mirvac

1H14 ADDITIONAL INFORMATION

by mirvac

20 FEBRUARY 2014

AGENDA

- FINANCIAL RESULTS
- COMMERCIAL
- RESIDENTIAL
- HEALTH AND SAFETY
- CALENDAR

CONTENTS

FINANCIAL RESULTS

THE PENINSULA, BURSWOOD, WA

1H14 STATUTORY TO OPERATING PROFIT RECONCILIATION [1]

HALF YEAR ENDED 31 DECEMBER 2013	INVESTMENT $M	INVESTMENT MANAGEMENT $M	DEVELOPMENT $M	UNALLOCATED $M	ELIMINATION $M	TAX $M	CONSOLIDATED $M
Profit/(loss) attributable to the stapled securityholders of Mirvac	**277.9**	**2.8**	**26.2**	**(44.6)**	**(16.0)**	**(0.2)**	**246.1**
Specific non-cash items							
Net gain on fair value of investment properties	(72.8)	–	–	–	2.1	–	(70.7)
Net loss on fair value of IPUC	3.6	–	–	–	–	–	3.6
Net loss on fair value of derivative financial instruments and associated foreign exchange movements	2.4	–	–	14.2	–	–	16.6
Security based payment expense	–	–	–	2.8	–	–	2.8
Depreciation of owner-occupied properties	–	–	–	–	3.1	–	3.1
Straight-lining of lease revenue	(6.0)	–	–	–	–	–	(6.0)
Amortisation of lease fitout incentives	6.0	–	–	–	(1.1)	–	4.9
Net (gain)/loss on fair value of investment properties, derivatives and other specific non-cash items included in share of net profit of associates and joint ventures	(1.4)	1.3	–	(0.1)	–	–	(0.2)
Significant items							
Impairment of loans, investments and inventories	–	–	–	(0.9)	–	–	(0.9)
Net loss from sale of non-aligned assets	0.9	–	–	–	–	–	0.9
Tax effect							
Tax effect of non-cash and significant adjustments	–	–	–	–	–	–	–
Operating profit/(loss) (profit before specific non-cash and significant items) [1]	**210.6**	**4.1**	**26.2**	**(28.6)**	**(11.9)**	**(0.2)**	**200.2**
Segment contribution	105.2%	2.0%	13.1%	(14.3%)	(5.9%)	(0.1%)	100.0%
Add back tax	–	–	–	–	–	0.2	0.2
Add back interest paid [2]	27.5	0.3	28.8	0.1	(0.6)	–	56.1
Less interest revenue [2]	(0.5)	(0.1)	(0.5)	(1.0)	0.5	–	(1.6)
Earnings before interest and tax	**237.6**	**4.3**	**54.5**	**(29.5)**	**(12.0)**	**–**	**254.9**
Segment contribution	93.2%	1.7%	21.4%	(11.6%)	(4.7%)	0.0%	100.0%

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 Mirvac's half year ended 31 December 2013 financial statements, which has been subject to review by its external auditors.
2) Interest paid and interest revenue between segments are eliminated in the individual segment.

1H13 STATUTORY TO OPERATING PROFIT RECONCILIATION[1]

HALF YEAR ENDED 31 DECEMBER 2012	INVESTMENT $M	INVESTMENT MANAGEMENT $M	DEVELOPMENT $M	UNALLOCATED $M	ELIMINATION $M	TAX $M	CONSOLIDATED $M
Profit/(loss) attributable to the stapled security holders of Mirvac	**271.0**	**(4.2)**	**(265.2)**	**(34.5)**	**1.1**	**87.0**	**55.2**
Specific non-cash items							
Net gain on fair value of investment properties	(63.7)	–	–	–	(5.1)	–	(68.8)
Net loss on fair value of IPUC	0.9	–	–	–	–	–	0.9
Net (gain)/loss on fair value of derivative financial instruments and associated foreign exchange movements	(1.0)	–	–	9.5	–	–	8.5
Security based payment expense	–	–	–	1.9	–	–	1.9
Depreciation of owner-occupied investment properties	–	–	–	–	3.6	–	3.6
Straight-lining of lease revenue	(8.0)	–	–	–	–	–	(8.0)
Amortisation of lease fitout incentives	6.7	–	–	–	(1.2)	–	5.5
Net loss on fair value of investment properties, derivatives and other specific non-cash items included in share of net profit of associates and joint ventures	1.6	0.8	–	–	–	–	2.4
Significant items							
Impairment of loans, investments and inventories	–	–	273.2	–	–	–	273.2
Net loss on sale of non-aligned assets	2.0	–	–	–	–	–	2.0
Tax effect							
Tax effect of non-cash and significant adjustments	–	–	–	–	–	(82.2)	(82.2)
Operating profit/(loss) (profit before specific non-cash and significant items)[1]	**209.5**	**(3.4)**	**8.0**	**(23.1)**	**(1.6)**	**4.8**	**194.2**
Segment contribution	107.9%	(1.8%)	4.1%	(11.9%)	(0.8%)	2.5%	100.0%
Add back tax	–	–	–	–	–	(4.8)	(4.8)
Add back interest paid[2]	7.2	8.8	23.5	0.2	(0.6)	–	39.1
Less interest revenue[2]	(0.4)	(0.1)	–	(2.9)	0.3	–	(3.1)
Earnings before interest and tax	**216.3**	**5.3**	**31.5**	**(25.8)**	**(1.9)**	**–**	**225.4**
Segment contribution	96.0%	2.3%	14.0%	(11.5%)	(0.8%)	0.0%	100.0%

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 Mirvac's half year ended 31 December 2012 financial statements, which has been subject to review by its external auditors.
2) Interest paid and interest revenue between segments are eliminated in the individual segment.

1H14 OPERATING PROFIT BY SEGMENT

HALF YEAR ENDED 31 DECEMBER 2013	INVESTMENT $M	INVESTMENT MANAGEMENT $M	DEVELOPMENT $M	UNALLOCATED $M	ELIMINATION $M	TOTAL $M
Revenue from continuing operations						
Investment properties rental revenue	307.9	2.6	–	–	–	310.5
Investment management fee revenue	–	6.4	–	–	–	6.4
Development and construction revenue	–	–	530.6	–	(11.9)	518.7
Development management fee revenue	–	–	11.9	–	0.3	12.2
Interest revenue	7.6	0.4	2.7	0.9	(0.2)	11.4
Other revenue	–	1.8	1.0	0.8	(0.2)	3.4
Inter-segment revenue	11.1	8.5	12.8	2.3	(34.7)	–
Total revenue from continuing operations	**326.6**	**19.7**	**559.0**	**4.0**	**(46.7)**	**862.6**
Other income						
Share of net profit of associates and joint ventures accounted for using the equity method	9.2	0.6	6.5	0.1	–	16.4
Total other income	**9.2**	**0.6**	**6.5**	**0.1**	**–**	**16.4**
Total revenue from continuing operations and other income	**335.8**	**20.3**	**565.5**	**4.1**	**(46.7)**	**879.0**
Net loss on sale of property, plant and equipment	–	–	0.1	–	–	0.1
Investment properties expenses	79.6	1.0	–	–	(5.8)	74.8
Cost of property development and construction	–	–	482.4	–	(12.4)	470.0
Employee benefits expenses	–	11.1	5.4	19.9	–	36.4
Depreciation and amortisation expenses	4.1	0.2	1.2	1.0	–	6.5
Finance costs	35.3	0.3	28.8	2.3	(10.6)	56.1
Selling and marketing expenses	–	0.1	13.2	0.1	–	13.4
Other expenses	6.2	3.5	8.2	9.4	(6.0)	21.3
Operating profit/(loss) from continuing operations before income tax	**210.6**	**4.1**	**26.2**	**(28.6)**	**(11.9)**	**200.4**
Income tax expense						(0.2)
Operating profit attributable to the stapled securityholders of Mirvac						**200.2**

1H13 OPERATING PROFIT BY SEGMENT

HALF YEAR ENDED 31 DECEMBER 2012	INVESTMENT $M	INVESTMENT MANAGEMENT $M	DEVELOPMENT $M	UNALLOCATED $M	ELIMINATION $M	TOTAL $M
Revenue from continuing operations						
Investment properties rental revenue	277.3	2.6	–	–	–	279.9
Investment management fee revenue	–	5.5	–	–	(1.0)	4.5
Development and construction revenue	–	–	317.3	–	–	317.3
Development management fee revenue	–	–	9.9	–	(0.2)	9.7
Interest revenue	3.3	0.6	2.5	3.0	(0.3)	9.1
Dividend and distribution revenue	0.4	–	–	–	–	0.4
Other revenue	(0.2)	1.7	1.0	3.6	–	6.1
Inter-segment revenue	20.5	7.7	1.6	–	(29.8)	–
Total revenue from continuing operations	**301.3**	**18.1**	**332.3**	**6.6**	**(31.3)**	**627.0**
Other income						
Share of net profit of associates and joint ventures accounted for using the equity method	7.3	1.6	0.7	0.1	–	9.7
Total other income	**7.3**	**1.6**	**0.7**	**0.1**	**–**	**9.7**
Total revenue from continuing operations and other income	**308.6**	**19.7**	**333.0**	**6.7**	**(31.3)**	**636.7**
Investment properties expenses	67.3	2.2	–	–	(6.6)	62.9
Cost of property development and construction	–	–	277.9	–	–	277.9
Employee benefits expenses	–	8.7	8.2	14.9	–	31.8
Depreciation and amortisation expenses	4.4	0.2	1.2	0.8	–	6.6
Finance costs	23.5	8.8	23.5	0.2	(16.9)	39.1
Selling and marketing expenses	–	0.3	11.4	0.3	–	12.0
Other expenses	3.9	2.9	2.8	13.6	(6.2)	17.0
Operating profit/(loss) from continuing operations before income tax	**209.5**	**(3.4)**	**8.0**	**(23.1)**	**(1.6)**	**189.4**
Income tax benefit						4.8
Operating profit attributable to the stapled securityholders of Mirvac						**194.2**

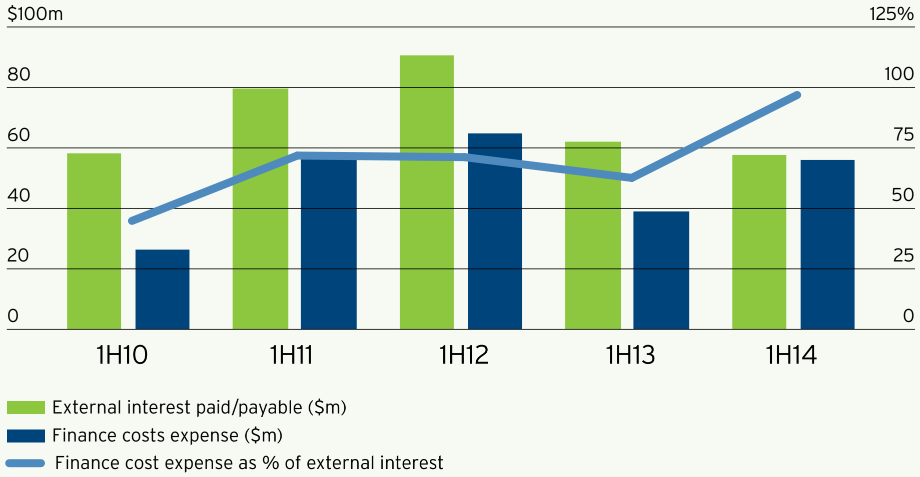
MIRVAC FFO AND AFFO BASED ON PCA GUIDELINES

HALF YEAR ENDED 31 DECEMBER 2013		PCA FFO AND AFFO $M
	Profit attributable to the stapled securityholders of Mirvac	**246.1**
A	**Investment property and inventory**	
	Losses from sales of investment property	0.9
	Fair value gain on investment property	(70.7)
	Fair value loss on investment property	3.6
	Depreciation on owner-occupied investment properties	3.1
C	**Financial instruments**	
	Fair value gain on the mark to market of derivatives	(22.9)
D	**Incentives and straight lining**	
	Amortisation of fit-out incentives	4.9
	Amortisation of cash incentives	2.8
	Amortisation of rent-free periods	4.9
	Rent straight lining	(6.0)
F	**Other unrealised or one-off items**	
	Net loss on foreign exchange movements	39.5
	Net gain on fair value of investment properties, derivatives and other specific non-cash items included in share of net profit of Joint Ventures and Associates	(0.2)
	Impairment of loans	(0.9)
	Funds From Operations	**205.1**
G	**Other unrealised or one-off items**	
	Maintenance capex	(10.0)
	Incentives given for accounting period (cash and fit-out)	(4.0)
	Incentives given for accounting period (rent-free)	(8.3)
	Adjusted Funds From Operations	**182.8**

FINANCE COSTS

	1H14 ($M)	1H13 ($M)	% CHANGE
Interest and finance charges paid/payable net of provision release	58.0	62.2	(6.8)
Amount capitalised	(17.7)	(37.1)	(52.3)
Interest capitalised in current and prior periods expensed this period net of provision release	10.6	12.4	(14.5)
Borrowing costs amortised	5.2	1.6	225.0
Total finance costs	**56.1**	**39.1**	**43.5**

FINANCE COSTS PROFILE

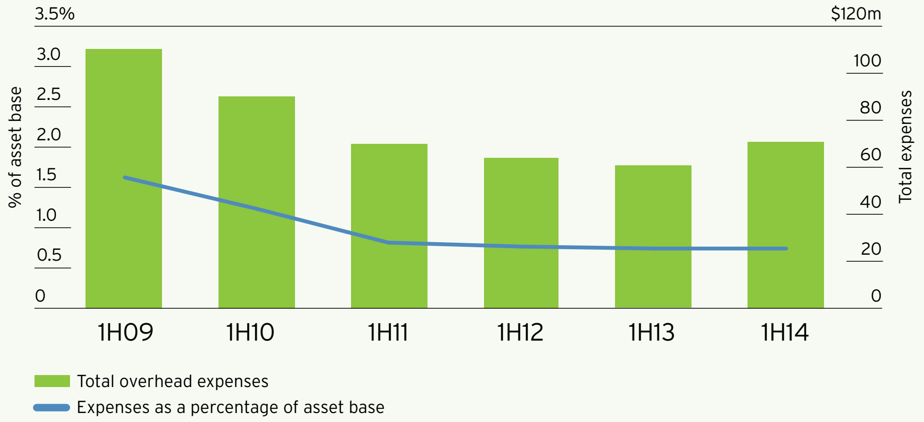


- The decrease in capitalised interest relates to recently acquired capital efficient projects such as Googong along with the transition of near term projects from masterplanning to active stage based capitalisation such as Harold Park and Gainsborough Greens
- The corresponding increase in interest expense reflects the point above. Inactive stages for projects are expensed such as Harold Park Precincts 4-6 and capitalised once active

GROUP OVERHEAD COSTS[1]

	1H14 ($M)	1H13 ($M)	% CHANGE
Employee benefits expenses	36.4	31.8	14.5
Selling and marketing expenses	13.4	12.0	11.7
Other expenses	21.3	17.0	25.3
Total overhead expenses	71.1	60.8	16.9
Total assets	9,637.3	8,319.0	15.8
Overhead expenses as a percentage of asset base	**0.7%**	**0.7%**	

EXPENSES AS A PERCENTAGE OF TOTAL ASSETS



- The overhead expenses ratio has remained constant at 0.7% compared to the prior period
- The increase in employee benefits expenses is driven by additional overhead following recent acquisitions
- The full year ratio is likely to trend in line with the previous year

1) Expenses are on an operational basis (excluding non-cash items and significant items). For further detail see page 6 and 7 of the Additional Information.

MPT OPERATING EBIT

DETAILED BREAKDOWN OF MPT OPERATING EBIT	1H14 ($M)	1H13 ($M)
Net property income[1]		
Office	150.6	125.7
Retail	54.6	60.7
Industrial	17.9	19.3
Other	4.2	4.1
Total net property income	**227.3**	**209.8**
Investment income[2]	**16.3**	**10.4**
Overhead expenses	(6.0)	(3.9)
Total MPT operating EBIT	**237.6**	**216.3**

Increase in Net Property Income due to acquisition of GE portfolio and leasing at 40 Miller Street, NSW and 10-20 Bond Street, NSW

Decrease in Net Property Income for retail and industrial was driven by non-core asset sales

Increase in investment income is due to the 8 Chifley JV and Treasury Building convertible note interest income

1) Excludes straight-lining of lease revenue and amortisation of lease fit out incentives.
2) Includes income from indirect property investments.

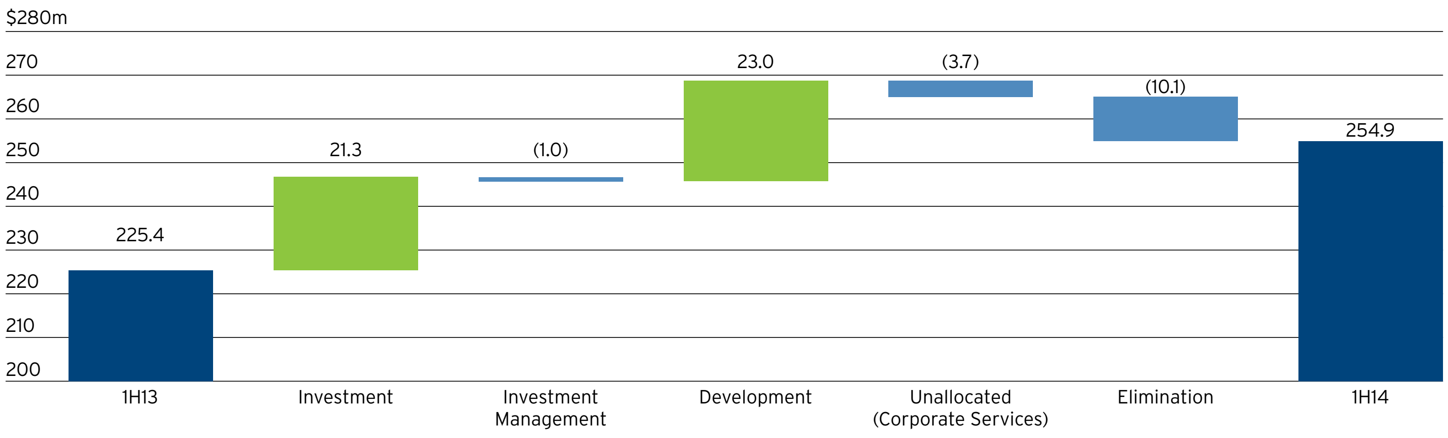
MIRVAC STATUTORY INCOME TAX CALCULATION

	1H14 ($M)
Profit before tax	246.3
Less: Trust profit and Group eliminations	269.0
Taxable loss before tax	(22.7)
Net add back for non deductible expenses and non assessable income	4.4
Adjusted taxable loss	(18.3)
Tax benefit at 30%	5.5
De-recognition of net deferred tax asset	(5.7)
Total tax expense	0.2

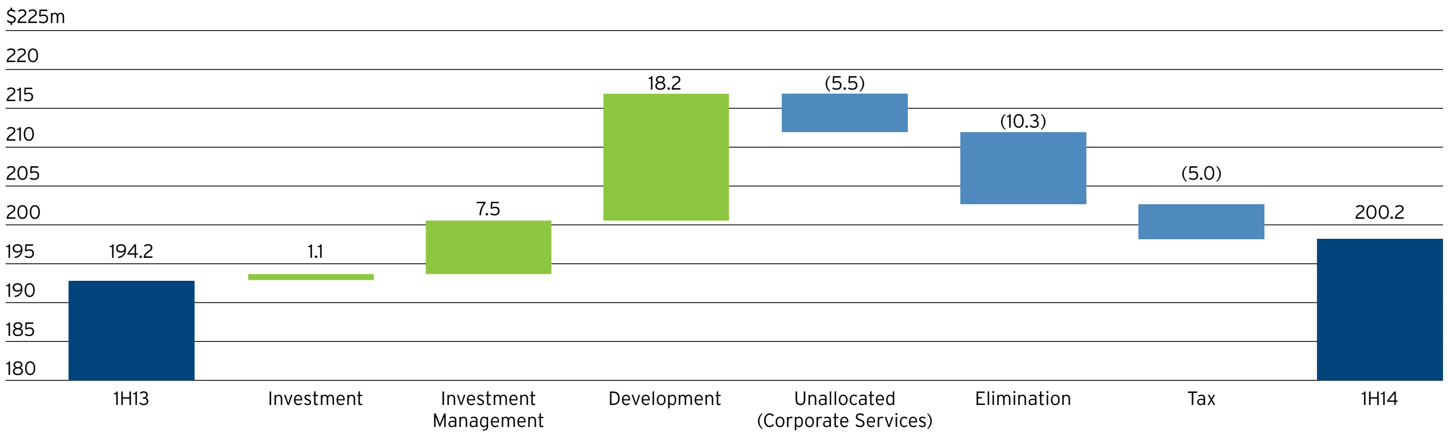
During the period Mirvac has assessed the carrying value of its net deferred tax asset position and determined it prudent to de-recognise part of this position

1H14 CONTRIBUTIONS TO GROWTH

EBIT BY DIVISION – 1H13 TO 1H14



OPERATING PROFIT BY DIVISION – 1H13 TO 1H14



- 13.1% increase in Group Operating EBIT in 1H14 from 1H13
- Strong contribution from Investment through like-for-like NOI growth and asset purchases
- Development earnings underpinned by 8 Chifley, NSW and Pinnacle, NSW in 1H14
- Corporate Services movement relates to favourable adjustment for bonuses in prior period
- Elimination refers to the 50% elimination of 8 Chifley, NSW

LIQUIDITY PROFILE

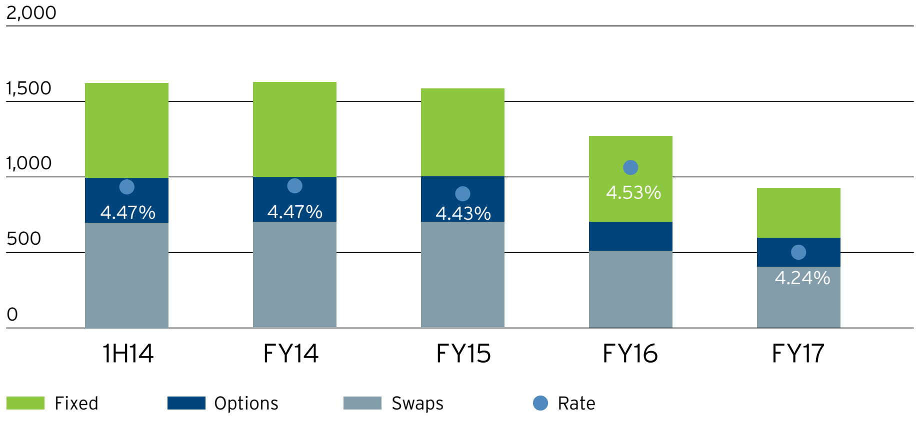
31 DECEMBER 2013	FACILITY LIMITS ($M)	DRAWN AMOUNT ($M)	AVAILABLE LIQUIDITY ($M)
Total facilities maturing > 12 months	3,544.8[1]	2,802.1[1]	742.7
Cash on hand			58.2
Total liquidity			**800.9**
Less facilities maturing < 12 months			0.0
Funding headroom			**800.9**

1) Based on hedged rate not carrying value.

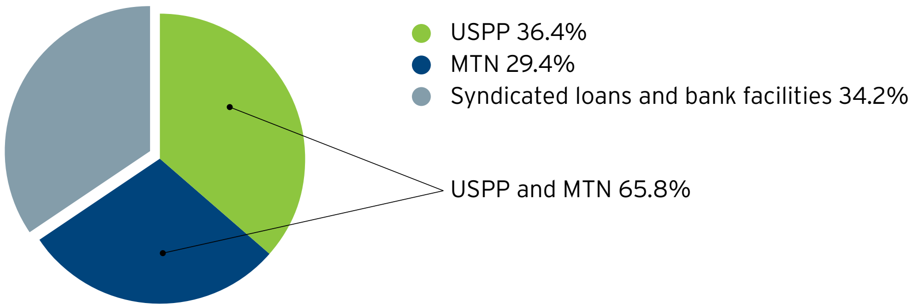
DEBT AND HEDGING PROFILE

ISSUE / SOURCE	MATURITY DATE	FACILITY LIMIT $M	DRAWN AMOUNT $M
MTN III	March 2015	200.0	200.0
Bank facilities	September 2015	680.0	267.3
MTN IV	September 2016	225.0	225.0
USPP	November 2016	378.8	378.8 [2]
Bank facilities	September 2017	510.0	250.0
MTN V	December 2017	200.0	200.0
Bank facilities	September 2018	510.0	440.0
USPP	November 2018	134.1	134.1 [2]
MTN VI	September 2020	200.0	200.0
USPP	December 2022	219.7	219.7 [2]
USPP	December 2024	136.4	136.4 [2]
USPP	December 2025	150.7	150.7 [2]
Total		**3,544.8**	**2,802.1**

1H14 HEDGING AND FIXED INTEREST PROFILE[1]

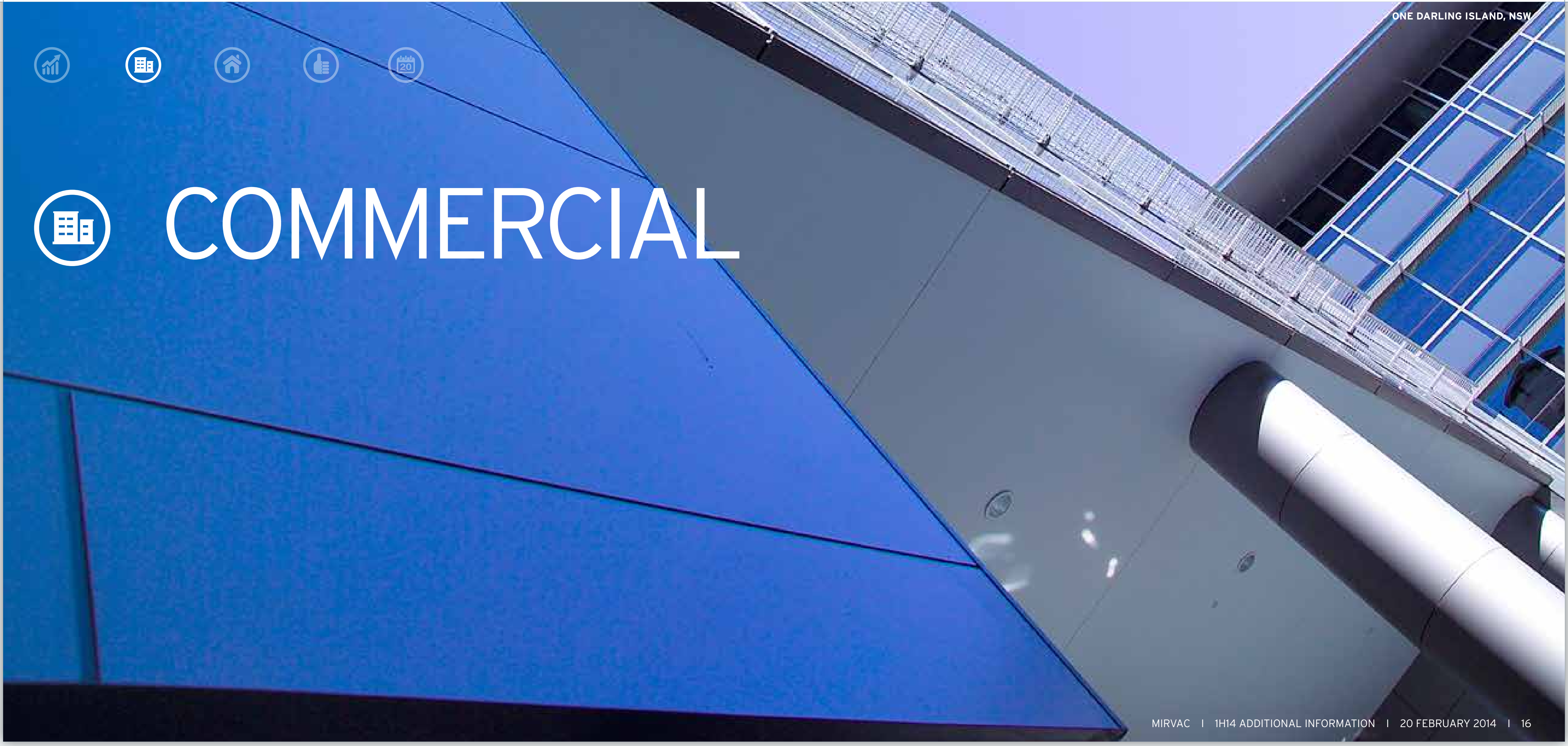


DRAWN DEBT SOURCES



1) Includes bank callable swap.
2) Based on hedged rate not carrying value.

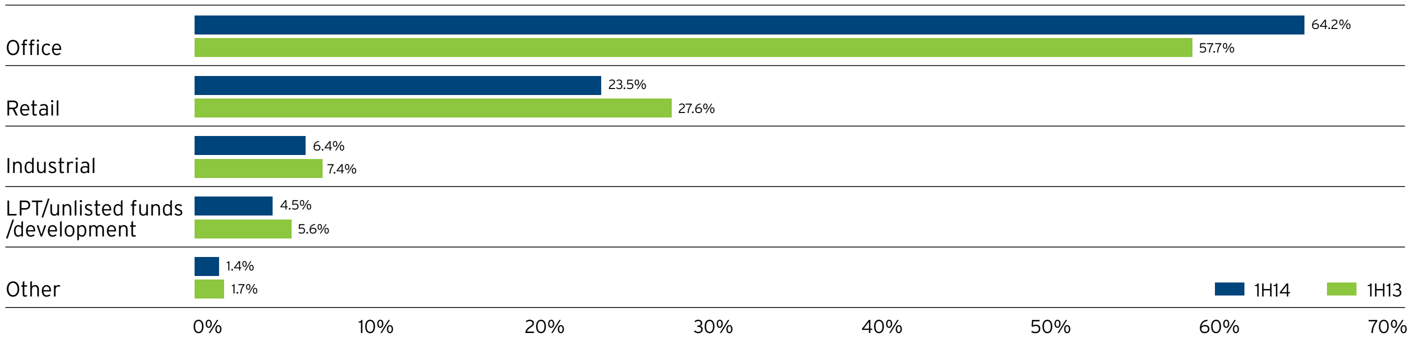
COMMERCIAL



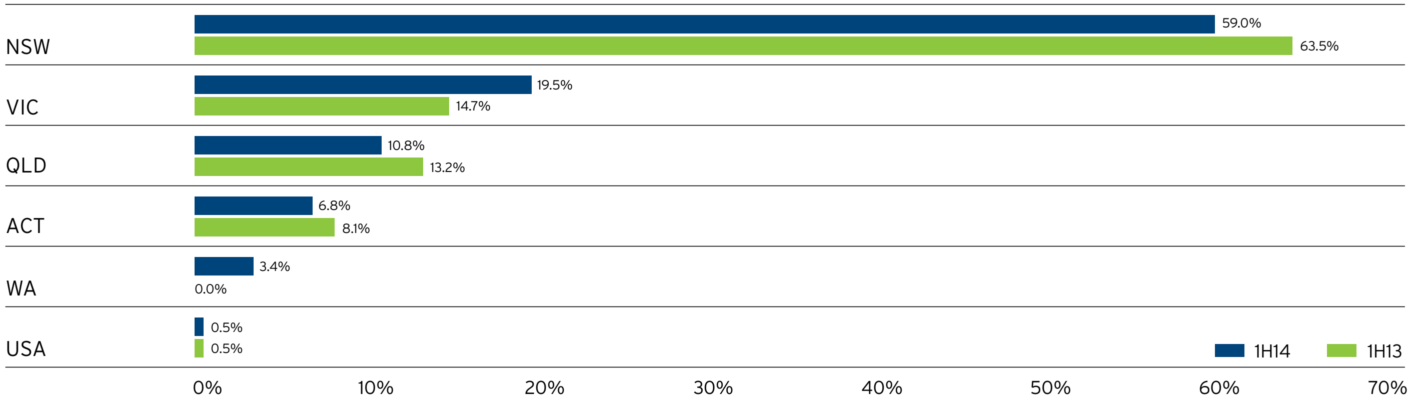
ONE DARLING ISLAND, NSW

SECTOR AND GEOGRAPHIC DIVERSIFICATION

SECTOR DIVERSIFICATION [1]



GEOGRAPHIC DIVERSIFICATION [2]



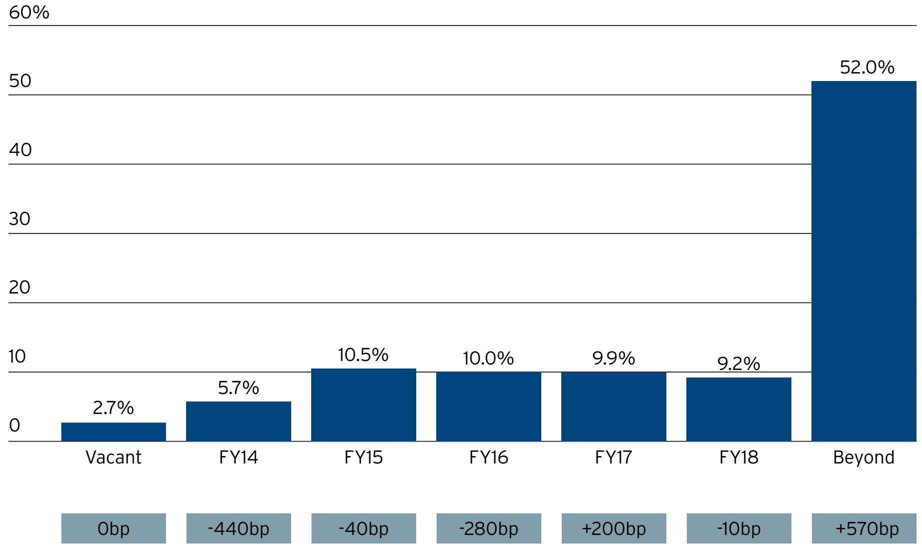
- Mirvac increased exposure to the office sector through the 2H13 GE portfolio acquisition
- Consequently the weighting toward the retail portfolio decreased
- Industrial decreased with the combination of the GE portfolio acquisition and the sale of non-core industrial assets
- LPT/unlisted funds/development decreased over the period due to 8 Chifley, NSW reclassified from LPT / unlisted / development to "Office"
- GE portfolio acquisition strategically increased exposure to the office sector in WA and VIC

1) By book value including IPUC and indirect investments.
2) By book value excluding IPUC and indirect investments.

MPT PORTFOLIO SNAPSHOT

	1H14	1H13
Properties owned [1]	69	61
NLA [1]	1,466,884sqm	1,347,863sqm
Book value [2]	$7,169.9m	$6,013.7m
WACR	7.34%	7.45%
Net property income [3]	$243.6m	$220.2m
Like-for-like NOI growth	3.3%	3.5%
Maintenance capex	$10.0m	$8.0m
Tenant incentives	$4.0m	$5.8m
Occupancy [4]	97.8%	98.2%
NLA leased	91,251sqm	85,632sqm
% of portfolio NLA leased	6.2%	6.4%
No. tenant reviews	906	865
Tenant rent reviews (area)	477,918sqm	531,274sqm
WALE (area) [4]	6.8yrs	7.4yrs
WALE (income) [5]	5.0yrs	5.5yrs

MPT – LEASE EXPIRY PROFILE AND VARIANCE TO FY13 [5]



1) Includes carparks and a hotel.
2) Including assets under development and indirect investments.
3) Includes income from indirect investments and other income.
4) By area, excluding IPUC, development and flood affected tenancies, based on 100% of building NLA.
5) By income, excluding IPUC, bulky goods, development, flood affected tenancies and indirect investments, based on MPT's ownership.

TOP TEN TENANTS BY INCOME

OFFICE

RANK	TENANT	PERCENTAGE [1]	S&P RATING
1	Westpac Banking Corporation/St George	17.0%	AA-
2	Government	12.2%	AAA
3	Woolworths Limited	5.0%	A-
4	Fairfax Media Limited	3.5%	BB+
5	IBM Australia Limited	2.6%	AA-
6	UGL Limited	2.4%	None
7	GM Holden Limited	2.1%	BB+
8	Origin Energy Services Limited	1.7%	BBB
9	Optus	1.6%	A
10	ANZ Banking Group	1.4%	AA-
Total top 10 tenants		**49.5%** [3]	

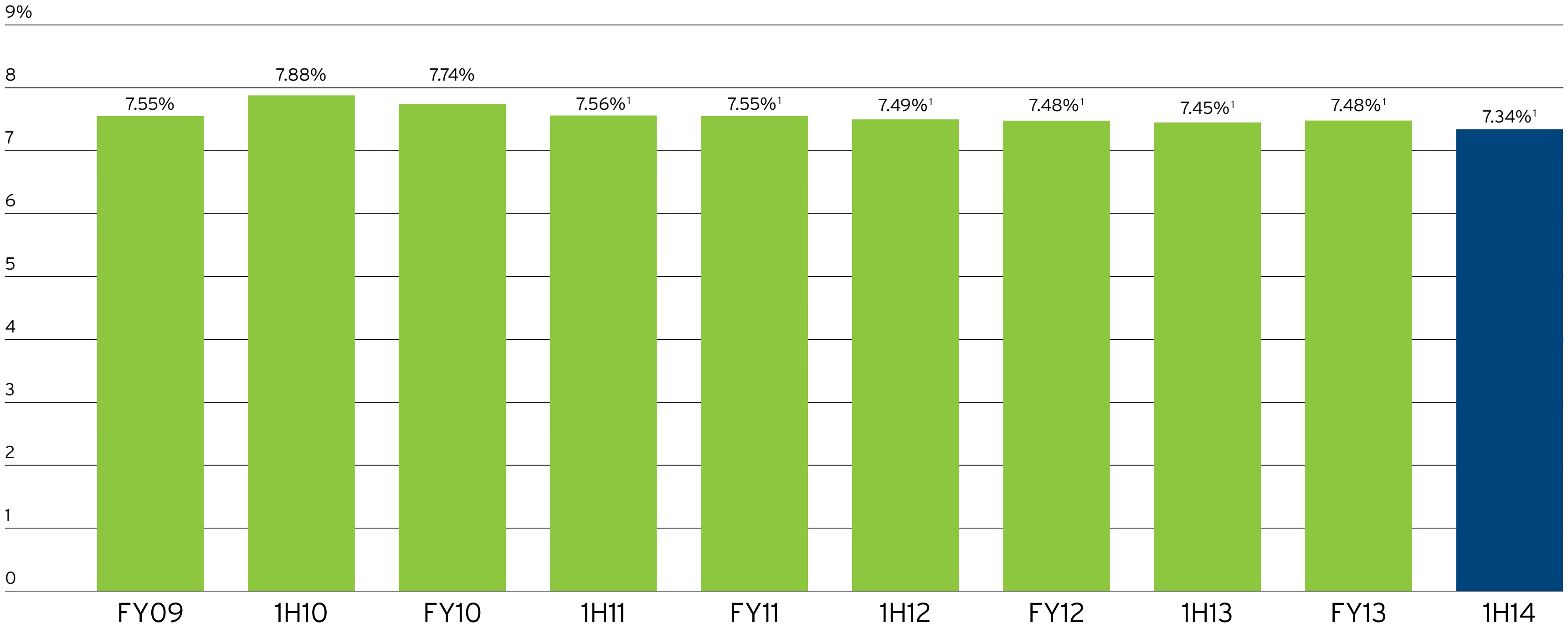
RETAIL

RANK	TENANT	PERCENTAGE [2]	S&P RATING
1	Wesfarmers Limited - Coles	12.4%	A-
2	Woolworths Limited	9.7%	A-
3	ALDI	1.3%	None
4	The Reject Shop Limited	1.3%	None
5	Westpac Banking Corporation/St George	1.2%	AA-
6	Government	1.1%	AAA
7	Sussan Group	1.1%	None
8	Terry White Chemist	1.0%	None
9	Priceline	1.0%	BBB
10	Cotton On Group	1.0%	None
Total top 10 tenants		**31.1%** [3]	

1) Percentage of gross office portfolio income, based on MPT's ownership.
2) Percentage of gross retail portfolio income, based on MPT's ownership.
3) Excludes Mirvac tenancies.

MPT WEIGHTED AVERAGE CAP RATE

MPT WEIGHTED AVERAGE CAP RATE

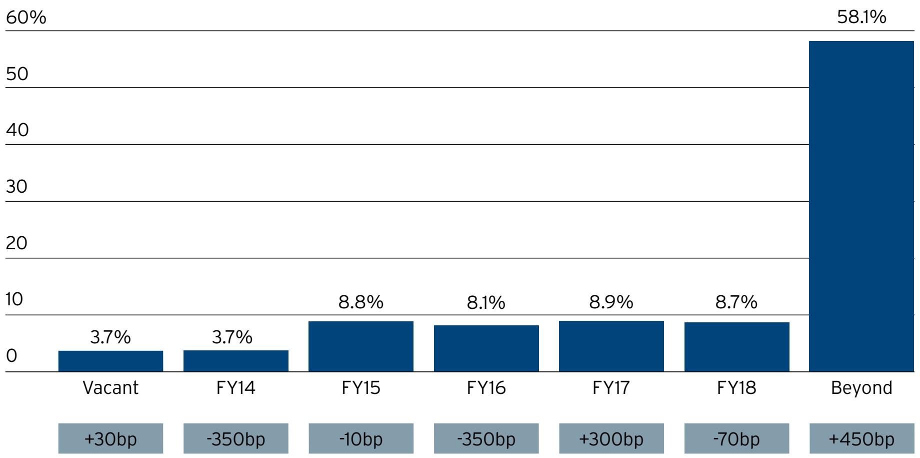


1) Excludes assets under development.

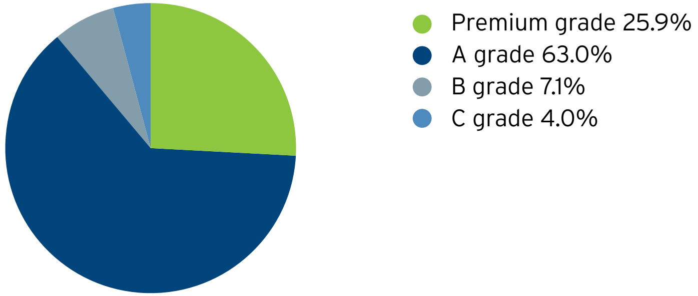
OFFICE SNAPSHOT

	1H14	1H13
Properties owned	35	25
NLA	762,636sqm	609,846sqm
Book value[1]	$4,632.5m	$3,471.5m
WACR	7.40%	7.45%
Net property income	$150.6m	$125.7m
Like-for-like NOI growth	3.4%	4.2%
Maintenance capex	$6.8m	$4.4m
Tenant incentives	$2.3m	$3.2m
Occupancy[2]	96.1%	97.2%
NLA leased	28,581sqm	35,862sqm
% of portfolio NLA leased	3.7%	5.9%
No. tenant reviews	266	209
Tenant rent reviews (area)	356,588sqm	341,519sqm
WALE (area)[2]	5.1yrs	5.7yrs
WALE (income)[3]	5.0yrs	5.7yrs

OFFICE LEASE EXPIRY PROFILE AND VARIANCE TO FY13[3]



OFFICE DIVERSIFICATION BY GRADE[1]



1) By book value, as at 31 December 2013, excluding assets under development and indirect investments.
2) By area, excluding assets under development, based on 100% of building NLA.
3) By income, excluding assets under development and indirect investments, based on MPT's ownership.

OFFICE METRICS

	NO. OF ASSETS	BOOK VALUE DECEMBER 2013 $M[1]	OCCUPANCY[2] DECEMBER 2013	AVERAGE PASSING GROSS RENT $ PER SQM
NSW	**18**	**$2,812.9m**	**96.7%**	**$692**
Sydney CBD	10	$1,654.2m	95.8%	$827
North Sydney	2	$299.8m	100.0%	$779
Sydney Fringe	2	$295.0m	95.5%	$618
Homebush/Rhodes	2	$213.4m	92.3%	$424
Norwest	1	$250.0m	100.0%	$538
Parramatta	1	$100.5m	100.0%	$323
VIC	**7**	**$963.4m**	**93.3%**	**$483**
Melbourne CBD	4	$647.2m	91.7%	$537
East Melbourne	2	$191.6m	97.5%	$422
St Kilda Road	1	$124.6m	91.9%	$425
ACT	**5**	**$414.5m**	**98.3%**	**$433**
Canberra	5	$414.5m	98.5%	$433
QLD	**4**	**$206.0m**	**97.3%**	**$486**
Brisbane 'Near City'	3	$147.9m	98.3%	$445
Brisbane CBD	1	$58.1m	95.0%	$581
WA	**1**	**$235.7m**	**96.5%**	**$871**
Perth CBD	1	$235.7m	96.5%	$871
Portfolio	**35**	**$4,632.5m**	**96.1%**	**$612**

1) By book value, excluding assets under development and indirect investments.
2) By area, excluding assets under development, based on 100% of building NLA.

OFFICE DEVELOPMENT PIPELINE

PROJECT	% CONSTRUCTION COMPLETED	%PRE LEASED	OWNERSHIP	FY14	FY15	FY16	FY17	FY18
				PROFIT RECOGNITION PROFILE				
Treasury Building, WA	27.2%	98.0%	50%			$101.9m[1], 8.4%[2] Aug 12 to Jun 15		
699 Bourke Street, VIC	15.3%	100.0%	100%			$103.1m[1], 7.7%[2] Aug 13 to Mar 15		
200 George Street, NSW	8.7%	74.3%	50%				$208.6m[1], 7.8%[2] Jan 13 to May 16	
664 Collins Street, VIC	2.6%		100%					$154.9m[1], 7.5%[2] Jul 15 to Nov 16

- Fee recognition period
- Under construction
- Planning

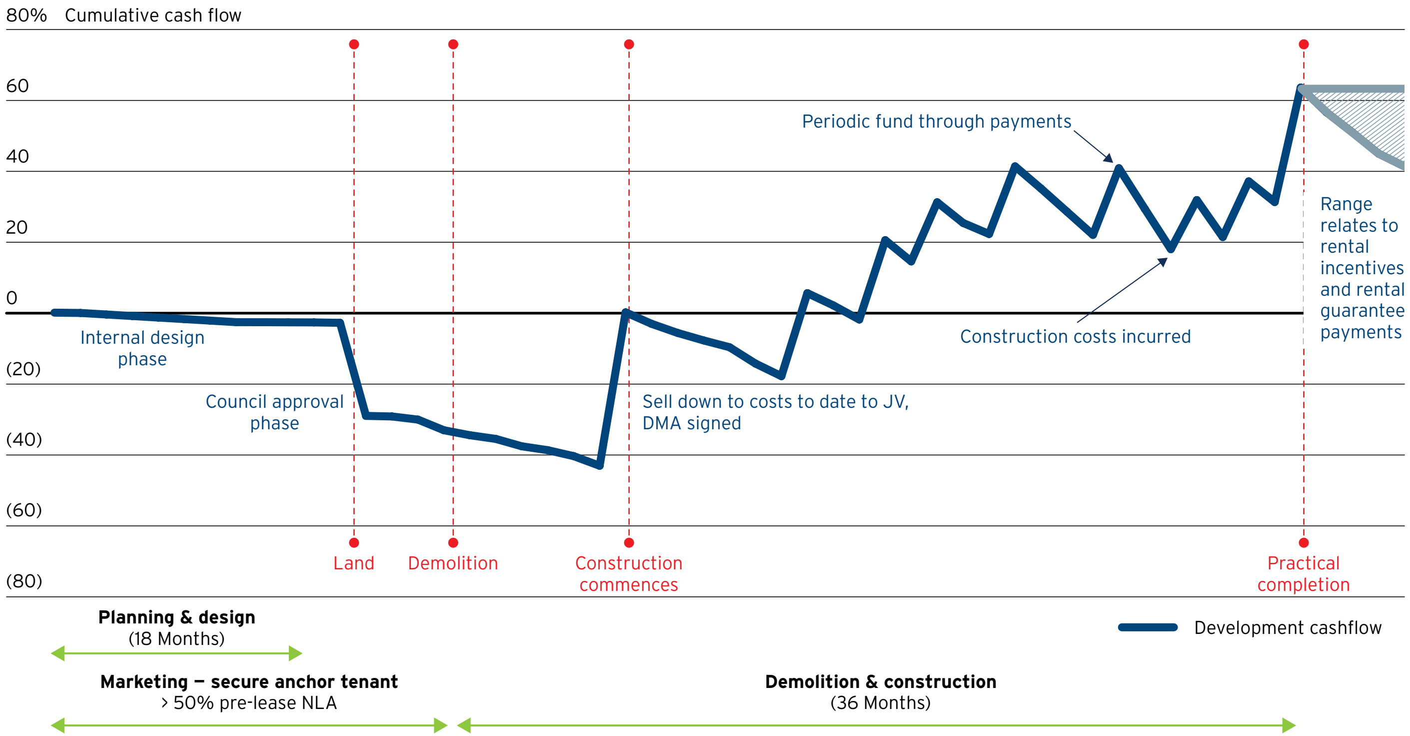
1) Total expected costs to complete excluding land and including interest.
2) Expected yield on cost including land and interest.

COMMERCIAL DEVELOPMENT HYPOTHETICAL FUND THROUGH

PROFILE OF COMMERCIAL DEVELOPMENT

- Mirvac has a unique competitive advantage through its internal development capability
- For large commercial development projects Mirvac will look to sell a 50% interest to a capital partner that will fund a portion of the development, matching cash outflows with cash inflows. In turn delivering a higher ROIC during development
- Development fees typically earned during construction phase and a development management fee earned at practical completion

INDICATIVE GENERIC CASHFLOW PROFILE – COMMERCIAL DEVELOPMENT – SINGLE COMMERCIAL TOWER DMA FOR JV (MPT AND PARTNER)



During planning phase, design costs are incurred by Mirvac, land is purchased and marketing commences to secure › 50% pre-lease prior to commencement of construction

MPT enter into agreement with third party, inventory to date sold, DMA commences

Costs incurred during construction recorded as inventory. Periodic fund through payments received by development division from MPT and third party from are recorded as a deferred revenue payable "grossing up" impact

At practical completion, deferred revenue payable and inventory are released to the P&L as Development profit

COMMERCIAL DEVELOPMENT HYPOTHETICAL FUND THROUGH

TYPICAL COMMERCIAL DEVELOPMENT TRANSACTION

- Mirvac Development seek lease commitment from anchor tenant
- Land acquired and held in MPT, 50% interest sold to capital partner
- MPT and third party enter into Development Agreement with Mirvac Development
- Quarterly payments to Mirvac Development under DMA fund development costs
- Construction management fee during construction paid to Mirvac Development, potential upfront arrangement fee
- Agreed adjustment on completion to off-set funding cost
- Development profit on completion at agreed end value yield
- Incentive and rental guarantee over vacancy on completion

	DEVELOPMENT	INVESTMENT
Cash flow	› Reduced cash flow requirements during development	› Payment for purchases of land › Proceeds to MPT on sell down of interest in land to capital partner › Quarterly payments under DMA › Final payment on completion
Balance sheet	› Construction costs build up in inventory "grossing up" › Deferred revenue payable increases for DMA payments "grossing up" › Liability recongised on completion for rental guarantee and incentives on vacancy	› MPT carrying value of land as investment property under construction at fair value › Sell down of 50% interest in sub trust to JV party, MPT interest in JV equity accounted › Funding costs capitalised to carrying value of property › Quarterly and final DMA payments capitalised to (100% recognised in development) carrying value and fair valued › Rental guarantee recognised at fair value
Profit and loss	› Upfront fee may be negotiated › Construction management fee potential adjustments › Profit recognised as revenue less COGS 100% in development, includes provision rental guarantees and incentives (50% of development profit recognised at a Group level)	› Net gain or loss on sell down of interest › Share of profit/ loss on income, including fair value adjustments › Convertible note interest on funding DMA payments

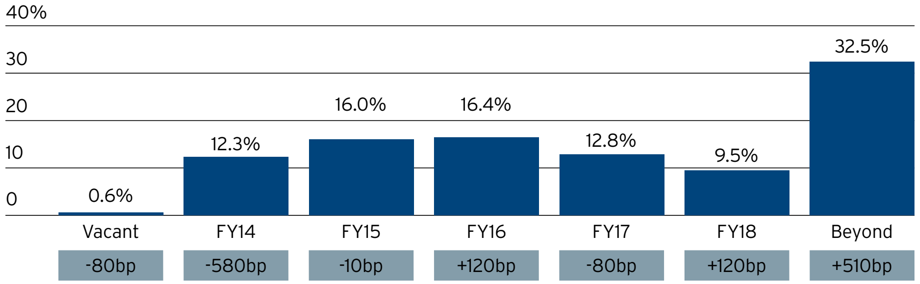
RETAIL SNAPSHOT

	1H14	1H13
Properties owned	17	19
NLA	357,417sqm	390,646sqm
Book value [1]	$1,685.5m	$1,661.5m
WACR	7.04%	7.25%
Net property income	$54.6m	$60.7m
Like-for-like NOI growth	2.1%	2.7%
Maintenance capex	$2.6m	$3.0m
Tenant incentives	$1.6m	$2.6m
Occupancy [2]	99.6%	99.4%
NLA leased	17,654sqm	29,244sqm
% of portfolio NLA leased	4.9%	7.5%
No. tenant reviews	627	645
Tenant rent reviews (area)	82,220sqm	86,527sqm
WALE (area) [2]	5.4yrs	5.7yrs
WALE (income) [3]	3.8yrs	4.1yrs
Specialty occupancy cost [4]	16.8%	15.2%
Specialty occupancy cost excluding CBD centres [4]	15.9%	14.4%
Total comparable MAT [4]	$1,726.2m	$2,420.6m
Total comparable MAT growth [4]	6.1%	1.8%
Specialties comparable MAT [4]	$7,371sqm	$7,478sqm
Specialties comparable MAT growth [4]	1.0%	(0.2%)
New leasing spreads	10.1%	2.3%
Renewal leasing spreads	2.5%	1.9%
Total leasing spreads	4.9%	2.0%

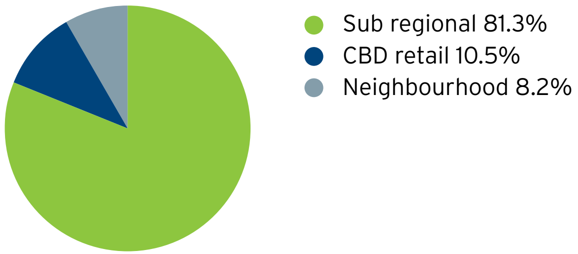
1) By book value, as at 31 December 2013.
2) By area, excluding IPUC, bulky goods, development and flood affected tenancies, based on 100% of building NLA.
3) By income, excluding IPUC, bulky goods, development and flood affected tenancies, based on MPT's ownership.
4) 1H14 excludes Hinkler Central (flood affected) and assets under development. 1H13 no properties excluded.

RETAIL SALES BY CATEGORY	TOTAL MAT 1H14 $M	COMPARABLE MAT GROWTH 1H14 %	COMPARABLE MAT GROWTH 1H13 %
Non-food majors	$328.6m	0.0%	(0.1%)
Food majors	$946.8m	5.8%	3.6%
Mini majors	$250.1m	16.4%	1.5%
Specialties	$704.6m	1.0%	(0.2%)
Other retail	$191.6m	30.4%	4.9%
Total	**$2,421.7m**	**6.1%**	**1.8%**

RETAIL LEASE EXPIRY PROFILE AND VARIANCE TO FY13 [3]



RETAIL DIVERSIFICATION BY GRADE [1]



RETAIL DEVELOPMENT PIPELINE

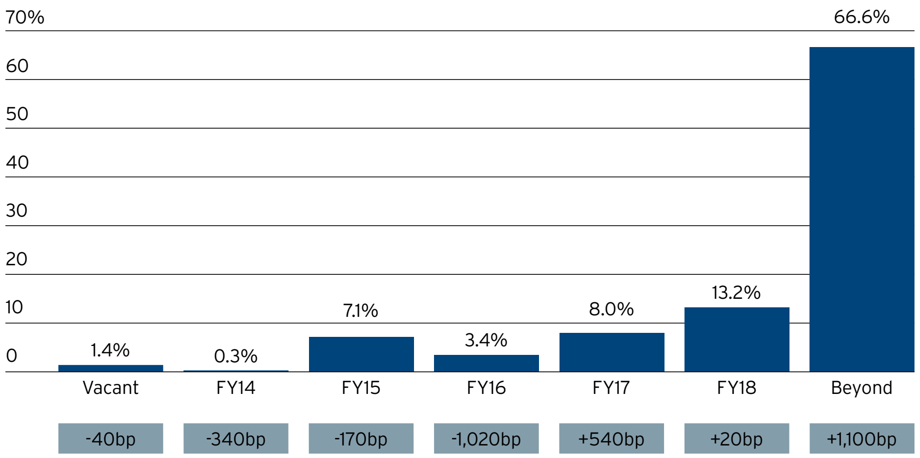
PROJECT	STATUS	FY13	FY14	FY15	FY16+
Kawana Shoppingworld (Stage 4) Buddina, QLD (100%)	Redevelopment underway			$35.8m[1], 7.8%[2] Jul 12 to Sep 14	
Stanhope Village (Stage 4) Stanhope Gardens, NSW (100%)	Commenced February 2014				$18.7m[1], 7.1%[2] Feb 14 to May 15
Orion Town Centre (Stage 2) Springfield, QLD (100%)	Commences March 2014				$154.3m[1], 7.3%[2] Mar 14 to Mar 16

1) Forecast total costs to complete including interest, excluding land acquisition costs, based on MPT's ownership.
2) Yield on cost.

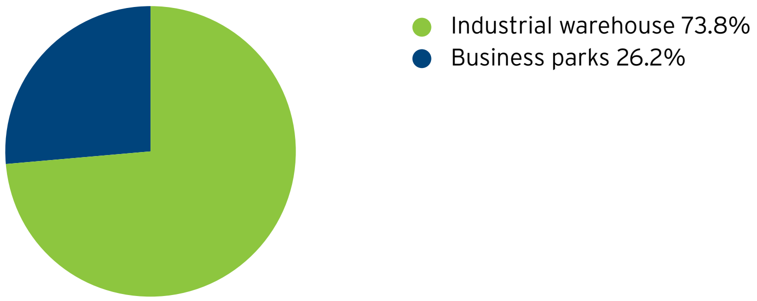
INDUSTRIAL SNAPSHOT

	1H14	1H13
Properties owned	13	13
NLA	346,433sqm	346,972sqm
Book value[1]	$460.5m	$445.9m
WACR	7.78%	8.00%
Net property income	$17.9m	$19.3m
Like-for-like NOI growth	5.2%	5.9%
Maintenance capex	$0.4m	$0.7m
Tenant incentives	$0.0m	$0.0m
Occupancy[2]	99.5%	99.4%
NLA leased	45,015sqm	20,526sqm
% of portfolio NLA leased	13.0%	5.9%
No. tenant reviews	13	11
Tenant rent reviews (area)	39,110sqm	88,394sqm
WALE (area)[2]	11.9yrs	12.4yrs
WALE (income)[3]	9.3yrs	9.2yrs

INDUSTRIAL LEASE EXPIRY PROFILE AND VARIANCE TO FY13[3]



INDUSTRIAL DIVERSIFICATION BY ASSET TYPE[1]



1) By book value as at 31 December 2013, excluding assets under development and indirect investments.
2) By area, excluding assets under development, based on 100% of building NLA.
3) By income, excluding assets under development and indirect investments, based on MPT's ownership.

SCHEDULE OF ACQUISITIONS

1H14 SCHEDULE OF ACQUISITIONS[1]

PROPERTY	STATE	SECTOR	STATUS	OCCUPANCY	ACQUISITION PRICE $M	PASSING YIELD (PRE-COSTS)	ACTUAL SETTLEMENT DATE
477 Collins Street	VIC	Office	Settled	40.9%	72.0	5.0%	Nov 2013
367 Collins Street	VIC	Office	Settled	100.0%[2]	227.8	7.8%	Nov 2013
60 Wallgrove Road	NSW	Industrial	Settled	100.0%	55.1	6.1%	Jan 2014
Harbourside Shopping Centre	NSW	Retail	Settled	97.0%	252.0	6.7%	Jan 2014
Total					**606.9**		

1) Schedule metrics as at acquisition date.
2) Includes 12 month vendor rental guarantee on current vacancy of 11%.

SCHEDULE OF DISPOSALS

1H14 SCHEDULE OF DISPOSALS

PROPERTY	STATE	SECTOR	STATUS	PREVIOUS BOOK VALUE $M[1]	GROSS SALE PRICE $M	PROCEEDS ABOVE BOOK VALUE $M[1]	ACTUAL SETTLEMENT DATE
Non-core asset disposals							
Manning Mall	NSW	Retail	Settled	31.8	32.6	0.8	Jul 2013
Logan Mega Centre	QLD	Retail	Settled	49.5	52.0	2.5	Aug 2013
54-60 Talavera Road[2]	NSW	Industrial	Exchanged	47.1	48.0	0.9	Mar 2014
Orange City Centre[2]	NSW	Retail	Exchanged	48.3	49.5	1.2	Mar 2014
Gippsland Centre[2, 3]	VIC	Retail	Exchanged	48.5	50.5	2.0	Mar 2014
Total				**225.3**	**232.6**	**7.3**	

1) As at 30 June 2013.
2) Assets held for sale as at 31 December 2013.
3) Includes 349 Raymond Street, Gippsland.

RESIDENTIAL

PROJECT PIPELINE - APARTMENTS

PROJECT	STAGE	SETTLEMENTS COMMENCING	% PRE-SOLD	OWNERSHIP	PROFIT RECOGNITION PROFILE[1] FY14	FY15	FY16	FY17	FY18
Era, NSW	Era	2H14	100.0%	100%	294 lots				
Harold Park, NSW	Precinct 1	1H15	99.7%	100%		298 lots			
Harold Park, NSW	Precinct 2	1H15	97.3%	100%		184 lots			
Yarra's Edge, VIC	Array	2H15	78.5%	100%		205 lots			
Harold Park, NSW	Precinct 3	2H16	82.9%	100%			345 lots		
Green Square, NSW	All stages	2H16	Not released	25%			518 lots		
Harold Park, NSW	Precinct 4	1H17	Not released	100%				158 lots	
Harold Park, NSW	Precinct 6	1H17	Not released	100%				84 lots	
Bondi, NSW	Stage 1	1H17	Not released	100%				213 lots	
Waterfront, QLD	Skyring	1H17	Not released	100%				140 lots	
Dallas Brooks Hall, VIC	All stages	2H18	Not released	PDA					72 lots
Harold Park, NSW	Precinct 5	1H18	Not released	100%					241 lots

Under construction | Planning | Under negotiation | Future stages

APARTMENTS PROJECT PIPELINE ANALYSIS

% of total FY14 expected provision lots to settle	15%-20%
% of total FY14 expected lots to settle from apartments	20%-30%

1) Project lot settlements over EBIT contributing period.

PROJECT PIPELINE – MASTERPLANNED COMMUNITIES

PROJECT	STAGE	SETTLEMENTS COMMENCING	TYPE	OWNERSHIP	PROFIT RECOGNITION PROFILE[1] FY14	FY15	FY16	FY17	FY18
Elizabeth Point, NSW	All stages	1H14	House & land	100%	206 lots				
Elizabeth Hills, NSW	All stages	1H14	Land	PDA	359 lots				
Jane Brook, WA	All stages	1H14	Land	100%	119 lots				
Waverley Park, VIC	All stages	1H14	House & land	100%	242 lots				
Harcrest, VIC	All stages	1H14	Land	20%	669 lots				
Googong, NSW	Stage 1 & 2	1H14	Land	50%	1,638 lots				
Enclave, VIC	Stage 1	1H14	House & land	50%	216 lots				
Alex Avenue, NSW	Precinct 1 & 2	2H14	House & land	100%	293 lots				
New Brighton Golf Course, NSW	All stages	1H16	Land	PDA			274 lots		
Rockbank, VIC	Stage 1	1H16	Land	50%			450 lots		
Eastern Golf Course, VIC	All stages	2H16	House & land	100%			374 lots		
Smith's Lane, VIC	Stage 1	2H17	Land	100%			500 lots		
Donnybrook Road, VIC	All stages	1H17	Land	100%				174 lots	

Active   Under construction   Planning

MASTERPLANNED COMMUNITIES PROJECT PIPELINE ANALYSIS

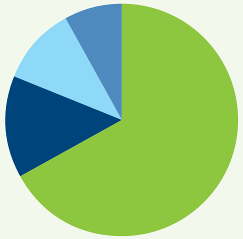
% of total FY14 expected provision lots to settle	20%-25%
% of total FY14 expected lots to settle from masterplanned communities	70%-80%

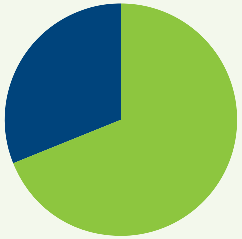
1) Project lot settlements over EBIT contributing period.

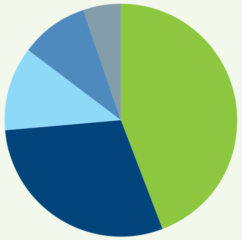
1,032 lot settlements consisting of:

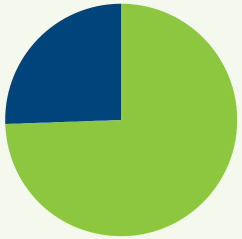
	TOTAL		APARTMENTS		MASTERPLANNED COMMUNITIES	
SETTLEMENT BY LOTS	LOTS	%	LOTS	%	LOTS	%
NSW	692	67.1%	233	22.6%	459	44.5%
QLD	147	14.2%	64	6.2%	83	8.0%
WA	113	10.9%	4	0.4%	109	10.6%
VIC	80	7.8%	20	1.9%	60	5.8%
Total	**1,032**	**100.0%**	**321**	**31.1%**	**711**	**68.9%**

1H14 LOT BREAKDOWN









1H14 SETTLEMENTS

Mirvac's 1H14 settlements

- 77.7% upgraders/empty nesters and investors
- Mirvac average price:
  - House $415,000 [1]
  - Land $262,000 [2]
  - Apartments $882,000 [3]

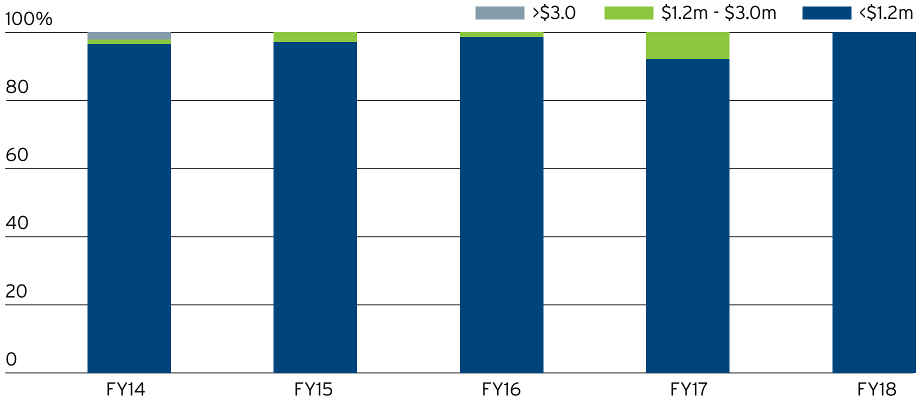
Buyer profile – 1H14

- Upgraders/empty nesters 37.7%
- Investors 40.0%
- FHB 22.3%

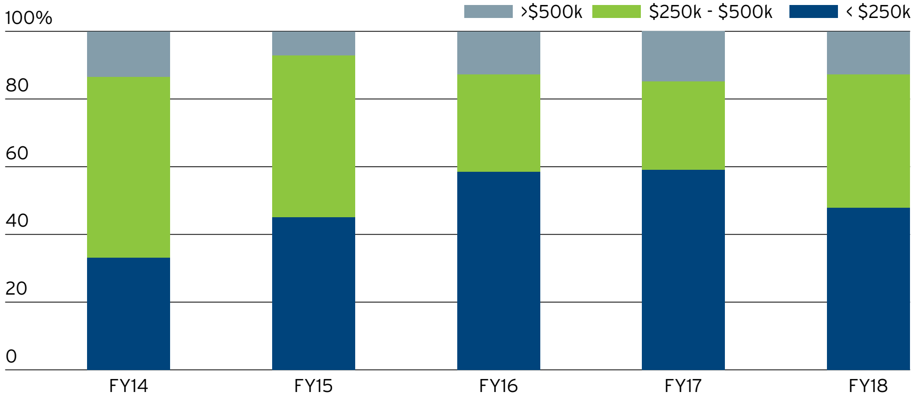
KEY 1H14 SETTLEMENTS BY PRODUCT

	PRODUCT TYPE	LOTS
Pinnacle, NSW	Apartments	233
Elizabeth Point, NSW	Masterplanned communities	104
Googong, NSW	Masterplanned communities	63
Elizabeth Hills, NSW	Masterplanned communities	58
Total		**458**

AVERAGE PRICE OF MIRVAC APARTMENTS [4]



AVERAGE PRICE OF MIRVAC MASTERPLANNED COMMUNITIES [4]

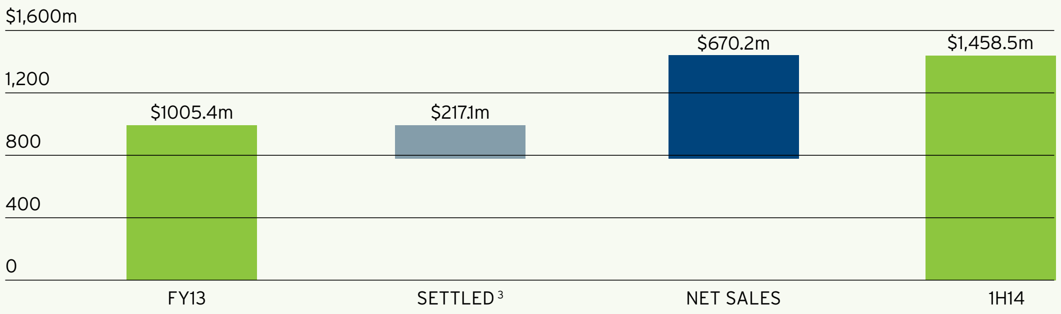


1) 154 housing lots settled.
2) 557 land lots settled.
3) 321 apartment lots settled.
4) Based on forecast future lot settlements and associated gross revenue.

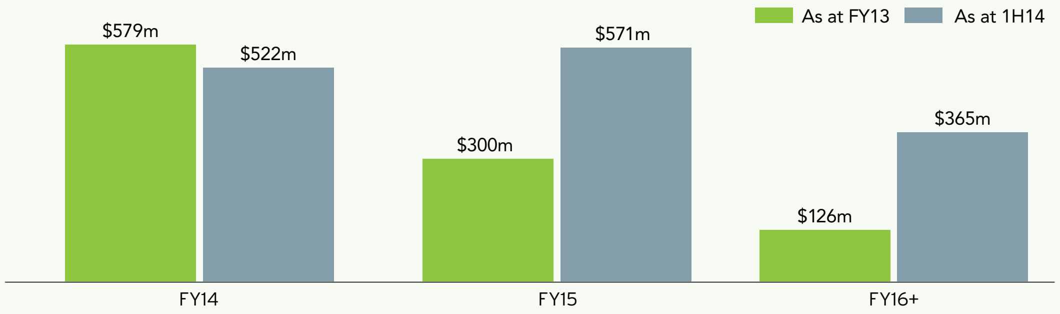
PRE-SALES OUTLOOK 1H14 – FY17

RELEASED	PROJECT	STATE	STAGE	STATUS	OWNERSHIP	SETTLEMENT PERIOD	LOTS	LOTS PRE-SOLD	REVENUE $M[1]
✓	ERA	NSW	ERA	Under construction	100%	FY14	294	100.0%	300.4
✓	Harold Park	NSW	Precinct 1	Under construction	100%	FY15	298	99.7%	261.1
✓	Harold Park	NSW	Precinct 2	Under construction	100%	FY15	184	97.3%	189.7
✓	Yarra's Edge Towers	VIC	Array	Under construction	100%	FY15-FY16	205	78.5%	228.0
✓	Harold Park	NSW	Precinct 3	Marketing	100%	FY16-FY17	345	82.9%	302.7
✓	Elizabeth Point	NSW	Stages 1, 2, 3	Active	100%	FY14-FY15	206	68.4%	66.0
✓	Googong	NSW	Stages 1, 2, 3	Active	50%	FY14-FY18	595	69.6%	68.5
✓	Enclave	VIC	Stages 3-5	Active	50%	FY14-FY17	216	66.2%	66.5
✓	Jane Brook	WA	Stages 4, 5	Active	100%	FY14-FY16	119	52.9%	40.9
	Total						**2,462**	**80.3%**[2]	**1,523.8**

RECONCILIATION OF MOVEMENT IN EXCHANGED PRE-SALES CONTRACTS TO FY14



EXPECTED SETTLEMENT OF EXCHANGED PRE-SALES CONTRACTS

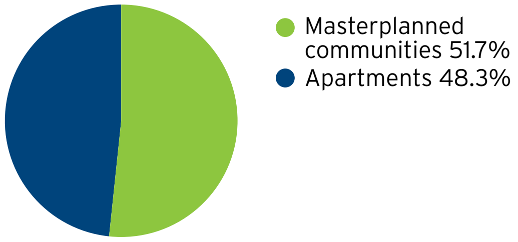


1) Mirvac's share of forecast gross revenue, adjusted for JV interest, associates and Mirvac managed funds.
2) Percentage pre-sold as at 31 December 2013.
3) Represents gross settlement revenue adjusted for Mirvac's share of JVs, associates, and Mirvac's managed funds.

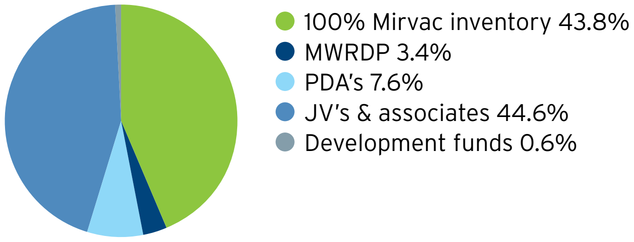
DIVERSIFICATION OF RESIDENTIAL LOTS/REVENUE

31,368 lots under control

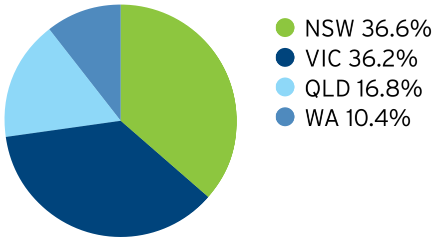
FORECAST FUTURE REVENUE BY PRODUCT



LOTS UNDER CONTROL BY STRUCTURE

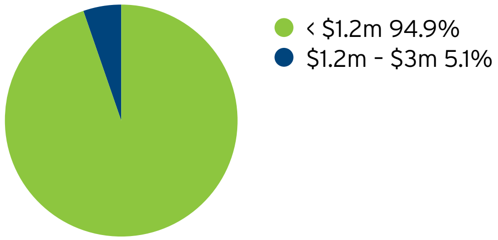


MIRVAC SHARE OF FORECAST REVENUE BY STATE



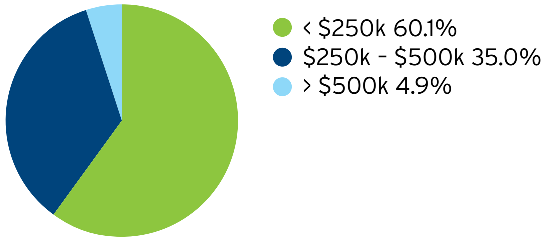
AVERAGE PRICE OF LOTS UNDER CONTROL

Apartments



AVERAGE PRICE OF LOTS UNDER CONTROL

Masterplanned communities

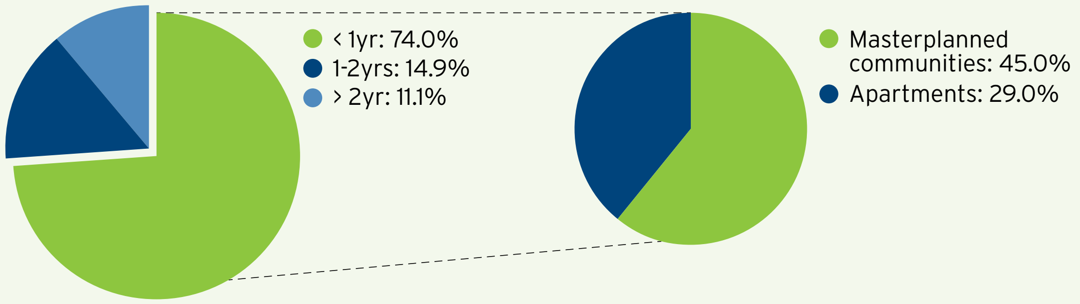


PRE-SALES ANALYSIS

› Exchanged pre-sales contracts on hand less than 1 year old	74.1%
› Exchanged pre-sales contracts on hand priced at < $1m	84.4%
› Apartment exchanged pre-sales contracts on hand priced at < $1m	68.9%
› Exchanged pre-sales contracts on hand priced at < $2m	99.5%

EXCHANGED CONTRACTS - BY STATE [1]

EXCHANGED CONTRACTS - BY AGE [1]



1) Total exchanged contracts as at 31 December 2013, adjusted for Mirvac's share of JVs, associates, and Mirvac's managed funds.

INVESTED CAPITAL – DEVELOPMENT RECONCILIATION

RECONCILIATION TO DEVELOPMENT INVESTED CAPITAL	$M	ITEMS EXCLUDED FROM DEVELOPMENT INVESTED CAPITAL $M	DEVELOPMENT INVESTED CAPITAL $M	FUND THROUGH ADJUSTMENTS (DEFERRED REVENUE) $M	DEFERRED LAND ADJUSTMENTS $M	NET DEVELOPMENT INVESTED CAPITAL $M
Cash and cash equivalents	12.1	(12.1)	–	–	–	–
Receivables	207.3	(83.5)	123.9	–	–	123.9
Inventories – Gross	1,883.5	–	1,883.5	(96.8)	(102.1)	1,684.6
Inventories – Provision for loss	(304.7)	–	(304.7)	–	–	(304.7)
Other assets	1.2	(1.2)	–	–	–	–
Investments accounted for using the equity method	219.7	–	219.7	–	–	219.7
Other financial assets	52.0	–	52.0	–	–	52.0
Property, plant and equipment	6.3	(6.3)	–	–	–	–
Deferred tax assets	111.9	(111.9)	–	–	–	–
Total	**2,189.3**	**(215.0)**	**1,974.4**	**(96.8)**	**(102.1)**	**1,775.5**

Mirvac remains on track to deliver a >10% ROIC for FY14 as measured by EBIT divided by gross Development invested capital. (Adjusted for FY13 development provision at 31 December 2013 and new business acquired throughout the target period)

Mirvac's believe the following adjustments should be made to Invested Capital to provide a more accurate balance

Deferred terms – Masterplanned communities example

- Capital efficient structures require "grossing-up" to full value of inventory despite a proportion of cash expended on deferred payment terms
- The non-cash balance is offset by a payable amount
- The non-cash balance is excluded for ROIC

Deferred terms – Commercial development example

- Commercial fund-through development structures obtain reimbursements for construction costs during development
- These amounts are recorded as Deferred Revenue "grossing-up" the inventory and deferred revenue payable

INVESTED CAPITAL – DEVELOPMENT RECONCILIATION

DEVELOPMENT INVESTED CAPITAL

$1,776m[1]

RESIDENTIAL

84.0%

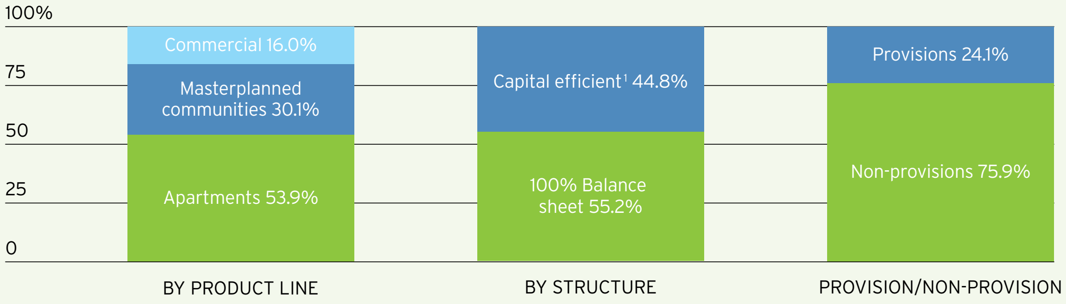
- Apartments: 64.1%
- Masterplanned communities: 35.9%

COMMERCIAL

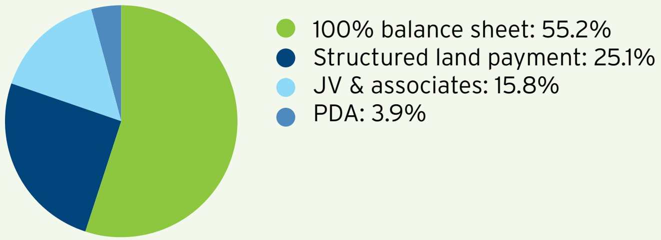
16.0%

- Office: 81.8%
- Industrial: 15.6%
- Retail: 2.6%

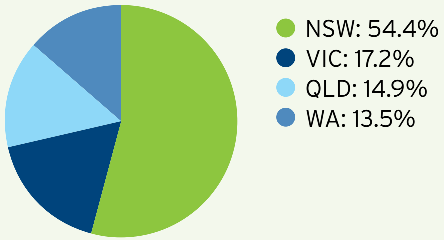
DEVELOPMENT INVESTED CAPITAL $1,776M[1]



BY STRUCTURE



BY STATE



1) Capital efficient by structure includes capital invested in Development Agreement's, JVs, MWRDP, structured land payments and loans.

CAPITAL EFFICIENT DEVELOPMENT PROJECTS

WHOLESALE RELATIONSHIPS	Definition	Capital relationships with small number of investors for development, with development delivery by Mirvac provided for fees and share in equity profits
	Benefits	Improved ROIC, fees
	Example	MWRDP
STRUCTURED LAND PAYMENTS	Definition	Time efficient method of staged terms for acquisition of land for development assets
	Benefits	Improved IRR, improved ROIC
	Example	Donnybrook, VIC
DEVELOPMENT AGREEMENT	Definition	Provision of development services by Mirvac to the local owner e.g. Project Development Agreement (PDA)
	Benefits	Improved IRR, access to strategic sites, fees
	Example	Green Square, NSW
JOINT VENTURE	Definition	Undertaking a development in a defined relationship with a co-investor
	Benefits	Improved ROIC, fees
	Example	Googong, NSW

45%[1] of total development capital

1) As at 31 December 2013.

GROSS DEVELOPMENT MARGIN

	DEVELOPMENT AND CONSTRUCTION REVENUE $M	COST OF PROPERTY DEVELOPMENT AND CONSTRUCTION $M	GROSS DEVELOPMENT MARGIN $M	GROSS DEVELOPMENT MARGIN %
1H14				
Adjusted for zero margin settlements	**139.7**	**(110.3)**	**29.4**	**21.0**
Commercial projects	12.6 [1]	(12.4) [1]		
Provision projects	90.2	(82.9)		
Project revenue	**242.5**	**(205.6)**	**36.9**	**15.2**
Cost recovery activities	44.3	(44.3)		
Mirvac consolidated statement of comprehensive income (excluding 8 Chifley)	**286.8**	**(249.9)**	**36.9**	**12.8**
8 Chifley	256.4	(232.5)		
Mirvac consolidated statement of comprehensive income	**543.2** [2]	**(482.4)** [3]	**60.8**	**11.2**
1H13				
Adjusted for zero margin settlements	**174.2**	**(141.2)**	**33.0**	**18.9**
Commercial projects	0.0	(0.0)		
Provision projects	85.3	(79.1)		
Project revenue	**259.5**	**(220.3)**	**39.2**	**15.1**
Cost recovery activities	57.8	(57.6)		
Mirvac consolidated statement of comprehensive income	**317.3**	**(277.9)**	**39.4**	**12.4**

- Gross margins consistent between apartments and masterplanned communities
- Gross margin trending to target of 18% to 22% by FY14
- 37.2% of project revenue from provisioned projects (34.0% of 1H14 lot settlements provisioned)

1) Representing margin derived from commercial projects less intra-group transactions eliminated on consolidation.
2) Total development and construction and inter-segment revenue – see page 6 of Additional Information.
3) Total cost of property development and construction – see page 6 of Additional Information.

DEVELOPMENT OPERATING EBIT ANALYSIS

	1H14 $M	1H13 $M	% CHANGE
Development and construction revenue - non recharge projects	486.3	259.5	
Development and construction revenue - recharge projects	44.3	57.8	
Total development and construction revenue	*530.6*	*317.3*	
Cost of property development and construction - non recharge projects	438.1	220.3	
Cost of property development and construction - recharge projects	44.3	57.6	
Development management fee revenue	11.9	9.9	20.2%
Share of net profit of associates and joint ventures accounted for using the equity method	6.5	0.7	
Selling and marketing expenses	(13.2)	(11.4)	15.8%
Overheads	(12.7)	(15.3)	
Other	13.8	8.2	
Operating EBIT	**54.5**	**31.5**	**73.0%**
Less operating finance costs	28.8	23.5	
Interest revenue	(0.5)	0.0	
Operating profit	**26.2**	**8.0**	

Development management fee revenue increased due to fees from Pinnacle, NSW. Development management and fee revenue is in line with annual $20-25m range and Mirvac expects this to continue for FY14

Share of net profit of associates and joint ventures increased through settlements at Pinnacle, NSW

Selling and marketing expenses, net of provision release, were higher in 1H14 due to further releases at Harold Park. Selling and marketing is expected to be between $20-$25m for FY14

Other consists of interest revenue, inter-company sales, other revenue and other expenses

Interest expense + previously capitalised interest released on settlements, net of provision release

FY13 DEVELOPMENT EARNINGS MODEL

This model has been prepared as a suggested guide for investors and analysts to model Mirvac's development business.

FY13 Development earnings model	FY13 lots settled	Provision lots settled	Non provision lots settled	100% B/S and PDA
Lots	1,809	669	1,140 (A)	900 (A*B)
% of lots	100.0%	37.0%	63.0%	79.0% (B)

Page 34 and 35 give detail on the split of provision and non provision lots for FY14

Mirvac expects 65% to 70% of non provisioned lots to be 100% balance sheet and Development Agreement lots

Key projects	Ownership	Lots settled	Average price $m	Gross margin	Gross margin $m	
Elizabeth Hills, NSW	100.0%	184	$_._m	_._%	$_._m	
Middleton Grange, NSW	100.0%	171	$_._m	_._%	$_._m	
Yarra's Edge, VIC	100.0%	170	$_._m	_._%	$_._m	
Waverley Park, VIC	100.0%	97	$_._m	_._%	$_._m	
Yarra's Edge, River Homes, VIC	100.0%	25	$_._m	_._%	$_._m	
Total					**$_._m**	**(C)**

FY14 key projects can be found on page 22 of the FY13 Results presentation

Earnings from remaining non provisioned lots	Apartments	MPC		
% of lots settled	0.0%	100.0%		
Non provision lots minus key projects	0	253		
Average price	$_._m	$_._m		
Gross margin	_._%	_._%		
Gross margin from remaining non provisioned lots	$_._m	$_._m	$_._m	(D)
Development management fee revenue			$_._m	(E)
Selling and marketing expenses			($_._m)	(F)
Overheads			($_._m)	(G)
Development EBIT			**$_._m**	**(C+D+E+F+G)**

Take the product of % of lots forecast to settle and subtract key project lots highlighted above. Split for FY14 is 30% Apartment lots and 70% Masterplanned Communities

Note this information is provided in the analyst toolkit in excel.

DEVELOPMENT HISTORICAL INFORMATION (FY10 – 1H14)

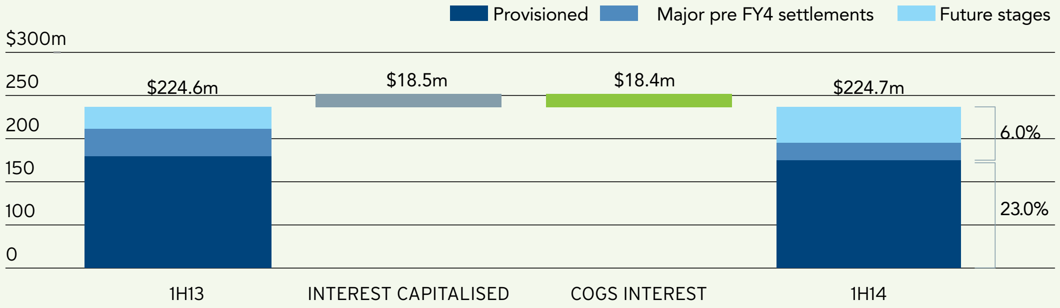
	1H14	FY13	1H13	FY12	FY11	FY10
Development and construction revenue	543.2	820.8	317.3	918.4	958.1	862.2
Gross margin	15.2%	16.7%	15.1%	14.3%	14.2%	11.4%
Gross residential margin (excluding zero margin)	21.0%	20.4%	18.9%	17.9%	17.9%	17.6%
EBIT	54.5	95.0	31.5	91.3	86.7	51.3
Operating profit (profit before non-cash and significant items)	26.2	37.1	8.0	15.2	34.0	20.1

	1H14 lots	FY13 lots	1H13 lots	FY12 lots	FY11 lots	FY10 lots
Apartments	321	332	79	353	230	636
Masterplanned communities	711	1,477	615	1,454	1,494	1,169
Lots settled	**1,032**	**1,809**	**694**	**1,807**	**1,724**	**1,805**

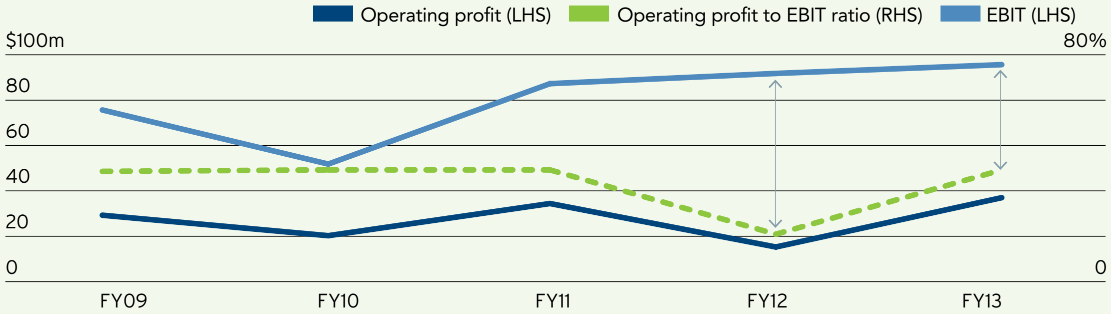
CAPITALISED INTEREST

- Capitalised interest now represents 11.9% of gross inventory, down from 12.4% at FY13
- Capitalised interest is 6.0% as a percentage of gross inventory for non-provisioned projects, and 23.0% for provisioned projects
- 67% of the capitalised interest balance is accounted for provision projects
- Operating profit to EBIT ratio trending back towards normalised levels – expect a range of 40% to 55% through cycle depending on product mix and contribution of different capital structures

CAPITALISED INTEREST PROFILE

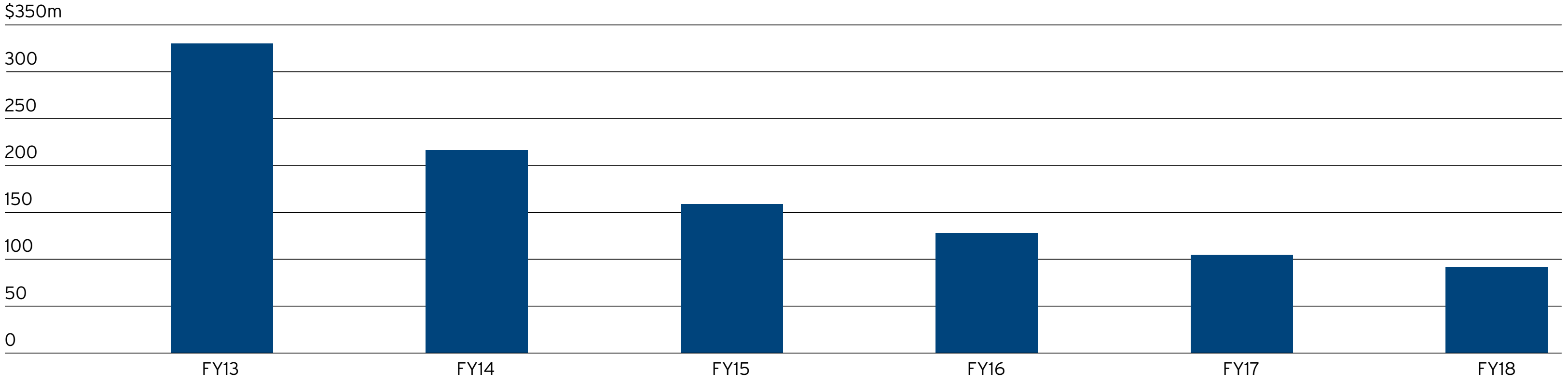


OPERATING PROFIT TO EBIT RATIO

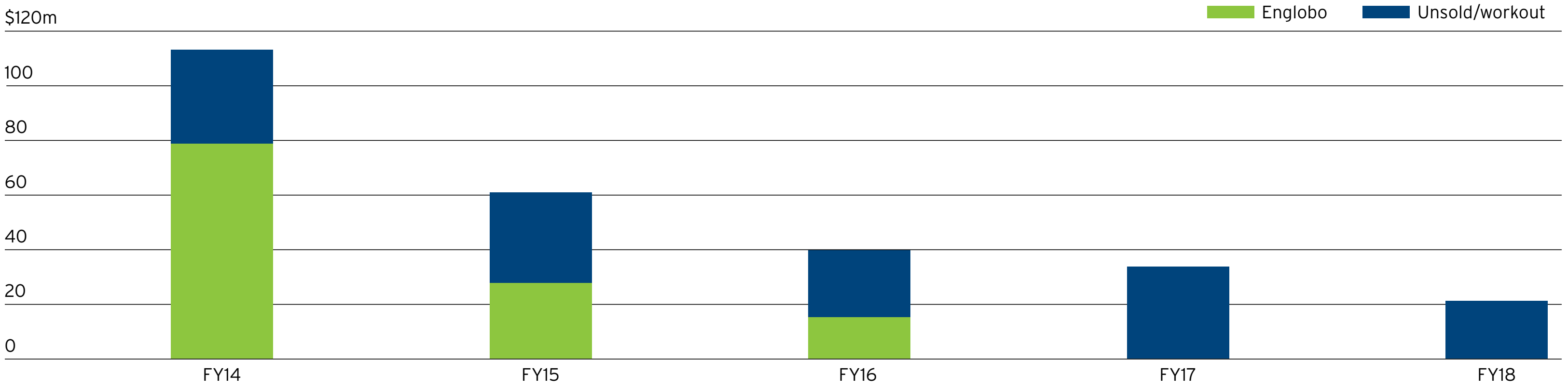


PROVISIONS – ROLL OFF[1]

PROVISION BALANCE PROFILE



PROVISION RELEASE PROFILE



1) Based on forecast revenue, market conditions, expenditure and interest costs over project life.

PROVISIONS – PROJECTS UPDATE

PROVISION PROJECTS UPDATE

Englobo project sales	Product line	Status
Spring Farm, NSW (stages 4 and 5)	Masterplanned communities	Sold

Englobo update	Product line	Update
Mariner's Peninsula, QLD	Apartment	Exchanged 1H14
Foreshore Hamilton, QLD	Apartment	Exchanged 1H14
Hope Island, QLD	Masterplanned communities	On track FY14
Belmont Aero, NSW	Commercial	On track FY14
Mackay, QLD (stages 2 and 3)	Commercial	On track FY14

Unsold stock update	Product line	Update
Leighton Beach, WA	Apartment	Sold out
The Point, Mandurah, WA	Apartment	Sold out and settled
Ephraim Island, QLD	Apartment	Sold out and settled
Tennyson, QLD	Apartment	Selling to forecast
Waterfront, Park Precinct, QLD	Apartment	Selling to forecast
Burswood, WA	Apartment	Selling to forecast

RESIDENTIAL DEVELOPMENT NEW PROJECTS

- >1,100 new lots
- Key growth markets targeted
- Profit recognition profile both near and medium term
- Price points on strategy

	BONDI, NSW (100% MGR OWNED)	ELIZABETH HILLS, NSW (100% MGR OWNED)	ENCLAVE, VIC (100% MGR OWNED)	BRIDEWATER, WA (100% MGR OWNED)	BALDIVIS, WA (100% MGR OWNED)
Lots	>200	229	17	267	388
Market	Inner ring Apartments	Urban edge MPC	Infill ring MPC	Urban edge MPC	Infill ring MPC
First profit recognition	FY17	FY14	FY15	FY14	FY16
Average price point	$960k	$289k	$642k	$176k	$200k
Structure	100% balance sheet	100% balance sheet	100% balance sheet	100% balance sheet	100% balance sheet
Mirvac share of gross revenue	>$200m	$78.4m	$10.9m	$47.1m	$79.2m

HYPOTHETICAL PROFIT MAKING DEVELOPMENT PROJECT – TREATMENT OF CAPITALISED COSTS

PROJECT METRICS			TOTAL
Sales revenue			120
Land			(20)
Cost of property development and construction			(60)
Sales & marketing expenses			(10)
Interest costs			(10)
Total project return			**20**
Cash Flow	**Year 1**	**Year 2**	**Year 3**
Sales revenue			120
Land	(20)		
Cost of property development and construction	(20)	(40)	
Sales & marketing expenses	(5)		(5)
Interest costs	**(3)**	**(5)**	**(2)**
Net cash flow	**(48)**	**(45)**	**113**
P&L	**Year 1**	**Year 2**	**Year 3**
Sales revenue			120
COGS			(80)
Gross margin	–	–	40
Sales & marketing expenses	(5)	–	(5)
EBIT	(5)	–	35
Interest and finance charges paid/payable	–	–	**(2)**
Interest capitalised in current and prior years expensed this year	–	–	(8)
Total finance costs	–	–	(10)
Operating net profit	**(5)**	**–**	**25**
Balance Sheet	**Year 1**	**Year 2**	**Year 3**
Cost of acquisition	20	20	–
Development costs	20	60	–
Borrowing costs capitalised during development	**3**	**8**	–
Gross inventory	**43**	**88**	**–**

During construction all interest costs are capitalised to inventory. These are released in the P&L on settlement through 'Borrowing costs capitalised during development'.

Upon the completion of construction interest costs are expensed directly to the P&L.

Upon settlement capitalised acquisition (land) and development (construction) costs are released in the P&L through 'COGS'.

HYPOTHETICAL PROVISIONED DEVELOPMENT PROJECT – TREATMENT OF CAPITALISED COSTS

PROJECT METRICS					TOTAL
Sales revenue					100
Land					(25)
Cost of property development and construction					(50)
Sales & marketing expenses					(10)
Interest costs					(25)
Total project return					**(10)**
Cash flow	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Sales revenue					100
Land	(25)				
Cost of property development and construction	(5)	(10)	(15)	(20)	
Sales & marketing expenses	(5)				(5)
Interest costs	(3)	(5)	(7)	(8)	(2)
Net cash flow	(38)	(15)	(22)	(28)	93
P&L	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Sales revenue					100
COGS					(75)
Gross margin	–	–	–	–	**25**
Sales & marketing expenses	(5)	–	–	–	(5)
EBIT	(5)	–	–	–	20
Interest and finance charges paid/payable					(2)
Interest and finance charges paid/payable – provision release					**2**
Interest capitalised in current and prior years expensed this year – provision release					(23)
Interest capitalised in current and prior years expensed this year – provision release					**3**
Total finance costs	–	–	–	–	(20)
Operating net profit	(5)				
Inventory impairment		(5)			
Statutory net profit	(5)	**(5)**	–	–	–
Balance sheet	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Cost of acquisition	25	25	25	25	–
Development costs	5	15	30	50	–
Borrowing costs capitalised during development	3	8	15	23	–
Gross inventory	33	48	70	98	–
Provision for loss	–	(5)	(5)	(5)	–
Net inventory	33	**43**	**65**	**93**	–

This is the same project but it has suffered from a 2 year delay in construction, increasing interest costs and resulting in a negative project return.

In year 2 when the construction delays become apparent, an inventory impairment is taken to reflect the reduced net realisable value of the project.

Gross margin is not affected by interest (project delay impact) Impairment in this example relates to increased finance costs from time delay. If the impairment related to increased development costs causes the margin to be negative then the impairment is applied to make gross margin zero through COGS provision and COGS interest provision, released on settlement.

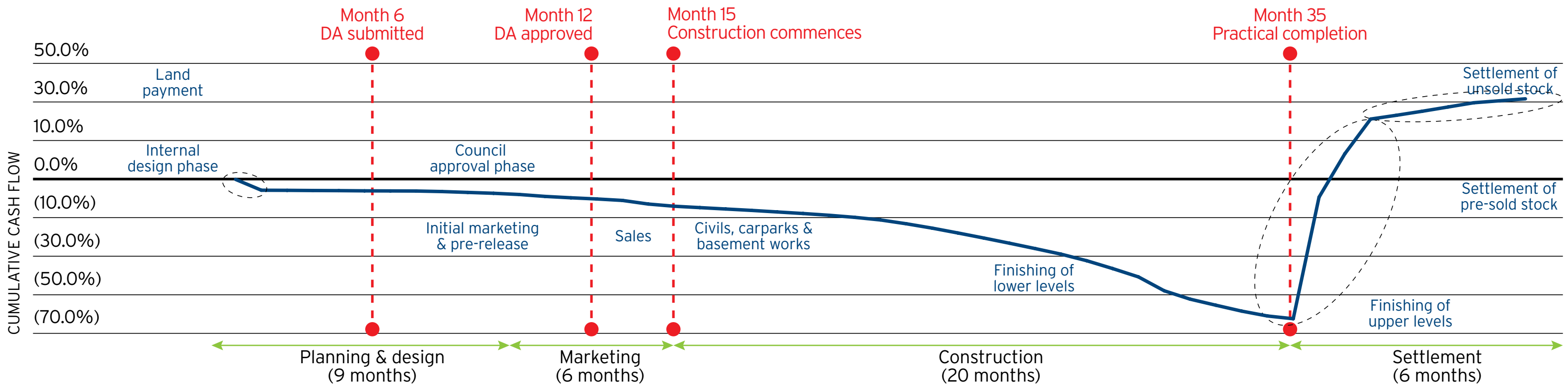
The Inventory is not written down at the time of the impairment but a provision for loss is added to the balance sheet. This provision is released against interest costs upon settlement.

RESIDENTIAL DEVELOPMENT HIGH DENSITY = APARTMENTS

PROFILE OF HIGH DENSITY

- High barriers to entry
- Acceptable risk return profile
- Larger quantum of return
- More capital intensive
- Longer cash conversion cycle – approximately 2-3 years
- Complex skill set
- Pre-sales for de-risking

GENERIC PROFILE – SINGLE STAGE, 200 UNIT APARTMENT PROJECTS



PROFIT & LOSS IMPACT

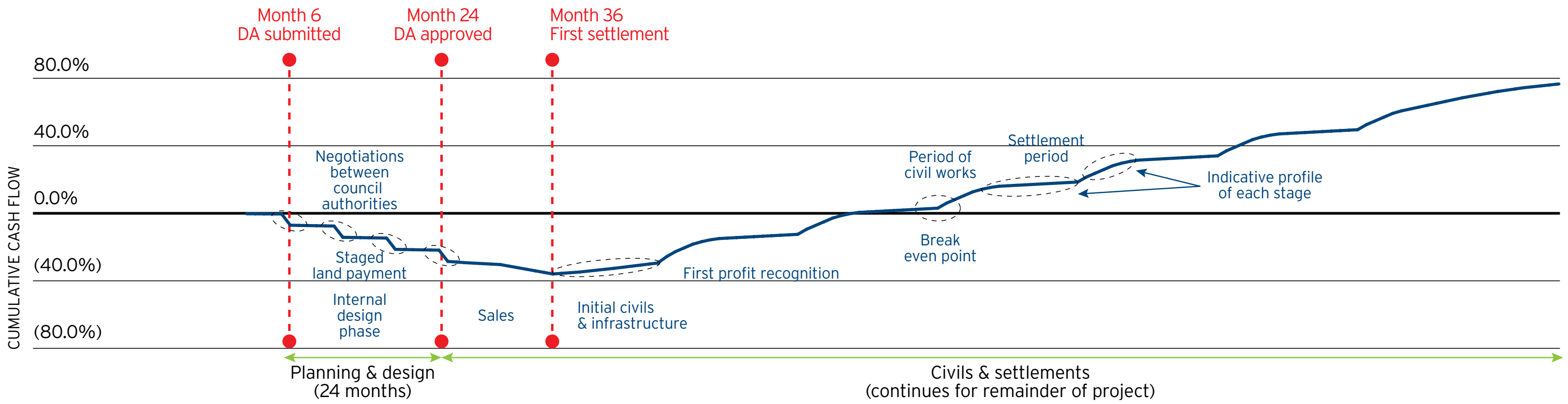
100% project	Marketing expensed; Sales commissions expensed	100% of profit recognised on settlement
Development Agreements	Mirvac share of equity accounted sales and marketing expenses	Mirvac share of equity profits recognised on settlement
Fee stream	*Cost based fees – billed for design, marketing and construction costs*	*Revenue based fees*
50% joint venture	50% of equity accounted sales and marketing expenses	50% of equity profits recognised on settlement
Fee stream	*Cost based fees – billed for design, marketing and construction costs*	*Revenue based fees*
Wholesale partnership	Mirvac share of equity accounted sales and marketing expenses	Mirvac share of equity profits recognised on settlement
Fee stream	*Cost based fees – billed for design, marketing and construction costs*	*Revenue based fees*

RESIDENTIAL DEVELOPMENT LOW DENSITY = MASTERPLANNED COMMUNITIES

PROFILE OF LOW DENSITY

- Lower capital commitment
- Smoother earnings
- Delivery less complicated
- Flexibility of stock and staging
- Shorter cash conversion cycle – approximately 6 to 12 months
- Risk in planning at acquisition

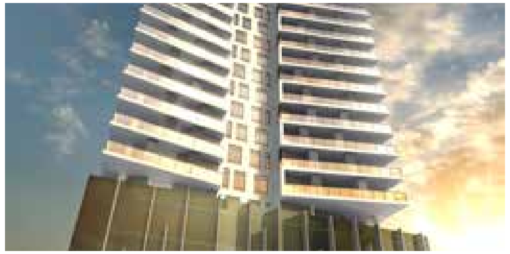
GENERIC PROFILE – MULTI STAGE, 1,000 LOT MASTERPLANNED COMMUNITY



PROFIT & LOSS IMPACT

100% project		Marketing expenses	100% of profit recognised on settlement
Development Agreements		Marketing expenses	Mirvac share of equity profits recognised on settlement
Fee stream	*Cost based fees*		*Revenue & cost based fees*
50% joint venture		Marketing expenses	50% of equity profits recognised on settlement
Fee stream	*Cost based fees*		*Revenue & cost based fees*
Wholesale partnership		Marketing expenses	Mirvac share of equity profits recognised on settlement
Fee stream			*Revenue & cost based fees*

OUR MARKETS

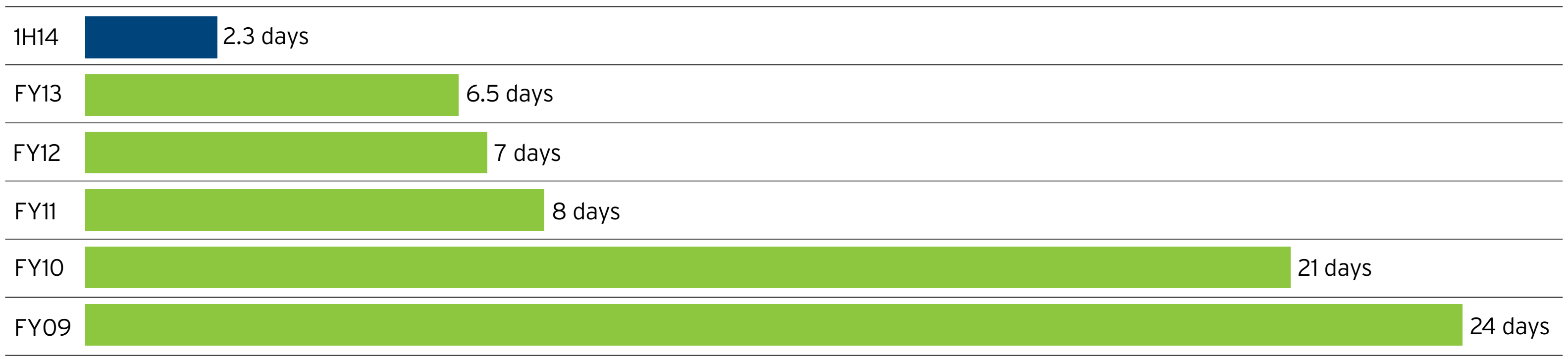
SECTOR	DESCRIPTION	SUB-MARKET	EXAMPLE DEVELOPMENTS	
Residential	**Masterplanned communities** › Land subdivision › Completed housing[1] › Packaged housing[2] › Integrated housing	› First home buyers › 2nd/3rd home buyers › Investors › Typical price range: › Land $170K - $300K › Housing $350K - $600K › Integrated housing $375K - $1m	 Middleton Grange, NSW	 Elizabeth Hills, NSW
	Apartments › Mid market › High end › Often as part of larger scale urban renewal projects (multiple stages)	› Owner occupiers (60%) › Investors (40%) › Typical price range: › 1 bed $400K - $550K › 2 bed $600K - $900K › 3 bed $800K - $2.0m › Penthouse $1.5m - > $6m	 Harold Park, NSW	 Era, Chatswood, NSW
Commercial	**Office / Industrial / Retail** › Investment grade development suitable for MPT, third party or capital partner		 Treasury Building, WA	 200 George Street, NSW

1) Mirvac build and sell houses on completion.
2) Packaged housing comprises land sale plus construction of a house with progress payments on purchase.

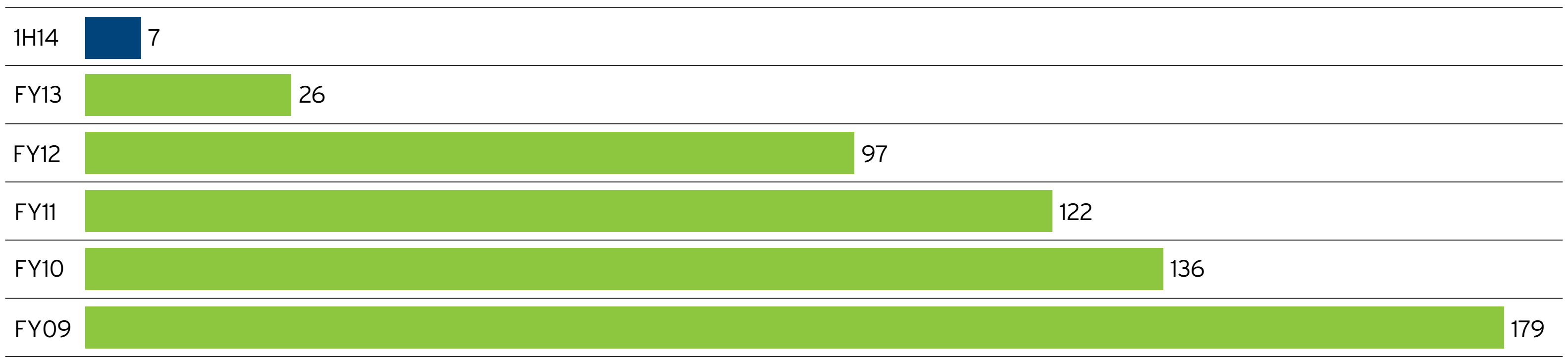
HEALTH AND SAFETY

HEALTH AND SAFETY [1]

AVERAGE TIME LOST THROUGH INJURY IN DAYS



NUMBER OF INJURIES RESULTING IN WORKERS COMPENSATION CLAIMS



FROM FY09 TO FY13 AVERAGE TIME LOST THROUGH INJURY DAYS HAS REDUCED BY

72.9%

FROM FY09 TO FY13 THE NUMBER OF INJURIES RESULTING IN WORKERS COMPENSATION CLAIMS HAS REDUCED BY

85.5%

1) Mirvac sold the hotel management business on 22 May 2012. Figures displayed above prior to FY13 will include elements of the hotel management business.

CALENDAR

CY14 CALENDAR[1]

UPCOMING CONFERENCE ATTENDANCE:

EVENT	LOCATION	DATE
Private roadshow	Sydney	21 and 25 February 2014
Private roadshow	Melbourne	24 February 2014
Private roadshow	Singapore	27 February 2014
Private roadshow	Hong Kong	28 February 2014
Citi Global Property CEO Conference	Florida	3-4 March 2014
Private Roadshow	USA	5-7 March 2014

UPCOMING ANNOUNCEMENTS:

EVENT	LOCATION	DATE
Q3 market update	Webcast	1 May 2014
FY14 Annual Report	Sydney	21 August 2014

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1) All dates are indicative and subject to change.

GLOSSARY

TERM	MEANING
1H	First half
A-REIT	Australian Real Estate Investment Trust
AFFO	Adjusted Funds from Operations
BP	Basis Points
CBD	Central Business District
COGS	Cost of Goods Sold
CPSS	Cents Per Stapled Security
DA	Development Application – Application from the relevant planning authority to construct, add, amend or change the structure of a property.
DPS	Distribution Per Stapled Security
DMA	Development Management Agreement
EBIT	In the current reporting period, Mirvac has revised its definition of Earnings Before Interest and Taxes (EBIT). Mirvac considers interest income from joint ventures and interest income from mezzanine loans to be part of a business's operations and should therefore form part of operating revenue. Prior to FY11, interest income from joint ventures and interest income from mezzanine loans were shown as part of interest revenue. All historical EBIT figures in this presentation have been re-stated to reflect the current definition of EBIT for comparability.
EIS	Employee Incentive Scheme
ENGLOBO	Group of land lots that have subdivision potential
EPS	Earnings Per Stapled Security
FHB	First Home Buyer
FFO	Funds from Operations
FY	Financial Year
GE	GE Real Estate Investments Australia
ICR	Interest Cover Ratio
IFRS	International Financial Reporting Standards
IPD	Investment Property Databank
IPUC	Investment properties under construction
IRR	Internal Rate of Return

TERM	MEANING
JV	Joint Venture
LPT	Listed Property Trust
MAT	Moving Annual Turnover
MGR	Mirvac Group ASX code
MPT	Mirvac Property Trust
MTN	Medium Term Note
MWRDP	Mirvac Wholesale Residential Development Partnership
NABERS	National Australian Built Environment Rating system – The National Australian Built Environment Rating System is a multiple index performance-based rating tool that measures an existing building's overall environmental performance during operation. In calculating Mirvac's NABERS office portfolio average, several properties that meet the following criteria have been excluded: i) Future development - If the asset is held for future (within 4 years) redevelopment ii) Operational control -If operational control of the asset is not exercised by MPT (ie tenant operates the building or controls capital expenditure). iii) Less than 75% office space - If the asset comprises less than 75% of NABERS rateable office space by area. iv) Buildings with less than 2,000sqm office space
NLA	Net Lettable Area
NOI	Net Operating Income
NPAT	Net Profit After Tax
NRV	Net Realisable Value
NTA	Net Tangible Assets
PCA	Property Council of Australia
PDA	Project Delivery Agreement. Provision of development services by Mirvac to the local land owner
ROIC	Return on Invested Capital calculated as earnings before interest and tax divided by invested capital.
SQM	Square Metre
USPP	US Private Placement
WACR	Weighted Average Capitalisation Rate
WALE	Weighted Average Lease Expiry

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