



17 December 2014

SALE OF 50 PER CENT INTEREST IN 2 RIVERSIDE QUAY, MELBOURNE

Mirvac Group ("Mirvac") [ASX: MGR] is pleased to announce it has entered into an agreement with ISPT Pty Ltd ("ISPT"), one of Australia's largest unlisted property fund managers, to sell a 50 per cent interest in its office development at 2 Riverside Quay, Melbourne.

A summary of the transaction is outlined as follows:

- The total consideration for the 50 per cent interest of the completed development is \$106 million¹, based on a capitalisation rate of 6.12 per cent and a coupon adjustment rate of 6.25 per cent, capitalised over the development period;
- ISPT will fund 50 per cent of the total development costs throughout the construction period;
- Mirvac will provide a five-year rental guarantee on any unlet office and retail space from the date of practical completion; and
- Mirvac will provide development management and ongoing property management services for the asset.

Commenting on the transaction, Mirvac CEO & Managing Director, Susan Lloyd-Hurwitz, said "We are thrilled that ISPT have come on board as co-owners of 2 Riverside Quay, which is set to become a highly innovative and modern workplace in an increasingly popular business location.

"The asset is already substantially de-risked, with PwC's commitment to lease approximately 17,200 square metres of office space, or 82 per cent of total office net lettable area, for an initial 12-year term².

"The transaction is in line with our strategy to secure high quality capital partners with Mirvac retaining a 50 per cent interest in the completed asset."

Located in the heart of Melbourne's Southbank precinct, 2 Riverside Quay is set to become a 21 level, A-grade office building over approximately 21,000 square metres. The building will comprise 12 floors of office space above an existing eight-level car park, as well as best in class end-of-trip facilities to be situated on Level 9.

Tenants of 2 Riverside Quay will benefit from the building's close proximity to strong public transport links and excellent amenity, with Flinders Street Station, the Crown Entertainment Complex, Southgate and extensive dining precincts situated in the nearby area.

In line with Mirvac's *This Changes Everything* sustainability strategy, the building is designed to target a 5.0 Star Green Star Office As Built v3 rating and minimum 4.5 Star NABERS Energy rating, and will feature leading sustainability initiatives such as high performance air conditioning, rainwater capture and recycling, and the use of high- performance glazing and facade systems to reduce solar loads, while providing ample levels of daylight and connection to the outside.

¹ The sale price is calculated on the basis of rents determined under the PwC Agreement for Lease, Wilson and MPT car parking leases, and the target net annual rents for the residual unlet space.

² PwC has first right to approximately 3,730 square metres of additional office space, prior to practical completion. If these rights are exercised, occupancy would increase to 99.4 per cent of total net lettable area.



ASX
RELEASE

Early works are currently underway, with completion expected in FY17.

Further information:

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

Investor enquiries:
Narelle Checchin
GM, External Communications
and Investor Relations
+61 2 9080 8315