30 April 2015

MIRVAC 3Q15 OPERATIONAL UPDATE

Please find attached Mirvac's FY15 3Q Operational Update for the period ended 31 March 2015.

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3Q15 operational update by mirvac

Mirvac's continued focus on delivering its strategy has resulted in solid progress over the three months to 31 March 2015. Strong metrics in the investment portfolio, the continued delivery of the commercial development pipeline and ongoing momentum in the residential business ensures the Group is well-placed to achieve its full-year targets.

The Group remains on track to deliver its FY15 operating earnings guidance of 12.2 to 12.3 cents per stapled security ("cpss"), and full-year distribution guidance of 9.2 to 9.4 cpss.

Mirvac's investment portfolio, spanning the office, retail and industrial sectors, continued to outperform the IPD index on a three and five year basis[1], while solid metrics were maintained, with occupancy of 97.4 per cent[2] and a WALE of 4.5 years[3]. Approximately 18,000 square metres of leasing activity was achieved across the portfolio during the quarter.

Mirvac's committed office development pipeline remains on track and is substantially pre-leased to high quality tenants, while its retail developments continue to progress in line with expectations.

The demand for housing continued to drive strong performance in Mirvac's residential business, particularly in Sydney and Melbourne, with $1.6 billion[4] of exchanged pre-sales contracts achieved as at 31 March 2015, providing further visibility of future earnings.

Responding to strong residential market conditions, Mirvac released over 600 lots during the quarter and is on track to release more than 2,700 lots from major projects by the end of FY15.

Mirvac's expected FY15 Development EBIT[5] was 82 per cent secured by the end of the quarter, primarily driven by the contribution of over 1,500 lot settlements in the residential business.

As part of its target to divest $200 million to $400 million of assets in FY15, Mirvac commenced a sales campaign for five office assets and one retail asset. Contracts were exchanged for 54 Marcus Clarke Street and 60 Marcus Clarke Street, Canberra in April 2015, slightly above 31 December 2014 book value, with settlement expected mid-2015.

The Group's balance sheet is strong, and gearing is expected to remain within the target range of 20 to 30 per cent at financial year end.

The Group continued to embed sustainability across all sectors of the business, with its newest residential development, The Moreton in Bondi, Sydney having been designed to exceed the Building Sustainability Index (BASIX) for water and energy by 25 per cent. Within its office portfolio, Mirvac's premium-grade tower, 8 Chifley in Sydney, achieved a 6 Star Green Star As-Built rating, while 200 George Street, Sydney was awarded a 6 Star Green Star – Office Design v3 rating, demonstrating the Group's ability to create world class, sustainable workplaces.

Mirvac also hosted its inaugural *Future of Place* forum during the quarter, which forms part of the Group's *This Changes Everything* sustainability strategy. The forum brought together leading architects, designers and planning experts to discuss best practice place-making initiatives in an ever-changing global landscape.

"We are pleased with the progress we have made against our full year objectives and we continue to focus on positioning the business for the future. Our investment portfolio continues to perform well, with high occupancy and a solid WALE reflecting the team's active asset management capabilities.

"Continued demand for housing, particularly in Sydney and Melbourne, has driven an increase in residential pre-sales to $1.6 billion as at 31 March 2015. Our overweight position to these markets means we are well-placed to deliver secured future earnings for the Group."

Susan Lloyd-Hurwitz, CEO & Managing Director

1) IPD peer group benchmark as at 31 December 2014. Direct standing basis only.
2) By area, excludes assets held for sale and indirect investments and includes 8 Chifley, NSW.
3) By income, excludes assets held for sale and indirect investments and includes 8 Chifley, NSW.
4) Adjusted for Mirvac's share of JVA and Mirvac managed funds.
5) Development EBIT before overheads and sales and marketing.

Office

Portfolio value **$4.1bn** | Occupancy **95.5%** | WALE **4.3yrs**

Mirvac's high quality office portfolio continued to perform well, with occupancy increasing slightly to 95.5 per cent [1] and a solid WALE of 4.3 years [2], as at 31 March 2015.

Mirvac completed 33 leasing transactions over approximately 10,100 square metres during the quarter, comprising 7,450 square metres of new leases and over 2,600 square metres of leasing renewals. These included:

- ~3,100 square metres at 90 Collins Street in Melbourne with an average lease term of 7.1 years; and
- ~1,600 square metres at 1 Southbank Boulevard in Melbourne with an average lease term of 5.4 years.

Mirvac also secured Heads of Agreements for over 44,000 square metres of office space as at 31 March 2015, with 24,000 square metres across metropolitan Sydney.

A sales campaign commenced for five office assets, including 210 George Street and 220 George Street, Sydney; 191-197 Salmon Street, Port Melbourne; 54 Marcus Clarke Street and 60 Marcus Clarke Street, Canberra. Mirvac exchanged contracts for the sale of 54 Marcus Clarke Street and 60 Marcus Clarke Street, Canberra in April 2015, while the remaining assets are subject to exclusive due diligence by potential purchasers.

The delivery of Mirvac's committed office development pipeline, which is expected to deliver an average yield on cost of over 7 per cent, remains on track and is substantially pre-let at 87 per cent, with:

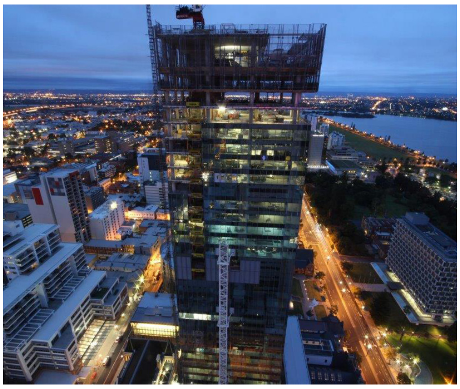
- 699 Bourke Street, Melbourne: base building works near completion and the tenant AGL, who will occupy 100 per cent of the building, currently undertaking fitout works. The building is on track for completion in FY15;
- Treasury Building, Perth: the structural core for the 33rd and final level of the building completed in March, with the project due for completion in mid-2015. The building is 99 per cent pre-leased to the State Government of WA for 25 years;
- 200 George Street, Sydney: construction works continuing to progress, with anchor tenants, EY, having pre-committed to 74 per cent of office space. The building is due for completion in FY16; and
- 2 Riverside Quay, Melbourne: construction commenced in November 2014 and is on track for completion in FY17. The building is 82 per cent pre-leased to PwC for an initial 12-year term.

Mirvac remains focused on leasing vacant space and managing near term expiries, and delivering its $1.3 billion committed office development pipeline currently underway.

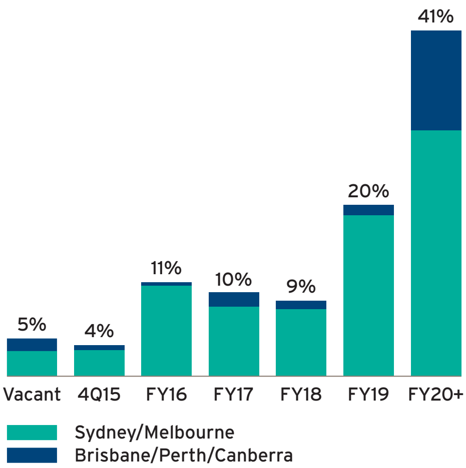
"Our office portfolio continues to be well-positioned, with an 82 per cent overweight exposure towards the stronger markets of Sydney and Melbourne, and minimal near term lease expiries in Brisbane, Perth and Canberra." **Susan Lloyd-Hurwitz, CEO & Managing Director**

699 BOURKE STREET, MELBOURNE, VIC

TREASURY BUILDING, PERTH, WA



OFFICE – LEASE EXPIRY PROFILE [2]



COMMITTED OFFICE DEVELOPMENT PIPELINE

	Area (sqm)	Ownership	% Pre-leased	Estimated end value [3]	Forecast yield on cost	Capitalisation rate [4]
699 Bourke St, VIC	19,300	50%	100%	$146m	7.2%	6.5%
Treasury Building, WA	30,800	50%	99%	$330m	8.4% [5]	7.15%
200 George St, NSW	39,200	50%	74%	$625m	7.2%	6.5%
2 Riverside Quay, VIC	21,000	50%	82%	$212m	6.7%	6.12%
Total	**110,300**		**87%**	**$1,313m**		

1) By area, including 8 Chifley, NSW.
2) By income, including 8 Chifley, NSW.
3) Represents 100 per cent of expected end value.
4) Based on capitalisation rate as determined at the time Mirvac entered into an agreement for the sale of a 50 percent interest in the asset.
5) Yield on cost reflects total project return, inclusive of development profit and fees.

Retail

Portfolio value **$2.1bn** | Occupancy **99.1%** | MAT growth **3.4%**

Mirvac's retail strategy to focus on key urban markets, underpinned by a 67 per cent weighting towards Sydney, continued to produce solid results in the quarter.

Retail sales gathered momentum over the period, with total comparable MAT growth increasing to 3.4 per cent[1] and comparable specialty sales growth increasing to 3.2 per cent[1]. Comparable specialty sales productivity increased to $8,530 per square metre on a slightly reduced occupancy cost ratio of 16.3 per cent[2].

Further demonstrating Mirvac's retail capability, Broadway Shopping Centre in Sydney ranked number one in Shopping Centre News' Big Guns Awards 2015 for annual turnover per square metre for the third year in a row.

Occupancy in the retail portfolio was strong at 99.1 per cent[3] and Mirvac secured new leases and renewals over approximately 8,000 square metres during the quarter, with leasing spreads remaining positive.

The Stage 4 extension at Stanhope Village in Sydney was completed in March 2015, ahead of schedule and fully leased on completion. Early indicators of trading performance are pleasing.

Other projects within the retail development pipeline progressed, with Orion Springfield Central (Stage 2) in Queensland now 71 per cent leased and due for completion in FY16. Construction also commenced on the Harold Park Tram Sheds in Sydney, which will comprise over 6,000 square metres of retail space and will include a supermarket, market style food halls, boutique retailers, cafes, restaurants and a gymnasium, as well as 500 square metres of community space dedicated to Sydney Council on completion.

City Centre Plaza, Rockhampton, which was held for sale at 31 December 2014, remains on track for settlement in the last quarter of FY15. The Group has also received solid interest for the sale of Hinkler Central in Bundaberg.

There are signs of improved retail sales in the sector following low interest rates and a resurgence in housing activity, particularly in New South Wales which has recorded strong levels of retail sales over the past year. Incentives remain elevated, however, a recovery in sales growth in some discretionary categories is encouraging.

Mirvac's overweight position towards Sydney and key metropolitan markets means it is well placed to capture the benefits of densely populated urban areas.

"The strong sales performance we achieved in the quarter demonstrates the benefit of our strategy to be overweight in metropolitan Sydney and urban markets, and we expect our retail assets in these areas to continue to outperform." **Susan Lloyd-Hurwitz, CEO & Managing Director**

RETAIL SALES BY CATEGORY[1]

Category	Total MAT 3Q15	Comparable MAT Growth 3Q15	Comparable MAT Growth 1H15
Non-food majors	$228.1m	2.1%	1.0%
Food majors	$875.5m	5.6%	5.1%
Mini majors	$347.2m	1.4%	0.7%
Specialties	$915.4m	3.2%	2.9%
Other retail	$183.4m	1.4%	3.4%
Total	**$2,549.7m**	**3.4%**	**3.1%**

BROADWAY SHOPPING CENTRE, NSW

The Centre ranked number one in Shopping Centre News' Big Guns Awards 2015 for annual turnover per square metre for the third year in a row.

STANHOPE VILLAGE, NSW

NLA (Stage 4 Expansion):	800 square metres
% leased:	100 per cent
Yield on cost on completion:	7.1 per cent

ORION SPRINGFIELD CENTRAL, QLD

NLA (Stage 2 Expansion):	32,000 square metres
Pre-let:	71 per cent
Yield on cost on completion:	7.3 per cent

1) Excludes assets under development, assets held for sale and Hinkler Central, QLD (flood affected).
2) Specialty occupancy costs excluding CBD centres: 14.9 per cent.
3) By area, excludes assets held for sale.

Industrial

Portfolio value **$631m** | Occupancy **99.6%** | WALE **7.8yrs**

Mirvac's industrial portfolio maintained its strong occupancy at 99.6 per cent[1], and the portfolio is de-risked with a long WALE of 7.8 years[2].

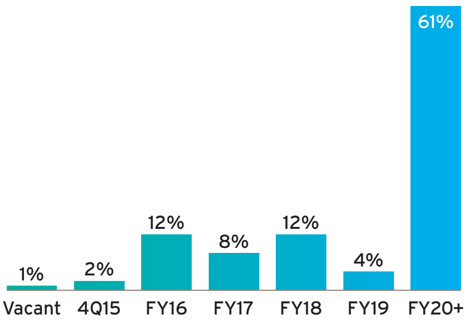
Settlement of the four Sydney assets purchased from Altis occurred in January 2015, increasing the size of the Group's industrial portfolio to over 393,400 square metres.

While tenant demand for new space remains relatively moderate, more certainty around future infrastructure spend in Sydney following the re-election of the New South Wales State Government is expected to be positive for both tenant and investor demand.

Rents in Sydney, where 90 per cent[3] of Mirvac's industrial assets are located, also showed upward movement in the quarter.

Plans for Mirvac's $121 million development pipeline[4] in Sydney's core industrial precinct, at 60 Wallgrove Road, Eastern Creek, continued to progress, with master plan concept approval received.

INDUSTRIAL – LEASE EXPIRY PROFILE[2]



"Our industrial portfolio continues to perform well, with over 99 per cent of the portfolio occupied and a long lease expiry profile." **Susan Lloyd-Hurwitz, CEO & Managing Director**

Residential

Lots under control **~31,000** | Pre-sales **$1.6bn** | Settled lots ytd **1,533**

Mirvac remains on track to settle over 2,200 residential lots in FY15, with a total of 1,533 lots settled to date.

During the quarter to 31 March 2015, the Group settled over 280 residential lots, with key contributions from Elizabeth Hills, Alex Avenue and Googong in New South Wales and Gainsborough Greens in Queensland.

Taking advantage of continued favorable market conditions, Mirvac accelerated the release of residential lots and remains on track to release greater than 2,700 lots from major projects in FY15.

As at 31 March 2015, the Group secured $1.6 billion[5] of exchanged pre-sales contracts, with 17 per cent expected to settle in the fourth quarter of FY15, and the remainder to settle over FY16, FY17 and FY18.

The business continued to focus on delivering its quality residential pipeline in the core metropolitan markets of Sydney, Melbourne, Brisbane and Perth. Key highlights across Apartments and Masterplanned Communities include:

Apartments

- successful launch of The Moreton at Bondi, Sydney with 93 per cent of 190 total lots pre-sold;
- successful sales release of Ovo at Green Square, Sydney in April 2015 with over 90 per cent of 224 total lots pre-sold;
- construction underway for Maestro (Precinct 3), Chevalier (Precinct 4B) and Altivolo (Precinct 6B) at Harold Park, Sydney, which are all 100 per cent pre-sold. Maxwell Place (Precinct 4A) is due to commence construction in May 2015. Development Approval for the final stage, Vance (Precinct 5) of approximately 240 lots has been lodged, with approval anticipated later this year;
- continued solid sales at Bolte, Yarra's Edge in Melbourne with over 40 sales in the quarter, and commenced construction at Forge apartments and Wharf's Entrance terraces following pre-sales of 68 per cent and 52 per cent respectively;

BONDI, NSW

OVO AT GREEN SQUARE, SYDNEY, NSW

ALTIVOLO AT HAROLD PARK, NSW

1) By area.
2) By income.
3) By value.
4) Represents 100 per cent of expected end value.
5) Adjusted for Mirvac's share of JVA and Mirvac managed funds.

Residential *continued*

Apartments *continued*

- secured 51 per cent pre-sales at Art House, Brisbane with construction works expected to commence in mid-2015; and
- achieved 81 per cent of pre-sales for Stage 1 of Unison, Waterfront in Brisbane, with construction progressing to schedule, and achieved 40 per cent of pre-sales for Stage 2, with early construction works currently underway.

Masterplanned Communities

- continued strong sales at Alex Avenue and Googong in New South Wales, with over 370 pre-sales currently secured;
- continued strong sales success at Harcrest, Melbourne with 99 per cent of released lots sold;
- sold out the first release at Woodlea, Rockbank and Jack Road, Cheltenham in Victoria with over 80 lots pre-sold;
- received strong interest for Tullamore, Doncaster (on the site of the old Eastern Golf Course in Melbourne), with the first sales release expected in the fourth quarter of FY15; and
- continued to achieve steady sales at Seascapes, Meadow Springs and Jane Brook in Perth.

Market conditions in the residential sector continue to be mixed across geography. A long period of undersupply and population growth in Sydney is sustaining demand, while population growth in Victoria, driven by strong levels of interstate migration, is boosting demand for inner and middle ring product in Melbourne. Brisbane continues to record some positive signs of price growth, while activity levels in Perth have begun to moderate.

The Group's overweight exposure to Sydney and Melbourne and an even split across product type means it is well positioned to secure future earnings through high levels of pre-sales.

ALEX AVENUE, NSW

HARCREST, VIC

TULLAMORE, DONCASTER, VIC

"Mirvac's potential to deliver over 10,000 lots in the next four years means we can continue to be disciplined in where and when we acquire new sites.

"We continue to attract strong interest for our residential projects, particularly in Sydney, as evidenced by successful sales releases at Bondi and Green Square." **Susan Lloyd-Hurwitz, CEO & Managing Director**

FY15 MAJOR APARTMENT RELEASE SCHEDULE

Project	State	Completed releases to 3Q15	4Q15 expected releases[1]
Green Square	NSW	238 lots	224 lots
Harold Park	NSW	244 lots	241 lots
Art House	QLD	189 lots	
Waterfront, Unison	QLD	279 lots	
Yarra's Edge, Bolte	VIC	246 lots	
Bondi	NSW	190 lots	
Claremont	WA		138 lots
Leighton Beach, Stage 2	WA	113 lots	

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1) Upcoming releases are an estimate only, and may be adjusted depending on market demand and the receipt of planning approvals.