1,616.3	304.5	101.3	684.5	**7,217.9**
Total liabilities	6.2	52.7	6.7	—	1,578.0	**1,643.6**
Investments in associates and joint ventures	—	—	—	—	212.7	**212.7**
Acquisitions of investment properties including capital expenditures	347.4	45.4	2.2	0.9	—	**395.9**
Amortisation expenses	7.0	2.7	0.3	—	—	**10.0**
31 December 2012						
Total assets	3,509.1	1,659.7	346.3	101.7	1,005.1	6,621.9
Total liabilities	7.1	17.4	6.6	—	739.8	770.9
Investments in associates and joint ventures	—	—	—	—	152.1	152.1
Acquisitions of investment properties including capital expenditures	26.8	19.8	2.4	2.5	—	51.5
Amortisation expenses	7.8	2.8	0.3	—	—	10.9

4 FINANCE COSTS

	31 December 2013 $m	31 December 2012 $m
Interest and finance charges paid/payable	**29.2**	18.6
Borrowing costs amortised	**3.3**	0.9
Total finance costs	**32.5**	19.5

5 EARNINGS PER STAPLED UNIT

	31 December 2013 Cents	31 December 2012 Cents
Earnings per stapled unit		
Basic earnings per stapled unit	**7.5**	7.9
Diluted earnings per stapled unit	**7.5**	7.9
Basic and diluted earnings	**$m**	$m
Profit attributable to the stapled unitholders of MPT used in calculating earnings per stapled unit	**273.6**	269.2
Weighted average number of stapled units used as denominator [1]	**Number m**	Number m
Weighted average number of stapled units used in calculating basic earnings per unit	**3,660.0**	3,418.5
Units issued under EIS	**4.9**	6.1
Weighted average number of units used in calculating diluted earnings per stapled unit	**3,664.9**	3,424.6

1) Diluted units include units issued under EIS, but do not include the options and rights issued under the current LTI plans as the exercise of these equity instruments is contingent on conditions during the vesting period.

6 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

a) Fair value hierarchy

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

– quoted prices (unadjusted) in active markets for identical assets or liabilities (level one);

– inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level two); and

– inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level three).

6 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents the consolidated entity's assets measured and recognised at fair value at 31 December 2013 and 30 June 2013 on a recurring basis:

	Level one $m	Level two $m	Level three $m	**Total $m**
At 31 December 2013				
Assets				
Other financial assets at fair value through profit or loss				
– unlisted securities	—	—	12.2	**12.2**
Other financial assets [1]	—	—	155.6	**155.6**
Derivatives used for hedging	—	8.9	—	**8.9**
	—	**8.9**	**167.8**	**176.7**
At 30 June 2013				
Assets				
Other financial assets at fair value through profit or loss				
– unlisted securities	—	—	12.0	12.0
Other financial assets [1]	—	—	145.1	145.1
Derivatives used for hedging	—	10.9	—	10.9
	—	10.9	157.1	168.0

1) Primarily relates to convertible notes associated with funding two joint ventures, Mirvac 8 Chifley Trust $97.2m (June 2013: $97.2m) and Mirvac (Old Treasury) Trust $58.4m (June 2013: $47.9m). Convertible notes have been issued to fund the development costs of IPUC held by the joint venture and will be converted into equity held by the consolidated entity at the end of the development.

There were no transfers between levels one, two and three for recurring fair value measurements during the half year.

The consolidated entity's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The consolidated entity did not measure any financial assets at fair value on a non-recurring basis as at 31 December 2013.

b) Valuation techniques used to derive level two and level three fair values

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long term debt for disclosure purposes. Other techniques, such as estimated DCF, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level two and comprise debt investments and derivative financial instruments.

In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level three. This is the case for unlisted securities and other financial assets.

c) Fair value measurements using significant unobservable inputs (level three)

The following table presents the changes in level three instruments for the half-year ended 31 December 2013 held by the consolidated entity:

	Unlisted securities $m	Other financial assets $m	Total $m
Opening balance 1 July 2013	**12.0**	**145.1**	**157.1**
Acquisitions	—	10.5	10.5
Gains recognised in other income [1]	0.2	—	0.2
Closing balance 31 December 2013	**12.2**	**155.6**	**167.8**
1) Unrealised gain for the year included in gain on financial instruments that relates to assets held at the end of the half year	0.2	—	0.2

There were no transfers between the levels of the fair value hierarchy in the six months to 31 December 2013. There were also no changes made to any of the valuation techniques applied as of 30 June 2013.

6 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

The main level three inputs used by the consolidated entity in measuring the fair value of financial instruments are derived and evaluated as follows:

– unlisted securities – fair value of the security unit price: these are determined based on the valuation of the underlying assets held by the fund. These valuations are based on discounted net cash inflows from expected future income and/or comparable sales of similar assets;
– other financial assets – expected cash inflows: these are determined based on the development management agreement with fixed repayment terms based on fixed interest rate and agreed project costs.

Sensitivity on changes in fair value of level three financial instruments
For level three unlisted securities, the impact of an increase/decrease in unlisted security unit price on the consolidated entity's profit for the half year end and on equity if the unit price had been five per cent higher or lower would have been $0.6m (30 June 2013: $0.6m) higher or lower.

d) Fair value of other financial instruments
The carrying value of the other financial assets is considered to approximate their fair value.

7 ASSETS CLASSIFIED AS HELD FOR SALE

	31 December 2013 $m	30 June 2013 $m
Non-current assets held for sale		
54-60 Talavera Road, North Ryde NSW [1]	**48.0**	—
Gippsland Centre, Sale VIC [1]	**50.5**	—
Orange City Centre, Orange NSW [1]	**49.5**	—
Logan Megacentre, Logan QLD [2]	**—**	49.5
	148.0	49.5

1) Settlements expected to occur in March 2014.
2) Settlement occurred on 9 August 2013.

As part of the consolidated entity's strategy, investment properties that no longer meet the investment criteria and are subject to a contract for sale, are reclassified as held for sale.

8 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Note	**31 December 2013 $m**	30 June 2013 $m
Consolidated SoFP			
Investments accounted for using the equity method			
Investments in associates	14	**—**	—
Investments in joint ventures	15	**212.7**	201.2
		212.7	201.2

	31 December 2013 $m	31 December 2012 $m
Consolidated SoCI		
Share of net profit of associates and joint ventures accounted for using equity method		
Investments in associates	**0.3**	5.4
Investments in joint ventures	**10.3**	0.3
	10.6	5.7

9 INVESTMENT PROPERTIES

	Date of acquisition	Book value **31 Dec 2013 $m**	Book value 30 Jun 2013 $m	Capitalisation rate **31 Dec 2013 %**	Capitalisation rate 30 Jun 2013 %	Discount rate **31 Dec 2013 %**	Discount rate 30 Jun 2013 %	Date of last external valuation	Last external valuation $m
Mirvac Property Trust and its controlled entities									
1 Castlereagh Street, Sydney NSW	Dec 1998	**69.4**	71.0	**7.63**	7.63	**9.25**	9.25	Jun 2012	72.0
1 Darling Island, Pyrmont NSW	Apr 2004	**185.0**	178.2	**7.00**	7.00	**8.75**	9.00	Dec 2012	175.0
1 Woolworths Way, Bella Vista NSW [1]	Aug 2010	**250.0**	248.0	**7.75**	7.75	**8.88**	8.88	Jun 2013	248.0
1-47 Percival Road, Smithfield NSW	Nov 2002	**31.0**	30.5	**8.00**	8.25	**9.50**	9.75	Dec 2013	31.0
10 Julius Avenue, North Ryde NSW [1]	Dec 2009	**51.4**	51.2	**8.18**	8.50	**9.18**	9.50	Jun 2013	51.2
10-20 Bond Street, Sydney NSW (50% interest) [1]	Dec 2009	**188.0**	181.8	**6.63**	6.88	**8.50**	9.00	Dec 2013	188.0
101-103 Miller Street & Greenwood Plaza, North Sydney NSW (50% interest)	Jun 1994	**284.3**	272.0	**6.50-6.75**	6.75-7.00	**8.75-9.00**	9.00-9.25	Dec 2012	267.5
12 Julius Avenue, North Ryde NSW [1]	Dec 2009	**21.3**	23.5	**8.50**	8.50	**9.50**	9.50	Jun 2013	23.5
189 Grey Street, Southbank QLD	Apr 2004	**79.0**	78.6	**7.63**	7.63	**9.00**	9.25	Dec 2013	79.0
1900-2060 Pratt Boulevard, Chicago Illinois USA	Dec 2007	**36.0**	35.0	**7.25**	7.50	**8.50**	9.25	Dec 2013	36.0
191-197 Salmon Street, Port Melbourne VIC	Jul 2003	**97.3**	101.6	**8.25**	8.00	**9.25**	9.25	Jun 2012	102.5
210 George Street, Sydney NSW	May 2013	**26.0**	26.0	**8.00**	8.00	**9.50**	9.50	—	—
220 George Street, Sydney NSW	May 2013	**57.0**	57.0	**8.00**	8.00	**9.50**	9.50	—	—
271 Lane Cove Road, North Ryde NSW	Apr 2000	**31.4**	31.3	**8.25**	8.25	**9.50**	9.50	Jun 2012	31.3
275 Kent Street, Sydney NSW [1]	Aug 2010	**855.0**	830.0	**6.75**	6.75	**8.50**	9.00	Jun 2012	792.0
3 Rider Boulevard, Rhodes NSW [1]	Dec 2009	**86.5**	84.3	**8.00**	8.00	**9.00**	9.25	Jun 2013	84.3
33 Corporate Drive, Cannon Hill QLD [1]	Aug 2010	**15.2**	15.2	**9.00**	9.00	**10.00**	10.00	Jun 2013	15.2
340 Adelaide Street, Brisbane QLD [1]	Dec 2009	**58.1**	60.0	**8.75**	8.75	**9.25**	9.25	Dec 2012	60.0
367 Collins Street, Melbourne VIC [2]	Nov 2013	**227.9**	—	**7.00**	—	**8.50**	—	—	—
37 Pitt Street, Sydney NSW	May 2013	**67.0**	67.0	**8.25**	8.25	**9.50**	9.50	—	—
38 Sydney Avenue, Forrest ACT	Jun 1996	**35.5**	35.5	**8.50**	8.50	**9.50**	9.50	Dec 2012	35.5
40 Miller Street, North Sydney NSW	Mar 1998	**105.6**	105.5	**7.25**	7.25	**9.00**	9.25	Jun 2012	103.6
47-67 Westgate Drive, Altona North VIC [1]	Dec 2009	**19.1**	19.1	**9.50**	9.75	**9.75**	10.00	Dec 2013	19.1
477 Collins Street, Melbourne VIC [2]	Nov 2013	**72.0**	—	**7.50**	—	**8.75**	—	—	—
5 Rider Boulevard, Rhodes NSW	Sep 2011	**126.9**	126.9	**8.00**	8.00	**9.00**	9.25	Dec 2012	124.0
51 Pitt Street, Sydney NSW	May 2013	**24.0**	24.0	**8.25**	8.25	**9.50**	9.50	—	—
54 Marcus Clarke Street, Canberra ACT	Oct 1987	**15.0**	14.7	**9.75**	9.75	**10.50**	10.50	Dec 2012	14.7
54-60 Talavera Road, North Ryde NSW [1,3]	Aug 2010	**—**	47.0	**—**	7.50	**—**	9.25	Dec 2012	47.0
55 Coonara Avenue, West Pennant Hills NSW [1]	Aug 2010	**100.5**	100.5	**8.50**	8.50	**9.50**	9.50	Dec 2012	100.5
6-8 Underwood Street, Sydney NSW	May 2013	**9.0**	9.0	**8.25**	8.25	**9.50**	9.50	—	—
60 Marcus Clarke Street, Canberra ACT	Sep 1989	**48.5**	48.5	**8.75**	8.75	**9.50**	9.50	Jun 2013	48.5
90 Collins Street, Melbourne VIC	May 2013	**171.0**	170.0	**7.00**	7.25	**8.50**	8.75	—	—
Allendale Square, 77 St Georges Terrace, Perth WA	May 2013	**235.7**	231.0	**8.13**	8.25	**9.25**	9.50	—	—
Aviation House, 16 Furzer Street, Phillip ACT	Jul 2007	**69.0**	68.6	**7.75**	7.75	**9.50**	9.50	Dec 2013	69.0
Bay Centre, Pirrama Road, Pyrmont NSW	Jun 2001	**110.0**	109.2	**7.50**	7.65	**8.75**	9.25	Dec 2013	110.0
Broadway Shopping Centre, Broadway NSW (50% interest)	Jan 2007	**261.0**	255.0	**6.00**	6.00	**9.00**	9.00	Jun 2012	245.0
Cherrybrook Village Shopping Centre, Cherrybrook NSW [1]	Dec 2009	**86.0**	84.6	**7.25**	7.25	**9.25**	9.25	Jun 2013	84.6
City Centre Plaza, Rockhampton QLD [1]	Dec 2009	**47.0**	49.0	**8.00**	8.00	**9.50**	9.50	Jun 2013	49.0
Como Centre, Cnr Toorak Road & Chapel Street, South Yarra VIC	Aug 1998	**165.0**	159.9	**8.00-8.50**	8.00-8.50	**9.00-11.00**	9.00-11.00	Jun 2013	159.9
Cooleman Court, Weston ACT [1]	Dec 2009	**53.0**	47.6	**7.50**	7.75	**9.00**	9.50	Dec 2013	53.0
Gippsland Centre, Sale VIC [3]	Jan 1994	**—**	48.5	**—**	8.50	**—**	9.50	Dec 2011	49.1
Hinkler Central, Bundaberg QLD	Aug 2003	**91.5**	92.0	**7.75**	7.75	**9.50**	9.50	Dec 2012	92.0
John Oxley Centre, 339 Coronation Drive, Milton QLD	May 2002	**53.7**	56.1	**9.00**	9.00	**10.00**	10.00	Dec 2012	56.0
Kawana Shoppingworld, Buddina QLD	Dec 1993 (50%) & Jun 1998 (50%)	**255.0**	230.7	**6.50**	6.75	**9.00**	9.25	Dec 2013	255.0

9 INVESTMENT PROPERTIES (CONTINUED)

	Date of acquisition	Book value 31 Dec 2013 $m	Book value 30 Jun 2013 $m	Capitalisation rate 31 Dec 2013 %	Capitalisation rate 30 Jun 2013 %	Discount rate 31 Dec 2013 %	Discount rate 30 Jun 2013 %	Date of last external valuation	Last external valuation $m
Mirvac Property Trust and its controlled entities									
Metcentre & 60 Margaret Street, Sydney NSW (50% interest)	Aug 1998	**248.8**	247.0	**6.50-7.00**	6.5-7.00	**8.50-9.00**	9.00	Dec 2012	238.5
Moonee Ponds Central (Stage II), Moonee Ponds VIC	Feb 2008	**38.0**	41.5	**8.50**	8.50	**9.75**	9.75	Jun 2012	40.0
Moonee Ponds Central, Moonee Ponds VIC	May 2003	**28.9**	25.3	**7.75**	7.75	**9.50**	9.50	Jun 2012	25.5
Nexus Industry Park (Building 1), Lyn Parade, Prestons NSW	Aug 2004	**19.9**	19.2	**8.00**	8.00	**9.25**	9.25	Jun 2013	19.2
Nexus Industry Park (Building 2), Lyn Parade, Prestons NSW	Aug 2004	**14.7**	14.6	**8.00**	8.00	**9.50**	9.50	Dec 2012	14.4
Nexus Industry Park (Building 3), Lyn Parade, Prestons NSW	Aug 2004	**25.9**	25.3	**8.00**	8.00	**9.25**	9.25	Jun 2013	25.3
Nexus Industry Park (Building 4), Lyn Parade, Prestons NSW	Aug 2004	**35.8**	35.0	**8.00**	8.00	**9.25**	9.50	Dec 2013	35.8
Nexus Industry Park (Building 5), Lyn Parade, Prestons NSW	Aug 2004	**18.0**	17.1	**8.00**	8.00	**9.25**	9.50	Dec 2012	16.4
Orange City Centre, Orange NSW [3]	Apr 1993	**—**	48.0	**8.50**	8.50	**9.50**	9.75	Dec 2011	49.0
Orion Springfield Town Centre, Springfield QLD	Aug 2002	**138.6**	129.0	**6.75**	6.75	**9.25**	9.25	Dec 2012	128.0
Quay West Car Park, 109-111 Harrington Street, Sydney NSW	Nov 1989	**30.6**	30.5	**8.50**	8.50	**10.00**	10.00	Jun 2013	30.5
Rhodes Shopping Centre, Rhodes NSW (50% interest)	Jan 2007	**128.2**	125.0	**7.00**	7.00	**9.25**	9.25	Jun 2013	125.0
Riverside Quay, Southbank VIC	Apr 2002 & Jul 2003	**199.3**	194.7	**7.75**	7.75-8.00	**9.00-10.25**	9.25-10.00	Dec 2013	199.3
Royal Domain Centre, 380 St Kilda Road, Melbourne VIC	Oct 1995 (50%) & Apr 2001 (50%)	**124.6**	118.0	**8.00**	8.00	**9.00**	9.00	Jun 2013	118.0
Sirius Building, 23 Furzer Street, Phillip ACT	Feb 2010	**246.5**	246.0	**7.35**	7.50	**9.00**	9.50	Dec 2013	246.5
St Marys Village Centre, St Marys NSW	Jan 2003	**44.9**	44.0	**7.75**	7.75	**9.00**	9.00	Dec 2012	44.0
Stanhope Village, Stanhope Gardens NSW	Nov 2003	**97.0**	87.0	**7.25**	7.50	**9.00**	9.25	Dec 2013	97.0
Waverley Gardens Shopping Centre, Mulgrave VIC	Nov 2002	**139.5**	135.7	**7.75**	7.75	**9.50**	9.50	Dec 2013	139.5
Total investment properties		**6,450.0**	6,158.0						
IPUC									
200 George Street, Sydney NSW (50% interest)	Dec 2012	**52.6**	44.1	**6.50**	6.50	**8.75**	8.75	Dec 2012	37.6
Orion Springfield land, Springfield QLD	Aug 2002	**30.8**	30.8	**6.50-9.50**	6.50-9.50	**9.25-10.25**	9.25-10.25	Dec 2012	33.0
Total IPUC		**83.4**	74.9						
Total investment properties and IPUC		**6,533.4**	6,232.9						

1) Date of acquisition represents business combination acquisition date.
2) Investment property acquired during the period.
3) Investment property disposed of or reclassified to held for sale during the period.

9 INVESTMENT PROPERTIES (CONTINUED)

a) Reconciliation of carrying amounts of investment properties

At fair value	Note	31 December 2013 $m	30 June 2013 $m
Balance 1 July		**6,232.9**	5,659.3
Additions		**79.4**	124.4
Acquisitions		**316.5**	619.0
Disposals		**(0.6)**	(142.7)
Net gain on fair value of investment properties	17	**70.2**	55.3
Net loss on fair value of IPUC	17	**(3.6)**	(5.3)
Net gain from foreign currency translation		**1.4**	2.9
Assets classified as held for sale		**(148.0)**	(49.5)
Amortisation of fitout incentives, leasing costs and rent incentives		**(14.8)**	(30.5)
Balance 31 December/30 June		**6,533.4**	6,232.9

b) Amounts recognised in profit or loss for investment properties

	31 December 2013 $m	31 December 2012 $m
Investment properties rental revenue	**311.9**	281.9
Investment properties expenses	**(79.3)**	(66.4)
	232.6	215.5

c) Valuation basis

i) Investment properties

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

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

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

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

ii) IPUC

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

9 INVESTMENT PROPERTIES (CONTINUED)

d) Property portfolio

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

	31 December 2013 $m	30 June 2013 $m
Investment properties per consolidated SoFP	**6,533.4**	6,232.9
Investment properties classified as assets held for sale	**148.0**	49.5
	6,681.4	6,282.4

10 INTANGIBLE ASSETS

	31 December 2013 $m	30 June 2013 $m
Balance 1 July	**69.5**	69.5
Balance 31 December/30 June	**69.5**	69.5

a) Allocation of goodwill by business segments

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

	Office $m	Industrial $m	Unallocated $m	Total $m
Balance 31 December 2013	**44.5**	**7.6**	**17.4**	**69.5**
Balance 30 June 2013	44.5	7.6	17.4	69.5

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

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

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

CGU	Growth rate [1] 31 December 2013 %	Discount rate 31 December 2013 %	Growth rate [1] 30 June 2013 %	Discount rate 30 June 2013 %
Office	**—**	**9.5**	—	9.5
Retail	**—**	**9.5**	—	9.5
Industrial	**—**	**9.5**	—	9.5
Other	**—**	**9.5**	—	9.5

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

The recoverable amount of goodwill exceeds the carrying value at 31 December 2013. Management considers that for the carrying value to exceed the recoverable amount, there would have to be unreasonable changes to key assumptions. Management considers the chances of these changes occurring as unlikely.

c) Impairment of goodwill

There was no impairment of goodwill recognised during the half year (December 2012: $nil).

11 BORROWINGS

	31 December 2013 $m	30 June 2013 $m
Current		
Unsecured		
Bank loans	**—**	114.7
	—	114.7
Non-current		
Unsecured		
Bank loans	**15.2**	735.0
Domestic medium term notes ("MTN")	**200.0**	200.0
Loan from related party	**1,122.6**	22.1
	1,337.8	957.1

a) Borrowings

i) Unsecured bank loans
The consolidated entity has access to unsecured bank facilities totalling $1,700.0m (June 2013: $1,410.0m). The facility contains three tranches: a $680.0m tranche maturing in September 2015, a $510.0m tranche maturing in September 2017 and a $510.0m tranche maturing in September 2018.

ii) Domestic MTN
The consolidated entity has a total of $200.0m (June 2013: $200.0m) of domestic MTN outstanding maturing in March 2015. Interest is payable semi-annually in arrears in accordance with the terms of the notes.

iii) Loan from related party
The consolidated entity has access to unsecured loan facilities from a related party of $2,027.6m (June 2013: $26.5m). As of 18 December 2013, the majority of unsecured bank loans were repaid and it is the Trust's intention to borrow directly from the related party. The facilities now consist of two individual loans: $27.6m is held in US dollars and translated into Australian dollars on a monthly basis, which expires on 7 December 2017 and $2,000.0m held in Australian dollars, which expires on 18 December 2023.

b) Financing arrangements

	31 December 2013 $m	30 June 2013 $m
Total facilities		
Unsecured bank loans [1]	**1,700.0**	1,410.0
Domestic MTN	**200.0**	200.0
Loan from related party	**2,027.6**	26.5
	3,927.6	1,636.5
Used at end of the reporting period		
Unsecured bank loans [1]	**957.3**	1,022.1
Domestic MTN	**200.0**	200.0
Loan from related party	**1,122.6**	22.1
	2,279.9	1,244.2
Unused at end of the reporting period		
Unsecured bank loans [1]	**742.7**	387.9
Domestic MTN	**—**	—
Loan from related party	**905.0**	4.4
	1,647.7	392.3

1) Total bank loan facility relates to Mirvac; this facility is available to the consolidated entity and Mirvac Limited. The consolidated entity had drawn down $15.2m at 31 December 2013 (June 2013: $849.7m).

12 CONTRIBUTED EQUITY

a) Paid up equity

	31 December 2013 Units m	30 June 2013 Units m	**31 December 2013 $m**	30 June 2013 $m
Mirvac Property Trust – ordinary units issued	**3,660.4**	3,659.9	**4,707.1**	5,006.0

b) Movements in paid up equity

Movements in paid up equity of MPT for the half year ended 31 December 2013 were as follows:

	Units m	**$m**
Balance 1 July 2013	3,659.9	5,006.0
LTP, LTIP and EIS units converted, sold, vested or forfeited	0.5	1.5
Recapitalisation	—	(300.0)
Less: Transaction costs arising on issues of units	—	(0.4)
Balance 31 December 2013	**3,660.4**	4,707.1

c) Reconciliation of units issued on the ASX

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

	31 December 2013 Units m	30 June 2013 Units m
Total ordinary units disclosed	**3,660.4**	3,659.9
Stapled units issued under LTI plan and EIS disclosed	**4.6**	5.1
Total units issued on the ASX	**3,665.0**	3,665.0

13 DISTRIBUTIONS

Ordinary stapled units	**31 December 2013 $m**	31 December 2012 $m
Half yearly ordinary distributions payable/paid as follows:		
4.40 CPSU payable on 27 February 2014	**161.3**	—
4.20 CPSU paid on 25 January 2013	**—**	143.9
Total distribution 4.40 (December 2012: 4.20) CPSU	**161.3**	143.9

In November 2013, the Group announced the distribution reinvestment plan ("DRP") would be reactivated for the December 2013 half year distribution. Distributions paid/payable or satisfied by issue of stapled units under the Group's DRP are as follows:

	31 December 2013 $m	31 December 2012 $m
Payable in cash	**115.2**	143.9
To be satisfied by the issue of stapled units	**46.1**	—
Total distribution	**161.3**	143.9

14 INVESTMENTS IN ASSOCIATES

a) Associates accounted for using the equity method

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

		Interest			
Name of entity	Principal activities	**31 December 2013 %**	30 June 2013 %	**31 December 2013 $m**	30 June 2013 $m
Mirvac Industrial Trust [1]	Listed property investment trust	**14.1**	14.1	**—**	—

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

15 INVESTMENTS IN JOINT VENTURES

a) Joint ventures accounted for using the equity method

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

		Interest			
Name of entity	Principal activities	**31 December 2013 %**	30 June 2013 %	**31 December 2013 $m**	30 June 2013 $m
Australian Sustainable Forestry Investors 1&2 [1]	Forestry and environmental asset manager	**25.2**	25.2	**3.8**	4.4
Mirvac 8 Chifley Trust	Property investment	**50.0**	50.0	**42.7**	42.1
Mirvac (Old Treasury) Trust	Property investment	**50.0**	50.0	**43.2**	35.1
Tucker Box Hotel Group [1]	Hotel investment	**49.0**	49.0	**123.0**	119.6
				212.7	201.2

1) Due to AASB 11 assessment, these investments have been reclassified from associates to joint ventures.

16 CONTINGENT LIABILITIES

a) Contingent liabilities

The consolidated entity had contingent liabilities at 31 December 2013 in respect of the following:

	31 December 2013 $m	30 June 2013 $m
Claims for damages in respect of injury sustained due to health and safety issues have been made during the half year. The potential effect of these claims indicated by legal advice is that if the claims were to be successful against the consolidated entity, they would result in a liability.	**0.9**	1.2

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

b) Associates and joint ventures

There are no contingent liabilities relating to associates and joint ventures.

17 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	**31 December 2013 $m**	31 December 2012 $m
a) Reconciliation of cash			
Cash at the end of the period as shown in the consolidated statement of cash flows is the same as consolidated SoFP, the detail of which follows:			
Cash at bank and on hand		**31.3**	15.9
Deposits at call		**0.2**	0.3
Cash and cash equivalents		**31.5**	16.2
b) Reconciliation of profit attributable to the stapled unitholders of MPT to net cash inflows from operating activities			
Profit attributable to the stapled unitholders of MPT		**273.6**	269.2
Net gain on fair value of investment properties	9	**(70.2)**	(65.1)
Net loss on fair value of IPUC	9	**3.6**	1.0
Amortisation expenses		**10.0**	10.9
Non-cash lease incentives		**(8.2)**	(8.8)
Loss/(gain) on financial instruments		**1.8**	(0.7)
Foreign exchange loss/(gain)		**0.6**	(0.3)
Net loss/(gain) on sale of investment properties		**0.3**	(1.8)
Share of net profit of associates and joint ventures not received as distributions		**(10.6)**	(5.2)
Changes in operating assets and liabilities:			
– Decrease in receivables		**4.0**	9.1
– Decrease in other assets		**2.2**	3.5
– Increase/(decrease) in payables		**1.9**	(0.4)
Net cash inflows from operating activities		**209.0**	211.4

18 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

On 19 February 2014 the Group announced it had signed a relationship deed with US based financial services organisation TIAA-CREF. Under the Deed, TIAA-CREF has an exclusive first right to acquire 50 per cent of co-investment opportunities in prime-grade Australian office assets sourced or developed by Mirvac for the next three years. The exclusive first right will apply to stable assets and development opportunities acquired by Mirvac after 19 February 2014, but not to Mirvac's existing portfolio, acquisitions of additional interests in assets under pre-existing rights, or future assets acquired as part of a portfolio transaction. Mirvac and TIAA-CREF will each hold a 50 per cent interest in assets acquired under the Alliance. The financial effects of this transaction have not been brought to account at 31 December 2013. Any assets acquired under the agreement will be accounted for in the future periods to which they relate.

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

In the Directors' opinion:

a) the financial statements and notes set out on pages 04 to 23 are in accordance with the *Corporations Act 2001*, including:
   i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the financial half year ended on that date; and

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

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

Susan Lloyd-Hurwitz

Susan Lloyd-Hurwitz
Director

Sydney
20 February 2014

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Mirvac Property Trust, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Mirvac Property Trust Group (the consolidated entity). The consolidated entity comprises both Mirvac Property Trust (the trust) and the entities it controlled during that half-year, including Mirvac Funds Limited as responsible entity for Mirvac Property Trust and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the trust are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mirvac Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

INDEPENDENT AUDITOR'S REVIEW REPORT

to the unitholders of Mirvac Property Trust

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

Conclusion
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mirvac Property Trust is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
20 February 2014