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

ASX Release / Media Release

23 August 2013

MIRVAC GROUP FULL YEAR RESULTS – 30 JUNE 2013

Mirvac Group ("Mirvac" or the "Group") [ASX:MGR] today reported its full year results for the year ended 30 June 2013 ("FY13").

Highlights:

- FY13 operating earnings of 10.9 cents per stapled security ("cpss"); ahead of guidance of 10.7 to 10.8 cpss[1,2] (statutory earnings of 4.1 cpss);
- strategic capital management initiatives delivered gearing of 23.6 per cent[3,4]; within target range of 20-30 per cent;
- distributions increased by 3.6 per cent to 8.70 cpss;
- acquired a $584.0 million (before costs) office portfolio from GE Real Estate Investments Australia ("GE"), largely funded by an oversubscribed Institutional Placement;
- maintained strong portfolio metrics within Mirvac Property Trust ("MPT" or "Trust");
- achieved 1,809 residential lot settlements ahead of revised target;
- on track to achieve over 10 per cent Development return on invested capital in financial year 2014 ("FY14");
- further strengthened strategic relationships with high quality investment partners via the sale of 50 per cent of the Treasury Building, Perth, to Keppel REIT, and the sale of 50 per cent of 200 George Street, Sydney to AMP Capital;
- achieved "Best Employer" range in Aon Hewitt Employee Engagement Survey; and
- achieved 32.7 per cent total securityholder return in FY13; ahead of 17.4 per cent for S&P/ASX200 A-REIT index.

Mirvac CEO and Managing Director, Susan Lloyd-Hurwitz, said, "Today's strong result demonstrates Mirvac's effective business strategy and its capacity to deliver a robust pipeline of opportunities in the future.

"We have exceeded our FY13 operating earnings guidance with an operating profit after tax of $377.6 million, we have prudently managed our balance sheet, we have continued to de-risk the income from our Investment portfolio and continue to progress towards normalised returns in our Development business."

1) For further details refer to 30 June 2013 financial statements.
2) Operating profit after tax is a non-IFRS measure. Operating profit after tax is profit before specific non-cash items and significant items. Operating profit after tax is used internally by management to assess the performance of its business and has been extracted or derived from Mirvac's full year ended 30 June 2013 financial statements, which has been subject to audit by its external auditors.
3) Net debt (at foreign exchange hedged rate) excluding leases/(total tangible assets – cash).
4) Pro forma as at 3 July 2013 post $1.7 billion syndicated loan transaction.

Key Financial Highlights[1]:

- statutory net profit attributable to securityholders of $139.9 million which was impacted by the impairments of $273.2 million announced by Mirvac on 7 February 2013;
- operating profit after tax of $377.6 million[2]; and
- operating cash flow of $385.9 million.

Capital Management and Funding Highlights:

- issued $150.0 million of medium term notes which mature in December 2017, further diversifying the Group's sources of debt and increasing the weighted average debt maturity;
- increased and extended the $1.7 billion syndicated loan facility on 3 July 2013, ensuring the Group has no maturities until March 2015;
- increased the weighted average debt maturity to 3.8 years[3];
- maintained strong liquidity with over $800.0 million[3] of cash and undrawn committed bank facilities;
- reduced average borrowing costs to 5.7 per cent[3];
- maintained the BBB credit rating from Standard & Poor's with the outlook raised to positive; and
- continued to comfortably meet all debt covenants.

"Mirvac delivered earnings ahead of market guidance despite challenging conditions. The continued focus on driving the portfolio through our internal leasing and asset management capabilities, combined with our strategy on delivering disciplined growth, means the Group is well positioned for the future.

"Our balance sheet remains robust and we will continue to monitor and access diversified sources of capital including equity, domestic and international debt and wholesale capital. This focus will ensure the Group can continue to meet its strategic objectives without increasing its overall risk profile," Ms Lloyd-Hurwitz said.

Mirvac Property Trust

As at 30 June 2013, MPT had a total portfolio value of $6.77 billion[4]. During the period, the Trust continued to deliver strong results for the Group with key highlights including:

- achieved solid like-for-like net operating income growth of 3.5 per cent;
- occupancy remained high at 97.9 per cent[5];
- maintained a strong weighted average lease expiry profile ("WALE") of 5.1 years[6]; and
- disposed of seven non-core assets, realising $189.7 million in gross sale proceeds[7].

Ms Lloyd-Hurwitz said, "The Trust's high quality, intensively managed portfolio of assets continued to deliver stable operating earnings that underpin Mirvac's distributions. The portfolio again outperformed the IPD index over one, three and five years, supported by a robust WALE of 5.1 years, continued strong tenant retention and a high occupancy rate of 97.9 per cent ."

1) For further details refer to 30 June 2013 financial statements.
2) Operating profit after tax is a non-IFRS measure. Operating profit after tax is profit before specific non-cash items and significant items. Operating profit after tax is used internally by management to assess the performance of its business and has been extracted or derived from Mirvac's full year ended 30 June 2013 financial statements, which has been subject to audit by its external auditors.
3) Pro forma as at 3 July 2013 post $1.7 billion syndicated loan transaction.
4) By book value, includes assets under development.
5) By area, excluding assets under development, based on 100 per cent of building net lettable area.
6) By income, excluding assets under development, based on MPT's ownership.
7) Gross sale proceeds including assets classified as held for sale: Manning Mall, Taree NSW (settled 11 July 2013) and Logan Mega Centre QLD (settled 9 August 2013).

Office

Mirvac's overweight strategy to the office sector along with active management continued to drive strong performance with key highlights including:

- maintained a high portfolio occupancy rate of 96.8 per cent[1];
- achieved 3.9 per cent like-for-like net operating income growth;
- continued the strong WALE of 5.2 years[2];
- exceeded NABERS targets ahead of schedule; currently 4.6 Star Energy and 3.5 Star Water;
- strengthened strategic relationships with high quality investment organisations with the sale of a 50.0 per cent interest in 200 George Street, Sydney to AMP Capital and a 50.0 per cent interest in the Treasury Building development in Perth to Keppel REIT;
- secured Ernst & Young as an anchor tenant at 200 George Street, Sydney under an Agreement for Lease, with the professional services firm committing to approximately 74.0 per cent of the building's net lettable area over a 10 year term;
- executed an Agreement for Lease with AGL Energy for office space in a new A grade building, to be developed by Mirvac at 699 Bourke Street in Melbourne; and
- maintained active commercial development pipeline of $2.2 billion[3].

"The office portfolio performed well despite a softening market, driven by our internal leasing teams' dedication and focus, once again delivering a strong WALE and NOI growth. Our strategy to create and buy is on track with a well established $2.2 billion development pipeline in place and the $584.0 million acquisition of seven assets from GE, "said Ms Lloyd-Hurwitz.

Retail

Mirvac's focus on non discretionary goods continued to provide stability in the retail portfolio, with key highlights including:

- maintained a high retail occupancy rate of 99.2 per cent[4] and a WALE of 3.9 years[5];
- like-for-like net operating income growth remained steady at 2.6 per cent;
- improved MAT growth of 4.9 per cent[6], driven by supermarkets and mini majors; and
- completed the exit from the bulky goods sector[7].

"Our retail portfolio continues to improve as we drive the portfolio harder and continue to focus on non discretionary spending. Our strategy to unlock the embedded value of over $800 million in our retail portfolio is progressing with expansions at Kawana Shopping Centre and Orion Town Centre in Queensland and Stanhope Village in New South Wales, all tracking to budget and schedule."

Industrial

Mirvac's industrial portfolio continued to deliver solid results, with key highlights including:

- achieved a strong like-for-like net operating income growth of 5.9 per cent;
- maintained a high occupancy rate of 99.4 per cent[1] and a WALE of 8.8 years[2]; and
- remained on track with the non-core asset sale program.

"Our niche industrial portfolio performed on all metrics and there is a pipeline of potential opportunities to grow this business. Our new business teams are actively searching for acquisitions that align with our strategic mandate outlined in our strategy," said Ms Lloyd-Hurwitz.

1) By area, excluding assets under development, based on 100 per cent of building net lettable area.
2) By income, excluding assets under development, based on MPT's ownership.
3) Represents 100 per cent of end value of office development projects.
4) By area, excluding bulky goods and assets under development, based on 100 per cent of building NLA. Including bulky goods 98.7 per cent.
5) By income, excluding assets under development and indirect investments, based on MPT's ownership.
6) Woolworths Limited and Wesfarmers Limited (Coles) reported sales in FY13 of 53 weeks versus 52 weeks in FY12.
7) Logan Mega Centre QLD disposal was settled on 9 August 2013.

Mirvac Limited
ABN 92 003 280 699

Mirvac Funds Limited
ABN 70 002 561 640
AFSL 233121
as responsible entity of the Mirvac Property Trust
ARSN 086 780 645

Residential

There was a continued focus on improving returns in the residential business over the period. Key highlights for the year included:

- secured $1.0 billion in exchanged pre-sales contracts[1];
- settled 1,809 residential lots; ahead of the revised target of 1,600 to 1,700 lots;
- released key residential projects including:
    - ***Apartments***: Yarra's Edge, Array, Docklands VIC (64.9 per cent presold); Harold Park Precinct 2, Glebe NSW (78.8 per cent presold);
    - ***Masterplanned Communities***: Enclave, Ascot Vale VIC (97.6 per cent presold); Stage 4, Elizabeth Hills NSW (91.9 per cent presold); and
- acquired 3,341 lots, on capital efficient terms, that will contribute to the Group's development pipeline in FY15 and beyond including Alex Avenue NSW (Masterplanned Community) and the Dallas Brooks Centre, Melbourne VIC (Apartments).

"There were a number of very successful releases during the year with pre-sales particularly strong in New South Wales, across apartments and Masterplanned Communities. We have benefitted from our overweight position in this market and we will continue to identify new opportunities to supplement our pipeline in inner ring, infill ring and urban edge locations primarily in New South Wales and Victoria.

"Residential markets remain mixed in terms of current performance and outlook; however, we are seeing signs of recovery as a result of improving housing affordability, population growth and low rental vacancy.

"The outlook for our Development division is strong with key projects such as ERA and Harold Park both in Sydney and Array in Melbourne on track to deliver earnings in the next three years. Our diversified portfolio of residential and commercial developments importantly provides risk mitigation through economic cycles as demonstrated by the team securing 65.4 per cent of FY14 Development earnings before interest and tax," said Ms Lloyd-Hurwitz.

Outlook

Ms Lloyd-Hurwitz concluded, "We will continue to execute on our strategy by leveraging our integrated model and delivering disciplined growth that is focused on our capital allocation mandates. Our capacity to balance recurring income from our passive investment assets with earnings from our active developments positions us well to deliver strong returns to our securityholders."

Mirvac announced its FY14 operating EPS guidance of 11.7 to 12.0 cpss and distribution guidance of 8.8 to 9.0 cpss.

A Management presentation of the results will be webcast live from 10.00am (Sydney) at www.mirvac.com

---

For more information, please contact:

Media enquiries:
Marie Festa
Group Executive, External Affairs
+61 2 9080 8956

Investor enquiries:
Jessica O'Brien
Group General Manager, Investor Relations
+61 2 9080 8458

1) Total exchanged pre-sales contracts as at 30 June 2013, adjusted for Mirvac's share of joint ventures, associates and Mirvac managed funds.

Disclaimer:
Indications of, and guidance on, future earnings and financial position and performance of Mirvac Group contained in this announcement are "forward-looking statements". Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Mirvac Group, that may cause actual results to differ materially from those expressed or implied in such statements. No representation is made as to the accuracy of these statements and there can be no assurance that actual outcomes will not differ materially from such statements.

Mirvac Limited
ABN 92 003 280 699

Mirvac Funds Limited
ABN 70 002 561 640
AFSL 233121
as responsible entity of the Mirvac Property Trust
ARSN 086 780 645

Mirvac's Privacy Policy is on our website or contact our Privacy Officer on T +61 2 9080 8000