



Marrickville Library, Sydney

Mirvac Group (ASX: MGR) has today provided an operational update for the first quarter of financial year 2020 (FY20). The Group has maintained momentum from FY19, building on the solid metrics reported at the full year and setting the foundations for another strong year ahead.

Mirvac's CEO and Managing Director, Susan Lloyd-Hurwitz, said, "During the first quarter we made steady progress. Our Office & Industrial division continues to perform well. This is underpinned by favourable office and industrial market conditions and the sustained demand for high quality space in the Sydney and Melbourne CBDs and fringe locations, where 85 per cent of our portfolio is located. Notwithstanding structural and cyclical challenges in the retail sector, our Retail portfolio continues to post solid results.

"In our Residential business, we have seen an uptick in enquiries, and we expect this to translate to sales volumes in due course. We remain focused on ensuring our product is of the highest quality, and is delivered hand-in-hand with amenity that is carefully curated to enhance the lifestyle of our communities.

"The Sydney and Melbourne markets continue to show positive fundamentals, including population growth, low unemployment and record levels of infrastructure spend. 80 per cent of the Group's capital is now allocated to the urbanisation of these gateway cities. We continue to expand our Industrial portfolio, as well as establish our build to rent offering. Together, this gives us a solid platform from which to generate future securityholder value supported by continued certainty of distributions.

"During the quarter we received tremendous recognition for our efforts to improve gender equality. We were ranked number two in the world for gender equality and number one in Asia Pacific by Equileap, which researched 3,519 companies in 23 developed economies, representing 98 million employees, and ranked them based on 19 gender equality criteria."

Mirvac was also ranked number one on the 2019 AFR BOSS Most Innovative Companies List, in the Property, Transport and Construction category, for its success with urban basement farm start-up Cultivate.

"Innovation is now firmly embedded into the culture of our company, championed by our Hatch team. This award is testament to the fact that you can be a 47-year old property company and still have the agility and problem solving ability of a start-up."

Mirvac also released its first report under the [Task Force on Climate-related Financial Disclosures](#) during the quarter, as well as a [sustainable supply chain update](#), which outlines the Group's approach to eradicating modern slavery in its supply chain.

Mirvac has re-affirmed operating EPS guidance of between 17.6 to 17.8 cpsps for FY20, which represents an increase in earnings of between 3 to 4 per cent, and distribution guidance of 12.2 cpsps, which represents DPS growth of 5 per cent.



Ranked **No.2** in the world for gender equality and number one in Asia Pacific.

Ranked **No.1** 2019 AFR BOSS Most Innovative Companies List Property, Transport and Construction category



BELLA'S SANCTUARY | QUEENSLAND

Mirvac has taken active steps to break the cycle of violence against women, within our workforce, by building respect and supporting equality. We have also partnered with Halcyon and DVConnect on a project that aims to support victims of domestic violence in our communities.

Now officially open and operational, Bella's Sanctuary is a purpose-built bridging accommodation facility located on the northern Gold Coast. It's the first of its kind in Australia to offer women and children a safe place to stay for up to 12 months while they rebuild their lives following trauma. It is comprised of five self-contained units and communal areas, including a children's play area.

"Domestic violence statistics in Australia are alarmingly high, and while victims are able to get government funding for two or three nights in a hotel or motel, they are often forced to return to dangerous living situations when this funding runs out. Bella's Sanctuary shows how the building industry can come together to further the community response to domestic violence," said Ms Lloyd-Hurwitz.

Left to right the Hon Di Farmer, Minister for Child Safety, Youth and Women and the Prevention of Family and Domestic Violence, Halcyon Project Director Marie Cone, DVConnect Chair Shann Ross-Smith, and Susan Lloyd-Hurwitz.

OFFICE HIGHLIGHTS:

- > maintained high occupancy of 98.4 per cent¹ (98.2 per cent at 30 June 2019);
- > completed approximately 17,700 square metres² of leasing activity; and
- > increased WALE to 6.9 years³ (6.4 years at 30 June 2019) strengthening the security of future income.

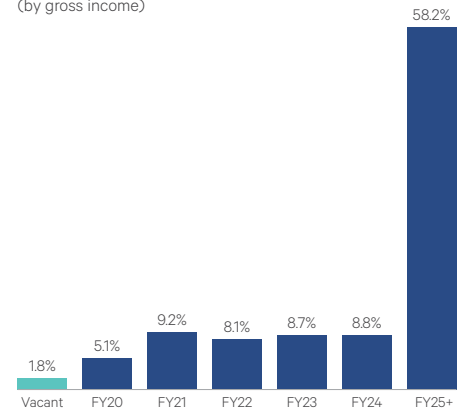
Mirvac's \$3.1 billion active office development pipeline is 90 per cent⁴ pre-committed. Construction further progressed during the quarter, with the following key highlights:

- > the topping out and the completion of major structural works were celebrated at Olderfleet, 477 Collins Street, Melbourne. The 38-level building is now 94 per cent pre-committed to leading tenants including Norton Rose Fulbright, Lander & Rogers, Urbis and anchor tenant Deloitte. The team is on track to achieve practical completion in mid-2020;

- > construction of Suncorp's new headquarters at 80 Ann Street, Brisbane commenced during the quarter. The 60,000 square metre office precinct is 74 per cent pre-committed and practical completion remains on track for FY22;
- > the construction of Building 2 at South Eveleigh, Sydney progressed with the installation of the roof, atrium and skylights. The building is 100 per cent pre-committed to Commonwealth Bank and completion is due in mid-2020; and
- > demolition works are almost complete at the Locomotive Workshops at South Eveleigh. 97 per cent of the office space is now pre-committed, as well as 60 per cent of the retail space, with completion due in 2H FY21.

OFFICE LEASE EXPIRY PROFILE

(by gross income)



Topping out at Olderfleet, Melbourne

Ms Lloyd-Hurwitz commented,

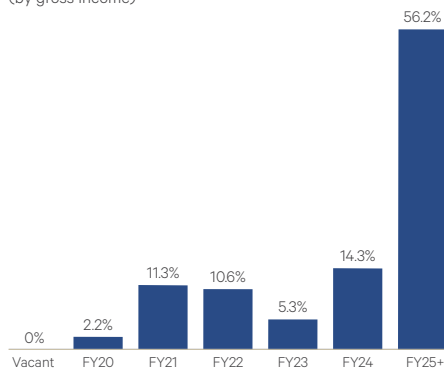
“Our unwavering focus on the creation of a young, low capex, smart, efficient portfolio, strategically located in Sydney and Melbourne, continues to drive value for our securityholders. We have further progressed our \$3.1 billion active development pipeline during the quarter, leveraging our asset creation capability and drawing on the specialist knowledge and experience of our retail team. This has enhanced our capability to bring to life unique, immersive retail experiences within our workplace precincts. The Locomotive Workshops at South Eveleigh in Sydney, for example, will include The Grounds and we are also working to reimagine the heritage markets at 80 Ann Street in Brisbane.”

INDUSTRIAL HIGHLIGHTS:

- > maintained high occupancy of 99.7 per cent⁵ with a WALE of 7.5 years⁶;
- > completed approximately 8,000 square metres of leasing activity; and
- > submitted a Development Application for the masterplan of a new industrial led employment precinct at 300 Manchester Road, Auburn. Mirvac anticipates that the site will cater for a broad range of industrial occupiers, including small scale local amenities such as a local café. The precinct is expected to create approximately 1,000 jobs.

INDUSTRIAL LEASE EXPIRY PROFILE

(by gross income)



Public art installation the Tree House from Nell, at South Eveleigh, Sydney

Ms Lloyd-Hurwitz commented,

“Our Industrial team has continued to energetically progress our \$1.2 billion Industrial development pipeline, including 300 Manchester Road, Auburn, Aspect at Kemps Creek and Elizabeth Enterprise at Badgerys Creek. The projects are strategically positioned to take advantage of the growth of e-commerce and continued urbanisation in key Sydney markets.”

1. By area, including investments in joint ventures and excluding assets held for development. 2. Excludes assets under development. 3. By income, including investments in joint ventures and excluding assets held for development. 4. Includes signed Heads of Agreement. 5. By area. 6. By income.

RETAIL HIGHLIGHTS:

- > maintained high occupancy of 99.1 per cent;
- > recorded solid comparable moving annual turnover sales growth of 2.6 per cent and comparable speciality sales growth of 2.0 per cent;
- > achieved comparable specialty sales productivity of over \$10,000 per square metre on speciality occupancy costs of 15.6 per cent; and
- > executed 99 leasing deals across approximately 14,000 square metres, with leasing spreads remaining positive.

maintained
high occupancy
99.1%



99 leasing deals

Highlights include:

- > exchanged contracts for the sale of St Marys Village, NSW for \$68 million, reflecting a 36 per cent premium to its 30 June 2019 book value. Settlement is expected in December 2019¹;
- > progressed the \$43 million food, entertainment and lifestyle precinct currently under construction at Toombul, Brisbane. The project will add 1,600 square metres of GLA and includes the refurbishment of 4,500 square metres of existing space. The offer will include an arcade bar and bowling by Archie Brothers Cirque Electria, a refurbished BCC Recline premium cinema and an authentic mix of local and first-to-Brisbane food and beverage operators including Little Red Dumpling, Dapple + Waver, Jackpot Dining and Niku Ramen. The development is due to open in November 2019;
- > commenced construction of a vibrant new \$9 million dining destination, known as the Hall Street Dining Precinct, at Moonee Ponds, VIC. Inspired by Melbourne's iconic laneways, the new look precinct will incorporate alfresco dining areas and spaces for community entertainment, catering to the area's rapidly growing and diversifying population. It is due to open in November 2019; and
- > opened a new \$1 million adventure playground at Orion Springfield Central, QLD. The playground complements Orion Lagoon, Event Cinemas and Springfield Central Library and consolidates Orion's position as a true leisure destination. \$11 million of works to further enhance the leisure and convenience offering are underway, which will include the introduction of Timezone, a modernised food court and an expanded Aldi supermarket, to be completed by the end of FY20.

Ms Lloyd-Hurwitz commented,

“We are committed to continually enhancing the experiences of our retail customers in a way that’s tailored to the unique communities of each of our urban centres. We understand that our customers are looking for welcoming, interesting places to visit, explore, discover and spend quality time with their families and friends.”

Retail sales by category	1Q20 total MAT	1Q20 comparable MAT growth	FY19 comparable MAT growth
Supermarkets	\$1,202m	3.9%	4.4%
Discount department stores	\$275m	5.0%	4.5%
Mini-majors	\$547m	(0.3%)	(0.5%)
Specialties	\$1,215m	2.0%	2.0%
Other retail	\$228m	4.7%	4.0%
Total	\$3,467m	2.6%	2.7%

Specialty sales by category	1Q20 total MAT	1Q20 comparable MAT growth	FY19 comparable MAT growth
Food retail	\$138m	10%	2.4%
Food catering	\$347m	0.6%	1.5%
Jewellery	\$31m	(3.2%)	(4.1%)
Mobile phones	\$42m	1.6%	(2.3%)
Homewares	\$43m	8.7%	13.1%
Retail services	\$133m	6.8%	4.2%
Leisure	\$47m	(2.4%)	(2.3%)
Apparel	\$324m	1.0%	1.8%
General retail	\$110m	7.4%	1.7%
Total specialties	\$1,215m	2.0%	2.0%

“In 2024, millennials, gen Ys and Zs will overtake baby-boomers and gen Xs in numbers to become the most dominant group in the country. We’re acutely aware of this fast approaching tipping point and are focused on developing a deep understanding of this rapidly expanding cohort, their habits, purchasing decisions and preferences, to ensure we remain ahead of the curve when it comes to reimagining retail for the future.”



New playground at Orion Springfield Central, QLD

1. Post 30 September update.

RESIDENTIAL HIGHLIGHTS

- > settled 613 residential lots and on track to achieve over 2,500 settlements for FY20. Defaults remain below 2 per cent;
- > maintained a high level of residential pre-sales at \$1.3 billion;
- > released over 240 lots during the quarter, with steady sales at our masterplanned communities, across our FY20 releases to date, including:
 - > Woodlea, VIC: 64 per cent pre-sold
 - > Smith's Lane, VIC: 51 per cent pre-sold
 - > Crest, NSW: 32 per cent pre-sold
 - > Olivine, VIC: 27 per cent pre-sold
- > 86 per cent of FY20 EBIT is now secured;
- > celebrated the topping out at St Leonards Square, Sydney as the construction team reached the 36th level on the tallest tower. The landmark precinct will deliver amenity and convenience for its new community, and is set to transform St Leonards. 99 per cent of the 527 apartments are now sold with settlement expected to start in October 2019;
- > entered into an agreement to acquire a 18-hectare site at Milperra, NSW with the opportunity to develop approximately 350 homes¹; and
- > launched the Affordability Experiment in Perth, WA, which will see a family live in an energy-efficient terrace home for 12 months. The family's utility consumption and lifestyle impacts will be monitored during the trial. The intent is to deliver a net zero energy home that helps to make everyday living more affordable.

1. Post 30 September update.

Ms Lloyd-Hurwitz commented,

“As we foreshadowed at our FY19 results, we have passed the bottom of the residential cycle. There are now clear signs of improvement in the Sydney and Melbourne established housing markets with lifts in loan approvals consistent with the upturn in auction market activity, prices and turnover.”



Topping out ceremony at St Leonards Square, Sydney

“As the apartment market continues to face scrutiny, and building standards are called into question, we are actively engaging with Government and other stakeholders to drive change across our industry. Having set the standard in quality for almost 50 years, we are committed to going above and beyond regulatory requirements and paying attention to every detail in order to continue to deliver vibrant new communities that leave a lasting legacy for future generations.”



Inner West locals attend the opening of Marrickville Library in Sydney

MARRICKVILLE LIBRARY | SYDNEY

During the quarter, residents of Sydney's Inner West celebrated the official opening of the new Marrickville Library, as Mirvac completed its redevelopment of the former Marrickville Hospital site. The \$40 million project, a collaboration between the Inner West Council, architects BVN and Mirvac, produced an extraordinary new community space, housing 85,000 books including council's previously warehoused historic art book collection.

The new Library precinct encompasses a bookable pavilion space that is available for events, a Double Roasters café and generous outdoor spaces including a landscaped lawn area and children's garden. The Library also features meeting and study rooms, a dedicated youth area and specially commissioned public art works. The architecturally bespoke Library building was constructed using timber that has been reclaimed from a bridge in Northern NSW.

The new library precinct has been named Patyegarang Place, after a Gadigal woman who in the 1780s was thought to have been one of the first people to teach an Aboriginal language to the early colonists in NSW.

The opening coincides with the completion of our Marrick & Co apartments, the first One Planet Living community in NSW. Mirvac's partnership with the Council funded the Library, community spaces, car parking, open space and nine affordable homes. The hospital's former nurses' quarters were meticulously restored by Mirvac as part of the development and adapted into two elegant whole floor apartments surrounded by a Victorian cottage garden adjacent to a new public space, called 'The Common'.

Mirvac Group comprises Mirvac Limited (ABN 92 003 280 699) and Mirvac Property Trust (ARSN 086 780 645). This document has been prepared by Mirvac Limited and Mirvac Funds Limited (ABN 70 002 561 640, AFSL number 233121) as the responsible entity of Mirvac Property Trust (collectively "Mirvac" or "the Group"). Mirvac Limited is the issuer of Mirvac Limited ordinary shares and Mirvac Funds Limited is the issuer of Mirvac Property Trust ordinary units, which are stapled together as Mirvac Group stapled securities. All dollar values are in Australian dollars (A\$). This document is not financial advice or a recommendation to acquire Mirvac stapled securities and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information in this document and the Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange having regard to their own objectives, financial situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction. Mirvac Funds Limited is entitled to receive ongoing fees in connection with the authorised services provided under its Australian Financial Services licence to Mirvac Property Trust. Mirvac directors and employees do not receive specific payments of commissions for the authorised services provided under Mirvac Funds Limited's Australian Financial Services licence. The information contained in this document is current as at 30 September 2019, unless otherwise noted.

For further information please contact

Investor enquiries:

Bryan Howitt General Manager, Investor Relations
+61 2 9080 8749

Media enquiries:

Kate Lander General Manager, Communications
+61 2 9080 8243