



30 October 2014

### MIRVAC FY15 Q1 OPERATIONAL UPDATE

Mirvac Group (“Mirvac” or the “Group”) [ASX:MGR] today released its FY15 Q1 Operational Update.

Key highlights include:

- reaffirmed EPS guidance of 12.0 to 12.3 cents per stapled security (“cpss”);
- acquired a strategically located retail asset and marina berths, Birkenhead Point, in Sydney<sup>1</sup>;
- on track to settle over 2,200 lots in FY15, with 588 lots settled in the first quarter;
- maintained \$1.2 billion<sup>2</sup> of exchanged pre-sales contracts;
- 76 per cent of expected FY15 development EBIT<sup>3</sup> now secured; and
- achieved a 5.1 Star NABERS Energy rating average across the office portfolio.

Commenting on the quarterly update, Mirvac CEO & Managing Director, Susan Lloyd Hurwitz, said the solid progress made over the quarter demonstrated the Group’s continued focus on achieving its 2015 objectives and positioning the business for the future.

“We remain on track to deliver our guidance and we will continue to focus on driving development ROIC towards 12.0 per cent by FY17,” Ms Lloyd-Hurwitz said.

#### Office portfolio highlights:

- occupancy maintained at 95.9 per cent<sup>4</sup>;
- steady WALE of 4.6 years<sup>5</sup>;
- FY15 expiries reduced to 8.8 per cent (10.6 per cent at FY14); and
- delivery of the office development pipeline progressing on time and on budget.

#### Retail portfolio highlights:

- strong occupancy maintained at 99.2 per cent<sup>6</sup>;
- achieved comparable MAT growth of 1.9 per cent<sup>7</sup>;
- acquired Birkenhead Point, Sydney, a strategically located retail asset for \$310.0 million<sup>1</sup>; and
- continued to secure leasing commitments for retail expansions, which are on track to achieve return targets.

#### Industrial portfolio highlights:

- occupancy remained high at 99.5 per cent<sup>6</sup>;
- maintained a strong WALE of 8.7 years<sup>5</sup>; and
- FY15 expiries reduced to less than 0.5 per cent.

1 Agreement entered into in October 2014.

2 Total exchanged pre-sales contracts as at 30 September 2014, adjusted for Mirvac’s share of JVs, associates and Mirvac managed funds.

3 Development EBIT before overheads and sales and marketing.

4 By area, excluding assets under development.

5 By income, excluding assets under development, based on MPT’s ownership.

6 By area.

7 Excludes development assets Kawana, Stanhope and flood-affected Hinkler.



“We have maintained strong metrics across MPT, and we continue to focus on improving the quality of our portfolio with strategic acquisitions and disposals, the completion of new developments and extracting further value from existing assets.

“Our recent retail acquisition, Birkenhead Point, for example, provides us with an excellent opportunity to utilise our repositioning expertise, and deliver quality earnings to the Group over the long term,” Ms Lloyd-Hurwitz said.

**Residential development highlights:**

- on track to settle 2,200 residential lots in FY15, with 588 lots settled in the first quarter;
- solid response to release of residential projects, and remain on track to release 2,700 lots in FY15;
- acquired over 550 residential lots nationally;
- increased interest in the Green Square project<sup>1</sup>; and
- maintained strong levels of residential pre-sales with \$1.2 billion<sup>2</sup> of exchanged pre-sales. Approximately \$550 million of these are expected to settle in FY15.

“Taking advantage of buoyant conditions in the residential sector, we have a significant release program in FY15 of over 2,700 lots, with a strong focus on projects in Sydney and Brisbane which is where we have seen the strongest activity.

“We also continue to look at opportunities to restock our residential pipeline to ensure future income for the Group, being focused and disciplined in where and how we compete for sites.

“We are well positioned to deliver our guidance with 76 per cent of our expected development EBIT<sup>3</sup> for FY15 already secured,” said Ms Lloyd-Hurwitz.

**Outlook:**

Mirvac reaffirmed its FY15 operating EPS guidance range of 12.0 to 12.3 cps and distribution guidance range of 9.2 to 9.4 cps.

A management presentation of the results will be webcast live from 10.00am (Sydney) at [www.mirvac.com](http://www.mirvac.com).

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Further information:

Media enquiries:  
Marie Festa  
Group Executive, Corporate Affairs  
+61 2 9080 8956

Investor enquiries:  
Narelle Checchin  
Group General Manager, External  
Communications and Investor Relations  
+61 2 9080 8315

1 PDA with UrbanGrowth NSW.

2 Total exchanged pre-sales contracts as at 30 September 2014, adjusted for Mirvac's share of JVs, associates and Mirvac managed funds.

3 Development EBIT before overheads and sales and marketing.