



ASX Release / Media Release

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ASX ANNOUNCEMENT

MIRVAC GROUP ANNOUNCES 26 PER CENT INCREASE IN FY07 PROFIT TO \$556.1 MILLION

FINANCIAL HIGHLIGHTS

- Net profit after tax of \$556.1 million, an increase of 26.1 per cent
- Operating profit after tax of \$319.1 million, an increase of 16.3 per cent
- Full year distribution of 31.9 cents per stapled security, up 3.0 per cent
- 12.5 per cent rise in NTA per stapled security to \$3.80 from \$3.38 at 30 June 2006
- Activities under control increased from \$22.2 billion at 30 June 2006 to \$26.3 billion
- Gearing of 34.5 per cent

Mirvac Group today announced a record result with net profit after tax of \$556.1 million, an increase of 26.1 per cent on the previous year, with operating profit up 16.3 per cent to \$319.1 million.

The full year distribution of 31.9 cents per stapled security was supported by operating earnings per security for the period of 33.0 cents.

Mirvac's Managing Director, Greg Paramor said: "Mirvac's strong result is directly attributed to our two divisions, Funds Management and Development, working together to deliver a stable stream of resilient earnings. Mirvac has actively managed balance sheet activity, recycling capital in an efficient manner and realising a steady stream of long-term management fee income.

"The Group is ideally positioned for further growth allowing Mirvac to take advantage of real estate cycles across all sectors and geographies we operate in. Our balance sheet is strong, positioning us well to manage risk and capitalise on opportunities as they arise.

"We will seek further opportunities across our integrated platform and where appropriate co-invest with JV partners for key developments and funds management origination. Our funds management platform is a profitable and scaleable business that continues to expand globally."

GROUP OPERATIONAL HIGHLIGHTS

- Acquired \$1.124 billion of assets through Walker transaction¹.
- Established \$655.5 million of new wholesale funds and renewed AustralianSuper mandate to June 2010. AustralianSuper committed to investing \$100 million per annum.
- Mirvac Property Trust delivered growth through \$1.1 billion of acquisitions, disposals, development completions and revaluations.
- Restocked development pipeline with 11,903 additional residential lots, representing a completed value of \$3.7 billion.

¹ Total transaction value before adjusting for JV interests and Mirvac managed entities.

Funds Management

The Group's Funds Management Division performed strongly during the year achieving a net profit after tax of \$529.4 million, a 47.4 per cent increase on FY06, and divisional operating profit was \$267.3 million, representing an increase of 28.7 per cent.

As at 30 June 2007, the Funds Management division had \$13.3 billion of activities under control across internal and external funds management. Internal Funds Management, with a total portfolio value of \$4.2 billion, has investments in more than 55 properties, covering the retail, commercial, industrial and hotel sectors as well as investments in a number of Mirvac's managed funds.

External Funds Management has real estate and infrastructure funds under management of \$9.1 billion, and a managed hotel portfolio of 5,439 rooms across 42 properties in Australia, New Zealand and the Pacific.

Mirvac's Funds Management Division will continue with its strategy to provide new listed and unlisted funds for Mirvac to efficiently utilise its capital and ensure a reliable stream of recurrent earnings for security holders.

Development

The Group's Development Division achieved an operating profit after tax of \$98.6 million, a 7.5 per cent increase on the previous 12 months.

At 30 June 2007, the Group's Development Division had \$13.0 billion of activities under control. Development comprises two principal areas; Residential (housing, medium and high density housing, and land sub-division) with \$11.1 billion activities under control and a future pipeline of 29,016 lots; and \$1.9 billion in activities under control across the commercial, retail, industrial and hotel sector.

Over the past 12 months the Division has continued with its diversification strategy growing non-residential development across the commercial, industrial, retail and hotel sectors. The Division has successfully secured strong residential pre-sales, and acquired prime development sites as part of its inventory restocking activities in supply constrained markets. The total value of exchanged contracts at 30 June 2007 was \$689.2 million.

The Division will continue integrating its activities across the broader Mirvac business platform, including providing seed assets and developing existing assets for Mirvac's funds management initiatives.

OUTLOOK

Mirvac provided EPS guidance of 34.3 cents (a 4 per cent increase) and DPS guidance of 32.9 cents (a 3 per cent increase) for the FY08 year.

Delivery of earnings is anticipated to be in line with Mirvac's stated strategy of Funds Management 70 -75 per cent and Development 25-30 per cent.

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