

A low-angle photograph of a modern building with a blue-tinted facade and a clear blue sky. The building's facade is composed of horizontal slats, and the sky is a solid, clear blue. The text is overlaid on the top left of the image.

mirvac group development update

january 2011

Demand for Mirvac's core projects remain robust, with Rhodes Waterside in Sydney, Yarra's Edge and Harcrest in Melbourne all achieving strong results last quarter¹.

Select regional markets however, are not recovering in line with metropolitan markets. Sales over the traditionally strong Spring and Summer periods have been slower than expected, with these markets continuing to be characterised by oversupply and heavy discounting.

Consequently, Mirvac's Development Division has expanded its englobo disposal program in line with its strategy to expedite a return to normalised financial performance by 2014, which is expected to:

- Eliminate \$312m² of future development expenditure required to deliver zero margin projects;
- Generate approximately \$70m³ of sale proceeds; and
- Allow expertise to be focused on profitable projects.

Therefore, the carrying values of Mirvac's Inventories have been reassessed, resulting in a \$215m provision. Balance sheet gearing is 27.4%⁴ and the Net Tangible Asset ("NTA") per stapled security is \$1.60⁵.

No current or future impact on operating earnings – 100% of provision relates to previously provisioned or breakeven projects.

1) Ended 31 December 2010.

2) Based on feasibilities to build out "englobo disposal" projects.

3) Based on feasibilities including assumptions on market conditions and gross sale prices achieved.

4) Net debt after Cross Currency Interest Rate ("CCIR") swaps excluding leasing/(total tangible assets - cash), based on management accounts as at 31 December 2010 which forms the basis of the financial statements and are subject to independent Auditor's review and Board approval.

5) Based on ordinary securities excluding Employee Incentive Scheme ("EIS") and based on management accounts as at 31 December 2010 which forms the basis of the financial statements and are subject to independent Auditor's review and Board approval.

Provision resulting from:

› Englobo project disposal program – 80%	Page 3	\$171m
› Unsold inventory of existing provisioned and breakeven projects – 20%	Page 5	\$44m

Key impacts

Statement of Comprehensive Income:

- › Unchanged – FY11 operating earnings guidance of 10.2-10.6cpss^{1,2}
- › Unchanged – FY11 distribution guidance of 8-9cpss

Statement of Financial Position³:

- › NTA \$1.60⁴
- › Balance sheet gearing 27.4%⁵

Mirvac remains compliant with all of its debt covenants.

1) 100% of provision relates to previously provisioned or breakeven projects.

2) Cents per stapled security ("cpss").

3) NTA and balance sheet gearing are based on management accounts as at 31 December 2010 which forms the basis of the financial statements and are subject to independent Auditor's review and Board approval.

4) Based on ordinary securities excluding EIS and based on management accounts as at 31 December 2010 which forms the basis of the financial statements and are subject to independent Auditor's review and Board approval.

5) Net debt after CCIR swaps excluding leasing/(total tangible assets - cash), based on management accounts as at 31 December 2010 which forms the basis of the financial statements and are subject to independent Auditor's review and Board approval.

SUMMARY OF PROVISIONED PROJECTS



Project disposal program via englobo land sales – 80% of provision

Expected to deliver the following benefits:

- Faster return to normalised Development Division financial performance;
- Eliminates \$312m¹ future development expenditure required to deliver zero margin projects;
- Generates approximately \$70m² of sale proceeds; and
- No current or future operating profit impact – 100% of provision relates to previously provisioned or breakeven projects.

Project	State	Provision
Magenta Shores	NSW	\$103m
The Royal, Newcastle	NSW	\$34m
Dianella	WA	\$19m
Brendale	QLD	\$10m
Bridgewater	WA	\$5m
Total		\$171m

Project	Target sale dates³
Magenta Shores	September 2011
The Royal, Newcastle	January 2012
Dianella	June 2011
Brendale	December 2011
Bridgewater	November 2012

1) Based on feasibilities to build out "englobo disposal" projects.

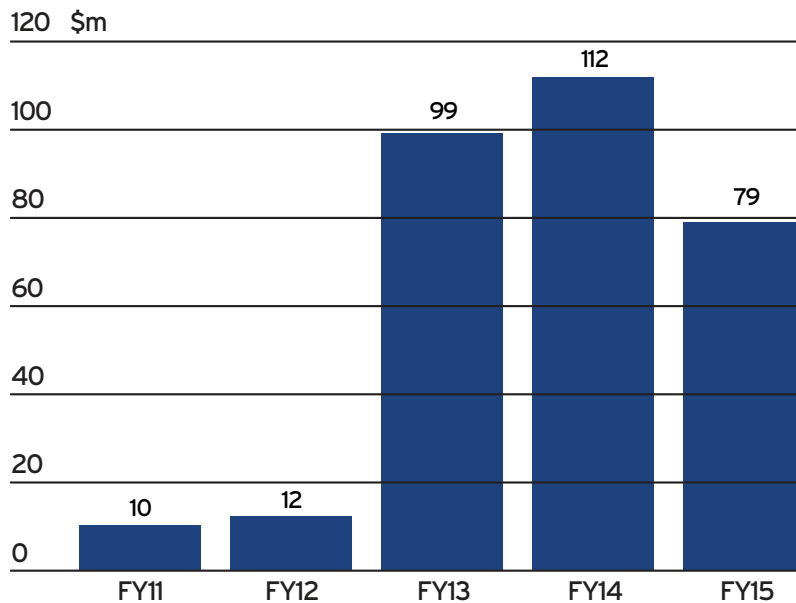
2) Based on feasibilities including assumptions on market conditions and gross sales price achieved.

3) Estimated sale date only. Actual sale date may vary substantially from the targeted sale date.

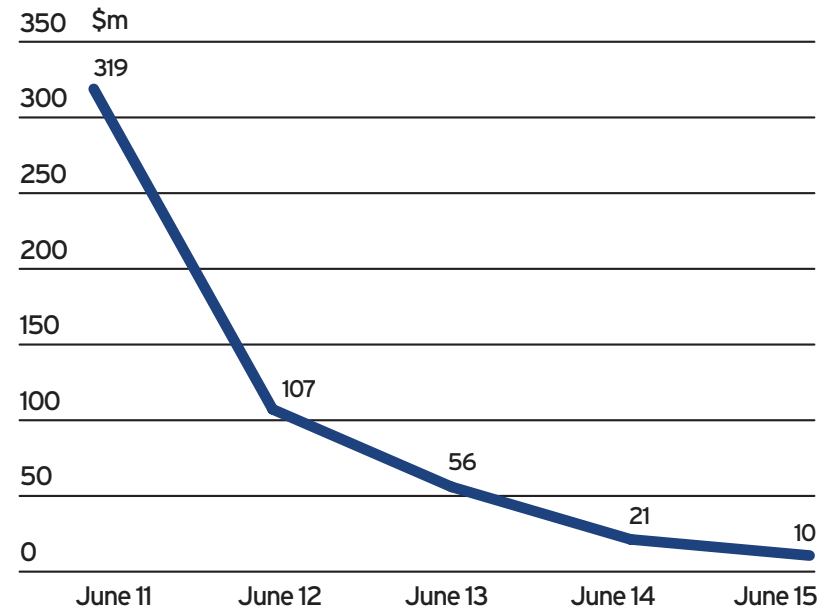
DEVELOPMENT EXPENDITURE SAVING AND PROVISION PROFILE



Expected development expenditure eliminated¹



Forecast provision release²



1) Based on feasibilities to build out "englobo disposal" projects.

2) Based on forecast revenue, market conditions, expenditure and interest costs over project life.

SUMMARY OF PROVISIONED PROJECTS



Unsold inventory – 20% of provision

- **The Point, Mandurah** – Price points and sales rates have been reassessed due to recently completed competitor apartment projects having undertaken aggressive discounting in a market characterised by oversupply.
- **The Royal, Newcastle** – Price points and sales rates have been reassessed due to a lack of market depth, particularly for residences above \$1m.
- No current or future operating profit impact – 100% of provision relates to previously provisioned or breakeven projects.

Project	State	Provision
The Royal, Newcastle 1A, 1B	NSW	\$24m
The Point, Mandurah	WA	\$14m
Brookwater	QLD	\$6m
Total		\$44m

Mirvac experienced limited impact to its residential development projects in Brisbane:

Tennyson Reach:

- > Flooding to basement, ground floor and landscaped areas;
- > Only one apartment impacted under Mirvac's ownership;
- > Mirvac will reinstate ground floor flood impacted apartments as part of its Queensland flood contribution; and
- > Mirvac appointed by body corporate to undertake rectification works.

Pier, Newstead ("MWRDP")¹:

- > Minor water impact to basement;
- > Minor impact to landscaped areas;
- > No impact to apartments; and
- > Settlements are forecast to occur in May/June 2011.

Park, Newstead:

- > Water impact to site excavation; and
- > No significant delay expected to program.

Hamilton:

- > No impact.

The Group continues to monitor project impacts and will inform the market if a material impact arises.

FY11 operating earnings guidances remains unchanged at 10.2cps to 10.6cps.

1) Mirvac Wholesale Residential Development Partnership.

ADDITIONAL INFORMATION



APPENDIX – NET REALISABLE VALUE



Mirvac undertakes comprehensive and regular reviews of the carrying value of Inventories and JV and Associates. Inventory is required to be carried at the lower of cost and Net Realisable Value (“NRV”). NRV for the purposes of inventories provision is the difference between costs accumulated to date, plus all future costs (including interest and cost to sell) less forecast net revenue. Any future loss is booked as a provision immediately rather than progressively over the life of the project.

A number of sales projects have now been assessed on the basis of expected market/saleable value of the project (which differs to the NRV build out scenarios previously adopted).

DISCLAIMER AND IMPORTANT NOTICE



Mirvac Group comprises Mirvac Limited ABN 92 003 280 699 and Mirvac Property Trust ARSN 086 780 645. This presentation and the annexures thereto ("Presentation") have 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\$).

The information contained in this Presentation has been obtained from or based on sources believed by Mirvac to be reliable. To the maximum extent permitted by law, Mirvac, its affiliates, officers, employees, agents and advisors do not make any warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation or that the information is suitable for your intended use and disclaim all responsibility and liability for the information (including, without limitation, liability for negligence).

This Presentation 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 Presentation 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.

To the extent that any general financial product advice in respect of the acquisition of Mirvac Property Trust units as a component of Mirvac stapled securities is provided in this Presentation, it is provided by Mirvac Funds Limited. Mirvac Funds Limited and its related bodies corporate, and their associates, will not receive any remuneration or benefits in connection with that advice. Directors and employees of Mirvac Funds Limited do not receive specific payments of commissions for the authorised services provided under its Australian Financial Services Licence. They do receive salaries and may also be entitled to receive bonuses, depending upon performance. Mirvac Funds Limited is a wholly owned subsidiary of Mirvac Limited.

This Presentation contains certain "forward looking" statements. The words "anticipated", "expected", "projections", "forecast", "estimates", "could", "may", "target", "consider" and "will" and other similar expressions are intended to identify forward looking statements. Forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, indications or guidance on future earnings or financial position and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these statements. To the full extent permitted by law, Mirvac Group and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

An investment in Mirvac stapled securities is subject to investment and other known and unknown risks, some of which are beyond the control of Mirvac, including possible delays in repayment and loss of income and principal invested. Mirvac does not guarantee any particular rate of return or the performance of Mirvac nor do they guarantee the repayment of capital from Mirvac or any particular tax treatment. Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current year amounts and other disclosures.

This Presentation is not an offer or an invitation to acquire Mirvac stapled securities or any other financial products and is not a prospectus, product disclosure statement or other offering document under Australian law or any other law. It is for information purposes only.



www.mirvac.com