

29 October 2015

## MIRVAC ACQUIRES INTEREST IN EAST VILLAGE, ZETLAND, SYDNEY

Mirvac Group ("Mirvac") [ASX: MGR] is pleased to announce it has entered into a joint venture with PAYCE Consolidated ("PAYCE") [ASX: PAY] to purchase an interest in East Village, Zetland for a total consideration of \$154.7 million.

East Village is an award winning mixed-use retail centre which opened in October 2014, and is located in the rapidly expanding urban renewal area of Zetland in Sydney's south, just three kilometres from the Sydney CBD. It is set to benefit from substantial growth in one of Australia's most densely populated and affluent trade areas.

The 33,000 square metre centre is anchored by a strong-performing Coles supermarket, an Audi Service Centre, Virgin Active Health Club and supported by over 40 specialty tenants including food catering, lifestyle and service orientated retailers and a small number of commercial tenants with underground parking for approximately 700 cars.

In 10 months of trade, East Village has achieved annualised specialty sales productivity in excess of \$10,900 per square metre and specialty occupancy costs of 12.4 per cent.

Commenting on the acquisition, Mirvac's CEO and Managing Director, Susan Lloyd-Hurwitz, said, "We are delighted to form a partnership with PAYCE in this off-market transaction, which was an excellent opportunity for our Retail business to increase its presence in one of the fastest growing urban areas of inner Sydney, which enjoys an average per capita income 46 per cent higher than the Sydney metropolitan average.

"This strategic acquisition aligns perfectly with our urban retail growth strategy of acquiring assets in densely populated trade areas with the potential to deliver superior returns over the long term, while further improving the quality of our retail portfolio," said Ms Lloyd-Hurwitz.

As part of the transaction, Mirvac will secure the management and leasing rights to the centre from December 2015. Settlement of the transaction remains subject to conditions and is anticipated to occur in the first half of FY17.

This acquisition is anticipated to deliver above Mirvac's stated target IRR for retail and contribute rental income from FY17 onwards.

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