



**27 JULY 2012**

Dear Securityholder

**MIRVAC GROUP**

**IMPORTANT INFORMATION ABOUT A CHANGE IN DISTRIBUTION FREQUENCY**

At a recent meeting of the Mirvac Group ("Mircvac") board, it was agreed that the distribution policy be amended to bring the frequency of distributions into line with a majority of Mirvac's corporate peers by adopting a six monthly distribution payment cycle.

You will note that the change from quarterly to six monthly distributions reduces the frequency of your payments, however, your pro-rata entitlement to income distributions will not change. This move is consistent with our approach of reducing overall costs to Mirvac which is something that we need to continually pursue.

As outlined in our announcement to the ASX on 18 May 2012, the six monthly distribution payment cycle will commence from 1 July 2012. This means there is no change for FY2012 and investors will receive the June 2012 quarter distribution which was paid on 27 July 2012.

After the payment of the June 2012 quarter distribution, the next distribution that securityholders will receive will be for the six months ending 31 December 2012.

We have included in this correspondence some frequently asked questions about the change in distribution frequency and what securityholders can expect going forward.

If you have any questions, please contact Mirvac's Information Line on 1800 356 444 (within Australia) or +61 2 8280 7107 (outside of Australia).

**SALE OF HOTEL BUSINESS**

As announced on 22 May 2012, Mirvac completed the sale of its hotel and resort division to Accor, and as a result the Mirvac Exclusive Card is no longer valid. The Group is pleased to announce that Accor has introduced a special program for Mirvac securityholders providing a 15 per cent discount off the best unrestricted rate of the day across the Accor global network. Please see the enclosed flyer from Accor for details.

Thank you for your ongoing support and I look forward to providing you with a further update with the full year result on 21 August 2012.

Yours sincerely

**Nicholas Collishaw**  
Managing Director



## **CHANGE IN DISTRIBUTION FREQUENCY**

### **Frequently Asked Questions**

#### **WHEN IS THE CHANGE IN DISTRIBUTION TAKING PLACE?**

The change in distribution frequency will be effective from 1 July 2012.

#### **DISTRIBUTION DATES EACH YEAR GOING FORWARD WILL BE:**

30 June (distributions paid at the end of July).

31 December (distributions paid at the end of January).

#### **WHAT DOES THIS MEAN FOR SECURITYHOLDERS?**

From 1 July 2012, distributions will be declared twice a year for the periods ending 30 June and 31 December. After the June 2012 quarter distribution, the next distribution from Mirvac will be for the six months ending on 31 December 2012.

#### **WHY CHANGE?**

The change in distribution frequency to half yearly allows more efficient management of cash flows and financial commitments by Mirvac and aligns Mirvac with a majority of Mirvac's corporate peers. Mirvac considers this change is in the best interests of Mirvac securityholders as a whole.

#### **WILL I RECEIVE LESS INCOME?**

You will continue to receive your pro-rata entitlement to distributions, providing you are a registered holder at the record date for each declared distribution.

#### **I AM AN INSTALMENT RECEIPT HOLDER, HOW WILL THIS AFFECT ME?**

Instalment Receipt ("IR") holders will continue to receive distributions less interest in advance which is paid on the outstanding debt amount of \$0.41876 per instalment receipt.

As instalment interest is paid in advance, moving from a quarterly to a six monthly distribution requires the Security Trustee, Westpac Custodian Nominees Limited, to deduct instalment interest from the June 2012 quarter distribution to cover your interest obligation for the period from 16 August 2012 to 18 February 2013. As such, you may receive a lower residual payment from the June 2012 quarter distribution. However, you do not need to make another instalment interest payment until the half year ending 31 December 2012 and once the distribution periods change to six monthly, so will your instalment interest payments.

#### **WILL THE INSTALMENT RECEIPT CONVERSION WINDOWS STILL OPERATE QUARTERLY?**

No, the conversion windows that enable IR holders to pay the outstanding instalment debt in full will also change to half yearly to align with the change in distribution frequency of Mirvac's distribution.

Conversion windows going forward will be as follows:

|                          | <b>June half year end</b> | <b>December half year end</b> |
|--------------------------|---------------------------|-------------------------------|
| Conversion window opens  | Late May                  | Late November                 |
| Conversion window closes | Late June                 | Late December                 |

An ASX announcement will be released when the conversion window opens as currently happens.

You will however, still be able to sell your investment by selling the underlying Mirvac securities (which are traded on ASX) and paying the outstanding instalment debt from the sale proceeds at any point in time.

#### **FURTHER INFORMATION**

If securityholders have any questions, please call Mirvac's Information Line on 1800 356 444 (within Australia) or + 61 2 8280 7107 (outside of Australia).