



ASX Release / Media Release

27 April 2012

MIRVAC GROUP HALF YEAR REVIEW

In accordance with Listing Rule 3.17 attached is the Mirvac Group Half Year Review, which has today been dispatched to Securityholders.

ENDS

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half year review

APRIL 2012

Dear Securityholders,

In navigating the current economic conditions, I am pleased to report that Mirvac Group ("Mircac" or the "Group") delivered a solid result for the half year ended 31 December 2011. The high quality of our Investment portfolio, strong residential sales and proactive management has contributed to this performance.

The team at Mirvac has spent a great deal of time and effort over the past five years re-positioning the business for the long term. Our goal is to derive 80 per cent of the Group's net operating profit after tax from the Investment Division and 20 per cent from the Development Division; including a significant contribution from commercial activities.

In the Investment Division ("MPT" or the "Trust") we maintain a strategic exposure to the office sector and non-discretionary retail shopping centres. Within our Development Division, our projects include apartments and masterplanned communities. We are also focused on commercial projects, where capital partners are expected to play an increasing role.

The simplification of our business, a process that commenced following the onset of the Global Financial Crisis in 2008, has largely been completed. Last December, we entered into contracts for sale for the Hotel management business, and various associated investments. We are currently in the process of securing the necessary consents and approvals, and expect to achieve financial close for this transaction prior to 30 June 2012. This transaction does not include Mirvac's 50 per cent interest in the Travelodge Fund.

Financial Results

	31 December 2011	31 December 2010
Profit/(loss) attributable to the stapled securityholders of Mirvac	\$176.6m	\$(12.7)m
Operating Profit ¹	\$201.5m	\$200.1m
Operating Profit per stapled security ²	5.9 cps	5.9 cps
Distribution per stapled security	4.0 cps	4.0 cps
Balance sheet gearing ³	27.4%	27.3%
S&P rating	BBB	BBB
Net assets	\$5,644.1m	\$5,520.5m
Net tangible assets ("NTA") per stapled security ⁴	\$1.63	\$1.59
Total assets	\$8,576.3m	\$8,817.0m

Mircac's 31 December 2011 Interim Report is available from Mircac's website at www.mircac.com.

Financial Highlights

For the period ended 31 December 2011, the Group reported a statutory profit after tax of \$176.6 million which is a significant improvement on the prior period. The Group also delivered an operating profit after tax of \$201.5 million¹ which equates to 5.9 cents per stapled security. Distributions were maintained at 4.0 cents per stapled security. The Group's NTA as at 31 December 2011 was up 2.5 per cent to \$1.63 per security, and our capital structure remains sound as demonstrated by a conservative gearing ratio of 27.4 per cent.



1) Operating profit after tax is a non-IFRS measure. Operating profit after tax is profit before specific non-cash items and significant items. Operating profit after tax is used internally by management to assess the performance of its business and has been extracted or derived from Mircac's half year ended 31 December 2011 financial statements which has been subject to review by its external auditors.

2) Diluted EPS excluding specific non-cash and significant items and related taxation. Cents per stapled security.

3) Net debt (at foreign exchange hedged rate) excluding leases / (total tangible assets - cash).

4) NTA per stapled security based on ordinary securities including employee incentive scheme securities.



Capital Position and Funding

The Group continues to maintain a robust capital position and strong liquidity position with just over \$490.0 million in cash and undrawn committed debt facilities on hand. Following the successful refinance of debt facilities in the previous financial year, Mirvac has no debt maturities in calendar year 2012. The Group's next debt maturity of \$140.0 million is not until January 2013, which is expected to be repaid from the proceeds received from the sale of the Hotel management business and associated investments.

The Group's weighted average debt maturity is 3.5 years. During the period, the Group extended the maturity profile of a \$150.0 million bilateral facility from April 2013 to November 2014 and repaid a \$505.0 million commercial mortgage backed securities facility that was acquired as part of the Westpac Office portfolio.

The average borrowing cost for the Group as at 31 December 2011 was 7.42 per cent, including margins and line fees.

The volatility created by the European debt crisis and subsequent disruption to global financial markets has resulted in a significant increase to bank funding costs over the past six months.

There will be limited impact of these events on the Group's borrowing costs for 12 months or more, allowing time to stabilise before any refinancing is required.

Operational Results

Investment Division

The Investment Division holds a high quality investment portfolio with 67 direct property assets covering the office, retail, industrial and hotel sectors with a total value of \$5,850.1 million¹. For the half year ended 31 December 2011, the Investment Division's statutory profit before tax was \$242.0 million and operating profit before tax was \$207.9 million.

Key highlights for the Division during the half year included:

- a 3.3 per cent like-for-like net operating income growth;
- the disposal of three non-core assets realising \$127.0 million in gross sale proceeds; and
- leasing commitments at key office developments including:
 - > 10-20 Bond Street, Sydney, NSW, resulting in commitments to the building totalling 90.1 per cent; and
 - > 8 Chifley Square, Sydney, NSW, secured first lease with Corrs Chambers Westgarth for 42.0 per cent of net lettable area.

Occupancy in MPT remained solid at 96.4 per cent, with a weighted average lease expiry of approximately 5.9 years².

The Trust's earnings continue to be secure with 67.3 per cent of rent reviews for 30 June 2012 being fixed or linked to the Consumer Price Index. In addition, 70.7 per cent of revenue is derived from multinational, Australian Securities Exchange listed and government tenants.

The Investment Division remains focused on providing secure passive income to the Group. It continually seeks to improve the quality of the portfolio via refurbishment of existing assets, development of new assets and acquisitions. The Division continues to be strategically overweight in the office sector. In spite of some softening in white collar employment created by uncertain financial market conditions, the office portfolio is well placed with a weighted average lease expiry of 6.0 years², a high quality portfolio and strong tenant covenants.

The Division also maintains a focus on dominant sub-regional shopping centres located in high growth markets. Mirvac's portfolio is comprised of shopping centres that are primarily driven by non-discretionary spending.

Development Division

The Group's Development Division conducts residential and commercial development across NSW, VIC, WA and QLD. For the half year ended 31 December 2011, the Division's statutory loss before tax was \$17.7 million and operating profit before tax was \$7.6 million.

The statutory loss before tax included a loss on inventories of \$25.0 million in respect to Beachside Leighton in WA.

In the Group's core metropolitan markets, the Development Division continued to deliver quality residential product, with new release projects targeted at the right price points and right locations, capturing the increasing demand for medium density living. This was demonstrated by apartment lot pre-sales of over 55 per cent at Harold Park (Precinct One), NSW and 46.3 per cent at The Pinnacle, Rhodes Waterside, NSW³.



ARTIST IMPRESSION OF 8 CHIFLEY SQUARE, SYDNEY, NSW

The momentum of non-core inventory sales continued in line with expectations in terms of timing and proceeds realised. During the period the disposal of Magenta Shores was completed in August 2011, and the unconditional exchange on undeveloped land was negotiated for The Royal, Newcastle Beach, NSW (Stages 1c and 2).

Key highlights for the Division during the half year included:

- the settlement of 849 residential lots; with the Group on track to deliver 1,800 lot settlements for 30 June 2012;
- secured income increased with \$1,008.1⁴ million of exchanged residential pre-sales contracts now held, a 19.9 per cent increase since the end of December 2010;
- 7,881 lots at Googong, NSW, and Clyde North, VIC, were acquired on capital efficient terms;
- the sale of 50 per cent interest in 8 Chifley Square, NSW, to K-REIT Asia (at a capitalisation rate of 6.65 per cent);
- the sale of 50 per cent interest in Hoxton Distribution Park, NSW, to Aviva Investors for \$97.4 million;
- approval for the development of a 30,000 square metre prime office building on St. Georges Terrace in WA, with practical completion expected in 2015; and
- progressing Stage 2 development application at 190-200 George Street, NSW with a design excellence competition to select a preferred scheme in early 2012.

The Development Division remains focused and on track towards achieving its 2014 strategy to improve earnings, its key financial metrics and to represent a 20 per cent contribution to the Group result.

Group Outlook

The Group's focus on the investment portfolio reduces the volatility of Mirvac's profitability through the business cycle and ensures that distributions are met from recurring income. Our actions in the Development Division are aimed at increasing the return on invested capital and to position the Group for growth as consumer confidence returns.

In recognition of the volatility created by the European debt crisis and the impact on financial markets and global growth, the Group will maintain a conservative capital structure and adequate levels of liquidity.

As we have previously stated, in conjunction with the Hotels asset sale, we will look to reinvest the proceeds of asset or business sales towards the best use of capital – including the potential for a security buyback – at the time proceeds are realised. Along with with any capital management initiatives, a proportion of the sale proceeds is expected to be applied towards debt repayment.

Pleasingly, the Group reaffirmed its 30 June 2012 forecast operating earnings guidance of 10.5 to 10.6 cents per stapled security and distribution guidance of 8.2 to 8.4 cents per stapled security with the release of its interim financial result on 21 February 2012; and again on 27 March 2012.

Thank you for your ongoing support and I look forward to providing you with a further update with the full year result.

Nick Collishaw
Managing Director

8 Chifley

With a revolutionary workspace design and inspiring architecture, 8 Chifley Square by Mirvac is a new premium-grade, landmark redevelopment in Sydney's CBD.

Standing at 34 storeys and with an approximate net lettable area of more than 19,000 square metres, this premium and iconic commercial building pioneers the vertical village concept in Australia.

Workspaces are to be linked with atria to create unique light-filled environments, promoting fully integrated business communities that are both connected and collaborative. The tower will incorporate 21 office levels, with village spaces ranging in size from 1,830 to 2,880 square metres.

In July 2011, Mirvac sold a 50 per cent interest in 8 Chifley Square to K-REIT Asia, and in December 2011, secured its first tenant when Corrs Chambers Westgarth signed an agreement to lease 42 per cent of net lettable area over 12 years.

More recently, 8 Chifley Square achieved a 6 Star Green Star Design Office Design v2 rating from the Green Building Council of Australia ("GBCA"). The sustainability features include the use of tri-generation, a photovoltaic ready roof structure, active and passive sun shading, active chilled beam air-conditioning, a naturally ventilated ground floor glass lobby, advanced blackwater treatment and water recycling.

Once complete, 8 Chifley will join just a handful of Australia's most environmentally advanced buildings with carbon emissions at least 75 per cent less than those of a 'typical' Sydney CBD office. A 5 Star NABERS Energy rating is also being targeted.

Completion of 8 Chifley is forecast for August 2013.

1) By book value as at 31 December 2011, including assets under development and indirect investments.

2) By area; excluding assets under development.

3) Total exchanged pre-sales contracts as at 8 February 2012.

4) Total exchanged pre-sales contracts as at 8 February 2012 adjusted for Mirvac's share of Joint Venture's, associates, and Mirvac's managed funds. Total exchanged pre-sales contracts as at 31 December 2011 of \$959.1 million, adjusted for Mirvac's share of Joint Venture's associates, and Mirvac's managed funds.



ARTIST IMPRESSION OF HAROLD PARK, GLEBE, NSW



RHODES PINNACLE RESIDENTIAL, SYDNEY, NSW



HOXTON DISTRIBUTION PARK, HOXTON PARK, SYDNEY, NSW

Corporate Responsibility & Sustainability

Sustainability excellence is an integral part of the Group's strategy. Mirvac's commitment to Corporate Responsibility and Sustainability ("CR&S") is outcomes based, innovative and founded on a belief that we have a responsibility to leave a lasting legacy.

Mirvac's flagship action to reduce greenhouse gas emissions from property assets is a commitment to achieve an average 4 Star NABERS Energy rating across office assets by December 2012. The Group is on target to deliver this outcome with a current average 3.8 Star NABERS Energy rating.

In February this year, Mirvac became a Major Climate Partner with The Climate Institute which further enhances the Group's position at the forefront of climate change research and action. The Climate Institute is an independent research organisation wholly focused on finding solutions to combat climate change. This partnership follows Mirvac's achievement of being internationally recognised as one of the top-scoring companies in the Carbon Disclosure Project ("CDP") disclosure and performance indices.

Mirvac understands the importance of developing the sustainability leaders of the future and continues to partner with Bond University through the Mirvac School of Sustainable Development.

In addition, January 2012 saw the second intake of the Mirvac Masters, a program which offers selected Mirvac staff the opportunity to study a Master of Real Estate (Sustainable Development) via Bond University.

Reporting

Mirvac published its 2011 CR&S Report on 17 November 2011 which provides a comprehensive update on Mirvac's progress against its CR&S commitments and targets. This report was produced in accordance with the Global Reporting Initiative's ("GRI") G3.1 sustainability reporting guidelines to an A+ application level. For more information on Mirvac's sustainability initiatives and reports, visit the Group's website at www.mirvac.com/sustainability.

Health Safety and Environment ("HSE")

Mirvac remains committed to providing workplaces free from harm and supported by a culture which ensures that the safety of people and protection of the environment is an absolute priority. Management of HSE across Mirvac continues to achieve outstanding results.

For the half year ended 31 December 2011, injuries where one or more work days were lost per million hours worked reduced by 14.8 per cent compared to the previous corresponding period. The improved outcomes are reflected by a continued reduction in the overall cost of workers' compensation claims which decreased by 28.8 per cent during the half year. The average number of days lost through injury has also reduced by 50.0 per cent during the half year to two days.

Securityholder Information

Securityholders with queries concerning their holding, distribution payments or other related matters should contact Mirvac's registry.

Investor enquiries within Australia (toll free) 1800 356 444 or +61 2 8280 7107 from outside Australia.

www.mirvac.com

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When contacting the registry please quote your current address details together with your Securityholder Reference Number ("SRN") or Holder Identification Number ("HIN") as shown on your Issuer Sponsored or CHESS statements.

Securityholders who wish to advise the registry of a change of address or change of other details may do so in writing, or online using the Investor log in located in the Investor Information section at www.mirvac.com.

Mirvac Funds Limited ("MFL") has an established policy for dealing with complaints. Investors wishing to complain should write to:

Mirvac Group

c/- Link Market Services
680 George Street
Sydney NSW 2000

OR

Investor Relations

Level 26, 60 Margaret Street
Sydney NSW 2000

MFL is a member of the financial Ombudsman Service, an independent dispute resolution service.

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Securities Exchange Listing

Mirvac Group is listed on the Australian Securities Exchange (ASX Code: MGR)

2012 Calendar

27 April: March Quarter Distribution Paid

30 June: Financial Year End

27 July: June Quarter Distribution Paid

21 August: Financial Year Results Release

26 October: September Quarter Distribution Paid

15 November: Annual General Meeting (Sydney)

31 December: Half Year End

Dates are indicative and may be subject to change.



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