

18 August 2017

MIRVAC INCREASES ITS OWNERSHIP IN TWO SYDNEY RETAIL ASSETS

Mirvac Group (Mirvac) [ASX: MGR] is pleased to announce it has acquired the balance of East Village in Zetland, Sydney, NSW and has entered into an agreement to acquire the proposed South Village Shopping Centre in Kirrawee, Sydney, NSW from PAYCE Consolidated (PAYCE).

Details of the transactions are as follows:

- Mirvac has acquired a 50.1 per cent interest in East Village for a total consideration of \$155.3 million, following the purchase of a 49.9 per cent interest in July 2016;
- Mirvac has entered into an agreement to acquire the remaining interest in the proposed South Village Shopping Centre, following an agreement to purchase a 50 per cent interest in October 2016¹. PAYCE will undertake development of the project, with Mirvac to pay an amount based on a 6.0 per cent capitalisation rate of the leased net income on completion; and
- as per the Group's ASX announcement on 28 October 2016, Mirvac will provide development leasing services at South Village Shopping Centre, including tenancy co-ordination and retail design management prior to practical completion, and will retain management rights and leasing services following practical completion.

Commenting on the transactions, Mirvac's CEO & Managing Director, Susan Lloyd-Hurwitz, said, "These off-market transactions reflect our ambition to increase our urban footprint in catchments with strong market fundamentals.

"East Village in particular has proven to be an exceptional asset, delivering sales productivity of \$14,950 per square metre after less than three years of trade, and ranking No.1 in the Shopping Centre News' Little Guns Awards in its first year of entry. Moving annual turnover is also growing strongly at approximately 8 per cent per annum.

"Meanwhile, South Village Shopping Centre is set to benefit from its location in an undersupplied, densifying and affluent trade area, with household incomes well above the Australian average."

Mirvac and PAYCE maintain a strong and collaborative relationship, and continue to explore opportunities to work together in the future.

For more information, please contact:

Media enquiries:
Sarah Clarke
Group General Manager,
Sustainability and Reputation
+61 2 9080 8956

Investor enquiries:
Bryan Howitt
General Manager, Investor Relations
+61 2 9080 8749

¹ Subject to conditions precedent.