



ASX Release / Media Release

23 March 2010

MIRVAC GROUP HALF YEAR REPORT

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

A handwritten signature in cursive script that reads "Sonya Harris".

Sonya Harris
General Counsel and Company Secretary





Mirvac Group (“Mirvac” or the “Group”) is a leading integrated real estate group, listed on the Australian Securities Exchange (“ASX”) with activities across the investment and development spectrum.

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CORE DIVISIONS

INVESTMENT

Mirvac’s Investment Division has a diverse portfolio of 74 investment grade assets valued at \$4.4 billion. The portfolio includes a mix of commercial offices, retail centres, industrial properties and hotels, leased to quality tenants, including leading Australian and international companies.

Mirvac’s integrated business approach includes a specialised in-house asset management team responsible for all asset leasing and management across the portfolio and in-house design, development and construction expertise to improve and expand existing assets and evaluate new asset acquisitions.

DEVELOPMENT

Mirvac is one of the leading brands in the Australian development and construction industry and has a proven track record of delivering innovative and quality products that exceed customers’ expectations and lead the market.

Mirvac’s integrated approach to delivering projects means the Group applies in-house expertise from planning to after sales service in pursuit of project excellence. The Group’s team ensures absolute quality control over the entire development process through the implementation of a thorough planning, design, construction and marketing process, from concept to completion.

These results demonstrate that we are delivering on our strategy of being Australia's leading developer of residential real estate and providing secure income through our diversified, quality Australian investment portfolio.

Dear Securityholders,

We are pleased to report that Mirvac's half year results demonstrate that the Group is delivering on its strategy and that we are on track to deliver our full year results for the 2010 financial year.

As previously stated, the challenges of the last two years presented both Mirvac and the wider industry with a number of different challenges. We were realistic and adaptive in our approach to these challenges and we set a clear and consistent strategy to focus on our two core divisions – Investment and Development.

We are now seeing signs of improvement in the markets in which we operate and we believe the direction and strategy we set for the Group will ensure the strength of our business into the future.

Financial highlights

For the six months to 31 December 2009, Mirvac recorded a net profit after tax of \$47.2 million and an operating profit of \$129.4 million.¹

Operating earnings were 4.6 cents per stapled security¹ and the Net Tangible Asset ("NTA") per security was \$1.65.² Distributions to Securityholders totalled 4.0 cents per stapled security for the reporting period.

As a result of the successful acquisition of the separately listed Mirvac Real Estate Investment Trust ("MREIT") in December 2009, we revised our earnings guidance for the 2010 financial year, with earnings per security at 9.2 cents and the distribution per security remaining at 8.0-9.0 cents.

Importantly, the capital management initiatives we undertook during the last financial year ensures the Group is in a strong capital position and we are able to fund all forecast debt maturities and existing capital commitments beyond June 2011.

Operating highlights

We achieved a number of significant operational achievements during this period, with some of the key highlights including:

- The Investment Division successfully increased its recurring rental income and enhanced the Group's earnings with the acquisition of the \$915.0 million⁷ MREIT portfolio;
- The Development Division achieved strong residential sales with 972 lot settlements and secured future income with \$735.8 million of exchanged contracts (\$689.8 million of total exchanged contracts as at 31 December 2009);
- Post 31 December, we achieved a sell out success of Stage 1 of our latest masterplanned development – Endeavour 88 in South Coogee, Sydney. The Development team secured in excess of \$46.0 million in exchanged contracts, at an average price of \$1.3 million, for all 35 freestanding homes within Stage 1;
- The hotel management portfolio was expanded with two further contracts adding another 191 rooms to the 5,741 room hotel management portfolio; and
- Post 31 December, we activated our commercial (or non-residential) pipeline with our agreement with Woolworths Limited to develop two major distribution centres, covering 140,000 square metres in south western Sydney (subject to receiving State planning approval).

Outlook

We believe these results demonstrate that we are delivering on our strategy of being Australia's leading developer of residential real estate and providing secure income through our diversified, quality Australian investment portfolio.

Although we still need to be cautious in our outlook, we are seeing a number of positive signs in the marketplace and we enter the second half of this financial year confident in the direction we set for the Group.

Our depth of experienced management and in-house expertise, the existing pipeline of development projects with high levels of pre-sales and the quality of our investment property portfolio augur well for the Group.

In addition to this, the capital management initiatives undertaken over the last 18 months mean that we are in a strong position to expand our operations and capitalise on opportunities as they arise.

Thank you for your continued support.



Nick Collishaw
Managing Director



Financial results and capital management

31 Dec 09

Net profit after tax	\$47.2m
Operating profit¹	\$129.4m
Total assets	\$7.5bn
Net assets	\$5.0bn
Earnings per security¹	4.6 cpss
Distribution per security	4.0 cpss

S&P rating	BBB (positive outlook)
Total interest bearing debt	\$2.0bn
Average borrowing rate ³	7.03%
Weighted average debt maturity (drawn)	3.0 years
Per cent hedged	63.4%
Weighted average hedged maturity ⁴	5.9 years
Balance sheet gearing ⁵	23.2%
Look-through gearing	26.6%
Covenant gearing ⁶	33.4%

Mirvac's half year financial statements are detailed in the Interim Report which can be viewed on the website or request a copy by calling 1800 356 444.

1) Excluding specific non-cash items, significant items and related taxation.

2) NTA based on issued securities including EIS securities.

3) Includes margins and line fees.

4) Includes bank cancellable swaps and a swaption.

5) Net debt after CCIR swaps excluding leases/(total tangible assets - cash).

6) Total liabilities/total tangible assets (per statutory accounts).

7) Adjusted for fair value of assets on acquisition and the sale of Pender Place and Doncaster prior to completion of the transaction.

INVESTMENT

Mirvac's Investment Division represents the core earnings platform for the Group with a strong domestic property portfolio securely leased to major organisations, national retailers and Government bodies.



NEXUS INDUSTRY PARK, PRESTONS, NSW



60 MARGARET STREET, SYDNEY, NSW



101 MILLER STREET, NORTH SYDNEY, NSW



QUAY WEST RESORT, BUNKER BAY, WA

As at 31 December 2009, the Investment Division (comprising Mirvac Property Trust ("MPT" or the "Trust") and the recently acquired MREIT portfolio) had a total portfolio value of \$4.4 billion, with investments in 74 assets, covering the commercial, retail, industrial and hotel sectors, as well as investments in other funds managed by Mirvac.

The Investment Division's operating profit before tax was \$150.0 million.

Valuations on MPT's properties were undertaken during the six months to 31 December 2009 resulting in a total revaluation decline of \$124.6 million,¹ a decrease of 3.0 per cent.

The Trust continued to maintain its stable portfolio metrics with secure tenant covenants, minimal lease expiries and high portfolio occupancy of 96.7 per cent.²

Earnings from the Trust remain highly secure with 89.5 per cent of FY10 rent reviews being fixed or CPI linked, and 66.4 per cent of gross income derived from ASX-listed, multinational, national and Government tenants.

Key highlights for the Trust for the six months ended 31 December 2009 included:

- Successful acquisition of MREIT on 7 December 2009. The acquisition was in line with the Group's stated strategy of securing Australian recurring rental earnings, with this transaction adding approximately \$915.0 million³ of investment grade assets to the Group; and
- Disposal of assets that no longer fit MPT's investment criteria (two commercial and one industrial) for a total realisation of \$40.9 million.

The Division remains focused on proactive asset management, ensuring income security, a balanced lease expiry profile and value maximisation.

The Division's strategy is to continue to increase investment in domestic investment grade property focused on the east coast of Australia.

Investment Management

The focus for Mirvac's Investment Management ("MIM") business unit is to continue to support the Group's core activities – Investment and Development – by sourcing capital through the establishment of investment partnerships with global wholesale investors.

As at 31 December 2009, MIM had approximately \$5.6 billion of funds under management. MIM recorded a net operating loss before tax of \$1.7 million.⁴ MIM's operating EBIT of \$3.9 million⁴ represented a significant increase on the previous corresponding period due to the disposal of non-aligned funds.

The rationalisation of non-aligned and unscaleable funds continued during the six months and is expected to be complete by FY10.

Hotel Management

Mirvac Hotels & Resorts is a fee-based business with three separate types of management agreements: leasing; management lots; and management agreements. The business unit continued to expand during the six months to 31 December 2009, with two new hotel management contracts (Citigate Mount Panorama (111 rooms) and Sebel Deep Blue Warrnambool (80 rooms)) bringing the total hotels managed to 45, covering 5,741 rooms across Australasia.

For the six months ended 31 December 2009, Hotels & Resorts achieved an operating profit before tax of \$6.6 million.

Hotels & Resorts will continue to increase the number of hotels managed in Australia, focusing on regions which are under-represented by Mirvac's existing brands.



10-20 BOND STREET, SYDNEY, NSW

MREIT acquisition

On 7 December 2009, the \$915.0 million³ MREIT portfolio was successfully acquired by Mirvac. The diversified portfolio included five commercial properties, eight retail centres, six industrial properties and an interest in 13 Travelodge hotels.

The portfolio included a number of high quality properties including:

- 10-20 Bond Street, Sydney, NSW, an A Grade office tower currently undergoing a \$60.0 million refurbishment. The upgrade is designed to achieve a 5 star NABERS Energy rating; and
- 23 Furzer Street, Phillip, ACT, the “Sirius Building” which was completed post 31 December 2009, and is now the largest commercial asset within the MPT portfolio. The Sirius Building comprises 46,000 square metres of floor space and is 100 per cent leased to the Commonwealth Government for a term of 15 years, providing in excess of \$16.0 million per annum of secure income to MPT. The building is designed to achieve a 4.5 star NABERS Energy rating.

NABERS explained

The National Australian Built Environment Rating System (“NABERS”) is a performance-based rating system for existing commercial office, retail, hotel or residential buildings. The NABERS suite of tools covers energy, water, waste and indoor environment, and is systematically being rolled out across various asset types. NABERS is administered by the NSW Department of Environment, Climate Change and Water, and is considered the national standard for rating the performance of existing buildings across Australia.

1) Represents revaluation of investment properties excluding fair value adjustments relating to the acquisition of the MREIT portfolio acquired on 7 December 2009. Gross revaluations including assets classified as owner occupied.
2) Excludes assets held for development.
3) Adjusted for fair value of assets on acquisition and the sale of Pender Place and Doncaster prior to completion of the transaction.
4) Includes Mirvac Asset Management.

DEVELOPMENT

The Group's Development Division conducts residential and commercial development across New South Wales, Victoria, Queensland and Western Australia. Mirvac's product offering includes house and land packages, masterplanned communities and luxury apartments.



PANORAMA ESTATE, GLENFIELD, NSW



MARINER'S PENINSULA, TOWNSVILLE, QLD



WAVERLEY PARK, MULGRAVE, VIC



THE PENINSULA, BURSWOOD, WA

Mirvac's Development Division achieved a solid result for the six months ended 31 December 2009, and is on track to deliver its forecast full year result, recording an operating profit before tax of \$5.3 million.

Mirvac maintained its strong position within the Australian residential market with the settlement of 972 lots as at 31 December 2009 (including Mirvac's share of joint venture interest and Mirvac managed funds).

The Division secured future income with \$735.8 million of exchanged contracts (including Mirvac's share of joint venture interest and Mirvac managed funds) as at February 2010. Key projects included Waterfront, Newstead, QLD; Yarra's Edge River Homes, Melbourne, VIC; The Royal, Newcastle, NSW; and The Peninsula, Burswood, WA.

Strong sales results

Mirvac is continuing to see strong demand for its developments and has recently achieved an entire sell out at its latest release. At the beginning of February 2010, Mirvac released Endeavour 88, in South Coogee, Sydney, which achieved pre-sales in excess of \$46.0 million, at an average price of \$1.3 million, for all 35 freestanding homes within Stage 1.

Endeavour 88 is Mirvac's latest masterplanned residential development covering approximately seven hectares of prime residential land, and on completion will deliver 138 homes centred around a community park and bordered by parkland. The site is one of the few freestanding housing projects currently underway in Sydney's desirable eastern suburbs.

The first stage of Mirvac's Laureate in Albert Park, Melbourne, also recently achieved significant sales of \$28.0 million across 15 lots.

Laureate is located in one of Melbourne's most prestigious neighbourhoods, situated amongst parkland and approximately 300 metres from the beach. On completion, Laureate will comprise 46 three, four and five bedroom luxurious homes.

These results are a strong signal that investors and second and third home buyers have returned to the market, and importantly, filling the gap left from the retreat of the first home buyer.

Mirvac believes demand is expected to remain firm in 2010 supported by the ongoing undersupply of housing, upward pressure on average rental rates, the prevailing interest rate being below long-run averages and the improved outlook for the domestic labour market and economy. Nevertheless, the impact on affordability from rising mortgage rates and higher prices, and the removal of the first home buyer boost scheme is expected to moderate the rate of further price growth.

Commercial development

Mirvac's commercial development pipeline covers the office, retail, industrial and hotel sectors. Eight commercial projects are currently under review for activation which have the potential to add significant value to the Investment and Development Divisions' earnings.



HOXTON PARK, NSW (ARTIST'S IMPRESSION)

Hoxton Park pre-commitment

Mirvac has reactivated its commercial pipeline, entering into an agreement with Woolworths Limited to develop two major distribution centres, covering 140,000 square metres in south western Sydney, for a total cost of \$200.0 million and a forecast yield of 8.0 per cent (subject to receiving State planning approval).¹

The new facilities will be 100 per cent pre-let to Woolworths Limited and will house two major distribution centres for BIG W and Dick Smith. The pre-commitment covers 30 hectares of the 40 hectare site, and when complete in early 2012 will be the equivalent size of 25 football fields under roof. Mirvac has secured a 25 year lease term for the 90,000 square metre BIG W distribution centre and a 20 year lease term for the 50,000 square metre Dick Smith national distribution centre.

The project is one of first significant industrial developments to be undertaken in Australia since the credit crisis, and will generate significant employment with approximately 1,400 direct jobs during construction and over 935 jobs once the facilities are at peak operation.

1) Post 31 December 2009.

Over the past six months, Mirvac has maintained its leadership position in the sustainable management and development of Australian real estate.



International Sustainability Award for the Bond University Mirvac School of Sustainable Development

The first building in Australia to receive a 6 star Green Star rating (Education - Pilot), has now received international recognition being awarded the Royal Institution of Chartered Surveyors ("RICS") Sustainability Award. Officially opened in 2009, this accolade distinguishes the Mirvac School of Sustainable Development building as the world's best example of low carbon, sustainable design. The RICS Sustainability Award brings the total number of major awards the Mirvac School of Sustainable Development has achieved to date to five.

Improving energy efficiency

Part of the recently acquired MREIT portfolio, 340 Adelaide Street, Brisbane is currently undergoing a \$1.6 million energy efficiency upgrade to increase the base building NABERS Energy rating from an estimated 1.5 stars to an expected 4.5 stars. The upgrade project involves a major replacement of the air conditioning, lighting and heating water plant along with the installation of a comprehensive building automation and energy metering system, and has been partially funded by the Federal Government Green Building Fund.

In the community

Mirvac continues to contribute to the communities in which it operates. Recently, two home sites from Mirvac's Mandurah estates were donated to important charity home projects: the 2009 Mirvac Telethon Home by In Vogue at Seascapes estate; and the Youth Focus Charity House at Meadow Springs estate. Proceeds from the auction of the Mirvac Telethon Home by In Vogue go to improve the lives of children and young people in Western Australia. Youth Focus is a private, not-for-profit organisation committed to the prevention of depression, self harm and suicide in young people aged 12-18.

Health Safety Environment

Mirvac has developed core objectives for its Health Safety Environment Strategic Plan for 2010 which include:

- Consolidation of existing management system structures;
- Increased scrutiny of interventions and performance at the workplace level;
- Increased learning and development outcomes;
- A further five e-learning courses delivered under the Licence To Operate program;
- Key initiatives including the Mirvac High5 Safety Program; and
- Restructure of Mirvac's incident reporting and injury management processes.

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 remains an absolute priority.

Reporting

Mirvac has published its Corporate Responsibility and Sustainability ("CR&S") Report 2009 which provides a comprehensive update on Mirvac's progress against its CR&S commitments and targets. For more information on Mirvac's sustainability initiatives and reports, visit the Group's website at www.mirvac.com/sustainability.

SECURITYHOLDER INFORMATION

Securityholder enquiries

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

Investor enquiries (toll free)
1800 356 444

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000

Telephone +61 2 8280 7100
Facsimile +61 2 9287 0303

www.linkmarketservices.com.au

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 should do so in writing or online at www.mirvac.com.

Mirvac registered office/principal office

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Facsimile +61 2 9080 8111

Securities exchange listing

Australia (ASX Code: MGR)

Financial calendar

31 December 2009	Half year end
16 February 2010	Half year release
30 April 2010	March quarter distribution pay date
30 June 2010	Full year end
30 July 2010	June quarter distribution pay date
24 August 2010	Full year release
29 October 2010	October quarter distribution pay date
11 November 2010	Annual General Meeting
31 December 2010	Half year end

Dates are indicative only and may be subject to change.



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