

# IH20 Additional Information

*Reimagine Urban Life*



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Pages 1–31, please refer to **1H20** Results presentation

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# Financial

# 1H20 operating to statutory profit reconciliation

HALF YEAR ENDED 31 DECEMBER 2019	OFFICE & INDUSTRIAL \$M	RETAIL \$M	RESIDENTIAL \$M	CORPORATE \$M	TOTAL \$M
Property net operating income (NOI)	205	91	—	9	305
Development EBIT	45	—	155	—	200
Asset & funds management EBIT	10	—	—	—	10
Management & administration expenses	(9)	(8)	(11)	(27)	(55)
<b>Earnings before interest and tax</b>	<b>251</b>	<b>83</b>	<b>144</b>	<b>(18)</b>	<b>460</b>
Development interest costs	(1)	—	(21)	—	(22)
Other net interest costs	—	—	—	(42)	(42)
Income tax expense	—	—	—	(44)	(44)
<b>Operating profit/(loss) after tax</b>	<b>250</b>	<b>83</b>	<b>123</b>	<b>(104)</b>	<b>352</b>
<b>Specific non-cash items</b>					
Net gain on fair value of investment properties and IPUC <sup>1</sup>	228	15	—	—	243
Net gain on financial instruments	1	—	—	33	34
Straight-lining of lease revenue	5	—	—	—	5
Amortisation of lease incentives and leasing costs	(36)	(9)	—	—	(45)
Share of net profit/(loss) of joint ventures relating to movement of non-cash items	1	—	—	(10)	(9)
<b>Other non-operating items</b>					
Net gain from sale of non-aligned assets	—	15	—	—	15
<b>Tax effect</b>					
Tax effect of non-operating adjustments	—	—	—	18	18
<b>Profit/(loss) attributable to the stapled securityholders of Mirvac</b>	<b>449</b>	<b>104</b>	<b>123</b>	<b>(63)</b>	<b>613</b>

1. Includes Mirvac's share in the joint venture's revaluation of investment properties which is included within share of net profit of joint ventures.

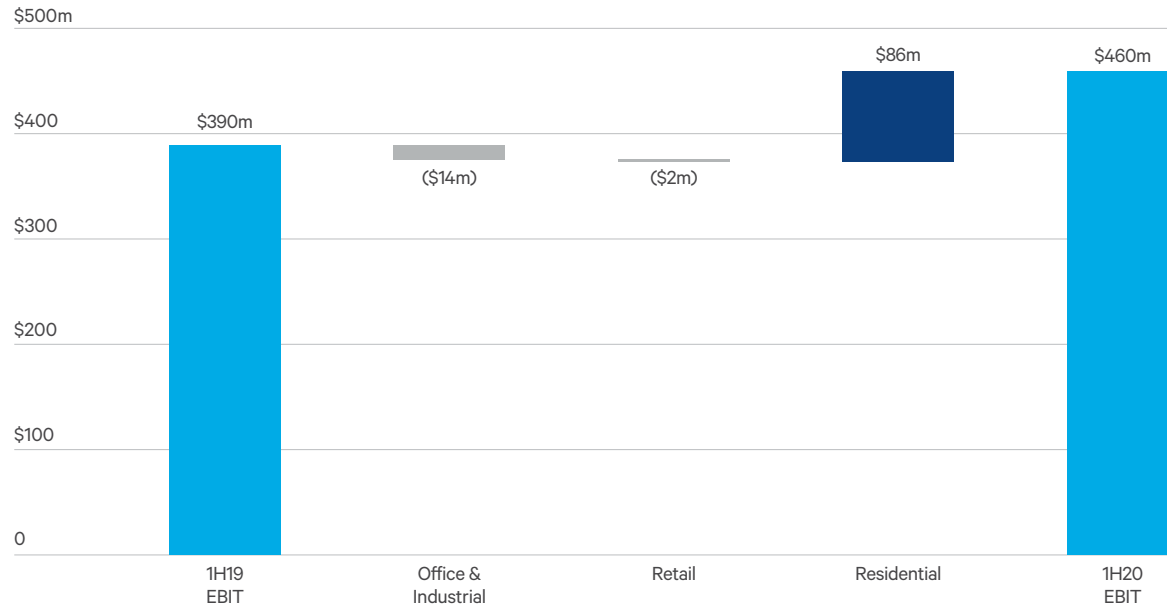
# 1H19 operating to statutory profit reconciliation

HALF YEAR ENDED 31 DECEMBER 2018	OFFICE & INDUSTRIAL \$M	RETAIL \$M	RESIDENTIAL \$M	CORPORATE \$M	TOTAL \$M
Property net operating income (NOI)	195	86	—	9	290
Development EBIT	68	5	67	—	140
Asset & funds management EBIT	11	—	—	—	11
Management & administration expenses	(9)	(6)	(9)	(27)	(51)
<b>Earnings before interest and tax</b>	<b>265</b>	<b>85</b>	<b>58</b>	<b>(18)</b>	<b>390</b>
Development interest costs	(4)	—	(18)	—	(22)
Other net interest costs	—	—	—	(52)	(52)
Income tax expense	—	—	—	(26)	(26)
<b>Operating profit/(loss) after tax</b>	<b>261</b>	<b>85</b>	<b>40</b>	<b>(96)</b>	<b>290</b>
<b>Specific non-cash items</b>					
Net gain on fair value of investment properties and IPUC <sup>1</sup>	323	69	—	—	392
Straight-lining of lease revenue	4	—	—	—	4
Amortisation of lease incentives and leasing costs	(26)	(8)	—	—	(34)
Share of net profit/(loss) of joint ventures relating to movement of non-cash items	3	—	—	(9)	(6)
<b>Tax effect</b>					
Tax effect of non-operating adjustments	—	—	—	2	2
<b>Profit/(loss) attributable to the stapled securityholders of Mirvac</b>	<b>565</b>	<b>146</b>	<b>40</b>	<b>(103)</b>	<b>648</b>

1. Includes Mirvac's share in the joint venture's revaluation of investment properties of \$8m, which is included within share of net profit of joint ventures.

# 1H20 movement by segment

## OPERATING EBIT BY SEGMENT — 1H19 TO 1H20



### OFFICE & INDUSTRIAL

Strong increase in Property NOI driven by Office LFL NOI growth of 5.6%, offset by lower development earnings compared to prior period

### RETAIL

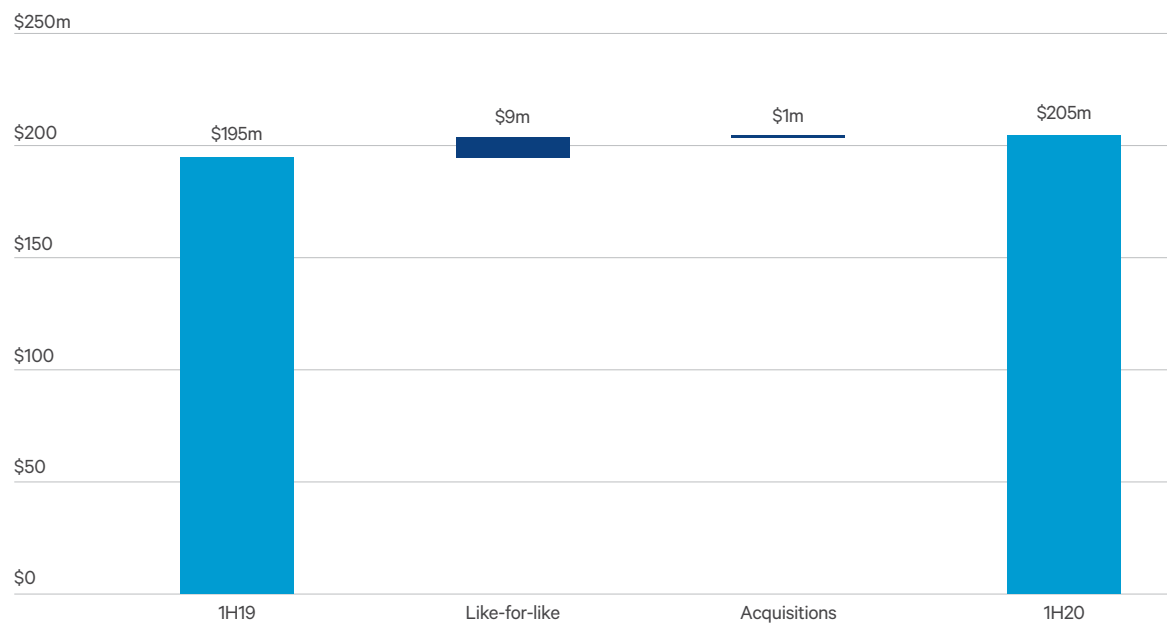
LFL NOI growth of 2.0% plus income at South Village offset by \$5m development earnings from Kawana redevelopment recognised in the prior period

### RESIDENTIAL

Reflects 1H20 increase in lot settlements and greater skew to Apartment settlements. On track to deliver FY20 lot settlement target with a greater proportion of earnings from Apartment projects than in FY19

# 1H20 Office & Industrial segment reconciliation

## OFFICE & INDUSTRIAL NOI SUMMARY – 1H19 TO 1H20

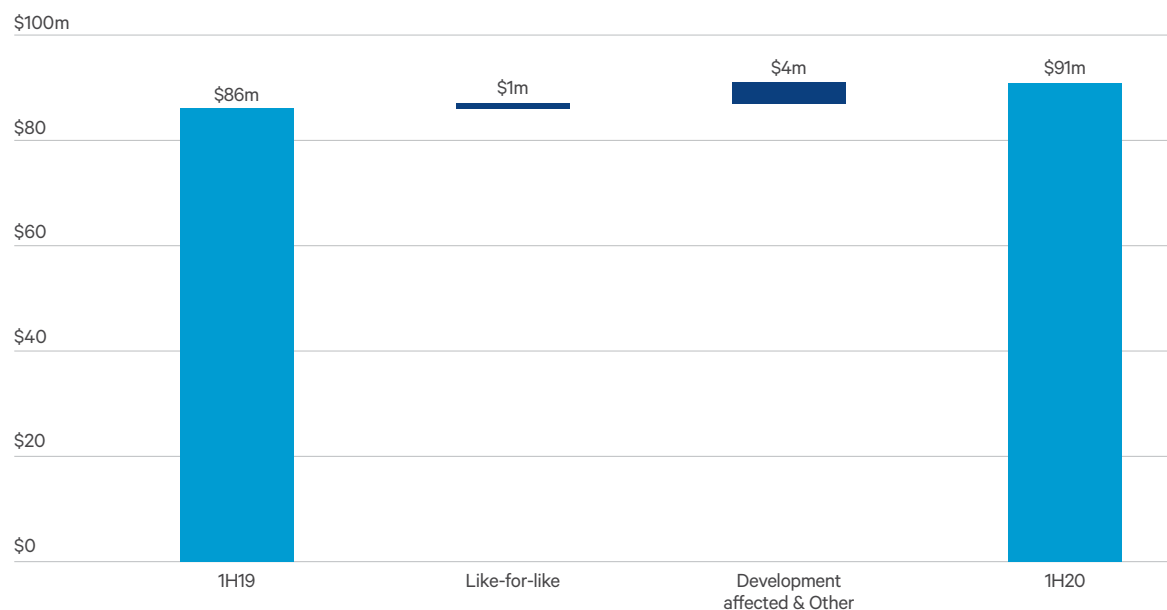


## OFFICE & INDUSTRIAL EBIT SUMMARY

	1H20 \$M	1H19 \$M
Property net operating income (NOI)	205	195
Development EBIT	45	68
Asset & funds management EBIT	10	11
Management & administration expenses	(9)	(9)
<b>Earnings before interest and tax</b>	<b>251</b>	<b>265</b>

# 1H20 Retail segment reconciliation

## RETAIL NOI SUMMARY – 1H19 TO 1H20



## RETAIL EBIT SUMMARY

	1H20 \$M	1H19 \$M
Property net operating income (NOI)	91	86
Development EBIT	—	5
Asset & funds management EBIT	—	—
Management & administration expenses	(8)	(6)
<b>Earnings before interest and tax</b>	<b>83</b>	<b>85</b>



# FFO and AFFO based on PCA guidelines

	1H20 \$M	1H19 \$M
<b>Operating profit after tax</b>	<b>352</b>	<b>290</b>
Amortisation - software <sup>1</sup>	2	—
<b>Funds from Operations (FFO)</b>	<b>354</b>	<b>290</b>
Maintenance capex	(15)	(12)
Incentives	(37)	(52)
Utilisation of prior year tax losses	44	26
<b>Adjusted funds from operations (AFFO)</b>	<b>346</b>	<b>252</b>

1. During the period the Group reclassified \$23m of software assets from property, plant and equipment to intangible assets. Refer to the 1H20 Interim Report for further details.

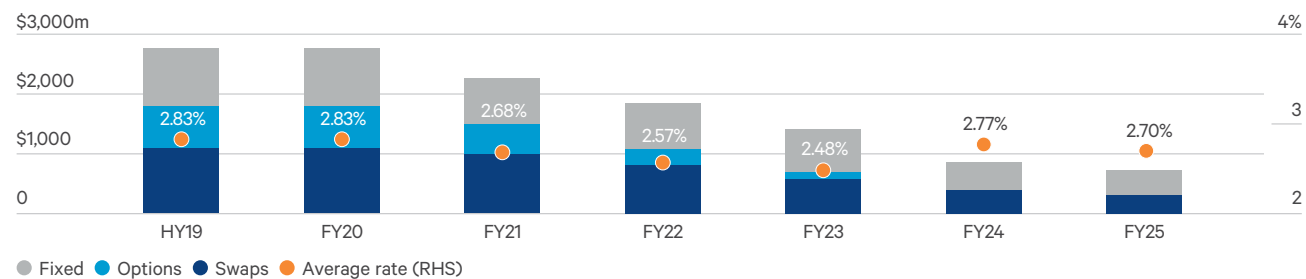
# Finance costs by segment

1H20	OFFICE & INDUSTRIAL \$M	RETAIL \$M	RESIDENTIAL \$M	CORPORATE \$M	GROUP \$M
Interest expense net of impairment	12	—	17	45	74
Interest capitalised	(12)	—	(6)	—	(18)
COGS interest	1	—	10	—	11
Borrowing costs amortised	—	—	—	2	2
<b>Total interest and borrowing costs</b>	<b>1</b>	<b>—</b>	<b>21</b>	<b>47</b>	<b>69</b>
Less: interest revenue	—	—	—	(5)	(5)
<b>Net interest and borrowing costs</b>	<b>1</b>	<b>—</b>	<b>21</b>	<b>42</b>	<b>64</b>
<b>1H19</b>					
Interest expense net of impairment	7	1	15	50	73
Interest capitalised	(7)	(1)	(6)	—	(14)
COGS interest	4	—	9	—	13
Borrowing costs amortised	—	—	—	3	3
<b>Total interest and borrowing costs</b>	<b>4</b>	<b>—</b>	<b>18</b>	<b>53</b>	<b>75</b>
Less: interest revenue	—	—	—	(1)	(1)
<b>Net interest and borrowing costs</b>	<b>4</b>	<b>—</b>	<b>18</b>	<b>52</b>	<b>74</b>

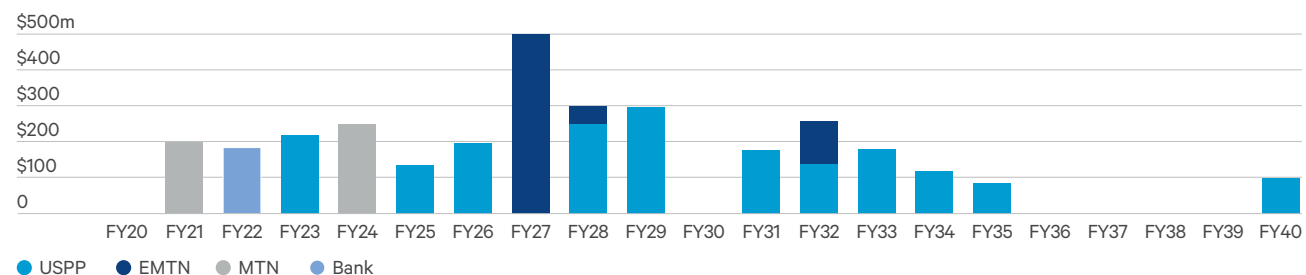
# Debt & hedging profile

ISSUE / SOURCE	MATURITY DATE	TOTAL AMOUNT \$M	AMOUNT DRAWN \$M
MTN VI	Sep 2020	200	200
Bank facilities	Feb 2021	100	—
Bank facilities	Sep 2021	325	85
Bank facilities	Feb 2022	100	100
Bank facilities	Sep 2022	250	—
USPP <sup>1</sup>	Dec 2022	220	220
Bank facilities	Sep 2023	250	—
MTN VII	Sep 2023	250	250
USPP <sup>1</sup>	Dec 2024	136	136
USPP <sup>1</sup>	Sep 2025	46	46
USPP <sup>1</sup>	Dec 2025	151	151
EMTN <sup>1</sup>	Mar 2027	501	501
USPP <sup>1</sup>	Sep 2027	249	249
EMTN <sup>1</sup>	Mar 2028	50	50
USPP <sup>1</sup>	Sep 2028	298	298
USPP <sup>1</sup>	Sep 2030	179	179
USPP <sup>1</sup>	Sep 2031	139	139
EMTN <sup>1</sup>	Dec 2031	118	118
USPP <sup>1</sup>	Sep 2032	181	181
USPP <sup>1</sup>	Mar 2034	120	120
USPP <sup>1</sup>	Sep 2034	84	84
USPP <sup>1</sup>	Sep 2039	100	100
<b>Total</b>		<b>4,047</b>	<b>3,207</b>

## 1H20 HEDGING & FIXED INTEREST PROFILE AS AT 31 DECEMBER 2019<sup>2</sup>



## DRAWN DEBT MATURITIES AS AT 31 DECEMBER 2019



## DEBT DRAWN SOURCES



1. Drawn amounts based on hedged rate not carrying value.

2. Includes bank callable swaps.

# Capital management metrics & liquidity profile

## CAPITAL MANAGEMENT METRICS

	31 DECEMBER 2019	30 JUNE 2019
NTA	\$2.58	\$2.50
Balance sheet gearing <sup>1</sup>	20.8%	20.5%
Look through gearing	21.6%	21.4%
Total interest bearing debt <sup>2</sup>	\$3,207m	\$3,112m
Average borrowing cost <sup>3</sup>	4.5%	4.8%
Average debt maturity	7.7 yrs	8.5 yrs
Hedged percentage	86%	92%
Average hedge maturity	4.6 yrs	5.0 yrs
Moody's/Fitch credit rating	A3 / A-	A3 / A-

1. Net debt (at foreign exchange hedged rate) excluding leases/(total tangible assets – cash).

2. Total interest bearing debt (at foreign exchange hedged rate) excluding leases.

3. Includes margins and line fees.

4. Based on hedged rate, not carrying value, subject to rounding.

## LIQUIDITY PROFILE

AS AT 31 DECEMBER 2019	FACILITY LIMIT \$M	DRAWN AMOUNT \$M	AVAILABLE LIQUIDITY \$M
Facilities due within 12 months	200	200	—
Facilities due post 12 months <sup>4</sup>	3,847	3,007	840
<b>Total</b>	<b>4,047</b>	<b>3,207</b>	<b>840</b>
Cash on hand			104
<b>Total liquidity</b>			<b>944</b>
Less facilities maturing < 12 months <sup>4</sup>			200
<b>Funding headroom</b>			<b>744</b>

# NTA & securities on issue reconciliation

## NET TANGIBLE ASSETS

	\$M
As at 1 July 2019	9,764
Operating profit for the half year	352
Net gain on fair value of investment properties and IPUC	243
Securities issued during the period <sup>1</sup>	46
Other net equity movements and non-operating items through profit and loss	28
Mandatory adoption of AASB 16 Leases	(23)
Intangible assets	(24)
Distributions <sup>2</sup>	(240)
<b>As at 31 December 2019</b>	<b>10,146</b>

## SECURITIES ON ISSUE

		NO. OF SECURITIES
As at 1 July 2019		3,911,147,101
FY17 LTP – ROIC vested in FY20	08-Aug-19	3,441,114
FY17 LTP – TSR vested in FY20	08-Aug-19	3,441,082
MGR Securities Issued	04-Jul-19	15,914,244
<b>As at 31 December 2019</b>		<b>3,933,943,541</b>
<b>Weighted average number of securities</b>		<b>3,932,262,747</b>
<b>NTA per security</b>		<b>\$2.58</b>

1. Net of transaction costs

2. 1H20 Distribution is 6.1 cps, with distribution for the 6 months ending 31 December 2019 payable on 28 February 2020.

# Investment portfolio: key acquisitions & disposals

ACQUISITIONS 1H20	STATE	SECTOR	ACQUISITION PRICE	SETTLEMENT DATE
Land, Lot 54 - 864-882 Mamre Road, Kemps Creek	NSW	Industrial	\$27m	December 2019
<b>Total</b>			<b>\$27m</b>	

The following properties were exchanged during the half year but will settle at a later date:

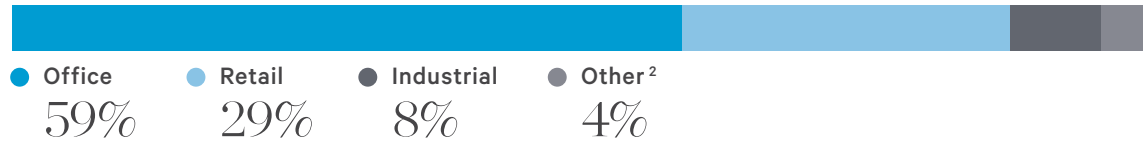
	STATE	SECTOR	ACQUISITION PRICE	EXPECTED SETTLEMENT DATE
395, 397-401 and 403 Albert Street, Brunswick	VIC	BTR	\$39m	Staged instalments to FY22
Flinders West, 7-23 Spencer Street, Melbourne	VIC	Office & BTR	\$200m	Between March 2020 and August 2021
<b>Total</b>			<b>\$239m</b>	

DISPOSALS 1H20	STATE	SECTOR	SALE PRICE	SETTLEMENT DATE
St Marys Village, St Marys	NSW	Retail	\$68m	December 2019
<b>Total</b>			<b>\$68m</b>	

# Invested capital

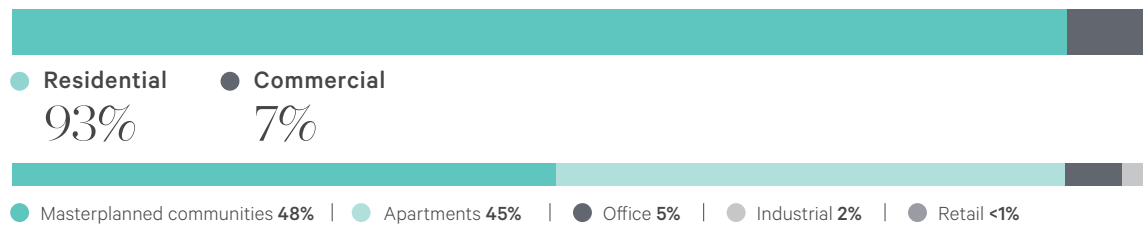
## PASSIVE INVESTED CAPITAL

\$12,256m<sup>1</sup> | 88%



## ACTIVE INVESTED CAPITAL

\$1,608m | 12%

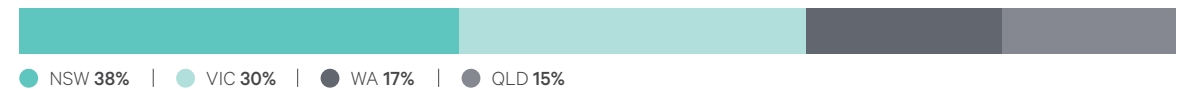


## RESIDENTIAL ACTIVE INVESTED CAPITAL<sup>3</sup>

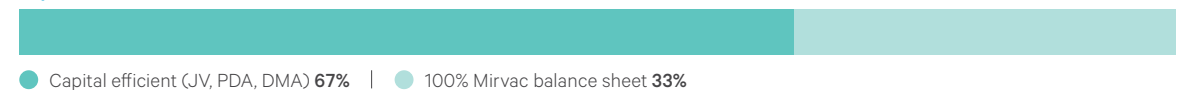
### By product line



### By state



### By structure



1. Invested capital includes investment properties, IPUC, JVA, other financial assets, loans, non-controlling interests and intangibles.

2. Includes built-to-rent

3. Includes capital invested in Development Agreement's, JVA, deferred land payments and loans.

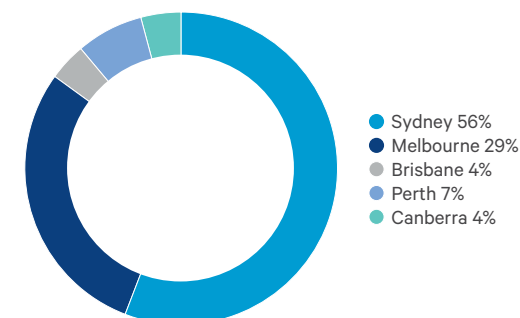
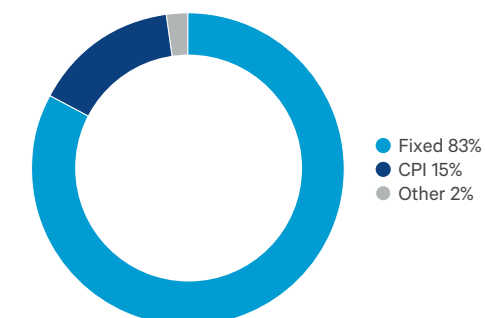
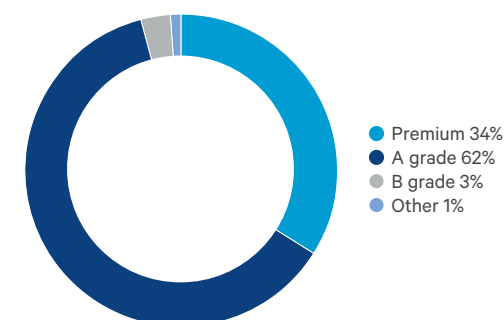
# Office & Industrial





# Office: portfolio details

	1H20	1H19
No. of properties <sup>1</sup>	29	30
NLA	685,882 sqm	658,300 sqm
Portfolio value <sup>2</sup>	\$7,088m	\$6,370m
WACR	5.25%	5.46%
Property net operating income (NOI)	\$177m	\$169m
Like-for-like NOI growth	5.6%	5.4%
Maintenance capex	\$5m	\$5m
Tenant incentives <sup>3</sup>	\$15m	\$29m
Occupancy (by area)	98.5%	97.2%
NLA leased	33,176 sqm	66,164 sqm
% of portfolio NLA leased	4.8%	10.1%
WALE (by area)	7.6 yrs	7.3 yrs
WALE (by income)	6.9 yrs	6.6 yrs

OFFICE GEOGRAPHIC DIVERSITY<sup>4</sup>OFFICE RENT REVIEW STRUCTURE<sup>6</sup>OFFICE DIVERSITY BY GRADE<sup>5</sup>

1. Includes IPUC, but excludes properties being held for development.

2. Includes IPUC and properties being held for development.

3. Includes cash and fitout incentives.

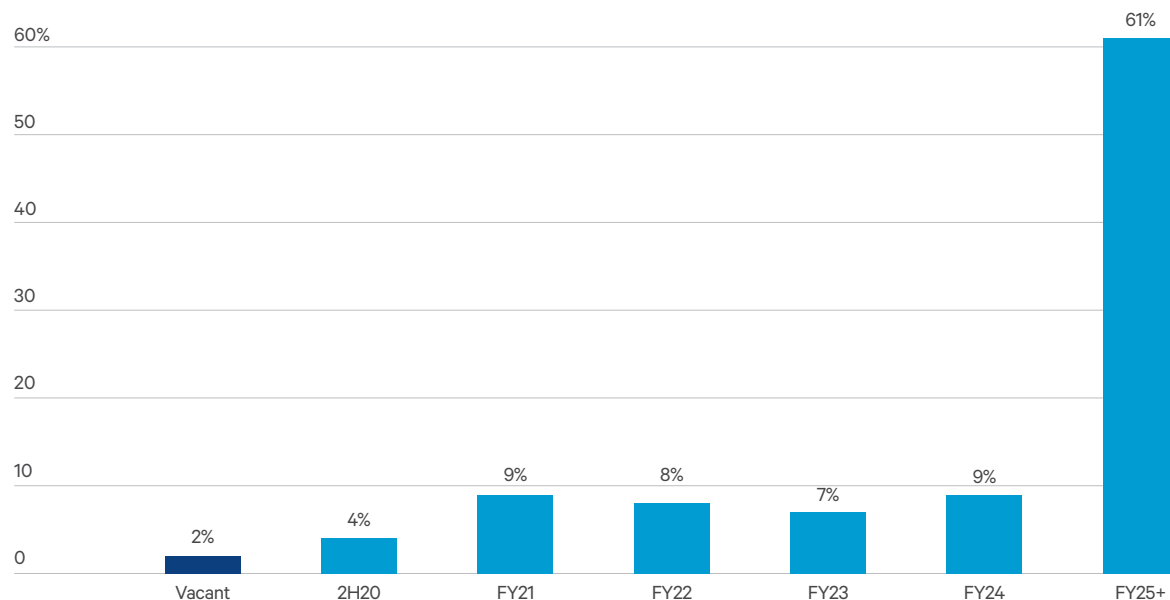
4. By portfolio value, including IPUC and properties being held for development.

5. By portfolio value, excluding properties held for development.

6. By income, excludes lease expiries.

# Office: leasing details

## OFFICE LEASE EXPIRY PROFILE<sup>1</sup>



1. By income.  
 2. Excludes Mirvac tenancies.  
 3. Percentage of gross office portfolio income.

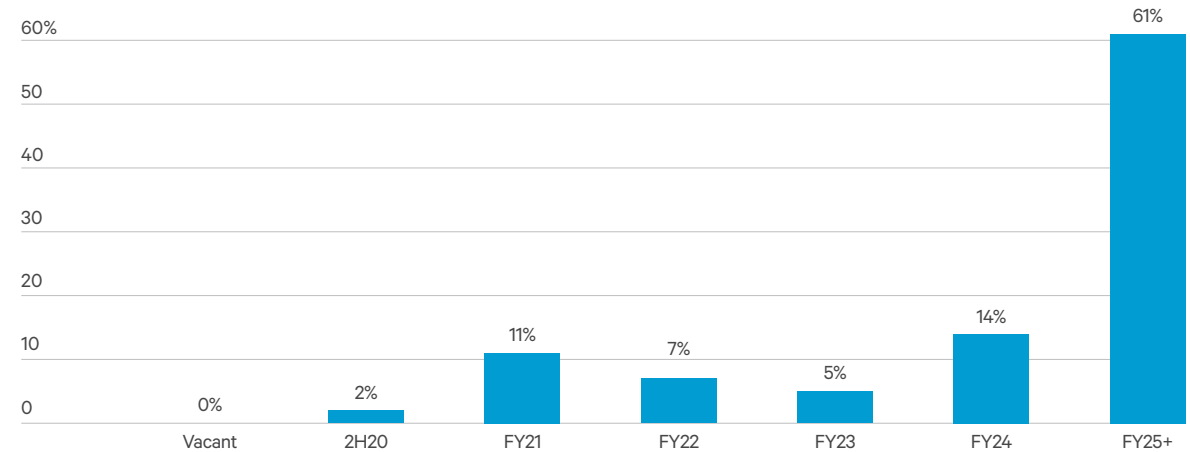
OFFICE TOP 10 TENANTS <sup>2</sup>	PERCENTAGE <sup>3</sup>	CREDIT RATINGS
1 Government	15%	Aaa / Aa2 / AAA / AA+
2 Westpac	12%	Aa3 / AA-
3 Google	5%	Aa2 / AA+
4 EY	4%	—
5 AGL Energy	3%	Baa2
6 Commonwealth Bank of Australia	3%	AA3 / AA-
7 UGL Limited	2%	Baa2 / BBB
8 Sportsbet	2%	—
9 John Holland	2%	—
10 PwC	2%	B2
<b>Total</b>	<b>50%</b>	<b>—</b>

1H20 LEASING ACTIVITY	AREA	LEASING SPREAD	AVERAGE INCENTIVE	AVERAGE WALE <sup>1</sup>
Renewals	24,424 sqm	6.1%	20.7%	6.5 yrs
New leases	8,752 sqm	25.1%	17.6%	6.5 yrs
<b>Total</b>	<b>33,176 sqm</b>	<b>15.1%</b>	<b>19.9%</b>	<b>6.5 yrs</b>

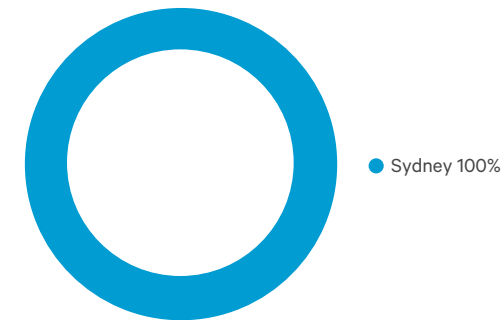
# Industrial: portfolio details

	1H20	1H19
No. of properties <sup>1</sup>	10	10
NLA	469,315 sqm	469,273 sqm
Portfolio value <sup>2</sup>	\$927m	\$868m
WACR	5.69%	5.89%
Property net operating income (NOI)	\$28m	\$26m
Like-for-like NOI growth	3.1%	10.3%
Maintenance capex	<\$1m	<\$1m
Tenant incentives <sup>3</sup>	—	—
Occupancy (by area)	100.0%	100.0%
NLA leased	21,644 sqm	50,652 sqm
% of portfolio NLA leased	4.6%	10.8%
WALE (by area)	8.6 yrs	9.0 yrs
WALE (by income)	7.4 yrs	7.6 yrs

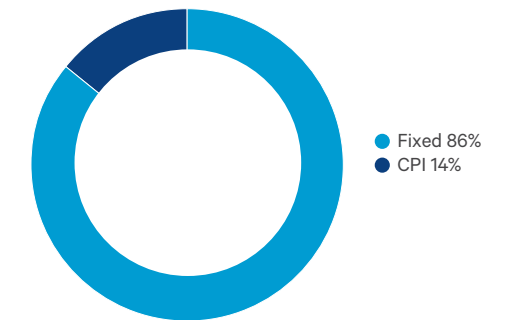
## INDUSTRIAL LEASE EXPIRY PROFILE<sup>4</sup>



## INDUSTRIAL DIVERSITY BY GEOGRAPHY<sup>5</sup>



## INDUSTRIAL RENT REVIEW STRUCTURE<sup>6</sup>



1. 1H19 has been restated to group Calibre and Nexus into Estates. Excludes properties being held for development.  
 2. Includes properties being held for development.  
 3. Includes cash and fitout incentives.  
 4. By income.  
 5. By portfolio value, excluding assets held in funds.  
 6. By income, excludes lease expiries.

# Office & Industrial: developments

ACTIVE PIPELINE	SECTOR	AREA	OWNERSHIP	PRE-LEASED <sup>1</sup> %	ESTIMATED VALUE ON COMPLETION <sup>2</sup>	ESTIMATED COSTS TO COMPLETE <sup>3</sup>	ESTIMATED YIELD ON COST <sup>4</sup>	ESTIMATED PROJECT TIMING		
								2H20	FY21	FY22
South Eveleigh, Sydney	Office	93,600 sqm <sup>5</sup>	33%	100%	\$1,026m	\$41m	6.4%			
477 Collins St, Melbourne	Office	56,900 sqm	50%	97%	\$857m	\$78m	6.4%			
Locomotive Workshop, Sydney	Office	30,900 sqm <sup>6</sup>	100%	73%	\$406m	\$249m	5.6%			
80 Ann St, Brisbane	Office	59,300 sqm	50%	80%	\$851m	\$299m	5.6%			
<b>Total</b>		<b>240,700 sqm</b>		<b>91%</b>	<b>\$3,140m</b>	<b>\$667m</b>				

1. % of Office & Industrial space pre-leased, including heads of agreements.

2. Represents 100% of expected development end value based on agreed cap rate.

3. Expected costs to complete based on Mirvac's share of cost to complete.

4. Expected yield on cost including land and interest.

5. Represents CBA office commitment.

6. Office component ~22,800 sqm, 78% pre-let and retail component ~8,100 sqm, 60% pre-let.

# Retail



Moonee Ponds Central, Melbourne (artist impression)

# Retail: portfolio details

	1H20	1H19
No. of properties	16	17
GLA	428,652 sqm	437,911 sqm
Portfolio value	\$3,457m <sup>1</sup>	\$3,385m
WACR	5.37%	5.40%
Property net operating income (NOI)	\$91m	\$86m
Like-for-like NOI growth	2.0%	2.6%
Maintenance capex	\$10m	\$7m
Tenant incentives <sup>2</sup>	\$6m	\$5m
Occupancy (by area)	99.0%	99.3%
GLA leased	29,281 sqm	28,769 sqm
% of portfolio GLA leased	6.7%	6.4%
WALE (by income)	4.0 yrs	4.1 yrs
WALE (by area)	5.0 yrs	5.3 yrs
Specialty occupancy cost	14.8%	15.4%
Total comparable MAT	\$2,707m	\$2,890m
Total comparable MAT productivity <sup>3</sup>	\$9,991/sqm	\$9,542/sqm
Total comparable MAT growth	2.8%	2.5%
Specialties comparable MAT productivity <sup>3</sup>	\$10,348/sqm	\$10,019/sqm
Specialties comparable MAT growth	2.4%	2.9%
New leasing spreads	(0.8%)	6.8%
Renewal leasing spreads	2.3%	1.0%
Total leasing spreads	1.4%	2.7%

1. Portfolio value represents fair value (excludes gross up of lease liability under AASB 16).

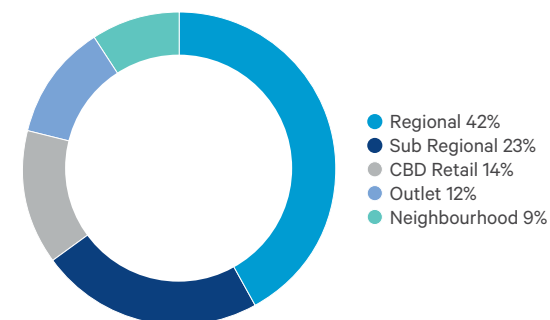
2. Includes cash and fitout incentives.

3. Impacted by change in comparable basket.

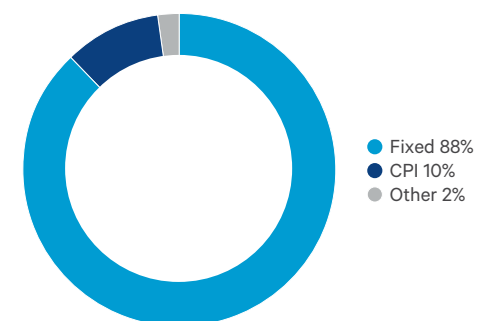
4. By portfolio value as per PCA classification.

5. By income, excludes lease expiries.

## RETAIL DIVERSITY BY GRADE<sup>4</sup>



## RETAIL RENT REVIEW STRUCTURE<sup>5</sup>



# Retail: sales by category

RETAIL SALES BY CATEGORY	1H20 TOTAL MAT	1H20 COMPARABLE MAT GROWTH	FY19 COMPARABLE MAT GROWTH
Supermarkets	\$1,165m	3.5%	4.4%
Discount department stores	\$262m	5.0%	4.5%
Mini-majors	\$550m	0.1%	(0.5%)
Specialties	\$1,202m	2.4%	2.0%
Other retail	\$235m	5.4%	4.0%
<b>Total</b>	<b>\$3,414m</b>	<b>2.8%<sup>1</sup></b>	<b>2.7%<sup>2</sup></b>

SPECIALTY SALES BY CATEGORY	1H20 TOTAL MAT	1H20 COMPARABLE MAT GROWTH	FY19 COMPARABLE MAT GROWTH
Food retail	\$130m	(0.9%)	2.4%
Food catering	\$348m	0.7%	1.5%
Jewellery	\$29m	(0.3%)	(4.1%)
Mobile phones	\$42m	7.5%	(2.3%)
Homewares	\$42m	(0.4%)	13.1%
Retail services	\$135m	6.8%	4.2%
Leisure	\$44m	(5.8%)	(2.3%)
Apparel	\$324m	1.8%	1.8%
General retail	\$108m	14.2%	1.7%
<b>Total specialties</b>	<b>\$1,202m</b>	<b>2.4%</b>	<b>2.0%</b>

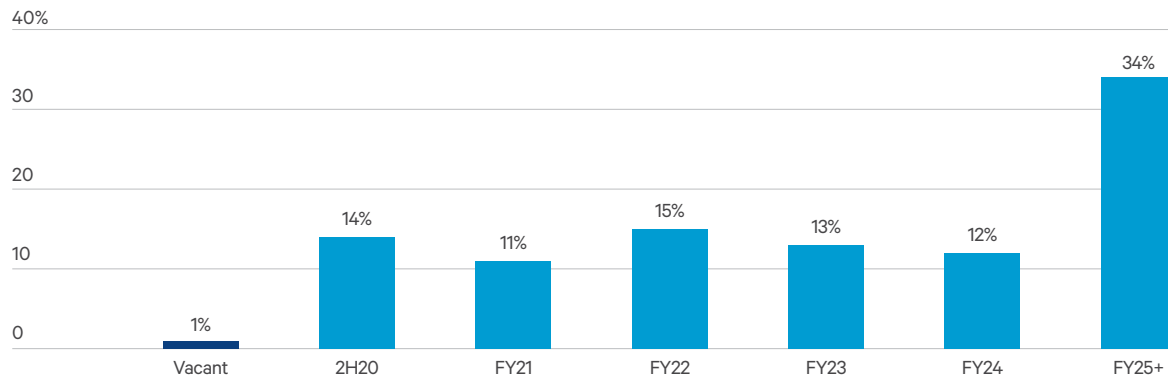
SPECIALTY METRICS	1H20	FY19
Comparable specialty sales	\$10,348/sqm	\$10,063/sqm
Comparable specialty occupancy costs	14.8%	15.5%

1. Total Comparable MAT sales growth would equate to approximately 2.1% adjusting for major Supermarkets and DDS categories reporting 53 weeks of sales.

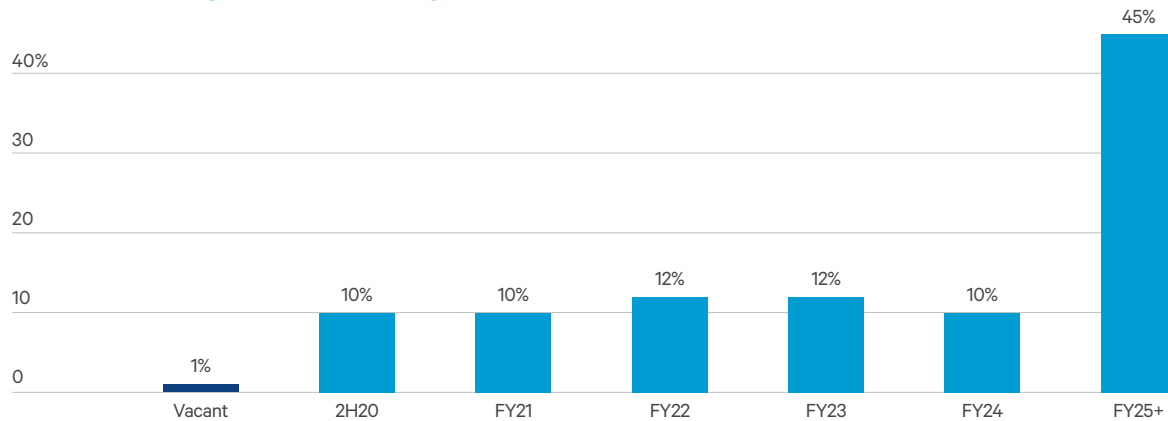
2. Total Comparable MAT sales growth would equate to approximately 2% adjusting for major Supermarkets and DDS categories reporting 53 weeks of sales.

# Retail: lease expiry profile & top 10 tenants

## RETAIL LEASE EXPIRY PROFILE — BY INCOME



## RETAIL LEASE EXPIRY PROFILE — BY AREA



## RETAIL TOP 10 TENANTS

	PERCENTAGE <sup>1</sup>	CREDIT RATINGS
1 Coles Group Limited	6%	BBB+ / Baa1
2 Wesfarmers Limited	4%	A- / A3
3 Woolworths Group Limited	3%	BBB / Baa2
4 ALDI Food Stores	2%	—
5 Audi AG	2%	BBB+ / A3
6 Event Cinemas	1%	—
7 Cotton On Group	1%	—
8 Virgin Group	1%	B+
9 Australian Pharmaceutical Industries	1%	—
10 Westpac Banking Corporation	1%	AA- / Aa2
<b>Total</b>	<b>22%</b>	<b>—</b>



# Retail: developments

COMMITTED PIPELINE	DEVELOPMENT AREA	INCREMENTAL GLA	OWNERSHIP	AREA % PRE-LEASED	ESTIMATED PROJECT COST <sup>1</sup>	ESTIMATED COST TO COMPLETE <sup>1</sup>	ESTIMATED YIELD ON COST	ESTIMATED PROJECT TIMING		
								1H20	2H20	FY21
Toombul - Entertainment & Dining Precinct	4,500 sqm	1,600 sqm	100%	94%	\$43m	\$4m	>6.0%			
Moonee Ponds Central - Dining & Managed Parking	600 sqm	—	100%	94%	\$9m	\$3m	6.5%			
Orion Springfield Central - Timezone, ALDI & Food Court	2,900 sqm	1,500 sqm	100%	95%	\$11m	\$11m	>5%			
South Eveleigh - Ground Floor Retail and Locomotive Workshop <sup>2,3</sup>	10,100 sqm	10,100 sqm	33% / 100%							
<b>Total</b>	<b>18,100 sqm</b>	<b>13,200 sqm</b>			<b>\$63m</b>	<b>\$18m</b>	<b>&gt;6.0%</b>			

## FUTURE DEVELOPMENT & REPOSITIONING PIPELINE

Birkenhead Point Brand Outlet  
 Broadway Sydney  
 Greenwood Plaza  
 Harbourside  
 Moonee Ponds Central  
 Orion Springfield Central  
 Rhodes Waterside  
 Toombul

1. Mirvac's ownership interest.

2. Retail component managed by retail business, recognised on Office balance sheet.

3. See slide 50 for additional disclosure.

# Residential



# Residential: market overview

Mirvac pipeline <sup>11</sup>

## SYDNEY

- > Established market price growth now positive with the annual rate at 9.3%<sup>1</sup> for houses and 5%<sup>1</sup> for units. Low listing levels indicate price growth should continue amid increasing demand with housing finance showing growth in owner occupiers.
- > Market land sales showing rebound off lows over last two quarters, net lot sales up 30%<sup>2</sup> in the Dec 19 quarter versus a year ago.
- > Supply outlook impacted by continued fall in approvals, high-rise the weakest and decline in detached house approvals growing. Total annual new residential approvals are down 36%<sup>3</sup> from peak.
- > Economy has slowed with softness now becoming apparent in the labour market with slower employment growth and a marginal rise in unemployment rate to 4.5%<sup>4</sup>. Confidence has been impacted by the bushfires, however housing related confidence is strong – house price expectations index is positive up 58%<sup>5</sup> over the year while the view for ‘time to buy dwelling’ in NSW is nearing long-run average levels<sup>5</sup>.

29%  
NSW

## MELBOURNE

- > Similar to Sydney, established market pricing has improved but stronger for units with annual growth at 8.7%<sup>1</sup> and houses 8%<sup>1</sup>.
- > Land market showing signs of improvement, with the state's net lot sales for the total market rising 7%<sup>6</sup> in the December quarter from the previous year and 39%<sup>6</sup> on quarter.
- > Australia's strongest state economy but has moderated. Unemployment below national average<sup>4</sup>; population growth strong around 95,000<sup>7</sup> people from net migration and record infrastructure spend of \$55bn<sup>8</sup> next four years
- > Undersupply to become evident through FY20 with annual approvals down 51%<sup>3</sup> for high-rise units from peak and detached house approvals soft.

49%  
VIC

## BRISBANE

- > Net migration now at the strongest levels since 2012<sup>7</sup> with solid gains to inner and middle ring Brisbane
- > Rental market now tight with vacancy trending lower<sup>9</sup> and rental growth resuming in select areas contributing to better rental yield profile for units
- > Land market sales steady<sup>2</sup> and annual price growth in the established market has turned positive<sup>1</sup>

16%  
QLD

## PERTH

- > Economic activity stalled over 2019<sup>10</sup> with continued low population inflows and housing and business investment a drag. Labour market conditions also struggled to maintain traction.
- > Lift in commodity prices continues to support state income and mining investment
- > Some signs of stabilisation with positive monthly price growth emerging<sup>1</sup>
- > Further declines in housing approvals to tighten supply, with annual detached approvals<sup>3</sup> nearing all time cyclical lows

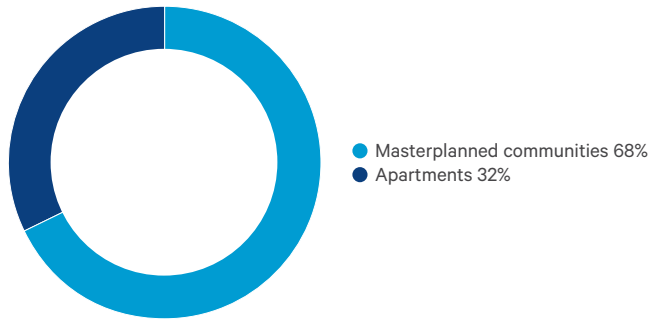
6%  
WA

1. CoreLogic RP Data Daily Home Value Index: Monthly Values – 31 January 2020. 2. Research4, National Land Survey Programme Dec 2019, NSW All Market. 3. Australian Bureau of Statistics, Cat. 8731.0 – Building Approvals, Australia, Dec 2019.  
4. Australian Bureau of Statistics, 6202.0 – Labour Force, Australia, Dec 2019. 5. The Westpac-Melbourne Institute Confidence Index January 2020, Houses Price Expectations Index (Australia) & Time to buy a dwelling (New South Wales).  
6. Research4, National Land Survey Programme Dec 2019, VIC All Market. 7. Australian Bureau of Statistics, 3101.0 – Australian Demographic Statistics, Jun 2019. 8. VIC Government Budget Papers mid-year update, 2019-20.  
9. SQM Research, Residential Vacancy Rates, Dec 19. 10. Australian Bureau of Statistics, 5206.0 - Australian National Accounts: National Income, Expenditure and Product, Sep 2019.  
11. Based on Mirvac's share of expected future revenue.

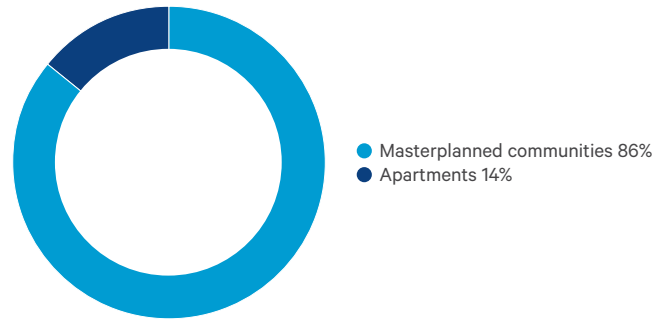
# Residential: pipeline positioning

## 27,551 PIPELINE LOTS

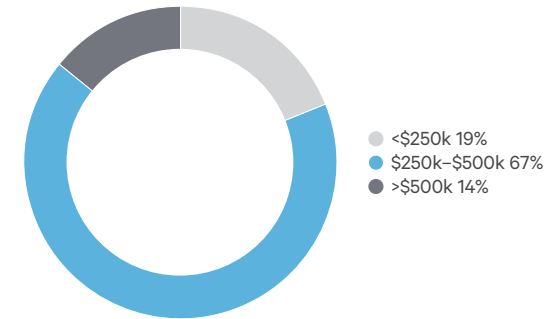
SHARE OF EXPECTED FUTURE REVENUE BY PRODUCT<sup>1</sup>



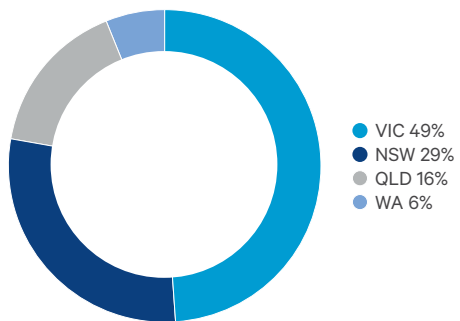
PIPELINE LOTS BY PRODUCT



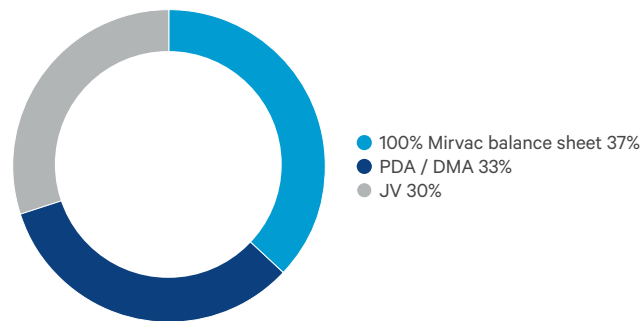
PIPELINE LOTS BY PRICE POINT – MASTERPLANNED COMMUNITIES



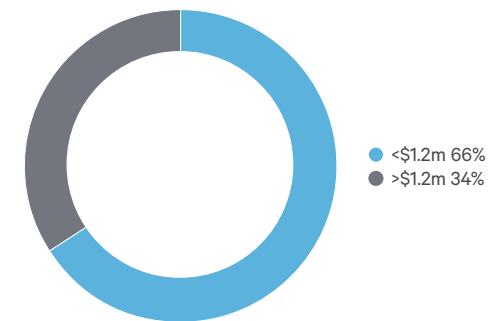
SHARE OF EXPECTED FUTURE REVENUE BY GEOGRAPHY<sup>1</sup>



PIPELINE LOTS BY STRUCTURE



PIPELINE LOTS BY PRICE POINT – APARTMENTS

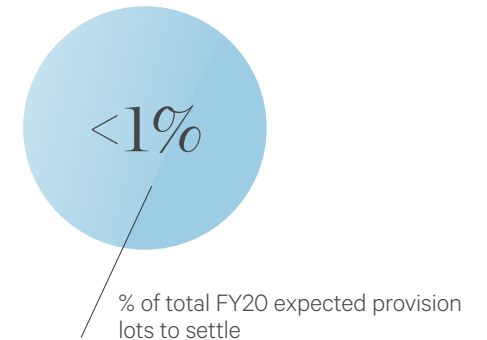
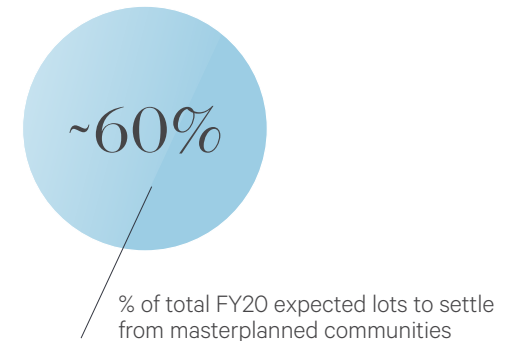


1. Mirvac share of forecast revenue

# Residential: masterplanned communities pipeline (major projects)

MAJOR PROJECTS	STATE	STAGE	OWNERSHIP	TYPE	EXPECTED SETTLEMENT PROFILE (LOTS)				
					2H20	FY21	FY22	FY23	FY24
Osprey Waters	WA	Multiple stages	100%	Land		98			
Ashford (previously Everton Park)	QLD	Multiple stages	100%	House & Land		124			
Tullamore	VIC	Multiple stages	100%	House & Land		157			
Crest	NSW	Multiple stages	100%	House & Land		199			
Waverley Park	VIC	Multiple stages	100%	House & Land			108		
Madox	WA	Multiple stages	100%	Land		271			
Gainsborough Greens	QLD	Multiple stages	100%	House & Land		287			
Iluma Private Estate	WA	Multiple stages	100%	Land		453			
One71 Baldivis	WA	Multiple stages	100%	Land			284		
Everleigh	QLD	Multiple stages	100%	Land			958		
Googong	NSW	Multiple stages	JV	House & Land			1,148		
Olivine	VIC	Multiple stages	100% & DMA	Land			1,442		
Woodlea	VIC	Multiple stages	JV	Land			1,691		
Alexandria (previously Arana Hills)	QLD	Multiple stages	100%	House & Land		80			
The Fabric	VIC	Multiple stages	100%	House			257		
Menangle	NSW	Multiple stages	PDA	Land			373		
Henley Brook	WA	Multiple stages	100%	Land			472		
Smith's Lane	VIC	Multiple stages	100%	Land			899		
Moorebank	NSW	Multiple stages	PDA	House			179		
Riverlands	NSW	Multiple stages	100%	House			280		
Marsden Park North	NSW	Multiple stages	PDA	House & Land			532		

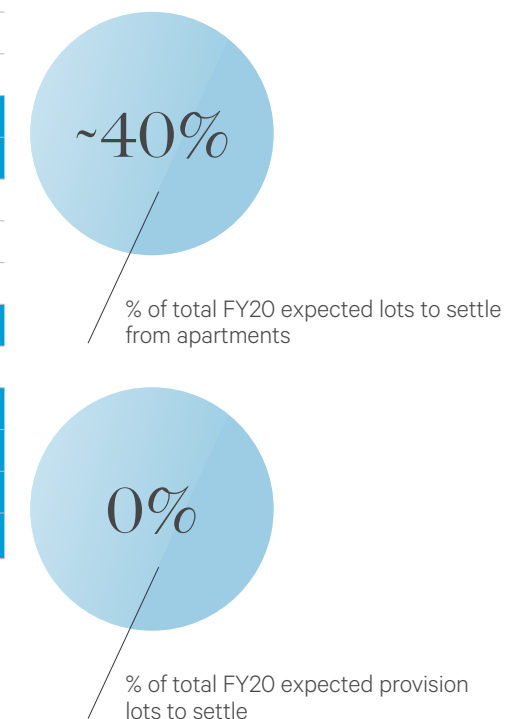
## MASTERPLANNED COMMUNITIES PROJECT PIPELINE ANALYSIS



# Residential: apartments pipeline (major projects)

MAJOR PROJECTS	STATE	STAGE	PRE-SOLD	OWNERSHIP	EXPECTED SETTLEMENT PROFILE (LOTS)				
					2H20	FY21	FY22	FY23	FY24
Tullamore	VIC	Phoenix	94%	100%	14				
St Leonards Square <sup>1</sup>	NSW	All stages	98%	JV	234				
Marrick & co	NSW	All Stages	82%	100%	44				
Pavilions <sup>2</sup>	NSW	All Stages	73%	PDA	359				
Claremont	WA	Reserve	53%	100%	45				
Claremont	WA	Grandstand	64%	100%	53				
Tullamore	VIC	Folia	56%	100%	102				
Beachside Leighton	WA	Compass	55%	100%	104				
Ascot Green	QLD	Tulloch House	29%	PDA	84				
Yarra's Edge	VIC	Voyager	68%	100%	307				
Tullamore	VIC	Future Stages	Not released	100%	69				
Ascot Green	QLD	Future Stages	Not released	PDA	133				
The Peninsula	WA	Future Stages	Not released	100%	187				
Yarra's Edge	VIC	Future Stages	Not released	100%	111				
Green Square	NSW	Future Stages	Not released	PDA	163				

## APARTMENTS PROJECT PIPELINE ANALYSIS



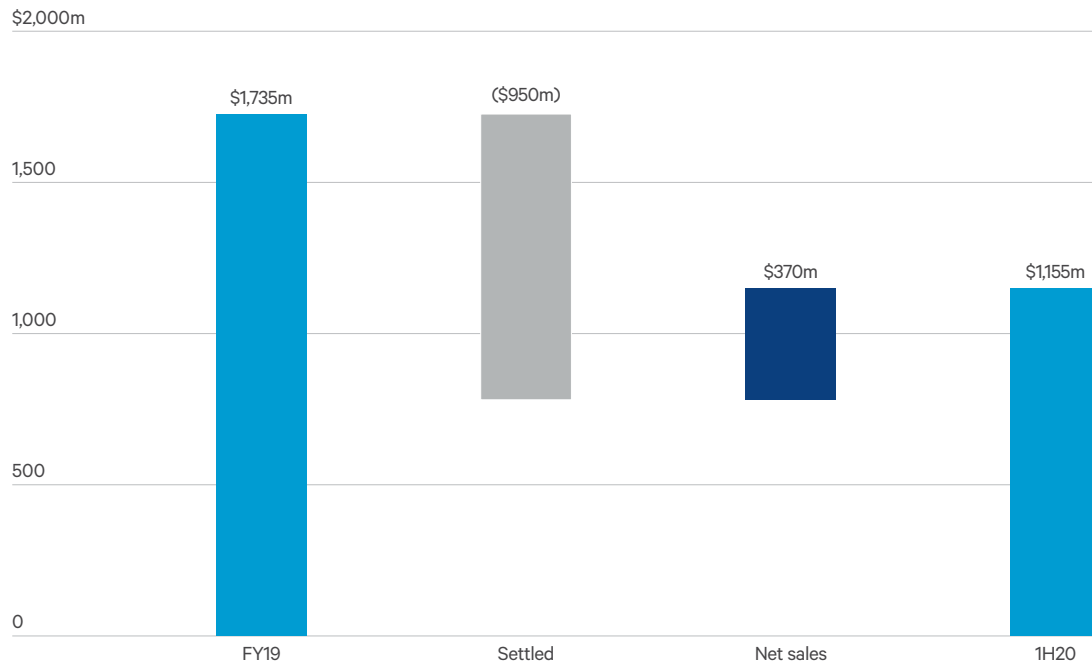
1. Includes retail/commercial strata lots.

2. Excludes build-to-rent lots.

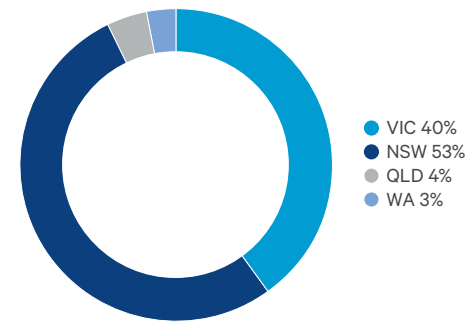
Note: PDAs are development service contracts and there is no land ownership to Mirvac.

# Residential: pre-sales detail

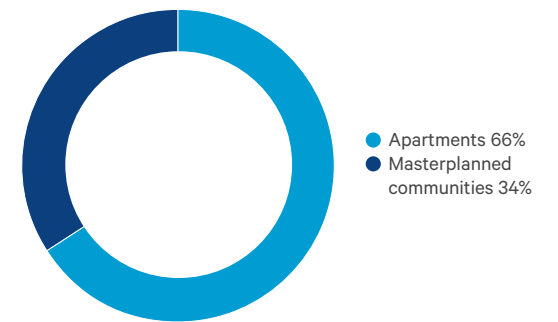
## RECONCILIATION OF MOVEMENT IN EXCHANGED PRE-SALES CONTRACTS TO 1H20



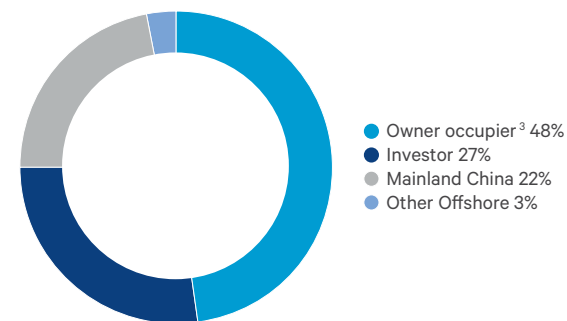
## PRE-SALES BY GEOGRAPHY<sup>1</sup>



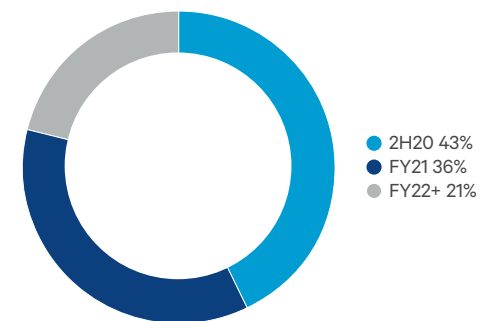
## PRE-SALES BY TYPE<sup>1</sup>



## PRE-SALES BY BUYER PROFILE<sup>1,2</sup>



## PRE-SALES EXPECTED ROLL-OFF<sup>1</sup>



1. Represents presales contract value.  
 2. Buyer profile information approximate only and based on customer surveys.  
 3. Includes first home buyers.

# Residential: 1H20 acquisitions & additional pipeline projects

PROJECT	STATE	OWNERSHIP	NO. OF LOTS <sup>1</sup>	PRODUCT TYPE	ESTIMATED SETTLEMENT COMMENCEMENT <sup>1</sup>
<b>Acquisitions / Agreements</b>					
Riverlands Milperra	NSW	100%	345	Masterplanned communities	FY22
Western Sydney University, Milperra	NSW	PDA	425	Masterplanned communities	FY24
Waterloo Metro Quarter	NSW	JV	308	Apartments	FY25
<b>Total Acquisitions / Agreements</b>			<b>1,078</b>		

1. Subject to planning approvals and market demand.

Note: PDAs are development service contracts and there is no land ownership to Mirvac.



# Residential: 2H20 expected major releases

2H20 EXPECTED MAJOR RELEASES <sup>1</sup>	STATE	TYPE	APPROXIMATE LOTS <sup>1</sup>
Woodlea	VIC	Masterplanned communities	159
Smiths Lane	VIC	Masterplanned communities	121
Green Square	NSW	Apartments	119
Olivine	VIC	Masterplanned communities	94
Googong	NSW	Masterplanned communities	74
Everleigh	QLD	Masterplanned communities	66
Menangle	NSW	Masterplanned communities	64
Illuma Private Estate	WA	Masterplanned communities	62
Gainsborough Greens	QLD	Masterplanned communities	61
Crest	NSW	Masterplanned communities	45

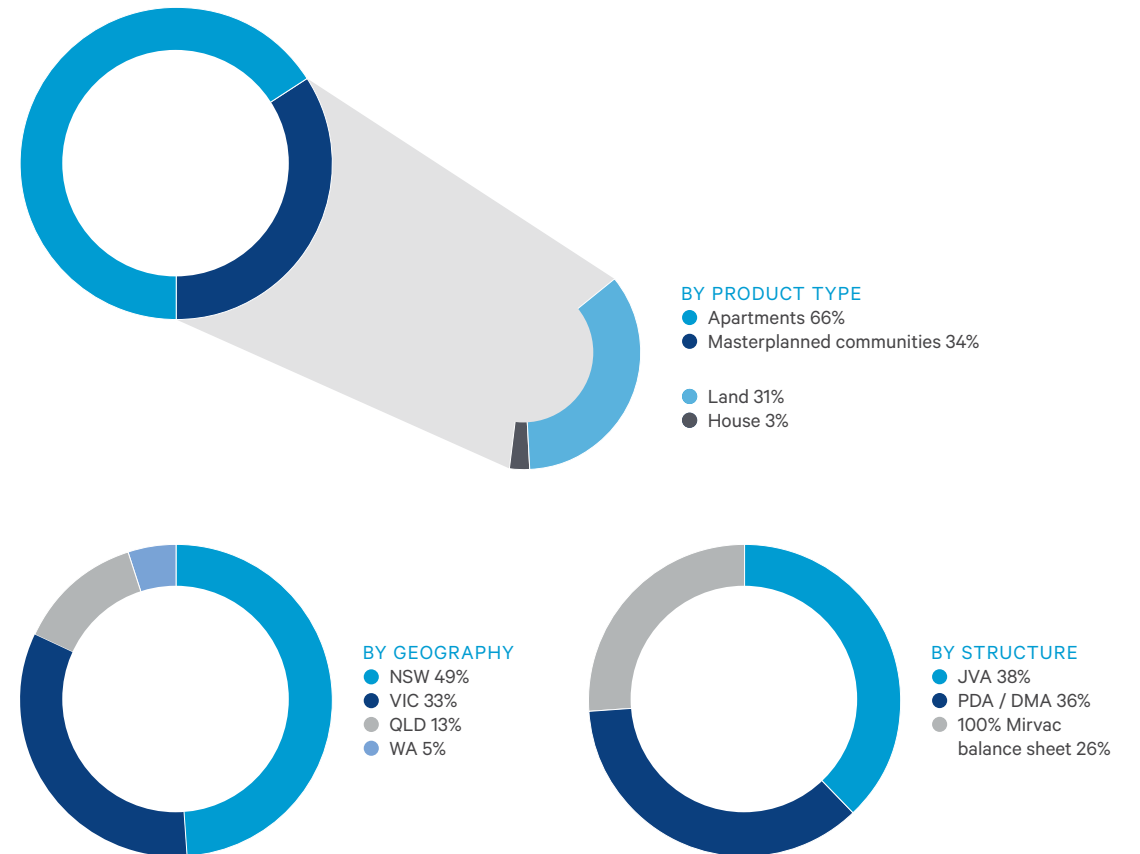
1. Subject to planning approvals and market demand.

# Residential: 1H20 settlements

## 1,232 LOT SETTLEMENTS CONSISTING OF:

	APARTMENTS		MASTERPLANNED COMMUNITIES		TOTAL	
	LOTS	%	LOTS	%	LOTS	%
NSW	527	43%	74	6%	601	49%
QLD	25	2%	139	11%	164	13%
VIC	242	20%	159	13%	401	33%
WA	13	1%	53	4%	66	5%
<b>Total</b>	<b>807</b>	<b>66%</b>	<b>425</b>	<b>34%</b>	<b>1,232</b>	<b>100%</b>

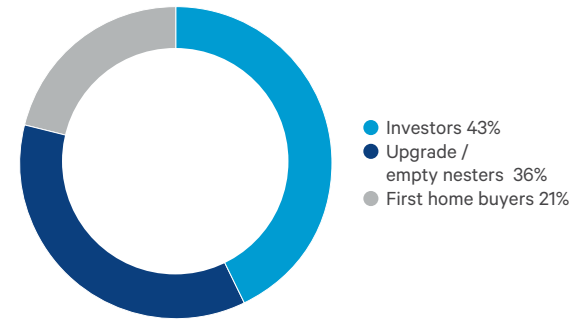
## 1H20 LOT SETTLEMENTS



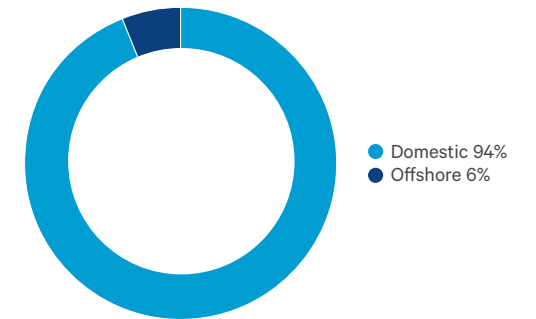
# Residential: 1H20 settlements detail

1H20 MAJOR SETTLEMENTS	PRODUCT TYPE	OWNERSHIP	LOTS
St Leonards Square, NSW	Apartments	JV	327
The Eastbourne, VIC	Apartments	PDA	190
Marrick & Co, NSW	Apartments	100%	172
Gainsborough Greens, QLD	Masterplanned Communities	100%	83
Woodlea, VIC	Masterplanned Communities	JV	73
Olivine, VIC	Masterplanned Communities	100% & DMA	66
Everleigh, QLD	Masterplanned Communities	100%	45
Googong, NSW	Masterplanned Communities	JV	41
Tullamore, VIC	Apartments	100%	33
<b>Subtotal</b>			<b>1,030</b>
Other projects			202
<b>Total</b>			<b>1,232</b>

## 1H20 SETTLEMENT BUYER PROFILE



## 1H20 BUYER PROFILE BY GEOGRAPHY



## 1H20 AVERAGE SALES PRICE

	\$
Apartments	~\$1,285k
House	~\$745k
Land	~\$320k

Note: PDAs are development service contracts and there is no land ownership to Mirvac.

# Residential: EBIT reconciliation & gross development margin

1H20 RESIDENTIAL EBIT RECONCILIATION	\$M
Development revenue	610
Management fee revenue	10
<b>Total development revenue</b>	<b>620</b>
JV and other revenue	65
<b>Total operating revenue and other income</b>	<b>685</b>
Cost of development and construction	(489)
Sales and marketing expense	(18)
Employee benefits and other expenses	(20)
Depreciation and other	(3)
<b>Total cost of property development and construction</b>	<b>(530)</b>
<b>Development EBIT</b>	<b>155</b>
Management and administrative expenses	(11)
<b>Total Residential EBIT</b>	<b>144</b>

1H20 GROSS DEVELOPMENT MARGIN	
Development revenue	\$610m
Cost of development and construction	(\$489m)
<b>Residential gross development profit</b>	<b>\$121m</b>
<b>Residential gross development margin %</b>	<b>20%</b>
<b>Residential EBIT margin %</b>	<b>21%</b>

# High quality product & conservatism supporting future residential margins

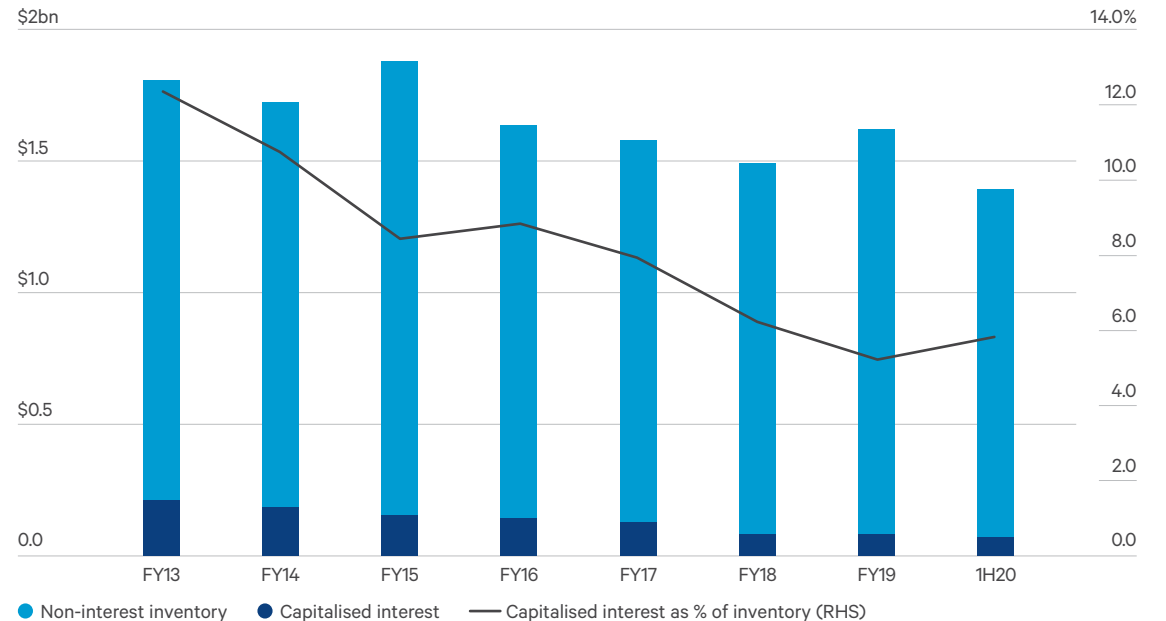
## REVENUE

- > \$1.2bn of revenue pre-sold and ~27,500 pipeline lots
- > Nearly 80% expected future revenue from core markets of Sydney and Melbourne
- > >50% of residential pipeline with 25%+ expected gross development margins
- > Brand, quality and project locations supports continued demand for Mirvac product
- > Product targeted at owner occupiers
- > No material reliance on price escalation in feasibilities near term

## COST

- > Capitalised interest remains low at 5.8% of inventory, supporting future margins
- > Capitalised interest only on active projects and on a stage by stage basis
- > 63% of pipeline lots in capital efficient PDA and JV structures
- > Target 70–80% trade coverage prior to commencement of construction

## DECLINING CAPITALISED INTEREST AS A PERCENTAGE OF INVENTORY



Note: All inventory balances reflect gross inventory.

# Calendar



# 2H20 Calendar

EVENT	LOCATION	DATE <sup>1</sup>
Private roadshow	Sydney	7, 12-14 February 2020
Private roadshow	Melbourne	10-11 February 2020
Private debt roadshow	USA	2-6 March 2020
Citibank's 2020 Global Property CEO Conference	Miami, USA	2-3 March 2020
Private roadshow	USA	4-6 March 2020
J.P. Morgan Australian Real Estate Forum	Asia	30 March-3 April 2020
3Q20 Operational Update	—	30 April 2020
Macquarie Australia Conference Sydney	Sydney	5 May 2020
FY20 Results Briefing	Sydney	6 August 2020

## INVESTOR RELATIONS CONTACT

**T** (02) 9080 8000

**E** [investor.relations@mirvac.com](mailto:investor.relations@mirvac.com)

1. All dates are indicative and subject to change.

# Glossary

TERM	MEANING
A-REIT	Australian Real Estate Investment Trust
AFFO	Adjusted Funds from Operations
BPS	Basis Points
BTR	Build-to-rent
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	Earnings before interest and tax
EIS	Employee Incentive Scheme
EMTN	Euro Medium Term Note
ENGLOBO	Group of land lots that have subdivision potential
EPS	Earnings Per Stapled Security
FFO	Funds from Operations
FHB	First Home Buyer
FIRB	Foreign Investment Review Board
FY	Financial Year
GLA	Gross Lettable Area
ICR	Interest Cover Ratio
IFRS	International Financial Reporting Standards
IPD	Investment Property Databank
IPUC	Investment properties under construction
IRR	Internal Rate of Return
JVA	Joint Ventures and Associates
LAT	Leader Auta Trust
LPT	Listed Property Trust

TERM	MEANING
LTIFR	Lost Time Injury Frequency Rate
Low density	Green field land projects outside of the middle ring
MAT	Moving Annual Turnover
Medium density	Urban infill and middle ring projects with some level of built form aspect
MGR	Mirvac Group ASX code
MPT	Mirvac Property Trust
MTN	Medium Term Note
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: <ul style="list-style-type: none"> <li>i. Future development – If the asset is held for future (within 4 years) redevelopment</li> <li>ii. Operational control – If operational control of the asset is not exercised by MPT (i.e. tenant operates the building or controls capital expenditure).</li> <li>iii. Less than 75% office space – If the asset comprises less than 75% of NABERS rateable office space by area.</li> <li>iv. Buildings with less than 2,000 sqm office space</li> </ul>
NLA	Net Lettable Area
NOI	Net Operating Income
NPAT	Net Profit After Tax
NRV	Net Realisable Value
NTA	Net Tangible Assets
Operating Profit	Operating profit reflects the core earnings of the Group, representing statutory profit adjusted for specific non-cash items and other significant items.
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
SQM	Square metre
USPP	US Private Placement
WACR	Weighted Average Capitalisation Rate
WALE	Weighted Average Lease Expiry



# Important Notice

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