Annexure 3A

Half yearly/Yearly Disclosure

References Version 1, Operative 23/8/2000

Chapter 3, BSX Listing Rules

Mirvac PFA Diversified Property Trust

Name of entity

097 860 690 (ARSN)	Half yearly (tick)		30/06/2008
ABN, ACN or ARBN	Annual (tick)	✓	Half year/financial year ended ('Current period')

Summary

				$A,000
Sales revenue or operating revenue	Up	43%	to	66,341
Profit (loss) before impairments and distributions and after tax	Down	75%	to	26,439
Less: Property Impairments	Up	768%	to	43,984
Less: Unitholders Distributions	Down	4%	to	27,188
				Refer to Annexure A (1)
Abnormal items before tax		gain (loss) of		0
Profit (loss) after tax but before outside equity interests	Down	162%	to	(44,733)
Extraordinary items after tax attributable to members		gain (loss) of		0
Profit (loss) for the period attributable to members	Down	162%	to	(44,733)

Dividends (distributions)	Franking rate applicable	N/A
Current period	Final	Refer to Annexure A (2) ¢
	Interim	¢

Previous corresponding period	Final	Refer to Annexure A(2) ¢
	Interim	¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution)		Last day of the month

Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:

Consolidated profit and loss account

	Current period $A'000	Previous corresponding period $A'000
Revenue	70,863	135,346
Expenses	(63,581)	(19,636)
Finance costs – financial institutions	(24,827)	(15,322)
Finance costs – Unitholder distributions	(27,188)	(28,418)
Profit (loss) from ordinary activities before tax	(44,733)	71,970
Income tax on ordinary activities	0	0
Profit (loss) from ordinary activities after tax	(44,733)	71,970
Outside equity interests	0	0
Profit (loss) from ordinary activities after tax attributable to members	(44,733)	71,970
Profit (loss) from extraordinary activities after tax attributable to members	0	0
Profit (loss) for the period attributable to members	(44,733)	71,970
Retained profits (accumulated losses) at the beginning of the financial period	Refer to Annexure A(6)	Refer to Annexure A(6)
Net transfers to and from reserves Net effect of changes in accounting policies	Refer to Annexure A(6)	Refer to Annexure A(6)
Dividends paid or payable	Refer to Annexure A(2)	Refer to Annexure A(2)
Retained profits (accumulated losses) at end of financial period	Refer to Annexure A(6)	Refer to Annexure A(6)

Profit restated to exclude amortisation of goodwill

	Current period $A'000	Previous corresponding period $A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	(44,733)	71,970
Less (plus) outside equity interests		
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	(44,733)	71,970

Revenue and expenses from operating activities

	Current period $A'000	Previous corresponding period $A'000
Details of revenue		
Rent Received	57,320	39,549
Outgoings recovered	8,320	5,655
Interest Received	701	1,319
Distributions Received	0	0

Intangible and extraordinary items

	Consolidated – current period		
	Before tax $A'000	Related tax $A'000	After tax $A'000
Amortisation of goodwill	0	0	0
Amortisation of other intangibles	1,380	0	1,380
Total amortisation of intangibles	1,380	0	1,380
Extraordinary items (details)	0	0	0
Total extraordinary items	0	0	0

Comparison of half year profits
(Annual statement only)

	Current year - $A'000	Previous year - $A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	(6,014)	418
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	(38,719)	71,552

Consolidated balance sheet

Current assets	30 June 2008 $A'000	31 Dec 2007 $A'000	30 June 2007 $A'000
Cash	10,011	5,923	10,480
Receivables	4,075	3,733	3,870
Investments	21,950	0	0
Inventories	0	0	0
Other (prepaid expenses/deposits)	1,525	1,656	947
Total current assets	37,561	11,312	15,297
Non-current assets			
Receivables	0	0	0
Investments	608,160	666,090	571,298
Available for sale financial assets	0	180	180
Other property, plant and equipment (net)	0	0	0
Intangibles (net)	0	0	0
Other (investments equity method)	153	0	0
Other (derivate financial instruments)	6,041	5,228	2,582
Total non-current assets	614,354	671,498	574,060
Total assets	651,915	682,810	589,357

Current liabilities			
Payables	10,026	10,930	9,696
Borrowings	353,248	341,875	10,000
Provisions	0	0	0
Other (provide details if material)	0	0	0
Total current liabilities	363,274	352,805	19,696
Non-current liabilities			
Accounts payable	0	0	0
Borrowings	0	0	278,379
Provisions	0	0	0
Other (refer to Annexure A (6))	288,641	330,005	291,282
Total non-current liabilities	288,641	330,005	569,661
Total liabilities	651,915	682,810	589,357
Net assets	0	0	0
Equity (Refer to Annexure A (6))			
Capital	0	0	0
Reserves	0	0	0
Retained profits (accumulated losses)	0	0	0
Equity attributable to members of the parent entity	0	0	0
Outside equity interests in controlled entities	0	0	0
Total equity	0	0	0
Preference capital and related premium included	N/A	N/A	N/A

Consolidated statement of cash flows

Cash flows related to operating activities	Current period $A'000	Previous corresponding period $A'000
Receipts from customers	66,739	50,024
Payments to suppliers and employees	(26,963)	(21,513)
Dividends received	0	0
Interest and other items of similar nature received	665	1,319
Interest and other costs of finance paid	(23,395)	(14,364)

Income taxes paid	0	0
Other (provide details if material)	0	0
Net operating cash flows	17,046	15,466
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(97,261)	(169,238)
Proceeds from sale of property, plant and equipment	1,063	89,281
Payment for deposit on investment property	0	(180)
Proceeds from sale of equity investments	0	0
Loans to other entities	0	0
Loans repaid by other entities	0	0
Other (provide details if material)	0	0
Net investing cash flows	(96,198)	(80,137)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	43,366	23,850
Proceeds from borrowings	64,637	78,510
Repayment of borrowings	0	0
Distributions / Dividends paid	(26,898)	(28,418)
Other (Financing costs and capital raising costs)	(2,422)	(1,568)
Net financing cash flows	78,683	72,374
Net increase (decrease) in cash held	(469)	7,703
Cash at beginning of period (*see Reconciliation of cash*)	10,480	2,777
Exchange rate adjustments	0	0
Cash at end of period (*see* Reconciliation of cash)	10,011	10,480

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

N/A

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period $A'000	Previous corresponding period $A'000
Cash on hand and at bank	10,011	10,480
Deposits at call	0	0
Bank overdraft	0	0
Other (provide details)	0	0
Total cash at end of period	10,011	10,480

Ratios

	Current period	Previous corresponding period
Profit before tax/sales Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	(67)%	155%
Profit after tax/equity interests Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	Refer to Annexure A (6)	Refer to Annexure A (6)

Earnings per security (EPS)

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 133: Earnings per Share (a) Basic EPS (b) Diluted EPS (if materially different from (a))	Refer to Annexure A (7)	Refer to Annexure A (7)

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	1.275 refer to Annexure A (8)	1.526 refer to Annexure A (8)

Details of specific receipts/outlays, revenues/expenses

	Current period A$'000	Previous corresponding period $A'000
Interest revenue included	701	1,319
Interest revenue included but not yet received (if material)	0	0
Interest costs excluded from borrowing costs capitalised in asset values	0	0
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	0	0
Depreciation (excluding amortisation of intangibles)	0	0
Other specific relevant items (borrowing costs & capital raising costs)	2,422	1,568

Control gained over entities having material effect

Name of entity	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired	$
Date from which such profit has been calculated	
Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period	$

Loss of control of entities having material effect

Name of entity	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control	$
Date from which the profit (loss) has been calculated	
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period	$
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	$

Reports for industry and geographical segments

Refer to Annexure A (3)

Segments

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result

Unallocated expenses

Consolidated profit from ordinary activities after tax (before equity accounting)

Segment assets)
Unallocated assets)
Total assets)

Comparative data for segment assets should be as at the end of the previous corresponding period

Dividends

Date the dividend is payable	Refer to Annexure A (2)
Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)	Last business day of month

Amount per *security*

		Franking rate applicable	%	%	%
(annual report only)					
Final dividend:	Current year	¢	N/A	¢	N/A
	Previous year	¢	¢	¢	¢
(Half yearly and annual statements)					
Interim dividend:	Current year	¢	N/A	¢	N/A
	Previous year	¢	¢	¢	¢

Total annual dividend (distribution) per security
(Annual statement only)

	Current year	Previous year
Ordinary securities	Refer to Annexure A (2)	Refer to Annexure A (2)
Preference securities	N/A	N/A

Total dividend (distribution)

	Current period $A'000	Previous corresponding period - $A'000
Ordinary securities	Refer to Annexure A (2)	Refer to Annexure A (2)
Preference securities	N/A	N/A
Total	$	$

Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities

	Current period $A'000	Previous corresponding period - $A'000
Ordinary securities	$ N/A	$ N/A
Preference securities	$ N/A	$ N/A
Total	$ N/A	$ N/A

The dividend or distribution plans shown below are in operation.

For financial year 2009, proposed monthly distributions are 0.575 cents per unit (6.9 cents per annum).

The last date(s) for receipt of election notices to the dividend or distribution plans	In accordance with BSX Listing Rule Annexure 4A.

Any other disclosures in relation to dividends (distributions)

As a result of the sale of the Centro on James asset the Trust will make a special distribution to investors of 1.1 cents per unit. The special distribution will be paid with the 31 August 2008 distribution on 19 September 2008. When combined with the forecast 6.90 cents per unit income distribution this will take the full year distribution to 30 June 2009 to 8.0 cents per unit.

Equity accounted associated entities and other material interests

Equity accounting information attributable to the to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Entities share of:	Current period A$'000	Previous corresponding period A$'000
Profit (loss) from ordinary activities before tax.	(511)	-
Income tax	123	-
Profit (loss) from ordinary activities after tax	(388)	-
Extraordinary items net of tax	-	-
Net profit (loss)	(388)	-
Outside equity interests	(39)	-
Net profit (loss) attributable to members	(349)	-

Material interests in entities which are not controlled entities

The entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period $A'000	Previous corresponding period $A'000
Citigate Melbourne Pty Ltd	49%	49%	63	-
Citigate Perth Pty Ltd	49%	-	(412)	-
Total			(349)	-
Other material interests				
Total			(349)	-

Issued and listed securities
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of securities	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
Preference securities (*description*)	N/A	N/A	N/A	N/A
Changes during current period				
Ordinary securities	225,667,727	225,667,727	Refer to Annexure A(5)	Refer to Annexure A(5)
Changes during current period	35,546,274	35,546,274	Refer to Annexure A(5)	Refer to Annexure A(5)
Convertible *debt securities* (*description and conversion factor*)	N/A	N/A	N/A	N/A
Changes during current period	N/A	N/A	N/A	N/A

			Exercise price	Expiry date
Options (*description and conversion factor*)	N/A	N/A	N/A	N/A
Changes during current period	N/A	N/A	N/A	N/A
Exercised during current period	N/A	N/A	N/A	N/A
Expired during current period	N/A	N/A	N/A	N/A

Debentures	N/A	N/A
Unsecured Notes	N/A	N/A

Discontinuing Operations

Consolidated profit and loss account

	Continuing operations		Discontinuing operations		Total entity	
	Current period - $A'000	Previous corresponding period - $A'000	Current period - $A'000	Previous corresponding period - $A'000	Current period - $A'000	Previous corresponding period - $A'000
Sales revenue or operation revenue						
Other revenue						
Expenses from ordinary activities						
Profit (loss) before tax						
Less tax						
Profit (loss) from ordinary activities after tax						

Consolidated statement of cash flows

	Continuing operations		Discontinuing operations		Total entity	
	Current period - $A'000	Previous corresponding period - $A'000	Current period - $A'000	Previous corresponding period - $A'000	Current period - $A'000	Previous corresponding period - $A'000
Net operating cash flows						
Net investing cash flows						

Net financing cash flows						

Other disclosures

	Current period A$'000	Previous corresponding period A$'000
Carrying amount of items to be disposed of: - total assets	N/A	N/A
- total liabilities		
Profit (loss) on disposal of assets or settlement of liabilities Related tax	N/A	N/A
Net profit (loss) on discontinuance	N/A	N/A

Description of disposals

N/A

Comments by *directors*

Basis of accounts preparation

If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

The effect of softening capitalisation rates across the sector, property valuations decreased and had a direct impact on the end result for the period.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Refer to Annexure A (9)

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

N/A

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

Refer to the Full Annual Report for this period.

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

Refer to the Full Annual Report for this period.

Additional disclosure for trusts

Number of units held by the management company or responsible entity to their related parties.	224,244

A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges	0
- Management fees	3,894,281
- Other fees (Capital Raising, Acquisition, Disposal, Accountancy & Registry fees)	3,058,879

Annual meeting
(Annual statement only)

The annual meeting will be held as follows:

Place	N/A
Date	
Time	
Approximate date the annual report will be available	

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.

2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.

3 In the case of a half-yearly report the same accounting standards and methods of computation are followed as compared with the most recent annual accounts.

4 This statement does give a true and fair view of the matters disclosed.

5 This statement is based on financial statements to which one of the following applies:

(Tick one)

✓ The financial statements have been audited.

The financial statements have been subject to review by a registered auditor (or overseas equivalent).

The financial statements are in the process of being audited or subject to review.

The financial statements have *not* yet been audited or reviewed.

6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications will follow immediately they are available* (*delete one*).

7 The entity does not have a formally constituted audit committee.

Sign here: .... Date: 26 August 2008....
(CEO – Mirvac Funds Management, Australia)

Print name: ....Grant Hodgetts..

Notes

True and fair view If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

Income tax If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

The Trust should not be subject to taxation on net income derived for tax purposes provided that it is fully distributed to Unitholders.

Additional information An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.

MIRVAC PFA DIVERSIFIED PROPERTY TRUST

BSX LISTING RULES - ANNEXURE 3A

ANNEXURE A

For the Year Ended 30 June 2008

Annexure A (1)

Profit (loss) after tax

The calculation of Profit (loss) after tax has been calculated after the deduction of Financing Costs - Unitholders, as this expense is due to AIFRS treatment of unitholders' funds as debt.

Reconciliation of Profit (loss)	30 June 2008 $'000	30 June 2007 $'000
Profit(loss) after income tax expense	(44,733)	71,970
Add Back: Financing Costs - Unitholders Distributions	27,188	28,418
Profit (loss) before Financing Costs - Unitholders	**(17,545)**	**100,388**

Annexure A (2)

Distributions Declared		Current Period 2007/08	Cents per unit on an annual basis		Previous Year 2006/07	Cents per unit on an annual basis
August 2007	$	1,560,330	9.80c	$	1,374,693	9.80c
September (Special Distribution)	$	5,502,731	2.88c	$	-	-
September	$	1,694,670	9.80c	$	1,515,885	9.80c
October	$	1,842,906	9.80c	$	1,552,722	9.80c
November	$	1,843,271	9.80c	$	1,552,722	9.80c
December	$	1,843,028	9.80c	$	1,552,722	9.80c
January 2008	$	1,843,028	9.80c	$	1,552,723	9.80c
February	$	1,843,028	9.80c	$	1,552,722	9.80c
March (Special Distribution)	$	-	-	$	10,000,388	5.26c
March	$	1,843,028	9.80c	$	1,552,722	9.80c
April	$	1,843,028	9.80c	$	1,552,722	9.80c
May	$	1,843,028	9.80c	$	1,552,722	9.80c
June	$	1,843,028	9.80c	$	1,552,722	9.80c
July	$	1,843,028	9.80c	$	1,552,722	9.80c
	$	**27,188,130**		**$**	**28,418,186**	

Annexure A (3)

Reports for industry and geographical segments

The Mirvac PFA Diversified Property Trust operates in one business segment, being property investment and in one geographical segment being Australia.

Annexure A (4)

Control gained over entities having material effect

The merger of PFA Diversified Property Trust (formerly The Trilogy Trust) with the following trusts;

Merging Trusts:	
The Riverdale Fixed Term Property Trust	ARSN : 100 666 920
The Capital Collection - Diverse Sector Fund Syndicate No.	ARSN : 088 775 375
The Capital Collection - Diverse Sector Fund Trust No.1	ARSN : 088 775 259
The Metropolitan Collection - Brisbane Syndicate	ARSN : 093 295 544
The Metropolitan Collection - Brisbane Trust	ARSN : 093 313 690
Garden Square Syndicate	ARSN : 104 858 219
Garden Square Trust	ARSN : 104 858 264

was effected on the 1 July, 2003. This merger was in accordance with the Explanatory Memorandum dated 2 June, 2003 previously lodged with the BSX.

The merger took place by a series of cancellations of units or lots in all the merging trusts. Ultimately the owners of those units or lots in the merging trusts received units in PFA Diversified Property Trust as consideration. The merged fund PFA Diversified Property Trust became the ultimate holding entity and has (directly or indirectly) 100% of all units or lots on issue in the merging trusts. Through this ownership structure the PFA Diversified Property Trust owns and controls the property portfolio.

Mirvac Holdings Limited (a member of the Mirvac Group) exercised the put and call option on 30 August 2007 to acquire the balance 50% shareholding in Property Funds Australia Limited (The Manager). Settlement of the contract to purchase the shares in Property Funds Australia Limited occurred on 10 October 2007. Accordingly, the entity names have changed to Mirvac PFA Limited (The Manager) and Mirvac PFA Diversified Property Trust.

MIRVAC PFA DIVERSIFIED PROPERTY TRUST

BSX LISTING RULES - ANNEXURE 3A

ANNEXURE A

For the Year Ended 30 June 2008

Annexure A (5)

Issue Summary

	Units	Issue Price (cents)
Units on Issue at beginning of financial year 1 July, 2007	190,121,453	
Units issued to:	-	
Units issued (Rights issue entitlement) in accordance with the Product Disclosure Statement ("PDS No.5") dated 8 June, 2	35,546,274	$1.22
Units on Issue at 30 June 2008	225,667,727	

Annexure A (6)

Unitholders' Equity

Under AIFRS, unitholders' equity contributed to Mirvac PFA Diversified Property Trust is also recognised as Non-Current Other Liabilities. This means Mirvac PFA Diversified Property Trust has no Net Assets or Equity.

	As at 30 June 2008 $'000	As at 31 December 2007 $'000	As at 30 June 2007 $'000
Non-Current Other Liabilities	288,641	330,005	291,282

Annexure A (7)

Earnings per Unit

Earnings per unit information is not disclosed in Annexure 3A for the year ended 30 June 2008 as the units of Mirvac PFA Diversified Property Trust are considered to be debt instruments in accordance with AASB 132 requirements.

Annexure A (8)

NTA backing

Net tangible asset backing per ordinary unit has been calculated by excluding the AIFRS treatment of unitholders equity as a non-current liability (other liabilities) and borrowing costs accounted for in interest bearing liabilities has also been excluded as borrowing costs are recognised as an intangible asset.

	As at 30 June 2008	As at 30 June 2007
NTA backing	1.275	1.526

Annexure A (9)

Matters subsequent to the end of the financial year

Sale of Centro on James

The Trust has completed the sale of Centro on James for $19.2 million (before costs) on 31 July 2008. The sale of Centro on James represents an increase of 7.3 per cent on book value at 31 December 2007 and an increase of 100 per cent on its original acquisition price of $9.6 million. The sale is part of the Trust's strategy to sell non-core assets and will allow the redeployment of capital to pay down debt which flows through to a stronger balance sheet.

Special distribution from Sale of Centro on James

As a result of the sale of the Centro on James asset the Trust will make a special distribution to investors of 1.1 cents per unit. The special distribution will be paid with the 31 August 2008 distribution on 19 September 2008. When combined with the forecast 6.90 cents per unit income distribution this will take the full year distribution to 30 June 2009 to 8.0 cents per unit.

303 Sevonoaks Street, Perth - Sale of Land Contract

The Trust has entered into a contract for the sale of the surplus land (approx. 1.75 hectares) at 303-307 Sevenoaks Street, Cannington, Perth, WA for an agreed sale price of $5.4 million. The sale is conditional upon satisfactory completion of sub division works and clarification of development issues associated with it.

Debt Re-Negotiations

Term Sheets regarding the Syndicated $355 million Cash Advance Facility between CBA, BNZA and ING have been completed and exchanged. Execution of the Finance Facility is expected well in advance of the Debt expiry in November 2008.

MIRVAC PFA DIVERSIFIED PROPERTY TRUST

BSX LISTING RULES - ANNEXURE 3A

ANNEXURE A

For the Year Ended 30 June 2008

Bendigo Stock Exchange Supplementary Information

a) This information is current as at 21 August 2008 and is stated as it applies to the Mirvac PFA Diversified Property Trust.

b) Voting rights of unitholders: 1 vote for each unit held.

c) Mirvac PFA Diversified Property Trust spread of unitholders:

Number	Total No. of Unitholders
1 – 1,000	1
1,001 – 5,000	59
5,001 – 10,000	553
10,001 – 100,000	3,367
100,001 and over	290
Total	**4,270**

(d) 10 largest unitholders of the Mirvac PFA Diversified Property Trust:

Investor	No. of units held	% of equity
RBC Dexia Investor Services Australia Nominees Pty Limited	14,556,523	6.45
Sandhurst Trustees Ltd	11,136,514	4.93
ANZ Nominees Ltd	5,700,000	2.53
Australian Executor Trustees NSW Ltd	4,155,845	1.84
National Nominees Limited	3,975,019	1.76
Trust Company of Australia Ltd	3,782,445	1.68
Seymour Group Pty Ltd	2,878,383	1.28
JP Morgan Nominees Australia Limited	2,500,000	1.11
RBC Dexia Investor Services Australia Nominees Pty Limited	2,359,863	1.05
BT (Queensland) Pty Ltd	2,203,425	0.98

(e) Number of holders holding less than a marketable parcel:-

Nil

(f) The Trust's substantial unitholders are:

Investor	No. of units held	% of equity
APN Funds Management	14,556,523	6.45
Sandhurst Trustees Ltd atf Macarthur Cooks PSF A/c	11,136,514	4.93

MIRVAC PFA DIVERSIFIED PROPERTY TRUST AND CONTROLLED ENTITIES

FORMERLY PFA DIVERSIFIED PROPERTY TRUST

ARSN 097 860 690
ABN 67 427 437 266

Annual Financial Report
30 June 2008

Mirvac PFA Limited
ACN 078 199 569
AFSL No 224106

Index **Page**

Mirvac PFA Limited ACN 078 199 569 ("Mirvac PFA") does not guarantee or in any way stand behind the performance of the Mirvac PFA Diversified Property Trust or the repayments of capital by the Mirvac PFA Diversified Property Trust.

The information contained in this financial report ("the Information") does not constitute a securities recommendation. It has not been prepared taking into account your particular investment objectives, financial situation and particular needs. You should assess whether it is appropriate in the light of your own circumstances before acting on it. If you are unsure you should seek the help of your financial adviser.

Whilst all reasonable care has been taken in relation to the preparation and collation of the Information, no person, including Mirvac PFA and its directors, accept responsibility for loss or damage howsoever occurring resulting from a use or reliance on the Information by any person. Past performance is not indicative of future performance and no guarantee of future returns is implied or given.

Mirvac PFA Diversified Property Trust and its controlled entities
Directors' Report

The Directors of Mirvac PFA Limited ("the Responsible Entity") as the Responsible Entity of the Mirvac PFA Diversified Property Trust present their report on The Mirvac PFA Diversified Property Trust (referred to as "the Trust") and its controlled entities for the financial year ended 30 June 2008.

Directors

The name of each person who has been a Director of the Responsible Entity during the year and to the date of this report is:

Paul F Barker	(appointed 10 October 2007)
Nicholas R Collishaw	
Grant B Hodgetts	(appointed 30 September 2007)
Ross Strang	(appointed 22 November 2007)
Richard W Turner AM	(appointed 22 November 2007)
Robert T Summerton	(retired 30 September 2007)
Christopher A Morton	(retired 10 October 2007)
Dennis W Wildenburg	(retired 22 November 2007)
Jennifer J Hutson	(retired 10 October 2007)

The Directors have been in office since the start of the Period to the date of this report unless otherwise stated.

Principal activities

The principal activity of the Trust is property investment. The Trust's fundamental strategy is to invest in a growing portfolio of quality properties diversified by property sector, geographic location, tenant profile and lease expiry. The Trust operates in one geographical area, Australia.

Review of operations

The key financial results of the Trust for the year are as follows:

	2008 $'000	2007 $'000
Gross operating revenue	66,341	47,025
Profit before distributions	(17,545)	100,388
Total distributions paid	27,188	28,418
Total assets	651,915	589,357
Total investor funds	288,641	291,282

Distributions

Distributions were paid monthly during the year at 0.8167 cents per unit per month (totalling 9.80 cents per unit for the year) on the contributed capital subscribed by investors in the Trust.

The Board will continue to monitor the appropriateness of any proposed distribution rate throughout the current financial year. Refer to Note 5 for Distributions paid and payable during the financial year.

Acquisitions

The Trust acquired 2 properties during the year, including:

- 390 St Kilda Road, Melbourne, Victoria for $63.2 million which settled on 17 August 2007.
- 657 Pacific Highway, St Leonards, NSW for $19.05 million on 8 October 2007.

Capital Raising

Since the lodgement of Product Disclosure Statement No.5 ("PDS No.5") on 8 June 2007, the Trust raised $43.4 million and allotted 35,546,274 units. The PDS No.5 closed on the 25 August 2007. The total number units on issue are 225,667,727 units.

Payment of Special Distribution

On 14 September 2007, as a consequence of the sale of 388 Queen Street, Brisbane, a special distribution of 2.88 cents per unit was paid to investors on the register on 31 July 2007.

Significant changes in state of affairs

Mirvac Holdings Limited (a member of the Mirvac Group) exercised the put and call option on 30 August 2007 to acquire the balance of the 50% shareholding in Property Funds Australia Limited (The Responsible Entity). Settlement of the contract to purchase the shares in Property Funds Australia Limited occurred on 10 October 2007.

The Trust changed its trading name from PFA Diversified Property Trust to Mirvac PFA Diversified Property Trust (registered with ASIC on 29 November 2007). The Responsible Entity changed its name from Property Funds Australia Limited to Mirvac PFA Limited (registered with ASIC on 26 November 2007).

The Responsible Entity has implemented a change to the accounting policy regarding the treatment of derivative financial instruments and as a result the use of hedge accounting methodology is no longer applicable from 1 July 2007. The Responsible Entity has determined the accounting for the interest rate swap contracts will be on a fair value basis, where the changes in the fair value of the derivative financial instruments are recorded immediately in the income statement. The Responsible Entity substantiates that this results in the financial report presenting reliable and more relevant information about the effects of the interest rate swap transactions for the consolidated entity's financial performance. This is in line with all Mirvac Group managed and owned entities and current market treatment. There is no negative impact on the Trust's operations or cashflows as a result of this change in accounting policy and the retrospective application of the change.

Matters subsequent to the end of the financial year

Sale of Centro on James

The Trust has completed the sale of Centro on James for $19.2 million (before costs) on 31 July 2008. The sale of Centro on James represents an increase of 7.3 per cent on book value at 31 December 2007 and an increase of 100 per cent on its original acquisition price of $9.6 million. The sale is part of the Trust's strategy to sell non-core assets and will allow the redeployment of capital to pay down debt which flows through to a stronger balance sheet.

Special distribution from Sale of Centro on James

As a result of the sale of the Centro on James asset the Trust will make a special distribution to investors of 1.1 cents per unit. The special distribution will be paid with the 31 August 2008 distribution on 19 September 2008. When combined with the forecast 6.90 cents per unit income distribution this will take the full year distribution to 30 June 2009 to 8.0 cents per unit.

303 Sevonoaks Street, Perth - Sale of Land Contract

The Trust has entered into a contract for the sale of the surplus land (approx. 1.75 hectares) at 303-307 Sevenoaks Street, Cannington, Perth, WA for an agreed sale price of $5.4 million. The sale is conditional upon satisfactory completion of sub division works and clarification of development issues associated with it.

Debt Re-Negotiations

Term Sheets regarding the Syndicated $355 million Cash Advance Facility between CBA, BNZA and ING have been completed and exchanged. Execution of the Finance Facility is expected well in advance of the Debt expiry in November 2008.

Likely developments

The Trust will continue to follow its objectives of identifying opportunities to increase its profitability and its net asset value.

Further information on likely developments in the operations of the Fund and the expected results of those operations have not been included in this report because the responsible entity believes it would be likely to result in unreasonable prejudice to the Fund.

Environmental regulation

The Trust's operations are not subject to any significant environmental regulation under Commonwealth or State legislation other than that which any real property located in Australia could be subjected.

Options

No options over units in the Trust were granted during or since the end of the year and there were no options outstanding at the date of this report.

Remuneration report

As the Directors and Key Management Personnel are not employees of the Trust, the remuneration is not paid by the Trust. Such remuneration relating to Directors and Key Management Personnel is paid by the Responsible Entity (or Mirvac Group) as Responsible Entity of the Trust from its own moneys and not from the moneys of the Trust. The Responsible Entity does however receive remuneration from the Trust such as management fees from which remuneration to Directors and Key Management Personnel may be paid. Refer to Note 22 for related party disclosures.

The Directors and Key Management Personnel do not hold any loans with Mirvac PFA Diversified Property Trust or Mirvac PFA Limited.

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

Fees paid to the responsible entity and its associates out of Trust property during the year are disclosed in note 22 of the financial statements.

The number of interests in the Trust held by the responsible entity or its associates as at the end of the financial year are disclosed in note 22 of the financial statements.

Indemnification and insurance of officers and auditors

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

Rounding of amounts to nearest thousand dollars

The Mirvac PFA Diversified Property Trust has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report have been rounded off to the nearest one thousand dollars.

Auditor's independence declaration

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 is set out on page 5.

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

Grant B Hodgetts
Director

Sydney
26 August 2008

BDO Kendalls

BDO Kendalls (QLD)
Level 18, 300 Queen St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Phone 61 7 3237 5999
Fax 61 7 3221 9227
info.brisbane@bdo.com.au
www.bdo.com.au

ABN 70 202 702 402

26 August 2008

The Directors
Mirvac PFA Ltd
Level 26
60 Margaret Street
SYDNEY NSW 2000

Dear Directors

AUDITOR'S INDEPENDENCE DECLARATION

In relation to our audit of the Financial Report of Mirvac PFA Diversified Property Trust for the year ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Yours faithfully
BDO Kendalls (QLD)

Craig Jenkins
Partner

Mirvac PFA Diversified Property Trust and its controlled entities
Income Statement
For the Year Ended 30 June 2008

		Consolidated		Parent	
	Note	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Revenue					
Operating activities	3	66,341	46,523	64,488	74,232
Non-operating activities					
Gain and disposal of investment property		1,063	34,665	1,063	18,142
Gain on revaluation of investment property		-	52,991	-	36,275
Unrealised gain on derivative instruments		3,459	1,167	3,459	1,167
Total revenue		**70,863**	**135,346**	**69,010**	**129,816**
Expenses					
Property expenses		(14,144)	(10,442)	(11,060)	(7,071)
Loss on revaluation of investment property		(43,984)	(5,066)	(39,970)	(4,269)
Share of associates net loss accounted for using the equity method		(349)	-	-	-
Fund expenses	3	(5,104)	(4,128)	(5,033)	(3,834)
Total expenses		**(63,581)**	**(19,636)**	**(56,063)**	**(15,174)**
Financing costs – financial institutions					
Interest	3	(23,447)	(14,674)	(25,431)	(13,662)
Amortisation	3	(1,380)	(648)	(1,370)	(592)
Total costs – financial institutions		**(24,827)**	**(15,322)**	**(26,801)**	**(14,254)**
Profit before financing costs to investors		**(17,545)**	**100,388**	**(13,854)**	**100,388**
Financing costs - investors					
Distributions to investors	5	(27,188)	(28,418)	(27,188)	(28,418)
Profit / (loss) before income tax expense		**(44,733)**	**71,970**	**(41,042)**	**71,970**
Income tax expense	1(b)	-	-	-	-
Profit / (loss) after income tax expense		**(44,733)**	**71,970**	**(41,042)**	**71,970**
Changes in net assets attributable to investors		**44,733**	(71,970)	**41,042**	(71,970)
Net profit / (loss)		-	-	-	-

To be read in conjunction with the notes to the financial statements

Mirvac PFA Diversified Property Trust and its controlled entities
Balance Sheet
As at 30 June 2008

		Consolidated		Parent	
	Note	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Current assets					
Cash and cash equivalents	17	10,011	10,480	9,397	10,480
Trade and other receivables	7	4,075	3,870	3,858	3,639
Other current assets	8	1,525	947	1,124	620
Non-current assets classified as held for sale	9	21,950	-	21,950	-
Total current assets		**37,561**	**15,297**	**36,629**	**14,739**
Non-current assets					
Derivative financial instruments	10	6,041	2,582	6,041	2,582
Investment property	11	608,160	571,298	454,610	415,168
Investments accounted for using the equity method	12	153	-	-	-
Available for sale financial assets	13	-	180	69,895	69,895
Total non-current assets		**614,354**	**574,060**	**530,546**	**487,645**
Total assets		**651,915**	**589,357**	**566,875**	**502,384**
Current liabilities					
Trade and other payables	14	10,026	9,696	36,951	38,368
Borrowings	15	353,248	10,000	259,108	10,000
Total current liabilities		**363,274**	**19,696**	**296,059**	**48,368**
Non-current liabilities					
Borrowings	15	-	278,379	-	184,250
Other liabilities	16	288,641	291,282	270,816	269,766
Total non-current liabilities		**288,641**	**569,661**	**270,816**	**454,016**
Total liabilities		**651,915**	**589,357**	**566,875**	**502,384**
Net assets		-	-	-	-

To be read in conjunction with the notes to the financial statements

Total current liabilities of the Trust exceed total current assets as at 30 June 2008, due to the expiration of the borrowings on 8 November 2008. However, as signed term sheets have been completed, at the time of expiry, it is expected that the Trust's financing facilities will be re-financed and extended into long term facilities. Due to the timing of rental receipts, investment income and payments to suppliers, financiers and investors, the Trust is expected to meet all of its financial obligations.

At present, the Parent entity has a working capital deficit as trade and other payables currently exceed total current assets. This is mainly due to the inter-trust loans between the Parent entity and its sub-trusts, which are 100% owned. The Parent entity is expected to meet all of its financial obligations in the future.

Mirvac PFA Diversified Property Trust and its controlled entities
Statement of Changes in Equity
As at 30 June 2008

	Issued Capital	Retained Earnings	Asset Revaluation Reserve	Total
Balance at 1 July 2006	-	-	-	-
Profit attributable to investors	-	-	-	-
Revaluation increment	-	-	-	-
Deferred tax on revaluation of financial assets	-	-	-	-
Dividends paid	-	-	-	-
Balance at 30 June 2007	-	-	-	-

	Issued Capital	Retained Earnings	Asset Revaluation Reserve	Total
Balance at 1 July 2007	-	-	-	-
Profit attributable to investors	-	-	-	-
Revaluation increment	-	-	-	-
Deferred tax on revaluation of financial assets	-	-	-	-
Dividends paid	-	-	-	-
Balance at 30 June 2008	-	-	-	-

To be read in conjunction with the notes to the Financial Statements.

Under AIFRS, net assets attributable to investors are classified as a liability rather than equity. As a result there was no equity at the start or end of the financial year.

Mirvac PFA Diversified Property Trust and its controlled entities
Cash Flow Statement
For the Year Ended 30 June 2008

	Note	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Cash flows from operating activities					
Rent & outgoings received		66,739	50,024	54,075	32,021
Interest received		440	1,319	440	917
Interest received – related entity loans		225	-	225	3,362
Payment to suppliers		(26,963)	(21,513)	(23,427)	(13,919)
Interest paid		(23,395)	(14,364)	(16,318)	(8,020)
Interest paid – related entity loans		-	-	-	(5,445)
Net cash provided by (used in) operating activities	**17(b)**	**17,046**	**15,466**	**14,995**	**8,916**
Cash flows from investing activities					
Net proceeds from sale of property		1,063	89,281	1,063	37,145
Purchase of shares in related parties		-	(180)	-	(180)
Purchase of investment property & capital improvements		(97,261)	(169,238)	(95,824)	(167,461)
Net cash provided by (used in) investing activities		**(96,198)**	**(80,137)**	**(94,761)**	**(130,496)**
Cash flows from financing activities					
Distributions to Investors		(26,898)	(28,418)	(26,898)	(28,418)
Cost of equity raising		(1,273)	(1,009)	(1,273)	(1,009)
Financing costs paid		(1,149)	(559)	(1,149)	(559)
Units issued		43,366	24,621	43,366	24,621
Capital raising funds provided for (used)		-	(771)	-	(771)
Inter-trust loans		-	-	-	56,919
Net proceeds from borrowings		64,637	78,510	64,637	78,510
Net cash provided by (used in) financing activities		**78,683**	**72,374**	**78,683**	**129,293**
Net increase in cash held		(469)	7,703	(1,083)	7,713
Cash at 1 July		10,480	2,777	10,480	2,767
Cash at 30 June	**17(a)**	**10,011**	**10,480**	**9,397**	**10,480**

To be read in conjunction with the notes to the financial statements

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the BSX Listing Rules, Corporations Act 2001, Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the terms of the Trust Constitution.

The financial report covers the economic entity of the Mirvac PFA Diversified Property Trust and controlled entities, and the Mirvac PFA Diversified Property Trust as an individual parent entity. Mirvac PFA Diversified Property Trust is a listed property trust that is settled and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied unless otherwise stated. The financial report is presented in the Australian currency.

Compliance with Australian Accounting Standards ensures that the annual financial report, comprising the financial statements and notes there to, complies with the International Financial Reporting Standards.

The financial report was approved by the Board of Directors of the responsible entity on 26 August 2008.

(a) Principles of Consolidation

i) *Controlled Entities*

A controlled entity is any entity controlled by the Trust. Control exists where the Trust has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with the Trust to achieve the objectives of the Trust. A list of controlled entities is contained in Note 13.

All inter-entity balances and transactions between entities in the economic entity, including any unrealised profits and losses, have been eliminated on consolidation.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

ii) Associates

Associates are all entities over which the consolidated entity has significant influence but not control. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. Investments in associates are accounted for in the Parent financial statements using the cost method.

The consolidated entity's share of its associates' profits or losses is recognised in the income statement. The cumulative movements are adjusted against the carrying amount of the investment. Distributions receivable from associates reduce the carrying amount of the investments.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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

(b) Income Tax

The Trust and its controlled entities adopts the balance sheet liability method of tax effect accounting whereby the income tax expense shown in the consolidated income statement is based on the profit before income tax adjusted for any non-assessable or disallowed items and distributions of taxable income to beneficiaries. No liability has been raised for income tax as no taxable income has been retained by the Trust and its controlled entities.

Note 1: Statement of Significant Accounting Policies (continued)

(c) Investment Property

Investment Property consists of investments in property, primarily of land, buildings and improvements to land and buildings. Investment property is measured at fair value. The Responsible Entity reviews the fair value on an ongoing basis with confirmation of previous valuations obtained on at least an annual basis.

A revaluation will be based on market value that represents the price at which the property can be sold at the date of the revaluation assuming a reasonable exposure to the market and settlement period. Where a material variance arises, a revaluation is required to align the carrying amount of the investment property with its fair value. Changes in fair value are recognised in the net profit or loss in the Income Statement in the period in which they occur. The carrying amount of investment properties includes components relating to lease incentives.

A revaluation does not take into account any potential capital gains tax on assets acquired after the introduction of capital gains tax on the basis that this liability is transferred from the Trust to the Investors.

(d) Non-Current Assets Held For Sale

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

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

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

(e) Leases

The Trust has adopted UIG Interpretation 115: Operating Leases – Incentives. Lease incentives are amortised as a reduction in lease rental income over the lease term on a straight-line basis. Leases with fixed rental increases have been brought to account on a straight-line basis over the term of the lease.

(f) Other Liabilities

Other liabilities represent Investors' funds contributed to the Trust. The recognition of Investors' funds as liabilities for accounting purposes does not impact on the taxation treatment of these amounts. The amounts paid to Investors for accounting purposes are treated as a financing cost expense. For taxation purposes, these payments continue to represent distributions under Income Tax Assessment Act 1997. Financing costs on Investors' funds for accounting purposes are accrued once the amounts are declared to the market.

(g) Financing Costs - Investors

The amounts paid to investors for accounting purposes are treated as a financing cost expense. Distribution entitlements have been recognised on an accrual basis.

(h) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value using market valuation principles at each reporting date. The Trust has taken the view that the derivatives held do not qualify for hedge accounting. Changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the income statement.

Note 1: Statement of Significant Accounting Policies (continued)

(i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest rate method. Fees including legal costs paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight line basis over the term of the facility.

Finance costs include:

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

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

(j) Capitalisation of Borrowing Costs

The Trust has adopted AASB 139 Financial Instruments: Recognition and Measurement, and recognises financing costs incurred in the acquisition of Interest Bearing Liabilities as a reduction in the Interest Bearing Liabilities using the effective interest method. Financing costs are expensed over the period of the loan to which it relates.

(k) 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. Revenue is recognised for the major business activities as follows:

(i) Rental income

Rental revenue for operating leases is recognised on a straight line basis over the term of the lease, except when an alternative basis is more representative of the pattern of service rendered through the provision of the leased premises. Lease incentives offered under operating leases are amortised on a straight-line basis and offset against rental income.

(ii) Recoverable outgoings

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

(iii) Interest

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

(l) Receivables

Receivables may include amounts for rent, interest and trust distributions. Rent and interest are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in note 2(k) above. Amounts are generally received within 30 days of being recorded as receivables.

(m) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents includes Cash at Bank and Term Deposits.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the tax authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

All revenue is stated net of the amount of GST. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Note 1: Statement of Significant Accounting Policies (continued)

(o) Available for Sale Financial Assets

Available for Sale Financial Assets are measured on the historical cost basis. These financial assets are classified as investments in equity instruments, that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Previously, the Trust considered the available for sale financial assets at fair value, with the unrealised gains or losses arising from change in fair value recognised in the Revaluation Reserve in the Balance Sheet. As there is no active market for these available for sale financial assets, the Responsible Entity has decided to change its accounting policy to historical cost basis. The Responsible Entity substantiates that this results in the financial report presenting reliable and more relevant information about the investment in the available for sale financial assets for the parent entity's financial performance. There is no direct impact on the trusts operations or cashflows as a result of this change in accounting policy.

(p) Impairment of Assets

At each reporting date, the Trust reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. Any excess of the assets carrying value over its recoverable amount is expensed to the Income Statement.

(q) Comparative Figures

Where required by the Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(r) Statement of Changes in Equity

The Trust's Statement of Changes in Equity reports a nil balance as all Investors' funds have been classified as non-current liabilities.

(s) Rounding of Amounts

The Trust has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in these financial statements have been rounded off to the nearest one thousand dollars.

(t) Critical Accounting Estimates and Judgments

The directors of the responsible entity evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

The directors have assessed impairment and no indicators exist. Alternatively, the directors have also considered the fair values of investment properties by the use of valuations on various investment properties for the current year. Where a valuation has not been obtained for an investment property in the current year, the directors have considered the best available market information for the localities the investment properties are located to confirm the carrying values of investment properties materially reflect their fair value.

(u) Accounting Standards Issued but not yet Effective

There are a number of Accounting Standards that have been issued but are not yet effective. The Trust does not expect any material impact on financial statements from the impending changes. However, various additional disclosures will be required in the financial statements in future periods. This includes the potential implications of the introduction and adoption of AASB 2008-2 which classifies unitholder funds as equity.

(v) Management of Capital

The directors of the responsible entity controls the capital of the Trust to ensure the Trust can fund its operations and continue as a going concern. The responsible entity manages capital primarily through debt on the investment property, investors' funds and the generation of profits in the Trust. There has been no change in the current year to this approach.

Mirvac PFA Diversified Property Trust and its controlled entities
Notes to the Financial Statements
For the Year Ended 30 June 2008

Note 2: Prior Period Error / Change in Accounting Policy

The aggregate effect of the error on the annual financial statements for the year ended 30 June 2007 is as follows (no taxation effect results from these changes):

		Consolidated Entity			Parent Entity		
		Previously Stated 2007 $000	Adjustment 2007 $000	Restated 2007 $000	Previously Stated 2007 $000	Adjustment 2007 $000	Restated 2007 $000
	Revenue						
(e)	Operating activities	47,025	(502)	46,523	74,666	(434)	74,232
	Non-operating activities						
	Gain and disposal of investment property	34,665	-	34,665	18,142	-	18,142
	Gain / (loss) on revaluation of investment property	52,991	-	52,991	36,275	-	36,275
(d)	Unrealised gain on derivative instruments	-	1,167	1,167	-	1,167	1,167
	Total revenue	**134,681**	**665**	**135,346**	**129,083**	**733**	**129,816**
	Expenses						
	Property expenses	(10,442)	-	(10,442)	(7,071)	-	(7,071)
(e)	Amortisation	(502)	502	-	(434)	434	-
	Impairment of investment property	(5,066)	-	(5,066)	(4,269)	-	(4,269)
	Fund expenses	(4,128)	-	(4,128)	(3,834)	-	(3,834)
	Total expenses	(20,138)	502	(19,636)	(15,608)	434	(15,174)
	Financing costs – financial institutions						
	Interest	(14,674)	-	(14,674)	(13,662)	-	(13,662)
	Amortisation	(648)	-	(648)	(592)	-	(592)
	Total costs – financial institutions	**(15,322)**	-	**(15,322)**	**(14,254)**	-	**(14,254)**
	Profit before financing costs to investors	99,221	1,167	100,388	99,221	1,167	100,388
	Financing costs - investors						
	Distributions to investors	(28,418)	-	(28,418)	(28,418)	-	(28,418)
	Profit / (loss) before income tax expense	**70,803**	**1,167**	**71,970**	**70,803**	**1,167**	**71,970**
	Income tax expense	-	-	-	-	-	-
	Profit / (loss) after income tax expense	**70,803**	**1,167**	**71,970**	**70,803**	**1,167**	**71,970**
	Changes in net assets attributable to investors	(70,803)	(1,167)	(71,970)	(70,803)	(1,167)	(71,970)
	Net profit / (loss)	-	-	-	-	-	-

Note 2: Prior Period Error / Change in Accounting Policy (continued)

		Consolidated Entity			Parent Entity		
		Previously Stated	Adjustment	Restated	Previously Stated	Adjustment	Restated
		2007	2007	2007	2007	2007	2007
		$000	$000	$000	$000	$000	$000
	Current Assets						
	Cash and cash equivalents	10,480	-	10,480	10,480	-	10,480
(a)(b)	Trade and other receivables	7,382	(3,512)	3,870	7,151	(3,512)	3,639
	Other current assets	947	-	947	620	-	620
	Total Current Assets	**18,809**	**(3,512)**	**15,297**	**18,251**	**(3,512)**	**14,739**
	Non-Current Assets						
(b)	Derivative Financial Instruments	-	2,582	2,582	-	2,582	2,582
	Other Non-Current Assets	571,478	-	571,478	485,063	-	485,063
	Total Non-Current Assets	**571,478**	**2,582**	**574,060**	**485,063**	**2,582**	**487,645**
	TOTAL ASSETS	**590,287**	**(930)**	**589,357**	**503,314**	**(930)**	**502,384**
	Current Liabilities						
	Total Current Liabilities	**19,696**	**-**	**19,696**	**48,368**	**-**	**48,368**
	Non-Current Liabilities						
	Other Liabilities						
	Issued Capital	196,516	-	196,516	196,516	-	196,516
(c)	Retained Earnings	173,951	2,582	176,533	152,436	2,582	155,018
	Accumulated distributions	(77,355)	-	(77,355)	(77,355)	-	(77,355)
	Capital Raising Costs	(4,412)	-	(4,412)	(4,413)	-	(4,413)
(a)(c)(d)	Hedge Derivatives	3,512	(3,512)	-	3,512	(3,512)	-
	Borrowings	278,379	-	278,379	184,250	-	184,250
	Total Non-Current Liabilities	**570,591**	**(930)**	**569,661**	**454,946**	**(930)**	**454,016**
	TOTAL LIABILITIES	**590,287**	**(930)**	**589,357**	**503,314**	**(930)**	**502,384**
	NET ASSETS	-	-	-	-	-	-

<u>Error</u>

(a) The error was caused by the omission of the market value ($930,126) of an interest rate swap instrument that existed in the previous accounting period.

(b) The reclassification of derivative financial instruments is disclosed as a non current asset rather than as a current receivable.

<u>Change in AC Policy</u>

Change in accounting policy to recognise movement in fair value of hedge instrument through P&L.

	Consol $'000	Parent $'000
Hedge Derivative Receivable and reserve as at 30 June 2006	1,415	1,415
Error adjusted, restated hedge derivative receivable and reserve as at 30 June 2007	2,582	2,582
Movement to be retrospectively recognised in the income statement	1,167	1,167

(c) The hedge derivative reserve balance as at 30 June 2006 to be retrospectively recognised through opening retained earnings based on the change in accounting policy not to adopt hedge accounting.

(d) Reverse the movement of the fair value of the derivative instrument of $1,167,000 during the 2007 financial year from the hedge derivative reserve to retrospectively recognise in the income statement.

(e) The reclassification of lease incentive amortisation is disclosed as a reduction in rental income rather than as an expense, in accordance with section (e) of Note 1.

Mirvac PFA Diversified Property Trust and its controlled entities
Notes to the Financial Statements
For the Year Ended 30 June 2008

Note 3: Revenue and Expenses

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Revenue from operating activities				
Rental income	57,876	40,051	43,818	24,424
Outgoings recovered	8,320	5,655	7,753	4,907
Interest received	701	1,319	701	917
Interest received – related entity loans	-	-	6,885	3,362
Distribution income	-	-	5,692	41,056
Lease incentive amortisation	(556)	(502)	(361)	(434)
Total revenue from operating activities	**66,341**	**46,523**	**64,488**	**74,232**

Financing costs – financial institutions				
Interest – related entity loans	-	-	9,086	5,445
Interest – financial institutions	23,447	14,674	16,345	8,217
Amortisation	1,380	648	1,370	592
Total financing costs – financial institutions	**24,827**	**15,322**	**26,801**	**14,254**

Fund expenses				
Registry & report costs	91	118	91	118
Responsible entity's fees (note 22)	3,894	2,603	3,894	2,603
Compliance committee and custodian	181	162	181	162
Other	938	1245	867	951
Total fund expenses	**5,104**	**4,128**	**5,033**	**3,834**

Note 4: Earnings Per Unit

Earnings per unit information (EPU) is not disclosed as the units of the Trust are considered to be debt instruments in accordance with AASB 132 requirements.

Note 5: Distributions Paid and Payable

	Consolidated		Consolidated	
	2008 $'000	2008 Cents per unit	2007 $'000	2007 Cents per unit
21 August	1,560	0.8167	1,374	0.8167
14 September (special distribution)	5,503	2.8800	-	-
21 September	1,695	0.8167	1,515	0.8167
18 October	1,843	0.8167	1,552	0.8167
21 November	1,843	0.8167	1,553	0.8167
21 December	1,843	0.8167	1,553	0.8167
21 January	1,843	0.8167	1,553	0.8167
21 February	1,843	0.8167	1,553	0.8167
14 March (special distribution)	-	-	10,000	5.26
20 March	1,843	0.8167	1,553	0.8167
21 April	1,843	0.8167	1,553	0.8167
21 May	1,843	0.8167	1,553	0.8167
20 June	1,843	0.8167	1,553	0.8167
21 July	1,843	0.8167	1,553	0.8167
	27,188	**12.68**	**28,418**	**15.06**

	2008 %	2007 %
Tax distributions break up – Monthly income distributions		
Taxable income	0.00	38.5
Tax deferred / Return of capital	100.00	61.5

Note 6: Auditors' Remuneration

	Consolidated 2008	Consolidated 2007	Parent 2008	Parent 2007
Audit of financial report	99,600	71,200	99,600	71,200
Other services	63,389	44,000	63,389	44,000
	162,989	**115,200**	**162,989**	**115,200**

Note 7: Current Trade and Other Receivables

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
GST receivable	948	-	868	214
Related entity receivables	975	837	1,297	837
Trade debtors [1]	1,048	930	822	628
Provision for impairment [2]	-	(40)	-	(3)
Other debtors	(19)	1,052	4	1,052
Accrued income	1,123	1,091	866	911
	4,075	**3,870**	**3,858**	**3,639**

[1] **Trade debtors past due analysis**

2008	**Current $'000**	**30 days $'000**	**60 days $'000**	**90 days $'000**	**120 days $'000**	**Total $'000**
2008 Consolidated						
Trade debtors	567	119	121	123	118	**1,048**
2008 Parent						
Trade debtors	383	98	108	119	114	**822**

2007	**Current $'000**	**30 days $'000**	**60 days $'000**	**90 days $'000**	**120 days $'000**	**Total $'000**
2007 Consolidated						
Trade debtors	577	203	109	22	19	**930**
2007 Parent						
Trade debtors	431	155	24	10	8	**628**

[2] **Reconciliation of Provision for Impairment**

There were no impaired trade receivables for the consolidated entity or parent entity as at 30 June 2008.

Movements in the provision for impairment are as follows:

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Balance at the beginning of the year	(40)	(23)	(3)	(10)
Amounts written off during the year	40	9	3	7
Provision for impairment recognised	-	(26)	-	-
Amounts recovered during the year	-	-	-	-
Increase in allowance recognised in profit and loss	-	-	-	-
Balance at end of year	-	**(40)**	-	**(3)**

Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

Note 8: Other Current Assets

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Prepaid expenses	1,505	947	1,104	620
Deposits	20	-	20	-
	1,525	**947**	**1,124**	**620**

Note 9: Non-Current Assets Classified as Held for Sale

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Investment properties	**21,950**	**-**	**21,950**	**-**

Property	Type	Ownership %	Date Acquired	Independent Valuation Date	Independent Valuation Amount	Independent Valuer	Consolidated Book Value 2008 $'000	Consolidated Book Value 2007 $'000	Parent Book Value 2008 $'000	Parent Book Value 2007 $'000
Centro on James, Cnr James & Robertson Streets, Fortitude Valley, QLD, 4006	Commercial / Retail	100%	Dec 2001	Jun 2007	17,900	F	17,900	-	17,900	-
303 Sevenoaks Street, Cannington, WA, 6107	Surplus Land	100%	Feb 2005	Jun 2008	4,400	I	4,050	-	4,050	-
							21,950	**-**	**21,950**	**-**

Note 10: Derivative Financial Instruments

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Interest rate swap contracts – fair value	6,041	2,582	6,041	2,582
	6,041	**2,582**	**6,041**	**2,582**

(a) Instruments used by the consolidated entity

The consolidated entity is party to derivative financial instruments in the normal course of business in order to limit exposure to fluctuations in interest rates.

(i) Interest rate derivative contracts – fair value

It is policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the consolidated entity has entered into interest rate derivative contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

(b) Interest rate risk exposures

The tables below outline the various fixed or hedged portions of the debt portfolio referenced against the hedge expiry date and the fixed interest rate or minimum/maximum interest rate for those facilities that have a 'cap and collar' arrangement. All rates in the table are inclusive of interest rate margin.

Note 10: Derivative Financial Instruments (continued)

Caps & Collars	*Consolidated*		
Settlement	**Effective Interest Rate**	**Notional Principal**	
		2008	**2007**
		$'000	**$'000**
Less than 1 year	4.95% to 5.75%	-	9,270
1 to 2 years	5.10% to 7.29%	10,000	-
2 to 5 years	5.10% to 7.29%	-	10,000
Total		**10,000**	**19,270**

Interest Rate Swaps	*Consolidated*			
Settlement	**Weighted Average Interest Rate**		**Notional Principal**	
	2008	**2007**	**2008**	**2007**
	%	**%**	**$'000**	**$'000**
Less than 1 year	6.89	-	10,000	-
1 to 2 years	6.69	6.89	65,000	10,000
2 to 5 years	6.68	6.48	70,000	60,000
5 to 10 years	6.44	6.33	90,000	40,000
Total	**6.63**	**6.46**	**235,000**	**110,000**

Combined Hedging Arrangements					*Consolidated*		
Fixed to:	**Oct '08**		**Nov '08**	**Aug '09**	**Nov '09**	**Jun '10**	
	$'000		**$'000**	**$'000**	**$'000**	**$'000**	
Caps & collars	-	-	-	-	10,000	-	-
Effective interest rate	-	-	-	-	5.10% to 7.29%	-	-
Interest rate swaps	10,000	10,000	9,152	45,000	-	10,000	10,000
Effective interest rate	6.83%	6.89%	6.30%	6.35%	-	6.86%	6.86%
Total hedged	**20,000**		**9,152**	**45,000**	**10,000**	**20,000**	

Fixed to:	**Jul '10**	**Sep '10**	**Aug '12**	**Mar '17**	**May '17**	**Aug '17**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	
Caps & collars	-	-	-	-	-	-	10,000
Effective interest rate	-	-	-	-	-	-	
Interest rate swaps	20,000	20,000	30,000	20,000	20,000	50,000	254,152
Effective interest rate	6.12%	6.68%	7.22%	6.26%	6.40%	6.65%	
Total hedged	**20,000**	**20,000**	**30,000**	**20,000**	**20,000**	**50,000**	**264,152**

Caps & Collars	*Parent*		
Settlement	**Effective Interest Rate**	**Notional Principal**	
		2008	**2007**
		$'000	**$'000**
Less than 1 year	4.95% to 5.75%	-	9,270
1 to 2 years	5.10% to 7.29%	10,000	-
2 to 5 years	5.10% to 7.29%	-	10,000
Total		**10,000**	**19,270**

Interest Rate Swaps	*Parent*			
Settlement	**Weighted Average Interest Rate**		**Notional Principal**	
	2008	**2007**	**2008**	**2007**
	%	**%**	**$'000**	**$'000**
Less than 1 year	6.89	-	10,000	-
1 to 2 years	6.69	6.89	65,000	10,000
2 to 5 years	6.68	6.48	70,000	60,000
5 to 10 years	6.44	6.33	90,000	40,000
Total	**6.63**	**6.46**	**235,000**	**110,000**

Note 10: Derivative Financial Instruments (continued)

Combined Hedging Arrangements					*Parent*		
Fixed to:	**Oct '08 $'000**		**Nov '08 $'000**	**Aug '09 $'000**	**Nov '09 $'000**	**Jun '10 $'000**	
Caps & collars	-	-	-	-	10,000	-	-
Effective interest rate	-	-	-	-	5.10% to 7.29%	-	-
Interest rate swaps	-	10,000	-	45,000	-	10,000	10,000
Effective interest rate	-	6.89%	-	6.35%	-	6.86%	6.86%
Total hedged	**10,000**		**-**	**45,000**	**10,000**	**20,000**	

Fixed to:	**Jul '10 $'000**	**Sep '10 $'000**	**Aug '12 $'000**	**Mar '17 $'000**	**May '17 $'000**	**Aug '17 $'000**	**Total**
Caps & collars	-	-	-	-	-	-	**10,000**
Effective interest rate	-	-	-	-	-	-	
Interest rate swaps	20,000	20,000	30,000	20,000	20,000	50,000	**235,000**
Effective interest rate	6.12%	6.68%	7.22%	6.26%	6.40%	6.65%	
Total hedged	**20,000**	**20,000**	**30,000**	**20,000**	**20,000**	**50,000**	**245,000**

Other Financial Information: The borrowings were undertaken by the Responsible Entity as responsible entity of the Trust and its sub-trusts. Trust Company Limited as Custodian granted mortgages over the investment property and interest bearing deposits to secure the borrowings. Neither the investors, the Responsible Entity or Custodian are personally liable beyond the value of the capital contributed.

The Trust has entered into an agreement with the Anthony Moreton Group ("AMG") for procuring and managing the Joint Finance Facility. This agreement entitles AMG to an ongoing fee of 0.075% per annum of the total facility amount for the life of the facility.

Note 11: Investment Property

Property	Type	Ownership %	Date Acquired	Independent Valuation Date	Independent Valuation Amount	Independent Valuer	Consolidated Book Value 2008 $'000	Consolidated Book Value 2007 $'000	Parent Book Value 2008 $'000	Parent Book Value 2007 $'000
Anzac Square, 200 Adelaide Street, Brisbane, QLD, 4000	Commercial	100%	Apr 1999	Jun 2008	38,500	A	38,500	37,000	-	-
544 Kessels Road, MacGregor, QLD, 4109	Retail / Bulky Goods	100%	Apr 1999	Jun 2007	17,700	B	17,700	17,700	-	-
The Precinct (Lot 1 & 3), Cnr Harries Road & Holdsworth Street, Coorparoo, QLD, 4151	Commercial / Retail	100%	Apr 1999	Dec 2007	18,000	C	15,900	13,900	-	-
The Homeworld Centre, 150 - 180 Soward Way, Tuggeranong, Canberra, ACT	Retail	100%	Dec 1999	Jun 2008	29,900	D	29,900	34,700	-	-
Cairns Hypermart, Cnr Spence & Draper Streets, Cairns, QLD, 4870	Retail / Bulky Goods	100%	Dec 2001	Jun 2007	25,500	E	23,390	25,500	23,390	25,500
Centro on James, Cnr James & Robertson Streets, Fortitude Valley, QLD, 4006	Commercial / Retail	100%	Dec 2001	Jun 2007	17,900	F	Held for sale	17,900	-	17,900
The Riverdale Shopping Centre, 49 - 65 Macquarie Street, Dubbo, NSW, 2830	Retail	100%	Sep 2002	Mar 2008	12,250	G	12,250	15,750	-	-
The Lands Building, 134 Macquarie Street, Hobart, TAS, 7000	Commercial	100%	Mar 2004	Jun 2007	35,000	H	32,740	35,000	32,740	35,000
303 Sevenoaks Street, Cannington, WA, 6107	Commercial	100%	Feb 2005	Jun 2008	50,850	I	50,850	55,000	50,850	55,000
AAPT Centre, 180 - 188 Burnley Street, Richmond, VIC, 3121	Commercial	100%	Jun 2005	Jun 2008	20,500	J	20,500	17,500	20,500	17,500
33 McDowell Street, Welshpool, WA, 6106	Industrial	100%	Jun 2005	Jun 2007	9,750	K	8,380	9,750	8,380	9,750
180 Queen Street, Brisbane, QLD, 4000	Retail / Commercial	100%	Oct 2005	Jun 2007	25,500	L	21,150	25,500	21,150	25,500
Civic Tower (50% share), 66 - 68 Goulburn Street, Sydney, NSW, 2000	Commercial	100%	Dec 2005	Jun 2007	68,750	M	67,410	68,750	67,410	68,750
Citigate Melbourne Hotel, 270 Flinders Street, Melbourne, VIC, 3000	Commercial / Hotel	100%	Jun 2006	Mar 2008	39,300	N	39,300	37,080	-	-
706 Mowbray Road, Lane Cove, NSW, 2066	Commercial / Industrial	100%	Jan 2007	Jun 2008	24,100	O	24,100	31,581	24,100	31,581
The Octagon (50% share), 110 George Street, Parramatta, NSW, 2150	Commercial	100%	May 2007	Mar 2007	39,000	P	38,700	41,980	38,700	41,980
Citigate Perth Hotel, 707 Wellington Street, Perth, WA, 6000	Commercial / Hotel	100%	Jun 2007	Mar 2008	61,000	Q	61,000	56,031	61,000	56,031
Foxtel Centre, 1 - 21 Dean Street, Moonee Ponds, VIC, 3039	Commercial	100%	Jun 2007	Jun 2007	28,500	R	26,970	30,676	26,970	30,676
390 St Kilda Road, Melbourne, VIC, 3000	Commercial	100%	Aug 2007	Jul 2007	63,300	S	60,580	-	60,580	-

Note 11: Investment Property (continued)

Property	Type	Ownership %	Date Acquired	Independent Valuation Date	Independent Valuation Amount	Independent Valuer	Consolidated Book Value 2008 $'000	Consolidated Book Value 2007 $'000	Parent Book Value 2008 $'000	Parent Book Value 2007 $'000
657 Pacific Highway, St Leonards, NSW, 2065	Commercial	100%	Oct 2007	Sep 2007	19,100	T	18,840	-	18,840	-
					648,800		**608,160**	**571,298**	**454,610**	**415,168**

Valuers' names and qualifications

A **Anzac Square, Brisbane:** An Independent valuation of land and buildings was undertaken by Peter Zischke AAPI, Certified Practising Valuer of Knight Frank Valuations. The valuation was based on market value as at 30 June 2008.

B **544 Kessels Road, MacGregor, Brisbane:** An Independent valuation of land and buildings was undertaken by Philip Willington FAPI, Certified Practising Valuer of Knight Frank Valuations.

C **The Precinct, Coorparoo, Brisbane:** An Independent valuation of land and buildings was undertaken by Tom Irving AAPI, Certified Practising Valuer of CB Richard Ellis.

D **Homeworld Centre, Canberra:** An Independent valuation of land and buildings was undertaken by Damon Ausling AAPI and Patricia Forbes AAPI, Certified Practising Valuers of Landmark White. The valuation was based on market value as at 30 June 2008.

E **Cairns Hypermart, Cairns:** An Independent valuation of land and buildings was undertaken by Matthew Buckley AAPI, Certified Practising Valuer of Savills (QLD) Pty Limited.

F **Centro on James (Stage 3), Brisbane:** An Independent valuation of land and buildings was undertaken by Matthew Buckley AAPI, Certified Practising Valuer of Savills (QLD) Pty Limited.

G **Riverdale Centre, Dubbo:** An Independent valuation of land and buildings was undertaken by Damon Ausling AAPI and AP Covey AAPI, Certified Practising Valuers of Landmark White. The valuation was based on market value as at 31 March 2008.

H **Lands Building, Hobart:** An Independent valuation of land and buildings was undertaken by Bernard Smith FAPI, Certified Practising Valuer of Knight Frank Valuations.

I **Sevenoaks, Perth:** An Independent valuation of land and buildings was undertaken by Jason Fenner AAPI and Stewart Nuttall AAPI, Licensed Valuers of CB Richard Ellis. The valuation was based on market value as at 30 June 2008.

J **180-188 Richmond, Melbourne:** An Independent valuation of land and buildings was undertaken by Bernard Smith FAPI, Certified Practising Valuer of Knight Frank Valuations. The valuation was based on market value as at 30 June 2008.

K **33 McDowell Street, Perth:** An Independent valuation of land and buildings was undertaken by Geoff Wilkinson AAPI, Certified Practising Valuer of Knight Frank Valuations.

L **180 Queen Street, Brisbane:** An Independent valuation of land and buildings was undertaken by Francis Rex AAPI, Certified Practising Valuer of LandMark White.

M **Civic Tower, Sydney:** An Independent valuation of land and buildings was undertaken by Roger Price AAPI, Certified Practising Valuer of CB Richard Ellis.

N **Citigate Melbourne Hotel:** An independent valuation of land and buildings was undertaken by Peter Grieve AAPI and Ken Smith AAPI, Licensed Valuers of CB Richard Ellis (Hotels). The valuation was based on market value as at 31 March 2008.

O **706 Mowbray Rd, Lane Cove:** An Independent valuation of land and buildings was undertaken by Damon Ausling AAPI and Patricia Forbes AAPI, Certified Practising Valuers of LandMark White. The valuation was based on market value as at 30 June 2008.

P **Octagon (50%), Parramatta:** An Independent valuation of land and buildings was undertaken by Craig Renshaw AAPI, Certified Practising Valuer of CB Richard Ellis.

Q **Citigate Perth Hotel:** An independent valuation of land and buildings was undertaken by Wesley Milson AAPI and Robert McIntosh FAPI, Licensed Valuers of CB Richard Ellis (Hotels). The valuation was based on market value as at 31 March 2008.

R **Foxtel Centre, Moonee Ponds:** An Independent valuation of land and buildings was undertaken by Bernard L Smith FAPI, Certified Practising Valuer of Knight Frank Valuations.

S **390 St Kilda Rd, Melbourne:** An Independent valuation of land and buildings was undertaken by Bernard L Smith FAPI, Certified Practising Valuer of Knight Frank Valuations.

Note 11: Investment Property (continued)

T **657 Pacific Hwy, St Leonards:** An Independent valuation of land and buildings was undertaken by Roger Price AAPI, Certified Practising Valuer of CB Richard Ellis.

(a) Reconciliation of carrying amounts of investment properties

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Total Investment property		**571,298**		**415,168**
Carrying amount at the beginning of financial year	571,298	407,583	415,168	233,611
Capital improvements	5,214	5,401	4,212	4,607
Lease incentives	1,952	3,569	2,033	2,586
Accumulated amortisation	(556)	(502)	(361)	(434)
Fixed rental increase in lease straight-lining	6,702	1,670	6,190	1,527
Disposals of investment property	(1,063)	(54,616)	(1,063)	(19,003)
Purchase of investment property at cost	89,028	160,268	89,027	160,268
Investment property held for sale	(21,950)	-	(21,950)	-
Revaluation increment/(decrement)	(42,465)	47,925	(38,646)	32,006
Carrying amount at the end of the financial year	**608,160**	**571,298**	**454,610**	**415,168**

(b) Valuation basis

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

Investment properties are carried at fair value, representing open market value determined at each balance date, with any gain or loss arising from a change in fair value recognised in the income statement in the period.

Investment properties are revalued by external valuers on a rotation basis with 8 external valuations of the portfolio being valued at year end 30 June 2008. The 12 remaining investment properties which are not subject to an external valuation at the reporting date are fair valued internally by management.

The carrying amount of the investment properties recorded in the balance sheet includes components relating to lease incentives.

(c) Non-current assets pledged as security

These properties are secured as part of the Trust's Joint Finance Facility

(d) Property portfolio

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

	Consolidated	
	2008 $'000	2007 $'000
Investment properties per Balance Sheet	608,160	571,298
Investment properties classified as assets held for sale	21,950	-
	630,110	**571,298**

Note 12: Investments Accounted for using the Equity Method

Name	Principal activities	Legal Ownership 2008 %	Legal Ownership 2007 %	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Associates accounted for using the equity method:							
Citigate Melbourne Pty Ltd	Hotel operations	49.0%	49.0%	153	-	-	-
Citigate Perth Pty Ltd	Hotel operations	49.0%	49.0%	-	-	-	-
				153	**-**	**-**	**-**

Each of the above associates is incorporated in Australia. Mirvac PFA Diversified Property Trust holds 49% of the B class voting shares and 90% of the A class income shares in both the above mentioned entities.

	Consolidated 2008 $'000	Consolidated 2007 $'000
Movements in carrying amounts		
Carrying amount at the beginning of the year	180	-
New investment during the reporting period	-	180
Share of loss from ordinary operating activities	(27)	-
Distributions received	-	-
Balance at end of the financial year	**153**	**180**

Summarised financial information of associates:

The Trust's share of revenue, profits, assets and liabilities of associates are:

	Consolidated 2008 $'000	Consolidated 2007 $'000
Revenue	21,852	-
Profit from ordinary activities	(510)	-
Assets	2,872	-
Liabilities	3,255	-

Note 13: Non-Current Available for Sale Financial Assets

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Shares in Citigate Melbourne Pty Ltd	-	90	90	90
Shares in Citigate Perth Pty Ltd	-	90	90	90
Investments in controlled entities				
The Riverdale fixed term property trust	-	-	8,101	8,101
The Capital collection – diverse sector funds trust no.1	-	-	34,137	34,137
The Metropolitan collection – Brisbane trust	-	-	16,464	16,464
Garden Square trust	-	-	11,013	11,013
	-	**180**	**69,895**	**69,895**

All controlled entities are 100% owned since the merger on 1 July 2003.

Note 14: Current Trade and Other Payables

	Consolidated		Parent	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Rental support guarantee	-	43	-	-
Lease incentive provision	-	100	-	-
Related entity payables	-	-	28,213	29,440
Income in advance	1,139	8	836	8
Trade creditors	2,228	383	2,051	361
Accrued expenses	4,143	3,450	3,694	3,098
GST payable	1,516	71	1,156	-
Unit application monies [1]	-	1,524	-	1,524
Accrued capital works	1,000	4,117	1,000	3,837
	10,026	**9,696**	**36,951**	**38,368**

[1] **Unit application monies**
Units in the Trust are allotted on the first business day of the next month in accordance with the Product Disclosure Statement No.5 dated 8 June 2007. All of the monies have since been allotted during the financial year ended 30 June 2008. At 30 June 2008 no application monies for unallotted units and related investor directed commissions were held in the Trust.

Note 15: Borrowings

	Consolidated		Parent	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Current				
Mortgage loans	354,161	10,000	260,021	10,000
Financing costs - loans	(3,140)	-	(3,140)	-
Accumulated amortisation on financing costs	2,577	-	2,577	-
Financing fees - other (new facility)	(350)	-	(350)	-
	353,248	**10,000**	**259,108**	**10,000**
Non-current				
Mortgage loans	-	279,524	-	185,384
Financing costs - loans	-	(2,621)	-	(2,341)
Accumulated amortisation on financing costs	-	1,476	-	1,207
	-	**278,379**	**-**	**184,250**

Trust Borrowings

The 5 year joint Finance Facility provided by CBA and ING matures on 6 November 2008.

At 30 June 2008 the funds drawn against this facility stood at $354 million.

Lender Credit approval has been received for a Syndicated $355 million Cash Advance Facility between Commonwealth bank of Australia, BNZA (a division of National Australia Bank Limited) and Perpetual Nominees Limited as custodian for the ING Mortgage Pool. This approved offer is for a term of 3 years.

It is expected that the new facility will be in place prior to November 2008. The Facility is restricted to the refinance of the existing Senior and Junior Facilities and for capital expenditure associated with the Trust's investment properties. It comprises 100% of the Trust's debt.

Note 16: Non-Current Other Liabilities

		Consolidated		Parent	
		2008	2007	2008	2007
	Note	$'000	$'000	$'000	$'000
Issued capital	16(i)	239,882	196,516	239,882	196,516
Retained earnings	16(ii)	158,988	176,533	141,163	155,018
Accumulated distributions	16(iii)	(104,543)	(77,355)	(104,543)	(77,355)
Capital raising costs		(5,686)	(4,412)	(5,686)	(4,413)
Total investor funds		**288,641**	**291,282**	**270,816**	**269,766**

	Consolidated		Consolidated	
	2008	2008	2007	2007
	$	Number	$	Number
(i) Issued capital				
Units on issue at the beginning of the financial year	196,516,263	190,121,453	171,894,743	167,743,219
Units issued during the year in accordance with the Product Disclosure Statement No. 5 dated 8 June 2007	43,366,091	35,546,274	-	-
Units issued during the year in accordance with the Product Disclosure Statement No. 4 dated 5 June 2006	-	-	24,621,520	22,378,234
Units on Issue at the end of the financial year	**239,882,354**	**225,667,727**	**196,516,263**	**190,121,453**

	Consolidated		Parent	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
(ii) Retained earnings				
Retained earnings at beginning of financial year	176,533	76,145	155,018	54,630
Current year profit before investor distributions	(17,545)	100,388	(13,854)	100,388
Retained earnings at the end of financial year	**158,988**	**176,533**	**141,163**	**155,018**
(iii) Accumulated Distributions				
Accumulated distributions at beginning of financial year	(77,355)	(48,937)	(77,355)	(48,937)
Current year distributions	(27,188)	(28,418)	(27,188)	(28,418)
Accumulated distributions at the end of financial year	**(104,543)**	**(77,355)**	**(104,543)**	**(77,355)**

Note 17: Notes to the Statement of Cash Flows

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
(a) Reconciliation of cash and cash equivalents				
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:-				
Cash and cash equivalents	**10,011**	**10,480**	**9,397**	**10,480**
(b) Reconciliation of cash flow from operations with profit after income tax				
Profit / (loss) after income tax	(44,733)	71,970	(41,042)	71,970
Financing costs – Investors	27,188	28,418	27,188	28,418
Non cash flows in profit:-				
Distributions – controlled entities	-	-		(41,056)
Amortisation – financing costs	1,380	648	1,370	592
Amortisation – leasing costs	556	502	361	434
Net gain on disposal of investment property	(1,063)	(34,665)	(1,063)	(18,142)
Share of associates (profit)/loss	349	-	-	-
Unrealised gain on revaluation of derivatives	(3,459)	(1,167)	(3,459)	(1,167)
Fixed rental increase in lease straight-lining	(6,702)	(1,670)	(6,190)	(1,527)
Impairment of investments	-	5,066	-	4,269
(Gain)/loss on revaluation of investment property	43,984	(52,991)	39,970	(36,275)
Changes in assets and liabilities:-				
(Increase) / decrease in trade and other receivables	(205)	(2,137)	(219)	(2,280)
(Increase) / decrease in current other assets	(579)	(18)	(504)	(89)
Increase / (decrease) in trade and other payables	330	1,510	(1,416)	3,769
Cash flow from operations	**17,046**	**15,466**	**14,995**	**8,916**
(c) Credit standby arrangement – bank overdraft				
Bank overdraft facilities available	4,000	4,000	4,000	4,000
Bank overdraft facilities utilised	-	604	-	604
Unused bank overdraft facilities	**4,000**	**3,396**	**4,000**	**3,396**

The utilised portion of this overdraft facility is included in Cash and Cash Equivalents balance in the financial statements.

	Consolidated		Parent	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
(d) Financing arrangements				
Finance facilities available	367,161	295,224	273,021	201,084
Finance facilities utilised	354,161	289,524	260,021	195,384
Unused finance facilities (inclusive of overdraft)	**13,000**	**5,700**	**13,000**	**5,700**

The major facilities are summarised as follows:

Multi-option Facility: The Trust has a multi-option facility of up to $4 million with the Commonwealth Bank of Australia which is used to fund day to day operations. This facility is secured by mortgages over certain properties.

Joint Finance Facility: The Trust has a combined finance facility between the Commonwealth Bank of Australia ("CBA") and mortgage funds managed by ING Management Limited ("ING") collectively referred to as the Financiers. Under this joint finance facility, the total debt is $354,161,300 (2007: $289,524,000). CBA lends funds equivalent to the first 40% of the Financiers' valuation of the Portfolio and ING lends that component above 40% and up to 60% of the Financiers' valuation. ING may agree to this 60% limit being exceeded from time to time on certain terms and on a short term basis (e.g. to enable acquisitions with capital to be raised subsequently so as to reduce debt).

The value of investment property subject to mortgages is contained in Note 11.

Security: Securities were provided to the Financiers including registered first mortgages over all properties in the Portfolio and charges over the assets and income of the Trust and its sub-trusts.

Hedging: As at 30 June 2008, 75% (30 June 2007: 60%) of the Trust debt funding has fixed interest rates or is hedged with the balance being on variable rates.

Note 18: Events Subsequent to Balance Date

Sale of Centro on James

The Trust has completed the sale of Centro on James for $19.2 million (before costs) on 31 July 2008. The sale of Centro on James represents an increase of 7.3 per cent on book value at 31 December 2007 and an increase of 100 per cent on its original acquisition price of $9.6 million. The sale is part of the Trust's strategy to sell non-core assets and will allow the redeployment of capital to pay down debt which flows through to a stronger balance sheet.

Special distribution from sale of Centro on James

As a result of the sale of the Centro on James asset the Trust will make a special distribution to investors of 1.1 cents per unit. The special distribution will be paid with the 31 August 2008 distribution on 19 September 2008. When combined with the forecast 6.90 cents per unit income distribution this will take the full year distribution to 30 June 2009 to 8.0 cents per unit.

303 Sevonoaks Street, Perth - Sale of Land Contract

The Trust has entered into a contract for the sale of the surplus land (approx. 1.75 hectares) at 303-307 Sevenoaks Street, Cannington, Perth, WA for an agreed sale price of $5.4 million. The sale is conditional upon satisfactory completion of sub division works and clarification of development issues associated with it.

Debt Re-Negotiations

Term Sheets regarding the Syndicated $355 million Cash Advance Facility between CBA, BNZA and ING have been completed and exchanged. Execution of the Finance Facility is expected well in advance of the Debt expiry in November 2008.

Note 19: Contingent Liabilities

Sale Performance Management Fees

In accordance with the Trust Constitution, the Responsible Entity is entitled to remuneration as follows:-

a) The Responsible Entity is entitled to receive a disposal fee from the Trust in respect of the sale of any property equal to 2% of the gross sale price achieved.

b) If the sale of a property results in a gross sale price above the original gross purchase price, the Responsible Entity is entitled to an additional performance fee as follows:-

   i. 2.5% of the gross sale price (if gross sale price is more than 50% of original gross purchase price); or

   ii. 1.5% of the gross sale price (if gross sale price is between 30% and 50% more than the original gross purchase price). Original gross purchase price includes that purchase price paid by any sub-trusts of the Trust.

c) If the Responsible Entity is removed as responsible entity of the Trust (other than for its gross negligence or a material fiduciary breach), then it is entitled to be paid 2% of the scheme value as at the time of the removal.

This is outlined in Clause 25.1 of the Trust's Constitution.

Revolving Cash Advance Facility

As at 30 June 2008, the Trust provides a $1,000,000 cash facility to Citigate Melbourne Pty Ltd as per the Revolving Cash Advance Facility Agreement. The Trust holds shares in Citigate Melbourne Pty Ltd and as at 30 June 2008 $66,327 (30 June 2007: $501,923) was drawn down. Interest is accrued monthly in accordance with the Revolving Cash Advance Facility Agreement. Refer to Note 22 regarding the Trust's investment in Citigate Melbourne Pty Ltd.

As at 30 June 2008, the Trust provides a $2,000,000 cash facility to Citigate Perth Pty Ltd as per the Revolving Cash Advance Facility Agreement. The Trust holds shares in Citigate Perth Pty Ltd and as at 30 June 2008 $1,230,442 (30 June 2007: $Nil) was drawn down. Interest is accrued monthly in accordance with the Revolving Cash Advance Facility Agreement. Refer to Note 22 regarding the Trust's investment in Citigate Perth Pty Ltd.

Note 20: Operating Lease Commitments Receivable

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Operating lease commitments contracted as receivables:-				
- not later than 1 year	48,095	44,576	36,436	35,433
- later than 1 year but not later than 5 years	158,425	143,421	124,033	124,542
- later than 5 years	128,852	188,565	110,110	168,502
Aggregate lease revenue contracted for at balance date	**335,372**	**376,562**	**270,579**	**328,477**

The Trust has entered into a number of leases with varying expiry terms, some with bank guarantees or rental deposits, and with a combination of fixed price/indexation and rent reviews.

Note 21: Capital Commitments

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent 2008 $'000	Parent 2007 $'000
Investment properties				
- not later than 1 year	3,950	-	3,950	-
- later than 1 year but not later than 5 years	-	-	-	-
Aggregate lease revenue contracted for at balance date	**3,950**	**-**	**3,950**	**-**

Note 22: Related Party Disclosures

a) Key Management Personnel

In accordance with AASB 124, the Key Management Personnel other then the Directors listed in the Director's report include:

Michael F White	Company Secretary	(Resigned 31 March 2008)
Adrienne Parkinson	Company Secretary	(Appointed 10 October 2007)
Juan J Rodriguez	Company Secretary	(Appointed 01 April 2008)
Michael GA Smith	Company Secretary	(Appointed 01 April 2008)

Other notable Key Management Personnel include Ben Hindmarsh (Trust Manager), Neil Simpson (Compliance Officer), and Katherine Dziaman (Financial Controller, Mirvac Funds Management).

Key management personnel are not employed or paid by the Trust. Payments made from the Trust to the Responsible Entity do not include any amounts directly attributable to the compensation of key management personnel.

b) Key Management Personnel Remuneration

2008 Name	Cash Salary & Fees $	Termination Benefits $	Cash Bonus $	Non-Cash Benefits $	Post Employment Superannuation $	Total $
P F Barker	-	-	-	-	-	-
N R Collishaw	-	-	-	-	-	-
G B Hodgetts	-	-	-	-	-	-
R Strang	-	-	-	-	-	-
R W Turner AM	-	-	-	-	-	-
R T Summerton	8,125	-	-	-	-	8,125
C A Morton	104,389	-	-	1,517	7,599	113,505
D W Wildenburg	11,509	-	-	-	-	11,509
J J Hutson	8,125	-	-	-	-	8,125
M F White	169,600	61,149	250,000	-	4,700	485,449
A Parkinson	-	-	-	-	-	-
JJ Rodriguez	-	-	-	-	-	-
MGA Smith	-	-	-	-	-	-
	301,748	**61,149**	**250,000**	**1,517**	**12,299**	**626,713**

Note 22: Related Party Disclosures (continued)

2007 Name	Cash Salary & Fees $	Termination Benefits $	Cash Bonus $	Non-Cash Benefits $	Post Employment Superannuation $	Total $
R Summerton	32,500	-	-	-	-	32,500
C Morton	284,648	-	80,000	4,740	25,427	394,815
D Wildenburg	32,500	-	-	-	-	32,500
N Collishaw	-	-	-	-	-	-
J J Hutson	32,500	-	-	-	-	32,500
M F White	186,827	-	100,000	-	12,168	298,995
	568,975	**-**	**180,000**	**4,740**	**37,595**	**791,310**

c) Related party transactions during the year were as follows:

	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
Management fee for the year in accordance with the Trust Constitution. *	3,894,281	2,602,727	3,894,281	2,602,727
Product Disclosure Statement production fee as provided for in the product disclosure statement No.5 dated 8 June 2007 and in accordance with the Trust Constitution. This fee was determined on a commercial basis. *	-	100,000	-	100,000
Acquisition fee (purchase of 657 Pacific Highway, St Leonards, New South Wales) as provided for in accordance with the Trust Constitution. *	381,000	-	381,000	-
Acquisition fee (purchase of 390 St Kilda Road, Melbourne, Victoria) As provided for in accordance with the Trust Constitution. *	1,264,510	-	1,264,510	-
Acquisition fee (purchase of Citigate Perth Hotel, Perth, Western Australia) as provided for in accordance with the Trust Constitution. *	-	1,040,000	-	1,040,000
Acquisition fee (purchase of 1-21 Dean Street, Moonee Ponds, Melbourne, Victoria) as provided for in accordance with the Trust Constitution. *	-	570,000	-	570,000
Acquisition fee (purchase of 706 Mowbray Road, Lane Cove, Sydney, New South Wales) as provided for in accordance with the Trust Constitution. *	-	585,300	-	585,300
Acquisition fee (purchase of The Octagon, 110 George Street, Parramatta, New South Wales) as provided for in accordance with the Trust Constitution. *	-	780,000	-	780,000
Disposal and performance fee (sale of Garden Square, Brisbane, Queensland) as provided for in accordance with the Trust Constitution. *	-	2,565,000	-	2,565,000
Disposal and performance fee (sale of 388 Queen Street, Brisbane, Queensland) as provided for in accordance with the Trust Constitution. *	-	1,800,000	-	1,800,000
Capital raising fee as provided for in the PDS No. 5 dated 8 June 2007 (closed 25 August 2007) and in accordance with the Trust Constitution (30 June 2007: PDS No.4 dated 5 June 2006 and PDS No.5 dated 8 June 2007). This fee was determined on a commercial basis. From the capital raising fee paid to the Responsible Entity by the Trust, the Responsible Entity paid handling fees of $788,532 to advisors and brokers. This resulted in the Responsible Entity receiving $477,837 in capital raising fees. *	1,266,369	754,298	1,266,369	754,298
In-house accountancy fee for the year. This fee was determined on commercial basis. *	105,000	100,000	105,000	100,000
Registry fee for the year. This fee was determined on a commercial basis. *	42,000	40,000	42,000	40,000
The Responsible Entity is a sub-tenant of a tenant at the Anzac Square Offices, 200 Adelaide Street, Brisbane which is a property of Mirvac PFA Diversified Property Trust. The lease term was from 1 May 2007 to 31 December 2007, with the option to renew (2 x one year option periods). The Responsible Entity is currently in the first year option. The terms of the lease were negotiated on commercial terms with the head tenant.	180,830	132,510	-	-

Note 22: Related Party Disclosures (continued)

	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
The Custodian				
Custodian fee for the year paid to Trust company Limited in accordance with the Custody agreement.	141,392	108,344	141,392	108,344

** Fees paid by the Trust to the responsible entity.*

d) Unitholding in the Trust

	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
Number of units held in the Trust				
Mirvac PFA Limited	224,244	224,244	-	-
Christopher Morton related entity	176,437	242,010	-	-
Distributions received during the year				
Mirvac PFA Limited	28,435	33,543	-	-
Christopher Morton related entity	24,797	36,201	-	-

e) Shares in companies

	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
Shares in Citigate Melbourne Pty Ltd The Trust holds 90,000 $1 "A Class" shares and 49 $1 "B Class" shares in Citigate Melbourne Pty Ltd. Citigate Melbourne Pty Ltd is the lessee of Citigate Melbourne Hotel a property acquired by the trust. The lease term is from 1 July 2006 to 30 June 2016. The terms of the lease were negotiated on commercial terms.	90,049	90,049	90,049	90,049
Shares in Citigate Perth Pty Ltd The Trust holds 90,000 $1 "A Class" shares and 49 $1 "B Class" shares in Citigate Perth Pty Ltd. Citigate Perth Pty Ltd is the lessee of Citigate Perth Hotel a property acquired by the trust. The lease term is from 1 July 2007 to 30 June 2017. The terms of the lease were negotiated on commercial terms.	90,049	90,049	90,049	90,049

f) Leasing agreement

	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
The Trust has appointed Mirvac Real Estate Pty Ltd to provide property management and leasing assistance for all properties (with the exception of Civic Tower and Lands Building which is still managed by Knight Frank) (2007: Riverdale Centre and Cairns Hypermart). Mirvac Group owns shares in the Responsible Entity. The terms of the property management and leasing fees were negotiated on a commercial basis.	881,210	150,365	586,754	41,823

g) Related party receivables

	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
Revolving Cash Facility				
Citigate Melbourne Pty Ltd	66,327	501,923	66,327	501,923
Citigate Perth Pty Ltd (net of equity accounting)	908,900	-	1,230,442	-
	975,227	**501,923**	**1,296,769**	**501,923**
Interest Income				
Citigate Melbourne Pty Ltd	59,914	69,178	59,914	69,178
Citigate Perth Pty Ltd	164,955	-	164,955	-
	224,869	**69,178**	**224,869**	**69,178**

h) Related party payables

	Consolidated 2008 $	Consolidated 2007 $	Parent 2008 $	Parent 2007 $
Inter-Trust Loans with 100% owned sub-trusts	-	-	28,213,021	29,439,702

Note 23: Contingent Assets

The Trust and its controlled entities (lessor) hold unconditional bank guarantees from lessees. These bank guarantees may crystallise on default by the lessee to the lessor. The total amount of bank guarantees held as at 30 June 2008 was $6,993,689 (30 June 2007: $5,180,346) for the Consolidated entity and $6,333,789 (30 June 2007: $4,499,253) for the Parent entity.

As at 30 June 2008, the Trust holds income support guarantees covering:

- a maximum period to 16 December 2008 for Civic Tower, Sydney of $548,564 (half share);
- a maximum period to 31 January 2010 for 706 Mowbray Road, Lane Cove, Sydney of $576,595;
- a maximum period to 8 May 2009 for The Octagon, 110 George St, Parramatta of $1,317,947 (half share); and
- a maximum period to 17 August 2009 for 390 St Kilda Road, Melbourne of $800,000.

Note 24: Financial and Capital Risk Management Disclosures

1. Financial Risk Management

The Trust's financial instruments consist mainly of deposits and loans with banks, accounts receivable and payable and derivatives.

The main purpose of non-derivative financial instruments is to raise finance for Trust operations.

Derivatives are used by the Trust for hedging purposes. Such instruments include interest rate swap agreements and interest rate cap agreements. The Trust does not speculate in the trading of derivative instruments.

(a) Treasury Risk Management

The interest rate risk management committee consisting of senior executives of the Trust, meet on a regular basis to analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(b) Financial Risks

The main risk the Trust is exposed to through its financial instruments is interest rate risk and credit risk.

i. Interest Rate Risk

The Trust enters into interest rate swaps and derivatives to manage cash flow risks associated with the interest rates on borrowings that are floating, or alter interest rate exposures arising from mismatches between assets and liabilities.

Trust sensitivity

At 30 June 2008, if interest rates had changed by -/+ 100 basis points from year end rates with all other variables held constant, profit for the year would have been $900,093 higher/lower (2007: change of 100 basis points: $1,146,250 higher/lower), mainly as a result of an increase/decrease in the fair value of the interest rate swaps and also as a result of lower/higher interest expense from the floating portion of the Trust's borrowings.

Parent entity sensitivity

The parent entity's main interest rate risk arises from the Trust's borrowings held at a variable interest rate. At 30 June 2008, if interest rates had changed by -/+ 100 basis points from the year end rates with all other variables held constant, profit would have been $150,210 higher/lower (2007: change of 100 basis points: $688,840 higher/lower) as a result of increased/decreased interest costs.

ii. Credit Risk

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

Note 24: Financial and Capital Risk Management Disclosures (continued)

Credit risk from tenants is minimised by securing bank guarantees and security deposits, and drawing on these in the case of default by a tenant. Ongoing credit evaluation is performed on the financial condition of tenants and, where appropriate, an allowance for doubtful debtors is raised. For further details regarding trade and other receivables refer to the table in note 7.

Concentrations of credit risk from tenants are minimised primarily by:

- ensuring tenants, together with the respective credit limits, are approved, and
- ensuring that leases are undertaken with a large number of tenants.

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

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

iii. Liquidity Risk

Liquidity risk includes the risk that the Trust, as a result of its operations:

- Will not have sufficient funds to settle a transaction on the due date;
- Will be forced to sell financial assets at a value which is less than what they are worth; or
- May be unable to settle a financial asset at all.

To help reduce these risks, the Trust:

- Maintains sufficient cash through having readily accessible standby facilities ie CBA overdraft facility and available drawdown facilities with CBA and ING;
- The option to raise funds through capital raising.

iv. Other Pricing Risk

Other price risk is the risk that the fair value or future cash flows of the investment properties will fluctuate because of changes in market prices (other than the impact of interest rate risk), whether those changes are caused by factors specific to the property industry, or factors affecting all similar property transactions in the market.

2. Capital Risk Management

Our objectives when managing capital are to safeguard the Trust's ability to continue as a going concern, so that it can continue to provide distributions to Investors and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure we may adjust the amount of distributions paid to Investors. We manage our risks with a view to the outcomes of both our financial results and the underlying economic position.

Capital Management is monitored by:

- Balance Sheet Management – Fundamentally concerned with maintaining the capital mix of equity and debt levels.
- Income Statement Management – Fundamentally concerned with supporting the delivery of financial targets by protecting interest rate volatility through the use of interest rate derivatives.

The gearing ratios were as follows:

	Consolidated		Parent	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Total borrowings less cash	344,150	279,044	250,624	184,904
Total assets less cash	641,904	578,877	557,478	491,903
Gearing ratio	**53.61%**	**48.20%**	**44.96%**	**37.59%**

Note 24: Financial and Capital Risk Management Disclosures (continued)

3. Financial Instruments

(a) Interest Rate Swaps

Interest rate swaps allow the Trust to swap floating rate borrowings into fixed rates. Maturities of swap contracts are principally between two and five years.

(b) Interest Rate Risk

The Trust's exposure to interest rate risk, which is the risk that the Trust debt will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on the classes of financial assets and financial liabilities, is as follows:

Consolidated Entity	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing				Non-Interest Bearing			
			Within 1 year		1 to 5 years				Total	
	2008 %	2007 %	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Financial assets										
Cash and cash equivalents	7.06	6.06	10,011	10,480	-	-	-	-	10,011	10,480
Trade and other receivables	-	-	975	837	-	-	2,152	3,033	3,127	3,870
Derivative financial instruments	-	-	-	-	-	-	6,041	2,582	6,041	2,582
Investments accounted for	-	-	-	-	-	-	-	-	-	-
using the equity method	-	-	-	-	-	-	153	-	153	-
Available for sale financial assets	-	-	-	-	-	-	-	180	-	180
Total financial assets			**10,986**	**11,317**		**-**	**8,346**	**5,795**	**19,332**	**17,112**
Financial liabilities										
Trade and other payables	-	-	-	-	-	-	8,510	9,625	8,510	9,625
Interest bearing liabilities	6.93	6.48	354,161	45,747	-	243,777	-	-	354,161	289,524
Other liabilities			-	-	-	-	288,641	291,282	288,641	291,282
Total financial liabilities			**354,161**	**45,747**	**-**	**243,777**	**297,151**	**300,907**	**651,312**	**590,431**

Parent Entity	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing				Non-Interest Bearing			
			Within 1 year		1 to 5 years				Total	
	2008 %	2007 %	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Financial assets										
Cash and cash equivalents	7.06	6.06	9,397	10,480	-	-	-	-	9,397	10,480
Trade and other receivables	-	-	1,297	837	-	-	1,693	2,588	2,990	3,425
Derivative financial instruments	-	-	-	-	-	-	6,041	2,582	6,041	2,582
Available for sale financial assets	-	-	-	-	-	-	180	180	180	180
Total financial assets			**10,694**	**11,317**		**-**	**7,914**	**5,350**	**18,608**	**16,667**
Financial liabilities										
Trade and other payables	-	-	-	-	28,213	29,440	7,581	7,404	35,794	36,844
Interest bearing liabilities	6.93	6.48	260,021	10,000	-	185,384	-	-	260,021	195,384
Other liabilities			-	-	-	-	270,816	269,766	270,816	269,766
Total financial liabilities			**260,021**	**10,000**	**28,213**	**214,824**	**278,397**	**277,170**	**566,631**	**501,994**

c) Net Fair Values

The net fair value of assets and liabilities approximates their carrying value. No financial assets and liabilities are readily traded on organised markets in standardised form.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are as follows:-

Note 24: Financial and Capital Risk Management Disclosures (continued)

	Consolidated 2008		Consolidated 2007	
	Carrying Amount $'000	Net Fair Value $'000	Carrying Amount $'000	Net Fair Value $'000
Financial assets				
Trade and other receivables	4,075	4,075	3,870	3,870
Derivative financial instruments	6,041	6,041	2,582	2,582
Investments accounted for using equity method	153	153	-	-
Available for sale financial assets	-	-	180	180
	10,269	**10,269**	**6,632**	**6,632**
Financial liabilities				
Trade and other payables	10,026	10,026	9,696	9,696
Interest bearing liabilities	353,248	353,248	288,379	288,379
Other liabilities	288,641	288,641	291,282	291,282
	651,915	**651,915**	**589,357**	**589,357**

Note 25: Segment Information

The Trust operates in one business segment, being property investment and in one geographical segment being Australia.

Note 26: Economic Dependency

Where the rental income from a tenant is 10% or more of the total Trust rental income, the tenant is considered to be a key tenant. The portfolio has had growth over the past year such that no individual tenant is considered a key tenant.

Directors' Declaration

The directors of Mirvac PFA Limited as responsible entity of Mirvac PFA Diversified Property Trust declare that:

1) The financial statements and notes are in accordance with the Corporations Act 2001 and:-

a) Comply with Australian Accounting Standards and the Corporations Regulations 2001; and

b) Give a true and fair view of the Trust and the consolidated entity's financial position as at 30 June 2008 and of its performance for the year ended on that date.

2) The Chief Financial Officer has declared that:-

a) The financial records of the Mirvac PFA Diversified Property Trust for the financial year ended 30 June 2008 have been properly maintained in accordance with section 286 of the Corporations Act 2001;

b) The financial statements and the notes to the financial statements for the financial year ended 30 June 2008 comply with the Australian Accounting Standards; and

c) The financial statements and the notes to the financial statements give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Mirvac PFA Diversified Property Trust.

3) In the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of Mirvac PFA Limited.

G B Hodgetts
CEO – Australia
Mirvac Funds Management

Sydney
26 August 2008

BDO Kendalls

BDO Kendalls (QLD)
Level 18, 300 Queen St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Phone 61 7 3237 5999
Fax 61 7 3221 9227
info.brisbane@bdo.com.au
www.bdo.com.au

ABN 70 202 702 402

INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF MIRVAC PFA DIVERSIFIED PROPERTY TRUST

Report on the Financial Report

We have audited the financial report of Mirvac PFA Diversified Property Trust, which comprises the balance sheet as at 30 June 2008, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the responsible entity for the consolidated entity comprising the scheme and the entities it controlled at year end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB101 *Presentation of Financial Statements*, that compliance with the Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks or material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the scheme'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 scheme's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the responsible entity, 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.

BDO Kendalls

INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS OF MIRVAC PFA DIVERSIFIED PROPERTY TRUST (CONTINUED)

Independence

In conducting our audit, we have complied with the independence requirement of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, would be in the same terms if provided to the directors as at the time this audit report was made.

Auditor's Opinion

In our opinion, the financial report of Mirvac PFA Diversified Property Trust is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the scheme's and consolidated entity's financial position as at 30 June 2008 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

BDO Kendalls (QLD)

BDO Kendalls

C R Jenkins
Partner

Brisbane
26 August 2008