

## ASX Release / Media Release

24 June 2011

### TENNYSON REACH UPDATE

As previously advised by Mirvac Group ("Mircac" or the "Group") [ASX:MGR] with the release of its half year results on 22 February 2011, the Group's residential development project at Tennyson Reach, Brisbane, QLD was affected by the January floods.

In the Group's announcement dated 6 May 2011, Mirvac advised that it would update the market as soon as it had a reasonable basis to forecast the impact of these events.

Since the January floods, the Tennyson residential market has been characterised by limited transactions, consequential pricing impacts and uncertainty in relation to the outcomes of the Queensland Floods Commission of Inquiry.

The Group's continued assessment of these sustained market conditions has led the Group in taking a conservative approach to the reassessment of the carrying value of Tennyson Reach, including 43 unsold apartments and remaining undeveloped land. This has led to a provision of \$80.8 million, resulting in zero residual value as at 31 May 2011. The impact on Mirvac's previously disclosed December 2010 NTA would be \$0.02. Consequently, Mirvac's proforma December 2010 NTA would now be \$1.58.<sup>1</sup>

In assessing the carrying value of Tennyson Reach, Mirvac has amended the project's forecast settlement and pricing profile for the unsold lots in Stage Two, Farringford. For undeveloped land, the Group has deferred development and will seek to dispose of the site.

Finalisation of a provision against the carrying value of Tennyson Reach has no impact on Mirvac's ongoing efforts to restore the amenity of Tennyson Reach following the floods. The Group's efforts on this front commenced as soon as the flood waters receded, with the mobilisation of skilled labour to assist in the clean up and subsequent restoration works. This initiative was supported by the generosity and spirit of staff, major sub-contractors and volunteers.

Mircac project-managed the cleanup and made available unsold apartments on higher floors in the Farringford apartments for residents to store belongings. For the eight ground floor apartments directly impacted, Mirvac offered temporary accommodation to the owners and restored the apartments to their original state from the time when the apartments were finished in 2009.

With rectification works largely completed and interim findings of the Queensland Floods Commission of Inquiry scheduled for release in August, Mirvac looks forward to reopening the Tennyson Reach sales office before the end of 2011.

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<sup>1</sup> Excluding securities issued pursuant to employee incentive schemes.