



property acquisitions

by mirvac

7 november 2013

Overview

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Strategic acquisitions of quality assets in core locations with value add potential

- Mirvac has entered into agreements to acquire two Melbourne CBD office assets and one Sydney CBD retail asset (the "Acquisitions") for a total consideration of \$552m¹
 - 367 Collins Street, VIC – \$228m¹, 7.8% fully-let yield¹, 7.8% passing yield^{1,2}
 - 477 Collins Street, VIC – \$72m¹, 7.6% fully-let yield¹, 5.0% passing yield¹
 - Harbourside Shopping Centre, NSW – \$252m^{1,3}, 7.1% fully-let yield¹, 6.7% passing yield¹
- The Acquisitions are aligned with Mirvac's strategy and offer total returns in excess of stated targets
- Acquisitions will be debt funded
 - Pro forma gearing of 27.7%, within Mirvac's target gearing range of 20%-30%
- Acquisitions expected to be accretive to FY14 operating EPS
- FY14 operating EPS guidance of 11.7 to 12.0 cps and DPS guidance of 8.8 to 9.0 cps reaffirmed

1) Pre acquisition costs.

2) Includes 12 month vendor rental guarantee on current vacancy of 11%.

3) Acquisition of property through existing corporate structure.

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Leveraging Mirvac's integrated model capabilities in asset management and development

- Assets acquired for long term hold on attractive fully-let yields, providing returns in excess of stated targets
- 367 Collins Street, VIC offers stable income with repositioning upside
- 477 Collins Street, VIC provides premium CBD redevelopment opportunity
- Harbourside Shopping Centre, NSW is a strategically located Sydney CBD retail asset with repositioning potential

Office	NLA (sqm)	Purchase price (\$m)	Purchase price (\$/sqm)	Passing yield ¹ (%)	Fully-let yield ¹ (%)	Occupancy (%)	WALE ² (years)
367 Collins Street, VIC	37,895	227.8	6,012	7.8	7.8	100 ³	3.5
477 Collins Street, VIC	11,988	72.0	6,006 (incl carpark) 3,541 (office only)	5.0	7.6	62	3.3
Total – Office	49,883	299.8		7.1	7.7	91	3.5

Retail	GLA (sqm)	Purchase price (\$m)	Purchase price (\$/sqm)	Passing yield ¹ (%)	Fully-let yield ¹ (%)	Occupancy (%)	WALE ² (years)
Harbourside Shopping Centre, NSW	21,039	252.0	11,978	6.7	7.1	97	5.0
Total Acquisitions	70,922	551.8		6.9	7.4	94	4.2

1) Pre acquisition costs.

2) By income.

3) Includes 12 month vendor rental guarantee on current vacancy of 11%.

→ 367 Collins Street, VIC

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Core Melbourne CBD location, stable income and repositioning upside

Asset summary

- 33 level, A-grade office building completed in 1975 with tenancies refurbished from 2007-2012
- Core CBD location with views over the Yarra River
- Efficient floor plates, largely column free with side core design
- Vendor rental guarantee on vacant space of 12 months, allowing time to address existing vacancy
- Reversionary opportunity arising from under renting

Asset strategy

- Leverage asset management capability:
 - Focus on leasing
 - Scope for reduction in occupancy costs
- Medium term refurbishment program:
 - Foyer, floor and lift upgrades
 - Installation of 'end of trip' facilities

Key metrics

Interest	100%
Levels	33
NLA	37,895sqm
Cars	210
Purchase price (pre costs)	\$227.8m
Purchase price (per sqm)	\$6,012
Initial passing yield (pre costs) / Fully-let passing yield (pre costs)	7.8% ¹ / 7.8%
Over rented / (Under rented)	(13%)
WALE (by income)	3.5 years
Occupancy (by area)	100% ¹
Construction / Last refurbishment	1975 / 2012
Major tenants	Optus, Sportsbet



Typical floor plan



1) Includes 12 month vendor rental guarantee on current vacancy of 11%.

→ 477 Collins Street, VIC

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Prime CBD development opportunity with holding income

Asset summary

- Known as 'The Olderfleet Buildings' incorporating:
 - Three older heritage listed buildings, with highly decorative facades over four floors with basement retail area
 - Eight level, B-grade building completed in 1985
- Core CBD location close to retail amenities and transport hubs
- Value and income underpinned by 598 bay carpark¹
 - Estimated value of \$30m, 42% of total value

Asset strategy

- Leverage asset management capability to lease up existing vacancy, subject to redevelopment clauses
- Seek significant pre-commitment for redevelopment of site with development from FY16 onwards for subsequent long term hold

1) Carpark leased to an external operator.
 2) Including carpark.
 3) Office only.

Key metrics

Interest	100%
Levels	8
NLA	11,988sqm
Cars	598
Purchase price (pre costs)	\$72.0m
Purchase price (per sqm)	\$6,006 ² / \$3,541 ³
Initial passing yield (pre costs) / fully-let passing yield (pre costs)	5.0% / 7.6%
Over rented / (Under rented)	2.6%
WALE (by income)	3.3 years
Occupancy (by area)	62.5%
Construction / last refurbishment	1880's / 1985 / 2001
Major tenants	Accenture, Melbourne Conference & Training Centre, Secure Parking



→ 477 Collins Street, VIC – Development potential

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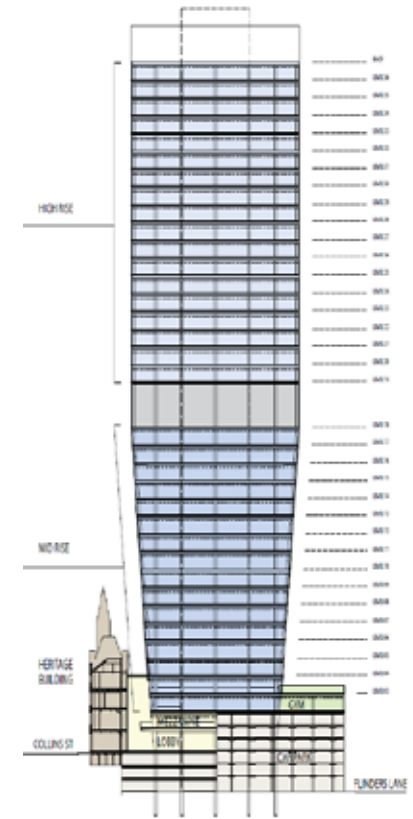
Mirvac's Development Division to deliver prime office development leveraging Collins Street location

Project summary

- Development concept
 - 36 level, 51,000sqm prime grade asset
 - Retain historical and picturesque facade
 - Tower with side core plate in excess of 1,600sqm
- Commencement subject to a significant pre-commitment and relevant planning approvals being obtained
- Mirvac has granted a 10 year option for Aviva to acquire a 50% indirect interest, subject to Aviva entering into a fund-through arrangement with Mirvac prior to commencement of construction



Artist's impression



Indicative scheme

→ Strategic allocation to Melbourne office

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Mirvac is now entrenched as a leading owner and manager of office assets in the Melbourne CBD



Mirvac office assets in Melbourne

Asset	Grade	Value (\$m)
CBD		
A 367 Collins Street	A	227.8
B 477 Collins Street	B	72.0
C 90 Collins Street	A	170.0
D Riverside Quay	A	172.0
E 664 Collins Street	A	147.5 ¹
F 699 Bourke Street	A	122.6 ¹
Total CBD		911.9
Non-CBD		
Royal Domain Centre, 380 St Kilda Rd	A	118.0
Como Centre, Toorak Rd and Chapel St	A	90.7
191-197 Salmon St	A	101.6
Total non-CBD		310.3
Total – Melbourne		1,222.2

1) Mirvac's share of estimated total project costs (including interest).

→ Harbourside Shopping Centre, NSW

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Strategic acquisition of key CBD retail asset with repositioning potential

Asset summary

- CBD retail centre with 21,039sqm of GLA
- Focus on food, restaurant and entertainment categories: 63% of gross rent from food based retailers
- Current annual foot traffic of approximately 13.7m (Darling Harbour precinct over 26m p.a.)
- Occupancy costs of 15.7%, lower than CBD Urbis Average of 20.8%
- Well-positioned to benefit over long-term from \$3bn urban regeneration of Darling Harbour precinct

Asset strategy

- Re-mixing existing tenancies by up-scaling food and fashion and improving the quality of restaurants and cafes, further supporting the entertainment focus
- Improve and maximise key pedestrian links
- Reinforces Mirvac's dominant position in catchment area together with Broadway Shopping Centre

Key metrics

Interest	100%
GLA	21,039sqm
Purchase price (pre costs)	\$252.0m
Purchase price (per sqm)	\$11,978
Initial passing yield (pre costs) / Fully-let passing yield (pre costs)	6.7% / 7.1%
WALE (by income)	5.0 years
Occupancy (by area)	97.0%
Centre MAT per sqm ¹	\$11,102
Occupancy costs	15.7%
Construction / Last refurbishment	1988 / 2007
Major tenants	Kingpin, Hard Rock Cafe, Hurricane's Grill



1) Excludes entertainment tenancies.

➔ Darling Harbour Precinct redevelopment

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\$3bn Darling Harbour precinct redevelopment, commencing in early 2014

Darling Harbour Live

- \$2.5bn total end value
 - New hotel complex (approximately 650 rooms, adjoins Harbourside)
 - Improved convention, exhibition, and entertainment facilities
 - Improved area surrounding Haymarket – new streets, buildings, gathering places, shops, restaurants and bars
- Anticipated growth in conference delegates from approximately 110k to over 600k visitors p.a.

IMAX theatre

- Current development plans for a \$500m redevelopment of the IMAX site into a 20 level office tower of approximately 40,000sqm with approximately 7,000sqm of retail, including new IMAX theatres

Goods Line

- A safe, attractive pedestrian route from Central Station through Ultimo to Darling Harbour to be completed

Surrounding residential population

- Catchment demographic's income 46% higher than Sydney average, with average age of 35.7 years and 89% are white collar workers



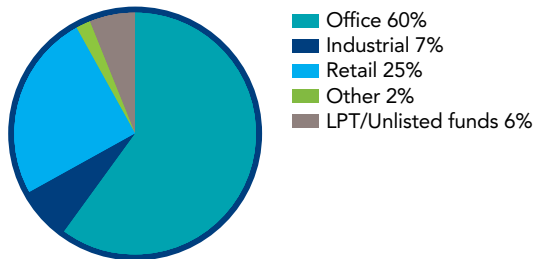
Artist's impression

→ Portfolio impact

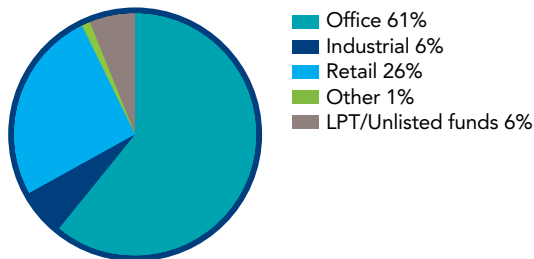
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Acquisitions align with directional mandates set for Mirvac's portfolio

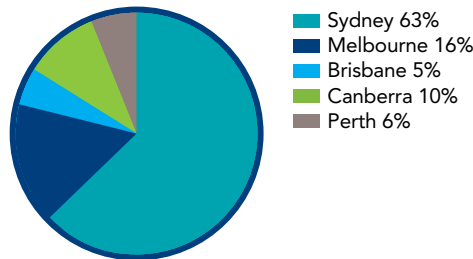
MPT (FY13)¹



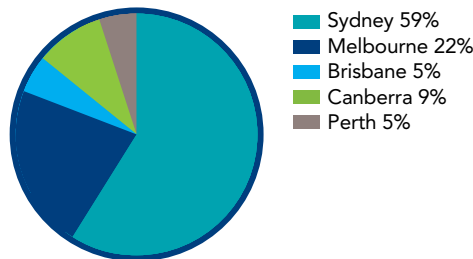
Pro forma MPT (FY13)³



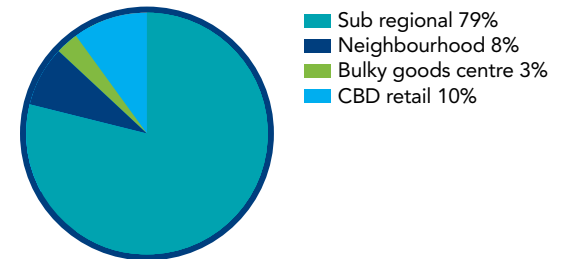
Office (FY13)²



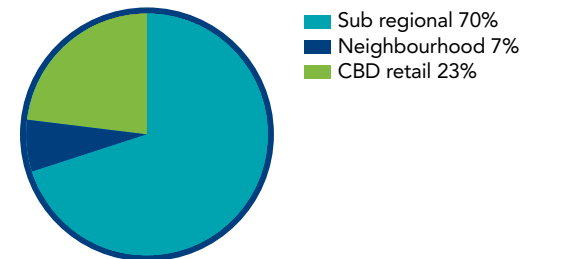
Pro forma office (FY13)



Retail (FY13)²



Pro forma retail (FY13)³



1) By book value as at 30 June 2013, including assets under development and indirect investments.
 2) By book value as at 30 June 2013, excluding assets under development and indirect investments.
 3) Includes disposals post 30 June 2013: Logan Mega Centre (settled 9 August 2013) and Manning Mall, Taree (settled 11 July 2013).

→ Summary

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Acquisitions aligned to Mirvac's strategy and offer returns in excess of stated targets

Impact

Acquisitions offer opportunity to leverage Mirvac's integrated model	✓
Returns in excess of stated targets	✓
Core CBD office assets offering development/repositioning potential	✓
Increases MPT's Melbourne office portfolio weighting from 16% to 22% in line with directional mandates	✓
Enhances Mirvac's office development pipeline with assets that can be held for the long-term	✓
Key Sydney CBD retail asset with repositioning potential	✓
Increases retail portfolio exposure to strongly performing food, catering and entertainment categories	✓
Funded with existing debt capacity; gearing in line with target range of 20-30%	✓

appendix a

pro forma balance sheet

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→ Pro forma Balance Sheet

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	30 June 2013 (Actual)	Completion of assets held for sale ¹	Transaction adjustments	30 June 2013 (Pro forma)
Cash (\$m)	127	—	—	127
Investment properties (\$m)	6,030	—	552	6,582
Inventories (\$m)	1,463	—	—	1,463
Equity accounted investments (\$m)	380	—	—	380
Intangible assets (\$m)	66	—	—	66
Other assets (\$m)	1,180	(81)	—	1,099
Total assets (\$m)	9,246	(81)	552	9,717
Borrowings (\$m)	2,167	(81)	584	2,670
Payables (\$m)	699	—	—	699
Other liabilities (\$m)	369	—	—	369
Total liabilities (\$m)	3,235	(81)	584	3,738
Net assets (\$m)	6,011			5,979
Securities on issue (m)	3,665			3,665
NTA per security (\$)	1.62		(0.01)	1.61
Balance sheet gearing	23.6%		4.1%	27.7%

1) Assets held for sale at 30 June 2013 including Manning Mall, Taree and Logan Mega Centre.

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Glossary

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Term	Meaning
CBD	Central Business District
CPSS	Cents Per Stapled Security
DPS	Distribution Per Stapled Security
EPS	Earnings Per Stapled Security
FY	Financial Year
GLA	Gross Lettable Area
MAT	Moving Annual Turnover
MPT	Mirvac Property Trust
NTA	Net Tangible Assets
NLA	Net Lettable Area
SQM	Square Metre
WALE	Weighted Average Lease Expiry

thank you

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