



ASX Release / Media Release

10 May 2013

PORTFOLIO ACQUISITION AND EQUITY RAISING

Mirvac Group ("**Mirvac**") [ASX: MGR] announces it has entered into agreements to acquire a select portfolio of office assets from GE Real Estate Investments Australia ("**GE**") to be largely funded by a fully underwritten \$400 million institutional placement launched today.

Summary

- Seven assets to be acquired with a combined purchase price of \$584 million¹, which represents an initial passing yield of 7.8%¹ (8.4% fully let¹) (the "**Acquisition**")²
- Aligns with the directional mandates set for Mirvac's office portfolio following its strategic review
 - 69% of the Acquisition portfolio is comprised of two A-grade landmark assets (Allendale Square, Perth and 90 Collins Street, Melbourne) which increases Mirvac's core portfolio exposure to the Perth and Melbourne CBDs; and
 - Five Sydney CBD assets located in the strategically significant 'Alfred, Pitt, Dalley and George Streets' ("**APDG**") precinct, restocking Mirvac's commercial development pipeline with assets that can be held for the long term
- \$400 million fully underwritten institutional placement (the "**Placement**"), with a non-underwritten Security Purchase Plan ("**SPP**") to follow to allow eligible securityholders to acquire Mirvac stapled securities at the same price paid by institutional investors (together the "**Equity Raising**")
- Transaction is expected to be neutral to FY13 operating EPS and accretive from FY14 onwards

Mirvac's CEO and Managing Director, Susan Lloyd-Hurwitz said, "The portfolio of assets Mirvac has agreed to acquire is directly in line with the strategic targets we announced yesterday that set the future direction for Mirvac's office portfolio."

"In this regard, we are very pleased Mirvac had the opportunity to select those assets from GE's broader Australian portfolio that are best aligned with Mirvac's 'create and buy' office strategy and allows Mirvac to leverage its integrated business model.

"By undertaking a fully underwritten \$400 million institutional placement, Mirvac can maintain its gearing at the midpoint of its revised target range of 20-30% and preserve its funding capacity for future growth opportunities."

¹ Pre acquisition costs.

² Subject to Foreign Investment Review Board ("**FIRB**") approval and Western Australia Ministerial consent. Settlement is expected to occur in late May 2013.



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The Acquisition

Mirvac has entered into agreements to acquire a select portfolio of seven office assets from GE for \$584 million (pre acquisition costs), enhancing Mirvac's office operational leverage across a \$4.1 billion portfolio of 32 properties.

The Acquisition portfolio is a mixture of core and redevelopment assets, in line with Mirvac's integrated business model and aligning with the directional mandates set for Mirvac's office portfolio following its strategic review, being:

- 70-80% exposure to prime grade CBD assets and CBD assets with development and/or repositioning opportunities
- Increase Perth CBD weighting
- Increase Melbourne CBD weighting

The key metrics of the Acquisition portfolio have been summarised below.

Asset	NLA (sqm)	Purchase price (\$m)	Purchase price (\$/sqm)	Initial passing yield (%) ¹	Fully-let passing yield (%) ¹	Occupancy (%)	WALE (years)
Allendale Square, Perth WA	28,087	231.0	8,224	8.1	8.6	93	6.3
90 Collins Street, Melbourne VIC	21,253	170.0	7,999	7.2 ²	7.2	100 ²	2.7
Total – investment	49,340	401.0		7.7	8.0	96	4.8
210 George Street, Sydney NSW	4,755	26.0	5,468	8.1	8.4	97	1.1
220 George Street, Sydney NSW	8,891	57.0	6,411	6.5	8.0	82	2.1
37 Pitt Street, Sydney NSW	12,226	67.0	5,480	8.0	10.0	82	1.5
51 Pitt Street, Sydney NSW	5,055	24.0	4,748	9.7	11.2	87	2.1
6-8 Underwood Street, Sydney NSW	3,234	9.0	2,783	10.5	11.1	84	1.4
Total – redevelopment³	34,161	183.0		7.9	9.4	85	1.7
Total – acquisition portfolio	83,501	584.0		7.8	8.4	92	3.8

All metrics expressed as at 1 June 2013. Notes: 1. Pre acquisition costs. 2. Includes two year vendor rental guarantee on current vacancy of 45%. 3. The intention is to hold these assets for the long term.



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Allendale Square, 77 St Georges Terrace, Perth

With its distinctive aluminium façade, column free floors and high quality interiors, Allendale Square is one of Perth's most prestigious office towers. Completed in 1976, the 32 level, A-grade building is in a central St Georges Terrace location with views of the Swan River. The property has a long dated WALE of 6.3 years with major tenants including ANZ, Minter Ellison and WA Bar Chambers.

90 Collins Street, Melbourne

90 Collins Street is an A-grade, 22 level building with 21,253 sqm of NLA. The property is in a prime Melbourne CBD location at the 'Paris End' of Collins Street and in the immediate vicinity of Melbourne's most iconic towers. As part of the acquisition, Mirvac secured a two year rental guarantee over all vacant areas and a vendor adjustment to the purchase price to compensate Mirvac for the cost of incentives and refurbishing eight partially refurbished floors.

Restocking Mirvac's commercial development pipeline

The five Sydney CBD acquisitions are all future strategic redevelopment opportunities within the APDG precinct, a prime CBD location currently undergoing regeneration as a direct result of Sydney City Council planning initiatives to encourage redevelopment of this gateway location in close proximity to Circular Quay.

Mirvac already has a footprint (and experience) in the APDG precinct via its 200 George Street development, with the properties acquired today representing the few remaining development sites in this key precinct. All sites represent opportunities for Mirvac to leverage its commercial development expertise to add value, in line with its integrated business model and office strategy.

The high yielding nature of the assets in their current form means Mirvac can be flexible with development timing to ensure commencement occurs at the time Mirvac believes is the most optimal point in the Sydney office market cycle.

Settlement of the Acquisition is subject to FIRB approval and Western Australia Ministerial consent and is expected to occur in late May 2013.

The Equity Raising

Placement

Mirvac has launched a \$400 million institutional placement at a fixed price of \$1.69 per stapled security (the "Issue Price"), which represents a 3.2% discount to Mirvac's last close price of \$1.745 per stapled security on 9 May 2013.



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New stapled securities issued under the Placement are expected to provide FY13 operating EPS and DPS yields of 6.3% to 6.4% and 5.0% to 5.1% respectively at the Issue Price.

SPP

Mirvac intends to also provide eligible securityholders with registered addresses in Australia or New Zealand with the opportunity to acquire up to \$15,000 of Mirvac stapled securities per securityholder at \$1.69 per stapled security, being the same price paid by institutional investors under the Placement.³

Further information regarding the SPP will be mailed to eligible securityholders shortly.

Additional information

Additional information regarding the Acquisition and Equity Raising is contained within the presentation also released on the ASX today.

For more information, please contact:

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Important information

This announcement 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 announcement are based on assumptions and contingencies which are subject to certain risks, uncertainties and 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.

Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, 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,

³ This will be subject to Mirvac's absolute discretion to scale-back applications under the SPP.

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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 Group stapled securities is subject to investment and other known and unknown risks, some of which are beyond the control of Mirvac Group, including possible loss of income and capital invested. Mirvac does not guarantee any particular rate of return or the performance of Mirvac Group nor does it guarantee the repayment of capital from Mirvac Group or any particular tax treatment. Persons should have regard to the risks outlined in the Equity Raising Presentation accompanying this announcement released to ASX on 10 May 2013. This announcement should be read in conjunction with the Equity Raising Presentation and the important notices contained in that document. Past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This announcement is not an offer or an invitation to acquire Mirvac Group 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. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The new stapled securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new stapled securities may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which Mirvac Group has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws. This announcement may not be released or distributed in the United States.

This announcement is not financial advice or a recommendation to acquire Mirvac Group 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 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 Limited is not licensed to provide financial product advice in respect of Mirvac Group stapled securities. Cooling off rights do not apply to the acquisition of Mirvac Group stapled securities.

All dollar values are in Australian dollars (A\$) and financial data is presented within the financial half year end of 31 December 2012 unless otherwise stated. This announcement includes certain financial measures that are "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934. These measures include the "gearing" for Mirvac Group, which is calculated in accordance with Mirvac Group's debt covenants. These measures are not measures of or defined terms of financial performance, liquidity or value under IFRS or U.S. GAAP. Moreover, certain of these measures may not be comparable to similarly titled measures of other companies.

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