



ASX Release / Media Release

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MIRVAC FY13 Q3 OPERATIONAL UPDATE & STRATEGIC REVIEW

Mirvac Group ("Mirvac" or the "Group") [ASX:MGR] today released its FY13 Q3 Operational Update and Strategic Review.

Q3 Operational Update

The Group reaffirmed Mirvac's FY13 operating EPS guidance range of 10.7 to 10.8 cents per stapled security ("cpss").

Commenting on the Group's quarterly update, Mirvac CEO & Managing Director, Susan Lloyd-Hurwitz said, "I am pleased to announce that we remain on track to deliver our FY13 guidance and our target of 10 per cent Return on Invested Capital for the development Division in FY14.

"Our investment portfolio continues to perform strongly, underpinning the Group's earnings and yield, and our Development Division is well positioned with further visibility of de-risked earnings into the future," Ms Lloyd-Hurwitz said.

Key highlights for the office portfolio included:

- maintained a strong portfolio occupancy of 97.2 per cent¹;
- maintained a strong portfolio weighted average lease expiry of 5.5 years²; and
- continued to progress with office development pipeline.

Key highlights for the retail portfolio included:

- achieved a strong portfolio occupancy of 99.2 per cent³;
- manageable occupancy cost at 14.8 per cent⁴;
- strong moving annual turnover ("MAT") growth of 3.0 per cent; and
- unlocked value in existing centres with development progress and associated leasing on track.

Key highlights for the industrial portfolio included:

- occupancy remained high at 99.4 per cent¹; and
- portfolio continues to be de-risked by strong WALE of 9.0² years.

Key highlights for the residential business included:

- secured \$971.9 million⁵ in exchanged pre-sales contracts;
- achieved strong sales at Harold Park, NSW (74.5 per cent of Precinct 1 and 2⁶ pre-sold) and Yarra's Edge, Array, VIC (56.1 per cent pre-sold); and
- continued strong levels of settlements at Yarra's Edge, Yarra Point, VIC; Jane Brook, WA; Middleton Grange, NSW; and Elizabeth Hills, NSW.

1) By area, excluding assets under development, based on 100 per cent of building net lettable area.

2) By income, excluding assets under development, based on MPT's ownership.

3) By area, excluding bulky goods and assets under development, 100 per cent of centre gross lettable area (including bulky goods 98.7 per cent). Excludes Hinkler Central (flood affected).

4) Specialty occupancy costs excluding CBD centres (including CBD centres 15.6 per cent). Excludes Hinkler Central (flood affected). Includes marketing levy.

5) Total exchanged pre-sales contracts as at 31 March 2013, adjusted for Mirvac's share of joint ventures, associates and Mirvac managed funds.

6) Includes release of building one and building two.



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Group Strategy Update

Mirvac conducted a thorough top down and bottom up analysis of the Group and each business segment in its annual strategic review. The review resulted in the Group establishing clear and targeted directional mandates that are focused on delivering value to securityholders.

Ms Lloyd-Hurwitz added, "What I found to be most compelling about the work that we undertook was the demonstrable value that is derived from Mirvac's integrated model. Our ability to create, own and manage assets is key to delivering focused growth and stable income to investors.

"In maintaining a core capability across four sectors we are able to deliver an appropriate balance of passive and active assets and can also unlock complex urban multi use opportunities. Applying our integrated and diversified model in a focused and disciplined manner is a powerful proposition to investors.

"It is clear that to deliver returns to securityholders, we needed greater focus across the Group in certain areas. This focus relates specifically to decisions as to where and how we will deploy capital, and just as important, when we will not deploy capital. We have also significantly strengthened our capital allocation approval process to drive greater discipline and competitive tension for capital across the Group.

"Investors can expect to see Mirvac deliver stable income and focused growth. Stable income will be derived from our high quality portfolio of passive assets, whilst growth will be achieved via a range of opportunities including repositioning of existing assets.

"Mirvac, on an ongoing basis, regularly evaluates M&A opportunities including acquisitions of asset portfolios.

"All growth opportunities will be consistent with our strategy and are value enhancing to our securityholders," said Ms Lloyd-Hurwitz.

Further information in relation to Mirvac's third quarter performance and Group strategy is contained in the Mirvac Group Q3 Operational Update and Strategic Review presentations, which were released to the market today and are available on the Group website www.mirvac.com

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