

MIRVAC INDUSTRIAL TRUST

Annual Financial Report For the year ended 30 June 2014

The consolidated entity comprises Mirvac Industrial Trust (ARSN 113 489 624) and its controlled entities.

Index	Page
Directors' report	2
Auditor's independence declaration	6
Corporate governance statement	7
Financial statements	19
Directors' declaration	47
Independent auditor's report to the unitholders of Mirvac Industrial Trust	48
Investor information	50
Supplementary information	51

Mirvac Industrial Trust
Directors' report
30 June 2014

The Directors of Mirvac Funds Management Limited (ABN 78 067 417 663, AFSL 220718), the Responsible Entity of Mirvac Industrial Trust (the "Trust" or "consolidated entity") present their report, together with the financial report of the Trust and its controlled entities for the year ended 30 June 2014.

Responsible Entity

The Responsible Entity of the Trust is Mirvac Funds Management Limited, an entity incorporated in New South Wales. The immediate parent entity of the Responsible Entity is Mirvac Holdings Limited (ABN 39 093 200 965), incorporated in New South Wales, and its ultimate parent entity is Mirvac Limited (ABN 92 003 280 699), incorporated in New South Wales.

Directors

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

Paul Barker (Chairman)
Vicki Allen (Deputy Chair)
Andrew Butler
Robert Morrison (appointed as a Director on 25 July 2013)
John Mulcahy (resigned as a Director on 26 November 2013)
Elana Rubin (appointed as a Director on 26 November 2013)

Principal activities

The principal continuing activity of the Trust is property investment. The Trust operates in one geographical area, the United States of America. There has been no significant change in the principal activities of the Trust during the year. The Trust did not have any employees during the year.

Distributions

No distributions will be paid to the unitholders of the Trust for the year ended 30 June 2014 (2013: 0.5 cents per unit).

Operating and financial review

The statutory loss after tax attributable to unitholders of the Trust for the year ended 30 June 2014 was \$3.6m (2013: \$3.0m profit). The operating profit (profit before specific non-cash and significant items) was \$8.4m (2013: \$7.2m).

Operating profit is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items. The Directors consider operating profit to reflect the core earnings of the Trust. The following table summarises key reconciling items between the statutory profit/(loss) attributable to unitholders and operating profit, and has not been subject to any specific audit procedures by the Trust's auditor but has been extracted from the financial statements for the year ended 30 June 2014, which have been subject to audit.

	2014 \$'000	2013 \$'000
(Loss)/profit attributable to unitholders	(3,556)	3,038
Specific non-cash items		
Straight-lining of lease revenue	303	(165)
Net loss on fair value of investment properties	5,012	3,316
Amortisation expense	1,154	1,049
Significant items		
Deposit from terminated sale of investment property ¹	-	(143)
Net loss from sale of investment properties	5,012	154
Proceeds on lease buy out from tenant	(2,129)	-
Finance costs - debt prepayment premium	2,607	-
Operating profit (profit before specific non-cash and significant items)²	8,403	7,249

¹ The Trust had entered into a conditional sale agreement on 23 February 2012 for the sale of 4527 and 4531 Columbia, Hammond. The purchaser was unable to obtain finance for settlement. As a result, the sale did not progress and the non-refundable deposit was released to the Trust.

² The calculation of the Trust's operating profit (profit before specific non-cash and significant items) is consistent with its Product Disclosure Statement.

Mirvac Industrial Trust
Directors' report
30 June 2014

Operating and financial review (continued)

Financial and operational highlights

Key financial highlights for the year ended 30 June 2014 included:

- Loss attributable to the unitholders of the Trust of \$3.6m;
- Operating profit of \$8.4m¹, representing 2.32 cents per unit;
- Total assets of \$192.3m;
- Net decrease of \$5.0m in fair value of investment properties;
- Net Tangible Assets ("NTA") per unit decreased to \$0.20 from \$0.21.

¹ Excludes specific non-cash and significant items.

Key operational highlights for the year ended 30 June 2014 included:

- Disposed of W165 N5830 Ridgewood Drive, Menomonee Falls in December 2013;
- Disposed of four non-core assets in June 2014: 308 S Division Street, Harvard; 900 East 103rd Street, Chicago; 4527 and 4531 Columbia, Hammond;
- Gearing at 30 June 2014 decreased to 57.27 per cent from 63.01 per cent.

Capital Management and Funding

At 30 June 2014, the Trust had total debt of \$110.5m with a weighted average debt expiry of 1.7 years and a weighted average cost of debt of 4.43 per cent. The Trust's gearing level at 30 June 2014 was 57.27 per cent down from 63.01 per cent at 30 June 2013, reduced through a combination of the pay down of the loan from asset sale and amortisation of the Trust's loans with ING USA Annuity and Life Insurance Company ("ING") as required under the loan documentation.

Strategy

On 28 May 2014 it was announced that with the sale of the non-core assets expected to settle in June 2014 the Responsible Entity had appointed financial advisers, Macquarie Capital (Australia) Limited and Chicago property specialists, CBRE Group Inc., to undertake a process to seek formal Expressions of Interest ("EOI") towards the realisation of 100 per cent of Trust units listed on the ASX. The Responsible Entity believes that an EOI campaign may create an opportunity to deliver value to unitholders.

The EOI campaign is comprehensively testing the market's interest in MIX and its underlying real estate portfolio and is progressing well.

The EOI campaign is expected to culminate in an outcome by the end of the 2014 calendar year, however, the Responsible Entity cannot guarantee that the EOI campaign will result in a successful conclusion. Unitholders must vote and approve the ultimate outcome of any transaction that results from the EOI campaign.

The Responsible Entity will continue to keep the market updated as the EOI campaign progresses.

Outlook

The Chicago industrial availability rate registered in at 7.9% for 30 June 2014, reflecting the lowest rate since 2000. This rate reflects a decrease 0.80% from one year ago. With decreasing availability rates and a dwindling supply of available Class A space, construction ramped up to levels not seen in over a decade along with continued positive net absorption during the year.

The index of U.S. leading indicators rose in June for the fifth straight month, showing the economy continues to gain momentum following a slowdown at the start of 2014 due to the toll an unusually difficult winter took on the country's recovery.

Risks

As a trust involved in property investment, the Trust faces a number of risks throughout the business cycle which have the potential to affect the Trust's achievement of its targeted financial outcomes. The Trust's objective is to ensure those risks are identified and appropriate strategies are implemented to control or otherwise manage the impact. The Trust's risk management framework is integrated with its day-to-day business processes and is supported by a dedicated risk management function. Further information on the Trust's risk management framework is detailed in the Corporate Governance Statement in the Trust's 2014 annual report. For the year ended 30 June 2014, the Trust continued to review both internal and external risks, seeking to minimise their impact.

The key business risks faced by the Trust and how these are managed include:

- **Vacancy & expiry risk:** Management alongside the Trust's Chicago based property manager, review potential vacancy and expiry risks on an ongoing basis to ensure appropriate leasing strategies are in place to minimise these types of risks. Examples may include entering into early lease extensions with certain tenants, where appropriate, or the appointment of specialist agents to undertake leasing campaigns for vacant space.
- **Capital expenditure risk:** Management works together with the Trust's Chicago based property manager to monitor business operations and to identify any possible capital expenditure and repair and maintenance requirements to ensure the properties remain in leasable condition.

Mirvac Industrial Trust
Directors' report
30 June 2014

Operating and financial review (continued)

Risks (continued)

- Fair value risk: Ongoing monitoring of the fair value of investment properties - Investment properties are revalued by external valuers on a rotating basis with each asset required to be externally valued at least once every two years. Investment properties which are not subject to an external valuation at the reporting date are fair valued internally by Management.
- Foreign exchange risk: The Trust does not hedge unrealised fair value increases/decreases which may have occurred in its foreign currency assets. A depreciation of Australian dollar against US dollar is expected to have a positive impact on the Trust's NTA and a negative impact if the exchange rate goes in an opposite direction. Management continually monitors the exchange rate and its impact to the Trust.

Value of assets

The Trust's assets are valued in accordance with policies stated in note 1 of the financial statements. The Trust's total assets are as follows:

	2014 \$'000	2013 \$'000
Total assets	192,308	244,337

Interests in the Trust

	2014 Number of units '000	2013 Number of units '000
Total units on issue	362,457	362,457

Environmental regulations

The Trust is subject to significant environmental legislation and associated regulations and Acts. The Trust is committed to the implementation of responsible and practical management procedures to minimise environmental impacts and provide compliance under the government regulations applicable to all areas of its operations.

Non-audit services

The Responsible Entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Trust are relevant. Details of the amounts paid or payable to the auditor ("PricewaterhouseCoopers") for audit and non-audit services provided during the year ended 30 June 2014 are set out in note 19 to the financial statements.

The Board of Directors has considered its position and, in accordance with the advice received from the Audit, Risk and Compliance Committee ("ARCC") of Mirvac Group ("MGR"), is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in note 19 to the financial statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

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

Significant changes in the state of affairs

Significant changes in the state of affairs of the Trust during the year were as follows:

Asset sales

The sale of W165 N5830 Ridgewood Drive, Menomonee Falls was finalised on 4 December 2013. The property was sold for \$16.1m (US\$15.2m) before costs.

On 27 June 2014, the Trust has finalised a sale transaction for four properties: 308 S Division Street, Harvard; 900 East 103rd Street, Chicago; 4527 and 4531 Columbia, Hammond. These properties were sold for \$32.3m (US\$30.5m) before costs.

In the opinion of the Directors there were no other significant changes in the state of affairs of the Trust that occurred during the year under review.

Mirvac Industrial Trust
Directors' report
30 June 2014

Operating and financial review (continued)

Matters subsequent to the end of the year

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the:

- Trust's operations in future years; or
- results of those operations in future years; or
- Trust's state of affairs in future years.

Likely developments and expected results of operations

In the opinion of the Directors, it would prejudice the interests of the Trust to provide additional information relating to likely developments in the operations of the Trust, and the expected results of those operations in financial years subsequent to 30 June 2014.

Insurance of officers

During the year, the Responsible Entity has not indemnified, or entered into any agreement indemnifying against a liability, any person who is or who has been an officer of the Responsible Entity of the Trust. No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to Mirvac Funds Management Limited.

Directors' interests

No Directors held units in the Trust during the financial year.

Fees paid to the Responsible Entity or its associates

Fees payable to the Responsible Entity out of the Trust during the year were \$1.5m (2013: \$1.4m). Fees charged by the Responsible Entity represent the Responsible Entity's remuneration and recovery of costs. No fees were paid out of the Trust to the Directors of the Responsible Entity during the year.

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

Auditor's independence declaration

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

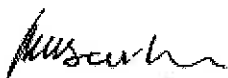
Auditor

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

Rounding of amounts

The Trust is an entity of the kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission ("ASIC"), relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise stated.

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



Paul Barker
Chairman


Sydney
21 August 2014

Auditor's Independence Declaration

As lead auditor for the audit of Mirvac Industrial Trust for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

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

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



Jane Reilly
Partner
PricewaterhouseCoopers

Sydney
21 August 2014

Mirvac Industrial Trust

Corporate governance statement

For the year ended 30 June 2014

Introduction

This section of the Annual Report outlines MFML's governance framework.

MFML is a wholly owned subsidiary of Mirvac Limited ("Mircac") and, as a matter of good corporate governance, MFML exists for the specific purpose of acting as responsible entity, trustee or manager of certain trusts and registered managed investment schemes. MFML and a Mirvac group entity have entered into a service agreement under which the Mirvac group entity provides MFML with access to resources of Mirvac necessary to execute its duties as responsible entity, trustee or manager (the "Services Agreement").

MFML is the responsible entity of Mirvac Industrial Trust ("MIX" or the "Trust"). MIX is listed on the Australian Securities Exchange ("ASX").

The Directors of MFML (the "Directors") believe that its corporate governance framework is critical to its commitment of building and delivering value to its unitholders and fulfilling its obligations and responsibilities in the best interests of unitholders.

For the year ended 30 June 2014, MFML considers its corporate governance framework to be consistent with the 2nd edition of the ASX Corporate Governance Council's Principles and Recommendations, which were updated in 2010 (the "Recommendations"), unless disclosed otherwise. Where possible, commentary has been included in this corporate governance statement in relation to the third edition of the Recommendations released in March 2014 ("revised Recommendations"), and MFML expects to be compliant with these revised Recommendations by 30 June 2015.

Copies of MFML's corporate governance policies and practices, as suggested by the Recommendations, can be viewed in the corporate governance section of Mirvac Investment Management's website at www.mirvacinvestmentmanagement.com/corporate-governance.

This corporate governance statement was approved by the Board of MFML and is current as at 31 July 2014 in accordance with ASX Listing Rule 4.10.3.

Principle 1: Lay solid foundations for management and oversight

Roles and responsibilities of the Board and management

The primary objective of the MFML Board (the "Board") is to build unitholder value for the trusts and registered managed investment schemes ("schemes") that it oversees, with due regard to other stakeholder interests and responsible investment principles. It does this by setting the strategic direction, focusing on the issues critical to the success and objectives of the trusts and schemes and managing risks.

The Board guides and monitors activities on behalf of the unitholders of the trusts and schemes for which MFML acts as trustee or responsible entity. The Board is responsible for meeting its obligations to all stakeholders involved in overseeing the business of the trusts and schemes. Its key accountabilities include:

- capital management and financial reporting;
- performance monitoring;
- risk management;
- governance, audit and compliance; and
- health, safety, environment and sustainability.

Specific Board responsibilities include:

- approving and monitoring significant trust and scheme initiatives;
- reviewing and approving strategy, financial budgets for trusts and schemes, monitoring financial performance;
- authorising capital structuring including capital raisings;
- ensuring that significant risks have been identified and appropriate controls put in place;
- other functions prescribed by law or assigned to the Board; and
- nomination of new directors.

Board Charter

MFML has adopted a Board Charter which formalises its accountabilities and responsibilities and clarifies responsibilities delegated to management. It also sets out the membership and expertise of the Board and the appointment of the Chair.

MFML has no employees. The Services Agreement sets out the day-to-day services and administration support that Mirvac employees will provide to MFML in order for MFML to execute its duties as trustee, responsible entity and manager.

The Board Charter was last reviewed and updated in June 2013 and is currently being reviewed in light of the revised Mirvac Group Board Charter adopted in June 2014. A copy of the current Charter is available from the corporate governance section of Mirvac Investment Management's website at www.mirvacinvestmentmanagement.com/corporate-governance.

Mirvac Industrial Trust
Corporate governance statement
For the year ended 30 June 2014

Principle 1: Lay solid foundations for management and oversight (continued)

Delegation to management

The Board, via the Service Agreement, has delegated responsibility for the day-to-day management and administration of MIX to the Group Executive Office & Industrial assisted by the MIX management team and the MIX Investment Committee. The Group Executive Office & Industrial and the MIX management team operate in accordance with Board approved policies, charters and delegated limits of authority.

The Group Executive Office & Industrial and other senior executives of Mirvac provide reports on MIX to the Board including the financial performance, the activities of the Trust and other related matters. The Board monitors the performance of MIX to gain assurance that progress is being made to attain the approved MIX strategies and plans. The Board also monitors the performance of MIX through its Board committees.

Board Committees

In order to achieve operational efficiencies, the Board has established, adopted or has the ability to obtain the assistance of a number of committees. The Board has delegated certain powers and responsibilities to those Committees in accordance with MFML's constitution and the *Corporations Act 2001*. The delegated powers have been clearly defined in a delegated limits of authority document and the charters of the relevant Committee, which are approved by the Board.

The current committees are:

- Investment Committee; and
- Mirvac Group Audit Risk and Compliance Committee ("ARCC"), (together the "Committees").

The Board may also delegate specific functions to ad hoc committees on an "as needs" basis.

The Board has adopted the Mirvac Group ARCC and its charter ("ARCC Charter") for performance of the responsibilities outlined in the ARCC Charter. The Board may in some instances elect to perform responsibilities otherwise delegated to the ARCC. These responsibilities include but are not limited to the review of certain financial reports. The ARCC responsibilities performed directly by the Board are set out in an annexure to the ARCC Charter.

In relation to the Committees, each has its own terms of reference or charter which have been approved by the Board. These documents set out matters relevant to the particular Committee's composition and its responsibilities. The terms of reference and/or charter for each Committee are reviewed regularly with the performance of the Committees evaluated annually. These Committees report regularly to the Board.

Investment Committee – MIX ("Investment Committee")

The key responsibilities and activities of the Investment Committee are as follows:

- recommending the overall investment strategy for MIX;
- monitoring investment markets in which MIX operates and recommending the acquisition, capital expenditure and disposal of assets;
- monitoring investment performance and ensuring compliance with the investment strategy;
- monitoring implementation of, and compliance with, the risk management framework and approved policies; and
- ensuring, investigating and reviewing the valuations of the MIX investment portfolio.

The membership of the Investment Committee has been carefully determined to provide the relevant experience and expertise appropriate to MIX's investments. The Investment Committee is accountable to the Board and reports to the Board quarterly or more frequently if required, providing appropriate advice and recommendations for the Board's consideration.

Appointment of new directors

The Board seeks to have a mix of skills and diversity across its members related to MFML's current and future business and independence. The skills mix required will change from time to time as MFML's business and operating environment changes.

The Board may, with the assistance of Mirvac Group's Nomination Committee:

- consider the selection and appointment of directors and assessing the candidates against a wide range of criteria; and
- engage external consultants to assist in the search for candidates, ensuring that a wide selection of candidates are assessed.

The selection process includes undertaking appropriate checks such as character, experience, education, criminal record and bankruptcy history before appointing a person as a director.

All new directors are required to sign and return a letter of appointment which sets out the key terms and conditions of their appointment, including remuneration, duties, rights and responsibilities, the time commitment envisaged and MFML's expectations of its directors. New directors also receive a director's pack which includes relevant trust and company documents, Board Charter, Director Indemnity Deed, company directory and key policies.

Mirvac Industrial Trust
Corporate governance statement
For the year ended 30 June 2014

Principle 1: Lay solid foundations for management and oversight (continued)

The conditions of appointment also includes reference to Mirvac Group's code of conduct, the obligation to comply with key policies, the obligation to disclose interests and any matters which may affect the Director's independence in the case of non-executive Directors.

An ongoing obligation for all Directors is the disclosure of appointments to other listed entity boards.

Induction of new directors and ongoing director education

New Directors are provided with a formal induction program. This includes meetings with senior executives (including Heads of Risk and Internal Audit), briefings on strategy, independent meetings with Mirvac Group's external auditors, provision of all relevant corporate governance material and policies, and discussions with the Chair, other Directors and any other members of management as relevant.

Directors are provided with continuing education and professional development opportunities to update, enhance and maintain their skills and knowledge and to understand MFML's operations, including briefings on any key changes to the industry and environment in which MFML's trusts and schemes operate. Directors are also encouraged to access external education including director-related and industry conferences.

Term and re-election of Directors

MFML does not set a fixed term of office for its Directors. The mix of experience and expertise of the current Directors is of value to MFML and it does not wish to arbitrarily limit their term of office. Nominating a fixed term for Directors may cause loss of experience and expertise, which is not in the best interest of MFML or unitholders of the trusts and schemes managed by MFML.

It is not a requirement for unitholders in the trusts and schemes that MFML oversees to hold a vote on the election or re-election of the Directors.

Access to information and independent advice

As detailed in the Board's Charter, the Board and its Committees have access to information and may seek independent advice whenever it is considered appropriate. Individual Directors may seek independent advice with the consent of the MFML Chair (the "Chair") on any matter connected to their responsibilities as a Director, at MFML's expense.

Company Secretary

The role of MFML's Company Secretary is to coordinate all Board business, including advising the Board and committees on governance, monitoring Board and Committee policy and procedures, coordinating the timely completion and despatch of Board and Committee papers, ensuring that the business at the Board and Committee meetings is accurately captured, and organising and facilitating the induction and professional development of Directors.

The MFML Company Secretary is accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board. Each Director is able to communicate directly with the MFML Company Secretary and vice versa.

The decision to appoint or remove the MFML Company Secretary is made or approved by the Board.

The Directors have access to senior executives of Mirvac and the MFML Company Secretary at any time to request relevant information. The Directors are also provided with timely information in a form and of a quality that enables the Board to discharge its duties effectively.

Diversity

MFML does not have any employees and therefore does not have a diversity policy in relation to employees. Mirvac employees providing services to MFML (including the Group Executive Office & Industrial) are subject to the Mirvac Group's Diversity Policy.

A copy of the Mirvac Group's Diversity Policy is available from Mirvac Group's website at www.mirvac.com/about/corporate-governance.

In respect of the Board's composition, the Board seeks to have a mix of skills and diversity across its members necessary to meet MFML's current and future business needs and independence. The skills and experience are included in a matrix, below.

The Board strives to achieve and maintain, at a minimum, a Board composition which includes at least 25 per cent women. This was achieved during the year ended 30 June 2014.

Mirvac Industrial Trust
Corporate governance statement
For the year ended 30 June 2014

Principle 1: Lay solid foundations for management and oversight (continued)

Board and Director performance evaluation

The Chair, supported by the MFML Company Secretary, undertakes an annual review of:

- the Board's role;
- the Board's processes and the Committees appointed to support the Board;
- the Board's performance, including the performance of its committees; and
- each individual Director's performance.

The process includes obtaining feedback from each Director through a questionnaire that remains confidential and anonymous. The Board's annual review results are provided to the Chair for determining actions required as relevant or necessary.

The Board's annual review process was conducted for the year ended 30 June 2014.

Evaluation of performance of senior executives

MFML has no employees. The Group Executive Office & Industrial, the MIX management team and other people involved with the trusts and schemes are Mirvac employees.

The performance of Mirvac senior executives is reviewed annually, with an interim six monthly review as part of Mirvac's performance management system.

A performance evaluation of all Mirvac senior executives was completed during the year ended 30 June 2014.

Further information on performance evaluation and remuneration (including assessment criteria) is set out in the Remuneration Report which forms part of the Mirvac Group's Annual Report. The Mirvac Group Annual Report is available at http://groupir.mirvac.com/page/Financial_Reports/.

Principle 2: Structure of the Board to add value

Nominations Committee

The MFML Board considers selection and appointment of directors as an important task. It is the responsibility of the entire Board to consider director selections and appointments. The Board has the ability to obtain the assistance of Mirvac Group's Nominations Committee for the selection and appointment process of directors.

The membership of Mirvac Group's Nomination Committee currently consists of John Mulcahy (Chair), Peter Hawkins and Elana Rubin, each of whom is an independent Non-Executive Directors of Mirvac Group.

The accountabilities and responsibilities of the Mirvac Group's Nomination Committee are set out in the Mirvac Group Nomination Committee Charter, a copy of which is available from Mirvac Group's website at <http://www.mirvac.com/about/corporate-governance/>.

However, the Mirvac Group Board chose to undertake the responsibilities of the Mirvac Group Nominations Committee for the year ended 30 June 2014.

Structure of the Board

The table below sets out the skills and experience that are considered to be important for the Directors in light of MFML's current business and structure and an assessment of how many Directors have such skills and experience. The Directors' biographies provide further details on each Director's relevant experience, qualifications and skills.

Skills and experience	No of Board members
Property	5
Funds management	5
Finance	5
Compliance/legal	5
Marketing	2
Business strategy	5
Governance	5
Human resources	3
International	3

Mirvac Industrial Trust
Corporate governance statement
For the year ended 30 June 2014

Principle 2: Structure of the Board to add value (continued)

The skills, experience and year of appointment of the Directors are set out below:

Paul Barker

BBus, FCA, ACIS, MAICD

Independent Non-Executive Chair

Member of the Mirvac Group Audit, Risk & Compliance Committee

Paul has extensive experience in accounting and financial services both in Australia and overseas. Formerly Chief Executive of Audit Victoria, he also held senior group executive positions with Standard Chartered Bank in Hong Kong, Singapore and London.

Paul is also the Chairman of Mirvac REIT Management Limited.

Paul has previously held roles including Chairman of the Transport Accident Commission, Deputy Chairman of the Victorian WorkCover Authority, Chairman of the Emergency Services Telecommunications Authority, Chairman of VicForests, Chairman of Stadium Operations Limited (Etihad Stadium), Director of Employment National Limited, and Chairman of the Victorian division of the Institute of Chartered Accountants.

He is a Fellow of the Institute of Chartered Accountants in Australia and a member of the Institute of Chartered Secretaries and the Australian Institute of Company Directors.

Paul was appointed as an Independent Non-Executive Chair to the Board on 1 April 2007.

Vicki Allen

BBus, MBA, FAICD

Independent Non-Executive Deputy Chair

Vicki Allen is a skilled director and consultant, with more than 25 years' experience in the financial services and property sectors. Her executive career spans senior strategic, operational, product and business development roles at The Trust Company, National Australia Bank, Lend Lease Corporation and Westfield Limited.

Vicki is currently the Chair of Bridge Housing Limited, a member of NSW Self Insurance Corporation Advisory Board and on the board of a major industry superannuation fund.

Vicki was appointed as an Independent Non-Executive Director and Deputy Chair to the Board on 28 May 2013.

Robert Morrison

BTRP (Hons), MComm

Independent Non-Executive Director

Robert has extensive experience in property investment and funds management. During his 21 years at AMP, Robert held executive roles which included Head of Property and Director of Asian Investments. Robert's investment experience includes senior portfolio management roles where he managed both listed and unlisted property investments on behalf of institutional investors.

Robert was previously an executive director of AMP Capital and a national director of the Property Council of Australia. He is a founding partner and executive director of alternative investments firm, Barwon Investment Partners, and a non-executive Director of Ingenia Communities Group.

Robert was appointed as an Independent Non-Executive Director to the Board on 25 July 2013.

Elana Rubin

BA (Hons), MA, FFin, FAICD, FAIM

Non-Executive Director

Member of the Mirvac Group Audit, Risk and Compliance Committee

Member of the Mirvac Group Nomination Committee

Elana Rubin was appointed a Non-Executive Director of MFML on 26 November 2013 and has extensive experience in property and financial services.

Elana is a Director of several NAB life insurance and asset management subsidiaries, Director of PPB Advisory, and a Member of the Federal Government's Infrastructure Australia Council, the Qualitas Properties Advisory Board and the Victorian Council of the Australian Institute of Company Directors.

Mirvac Industrial Trust
Corporate governance statement
For the year ended 30 June 2014

Principle 2: Structure of the Board to add value (continued)

Elana is the former Chair of AustralianSuper (July 2007 to April 2013), one of Australia's leading superannuation funds, having been on the Board since 2006. She was a Director of Victorian WorkCover Authority (December 2001 to February 2012) and Chair from 2006.

Elana was previously a Non-Executive Director of TAL Life Limited (formerly Tower Australia Limited) (November 2007 to April 2013) and has been a Director on a number of listed companies and other entities including Bravura Solutions Ltd.

Elana is currently an Independent Non-Executive Director of Mirvac Group (appointed November 2010).

Andrew Butler

BAPPSc (Land Economics), GradDip Management, AAPI
Executive Director

Andrew has been with Mirvac for 19 years and is currently responsible for Mirvac Group's various real estate investment businesses including MIX, Mirvac Property Trust and Mirvac Asset Management.

Andrew has been involved in property investment, development, acquisitions and property funds management for more than 24 years. He has extensive experience in commercial, retail, industrial and hotel property throughout Australia, New Zealand and the United States.

Prior to his appointment as Group Executive Office & Industrial, Andrew served as CEO Investment; Director Investment; Director, Listed and Unlisted Funds; Director, Mirvac Real Estate Investment Trust and Director, Property Acquisitions and Agency Services for Mirvac. Prior to joining Mirvac, Andrew worked at Stanton Hillier Parker in valuations and consultancy.

Andrew was appointed an Executive Director to the MFML Board on 13 December 2010.

Independence of Directors

The Board has developed a policy, contained in the Board Charter, to determine the independence of its Non-Executive Directors. This determination is conducted annually or at any other time where the circumstances of a director change may warrant reconsideration.

Overriding the quantitative considerations set out in the Board Charter is a qualitative assessment. Specifically, the Board will consider whether there are factors or considerations which may mean that the Director's interest, position, association or relationship does, or could be reasonably perceived to, materially interfere in bringing an independent judgement to bear on issues before the Board and to act in the best interest of MFML or the trusts and schemes it manages.

Throughout the year ended 30 June 2014, the Board had a majority of independent Non-Executive Directors. One Non-Executive Director, whilst not a member of management, is a Non-Executive Director of Mirvac Group and is therefore not considered to be an Independent Director of MFML. The Board recognises the position of this Non-Executive Director and has appropriate processes in place, which includes the Mirvac Group Conflict of Interest and Related Party Transactions Policy, when considering matters that could materially interfere or could reasonably be perceived to materially interfere with the exercise of their judgement.

The Board currently consists of five members of whom three (namely Paul Barker, Vicki Allen and Robert Morrison) are considered to be independent.

Independence and role of the Chair

The Board Charter provides that the chair must be an independent, Non-Executive Director. The Chair, Paul Barker, is an Independent, Non-Executive Director. The specific role of the Chair is detailed in the Board Charter and includes:

- providing leadership to the Board;
- ensuring efficient organisation and conduct of the Board;
- monitoring Board performance;
- facilitating Board discussions to ensure core issues facing MFML are addressed;
- briefing all Directors in relation to issues arising at Board meetings;
- facilitating the effective contribution and ongoing development of all Directors; and
- chairing unitholder meetings.

Non-Executive Directors have spent approximately 24 days in the 2014 financial year on Board activities and business, including attendance at Board meetings and meetings with management.

Mirvac Industrial Trust
Corporate governance statement
For the year ended 30 June 2014

Principle 3: Promote ethical and responsible decision making

Responsibilities of the Board and management

Conduct and ethics – Mirvac Group Code of Conduct (the “Mircac Group Code”)

Integrity is one of Mirvac Group's core values. With a history exceeding 40 years, Mirvac Group has built a reputation for integrity and in dealing fairly, honestly and transparently with all stakeholders. MFML has adopted the Mirvac Group Code which espouses its core values and reflects the Recommendations in terms of the matters addressed. The Mirvac Group Code applies to the Board, executives, Mirvac employees and contractors (known as “Workplace Participants”). The Mirvac Group Code is available from the corporate governance section of Mirvac Investment Management's website at www.mirvacinvestmentmanagement.com/corporate-governance.

In addition, Mirvac Group is committed to maintaining a high standard of ethical business behaviour at all times and requires Workplace Participants to:

- treat other Workplace Participants with fairness, honesty and respect;
- comply with all laws and regulations;
- comply with Mirvac Group policies and procedures in force from time to time; and
- not engage in any improper conduct.

Mircac Group has an established Open Line Policy which provides a mechanism for employees to report concerns regarding potentially unethical, unlawful or improper practices or behaviours. The Open Line Policy provides protection for individuals reporting in good faith. Access to Mirvac Group's Open Line is available to any third party, including suppliers, customers and unitholders who wish to report any concerns. A copy of the Open Line Policy together with the web form and Open Line contact number, is available on Mirvac Group's website at www.mirvac.com/About/Corporate-Governance. The Mirvac Group website also includes Mirvac Group's public commitment to the non-tolerance of any unlawful, unethical payments or inducements.

Mircac Group also has a specific Fraud, Bribery and Corruption Policy which outlines its commitment to prevent fraud, bribery and corruption and which provides guidance to Workplace Participants to manage these risks.

Conflicts of interest

The Board Charter sets out the obligations of Directors in dealing with conflicts of interests.

In addition, the Mirvac Group has adopted a Conflicts of Interest and Related Party Transactions Policy (“Conflicts Policy”) which sets down guidelines for dealing with conflicts of interest that may arise, particularly for senior management and other employees.

In relation to Directors with any actual or potential conflicts of interest on a matter before the Board, the Directors:

- will disclose their conflict;
- may or may not participate in any discussion or decision making in relation to such matter, depending on the matter being considered for Board decision; and
- will act in accordance with Mirvac Group's Conflict Policy and the Board Charter.

For situations where a specific actual or potential conflict of interest is identified in relation to any activity which is not appropriately addressed or cannot be appropriately managed in accordance with the Mirvac Group's Conflicts Policy, the Board adopts a separate and specific set of protocols to address the specific conflicts of interest identified.

Security trading

The Mirvac Group has implemented a Security Trading Policy which has been adopted by the Board in respect of MIX. The Security Trading Policy covers dealings in Mirvac Group securities, including MIX units, by Directors, Mirvac senior executives and other designated Mirvac employees, as well as their respective associates (“Restricted Officers”). Restricted Officers may only deal in Mirvac Group securities and MIX units with prior approval to do so and outside certain periods as identified in the Policy. Restricted Officers may need to obtain the same approvals for dealing in securities in other public listed entities that are related to Mirvac Group. Notwithstanding this, no Director or Restricted Officer may deal in Mirvac Group securities or MIX units if they are in possession of price sensitive information which is not available to the market. Any dealing in Mirvac Group securities or MIX units by Directors is notified to the ASX within five business days of the transaction.

A new Security Trading Policy was adopted by Mirvac Group in April 2014 and by MFML in May 2014. A copy of the Security Trading Policy is available from the corporate governance section of Mirvac Investment Management's website at www.mirvacinvestmentmanagement.com/corporate-governance.

Political donations

The *Election Funding, Expenditure and Disclosures Act 1981* NSW (amended in 2009) prohibits property developers from making political donations. Mirvac Group's Political Donations Policy, which MFML has adopted, prohibits Mirvac Group and any of its employees from making any political donation on behalf of Mirvac Group. For the year ended 30 June 2014, MFML (including its Directors and relevant Mirvac employees) made no political donations.

Mirvac Industrial Trust
Corporate governance statement
For the year ended 30 June 2014

Principle 4: Safeguard integrity in financial reporting

ARCC

ARCC Charter

The MFML Board has adopted and delegated certain responsibilities to ARCC which are set out in the ARCC Charter. A copy of the ARCC Charter is available from Mirvac Group's website at www.mirvac.com/about/corporate-governance. The ARCC performs certain delegated audit, risk and compliance functions on behalf of MFML and provides regular reports to the Board.

Role of ARCC

The objective of the ARCC is to assist the Board in fulfilling its corporate governance obligations and responsibilities in relation to financial reporting, systems of internal control and management of risk, internal and external audit functions, and compliance obligations including the processes for monitoring compliance with relevant laws and regulations and the Mirvac Group Code of Conduct. As set out in the ARCC Charter, the Board, in conjunction with the external auditors, is responsible for ensuring that the financial statements and disclosures are complete and accurate for trusts and schemes, and that they are in accordance with generally accepted accounting principles and applicable laws.

The ARCC is also responsible for making recommendations to the Board regarding the selection and appointment of the external auditor and the rotation of external audit engagement partners, as outlined in the Board and ARCC Charter and Principle 7 below.

As stated in Principle 1 above, the Board may in some instances elect to perform responsibilities otherwise delegated to the ARCC. These responsibilities include but are not limited to the review of certain financial reports and market sensitive information. The ARCC responsibilities performed directly by the Board are set out in an annexure to the ARCC Charter.

Senior management of Mirvac (including the CEO & Managing Director, Chief Financial Officer, General Counsel, Group General Manager Risk & Compliance, Head of Internal Audit and Group Compliance Manager) as well as representatives of the external and internal auditors are able to attend the Board and ARCC meetings. The Board and ARCC regularly meets with the external auditors without management present.

ARCC composition

The ARCC currently consists of six members. The current members of the ARCC include each of Mirvac Group's independent Non-Executive Directors, namely James Millar AM (Chair), Peter Hawkins, John Mulcahy, John Peters and Elana Rubin. Paul Barker, Chair of MFML, is an independent member of ARCC. Each member of the ARCC has the technical expertise to enable the ARCC to effectively discharge its mandate. The Chair of the ARCC, James Millar AM, is the former Chief Executive Officer of Ernst & Young. Further details of the members' qualifications can be found in Mirvac Group's Annual Report. Paul Barker is a Chartered Accountant and has extensive experience in accounting and financial services both in Australia and overseas. James MacKenzie was an independent ARCC member for a part of the financial year ended 30 June 2014 and resigned from the ARCC on 30 January 2014.

Details of meeting attendance of the members of the ARCC are contained in the following table:

Mirvac Director	Number of ARCC meetings attended whilst a member	Number of ARCC meetings held whilst a member
James Millar AM (Chair)	6	6
Peter Hawkins	6	6
James MacKenzie*	1	3
John Mulcahy	6	6
John Peters	6	6
Elana Rubin	6	6
Non-Mirvac Director		
Paul Barker	6	6

* James MacKenzie was granted a leave of absence from 1 July 2013 to 31 August 2013 which covered one ARCC meeting. James MacKenzie resigned as a Director of Mirvac Group and therefore as a Committee member on 30 January 2014.

External auditor relationship

Appointment or removal of external auditor

The Board is responsible for overseeing the relationship with MIX's external auditor, PricewaterhouseCoopers, including the terms of engagement of the external auditor and the scope of the external audit program each year. The Board is also responsible for monitoring and evaluating the performance and independence of the external auditor and the provision of non-audit services by the external auditor.

Mirvac Industrial Trust
Corporate governance statement
For the year ended 30 June 2014

Principle 4: Safeguard integrity in financial reporting (continued)

Auditor independence

The Board has adopted a policy and practice protocol for auditor independence which forms part of the ARCC's Charter. The Mirvac Group's Non-audit Services Provided by the Independent External Auditors Policy ("Non Audit Service Policy") is available from Mirvac Group's website at www.mirvac.com/about/corporate-governance. It is Mirvac Group's policy to engage the best available professional advisors at the most competitive price. This policy must, however, be applied within the context of maintaining the independence of MIX's external auditors. It is PricewaterhouseCoopers' policy to rotate audit engagement partners on listed entities at least every five years, and in accordance with that policy, a new audit engagement partner was introduced for the year ended 30 June 2011.

The ARCC Charter (through the Non-Audit Services Policy) endorses the fundamental principle of auditor independence that, in order to be eligible to undertake any non-audit related services, the external auditor must not, as a result of that assignment:

- create a mutual or conflicting interest with that of Mirvac Group;
- audit their own work;
- act in a management capacity or as an employee of Mirvac;
- perform internal audit services; or
- act as an advocate for Mirvac Group.

Certificate of independence

PricewaterhouseCoopers provides the Board or ARCC as delegated with a half-yearly and annual certification of its continued independence, in accordance with the requirements of the *Corporations Act 2001*. In particular, the certificate of independence confirms PricewaterhouseCoopers did not carry out any services or assignments during the year ended 30 June 2014 that impacted auditor independence.

Non-audit services

In addition to the audit partner rotation and appointment requirements set out in the ARCC Charter and in the *Corporations Act 2001*, Mirvac Group's requirements in relation to non-audit services is set out in its Non-Audit Services Policy. Under the Non-Audit Services Policy, the Chair of ARCC must give prior approval for any non-audit services engagement of the Trust's external auditor where the fee for the particular engagement exceeds \$100,000, or if the annual cumulative fees for all non-audit services exceed, or are likely to exceed, 50 per cent of the auditor's annual audit fees. Proposed engagements below this amount require the prior written approval of the CEO & Managing Director or Chief Financial Officer (or equivalent) of Mirvac.

No work will be awarded to the external auditor if those responsible for approval (as set out above) believe that such work would give rise to a "self review threat" (as defined in APES 110 *Code of Ethics for Professional Accountants*) or would create an actual or perceived conflict of interest for the external auditor or any member of the audit team, or would otherwise compromise the auditor's independence requirements under the *Corporations Act 2001*.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in note 19 to the financial statements.

Assurances

The Group Executive Office and Industrial (performing the role of CEO), the Financial Controller Investment Management (performing the CFO function for MIX) and the General Manager MIX have provided the following assurances to the MFML Board in connection with MIX's full year financial statements and reports for the year ended 30 June 2014, namely that in their opinion:

- MIX's financial records for the year ended 30 June 2014 have been properly maintained in accordance with Section 286 of the *Corporations Act 2001*, such that those records correctly record and explain MIX's transactions and its financial position and performance and enable true and fair financial statements to be prepared and audited;
- MIX's financial statements, and the notes to those statements, for the year ended 30 June 2014 comply with Accounting Standards as defined in the *Corporations Act 2001*;
- MIX's financial statements, and the notes to those statements, for the year ended 30 June 2014 give a true and fair view of the financial position and performance of MIX;
- there are reasonable grounds to believe that MIX will be able to pay its debts as and when they become due and payable;
- each of the statements referred to above is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the MFML Board; and
- MIX's system of risk management and internal compliance and control is operating effectively in all material respects in relation to financial reporting risks.

Compliance

For the financial year ended 30 June 2014, the Board delegated to ARCC the responsibility for monitoring and reviewing the compliance plans for registered managed investment schemes including for MIX, and the MFML Australian Financial Services Licence ("AFSL"), as well as overseeing their adherence to all applicable laws and regulations.

Mirvac Industrial Trust
Corporate governance statement
For the year ended 30 June 2014

Principle 5: Make timely and balanced disclosure

Commitment to disclosure

MFML, as responsible entity for MIX, is committed to ensuring:

- compliance with ASX Listing Rules disclosure requirements;
- accountability at a senior executive level for compliance with continuous disclosure requirements;
- the facilitation of an efficient and informed market by keeping the market apprised through ASX announcements of all relevant material information; and
- compliance with the requirements of the Corporations Act, ASX Listing Rules and the Recommendations (including the revised Recommendations).

Continuous Disclosure Policy (the "MIX Continuous Disclosure Policy")

The Board has adopted the MIX Continuous Disclosure Policy which is based on the Mirvac Group's Continuous Disclosure Policy incorporating appropriate changes applicable to MFML as responsible entity for MIX.

The MIX Continuous Disclosure Policy is designed to support its commitment to a fully informed market in MIX units by:

- ensuring that MFML as responsible entity for MIX complies with its continuous disclosure obligations under the ASX listing rules and the *Corporations Act* and accountability at a senior executive level for that compliance; and
- establishing a system for monitoring compliance with MFML as responsible entity for MIX's continuous disclosure obligations.

A Disclosure Committee, as defined in the MIX Continuous Disclosure Policy, has been delegated responsibility for the administration of this policy. A copy of the MIX Continuous Disclosure Policy is available from the corporate governance section of Mirvac Investment Management's website at www.mirvacinvestmentmanagement.com/corporate-governance.

Principle 6: Respect the rights of unitholders

MFML is committed to ensuring that unitholders are well informed of all major developments affecting MIX.

With respect to communication with unitholders, MFML has adopted a Communications Policy, which is available from the corporate governance section of Mirvac Investment Management's website at www.mirvacinvestmentmanagement.com/corporate-governance. Other information provided in this section of the website includes Directors' details, the Board Charter and copies of other corporate governance policies.

In accordance with the Communications Policy, all MIX ASX announcements are posted to the Trust's website. Information including half-year and annual reports, results releases, market briefings, notices of meetings and the MIX investment portfolio summary are also available from the Trust's website. Teleconferencing and webcasting facilities are provided for market briefings to encourage participation from all stakeholders, regardless of location. The Trust's website address is <http://www.mirvacinvestmentmanagement.com/mix/home>.

Principle 7: Recognise and manage risk

Risk management function

The risk management function, led by Mirvac's Group General Manager Risk & Compliance, has been established to facilitate the risk management process by providing a centralised role in advising the various business units on executing risk management and mitigation strategies, as well as consolidating risk reporting to the senior executives, the ARCC and ultimately the Board. Mirvac Group's approach to risk management is to establish an effective control environment to manage material risks to its business. Mirvac Group defines risk according to ISO:31000: 2009 as being the effect of uncertainty on objectives.

The Board has been advised of the effectiveness of the management of material business risks.

Risk management policies

Risks

MFML recognises both the accountability associated with its role as responsible entity of MIX and that risk management is a key element of effective corporate governance.

Risk Management Policy

The Board has adopted a Risk Management Policy statement and associated procedures for identifying, assessing and managing MIX's strategic, operational, financial and reputational risks.

The objectives of the Risk Management Policy are to:

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

Mirvac Industrial Trust
Corporate governance statement
For the year ended 30 June 2014

Principle 7: Recognise and manage risk (continued)

The approach defined within this Risk Management Policy is consistent with the Australian and New Zealand standard on risk management (ISO 31000: 2009). The Policy applies to all legal entities within the Mirvac Group to enable an enterprise wide approach to managing risk to be applied.

Supporting the Risk Management Policy is a framework that provides direction in addressing risk exposures through a structured implementation of risk management processes. Although structured, the framework maintains a sufficient degree of flexibility to allow MIX to adopt appropriate strategies to address its risk exposures, as the management of risk is the responsibility of the MIX business unit.

A copy of this Risk Management Policy is available from Mirvac's website at www.mirvac.com/about/corporate-governance.

Risk management responsibility

The application of Mirvac Group's policies and procedures to manage risk is ultimately the responsibility of the Board which has, in turn, delegated specific authority to the ARCC (as detailed in the ARCC Charter).

The ARCC advises the Board on risk management and is responsible for reviewing policies for approval by the Board and for reviewing the effectiveness of the approach to risk management. Risk management is specifically reviewed quarterly by the ARCC.

The MIX Investment Committee has an overview of MIX risks at the fund level and reports quarterly or more regularly as required to the MFML Board.

Role of Internal Audit

The Mirvac Group's risk management systems work alongside its internal control systems to establish an effective control environment to manage business risks. The Mirvac Group has a formal Internal Audit function which is led by the Head of Internal Audit who reports to the Chair of the ARCC and has open access to the ARCC and its Chair at all times. As it does not have its own Internal Audit function, MIX relies on the Mirvac Internal Audit function to provide it assurance on the effectiveness of Mirvac's control environment upon which MIX relies.

The role of Internal Audit is to evaluate, assess and support continuous improvement of the Mirvac Group's internal control system and provide independent reasonable assurance to the ARCC and the Board that material risks are effectively managed. Internal Audit's focus is on key risks and business drivers which may impact the achievement of the Mirvac Group's business objectives.

Operational risks

The Group Executive Office & Industrial, supported by Mirvac senior executives, is responsible for implementing and maintaining effective risk management and internal control systems for operational risks that arise from MIX's activities. To ensure consistent and effective practices are employed, a risk register detailing the key risks facing MIX is maintained.

Financial risks

For the financial year ended 30 June 2014, the ARCC reported to the Board in relation to the integrity of MIX's internal control structure, risk management systems as well as the internal and external audit functions. Management also provides assurance to the Board and the ARCC on the effectiveness of the MIX's risk management and internal control systems for financial reporting risks.

The ARCC also oversees and reports to the Board on the specific risks and compliance requirements arising from the activities of MFML's AFSL and respective schemes.

The Board may elect to perform some of the responsibilities otherwise delegated to the ARCC.

Economic, environmental and social sustainability risks

In accordance with the revised Recommendations, Mirvac Group is very aware of its impact on the economy, the environment and the community in which it operates, and the risks associated with not dealing with these aspects appropriately. Mirvac annually reports on these aspects through its Sustainability Report which is available at Mirvac Group's website: www.mirvac.com/Sustainability/Sustainability-Reports.

With respect to MIX, the Trust's property assets are located in Chicago, Illinois in the United States of America and therefore are subject to significant environmental legislation and associated regulations and Acts. The Trust is committed to the implementation of responsible and practical management procedures to minimise environmental impacts and provide compliance under the government regulations applicable to all areas of its operations.

Mirvac Industrial Trust
Corporate governance statement
For the year ended 30 June 2014

Principle 8: Remunerate fairly and responsibly

MFML has no employees and is not a member of the S&P/ASX 300. Therefore the Board has not established a separate remuneration committee.

The remuneration of the MFML Executive Director (Group Executive Office & Industrial), who is employed by Mirvac, is in accordance with Mirvac Group's Human Resources Committee Charter which is available on Mirvac Group's website at www.mirvac.com/about/corporate-governance.

The remuneration of Non-Executive Directors is fixed and is paid according to the role of the Non-Executive Director.

None of the Non-Executive Directors participate in unvested entitlements under any equity-based remuneration scheme of Mirvac, or are entitled to retirement benefits, other than superannuation.

Conclusion

The Board is satisfied with its level of compliance and corporate governance requirements. The Board recognises that processes and procedures require continual monitoring and improvement. Therefore MFML's corporate governance framework is continually reviewed and updated as changes occur in the regulatory environment to ensure that it remains effective and compliant. MFML has included some amendments to this corporate governance statement as contained in the revised Recommendations and will report against each of them in its 2015 corporate governance statement.

Mirvac Industrial Trust
Financial statements
For the year ended 30 June 2014

Index	Page
Consolidated statement of comprehensive income	20
Consolidated statement of financial position	21
Consolidated statement of changes in equity	22
Consolidated statement of cash flows	23
Notes to the consolidated financial statements	24
Directors' declaration	47
Independent auditor's report to the unitholders of Mirvac Industrial Trust	48

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

The Responsible Entity of Mirvac Industrial Trust is Mirvac Funds Management Limited (ABN 78 067 417 663), a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Mirvac Funds Management Limited
Level 26, 60 Margaret Street
Sydney, NSW 2000

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

The financial statements were authorised for issue by the Directors on 21 August 2014. The Directors have the power to amend and reissue the financial statements.

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

Mirvac Industrial Trust
Consolidated statement of comprehensive income
For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Revenue from continuing operations			
Investment properties rental revenue		29,644	28,756
Interest revenue		10	18
Total revenue from continuing operations		29,654	28,774
Other income		2,129	143
Total revenue from continuing operations and other income		31,783	28,917
Investment properties expenses		12,385	11,887
Net loss on sale of investment properties	9(g)	5,012	154
Net loss on fair value of investment properties	9(a)	5,012	3,316
Finance costs - borrowings		6,500	6,441
Finance costs - debt prepayment premium	9(g)	2,607	-
Management fees	22(f)	1,174	1,117
Other expenses	5	2,791	2,772
(Loss)/profit from continuing operations before income tax		(3,698)	3,230
Withholding tax refund/(expense)	4	142	(192)
(Loss)/profit for the year		(3,556)	3,038
(Loss)/profit for the year is attributable to:			
Unitholders of Mirvac Industrial Trust		(3,556)	3,038
Other comprehensive (loss)/income for the year			
<i>Items that may be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		(1,246)	7,039
<i>Items that will not be reclassified to profit or loss</i>			
		-	-
Total comprehensive (loss)/income for the year		(4,802)	10,077
Total comprehensive (loss)/income for the year is attributable to:			
Unitholders of Mirvac Industrial Trust		(4,802)	10,077
Basic earnings per unit (cents)			
	16	(0.98)	0.84
Diluted earnings per unit (cents)			
	16	(0.98)	0.84

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

Mirvac Industrial Trust
Consolidated statement of financial position
As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
Current assets			
Cash and cash equivalents	6	15,465	13,296
Receivables	7	991	1,631
Prepayments and other assets		917	299
Total current assets		17,373	15,226
Non-current assets			
Investment properties	9	173,875	229,111
Other financial assets	10	1,060	-
Total non-current assets		174,935	229,111
Total assets		192,308	244,337
Current liabilities			
Payables	11	11,029	12,613
Borrowings	12	2,228	3,100
Provision for distribution	13	-	1,813
Total current liabilities		13,257	17,526
Non-current liabilities			
Borrowings	12	107,901	150,859
Total non-current liabilities		107,901	150,859
Total liabilities		121,158	168,385
Net assets		71,150	75,952
Equity			
Contributed equity	14	341,544	341,544
Reserves	15	(16,531)	(15,285)
Undistributed loss	15	(253,863)	(250,307)
Total equity		71,150	75,952

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

Mirvac Industrial Trust
Consolidated statement of changes in equity
For the year ended 30 June 2014

	Note	Attributable to unitholders Mirvac Industrial Trust			Total \$'000
		Contributed equity \$'000	Reserves \$'000	Undistributed loss \$'000	
Balance 30 June 2012		341,544	(22,324)	(251,532)	67,688
Profit for the year		-	-	3,038	3,038
Exchange differences on translation of foreign operations	15	-	7,039	-	7,039
Total comprehensive income for the year		-	7,039	3,038	10,077
Distribution provided for or paid	13	-	-	(1,813)	(1,813)
Total transactions with unitholders in their capacity as unitholders		-	-	(1,813)	(1,813)
Balance 30 June 2013		341,544	(15,285)	(250,307)	75,952
Loss for the year		-	-	(3,556)	(3,556)
Exchange differences on translation of foreign operations	15	-	(1,246)	-	(1,246)
Total comprehensive loss for the year		-	(1,246)	(3,556)	(4,802)
Distribution provided for or paid	13	-	-	-	-
Total transactions with unitholders in their capacity as unitholders		-	-	-	-
Balance 30 June 2014		341,544	(16,531)	(253,863)	71,150

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

Mirvac Industrial Trust
Consolidated statement of cash flows
For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		32,689	28,663
Payments to suppliers (inclusive of goods and services tax)		(18,074)	(14,631)
		14,615	14,032
Withholding tax received/(paid)		142	(189)
Interest received		10	18
Borrowing costs paid		(6,639)	(6,448)
Net cash inflows from operating activities	23(b)	8,128	7,413
Cash flows from investing activities			
Capital expenditures on investment properties		(2,954)	(1,587)
Proceeds from sale of investment properties		44,654	2,327
Net cash inflows from investing activities		41,700	740
Cash flows from financing activities			
Repayments of borrowings		(42,863)	(7,734)
Prepayment premium		(2,660)	-
Distributions paid		(1,812)	-
Net cash outflows from financing activities		(47,335)	(7,734)
Net increase in cash and cash equivalents		2,493	419
Cash and cash equivalents at the beginning of the financial year		13,296	11,817
Effects of exchange rate changes on cash and cash equivalents		(324)	1,060
Cash and cash equivalents at the end of the year	23(a)	15,465	13,296

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

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

Note	Contents	Page
1	Summary of significant accounting policies	25
2	Critical accounting estimates and judgements	31
3	Segmental information	31
4	Income tax	31
5	Other expenses	31
6	Cash and cash equivalents	32
7	Receivables	32
8	Investments in controlled entities	33
9	Investment properties	34
10	Other financial assets	37
11	Payables	38
12	Borrowings	38
13	Provisions	39
14	Contributed equity	39
15	Reserves and undistributed loss	40
16	Earnings/(loss) per unit	40
17	Financial risk management	40
18	Fair value measurement of financial instruments	43
19	Remuneration of auditors	43
20	Contingent liabilities and contingent assets	43
21	Commitments	43
22	Related parties	44
23	Notes to the statement of cash flows	45
24	Events occurring after reporting date	45
25	Parent entity financial information	46

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

1 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Trust's Constitution, Australian Accounting Standards ("AAS"), other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"), Urgent Issues Group Interpretations and the *Corporations Act 2001*. Mirvac Industrial Trust is a for-profit entity for the purpose of preparing financial statements.

The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

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

The financial statements of Mirvac Industrial Trust and its controlled entities also comply with IFRS as issued by the International Accounting Standard Board ("IASB").

(ii) Historical cost convention

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

(iii) Critical accounting estimates

The preparation of financial statements in conformity with AAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(iv) Rounding of amounts

The Trust is of the kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise stated.

(v) Goods and services tax ("GST")

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

(vi) New and amended standards adopted by the Trust

The Trust has applied the following standards and amendments for first time for their annual reporting period commencing 1 July 2013:

- AASB 10 *Consolidated Financial Statements*, AASB 12 *Disclosure of Interests in Other Entities*, AASB 128 *Investments in Associates and Joint Ventures*, AASB 127 *Separate Financial Statements* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*;
- AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and other Amendments* which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period;
- AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*;
- AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*;
- AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*; and
- AASB 124 *Related Party Disclosures – Amendments to Australian Accounting Standards* which removes the individual KMP disclosures from the notes to the financial statements.

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The adoption of AASB 13 did not result in a change to the amounts recognised in the financial statements. This is explained and summarised in note 1(t). The other standards only affected the disclosures in the notes to the financial statements.

(b) Principles of consolidation

Controlled entities

Controlled entities are all entities (including structured entities) over which the Trust has control. The Trust controls an entity when the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Controlled entities are fully consolidated from the date on which control is transferred to the Trust. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for the business combinations undertaken by the Trust. Inter-company transactions and balances between the Trust's entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Trust. Non-controlling interests ("NCI") in the results and equity of controlled entities are shown separately in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity.

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(iii) Foreign controlled entities

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

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

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

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

(d) Revenue recognition

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

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

1 Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

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 in profit or loss.

(ii) Interest

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

(iii) Dividends/distributions

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

(e) Income Tax

Under current legislation, the Trust and its controlled entities are not liable for income tax, provided that unitholders are presently entitled to income of the Trust as determined in accordance with the Trust's constitution. Tax allowances for building and plant and equipment depreciation are distributed to unitholders in the form of a tax deferred component of the distribution.

The Trust may ultimately realise a capital gain or loss on disposal which if not distributed, may attract a US income tax liability. If the gain is distributed, a US withholding tax liability may arise and may give rise to a foreign tax credit which would be available to unitholders.

(f) Expenses

(i) Property outgoings

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

(ii) Responsible Entity's fees

Fees payable to the Responsible Entity are recognised in the consolidated statement of comprehensive income on an accruals basis. Fees relating to specific events or transactions are charged upon completion or occurrence of the relevant service or event.

(g) Cash and cash equivalents

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

(h) Trade receivables

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

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

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

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

1 Summary of significant accounting policies (continued)

(h) Trade receivables (continued)

The amount of the provision is recognised in the consolidated statement of comprehensive income within investment properties expenses.

Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the consolidated statement of comprehensive income. See note 1(j) for information about how impairment losses are calculated.

(i) Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, financial assets and investment properties that are carried forward at fair value, which are specifically exempt from this requirement.

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.

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets classified as held for sale continue to be recognised. Assets classified as held for sale are presented separately from other assets in the consolidated statement of financial position.

(j) Investments and other financial assets

(i) Classification

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

• Loans and receivables

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

A promissory note that receives fixed payments and has maturity for more than 12 months after the end of the reporting period is included in other financial assets.

(ii) Recognition and derecognition

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

(iii) Measurement

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

(iv) Impairment

The Trust assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

1 Summary of significant accounting policies (continued)

(j) Investments and other financial assets (continued)

• *Assets carried at amortised cost*

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Trust may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss. Impairment testing of trade receivables is described in note 1(h).

(k) Investment properties

Investment properties are held for long term rental yields and for capital appreciation and are not occupied by the Trust. The carrying amount includes components relating to lease incentives.

Investment properties are carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable. The fair value is determined by using estimation models including DCF and residual valuations. The estimated value of future assets is based on the expected future income from the project, using current yields of similar completed properties.

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

(l) Trade and other payables

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

(m) Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not 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. Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting date. Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(n) Provisions

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

(o) Contributed equity

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

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

1 Summary of significant accounting policies (continued)

(p) Distributions

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

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

(q) Earnings per unit

(i) Basic earnings per unit

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

(ii) Diluted earnings per unit

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

(r) Parent entity financial information

The financial information for the parent entity, Mirvac Industrial Trust, disclosed in note 25 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in controlled entities

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

(s) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not been early adopted but is available for early adoption by the trust. The Trust's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments

This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. The standard will affect the Trust's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. There will be no impact on the Trust's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Trust does not have any such liabilities.

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

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

(t) Changes in accounting policies

As explained in note 1(a)(vi) above, the Trust has adopted a number of new or revised accounting standards this year that have resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

(i) Consolidated financial statements

AASB 10 *Consolidated Financial Statements* was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements* and in Interpretation 112 *Consolidation – Special Purpose Entities*. The Trust has reviewed its investments in other entities to assess whether the conclusion to consolidate is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

(ii) Fair value measurement

AASB 13 *Fair Value Measurement* aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across AAS. The standard does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other AAS.

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

1 Summary of significant accounting policies (continued)

(t) Changes in accounting policies (continued)

Previously the fair value of financial liabilities was measured on the basis that the financial liability would be settled or extinguished with the counterparty. The adoption of AASB 13 has clarified that fair value is an exit price notion, and as such, the fair value of financial liabilities should be determined based on a transfer value to a third party market participant. As required under AASB 13, the change to fair value measurements on adoption of the standard is applied prospectively, in the same way as a change in an accounting estimate. The adoption of AASB 13 did not result in a change to the amounts recognised in the financial statements. This standard only affected the disclosures in the notes to the financial statements.

2 Critical accounting estimates and judgements

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

(a) Key sources of estimation uncertainty

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

(i) Valuation of investment properties

The Trust uses judgement in respect of the fair values of investment properties. Investment properties are revalued by external valuers on a rotation basis with approximately one-half of the portfolio being valued annually. Investment properties which are not subject to an external valuation at the reporting date are fair valued internally by management. The assumptions used in the estimations of fair values include expected future market rentals, discount rates, market prices and economic conditions. The carrying value as at balance date for investment properties is \$174m (2013: \$229m). Details on investment properties are provided in note 9.

3 Segmental information

Segment results are reported in a manner that is consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and accessing performance of the operating segments, has been identified as the Board of Directors of MFML.

Segment results include items directly attributable to a segment. The Trust operates solely within the United States of America industrial property investment industry and consequently the financial report reflects the operations of this segment alone.

4 Income tax

	2014 \$'000	2013 \$'000
Income tax (refund)/expense	(142)	192
	(142)	192
Income tax (refund)/expense is attributable to: (Decrease)/increase in withholding tax	(142)	192
	(142)	192

5 Other expenses

	2014 \$'000	2013 \$'000
Audit fees	371	419
Trust expenses	1,266	1,304
Amortisation of leasing and financing costs	1,154	1,049
	2,791	2,772

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

6 Cash and cash equivalents

	2014	2013
	\$'000	\$'000
Cash at bank	8,593	6,949
Restricted cash	6,872	6,347
	15,465	13,296

The cash balance above includes restricted cash totalling \$6,872,434 (2013: \$6,346,501). The restricted cash relates to cash of CJF1 LLC and CJF2 LLC (controlled entities of the Trust) that is readily available for capital expenditure per the reserve agreement with the lender.

7 Receivables

	2014	2013
	\$'000	\$'000
Current receivables		
Trade receivables	926	781
Provision for impairment	-	(113)
	926	668
Other receivables	65	963
	991	1,631

(a) Trade receivables

The average credit period on trade receivables is 30 days. No interest is charged on any outstanding trade receivables. Refer to note 7(d) for details regarding the credit risk of receivables.

(b) Other receivables

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

(c) Provision for impairment of receivables

(i) Impaired trade receivables

	2014	2013
	\$'000	\$'000
Balance 1 July	(113)	-
Reverse of prior year impairment	113	-
Provision for impairment recognised	-	(113)
Balance 30 June	-	(113)

The Trust has not written off any impairment of receivables or recognised any provision during the current year (2013: \$112,632 provision). The creation and release of the provision for impaired receivables have been included in investment properties rental revenue in profit or loss where these relate to the impairment of trade receivables.

(ii) Past due but not impaired

As at 30 June 2014, trade receivables of \$925,687 (2013: \$668,037) were past due but not impaired.

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

7 Receivables (continued)

(d) Credit risk

Receivables consist of a large number of tenants. The Trust does not have any significant credit risk exposure to a single tenant or groups of tenants. Ongoing credit evaluation is performed on the financial condition of tenants and, where appropriate, a provision for impairment of receivables is raised. The Trust holds collateral in certain circumstances which takes the form of bank guarantees or security deposits. There is no concentration of credit risk with respect to receivables as the Trust has a large number of tenants. The ageing analysis of the Trust's trade receivables is as follows:

	Total receivables \$'000	2014 Provision for Impairment \$'000	Total receivables \$'000	2013 Provision for impairment \$'000
Not past due	65	-	963	-
Past due 1 - 30 days	781	-	569	-
Past due 31 - 60 days	48	-	6	-
Past due 61 - 90 days	46	-	85	-
Past 90 days	51	-	121	(113)
	991	-	1,744	(113)

Under certain circumstances, the Trust has not provided for all balances past due as it has been determined that there has not been a significant change in credit quality at reporting date based upon the tenant's payment history and analysis of the tenant's financial accounts. The Trust holds collateral over receivables of \$0.7m (2013: \$0.8m). The fair value of the collateral held equals the fair value of the receivables for which the collateral is held. The terms of the collateral are if payment due is not received per the agreed terms, the Trust is able to claim the collateral held.

(e) Interest rate risk exposures

Refer to note 17 for the Trust's exposure to interest rate risk.

8 Investments in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following principal controlled entities in accordance with the accounting policy described in note 1(b).

Name of entity	Country of incorporation	Equity holding	
		2014 %	2013 %
Mirvac US Industrial Property Fund, Inc.	USA	100.0	100.0
Mirvac US Industrial Property Trust	USA	100.0	100.0
Mirvac Chicago Industrial, LLC ¹	USA	100.0	100.0

¹ Wholly owns CJF1 LLC, CJF2 LLC, CJF3 LLC and CJF4 LLC.

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

9 Investment properties

Property	Note	Date of acquisition	Book value		Cap rate		Discount rate		Date of last external valuation	Last external valuation \$'000
			30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 (%)	30 June 2013 (%)	30 June 2014 (%)	30 June 2013 (%)		
2727 West Diehl Road, Naperville	i	May 2005	25,233	25,876	7.50%	8.25%	8.75%	9.50%	Dec 2013	25,127
6510 West 73rd Street, Bedford Park	i	May 2005	9,330	10,135	8.50%	8.25%	9.50%	9.50%	Jun 2014	9,330
800-850 Regency Drive, Glendale Heights	i	May 2005	3,711	3,666	8.25%	8.50%	9.00%	9.50%	Jun 2013	3,605
W165 N5830 Ridgewood Drive, Menomonee Falls ¹	i	May 2005	-	16,280	-	8.00%	-	10.00%	Dec 2012	-
1445-1645 Greenleaf Avenue, Elk Grove Village	i	May 2005	4,665	5,499	8.00%	8.25%	9.75%	9.50%	Jun 2014	4,665
308 South Division Street, Harvard ²	i	May 2005	-	23,935	-	9.50%	-	11.00%	Dec 2013	-
900 East 103rd Street, Chicago ²	i	Jul 2005	-	5,391	-	10.00%	-	12.00%	Jun 2013	-
7200 South Mason Avenue, Bedford Park	i	Jul 2005	8,694	8,949	8.00%	8.00%	9.50%	9.25%	Jun 2013	8,800
28160-70 North Keith Drive, Lake Forest	i	Jul 2005	3,817	3,342	7.50%	8.50%	9.00%	10.00%	Dec 2013	3,923
3602 North Kennicott Avenue, Arlington Heights	i	Jul 2005	6,149	6,038	8.00%	8.25%	8.75%	9.25%	Jun 2014	6,149
1020 Frontenac Road, Naperville	ii	Nov 2005	3,605	3,558	7.50%	8.00%	9.00%	9.50%	Jun 2013	3,499
8200 100th Street, Pleasant Prairie	ii	Nov 2005	7,316	7,332	8.00%	8.00%	9.00%	9.25%	Jun 2013	7,209
13040 South Pulaski Avenue, Alsip	ii	Nov 2005	9,012	8,949	8.50%	8.50%	10.25%	10.25%	Jun 2014	9,012
1850 Greenleaf Avenue, Elk Grove Village	ii	Nov 2005	2,863	2,156	8.00%	8.25%	9.00%	9.50%	Dec 2013	2,969
6751-55 South Sayre Avenue, Bedford Park	ii	Nov 2005	8,164	7,763	8.00%	8.50%	9.50%	9.75%	Jun 2014	8,164
1796 Sherwin Avenue, Des Plaines	ii	Nov 2005	4,559	4,420	8.00%	8.25%	9.00%	9.50%	Jun 2013	4,347
6000 West 73rd Street, Bedford Park	ii	Nov 2005	5,195	4,744	8.00%	8.25%	9.50%	9.50%	Dec 2013	5,301
8100 100th Street, Pleasant Prairie	ii	Nov 2005	2,226	2,210	8.00%	8.00%	9.00%	9.25%	Dec 2013	2,226
5110 South 6th Street, Milwaukee	ii	Nov 2005	2,545	2,642	8.50%	8.00%	9.75%	10.00%	Jun 2014	2,545
525 West Marquette Avenue, Oak Creek	ii	Nov 2005	4,241	4,420	8.00%	8.00%	9.75%	10.00%	Jun 2013	4,347
1750 South Lincoln Drive, Freeport	ii	Nov 2005	10,496	10,350	9.25%	9.25%	10.50%	10.50%	Dec 2013	10,602
6600 River Road, Hodgkins	ii	Feb 2006	15,267	15,957	8.50%	8.25%	9.75%	9.50%	Dec 2013	15,373
5990 West Touhy, Niles	ii	Feb 2006	8,905	9,704	9.00%	9.00%	11.00%	11.00%	Jun 2013	9,542
3849-3865 Swanson Court	ii	Feb 2006	3,711	3,342	8.00%	8.50%	9.75%	10.00%	Jun 2014	3,711
11601 South Central Avenue, Alsip	ii	Feb 2006	7,209	7,439	7.50%	8.00%	9.00%	9.00%	Dec 2013	7,316
6558 West 73rd Street, Bedford Park	ii	Feb 2006	8,798	9,057	8.00%	8.25%	9.50%	9.50%	Jun 2013	8,906
1880 Country Farm Drive, Naperville	ii	Jul 2007	8,164	7,332	8.00%	8.00%	9.00%	9.50%	Jun 2014	8,164

¹ On 4 December 2013 the Trust sold W165 N5830 Ridgewood Drive, Menomonee Falls.

² On 27 June 2014 the Trust sold 308 South Division Street, Harvard and 900 East 103rd Street, Chicago.

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

9 Investment properties (continued)

Property	Date of acquisition	Book value		Cap rate		Discount rate		Date of last external valuation	Last external valuation \$'000
		30 June 2014 \$'000	30 June 2013 \$'000	30 June 2014 (%)	30 June 2013 (%)	30 June 2014 (%)	30 June 2013 (%)		
4527 Columbia, Hammond ³	Feb 2006	-	5,391	-	9.50%	-	11.25%	Jun 2013	-
4531 Columbia, Hammond ³	Feb 2006	-	3,234	-	10.00%	-	12.00%	Jun 2013	-
Total investment properties		173,875	229,111						

³ On 27 June 2014 the Trust sold 4527 Columbia, Hammond and 4531 Columbia, Hammond.

i These investment properties totalling \$61.6m are secured against the fixed debt facility totalling \$36.8m.

ii These investment properties totalling \$112.3m are secured against the fixed debt facility totalling \$73.8m.

iii These debt facilities are cross-collateralised (refer to note 12(a)).

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

9 Investment properties (continued)

(a) Reconciliation of carrying amounts of investment properties

	2014 \$'000	2013 \$'000
Balance 1 July	229,111	210,118
Additions	2,877	1,762
Disposals	(53,329)	-
Net loss on fair value of investment properties	(5,012)	(3,316)
Lease incentives	297	431
Amortisation of lease incentives	(565)	(509)
Straight-lining of lease revenue	(303)	165
Foreign currency translation gain	799	20,460
Balance 30 June	173,875	229,111

(b) Amounts recognised in profit or loss for investment properties

	2014 \$'000	2013 \$'000
Investment properties rental revenue	29,644	28,756
Investment properties expenses	(12,385)	(11,887)
	17,259	16,869

(c) Fair value measurement and valuation basis

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

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

DCF: DCF projections derived from contracted rents, market rents, operating costs, lease incentives, lease fees, capital expenditure and future income on vacant space are discounted at a rate to arrive at a value. The discount rate is a market assessment of the risk associated with the cash flows, and the nature, location and tenancy profile of the property relative to returns from alternative investments, consumer price index rates and liquidity risk. It is assumed that the property is sold at the end of the investment period at a terminal value. The terminal value is determined by using an appropriate terminal cap rate. The Trust's terminal cap rates are in the range of 50 basis point increase to 25 basis points decrease from the respective property's cap rate.

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

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level one);
- inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level two); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level three).

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

Sector	Fair value hierarchy	Fair value \$'000	Inputs used to measure fair value			
			Gross market rent ¹ \$'000	Capitalisation rate %	Terminal yield %	Discount rate %
Industrial	Level 3	173,875	16,237	7.50 - 9.25	8.00 - 10.00	8.75 - 11.00

¹ Estimated rent between arm's length parties if negotiated today, per square foot, per annum.

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

9 Investment properties (continued)

(d) Sensitivity on changes in fair value of investment properties

Movement in any of the unobservable inputs is likely to have an impact on the fair value of investment property.

(e) Highest and best use

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

(f) Non-current assets pledged as security

The Trust's investment properties are secured by first mortgages and cross-collateralised, refer note 12(a).

(g) Reconciliation of disposal of investment properties

2014

On 27 June 2014, the Trust has finalised a sale transaction for four properties: 308 S Division Street, Harvard; 900 East 103rd Street, Chicago; 4527 and 4531 Columbia, Hammond. These properties were sold for \$32.3m (US\$30.5m) before costs. It resulted in the recognition of a net loss on sale of investment properties \$4.1m and debt prepayment premium of \$1.6m.

The sale of W165 N5830 Ridgewood Drive, Menomonee Falls was finalised on 4 December 2013. The property was sold for \$16.1m (US\$15.2m) before costs. It resulted in the recognition of a net loss on sale of investment properties \$0.9m and debt prepayment premium of \$1m.

These sales has resulted in a total loss on sale of investment properties of \$5.0m and \$2.6m prepayment premium during the year.

2013

The sale of 3145 Central Avenue, Waukegan was finalised on Friday, 22 February 2013. The property was sold for \$2.5m (US\$2.6m) before costs. It resulted in the recognition of a net loss on sale of investment properties of \$0.2m in the reporting period and debt prepayment premium of \$1.6m.

10 Other financial assets

	2014 \$'000	2013 \$'000
Promissory note	1,060	-
	1,060	-

On 27 June 2014, the Trust has sold four properties to Industrial Realty Group, LLC (IRG). As part of the transaction, the Trust received a US\$1.0m promissory note which is payable in June 2017. The promissory note is structured on an 8 per cent per annum interest only basis (payable monthly) and will be guaranteed by an IRG entity that is subject to a minimum liquidity covenant of US\$6.0m.

A condition of the promissory note is if the key tenant City of Chicago in 900 East 103rd Street, Chicago, vacated the asset in its entirety at lease expiry in December 2014, the promissory note balance will be reduced by US\$0.5m to US\$0.5m.

The Trust has agreed to provide a master lease for 12 months from 25 June 2014 (US time) over a portion of the space occupied by HECO at 4531 Columbia Avenue, Hammond should this lease not be extended. Any payments made under the master lease will result in by a corresponding increase to the promissory note.

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

11 Payables

	2014 \$'000	2013 \$'000
Current		
Trade creditors	2,258	1,663
Rent received in advance	1,221	1,056
Management fees	270	292
Real estate taxes	6,697	8,787
Security deposits	578	785
Other payables	5	30
	11,029	12,613

12 Borrowings

	2014 \$'000	2013 \$'000
Current liabilities - Borrowings		
<i>Secured loans</i>		
Loans from financial institution	2,638	3,541
Financing fees	(410)	(441)
Total current liabilities	2,228	3,100
Non-current liabilities - Borrowings		
<i>Secured loans</i>		
Loans from financial institution	107,909	151,324
Financing fees	(273)	(735)
<i>Unsecured loans</i>		
Other borrowings	265	270
Total non-current liabilities	107,901	150,859
Total borrowings	110,129	153,959

Details of property secured loans:

Instrument	Principal US dollar \$'000	Maturity	Interest rate	30 June 2014 Principal Australian dollar ¹ \$'000	30 June 2014 Collateral value Australian dollar ¹ \$'000
Fixed debt	34,667	1 March 2016 ²	4.30%	36,755	61,599
Fixed debt	69,601	1 March 2016 ³	4.50%	73,792	112,276
Total debt	104,268			110,547	173,875
Other borrowings	250			265	-
Financing fees	(644)			(683)	-
Total borrowings	103,874			110,129	173,875

1 Principal has been converted at the 30 June 2014 AUD/USD exchange rate of 0.9432. Principal balance represents available facilities limited.

2 This facility matures 1 March 2031 with the first call date at 1 March 2016.

3 This facility matures 1 March 2041 with the first call date at 1 March 2016.

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

12 Borrowings (continued)

(a) Assets pledged as security

The debt facilities of the controlled entities of the Trust - namely CJF1 LLC and CJF2 LLC - are secured by first mortgages over the assets owned by the respective controlled entity. These debt facilities are also cross-collateralised. The carrying amounts of the assets pledged as security are as follows:

	2014 \$'000	2013 \$'000
Investment properties	173,875	229,111
Total assets pledged as security	173,875	229,111

13 Provisions

	2014 \$'000	2013 \$'000
Distributions payable	-	1,813
Balance 1 July	1,813	-
Final distributions	-	1,813
Payments made	(1,813)	-
Balance 30 June	-	1,813

No distribution will be paid to the unitholders of the Trust for the year ended 30 June 2014.

14 Contributed equity

	2014 Units '000	2013 Units '000	2014 \$'000	2013 \$'000
Total contributed equity	362,457	362,457	341,544	341,544

(a) Ordinary units

All ordinary units are fully paid at 30 June 2014. Ordinary units entitle the holder to participate in distributions and the proceeds on winding up of the Trust in proportion to the number of and amount paid on the units held. On a show of hands every holder of ordinary units present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each unit is entitled to one vote.

(b) Capital risk management

The Trust's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for unitholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Trust may adjust the amount of distributions paid to unitholders, return capital to unitholders or sell assets to reduce debt. Consistent with others in the industry, the Trust monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total assets.

	2014 \$'000	2013 \$'000
Total borrowings	110,129	153,959
Total assets	192,308	244,337
Gearing ratio	57.27%	63.01%

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

15 Reserves and undistributed loss

	2014 \$'000	2013 \$'000
Reserves		
<i>Foreign currency translation reserve</i>		
Balance at the beginning of the financial year	(15,285)	(22,324)
Currency translation differences	(1,246)	7,039
Total reserves	(16,531)	(15,285)
Undistributed loss		
Undistributed loss at the beginning of the financial year	(250,307)	(251,532)
Net (loss)/profit attributable to unitholders	(3,556)	3,038
Distributions provided for or paid	-	(1,813)
Total undistributed loss	(253,863)	(250,307)

Nature and purpose of reserves

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled operations of the Trust are taken to the foreign currency translation reserve, as described in note 1(c).

16 Earnings/(loss) per unit

	2014	2013
Basic (loss)/earnings per unit (cents)	(0.98)	0.84
Diluted (loss)/earnings per unit (cents)	(0.98)	0.84
Weighted average number of units outstanding during the financial year used in the calculation of basic earnings per unit ('000)	362,457	362,457
Weighted average number of units outstanding during the financial year used in the calculation of diluted earnings per unit ('000)	362,457	362,457

17 Financial risk management

The Trust's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Trust's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Trust.

Financial risk management is carried out by the Trust under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. The Responsible Entity identifies, evaluates, reports and hedges financial risks in accordance with the Trust's policy.

(a) Market risk

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

(i) Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Trust is not exposed to material foreign exchange risk as it does not have any material assets or liabilities denominated in currencies other than their functional currency. All assets and liabilities denominated in US dollars are held in the US subsidiaries of the Trust. Their function currencies are also US dollar.

The Trust operates in the United States of America and is exposed to foreign exchange risk arising from currency exposures to the US dollar. Management has set up a policy requiring the Trust to manage the foreign exchange risk against the functional currency. The Trust manages its foreign exchange risk for its assets and liabilities in foreign currency by borrowing in the same functional currency of its investment to form a natural economic hedge against any foreign currency fluctuations. The Trust's policy is not to hedge unrealised fair value increases/decreases which may have occurred in its foreign currency assets.

The assets and liabilities of the subsidiaries whose functional currencies are different to the Trust are revalued at each reporting date in accordance with AASB 121 *The Effects of Changes in Foreign Exchange Rates*. Any resulting differences, including any unrealised fair value movements on the related assets, are taken to the foreign currency translation reserve.

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

17 Financial risk management (continued)

The Trust's Australian dollar equivalents exposure to foreign currency risk at the reporting date was as follows. These amounts are converted from US dollar to Australian dollar:

	2014 \$'000	2013 \$'000
Financial Assets		
Cash and cash equivalents	15,098	10,996
Receivables	991	1,505
Investment properties	173,875	212,500
Other	1,934	270
Total assets	191,898	225,271
Financial Liabilities		
Payables	10,016	11,138
Borrowings	110,129	142,798
Total liabilities	120,145	153,936
Net assets	71,753	71,335

Sensitivity analysis

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

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

	Equity foreign currency reserve		Net profit	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
- 5%	3,867	3,589	(88)	317
+ 5%	(3,449)	(3,267)	79	(541)

(ii) Interest rate risk

The Trust's interest rate risk arises from long term borrowings, cash and cash equivalents (refer to note 23(a)) and receivables. Borrowings issued at fixed rates expose the Trust to fair value interest rate risk. During 2014 and 2013, all of the Trust's borrowings are at fixed rates and in US dollars. Cash and cash equivalents receives minimal interest this year.

The Trust manages its cash flow interest rate risk by raising long term borrowings at fixed rates. As at the reporting date, the Trust had no floating rate borrowings outstanding.

An analysis by maturities is provided in note 17(c) below.

Sensitivity analysis

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

At 30 June 2014, if interest rates in the United States of America had changed by +/- 100 basis points from the year-end rates with all other variables held constant, it would have an immaterial impact to the Trust's profit and net equity for the financial year (2013: US\$11,017 lower/\$55,087 higher on profit and equity).

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

17 Financial risk management (continued)

(b) Credit risk

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

The compliance with credit limits by tenants is regularly monitored by management. Tenant receivables are required to be settled in cash, mitigating credit risk. For some receivables the Trust may also obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. Tenant receivables are considered impaired when all legal measures have been exhausted unsuccessfully to recover receivables.

Cash transactions are limited to financial institutions that meet minimum credit rating criteria of BBB.

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

	2014 \$'000	2013 \$'000
Cash at bank and short term bank deposits	15,465	13,296
Trade receivables	991	1,631
Promissory note	1,060	-

(c) Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. The Trust manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The tables below analyse the Trust's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying Amount \$'000
2014						
Non-interest bearing						
Payables	11,029	-	-	-	11,029	11,029
Interest bearing						
Fixed rate	4,901	113,951	-	-	118,852	110,129
	15,930	113,951	-	-	129,881	121,158
2013	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-interest bearing						
Payables	12,612	-	-	-	12,612	12,612
Interest bearing						
Fixed rate	6,838	6,838	159,709	-	173,385	153,959
	19,450	6,838	159,709	-	185,997	166,571

(i) Refinancing risk

Refinancing risk, also part of liquidity risk, is the risk that the maturity profile of debt makes it difficult to re-finance (or rollover) maturing debt, or that it creates an excessive exposure to potentially unfavourable market conditions at any given time.

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

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

18 Fair value measurement of financial instruments

(a) Fair value hierarchy

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level one);
- inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level two); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level three).

The Trust did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2014.

The Trust also has a number of financial instruments which are not measured at fair value in the balance. Due to their short-term nature, the carrying amount of the current receivables, current payables and other financial assets is assumed to approximate their fair value. The carrying value and fair value of borrowings is disclosed in Note 12.

(b) Fair value of other financial instruments

The carrying value of receivables, prepayments, other financial assets and other assets and payables are considered to approximate their fair value.

The fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is close to the market rates.

19 Remuneration of auditors

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

	2014 \$	2013 \$
Audit services		
Audit and review of financial statements and other audit work	370,843	418,781
Other services		
Taxation services	184,864	130,548
Other services	49,428	8,000
	605,135	557,329

20 Contingent liabilities and contingent assets

The promissory note issued by IRG is subject to a condition if the key tenant City of Chicago in 900 East 103rd Street, Chicago vacated the asset in its entirety at lease expiry in December 2014, the promissory note balance will be reduced by US\$0.5m to US\$0.5m.

The Trust has agreed to provide a master lease for 12 months from 25 June 2014 (US time) over a portion of the space occupied by HECO at 4531 Columbia Avenue, Hammond should this lease not be extended. Any payments made under the master lease will result in by a corresponding increase to the promissory note.

The Trust had no other contingent liabilities and no other contingent assets at 30 June 2014 (2013: nil).

21 Commitments

There are no capital commitments at 30 June 2014 (2013: nil).

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

22 Related parties

(a) Responsible Entity

The Responsible Entity of the Trust is Mirvac Funds Management Limited, an entity incorporated in New South Wales. The immediate parent entity of the Responsible Entity is Mirvac Holdings Limited (ABN 39 093 200 965), incorporated in New South Wales, and its ultimate parent entity is Mirvac Limited (ABN 92 003 280 699), incorporated in New South Wales.

(b) Directors

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

Paul Barker (Chairman)
 Vicki Allen (Deputy Chair)
 Andrew Butler
 Robert Morrison (appointed as a Director on 25 July 2013)
 John Mulcahy (resigned as a Director on 26 November 2013)
 Elana Rubin (appointed as a Director on 26 November 2013)

(c) Other key management personnel

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

Nicholas Blake – Trust manager

(d) Transactions with key management personnel

Key management personnel services are provided by Mirvac Funds Management Limited and included in the management fees disclosed in (f) below. There is no separate charge for these services. There was no compensation paid directly by the Trust to any of the key management personnel.

(e) Related party unitholdings

The following related party of the Responsible Entity held units in the Trust at prevailing market rates as follows:

	2014 Number of Units	2013 Number of Units
Mirvac Funds Limited as responsible entity for Mirvac Property Trust	50,742,790	50,742,790

(f) Responsible Entity's remuneration

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

- a management fee of 0.50 per cent of the value of the Trust's direct or indirect proportionate interest in the properties and other assets of the Trust (on a gross value basis), calculated monthly based on the value of such assets at the end of the relevant month and payable at the end of each quarter;
- a due diligence fee of 0.25 per cent of the purchase price of any and all assets directly or indirectly acquired by the Trust;
- a debt arrangement fee of 0.50 per cent of the amount of any future borrowing drawn for the purpose of acquiring assets directly or indirectly for the Trust;
- an acquisition fee of 1.00 per cent of the purchase price of all assets directly or indirectly acquired by the Trust;
- a disposal fee of 1.00 per cent for all assets directly or indirectly disposed of by the Trust, where the sale price exceeds the original cost or carrying value including costs of any third party broker; and
- reimbursement of Trust expenses incurred on behalf of the Trust.

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

	2014 \$	2013 \$
Management fees	1,173,856	1,116,660
Reimbursement of trust expenses	300,696	301,960
Total	1,474,552	1,418,620

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

22 Related parties (continued)

(g) Amounts owing to related parties

	2014 \$	2013 \$
Loans from Mirvac Group Finance Limited		
Beginning of the year	-	4,710,038
Loans repayments made	-	(4,673,352)
Interest charged	-	198,071
Interest paid	-	(198,071)
Foreign currency translation movements	-	(36,686)
End of year	-	-

During the prior year, the Trust fully repaid the balance outstanding on its loan with Mirvac Group Finance Limited and cancelled the related facility.

23 Notes to the statement of cash flows

(a) Reconciliation of cash

Cash at the end of the year as shown in the statement of cash flows is the same as the statement of financial position, the detail of which follows:

	2014 \$'000	2013 \$'000
Cash at bank	8,593	6,949
Restricted cash	6,872	6,347
Cash and cash equivalents	15,465	13,296

The cash balance above includes restricted cash totalling \$6,872,434 (2013: \$6,346,501). The restricted cash relates to cash of CJF1 LLC and CJF2 LLC (controlled entities of the Trust) that is readily available for capital expenditure per the reserve agreement with lender.

(b) Reconciliation of (loss)/profit attributable to unitholders to net cash inflow from operating activities

	2014 \$'000	2013 \$'000
Net (loss)/profit	(3,556)	3,038
Straight-line of lease revenue	303	(165)
Net loss on fair value of investment properties	5,012	3,316
Amortisation of leasing and financing costs	1,154	1,049
Net loss on sale of investment properties	5,012	154
Finance costs - debt prepayment premium	2,607	-
(Increase)/decrease in trade debtors and prepayments	(22)	106
(Decrease)/increase in trade creditors and payables	(1,584)	1,850
Net foreign exchange differences	(798)	(1,935)
Net cash inflows from operating activities	8,128	7,413

24 Events occurring after reporting date

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the:

- Trust's operations in future years; or
- results of those operations in future years; or
- Trust's state of affairs in future years.

Mirvac Industrial Trust
Notes to the consolidated financial statements
For the year ended 30 June 2014

25 Parent entity financial information

(a) Summary financial information

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

	2014 \$'000	2013 \$'000
Statement of financial position		
Current assets	410	1,458
Total assets	72,163	78,369
Current liabilities	1,013	2,417
Total liabilities	1,013	2,417
Equity		
Contributed equity	341,544	341,544
Undistributed loss	(270,394)	(265,592)
	71,150	75,952
Profit for the year	355	701
Total comprehensive income	355	701

Except for the disclosure in note 22(g), the parent entity did not have any guarantees, contingent liabilities or commitments as at 30 June 2014 or 30 June 2013.

Mirvac Industrial Trust
Directors' declaration
For the year ended 30 June 2014

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 19 to 46 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of their performance, for the financial year ended on that date; and
- (b) at the date of this declaration, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with IFRS as issued by the IASB.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

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



Paul Barker
Chairman

Sydney

21 August 2014

Independent auditor's report to the unitholders of Mirvac Industrial Trust

Report on the financial report

We have audited the accompanying financial report of Mirvac Industrial Trust (the Trust), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the director's declaration for Mirvac Industrial Trust Group (the consolidated entity). The consolidated entity comprises the Trust and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of Mirvac Funds Management Limited (the responsibility entity of the Trust) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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

Liability limited by a scheme approved under Professional Standards Legislation.



Auditor's opinion

In our opinion:

- (a) the financial report of Mirvac Industrial Trust is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.


PricewaterhouseCoopers


Jane Reilly
Partner

Sydney
21 August 2014

Investor Information

Enquiries or notifications from Mirvac Industrial Trust Investors regarding their investment in the Trust should be directed to:

Mirvac Industrial Trust
Link Market Services
Locked Bag A14, Sydney South NSW 1235
Telephone (within and outside Australia): +61 1300 363 917
Email: registrars@linkmarketservices.com.au

You can do so much more online

Ongoing communication and information relating to the Trust, is updated via the Trust's website at www.mirvac.com/mix. Investors may also login to the Investor Information area to access a wide variety of holding information, make some changes to their holding details online or download forms.

Once logged in, Investors can:

- > check holding balances;
- > access security prices;
- > change address details;
- > enter/update email addresses;
- > enter/amend TFN, ABN and exemption details; and
- > provide/amend direct credit/bank instructions.

The MIX website also contains general information on the Trust, such as property portfolio details, distribution information, news and reports. A hard copy of information available on the website will also be provided to Investors on request.

Other websites

Mirvac: www.mirvac.com

Annual financial reports

In accordance with the Corporations Legislation Amendment (Simpler Regulatory System) Bill 2007, Mirvac Funds Management Limited has made annual financial reports available online. A hard copy of the annual financial report will still be available but will only be sent to Investors who elect to receive a copy. Annual financial reports can be accessed via www.mirvac.com/mix.

Buying and selling securities in MIX

MIX is listed on the Australian Securities Exchange ("ASX"). Units in MIX can only be bought or sold through a stockbroker. Each day, the major Australian newspapers carry the previous day's closing price for MIX units. For advice on how to buy and sell units in MIX, contact your stockbroker or investment adviser.

Handling complaints

Mirvac Funds Management Limited has an established policy for dealing with complaints. Investors wishing to lodge a complaint should write to:

Mirvac Funds Management Limited
C/- Link Market Services
Locked Bag A14
Sydney South NSW 1235
or
Senior Manager, Shareholder Services
Mirvac Funds Management Limited
Level 26, 60 Margaret Street
Sydney NSW 2000

Mirvac Funds Management Limited is a member of an independent dispute resolution scheme, the Financial Ombudsman Service.

Privacy

The Mirvac Group (Mircac Limited and its wholly owned entities) collects and uses personal information about investors to enable Mirvac to tailor its service to the needs of investors. Mirvac only collects personal information directly from investors, for example through application or enquiry forms, letters and visits to Mirvac's website or office. Mirvac may disclose personal information about investors to third party agents and service providers to assist Mirvac in the operation of its business. The Mirvac Group Privacy Policy (available on www.mirvac.com) contains information about how you may request access to and correction of personal information Mirvac holds about you, or to make a complaint about an alleged breach of the Australian Privacy Principles.

If you no longer wish to receive material from the responsible entity, you may contact Mirvac at:

Mirvac Privacy Officer
Level 26, 60 Margaret Street
Sydney NSW 2000
Telephone: + 61 2 9080 8000

Supplementary Information

The information set out below was prepared as at 31 July 2014 and applies to the Trust's ordinary units (ASX code: MIX). At 31 July 2014 there were 362,457,269 MIX ordinary units on issue.

Substantial Investors

As disclosed in substantial holding notices lodged with the ASX at 31 July 2014:

Name	Date of change	Number of securities	Percentage of issued capital ¹
Intelligent Investor Funds Pty Limited	03/12/2013	24,580,212	6.78
Phoenix Portfolios Pty Limited	01/10/2013	27,903,601	7.70
Greig & Harrison Pty Limited	10/08/2012	35,214,077	9.72
Mirvac Funds Limited as responsible entity for Mirvac Property Trust	11/01/2008	50,742,790	13.87

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

Range of Investors

Range	Number of Investors	Units Held
1 to 1,000	41	17,945
1,001 to 5,000	182	771,597
5,001 to 10,000	263	2,265,837
10,001 to 100,000	743	29,473,557
100,001+	263	329,928,333
Total	1,492	362,457,269

20 largest Investors

Name	Units held	% of total units
Mirvac Funds Limited <Mirvac Property A/C>	50,742,790	14.00%
J P Morgan Nominees Australia Limited	41,016,938	11.32%
National Nominees Limited	20,162,034	5.56%
Melic Pty Limited <The Melic Unit A/C>	13,597,477	3.75%
Bond Street Custodians Limited (Intelligent Inv Wholesale)	11,011,826	3.04%
Horrie Pty Ltd	9,000,000	2.48%
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	8,694,427	2.40%
Rudie Pty Ltd <Mattani Super Fund A/C>	6,963,090	1.92%
HSBC Custody Nominees (Australia) Limited	5,368,430	1.48%
Mr Andre David Malko	5,260,301	1.45%
Edelle Two Pty Ltd <The Edelle Super Fund A/C>	5,000,000	1.38%
Third Exar Pty Ltd <Andrews Super Fund A/C>	5,000,000	1.38%
Hillmorton Custodians Pty Ltd <The Lennox Unit A/C>	4,600,000	1.27%
Pythagoras Australia Pty Ltd <CKL Super A A/C>	4,577,418	1.26%
UBS Nominees Pty Ltd	4,527,532	1.25%
Mrs Melissa Jean Slattery	4,000,000	1.10%
Ms Franciska Lasic	3,803,567	1.05%
Serlett Pty Ltd <Diligent Inv Superfund A/C>	3,664,299	1.01%
Stilwood Custodians Pty Ltd	3,459,000	0.95%
Crofton Park Developments Pty Ltd <The Brougham Super Fund A/C>	3,379,762	0.93%
Total for 20 largest investors	213,828,891	58.98%
Total other investors	148,628,378	41.02%
TOTAL	362,457,269	100.00%

Number of Investors holding less than a marketable parcel (being 2,858 securities at the closing market price of \$0.175 on 31 July 2014): 71.

Voting rights

On a show of hands, MIX members have one vote each. On a poll, each member present in person or by proxy has one vote for each dollar of value of the total interests they hold in MIX.

Directory

Responsible Entity

Mirvac Funds Management Limited
ABN 78 067 417 663 AFSL 220 718
as Responsible Entity of
Mirvac Industrial Trust
ARSN 113 489 624

Registered office and postal address

Level 26, 60 Margaret Street
Sydney NSW 2000
Telephone: 02 9080 8000
Facsimile: 02 9080 8174
Email: enquiries_mfml@mirvac.com.au
Web: www.mirvac.com/mix

Board of Directors

Paul Barker (Chairman)
Vicki Allen (Deputy Chair)
Andrew Butler
Robert Morrison
Elana Rubin

Company Secretaries

Sean Ward
Varuni De Silva
David Sellin

Auditors

PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

Unit registry

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000
Telephone: 1300 363 917
Web: www.linkmarketservices.com.au

Australian Securities Exchange listing

Mirvac Industrial Trust is listed on the Australian Securities Exchange

ASX listing code

MIX

Investor enquiries

Correspondence:
Mirvac Industrial Trust
C/- Link Market Services
Locked Bag A14
Sydney South NSW 1235
Telephone: +61 1300 363 917 (within and outside Australia)