MIRVAC GROUP
ANNUAL REPORT

REPORT 2015

mirvac

Mirvac Group Annual Report

For the year ended 30 June 2015

Mirvac Group comprises Mirvac Limited (ABN 92 003 280 699) and its controlled entities (including Mirvac Property Trust (ARSN 086 780 645) and its controlled entities).

Contents	Page

Directors' report

The Directors of Mirvac Limited present their report, together with the consolidated report of Mirvac Group ("Mirvac" or "Group") for the year ended 30 June 2015. Mirvac comprises Mirvac Limited ("parent entity" or "company") and its controlled entities, which includes Mirvac Property Trust ("MPT" or "Trust") and its controlled entities.

Directors

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

- John Mulcahy
- Susan Lloyd-Hurwitz
- Christine Bartlett (appointed 1 December 2014)
- Peter Hawkins
- Samantha Mostyn (appointed 1 March 2015)
- James M. Millar AM
- John Peters
- Elana Rubin.

Principal activities

The principal continuing activities of Mirvac consist of real estate investment, development and investment management. Mirvac has two core divisions: Investment (comprising MPT) and Development (comprising residential and commercial development).

There are also two business units, Mirvac Investment Management which comprises third party capital management (Mirvac Capital ("Capital")); and the property asset management business (Mirvac Asset Management ("MAM")).

Dividends/distributions

Dividends/distributions paid to stapled securityholders during the year were as follows:

	2015 $m	2014 $m
June 2014 half yearly dividends/distributions paid on 28 August 2014: 4.60 cents per stapled security ("CPSS")	**169.8**	
June 2013 half yearly dividends/distributions paid on 26 July 2013: 4.50 CPSS		164.9
December 2014 half yearly dividends/distributions paid on 26 February 2015: 4.50 CPSS	**166.4**	
December 2013 half yearly dividends/distributions paid on 27 February 2014: 4.40 CPSS		161.3
Total dividends/distributions paid	**336.2**	326.2

The June 2015 half yearly dividend/distribution of 4.90 CPSS totalling $181.2m is payable on 26 August 2015.

Dividends/distributions paid and payable by Mirvac for the year ended 30 June 2015 totalled $347.6m, being 9.40 CPSS (2014: $331.1m – 9.00 CPSS). The payments for the year ended 30 June 2015 and the previous year were distributions made by the Trust.

Operating and financial review

The statutory profit after tax attributable to the stapled securityholders of Mirvac for the year ended 30 June 2015 was $609.9m (2014: $447.3m). The operating profit (profit before specific non-cash and significant items) was $454.8 (2014: $437.8m) which is within the market guidance provided previously. 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 Group.

The following table summarises key reconciling items between statutory profit after tax attributable to the stapled securityholders of Mirvac and operating profit. The operating profit information in the table has not been subject to any specific audit procedures by the Group's auditor but has been extracted from note 1 to the accompanying financial statements for the year ended 30 June 2015, which have been subject to audit; refer to pages 98 and 99 for the auditor's report on the financial statements.

Operating and financial review / continued

	2015 $m	2014 $m
Profit attributable to the stapled securityholders of Mirvac	**609.9**	447.3
Specific non-cash items		
Net gain on fair value of investment properties and investment properties under construction ("IPUC")	**(140.8)**	(48.8)
Net loss on fair value of derivative financial instruments and associated foreign exchange movements[1]	**10.0**	15.8
Security based payments ("SBP") expense[2]	**5.6**	6.5
Depreciation of owner-occupied properties ("OOP")[3]	**6.1**	5.9
Straight-lining of lease revenue[4]	**(5.3)**	(12.2)
Amortisation of lease fitout incentives[3]	**9.3**	10.3
Net gain on fair value of investment properties, derivatives and other specific non-cash items included in share of net profit of joint ventures and associates ("JVA")[5]	**(29.8)**	(19.6)
Significant items		
Impairment of loans, investments and inventories	**(0.2)**	(1.2)
Restructuring costs[2, 6]	**6.8**	–
Impairment of goodwill	**–**	24.5
Net (gain)/loss from sale of non-aligned assets[7]	**(16.1)**	6.0
Tax effect		
Tax effect of non-cash and significant adjustments[8]	**(0.7)**	3.3
Operating profit (profit before specific non-cash and significant items)	**454.8**	437.8

Financial, capital management and operational highlights

Key financial highlights for the year ended 30 June 2015:

- profit attributable to the stapled securityholders of Mirvac increased to $609.9m from $447.3m (June 2014);
- operating profit after tax of $454.8m[9] (June 2014: $437.8m), representing 12.3 cents per stapled security ("CPSS");
- operating cash inflow of $412.7m, which is consistent with the prior year;
- gearing remained within the Group's target range of 20.0 to 30.0 per cent at 24.3 per cent[10];
- distributions of $347.6m, representing 9.40 CPSS; and
- net tangible assets ("NTA")[11] per stapled security of $1.74, up from $1.66 (June 2014).

Key capital management highlights for the year ended 30 June 2015:

- maintained strong liquidity with $539.6m of cash and undrawn committed bank facilities held and with no debt maturities until September 2016;
- reduced average borrowing costs to 5.2 per cent per annum (including margins and line fees), while maintaining weighted average debt maturity at 4.3 years;
- restructured the Group's revolving syndicated bank loan on more favourable terms and reduced the amount of debt maturing in any one year. The facility now totals $1,400.0m (June 2014: $1,388.0m), with $200.0m maturing in FY17, $350.0m maturing in FY18, $300.0m maturing in FY19, $300.0m maturing in FY20 and $250.0m maturing in FY21; and
- continued to comfortably meet all debt covenants.

Key operational highlights for the year ended 30 June 2015:

- acquired $527.0m[12] of key strategic assets in the Investment portfolio, including Birkenhead Point Outlet Centre, Sydney NSW and a portfolio of industrial assets from Altis Real Estate Equity Partnership Fund No. 1 ("Altis");
- acquired $412.8m of future residential development projects in key locations, and acquired Leighton Properties Pty Limited's 50.0 per cent interest in the Green Square Consortium;
- entered into an agreement with unlisted property fund manager ISPT Pty Ltd ("ISPT") for the sale of a 50.0 per cent interest in 2 Riverside Quay, Melbourne VIC, for a total consideration of $106.0m[13]. ISPT will fund 50.0 per cent of the total development costs throughout the construction period;
- disposed of seven assets, comprising five office assets and two retail assets for a combined total of $406.7m. This follows the disposal of seven assets sold to an affiliate of Blackstone Real Estate Asia ("Blackstone") in July 2014, in addition to a 50.0 per cent interest in 275 Kent Street, Sydney NSW, as outlined in the FY14 Annual Report;

1) Total of Gain and Loss on fair value of derivative financial instruments and Foreign exchange loss in the consolidated statement of comprehensive income ("SoCI").
2) Included within Employee benefits expenses in the consolidated SoCI.
3) Included within Depreciation and amortisation expenses in the consolidated SoCI.
4) Included within Investment properties rental revenue in the consolidated SoCI.
5) Included within Share of net profit of JVA accounted for using the equity method in the consolidated SoCI.
6) Included within Other expenses in the consolidated SoCI.
7) Included within Net gain on sale of assets in the consolidated SoCI.
8) Included in Income tax expense in the consolidated SoCI.
9) Excludes specific non-cash items, significant items and related taxation.
10) Net debt (at foreign exchange hedged rate) excluding leases/(total tangible assets – cash).
11) NTA per stapled security, based on ordinary securities including Employee Incentive Scheme ("EIS") securities.
12) Pre-transaction costs.
13) The sale price is calculated on the basis of rents determined under the PwC Agreement for Lease, Wilson and MPT car parking leases, and the target net annual rents for the residual unlet space.

Financial, capital management and operational highlights / continued

- entered into an exclusive dealing period with financial-services provider, Westpac, to finalise documentation for a new lease agreement at 275 Kent Street, Sydney NSW;
- maintained strong portfolio occupancy of 96.5 per cent within the Investment portfolio[1];
- leased 127,858 square metres (9.2 per cent of total net lettable area) within the Investment portfolio;
- settled 2,271 residential lots, in line with target of greater than 2,200 lots;
- achieved strong levels of residential exchanged pre-sales contracts of $1,987.2m[2]; and
- achieved 5.1 Star NABERS average energy rating across the office portfolio.

Outlook[3]

Momentum in Australia's property markets continues to be divergent across sector and geography, as the economy continues to rebalance away from very strong levels of mining-led growth. Low interest rates are expected to remain supportive over FY16, and together with a projected low Australian dollar, economic growth is expected to gradually improve, remaining strongest in New South Wales and Victoria. Mirvac's deliberate weighting to New South Wales and Victoria means that it is well positioned to perform across business cycles. Mirvac's mix of passive and active capital will also ensure it continues to provide stable income and growth to the Group.

Mirvac will remain 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 help to ensure Mirvac can continue to meet its strategic objectives without increasing its overall capital management risk profile.

Divisional highlights

Investment

At 30 June 2015, Investment (comprising MPT and a small number of assets held by the Company) had $7,517.7m[4] invested capital across 59[5] direct property assets, covering the office, retail and industrial sectors, as well as investments in car parks, a hotel and other funds managed by Mirvac.

The split of invested capital across each sector was:

- office: 54.6 per cent;
- retail: 28.5 per cent;
- industrial: 8.8 per cent; and
- other: 8.1 per cent[6].

For the 12 months to 30 June 2015, Investment's statutory profit before tax was $593.2m (June 2014: $438.1m), driven by an uplift in property revaluations, and its operating profit before tax was $418.3m, supported by acquisitions and lower borrowing costs, offset by the disposal of assets and a 50.0 per cent interest in 275 Kent Street, Sydney at the beginning of the financial year. Investment's earnings continued to be secured by a strong weighted average lease expiry ("WALE") profile of 4.5 years[7], 92.8 per cent of FY15 rent reviews being linked or fixed to the Consumer Price Index ("CPI"), and 65.7 per cent of revenue being derived from multinational, ASX listed and government tenants.

Key operational highlights for Investment for the year ended 30 June 2015:

- achieved 2.6 per cent like-for-like net operating income growth;
- maintained high occupancy at 96.5 per cent[8];
- total investment property revaluations provided a net uplift of $146.2m[9] (or 2.3 per cent) over the previous book value for the 12 months to 30 June 2015. On a like-for-like basis (excluding IPUC, acquisitions and disposals), the net uplift was $136.2m (or 2.4 per cent);
- acquired Birkenhead Point Outlet Centre, Sydney NSW, including an adjoining car parking facility and marina, for a total consideration of $310.0m;
- acquired a portfolio of four industrial assets from Altis for a total consideration of $213.9m, in line with Mirvac's strategy to acquire quality assets in key locations;
- disposed of seven assets, comprising five office assets and two retail assets, for a combined total of $406.7m. This follows the disposal of seven assets which were sold to Blackstone in July 2014, in addition to a 50.0 per cent interest in 275 Kent Street, Sydney NSW, as outlined in the FY14 Annual Report;
- entered into an exclusive dealing period with Westpac to finalise documentation for a new lease agreement at 275 Kent Street, Sydney NSW;
- completed 437 leasing deals over 127,858 square metres of net lettable area (9.2 per cent of total net lettable area); and
- key development highlights are outlined in the Commercial highlights section in this report. Key leasing achievements for assets under development included:
  - 200 George Street, Sydney NSW: increased pre-leasing to 81.0 per cent following the announcement that Mirvac would relocate its Sydney head office to this new commercial development. Mirvac will occupy 5,703 square metres across five floors of the tower for a ten-year term. Anchor tenant, EY, has pre-committed to approximately 66.0 per cent of office space;
  - Orion Springfield Central, Springfield QLD: progressed with the leasing of the Stage 2 expansion of approximately 32,000 square metres, with 75.2 per cent[10] leased (up from 59.2 per cent at 30 June 2014);
  - Harold Park Tramsheds, Sydney NSW: progressed with leasing for over 6,000 square metres of retail space, which will include a supermarket, market style food halls, boutique retailers, cafés, restaurants and a gymnasium on completion. The project was 58.7 per cent leased as at 30 June 2015; and
  - Stanhope Village, Stanhope Gardens NSW: achieved practical completion of the Stage 4 expansion in March 2015, ahead of schedule and 100.0 per cent leased on completion.

1) By area, excludes indirect property investments, and includes 8 Chifley Square, Sydney NSW.
2) Adjusted for Mirvac's share of joint venture associates and Mirvac managed funds.
3) These future looking statements should be read in conjunction with future releases to the ASX.
4) Includes IPUC, indirect property investments and 8 Chifley Square, Sydney NSW.
5) Includes 8 Chifley Square, Sydney NSW. Although not a direct property asset, it is treated as an investment accounted for using the equity method for statutory reporting.
6) Includes IPUC, indirect property investments, car park assets and hotel.
7) By income, includes 8 Chifley Square, Sydney NSW and excludes indirect property investments.
8) By area, includes 8 Chifley Square, Sydney NSW and excludes indirect property investments.
9) After adjustment for OOP, the net uplift was $140.8m, including IPUC.
10) As at 31 July 2015.

Divisional highlights / continued

The Group demonstrated its ability to create world-class, sustainable workplaces through a continued focus on sustainability, with key highlights including:

- a 5.1 Star NABERS average energy rating across the office portfolio;
- 8 Chifley Square, Sydney NSW achieved a 6 Star Green Star As-Built v2 rating;
- 200 George Street, Sydney NSW awarded a 6 Star Green Star – Office Design v3 rating;
- 23 Furzer Street, Phillip ACT achieved the first 6.0 Star NABERS energy rating for a major office building without the use of GreenPower. The property has reduced energy consumption by 32.4 per cent since 2011. The asset boasts Mirvac's first large scale solar photovoltaic system, with an 80 kilowatt solar array, which will see a reduction of approximately 100 tonnes of greenhouse gas emissions per annum; and
- received the NSW Green Globes 10-year Sustainability Award for demonstrating long-term environmental achievements and successful program delivery and outcomes between 2004 and 2014.

Outlook [1]

Global economic activity continues to be mixed, with conditions continuing to improve in the US, sluggish improvement in Europe and Japan and cooling growth in China. Domestically, the economy has recorded slightly below-trend growth, impacted by significant falls in commodity prices and a slow-down of investment in the resource sector. However, a low Australian dollar, a sustained period of low interest rates and strong investor demand for prime assets are providing support for activity in the office, retail and industrial sectors. The office portfolio, with a solid occupancy, embedded rental increases, quality tenant covenants and a strong weighting to Australia's largest office markets, Sydney and Melbourne, continues to be well positioned. Conditions in the retail sector have been divergent throughout Australia, with mixed levels of consumer confidence and soft household income growth. Despite this, Mirvac's retail assets, predominantly situated in metropolitan locations, should continue to benefit from their exposure to solid catchments in urban markets, particularly Sydney where 67.3 per cent [2] of the portfolio is located and where retail sales have been robust. Tenant demand for industrial assets in New South Wales has been moderate over the past year and broadly meeting the levels of new supply. The industrial portfolio, with minimal vacancy and a long WALE of 7.6 years [3], continues to provide steady income to the Group.

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

- improving the quality of the portfolio via non-aligned asset sales and creating new product to be held for the long term;
- extracting the benefit of the Group's demonstrated competitive advantage in the office sector by creating innovative, collaborative and flexible workplaces for the future;
- maintaining a focus on the key markets of Sydney and Melbourne in the office and industrial sectors; and
- focusing on quality retail assets located in key urban markets and unlocking value through the retail development pipeline.

Investment Management

Mirvac Investment Management ("MIM") comprises two business activities for segment reporting purposes, including third party capital management (Mirvac Capital ("Capital")) and property asset management (Mirvac Asset Management ("MAM")).

For the year ended 30 June 2015, MIM recorded a statutory profit before tax of $5.1m (June 2014: $5.8m) and an operating profit before tax of $4.5m.

At 30 June 2015, Capital managed three wholesale funds: Mirvac Wholesale Residential Development Partnership, Tucker Box Hotel Group and JF Infrastructure Yield Fund; as well as two retail funds: Mirvac Development Fund – Seascapes and Mirvac Development Fund – Meadow Springs.

Capital also acted as investment manager for the Australian Office Alliance ("Alliance"). The initial asset in the Alliance, 699 Bourke Street, Melbourne, reached practical completion in April 2015 and is 100.0 per cent leased to AGL.

Prior to 3 December 2014, MIM was also responsible for the ASX listed Mirvac Industrial Trust (ASX: MIX). On 3 December 2014, Mirvac announced that all MIX units were transferred to AustFunding Pty Limited, a subsidiary of the Goldman Sachs Group Inc., as part of the Scheme Implementation Agreement that was entered into on 19 September 2014.

MAM provides asset management services primarily for the MPT portfolio. MAM currently manages 61 properties.

Outlook [1]

Capital remains focused on establishing investment partnerships with strategically aligned domestic and international institutional investors to coinvest alongside Mirvac in office, industrial, retail and residential assets and development projects. MAM will also continue to provide asset management services in accordance with growth in the MPT and Capital portfolios and in assets owned by third parties where there are common interests.

Development

Mirvac's Development business unit operates across national product lines consisting of Residential (comprising Masterplanned Communities and Apartments) and Commercial.

At 30 June 2015, Development had $1,579.3m of invested capital.

For the year ended 30 June 2015, Development's statutory profit before tax was $126.6m (June 2014: $112.0m) and its operating profit before tax was $126.6m.

Residential

The business unit continued to deliver quality residential product in the Group's core metropolitan markets, with new release projects targeted at the right price points and right locations. Key highlights across Masterplanned Communities and Apartments:

Masterplanned Communities

- Elizabeth Hills and Elizabeth Point NSW: 100.0 per cent of released lots sold across both projects;
- Alex Avenue NSW: continued strong sales with 83.4 per cent of released lots pre-sold (267 settled and exchanged contracts);
- Googong NSW: continued strong sales with 93.1 per cent of released lots pre-sold (944 settled and exchanged contracts);
- Tullamore, Doncaster VIC: achieved strong sales with 96.9 per cent of released lots pre-sold (189 exchanged contracts);
- Woodlea, Rockbank VIC: achieved strong sales with 100.0 per cent of released lots pre-sold (265 exchanged contracts);
- Jack Road, Cheltenham VIC: achieved strong sales with 87.0 per cent of released lots pre-sold (47 exchanged contracts);
- Harcrest, Melbourne VIC: continued strong sales with 99.6 per cent of total released lots sold (815 exchanged contracts); and
- Greystone Terraces, Everton Park QLD: achieved solid sales with 58.3 per cent of released lots pre-sold (21 exchanged contracts).

1) These future looking statements should be read in conjunction with future releases to the ASX.
2) By book value.
3) By income.

Divisional highlights / continued

Apartments

- Bondi, Sydney NSW: achieved strong sales with 100.0 per cent of 190 total lots pre-sold;
- Green Square, Sydney NSW: achieved strong sales with 100.0 per cent of Stage 1, Ebsworth and Stage 2, Ebsworth No.8 pre-sold (174 and 64 exchanged contracts respectively), and 98.9 per cent of Ovo pre-sold (221 exchanged contracts);
- Harold Park, Sydney NSW: achieved strong sales with 65.7 per cent of the first release of the final stage, Vance, pre-sold (71 exchanged contracts);
- Yarra's Edge, Docklands VIC: commenced construction on Forge apartments and Wharf's Entrance terraces following pre-sales of 63.2 per cent (144 exchanged contracts) and 83.3 per cent (15 exchanged contracts) respectively;
- Waterfront, Unison QLD: achieved 83.3 per cent of pre-sales for Stage 1 (120 exchanged contracts) with construction progressing to schedule, and achieved 71.2 per cent of pre-sales for Stage 2 (104 exchanged contracts), with early construction works currently underway; and
- Art House, South Brisbane QLD: secured 78.2 per cent pre-sales for Stage 1 (147 exchanged contracts), with construction commencing in July 2015.

In addition to the strong sales momentum, Mirvac completed the englobo sale of provisioned projects Precinct 8 at Gainsborough Green, QLD and a portion of Glenfield Panorama.

For the year ended 30 June 2015, Development's residential pipeline totalled 33,064 lots which was supplemented by the acquisition of a number of key projects that will contribute significantly to Development's future earnings, including:

- Greenbank QLD: acquisition of a masterplanned community site in Brisbane's south-west growth corridor with the potential to deliver approximately 3,300 lots;
- Marsden Park North NSW: entered into a project delivery agreement to develop a masterplanned community site within Sydney's north-west growth centre, with the potential to deliver over 1,200 lots;
- Gledswood Hills NSW: acquisition of a masterplanned community site with the potential to deliver approximately 570 lots;
- St Leonards, Sydney NSW: acquisition of a mixed-use development site in Sydney's North Shore, with the potential for approximately 500 apartments and approximately 7,500 square metres of commercial space;
- Sydney Olympic Park, Homebush NSW: entered into a project delivery agreement to develop an apartment site in Sydney's iconic Olympic Park precinct, with the potential to deliver over 400 lots;
- Claremont on the Park, Claremont WA: acquisition of an apartment site in the urban renewal area of Claremont Oval, with the potential to deliver approximately 230 lots;
- Georges Cove Marina, Moorebank NSW: entered into a project delivery agreement to develop a masterplanned community site located within Sydney's south-west growth precinct with the potential to deliver approximately 180 homes;
- Jack Road, Cheltenham VIC: acquisition of a masterplanned community site in the bayside suburb of Cheltenham, with the potential to deliver approximately 180 lots; and
- Darien Street, Bridgeman Downs QLD: acquisition of a masterplanned community site with the potential to deliver approximately 120 land lots.

For the year ended 30 June 2015, Development settled 2,271 residential lots and had secured future income of $1,987.2m[1] through residential exchange pre-sales contracts.

State based lot settlements by product for the year ended 30 June 2015 were as follows:

State	Masterplanned Communities	Apartments	Total
NSW	770	482	1,252
QLD	252	13	265
VIC	186	184	370
WA	375	9	384
Total	**1,583**	**688**	**2,271**

Commercial

Mirvac's commercial development activities include office, retail and industrial projects. For the year ended 30 June 2015, Mirvac's office development pipeline had an end value of $3,223.3m on a 100.0 per cent ownership basis.

Key leasing highlights for Commercial for the year ended 30 June 2015 were outlined in the Investment highlights section of this Report. Key development milestones were:

- 200 George Street, Sydney NSW: demolition and excavation works complete with the concrete core at Level 36 and the concrete slabs at Level 32. The project remains on track, with completion expected in FY16. The office tower has been awarded a 6.0 Star Green Star – Office Design v3 rating, and is targeting a 5.0 Star NABERS energy rating and a 6.0 Star Green Star rating;
- 699 Bourke Street, Melbourne VIC: reached practical completion in April 2015, with fit-out works complete and major tenant, AGL, moving into the building in June 2015. The A-grade building with premium-grade services has achieved a 6.0 Star Green Star – Office Design v2 rating, demonstrating world leadership in sustainable design, and is targeting a 5.0 Star NABERS energy rating;
- 2 Riverside Quay, Melbourne VIC: commenced construction in July 2014, with completion expected in FY17. A 5.0 Stars NABERS energy rating and a 5.0 Star Green Star Office Design rating are being targeted;
- Treasury Building, Perth WA: completed the structural core for the final level of the building in March 2015, with completion anticipated for the first half of FY16. The A-grade office tower located on the landmark site of the Old Treasury building is expected to achieve a 4.5 Star NABERS energy rating and 5.0 Star Green Star rating;
- Orion Springfield Central, Springfield QLD: construction progressed on the Stage 2 expansion, which will add approximately 32,000 square metres. The project will introduce a Coles, Target, Event Cinemas and additional specialty stores and commercial suites to an expanded town centre, and is due for completion in the second half of FY16;
- Harold Park Tramsheds, Sydney NSW: commenced construction in November 2014 for over 6,000 square metres of retail space, which will include a supermarket, market style food halls, boutique retailers, cafés, restaurants and a gymnasium on completion. Mirvac has dedicated 500 square metres of community space to Sydney Council on completion, due in the second half of FY16;
- Stanhope Village, Stanhope Gardens NSW: achieved practical completion of the Stage 4 expansion in March 2015 ; and
- Kawana Shopping World, Buddina QLD: achieved practical completion of Stage 4 in July 2014, incorporating a new ALDI supermarket and over 60 specialty stores, expanding the centre by approximately 9,000 square metres.

1) Adjusted for Mirvac's share of joint venture associates and Mirvac managed funds.

Divisional highlights / continued

Outlook[1]

The outlook for capital city residential markets remains mixed by location, however, a sustained low interest rate environment remains supportive for all markets. Construction of new dwellings is generally running at a strong pace in the major capital cities, although concentration is divergent by location. All major states have recorded solid levels of population growth, although this has slowed from a very strong pace in Queensland and Western Australia. New South Wales, and Sydney in particular, is benefiting from stronger levels of population and economic growth over the past three years. Demand for modern, higher density living supported by amenity and infrastructure is expected to continue, particularly in the south-eastern states.

Development remains focused on:

- continuing to improve key metrics including return on invested capital (targeting 12.0 per cent by FY17) and maintaining solid gross margins;
- strategically restocking the development pipeline with focus and discipline;
- maintaining a high level of pre-sales to mitigate future earning risks; and
- delivering the $3.2 billion commercial development pipeline.

Risks

As a property group involved in real estate investment, residential and commercial development and investment management, Mirvac faces a number of risks throughout the business cycle which have the potential to affect the Group's achievement of its targeted financial outcomes. The Group's objective is to ensure those risks are identified and appropriate strategies are implemented to control or otherwise manage the impact of those risks. Mirvac's risk management framework is integrated with its day-to-day business processes and is supported by a dedicated Group Risk function. Further information on the Group's risk management framework is detailed in the Corporate Governance statement which is available on Mirvac's website: www.mirvac.com/about/corporate-governance.

Group risks

For the year ended 30 June 2015, the Group continued to review both internal and external risks which have the potential to affect the Group's targeted financial outcomes and to implement strategies to minimise their impact. Further information on the material risks identified for each of the sectors is outlined below. At a Group level, Mirvac faces certain risks to achieving of its financial outcomes; these risks are the types of risks typical for an Australian property group. These may include debt refinancing and compliance with debt covenants, compliance with health, safety and environment regulations as well as broader economic conditions.

Divisional risks

At a divisional level, the key risks faced which have the potential to affect the achievement of the financial prospects for the Group include:

- *Office:* as detailed in the outlook section for Investment, demand for office space remains challenging across the markets in which the Group operates. This has the potential to impact on the Group's performance given that office assets represent 54.6 per cent[2] of the Investment portfolio. The office portfolio, comprising solid occupancy of 94.0 per cent[3], a WALE of 4.3 years[4] and like-for-like rent growth of 2.6 per cent, demonstrates Mirvac's ability to maintain a strong and robust portfolio through the cycles of demand. The Group seeks to manage uncertainty around commercial office demand in a number of ways including substantial pre-letting of commercial developments in advance of construction, and by partially selling down commercial developments in advance of completion;
- *Retail:* as detailed in the outlook section for Investment, retail sales growth was divergent throughout Australia in FY15. Despite encouraging signs in some markets, the impact of recent below-trend retail sales growth has placed pressure on retailers. With 28.5 per cent of MPT's portfolio represented by retail assets, Mirvac is focused on continually refreshing its retail assets (via refurbishment, redevelopment or tenant remixing) to adapt to changing market dynamics. Furthermore, Mirvac maintains a focus on key metropolitan markets, and a diversified tenancy mix, where no single specialty retailer contributes greater than 1.6 per cent of the total portfolio's gross rent;
- *Industrial:* as detailed in the outlook section for Investment, continuing investor demand for prime-grade industrial assets in key locations is resulting in compressed capitalisation rates, weighting predominately towards the stronger markets of Sydney and Melbourne. Mirvac continues to focus on properties with long lease terms and secure cash flow profiles that will benefit from the increase in investor demand and continue to provide steady returns; and
- *Residential:* as detailed in the outlook section for Development, Australia's residential market varies from state to state (and within states) with growth in some markets expected to eclipse a more moderate performance in others. Despite the breadth of market, the Development division remains focused on the right product in the right location, diversifying risk across residential sub-markets, across Australia and between Masterplanned Communities and Apartments. Weighting to key growth markets such as New South Wales further mitigates this risk, as do pre-sales.

1) These future looking statements should be read in conjunction with future releases to the ASX.
2) By invested capital within the Investment division. This includes 472 Pacific Highway and 486 Pacific Highway, St Leonards NSW. Excluding these office assets, the office portfolio represents 53.9 per cent of the Investment portfolio.
3) By area, includes 8 Chifley Square, Sydney NSW.
4) By income, includes 8 Chifley Square, Sydney NSW.

Environmental regulations

Mirvac and its business operations are subject to compliance with both Federal and state environment protection legislation, and the Board is satisfied that adequate systems are in place for Mirvac's compliance with the applicable legislation.

Within Mirvac's health, safety and environment performance reporting systems, including internal and external audits and inspections, Mirvac has not experienced any incidents that have resulted in any significant harm to the environment. There have been no infringement notices issued for minor environmental incidents during the reporting period.

A key initiative to reduce greenhouse gas emissions was a commitment to achieve an average 4.7 Star NABERS Energy rating on applicable office buildings by July 2014. The Investment division achieved this target in December 2013, with the office portfolio now achieving 5.1 Stars. This has resulted in reduced operating costs, improved environmental performance, demonstrating excellent energy operational and management practices, and high efficiency systems and equipment.

The new Mirvac sustainability strategy, 'This Changes Everything', sets short term targets for the whole portfolio to reduce carbon emissions by 20 per cent and increase energy generation to 1MW by 2018. This plan also includes a long term mission to be Net Positive for energy and water by 2030, whilst achieving zero waste to landfill in the same period.

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

The Federal Government has introduced into Parliament legislation that terminates the Energy Efficiency Opportunities Program and so removes the mandatory requirement for large energy using businesses to assess opportunities to improve energy efficiency and to report publicly on the outcomes of those assessments. The Federal Government has recently repealed the carbon tax, we will thereby approximately reduce our energy bill by 10.0 per cent. The carbon tax will be replaced by direct action, details of which are still being finalised.

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

John Mulcahy

Susan Lloyd-Hurwitz

Christine Bartlett

Peter Hawkins

Information on Directors

Directors' experience and areas of special responsibilities

The members of the Mirvac Board and their qualifications, experience and responsibilities are set out below:

John Mulcahy
PhD (Civil Engineering), FIEAust, MAICD
Independent Non-Executive Chair

Chair of the Nomination Committee
Member of the Audit, Risk and Compliance Committee
Member of the Human Resources Committee

John Mulcahy was appointed a Non-Executive Director of Mirvac on 19 November 2009 and the Independent Non-Executive Chair on 14 November 2013. John has more than 28 years of leadership experience in financial services and property investment. John is the former Managing Director and Chief Executive Officer of Suncorp-Metway Limited. Prior to joining Suncorp-Metway, John held a number of senior executive roles at Commonwealth Bank, including Group Executive, Investment and Insurance Services. He also held a number of senior roles during his 14 years at Lend Lease Corporation, including Chief Executive Officer, Lend Lease Property Investment and Chief Executive Officer, Civil and Civic.

John is currently a Non-Executive Director of ALS Limited (formerly Campbell Brothers Limited) (appointed February 2012), Coffey International Limited (appointed September 2009 and as Chair in November 2010) and GWA Group Limited (appointed November 2010). John is also a Director of The Shore Foundation Limited and the Great Barrier Reef Foundation and a former Guardian of the Future Fund Board of Guardians (2006 until April 2015).

Susan Lloyd-Hurwitz
BA (Hons), MBA (Dist)
Chief Executive Officer & Managing Director ("CEO/MD")
Executive

Susan Lloyd-Hurwitz was appointed CEO/MD on 15 August 2012 and a Director of Mirvac Board on 5 November 2012. Prior to this appointment, Susan was Managing Director at LaSalle Investment Management, where she was responsible for the core investment accounts and funds business lines in the European region, as well as the operation of the business. Susan has also held senior executive positions at MGPA, Macquarie Group and Lend Lease Corporation, working in Australia, the US and Europe.

Susan has been involved in the real estate funds management industry for over 25 years, with extensive experience in fund and portfolio management in both the direct and indirect markets, fund development, mergers and acquisitions, dispositions, research and business strategy.

Susan is also President of INSEAD Australasian Council, a Director of the Green Building Council of Australia and a member of the UWS Foundation Council which supports the University of Western Sydney in its development and contribution to Greater Western Sydney.

Christine Bartlett
BSc, MAICD
Independent Non-Executive

Member of the Audit, Risk and Compliance Committee

Christine was appointed a Non-Executive Director of Mirvac on 1 December 2014. She is currently a Non-Executive Director of GBST Holdings Ltd (appointed June 2015) and a Director of The Smith Family. Christine is a member of the Minter Ellison Advisory Council, the UNSW Australian School of Business Advisory Council and the Australian Institute of Company Directors. Previously she has been a director of PropertyLook, National Nominees Ltd and Deputy Chairman of the Australian Custodial Services Association.

Christine is an experienced CEO and senior executive with extensive line management experience gained through roles with IBM, Jones Lang LaSalle and National Australia Bank Limited. Her executive career has included Australian, regional and global responsibilities based in Australia, the USA and Japan. Christine brings a commercial perspective especially in the areas of financial discipline, identifying risk, complex project management, execution of strategy, fostering innovation and taking advantage of new emerging technologies.

Christine holds a Bachelor of Science from the University of Sydney and has completed senior executive management programs at INSEAD.

Peter Hawkins
BCA (Hons), FAICD, SFFin, FAIM, ACA (NZ)
Independent Non-Executive

Chair of the Human Resources Committee
Member of the Audit, Risk and Compliance Committee
Member of the Nomination Committee

Peter Hawkins was appointed a Non-Executive Director of Mirvac on 19 January 2006, following his retirement from ANZ after a career of 34 years. Prior to his retirement, Peter was Group Managing Director, Group Strategic Development, responsible for the expansion and shaping of ANZ's businesses, mergers, acquisitions and divestments and for overseeing its strategic cost agenda.

Peter was a member of ANZ's Group Leadership Team and sat on the boards of Esanda Limited, ING Australia Limited and ING (NZ) Limited, the funds management and life insurance joint ventures between ANZ and ING Group. He was previously Group Managing Director, Personal Financial Services, as well as holding a number of other senior positions during his career with ANZ. Peter was also a Director of BHP (NZ) Steel Limited from 1990 to 1991 and Visa Inc. from 2008 to 2011.

Peter is currently a Non-Executive Director of Westpac Banking Corporation (appointed December 2008), MG Responsible Entity Limited, the responsible entity for MG Unit Trust (appointed April 2015 and listed in July 2015), Murray Goulburn Co-operative Co. Limited, Clayton Utz and Liberty Financial Pty Ltd, and a former Non-Executive Director of Treasury Corporation of Victoria.


James M. Millar AM


Samantha Mostyn


John Peters


Elana Rubin

Information on Directors / continued

James M. Millar AM
BCom, FCA, FAICD
Independent Non-Executive

Chair of the Audit, Risk and Compliance Committee
Member of the Nomination Committee

James M. Millar was appointed a Non-Executive Director of Mirvac on 19 November 2009. He is the former Chief Executive Officer of Ernst & Young ("EY") in the Oceania Region, and was a director on their global board.

James commenced his career in the Insolvency & Reconstruction practice at EY, conducting some of the largest corporate workouts of the early 1990s. He has qualifications in both business and accounting.

James is a Non-Executive Director of Fairfax Media Limited (appointed July 2012), Helloworld Limited (appointed September 2010) and Macquarie Radio Network Limited (appointed April 2015). He is Chair of both the Export Finance and Insurance Corporation (appointed December 2014) and Forestry Corporation NSW (appointed March 2013).

James serves a number of charities where he is the Chair of The Smith Family, and is a Trustee of the Australian Cancer Research Foundation and the Vincent Fairfax Family Foundation. He is a former Chair of Fantastic Holdings Limited (from May 2012 until June 2014).

Samantha Mostyn
BA, LLB
Independent Non-Executive

Member of the Human Resources Committee

Samantha Mostyn was appointed a Non-Executive Director of Mirvac on 1 March 2015. Samantha is a Non-Executive Director and corporate advisor and is currently a Non-Executive Director of Virgin Australia Holdings Limited (appointed September 2010), Transurban Holdings Limited (appointed December 2010) and Cover-More Group Limited (appointed December 2013). She is also a Director on an Australian APRA regulated Citibank Subsidiary Board. Samantha also serves on the Climate Council, Climate Works Australia, the Advisory Board of the Crawford School of Government and Economics at the Australian National University and is the President of the Australian Council for International Development. She is Deputy Chair of the Diversity Council of Australia, and has served as an AFL Commissioner since 2005. Her other current board appointments include the Australia Council for the Arts, Australian Volunteers International, the GO Foundation and Carriageworks.

Previously, Samantha has served as a Director of the Sydney Theatre Company, a Commissioner with the National Mental Health Commission, and has held senior executive positions at IAG, Optus and Cable & Wireless Plc.

John Peters
BArch, AdvDipBCM, GAICD
Independent Non-Executive

Member of the Human Resources Committee

John Peters was appointed a Non-Executive Director of Mirvac on 17 November 2011.

John brings to the Board over 40 years' experience in architectural design, project management, property development and property management.

For the last 20 years, John has been the principal of a private property development company focused on substantial mixed use developments and redevelopments in South East Queensland. During this period, he has also consulted to various investors and other financial stakeholders in several Queensland development projects.

Prior to this, John was with Lend Lease Corporation for 14 years, where he was Queensland Manager Lend Lease Development, and Director, Lend Lease Commercial.

Elana Rubin
BA (Hons), MA, FFin, FAICD, FAIM
Independent Non-Executive

Member of the Audit, Risk and Compliance Committee
Member of the Nomination Committee

Elana Rubin was appointed a Non-Executive Director of Mirvac on 11 November 2010 and has extensive experience in property and financial services. Elana is a Director of several NAB life insurance and asset management subsidiaries and a Director of Touchcorp Limited (appointed January 2015), Transurban Queensland (previously Queensland Motorways Holding Pty Limited) and the Victorian Funds Management Corporation. She is also a member of the Qualitas Properties Advisory Board, Committee for Melbourne and the Victorian Council of the Australian Institute of Company Directors.

Elana is the former Chair of AustralianSuper (July 2007 to April 2013), one of Australia's leading superannuation funds, having been on the board since 2006. She was a Director of Victorian WorkCover Authority (December 2001 to February 2012) and Chair from 2006. She was also a Director of Mirvac Funds Management Limited, the responsible entity and trustee for Mirvac's listed and unlisted funds, from November 2013 to February 2015.

Elana was previously a Non-Executive Director of TAL Life Limited (formerly Tower Australia Limited) (from November 2007 to April 2013) and has been a Director on a number of listed companies and other entities including Bravura Solutions Ltd. Elana is a former member of the Federal Government's Infrastructure Australia Council (from May 2011 to September 2014).

Information on Directors / continued

Company Secretaries

Sean Ward
BEc, BComm, FGIA, FFin

Sean Ward was appointed Company Secretary on 23 August 2013. Sean joined Mirvac as Group Company Secretary in April 2013 and has more than 15 years' corporate experience. Prior to joining Mirvac, Sean was the Head of Subsidiaries at Westpac Banking Corporation, providing company secretarial support for all of Westpac's listed and unlisted entities and before this was a Senior Companies Advisor at ASX Limited. Sean is also currently studying for a Master of Business Administration with the Australian Graduate School of Management.

Natalie Allen *(resigned 26 June 2015)*
BEc, LLB, GAICD

Natalie Allen was appointed Company Secretary on 21 January 2013. Natalie joined Mirvac as Group General Counsel in August 2012, and has more than 16 years of legal experience in real estate and equity capital markets. Prior to joining Mirvac, Natalie was the Group General Counsel and Company Secretary at Charter Hall Group, and before this was General Counsel and Company Secretary for a number of listed and unlisted entities within Macquarie's Real Estate Funds division. Natalie is a solicitor of the Supreme Court of NSW, a member of the State Bar of California and a graduate of the Australian Institute of Company Directors. Natalie resigned as Company Secretary on 26 June 2015.

Meetings of Directors

The number of meetings of the Board of Directors and of each standing Board committee, of which the relevant Director was a member, held during the year ended 30 June 2015 and the number of meetings attended by each Director are detailed below:

Director	Board		Board Committee[1]		Audit, Risk and Compliance Committee ("ARCC")		Human Resources Committee ("HRC")		Nomination Committee	
	A	B	A	B	A	B	A	B	A	B
John Mulcahy	15	15	2	2	6	6	5	5	2	2
Susan Lloyd-Hurwitz	15	15	3	3	–	–	–	–	–	–
Christine Bartlett[2]	9	9	–	–	4	4	–	–	–	–
Peter Hawkins	15	15	–	–	6	6	5	5	2	2
Samantha Mostyn[3]	5	5	–	–	–	–	2	2	–	–
James M. Millar AM	14	15	–	–	6	6	3	3	2	2
John Peters	15	15	1	1	2	2	2	2	–	–
Elana Rubin[4]	13	13	–	–	6	6	–	–	2	2

1) Committees of the Board established to deal with particular purposes during the year.
2) Christine Bartlett was appointed as a Director on 1 December 2014.
3) Samantha Mostyn was appointed as a Director on 1 March 2015.
4) Elana Rubin did not attend two Board meetings due to a potential conflict of interest.

A) Indicates the number of meetings attended during the period the Director was a member of the Board or Committee.
B) Indicates the number of meetings held during the period the Director was a member of the Board or Committee (excluding meetings not attended due to a potential conflict of interest).

Remuneration report

Contents

Please see page 29 for definitions of terms used in this remuneration report.

1 Introduction – key questions

Key questions	*Mirvac approach*	*Further info*
Remuneration in 2015		
1) **How is Mirvac's performance reflected in this year's remuneration outcomes?**	Mirvac's remuneration outcomes are strongly linked to the delivery of sustainable securityholder value over the short and long term. Increased corporate earnings and high performance across non-financial measures have resulted in above target performance on our balanced scorecard and a corresponding higher than usual payout of short-term incentives ("STI"). However, vesting of our long-term incentive ("LTI") awards will be substantially lower than in FY14, largely as a result of impairment losses in our residential property business during FY13 which reduced our return on equity. The LTI outcome reflects our commitment to ensuring executives' remuneration reflects the achievement of sustainable value for securityholders.	Section 5 Page 14
2) **What changes have been made to the remuneration structure in FY15?**	The only changes to our remuneration approach this year were to increase the Non-Executive Director ("NED") fee pool (as approved by securityholders at the 2014 AGM) and to simplify the fee structure for Non-Executive Directors. Individual NED fee levels remain in line with FY14. No changes have been made to the executive remuneration structure.	Section 14 Page 24
3) **Are any changes planned for FY16?**	The only change planned for FY16 is an increase to the threshold and stretch performance levels for LTI awards. The threshold level for ROIC is proposed to rise from 7.5 per cent to 8 per cent, and the stretch from 9 per cent to 10 per cent. The increase reflects Mirvac's expectations for returns through the cycle, and over the longer term. The TSR measure for LTI awards remains unchanged.	Section 10 Page 20
Remuneration framework		
4) **Where does Mirvac's remuneration sit against the market?**	Fixed and variable pay are both aimed at the market median, with remuneration opportunities for outstanding performance extending up to the 75th percentile of the market.	Section 9 Page 19
5) **What proportion of remuneration is "at risk"?**	The majority of Executive KMP's remuneration is based on performance, and is therefore at risk.	Section 7 Page 16
6) **Are there any clawback provisions for incentives?**	Yes. If there is a material financial misstatement, any unvested LTI or deferred STI awards can be clawed back.	Section 10 Page 20
7) **What is Mirvac's minimum securityholding requirement?**	The CEO/MD must maintain a minimum securityholding of 100 per cent of fixed remuneration. Other Executives must hold 50 per cent of their fixed remuneration. Non-Executive Directors must hold 25,000 securities.	Section 9 Page 19, Section 14 Page 24
Short-term incentives ("STI")		
8) **Are any STI payments deferred?**	Yes, 25 per cent of STIs are awarded as rights over Mirvac securities, half of which vest in one year and half in two years. If the Executive leaves Mirvac before the vesting period ends, the rights do not vest and are cancelled.	Section 7 Page 16
9) **Are STI payments capped?**	Yes, an Executive can earn a maximum of double their STI target.	Section 10 Page 20

Remuneration report / continued

Key questions	*Mirvac approach*	*Further info*
Long-term incentives ("LTI")		
10) **What are the performance measures that determine if the LTI grants vest?**	Half of the LTI awards are based on relative TSR. The other half was based on ROE for the FY13 LTI award, and ROIC for awards made in subsequent years.	Section 10 Page 20
11) **Does the LTI have re-testing?**	No, there is no re-testing.	Section 10 Page 20
12) **Are dividends/ distributions paid on unvested LTI awards?**	No dividends/distributions are paid on unvested LTI awards. This ensures that Executives are only rewarded when performance hurdles have been achieved at the end of the performance period.	Section 10 Page 20
13) **Is the size of LTI grants increased in light of performance conditions?**	No. LTI grant amounts are not increased to reflect the performance conditions necessary for vesting.	Section 10 Page 20
14) **Can LTI participants hedge their unvested LTI?**	No.	Section 10 Page 20
15) **Does Mirvac buy securities or issue new securities for share-based awards?**	For deferred STI awards, securities are purchased on-market. For LTI awards, the Board decides whether to issue new securities or buy them on-market.	Section 10 Page 20
16) **Does Mirvac issue share options?**	No.	
Executive agreements		
17) **What's the maximum an executive can receive** on termination?	Executive KMP termination entitlements are limited to 12 months' fixed remuneration.	Section 13 Page 24

2 Who is covered by this report?

This report covers the key management personnel ("KMP") of Mirvac, who are the people responsible for determining and executing Mirvac's strategy. This includes both the Executive KMP (including the CEO/MD, the Chief Financial Officer ("CFO") and heads of business units who sit on the Executive Leadership Team) as well as Non Executive Directors.

There were seven Executive KMP in FY15, compared to the five that were disclosed in FY14, as a result of changes to the Executive Leadership Team structure during FY15. There have also been two changes to Non-Executive Directors. For the year ended 30 June 2015, the KMP were:

KMP	Position	Term as KMP
Non-Executive Directors		
John Mulcahy	Chair	Full Year
Christine Bartlett	Director (appointed 1 December 2014)	Part Year
Peter Hawkins	Director	Full Year
James M. Millar AM	Director	Full Year
Samantha Mostyn	Director (appointed 1 March 2015)	Part Year
John Peters	Director	Full Year
Elana Rubin	Director	Full Year
Executive KMP		
Susan Lloyd-Hurwitz	CEO/MD	Full Year
Andrew Butler	Group Executive, Office & Industrial	Full Year
John Carfi	Group Executive, Residential Development	Full Year
Brett Draffen	Chief Investment Officer	Full Year
Shane Gannon	CFO	Full Year
Susan MacDonald	Group Executive, Retail	Full Year
David Rolls	Group Executive, Commercial Development	Full Year

The information provided in this Remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Remuneration report / continued

3 Summary of FY15 remuneration

Strong revenue and profit growth over the past year are reflected in above-target STI payouts. However, write-downs have reduced our return on equity over the last three years, resulting in reduced LTI vesting.

Fixed remuneration	*Fixed remuneration increases* The responsibilities of Brett Draffen and Susan MacDonald were increased in the restructure on 1 July 2014. As a result, their fixed remuneration was also increased.
CEO/MD remuneration	*Remuneration changes for CEO/MD* The CEO/MD's fixed remuneration was not increased during FY15 as it remained competitive with the market. Total remuneration for the CEO/MD in the table in section 6 increased from $2.8m to $3.9m in FY15, due a larger STI outcome, and the partial vesting of the FY13 LTI award.
STI	*Increased STI payouts* Strong results across all operating metrics resulted in increased STI payouts. The FY15 STI pool was 137% of target in FY15 (up from 110% in FY14), driven by – operating earnings increasing to $454.8m from $437.8m – ROIC performance improving to 9.0% from 7.8% – achieving target for all 12 non-financial measures. As a result, average STI payouts for Executive KMP increased from 116% of target in FY14 to 140% in FY15.
LTI	*Vesting at 36.5%, reflecting below-target ROE and above-target TSR* Vesting of LTI grants is dependent on achieving target on ROE and TSR over a three year period. This year's vesting was impacted by below-target ROE performance, largely due to impairments recognised in the performance period. This resulted in none of the awards relating to the ROE hurdle vesting. TSR performance was above threshold but below maximum, resulting in 73% of the awards subject to the TSR hurdle vesting. As a result, 36.5% of overall LTI awards vested.
Non-Executive Director fees	*Non-Executive Director fee pool increased after approval at the 2014 AGM* An increase in the maximum aggregate Non-Executive Director annual remuneration from $1.95m to $2.25m was approved at the 2014 AGM. *Non-Executive Director fee structure simplified* The individual committee member fees have been replaced with a single fee of $18,000 per annum for serving on one or more Board committees. The previous fees paid to the Chairs of the ARCC and the HRC have been replaced with a fee of $30,000 per annum, which is in addition to the committee fee. Individual NED fee levels remain in line with FY14.

4 Our people

At Mirvac, we believe that creating the right workplace culture will help us to attract, retain and motivate talented individuals.

At Mirvac, our remuneration strategy is one element of our overall people strategy, designed to create a distinctive culture that helps us attract, grow, engage and retain high-quality employees.

In FY15, our people strategy focused on diversity, inclusion and innovation, as we strove to create an environment that encourages the unique talents and experiences of our people.

Initiatives included the creation of a flexible work program that will underpin our transition to our new headquarters in 2016; the introduction of an innovative new induction process to introduce new starters to our culture and organisation; and our sponsorship of the Equilibrium Man Challenge, a micro-documentary that follows a group of men moving to flexible working arrangements. Mirvac's innovation program, Hatch, also trained 45 Innovation Champions to act as advocates of innovation throughout the company – driving behaviours, and embedding cultural change at the front line.

Mirvac's efforts to create an inclusive and innovative culture are reflected in the achievement of a 'Best Employer' status based on our employee engagement survey with AonHewitt, and recognition by the Workplace Gender Equality Agency as an 'Employer of Choice for Gender Equality'. We are also particularly proud of the fact that the Mirvac Board achieved 50/50 gender representation in FY15.

Our remuneration strategy – for our executives, and for our people – supports our people strategy by rewarding high performance that supports our distinctive culture.

Remuneration report / continued

5 Our remuneration strategy and the link to business strategy

At Mirvac, our remuneration is linked to the drivers of our business strategy, helping to create sustainable value for shareholders.

Mirvac's remuneration strategy is designed to support and reinforce its business strategy. The at-risk components of remuneration are tied to measures that reflect the successful execution of our business strategy in both the short and long term.

Our strategic drivers...

Capital efficiency and financial performance
Deliver top 3 AREIT returns.

Customer and investor satisfaction
Provide customers and investors an experience that delivers excellence, consistently exceeds expectations and engenders loyalty.

High performing people and culture
Have an engaged and motivated workforce with superior skills and capabilities.

HSE&S leadership
Be recognised as a leader in sustainability. Provide workplaces free from harm and supported by a culture where safety remains an absolute priority.

Are reflected in STI performance measures...

Operating earnings
Reflects how much revenue the business has generated for the year, less operating costs.

Return on Invested Capital ("ROIC")
Measures Mirvac's profitability relative to its total assets. It is calculated by dividing the company's annual earnings by its total assets.

Customer / investor satisfaction measures:
Measures include retail customer and office tenant satisfaction surveys, as well as residential customer satisfaction surveys.

People measures:
Measures include talent turnover, diversity targets, and succession planning targets.

HSE&S leadership measures:
Measures include Lost Time Injury Frequency Rate, timely incident reporting, and sustainability targets.

See section 8, page 16 for additional details

And LTI performance measures...

Relative Total Shareholder Return ("TSR")
Measures the performance of Mirvac securities over time, relative to other entities in a comparison group.

Return on Equity ("ROE")
Measures Mirvac's profitability relative to securityholders' investment in the Group.

See section 8, page 16 for additional details

So Mirvac's actual performance...

From FY13 - FY15
- Mirvac's TSR was ranked at the 62nd percentile relative to its comparison group.
- Mirvac's average annual ROE is 6.7%

In FY15
- Operating earnings were $454.8m, up 4% from $437.8m in FY14
- ROIC was 9.0% up from 7.8% in FY14.

In FY15
- Mirvac achieved 12 out of the 12 non-financial targets.

See section 8, page 16 for additional details

Directly affects what executives are paid

LTI vesting outcome in FY15 = 36.5% of target

CEO/MD STI outcome in FY15 = 164% of target

Average STI in FY15 for other eligible Senior Executives = 136% of target

6 Actual remuneration earned in FY15

This year's remuneration reflected our ongoing commitment to paying for performance. Strong FY15 business performance resulted in increased STI payouts, but LTI vesting was substantially lower than FY14.

The following table sets out the actual value of the remuneration earned by Executive KMP members during the year. The figures in this table are different from those shown in the accounting table in section 12 because that table includes an apportioned accounting value for all unvested LTI grants during the year (some of which remain subject to satisfaction of performance and service conditions and may not ultimately vest). The table below, on the other hand, shows the LTI value based on the awards that actually vested as a result of performance in FY15.

The table below presents:

- **Fixed remuneration**;
- **Cash STI**: the non-deferred portion of STI payments to be made in September 2015 in recognition of performance during FY15;
- **Deferred STI realised**: the value of the deferred STI from prior years that was realised in FY15; and
- **LTI**: the value to the participant during FY15 of performance rights whose performance period ended 30 June 2015.

Actual remuneration paid in FY15

Executive KMP	Year	Fixed remuneration $	Cash STI $	Deferred STI realised $	LTI $	Employee loans[1] $	Termination benefits $	Other[2] $	Total $
Susan Lloyd-Hurwitz	**2015**	**1,500,000**	**1,381,641**	**212,926**	**767,963**	**–**	**–**	**24,046**	**3,886,576**
	2014	1,500,000	1,160,156	–	–	–	–	134,938	2,795,094
Andrew Butler	**2015**	**700,000**	**550,200**	**76,313**	**337**	**–**	**–**	**10,977**	**1,337,827**
	2014	700,000	415,800	–	14,163	600,159	–	319,418	2,049,540
John Carfi[3]	**2015**	**700,000**	**481,425**	**–**	**21,051**	**–**	**–**	**11,353**	**1,213,829**
Brett Draffen	**2015**	**950,000**	**933,375**	**118,829**	**331,872**	**–**	**–**	**15,368**	**2,349,444**
	2014	900,000	647,460	–	817,353	581,835	–	464,702	3,411,350
Shane Gannon	**2015**	**900,000**	**707,400**	**67,149**	**–**	**–**	**–**	**234,685**[4]	**1,909,234**
	2014	527,962	365,878	–	–	–	–	355,614	1,249,454
Susan MacDonald[3]	**2015**	**700,000**	**481,425**	**–**	**379,836**	**–**	**–**	**11,353**	**1,572,614**
David Rolls[3]	**2015**	**700,000**	**481,425**	**–**	**–**	**–**	**–**	**11,353**	**1,192,778**

1) Amount reported includes amounts forgiven during the year, imputed interest and related fringe benefits tax ("FBT").
2) Includes long service leave accrued during the year.
3) Appointed to a KMP position effective 1 July 2014.
4) Includes a payment of $220,000 as part compensation for the STI and LTI entitlements he forfeited on resigning from his previous employer.

Remuneration report / continued

7 Executive KMP remuneration at Mirvac

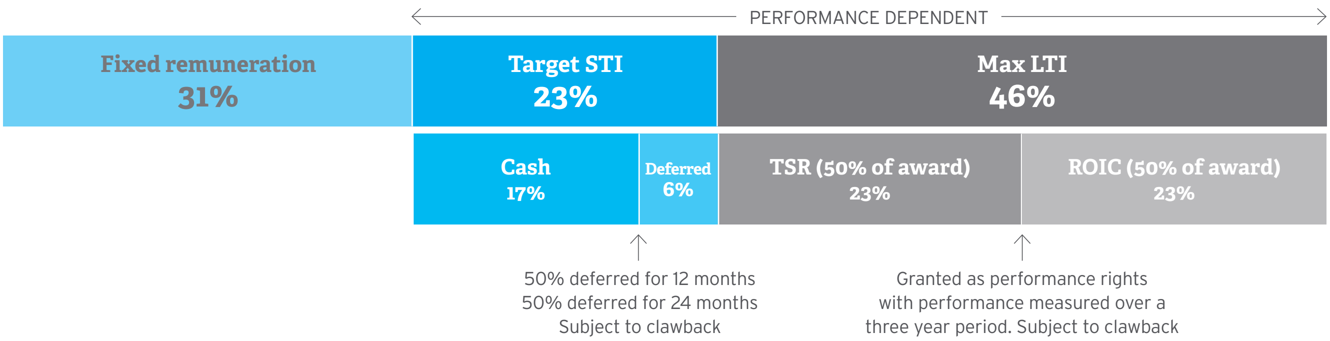
Mirvac's executive remuneration approach is strongly performance focused.
A significant proportion of executive remuneration is based on sustained performance, aligned with the business strategy.

Our executive remuneration is:

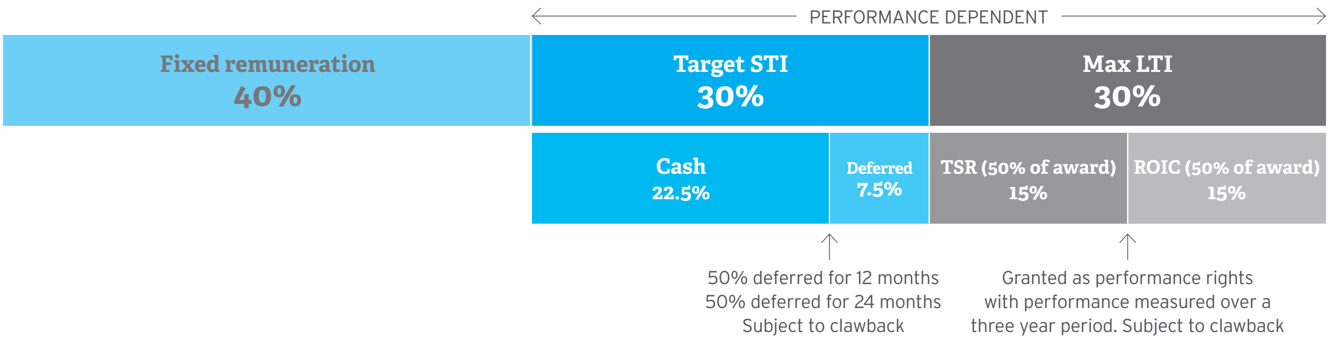
1) Performance based: more than 60 per cent of total remuneration is "at-risk";
2) Equity focused: almost half the CEO/MD's total remuneration is paid in equity and a third of other Executive KMP members total remuneration is paid in equity;
3) Increases ownership: Executive KMP members are required to hold securities of a minimum value of 50 per cent of their fixed remuneration, and the CEO/MD is required to hold 100 per cent; and
4) Multi-year focused: 50 per cent of STI deferral is subject to a one-year holding lock and the remaining 50 per cent to a two-year holding lock. LTI performance is measured over a three year period.

The graphs below set out the remuneration structure and mix for the CEO/MD and other Executive KMP members at Mirvac.

CEO/MD



Other Executive KMP



8 Business and executive remuneration outcomes

STI and LTI outcomes reflect and reward the strong results across all measures of performance in FY15.

a) How the Group's performance has translated into STI awards

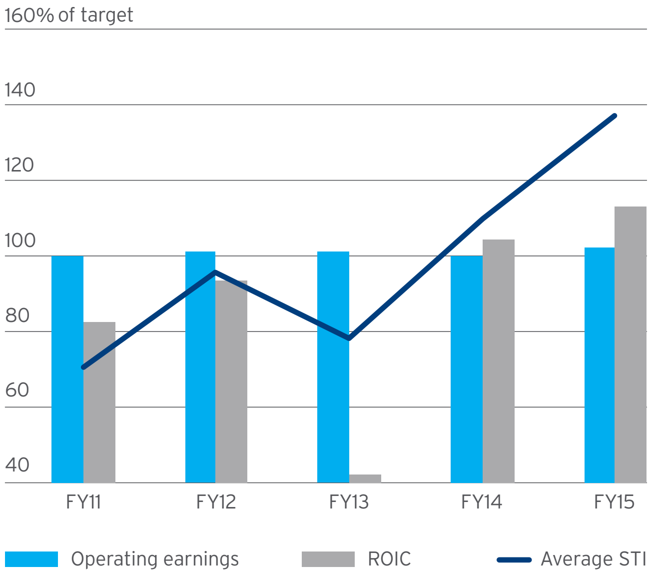
FY15 performance was strong, with both operating earnings and ROIC significantly higher than FY14. The Group's STI scorecard of 137 per cent (of a potential 150 per cent) reflects this achievement.

Mirvac's financial performance directly affects the STI awards in two ways:

– the STI has a gateway requirement of Group operating earnings being at least 90 per cent of target; and
– the Group's STI scorecard has two financial measures, each worth 35 per cent of the total pool: operating earnings and ROIC.

The following graph shows how the average STI outcome for all employees has been closely tied to performance on these two measures since FY11. The increase in STI outcome for FY15 reflected Mirvac achieving stretch targets for the non-financial measures, in addition to the strong performance on the financial measures.

Financial performance vs average STI outcome

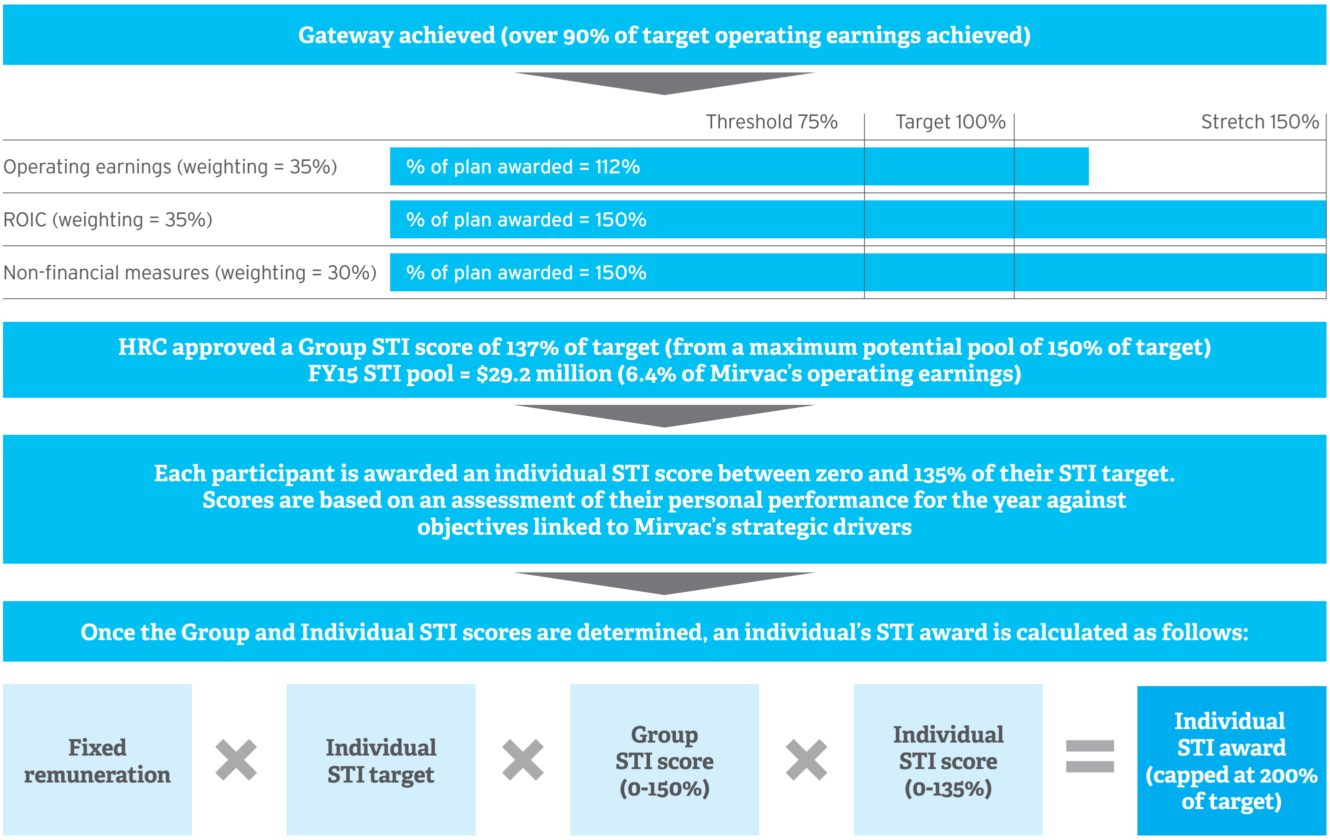


Remuneration report / continued

Financial performance in each case is expressed as a percentage of the business target set for the year, while the STI outcome represents the average STI award to participants that year as a percentage of target.

b) STI awards in FY15

The diagram below sets out Mirvac's performance and the resulting STI outcomes:



Executive KMP STI awards in FY15

The following table shows the actual STI outcomes for each of the Executive KMP for FY15.

	STI target % of fixed remuneration	STI max % of fixed remuneration	Actual STI % max	STI forfeited % max	Actual STI (total) $
Susan Lloyd-Hurwitz	75	150	82	18	1,842,188
Andrew Butler	80	160	66	34	733,600
John Carfi	70	140	66	34	641,900
Brett Draffen	80	160	82	18	1,244,500
Shane Gannon	80	160	66	34	943,200
Susan MacDonald	70	140	66	34	641,900
David Rolls	70	140	66	34	641,900

c) How the Group's performance has translated into LTI awards

The three years to 30 June 2015 saw varied performance levels. The Group's TSR was above the median of the comparator group, reflecting our focus on above-market, sustainable growth. This solid result is reflected in the vesting of 73 per cent of the FY13 award relating to TSR.

The Group did not meet the threshold performance hurdle on ROE, largely due to impairments announced during the three-year performance period. As a result, the 50 per cent of the FY13 award that related to ROE will not vest.

Mirvac's financial performance directly affects the vesting of the LTI awards:

- half of the LTI is subject to a relative TSR performance measure; and
- the remaining half is subject to ROE (for grants made up to and including FY13) and ROIC (for grants made from FY14 onwards).

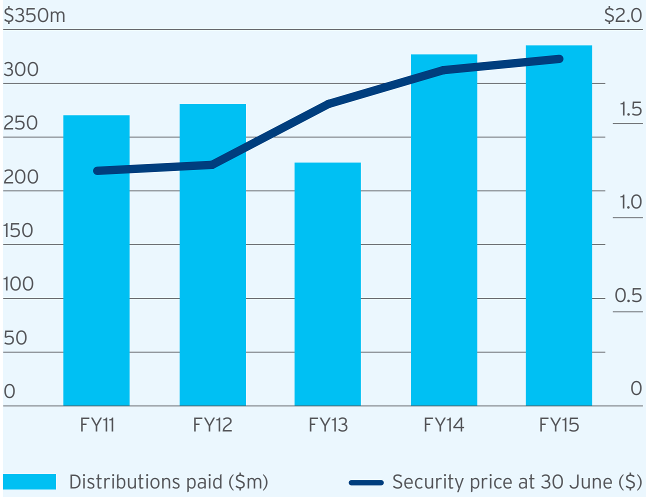
Remuneration report / continued

The diagram below sets out the Group's performance and the resulting LTI outcomes for the Executive KMP.

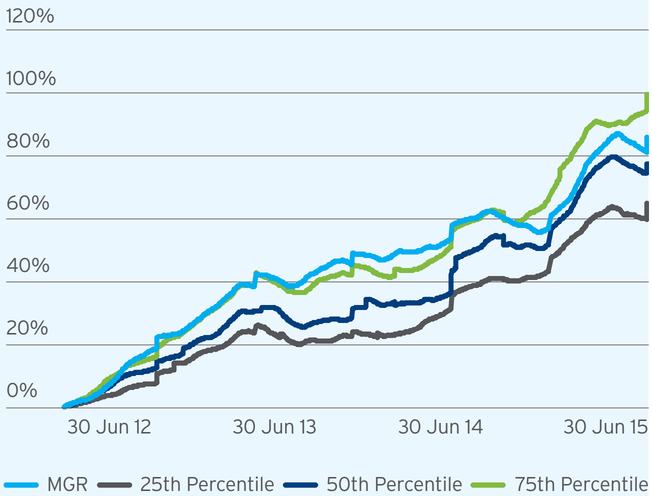
FY13 LTI grants made to eligible participants and TSR and ROE performance hurdles are set

30 June 2015: three year performance period ends for the FY13 grants and performance is measured for TSR and ROE

Mirvac's share price & distributions over the last five years



Mirvac TSR (1 July 2012 – 30 June 2015)



Mirvac achieved a TSR of 85 per cent over the three year performance period, which positioned it at the 62nd percentile relative to the entities in the comparison group

73% of the performance rights linked to the TSR measure vested

+

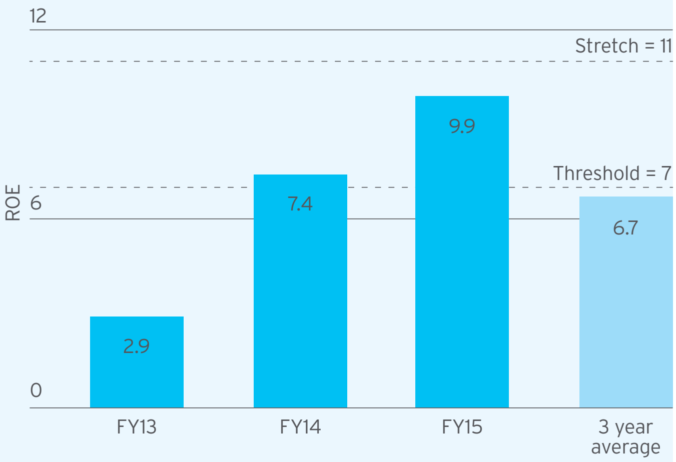
ROE performance

Mirvac's ROE has fluctuated over the last three years:

- FY13 did not meet the threshold;
- FY14 exceeded the threshold; and
- FY15 exceeded the threshold.

Mirvac's average annual ROE over the three year performance period was 6.7 per cent, resulting in below threshold performance.

Mirvac's ROE performance over the three years



None of the performance rights linked to the ROE measure vested

=

36.5% Vesting of the total FY13 LTI award

Remuneration report / continued

Executive KMP vesting outcomes in FY15

The performance outcomes resulted in the following individual vesting results:

	Rights granted in FY13		Rights vested in FY15			Rights forfeited in FY15		
Executive KMP	Number	Value ($)[1]	% of total grant	Number	Value ($)[1]	% of total grant	Number	Value ($)[1]
Susan Lloyd-Hurwitz	1,137,300	816,013	36.5	415,144	297,845	63.5	722,186	518,168
John Carfi	30,367	21,788	36.5	11,083	7,953	63.5	19,284	13,835
Brett Draffen	489,800	351,432	36.5	178,777	128,273	63.5	311,023	223,159
Susan MacDonald	127,131	91,216	36.5	46,402	33,294	63.5	80,729	57,922

1) Value of the grant has been estimated based on the fair value as calculated at the time of the grant.

Executive KMP vesting outcomes for the past three years

A summary of vesting under Mirvac's performance-hurdled equity grants that have vested in the last three years is shown in the following table:

Grant year	Performance hurdle	Test date	Vested	Lapsed
FY11	TSR	30 June 2013	0%	100%
FY12	TSR and ROE	30 June 2014	77%	23%
FY13	TSR and ROE	30 June 2015	36.5%	63.5%

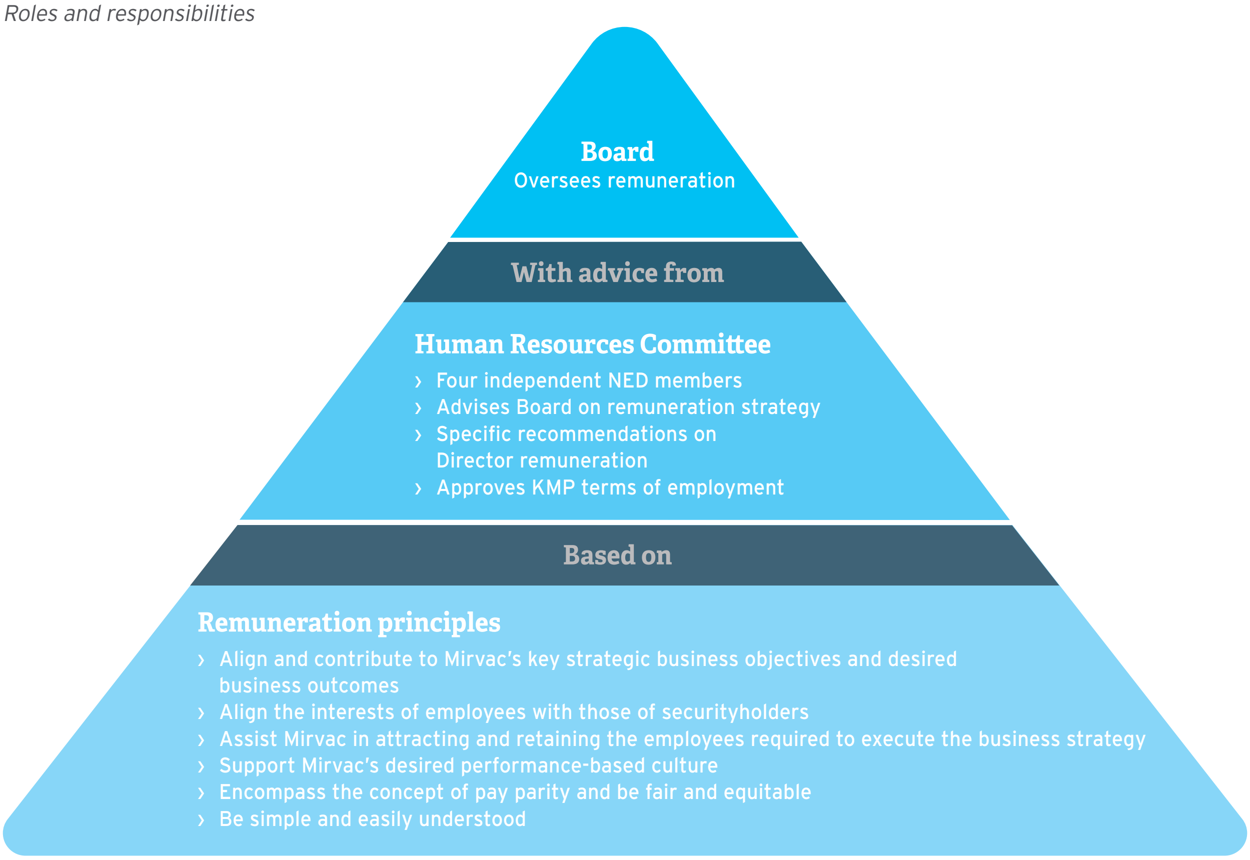
9 Mirvac's approach to executive remuneration

The Board, Human Resources Committee, advisors and management work closely to apply our remuneration principles and ensure our strategy supports sustainable securityholder value.

Mirvac's remuneration strategy is designed to attract, motivate and retain the individuals who are best equipped to successfully execute the business strategy.

a) How remuneration decisions are made

Roles and responsibilities



Remuneration report / continued

Expert input from management and external advisors
The HRC has appointed Ernst & Young as its external remuneration advisor. Ernst & Young provides both information on current market practice and independent input into key remuneration decisions.

Ernst & Young's terms of engagement include specific measures designed to protect its independence. To effectively perform its role, Ernst & Young needs to interact with members of Mirvac management, particularly those in the Human Resources team. However, to ensure independence, members of Mirvac's management are precluded from requesting services that would be considered to be a 'remuneration recommendation' as defined by the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011*.

During the year ended 30 June 2015, Ernst & Young provided the HRC with:

- guidance in the review and design of executive remuneration strategy;
- assistance in drafting of remuneration disclosures;
- relative TSR performance calculations; and
- market remuneration information which was used as an input to the annual review of the KMP and other selected Executives' remuneration.

No remuneration recommendations were provided by Ernst & Young or any other advisor during the year.

b) Market positioning
Mirvac has adopted a market positioning strategy designed to attract and retain talented employees, and to reward them for delivering strong performance. The market positioning strategy also supports fair and equitable outcomes between employees.

Definition of market
When determining the relevant market for each role, Mirvac considers the companies from which it sources talent, and to whom it could potentially lose talent.

For business roles:

- the primary comparison group is the Australian Real Estate Investment Trust ("A-REIT") sector, plus Lend Lease and Aveo Group; and
- the secondary comparison group is a general industry comparison group with a similar market capitalisation (50-200 per cent of Mirvac's 12 month average market capitalisation).

For corporate roles:

- the primary comparison group is a general industry comparison group with a similar market capitalisation (50-200 per cent of Mirvac's 12 month average market capitalisation) to reflect the greater transferability of skills.

Where disclosed data is unavailable, Mirvac relies on published remuneration surveys covering relevant industries and the broader market.

Targeted market positioning
Fixed remuneration at Mirvac is positioned at the median (50th percentile), with flexibility based on:

- the criticality of the role to successful execution of the business strategy;
- assessment of employee performance/potential; and
- the employee's experience level.

Target total remuneration is comprised of fixed remuneration, STI and LTI and is positioned at the median (50th percentile) with the opportunity to earn total remuneration up to the upper quartile (75th percentile) in the event that both the individual and the business achieve stretch targets.

Minimum securityholding guidelines
Executive KMP members are expected to establish and maintain a securityholding to the value of 100 per cent of fixed remuneration for the CEO/MD and 50 per cent of fixed remuneration for all other Executive KMP members.

Executive KMP members have five years to build up their securityholding to the suggested level. As at 30 June 2015, progress towards the minimum securityholding guidelines for each continuing Executive KMP member was as follows:

Executive KMP member	Date securityholding to be attained	Value of security-holding as at 30 June 2015 $	Minimum security-holding guideline $
Susan Lloyd-Hurwitz	November 2017	100,744	1,500,000
Andrew Butler	July 2017	86,288	350,000
John Carfi	July 2019	345,678	350,000
Brett Draffen	July 2017	1,620,961	475,000
Shane Gannon	December 2018	–	450,000
Susan MacDonald	July 2019	211,638	350,000
David Rolls	July 2019	–	350,000

10 How remuneration is structured

Our executive remuneration is focused on execution of business strategy. We provide market-competitive remuneration and reward for performance that delivers strategic outcomes.

a) Fixed remuneration: how does it work?
Fixed remuneration acts as a base-level reward for a competent level of performance. It includes cash, compulsory superannuation and any salary-sacrificed items (including FBT). The following factors are taken into account when setting fixed remuneration levels at Mirvac:

- the size and complexity of the role;
- role accountabilities;
- skills and experience of the individual; and
- market pay levels for comparable roles.

The opportunity value for the at-risk components of remuneration is determined by reference to fixed remuneration, so Mirvac is conscious that any adjustments to fixed remuneration have a flow-on impact on potential STI and LTI awards.

b) STI: how does it work?

Purpose

Motivate and reward employees for contributing to the delivery of annual business performance.

Eligibility

All permanent Mirvac employees employed on the award date are eligible to participate in the STI plan.

Pool

Group operating earnings must be at least 90 per cent of target before any STI payments are made.

The size of the STI pool is then determined based on Group performance against a balanced scorecard of measures linked to Mirvac's strategic drivers.

Awards

A target opportunity is set for each individual, which will be earned if Group and individual performance is on target. Actual STI awards can range from zero to double the target opportunity, depending on Group and individual performance, but is capped at a maximum of 200 per cent of target.

Performance measures

Performance is assessed against both Group and individual performance. Individual performance measures are set based on the specific responsibilities of each role. There are three Group performance measures: two financial measures (with a combined weighting of 70 per cent) and a scorecard of non-financial measures (with a combined weighting of 30 per cent), they are as follows:

Category	Measure	Rationale for using
Financial	Operating earnings	Reflects the underlying performance of Mirvac's core business operations and represents a key driver of securityholder value.
	ROIC	Reflects how efficiently Mirvac is using its assets to generate earnings.
Non-financial	Customer and investor satisfaction	Represents how well Mirvac is meeting the expectations of key external stakeholders.
	High performing people and culture	There is a strong correlation between high levels of employee engagement and total securityholder return.
	HSE&S leadership	Mirvac is committed to providing a safe workplace for all of its employees and to ensuring its activities do not have an adverse impact on the environment.

The targets for the non-financial individual measures are not disclosed as some are commercially sensitive. The measures are quantitative in nature and recurring targets will typically increase each year.

Performance schedule

For each performance measure on the Group STI scorecard, a threshold, plan and stretch goal is set at the start of the financial year.

The Group STI score for each performance level is calculated according to the following schedule:

Performance level	Group STI score % target
<Threshold	0
Threshold	75
Plan	100
Stretch	150
> Stretch	150

A sliding scale operates between threshold and plan, and between plan and stretch.

Deferral

For Executives:

- 25 per cent of any STI award is deferred into rights over Mirvac securities (granted on the same date as the cash payment is made) and
- 75 per cent is paid as cash.

The rights vest in two tranches: 50 per cent after 1 year and 50 per cent after two years.

If the deferred rights vest, entitlements will be satisfied by the purchase of existing securities on-market.

Executives are expected to retain the resulting securities they receive until they satisfy the minimum securityholding guidelines.

Termination/forfeiture

The deferred portion of an STI award is forfeited if an employee resigns or is dismissed for performance reasons prior to the vesting date.

Unvested deferred STI awards may be retained if an employee leaves due to circumstances such as retirement, redundancy, agreed transfer to an investment partner, or total and permanent disablement or death.

Clawback policy

Mirvac has in place an incentive clawback policy for Executive KMP members and other Executives capable of influencing the results of the Group. The policy gives the HRC the ability to claw back incentives in the event of a material financial misstatement. The clawback provisions apply to unvested STI and LTI awards received after the introduction of the policy in February 2013.

Hedging

Consistent with the *Corporations Act 2001*, participants are prohibited from hedging their unvested performance rights.

Remuneration report / continued

c) LTI: how does it work?

Purpose

The purpose of LTI at Mirvac is to:
- assist in attracting and retaining the required executive talent;
- focus executive attention on driving sustainable long term growth; and
- align the interests of executives with those of securityholders.

Eligibility

LTI grants are generally restricted to those Executives who are most able to influence securityholder value. Non-Executive Directors are not eligible to participate in the LTI plan.

Instrument

Awards under this plan are made in the form of performance rights. A performance right is a right to acquire one fully paid Mirvac security provided a specified performance hurdle is met.

No dividends/distributions are paid on unvested LTI awards. This ensures that Executives are only rewarded when performance hurdles have been achieved at the end of the performance period.

Grant value

The maximum LTI opportunities during FY15 were equivalent to 150 per cent of fixed remuneration for the CEO/MD and 50 – 90 per cent of fixed remuneration for other Executive KMP.

Grant price

The grant price for a performance right is calculated as the average security price for the month leading up to grant, discounted for dividends and distributions not paid during the three year performance period. The grant price is not reduced based on performance conditions.

Performance period

Performance is measured over a three year period. For the FY15 grant, performance will be measured from 1 July 2014 to 30 June 2017.

Performance hurdles

The HRC reviews the performance conditions annually to determine the appropriate hurdles based on Mirvac's strategy and prevailing market practice. Two performance measures apply to the LTI grants made during FY15:

Relative TSR (50 per cent of the LTI allocation)
Relative TSR is used because it is an objective measure of securityholder value creation and is widely understood and accepted by the various key stakeholders.

Mirvac's TSR performance is measured relative to that of a comparison group consisting of Mirvac's primary market competitors: the constituents of the S&P/ASX 200 A-REIT Index, Lend Lease Corporation Limited and Aveo Group.

ROIC (50 per cent of the LTI allocation)
ROIC is used because it is aligned to Mirvac's strategic drivers, in particular financial performance and capital efficiency.

ROIC is calculated by taking the average of the three annual ROIC figures (which are calculated as adjusted earnings of a financial year divided by average monthly operating assets for the financial year).

These adjustments are made to ensure that rewards reflect management's contribution to Mirvac's long term performance.

In FY16, it is proposed that the threshold and stretch performance levels for ROIC be increased, to reflect Mirvac's expectations for returns through the cycle, and over the longer term.

Vesting schedule

	Relative TSR		ROIC	
Performance level	Relative TSR (percentile)	Percentage of TSR-tested rights to vest	Average annual ROIC (%)	Percentage of ROIC-tested rights to vest
<Threshold	<50th	Nil	< 7.5	Nil
Threshold	50th	50	7.5 (FY16: 8)	50
Threshold – maximum	50th to 75th	Pro-rata between 50 and 100	7.5 to 9 (FY16: 8 to 10)	Pro-rata between 50 and 100
Maximum	75th and above	100	9 (FY16: 10) and above	100

Vesting/ delivery

The performance rights can only be exercised if and when the performance conditions are achieved. If the performance rights vest, entitlements will be satisfied by, at the Board's discretion, either an allotment of new securities to participants or by the purchase of existing securities on-market. Performance rights that vest are automatically converted to Mirvac securities. Any performance rights that do not vest at the end of the performance period will lapse. There are no further tests of the performance conditions.

Executive KMP members will be expected to retain the resulting securities until they satisfy the minimum securityholding guidelines.

Termination/forfeiture	Resignation or dismissal: all unvested performance rights are forfeited. Retirement, redundancy, agreed transfer to an investment partner, total and permanent disablement or death: the HRC determines the number of rights which will lapse or are retained, subject to both the original performance period and hurdles. Change of control event: the HRC determines the number of performance rights that vest, if any, taking into account the performance from the date of grant to the event.
Dilution	Dilution that may result from securities being issued under Mirvac's LTI plan is capped at the limit set out in ASIC Class Order 03/184, which provides that the number of unissued securities under those plans must not exceed five per cent of the total number of securities of that class as at the time of the relevant offer.
Hedging	Consistent with the *Corporations Act 2001*, participants are prohibited from hedging their unvested performance rights.

11 LTI grants in FY15

The table below presents the LTI grants made during FY15 and due to vest in 1 July 2017, subject to the performance conditions. Accounting standards require the estimated valuation of the grants recognised over the performance period. The minimum value of the grant is nil if the performance conditions are not met. The maximum value is based on the estimated fair value calculated at the time of the grant and amortised in accordance with the accounting standard requirements.

2015	LTI max as a % of fixed remuneration	Performance measure	Number of performance rights granted	Fair value per performance right $	Maximum total value of grant $
Susan Lloyd-Hurwitz		TSR	730,500	0.60	438,300
		ROIC	730,500	0.79	577,095
Total	**150**		**1,461,000**		**1,015,395**
Andrew Butler		TSR	204,545	0.60	122,727
		ROIC	204,545	0.79	161,591
Total	**90**		**409,090**		**284,318**
John Carfi		TSR	204,545	0.60	122,727
		ROIC	204,545	0.79	161,591
	90		**409,090**		**284,318**
Brett Draffen		TSR	277,597	0.60	166,558
		ROIC	277,597	0.79	219,302
Total	**90**		**555,194**		**385,860**
Shane Gannon		TSR	262,987	0.60	157,792
		ROIC	262,987	0.79	207,760
Total	**90**		**525,974**		**365,552**
Susan MacDonald		TSR	113,636	0.60	68,182
		ROIC	113,636	0.79	89,772
	50		**227,272**		**157,954**
David Rolls		TSR	113,636	0.60	68,182
		ROIC	113,636	0.79	89,772
Total	**50**		**227,272**		**157,954**

Key inputs used in valuing performance rights granted during FY15 were as follows:

	Performance rights		Performance rights
Grant date	17 December 2014	Exercise price	$nil
Performance hurdles	Relative TSR and ROIC	Expected life	2.5 years
Performance period start	1 July 2014	Volatility	20%
Performance testing date	1 July 2017	Risk-free interest rate (per annum)	2.20%
Security price at grant date	$1.795	Dividend/distribution yield (per annum)	5.0%

Remuneration report / continued

12 Total remuneration in FY15

The following table shows the total remuneration for members of the Executive KMP for FY15 and FY14 (including FY14 remuneration details for individuals who are no longer Executive KMP but were included in the FY14 Remuneration Report) calculated in accordance with AAS and, accordingly, it differs from the information presented in the table in section 6.

		Short term benefits					Post-employment	Share based payments		Other long term benefits	Total remuneration	
	Year	Cash salary and fees[1] $	Cash STI[2] $	Non-cash benefits[3] $	Employee loans[4] $	Other short term benefits[5] $	Super contributions $	Value of rights[6] $	Deferred STI $	Long service leave ("LSL")[7] $	$	Performance related remuneration % of total remuneration
Executive Director												
Susan Lloyd-Hurwitz	**2015**	**1,442,910**	**1,381,641**	**38,307**	**–**	**10,467**	**18,783**	**606,853**	**244,262**	**24,046**	**3,767,269**	**59**
	2014	1,443,918	1,160,156	61,682	–	87,500	17,775	640,855	257,813	24,063	3,693,762	56
Other Executive KMP												
Andrew Butler	**2015**	**640,210**	**550,200**	**41,006**	**–**	**–**	**18,783**	**99,648**	**95,185**	**10,977**	**1,456,009**	**51**
	2014	619,967	415,800	62,258	600,159	309,000	17,775	7,063	92,400	10,418	2,134,840	24
John Carfi[8]	**2015**	**681,217**	**481,425**	**–**	**–**	**–**	**18,783**	**107,622**	**66,865**	**11,353**	**1,367,265**	**48**
Brett Draffen	**2015**	**922,195**	**933,375**	**9,022**	**–**	**–**	**18,783**	**171,934**	**158,860**	**15,368**	**2,229,537**	**57**
	2014	872,446	647,460	9,779	581,835	450,000	17,775	329,951	143,880	14,702	3,067,828	37
Shane Gannon	**2015**	**881,217**	**707,400**	**–**	**–**	**220,000**	**18,783**	**177,879**	**114,765**	**14,685**	**2,134,729**	**47**
	2014	514,631	365,878	–	–	347,038	13,331	56,028	81,306	8,576	1,386,788	36
Susan MacDonald[8]	**2015**	**681,217**	**481,425**	**–**	**–**	**–**	**18,783**	**162,456**	**66,865**	**11,353**	**1,422,099**	**50**
David Rolls[8]	**2015**	**681,217**	**481,425**	**–**	**–**	**–**	**18,783**	**121,016**	**66,865**	**11,353**	**1,380,659**	**48**
Total	**2015**	**5,930,183**	**5,016,891**	**88,335**	**–**	**230,467**	**131,481**	**1,447,408**	**813,667**	**99,135**	**13,757,567**	**53**
	2014	3,450,962	2,589,294	133,719	1,181,994	1,193,538	66,656	1,033,897	575,399	57,759	10,283,218	41
Former Executive KMP												
Jonathan Hannam	2014	522,225	356,400	–	–	806	17,775	127,129	79,200	8,703	1,112,238	51

1) Cash salary and fees includes accrued annual leave paid out as part of salary.
2) STI payments relate to cash portion of STI awards accrued for the relevant year.
3) Non-cash benefits include salary-sacrificed benefits and related FBT where applicable.
4) Employee loans are interest free and provided for personal use. Disclosed value includes amounts forgiven during the year, imputed interest and related FBT.
5) Includes relocation expenses for the CEO/MD and payments to the CFO as part compensation for the STI and LTI entitlements he forfeited on resigning from his previous employer.
6) Valuation of rights is conducted by an external accounting firm. Negative amounts (if any) relate to forfeiture of some or all participation in equity plans due to terminations.
7) LSL relates to amounts accrued during the year.
8) Appointed to a KMP position effective 1 July 2014.

13 Service agreements for the Executive KMP

There were no changes to the service agreements for Executive KMP in FY15.

Each Executive KMP member, including the CEO/MD, has a formal contract, known as a service agreement. These agreements are of a continuing nature and have no set term of service (subject to the termination provisions).

The key terms of the service agreements for the CEO/MD and other Executive KMP members are summarised below:

		Notice period		
	Contract term	Employee	Group	Termination payment[1]
Susan Lloyd-Hurwitz	No fixed term	6 months	6 months	6 months
Other Executive KMP	No fixed term	3 months	3 months	9 months

1) Payable if Mirvac terminates employee with notice, for reasons other than unsatisfactory performance.

14 Non-Executive Directors' remuneration

Non-Executive Directors' fee arrangements were simplified in FY15, with no change in fee quantum from FY14.

In contrast to Executives' remuneration, the remuneration of Mirvac's Non-Executive Directors is not linked to performance. This is consistent with Non-Executive Directors being responsible for objective and independent oversight of the Group.

a) Remuneration strategy and components

Mirvac Limited's Constitution provides that Non-Executive Directors may determine their own remuneration but the total amount provided to all Directors (not including the CEO/MD and any other Executive Directors) must not exceed the sum agreed by securityholders at a general meeting. The maximum aggregate remuneration of $2.25m per annum was approved by securityholders at the 2014 AGM.

Non-Executive Directors have not received any fees other than those described in this section, and do not receive bonuses or any other incentive payments or retirement benefits.

The Non-Executive Directors are reimbursed for expenses properly incurred in performing their duties as a Director of Mirvac.

Fees for Non-Executive Directors have been simplified for FY15:

– the individual committee member fees have been replaced with a single fee of $18,000 per annum for serving on one or more Board committees.
– the previous fees paid to the Chairs of the ARCC and the HRC have been replaced with a fee of $30,000 per annum which is in addition to the committee fee.

The schedule of fees for Non-Executive Directors during FY15 is set out in the table below and fees are annual fees, unless otherwise stated:

Board/committee	$
Mirvac Limited and Mirvac Funds Limited Board Chair	480,000[1]
Mirvac Limited and Mirvac Funds Limited Board member	185,000
ARCC and HRC Chair	30,000[2]
Committee member	18,000[3]
Due Diligence Committee (per diem fee)	4,000

1) Chair fee covers all Board and committee responsibilities.
2) The ARCC and HRC Chair fee is in addition to the Committee member fee.
3) The single committee fee is paid once for all committee memberships.

b) Total remuneration for Non-Executive Directors

	Year	Short term benefits	Post-employment[1]	
		Cash salary and fees $	Super contributions $	Total $
Non-Executive Directors				
John Mulcahy[2]	**2015**	**461,217**	**18,783**	**480,000**
	2014	393,213	17,775	410,988
Christine Bartlett	**2015**	**108,143**	**10,274**	**118,417**
Peter Hawkins[3]	**2015**	**214,217**	**18,783**	**233,000**
	2014	261,892	17,775	279,667
James M. Millar AM	**2015**	**213,792**	**18,783**	**232,575**
	2014	213,225	17,775	231,000
Samantha Mostyn	**2015**	**61,796**	**5,871**	**67,667**
John Peters	**2015**	**170,868**	**32,132**	**203,000**
	2014	171,259	31,741	203,000
Elana Rubin[4]	**2015**	**252,396**	**18,271**	**270,667**
	2014	233,397	17,628	251,025
Total	**2015**	**1,482,429**	**122,897**	**1,605,326**
	2014	1,272,986	102,694	1,375,680
Former Non-Executive Directors				
Marina Darling	2014	59,497	5,503	65,000
James MacKenzie	2014	217,215	10,392	227,607

1) Relates to payments required under superannuation legislation.
2) John Mulcahy received an additional $29,524 in FY14 for his service on the Mirvac Capital Partners Limited and Mirvac Funds Management Limited boards. These fees ceased on his appointment to Mirvac Board Chair on 14 November 2013.
3) Peter Hawkins received an additional $46,667 for the period he acted as Mirvac Board Chair during July and August 2013.
4) Elana Rubin received an additional $18,000 in FY15 and $48,025 in FY14 for her service on the Mirvac Capital Partners Limited and Mirvac Funds Management Limited boards.

c) Non-Executive Director minimum securityholding guidelines

In order to further strengthen the alignment of interests between Non-Executive Directors and securityholders, FY12 saw the introduction of minimum securityholding guidelines.

Under the guidelines, each Non-Executive Director will be required to hold a minimum securityholding of 25,000 Mirvac stapled securities. The securities can be acquired over a two year period.

Non-Executive Director	Date securityholding to be attained	Number of securities held as at 30 June 2015
John Mulcahy	July 2014	25,000
Christine Bartlett	December 2016	25,000
Peter Hawkins	July 2014	596,117
James M. Millar AM	July 2014	40,714
Samantha Mostyn	March 2017	15,000
John Peters	July 2014	30,000
Elana Rubin	July 2014	34,343

Remuneration report / continued

15 Legacy remuneration arrangements

a) Previous LTI plans closed for new grants

Mirvac's LTI plans have changed over time to align with market practice, while continuing to support Mirvac's business strategy. The following historic LTI plans are no longer used for new LTI grants.

Employee Incentive Scheme

This plan provided loans to purchase Mirvac stapled securities. It is now closed to new participants. The plan will be run down until all loans under it are extinguished. Additional details are available in Mirvac Limited's 2014 Annual Report.

Loan based Long-Term Incentive Plan

This plan also provided loans to purchase Mirvac stapled securities. It is now closed to new participants. Additional details are available in Mirvac Limited's 2014 Annual Report. The eight year loan term expired on 14 December 2014. At this point the remaining securities were sold, with the proceeds applied against the outstanding loan balance, and any surplus paid to the participant.
A summary of the transaction details for the three senior executive participants is presented in the table below:

Executive KMP	Number of securities	Outstanding loan balance $	Net sale proceeds $	Proceeds after loan $
Andrew Butler	8,559	14,901	15,238	337
John Carfi	10,699	18,513	19,059	546
Brett Draffen	21,398	37,029	38,163	1,134

At 30 June 2015, no securities remain on issue under the loan based Long-Term Incentive Plan.

16 Additional required disclosures

a) Equity instruments held by Directors

Particulars of Directors' interests in the stapled securities of Mirvac or a related body corporate, are as follows:

Director	Mirvac stapled securities	Interests in securities of related entities or related body corporate
John Mulcahy (indirect)	25,000	–
Susan Lloyd-Hurwitz (direct)	54,456	–
– performance rights	4,298,989	–
Christine Bartlett (direct)[1]	25,000	–
Peter Hawkins (direct and indirect)	596,117	–
James M. Millar AM (indirect)	40,714	–
Samantha Mostyn (direct)[2]	15,000	–
John Peters (indirect)	30,000	–
Elana Rubin (direct)	34,343	–

1) Christine Bartlett was appointed as a Director on 1 December 2014.
2) Samantha Mostyn was appointed as a Director on 1 March 2015.

b) Other directorships

Details of all directorships of other listed companies held by each Director in the three years immediately before 30 June 2015 are as follows:

Director	Company	Date appointed	Date ceased
John Mulcahy	ALS Limited (formerly Campbell Brothers Limited)	February 2012	Current
	Coffey International Limited	September 2009	Current
	GWA Group Limited	November 2010	Current
Susan Lloyd-Hurwitz	Nil		
Christine Bartlett	GBST Holdings Ltd	June 2015	Current
Peter Hawkins	MG Responsible Entity Limited[1]	April 2015	Current
	Westpac Banking Corporation	December 2008	Current
James M. Millar AM	Fairfax Media Limited	July 2012	Current
	Fantastic Holdings Limited	May 2012	June 2014
	Helloworld Limited	September 2010	Current
Samantha Mostyn	Cover-More Group Limited	December 2013	Current
	Transurban Holdings Limited	December 2010	Current
	Virgin Australia Holdings Limited	September 2010	Current
John Peters	Nil		
Elana Rubin	Touchcorp Limited	January 2015	Current

1) Peter Hawkins is a Director of MG Responsible Entity Limited, the responsible entity of MG Unit Trust which was listed on the ASX on 3 July 2015.

Remuneration report / continued

c) Other benefits

Fees paid by Mirvac for Directors' and Officers' liability insurance are not itemised for each Director as their disclosure would breach the terms of the policy.

Executives and Directors (including Non-Executive Directors) are entitled to participate in arrangements available to directly purchase Mirvac developed residential property, on the same terms and conditions as for other employees within the Group.

d) Past financial performance

The table below provides summary information on the Group's earnings and securityholders' wealth for the five years to 30 June 2015:

	FY15	FY14	FY13	FY12	FY11
Profit attributable to the stapled securityholders of Mirvac ($m)	**609.9**	447.3	139.9	416.1	182.3
Operating profit ($m)	**454.8**	437.8	377.6	366.3	358.5
Distributions paid ($m)	**336.2**	326.2	225.9	280.2	270.2
Security price at 30 June ($)	**1.85**	1.79	1.61	1.28	1.25
Operating earnings per stapled security ("EPS") – diluted (cents)	**12.3**	11.9	10.9	10.7	10.5
Statutory EPS – basic (cents)	**16.5**	12.2	4.1	12.2	5.4

e) Equity instrument disclosures relating to KMP

i) Security holdings

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

	Balance 1 July	Changes[1]	Balance 30 June
2015			
Non-Executive Directors			
John Mulcahy	25,000	–	25,000
Christine Bartlett	–	25,000	25,000
Peter Hawkins	596,117	–	596,117
James M. Millar AM	40,714	–	40,714
Samantha Mostyn	–	15,000	15,000
John Peters	30,000	–	30,000
Elana Rubin	25,917	8,426	34,343
Executive KMP			
Susan Lloyd-Hurwitz	54,456	–	54,456
Andrew Butler	170,025	(602)	169,423
John Carfi	–	248,036	248,036
Brett Draffen	516,929	437,789	954,718
Shane Gannon	–	–	–
Susan MacDonald	–	114,399	114,399
David Rolls	–	–	–

1) Changes include additions/disposals resulting from first or final disclosure of a KMP and vesting of performance rights.

ii) Options

No options granted as remuneration were held by KMP during FY15.

iii) Performance rights held during the year

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

Executive KMP	Balance 1 July	Rights issued under LTI	Other changes[1]	Balance 30 June
Susan Lloyd-Hurwitz	2,607,800	1,461,000	230,189	4,298,989
Andrew Butler	29,773	409,090	72,166	511,029
John Carfi	–	–	501,379	501,379
Brett Draffen	1,431,318	555,194	(467,883)	1,518,629
Shane Gannon	223,367	525,974	72,594	821,935
Susan MacDonald	–	–	719,199	719,199
David Rolls	–	–	499,821	499,821

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

Remuneration report / continued

iv) Performance right movements during the year

Details of the movement in the number and value of performance rights held by Executive KMP during the year are set out below:

Executive KMP	Grant date	Number of rights granted	Value at grant date ($)	Vesting date	Number of rights vested	Value of rights vested ($)[1]	Number of rights lapsed	Value of rights lapsed ($)[1]
Susan Lloyd-Hurwitz	17 Dec 12	1,137,300	816,013	1 Jul 15	415,114	297,845	722,186	518,168
	10 Dec 13	1,470,500	1,106,551	1 Jul 16	–	–	–	–
	17 Dec 14	1,461,000	1,015,395	1 Jul 17	–	–	–	–
Total		**4,068,800**	**2,937,959**		**415,114**	**297,845**	**722,186**	**518,168**
Andrew Butler	10 Dec 13	19,439	14,628	1 Jul 16	–	–	–	–
	17 Dec 14	409,090	284,318	1 Jul 17	–	–	–	–
Total		**428,529**	**298,946**		**–**	**–**	**–**	**–**
John Carfi	17 Dec 12	30,367	21,788	1 Jul 15	11,083	7,953	19,284	13,835
	10 Dec 13	61,922	46,596	1 Jul 16	–	–	–	–
	17 Dec 14	409,090	284,318	1 Jul 17	–	–	–	–
Total		**501,379**	**352,702**		**11,083**	**7,953**	**19,284**	**13,835**
Brett Draffen	17 Dec 12	489,800	351,432	1 Jul 15	178,777	128,273	311,023	223,159
	10 Dec 13	345,171	259,741	1 Jul 16	–	–	–	–
	17 Dec 14	555,194	385,860	1 Jul 17	–	–	–	–
Total		**1,390,165**	**997,033**		**178,777**	**128,273**	**311,023**	**223,159**
Shane Gannon	10 Dec 13	223,367	168,084	1 Jul 16	–	–	–	–
	17 Dec 14	525,974	365,552	1 Jul 17	–	–	–	–
Total		**749,341**	**533,636**		**–**	**–**	**–**	**–**
Susan MacDonald	17 Dec 12	127,131	91,216	1 Jul 15	46,402	33,294	80,729	57,922
	17 Dec 12	158,914[2]	208,177	1 Jul 15	158,914	208,177	–	–
	10 Dec 13	205,882	154,926	1 Jul 16	–	–	–	–
	17 Dec 14	227,272	157,954	1 Jul 17	–	–	–	–
Total		**719,199**	**612,273**		**205,316**	**241,471**	**80,729**	**57,922**
David Rolls	10 Dec 13	272,549	205,093	1 Jul 16	–	–	–	–
	17 Dec 14	227,272	157,954	1 Jul 17	–	–	–	–
Total		**499,821**	**363,047**		**–**	**–**	**–**	**–**

1) The calculation of the value of performance rights used the fair value as determined at the time of grant.
2) Represents an unhurdled grant of performance rights made prior to her appointment to a KMP position.

Remuneration report / continued

e) Loans to Directors and other KMP

Details of loans made to Directors and other KMP (including loans granted under the LTIP and EIS), including their personally-related parties, are set out below:

i) Individuals with loans above $100,000 during the year

	Balance 1 July $	Balance 30 June $	Highest indebtedness during the year $
2015			
Andrew Butler	317,342	296,389	317,342
John Carfi	–	173,401	173,401
Brett Draffen	286,243	244,953	286,243
	603,585	714,743	776,986

No write-downs or provision for impairment for receivables has been recognised in relation to any loans made to Directors or specified executives.

f) Other transactions with KMP

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

g) Terms used in this Remuneration report

Term	Meaning
Adjusted earnings	Statutory profit/ (loss) after tax excluding: income tax expense and benefits; interest expense; bank and inter-company interest income; fair value of derivatives and exchange differences (FX); and changes in reserves (not including FX reserve).
Clawback	Mirvac's clawback policy gives the HRC the ability to clawback incentives in the event of a material financial misstatement. The clawback provisions apply to unvested STI and LTI awards received after the introduction of the policy in February 2013.
Executives	Members of Mirvac's Executive Leadership Team (including the Executive KMP and other executives).
Executive KMP	The KMP that are also part of the Executive Leadership Team (including the CEO/MD, the CFO and other senior executives).
KMP	KMP are those people with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.
Operating assets	Closing total assets excluding: cash and cash equivalents; tax assets; derivative financial assets; intercompany assets (that is, inter-company receivables and inter-company loans); shares in subsidiaries; and deferred land payable.
Performance right	A right to a Mirvac security at the end of a performance period, subject to the satisfaction of performance measures.
ROIC	Adjusted earnings of a financial year divided by average monthly operating assets for the financial year.
TSR	Total Shareholder Return measures the percentage growth in a company's security price together with the value of dividends/distributions received during the period, assuming that all of those dividends/distributions are re-invested into new securities.

Corporate governance statement

Mirvac is committed to ensuring that its systems, procedures and practices reflect a high standard of corporate governance. The Directors believe that Mirvac's corporate governance framework is critical in maintaining high standards of corporate governance and fostering a culture that values ethical behaviour, integrity and respect to protect securityholders' and other stakeholders' interests at all times.

During the year ended 30 June 2015, Mirvac's corporate governance framework was consistent with the third edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council.

Mirvac will now publish its Corporate governance statement on its website rather than in its Annual Report. Mirvac's 2015 Corporate governance statement may be viewed or downloaded at: www.mirvac.com/about/corporate-governance.

Copies of the Group policies referred to in the Corporate governance statement [1] are also posted to Mirvac's website: www.mirvac.com/about/corporate-governance.

Non-audit services

Mirvac may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are relevant. Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year ended 30 June 2015 are set out in note 27 to the financial statements.

The Board has considered its position and, in accordance with the advice received from the ARCC, is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in note 27 to the financial statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

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

Significant changes in the state of affairs

Details of the state of affairs of the Group are disclosed within the Operating and financial review section.

Matters subsequent to the end of the year

No other circumstances have arisen since the end of the 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.

Insurance of officers

During the year, Mirvac paid a premium for an insurance policy insuring any past, present or future Director, secretary, executive officer or employee of the Group against certain liabilities. In accordance with commercial practice, the insurance policy prohibits disclosure of the nature of the liabilities insured against and the amount of the premium.

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 31.

Auditor

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

Rounding of amounts

Mirvac is an entity of the kind referred to in Class Order 98/100 issued by ASIC, relating to the rounding off of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest tenth of a million ("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
13 August 2015

1) Other than the Fraud, Bribery and Corruption Policy and the Political Donations Policy. A summary of these policies is contained in the Code of Conduct which is available on our website at: www.mirvac.com/about/corporate-governance.

Auditor's independence declaration

As lead auditor for the audit of Mirvac Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

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

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

Matthew Lunn
Partner
PricewaterhouseCoopers

Sydney
13 August 2015

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Financial statements

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

Mirvac Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Mirvac Limited
Level 26
60 Margaret Street
Sydney NSW 2000.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report on pages 01 to 30, both of which are not part of these financial statements.

The financial statements were authorised for issue by the Directors on 13 August 2015. The Directors have the power to amend and reissue the financial statements.

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

Contents		Page

Note Index

Consolidated statement of comprehensive income

For the year ended 30 June 2015

	Note	**2015 $m**	2014 $m
Revenue from continuing operations			
Investment properties rental revenue	6	**618.4**	650.9
Investment management fee revenue		**12.9**	13.0
Development and construction revenue		**1,008.2**	1,157.6
Development management fee revenue		**13.5**	15.9
Interest revenue	2	**32.6**	22.2
Dividends/distributions revenue		**0.4**	0.5
Other revenue		**9.6**	7.9
Total revenue from continuing operations		**1,695.6**	1,868.0
Other income			
Net gain on fair value of investment properties and IPUC	6	**140.8**	48.8
Share of net profit of JVA accounted for using the equity method	16	**68.0**	46.9
Gain on fair value of derivative financial instruments	2	**187.6**	3.0
Net gain on sale of assets	2	**59.9**	–
Foreign exchange gain		**–**	7.5
Total other income		**456.3**	106.2
Total revenue from continuing operations and other income		**2,151.9**	1,974.2
Net loss on sale of assets	3	**–**	6.0
Net loss on sale of property, plant and equipment ("PPE")		**0.3**	0.2
Foreign exchange loss		**181.7**	–
Investment properties expenses	6	**142.9**	159.2
Cost of property development and construction		**784.7**	940.7
Employee benefits expenses		**120.9**	105.1
Depreciation and amortisation expenses	3	**30.4**	29.6
Impairment of goodwill	3	**–**	24.5
Impairment of loans, investments and inventories	3	**(0.2)**	(1.2)
Finance costs	3	**145.1**	144.8
Loss on fair value of derivative financial instruments	3	**15.9**	26.3
Selling and marketing expenses		**46.1**	31.0
Other expenses		**56.2**	47.3
Profit from continuing operations before income tax		**627.9**	460.7
Income tax expense	4	**(18.0)**	(13.4)
Profit for the year		**609.9**	447.3
Other comprehensive income for the year			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations, net of tax	20(b)	**7.7**	3.5
Items that will not be reclassified to profit or loss			
Increment/(decrement) on revaluation of OOP	20(b)	**9.5**	(4.8)
Deferred tax on SBP transactions	20(b)	**–**	0.4
Other comprehensive income for the year		**17.2**	(0.9)
Total comprehensive income for the year		**627.1**	446.4
Profit for the year attributable to the stapled securityholders of Mirvac		**609.9**	447.3
Total comprehensive income for the year attributable to the stapled securityholders of Mirvac		**627.1**	446.4
EPS for profit attributable to the stapled securityholders of Mirvac		**Cents**	Cents
Basic EPS	5	**16.51**	12.19
Diluted EPS	5	**16.50**	12.17

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

Consolidated statement of financial position

As at 30 June 2015

	Note	**2015 $m**	2014 $m
Current assets			
Cash and cash equivalents	28	**59.8**	97.8
Receivables	10.1	**73.0**	98.7
Derivative financial assets	13.1	**–**	15.7
Inventories	9	**774.2**	598.1
Other financial assets at fair value through profit or loss	13.2	**11.3**	11.8
Other financial assets	13.3	**–**	52.0
Other assets	11.1	**21.6**	22.7
Assets classified as held for sale	7	**–**	821.0
Total current assets		**939.9**	1,717.8
Non-current assets			
Receivables	10.1	**56.8**	60.5
Inventories	9	**939.2**	859.1
Investments accounted for using the equity method	16	**562.2**	537.6
Derivative financial assets	13.1	**175.9**	11.3
Other financial assets	13.3	**264.6**	79.4
Investment properties	6	**6,751.1**	6,016.4
PPE	8	**261.9**	248.7
Intangible assets	11.2	**39.0**	39.0
Deferred tax assets	4	**412.9**	351.9
Total non-current assets		**9,463.6**	8,203.9
Total assets		**10,403.5**	9,921.7
Current liabilities			
Payables	10.2	**673.1**	505.1
Borrowings	12	**0.2**	202.9
Derivative financial liabilities	13.1	**12.4**	13.0
Provisions	11.3	**201.5**	178.2
Other liabilities	11.4	**0.2**	0.2
Total current liabilities		**887.4**	899.4
Non-current liabilities			
Payables	10.2	**113.5**	85.0
Borrowings	12	**2,633.7**	2,514.7
Derivative financial liabilities	13.1	**76.0**	98.7
Deferred tax liabilities	4	**213.7**	144.3
Provisions	11.3	**17.1**	3.5
Total non-current liabilities		**3,054.0**	2,846.2
Total liabilities		**3,941.4**	3,745.6
Net assets		**6,462.1**	6,176.1
Equity			
Contributed equity	19	**6,804.3**	6,796.8
Reserves	20	**94.5**	76.9
Retained earnings	21	**(436.7)**	(697.6)
Equity, reserves and retained earnings attributable to the stapled securityholders of Mirvac		**6,462.1**	6,176.1

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

Consolidated statement of changes in equity

For the year ended 30 June 2015

		Attributable to the stapled securityholders of Mirvac			
	Note	Contributed equity $m	Reserves $m	Retained earnings $m	Total $m
Balance 30 June 2013		6,745.3	79.8	(814.3)	6,010.8
Profit for the year		–	–	447.3	447.3
Other comprehensive income for the year		–	(0.9)	–	(0.9)
Total comprehensive income for the year		–	(0.9)	447.3	446.4
EEP securities issued	19	0.7	–	–	0.7
LTP, LTIP and EIS securities converted, sold, vested or forfeited	19	5.3	–	–	5.3
DRP securities issued	19	46.0	–	–	46.0
Contributed equity, raising costs	19	(0.5)	–	–	(0.5)
SBP transactions	20	–	4.4	–	4.4
Security based compensation	21	–	–	(1.5)	(1.5)
Dividends/distributions provided for or paid	21	–	–	(331.1)	(331.1)
Transfers due to deconsolidation of entity	21	–	(3.2)	(1.2)	(4.4)
Transfers (out)/in	21	–	(3.2)	3.2	–
Total transactions with owners in their capacity as owners		51.5	(2.0)	(330.6)	(281.1)
Balance 30 June 2014		6,796.8	76.9	(697.6)	6,176.1
Profit for the year		–	–	609.9	609.9
Other comprehensive income for the year		–	17.2	–	17.2
Total comprehensive income for the year		**–**	**17.2**	**609.9**	**627.1**
EEP securities issued	19	0.8	–	–	0.8
LTP, LTIP and EIS securities converted, sold, vested or forfeited	19	6.7	–	–	6.7
SBP transactions	20	–	0.4	–	0.4
Security based compensation	21	–	–	(1.4)	(1.4)
Dividends/distributions provided for or paid	21	–	–	(347.6)	(347.6)
Total transactions with owners in their capacity as owners		**7.5**	**0.4**	**(349.0)**	**(341.1)**
Balance 30 June 2015		**6,804.3**	**94.5**	**(436.7)**	**6,462.1**

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

Consolidated statement of cash flows

For the year ended 30 June 2015

	Note	2015 $m	2014 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**2,052.1**	1,845.4
Payments to suppliers and employees (inclusive of goods and services tax)		**(1,555.4)**	(1,325.5)
		496.7	519.9
Interest received		**23.5**	18.1
Dividends/distributions received from JVA		**41.6**	17.6
Dividends/distributions received		**0.4**	0.5
Borrowing costs paid		**(149.5)**	(156.8)
Net cash inflows from operating activities	28(b)	**412.7**	399.3
Cash flows from investing activities			
Payments for PPE		**(12.8)**	(3.7)
Proceeds from sale of PPE		**0.2**	0.1
Payments for investment properties		**(977.0)**	(850.0)
Proceeds from sale of investment properties and assets held for sale		**1,072.3**	226.5
Payments for loans to unrelated entities		**–**	(14.7)
Proceeds from loans to unrelated entities		**81.6**	8.0
Contributions to JVA		**(40.0)**	(86.9)
Proceeds from JVA		**12.3**	12.9
Proceeds from sale of investments		**11.5**	–
Net cash inflows/(outflows) from investing activities		**148.1**	(707.8)
Cash flows from financing activities			
Proceeds from borrowings		**1,119.9**	2,717.2
Repayments of borrowings		**(1,382.5)**	(2,156.6)
Contributed equity raising costs	19	**–**	(0.5)
Dividends/distributions paid		**(336.2)**	(280.2)
Net cash (outflows)/inflows from financing activities		**(598.8)**	279.9
Net decrease in cash and cash equivalents		**(38.0)**	(28.6)
Cash and cash equivalents at the beginning of the year		**97.8**	126.4
Cash and cash equivalents at the end of the year	28(a)	**59.8**	97.8

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

BASIS OF PREPARATION

a) Mirvac — stapled securities

A Mirvac stapled security comprises one Mirvac Limited share "stapled" to one MPT unit to create a single listed security traded on the ASX. The stapled securities cannot be traded or dealt with separately. With the establishment of the Group and its common investors, Mirvac Limited and Mirvac Funds Limited (as responsible entity for MPT) have common directors and operate as Mirvac Group with two core divisions: Investment and Development. The entities forming the stapled group entered into a Deed of Cooperation. This Deed of Cooperation allows that members of the stapled group, where permitted by law, will carry out activities with other members on a cost recovery basis, thereby maintaining the best interests of Mirvac as a whole.

The two Mirvac entities comprising the stapled group, remain separate legal entities in accordance with the *Corporations Act 2001*, and are each required to comply with the reporting and disclosure requirements of AAS and the *Corporations Act 2001*. In accordance with AAS, Mirvac Limited has been deemed the parent entity of MPT. The stapled security structure will cease to operate on the first to occur of:

- Mirvac Limited or MPT resolving by special resolution in general meeting and in accordance with its Constitution to terminate the stapling provisions; or
- the commencement of the winding up of Mirvac Limited or MPT.

The ASX reserves the right (but without limiting its absolute discretion) to remove one or more entities with stapled securities from the official list if any of their securities cease to be stapled together, or any equity securities of the same class are issued by one entity which are not stapled to equivalent securities in the other entity or entities.

b) Basis of preparation

These general purpose financial statements have been prepared in accordance with AAS, other authoritative pronouncements of the AASB, Urgent Issues Group Interpretations and the *Corporations Act 2001*. Mirvac Group is a for-profit entity for the purpose of preparing the financial statements.

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

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

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of PPE and investment properties; and
- assets held for sale — measured at fair value less costs of disposal.

iii) Critical accounting estimates

The preparation of financial statements in conformity with AAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Mirvac'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 31.

iv) Comparative information

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

v) Rounding of amounts

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

vi) Goods and services tax ("GST")

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

vii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for first time for their annual reporting period commencing 1 July 2014:

- AASB 2013-3 *Amendments to AASB 136 — Recoverable Amount Disclosures for Non-Financial Assets*;
- Interpretation 21 *Accounting for Levies*;
- AASB 2014-1 *Amendments to Australian Accounting Standards*.

The adoption of AASB 2013-3 had a small impact on the impairment disclosures. Other than that, the adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

As these amendments merely clarify the existing requirements, they do not affect the Group's accounting policies or any of the disclosures.

RESULTS FOR THE YEAR

1 Segmental information

a) Description of business segments

Management has determined the segments based on the reports reviewed by the ELT that are used to make strategic decisions. The ELT considers the business from both a product, and within Australia, a geographic perspective. Each division prepares an executive finance report on a monthly basis; this is a detailed report that summarises the following:

- historic results of the division, using both statutory profit and operating profit;
- future forecast of the division for the remainder of the year; and
- key risks and opportunities facing the division.

The ELT assesses the performance of the segments based on a number of measures, both financial and non-financial, which include a measure of operating profit; the use of capital; and success in delivering against KPI. The ELT has identified two core divisions, Investment and Development. Applying the requirements of AASB 8 *Operating Segments*, Mirvac has two reportable segments, and in addition one business unit, Investment Management (including MAM), which does not meet the requirements for aggregation and therefore has been shown separately:

i) Investment

The division is made up of MPT and a small number of assets held by the company which holds investments in properties covering the office, retail, industrial and hotel sectors throughout Australia, held for the purpose of producing rental income, predominately through the Trust, its controlled trusts and corporate entities holding investment properties. Income is also derived from investments in JVA including Mirvac 8 Chifley Trust.

ii) Investment Management

MIM comprises two business activities for segment reporting purposes, being capital management for listed and unlisted property funds on behalf of retail and institutional investors, and property asset management (MAM) on behalf of MPT, joint venture partners and external property owners.

1 Segmental information / continued

iii) Development

The division's primary operations are property development and construction of residential, office, industrial and retail development projects throughout Australia. In addition, project management fees are received from the management of development and construction projects on behalf of JVA and residential development funds.

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) Elimination

The elimination segment includes adjustment to eliminate trading between segments and to transfer balances to reflect correct disclosure of items on a consolidated basis.

d) Comparative information

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

e) 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 Group.

f) Segment assets and liabilities

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

g) Geographical and customer analysis

Mirvac operates predominately in Australia. Materially, all revenue is derived in Australia and all assets are in Australia. No single customer in the current or prior year provided more than 10 per cent of the Group's revenue.

2015	Investment $m	Investment Management $m	Development $m	Unallocated $m	Elimination $m	Consolidated SoCI $m
Revenue from continuing operations						
Investment properties rental revenue	609.6	8.8	–	–	–	**618.4**
Investment management fee revenue	–	12.9	–	–	–	**12.9**
Development and construction revenue	–	–	1,008.2	–	–	**1,008.2**
Development management fee revenue	–	–	13.5	–	–	**13.5**
Interest revenue	22.0	0.4	9.1	1.2	(0.1)	**32.6**
Dividends/distributions revenue	0.4	–	–	–	–	**0.4**
Other revenue	–	2.7	4.4	–	2.5	**9.6**
Inter-segment revenue	8.3	19.2	97.7	59.9	(185.1)	**–**
Total revenue from continuing operations	**640.3**	**44.0**	**1,132.9**	**61.1**	**(182.7)**	**1,695.6**
Net gain on fair value of investment properties and IPUC	146.2	–	–	–	(5.4)	**140.8**
Share of net profit of JVA accounted for using the equity method	60.6	1.2	5.5	0.7	–	**68.0**
Gain on fair value of derivative financial instruments	–	–	–	187.6	–	**187.6**
Net gain on sale of assets	16.1	–	43.8	–	–	**59.9**
Total other income	**222.9**	**1.2**	**49.3**	**188.3**	**(5.4)**	**456.3**
Total revenue from continuing operations and other income	**863.2**	**45.2**	**1,182.2**	**249.4**	**(188.1)**	**2,151.9**
Net loss on sale of PPE	–	–	0.3	–	–	**0.3**
Foreign exchange loss	3.1	–	–	178.6	–	**181.7**
Investment properties expenses	152.8	2.5	–	–	(12.4)	**142.9**
Cost of property development and construction	–	–	880.9	–	(96.2)	**784.7**
Employee benefits expenses	–	26.5	25.6	68.8	–	**120.9**
Depreciation and amortisation expenses	21.6	0.5	2.1	2.1	4.1	**30.4**
Impairment of loans, investments and inventories	–	–	–	(0.2)	–	**(0.2)**
Finance costs	73.5	–	73.2	60.0	(61.6)	**145.1**
Loss on fair value of derivative financial instruments	7.1	–	–	8.8	–	**15.9**
Selling and marketing expenses	–	0.1	46.0	–	–	**46.1**
Other expenses	11.9	10.5	27.5	21.3	(15.0)	**56.2**
Profit/(loss) from continuing operations before income tax	**593.2**	**5.1**	**126.6**	**(90.0)**	**(7.0)**	**627.9**
Income tax expense						**(18.0)**
Profit attributable to the stapled securityholders of Mirvac						**609.9**

1 Segmental information / continued

2015	Investment $m	Investment Management $m	Development $m	Unallocated $m	Elimination $m	Tax $m	Consolidated $m
Profit/(loss) attributable to the stapled securityholders of Mirvac	593.2	5.1	126.6	(90.0)	(7.0)	(18.0)	**609.9**
Specific non-cash items							
Net gain on fair value of investment properties and IPUC	(146.2)	–	–	–	5.4	–	**(140.8)**
Net loss on fair value of derivative financial instruments and associated foreign exchange movements [1]	10.2	–	–	(0.2)	–	–	**10.0**
SBP expense [2]	–	–	–	5.6	–	–	**5.6**
Depreciation of OOP [3]	–	–	–	–	6.1	–	**6.1**
Straight-lining of lease revenue [4]	(5.3)	–	–	–	–	–	**(5.3)**
Amortisation of lease fitout incentives [3]	11.3	–	–	–	(2.0)	–	**9.3**
Net gain on fair value of investment properties, derivatives and other specific non-cash items included in share of net profit of JVA [5]	(28.8)	(0.6)	–	(0.4)	–	–	**(29.8)**
Significant items							
Impairment of loans, investments and inventories	–	–	–	(0.2)	–	–	**(0.2)**
Net gain from sale of non-aligned assets [6]	(16.1)	–	–	–	–	–	**(16.1)**
Restructuring costs [2, 7]	–	–	–	6.8	–	–	**6.8**
Tax effect							
Tax effect of non-cash and significant adjustments [8]	–	–	–	–	–	(0.7)	**(0.7)**
Operating profit/(loss) (profit before specific non-cash and significant items)	**418.3**	**4.5**	**126.6**	**(78.4)**	**2.5**	**(18.7)**	**454.8**

1) Total of Gain and Loss on fair value of derivative financial instruments and Foreign exchange loss in the consolidated SoCI.
2) Included within Employee benefits expenses in the consolidated SoCI.
3) Included within Depreciation and amortisation expenses in the consolidated SoCI.
4) Included within Investment properties rental revenue in the consolidated SoCI.
5) Included within Share of net profit of JVA accounted for using the equity method in the consolidated SoCI.
6) Included within Net gain on sale of assets in the consolidated SoCI.
7) Included within Other expenses in the consolidated SoCI.
8) Included in Income tax expense in the consolidated SoCI.

1 Segmental information / continued

2014	Investment $m	Investment Management $m	Development $m	Unallocated $m	Elimination $m	Consolidated SoCI $m
Revenue from continuing operations						
Investment properties rental revenue	645.1	5.8	–	–	–	650.9
Investment management fee revenue	–	13.0	–	–	–	13.0
Development and construction revenue	–	–	1,168.4	–	(10.8)	1,157.6
Development management fee revenue	–	–	15.2	–	0.7	15.9
Interest revenue	15.6	0.3	5.1	1.5	(0.3)	22.2
Dividend and distribution revenue	0.5	–	–	–	–	0.5
Other revenue	1.9	3.2	3.5	1.1	(1.8)	7.9
Inter-segment revenue	14.5	18.0	99.4	35.7	(167.6)	–
Total revenue from continuing operations	677.6	40.3	1,291.6	38.3	(179.8)	1,868.0
Net gain on fair value of investment properties and IPUC	37.9	–	–	–	10.9	48.8
Share of net profit of JVA accounted for using the equity method	37.5	0.1	8.7	0.6	–	46.9
Gain on fair value of derivative financial instruments	(4.3)	–	–	7.3	–	3.0
Foreign exchange gain	0.2	–	–	7.3	–	7.5
Total other income	71.3	0.1	8.7	15.2	10.9	106.2
Total revenue from continuing operations and other income	748.9	40.4	1,300.3	53.5	(168.9)	1,974.2
Net loss on sale of assets	6.0	–	–	–	–	6.0
Net loss on sale of PPE	–	–	0.2	–	–	0.2
Investment properties expenses	169.2	2.2	–	–	(12.2)	159.2
Cost of property development and construction	–	–	1,037.8	–	(97.1)	940.7
Employee benefits expenses	–	23.8	17.3	64.0	–	105.1
Depreciation and amortisation expenses	21.3	0.5	2.3	1.7	3.8	29.6
Impairment of goodwill	24.5	–	–	–	–	24.5
Impairment of loans, investments and inventories	–	–	–	(1.2)	–	(1.2)
Finance costs	77.0	0.4	77.9	35.6	(46.1)	144.8
Loss on fair value of derivative financial instruments	0.2	–	–	25.5	0.6	26.3
Selling and marketing expenses	–	0.2	30.4	0.4	–	31.0
Other expenses	12.6	7.5	22.4	17.3	(12.5)	47.3
Profit/(loss) from continuing operations before income tax	438.1	5.8	112.0	(89.8)	(5.4)	460.7
Income tax expense						(13.4)
Profit attributable to the stapled securityholders of Mirvac						447.3

1 Segmental information / continued

2014	Investment $m	Investment Management $m	Development $m	Unallocated $m	Elimination $m	Tax $m	Consolidated $m
Profit/(loss) attributable to the stapled securityholders of Mirvac	438.1	5.8	112.0	(89.8)	(5.4)	(13.4)	447.3
Specific non-cash items							
Net gain on fair value of investment properties and IPUC	(37.9)	–	–	–	(10.9)	–	(48.8)
Net loss on fair value of derivative financial instruments and associated foreign exchange movements [1]	4.3	–	–	10.9	0.6	–	15.8
SBP expense [2]	–	–	–	6.5	–	–	6.5
Depreciation of OOP [3]	–	–	–	–	5.9	–	5.9
Straight-lining of lease revenue [4]	(12.2)	–	–	–	–	–	(12.2)
Amortisation of lease fitout incentives [3]	12.4	–	–	–	(2.1)	–	10.3
Net gain on fair value of investment properties, derivatives and other specific non-cash items included in share of net profit of JVA [5]	(20.2)	0.9	–	(0.3)	–	–	(19.6)
Significant items							
Impairment of loans, investments and inventories	–	–	–	(1.2)	–	–	(1.2)
Impairment of goodwill	24.5	–	–	–	–	–	24.5
Net loss from sale of non-aligned assets [6]	6.0	–	–	–	–	–	6.0
Tax effect							
Tax effect of non-cash and significant items adjustments [7]	–	–	–	–	–	3.3	3.3
Operating profit/(loss) (profit before specific non-cash and significant items)	**415.0**	**6.7**	**112.0**	**(73.9)**	**(11.9)**	**(10.1)**	**437.8**

1) Total of Gain and Loss on fair value of derivative financial instruments and Foreign exchange gain in the consolidated SoCI.
2) Included within Employee benefits expenses in the consolidated SoCI.
3) Included within Depreciation and amortisation expenses in the consolidated SoCI.
4) Included within Investment properties rental revenue in the consolidated SoCI.
5) Included within Share of net profit of JVA accounted for using the equity method in the consolidated SoCI.
6) Net loss on sale of assets in the consolidated SoCI.
7) Included in Income tax expense in the consolidated SoCI.

30 June 2015	Investment $m	Investment Management $m	Development $m	Unallocated $m	Elimination $m	Consolidated SoFP/SoCI $m
Total assets	7,785.5	41.3	2,411.5	1,477.5	(1,312.3)	**10,403.5**
Total liabilities	1,317.8	10.2	887.5	2,841.8	(1,115.9)	**3,941.4**
Investments in JVA	415.1	0.6	198.3	3.1	(54.9)	**562.2**
Acquisitions of investments and PPE	1,025.5	0.8	4.7	10.7	–	**1,041.7**
Depreciation and amortisation expenses	21.6	0.5	2.1	2.1	4.1	**30.4**
30 June 2014						
Total assets	7,638.6	54.6	2,069.3	1,685.1	(1,525.9)	9,921.7
Total liabilities	1,912.0	8.1	572.5	2,711.5	(1,458.5)	3,745.6
Investments in JVA	370.1	2.3	217.4	2.8	(55.0)	537.6
Acquisitions of investments and PPE	1,028.7	0.3	4.0	2.4	–	1,035.4
Depreciation and amortisation expenses	21.3	0.5	2.3	1.7	3.8	29.6

2 Revenue from continuing operations and other income

	2015 $m	2014 $m
Interest revenue		
Cash and cash equivalents	**5.3**	1.7
JVA and related party loans	**13.6**	20.4
Mezzanine loans	**13.7**	0.1
Total interest revenue	**32.6**	22.2
Gain on fair value of derivative financial instruments		
Gain on interest rate derivatives	**–**	2.9
Gain on cross currency derivatives	**187.6**	0.1
Total gain on fair value of derivative financial instruments	**187.6**	3.0
Net gain on sale of assets		
Net gain on sale of financial instruments	**43.8**	–
Net gain on sale of investments	**10.2**	–
Net gain on sale of investment properties	**5.9**	–
Total net gain on sale of assets	**59.9**	–

3 Expenses

Profit before income tax includes the following specific expenses:	Note	2015 $m	2014 $m
Interest and finance charges paid/payable net of provision release		**136.7**	135.7
Amount capitalised[1]		**(40.3)**	(35.9)
Interest capitalised in current and prior years expensed this year net of provision release		**45.8**	38.4
Borrowing costs amortised		**2.9**	6.6
Total finance costs		**145.1**	144.8
Depreciation			
Plant and equipment		**4.7**	4.5
OOP		**6.1**	5.9
Total depreciation expenses	8	**10.8**	10.4
Amortisation			
Lease fitout incentives		**9.3**	10.3
Lease incentives		**10.3**	8.9
Total amortisation expenses		**19.6**	19.2
Total depreciation and amortisation expenses		**30.4**	29.6
Loss on fair value of derivative financial instruments			
Loss on cross currency derivatives		**–**	25.5
Loss on interest rate derivatives		**15.4**	–
Loss on revaluation of other financial assets at fair value through profit or loss		**0.5**	0.8
Total loss on fair value of derivative financial instruments		**15.9**	26.3
Net loss on sale of assets			
Net loss on sale of investment properties		**–**	6.0
Other charges against assets			
Impairment of receivables	10.1	**2.2**	15.0
Impairment of goodwill	11.2	**–**	24.5
Impairment of loans, investments and inventories		**(0.2)**	(1.2)
Rental expense relating to operating leases		**4.3**	3.9

1) The interest capitalisation rate is primarily derived from the Group's gearing for developments using the applicable interest rates in note 14.

4 Income tax

	2015 $m	2014 $m
a) Income tax expense		
Income tax expense		
Current tax	**0.4**	0.4
Deferred tax	**17.6**	13.0
Income tax expense	**18.0**	13.4
Income tax expense is attributable to:		
Profit from continuing operations	**18.0**	13.4
Profit from discontinued operations	**–**	–
Aggregate income tax expense	**18.0**	13.4
Deferred income tax expense/(benefit) included in income tax expense comprises:		
Increase in deferred tax assets	**(60.5)**	(11.8)
Increase in deferred tax liabilities	**78.1**	24.8
Deferred income tax expense	**17.6**	13.0
b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	**627.9**	460.7
Exclude Group Elimination entries not subject to corporate taxation [1]	**9.4**	(4.8)
Exclude Investment segment profit [2]	**(581.4)**	(425.4)
Profit before tax subject to company income tax	**55.9**	30.5
Income tax expense calculated at 30 per cent	**16.8**	9.1
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Non-assessable impairment write-back of investments including JVA	**(0.2)**	–
Non-deductible impairment of loans	**–**	4.7
Other non-deductible/non-assessable items	**2.2**	1.4
	18.8	15.2
Over provision in prior years	**(0.8)**	(1.8)
Income tax expense [3]	**18.0**	13.4
Booked effective tax rate inclusive of prior year over provision [4]	**32.2%**	43.9%
c) Tax losses		
Unused tax and capital gains tax losses incurred by Australian entities for which no deferred tax asset has been recognised	**620.6**	566.1
Potential tax benefit at 30 per cent	**186.2**	169.8

1) Group Eliminations not subject to corporate tax generally relate to Investment segment profit restatements required for consolidated group reporting purposes.
2) Investment segment profit represents trust income of MPT. MPT is treated as a flow through vehicle for tax purposes and does not pay tax. Investors pay tax on the taxable income of MPT.
3) The income tax expense represents both current and future income attributable to the financial year. The Mirvac Limited Australian consolidated tax group will pay tax on its taxable profits when it has fully recovered its past accumulated losses.
4) The effective tax rate for 2014 would have been reported at 34 per cent if a deferred tax asset of $4.7m had been recognised on the loan impairments.

d) Tax consolidation legislation

Mirvac Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2003 (refer to note 30(z)). On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Mirvac Limited. The entities within the tax consolidated group have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Mirvac Limited for any current tax payable assumed and are compensated by Mirvac Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Mirvac Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current inter-company receivables/payables.

4 Income tax / continued

	2015 $m	2014 $m
e) Current tax (liabilities)/assets		
Tax (payable)/receivable	–	–
f) Net deferred tax assets		
Non-current assets — deferred tax assets		
The balance comprises temporary differences attributable to:		
Unearned profits with associates	**11.2**	22.1
Accrued expenses	**30.6**	33.5
Employee benefit provisions	**7.3**	6.7
Unearned progress billings	**124.9**	55.3
Derivative financial instruments	**26.5**	33.5
Impairment of loans	**4.2**	7.4
PPE	**1.9**	1.4
Equity raising costs	**–**	0.1
Tax losses	**185.4**	191.9
Foreign exchange translation losses	**20.9**	–
Deferred tax assets	**412.9**	351.9
Non-current liabilities — deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Equity accounted investments	**3.7**	17.1
Inventories	**151.4**	86.2
Foreign exchange translation gains	**–**	30.5
Derivative financial instruments	**55.3**	8.6
Other	**3.3**	1.9
Deferred tax liabilities	**213.7**	144.3
Net deferred tax assets	**199.2**	207.6
Deferred tax assets expected to be recovered within 12 months	**–**	12.0
Deferred tax assets expected to be recovered after more than 12 months	**412.9**	339.9
	412.9	351.9

g) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in profit or loss or other comprehensive income but directly credited to equity:

	2015 $m	2014 $m
Deferred tax — credited directly to equity	**–**	0.4
	–	0.4

	2015 $m	2014 $m
h) Tax expense/(benefit) relating to items of other comprehensive income		
Exchange differences on translation of foreign operations	**1.4**	(0.1)
	1.4	(0.1)

4 Income tax / continued

Movements in deferred tax

	Equity accounted investments $m	Foreign exchange translation (gains)/losses $m	Unearned profits with associates $m	Unearned progress billings $m	Derivative financial instruments $m	Impairment of loans $m	PPE $m
Balance 1 July 2013	(10.5)	(28.6)	18.1	97.0	22.1	5.4	1.3
Credited/(charged) to profit or loss	(6.6)	(2.0)	4.0	(41.7)	2.8	2.0	0.1
Credited/(charged) to other comprehensive income	–	0.1	–	–	–	–	–
Charged to equity	–	–	–	–	–	–	–
Acquisition/disposal of controlled entity	–	–	–	–	–	–	–
Closing balance 30 June 2014	(17.1)	(30.5)	22.1	55.3	24.9	7.4	1.4
Credited/(charged) to profit or loss	**3.9**	**52.8**	**(10.9)**	**67.7**	**(53.7)**	**(3.2)**	**0.5**
Credited/(charged) to other comprehensive income	**–**	**(1.4)**	**–**	**–**	**–**	**–**	**–**
Charged to equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Acquisition/disposal of controlled entity	**–**	**–**	**–**	**1.9**	**–**	**–**	**–**
Credited to other liabilities	**9.5**	**–**	**–**	**–**	**–**	**–**	**–**
Closing balance 30 June 2015	**(3.7)**	**20.9**	**11.2**	**124.9**	**(28.8)**	**4.2**	**1.9**

	Equity raising costs $m	Inventories $m	Accrued expenses $m	Employee benefit provisions $m	Tax losses $m	Other $m	Total $m
Balance 1 July 2013	0.2	(79.0)	23.9	6.0	165.7	(1.5)	220.1
Credited/(charged) to profit or loss	(0.1)	(7.2)	9.6	0.7	25.8	(0.4)	(13.0)
Credited/(charged) to other comprehensive income	–	–	–	–	–	–	0.1
Charged to equity	–	–	–	–	0.4	–	0.4
Acquisition/disposal of controlled entity	–	–	–	–	–	–	–
Closing balance 30 June 2014	0.1	(86.2)	33.5	6.7	191.9	(1.9)	207.6
Credited/(charged) to profit or loss	**(0.1)**	**(64.4)**	**(2.9)**	**0.6**	**(6.5)**	**(1.4)**	**(17.6)**
Credited/(charged) to other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**(1.4)**
Charged to equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Acquisition/disposal of controlled entity	**–**	**(3.1)**	**–**	**–**	**–**	**–**	**(1.2)**
Credited to other liabilities	**–**	**2.3**	**–**	**–**	**–**	**–**	**11.8**
Closing balance 30 June 2015	**–**	**(151.4)**	**30.6**	**7.3**	**185.4**	**(3.3)**	**199.2**

5 EPS

	2015 Cents	2014 Cents
Earnings per stapled security		
Basic EPS	**16.51**	12.19
Diluted EPS[1]	**16.50**	12.17

Basic and diluted earnings	**$m**	$m
Profit attributable to the stapled securityholders of Mirvac used in calculating EPS	**609.9**	447.3

Weighted average number of securities used as denominator	**Number m**	Number m
Weighted average number of securities used in calculating basic EPS	**3,693.1**	3,669.5
Adjustment for calculation of diluted EPS		
Securities issued under EIS	**3.5**	4.7
Weighted average number of securities used in calculating diluted EPS[1]	**3,696.6**	3,674.2

1) Diluted securities include securities issued under the 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.

Notes to the consolidated financial statements

OPERATING ASSETS AND LIABILITIES

6 Investment properties

Investment properties comprised land and buildings held for long term rental yields, for capital appreciation and are not occupied by the Group. Revenue from the rental yields is included in the consolidated SoCI under investment properties rental revenue. Total rental revenue for the year was $618.4m (2014: $650.9m). Investment properties are carried at fair value (book value in the following table). Refer to note 6(c) for the valuation basis of the fair value measurement.

		Book value		Capitalisation rate		Discount rate			
	Date of acquisition	**30 Jun 2015 $m**	30 Jun 2014 $m	**30 Jun 2015 %**	30 Jun 2014 %	**30 Jun 2015 %**	30 Jun 2014 %	Date of last external valuation	Last external valuation $m
1 Darling Island, Pyrmont NSW	Apr 2004	**195.8**	188.9	**6.75**	7.00	**8.25**	8.75	Dec 2014	188.9
1 Woolworths Way, Bella Vista NSW[1]	Aug 2010	**250.2**	250.0	**7.75**	7.75	**8.50**	8.88	Dec 2014	250.0
1-47 Percival Road, Smithfield NSW	Nov 2002	**35.9**	32.5	**7.50**	8.00	**8.75**	9.50	Dec 2013	31.0
10-20 Bond Street, Sydney NSW (50% interest)[1]	Dec 2009	**200.0**	192.8	**6.38**	6.63	**8.00**	8.50	Jun 2015	200.0
101-103 Miller Street & Greenwood Plaza, North Sydney NSW (50% interest)	Jun 1994	**302.7**	289.3	**6.25-6.37**	6.50-6.75	**8.25-8.75**	8.50-8.75	Dec 2014	300.0
16 Furzer Street, Phillip ACT	Jul 2007	**68.0**	69.0	**7.75**	7.75	**8.75**	9.00	Dec 2013	69.0
189 Grey Street, Southbank QLD	Apr 2004	**83.1**	82.2	**7.63**	7.63	**8.50**	9.00	Dec 2013	79.0
1900-2060 Pratt Boulevard, Chicago Illinois USA	Dec 2007	**45.1**	36.0	**7.25**	7.25	**8.50**	8.50	Dec 2013	36.0
191-197 Salmon Street, Port Melbourne VIC[2]	Jul 2003	**–**	77.5	**–**	9.75	**–**	10.00	Jun 2014	77.5
210 George Street, Sydney NSW[2]	May 2013	**–**	26.0	**–**	7.75	**–**	8.75	Jun 2014	26.0
220 George Street, Sydney NSW[2]	May 2013	**–**	57.0	**–**	8.00	**–**	8.75	Jun 2014	57.0
23 Furzer Street, Phillip ACT	Feb 2010	**252.1**	247.0	**7.25**	7.35	**8.50**	8.75	Dec 2013	246.5
271 Lane Cove Road, North Ryde NSW	Apr 2000	**32.3**	31.4	**8.25**	8.25	**9.00**	9.25	Jun 2014	31.4
275 Kent Street, Sydney NSW (50% interest)[1,3]	Aug 2010	**435.6**	435.0	**6.00**	6.00	**8.50**	8.50	Jun 2012	792.0
3 Rider Boulevard, Rhodes NSW[1]	Dec 2009	**89.0**	89.1	**8.00**	8.00	**8.75**	8.75	Dec 2014	88.4
34-39 Anzac Avenue, Smeaton Grange NSW[4]	Jan 2015	**23.3**	–	**8.00**	–	**9.00**	–	–	–
340 Adelaide Street, Brisbane QLD[1]	Dec 2009	**55.5**	55.3	**8.75**	8.75	**8.75**	9.25	Dec 2014	55.0
367 Collins Street, Melbourne VIC	Nov 2013	**238.5**	228.0	**6.50**	7.00	**8.25**	8.75	Jun 2015	238.5
37 Pitt Street, Sydney NSW	May 2013	**68.0**	68.0	**8.00**	8.00	**8.75**	8.75	Jun 2014	68.0
380 St Kilda Road, Melbourne VIC	Oct 1995 (50%) & Apr 2001 (50%)	**140.2**	127.7	**7.25**	8.00	**8.25**	9.00	Jun 2015	140.2
39 Britton Steet, Smithfield NSW[4]	Jan 2015	**21.1**	–	**7.25**	–	**8.75**	–	–	–
39 Herbert Street, St Leonards NSW[4]	Jan 2015	**153.5**	–	**6.75**	–	**8.75**	–	–	–
40 Miller Street, North Sydney NSW	Mar 1998	**114.1**	106.4	**6.75**	7.25	**8.50**	8.75	Jun 2014	106.4
47-67 Westgate Drive, Altona North VIC[1]	Dec 2009	**18.7**	19.1	**9.50**	9.50	**9.75**	9.75	Dec 2013	19.1
472 Pacific Highway, St Leonards NSW[4]	Jun 2015	**63.1**	–	**–**	–	**–**	–	–	–
477 Collins Street, Melbourne VIC	Nov 2013	**72.0**	72.0	**7.00**	7.50	**8.25**	8.75	Jun 2015	72.0
486 Pacific Highway, St Leonards NSW[4]	Jun 2015	**58.3**	–	**–**	–	**–**	–	–	–
5 Rider Boulevard, Rhodes NSW	Jan 2007	**133.6**	130.4	**7.75**	7.75	**8.75**	8.75	Dec 2014	133.0
51 Pitt Street, Sydney NSW	May 2013	**26.0**	26.0	**8.00**	8.00	**8.75**	8.75	Jun 2014	26.0
54 Marcus Clarke Street, Canberra ACT[2]	Oct 1987	**–**	14.1	**–**	9.75	**–**	10.50	Dec 2014	12.9
55 Coonara Avenue, West Pennant Hills NSW[1]	Aug 2010	**70.0**	70.0	**9.50**	9.50	**9.75**	10.00	Jun 2014	70.0
6-8 Underwood Street, Sydney NSW	May 2013	**9.5**	9.5	**9.00**	9.00	**9.00**	9.00	Jun 2014	9.5
60 Marcus Clarke Street, Canberra ACT[2]	Sep 1989	**–**	48.5	**–**	8.75	**–**	9.50	Jun 2013	48.5
60 Wallgrove Road, Eastern Creek NSW	Jan 2014	**55.7**	55.1	**6.00-9.00**	6.50-9.50	**9.00-10.50**	9.00-10.50	Jun 2014	55.1
65 Pirrama Road, Pyrmont NSW	Jun 2001	**126.6**	115.0	**7.00**	7.50	**8.25**	8.75	Dec 2013	110.0
699 Bourke Street, Melbourne VIC (50% interest)[5]	Nov 2007 (50%) & May 2011 (50%)	**77.0**	–	**6.13**	–	**8.25**	–	Jun 2015	77.0
77 St Georges Terrace, Perth WA	May 2013	**227.7**	237.0	**8.00**	8.00	**9.25**	9.25	Jun 2014	237.0
8 Brabham Drive, Huntingwood NSW[4]	Jan 2015	**19.7**	–	**7.00**	–	**8.75**	–	–	–
90 Collins Street, Melbourne VIC	May 2013	**185.0**	175.5	**6.50**	6.75	**8.25**	8.75	Jun 2014	175.5
Birkenhead Point Outlet Centre, Drummoyne NSW[4]	Dec 2014	**320.7**	–	**6.25-8.00**	–	**8.50-9.50**	–	Jun 2015	320.7
Broadway Shopping Centre, Broadway NSW (50% interest)[6]	Jan 2007	**292.1**	280.0	**6.00**	6.00	**8.75**	8.75	Jun 2014	280.0
Cherrybrook Village Shopping Centre, Cherrybrook NSW[1]	Dec 2009	**91.0**	86.7	**7.00**	7.25	**8.75**	9.25	Jun 2015	91.0
City Centre Plaza, Rockhampton QLD[1,2]	Dec 2009	**–**	44.0	**–**	8.00	**–**	9.25	Jun 2013	49.0

6 Investment properties / continued

	Date of acquisition	Book value 30 Jun 2015 $m	Book value 30 Jun 2014 $m	Capitalisation rate 30 Jun 2015 %	Capitalisation rate 30 Jun 2014 %	Discount rate 30 Jun 2015 %	Discount rate 30 Jun 2014 %	Date of last external valuation	Last external valuation $m
Como Centre, Cnr Toorak Road & Chapel Street, South Yarra VIC	Aug 1998	**179.5**	168.3	**7.50-8.00**	8.00-8.36	**8.25-12.00**	9.00-11.00	Jun 2015	179.5
Cooleman Court, Weston ACT[1]	Dec 2009	**52.4**	52.0	**7.50**	7.50	**9.00**	9.00	Dec 2013	53.0
Harbourside Shopping Centre, Darling Harbour NSW	Jan 2014	**262.0**	252.0	**6.50**	6.75	**9.00**	8.75	Dec 2014	255.0
Hinkler Central, Bundaberg QLD[2]	Aug 2003	**–**	93.2	**–**	7.75	**–**	9.50	Dec 2014	99.0
Hoxton Distribution Park, Hoxton Park NSW (50% interest)	Jul 2010	**131.7**	114.1	**6.00**	6.50	**8.00**	9.25	Jun 2015	131.7
Kawana Shoppingworld, Buddina QLD	Dec 1993 (50%) & Jun 1998 (50%)	**322.0**	299.8	**6.25**	6.50	**8.75**	9.00	Dec 2014	311.0
Moonee Ponds Central, Moonee Ponds VIC	May 2003 & Feb 2008	**68.6**	67.0	**7.75**	7.75	**9.00**	9.00	Jun 2014	67.0
Nexus Industry Park (Building 1), Lyn Parade, Prestons NSW	Aug 2004	**21.6**	20.5	**7.25**	7.75	**8.75**	9.25	Jun 2015	21.6
Nexus Industry Park (Building 2), Lyn Parade, Prestons NSW	Aug 2004	**14.6**	13.1	**7.25**	7.75	**8.75**	9.25	Dec 2014	13.5
Nexus Industry Park (Building 3), Lyn Parade, Prestons NSW	Aug 2004	**27.5**	26.1	**7.50**	8.00	**8.75**	9.25	Jun 2015	27.5
Nexus Industry Park (Building 4), Lyn Parade, Prestons NSW	Aug 2004	**39.7**	38.2	**7.25**	7.50	**8.75**	9.25	Dec 2013	35.8
Nexus Industry Park (Building 5), Lyn Parade, Prestons NSW	Aug 2004	**20.6**	19.5	**7.25**	7.50	**8.75**	9.25	Dec 2014	19.8
Orion Springfield Central, Springfield QLD[7]	Aug 2002	**235.0**	138.8	**6.50**	6.75	**9.00**	9.25	Dec 2014	143.0
Quay West Car Park, 109-111 Harrington Street, Sydney NSW	Nov 1989	**30.0**	29.3	**7.25**	8.25	**9.25**	10.00	Jun 2015	30.0
Rhodes Waterside, Rhodes NSW (50% interest)	Jan 2007	**149.0**	130.4	**6.25**	7.00	**8.50**	9.25	Jun 2015	149.0
Riverside Quay, Southbank VIC[8]	Apr 2002 & Jul 2003	**193.1**	208.5	**7.50**	7.50-7.75	**8.75**	9.00-10.25	Dec 2013	199.3
St Marys Village Centre, St Marys NSW	Jan 2003	**48.2**	46.0	**7.25**	7.75	**9.00**	9.00	Dec 2014	47.0
Stanhope Village, Stanhope Gardens NSW	Nov 2003	**116.0**	101.6	**7.00**	7.25	**9.00**	9.00	Dec 2013	97.0
Total investment properties		**6,562.2**	5,890.4						
IPUC									
2 Riverside Quay, Southbank VIC (50% interest)[8]	Apr 2002	**23.7**	–	**6.13**	–	**8.50**	–	–	–
200 George Street, Sydney NSW (50% interest)	Dec 2012	**133.5**	68.6	**6.00**	6.50	**8.00**	8.75	Dec 2014	92.9
699 Bourke Street, Melbourne VIC (50% interest)[5]	Nov 2007 (50%) & May 2011 (50%)	**–**	20.4	**–**	6.50	**–**	9.00	–	–
Orion Springfield land, Springfield QLD[7]	Aug 2002	**21.6**	37.0	**–**	6.50-9.50	**–**	9.25-10.25	Dec 2014	73.4
Tramsheds, Harold Park NSW[9]	Dec 2010	**10.1**	–	**6.75**	–	**8.75**	–	–	–
Total IPUC		**188.9**	126.0	**–**					
Total investment properties and IPUC		**6,751.1**	6,016.4	**–**					

1) Date of acquisition represents business combination acquisition date.
2) Investment property disposed of during the year.
3) Last external valuation represents 100 per cent interest, prior to sale of 50 per cent interest on 1 July 2014. No external valuation since June 2012, as sale price on 1 July 2014 was considered as fair value.
4) Investment property acquired during the year.
5) Investment property reached practical completion during the year and was reclassified from IPUC.
6) Includes 52-60 Francis Street, Glebe NSW (50% interest), acquired during the year.
7) Stage 2 of Orion Springfield Central development now included as investment property in main centre. Remaining land now valued on a direct comparison basis.
8) 50 per cent of 2 Riverside Quay, Southbank VIC was disposed of during the year. The remaining 50 per cent was reclassified as IPUC.
9) Date of acquisition of Harold Park site. Construction of investment property commenced during the year.

6 Investment properties / continued

a) Reconciliation of carrying amounts of investment properties

At fair value	2015 $m	2014 $m
Balance 1 July	**6,016.4**	6,029.6
Additions	**328.2**	215.5
Acquisitions	**685.5**	643.1
Disposals	**(401.3)**	(149.1)
Net gain on fair value of investment properties and IPUC	**140.8**	48.8
Net gain/(loss) from foreign currency translation	**8.1**	(0.9)
Assets classified as held for sale	**–**	(821.0)
Transfers from inventories	**4.1**	20.1
Transfers from OOP	**–**	60.0
Amortisation of lease fitout incentives, leasing costs and rent incentive	**(30.7)**	(29.7)
Balance 30 June	**6,751.1**	6,016.4

b) Amounts recognised in the consolidated SoCI for investment properties

Investment properties rental revenue	**618.4**	650.9
Investment property expenses	**(142.9)**	(159.2)
	475.5	491.7

c) Fair value measurement and 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, CPI 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. Mirvac's terminal CR is in the range of an additional nil to 100 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.

AASB 13 *Fair Value Measurement* 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 Investment properties / continued

DCF and CR both use unobservable inputs in determining fair value; ranges of the inputs are included below:

			Inputs used to measure fair value				
Sector	Fair value hierarchy	Fair value $m	Net market income $[1]	10 year market rent compound annual growth rate %[1]	CR %	Terminal yield %	Discount rate %
Office[2]	Level three	3,898.8	205-1,003	0.00-4.10	6.00-9.50	6.25-10.00	8.00-9.75
Industrial	Level three	661.0	15-345	2.33-3.30	6.00-9.50	6.25-9.75	8.00-9.75
Retail[2]	Level three	2,103.6	221-1,071	3.00-4.43	6.00-8.00	6.25-8.00	8.50-9.50
Other[3]	Level three	87.7	–	1.88-3.35	7.25-8.00	7.50-9.00	9.25-12.00

1) Square metre.
2) Includes IPUC.
3) Net market income for Other sector (Car Parks and Hotel) not reported on a square metre basis.

d) Sensitivity on changes in fair value of investment property

Significant inputs	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Net market income	Increase	Decrease
10 year market rent compound annual growth rate	Increase	Decrease
CR	Decrease	Increase
Terminal yield	Decrease	Increase
Discount rate	Decrease	Increase

Movement in any of the unobservable inputs is likely to have an impact on the fair value of investment property. The higher the net market rent and 10 year market rent compound annual growth rate, the higher the fair value. The higher the CR, terminal yield and discount rate, the lower the fair value.

e) Highest and best use

For all investment properties, the current use equates to the highest and best use.

f) Non-current assets pledged as security

There are no non-current assets pledged as security by the Group.

g) Property portfolio

Mirvac's property portfolio is made up as follows:

	Note	**2015 $m**	2014 $m
Investment properties per consolidated SoFP		**6,751.1**	6,016.4
Properties classified as assets held for sale	7	**–**	821.0
OOP classified as PPE	8	**244.3**	238.6
		6,995.4	7,076.0

7 Assets classified as held for sale and discontinued operations

a) Assets classified as held for sale

	2015 $m	2014 $m
Non-current assets held for sale		
1 Castlereagh Street, Sydney NSW[1]	**–**	69.4
10 Julius Avenue, North Ryde NSW[1]	**–**	51.4
12 Julius Avenue, North Ryde NSW[1]	**–**	21.3
275 Kent Street, Sydney NSW (50%)[1]	**–**	435.0
33 Corporate Drive, Cannon Hill QLD[1]	**–**	15.2
38 Sydney Avenue, Forrest ACT[1]	**–**	35.5
339 Coronation Drive, Milton QLD[1]	**–**	53.7
Waverley Gardens Shopping Centre, Mulgrave VIC[1]	**–**	139.5
	–	821.0

1) Settlement occurred on 1 July 2014.

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

i) Non-recurring fair value measurements

Investment property classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the investment properties was determined using the market sales comparison approach as described in note 6. This is a level three measurement as per the fair value hierarchy set out in note 15.

8 PPE

PPE comprises mainly plant and equipment and OOP. The different classes of assets are grouped in a similar nature and use in the Group's operation. Items included in plant and equipment are stated at cost (or deemed cost) less accumulated depreciation. Items included in OOP are shown at fair value, less subsequent depreciation for buildings. OOP is primarily an investment property held for long term rental yields and capital appreciation. It is classified as PPE because of Mirvac's tenancy in the property and under Australian Accounting Standards OOP is considered as PPE. Refer to note 30(p)(ii) for further detail.

	Plant and equipment $m	OOP $m	Leased plant and equipment $m	Total $m
2015				
Balance 1 July	9.6	238.6	0.5	**248.7**
Revaluation increment	–	11.8	–	**11.8**
Additions	12.7	–	–	**12.7**
Disposals	(0.5)	–	–	**(0.5)**
Depreciation expenses	(4.7)	(6.1)	–	**(10.8)**
Balance 30 June	17.1	244.3	0.5	**261.9**
2015				
Cost or fair value	41.8	288.4	0.5	**330.7**
Accumulated depreciation	(24.7)	(44.1)	–	**(68.8)**
Net book amount	17.1	244.3	0.5	**261.9**
2014				
Balance 1 July	11.1	306.7	–	317.8
Revaluation decrement	–	(2.2)	–	(2.2)
Additions	3.2	–	0.5	3.7
Transfers to other assets[1]	–	(60.0)	–	(60.0)
Disposals	(0.2)	–	–	(0.2)
Depreciation expenses	(4.5)	(5.9)	–	(10.4)
Balance 30 June	9.6	238.6	0.5	248.7
2014				
Cost or fair value	32.5	276.6	0.5	309.6
Accumulated depreciation	(22.9)	(38.0)	–	(60.9)
Net book amount	9.6	238.6	0.5	248.7

1) Transfers out relate to 340 Adelaide Street, Brisbane QLD being reclassified as investment property as it no longer satisfies the criteria for OOP.

A reconciliation of the revaluation increment/(decrement) and the asset revaluation reserve ("ARR") is shown in note 20(d).

a) Fair value measurement and valuation basis of OOP

OOP is revalued by external valuers on a rotation basis with approximately one-half of the portfolio investment property and OOP portfolio being valued annually. The basis of valuation of OOP is fair value; for information about the methods and assumptions used in determining the fair value of OOP, refer to note 6. The valuation basis is consistent with the approach taken for investment properties (refer to note 6(c)(i)). Discount rates range from 8.25 to 8.75 per cent (2014: 8.50 to 10.50 per cent) and CR range from 6.50 to 6.88 per cent (2014: 6.00 to 9.50 per cent). The revaluation increment net of applicable deferred income taxes was credited to the ARR in equity (refer to note 20(b)).

b) Historical cost of items carried at fair value

OOP	**2015 $m**	2014 $m
Balance 30 June	**213.0**	210.6

9 Inventories

Inventories comprise development projects and construction contracts. Development projects are valued at lower of cost and NRV and construction work-in-progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings.

	2015 $m	2014 $m
Current [1]		
Development projects		
Acquisition costs	**218.7**	202.1
Development costs	**542.9**	362.6
Borrowing costs capitalised during development	**46.2**	62.8
Provision for loss	**(33.6)**	(29.4)
	774.2	598.1
Construction work in progress (amount due from customers for contract work)		
Contract costs incurred and recognised profits less recognised losses	**–**	126.0
Progress billings	**–**	(126.0)
	–	–
Total current inventories	**774.2**	598.1
Non-current [1]		
Development projects		
Acquisitions costs	**661.0**	609.4
Development costs	**293.0**	283.0
Borrowing costs capitalised during development	**113.5**	120.4
Provision for loss	**(128.3)**	(153.7)
Total non-current inventories	**939.2**	859.1
Aggregate carrying amount of inventories		
Current	**774.2**	598.1
Non-current	**939.2**	859.1
Total inventories	**1,713.4**	1,457.2

1) Lower of cost and NRV.

a) Inventories expense

Inventories expensed as cost of property development and construction during the year ended 30 June 2015 amounted to $784.7m (2014: $940.7m). During the year, there was no amount (2014: $nil) expensed as provision for loss on inventories.

b) Current and non-current inventories

The disclosure of inventories as either current or non-current is determined by the period within which they are expected to be realised. Inventories disclosed as current are expected to be realised within 12 months; all other inventories are expected to be realised beyond 12 months from the reporting date.

10 Financial assets and liabilities

10.1 Receivables

	Gross $m	Provision for impairment $m	Net $m
30 June 2015			
Current			
Trade receivables	**23.9**	**(0.4)**	**23.5**
Amounts due from related parties	**21.0**	**(0.3)**	**20.7**
Amounts due from unrelated parties	**8.9**	**(0.8)**	**8.1**
Mezzanine loans	**12.2**	**(12.2)**	**–**
Accrued income	**11.5**	**–**	**11.5**
Other receivables	**11.8**	**(2.6)**	**9.2**
	89.3	**(16.3)**	**73.0**
Non-current			
Amounts due from related parties	**48.1**	**(24.5)**	**23.6**
Other receivables	**66.2**	**(33.0)**	**33.2**
	114.3	**(57.5)**	**56.8**

10 Financial assets and liabilities / continued

	Gross $m	Provision for impairment $m	Net $m
30 June 2014			
Current receivables			
Trade receivables	22.3	(0.1)	22.2
Loans to directors and employees	2.0	–	2.0
Amounts due from related parties	13.6	(0.3)	13.3
Amounts due from unrelated parties	47.4	(16.6)	30.8
Mezzanine loans	12.2	(12.2)	–
Accrued income	17.3	–	17.3
Other receivables	14.3	(1.2)	13.1
	129.1	(30.4)	98.7
Non-current receivables			
Loans to directors and employees	0.3	–	0.3
Amounts due from related parties	56.7	(24.2)	32.5
Other receivables	60.7	(33.0)	27.7
	117.7	(57.2)	60.5

Further information in relation to loans to KMP is set out in the Remuneration report and amounts due from related parties is set out in note 26.

a) Trade receivables

The average credit period on sales of goods is 30 days. No interest is charged on any outstanding trade receivables. Refer to note 10.1(d) for details regarding the credit risk of receivables.

b) Other receivables

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

c) Provision for impairment of receivables

Movements in the provision for impairment of receivables are detailed below:

	2015 $m	2014 $m
Balance 1 July	**(87.6)**	(96.1)
Amounts written off	**16.0**	23.5
Provision for impairment recognised	**(2.2)**	(15.0)
Balance 30 June	**(73.8)**	(87.6)

Mirvac has written off $16.0m (2014: $23.5m) of impairment against receivables during the current year. This relates to a loan to an unrelated party that was previously provided for impairment and management had assessed that it is now non-recoverable (2014: two mezzanine loans and a loan to a related party). This loss has been applied against the provision for impairment of receivables. The creation and release of the provision for impaired receivables have been included in impairment of loans in profit or loss where these relate to the mezzanine loans and loan to a related party, and have been included in other expenses in profit or loss where these relate to the impairment of trade receivables.

d) Credit risk

Receivables consist of a large number of customers. Mirvac does not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of customers and, where appropriate, a provision for impairment of receivables is raised. Mirvac holds collateral in certain circumstances which takes the form of bank guarantees, security deposits, personal guarantee or a mortgage over property until completion. The ageing of receivables is detailed below:

	2015		2014	
	Total receivables $m	**Provision for impairment $m**	Total receivables $m	Provision for impairment $m
Not past due	**161.4**	**(38.5)**	191.9	(36.6)
Renegotiated	**–**	**–**	–	–
Past due 1–30 days	**5.9**	**–**	2.5	–
Past due 31–60 days	**0.6**	**–**	0.6	–
Past due 61–90 days	**0.3**	**(0.1)**	0.2	–
Past due 91–120 days	**0.2**	**(0.1)**	0.2	–
Past 120 days	**35.2**	**(35.1)**	51.4	(51.0)
Total	**203.6**	**(73.8)**	246.8	(87.6)

10 Financial assets and liabilities / continued

Under certain circumstances, Mirvac has not provided for all balances past due as it has been determined that there has not been a significant change in credit quality at the end of the reporting period based upon the customer's payment history and analysis of the customer's financial accounts. The Group holds collateral over receivables of $286.4m (2014: $288.3m). The fair value of the collateral held equals the fair value of the receivables for which the collateral is held. The terms of the collateral are if payment due is not received per the agreed terms, Mirvac is able to claim the collateral held.

e) Impairment and risk exposures

Refer to note 30(j) for information about the impairment of trade receivables and their credit quality and note 30(n) for impairment of other receivables. Refer to note 14 for Mirvac's exposure to foreign currency risk, interest rate risk and credit risk.

f) Fair values of trade and other receivables

Due to the short term nature of the current receivables, their carrying amount (less impairment provision) is assumed to be the same as their fair value. For the majority of the non-current receivables, the carrying amount is also not significantly different to their fair value.

10.2 Payables

	2015 $m	2014 $m
Current		
Trade payables	**95.6**	79.0
Employee benefits	**11.8**	9.8
Deferred revenue [1]	**320.7**	128.0
Accruals	**202.2**	185.1
Deferred payment for land	**26.0**	55.2
Other creditors	**15.9**	45.8
Amounts due to related parties	**0.9**	2.2
	673.1	505.1
Non-current		
Deferred revenue [1]	**28.9**	24.5
Deferred payment for land	**55.5**	35.5
Other creditors	**29.1**	25.0
	113.5	85.0

1) Deferred revenue includes payments received in respect of development contracts that do not meet the requirements to be accounted for as construction contracts.

Trade payables are unsecured and are usually paid within 30 days of recognition.

a) Fair values of payables

The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short term nature.

11 Other non-financial assets and liabilities

11.1 Other assets

	2015 $m	2014 $m
Prepayments	**21.4**	22.5
Monies held in trust	**0.2**	0.2
	21.6	22.7

Monies held in trust relate to deposits received in respect of future sales of inventories.

11.2 Intangible assets

	Management rights $m	Goodwill $m	Total $m
2015			
Balance 1 July	2.6	36.4	39.0
Balance 30 June	**2.6**	**36.4**	**39.0**
2014			
Balance 1 July	2.6	63.1	65.7
Impairment of goodwill	–	(24.5)	(24.5)
Derecognition of goodwill	–	(2.2)	(2.2)
Balance 30 June	2.6	36.4	39.0

11 Other non-financial assets and liabilities / continued

a) Allocation of intangible assets by operating segment

A segment level summary of the intangible asset allocations is presented below:

	Investment $m	Investment Management $m	Total $m
2015			
Management rights – indefinite life[1]	–	2.6	2.6
Goodwill	36.4	–	36.4
Balance 30 June	**36.4**	**2.6**	**39.0**
2014			
Management rights – indefinite life[1]	–	2.6	2.6
Goodwill	36.4	–	36.4
Balance 30 June	36.4	2.6	39.0

1) Management rights are primarily held in relation to funds established or rights established by entities acquired by Mirvac. These funds are considered to be open-ended and therefore have no expiry. The Group also holds strategic stakes in these funds in order to protect its interests.

b) Key assumptions used for value in use calculations for goodwill and other intangible assets

The recoverable amount of cash generating units ("CGUs") is determined using the higher of fair value less costs to sell, and their value in use. Mirvac uses the value in use calculation which is based on financial budgets and forecasts approved by management covering a five year period. For the Investment Management CGU, cash flows beyond the five year period are extrapolated using the estimated growth rates stated below. For the Investment CGU, no forecast growth rate is assumed as the value in use calculations are based on forecast cash flows from existing projects and investment properties. The key assumptions used to determine the forecast cash flows included net market rent, capital expenditure, CR, growth rate, discount rate, and market conditions. The growth rate has been adjusted to reflect current market conditions and does not exceed the long term average growth rate for the business in which the CGU operates. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments and the countries in which they operate. A terminal growth rate of three per cent has also been applied.

CGU	**Growth rate[1] 2015 % pa**	**Discount rate 2015 % pa**	Growth rate[1] 2014 % pa	Discount rate 2014 % pa
Investment	**–[2]**	**8.6**	–[2]	8.9
Investment Management	**1.0**	**13.0**	1.0	13.0

1) Weighted average growth rate used to extrapolate cash flows beyond the budget period.
2) The value in use calculation is based on financial budgets and forecasts approved by management covering a five year period. No forecast growth rate is assumed as the value in use calculations are based on forecast cash flows from existing projects and investment properties.

The recoverable amount of goodwill exceeds the carrying value at 30 June 2015. Based on the information available on the key assumptions and market conditions at 30 June 2015, Management has considered and assessed reasonable possible changes on the key assumptions and has not identified any instances that could cause the carrying value to exceed the recoverable amount of goodwill.

As the CGU's primarily consist of investment property, assumptions considered are the unobservable inputs used in determining fair value of investment property. For further information on the impact of a significant change in an unobservable input refer to note 6(d).

c) Impairment of goodwill

There was no impairment of goodwill (2014: $24.5m).

d) Impairment of intangible assets

There was no impairment of management rights (2014: $nil). Management rights are primarily held in relation to funds established or rights established by entities acquired by Mirvac. These funds are considered to be open-ended and therefore have no expiry.

11.3 Provisions

	Current $m	**Non-current $m**	**2015 Total $m**	Current $m	Non-current $m	2014 Total $m
Employee benefits – LSL	**9.1**	**3.2**	**12.3**	8.4	3.2	11.6
Dividends/distributions payable	**181.2**	**–**	**181.2**	169.8	–	169.8
Restructuring costs[1]	**5.4**	**–**	**5.4**	–	–	–
Warranties	**5.8**	**8.8**	**14.6**	–	–	–
Asset retirement obligation	**–**	**–**	**–**	–	0.3	0.3
Other	**–**	**5.1**	**5.1**	–	–	–
	201.5	**17.1**	**218.6**	178.2	3.5	181.7

1) Includes employee severance costs of $3.9m.

11 Other non-financial assets and liabilities / continued

Movements in each class of provision during the year, other than employee benefits, are set out below:

	Dividends/ distributions payable[1] $m	Restructuring costs[2] $m	Warranties[3] $m	Asset retirement obligation[4] $m	Other $m	Total $m
2015						
Balance 1 July	169.8	–	–	0.3	–	**170.1**
Transfer in	–	–	17.6	–	5.1	**22.7**
Additional provisions	347.6	5.4	4.6	–	–	**357.6**
Payments made/amounts utilised during the year	(336.2)	–	(7.6)	–	–	**(343.8)**
Release of provision	–	–	–	(0.3)	–	**(0.3)**
Balance 30 June	**181.2**	**5.4**	**14.6**	**–**	**5.1**	**206.3**
2014						
Balance 1 July	164.9	–	–	0.4	–	165.3
Additional provisions	331.1	–	–	0.3	–	331.4
Payments made/amounts utilised during the year	(326.2)	–	–	–	–	(326.2)
Release of provision	–	–	–	(0.4)	–	(0.4)
Balance 30 June	169.8	–	–	0.3	–	170.1

1) The amounts reported in the provision include dividends/distributions paid/payable to securityholders of the Group.
2) Provisions are recognised for restructuring activities when a detailed plan has been developed and a valid expectation that the plan will be carried out is held by those affected by it. On 25 June 2015, Mirvac announced a change in the Group's organisational structure and the decision to outsource certain finance related activities to an offshore provider and to downsize a number of corporate and business functions.
3) Warranties relate to the Group's obligation to rectify any defective work during the warranty period of its developments, known as post-completion maintenance costs. Previously, given the smaller number of development projects and greater certainty around the liability due to the nature of the project the Group had classified these as accruals, refer to note 10.2. However, given the increase in Development activity including commercial projects, there is less historical knowledge to base an accrual and significant uncertainty around the amount of future expenditure required to cover these maintenance works and when they will be incurred. Given this, management has decided to reclassify these from accruals to provisions. There has been no change in the spilt between current and not-current.
4) The asset retirement obligation relates to obligations under lease agreements for space on expiry of the lease, to return it to its condition at the commencement of the lease.

11.4 Other liabilities

	2015 $m	2014 $m
Monies held in trust	**0.2**	0.2

CAPITAL STRUCTURE

12 Borrowings

a) Borrowings

	Note	**2015 $m**	2014 $m
Current			
Unsecured			
Domestic medium term notes ("MTN")	12(a)(ii)	**–**	200.0
Secured			
Lease liabilities	12(a)(iii)	**0.2**	2.9
		0.2	202.9

	Note	**2015 $m**	2014 $m
Non-current			
Unsecured			
Bank loans	12(a)(i)	**920.2**	975.2
Domestic MTN	12(a)(ii)	**625.0**	625.0
Foreign MTN	12(a)(iv)	**1,088.4**	914.3
Secured			
Lease liabilities	12(a)(iii)	**0.1**	0.2
		2,633.7	2,514.7

12 Borrowings / continued

i) Bank loans

Mirvac has unsecured bank facilities totalling $1,400.0m (2014: $1,388.2m). The facility contains five tranches: a $200.0m tranche maturing in September 2016, a $350.0m tranche maturing in September 2017, a $300.0m tranche maturing in September 2018, a $300.0m tranche maturing in September 2019, and a $250.0m tranche maturing in September 2020. Subject to compliance with the terms, each of these bank loan facilities may be drawn at any time.

ii) Domestic MTN

Mirvac has a total of $625.0m (2014: $825.0m) of domestic MTN outstanding: $225.0m maturing in September 2016, $200.0m maturing in December 2017 and $200.0m maturing in September 2020. Interest is payable either quarterly or semi-annually in arrears in accordance with the terms of the notes.

iii) Lease liabilities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

iv) Foreign MTN

Mirvac has a total of $1,019.8m (US$735.0m and $135.0m) (2014: $1,019.8m) US Private Placement notes outstanding. The notes mature as follows:

- US$275.0m and $10.0m maturing in November 2016;
- US$100.0m maturing in November 2018;
- US$160.0m and $50.0m maturing in December 2022;
- US$105.0m and $25.0m maturing in December 2024; and
- US$95.0m and $50.0m maturing in December 2025.

Interest is payable semi-annually in arrears for all notes. Some of the notes were issued with fixed and floating rate coupons payable in US dollars and swapped back to Australian dollar floating rate coupons through cross currency swaps and interest rate swaps.

b) Financing arrangements

	2015 $m	2014 $m
Total facilities		
Bank loans	**1,400.0**	1,388.2
Domestic MTN	**625.0**	825.0
Foreign MTN	**1,088.4**	914.3
	3,113.4	3,127.5
Used at end of the reporting period		
Bank loans	**920.2**	975.2
Domestic MTN	**625.0**	825.0
Foreign MTN	**1,088.4**	914.3
	2,633.6	2,714.5
Unused at end of the reporting period		
Bank loans	**479.8**	413.0
Domestic MTN	**–**	–
Foreign MTN	**–**	–
	479.8	413.0

c) Fair value

	Carrying amount		Fair value	
	2015 $m	2014 $m	**2015 $m**	2014 $m
Included in consolidated SoFP				
Non-traded financial liabilities				
Bank loans	**920.2**	975.2	**920.2**	975.2
Domestic MTN	**625.0**	825.0	**664.2**	868.8
Foreign MTN	**1,088.4**	914.3	**1,148.5**	970.5
Lease liabilities	**0.3**	3.1	**0.3**	3.1
	2,633.9	2,717.6	**2,733.2**	2,817.6

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

The bank loans and lease liabilities are floating rate borrowings, therefore their fair value represents their respective carrying values. The fair value of domestic and foreign MTN has been calculated by discounting the expected future cash flows by the current market rates applicable to the relevant term of the MTN as disclosed in note 14. All borrowings are disclosed as level three in the fair value measurement hierarchy. For details on fair value hierarchy, refer to note 15.

12 Borrowings / continued

i) Included in consolidated SoFP

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

13 Other financial assets and liabilities

13.1 Derivative financial instruments

	2015 $m	2014 $m
Current assets		
Interest rate swap contracts — fair value	–	6.6
Cross currency swaps — fair value	–	9.1
	–	15.7
Non-current assets		
Interest rate swap contracts — fair value	**16.5**	6.9
Cross currency swaps — fair value	**159.4**	4.4
	175.9	11.3
Current liabilities		
Interest rate swap contracts — fair value	**12.4**	13.0
	12.4	13.0
Non-current liabilities		
Interest rate swap contracts — fair value	**36.1**	17.1
Cross currency derivatives — fair value	**39.9**	81.6
	76.0	98.7

Mirvac's derivatives are exclusively used for hedging purposes and not held for trading or speculative purposes.

a) Instruments used by Mirvac

Refer to note 14 for information on instruments used by Mirvac.

b) Risk exposures

Refer to note 14 for Mirvac's exposure to foreign exchange, interest rate and credit risk on interest rate and cross currency swaps.

c) Change in accounting policy

The Group has applied the new standards on fair value measurement from 1 July 2014. The adoption of the standard has affected the measurement of the fair value of certain net derivative liabilities. The Group has recognised the adjustment as a fair value movement in profit or loss in the current period of $5.5m.

d) Fair value measurement

For information about the methods and assumptions used in determining the fair value of derivatives, refer to note 15.

13.2 Other financial assets at fair value through profit or loss

	2015 $m	2014 $m
Units in unlisted fund		
Balance 1 July	**11.8**	12.6
Loss on revaluation	**(0.5)**	(0.8)
Balance 30 June	**11.3**	11.8

Changes in fair values of other financial assets at fair value through profit or loss are reflected in the consolidated SoCI as a gain or loss on fair value of derivative financial instruments.

a) Unlisted securities

Unlisted securities are traded in inactive markets. The fair value of investments that are not traded in an active market is determined by the unit price as advised by the trustee of the fund. Unlisted securities held in the Group are units in JF Infrastructure Yield Fund. James Fielding Trust, a wholly-owned Group entity, owns 12.9m units (22 per cent) of this entity. The fair value of the security is determined based on the value of the underlying assets held by the fund. The assets of the fund are subject to regular external valuations. These valuations are based on discounted net cash inflows from expected future income and/or comparable sales of similar assets. Appropriate discount rates determined by the external valuer are used to determine the present value of the net cash inflows based on a market interest rate adjusted for the risk premium specific to each asset. The fair value is determined using valuation techniques that are not supported by prices from an observable market; so, the fair value recognised in the consolidated financial statements could change significantly if the underlying assumptions made in estimating the fair values were significantly changed.

b) Price risk exposure

Refer to note 14 for Mirvac's exposure to price risk on other financial assets at fair value through profit or loss.

13 Other financial assets and liabilities / continued

13.3 Other financial assets

	2015 $m	2014 $m
Current		
Heritage Maintenance Annuity – Treasury Building Hotel	**–**	52.0
	–	52.0
Non-current		
Convertible notes issued by Mirvac (Old Treasury) Trust	**95.7**	79.4
Loan notes issued by Blackstone	**168.9**	–
	264.6	79.4

At 30 June 2015, the Group held $95.7m of convertible notes (2014: $79.4m) of convertible notes in the Mirvac (Old Treasury) Trust. The Group also has an investment accounted for using the equity method in the issuing joint venture. Convertible notes have been issued to fund the development costs of IPUC held by the joint venture. In the future, the convertible notes will be converted into equity held by the Group and the investment accounted for using the equity method will increase by the value of the convertible notes held. The Group holds $168.9m of loan notes (2014: $nil). $156.0m of notes were issued by Blackstone for partial non-receipt of funds for the sale of non-aligned assets during the year. The remaining $12.9m (2014: $nil) of notes relate to capitalised interest.

a) Fair value measurement

For information about the methods and assumptions used in determining the fair value of other financial assets, refer to note 15.

14 Financial risk management

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

The Group holds the following financial instruments:

	Note	2015 $m	2014 $m
Financial assets			
Cash and cash equivalents	28	**59.8**	97.8
Receivables	10.1	**129.8**	159.2
Derivative financial assets	13.1	**175.9**	27.0
Other financial assets at fair value through profit or loss	13.2	**11.3**	11.8
Other financial assets	13.3	**264.6**	131.4
Total financial assets		**641.4**	427.2
Financial liabilities			
Payables	10.2	**786.6**	590.1
Borrowings	12	**2,633.9**	2,717.6
Derivative financial liabilities	13.1	**88.4**	111.7
Total financial liabilities		**3,508.9**	3,419.4

The carrying values of trade receivables (less impairment provision) and payables are assumed to approximate their fair values due to their short term nature. Derivative financial assets and liabilities are valued based upon valuation techniques (refer to note 15).

a) Market risk

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

i) Currency risk

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

- borrowings denominated in currencies other than Australian dollars which are predominately US dollars;
- investments in offshore operations which are located in the United States;
- receipts and payments which are denominated in other currencies; and
- foreign exchange risk on derivatives.

14 Financial risk management / continued

Mirvac manages its foreign exchange risk for its assets and liabilities denominated in other currencies by borrowing in the same currency as that in which the offshore business operates to form a natural hedge against the movement in exchange rates. Mirvac manages its foreign currency note borrowings with cross currency swaps which swap the obligations to pay fixed or floating US dollar principal and interest payments to floating Australian dollar interest payments. Cross currency swaps in place cover 100 per cent of the US dollar denominated note principal and interest outstanding. These swaps have the same maturity profiles as the underlying note obligations. This removes exposure to interest rates in the US market while creating floating exposures in the domestic market that have been managed to meet Mirvac's target interest rate profile. The foreign currency exchange rate has been fixed for US$375.0m swaps to A$/US$0.7456 and US$360.0m swaps to A$/US$0.9429.

At 30 June 2015, the notional amounts and periods of expiry of the cross currency swap contracts for the Group were:

	2015 $m	2014 $m
Between one to two year(s)	**368.9**	–
Between two to three years	**–**	368.9
Between three to four years	**134.1**	–
Between four to five years	**–**	134.1
Greater than five years	**381.9**	381.9
	884.9	884.9

All swaps require settlement on a quarterly basis. Translation gains or losses on the net investment in foreign operations are recorded through the foreign currency translation reserve.

Sensitivity analysis

Cross currency swaps are in place to manage the foreign exchange exposure on the US dollar debt. These swaps have the same notional principal and maturity profiles as those of the underlying note obligations. Based upon current exposures, the impact on the Group's result of a 50 (2014: 25) basis point increase in US dollar interest rates would be a decrease in profit of $25.6m (2014: increase of $2.4m). The impact on Mirvac's result of a 50 (2014: 25) basis point decrease in US dollar interest rates would be an increase in profit of $24.3m (2014: decrease of $1.4m).

ii) Interest rate risk

Mirvac's interest rate risk arises from long term borrowings, cash and cash equivalents (refer to note 28(a)), receivables and derivatives.

Borrowings

Borrowings issued at variable rates expose Mirvac to cash flow interest rate risk. Borrowings issued at fixed rates expose Mirvac to fair value interest rate risk. The Group's policy is to have a minimum of 40 per cent and a maximum of 80 per cent of borrowings subject to fixed or capped interest rates. This policy was complied with at the end of the year. Mirvac manages its cash flow interest rate risk by using interest rate derivatives, thereby maintaining fixed rate exposures within the policy range. Such interest rate derivatives have the economic effect of converting borrowings from floating rates to fixed or capped rates or vice versa.

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

		Fixed interest maturing in						
	Floating interest rate $m	1 year or less $m	Over 1 to 2 year(s) $m	Over 2 to 3 years $m	Over 3 to 4 years $m	Over 4 to 5 years $m	Over 5 years $m	Total $m
2015								
Unsecured bank loans	920.2	–	–	–	–	–	–	**920.2**
Domestic MTN	–	–	225.0	200.0	200.0	–	–	**625.0**
Foreign MTN	953.4	–	10.0	–	–	–	125.0	**1,088.4**
Interest rate swaps	(1,100.0)	100.0	–	100.0	200.0	100.0	600.0	**–**
Lease liabilities	–	0.2	0.1	–	–	–	–	**0.3**
	773.6	**100.2**	**235.1**	**300.0**	**400.0**	**100.0**	**725.0**	**2,633.9**
2014								
Unsecured bank loans	975.2	–	–	–	–	–	–	975.2
Domestic MTN	–	200.0	–	225.0	200.0	200.0	–	825.0
Foreign MTN	779.3	–	–	10.0	–	–	125.0	914.3
Interest rate swaps	(650.0)	(150.0)	100.0	100.0	200.0	200.0	200.0	–
Lease liabilities	–	2.9	0.1	0.1	–	–	–	3.1
	1,104.5	52.9	100.1	335.1	400.0	400.0	325.0	2,717.6

14 Financial risk management / continued

Derivative instruments used by Mirvac

Mirvac enters into a variety of derivative instruments, although most commonly it uses interest rate swap agreements. Under the swap agreements, Mirvac agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Aside from swap agreements, bought and/or sold option agreements are used which allow rates to float between certain ranges and bank cancellable agreements are used which allow the relevant bank to cancel the agreement if certain conditions arise, the benefit of which is lower fixed rates. These derivatives are recorded in the consolidated SoFP at fair value in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. The fair value movements are recorded through the consolidated SoCI (refer to notes 2 and 3). Derivatives currently in place cover approximately 61.4 per cent (2014: 57.1 per cent) of the loan principal outstanding. The fixed interest rates range between 2.50 and 6.40 per cent (2014: 2.50 and 6.40 per cent) per annum. At 30 June 2015, the notional principal amounts, interest rates and periods of expiry of the interest rate swap contracts held by the Group were as follows:

	Floating to fixed				Fixed to floating			
	2015		2014		**2015**		2014	
	Interest rates % pa	**$m**	Interest rates % pa	$m	**Interest rates % pa**	**$m**	Interest rates % pa	$m
1 year or less	**4.75-5.50**	**100.0**	–	–	**–**	**–**	8.25	150.0
Over 1 to 2 year(s)	**–**	**–**	4.75-5.50	100.0	**–**	**–**	–	–
Over 2 to 3 years	**2.50-6.40**	**300.0**	4.70	100.0	**5.50**	**200.0**	–	–
Over 3 to 4 years	**2.50-4.00**	**200.0**	2.50-6.40	400.0	**–**	**–**	5.5	200.0
Over 4 to 5 years	**3.49**	**100.0**	2.50-4.00	200.0	**–**	**–**	–	–
Over 5 years	**2.81-4.36**	**600.0**	3.49-4.00	200.0	**–**	**–**	–	–
		1,300.0		1,000.0		**200.0**		350.0

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

Cash and cash equivalents

Cash held exposes Mirvac to cash flow interest rate risk.

Receivables

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

			Fixed interest maturing in						
	Note	Floating interest rate $m	1 year or less $m	Over 1 to 2 year(s) $m	Over 2 to 3 years $m	Over 3 to 4 years $m	Over 4 to 5 years $m	Non-interest bearing $m	Total $m
2015									
Trade receivables	10.1	–	–	–	–	–	–	23.5	**23.5**
Related party receivables	10.1	–	9.3	15.1	–	–	–	19.9	**44.3**
Other receivables	10.1	18.9	2.5	2.7	0.2	–	–	37.7	**62.0**
		18.9	**11.8**	**17.8**	**0.2**	**–**	**–**	**81.1**	**129.8**
2014									
Trade receivables	10.1	–	–	–	–	–	–	22.2	22.2
Related party receivables	10.1	–	5.8	11.2	15.1	–	–	13.7	45.8
Loans to directors and employees	10.1	–	–	–	–	–	–	2.3	2.3
Other receivables	10.1	16.2	3.1	4.9	–	–	–	64.7	88.9
		16.2	8.9	16.1	15.1	–	–	102.9	159.2

Sensitivity analysis

Mirvac's interest rate risk exposure arises from long term borrowings, cash held with financial institutions and receivables. Based upon a 50 (2014: 50) basis point increase or decrease in Australian interest rates, the impact on profit after tax has been calculated taking into account all underlying exposures and related derivatives. This sensitivity has been selected as this is considered reasonable given the current level of both short term and long term interest rates.

The impact on the Group's result of a 50 (2014: 50) basis point increase in interest rates assuming no interest is capitalised would be an increase in profit of $19.1m (2014: decrease of $2.3m). The impact on Mirvac's result of a 50 (2014: 50) basis point decrease in interest rates would be decrease in profit of $20.5m (2014: increase of $1.5m).

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

14 Financial risk management / continued

iii) Price risk

The Group is exposed to equity price risk arising from an equity investment (refer to note 13.2). The equity investment is held for the purpose of selling in the near term. As this investment is not listed, the fund manager provides a unit price each six months. At the end of the year, if the unit price had been five per cent higher or lower, the effect on profit and on equity for the year would have been $0.6m (2014: $0.6m) higher or lower. This investment represents less than one per cent of Mirvac's net assets and therefore represents minimal risk to the Group. The amount recognised in profit or loss in relation to the equity investment held by the Group is disclosed in note 13.2.

Convertible notes do not convert at a fixed rate to equity, the conversion being based on NTA and as a result are not subject to material price risk.

b) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and will cause a financial loss. Mirvac has exposures to credit risk on cash and cash equivalents, receivables and derivative financial assets; the maximum exposure to credit risk is based on the total value of the Group's financial assets, net of any provision for impairment, as shown in note 10.1. To help manage this risk, the Group has a policy for establishing credit limits for the entities dealt with which is based on the size, previous trading experience of the entity or where available at reasonable cost, external credit ratings and/or reports. Based upon the information available, Mirvac may require collateral, such as bank guarantees or security deposits in relation to investment properties, leases or deposits taken on residential sales. Tenant receivables are reviewed throughout the year and if collection is deemed uncertain, a provision is made.

Mirvac may also be subject to credit risk for transactions which are not included in the consolidated SoFP, such as when Mirvac provides a guarantee for another party. Details of the Group's contingent liabilities are disclosed in note 23. The credit risk arising from derivatives transactions and cash held with financial institutions exposes the Group if the contracting entity is unable to complete its obligations under the contracts. Mirvac's policy is to spread the amount of net credit exposure among major financial institutions which are rated the equivalent of A or above from the major rating agencies. Mirvac's net exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties. With regard to mezzanine loans, Mirvac monitors all loans advanced on a continuous basis. Formal procedures are in place, which include the regular review of each loan's status, monitoring of compliance with loan terms and conditions, consideration of historical performance and future outlook of borrowers for realisation. These procedures include the process for the realisation of loans, review and determination of the appropriate carrying value of investments and regular dialogue with the borrowers to ensure material issues are identified as they arise. Refer to note 10.1 for the management of credit risk relating to receivables.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, the ability to close out market positions and the ability to raise funds through the issue of new securities through various means including placements and/or Mirvac's DRP. Mirvac prepares and updates regular forecasts of the Group's liquidity requirements to ensure that committed credit lines are kept available in order to take advantage of growth opportunities. Surplus funds are generally only invested in highly liquid instruments.

i) Financing arrangements

At 30 June 2015, Mirvac has a strong liquidity position with available undrawn facilities and cash of $539.6m. During the year, the Group completed the extension and increase of its unsecured syndicated bank.

ii) Maturities of financial liabilities

Mirvac's maturity of net and gross settled derivative and non-derivative financial instruments is provided in the following table. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Note	Maturing in 1 year or less $m	Over 1 to 2 year(s) $m	Over 2 to 3 years $m	Over 3 to 4 years $m	Over 4 to 5 years $m	Over 5 years $m	Total $m
2015								
Non-interest bearing								
Payables	10.2	673.1	78.0	–	–	35.5	–	**786.6**
Interest bearing								
Unsecured bank loans		18.8	20.3	195.4	217.5	306.4	252.6	**1,011.0**
Domestic MTN		40.5	256.5	217.0	11.5	11.5	205.8	**742.8**
Foreign MTN		28.2	403.6	22.2	156.2	21.9	602.0	**1,234.1**
Derivatives								
Net settled (interest rate swaps)		16.9	16.1	11.7	4.2	0.6	(12.9)	**36.6**
Fixed to floating swaps		(6.8)	(6.5)	(3.0)	–	–	–	**(16.3)**
Gross settled (cross currency swaps)								
– Outflow		18.7	384.4	13.4	147.3	13.0	440.5	**1,017.3**
– (Inflow)		(46.9)	(395.0)	(29.3)	(155.2)	(21.5)	(551.4)	**(1,199.3)**
		742.5	**757.4**	**427.4**	**381.5**	**367.4**	**936.6**	**3,612.8**

14 Financial risk management / continued

	Note	1 year or less $m	Over 1 to 2 year(s) $m	Over 2 to 3 years $m	Over 3 to 4 years $m	Over 4 to 5 years $m	Over 5 years $m	Total $m
		Maturing in						
2014								
Non-interest bearing								
Payables	10.2	505.1	42.1	7.4	–	–	35.5	590.1
Interest bearing								
Unsecured bank loans		24.7	290.6	22.4	339.1	392.3	–	1,069.1
Domestic MTN		257.0	40.5	256.5	217.0	11.5	217.3	999.8
Foreign MTN		47.8	48.1	342.9	32.9	135.9	639.7	1,247.3
Derivatives								
Net settled (interest rate swaps)		13.7	8.6	7.1	3.7	(0.5)	(0.8)	31.8
Fixed to floating swaps		(13.9)	(5.2)	(4.5)	(1.9)	–	–	(25.5)
Gross settled (cross currency swaps)		–	–	–	–	–	–	–
– Outflow		13.3	14.1	378.8	4.7	136.7	–	547.6
– (Inflow)		(38.3)	(38.6)	(323.7)	(24.0)	(127.1)	(469.3)	(1,021.0)
		809.4	400.2	686.9	571.5	548.8	422.4	3,439.2

d) Capital risk

Mirvac's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide returns to securityholders and meet its strategic objectives without increasing its overall risk profile.

In assessing the optimal capital structure, the Group seeks to maintain an investment grade credit rating of BBB+ to reduce the cost of capital and diversify its sources of debt capital.

At 30 June 2015, the gearing ratio (net debt including cross currency swaps to total tangible assets less cash) was 24.3 per cent (2014: 27.8 per cent). The Group's target gearing ratio is 20 to 30 per cent. This may be exceeded in order to take advantage of appropriate opportunities, such as acquisitions as they arise. To manage the Group's gearing ratio, a number of mechanisms are available. These may include adjusting the amount of dividends/distributions paid to securityholders, adjusting the number of securities on issue (via buy-backs), or the disposal of assets.

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

AFSL ratios and Queensland Building licences ratios were complied with at 30 June 2015. Mirvac also complied with all its borrowing covenant ratios at 30 June 2015. The gearing ratios were as follows:

	2015 $m	2014 $m
Net interest bearing debt less cash[1]	**2,505.1**	2,722.2
Total tangible assets less cash	**10,304.7**	9,784.9
Gearing ratio (%)	**24.3**	27.8

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

15 Fair value measurement of financial instruments

i) 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 *Fair Value Measurement* 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).

15 Fair value measurement of financial instruments / continued

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2015 and 30 June 2014 on a recurring basis:

	Note	Level one $m	Level two $m	Level three $m	Total $m
2015					
Assets					
Other financial assets at fair value through profit or loss					
– unlisted securities	13.2	–	–	11.3	**11.3**
Other financial assets [1]	13.3	–	–	264.6	**264.6**
Derivatives used for hedging	13.1	–	175.9	–	**175.9**
		–	**175.9**	**275.9**	**451.8**
Liabilities					
Derivatives used for hedging	13.1	–	88.4	–	**88.4**
		–	**88.4**	**–**	**88.4**
2014					
Assets					
Other financial assets at fair value through profit or loss					
– unlisted securities	13.2	–	–	11.8	11.8
Other financial assets [1]	13.3	–	–	131.4	131.4
Derivatives used for hedging	13.1	–	27.0	–	27.0
		–	27.0	143.2	170.2
Liabilities					
Derivatives used for hedging	13.1	–	111.7	–	111.7
		–	111.7	–	111.7

1) Relates to convertible notes associated with funding Mirvac (Old Treasury) Trust joint venture $95.7m (2014: $79.4m). Convertible notes have been issued to fund the development costs of IPUC held by the Group and they will be converted into equity held by the Group at the end of the development. Also included is the vendor financing arrangement with Blackstone $168.9m (2014: $nil) which relates to partial non-receipt of funds from sale relating to sale of non-aligned assets and Heritage Maintenance Annuity $nil (2014: $52.0m).

There were no transfers between levels one, two and three for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

ii) Valuation techniques used to derive level one, level two and level three fair values

Level one: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. Mirvac holds no level one financial instruments.

Level two: 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. Mirvac 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, where the fair values have been determined based on present values and discount rates used were adjusted for counterparty or own credit or debit adjustments.

Credit value adjustments: these are applied to mark-to-market assets based on the counterparty's credit risk using the observable credit default swaps curve as a benchmark for credit risk.

Debit value adjustments: these are applied to mark-to-market liabilities based on Mirvac's credit risk using Mirvac's credit default swaps curve as a benchmark for credit risk.

Level three: If one or more of the valuation techniques for financial 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.

15 Fair value measurement of financial instruments / continued

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

The following table presents the changes in level three instruments for the year ended 30 June 2015 held by the Group:

	Unlisted securities $m	Other financial assets $m	Total $m
Balance 1 July 2013	12.6	187.1	199.7
Acquisitions	–	41.5	41.5
Equity conversion	–	(97.2)	(97.2)
Loss recognised in other income [1]	(0.8)	–	(0.8)
Balance 30 June 2014	11.8	131.4	143.2
Acquisitions	–	185.2	185.2
Disposal	–	(52.0)	(52.0)
Loss recognised in other income [1]	(0.5)	–	(0.5)
Balance 30 June 2015	**11.3**	**264.6**	**275.9**

1) Unrealised loss for the year included in gain/(loss) on fair value of derivative financial instruments that relate to assets held at the end of the year:

2015	**(0.5)**	**–**	**(0.5)**
2014	(0.8)	–	(0.8)

There were no transfers between the levels of the fair value hierarchy during the year. There were also no changes made to any of the valuation techniques applied as of 30 June 2015.

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

- unlisted securities — fair values of the security unit prices: 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; and
- other financial assets — expected cash inflows: these are determined based on the development management agreement and vendor financing agreement with fixed repayment terms based on fixed interest rate and agreed project costs.

iv) Sensitivity on changes in fair value of level three financial instruments

For sensitivity analysis on level three unlisted securities, refer to note 14(a)(iii).

v) Fair value of other financial instruments

The carrying value of the other short term financial assets and financial liabilities being receivables and payables (set out in note 14) is considered to approximate their fair value.

GROUP STRUCTURE

16 Investments in JVA

	Note	2015 $m	2014 $m
Consolidated SoFP			
Investments accounted for using the equity method			
Investments in associates	16(a)(i)	**–**	0.5
Investments in joint ventures	16(a)(iii)	**562.2**	537.1
		562.2	537.6
Consolidated SoCI			
Share of net profit of JVA accounted for using the equity method			
Investments in associates	16(d)(i)	**(0.5)**	1.2
Investments in joint ventures	16(d)(ii)	**68.5**	45.7
		68.0	46.9

16 Investments in JVA / continued

a) Details of Mirvac's JVA

Investments in JVA are accounted for using the equity method of accounting. All JVA were established or incorporated in Australia. Information relating to JVA is as follows:

i) Associates

Name of entity	Principal activities	Interest 2015 %	Interest 2014 %	Carrying value 2015 $m	Carrying value 2014 $m
Mindarie Keys Joint Venture [1]	Residential development	**–**	15	**–**	–
Mirvac Industrial Trust [2]	Property investment	**–**	14	**–**	0.5
				–	0.5

1) This investment was wound up during the year.
2) This investment was sold on 3 December 2014.

ii) Fair value of listed investments in associates

	2015 $m	2014 $m
Mirvac Industrial Trust	**–**	8.4

iii) Joint ventures

Name of entity	Principal activities	Interest 2015 %	Interest 2014 %	Carrying value 2015 $m	Carrying value 2014 $m
Ascot Chase Nominee Stages 3-5 Pty Ltd	Residential development	**50**	50	**–**	–
Australian Sustainable Forestry Investors 1&2	Forestry and environmental asset management	**60**	60	**0.1**	2.3
BAC Devco Pty Limited [1]	Non-residential development	**33**	33	**–**	–
BL Developments Pty Limited	Residential development	**50**	50	**19.6**	30.9
City West Property Investments (No.1) Trust	Non-residential development	**50**	50	**9.9**	9.7
City West Property Investments (No.2) Trust	Non-residential development	**50**	50	**9.9**	9.7
City West Property Investments (No.3) Trust	Non-residential development	**50**	50	**9.9**	9.7
City West Property Investments (No.4) Trust	Non-residential development	**50**	50	**9.9**	9.7
City West Property Investments (No.5) Trust	Non-residential development	**50**	50	**9.9**	9.7
City West Property Investments (No.6) Trust	Non-residential development	**50**	50	**9.9**	9.7
Domaine Investment Trust [2]	Non-residential development	**–**	50	**–**	–
Ephraim Island Joint Venture	Residential development	**50**	50	**–**	–
Fast Track Bromelton Pty Limited and Nakheel SPV Pty Limited	Non-residential development	**50**	50	**27.3**	27.4
FreeSpirit Resorts Pty Limited	Investment property	**25**	25	**–**	–
Googong Township Unit Trust	Residential development	**50**	50	**34.6**	27.8
Harold Park Real Estate Unit Trust [3]	Real estate agency	**50**	–	**0.1**	–
Infocus Infrastructure Management Pty Limited	Investment property	**50**	50	**0.5**	1.0
Leakes Road Rockbank Unit Trust	Residential development	**50**	50	**13.0**	14.3
Mirvac 8 Chifley Trust	Investment property	**50**	50	**173.1**	157.3
Mirvac Green Square Pty Limited [4]	Residential development	**–**	50	**–**	1.5
Mirvac Lend Lease Village Consortium	Residential development	**50**	50	**0.4**	0.9
Mirvac (Old Treasury) Trust	Investment property	**50**	50	**65.5**	53.6
Mirvac Wholesale Residential Development Partnership Trust	Residential development	**20**	20	**11.0**	21.8
MVIC Finance 2 Pty Limited	Residential development	**50**	50	**–**	–
Tucker Box Hotel Group	Hotel investment	**50**	50	**157.6**	138.5
Walsh Bay Partnership	Residential development	**50**	50	**–**	1.6
				562.2	537.1

1) This entity is in voluntary administration.
2) This entity was wound up on 29 June 2015.
3) This entity was established on 18 August 2014.
4) Previously registered as Green Square Consortium Pty Limited. The remaining 50 per cent interest was acquired by Mirvac on 11 August 2014 and this entity is now a controlled entity.

16 Investments in JVA / continued

b) Share of JVA commitments

Mirvac's share of its JVA commitments which have been approved but not yet provided for at year ended 30 June 2015 are set out below:

	2015 $m	2014 $m
Capital commitments	**–**	–
Total JVA commitments	**–**	–

c) Summarised financial information for JVA

The tables below provide summarised financial information for JVA of the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant JVA and not the Mirvac's share of those amounts.

i) Associates

Summarised consolidated SoFP 2015	Cash and cash equivalents $m	Other current assets $m	Total current assets $m	Total non-current assets $m	Current financial liabilities (excluding trade payables) $m	Other current liabilities $m	Total current liabilities $m	Non-current financial liabilities (excluding trade payables) $m	Other non-current liabilities $m	Total non-current liabilities $m	Net assets $m
Mindarie Keys Joint Venture[1]	–	–	–	–	–	–	–	–	–	–	–
Mirvac Industrial Trust[2]	–	–	–	–	–	–	–	–	–	–	–
	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2014											
Mindarie Keys Joint Venture	0.4	–	0.4	–	–	0.3	0.3	–	–	–	0.1
Mirvac Industrial Trust[3]	16.5	1.1	17.6	219.2	2.9	12.7	15.6	142.3	–	142.3	78.9
	16.9	1.1	18.0	219.2	2.9	13.0	15.9	142.3	–	142.3	79.0

1) This investment was wound up during the year.
2) The investment was sold on 3 December 2014.
3) SoFP based on the latest publicly available financial statements as at 31 December 2013.

Reconciliation to carrying amounts 2015	Opening net assets 1 July $m	Profit/(loss) for the year $m	Other comprehensive income $m	Issue/ (redemption) of equity $m	Distributions paid/ payable $m	Closing net assets $m	Group's share in %	Group's share in $m	Carrying amount $m
Mindarie Keys Joint Venture[1]	–	–	–	–	–	–	–	–	–
Mirvac Industrial Trust[2]	–	–	–	–	–	–	–	–	–
	–	**–**	**–**	**–**	**–**	**–**		**–**	**–**
2014									
Mindarie Keys Joint Venture	5.9	3.5	–	–	(9.3)	0.1	15	–	–
Mirvac Industrial Trust[3]	76.0	(0.3)	3.2	–	–	78.9	14	11.0	0.5
	81.9	3.2	3.2	–	(9.3)	79.0		11.0	0.5

1) This investment was wound up during the year.
2) The investment was sold on 3 December 2014.
3) The investment was written down to $nil in 2009. The impairment on the loan to this investment was released during the year ended 30 June 2012. The Group did not recognise the full share of profit or loss in the investment since it had been fully impaired to $nil.

Summarised consolidated SoCI 2015	Revenue $m	Profit/(loss) for the year $m	Other comprehensive income $m	Total comprehensive income $m	Distributions received/ receivable from associates $m
Mindarie Keys Joint Venture	–	–	–	–	–
Mirvac Industrial Trust	–	–	–	–	–
	–	**–**	**–**	**–**	**–**
2014					
Mindarie Keys Joint Venture	10.5	3.5	–	3.5	1.4
Mirvac Industrial Trust	17.3	(0.3)	3.2	2.9	0.3
	27.8	3.2	3.2	6.4	1.7

16 Investments in JVA / continued

ii) Joint ventures

Summarised consolidated SoFP 2015	Cash and cash equivalents $m	Other current assets $m	Total current assets $m	Total non-current assets $m	Current financial liabilities (excluding trade payables) $m	Other current liabilities $m	Total current liabilities $m	Non-current financial liabilities (excluding trade payables) $m	Other non-current liabilities $m	Total non-current liabilities $m	Net assets $m
Ascot Chase Nominee Stages 3-5 Pty Ltd	2.8	6.2	9.0	11.0	11.0	1.5	12.5	12.3	0.4	12.7	**(5.2)**
Australian Centre for Life Long Learning	–	–	–	–	–	–	–	–	–	–	**–**
Australian Sustainable Forestry Investors 1 & 2	0.2	–	0.2	–	–	–	–	–	–	–	**0.2**
BAC Devco Pty Limited	–	–	–	–	–	–	–	–	–	–	**–**
BL Developments Pty Limited	19.0	4.8	23.8	28.8	–	0.4	0.4	–	–	–	**52.2**
City West Property Investments (No. 1 to 6) Trusts	0.3	1.9	2.2	116.3	–	–	–	–	–	–	**118.5**
Domaine Investment Trust	–	–	–	–	–	–	–	–	–	–	**–**
Ephraim Island Joint Venture	0.1	0.2	0.3	–	–	0.1	0.1	–	–	–	**0.2**
Fast Track Bromelton Pty Limited and Nakheel SPV Pty Limited	2.3	0.1	2.4	62.6	–	0.1	0.1	–	–	–	**64.9**
FreeSpirit Resorts Pty Limited	0.5	4.1	4.6	25.7	0.3	7.6	7.9	29.8	–	29.8	**(7.4)**
Googong Township Unit Trust	–	53.2	53.2	134.3	21.7	77.4	99.1	14.6	–	14.6	**73.8**
Harold Park Real Estate Unit Trust	0.5	(0.2)	0.3	–	–	0.2	0.2	–	–	–	**0.1**
Infocus Infrastructure Management Pty Limited	1.6	0.1	1.7	–	–	0.6	0.6	–	–	–	**1.1**
Leakes Road Rockbank Unit Trust	2.0	0.6	2.6	48.7	–	0.2	0.2	–	25.0	25.0	**26.1**
Mirvac 8 Chifley Trust	2.5	0.5	3.0	379.2	–	3.0	3.0	–	–	–	**379.2**
Mirvac Green Square Pty Limited	–	–	–	–	–	–	–	–	–	–	**–**
Mirvac Lend Lease Village Consortium	4.0	–	4.0	–	–	3.5	3.5	–	–	–	**0.5**
Mirvac (Old Treasury) Trust	66.3	0.1	66.4	264.4	–	(1.6)	(1.6)	191.4	–	191.4	**141.0**
Mirvac Wholesale Residential Development Partnership Trust	36.5	103.7	140.2	51.1	23.0	60.3	83.3	36.0	–	36.0	**72.0**
MVIC Finance 2 Pty Limited	0.1	–	0.1	–	–	–	–	–	–	–	**0.1**
Tucker Box Hotel Group	1.2	6.7	7.9	472.5	1.7	7.9	9.6	153.7	0.9	154.6	**316.2**
Walsh Bay Partnership	–	–	–	–	–	–	–	–	–	–	**–**
	139.9	**182.0**	**321.9**	**1,594.6**	**57.7**	**161.2**	**218.9**	**437.8**	**26.3**	**464.1**	**1,233.5**

2014											
Ascot Chase Nominee Stages 3-5 Pty Ltd	26.7	8.3	35.0	15.3	11.7	4.5	16.2	36.9	(0.1)	36.8	(2.7)
Australian Centre for Life Long Learning	0.7	89.7	90.4	0.1	–	40.1	40.1	35.2	–	35.2	15.2
Australian Sustainable Forestry Investors 1 & 2	5.5	–	5.5	–	–	–	–	–	–	–	5.5
BAC Devco Pty Limited	–	–	–	–	–	–	–	–	–	–	–
BL Developments Pty Limited	35.1	5.1	40.2	35.4	–	0.7	0.7	–	(0.5)	(0.5)	75.4
City West Property Investments (No. 1 to 6) Trusts	0.3	4.4	4.7	112.4	–	0.1	0.1	–	–	–	117.0
Domaine Investment Trust	–	–	–	–	–	–	–	–	–	–	–
Ephraim Island Joint Venture	0.4	–	0.4	–	–	0.2	0.2	–	–	–	0.2
Fast Track Bromelton Pty Limited and Nakheel SPV Pty Limited	2.7	–	2.7	62.3	–	0.1	0.1	–	–	–	64.9
FreeSpirit Resorts Pty Limited	0.2	4.1	4.3	1.0	0.3	7.2	7.5	3.5	–	3.5	(5.7)
Googong Township Unit Trust	–	32.0	32.0	103.4	14.9	11.7	26.6	6.7	39.0	45.7	63.1
Green Square Consortium Pty Limited	1.5	1.5	3.0	16.7	4.8	11.4	16.2	–	0.4	0.4	3.1
HPAL Freehold Pty Limited	–	–	–	–	–	–	–	–	–	–	–
Infocus Infrastructure Management Pty Limited	2.1	0.1	2.2	–	–	0.2	0.2	–	–	–	2.0
Leakes Road Rockbank Unit Trust	1.0	–	1.0	32.0	–	1.1	1.1	–	3.3	3.3	28.6
Mirvac 8 Chifley Trust	0.2	0.4	0.6	347.6	–	0.5	0.5	–	–	–	347.7
Mirvac Lend Lease Village Consortium	4.3	–	4.3	–	–	2.1	2.1	–	–	–	2.2
Mirvac (Old Treasury) Trust	151.5	0.2	151.7	124.2	–	(0.2)	(0.2)	158.9	–	158.9	117.2
Mirvac Wholesale Residential Development Partnership Trust	35.0	69.0	104.0	108.1	–	9.7	9.7	76.7	–	76.7	125.7
MVIC Finance 2 Pty Limited	0.1	–	0.1	–	–	–	–	–	–	–	0.1
Tucker Box Hotel Group	4.8	7.2	12.0	423.6	2.8	7.5	10.3	146.2	1.1	147.3	278.0
Walsh Bay Partnership	–	0.6	0.6	–	–	2.6	2.6	–	–	–	(2.0)
	272.1	222.6	494.7	1,382.1	34.5	99.5	134.0	464.1	43.2	507.3	1,235.5

16 Investments in JVA / continued

Reconciliation to carrying amounts 2015	Opening net assets 1 July $m	(Loss)/ profit for the year $m	Other compre-hensive income $m	Issue/ (return) of equity $m	Distributions paid/ payable $m	Closing net assets $m	Group's share %	Group's share in $m	Carrying amount $m
Ascot Chase Nominee Stages 3-5 Pty Ltd[1]	(2.7)	(2.5)	–	–	–	(5.2)	50	(2.6)	–
Australian Sustainable Forestry Investors 1 & 2	5.5	–	–	–	(5.3)	0.2	60	0.1	0.1
BAC Devco Pty Limited	–	–	–	–	–	–	33	–	–
BL Developments Pty Limited[2]	75.4	0.2	–	–	(23.4)	52.2	50	26.1	19.6
City West Property Investments (No. 1 to 6) Trusts	117.0	1.5	–	–	–	118.5	50	59.3	59.4
Domaine Investment Trust	–	–	–	–	–	–	–	–	–
Ephraim Island Joint Venture	0.2	–	–	–	–	0.2	50	0.1	–
Fast Track Bromelton Pty Limited and Nakheel SPV Pty Limited[2]	64.9	–	–	–	–	64.9	50	32.5	27.3
FreeSpirit Resorts Pty Limited	(5.7)	(1.7)	–	–	–	(7.4)	25	(1.9)	–
Googong Township Unit Trust[3]	63.1	8.3	2.4	–	–	73.8	50	36.9	34.6
Harold Park Real Estate Unit Trust	–	(0.4)	–	0.5	–	0.1	50	0.1	0.1
Infocus Infrastructure Management Pty Limited	2.0	1.1	–	–	(2.0)	1.1	50	0.6	0.5
Leakes Road Rockbank Unit Trust	28.6	(2.5)	–	–	–	26.1	50	13.1	13.0
Mirvac 8 Chifley Trust[2]	347.7	53.7	–	–	(22.2)	379.2	50	189.6	173.1
Mirvac Green Square Pty Limited	3.1	–	–	(3.1)	–	–	–	–	–
Mirvac Lend Lease Village Consortium	2.2	–	–	–	(1.7)	0.5	50	0.3	0.4
Mirvac (Old Treasury) Trust[2]	117.2	4.2	–	23.6	(4.0)	141.0	50	70.5	65.5
Mirvac Wholesale Residential Development Partnership Trust[2]	125.7	3.1	–	(56.8)	–	72.0	20	14.4	11.0
MVIC Finance 2	0.1	–	–	–	–	0.1	50	0.1	–
Tucker Box Hotel Group	278.0	64.8	–	–	(26.6)	316.2	50	158.1	157.6
Walsh Bay Partnership	(2.0)	(4.3)	–	6.3	–	–	50	–	–
	1,235.5	**125.5**	**(21.2)**	**(21.1)**	**(85.2)**	**1,233.5**		**597.3**	**562.2**

2014	Opening net assets 1 July $m	(Loss)/ profit for the year $m	Other compre-hensive income $m	Issue/ (return) of equity $m	Distributions paid/ payable $m	Closing net assets $m	Group's share %	Group's share in $m	Carrying amount $m
Ascot Chase Nominee Stages 3-5 Pty Ltd[1]	(0.8)	(1.9)	–	–	–	(2.7)	50	(1.4)	–
Australian Centre for Life Long Learning[4]	14.9	0.3	–	–	–	15.2	–	–	–
Australian Sustainable Forestry Investors 1 & 2[5]	31.7	(13.7)	–	(12.5)	–	5.5	60	3.3	2.3
BAC Devco Pty Limited	–	–	–	–	–	–	33	–	–
BL Developments Pty Limited[2]	74.5	0.9	–	–	–	75.4	50	37.7	30.9
City West Property Investments (No. 1 to 6) Trusts	115.2	1.8	–	–	–	117.0	50	58.5	58.2
Domaine Investment Trust	(5.2)	5.2	–	–	–	–	50	–	–
Ephraim Island Joint Venture	7.1	(2.0)	–	–	(4.9)	0.2	50	0.1	–
Fast Track Bromelton Pty Limited and Nakheel SPV Pty Limited[2]	64.8	0.1	–	–	–	64.9	50	32.5	27.4
FreeSpirit Resorts Pty Limited	(4.6)	(1.1)	–	–	–	(5.7)	25	(1.4)	–
Googong Township Unit Trust[6]	52.0	11.1	–	–	–	63.1	50	31.6	27.8
Green Square Consortium Pty Limited	–	0.1	–	3.0	–	3.1	50	1.6	1.5
HPAL Freehold Pty Limited[7]	15.0	(14.7)	–	(0.3)	–	–	–	–	–
Infocus Infrastructure Management Pty Limited	1.2	1.2	–	–	(0.4)	2.0	50	1.0	1.0
Leakes Road Rockbank Unit Trust	28.3	0.3	–	–	–	28.6	50	14.3	14.3
Mirvac 8 Chifley Trust[2]	84.2	12.9	–	250.6	–	347.7	50	173.9	157.3
Mirvac Lend Lease Village Consortium	2.3	(0.1)	–	–	–	2.2	50	1.1	0.9
Mirvac (Old Treasury) Trust[2]	70.3	3.5	–	45.7	(2.3)	117.2	50	58.6	53.6
Mirvac Wholesale Residential Development Partnership Trust[2]	120.0	25.0	–	(19.3)	–	125.7	20	25.1	21.8
MVIC Finance 2 Pty Limited	0.1	–	–	–	–	0.1	50	0.1	–
Tucker Box Hotel Group	244.1	58.7	–	–	(24.8)	278.0	50	139.0	138.5
Walsh Bay Partnership	(0.1)	–	–	(1.9)	–	(2.0)	50	(1.0)	1.6
	915.0	87.6	–	265.3	(32.4)	1,235.5		574.6	537.1

1) The investment is in an asset deficiency position and the Group has taken the amount to its liability on the consolidated SoFP.
2) The difference between the carrying amount and the Group's share in the net assets of its investment is a result of elimination due to the Group's transactions with its investment.
3) The difference between the carrying amount and the Group's share in the net assets of its investment is due to the fair value adjustment of the loan not taken up by the Group.
4) The Group disposed of this investment during the year.
5) The investment has disposed of its assets and made a part repayment of capital to its investors. The remaining of the capital will be repaid in FY15. The Group is still holding part of the provision previously made against this investment. As a result, the carrying amount is less than Group's entitlement to the net asset of the investment.
6) The difference between the carrying amount and the Group's share in the net assets of its investment is due to a different methodology on allocation of cost of goods sold upon settlements of project lots in the joint venture.
7) This investment was deregistered on 5 September 2013.

16 Investments in JVA / continued

Summarised consolidated SoCI 2015	Revenue $m	Interest income $m	Depreciation and amortis-ation $m	Interest expense $m	Income tax expense $m	(Loss)/ profit for the year $m	Other compre-hensive income $m	Total compre-hensive income $m	Distributions received/ receivable from joint ventures $m
Ascot Chase Nominee Stages 3-5 Pty Ltd	16.1	2.0	–	5.7	(1.1)	(2.5)	–	(2.5)	–
Australian Centre for Life Long Learning	–	–	–	–	–	–	(23.6)	(23.6)	–
Australian Sustainabe Forestry Investors 1 & 2	–	–	–	–	–	–	–	–	3.2
BAC Devco Pty Limited	–	–	–	–	–	–	–	–	–
BL Developments Pty Limited	9.4	0.9	–	0.2	–	0.7	–	0.7	11.7
City West Property Investments (No. 1 to 6) Trusts	1.9	–	–	–	–	1.7	–	1.7	–
Domaine Investment Trust	–	–	–	–	–	–	–	–	–
Ephraim Island Joint Venture	–	–	–	–	–	–	–	–	–
Fast Track Bromelton Pty Limited and Nakheel SPV Pty Limited	0.1	0.1	–	–	–	–	–	–	–
FreeSpirit Resorts Pty Limited	6.3	–	–	–	–	(1.8)	–	(1.8)	–
Googong Township Unit Trust	50.4	0.2	0.3	2.2	(0.1)	8.4	2.4	10.8	–
Harold Park Real Estate Unit Trust	0.3	–	–	–	–	(0.4)	–	(0.4)	–
Infocus Infrastructure Management Pty Limited	1.7	–	–	–	0.5	1.1	–	1.1	1.0
Leakes Road Rockbank Unit Trust	–	–	–	–	–	(2.6)	–	(2.6)	–
Mirvac 8 Chifley Trust	57.8	–	–	–	–	53.7	–	53.7	11.1
Mirvac Green Square Pty Limited	–	–	–	–	–	–	–	–	–
Mirvac Lend Lease Village Consortium	0.1	0.1	–	–	–	–	–	–	–
Mirvac (Old Treasury) Trust	4.2	3.4	–	–	–	4.2	–	4.2	1.9
Mirvac Wholesale Residential Development Partnership Trust	73.9	0.4	–	6.2	–	1.8	–	1.8	–
Tucker Box Hotel Group	74.1	0.1	–	8.0	0.1	64.0	–	64.0	13.3
Walsh Bay Partnership	–	–	–	–	–	(0.7)	–	(0.7)	–
	296.3	**7.2**	**0.3**	**22.3**	**(0.6)**	**127.6**	**(21.2)**	**106.4**	**42.2**
2014									
Ascot Chase Nominee Stages 3-5 Pty Ltd	25.5	3.5	–	7.1	(0.8)	(1.9)	–	(1.9)	–
Australian Centre for Life Long Learning	0.3	–	–	–	–	0.2	–	0.2	–
Australian Sustainable Forestry Investors 1 & 2	2.1	0.1	–	1.2	–	0.2	–	0.2	–
BAC Devco Pty Limited	–	–	–	–	–	–	–	–	–
BL Developments Pty Limited	13.5	0.6	–	0.2	–	(0.5)	–	(0.5)	–
City West Property Investments (No. 1 to 6) Trusts	1.6	–	–	–	–	1.4	–	1.4	–
Domaine Investment Trust	–	–	–	–	–	–	–	–	–
Ephraim Island Joint Venture	8.4	–	–	(0.6)	–	(2.0)	–	(2.0)	2.4
Fast Track Bromelton Pty Limited and Nakheel SPV Pty Limited	0.1	0.1	–	–	–	0.1	–	0.1	–
FreeSpirit Resorts Pty Limited	10.2	–	–	–	–	(0.7)	–	(0.7)	–
Googong Township Unit Trust	72.8	0.2	0.1	0.6	–	11.1	–	11.1	–
Green Square Consortium Pty Limited	(1.4)	0.1	–	–	–	–	–	–	–
HPAL Freehold Pty Limited	–	–	–	–	–	–	–	–	–
Infocus Infrastructure Management Pty Limited	1.7	–	–	–	0.5	1.2	–	1.2	0.2
Leakes Road Rockbank Unit Trust	–	–	–	0.3	–	0.4	–	0.4	–
Mirvac 8 Chifley Trust	32.7	–	–	16.7	–	12.8	–	12.8	–
Mirvac Lend Lease Village Consortium	0.1	–	–	–	–	0.1	–	0.1	–
Mirvac (Old Treasury) Trust	3.5	3.0	–	–	–	3.5	–	3.5	1.2
Mirvac Wholesale Residential Development Partnership Trust	251.4	0.5	–	21.0	–	25.0	–	25.0	–
MVIC Finance 2 Pty Limited	–	–	–	–	–	–	–	–	–
Tucker Box Hotel Group	68.5	0.1	–	10.0	0.1	58.6	–	58.6	12.4
Walsh Bay Partnership	–	–	–	–	–	–	–	–	–
	491.0	8.2	0.1	56.5	(0.2)	109.5	–	109.5	16.2

16 Investments in JVA / continued

d) Reconciliation of the carrying amount of investments in JVA

i) Associates

	2015 $m	2014 $m
Movements in carrying amount		
Balance 1 July	**0.5**	0.5
Distributions received/receivable	**–**	(1.7)
Share of profit from ordinary operating activities	**(0.5)**	1.2
Other	**–**	0.5
Balance 30 June	**–**	0.5

ii) Joint ventures

	2015 $m	2014 $m
Movements in carrying amount		
Balance 1 July	**537.1**	379.4
Equity acquired	**15.2**	151.3
Repayment of capital	**(11.8)**	(11.4)
Distributions received/receivable	**(42.2)**	(16.2)
Deferred revenue eliminated	**–**	(12.3)
Share of profit from ordinary operating activities	**68.5**	45.7
Transfers to investment in controlled entities	**(1.5)**	–
Other	**(3.1)**	0.6
Balance 30 June	**562.2**	537.1

e) Investment in associates accounted for at fair value

Name of entity	Principal activities	Interest **2015 %**	Interest 2014 %	**2015 $m**	2014 $m
JF Infrastructure Yield Fund	Infrastructure	**22**	22	**11.3**	11.8

For information about the methods and assumptions used in determining the fair value of other financial assets at fair value through profit or loss, refer to note 15.

f) Impairment of investments

In the year ended 30 June 2015, there was no impairment provision taken against the carrying value of the investments in JVA (2014: $nil). Investments in JVA are reviewed at the end of each reporting period for any impairment and written off to the extent that the future benefits are no longer probable and do not support the carrying value of the investment.

g) Investments in unconsolidated structured entities

Mirvac is not contractually obliged to provide financial support to its unconsolidated structured entities.

Mirvac invests in a number of funds and trusts. These investments are open-end and closed-end investment funds and trusts which invest in infrastructure and industrial real estate for the purpose of capital appreciation and/or to earn investment income. The investees finance their operations through borrowings and through equity issues. Material unconsolidated structured entities include the following:

- JF Infrastructure Yield Fund; and
- ASFI.

As Mirvac does not provide financial support, the exposure of Mirvac is equal to the carrying value being $11.4m (2014: $14.6m).

17 Controlled entities and deed of cross guarantee

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 30(a):

Name of entity	Country of establishment/ incorporation	Class of units/shares	Equity holding 2015 %	2014 %
a) Interests in controlled entities of Mirvac				
107 Mount Street Head Trust	Australia	Units	**100**	100
107 Mount Street Sub Trust	Australia	Units	**100**	100
197 Salmon Street Pty Limited [1]	Australia	Ordinary	**100**	100
A.C.N. 087 773 859 Pty Limited [1]	Australia	Ordinary	**100**	100
A.C.N. 110 698 603 Pty Limited [1]	Australia	Ordinary	**100**	100
A.C.N. 150 521 583 Pty Limited [1]	Australia	Ordinary	**100**	100
A.C.N. 165 515 515 Pty Limited [1]	Australia	Ordinary	**100**	100
Banksia Unit Trust	Australia	Units	**100**	100
CN Collins Pty Limited [1]	Australia	Ordinary	**100**	100
Domaine Investments Management Pty Limited	Australia	Ordinary	**50**	50
Fast Track Bromelton Pty Limited [1]	Australia	Ordinary	**100**	100
Ford Mirvac Unit Trust	Australia	Units	**100**	100
Fyfe Road Pty Limited [1]	Australia	Ordinary	**100**	100
Gainsborough Greens Pty Limited [1]	Australia	Ordinary	**100**	100
Hexham Project Pty Limited [1]	Australia	Ordinary	**100**	100
HIR Boardwalk Tavern Pty Limited [1]	Australia	Ordinary	**100**	100
HIR Golf Club Pty Limited [1]	Australia	Ordinary	**100**	100
HIR Golf Course Pty Limited [1]	Australia	Ordinary	**100**	100
HIR Property Management Holdings Pty Limited [1]	Australia	Ordinary	**100**	100
HIR Tavern Freehold Pty Limited [1]	Australia	Ordinary	**100**	100
Hoxton Park Airport Limited [1]	Australia	Ordinary	**100**	100
HPAL Holdings Pty Limited [1]	Australia	Ordinary	**100**	100
Industrial Commercial Property Solutions (Constructions) Pty Limited [1]	Australia	Ordinary	**100**	100
Industrial Commercial Property Solutions (Finance) Pty Limited [1]	Australia	Ordinary	**100**	100
Industrial Commercial Property Solutions (Holdings) Pty Limited [1]	Australia	Ordinary	**100**	100
Industrial Commercial Property Solutions (Queensland) Pty Limited [1]	Australia	Ordinary	**100**	100
Industrial Commercial Property Solutions Pty Limited [1]	Australia	Ordinary	**100**	100
JF ASIF Pty Limited [1]	Australia	Ordinary	**100**	100
Magenta Shores Finance Pty Limited [1]	Australia	Ordinary	**100**	100
Magenta Shores Unit Trust	Australia	Units	**100**	100
Magenta Unit Trust	Australia	Units	**100**	100
MFM US Real Estate Inc	United States	Ordinary	**100**	100
MGR US Real Estate Inc	United States	Ordinary	**100**	100
Mirvac (Beacon Cove) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac (Docklands) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac (Old Treasury Development Manager) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac (Old Treasury) Pty Limited	Australia	Ordinary	**50**	50
Mirvac (Old Treasury Hotel) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac (WA) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac (Walsh Bay) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac 8 Chifley Pty Limited	Australia	Ordinary	**50**	50
Mirvac Advisory Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Aero Company Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac AOP SPV Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Blue Trust	Australia	Units	**100**	100
Mirvac Birkenhead Point Marina Pty Limited [1,2]	Australia	Ordinary	**100**	–
Mirvac Capital Investments Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Capital Office Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Capital Partners Limited [3]	Australia	Ordinary	**100**	100
Mirvac Capital Partners Investment Management Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Capital Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Chifley Holdings Pty Limited	Australia	Ordinary	**100**	100
Mirvac Commercial Funding Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Commercial Sub SPV Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Constructions (Homes) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Constructions (QLD) Pty Limited [1]	Australia	Ordinary	**100**	100

17 Controlled entities and deed of cross guarantee / continued

Name of entity	Country of establishment/ incorporation	Class of units/shares	Equity holding 2015 %	2014 %
Mirvac Constructions (SA) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Constructions (VIC) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Constructions (WA) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Constructions Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Design Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Developments Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Doncaster Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Elderslie Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac ESAT Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Finance Limited [1]	Australia	Ordinary	**100**	100
Mirvac Funds Limited [3]	Australia	Ordinary	**100**	100
Mirvac Funds Management Limited [3]	Australia	Ordinary	**100**	100
Mirvac George Street Holdings Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac George Street Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Green Square Pty Limited [4]	Australia	Ordinary	**100**	50
Mirvac Green Trust	Australia	Units	**100**	100
Mirvac Group Finance Limited [1]	Australia	Ordinary	**100**	100
Mirvac Group Funding Limited [1]	Australia	Ordinary	**100**	100
Mirvac Harbourtown Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Harold Park Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Harold Park Trust	Australia	Units	**100**	100
Mirvac Holdings (WA) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Holdings Limited [1]	Australia	Ordinary	**100**	100
Mirvac Home Builders (VIC) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Homes (NSW) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Homes (QLD) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Homes (SA) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Homes (VIC) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Homes (WA) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Hotel Services Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac ID (Bromelton) Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac ID (Bromelton) Sponsor Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Industrial Developments Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac International (Middle East) No. 2 Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac International (Middle East) No. 3 Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac International Investments Limited [1]	Australia	Ordinary	**100**	100
Mirvac International No. 3 Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac JV's Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Kent Street Holdings Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Mandurah Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac National Developments Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Newcastle Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Old Treasury Holdings Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Pacific Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Parking Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Parklea Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Precinct 2 Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Procurement Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Projects Dalley Street Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Projects Dalley Street Trust	Australia	Units	**100**	100
Mirvac Projects George Street Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Projects George Street Trust	Australia	Units	**100**	100
Mirvac Projects No. 2 Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Projects Norwest Trust [2]	Australia	Units	**100**	–
Mirvac Projects Norwest No. 2 Trust [2]	Australia	Units	**100**	–
Mirvac Projects Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Projects (Retail and Commercial) Pty Ltd [1,5]	Australia	Ordinary	**100**	100
Mirvac Projects Trust [2]	Australia	Units	**100**	–
Mirvac Properties Pty Limited [1]	Australia	Ordinary	**100**	100

17 Controlled entities and deed of cross guarantee / continued

Name of entity	Country of establishment/ incorporation	Class of units/shares	Equity holding 2015 %	2014 %
Mirvac Property Advisory Services Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Property Services Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Queensland Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Real Estate Debt Funds Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Real Estate Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac REIT Management Limited [3]	Australia	Ordinary	**100**	100
Mirvac Retail Head SPV Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Retail Sub SPV Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Rockbank Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Services Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac St Leonards Pty Limited [2]	Australia	Ordinary	**100**	–
Mirvac St Leonards Trust [2]	Australia	Units	**100**	–
Mirvac South Australia Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Spare Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Spring Farm Limited [1]	Australia	Ordinary	**100**	100
Mirvac SPV 1 Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Trademarks Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Treasury Limited [1]	Australia	Ordinary	**100**	100
Mirvac Treasury No. 3 Limited [1]	Australia	Ordinary	**100**	100
Mirvac Victoria Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Waterloo Pty Limited [1]	Australia	Ordinary	**100**	100
Mirvac Wholesale Funds Management Limited [1]	Australia	Ordinary	**100**	100
Mirvac Wholesale Industrial Developments Limited [1]	Australia	Ordinary	**100**	100
Mirvac Woolloomooloo Pty Limited [1]	Australia	Ordinary	**100**	100
MRV Hillsdale Pty Limited [1]	Australia	Ordinary	**100**	100
MWID (Brendale) Pty Limited [1]	Australia	Ordinary	**100**	100
MWID (Brendale) Unit Trust	Australia	Units	**100**	100
MWID (Mackay) Pty Limited [1]	Australia	Ordinary	**100**	100
Newington Homes Pty Limited [1]	Australia	Ordinary	**100**	100
Oakstand No. 15 Hercules Street Pty Limited [1]	Australia	Ordinary	**100**	100
Pigface Unit Trust	Australia	Units	**100**	100
Planned Retirement Living Pty Limited [1]	Australia	Ordinary	**100**	100
Rovno Pty Limited	Australia	Ordinary	**100**	100
Spring Farm Finance Pty Limited [1]	Australia	Ordinary	**100**	100
Springfield Development Company Pty Limited [1]	Australia	Ordinary	**100**	100
SPV Magenta Pty Limited [1]	Australia	Ordinary	**100**	100
Suntrack Holdings Pty Limited	Australia	Ordinary	**100**	100
Suntrack Property Trust	Australia	Units	**100**	100
Taree Shopping Centre Pty Limited	Australia	Ordinary	**100**	100
TMT Finance Pty Limited1	Australia	Ordinary	**100**	100
Tucker Box Management Pty Limited [1]	Australia	Ordinary	**100**	100
b) Interests in controlled entities of MPT				
10-20 Bond Street Trust	Australia	Units	**100**	100
1900-2000 Pratt Inc.	United States	Ordinary	**100**	100
197 Salmon Street Trust	Australia	Units	**100**	100
275 Kent Street Holding Trust	Australia	Units	**100**	100
367 Collins Street Trust	Australia	Units	**100**	100
367 Collins Street No. 2 Trust	Australia	Units	**100**	100
380 St Kilda Road Trust [6]	Australia	Units	**100**	100
477 Collins Street No. 1 Trust	Australia	Units	**100**	100
477 Collins Street No. 2 Trust	Australia	Units	**100**	100
Australian Office Partnership Trust	Australia	Units	**100**	100
Cannon Hill Office Trust [7]	Australia	Units	**–**	100
Chifley Holding Trust	Australia	Units	**100**	100
George Street Holding Trust	Australia	Units	**100**	100
James Fielding Trust	Australia	Units	**100**	100
JF Infrastruture — Sustainable Equity Fund	Australia	Units	**100**	100
JFIF Victorian Trust	Australia	Units	**100**	100
JFM Hotel Trust	Australia	Units	**100**	100

17 Controlled entities and deed of cross guarantee / continued

Name of entity	Country of establishment/ incorporation	Class of units/shares	Equity holding 2015 %	2014 %
Meridian Investment Trust No. 1	Australia	Units	**100**	100
Meridian Investment Trust No. 2	Australia	Units	**100**	100
Meridian Investment Trust No. 3	Australia	Units	**100**	100
Meridian Investment Trust No. 4	Australia	Units	**100**	100
Meridian Investment Trust No. 5	Australia	Units	**100**	100
Meridian Investment Trust No. 6	Australia	Units	**100**	100
Mirvac 210 George Street Trust [8]	Australia	Units	**–**	100
Mirvac 220 George Street Trust [8]	Australia	Units	**–**	100
Mirvac 90 Collins Street Trust	Australia	Units	**100**	100
Mirvac Allendale Square Trust	Australia	Units	**100**	100
Mirvac Bourke Street No.1 Sub-Trust	Australia	Units	**100**	100
Mirvac Bourke Street No.2 Sub-Trust	Australia	Units	**100**	100
Mirvac Broadway Sub-Trust	Australia	Units	**100**	100
Mirvac Capital Partners 1 Trust	Australia	Units	**100**	100
Mirvac Collins Street Trust No.1 Sub-Trust	Australia	Units	**100**	100
Mirvac Collins Street Trust No.2 Sub-Trust	Australia	Units	**100**	100
Mirvac Commercial Trust	Australia	Units	**100**	100
Mirvac Commercial No.1 Sub Trust [9]	Australia	Units	**–**	100
Mirvac Commercial No.3 Sub Trust	Australia	Units	**100**	100
Mirvac Funds Finance Pty Limited	Australia	Ordinary	**100**	100
Mirvac Funds Loan Note Pty Limited	Australia	Ordinary	**100**	100
Mirvac Glasshouse Sub-Trust	Australia	Units	**100**	100
Mirvac Group Funding No.2 Limited	Australia	Ordinary	**100**	100
Mirvac Group Funding No.3 Pty Limited	Australia	Ordinary	**100**	100
Mirvac Harbourside Sub Trust	Australia	Units	**100**	100
Mirvac Industrial Fund	Australia	Units	**100**	100
Mirvac Industrial No. 1 Sub Trust	Australia	Units	**100**	100
Mirvac Industrial No. 2 Sub Trust	Australia	Units	**100**	100
Mirvac Office Trust [7]	Australia	Units	**–**	100
Mirvac Pitt Street Trust	Australia	Units	**100**	100
Mirvac Property Trust No.3 [2]	Australia	Units	**100**	–
Mirvac Property Trust No.4 [2]	Australia	Units	**100**	–
Mirvac Property Trust No.5 [2]	Australia	Units	**100**	–
Mirvac Property Trust No.6 [2]	Australia	Units	**100**	–
Mirvac Property Trust No.7 [2]	Australia	Units	**100**	–
Mirvac Real Estate Investment Trust	Australia	Units	**100**	100
Mirvac Retail Head Trust	Australia	Units	**100**	100
Mirvac Retail Sub-Trust No. 1	Australia	Units	**100**	100
Mirvac Retail Sub-Trust No. 2	Australia	Units	**100**	100
Mirvac Retail Sub-Trust No. 3 [2]	Australia	Units	**100**	–
Mirvac Retail Sub-Trust No. 4 [2]	Australia	Units	**100**	–
Mirvac Rhodes Sub-Trust	Australia	Units	**100**	100
Old Treasury Holding Trust	Australia	Units	**100**	100
Pennant Hills Office Trust	Australia	Units	**100**	100
Springfield Regional Shopping Centre Trust	Australia	Units	**100**	100
The George Street Trust	Australia	Units	**100**	100
The Mulgrave Trust	Australia	Units	**100**	100
WOT CMBS Pty Ltd [7]	Australia	Ordinary	**–**	100
WOT Holding Trust [7]	Australia	Units	**–**	100
WOT Loan Note Pty Ltd [7]	Australia	Ordinary	**–**	100
WOW Office Trust [7]	Australia	Units	**–**	100

1) These subsidiaries have been granted relief as at 30 June 2015 from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by ASIC.
2) These entities were established/registered during the year ended 30 June 2015.
3) These entities are included in the deed of cross guarantee; however, they are still required to lodge separate financial statements.
4) Previously registered as Green Square Consortium Pty Limited. The remaining 50 per cent was acquired by Mirvac on 11 August 2014 and this entity is now a controlled entity.
5) Previously registered as A.C.N. 151 466 241 Pty Ltd.
6) One unit on issue held by Mirvac Limited as custodian for MPT.
7) These entities were deregistered/wound up during the year ended 30 June 2015.
8) On 22 June 2015, 100 per cent of the units in these trusts were sold to an external party.
9) On 30 April 2014, 100 per cent of the units in this trust were exchanged for sale. Settlement occurred on 1 July 2014.

17 Controlled entities and deed of cross guarantee / continued

c) Entities subject to class order

Certain wholly-owned companies incorporated in Australia are permitted to be parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned companies can be relieved from the requirements among other things to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by ASIC. The entities included at 30 June 2015 are listed in note 17(a). Companies identified in note 17(a) as being included in the Class Order are a "closed group" for the purpose of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by the parent entity, they also represent the "extended closed group". As a condition of the Class Order, the companies have entered into a deed of cross guarantee. The effect of the deed is that Mirvac Limited has guaranteed to pay any deficiency in the event of winding up of a company in the closed group. The companies in the closed group also have given a similar guarantee in the event that Mirvac Limited is wound up. The consolidated SoCI, a summary of movements in consolidated retained earnings and the consolidated SoFP for the year ended 30 June 2015 of the entities which are members of the closed group are as follows:

Consolidated SoCI	**2015 $m**	2014 $m
Revenue from continuing operations		
Investment properties rental revenue	**19.7**	16.4
Investment management fee revenue	**35.7**	33.1
Development and construction revenue	**694.9**	1,269.6
Development management fee revenue	**13.5**	15.9
Interest revenue	**70.7**	42.9
Other revenue	**8.2**	7.2
Total revenue from continuing operations	**842.7**	1,385.1
Other income		
Net gain on fair value of investment properties	**15.1**	7.5
Share of net profit of JVA accounted for using the equity method	**7.3**	9.4
Gain on fair value of derivative financial instruments	**187.6**	7.3
Foreign exchange gain	**–**	7.2
Net gain on sale of investment properties	**43.8**	0.3
Total other income	**253.8**	31.7
Total revenue from continuing operations and other income	**1,096.5**	1,416.8
Net loss on sale of investment properties	**0.2**	–
Net loss on sale of PPE	**0.3**	0.2
Foreign exchange loss	**178.6**	–
Investment properties expenses	**6.7**	4.9
Cost of property development and construction	**585.7**	1,038.0
Employee benefits expenses	**119.8**	104.5
Depreciation and amortisation expenses	**4.7**	4.5
Impairment of loans, investments and inventories	**(0.1)**	(1.2)
Finance costs	**109.4**	112.4
Loss on fair value of derivative financial instruments	**8.8**	25.5
Selling and marketing expenses	**35.0**	24.4
Other expenses	**61.3**	53.9
(Loss)/profit from continuing operations before income tax	**(13.9)**	49.7
Income tax expense	**(18.1)**	(22.7)
(Loss)/profit for the year	**(32.0)**	27.0

Summary of movements in consolidated retained earnings	**2015 $m**	2014 $m
Movements in retained earnings		
Balance 1 July	**(1,372.7)**	(1,402.8)
(Loss)/profit for the year	**(32.0)**	27.0
SBP	**1.5**	(1.5)
Retained loss from subsidiaries joining the group	**(60.1)**	–
Transfer in from reserves	**–**	4.6
Balance 30 June	**(1,463.3)**	(1,372.7)

17 Controlled entities and deed of cross guarantee / continued

Consolidated SoFP	Note	2015 $m	2014 $m
Current assets			
Cash and cash equivalents		**18.6**	86.2
Receivables		**756.7**	388.6
Derivative financial assets		**–**	9.2
Inventories		**651.3**	437.8
Other financial assets		**–**	52.0
Other assets		**13.7**	14.9
Total current assets		**1,440.3**	988.7
Non-current assets			
Receivables		**1,090.2**	1,440.3
Inventories		**651.5**	620.8
Investments accounted for using the equity method		**169.2**	189.7
Derivative financial assets		**175.9**	11.3
Other financial assets		**307.9**	317.2
Investment properties		**137.9**	114.1
PPE		**17.5**	10.0
Intangible assets		**2.6**	2.6
Deferred tax assets		**398.8**	343.7
Total non-current assets		**2,951.5**	3,049.7
Total assets		**4,391.8**	4,038.4
Current liabilities			
Payables		**712.1**	450.0
Borrowings		**0.2**	2.9
Derivative financial liabilities		**12.4**	13.0
Provisions		**20.3**	8.3
Other liabilities		**0.2**	0.2
Total current liabilities		**745.2**	474.4
Non-current liabilities			
Payables		**96.8**	109.1
Borrowings		**2,633.7**	2,500.6
Derivative financial liabilities		**76.0**	98.7
Deferred tax liabilities		**201.0**	144.3
Provisions		**17.1**	3.5
Total non-current liabilities		**3,024.6**	2,856.2
Total liabilities		**3,769.8**	3,330.6
Net assets		**622.0**	707.8
Equity			
Contributed equity	19(a)	**2,071.9**	2,070.8
Reserves		**13.4**	9.7
Retained earnings		**(1,463.3)**	(1,372.7)
Total equity		**622.0**	707.8

18 Parent entity financial information

a) Summary financial information

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

	Note	**2015 $m**	2014 $m
SoFP			
Current assets		**4,209.3**	3,651.5
Total assets		**4,567.3**	4,012.5
Current liabilities		**2,478.7**	1,925.5
Total liabilities		**2,478.9**	1,925.9
Equity			
Contributed equity	19(a)	**2,071.9**	2,070.8
Reserves			
– Capital reserve		**(0.2)**	(0.2)
– SBP reserve		**15.7**	15.3
Retained earnings		**1.0**	0.7
Total equity		**2,088.4**	2,086.6
Profit/(loss) for the year		**1.5**	(0.5)
Total comprehensive income for the year		**1.5**	(0.5)

b) Guarantees entered into by the parent entity

The parent entity is party to a deed of cross guarantee, with members of the closed group. Further details are disclosed in note 17(c).

c) Contingent liabilities of the parent entity

The parent entity did not have any other contingent liabilities other than the item referred to in note 18(b) at 30 June 2015 or 30 June 2014.

d) Contractual commitments for the acquisition of PPE

The parent entity did not have any contractual commitments for the acquisition of PPE at 30 June 2015 or 30 June 2014.

EQUITY

19 Contributed equity

a) Paid up equity

	2015 Securities m	2014 Securities m	**2015 $m**	2014 $m
Mirvac Limited – ordinary shares issued	**3,694.3**	3,688.5	**2,071.9**	2,070.8
MPT – ordinary units issued	**3,694.3**	3,688.5	**4,732.4**	4,726.0
Total contributed equity			**6,804.3**	6,796.8

b) Movements in paid up equity

Movements in paid up equity of Mirvac for the year ended 30 June 2015 and 30 June 2014 were as follows:

			Note	Securities m	$m
Balance 1 July 2014				**3,688.5**	**6,796.8**
EEP securities issued	23 March 2015	$2.01	19(c)	0.4	0.8
LTP, LTIP and EIS securities converted, sold, vested or forfeited			19(c)	5.4	6.7
Balance 30 June 2015				**3,694.3**	**6,804.3**
Balance 1 July 2013				3,659.9	6,745.3
DRP securities issued	27 February 2014	$1.71	19(f)	26.9	46.0
EEP securities issued	20 March 2014	$1.72	19(c)	0.4	0.7
LTP, LTIP and EIS securities converted, sold, vested or forfeited			19(c)	1.3	5.3
Less: Transaction costs arising on issues of securities				–	(0.5)
Balance 30 June 2014				3,688.5	6,796.8

Ordinary securities

All ordinary securities were fully paid at 30 June 2015. Ordinary securities entitle the holder to participate in dividends/distributions and the proceeds on winding up of Mirvac in proportion to the number of and amount paid on the securities held. On a show of hands, every holder of ordinary securities present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each security is entitled to one vote.

19 Contributed equity / continued

c) LTP, LTIP, EIS and EEP issues

i) Current LTP

At 30 June 2015, 26.6m (2014: 23.4m) performance rights and nil (2014: nil) options were issued to participants under the plan. The number of issued rights and options is net of adjustments due to forfeiture of rights and options as a result of termination of employment. During the year, 4.9m performance rights (2014: nil) and no options (2014: nil) vested.

ii) EEP

At 30 June 2015, 6.2m (2014: 5.8m) stapled securities have been issued to employees under the EEP.

iii) Superseded LTI and EIS plans

During the year, no securities were issued to employees of Mirvac Limited and its controlled entities under the superseded LTI plan and EIS (2014: nil). The total number of stapled securities issued to employees under the superseded LTI and EIS at 30 June 2015 was 3.3m (2014: 3.8m). The market price per ordinary stapled security at 30 June 2015 was $1.85 (2014: $1.79). Securities issued as part of the superseded LTI plan and EIS are not classified as ordinary securities, until such time as the vesting conditions are satisfied, employee loans are fully repaid or the employee leaves Mirvac.

d) Reconciliation of securities issued on the ASX

Under AAS, securities issued under the Mirvac employee LTI plan and EIS 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 securities issued as detailed above is reconciled to securities issued on the ASX as follows:

	2015 Securities m	2014 Securities m
Total ordinary securities disclosed	**3,694.3**	3,688.5
Securities issued under LTI plan and EIS	**3.3**	3.8
Total securities issued on the ASX	**3,697.6**	3,692.3

e) Employee share scheme

Information relating to the employee share scheme, including details of shares issued under the scheme, is set out in note 25.

f) Dividend reinvestment plan

Under the DRP, holders of stapled securities may elect to have all or part of their distribution entitlements satisfied by the issue of new stapled securities rather than being paid in cash. Stapled securities issued under the plan were issued at a price calculated on a volume weighted average market price basis over the 15 business days commencing on the second business day post record date.

g) Capital risk management

Refer to note 14 for details of Mirvac's capital risk management.

20 Reserves

a) Reserves

	2015 $m	2014 $m
ARR	**68.5**	59.0
Capital reserve	**(1.5)**	(1.5)
Foreign currency translation reserve	**4.2**	(3.5)
SBP reserve	**15.7**	15.3
NCI reserve	**7.6**	7.6
	94.5	76.9

20 Reserves / continued

b) Movements in reserves

	Note	2015 $m	2014 $m
ARR			
Balance 1 July		**59.0**	65.8
Increment/(decrement) on revaluation of OOP	20(d)	**9.5**	(4.8)
Transfers out to retained earnings	21	**–**	(2.0)
Balance 30 June		**68.5**	59.0
Capital reserve			
Balance 1 July		**(1.5)**	(0.3)
Transfers out to retained earnings	21	**–**	(1.2)
Balance 30 June		**(1.5)**	(1.5)
Foreign currency translation reserve			
Balance 1 July		**(3.5)**	(3.8)
Increase in reserve due to translation of foreign operations		**9.1**	3.4
Deferred tax	4(h)	**(1.4)**	0.1
Transfers due to deconsolidation of entity		**–**	(3.2)
Balance 30 June		**4.2**	(3.5)
SBP reserve			
Balance 1 July		**15.3**	10.5
Expense relating to SBP		**0.4**	4.4
Deferred tax	4(g)	**–**	0.4
Balance 30 June		**15.7**	15.3
NCI reserve			
Balance 1 July		**7.6**	7.6
Balance 30 June		**7.6**	7.6

c) Nature and purpose of reserves

i) ARR

The ARR is used to record increments and decrements on the revaluation of OOP. However, any decrement in excess of previous increments is expensed to the consolidated SoCI.

ii) Capital reserve

The capital reserve was prior to the introduction of IFRS, and used to record the net revaluation increment or decrement on disposal of investment properties. The balance of the reserve may be transferred to retained earnings and used to satisfy distributions to securityholders.

iii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled operations of the Group are taken to the foreign currency translation reserve, as described in note 30(c).

iv) SBP reserve

The SBP reserve is used to recognise the fair value of securities issued under LTI plans, securities issued under the EEP and any deficit resulting from the sale of securities under LTI plans.

v) NCI reserve

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

d) Reconciliation of movements between PPE to ARR

	Note	2015 $m	2014 $m
Revaluation (increment)/decrement within PPE	8	**(11.8)**	2.2
Items adjusted to consolidated SoCI			
Items relating to OOP including fitout and lease amortisation		**2.3**	2.6
Balance transferred to ARR		**(9.5)**	4.8
Items adjusted directly to reserves			
Transfers out to retained earnings	21	**–**	2.0
Movements in ARR		**(9.5)**	6.8

21 Retained earnings

	Note	2015 $m	2014 $m
Balance 1 July		**(697.6)**	(814.3)
Profit for the year attributable to the stapled securityholders of Mirvac		**609.9**	447.3
Items in other comprehensive income recognised in directly in retained earnings			
– Movements in security based compensation		**(1.4)**	(1.5)
– Transfers due to deconsolidation of entity		**–**	(1.2)
– Transfers in from capital reserve	20(b)	**–**	1.2
– Transfers in from ARR due to retiring of OOP	20(b)	**–**	2.0
Dividends/distributions provided for or paid	22	**(347.6)**	(331.1)
Balance 30 June		**(436.7)**	(697.6)

22 Dividends/distributions

Ordinary stapled securities	2015 $m	2014 $m
Half yearly ordinary distributions paid/payable as follows:		
4.50 CPSS paid on 26 February 2015 (unfranked distribution)	**166.4**	–
4.40 CPSS paid on 27 February 2014 (unfranked distribution)	**–**	161.3
4.90 CPSS payable on 26 August 2015 (unfranked distribution)	**181.2**	–
4.60 CPSS paid on 28 August 2014 (unfranked distribution)	**–**	169.8
Total dividend/distribution 9.40 (2014: 9.00) CPSS	**347.6**	331.1

The DRP was activated for the 31 December 2013 half yearly distribution but was deactivated for the 30 June 2014 half yearly distribution and remains inactive. Distributions paid and payable in cash or satisfied by the issue of stapled securities under the Group's DRP are as follows:

	2015 $m	2014 $m
Paid/payable in cash	**347.6**	285.1
Satisfied by the issue of stapled securities	**–**	46.0
	347.6	331.1

Franking credits available for subsequent years based on a tax rate of 30 per cent total $21.2m (2014: $15.8m on a tax rate of 30 per cent).

OTHER INFORMATION

23 Contingent liabilities

a) Contingent liabilities

The Group had contingent liabilities at 30 June 2015 in respect of the following:

	2015 $m	2014 $m
Bank guarantees and performance bonds issued by external parties in respect of certain performance obligations granted in the normal course of business.	**127.4**	155.1
The Group has provided guarantees to third parties in respect of the performance of entities within the Group. No material losses are anticipated in respect of these contractual obligations.	**–**	1.2
Claims for damages in respect of injury sustained due to health and safety issues have been made during the year. The potential effect of these claims indicated by legal advice is that if the claims were to be successful against the Group, they would result in a liability.	**1.2**	1.0

As part of the ordinary course of business of the Group, 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 not 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 Group does not provide details of these as to do so may prejudice the Group's position.

b) Guarantees

For information about guarantees given by entities within the Group, including the parent entity, refer to notes 17 and 18.

c) JVA

There are no contingent liabilities relating to JVA.

24 Commitments

a) Capital commitments

	2015 $m	2014 $m
Investment properties		
Not later than one year	**81.0**	66.5
Later than one year but not later than five years	**–**	–
Later than five years	**–**	–
	81.0	66.5
PPE		
Not later than one year	**–**	–
Later than one year but not later than five years	**–**	–
Later than five years	**–**	–
	–	–

b) Lease commitments

	2015 $m	2014 $m
Operating lease receivable [1]		
Future minimum rental revenues under non-cancellable operating property leases, are as follows:		
Not later than one year	**488.9**	451.6
Later than one year but not later than five years	**1,446.3**	1,500.6
Later than five years	**1,191.1**	913.3
	3,126.3	2,865.5

1) Excludes storeroom licences, signage, telecommunications percentage and sundry income.

	2015 $m	2014 $m
Operating lease payable		
Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:		
Not later than one year	**10.0**	9.9
Later than one year but not later than five years	**7.2**	9.8
Later than five years	**0.6**	1.8
	17.8	21.5
Finance leases		
Commitments in relation to finance leases are payable as follows:		
Not later than one year	**0.2**	3.0
Later than one year but not later than five years	**0.1**	0.2
Later than five years	**–**	–
Residual	**–**	–
Minimum lease payments	**0.3**	3.2
Less: Future finance charges	**–**	(0.1)
Lease liabilities	**0.3**	3.1

Mirvac leases various plant and equipment with a carrying value of $0.1m (2014: $0.3m) under finance leases expiring in less than five years.

25 Employee benefits

a) Employee benefits and related on-cost liabilities

Provision for employee benefits	2015 $m	2014 $m
Annual leave accrual	**11.7**	9.8
Current LSL	**9.1**	8.4
Non-current LSL	**3.2**	3.2
Aggregate employee benefit and related on-cost liabilities	**24.0**	21.4

The aggregate employee benefits and related on-cost liabilities include amounts for annual leave and LSL. The amount for LSL that is expected to be settled more than 12 months from the end of the year is measured at its present value.

25 Employee benefits / continued

b) Superannuation commitments

Mirvac offers employees based in Australia as part of their remuneration, the ability to participate in a staff superannuation plan managed by AustralianSuper. Employees are able to choose whether to participate in this plan or a qualifying plan of their choice. The plan provides lump sum benefits on retirement, disability or death for employees who are invited by their employer to join the plan. The plan is a defined contribution plan, which complies with relevant superannuation requirements.

c) Employee security issues

The total of all securities issued under all employee security schemes is limited to five per cent of the issued securities of the stapled group in any five year period.

d) LTI plans

i) EEP

The EEP is designed to encourage security ownership across the broader employee population. It provides eligible employees with $1,000 worth of Mirvac securities at nil cost. The plan is open to Australian based employees with more than 12 months of continuous service, who do not participate in other Mirvac equity plans.

Securities acquired under this plan are subject to a restriction on disposal until the earlier of three years after acquisition, or cessation of employment with the Group. Otherwise, holders enjoy the same rights and benefits as other holders of Mirvac's stapled securities. On termination, employees retain any securities granted to them. At 30 June 2015, 6,267,141 stapled securities (2014: 5,844,194) had been issued to employees under the EEP.

ii) Current plan — LTP

The LTP was originally introduced in the year ended 30 June 2008 following approval by securityholders at the 2007 AGM. Securityholders approved an update to the LTP at the 2010 AGM. The purpose of the LTP is to drive performance, retain executives and facilitate executive security ownership.

LTP grants are generally restricted to the executives who are most able to influence securityholder value. Executives are eligible, at the discretion of the HRC, to participate in the LTP. Non-Executive Directors are not eligible to participate in the LTP. Awards under this plan are made in the form of performance rights. Awards of options have also been made under this plan in previous years. A performance right is a right to acquire one fully paid stapled security in Mirvac provided a specified performance hurdle is met. No loans are made to participants under this plan.

The Board reviews the performance conditions annually to determine the appropriate hurdles based on Mirvac's strategy and prevailing market practice.

This year, the Board determined, on the recommendation of the HRC, the vesting outcome for half of the LTP awards made in the year ended 30 June 2015 will depend on Mirvac's TSR performance relative to the constituents of the comparison group, with the other half linked to Mirvac's ROE performance. TSR was chosen given that it is an objective measure of securityholder value creation, and given its wide level of understanding and acceptance by the various key stakeholders. ROE was chosen as the second performance condition because it is aligned to Mirvac's strategic drivers, in particular financial performance and capital efficiency. At 30 June 2015, 26,577,191 (2014: 23,366,336) performance rights and nil (2014: nil) options had been issued to participants under the LTP. The number of issued rights and options is net of adjustments due to forfeiture of rights and options as a result of termination of employment. A total of 4,917,598 performance rights (2014: nil) and nil options (2014: nil) vested during the year ended 30 June 2015.

iii) Superseded plans

There are four old plans now closed for new grants with the introduction of the LTP:

ERP

A small number of senior executives were invited to participate in the ERP. While the loans under this program were offered during the year ended 30 June 2009, some of the loan amounts were drawn down in the year ended 30 June 2010. The amounts of the loans range from $500,000 to $2,000,000 and must be secured against property or unconditional bank guarantee. A progressively increasing forgiveness schedule allows for no more than 50 per cent of the total loan balance in total to be forgiven.

EIS

Until 2006, Mirvac's long term variable remuneration scheme for employees was the EIS. Open to all permanent employees, allocations were made annually, were unrestricted and fully vested on allotment. Existing arrangements remain in place until all current loans are repaid.

The loans were repayable via distributions received on the securities or upon their sale. If an employee resigns or is dismissed, the outstanding loan balance must be paid when employment ceases. In the event of redundancy, retirement, total and permanent disablement or death, the employee has 12 months after employment ceases in which to repay the loan. If the loan value is greater than the value of the securities when the loan balance is due, the remaining balance is written off and the securities are forfeited.

LTIP

The LTIP was introduced in 2006 and approved by securityholders at the Group's 2006 AGM. At this time, loan-funded incentive plans were common for entities with stapled securities due to the prevailing tax rules. Participation in the plan was open to the Managing Director, other Executive Directors, other executives and eligible employees. Participants were offered an interest-free loan which was applied to fund the acquisition of Mirvac's stapled securities at market value. The term of the loan is eight years. Any loan balance outstanding at the end of the eighth year must be repaid at that time. The loan is reduced annually by applying the post-tax amounts of any distributions paid by Mirvac to the outstanding principal. The loans are interest free and non-recourse over their term.

Two performance conditions had to be met before the securities vested in full: relative TSR and EPS growth. The satisfaction of each condition was given an equal weighting in terms of the total number of securities that may vest (that is, 50 per cent of the total securities held by a participant was subject to each performance condition). On vesting, 53.5 per cent of the original loan to fund the purchase of the vested securities was waived. The remaining balance of the loan will continue to be reduced by post-tax distributions until either the loan has been fully repaid or the eight year term expires, whichever occurs first. If a participant terminates their employment, any outstanding loans must be repaid in full immediately or the underlying securities will be forfeited.

25 Employee benefits / continued

EIP

The final loans under the EIP were offered during the year ended 30 June 2006. The amounts of the loans ranged from $50,000 to $800,000 with Mirvac holding security over the assets purchased with the loan proceeds. A progressively increasing forgiveness schedule applied which allowed the total loan balance to be forgiven if the employee remained employed on the final forgiveness date. The total outstanding loan balance under the EIP was $200,000 as at 1 July 2012. This amount was forgiven in accordance with the loan agreement during the year ended 30 June 2013. There are no outstanding loan amounts under the EIP as at 30 June 2015 and no further loans will be made under the EIP.

e) SBP expense

Total expenses arising from SBP transactions recognised during the year as part of employee benefits expenses were as follows:

	2015 $m	2014 $m
EEP	**0.8**	0.7
Current plan — LTP	**3.7**	5.4
Current plan — STI	**1.1**	0.4
Total	**5.6**	6.5

f) Fair value of SBP expense

i) EEP

The nature of the securities allotted under this plan is in substance similar to an option. The assessed fair value is taken to profit or loss as the securities vest immediately.

SBP inputs for the EEP issued during the year

	EEP
Grant date	23 March 2015
Security price at grant date	$2.01

ii) LTP

Fair value at grant date has been independently determined using an option pricing model that takes into account the exercise price, the term of the securities, the current price of the underlying securities, the expected volatility of the security price, the expected dividend/distribution yield and the risk-free interest rate for the term of the security. The fair value of the SBP expense is calculated using a Monte-Carlo simulation. Assumptions used for the fair value of SBP expense are as follows:

SBP inputs for the current LTP

In valuing rights linked to the relative TSR measure, the key inputs for the 2015 grant were as follows:

	Performance rights
Grant date	17 December 2014
Performance hurdle	Relative TSR and ROIC
Performance period start	1 July 2014
Performance testing date	1 July 2017
Security price at grant date	$1.79
Exercise price	$nil
Expected life	2.5 years
Volatility	20%
Risk-free interest rate (per annum)	2.2%
Dividend/distribution yield (per annum)	5.0%

26 Related parties

a) Controlled entities

Interests in controlled entities are set out in note 17.

b) KMP compensation

	2015 $m	2014 $m
Short term employment benefits	**12.7**	11.0
Post-employment benefits	**0.3**	0.2
SBP	**2.3**	1.8
Other long term benefits	**0.1**	0.1
	15.4	13.1

Detailed remuneration disclosures are provided on pages 11 to 29 in the Remuneration report.

26 Related parties / continued

c) Transactions with other related parties

The following transactions occurred with related parties:

	2015 $000	2014 $000
Transactions with JVA		
Interest income	**13,858**	17,764
Project development fees	**2,505**	807
Management and service fees	**5,637**	23,500
Construction billings	**21,922**	45,475
Responsible entity fees	**6,078**	7,609

d) Outstanding balances in relation to transactions with related parties

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

	2015 $000	2014 $000
Current receivables		
JVA	**20,685**	13,344
Non-current receivables		
JVA	**23,612**	32,489

During the year, impairment of receivables due from related parties was recognised $0.3m (2014: $2.0m) and the expense in respect of impaired receivables due from related parties was recognised within impairment of loans, investments and inventories in the consolidated SoCI.

e) Loans to/from related parties

	2015 $m	2014 $m
Loans to directors and employees		
Beginning of the year	**2.3**	10.0
Loan repayments received	**(2.3)**	(6.3)
Loan forgiveness	**–**	(1.4)
End of year	**–**	2.3
Amounts due from related parties		
Beginning of the year	**45.8**	83.5
Loans advanced	**9.1**	1.3
Loan repayments received	**(13.4)**	(16.8)
Impairment recognised	**(0.3)**	(2.0)
Transfers out	**–**	(23.2)
Interest charged	**3.1**	3.0
End of year	**44.3**	45.8

f) Terms and conditions of outstanding balances

Transactions relating to dividends/distributions are on the same terms and conditions that applied to other securityholders.

The terms of the tax funding agreement are set out as per note 4(d).

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

27 Remuneration of auditors

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

	2015 $000	2014 $000
a) Assurance services		
Audit services		
Audit and review of financial reports	**1,793.0**	1,813.1
Compliance services and regulatory returns	**375.0**	308.2
Total remuneration for assurance services	**2,168.0**	2,121.3
b) Taxation services		
Tax advice and compliance services	**105.4**	123.9
Total remuneration for taxation services	**105.4**	123.9
c) Advisory services		
Advisory services	**107.2**	15.9

28 Notes to the consolidated statement of cash flows

	Note	2015 $m	2014 $m
a) Reconciliation of cash			
Cash at the end of the year as shown in the consolidated statement of cash flows is the same as the consolidated SoFP:			
Cash at bank		**59.6**	67.6
Deposits at call		**0.2**	30.2
Cash and cash equivalents		**59.8**	97.8
b) Reconciliation of profit attributable to the stapled securityholders of Mirvac to net cash inflows from operating activities			
Profit attributable to the stapled securityholders of Mirvac	21	**609.9**	447.3
Share of net profit of JVA not received as dividends/distributions		**(68.0)**	(46.9)
Net gain on fair value of investment properties and IPUC	6	**(140.8)**	(48.8)
Net (gain)/loss on sale of investment properties		**(5.9)**	6.0
Net loss on sale of PPE		**0.3**	0.2
Depreciation and amortisation expenses	3	**30.4**	29.6
Impairment of loans, investments, inventories and goodwill	3	**(0.2)**	23.3
SBP expense		**5.6**	6.5
Net loss/(gain) on fair value of derivative financial instruments		**(171.7)**	23.3
Net loss/(gain) on foreign exchange		**181.7**	(7.5)
JVA dividends/distributions received		**41.6**	17.6
Net gain on sale of investments	2	**(10.2)**	–
Change in operating assets and liabilities, net of effects from purchase of controlled entities:			
– Increase in income taxes payable		**–**	0.4
– Increase in tax effected balances		**13.5**	12.4
– (Increase)/decrease in receivables		**(3.6)**	53.7
– Increase in inventories		**(20.1)**	(33.1)
– Increase in other assets/liabilities		**(6.6)**	(12.3)
– Decrease in payables		**(49.1)**	(73.3)
– Increase in provisions for employee benefits		**5.9**	0.9
Net cash inflows from operating activities		**412.7**	399.3

29 Events occurring after the end of the year

No other circumstances have arisen since the end of the 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.

30 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements of Mirvac consist of the consolidated financial statements of Mirvac Limited and its controlled entities including MPT and its controlled entities.

a) Principles of consolidation

i) Controlled entities

Controlled entities are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Controlled entities are fully consolidated from the date on which control is transferred to Mirvac. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for the business combinations undertaken by Mirvac (refer to note 30(g)). Inter-company transactions and balances between Mirvac entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of controlled entities are shown separately in the consolidated SoCI, consolidated SoFP and consolidated statement of changes in equity.

ii) Associates

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

iii) Joint arrangements

Under AASB 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Mirvac has assessed the nature of its joint arrangements and determined that it only has joint ventures.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from JVA are recognised as a reduction in the carrying amount of the investment. When Mirvac's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured receivables, Mirvac does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

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

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy described in note 30(h).

v) Changes in ownership interests

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

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

vi) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. Mirvac considers that all funds and trusts in which it currently has an investment, or from which it currently earns income, to be structured entities. Depending on the Group's power over the activities of the entity and its exposure to and ability to influence its own returns, it may consolidate the entity. In other cases, it may sponsor or have exposure to such an entity but not consolidate it.

Certain wholly-owned companies incorporated in Australia are permitted to be parties to a deed of cross guarantee. Refer to note 17 for further details of which wholly-owned companies are subject to the deed of cross guarantee. For those entities which are consolidated and which are not party to a deed of cross guarantee, Mirvac Limited does not have a contractual obligation to provide financial support.

Mirvac invests in a number of funds and trusts. These investments are open-end and closed-end investment funds and trusts which invest in infrastructure and industrial real estate for the purpose of capital appreciation and/or to earn investment income. The investees finance their operations through borrowings and through equity issues. Material unconsolidated structured entities include the following:

- JF Infrastructure Yield Fund; and
- ASFI.

b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the ELT.

c) Foreign currency translation

i) Functional and presentation currency

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

30 Summary of significant accounting policies / continued

ii) Transactions and balances

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

iii) Group companies

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

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

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

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

d) Revenue recognition

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

i) Development projects and land sales

Revenue from the sale of development projects and land is recognised upon settlement, which has been determined to be when the significant risks and rewards of ownership are transferred to the purchaser. Other revenue from development projects such as project management fees is recognised as services are performed.

ii) Construction contracts

Agreements to develop real estate are only defined as construction contracts when the purchaser is able to specify the main elements of the design of the project. Where this is not the case, the project is treated as a development project. Revenue and expenses are recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. The stage of completion is determined by costs incurred to date as a percentage of total expected cost. Where it is probable that a loss will arise from a construction contract, the excess of total costs over revenue is recognised as an expense immediately. When the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

iii) Rental income

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

iv) Recoverable outgoings

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

v) Fees

Revenues from the rendering of property funds management, property advisory and facilities management services are recognised upon the delivery of the service to the customers or where there is a signed unconditional contract for the sale or purchase of assets.

vi) Interest

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

vii) Dividends/distributions

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

viii) Government grants

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

e) Income tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the controlled entities or JVA generate taxable incomes.

30 Summary of significant accounting policies / continued

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Mirvac and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are recorded in the consolidated financial statements. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

i) Investment allowances

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

f) Leases

Leases of PPE where Mirvac has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short term or long term payables. Each lease payment is allocated between the liability and finance costs. The finance costs are charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The PPE acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease. Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term.
Refer to note 30(d)(iii).

g) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a controlled entity comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the controlled entity. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any NCI in the acquiree either at fair value or at the NCI's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any NCI in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the controlled entity acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a discount on business combination. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value 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. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition-date carrying value of the Group's previously held equity interest in the controlled entity is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the post-tax discount rate that reflects current market assessments of both the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised for the amount by which the asset's (or CGU) carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). The lowest level at which Mirvac allocates and monitors goodwill is at the primary reporting segments level (refer to note 1).

30 Summary of significant accounting policies / continued

i) Cash and cash equivalents

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

j) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off by reducing the carrying amount directly. A separate provision for impairment of trade receivables is established when there is objective evidence that Mirvac will not be able to collect all amounts due according to the original terms of receivables. The Group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganisation; and
- default or delinquency in payments (more than 30 days overdue).

The amount of the provision is the difference between the asset's carrying amount, and the present value of estimated future cash flows discounted at the effective interest rate.

Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in profit or loss within other expenses. When a trade receivable for which an impairment provision had been recognised becomes uncollectible in a subsequent period, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss. See note 30(n) for information about how impairment losses are calculated.

k) Mezzanine loans

Mezzanine loans are loans to unrelated parties for predominately real estate property development. These loans are secured by a second ranking mortgage, behind that of the senior lender. Mezzanine loans are recognised initially at fair value. Collectability of loans is reviewed on an ongoing basis and those which are considered uncollectible are written off to profit or loss.

l) Inventories

Inventories comprise development projects and construction contracts.

i) Development projects

Development projects are valued at the lower of cost and NRV. Cost includes the costs of acquisition, development, borrowings and all other costs directly related to specific projects, including an allocation of direct overhead expenses. Upon completion of the contract of sale, borrowing costs and other holding charges are expensed as incurred. Profits on development projects are not brought to account until settlement of the contract of sale.

Borrowing costs included in the cost of land are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

ii) Construction contracts

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under payables. Contract costs include all costs directly related to specific contracts and costs that are specifically chargeable to the customer under the terms of the contract. The stage of completion is measured using the percentage of completion method unless the outcome of the contract cannot be reliably measured.

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

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

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

A disposal group is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of a disposal group are shown as discontinued operations and are presented separately in the consolidated SoCI. The comparatives in the consolidated SoCI are restated to include the profit or loss of the disposal group in discontinued operations.

n) Investments and other financial assets

i) Classification

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

30 Summary of significant accounting policies / continued

– *Financial assets at fair value through profit or loss*

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

– *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Mirvac provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are included in receivables in the consolidated SoFP, except where the amount relates to the funding of investment structures, which are disclosed separately.

– *Held-to-maturity investments*

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

– *Available-for-sale financial assets*

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

ii) Reclassification

The Group may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification. Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before the reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

iii) Recognition and derecognition

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

iv) Measurement

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

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for financial assets at fair value through profit or loss — in profit or loss within other income or other expenses;
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency — translation differences related to changes in the amortised cost of the security are recognised in profit or loss and other changes in the carrying amount are recognised in other comprehensive income; and
- for other monetary and non-monetary securities classified as available for sale — in other comprehensive income.

Dividends on financial assets at fair value through profit or loss and available-for-sale equity instruments are recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established. Interest income from financial assets at fair value through profit or loss is included in the net gain/(loss). Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss as part of revenue from continuing operations. Details on how the fair value of financial instruments is determined are disclosed in note 31(b)(viii).

v) Impairment

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

30 Summary of significant accounting policies / continued

— *Assets carried at amortised cost*

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount, and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss. Impairment testing of trade receivables is described in note 30(j).

— *Assets classified as available for sale*

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

o) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. 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. Mirvac designates certain derivatives as either: (1) hedges of the fair value of recognised assets, liabilities or firm commitments ("fair value hedges"); or (2) hedges of highly probable forecast transactions ("cash flow hedges"). Mirvac documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. Mirvac also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items. The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 15. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

i) Fair value hedges

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

ii) Cash flow hedges

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

iii) Derivatives that do not qualify for hedge accounting

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

p) PPE

PPE comprises land and buildings, plant and equipment and OOP. Increases in the carrying amounts arising on the revaluation of certain classes of PPE are credited, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the PPE revaluation surplus to retained earnings.

i) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

ii) OOP

Properties are classified as owner-occupied where Mirvac occupies more than 10 per cent of the total lettable area of the individual property. OOP are shown at fair value, less subsequent depreciation for buildings. Fair values are determined by external valuers on a rotation basis with one-half of the portfolio being valued annually. Those assets which are not subject to an external valuation at the end of the reporting period are fair valued internally by management. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is revalued to fair value.

30 Summary of significant accounting policies / continued

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

– buildings	40 years
– plant and equipment	3-15 years
– office leasehold improvements	1-10 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to note 30(h)). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss on a net basis when the risks and rewards pass to the purchaser.

q) Investment properties

i) Investment properties

Investment properties are properties held for long term rental yields and for capital appreciation. Investment properties are carried at fair value with any gain or loss arising from a change in fair value recognised in the consolidated SoCI. The carrying amount of the investment properties recorded in the consolidated SoFP includes components relating to lease incentives.

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

ii) Investment properties under redevelopment

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

iii) Lease incentives

Lease incentives provided under an operating lease by the Group as lessor are recognised on a straight line basis against rental income. As these incentives are repaid out of future lease payments, they are recognised as an asset in the consolidated SoFP as a component of the carrying amount of investment properties and amortised over the lease period. Where the investment property is supported by a valuation that incorporates the value of lease incentives, the investment property is revalued back to the valuation amount after the lease incentive amortisation has been charged as an expense.

r) Intangible assets

i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of Mirvac's share of the net identifiable assets of the acquired controlled entity or JVA at the date of acquisition. Goodwill on acquisition of controlled entities is included in intangible assets. Goodwill on acquisition of JVA is included in investments in JVA. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGU that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (refer to note 1).

ii) Management rights

Management rights which have an indefinite useful life are not amortised but tested annually for impairment.

s) Trade and other payables

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

t) Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual drawdown of the facility, are recognised as prepayments and amortised on a straight line basis over the term of the facility. Borrowings are removed from the consolidated SoFP when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless Mirvac has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed.

u) Employee benefits

i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the end of the reporting period in which the employees render the related service, are recognised in other creditors and accruals in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

ii) LSL

The liability for LSL vesting within 12 months of the end of the reporting period is recognised and is measured in accordance with (i) above and included in provisions. The liability for LSL vesting more than 12 months from the end of the reporting period is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of each reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates attaching, at the end of the reporting period, to corporate bond rates with terms to maturity that match, as closely as possible, the estimated future cash flows.

30 Summary of significant accounting policies / continued

iii) SBP

SBP are recognised for the following plans:

Current LTI

The fair value at grant date is independently determined using a Monte-Carlo simulation that takes into account the exercise price, the vesting and performance criteria, the impact of dilution, the security price at grant date and expected price volatility of the underlying security, the expected dividend yield and the risk-free interest rate for the term of the equity instrument. The fair value is then expensed on a straight line basis over the vesting period of equity instruments.

EEP

Security based charges relating to the securities issued under the EEP are included in profit or loss in the year in which the securities are granted with a corresponding increase to Mirvac's contributed equity.

Superseded plans

The fair value of equity instruments granted under the superseded LTI plan and EIS is recognised in employee benefits expenses with a corresponding increase in equity. The fair value is measured at grant date and recognised over the vesting period.

iv) STI

STI awards for most employees are made in the form of cash, while 25 per cent of STI awards for ELT members are paid in the form of unhurdled rights over Mirvac securities. The vesting period for 50 per cent of these unhurdled rights is 12 months, with the balance vesting after 24 months. For the cash position of STI awards, a liability for STI payable is recognised in accruals where there is a present obligation to settle the liability and at least one of the following conditions is met:

- there are formal terms for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the consolidated financial statements; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for cash STI awards are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled. The liabilities for the portion of STI awards paid as deferred rights over Mirvac securities are measured at the fair value and amortised to share based expenses over the relevant vesting period.

v) Termination benefits

Termination benefits are payable when employment is terminated by Mirvac before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Mirvac recognises termination benefits at the earlier of the following dates: (a) when Mirvac can no longer withdraw the offer of those benefits; and (b) when Mirvac recognises costs for a restructuring that is within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

vi) Retirement benefit obligations

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

v) Provisions

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

Provisions for restructuring are recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly.

w) Contributed equity

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

x) Distributions

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

y) EPS

i) Basic EPS

Basic EPS is calculated by dividing the profit attributable to securityholders of the Group by the weighted average number of ordinary securities outstanding during the year. In calculating basic EPS, securities issued under the EIS have been excluded from the weighted average number of securities.

ii) Diluted EPS

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

z) Parent entity financial information

The financial information for the parent entity, Mirvac Limited, disclosed in note 18 has been prepared on the same basis as the consolidated financial statements, except as set out below:

i) Investments in controlled entities and JVA

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

30 Summary of significant accounting policies / continued

ii) Tax consolidation legislation

Mirvac Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Mirvac Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Mirvac Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising under tax funding agreements within the tax consolidated group are recognised as amounts receivable from or payable to other entities in the Group. Details about the tax funding agreement are disclosed in note 4(d).

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement is recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities. Under the current income tax legislation, MPT is not liable for income tax, provided its taxable income is fully distributed to unitholders each year.

iii) Financial guarantees

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

aa) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below:

i) AASB 9 Financial Instruments

This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.

The Group no longer expects any impact from the new classification, measurement and derecognition rules on the Group's financial assets and financial liabilities. There will be no impact on the Group's accounting for financial assets as they are all currently recognised in the consolidated SoCI. There will also be no impact on the Group'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 Group does not have any such liabilities.

As a general rule, it will be easier to apply hedge accounting going forward as the standard introduces a more principles based approach. The new standard also introduces expanded disclosure requirements and changes in the presentation. The new impairment model is an expected credit loss model which may result in the earlier recognition of credit losses. The Group has not yet decided when to adopt AASB 9.

This standard must be applied for financial years commencing on or after 1 January 2018.

ii) AASB 15 Revenue from Contracts with Customers

This standard will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service is transferred to a customer so the notion of control replaces the existing notion of risks and rewards. The standard will have no impact on revenue recognition within the Investment segment, as the revenue is accounted for under AASB 117 *Leases*. With respect to the residential development business, the standard is unlikely to have a material impact as the performance obligation is the delivering of the completed product. The Group is in the process of assessing any implications for other segments of the business and is evaluating for an early adoption of the new standard.

This standard must be applied for financial years commencing on or after 1 January 2017.

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

31 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 Mirvac's accounting policies

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

i) Revenue recognition

The measurement of development revenue, which is recognised when the significant risks and rewards of ownership are transferred to the purchaser, requires management to exercise its judgement in setting selling prices, given due consideration to cost inputs and market conditions. The measurement of construction revenue, which is recognised upon construction contracts on a percentage of completion basis, requires an estimate of expenses incurred to date as a percentage of total estimated costs.

ii) Cost of goods sold

Inventories are expensed as cost of goods sold upon sale. Management uses its judgement in determining the apportionment of cost of goods sold, through either unit entitlement or percentage of revenue, the quantum of cost of goods sold, which includes both costs incurred to date and forecast final costs, and the nature of cost of goods sold, which may include acquisition costs, development costs, borrowing costs and those costs incurred in bringing the inventories to a saleable state.

iii) Provision for loss on inventories

Mirvac is required to carry inventories at the lower of cost and NRV. Through the use of project feasibility assessments, which are based on the most reliable evidence available at the time, and incorporate both quantitative and qualitative factors, such as estimated selling rates and costs to complete, judgement is made concerning estimated NRV, which, in some cases, have resulted in the establishment of a provision.

iv) Investment properties and OOP

Mirvac is required to make a judgement to determine whether a property qualifies as an investment property or PPE in the cases where part of the building is occupied by the Group. Each property is considered individually. Where more than 10 per cent of the lettable area is occupied by the Group, the property is normally treated as OOP and accounted for as part of PPE.

31 Critical accounting judgements and estimates / continued

v) Fair value estimation

Where financial assets and liabilities are carried at fair value, the fair value is based on assumptions of future events and involves significant estimates. The basis of valuation is set out in note 15.

vi) SBP transactions

The Group measures the cost of equity settled securities allocated to employees by reference to the fair value of the equity instruments at the date at which they are granted. As explained in note 25, the fair value is determined by an external valuer using the bionomial simulation pricing method; this method includes a number of judgements and assumptions. These judgements and assumptions relating to SBP would have no impact on the carrying amounts of assets and liabilities in the consolidated SoFP but may impact the SBP expense taken to profit or loss and equity.

vii) Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the consolidated SoFP. Deferred tax assets, including those arising from tax losses, capital losses and temporary differences, are recognised only when it is considered probable that they will be recovered. Recoverability is dependent on the generation of sufficient future taxable profits.

viii) Classification of investments in structured entities as an associate/joint venture

Mirvac holds 60 per cent of the overall investment within ASFI. Mirvac equity accounts for this investment as a joint venture even though it owns 60 per cent of the voting or potential voting power, due to the fact that major decisions affecting the joint venture require unanimous approval from each investor in the joint venture.

b) Key sources of estimation uncertainty

In preparing the consolidated 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 year:

i) Inventories

The NRV of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and costs to sell. Such estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the reporting period. The key assumptions require the use of management judgement and are reviewed quarterly. During the year, Mirvac did not expense any amount (2014: $nil) in relation to inventories that were carried in excess of the NRV.

ii) Impairment of goodwill

Mirvac annually tests whether goodwill has suffered any impairment. Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from each CGU and a suitable discount rate in order to calculate the net present value ("NPV"). The carrying amount of goodwill at the end of the reporting period was $36.4m (2014: $36.4m). There was no impairment loss recognised during the year (2014: $24.5m). Details on the assumptions used are provided in note 11.2.

iii) 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 an indication that the investment may be impaired. In determining the value in use of the investment, Mirvac 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. Details of the assumptions used by management in assessing the impairment are provided in note 16.

iv) 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 NPV calculations using future cash flows and an appropriate post-tax discount rate (refer to note 15). The carrying value of investments not traded in an active market determined using the above techniques and assumptions is $11.3m (2014: $11.8m) and is disclosed as other financial assets at fair value through profit or loss (refer to note 13.2).

v) Valuation of investment properties and OOP

Mirvac uses judgement in respect of the fair values of investment properties and OOP. Investment properties and OOP 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 and OOP 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 and OOP be sold) may be higher or lower than the most recent valuation. This is particularly relevant in periods of market illiquidity or uncertainty. Major assumptions used in valuation of investment properties are disclosed in note 6. The carrying value at the end of the reporting period for investment properties was $6,751.1m (2014: $6,016.4m) and OOP $244.3m (2014: $238.6m). Details on investment properties are provided in note 6 and OOP in note 8.

vi) Valuation of IPUC

IPUC are valued at fair value. There are generally no active markets for IPUC and fair value is considered to be the estimated market price that would be paid for the partially completed property, reflecting the expectations of market participants of the value of the property when complete less deductions for the estimated costs to complete, with appropriate adjustments for risk and profit. The fair value is determined on the basis of either DCF or residual methods. Both methods require consideration of the project risks which are relevant to the development process, including but not limited to construction and letting risks. The estimated value of future assets is based on the expected future income from the project, using current yields of similar completed properties. The net gain on fair value of IPUC was $2.8m (2014: loss of $7.7m). The carrying value of $188.9m (2014: $126.0m) at the end of the year was included in investment properties (refer to note 6).

vii) Valuation of SBP transactions

Valuation of SBP transactions is performed using judgements around the fair value of the equity instruments on the date at which they are granted. The fair value is determined using a Monte-Carlo simulation. Mirvac recognises a SBP over the vesting period which is based on the estimation of the number of equity instruments likely to vest. At the end of the vesting period, Mirvac will assess the total expense recognised in comparison to the number of equity instruments that ultimately vested.

31 Critical accounting judgements and estimates / continued

viii) Valuation of derivatives and other financial instruments

Mirvac 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. The valuation techniques are discussed in detail at note 15 and have been developed in compliance with requirements of AASB 139 *Financial Instruments: Recognition and Measurement.*

ix) Estimated future taxable profits

Mirvac prepares financial budgets and forecasts on a regular basis which are reviewed, covering a five year period. Budgets and forecasts are prepared on a base case and identified new projects. These forecasts and budgets form the basis of future profitability to support the carrying of the deferred tax asset.

Mirvac's operating and financial performance is influenced by a variety of general economic and business conditions, which are outside the control of Mirvac, including the level of inflation, interest rates, exchange rates, commodity prices, ability to access funding, oversupply and demand conditions and government fiscal, monetary and regulatory policies. A change in any of the assumptions used in the budgeting and forecasting would have an impact on the future profitability of the Group. For example, adverse fluctuations in interest rates, to the extent that they are not hedged or forecast, may impact Mirvac's earnings and asset values due to any impact on property markets in which Mirvac operates.

Directors' declaration

In the Directors' opinion:

a) the financial statements and the notes set out on pages 32 to 96 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 at 30 June 2015 and of its performance for the financial year ended on that date;

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

c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 17 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 17.

The basis of preparation note confirms that the financial statements also comply with IFRS as issued by the IASB.

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

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

Susan Lloyd-Hurwitz

Susan Lloyd-Hurwitz
Director

Sydney
13 August 2015

Independent auditor's report

to the members of Mirvac Limited

pwc

Report on the financial report

We have audited the accompanying financial report of Mirvac Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2015, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Company. The consolidated entity comprises the Company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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.

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

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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 the Company is in accordance with the *Corporations Act 2001*, including:
   i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
   ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

b) the financial report also complies with International Financial Reporting Standards as disclosed in the basis of preparation note.

Report on the Remuneration Report
We have audited the Remuneration Report included on pages 11 to 29 of the Directors' Report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion
In our opinion, the Remuneration Report of the Company for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
13 August 2015

Securityholder information

The information set out below was prepared at 31 July 2015 and applies to Mirvac's stapled securities (ASX code: MGR). As at 31 July 2015, there were 3,698,653,645 stapled securities on issue.

Substantial securityholders
As disclosed in substantial holding notices lodged with the ASX at 31 July 2015:

Name	Date of change	Number of stapled securities	Percentage of issued equity %[1]
AMP Limited and its related bodies corporate	29/04/2015	381,806,702	10.33
BlackRock Group	25/11/2014	270,946,137	7.32
The Vanguard Group, Inc	02/06/2015	268,948,574	7.27
State Street Corporation and subsidiaries	08/05/2015	202,399,711	5.47
Commonwealth Bank of Australia Group	15/07/2015	185,022,971	5.00

1) Percentage of issued equity held as at the date notice provided.

Range of securityholders

Range	Number of holders	Number of stapled securities
1 to 1,000	6,437	3,034,004
1,001 to 5,000	11,451	31,726,392
5,001 to 10,000	6,146	45,068,972
10,001 to 100,000	7,524	179,531,480
100,001 and over	340	3,439,292,797
Total number of securityholders	**31,898**	**3,698,653,465**

20 largest securityholders

Name	Number of stapled securities	Percentage of issued equity %
HSBC Custody Nominees (Australia) Limited	1,180,719,360	31.92
JP Morgan Nominees Australia Limited	780,912,008	21.11
National Nominees Limited	579,700,651	15.67
BNP Paribas Noms Pty Ltd <DRP>	260,720,477	7.05
Citicorp Nominees Pty Limited	257,652,281	6.97
AMP Life Limited	90,035,344	2.43
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	64,515,422	1.74
RBC Investor Services Australia Nominees Pty Limited <APN A/C>	18,333,881	0.50
RBC Investor Services Australia Nominees Pty Limited <BKCUST A/C>	11,916,978	0.32
BNP Paribas Noms (NZ) Ltd <DRP>	10,081,426	0.27
Bond Street Custodians Limited <ENH Property Securities A/C>	9,961,780	0.27
RBC Investor Services Australia Nominees Pty Limited <PISelect>	8,619,926	0.23
SBN Nominees Pty Limited <10004 ACCOUNT>	8,600,000	0.23
Argo Investments Limited	6,000,551	0.16
BNP Paribas Nominees Pty Ltd <Agency Lending Collateral>	5,418,854	0.15
UBS Wealth Management Australia Nominees Pty Ltd	5,136,101	0.14
Invia Custodian Pty Limited <GSJBW Managed A/C>	4,376,284	0.12
Yalaba Pty Ltd <The Yalaba A/C>	4,331,876	0.12
National Nominees Limited <N A/C>	4,018,000	0.11
BNP Paribas Nominees Pty Ltd <Agency Lending Collateral>	3,855,000	0.10
Total for 20 largest securityholders	3,314,906,200	89.62
Total other securityholders	383,747,445	10.38
Total stapled securities on issue	**3,698,653,645**	**100.00**

Number of securityholders holding less than a marketable parcel (being 265 stapled securities at the closing market price of $1.890 on 31 July 2015): 2,048.

Voting rights
Subject to the Constitutions of Mirvac Limited and of MPT and to any rights or restrictions for the time being attached to any class or classes of shares, units or stapled securities:

- on a show of hands, each Member present in person or by proxy, attorney, or representative has one vote; and
- on a poll, each Member has:
  - in the case of a resolution of Mirvac Limited, one vote for each share in Mirvac Limited held; and
  - in the case of a resolution of MPT, one vote for each whole $1.00 of unit value in MPT held.

Glossary of acronyms

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
AFSL	Australian financial services licence
AGM	Annual General and General Meeting
ANZ	Australia and New Zealand Banking Group Limited
ARCC	Audit, Risk and Compliance Committee
A-REIT	Australian Real Estate Investment Trust
ARR	Asset revaluation reserve
ARSN	Australian Registered Scheme Number
ASFI	Australian Sustainable Forestry Investors 1&2
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
CEO/MD	Chief Executive Officer & Managing Director
CFO	Chief Financial Officer
CGU	Cash generating unit
CPI	Consumer Price Index
CPSS	Cents per stapled security
CR	Capitalisation rate
DCF	Discounted cash flow
DRP	Dividend/distribution reinvestment plan
EEP	Employee Exemption Plan
EIP	Executive Incentive Program
EIS	Employee Incentive Scheme
ELT	Executive Leadership Team
EPS	Earnings per stapled security
ERP	Executive Retention Plan
EY	Ernst & Young
FBT	Fringe benefits tax
FX	Foreign Exchange
FY10	Year ended 30 June 2010
FY11	Year ended 30 June 2011
FY12	Year ended 30 June 2012
FY13	Year ended 30 June 2013
FY14	Year ended 30 June 2014
FY15	Year ended 30 June 2015
FY16	Year ended 30 June 2016
FY17	Year ended 30 June 2017
GST	Goods and services tax
HRC	Human Resources Committee
HSE&S	Health, safety, environment and sustainability
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IPUC	Investment properties under construction
JVA	Joint ventures and associates
KMP	Key management personnel
KPI	Key performance indicators
LSL	Long service leave
LTI	Long term incentives
LTIP	Long Term Incentive Plan
LTP	Long Term Performance Plan
MAM	Mirvac Asset Management
MGR	Mirvac Group (and ASX code)
MIM	Mirvac Investment Management
MPT	Mirvac Property Trust
MTN	Medium term notes
NAB	National Australia Bank Limited
NABERS	National Australian Built Environment Rating System
NCI	Non-controlling interests
NED	Non-Executive Director
NPV	Net present value
NRV	Net realisable value
NTA	Net tangible assets
OOP	Owner-occupied properties
PPE	Property, plant and equipment
PwC	PricewaterhouseCoopers
ROE	Return on equity
ROIC	Return on invested capital
SBP	Security based payments
SoCI	Statement of comprehensive income
SoFP	Statement of financial position
STI	Short term incentives
TSR	Total securityholder return
WALE	Weighted average lease expiry

Directory

Registered office/Principal office
Mirvac Group (comprising Mirvac Limited ABN 92 003 280 699 and Mirvac Funds Limited ABN 70 002 561 640, AFSL 233 121 as responsible entity of MPT ARSN 086 780 645)

Level 26
60 Margaret Street
Sydney NSW 2000
Telephone +61 2 9080 8000
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www.mirvac.com

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

Directors
John Mulcahy (Chair)
Susan Lloyd-Hurwitz (CEO/MD)
Christine Bartlett
Peter Hawkins
Samantha Mostyn
James M. Millar AM
John Peters
Elana Rubin

Company Secretary
Sean Ward

Stapled security registry
Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
Telephone +61 1800 356 444

Securityholder enquiries
Telephone +61 1800 356 444

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

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

Auditor
PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

Annual General and General Meeting
Mirvac Group's 2015 AGM will be held at 10.00am (Australian Eastern Standard Time) on Thursday, 12 November 2015 at the Pullman Brisbane, King George Square, Corner Ann and Roma Streets, Brisbane QLD 4000.