

half year review

chifley by mirvac

MARCH 2011

Dear Securityholders,

I am pleased to report our half year results for the period ended 31 December 2010.

It has been a definitive half year for the Group with operating profit increasing 55 per cent from the corresponding period last year to \$200.1 million. This result demonstrates our continuing focus on maximising the performance from our quality Australian investment portfolio and delivering Australia's pre-eminent residential and non-residential developments.

The high quality of our Investment portfolio, strong residential sales from our core markets and proactive management has delivered a strong financial performance during the half year period.

Capital Management

The Group's prudent approach to capital management ensured it was able to continue to invest in its Investment and Development Divisions, without increasing its overall risk profile.

Post 31 December 2010, the Group announced it had successfully refinanced its syndicated bank facilities. The transaction involved refinancing existing debt tranches maturing in June 2011 and January 2012 to a new \$1.85 billion facility. This refinance significantly extends Mirvac's debt maturity¹ profile from 2.6 to 4.2 years and reduces the amount of debt expiring in any one year to less than 20 per cent.

Financial Results

	31 December 2010	31 December 2009
Earnings per security ²	5.9cpss	4.6cpss
Distribution per security	4.0cpss	4.0cpss
Net operating profit ³	\$200.1m	\$129.4m
Statutory net (loss)/profit attributable to the securityholders of Mirvac	\$(12.7)m ⁴	\$47.2m
Balance sheet gearing ⁵	27.3%	23.2%
S&P rating	BBB	BBB
Net tangible assets ("NTA") per stapled security ⁶	\$1.60	\$1.65
Net assets	\$5.5bn	\$5.0bn
Total assets	\$8.8bn	\$7.5bn

Mirvac's full interim financial accounts are detailed in the 31 December 2010 Interim Report which can be viewed on the website (www.mirvac.com) or request a copy by calling 1800 356 444.

1) Excludes the Westpac office portfolio associated Commercial Mortgage-Backed Securities which is fully cash collateralised.

2) Diluted Earnings Per Security excluding specific non-cash items, significant items and related taxation.

3) Excludes specific non-cash items, significant items and related taxation.

4) Included in the statutory loss was a provision for loss on inventories totalling \$215.0 million.

5) Net debt after Cross Currency Interest Rate swaps excluding leases/(total tangible assets - cash).

6) NTA per stapled security based on ordinary securities excluding Employee Incentive Scheme securities.

Nick Collishaw
Managing Director



Overall, our focused and prudent approach to financial and capital management continues to serve us well, and has positioned us to deliver our forecast sector leading earnings growth of 11.8 to 14.0 per cent for the 2011 financial year.



Operational Results

Investment Division

Mirvac's Investment Division continued to deliver the core earnings and distribution for the Group. The Division's statutory net profit before tax was \$234.7 million and operating profit before tax was \$199.0 million.

Within Investment our ongoing focus has been to enhance and maintain our high quality portfolio and progress our commercial development pipeline, thereby attracting and retaining quality tenants with long-term leases. The Investment portfolio now comprises 70 assets valued at just over \$5.8 billion, well diversified across key locations and asset classes with 88.8 per cent of the portfolio now Premium or A-Grade assets.

Key highlights for the Division for the six months ended 31 December 2010 included:

- achieved a 4.2 per cent like-for-like net operating income growth;
- increased the portfolio occupancy from 96.7 per cent to 98.2 per cent¹;
- increased the commercial development pipeline to \$1.4 billion; and
- disposed of eight non-aligned assets realising \$149.9 million (before costs), representing a 1.3 per cent premium to carrying value².

Looking ahead, the Division remains focused on optimising asset performance and enhancing the high quality of the portfolio. We will also focus on our \$1.4 billion development pipeline which will be delivered by the Development Division, providing quality assets at enhanced returns.

Investment Management and Hotel Management

The Group's Investment Management and Hotel Management businesses performed in line with expectations during the financial period. Investment Management recorded a statutory net profit before tax of \$1.7 million and an operating profit before tax of \$2.4 million. Hotel Management recorded a statutory net profit of \$4.8 million and an operating profit before tax of \$5.9 million before tax.

The Investment Management business is concentrating on its core area of operation, being investment partnerships with wholesale clients.

The Hotel Management business is focussing on expanding the portfolio and reinforcing the market presence of the suite of hotel brands.

Queensland Floods

Mirvac's portfolio in Queensland stretches from Port Douglas to the Gold Coast and the impact of the State's widespread and ongoing flooding and recent cyclone has been felt in a number of locations. While the financial impact to Mirvac has been minimal, the recovery and repair to homes and property is expected to continue for some time, and the Group continues to support its staff, customers and those in the communities in which it operates.

Mirvac's crisis management plans and its adherence to building regulations, including those relating to flood levels, stood the majority of Mirvac projects in good stead and in many cases it was business as usual, however, some assets did experience building damage, including:

Residential projects:

- Tennyson Reach, Tennyson had one Mirvac-owned apartment and eight other privately owned apartments inundated. Importantly, as part of the Group's overall Queensland flood contribution, Mirvac is assisting the eight residents by undertaking rectification works on their apartments.
- Pier, Newstead experienced only minor damage to the basement and landscaping areas with no building damage.

Investment assets:

- Two office towers in Brisbane and two regional shopping centres in Bundaberg and Rockhampton had water damage in the basements. Business interruption was minimal at all locations.

Hotel Management assets:

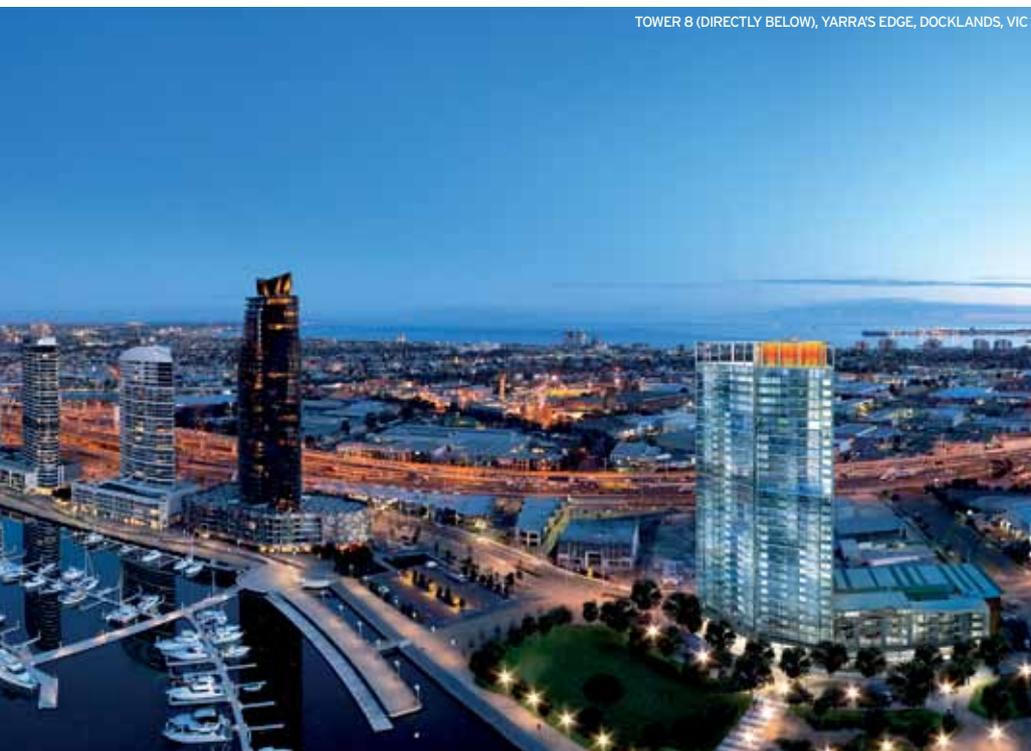
- The Sebel Suites Brisbane was impacted with flooding to the basement levels.
- Tropical North Queensland hotels sustained minor building and landscaping damage. All Hotels are now fully operational.

1) By area, excluding assets under development.

2) Includes Lake Haven Megacentre, NSW, settled 2 February 2011.

3) Including Mirvac's share of joint venture interests and Mirvac managed funds.

4) Adjusted for Mirvac's share of Joint Venture interest and Mirvac Managed funds.



RHODES RESIDENTIAL, SYDNEY, NSW



HAROLD PARK, SYDNEY, NSW (SITE BOUNDARY AS ILLUSTRATED)

Development Division

Within the Development Division, the majority of our residential projects produced strong sales results, in particular our projects at Rhodes in Sydney and both Harcrest and Yarra's Edge in Melbourne achieved outstanding results. We achieved a 19.5 per cent increase in total exchanged contracts over the period, securing \$841.0 million of exchanged contracts.

However, projects in regional locations, which have been characterised by oversupply and heavy competitor discounting, did not recover in line with our expectations during the period. Consequently, we have ceased development activities on these projects, and we are seeking to dispose of them. This resulted in a \$215.0 million provision for loss on inventories, which impacted the Division's statutory result. This decision however is expected to save \$315.0 million of future capital expenditure, and return \$145.0 million of sale proceeds that will be available for investment into new development projects, like Harold Park in Sydney, NSW.

For the six months ended 31 December 2010, the Division's statutory net loss before tax was \$199.4 million and operating profit before tax was \$15.8 million.

Key highlights for the Division for the six months ended 31 December 2010 included:

- achieved 721 residential lots settlements³;
- secured future income with \$841.0 million of exchanged contracts⁴; and
- successfully restocked the development pipeline with the acquisition of 2,749 residential lots (65.3 per cent Apartments, 34.7 per cent House and Land).

The Division's strategy is to build on its extensive in-house experience and proven track record to continue to deliver Australia's pre-eminent residential and commercial developments with a focus on large-scale projects in core markets.

Group Outlook

For the remainder of the financial year, the Group's strategic focus will be to continue to deliver solid performance from our leading, diversified investment portfolio and build on our position as Australia's pre-eminent developer. The combination of these achievements will put us in an enviable position for future growth.

Overall, our focused and prudent approach to financial and capital management continues to serve us well, and has positioned us to deliver our earnings guidance for the 2011 financial year. Pleasingly, the Group has revised upwards its guidance range for this financial year to 10.4-10.6 cents per stapled security.

Thank you for your ongoing support.

Nick Collishaw
Managing Director

Harold Park, Sydney, NSW

In December 2010 Mirvac announced it had agreed to acquire Harold Park Paceway, Sydney, and develop the 10.6 hectare parcel of land into a 1,200 lot masterplanned community, representing total forecast revenue of over \$1 billion.

Harold Park, which was home to the NSW Harness Racing Club, is located in Glebe, approximately 2.5 kilometres from the Sydney CBD and enjoys a direct link to Central Sydney with light rail located immediately adjacent to the site.

Development of the site is expected to commence in early 2012, with settlements forecast from financial year 2014. Importantly, the project will provide a significant boost to the local and state economies generating approximately 3,500 direct jobs during construction.

Harold Park reinforces the Group's development growth strategy and is a clear fit with the Group's competencies. For close to 40 years Mirvac has demonstrated an unparalleled ability to deliver integrated, generational masterplanned communities. Key examples of these include Raleigh Park, and Walsh Bay in Sydney, Beacon Cove in Melbourne and Waterfront Newstead in Brisbane.



ARTIST'S IMPRESSION, 10-20 BOND STREET, SYDNEY, NSW



BROADWAY SHOPPING CENTRE, SYDNEY, NSW



WOOLWORTHS DISTRIBUTION CENTRE, HOXTON PARK, SYDNEY, NSW

Corporate Responsibility & Sustainability

Corporate Responsibility and Sustainability ("CR&S") is a top priority for Mirvac and is an integral part of the Group's strategy.

Mirvac's commitment to CR&S is outcomes-based, innovative and founded on a belief that as a company we have a wider responsibility to have a lasting impact.

Outcomes-based

Mirvac continues to receive external recognition being listed on the FTSE4Good, the Dow Jones Sustainability (Asia Pacific) and the AuSSI indices.

Mirvac recently achieved Green Star ratings on two additional assets, a 4 Star Green Star Office Design rating at 20 Bond Street, Sydney and a 4 Star Green Star Interiors rating for Mirvac's Perth Office Tenancy. This achievement demonstrates Mirvac's commitment to Australian best practice environmental design, development and management.

Innovative

Mirvac has \$2.2 billion of greener assets within the portfolio, including two world-leading 6 Star Green Star buildings and six buildings that are rated 4 Star NABERS Energy or higher.

Wider-responsibility

Mirvac is sponsoring the Green Star Communities Tool and has been actively involved in its development. Mirvac is also nurturing the sustainability leaders of tomorrow through Mirvac's Bond University School of Sustainable Development.

Reporting

Mirvac published its CR&S Report 2010 which provides a comprehensive update on Mirvac's progress against its CR&S commitments and targets. This report obtained the level of A+ in the Global Reporting Initiative's ("GRI") G3 Sustainability reporting Guidelines. For more information on Mirvac's sustainability initiatives and reports, visit the Group's website at www.mirvac.com/sustainability.

Health Safety Environment

Mirvac remains committed to measurable and continual improvement in Health Safety Environment ("HSE") performance through the implementation of strategic planning.

Core objectives which underpin Mirvac's HSE Strategic Plan for 2010/2011 include:

- focus on organisational culture and the acceptance of HSE as a core organisational value;
- continuing development and implementation of standardised management systems and processes to promote predictability, clarity and familiarity in HSE management;
- monitoring the effectiveness of control strategies by improving the accuracy of HSE data and the capacity to react to serious incidents, as well as detect recurring trends and learn from experience;
- continuing to improve the identification and management of Mirvac's most significant safety risks and environmental impacts and the required ongoing control measures to eliminate or minimise these risks or impacts;
- recognition that the severity of occupational injury and illness is minimised through implementing targeted intervention programs, enhanced return to work programs and increased monitoring of key injury mechanisms;
- clarifying responsibilities, developing appropriate competencies, delivering specialised support and providing assurance to management that HSE risks are being identified and managed; and
- focus on strengthening the elements of third party service provider procurement to ensure that HSE risk exposure is minimised.

Mirvac remains committed to providing workplaces free from harm and supported by a culture which ensures that the safety of people and protection of the environment is an absolute priority.

Securityholder Information

Securityholder Enquiries

Securityholders with queries concerning their holding, distribution payments or other related matters should contact Mirvac's registry on:

1800 356 444 (toll free within Australia)

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000

Telephone +61 2 8280 7107
Facsimile +61 2 9287 0303

When contacting the registry please quote your current address details together with your Securityholder Reference Number ("SRN") or Holder Identification Number ("HIN") as shown on your Issuer Sponsored or CHESS statements.

Securityholders who wish to advise the registry of a change of address or change of other details should do so in writing or online at www.linkmarketservices.com.au

Mirvac Registered Office/Principal Office

Level 26, 60 Margaret Street
Sydney NSW 2000

Telephone +61 2 9080 8000
Facsimile +61 2 9080 8111

Securities Exchange Listing

Australia (ASX Code: MGR)

Financial Calendar

29 April 2011	March quarter distribution payment
30 June 2011	Full year end
29 July 2011	June quarter distribution payment
23 August 2011	Full year release
28 October 2011	September quarter distribution payment
17 November 2011	Annual general meeting
31 December 2011	Half year end

Dates are indicative and may be subject to change.

Travelodge offer

Mirvac is pleased to announce it will soon be offering an exclusive discount for securityholders for 20% off accommodation at any Travelodge Hotel throughout Australia and New Zealand. This is in addition to the discounts eligible securityholders receive at Mirvac Hotels & Resorts.

The Travelodge offer will be made available to securityholders in the distribution mailing on 29 April 2011.



Environmentally Responsible Paper

This report is printed on ecoStar, an environmentally responsible paper made carbon neutral ("CN") and manufactured from Forest Stewardship Council ("FSC") certified 100% post consumer recycled paper, in a process chlorine free environment under the ISO 14001 environmental management system. The greenhouse gas emissions of the manufacturing process, including transportation of the finished product to the paper suppliers warehouse, have been measured by the Edinburgh Centre for Carbon Management ("ECCM") and offset by the CarbonNeutral Company.