# fy13 results

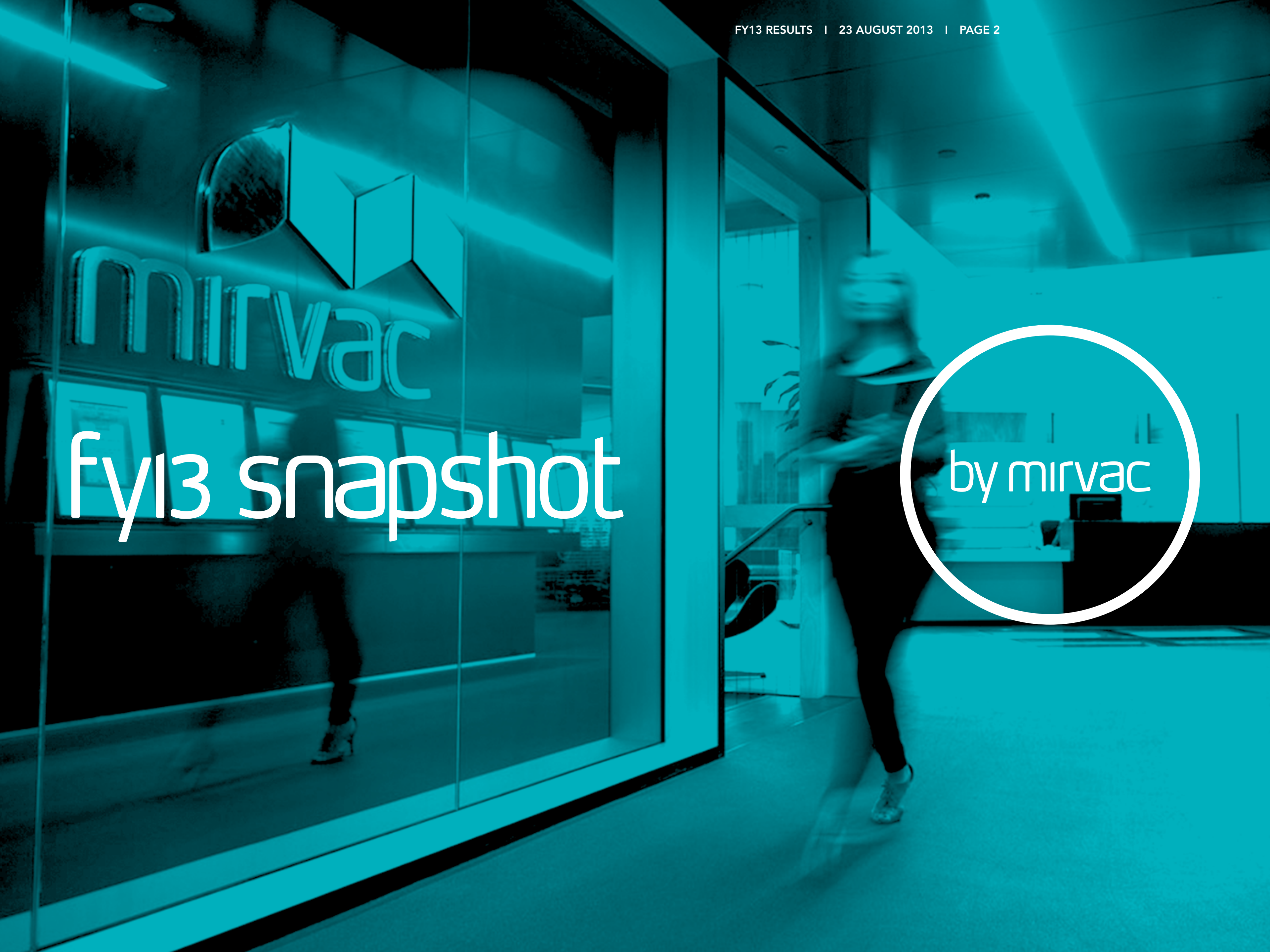
23 august 2013

by mirvac

# Agenda

by mirvac

- FY13 snapshot
- Review of observations and opportunities
- FY13 financial results and capital management
- Operational update
- FY14 strategy scorecard
- Summary and guidance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fy13 snapshot
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# FY13 snapshot

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- FY13 operating EPS of 10.9cpss; ahead of guidance of 10.7 to 10.8cpss [1,2] (statutory earnings of 4.1cpss)
- Acquired $584m office portfolio from GE
- Strategic capital management initiatives delivered gearing of 23.6% [3, 4]; within target range of 20 to 30%
- Maintained strong MPT portfolio metrics which delivered a 9.5% un-geared total return [5]
- Achieved 1,809 residential lot settlements; ahead of target
- On track to achieve >10% Development ROIC in FY14
- Employee Engagement score: "Best Employer" range [6]
- 32.7% total securityholder return in FY13; ahead of 17.4% for S&P/ASX200 A-REIT index

YARRA POINT, YARRA'S EDGE VIC

1) For further details refer to 30 June 2013 financial statements.
2) 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 Mirvac's full year ended 30 June 2013 financial statements, which has been subject to audit by its external auditors.
3) Net debt (at foreign exchange hedged rate) excluding leases/(total tangible assets – cash).
4) Proforma as at 3 July 2013 post $1.7 billion syndicated loan transaction.
5) Measured as at 30 June 2013. Direct standing basis, excludes acquisitions, disposals and developments. Source: IPD.
6) 2013 Aon Hewitt survey.

Strong results delivered in a subdued market

# review of observations and opportunities

# Review of observations and opportunities

by mirvac

| | Opportunities | FY13 action |
|---|---|---|
| **Development returns** | ■ Prioritise ROIC in all decision making<br>■ Assess inventory levels and determine target levels, and capital commitment<br>■ Increase focus on cash repatriation | ✔ Set target active invested capital of 20%; 25% cap<br>✔ Increased percentage of lots in capital efficient structures from 38% to 47%<br>✔ Ahead of internal sales targets for provisioned unsold inventory and englobo lots<br>✔ Gross margin trending back to 18 to 22% |
| **Capital allocation** | ■ Establish a centralised process to assess and approve capital allocation<br>■ Create a capital acquisitions and divestments function that sits across the Group<br>■ Robust framework based on risk and reward | ✔ Centralised transactions team; Capital Allocation and Investment Committees established and functioning<br>✔ Acquisition mandates established for each sector:<br>– $584m acquisition of GE office portfolio on strategy |
| **Capital partnerships** | ■ Accelerate to better manage the release and investment of capital | ✔ Partnered with AMP Capital at 200 George Street, NSW and Keppel REIT at Treasury Building, WA<br>✘ Still progressing office club |
| **Capital management** | ■ Continue to diversify debt sources and extend Weighted Average Debt Maturity<br>■ Explore the potential for S&P upgrade to BBB+ | ✔ Increased and extended bank debt facilities, reducing average cost of debt to 5.7%[1,2] and extending Weighted Average Debt Maturity<br>✘ Yet to achieve ratings upgrade from S&P |

1) Pro forma as at 3 July 2013 post $1.7 billion syndicated loan refinancing.
2) Net debt (at foreign exchange hedged rate) excluding leases/(total tangible assets – cash).

Significant progress made to date on opportunities identified

# Review of observations and opportunities

by mirvac

| | Opportunities | FY13 action |
|---|---|---|
| **MPT portfolio metrics** | ■ Maintain metrics and improve where possible<br>■ Continue to acquire and divest assets to further improve portfolio | ✔ MPT metrics remained steady despite subdued environment<br>✔ $189.7m [1] in non core asset sales completed |
| **Integrated model** | ■ Drive thinking by sector – Developments and Investments combined<br>■ Increase focus on sectors where we have scale and competitive advantage<br>■ Further articulate our service offering in each sector | ✔ Greater awareness of integrated model and competitive advantage<br>✔ Opportunities identified to leverage integrated model |
| **Operational expertise** | ■ Maintain focus and grow our key areas of strength<br>■ More rigour around cost of doing business to embed continuous process re-engineering | ✔ Implemented Group-wide procurement improvements and centralised recruitment process<br>✔ New appointments in HSE and Sustainability<br>✔ Overhead efficiency improving |
| **People** | ■ Introduce leadership programs to further enhance capability deeper within the organisation | ✔ Achieved "Best Employer" range in Aon Hewitt survey<br>✔ 241 people managers completed leadership program |

1) Gross sale proceeds including assets classified as held for sale: Manning Mall, Taree NSW (settled 11 July 2013) and Logan Mega Centre, QLD (settled 9 August 2013).

Operational wins to provide future benefits

# finance and capital management

by mirvac

# FY13 financial results[1]

by mirvac

| | FY13 ($m) | FY12 ($m) | % change |
|---|---|---|---|
| **Statutory profit after tax attributable to Group securityholders** | **139.9** | **416.1** | **(66.4%)** |
| Statutory EPS | 4.1cpss | 12.2cpss | |
| Includes: | | | |
| Investment property revaluations (including IPUC) | 50.4 | 132.9 | |
| Provision for loss on inventories, loans and investments | (273.2) | (31.0) | |
| Derivative financial instruments and associated foreign exchange movements | (12.4) | (82.0) | |
| **Operating profit after tax attributable to stapled securityholders of Mirvac[2]** | **377.6** | **366.3** | **3.1%** |
| Discontinued operations | — | 27.8 | |
| **Continuing operations** | **377.6** | **338.5** | **11.6%** |
| **Operating EPS[3]** | **10.9cpss** | **10.7cpss** | **1.9%** |
| Includes: | | | |
| Tax benefit | 14.3 | 23.7 | |
| Net interest expense | (82.7) | (114.6) | |
| **Total operating EBIT (continuing operations)** | **446.0** | **429.4** | **3.9%** |
| **DPS** | **8.7cpss** | **8.4cpss** | **3.6%** |
| NTA[4] | $1.62 | $1.66 | |

1) For further details refer to 30 June 2013 financial statements and Additional Information.
2) 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 Mirvac's full year ended 30 June 2013 financial statements, which has been subject to audit by its external auditors.
3) Diluted EPS excluding specific non-cash and significant items and related taxation.
4) NTA per stapled security, based on ordinary securities including EIS securities.

Delivered FY13 operating EPS ahead of guidance

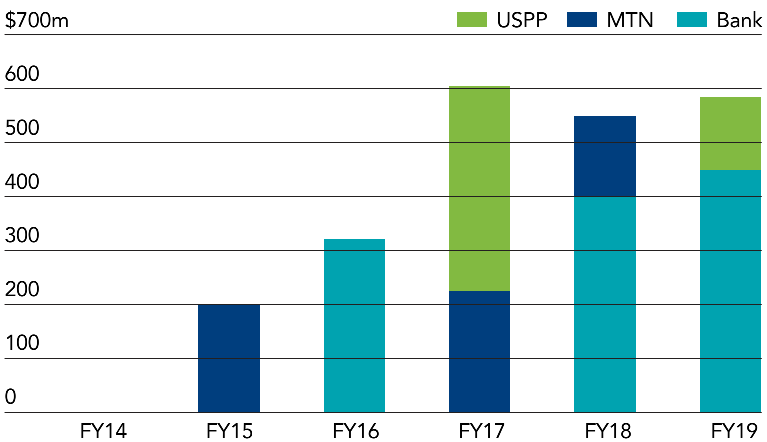
# Capital management update

by mirvac

- Increased and extended $1.7bn syndicated loan on 3 July 2013
- Gearing at 23.6% within target range of 20-30% [1,2]
- Average borrowing cost fell to 5.7% [2,3] from 7.6% [3]
- Average debt maturity increased to 3.8 years [2]
- Completed $400m institutional equity issuance to fund $584m strategic office portfolio acquisition
- Maintained BBB credit rating from S&P; raised to positive outlook

| Proforma 3 July 2013 [2] | FY13 | FY12 |
|---|---|---|
| Balance sheet gearing [1] | 23.6% | 22.7% |
| Covenant gearing [4] | 35.2% | 31.8% |
| Look-through gearing | 24.4% | 23.6% |
| ICR [5] | >5.0x | >3.5x |
| Total interest bearing debt [6] | $2,260.1m | $1,950.9m |
| Average borrowing cost [2,3] | 5.7% | 7.6% |
| Average debt maturity | 3.8yrs | 3.5yrs |
| S&P rating | BBB | BBB |
| Hedged percentage | 50.9% | 79.4% |
| Average hedge maturity | 3.6yrs | 4.4yrs |

**Proforma 3 July 2013 [2] drawn debt maturities**




1) Net debt (at foreign exchange hedged rate) excluding leases/(total tangible assets – cash).
2) Proforma as at 3 July 2013 post $1.7 billion syndicated loan transaction.
3) Includes margins and line fees.
4) Total liabilities/total tangible assets (refer to 30 June 2013 financial statements).
5) Adjusted EBITDA/finance cost expense.
6) Total interest bearing debt (at foreign exchange hedged rate) excluding leases.

Executing on capital management strategy

# operational update

by mirvac

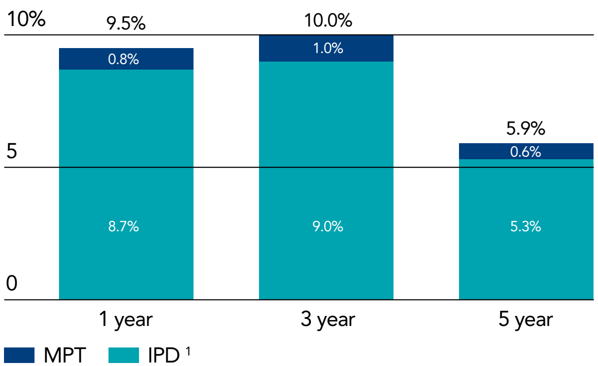
# MPT

by mirvac

- MPT continues to outperform IPD index over one, three and five years [1]
- Strong like-for-like NOI growth of 3.5%
- Occupancy remained strong across the portfolio at 97.9% (98.5% excluding GE transaction) [2]
- Group earnings underpinned with a solid WALE of 5.1 years (5.2 years excluding GE transaction) [3]
- 362 leasing deals completed during the period; 165,188sqm and 11.5% of portfolio
- Non core asset sale program on track with $189.7m completed [5]

| | FY13 | FY13 (ex GE) | FY12 |
|---|---|---|---|
| Net valuation uplift [4] | 1.0% | 1.8% | 3.0% |
| Like-for-like NOI growth | 3.5% | N/A | 3.4% |
| Occupancy [2] | 97.9% | 98.5% | 98.4% |
| WALE [3] | 5.1yrs | 5.2yrs | 5.6yrs |

**MPT total return vs IPD benchmark**




1) IPD peer group benchmark as at 30 June 2013. Direct standing basis, excludes acquisitions, disposals and developments.
2) By area, excluding assets under development, based on 100% of building NLA.
3) By income, excluding assets under development, based on MPT's ownership.
4) Net gain on fair value of investment properties divided by closing fair value from previous period. Excludes assets held for sale and assets held for development.
5) Gross sale proceeds including assets classified as held for sale: Manning Mall, Taree NSW (settled 11 July 2013) and Logan Mega Centre, QLD (settled 9 August 2013).

## Strong MPT metrics underpin Group earnings

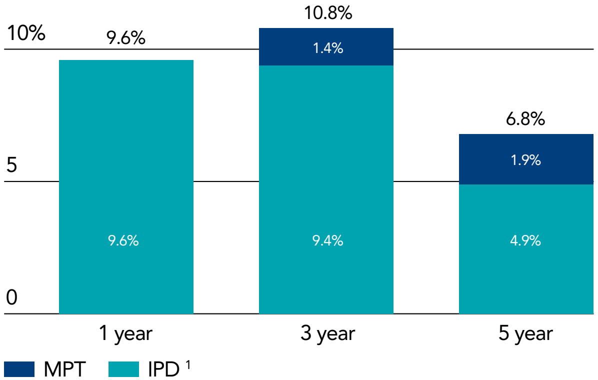
# Office – Passive

by mirvac

- Office portfolio continues to outperform IPD index over three and five years; in line on one year[1]
- Strong like-for-like NOI growth of 3.9%
- Strategic acquisition of 7 office assets from GE
- Occupancy high at 96.8% (97.8% excluding GE transaction) [2]
- Portfolio de-risked by WALE of 5.2 years (5.4 years excluding GE transaction) [3]
- Exceeded NABERS targets ahead of schedule; currently 4.6 Star Energy and 3.5 Star Water
- Non core asset sale program on track with $39.8m completed [4]

| | FY13 | FY13 (ex GE) | FY12 |
|---|---|---|---|
| Net valuation uplift [5] | 0.7% | 1.9% | 4.0% |
| Like-for-like NOI growth | 3.9% | N/A | 4.5% |
| Occupancy [2] | 96.8% | 97.8% | 97.8% |
| WALE [3] | 5.2yrs | 5.4yrs | 5.9yrs |

**Office total return vs IPD benchmark**




1) IPD peer group benchmark as at 30 June 2013. Direct standing basis, excludes acquisitions, disposals and developments.
2) By area, excluding assets under development, based on 100% of building NLA.
3) By income, excluding assets under development, based on MPT's ownership.
4) Gross sale proceeds.
5) Net gain on fair value of investment properties divided by closing fair value from previous period. Excludes assets held for sale and assets held for development.

Mirvac's office portfolio continues to deliver strong results

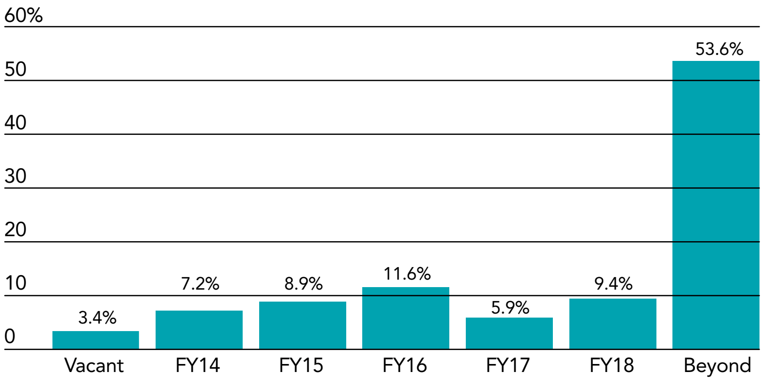
# Office – Passive

by mirvac

## Office outlook

- The office market is suffering from macro uncertainties and a softening in white collar employment
- National CBD vacancy increased to 10.9% and is expected to remain steady in the short to medium term
- Effective rent growth has retreated with incentives growing, and is not expected to improve in the short term

### Office lease expiry profile [1]




## Mirvac's response

- Mirvac's internal leasing team has significantly de-risked future expiries:
  - 87 lease deals (66,404sqm) in FY13
  - De-risked FY14 expiries by 19.2% over past 12 months (excluding GE)
  - 18.5% [2] of current vacancy now committed
- Future profile well positioned given:
  - Strong expiry profile
  - Long WALE at 5.2 years
  - Young portfolio at 10.5 years
  - Retention rate increased to 76.8%
  - High proportion of fixed rent growth
- Arrears well within set thresholds

1) By income, excluding assets under development and indirect investments, based on MPT's ownership.
2) By area, excluding assets under development, based on 100% of building NLA.

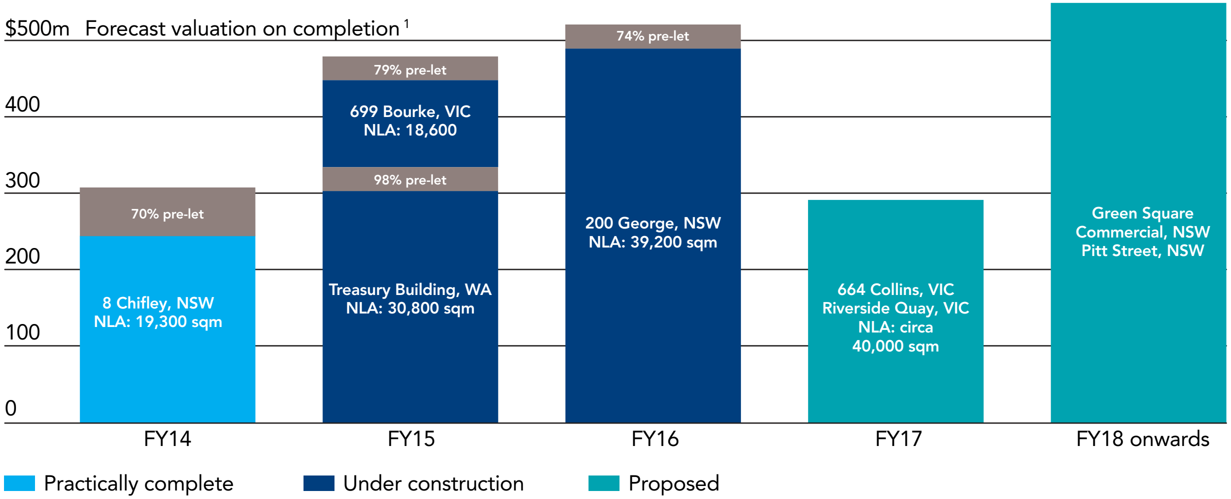
**Mirvac's internal leasing team focused on de-risking future expiries**

# Office – In development

by mirvac

- FY13 commercial development EBIT of $25.6m [1]
- $2.2bn [2] pipeline end value to be delivered
- Projects under construction de-risked; average 81.0% pre-leased
- 45,700sqm in pre-leasing completed in FY13
- Active pipeline earnings visibility to FY16
- Secured development pipeline in FY17 and beyond

## Office pipeline




1) Pre overheads.
2) Represents 100% of end value of office development projects.

Solid profile of commercial development earnings

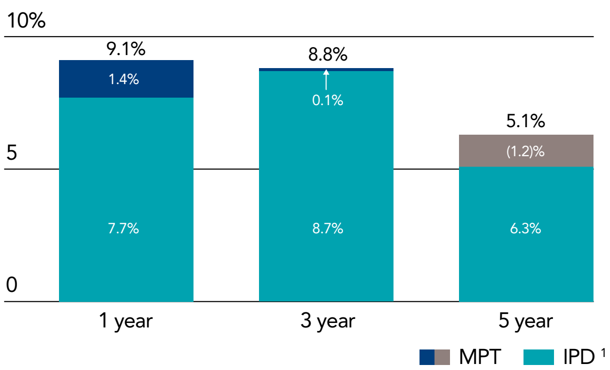
# Retail – Passive

by mirvac

- Retail portfolio outperforming IPD index over one and three years [1]
- Steady 2.6% like-for-like NOI growth
- Occupancy strong at 99.2% [2]
- Specialty occupancy costs manageable at 15.7% [3]; 14.9% on like-for-like portfolio
- Leasing spreads positive at 2.1%
- Strong MAT growth of 4.9% driven by supermarkets and mini majors [4]
- Broadway Shopping Centre named Australia's most productive shopping centre over 45,000sqm [5]
- Non core asset sale program on track with $81.3m completed; bulky goods sector exited [6]

| | FY13 | FY12 |
|---|---|---|
| Like-for-like NOI growth | 2.6% | 2.6% |
| Occupancy [2] | 99.2% | 99.1% |
| Occupancy costs [3] | 15.7% | 14.2% |
| Total leasing spreads | 2.1% | 1.9% |
| Comparable centre MAT growth | 4.9% | 0.6% |
| Specialties MAT growth | (0.2%) | 0.0% |

**Retail total return vs IPD benchmark**




1) IPD peer group benchmark as at 30 June 2013. Direct standing basis, excludes acquisitions, disposals and developments.
2) By area, excluding bulky goods and assets under development, based on 100% of building NLA. Including bulky goods 98.7%.
3) Includes marketing levy. Specialty occupancy costs excluding CBD centres (including CBD centres 16.7%). Excludes Hinkler Central (flood affected) and assets under development.
4) Woolworths Limited and Wesfarmers Limited (Coles) reported sales in FY13 of 53 weeks versus 52 weeks in FY12.
5) Mirvac's Broadway Shopping Centre has ranked number one in Shopping Centre News' Big Guns Awards 2013 for annual turnover per square metre.
6) Gross sale proceeds including assets classified as held for sale: Manning Mall, Taree NSW (settled 11 July 2013) and Logan Mega Centre, QLD (settled 9 August 2013).

**Strategy underway to drive retail portfolio assets harder**

# Retail – Passive

by mirvac

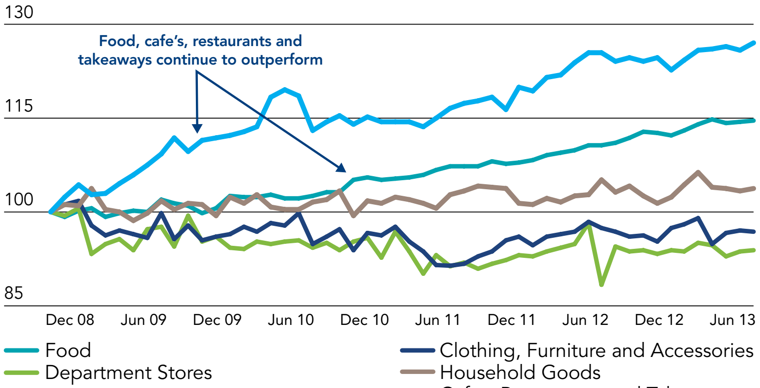
## Retail outlook

- The retail environment remains challenging with caution and slowing income growth contributing to consumers being selective
- Spending on discretionary items remains under pressure, a trend which looks likely to persist
- Retail vacancy rates are expected to remain stable for dominant centres, although rental growth is likely to remain moderate
- Incentives on renewals continue to be negligible. For new tenants incentives have faced upward pressure which is expected to continue in the short term

## Mirvac's response

- Mirvac's internal leasing teams have focused on increasing exposure to resilient food and entertainment:
  - E.g. Din Tai Fung, Soul Origin, Degani and Guzman Y Gomez
- 30% of new leases in FY13 were for Food Catering and Food Retailing; underpinning Mirvac's positive leasing spreads

**Retail sales by category rebased March 2009 = 100 (Value)**




Source: Mirvac, ABS

**Mirvac's internal leasing team has increased focus on food retailers**

# Retail – In development

by mirvac

## Unlocking value via $800m[1] retail development pipeline

**Active projects**

| | |
|---|---|
| Incremental NOI | $8.0m+ |
| Yield on Cost | 7% to 8% |
| Target Development IRR (10yr) | 10% to12%[2] |

**ARTIST IMPRESSION OF STANHOPE VILLAGE, NSW**

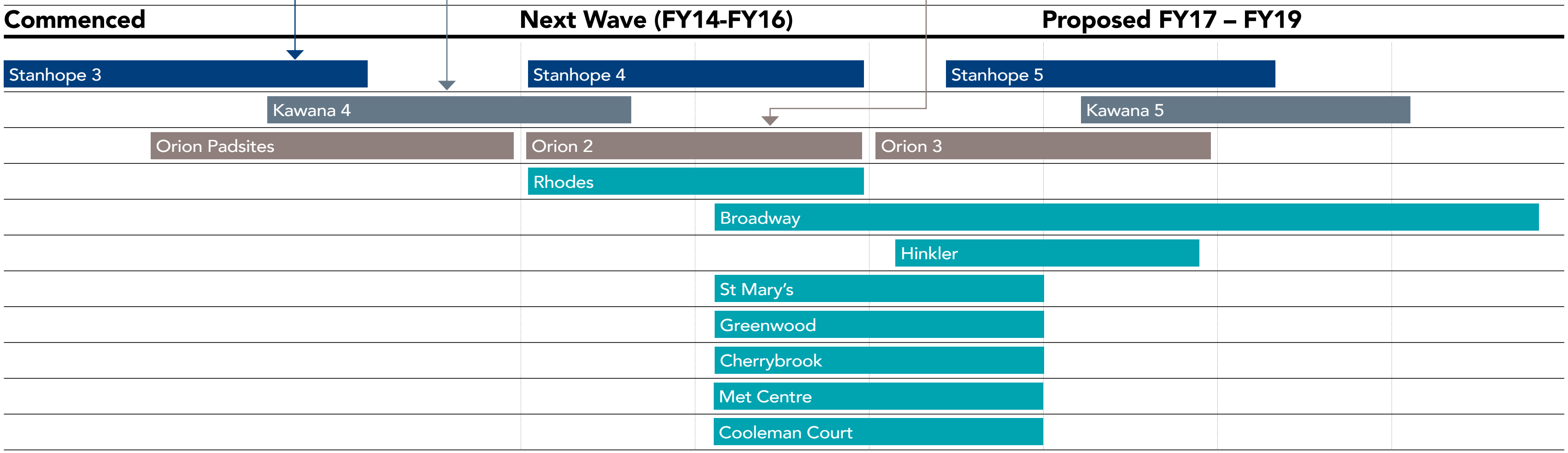
| | |
|---|---|
| GLA increase | 3,100sqm |
| Anchor | ALDI Supermarket |
| End value | $29.7m[3] |
| Completion | |
| Stage 3 | August 2013 |
| Stage 4 | May 2015[3] |

**ARTIST IMPRESSION OF KAWANA SHOPPING WORLD, QLD**

| | |
|---|---|
| GLA increase | 8,900sqm |
| Anchor | ALDI Supermarket and alfresco dining |
| End value – Stage 4 | $88.1m |
| Completion | July 2014 |

**ORION TOWN CENTRE, QLD**

| | |
|---|---|
| GLA increase | 18,400sqm |
| Anchor | 5,500sqm supermarket |
| End value: | |
| Padsites | $17.2m |
| Supermarket extension | $67m[3] |
| Completion: | |
| Padsites | December 2013 |
| Supermarket | March 2015[3] |




1) Represents 100% of end value of active retail development projects.
2) IRR on incremental development from completion.
3) Subject to planning and approvals.

**Retail development pipeline unlocking value for portfolio**

# Industrial – Passive

by mirvac

- 5.9% like-for-like NOI growth
- Occupancy strong at 99.4% [1]
- Portfolio is de-risked by WALE of 8.8 [2] years
- Non core asset sale program on track with $65.3m completed [3]

| | FY13 | FY12 |
|---|---|---|
| Like-for-like NOI growth | 5.9% | -0.1% |
| Occupancy [1] | 99.4% | 98.7% |
| WALE [2] | 8.8yrs | 8.4yrs |

## Industrial outlook

- Manufacturing PMI for July recorded 42.0 points, remaining below the break even level of 50.0 points
- Industrial market has been impacted by softening in demand among Australia's main trading partners in tandem with a slowing of the domestic economy
- However, with limited new supply, rental growth in high quality, modern, well located assets should continue, albeit at a subdued rate

## Mirvac's response

- Future profile well positioned given:
  - 19.7% of current vacancy committed
  - Young portfolio at 11.2 years
  - Robust expiry profile; FY14 3.7% and FY15 8.8% [2]
- Mirvac's internal leasing team have been actively managing the forward risk with 100% of FY14 expiries already committed

### Industrial total return vs IPD benchmark


1) By area, excluding assets under development, based on 100% of building NLA.
2) By income, excluding assets under development, based on MPT's ownership.
3) Gross sale proceeds.

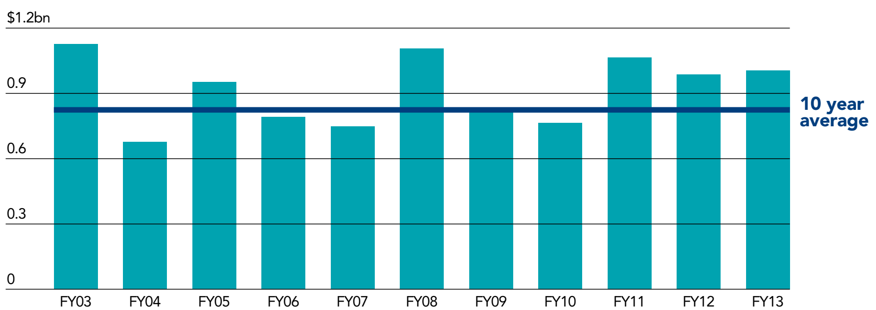
Solid industrial portfolio looking for opportunities

# Residential – FY13 activity

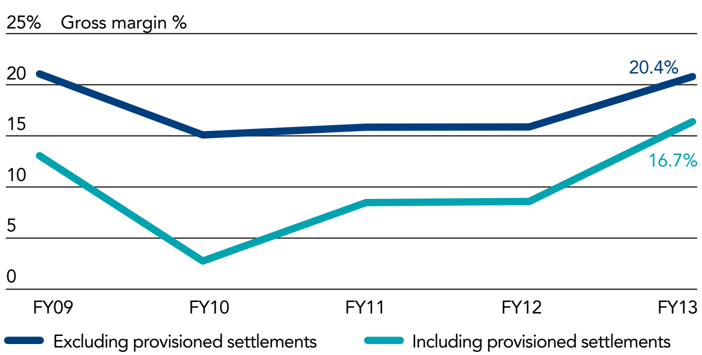
by mirvac

- FY13 Residential EBIT of $111.2m[1]
- $1,005.4m[2] in exchanged pre-sales contracts; $732.5m secured in FY13
- Settled 1,809 lots; ahead of 1,600 to 1,700 revised target (driven by provisioned project settlements)
- Released $109.3m of provision
- Capitalised interest 12.4% of gross inventory; down from 12.8% at 1H13
- Major FY13 releases strategically targeted at inner ring, infill ring and urban edge locations; pre-sales:
  - Apartments: Yarra's Edge, Array, VIC (64.9%); Harold Park Precinct 2, NSW (78.8%)
  - Masterplanned Communities: Enclave, VIC (97.6%); Elizabeth Hills Stage 4, NSW (91.9%)
- Releases success driven by NSW strength

**Pre-sales – historic profile**




**Gross development margin**




1) Pre overheads.
2) Total exchanged pre-sales contracts as at 30 June 2013, adjusted for Mirvac's share of JVs, associates and Mirvac managed funds.

**High exchanged pre-sales contracts driven by strength in NSW**

# Residential – Market outlook [1]

by mirvac

| State | Weighting | FY14 | Medium term forecast |
| --- | --- | --- | --- |
| NSW | 37.8% [2] | ↗ | ↗ |
| VIC | 37.6% [2] | ↔ | ↗ |
| QLD | 14.7% [2] | ↔ | ↗ |
| WA | 9.9% [2] | ↗ | ↔ |

- In response to sound underlying fundamentals, residential transaction volumes steadily strengthened over the course of 2013, albeit from different baselines on a state by state basis
- The backdrop of an improvement in housing affordability, strong population growth and a low rental vacancy rate should result in a further uplift in the residential property market
- Despite this, a softening labour market and continued consumer caution will ensure the uplift is relatively muted
- Mirvac's Strategic overweight to NSW continues to drive metrics given current and medium term outlook
- Composition of earnings across Apartments and Masterplanned Communities continues to reduce volatility through diverse price points and purchaser profiles

1) Management forecast.
2) Management estimate of revenue from lots under control at 30 June 2013, adjusted for Mirvac's share of JV, associates and Mirvac's managed funds.

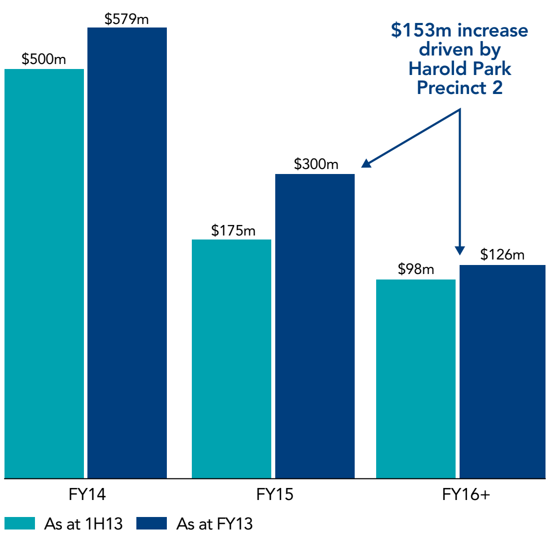
## Residential market showing early signs of recovery

# Residential – Mirvac's outlook

by mirvac

- Forward pipeline strong with key projects capturing demand:
  - FY14: Era, Chatswood, NSW (99.0% pre-sold)
    Harold Park Precinct 1, NSW (93.6% pre-sold)
  - FY15: Harold Park Precinct 1, NSW (93.6% pre-sold)
    Harold Park Precinct 2, NSW (78.8% pre-sold)
  - FY16: Yarra's Edge, Array, VIC (64.9% pre-sold)
- 3,341 new lots secured in FY13 supplementing pipeline:
  - Enclave, VIC: 213 lots from FY14
  - Alex Avenue, NSW: 298 lots from FY14
  - Green Square, NSW: 1,926 lots from FY16
  - Eastern Golf Course, VIC: 622 lots from FY16
  - Dallas Brooks Hall, VIC: 257 lots from FY18
- FY14 releases expected from Harold Park Precinct 3, NSW; Alex Avenue, NSW; Googong, NSW; Enclave, VIC
- Continued focus on:
  - Capital efficient projects
  - Cash repatriation from impaired project sell down

**Expected settlement of exchanged pre-sales contracts**




**Residential pipeline providing earnings visibility post FY14**

# Development – FY14 expectations

by mirvac

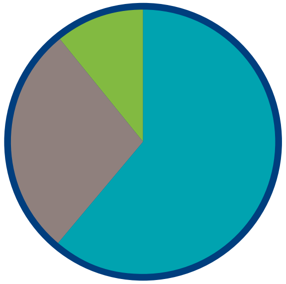
- On track to achieve >10% Development ROIC
- 65.4% of FY14 expected Development EBIT[1] secured
- Strong year expected targeting >2,200 lot settlements
- Exposure to NSW market driving pre-sales
- Large 2H14 EBIT skew due to apartment settlements

ERA, CHATSWOOD, SYDNEY NSW

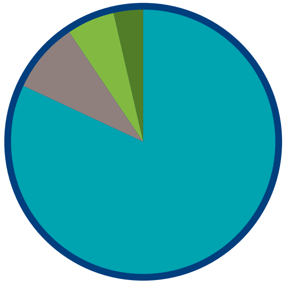
**Top FY14 expected Development EBIT[1] contributors**

| Project | % FY14 expected operating EBIT | Mirvac's interest | State | Type | FY14 expected lots | % FY14 expected operating EBIT secured |
|---|---|---|---|---|---|---|
| Chatswood, Era | 40.8% | 100% | NSW | Apartment | 294 | 99.0% |
| 8 Chifley | 8.3% | 50% | NSW | Commercial | n/a | 100.0% |
| Harold Park | 3.7% | 100% | NSW | Apartment | 46 | 100.0% |
| Elizabeth Hills | 3.6% | 100% | NSW | Masterplanned Communities | 178 | 13.5% |
| Alex Avenue | 3.1% | 100% | NSW | Masterplanned Communities | 103 | 41.7% |
| Rhodes, Pinnacle | 3.1% | 20% | NSW | Apartment | 230 | 95.0% |

**FY14 expected Development EBIT composition – by product[1]**




**FY14 expected Development EBIT composition – by state[1]**




1) Development EBIT before overheads and sales and marketing.

A strong year for Development EBIT

# fy14 strategy scorecard

by mirvac

# Mirvac's vision

**Setting the standard as a world-class Australian property group that attracts the best**

## INTEGRATED
Leveraging our integrated model to create, own, manage

## DIVERSIFIED
Maintaining an appropriate balance of passive and active invested capital through cycles, retaining capability across four sectors

## FOCUSED
Deploying capital with discipline and in alignment with our directional mandates

| OFFICE | RETAIL | INDUSTRIAL | RESIDENTIAL |
|---|---|---|---|
| Create and buy | Unlock value | Create | Create and sell |
| ■ Prime grade CBD (development + repositioning + passive)<br>■ Prime grade non-CBD (development + repositioning) | ■ Neighbourhood<br>■ Sub-regional<br>■ CBD / mixed use | ■ Infill ring repositioning and up-zoning<br>■ Urban edge tenant driven development | ■ Apartments inner ring<br>■ Apartments metropolitan activity centres<br>■ Masterplanned communities infill ring<br>■ Masterplanned communities urban edge |

**Stable income and focused growth via balance of passive and active capital**

# FY14 strategy scorecard

by mirvac

| | FY14 action |
|---|---|
| **Office** | ■ Target continued IPD outperformance<br>■ Unlock value from GE acquisition<br>■ Substantially complete leasing balance of 8 Chifley, NSW<br>■ Pre-lease of commercial development pipeline<br>■ Restock in line with acquisition mandate |
| **Retail** | ■ Target continued IPD outperformance<br>■ Unlock value from retail development pipeline |
| **Industrial** | ■ Target continued IPD outperformance<br>■ Transact on opportunities in line with mandate |
| **Acquisitions and disposals** | ■ Source strategic acquisitions in office, retail and industrial<br>■ $100 to $200m program of non core asset disposals |
| **Capital management** | ■ S&P upgrade to BBB+<br>■ Establish office club<br>■ Continue to diversify debt sources and increase maturity profile |

200 GEORGE STREET, SYDNEY NSW

## Strategy scorecard for FY14 areas of focus

# FY14 strategy scorecard

by mirvac

| | FY14 action |
|---|---|
| **Residential development** | ■ Action englobo disposal program<br>■ $100m to $140m in provision release for FY14<br>■ Focus on restocking pipeline within acquisition mandates<br>■ De-risk forward earnings through pre-sales<br>■ Continue improvement in gross margins back to 18 to 22% |
| **People** | ■ Continue roll out of leadership initiatives with INSEAD program<br>■ Learning and training strategy implementation<br>■ Refresh diversity program |
| **Operational excellence** | ■ HSE and Sustainability strategy implementation<br>■ Continuous process re-engineering through Business Transformation Office |

8 CHIFLEY, SYDNEY NSW

Strategy scorecard for FY14 areas of focus

# summary and guidance

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# Summary and guidance

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| Guidance | FY14 |
|---|---|
| Group operating profit | $428 – $443m |
| Operating EPS | 11.7 – 12.0cpss |
| DPS | 8.8 – 9.0cpss |
| Weighted average securities | 3,673m |
| Expected Development ROIC in FY14 | >10% |

Well positioned to deliver secure earnings in FY14

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