



1 May 2014

## MIRVAC FY14 Q3 OPERATIONAL UPDATE

Mirvac Group (“Mirvac” or the “Group”) [ASX:MGR] today released its FY14 Q3 Operational Update.

The Group reaffirmed its FY14 operating EPS guidance range of 11.8 to 12.0 cents per stapled security (“cpss”), representing 8.3 per cent to 10.1 per cent growth.

### Key highlights for the Group included:

- exchanged contracts to sell a 50 per cent interest of 699 Bourke Street, Melbourne to our Australian Office Alliance partner, TIAA-CREF, with an assumed end value of \$73.0 million<sup>1</sup>;
- entered into an agreement for the sale of a 50 per cent interest in 275 Kent Street, Sydney for \$435.0 million<sup>1,2</sup> to an affiliate of Blackstone Real Estate Asia (“Blackstone”), and granted a call option for seven non-core assets for \$391.4 million<sup>1,2</sup>;
- maintained strong occupancy across the Mirvac Property Trust (“MPT”) portfolio, with 97.6 per cent occupancy<sup>3</sup> and a weighted average lease expiry of 4.7 years<sup>4</sup>; and
- secured 98.8 per cent of expected development EBIT<sup>5</sup> for FY14, and 59.1 per cent for FY15.

### Key highlights for the office portfolio included:

- maintained a strong portfolio occupancy of 96.0 per cent<sup>3</sup>;
- maintained a strong portfolio weighted average lease expiry (“WALE”) of 4.8 years<sup>4</sup>; and
- continued to de-risk active development projects under construction through pre-leasing.

### Key highlights for the retail portfolio included:

- achieved a strong portfolio occupancy of 99.3 per cent<sup>3</sup>;
- achieved strong moving annual turnover growth of 5.9 per cent, driven by supermarkets, food catering and mini majors;
- Broadway Shopping Centre ranked number one in Shopping Centre News’ Big Guns Awards 2014 for annual turnover per square metre (“MAT/sqm”) for the second year in a row; and
- unlocked value in existing portfolio with 35.0 per cent of the retail development pipeline completed or underway, and associated leasing on track.

### Key highlights for the industrial portfolio included:

- occupancy remained high at 99.5 per cent<sup>3</sup>; and
- portfolio continues to be de-risked by strong WALE of 8.2<sup>4</sup> years.

### Key highlights for the residential business included:

- settled 606 lots during the period, including Era, Chatswood, NSW (198 lots), Googong, NSW (79 lots) and Jane Brook, WA (66 lots); 1,638 lots have now been settled in the financial year to date;

1) Post 31 March 2014.

2) Sold above 31 December 2013 book value.

3) By area, excluding investment properties under construction, based on 100 per cent of building net lettable area as at 31 March 2014.

4) By income, excluding investment properties under construction, based on MPT’s ownership as at 31 March 2014.

5) Development EBIT before overheads and sales and marketing.



## ASX/MEDIA RELEASE

- increased FY14 target to 2,400 lots, largely driven by contribution from provisioned lots; and
- on track to release target of \$100 million to \$140 million of provisioned lots for FY14, with \$54.2 million of provisioned lots released to date.

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 FY14 guidance and our target of 10 per cent Return on Invested Capital for the development Division in FY14.

"Our focus on effective capital management initiatives, demonstrated by the 50 per cent sale of 275 Kent Street, Sydney and 699 Bourke Street, Melbourne, as well as our accelerated progress on our non-core asset disposal program, will give us flexibility to redeploy capital into the business and invest in future opportunities in line with our strategy.

"Despite challenging market conditions our investment portfolio continues to perform well, with our in-house asset management and leasing teams delivering strong portfolio metrics. Additionally, our development pipeline in both the office and retail sectors continues to progress well both in terms of construction and pre-leasing.

"We have had some great success in our residential business with a total of \$143.0 million of pre-sales contracts secured over the quarter, a total \$1.3 billion of residential pre-sales contracts on hand, and a strong pipeline of future apartment and land releases.

"Overall, the Group remains resolutely committed to executing our strategy in order to provide solid returns for our securityholders," Ms Lloyd-Hurwitz said.

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Further information in relation to Mirvac's third quarter performance is contained in the Mirvac Group Q3 Operational Update presentation, which was released to the market today, and is available on the Group website [www.mirvac.com](http://www.mirvac.com)

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