mirvac

16 AUGUST 2016

FY16 Results

INDUSTRIAL

RESIDENTIAL

RETAIL

OFFICE

EVERYTHING'S connected

Agenda

Overview
Susan Lloyd-Hurwitz, CEO and Managing Director

Financial Results
Shane Gannon, Chief Financial Officer

Capital Allocation
Brett Draffen, Chief Investment Officer

Office & Industrial
Campbell Hanan, Head of Office & Industrial

Retail
Susan MacDonald, Head of Retail

Residential
John Carfi, Head of Residential

Summary and Guidance
Susan Lloyd-Hurwitz, CEO and Managing Director

Susan Lloyd-Hurwitz,
CEO and Managing Director

OVERVIEW

Mirvac delivers on promises

Focused urban strategy delivers strong results

13.0cpss EPS
12.3cpss FY15

9.9cpss DPS
9.4cpss FY15

13.8% Development ROIC
EXCEEDED TARGET OF 12%

Delivered top end of guidance

mirvac

28% OF PORTFOLIO LEASED IN FY16

7.9 years INDUSTRIAL WALE

Creating one of Australia's youngest and highest quality office portfolios

96.5% OFFICE OCCUPANCY

- Divested $787m non aligned office assets
- Completed 200 George Street development
- Office occupancy 96.5%
- Leased 28% of office portfolio
- Secured 110,000 sqm of pre-lease commitments
- Office WALE 6.5 years
- Industrial occupancy 100% and WALE of 7.9 years

Retail

9%
SALES PRODUCTIVITY GROWTH ON FY15

3.5%
LEASING SPREADS

Transforming retail business into an urban powerhouse that outperforms

99.4%
RETAIL OCCUPANCY

- Leasing spreads of 3.5%
- Leasing spreads positive for 16 consecutive quarters
- Retail occupancy 99.4%
- Sales productivity up 9% to $9,623 per sqm
- Retail developments delivered and on track

12.4%
RESIDENTIAL ROIC

Delivering record performance in residential through proven creation capability

24%
GROWTH IN LOT SETTLEMENTS

51%
EBIT GROWTH IN FY16

- Residential EBIT contribution up 51%
- 2,824 lots settlements, up 24% on FY15
- Secured pre-sales 45% higher at $2.9bn
- Settlement defaults <1%
- Sales activity up 8%
- ROIC 12.4% and gross margins 24.4%

Capital Management

21.9%
GEARING

$15m
COST SAVINGS

Maintain agility through disciplined capital management and continued focus on costs

- Gearing 21.9%
- $15m cost reductions on track
- Highly selective in acquisitions
- Greater clarity and visibility in reporting

In summary, this business is extremely well positioned for strong growth over the coming years, providing us with the opportunity to deliver an average 9% ROIC over the next 3 years and 8-11% earnings growth in FY17

Key enablers supporting value creation

INNOVATION

- Hatch innovation program progressed to ideation and experimentation phase across targeted missions
- Completed innovation training across senior management team
- Ranked third Most Innovative Company in Australia at the 2015 BRW Most Innovative Companies Awards and won Best Innovation Program

PEOPLE + LEADERSHIP

- Strengthened leadership team
- 2016 Employee Engagement score up 4 points to 68%
- Awarded PCA's inaugural Diversity Award and WGEA Employer of choice
- Launched the Mirvac Learning Academy
- Established a Flexibility Charter
- Launched the Building Balance initiative in construction

TECHNOLOGY

- Implemented hardware and software solutions across the business to facilitate flexibility
- Launched a business intelligence platform
- Progressed the implementation of a customer platform
- Delivered initial stage of Building Information Management (BIM) integration across development activities

SUSTAINABILITY

- Launched Social Return on Investment framework
- Launched Mirvac Energy
- Office portfolio achieved 5.1 star NABERS rating
- Delivered Mirvac's first SMART building at 200 George St, Sydney
- Launched House with No Bills
- Achieved 6 Star Green Star rating at 23 Furzer St, Canberra and 275 Kent St, Sydney

SAFETY

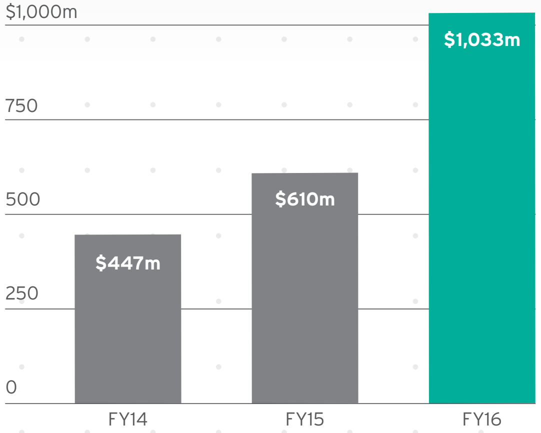
- Achieved an LTIFR of 2.2 against a target of less than 4
- 19 LTIs over 8.1m man hours worked
- 80 leaders completed officer training
- Alcohol and other drugs training delivered to over 1,100 staff

Shane Gannon,
Chief Financial Officer

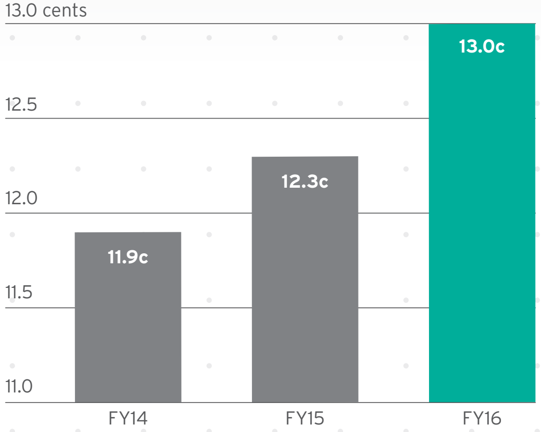
FINANCIAL RESULTS

Achieved top end of guidance with EPS growth of 5.7%

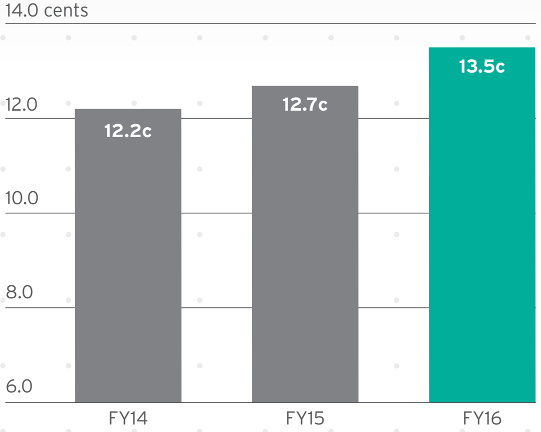
Statutory profit



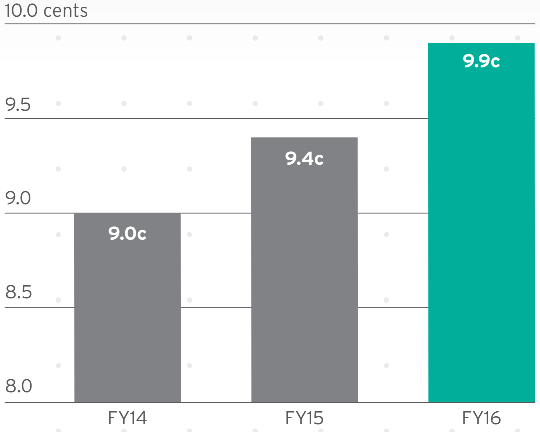
Operating EPS



FFO per security



DPS



69% STATUTORY PROFIT GROWTH ON FY15

5.7% EPS GROWTH ON FY15

$1.92 NTA PER SECURITY ↑10% FROM **$1.74** FY15

6.3% FFO PER SECURITY GROWTH ON FY15

5.3% DPS GROWTH ON FY15

76% FY16 PAYOUT RATIO

Strength through diversified earnings

Operating EBIT of $640m, up 7% on FY15

- Office & Industrial contribution impacted by $260m of asset sales in FY15
- Retail contribution slightly up on FY15 reflecting operating model review initiatives
- Residential contribution significantly up on FY16 reflecting improved margins and 24% growth in lot settlements

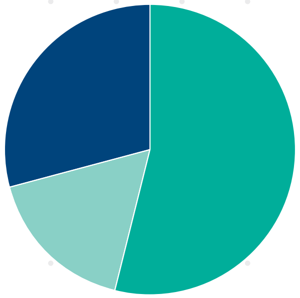
Management expense focus

- Operating model review (announced Jun 15) including offshore outsourcing completed
  - Target savings ~$15m pa from FY17
- Strengthened accountability through simplified reporting and corporate cost allocation framework
- Improved management expense ratio
  - Office & Industrial: 0.15% (FY15: 0.21%)
  - Retail: 0.30% (FY15: 0.52%)
  - Group: 0.55% (FY15: 0.75%)

Operating results

		FY16 $m	FY15 $m
Office & Industrial		358	388
Retail		117	113
Residential		196	130
Corporate & other		(31)	(31)
Operating EBIT	↑ 7%	**640**	**600**

EBIT contribution



- Office & Industrial: 54%
- Retail: 17%
- Residential: 29%

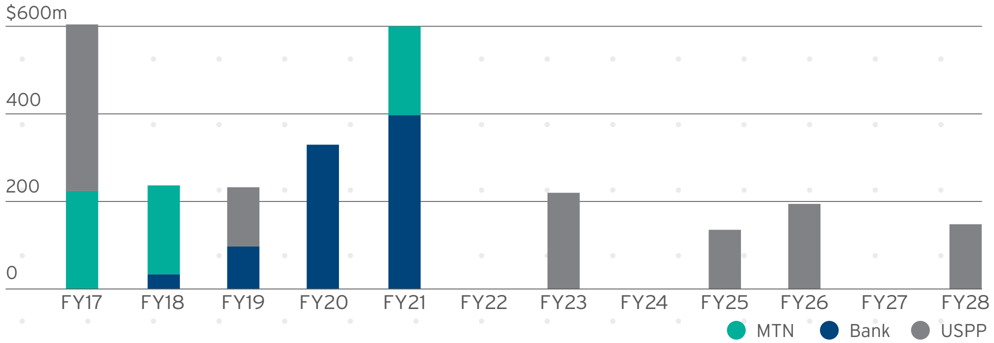
Maintaining an optimal capital structure

- Maintained gearing within target range of 20-30%
- Average borrowing cost reduced to 5.0%
- Average debt maturity of 4.0 yrs expected to increase to 5.4 yrs following:
  - repayment of Sep and Nov 16 debt expiries
  - completion of oversubscribed $536m USPP issuance, with tenor of 11, 12 and 15 years, in Sep 16
- Received Baa1 long-term issuer rating from Moody's and maintained S&P BBB+ credit rating
- $1,187m of cash and undrawn committed bank facilities

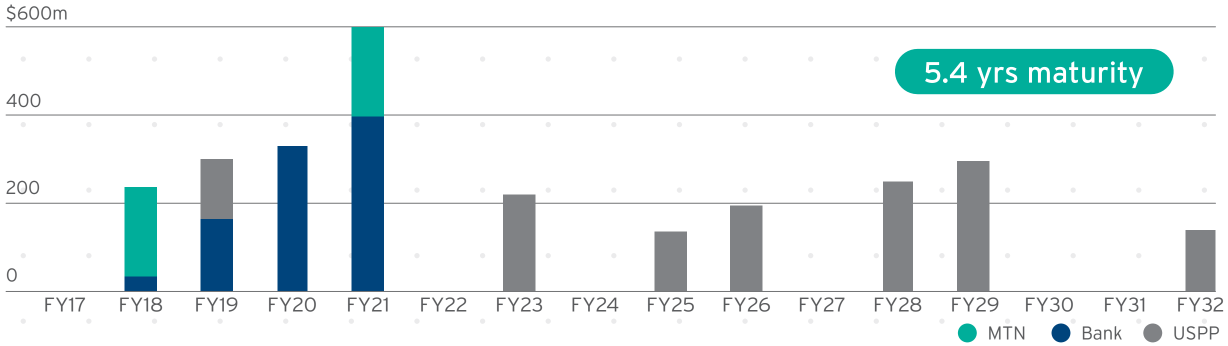
Capital management metrics

	FY16	FY15
NTA	$1.92	$1.74
Balance sheet gearing [1]	21.9%	24.3%
Look-through gearing	22.8%	25.2%
ICR [2]	5.2x	4.5x
Total interest bearing debt [3]	$2,707m	$2,565m
Average borrowing cost [4]	5.0%	5.2%
Average debt maturity	4.0 yrs	4.3 yrs
Hedged percentage	70%	61%
Average hedge maturity	4.5 yrs	5.2 yrs

Drawn debt maturities as at Jun 16



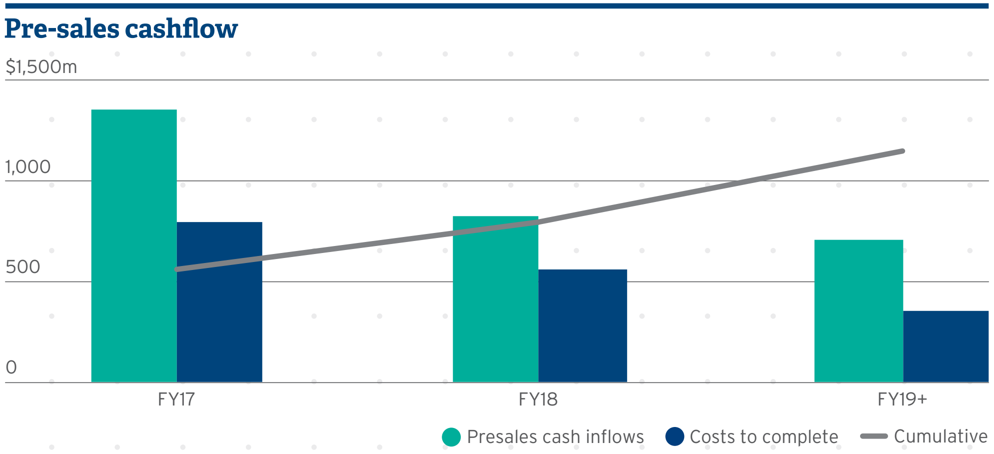
Proforma drawn debt maturities as at Jun 16



1. Net debt (at foreign exchange hedged rate) excluding leases/(total tangible assets – cash).
2. Adjusted EBITDA/finance cost expense.
3. Total interest bearing debt (at foreign exchange hedged rate) excluding leases.
4. Includes margins and line fees.

High level of visibility over future cashflows

- Consistent operating cashflows driven by rental income, residential settlements and commercial fund-through developments
  - Achieved a positive operating cashflow in FY16 of $509m with distributions cash covered
- Residential pre-sales of $2.9bn will generate net cashflow (after construction and other costs) of over $1.1bn by FY20
- Strong operating cashflows expected in FY17, with a skew to 2H17 driven by the timing of residential settlements

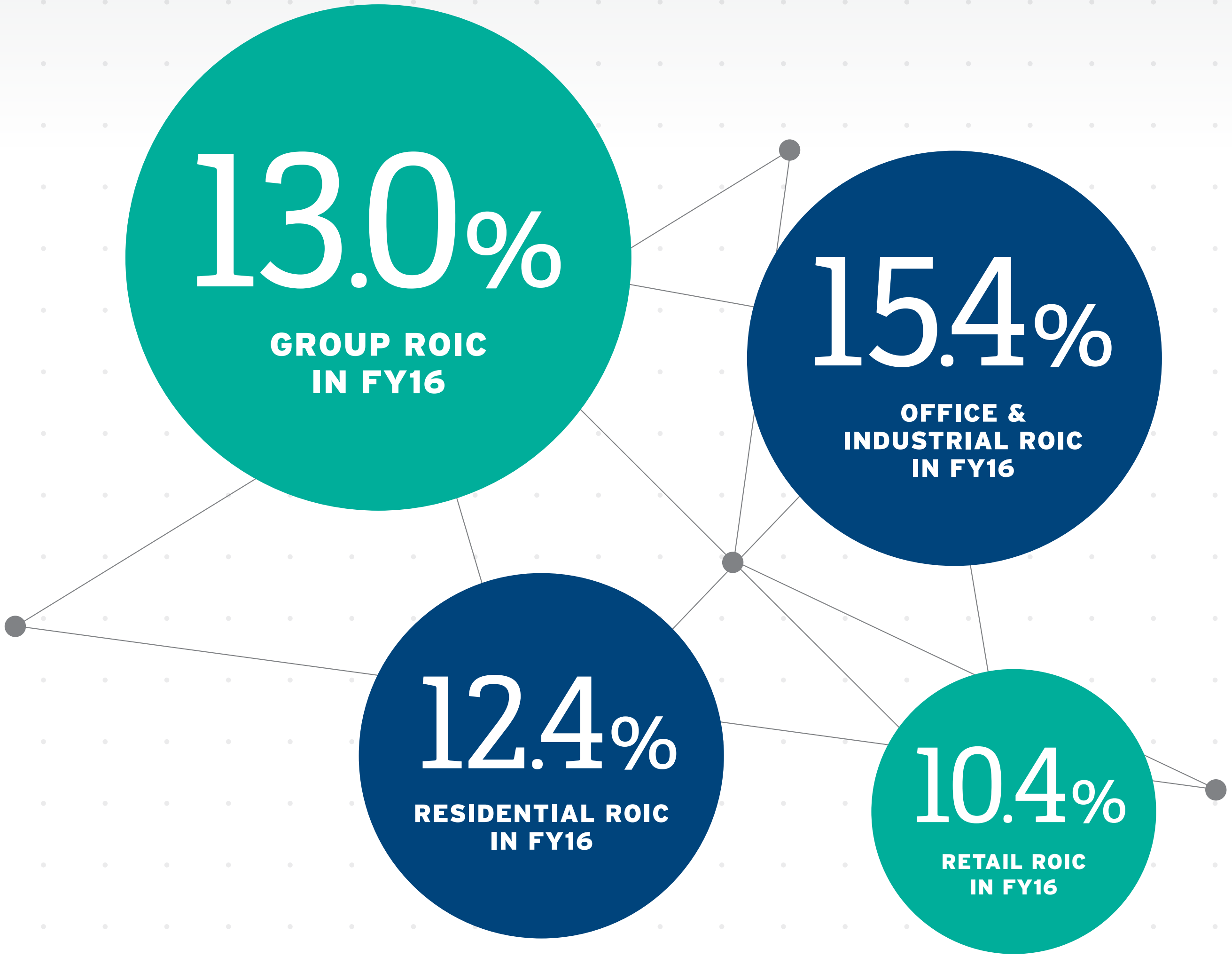


Brett Draffen,
Chief Investment Officer

CAPITAL ALLOCATION

Disciplined allocation of capital delivering solid returns

- 82% of capital in FY16 allocated to investment
  - Stable income that underpins the Group distribution
- 18% of capital in FY16 allocated to development
  - Secured capital partners to fund new opportunities
- Disposed $885m of non-aligned assets across the office and retail portfolios
- Invested $370m in acquisitions with the potential to unlock future value
- Maintained an overweight to Sydney and Melbourne



Capital strategy leveraging our capability

	Balance sheet assets	Third party capital under management
Office & Industrial	$5.4bn OFFICE & INDUSTRIAL	$4.4bn
Retail	$2.7bn RETAIL	$0.9bn
Residential	$1.8bn RESIDENTIAL	$0.2bn

Office & Industrial

- Deliver $500m (MGR cost to complete) of active developments
- Increase scale through future pipeline and acquisitions in conjunction with aligned third party capital
- Target to significantly grow third party capital under management

Retail

- Increase balance sheet weighting organically through development and disciplined acquisitions
- Implement strategy to increase third party capital under management at the appropriate time

Residential

- Maintain balance sheet capital around $2bn
- Leverage third party capital to grow market share
- Target $1bn third party capital under management

BENEFITS OF DIVERSITY

- Diversified earnings
- Mixed use opportunities
- Development capability
- Changes of use

Campbell Hanan,
Head of Office & Industrial

OFFICE & INDUSTRIAL

Transition to a higher quality portfolio

Repositioning the portfolio

- NOI impacted by timing differences between non-aligned asset sales and new developments
- Divested $787m of suburban office assets in FY16[1]
  - Total premium to previous book value of 7%
- Acquired $76m of industrial facilities in NSW and VIC ($48m on 1 Jul 16)

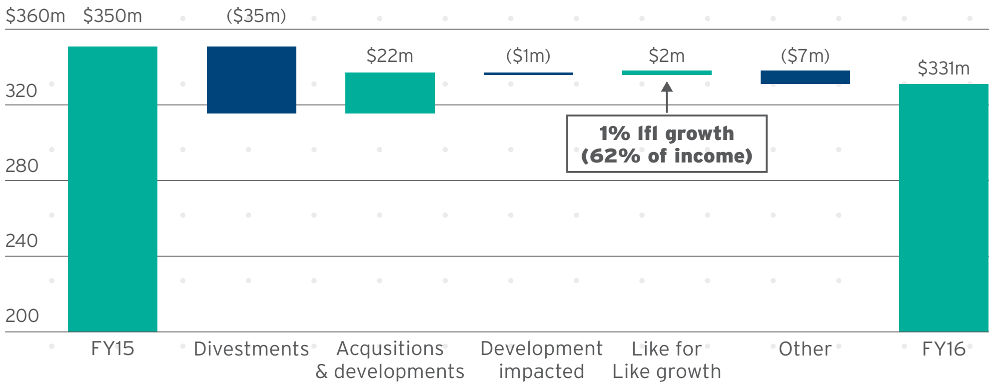
Reinvesting capital to create new high quality assets

- Completed 200 George St, Sydney development
- Completed Treasury Building in Perth with a 25 year lease to WA Government
- Asset and funds management EBIT up, reflecting increase in FUM
- Strong valuation uplift in FY16 on previous book values of 9.0%[3]
  - 61% of portfolio externally valued (42% 1H16 / 19% 2H16)

Results

	FY16 $m	FY15 $m
Office & Industrial NOI	331	350
Development EBIT	33	52
Asset and funds management EBIT	9	1
Management and administration expenses	(15)	(15)
Operating EBIT	**358**	**388**
Revaluation gain[2]	453	118
Gain on sale and other	23	(9)
Total return	**834**	**497**

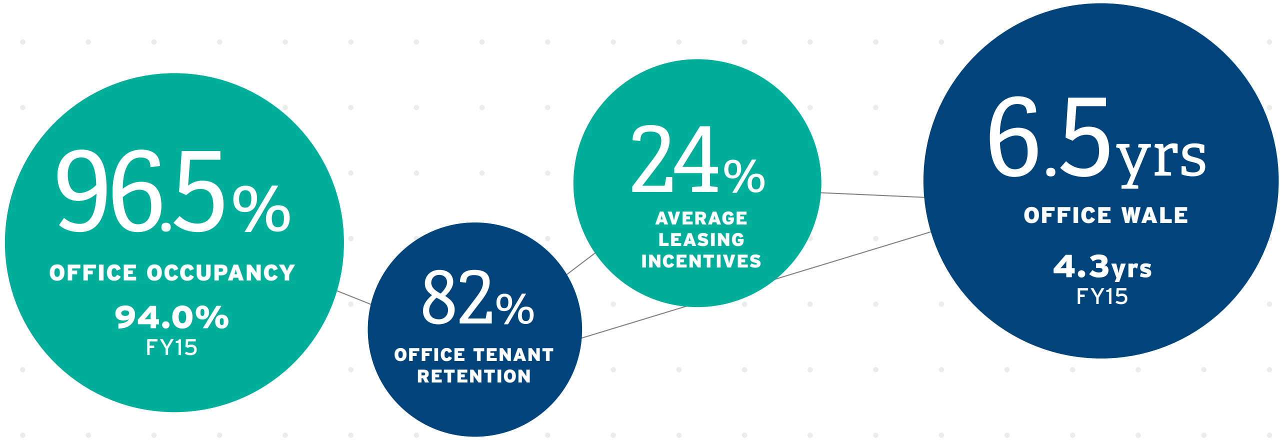
Office & Industrial NOI Waterfall



1. Excludes the value of the 1 Woolworths Way carpark development.
2. Includes revaluation of investment properties, IPUC, OOP and Mirvac's share of JVA.
3. Net gain on fair value of investment properties divided by book value prior to revaluation. Excludes transaction costs for acquisitions.

Strong office portfolio metrics underpinned by record leasing success

- Record leasing activity across the office portfolio, representing 28% of portfolio income
  - 275 Kent St, NSW (58,460 sqm)
  - 1 Woolworths Way, NSW (44,830 sqm)
  - 60 Margaret St, NSW (10,030 sqm)
  - 367 Collins St, Vic (8,920 sqm)
- Strong overall leasing spreads of 5.2%
- Secured commitments for over 110,000 sqm of new office space including:
  - Australian Technology Park: 93,000 sqm
  - 664 Collins St: 8,900 sqm



Office portfolio metrics[1]

	FY16	FY15
Portfolio value	$4,402m	$4,485m
WACR	6.23%	7.01%
Occupancy (by area)	96.5%	94.0%
WALE (by income)	6.5 yrs	4.3 yrs
Tenant retention	82%	56%
Like for like NOI growth	0.8%	2.6%

Investment portfolio leasing activity

	Area	Leasing spread	Average incentive	Average WALE
Office – Renewals	162,270 sqm	3.4%	23%	6.0 yrs
Office – New leases	53,564 sqm	7.3%	24%	6.8 yrs
Total Office	**215,834 sqm**	**5.2%**	**24%**	**6.4 yrs**

1. All metrics include equity accounted investments and OOP. Portfolio value includes one asset being held for development, which is excluded from all other metrics.

Industrial portfolio 100% leased and long WALE

- Further improving already exceptional metrics with >79,500 sqm of leasing activity, representing 17% of portfolio income
  - Retained Pacific Brands on a 7 year lease at 47-67 Westgate Drive, Altona North
  - Secured 10 year renewal (DHL), across 100% of GLA, at recently acquired 26-38 Harcourt, Altona North, VIC
  - 34-38 Anzac Ave, Smeaton Grange, NSW (14,700 sqm)
- 85% of portfolio weighted to Sydney
  - Assets located in core industrial zones or gentrifying areas
  - Portfolio size to increase to $777m following the acquisition of Rydalmere on 1 Jul 16

Industrial portfolio metrics

	FY16	FY15
Portfolio value	$729m	$661m
WACR	6.56%	7.02%
Occupancy (by area)	100.0%	98.7%
WALE (by income)	7.9 yrs	7.6 yrs
Like for like NOI growth	3.2%	3.4%

Acquired Jun 16

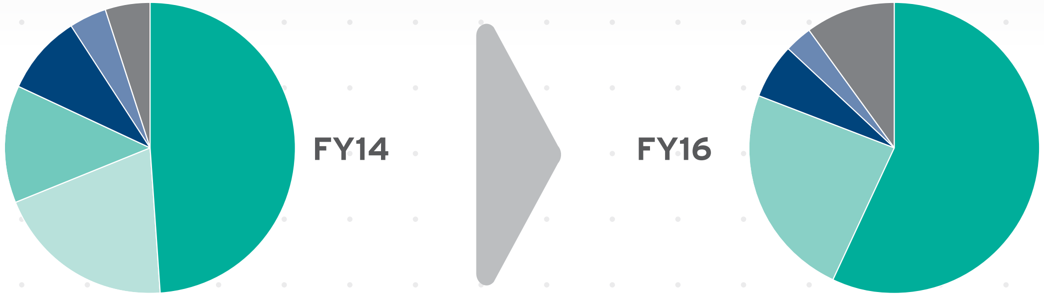
26-38 Harcourt, Altona North, VIC

Acquired 1 Jul 16

274 Victoria Rd, Rydalmere, NSW

Young office portfolio heavily weighted to Sydney and Melbourne

Geographic Diversification

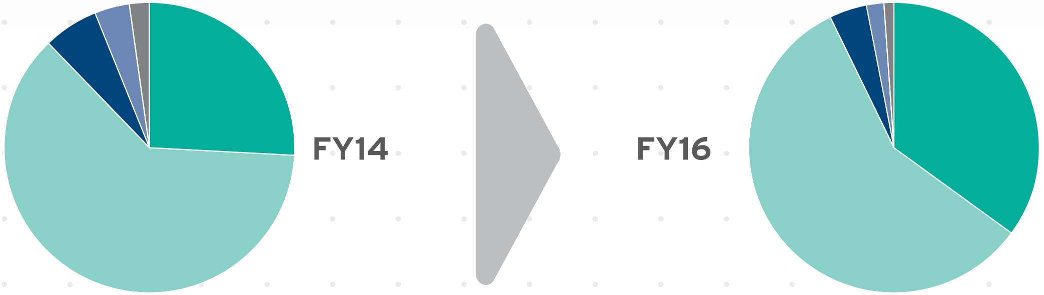


FY14:
- Sydney CBD/Fringe CBD: 49%
- Melbourne CBD/Fringe CBD: 20%
- Sydney/Melbourne metro: 13%
- Canberra: 9%
- Brisbane: 4%
- Perth: 5%

FY16:
- Sydney CBD/Fringe CBD: 57%
- Melbourne CBD/Fringe CBD: 24%
- Canberra: 6%
- Brisbane: 3%
- Perth: 10%

- Overweight to largest markets, Sydney and Melbourne
  - Sydney/Melbourne CBD and fringe CBD weighting 81%, up from 69% in FY14
- Disposed of all assets in metro markets in the past two years
- Increased weighting to Perth with the development of Treasury Building (25-year lease to WA State Government)

Grade Diversification



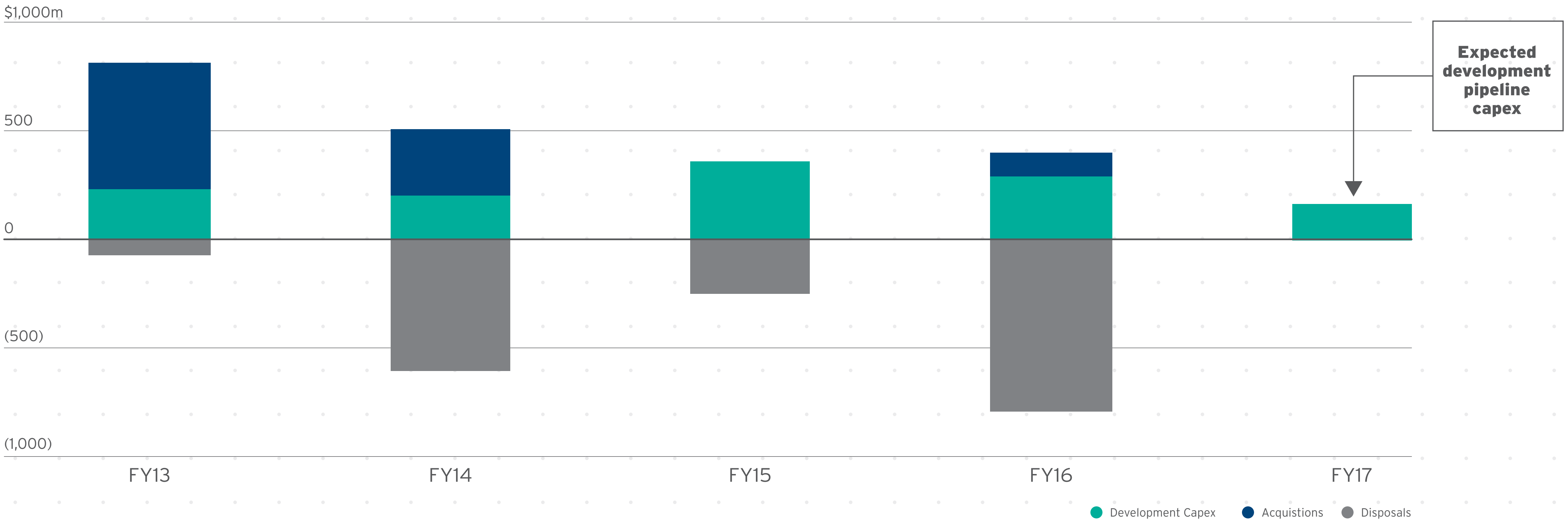
FY14:
- Premium: 26%
- A-Grade: 62%
- B-Grade: 6%
- C-Grade: 4%
- Other: 2%

FY16:
- Premium: 35%
- A-Grade: 58%
- B-Grade: 4%
- C-Grade: 2%
- Other: 1%

- Increased Prime grade exposure to 93% from 88% in FY14
- 57% of portfolio under 10 years
  - Completed >$800m of internally developed assets over the past two years
  - Internally developed assets require minimal capex in the medium term
    - 8 Chifley development 0.1% maintenance capex since completion in 2014

Funding office investments through disposals

- Asset sales of $1.6bn since 2014, on a passing yield of 7.1%, replaced with new developments at 200 George St, Sydney, Treasury Building, Perth, 699 Bourke St, Melbourne and 8 Chifley, Sydney on a yield on cost of 7.7%



200 George Street
Unlocking value to generate superior returns

UNLOCKING VALUE

Maximise income
– Maintained rental income during planning and approvals phase

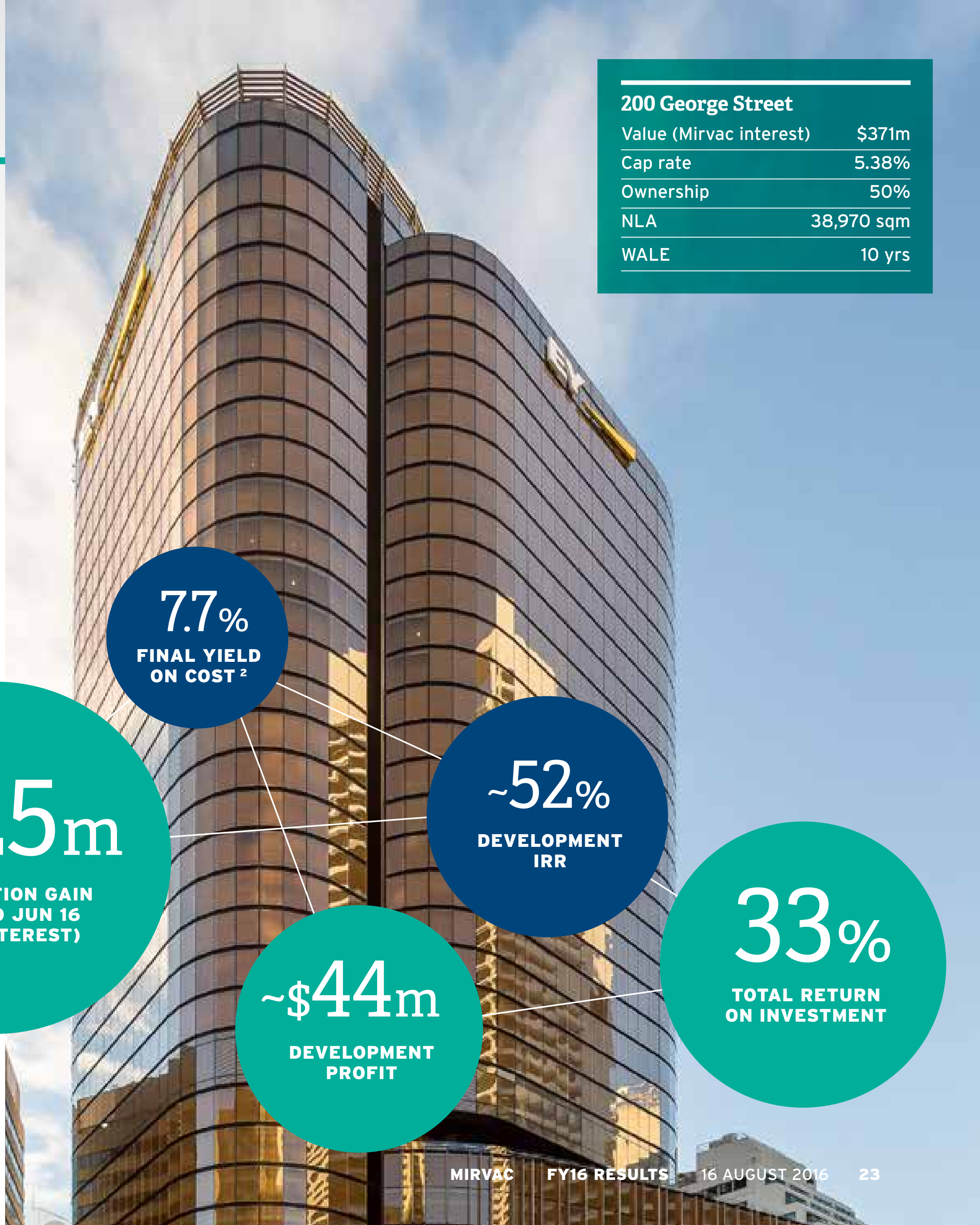
De-risk leasing
– Secured major tenant EY for a 10-year lease term

Manage balance sheet
– Agreement with AMP to sell down 50% via a development fund-through structure

Future proofing
– Built by Mirvac
– Focus on technology

Management expertise
– Pre-leased 100% prior to completion[1]

Deliver returns
– Completed development in Jun 16
– Delivered 33% total return



200 George Street	
Value (Mirvac interest)	$371m
Cap rate	5.38%
Ownership	50%
NLA	38,970 sqm
WALE	10 yrs

7.7% FINAL YIELD ON COST[2]

$125m REVALUATION GAIN AS AT 30 JUN 16 (50% INTEREST)

~52% DEVELOPMENT IRR

~$44m DEVELOPMENT PROFIT

33% TOTAL RETURN ON INVESTMENT

1. Includes 1% under heads of agreement.
2. Includes forecast costs to complete relating to incentives and place making.

Portfolio transition continues
$1.5bn of committed development pipeline will further strengthen portfolio quality


1H17: WAREHOUSE 1,
CALIBRE INDUSTRIAL ESTATE


2H17: 2 RIVERSIDE QUAY
MELBOURNE

6.8%
AVERAGE TARGET YOC

77%
PRE-LEASED


FY18: 664 COLLINS ST
MELBOURNE


FY20/21: ATP, SYDNEY

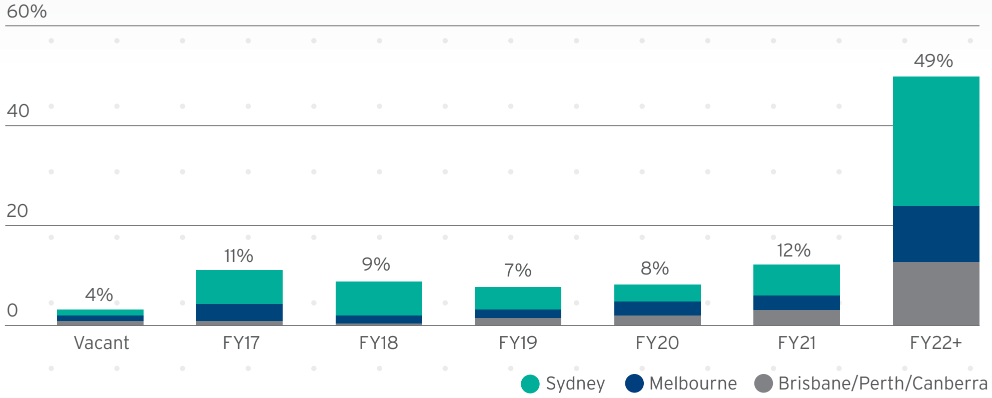

$2.9BN POTENTIAL PIPELINE
100% SYDNEY & MELBOURNE

Focus on maximising income while delivering development pipeline

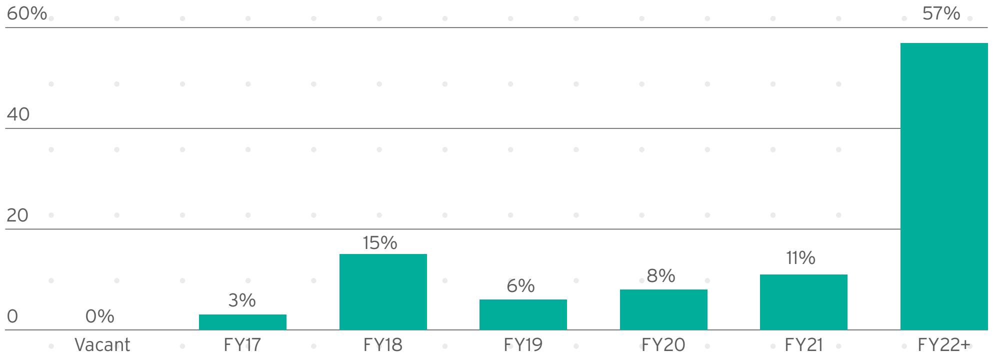
FY17 outlook

- Office portfolio well-positioned to take advantage of Sydney market
  - 56% of vacancy and FY17 expires weighted to Sydney
  - Major FY17 expires: 275 Kent St (16,130 sqm) and 101 Miller St (15,610 sqm – 32% under HOA)
  - Major FY17 and FY18 expiries in Sydney CBD and North Sydney CBD
- Office NOI expected to be skewed to 2H17
  - 200 George St, Sydney and 2 Riverside Quay, Melbourne income producing in 2H17
- Strong outlook for industrial income
  - Industrial portfolio 100% leased
  - Full year of income from Rydalmere, NSW and Altona, VIC acquisitions
  - Fixed rental increases across 74% of portfolio at an average of 3.6%
- Development contribution supported by completion of carpark development at 1 Woolworths Way in 1H17 and 2 Riverside Quay in 2H17
- Asset and funds management contribution supported by full year contribution from the LAT portfolio

Office lease expiry profile (by income)



Industrial lease expiry profile (by income)



Susan MacDonald,
Head of Retail

RETAIL

Delivering value through continued execution of urban strategy

- NOI in line with FY15, with acquisitions and development completions partially offsetting $158m of asset sales in Jun 15 and development impacted assets
  - Like-for-like NOI growth of 2.4%
- Secured future NOI in growing and densely populated catchments
  - Fully pre-leased Sydney developments Broadway, Tramsheds and Greenwood
  - Completion of Orion Springfield Central, QLD Stage 2 expansion
  - Acquisition of Toombul Shopping Centre, QLD ($233m)
  - 50% acquisition of East Village, NSW on 1 July 2016 ($155m)
- Revaluation gains reflecting an uplift on previous book values of 6.3% [1]
  - Cap rate compression of 39 bps from Jun 15 to 6.10%
- Maintained high occupancy of 99.4%
- Management and administration expenses reduced due to initiatives identified in operating model review
- Divestment of Como Centre, VIC at a 32% premium to Dec 15 book value

Retail

	FY16 $m	FY15 $m
Retail NOI	125	125
Asset management EBIT	3	2
Management and administration expenses	(11)	(14)
Operating EBIT	**117**	**113**
Revaluation gain [2]	127	42
Gains on sale and other	5	6
Total return	**249**	**161**

$2,663m
PORTFOLIO VALUE [2]
$2,140m
FY15

6.10%
WACR
39bps
COMPRESSION SINCE FY15

99.4%
OCCUPANCY (BY AREA)

1. Net gain on fair value of investment properties divided by book value prior to revaluation. Excludes transaction costs for acquisitions.
2. Includes revaluation of investment properties, IPUC and OOP.

Focused portfolio delivering sales and leasing outperformance

- Leased ~14% of portfolio GLA (410 transactions across over 52,000sqm)
  - Positive leasing spreads of 3.5%
  - 16 consecutive quarters of positive leasing spreads
- Delivered strong total comparable MAT growth of 5.4%
  - Includes growth in specialties of 4.2%[1]
- Major tenant productivity >25% above Urbis benchmarks
- Comparable specialty sales productivity up 9% to $9,623/sqm, and specialty occupancy costs reduced 70bps to 15.3%
  - Sales productivity growth ahead of peers
- Foot traffic up ~3% and average spend up >2% on like for like portfolio

$9,623/sqm
RETAIL SPECIALTY PRODUCTIVITY
↑ 9% ON FY15

5.4%
TOTAL COMPARABLE MAT GROWTH
POSITIVE ACROSS ALL CENTRES

~14%
PORTFOLIO LEASED

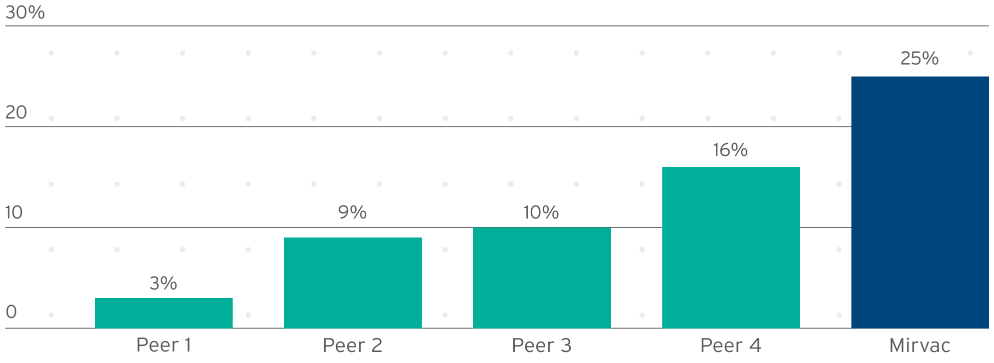
FOOT TRAFFIC
↑ 3% on FY15

AVERAGE SPEND
↑ 2% on FY15

Retail sales by category

	FY16 Total MAT	FY16 Comparable MAT growth	FY15 Comparable MAT growth
Supermarkets	$944m	3.9%[2]	7.3%
Discount Department Stores	$247m	5.4%	2.8%
Mini-majors	$433m	9.6%	4.2%
Specialties	$1,006m	4.2%[1]	3.8%
Other Retail	$211m	9.8%	1.4%
Total	**$2,841m**	**5.4%**	**4.7%**

Growth in comparable specialty sales productivity: Jun 13 to Dec 15



1. Includes Toombul Shopping Centre, acquired in Jun 16 and Broadway Sydney with specialties impacted by development (growth 5.6% excluding Broadway).
2. Impacted by replacement of Bi-Lo supermarket with Bunnings Warehouse at Toombul, QLD.

Trends support clear strategy

	Outlook	Mirvac strategy
Urbanisation	– Densification of eastern seaboard cities – Higher population growth and lower unemployment – Record infrastructure investment	– 100% urban and metropolitan markets – Overweight to Sydney
Changing economic drivers	– Lower Australian dollar driving growth in services and knowledge economy – Tourism and education sectors continue to grow	– Newly appointed Tourism Manager focused on opportunities at six key assets including Sydney waterfront locations – Inner Sydney assets and Orion to leverage education exposure
The evolving customer experience	– Demand for quality of services, technology, dining, entertainment and convenience	– Improve dining, entertainment and leisure offers – Leveraging night-time economy – Roll out of digital initiatives – Launched 'Experience Retail' brand
Strong demand for quality retail	– Continued deep demand for quality assets – AREITs focus shifted to growth through developments	– Portfolio 100% on strategy – Capture organic growth through development and repositioning, 13 of 15 assets identified – Scale of developments supported by sub-market fundamentals – Demonstrated ability to create and acquire on-strategy assets

SYDNEY ATTRACTING **80%** OF TOTAL NSW POPULATION GROWTH

10% ANNUAL GROWTH IN SYDNEY VISITOR NIGHTS

14% INCREASE IN EDUCATION ARRIVALS IN FY16

Increasing our inner urban footprint in FY17

TRAMSHEDS, SYDNEY

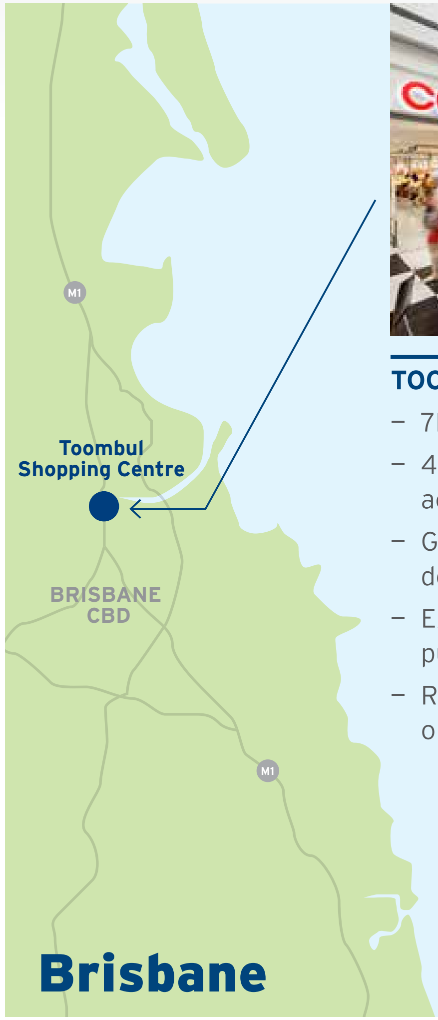
- 3km from Sydney CBD
- New 6,200 sqm urban village
- Densely populated infill site
- Light rail access
- Key retailers: Gelato Messina, Bodega 1904, Fish & Co, Butcher & The Farmer and Supamart IGA

BROADWAY, SYDNEY

- 2km from Sydney CBD
- Expansion of the most productive shopping centre in Australia[1]
- Key retailers: H&M, Sephora, Calvin Klein, MAC, Din Tai Fung and Victoria's Secret

EAST VILLAGE, SYDNEY[2]

- 3km from Sydney CBD
- 33,000 sqm centre acquired Jul 16
- Population growth forecast 7% pa next 10 years
- Retail spending growth forecast >9% pa next 10 years



TOOMBUL, BRISBANE

- 7km from Brisbane CBD
- 44,000 sqm centre acquired Jun 16
- Gentrifying and densifying trade area
- Excellent arterial and public transport links
- Repositioning opportunity

1. Over 50,000 sqm. Source: Big Guns Survey Mar 16.
2. 49.9% equity accounted investment.

Acquisitions and developments underpin EBIT growth in FY17

ACQUISITIONS

East Village, Sydney
- Acquired 1 Jul 16
- Strong sales growth continues
- Expected IRR >8.5%
- Management commenced Dec 15

Toombul Shopping Centre, Brisbane
- Acquired Jun 16
- Expected IRR >8.5%
- Master planning underway to reposition the asset to better meet the needs of its trade area

6.4%
BLENDED ACQUISITION YIELD

DEVELOPMENT PIPELINE

Orion Springfield Central, Stage 2, QLD
- 97% retail leased, completed 2H16

Greenwood Plaza, Sydney
- 100% leased, completed Jul 16

Tramsheds, Sydney
- 100% leased, expected completion 1H17

Broadway, Sydney
- 100% leased, expected completion 1H17

Future near term developments
- DAs approved at Birkenhead Point, Sydney and Kawana Shoppingworld, QLD

7.1%
BLENDED DEVELOPMENT YIELD

FY17 OUTLOOK

CONTINUE TO DRIVE HIGH-PERFORMING PORTFOLIO

FY17 Targets
- Increase sales productivity to $10,000/sqm
- Occupancy >99%
- Leasing spreads >2%
- EBIT growth >25% on FY16

$10k/sqm
SALES PRODUCTIVITY TARGET

John Carfi,
Head of Residential

RESIDENTIAL

Residential results up 51% on FY15

- EBIT growth of 51% driven by
  - NSW: Harold Park, The Avenue and Googong
  - VIC: Yarra's Edge and Tullamore
- Completed 2,824 gross settlements, up 24% on FY15
  - 81% weighted to masterplanned communities
  - Includes 258 FIRB settlements (142 completed 4Q16)
  - Defaults maintained at less than 1%
- Secured a record $2.9bn[1] of pre-sales, up from $2.0bn at FY15
- Entered in to a JV partnership with Ping An Real Estate for the development of projects, The Finery and St Leonards Square, NSW

Residential results[1]	FY16 $m	FY15 $m
Revenue	**1,119**	**964**
Development EBIT	209	142
Management and administration expenses	(13)	(12)
Operating EBIT	**196**	**130**
Invested capital[2]	1,625	1,377
Average invested capital	1,575	1,398

12.4%
RESIDENTIAL ROIC[2]
9.3%
FY15

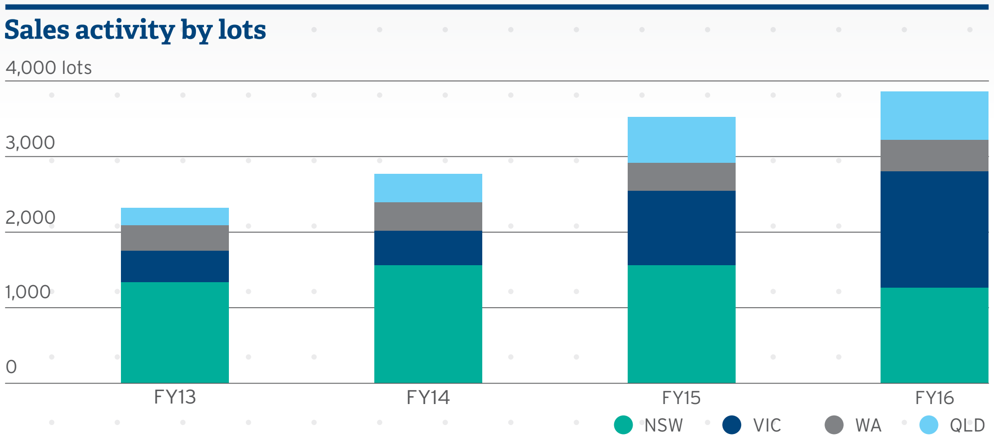
24.4%
GROSS DEVELOPMENT MARGINS
23.6%
FY15

17.5%
EBIT MARGINS
13.4%
FY15

1. Includes MGR share of JVA and Mirvac managed funds unless noted otherwise.
2. Refer to Additional Information for detailed calculation.

Market delivered strong levels of activity in FY16

- Sales activity of 3,830 lots, up from ~3,540 in FY15
  - 72% weighted to Sydney and Melbourne
  - 1H16: 51%, 2H16: 49%
- Strong sales at existing masterplanned communities projects
  - Woodlea, VIC (889 lots)
  - Googong, NSW (343 lots)
  - Tullamore, VIC (145 lots)
  - Brighton Lakes, NSW (117 lots)
- Strong sales at existing apartment projects
  - Hope St, QLD (199 lots)
  - Yarra's Edge, VIC (175 lots)
  - Harold Park, NSW (151 lots)
- Activated over 3,400 lots with the launch of new projects, including:
  - St Leonards Square, NSW: Stage 1, 90% pre-sold
  - The Finery, NSW: Stage 1, 89% pre-sold
  - Gledswood Hills, NSW: Various stages, 83% pre-sold
  - The Eastbourne, VIC: 55% pre-sold
  - Ascot Green, QLD: Stage 1, 43% pre-sold



889
LOT SALES AT WOODLEA, VIC

151
LOT SALES AT HAROLD PARK, NSW

90%
PRE-SOLD STAGE 1 ST LEONARDS SQUARE

Managing our FIRB exposure

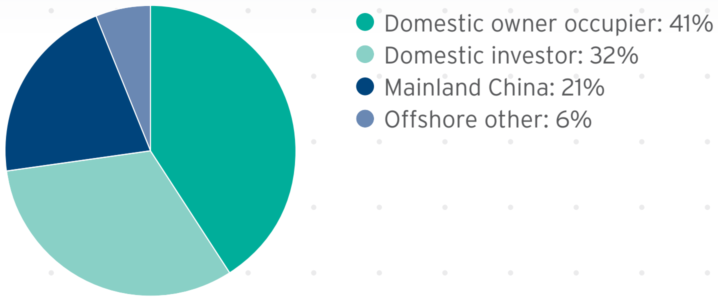
FY16 observations
- Settlement delays post restrictions
- Alternative funding sources accessed
- Defaults maintained below 1%
- FIRB buyers remain active post restrictions

Our exposure
- 27% of pre-sales offshore
- Diversified across 20 projects
- Weighted to Sydney and Melbourne market

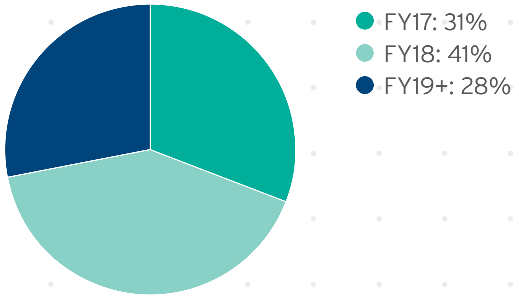
Managing our risk
- Internal approval processes and limits
- Robust sales contracts
  - Full recourse and unconditional
- In-house sales and marketing team
- Commission structures that incentivise settlement
- Pro-active engagement program with customers and lenders

FY17 outlook
- 31% of FIRB apartment pre-sales roll off in FY17
- FY17 settlement target includes a contingency for settlement delays
- Expect to maintain FIRB pre-sales exposure below 30%

$2.9bn pre-sales by buyer profile



Pre-sales expected FIRB roll-off – Apartments



Outperformance in a lower growth environment

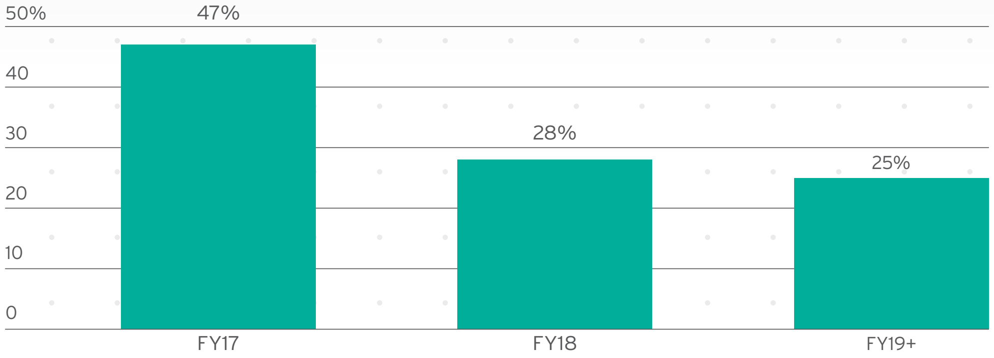
Market
- Markets well supported by very low interest rates and competitive lending environment
- Mature stage of supply cycle means brand, certainty and location at forefront
- Future demand expected to be well balanced between apartments and housing

Revenue
- $2.9bn of revenue pre-sold, securing 84% and 55% of expected FY17 and FY18 EBIT respectively
- Brand, quality and project locations supports continued demand for Mirvac product
- High level of repeat buyers
- No reliance on escalation in feasibilities near term
- Increase in fee income as assets under management grow
- Well-balanced portfolio across product type

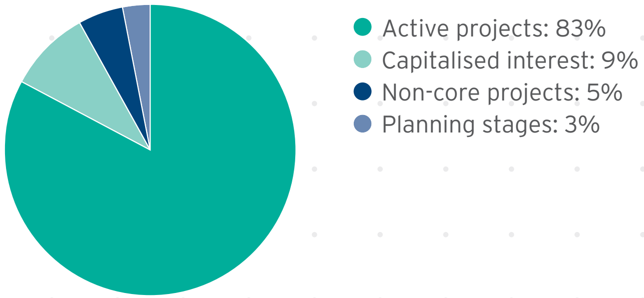
Cost
- Expect gross development margins to remain above through cycle target in near term
- Construction cost escalation included in feasibilities
- Capitalised interest 9% of inventory
- Target 70–80% trade coverage prior to commencement of construction

Investment
- Current pipeline supports approximately 10 years of volumes
- Selective and disciplined future acquisitions
- 83% of inventory relates to projects under construction or released to market
- Pre-sales support positive cash flow outlook

Pre-sales expected settlement profile



83% of inventory in active projects



Targeting significant uplift in returns underpinned by earnings visibility

- Expect to achieve Residential ROIC in FY17 of >15%
- Targeting >3,300 lot settlements in FY17
  - 2,600 of target lots pre-sold
  - >15% growth on FY16
  - Includes a contingency for settlement delays
- 84% of expected FY17 Residential EBIT secured by pre-sales
- Top 10 projects expected to contribute ~80% of FY17 earnings
  - Five major apartment projects
    - ~$660m of secured pre-sales
    - ~$175m FIRB pre-sales
    - Expected average age on settlement: 1.6 years
  - Five major masterplanned communities projects
    - $392m of secured pre-sales
    - All projects located in NSW and VIC
- Current pipeline supports over 14,000 potential lot settlements over the next four years

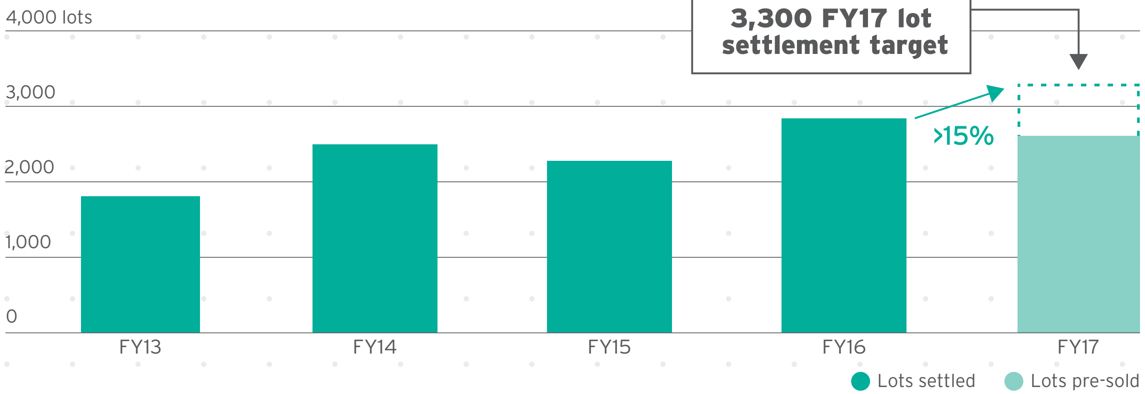
FY17 major EBIT contributors

Apartments	FY17 lot target	% pre-sold
1 Moreton Bondi, NSW	191	99%
2 Waterfront, QLD[1]	290	86%
3 Yarra's Edge, VIC[2]	128	95%
4 Green Square, NSW	164	100%
5 Hope St, QLD	107	100%

Masterplanned communities	FY17 lot target	% pre-sold
1 Tullamore, VIC	177	100%
2 Brighton Lakes, NSW	157	55%
3 Gledswood Hills, NSW	140	66%
4 Jack Road, VIC	119	82%
5 Woodlea, VIC	573	98%

90% PRE-SOLD

Lot settlements



1. Stages 1 & 2.
2. Tower 10.

Susan Lloyd-Hurwitz,
CEO and Managing Director

SUMMARY & GUIDANCE

Clear and focused strategy expected to deliver attractive securityholder returns

Urban strategy with overweight to Sydney and Melbourne

Flex our activity through the cycle

Unlock the full potential and maximise the value of our assets

Maintain an appropriate and diversified capital structure and cost base

Highly visible and defensive cash flows

- 98.3% investment portfolio occupancy
- 5.8 year investment portfolio WALE
- 84% and 55% of expected FY17 and FY18 Residential EBIT secured by pre-sales

Attractive return on invested capital

- Target 3 year average Group ROIC 9%+
- Target Residential ROIC in FY17: >15%
- Expect to continue to exceed our WACC through cycle

Targeting attractive securityholder returns

POTENTIAL TO DELIVER
9%+
3 YEAR AVERAGE GROUP ROIC

8-11%
EPS GROWTH IN FY17

FY17 Guidance

Operating EPS guidance	14.0 – 14.4 cpss 8-11% growth
DPS guidance	10.2 – 10.4 cpss 3-5% growth
Residential ROIC target	>15%


Moreton, Bondi, Sydney *Artists impression*

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