

16 February 2017

**MIRVAC GROUP FINANCE LIMITED
ABN 77 119 339 463**

YEN 10,000,000,000 0.95% Notes due 2031 (THE "NOTES") ISSUED PURSUANT TO THE EURO 2 BILLION EURO MEDIUM TERM NOTE PROGRAMME (THE 'PROGRAMME') ANNOUNCEMENT OF MIRVAC GROUP RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

ANNOUNCEMENT TO SINGAPORE EXCHANGE

We attach the Mirvac Group Results including the Australian Securities Exchange (ASX) release, Investor Presentation, Appendix 4D statement under the ASX Listing Rules and consolidated Mirvac Limited Interim Financial Report for the Half Year Ended 31 December 2016.

Yours sincerely

A handwritten signature in black ink, appearing to read "D. Sellin".

For Mirvac Group Finance Limited

David Sellin
Company Secretary

16 February 2017

MIRVAC GROUP HALF YEAR RESULTS – 31 DECEMBER 2016

Mirvac Group ("Mirvac") [ASX: MGR] today released its 1H17 Interim Results for the half year ended 31 December 2016.

Key highlights across the Group include:

- statutory profit increased by 7 per cent to \$508 million (31 December 2015: \$473 million);
- operating profit after tax increased by 39 per cent to \$230 million (31 December 2015: \$165 million), representing 6.2 cents per stapled security¹;
- half-year distribution of \$182 million, representing 4.9 cents per stapled security;
- maintained strong portfolio metrics within the Investment portfolio, with solid occupancy of 98.6 per cent² and a weighted average lease expiry of 6.1 years³;
- achieved over 95,500 square metres of leasing activity across the Investment portfolio;
- progressed with over \$2 billion of committed commercial development projects;
- secured future income with a record \$3.1 billion of residential pre-sales⁴, with 93 per cent of expected residential earnings before interest and tax secured for FY17; and
- settled over 970 residential lots and remain on track to settle over 3,300 lots in FY17, with the majority of settlements expected to fall in the second half of the financial year.

Key financial and capital management highlights:

- net tangible assets (NTA)⁵ per stapled security increased by 5 per cent to \$2.01 (30 June 2016: \$1.92);
- weighted average debt maturity increased significantly from 4.0 years to 6.4 years following over \$1 billion of debt issuance over the past six months;
- maintained substantial available liquidity totalling \$594 million of cash and committed undrawn bank facilities held, with \$200 million of debt due for repayment in December 2017; and
- gearing remained within the Group's target range of 20.0 to 30.0 per cent at 25.8 per cent⁶.

Mirvac's CEO & Managing Director, Susan Lloyd-Hurwitz, said, "We have delivered a solid set of results in the first half of FY17, reflecting our ambition to Reimagine Urban Life by creating, owning and managing high-quality urban assets in Australia's largest cities.

"Our investment portfolio continues to deliver positive metrics, while our proven in-house asset creation capability remains a key competitive advantage for the Group, allowing us to generate value through the strength of our integrated model.

1. Excludes specific non-cash items, significant items and related taxation.

2. By area, including investments in joint ventures and excluding assets held for development.

3. By income, including investments in joint ventures and excluding assets held for development.

4. Adjusted for Mirvac's share of JVA and Mirvac managed funds.

5. NTA per stapled security, based on ordinary securities including Employee Incentive Scheme securities.

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

“While we expect a strong skew of earnings to the second half of the financial year due to the timing of residential settlements, we remain confident in our full-year earnings outlook and have tightened our EPS guidance to the upper end of between 14.2 and 14.4 cents per stapled security, representing growth of between 9 and 11 per cent.”

Office portfolio highlights:

- occupancy increased to 97.2 per cent¹, with a long WALE of 6.9 years²;
- strong valuation uplift of \$230 million³ (or 5.1 per cent) over the previous book value for the six months to 31 December 2016;
- over 56,800 square metres of leasing activity completed⁴, with leasing spreads of 5.0 per cent and average incentives of 19 per cent;
- commenced construction at Australian Technology Park in Sydney and 477 Collins Street in Melbourne, which form part of the Group’s \$2 billion committed office development pipeline; and
- achieved practical completion of 2 Riverside Quay in Melbourne, two months ahead of schedule.

Ms Lloyd-Hurwitz commented, “Demonstrating the success of our urban strategy and our focus on well-located high-quality assets, we have maintained leading portfolio metrics in the half year, demonstrated by high occupancy, a long WALE and almost 57,000 square metres of leasing activity achieved. In addition to this, we have pre-leased a further 29,000 square metres in our office development pipeline.

“The quality of the office portfolio was further enhanced in the half year with the addition of 2 Riverside Quay in Melbourne, which was completed a full two months ahead of schedule and marks the fourth completed office development in the past 18 months.

“Our forward-looking office development pipeline will see us deliver approximately \$2.8 billion of high-quality, innovative and collaborative workplaces in the coming years, highlighting our unique asset creation capability and the significant contribution we are making to Australia’s urban landscape.”

Industrial portfolio highlights:

- high occupancy maintained at 99.7 per cent⁵ with a long WALE of 7.7 years⁶;
- over 19,500 square metres of leasing activity achieved;
- completed the acquisition of an industrial site at 274 Victoria Road, Rydalmere in NSW for \$48 million;
- achieved practical completion of Building 1 at Calibre, Eastern Creek NSW in December 2016 and secured CEVA Logistics in January 2017 to occupy the 18,970 square metre facility, with the lease commencing in February 2017; and

1. By area, including investments in joint ventures and excluding assets held for development.

2. By income, including investments in joint ventures and excluding assets held for development.

3. Includes investments in joint ventures.

4. Excludes leasing of assets under development.

5. By area.

6. By income.

- acquired 36 Gow Street, Padstow NSW in January 2017 for \$30 million, a high-quality facility that provides Mirvac with an opportunity to add value through its leasing expertise.

“We have a high-quality industrial portfolio which has been further enhanced with the addition of Warehouse 1 at Calibre in Sydney. Our focus is to grow the industrial portfolio through development and selective acquisitions that provide us with an opportunity to add value through our leasing expertise or repositioning capability,” Ms Lloyd-Hurwitz said.

Retail portfolio highlights:

- strong occupancy of 99.7 per cent¹, in line with Retail’s target to achieve occupancy of greater than 99 per cent in FY17;
- comparable moving annual turnover sales growth of 4.1 per cent and comparable specialty sales growth of 3.5 per cent;
- total specialty sales productivity increased to \$9,662 per square metre, while specialty occupancy costs reduced to 14.6 per cent;
- over 19,100 square metres of leasing activity achieved, with average leasing spreads of 3.1 per cent;
- completed the acquisition of a 50 per cent interest in East Village, Zetland NSW in July 2016 for \$155 million. The centre ranked number one in Australia for total sales productivity in the Shopping Centre News’ 2016 Little Guns awards; and
- entered into an agreement with PAYCE Consolidated to acquire a 50 per cent interest in the proposed South Village Shopping Centre development in Kirrawee, NSW.

Ms Lloyd-Hurwitz commented, “We have set some ambitious targets for the Retail business in FY17, such as occupancy of greater than 99 per cent, total sales productivity of \$10,000 per square metre and 25 per cent EBIT growth. And while there has been recent pressure on certain retailers our continued focus on improved productivity and customer experience, along with a resilient tenancy mix, ensures that we are well positioned.

“We have identified significant opportunity to add value to our retail portfolio, with 14 of our 17 retail assets having repositioning potential. This represents a future retail development pipeline of over \$1 billion.

“Our focus on high-quality assets in urban catchments with strong fundamentals is expected to support a continued outperformance in the retail sector.”

Residential highlights:

- settled 977 residential lots, with the Group targeting over 3,300 residential lot settlements in FY17. The majority of settlements are expected to fall in the second half of the financial year;
- secured future income with \$3.1 billion of residential pre-sales², with 93 per cent and 63 per cent of expected residential earnings before interest and tax secured for FY17 and FY18 respectively. Mirvac expects to achieve over 45 per cent earnings growth in its residential business in FY17;

1. By area.

2. Adjusted for Mirvac’s share of JVA and Mirvac managed funds.

- released approximately 1,250 lots with 77 per cent of all released lots pre-sold. Successful launches included:
 - Brighton Lakes NSW (79 per cent of released lots pre-sold);
 - Gledswood Hills NSW (94 per cent of released lots pre-sold);
 - Woodlea VIC (93 per cent of released lots pre-sold); and
 - Tullamore VIC (86 per cent of released lots pre-sold); and
- remain on track to release approximately 1,900 lots in the second half of the financial year, supporting future sales momentum.

“Benefiting from our strategic overweight to the strong Sydney and Melbourne markets, we now have our highest-ever level of earnings visibility with a record \$3.1 billion of residential pre-sales. In addition to this, we have secured 93 per cent of our residential expected earnings for the 2017 financial year.

“While we anticipate a strong skew of settlements to the second half of the financial year, our return profile is robust with gross margins expected to remain above our through-cycle target of between 18-22 per cent for the full year. Pleasingly, we are on track to deliver a residential return on invested capital of more than 15 per cent in FY17.

“Sales momentum within our masterplanned communities business continues to be strong, and we have substantially pre-sold our active apartment projects. Further, we continue to proactively manage our FIRB exposure and defaults remain at low levels,” Ms Lloyd-Hurwitz said.

Outlook

Mirvac has tightened its FY17 operating EPS guidance to between 14.2 and 14.4 cents per stapled security, and reaffirms distribution guidance of between 10.2 to 10.4 cents per stapled security.

“Overall, we have made a solid start to the 2017 financial year, with strong performance and high quality of earnings across each part of the business. This ensures we are well placed to achieve the targets we have set for FY17, including earnings growth of between 9 and 11 per and distributions growth of 3 and 5 per cent.

“While we still have over 2,300 lots to settle in the remainder of the financial year, we are comfortable with our revised operating earnings outlook and remain on track to deliver a residential return on invested capital of greater than 15 per cent,” Ms Lloyd-Hurwitz commented.

A management presentation of the results will be webcast live from 10:30am (AEDT) at www.mirvac.com.

For more information, please contact:

Media enquiries:
Marie Festa
Head of Culture and Reputation
+61 2 9080 8956

Investor enquiries:
Narelle Checchin
GM, External Communications
and Investor Relations
+61 2 9080 8315



16 FEBRUARY 2017

1H17 Results

INDUSTRIAL

RETAIL

OFFICE

RESIDENTIAL

EVERYTHING'S
connected

Agenda

Overview

Susan Lloyd-Hurwitz, CEO and Managing Director

Financial

Shane Gannon, Chief Financial Officer

Office & Industrial

Campbell Hanan, Head of Office & Industrial

Retail

Susan MacDonald, Head of Retail

Residential

Brett Draffen, CIO and Acting Head of Residential

Summary and Guidance

Susan Lloyd-Hurwitz, CEO and Managing Director

Susan Lloyd-Hurwitz,
CEO and Managing Director

OVERVIEW

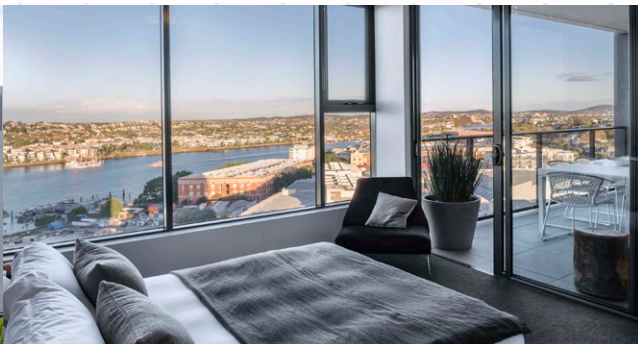
Reimagine urban life



Continued to redefine landscapes in 1H17, creating more sustainable, connected and vibrant urban environments



2 RIVERSIDE QUAY, MELBOURNE



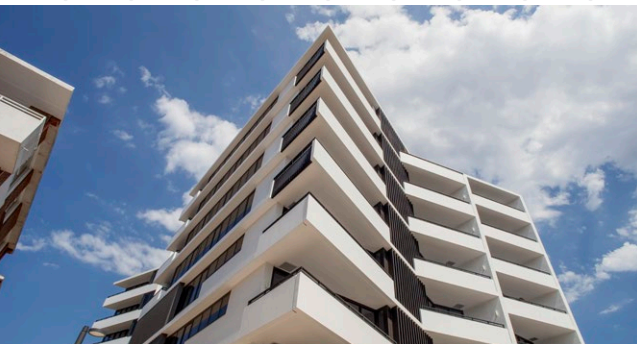
UNISON, BRISBANE



BROADWAY, SYDNEY



TRAMSHEDS, SYDNEY



BONDI, SYDNEY



TULLAMORE, MELBOURNE



BRIGHTON LAKES, SYDNEY



GREENWOOD PLAZA, NORTH SYDNEY

Reimagine urban life



Expect to deliver 9-11% EPS growth in FY17

Positive first half results and targeting upper end of previous guidance

- 1H17 operating EPS 6.2cpss (up 38% on 1H16)
- 1H17 DPS 4.9cpss, consistent with full year guidance
- 1H17 statutory profit of \$508m (up 7% on 1H16)
- NTA increased 5%, to \$2.01 per stapled security¹
- Revaluation gains of \$277m (3.4% uplift on previous book values)²

Continued strong operational performance

- 98.6% portfolio occupancy and WALE 6.1 yrs³
- >143,000 sqm of leasing activity
- >\$5bn commercial development pipeline
- Completed >\$348m of commercial developments
- \$3.1bn residential pre-sales⁴
- Settled 977 residential lots

Maintained strong financial position

- Gearing of 25.8%
- >\$1bn of debt issuance
- 93% and 63% of expected FY17 and FY18 Residential EBIT secured by pre-sales
- On track to achieve target cost savings of ~\$15m pa from FY17

1. From 30 Jun 16.

2. Net gain on fair value of investment properties divided by book value prior to revaluation. Includes revaluation gains for investments in JV's and excludes transaction costs for acquisitions.

3. Occupancy by area, WALE by income.

4. Includes MGR share of JVA and Mirvac managed funds.

Shane Gannon,
Chief Financial Officer

FINANCIAL

Group financial results in line with expectations

Operating results

	1H17 \$m	1H16 \$m
Office & Industrial	166	162
Retail	81	57
Residential	69	(10)
Corporate & other	(13)	(15)
Operating EBIT	303	194
Operating profit after tax	230	165
Funds from operations	233	170
Adjusted funds from operations	167	134

↑ 2%

↑ 42%

↑ >100%

↓ 13%

↑ 56%

↑ 39%

Increased development contribution offsetting impact of FY16 asset sales

Contribution from acquisitions and development completions

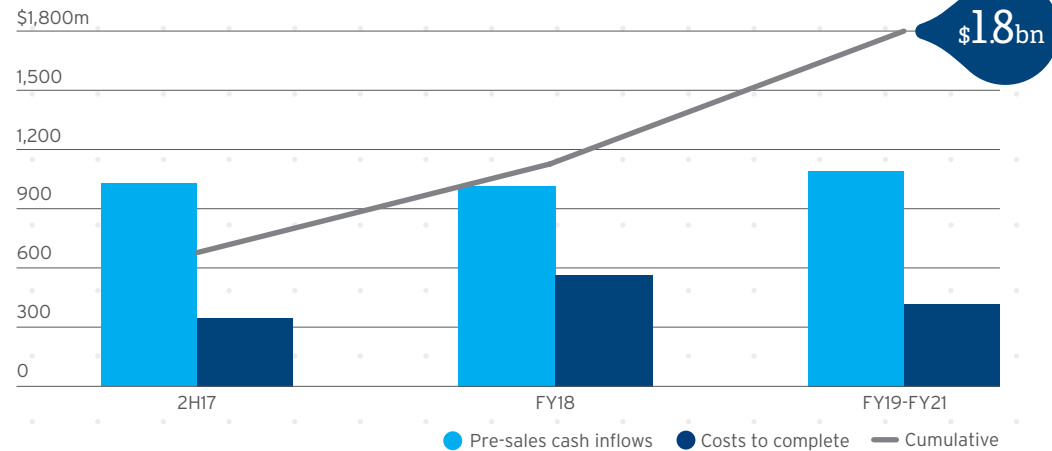
Reflects the timing of residential settlements

Reduction of management and administration expenses reflecting cost saving initiatives

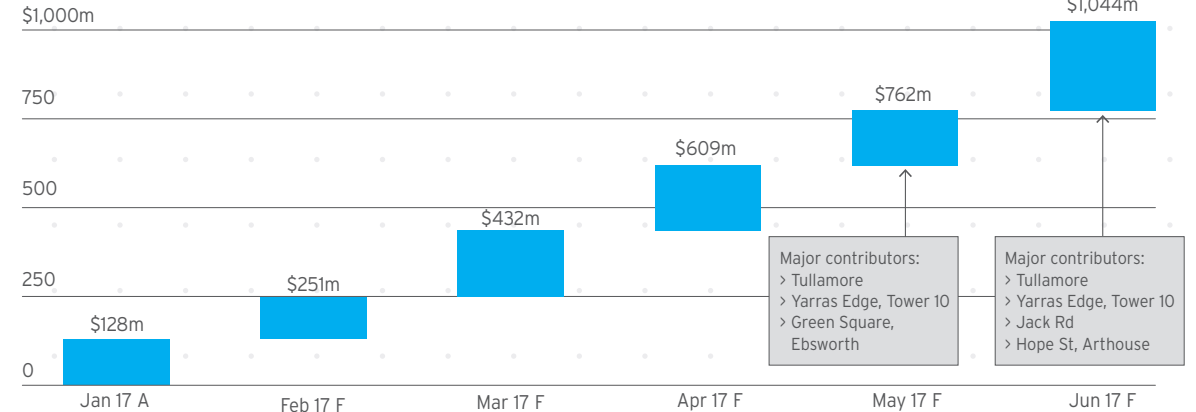
Strong line of sight of future cashflows

- Residential pre-sales will generate net cashflow (after construction and other costs) of over \$1.8bn by FY21¹
- Strong operating cashflows expected in 2H17 driven by the timing of residential settlements
 - ~\$1bn¹ of settlements expected in 2H17
 - \$128m completed in Jan 17
 - FY17 distributions expected to be fully cash covered

Pre-sales cashflow



2H17 expected settlement profile¹



1. Based on Mirvac's share of JVA and managed funds.

Record development pipeline

Office, Industrial & Retail committed pipeline



AUSTRALIAN TECHNOLOGY PARK, SYDNEY



477 COLLINS STREET, MELBOURNE



BIRKENHEAD POINT, SYDNEY

\$1bn
cost to complete¹

14%
TARGET
AVERAGE
IRR RETURNS

Residential committed pipeline



ST LEONARDS, SYDNEY



EASTBOURNE, MELBOURNE



TULLAMORE, MELBOURNE

>\$1bn
cost to complete¹

18%
TARGET
AVERAGE
IRR RETURNS

Future pipeline



HARBOURSIDE, SYDNEY



55 PITT STREET, SYDNEY



GREEN SQUARE, SYDNEY

~\$10bn
end value²
over next 10+ years

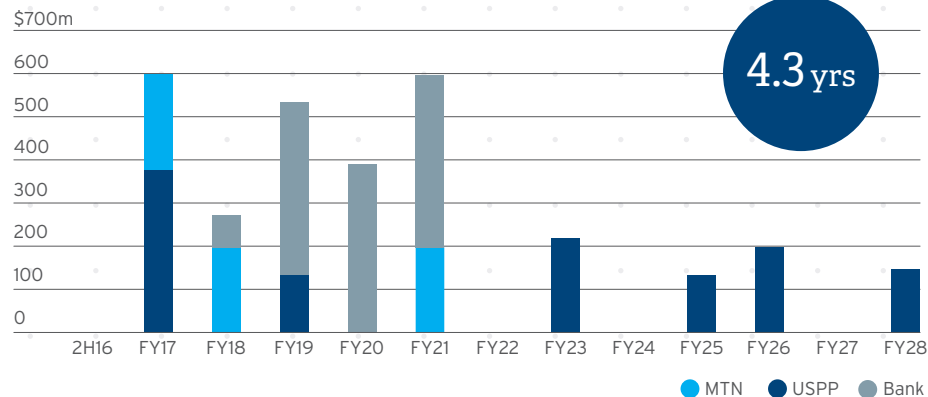
1. Estimated cost to complete (MGR share) of all committed projects as at 1H17. Images are a sample of major projects only.

2. Commercial pipeline based on estimated value on completion and residential pipeline based on Mirvac's share of expected revenue.

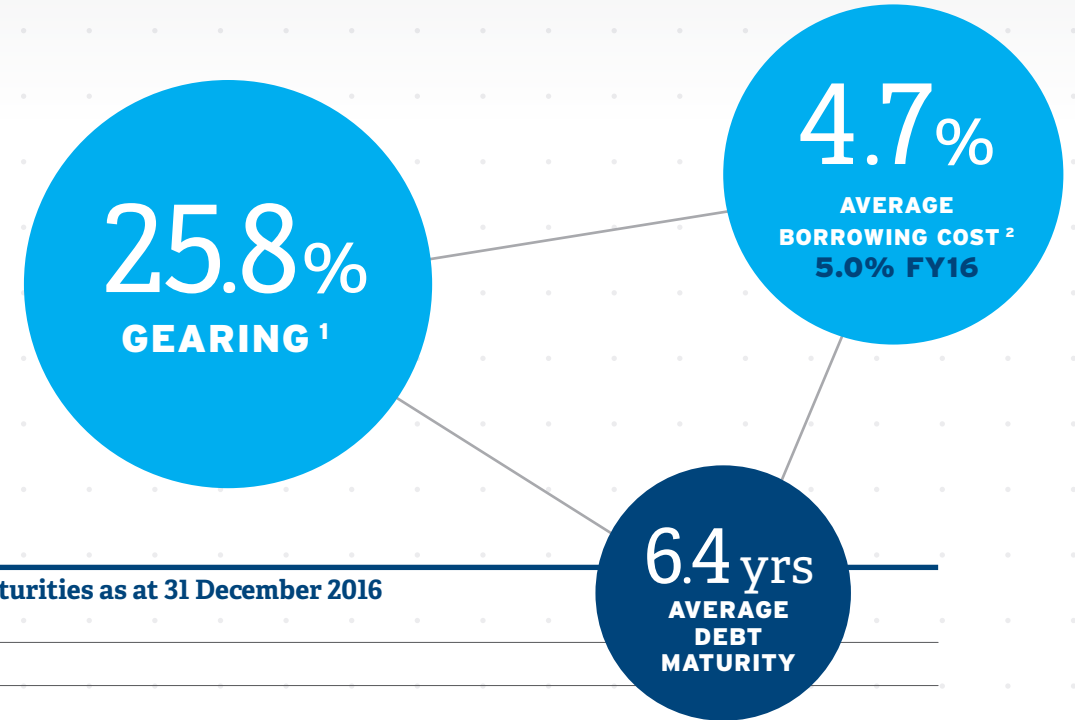
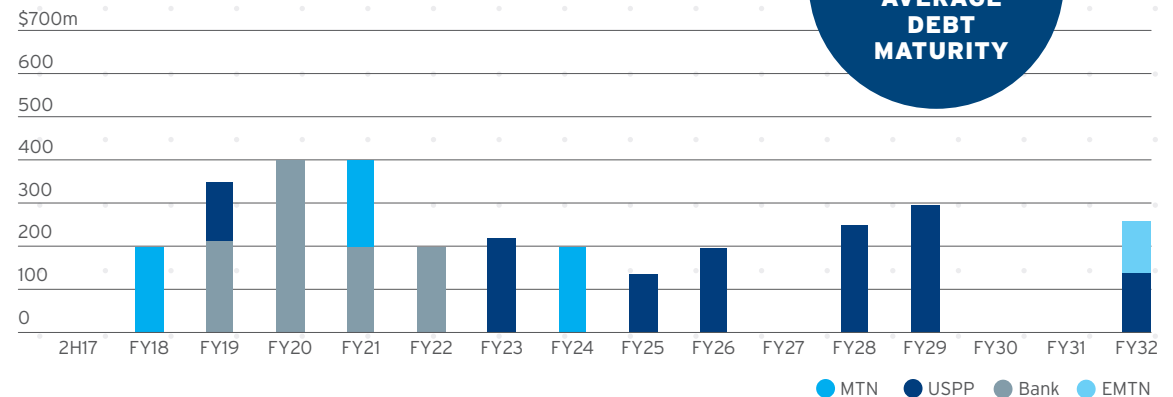
Solid platform to generate future earnings

- Strong capital position
 - Gearing within target range 20-30%
 - 81% of capital allocated to investment portfolio
 - Average debt maturity extended by over 2 years since 31 Dec 15 to 6.4 years
 - \$594m of cash and undrawn committed bank facilities
 - Significant headroom under financial covenants
- Disciplined cost management will support profitability

Drawn debt maturities as at 31 December 2015



Drawn debt maturities as at 31 December 2016



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

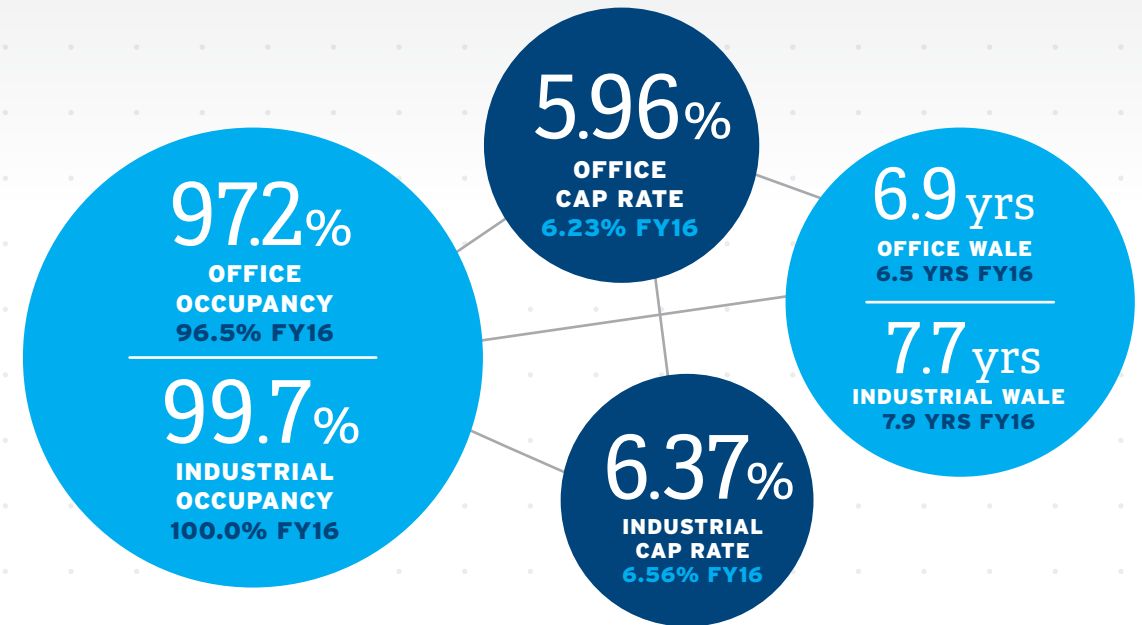
2. Includes margins and line fees.

Campbell Hanan,
Head of Office & Industrial

OFFICE & INDUSTRIAL

Continued to strengthen the quality of income

- Maintained leading portfolio metrics
- Strong valuation uplift of 4.6%¹ supported by strategic overweight to prime Sydney and Melbourne assets
 - 62% of assets externally valued
- Completed \$248m of developments²
- Commenced development of 477 Collins St, Melbourne
- >124,000 sqm leasing activity
 - 76,340 sqm investment portfolio
 - 48,070 sqm development pre-leases³
- Office leasing spreads of 5.0%, with average incentives of 19%
- Like-for-like growth: 2.5% office and 0.7% industrial
- \$78m of strategic industrial acquisitions⁴



Major lease deals

Tenant	Asset	Sector	Area (sqm)
Deloitte	477 Collins St, VIC	Office	22,000
Ceva ⁵	60 Wallgrove Rd, NSW	Industrial	18,970
Various	101 Miller St, NSW	Office	16,635
Westpac	275 Kent St, NSW	Office	15,715
Undisclosed ⁵	664 Collins St, VIC	Office	7,100
Clarke Equipment	1-47 Percival Rd, NSW	Industrial	5,435
WPP	380 St Kilda Rd, VIC	Office	3,815

1. Net gain on fair value of investment properties divided by book value prior to revaluation. Excludes transaction costs for acquisitions.

2. Based on 100% end value. Calibre, Building 1 based on cost to date, asset to be revalued 2H17.

3. Includes 7,100 sqm secured post 31 Dec 16.

4. 274 Victoria Rd, Rydalmere and 36 Gow St, Padstow (settled Jan 17).

5. Secured post 31 Dec 16.

Asset creation model important at this point of the cycle



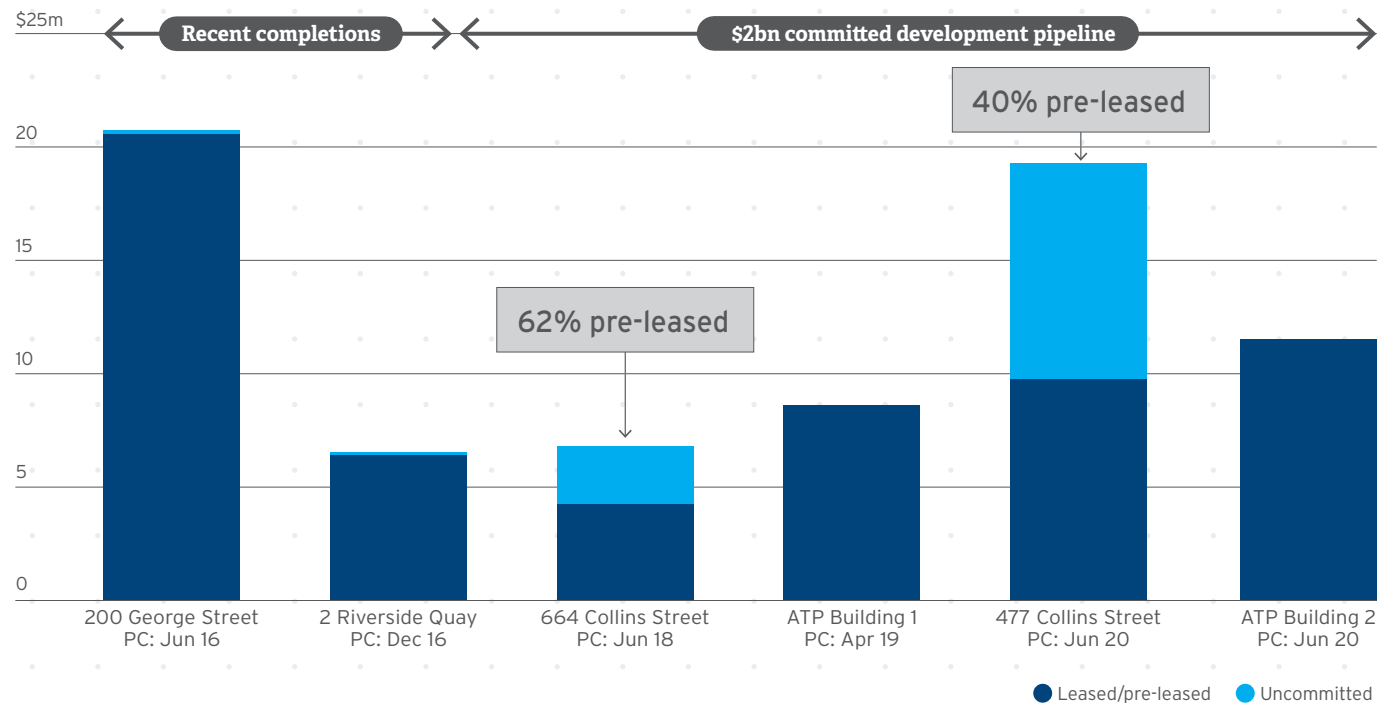
1. Office occupancy.

2. Based on costs to date, asset to be revalued 2H17.

Modern, resilient portfolio supported by future high quality income

- Recent completions and \$2bn committed development pipeline has the potential to deliver >\$70m of additional NOI by FY21¹
 - FY17 NOI impacted by \$788m of asset sales in FY16
 - 2H17 NOI positively impacted by development completions 200 George St, 2 Riverside Quay and Calibre, Building 1

Additional high quality income from office developments¹



COMMITTED
DEVELOPMENT
PIPELINE

76%

LEASED/
PRE-LEASED

>230,000_{sqm}
LETTABLE
AREA

1. Based on 100% occupancy and 50% ownership, other than ATP at 33.3% ownership.

VICTORIA'S SECRET

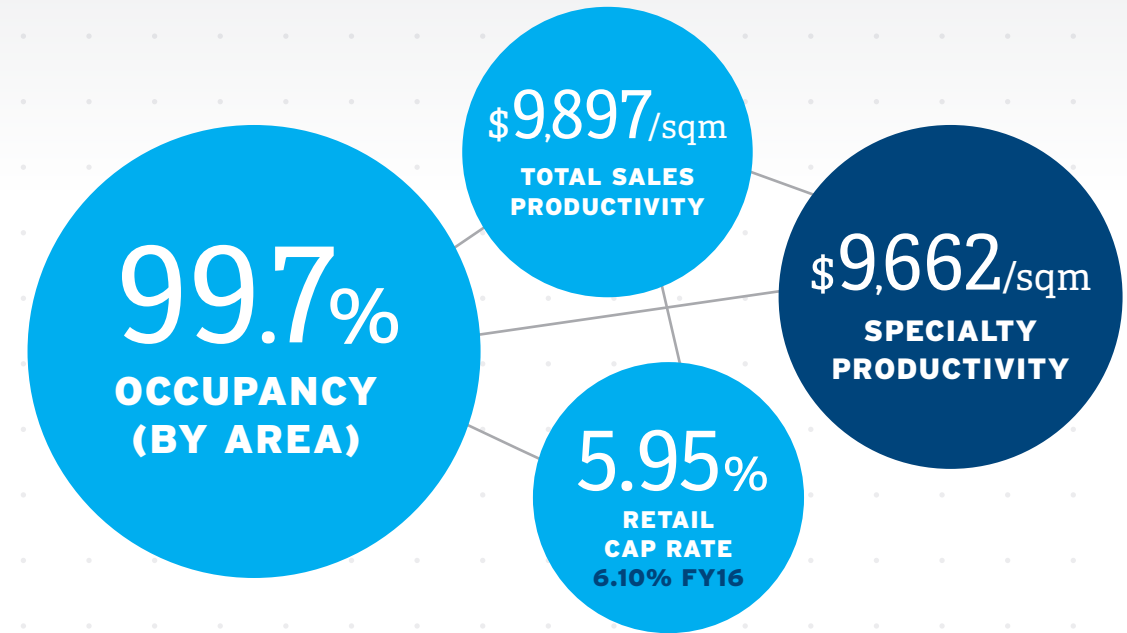
Susan MacDonald,
Head of Retail

RETAIL

PASSIONTREE
VELVET
Being a little velvet to your day and celebrate
the best of what Europe has to offer
A world of edible luxury

On track to achieve FY17 targets

- Completed >\$100m of developments across three assets
- Completed \$155m acquisition of East Village
- Net property income growth of 37%
- Maintained high occupancy and like-for-like growth of 3.2%
- Total comparable MAT growth of 4.1%
 - Includes growth in specialties of 3.5%
- Comparable specialty sales productivity up and specialty occupancy costs reduced 70bps to 14.6%
- 183 leasing deals across 19,000 sqm of GLA
 - Leasing spreads of 3.1%
- Net valuation uplift 1.2%¹



FY17 targets

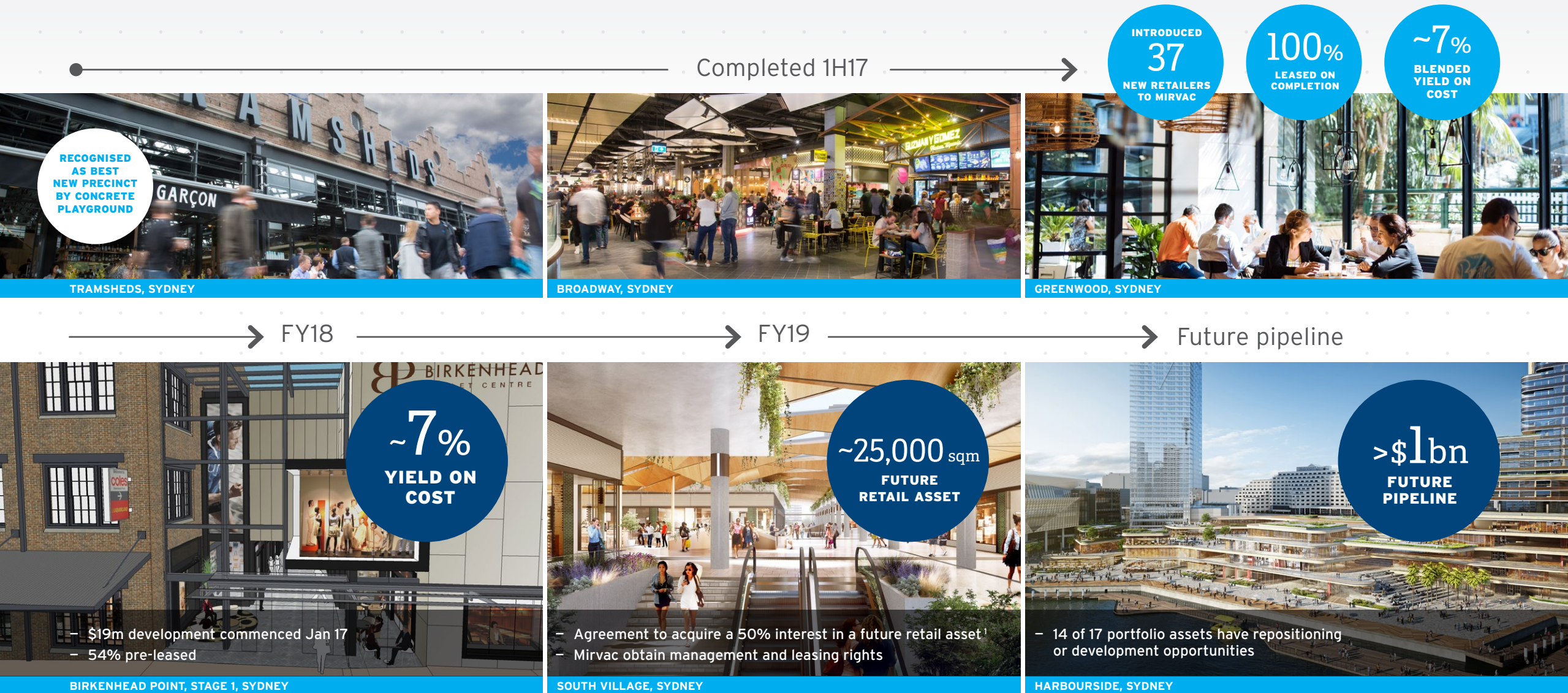
- Increase sales productivity to \$10,000/sqm
- Occupancy >99%
- Leasing spreads >2%
- EBIT growth >25% on FY16

Retail sales by category

	1H17 Total MAT	1H17 Comparable MAT growth	FY16 Comparable MAT growth
Supermarkets	\$1,055m	3.4%	3.9%
Discount Department Stores	\$247m	(1.2)%	5.4%
Mini-majors	\$495m	8.5%	9.6%
Specialties	\$1,095m	3.5%	4.2%
Other Retail	\$222m	5.6%	9.8%
Total	\$3,114m	4.1%	5.4%

1. ¹ Net gain on fair value of investment properties divided by book value prior to revaluation. Excludes transaction costs for acquisitions.

Improving portfolio quality both organically and via selective acquisitions

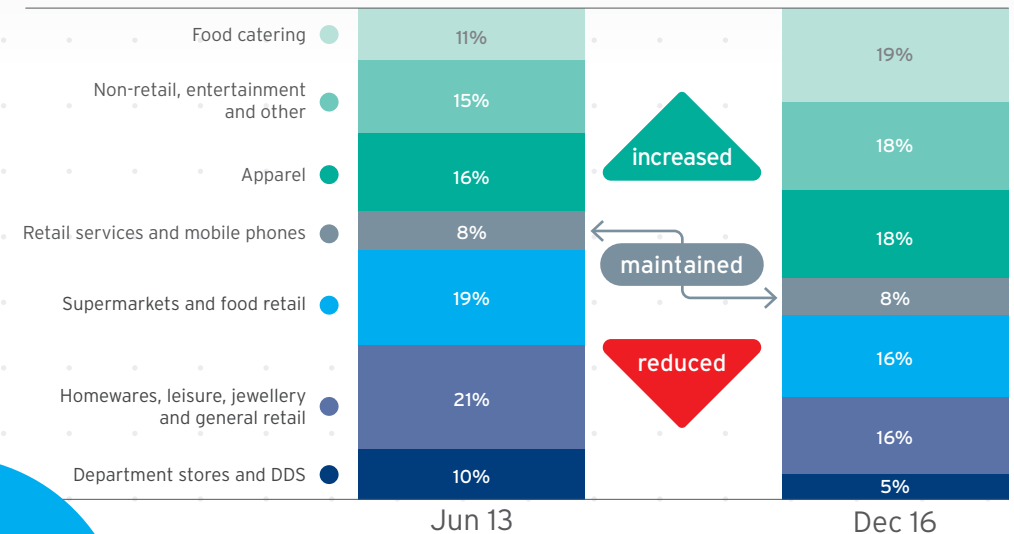


1. Price based on a 6.0% capitalisation rate of leased income on completion.

Defensive earnings driven by urban footprint and retail composition

- High quality assets in catchments with strong fundamentals expected to support outperformance
 - 64% of portfolio weighted to Sydney
 - 70% of portfolio weighted to inner/middle ring areas
- Retail mix supports continued customer demand
 - Reduced weighting to DDS and supermarkets
 - Increased experiential dining offer to reflect trend as an emerging anchor
 - Non-retail and entertainment key categories, as centres offer more than just shopping
 - Upweight to higher quality and international fashion has seen specialty apparel productivity increase by 44% since Jun 13

Strategically evolving retail mix for future growth



Birkenhead Point, Sydney



31
NEW
RETAILERS

23%
SPECIALTY SALES
PRODUCTIVITY
INCREASE
SINCE ACQUISITION

94
LEASING DEALS
– DOUBLE DIGIT SPREADS
– BELOW AVERAGE
INCENTIVES

CUSTOMER INITIATIVES

- WIFI
- SHOPPER HOPPER
- UNION PAY



The background of the slide is a photograph of a modern residential street during sunset. The sky is a mix of orange, yellow, and blue. In the foreground, there's a curved concrete path leading through a row of modern houses. The houses have a mix of grey, white, and blue tones. A large, semi-transparent white circle is centered over the image, containing the text. A network of white dots connected by thin lines is overlaid on the image, with several dots positioned around the central circle.

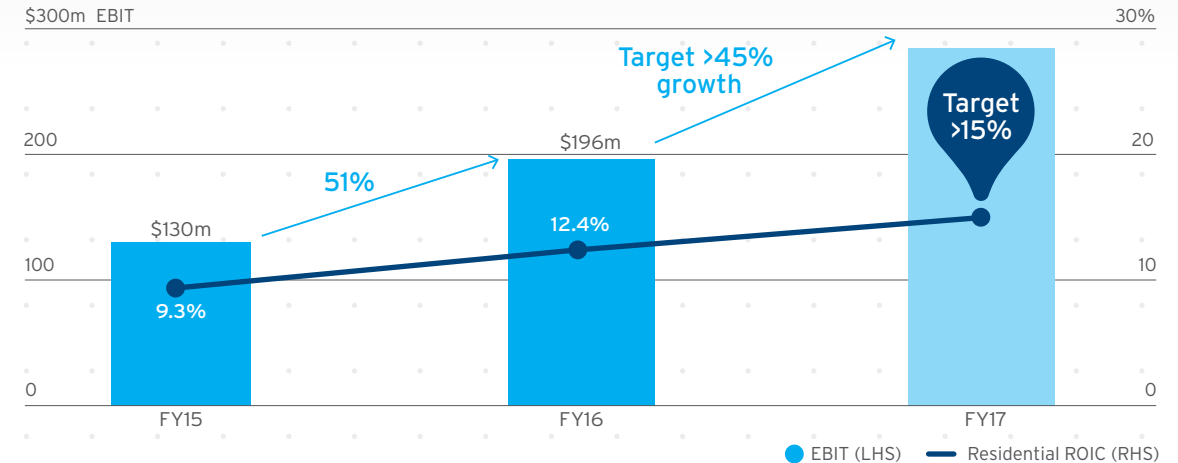
Brett Draffen,
CIO and Acting Head of Residential

RESIDENTIAL

FY17 Residential earnings expected to be up >45% on pcp with ROIC >15%

- Expect to achieve >45% Residential earnings growth in FY17
- On track to achieve >3,300 lot settlements (>15% growth)
 - Completed 977 settlements in 1H17
 - 1H17 settlements behind expectations due to planning and construction delays including Bondi, Tullamore, Gledswood Hills
 - 173 settlements completed in Jan 17
- 1H17 gross margins of 20% (in line with through-cycle target 18-22%) and EBIT margin of 14.9%
 - FY17 margins expected to be broadly in line with FY16, with higher margin projects skewed to 2H17
- 93% of expected FY17 Residential EBIT secured
 - 95% of lot target secured at major projects

Strong residential performance



FY17 major EBIT contributors

Apartments			Masterplanned communities		
	FY17 lot target	% secured		FY17 lot target	% secured
1 Moreton Bondi, NSW	190	100%	1 Tullamore, VIC	164	100%
2 Waterfront, Unison, QLD	272	92%	2 Brighton Lakes, NSW	130	100%
3 Yarra's Edge, VIC ¹	143	100%	3 Gainsborough Greens, QLD	340	91%
4 Green Square, NSW ²	174	100%	4 Woodlea, VIC	647	89%
5 Harold Park, NSW ³	67	100%	5 Gledswood Hills, NSW	140	100%

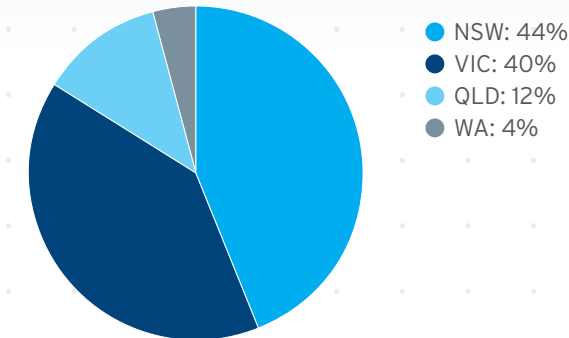
95% SECURED

1. Tower 10.
2. Ebsworth.
3. Precinct 4.

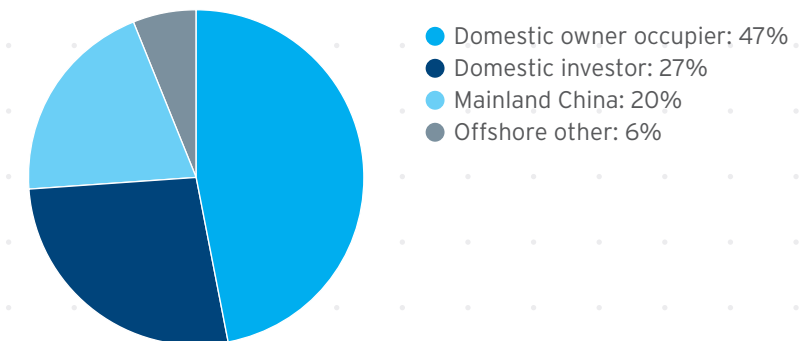
High quality product supports settlement profile

- Secured a record \$3.1bn of pre-sales
- Settlements supported by well-priced, well-located product
 - 84% weighted to Sydney and Melbourne
- 2% default rate to 31 Jan 17
 - Average price \$675k per lot
 - Across MPC and apartments in Sydney, Melbourne and Brisbane
- Over 70% defaults re-sold with financial upside
 - Remaining recently marketed for resale
- Prudently managing our default risk
 - Pro-active and early settlement management
 - FY17 lot target includes contingency for settlement delays
 - Maintain aggregate FIRB pre-sales exposure below 30% (1H17: 26%)
 - Internal approval processes and limits

\$3.1bn pre-sales by geography



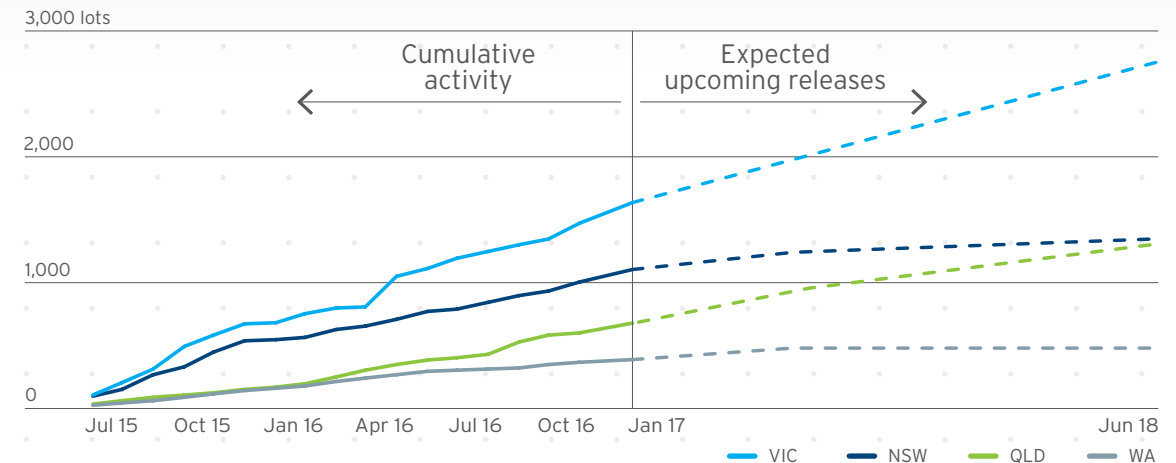
\$3.1bn pre-sales by buyer profile



Strong momentum of MPC activity supports increased EBIT contribution

- Strong MPC sales momentum expected to continue, supported by the release of >2,000 MPC lots over the next 18 months, driven by Melbourne projects
- Launch of new project Donnybrook in Melbourne
- Continued releases at existing strong performing projects including Tullamore and Woodlea, Melbourne, Alex Ave, Sydney and Gainsborough Greens, Brisbane
- Residential EBIT contribution from MPC expected to increase to an average of 57% between FY17-19

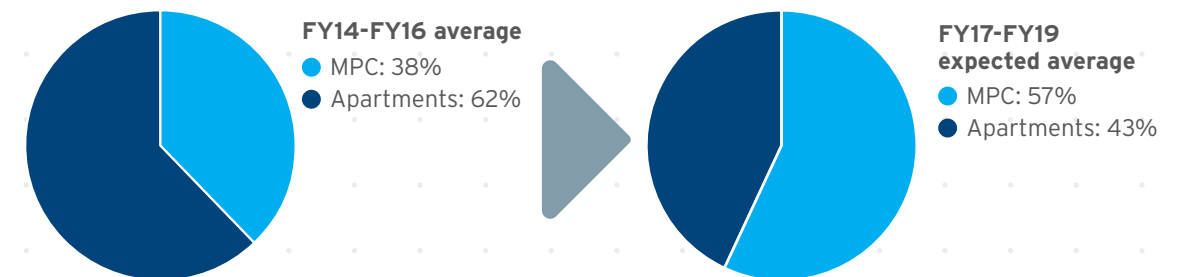
MPC momentum



Donnybrook, Melbourne



Residential EBIT contribution



Committed apartment exposure substantially pre-sold

\$1.1bn capital invested in apartment projects with 78% relating to committed projects

Committed exposure

NSW

- Harold Park, Precinct 5
- Bondi, Moreton
- Green Square, Ebsworth & Ovo
- St Leonards
- Waterloo



VIC

- Yarra's Edge, Tower 10
- The Eastbourne



QLD

- Waterfront, Unison
- Hope St, Art House & Lucid
- Ascot Green, Tower A



WA

- Leighton Beach, Meridian & Prima
- Claremont, Grand Stand & Reserve

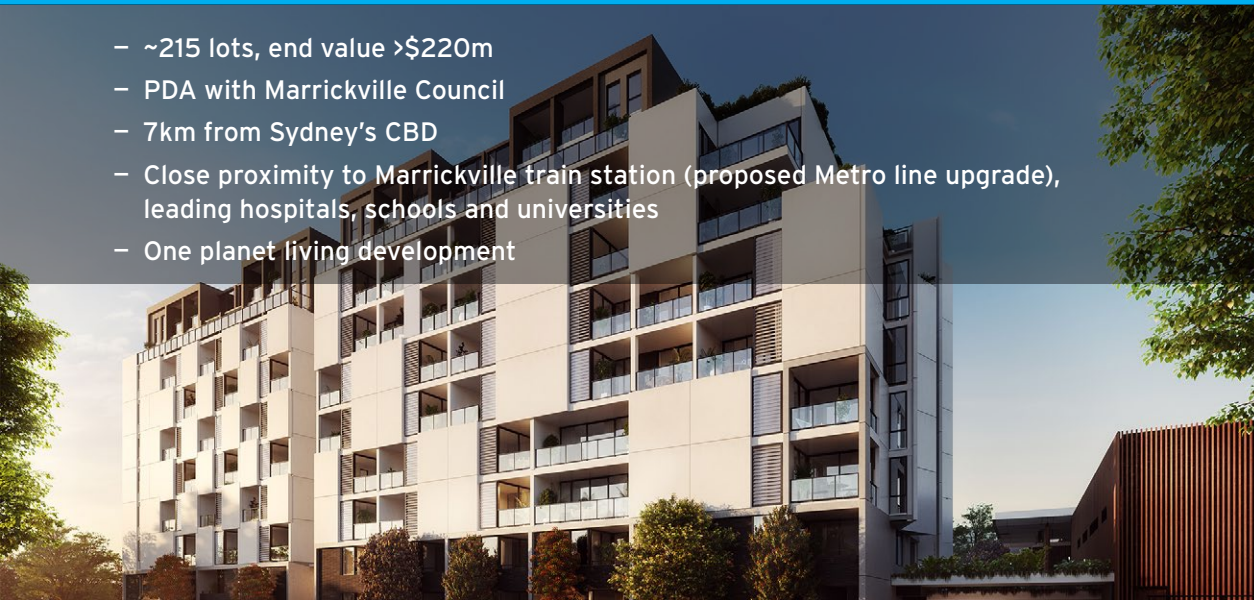


**DELIVERING
EARNINGS
TO FY21**

2H17 major apartment releases

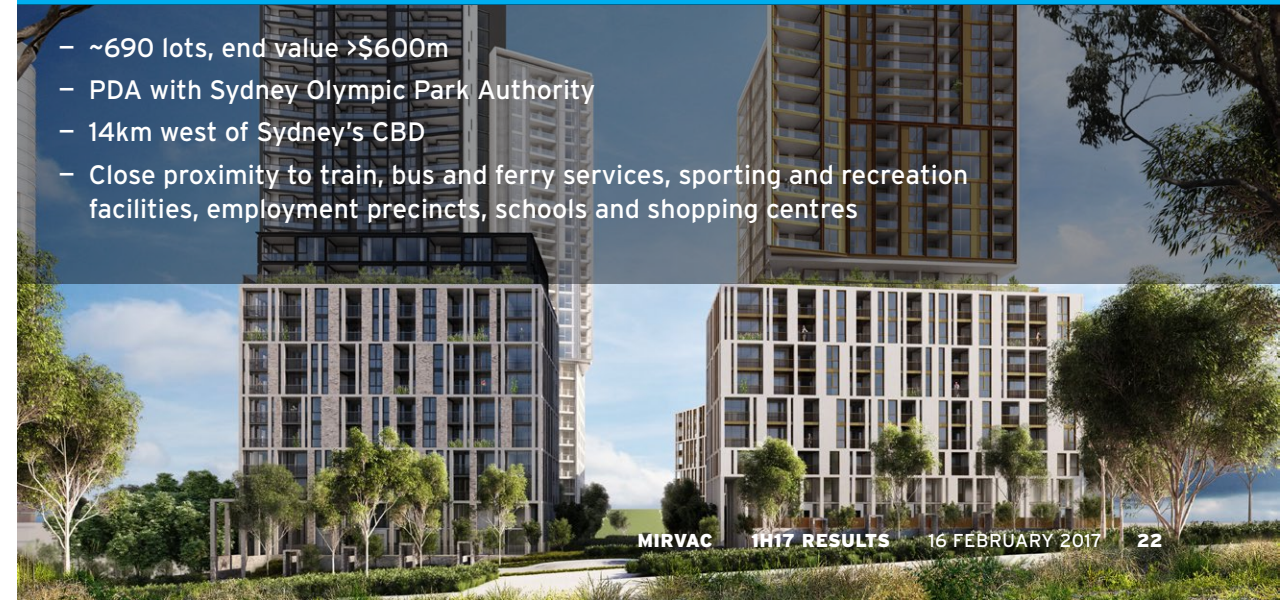
Marrickville, Sydney

- ~215 lots, end value >\$220m
- PDA with Marrickville Council
- 7km from Sydney's CBD
- Close proximity to Marrickville train station (proposed Metro line upgrade), leading hospitals, schools and universities
- One planet living development



Sydney Olympic Park, Sydney

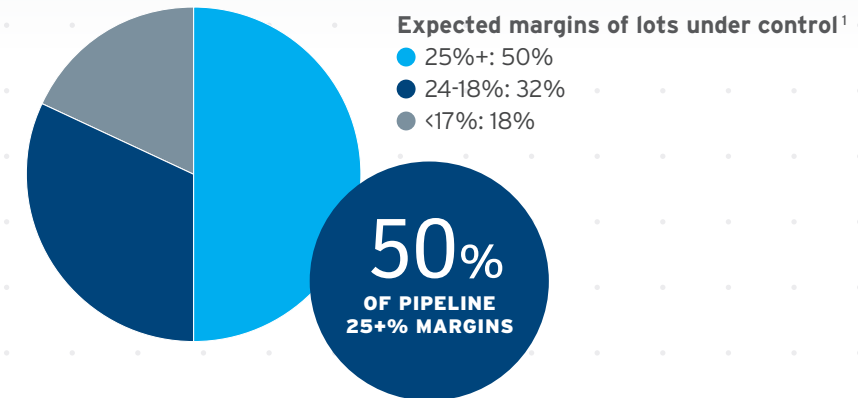
- ~690 lots, end value >\$600m
- PDA with Sydney Olympic Park Authority
- 14km west of Sydney's CBD
- Close proximity to train, bus and ferry services, sporting and recreation facilities, employment precincts, schools and shopping centres



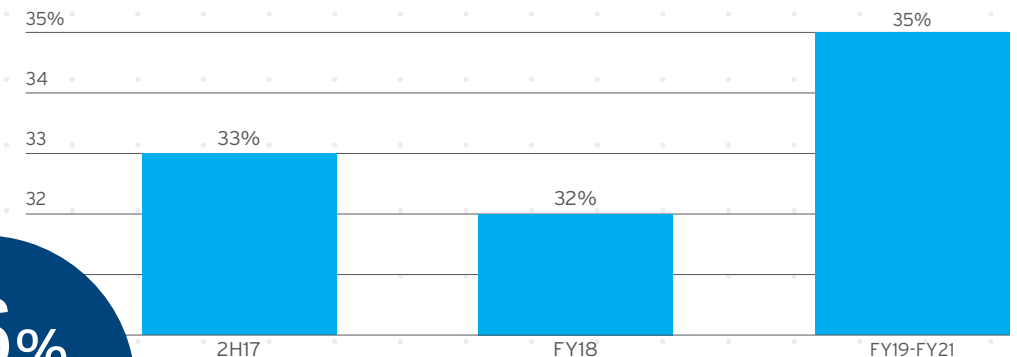
High quality pipeline to continue to add value

- >31,000 lot pipeline supports above through-cycle target gross margins (18%-22%) in the near term
 - 50% of lots have expected margins greater than 25%
 - MPC pipeline weighted to Melbourne
 - Apartment pipeline weighted to Sydney
- Embedded margin secured via \$3.1bn pre-sales will continue to deliver value into FY21
 - >4,900 lots pre-sold across 28 projects
 - 53% apartments / 47% MPC
 - 26% average project margin across pre-sold lots
 - Managing profitability with ~80% construction trade coverage

High quality residential pipeline



\$3.1bn pre-sales expected settlement profile



26%
AVERAGE
PROJECT MARGIN
PRE-SALES

1. Includes gross margin from JVA and Mirvac managed funds.

Susan Lloyd-Hurwitz,
CEO and Managing Director

SUMMARY AND GUIDANCE

High quality income and growth underpinned by urban strategy

Urban Strategy

Secure yield

- \$8.7bn modern investment portfolio
- High portfolio occupancy
- Long average lease terms
- Embedded rent growth

**POTENTIAL
TO DELIVER**

9%+

**3 YEAR AVERAGE
GROUP ROIC**

Disciplined growth

- Proven development track record
- Superior returns
- Highly visible residential cashflows
- High quality pipeline

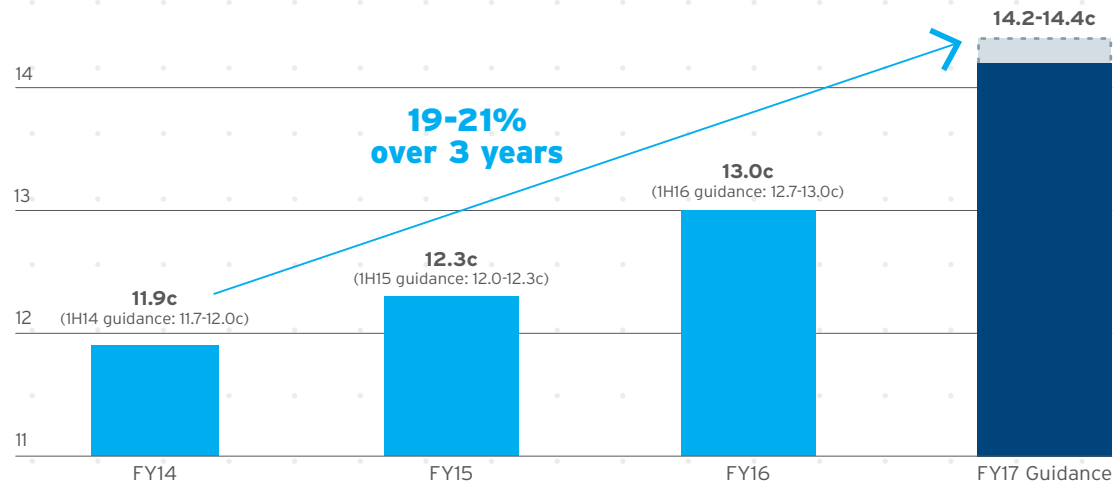
Clear and focused strategy will deliver attractive and stable investor returns

Well positioned to deliver on our FY17 promises

FY17 EPS
**9-11%
GROWTH**
ON FY16

Operating EPS

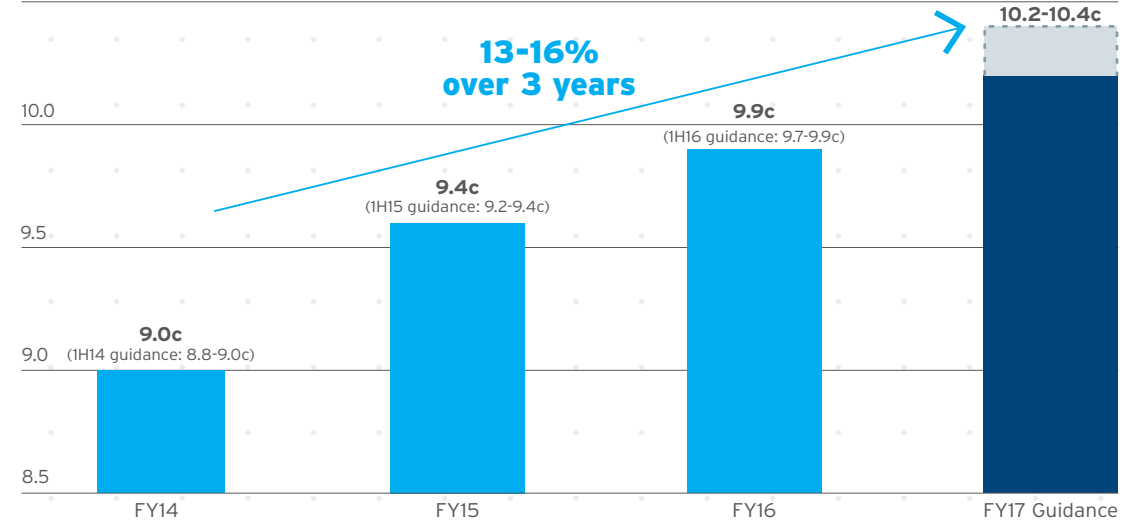
15 cents



FY17 DPS
**3-5%
GROWTH**
ON FY16

DPS

10.5 cents



Important Notice

Mirvac Group comprises Mirvac Limited (ABN 92 003 280 699) and Mirvac Property Trust (ARSN 086 780 645). This presentation ("Presentation") has been prepared by Mirvac Limited and Mirvac Funds Limited (ABN 70 002 561 640, AFSL number 233121) as the responsible entity of Mirvac Property Trust (collectively "Mirvac" or "the Group"). Mirvac Limited is the issuer of Mirvac Limited ordinary shares and Mirvac Funds Limited is the issuer of Mirvac Property Trust ordinary units, which are stapled together as Mirvac Group stapled securities. All dollar values are in Australian dollars (A\$).

The information contained in this Presentation has been obtained from or based on sources believed by Mirvac to be reliable. To the maximum extent permitted by law, Mirvac, its affiliates, officers, employees, agents and advisers do not make any warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation or that the information is suitable for your intended use and disclaim all responsibility and liability for the information (including, without limitation, liability for negligence).

This Presentation is not financial advice or a recommendation to acquire Mirvac stapled securities and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information in this Presentation and the Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange having regard to their own objectives, financial situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction.

To the extent that any general financial product advice in respect of the acquisition of Mirvac Property Trust units as a component of Mirvac stapled securities is provided in this Presentation, it is provided by Mirvac Funds Limited. Mirvac Funds Limited and its related bodies corporate, and their associates, will not receive any remuneration or benefits in connection with that advice. Directors and employees of Mirvac Funds Limited do not receive specific payments of commissions for the authorised services provided under its Australian Financial Services License. They do receive salaries and may also be entitled to receive bonuses, depending upon performance. Mirvac Funds Limited is a wholly owned subsidiary of Mirvac Limited.

An investment in Mirvac stapled securities is subject to investment and other known and unknown risks, some of which are beyond the control of Mirvac, including possible delays in repayment and loss of income and principal invested. Mirvac does not guarantee any particular rate of return or the performance of Mirvac nor do they guarantee the repayment of capital from Mirvac or any particular tax treatment.

This Presentation contains certain "forward looking" statements. The words "expected", "forecast", "estimates", "consider" and other similar expressions are intended to identify forward looking statements. Forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, indications or guidance on future earnings or financial position and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these statements. To the full extent permitted by law, Mirvac Group and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions. Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current year amounts and other disclosures.

This Presentation also includes certain non-IFRS measures including operating profit after tax. Operating profit after tax is profit before specific non-cash items and significant items. It is used internally by management to assess the performance of its business and has been extracted or derived from Mirvac's financial statements ended 31 December 2016, which has been subject to review by its external auditors.

This Presentation is not an offer or an invitation to acquire Mirvac stapled securities or any other financial products and is not a prospectus, product disclosure statement or other offering document under Australian law or any other law. It is for information purposes only.

The information contained in this presentation is current as at 31 December 2016, unless otherwise noted.



THANK
YOU

INDUSTRIAL

RETAIL

OFFICE

RESIDENTIAL

EVERYTHING'S
connected

Appendix 4D – Half Year Report
For the half year ended 31 December 2016
(Previous corresponding period 31 December 2015)



MIRVAC GROUP

Mirvac Group comprises Mirvac Limited (ABN 92 003 280 699) and its controlled entities (including Mirvac Property Trust (ARSN 086 780 645) and its controlled entities).

Results for Announcement to the Market

				2016 \$m	2015 \$m
Total revenue and other income	up	17%	to	1,364	1,168
Profit for the half year attributable to stapled security holders	up	7%	to	508	473
Operating profit after tax	up	39%	to	230	165

Distributions	Record date	Amount per security	Franked amount per security
Interim distribution payable on 28 February 2017	31 December 2016	4.9 cents	-
Interim distribution paid on 29 February 2016	31 December 2015	4.7 cents	-

Additional Information

Ratios	2016	2015
Profit before income tax / Total revenue and other income	37.2%	39.9%
Profit for the half year attributable to stapled security holders / Total equity	6.8%	6.9%

Earnings per stapled security (EPS)	2016	2015
Basic EPS	13.7 cents	12.8 cents
Diluted EPS ¹	13.7 cents	12.8 cents

¹ Diluted EPS includes dilutive potential ordinary securities from security-based payments.

Net tangible asset (NTA) backing per ordinary security	2016	2015
Excluding EIS securities	\$2.01	\$1.83
Including EIS securities	\$2.01	\$1.83



EVERYTHING'S connected

INDUSTRIAL
Industrial assets
that continue to
outperform.

RESIDENTIAL
Real living that
creates real returns.

RETAIL
Places to shop,
eat and play.

OFFICES
Offices that are more
than just a workplace.

INTERIM REPORT
FOR THE HALF YEAR
ENDED
31 DECEMBER 2016



MIRVAC GROUP **INTERIM REPORT**

For the half year ended 31 December 2016

Mirvac Group comprises Mirvac Limited (ABN 92 003 280 699) and its controlled entities (including Mirvac Property Trust (ARSN 086 780 645) and its controlled entities).

CONTENTS

OVERVIEW

About this report	01
About us	01

OPERATING AND FINANCIAL REVIEW

Review of operations and activities	02
• Financial review	02
• 1H17 Office & Industrial highlights	02
• 1H17 Retail highlights	04
• 1H17 Residential highlights	05
• 1H17 Sustainability highlights	05

GOVERNANCE

Directors' report	06
Auditor's independence declaration	07

CONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' DECLARATION

INDEPENDENT AUDITOR'S REPORT

GLOSSARY

32

ABOUT THIS REPORT

This Interim Report 2017 is a consolidated summary of Mirvac Group's operational and financial performance for the half year ended 31 December 2016.

In this report, unless otherwise stated, references to 'Mircac', 'Group', 'company', 'parent entity', 'we', 'us' and 'our' refer to Mirvac Limited and its controlled entities, as a whole. Mirvac comprises Mirvac Limited (parent entity) and its controlled entities, which include Mirvac Property Trust and its controlled entities.

References to a 'half year' refer to the period between 1 July 2016 and 31 December 2016. All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated.

The consolidated financial statements included in this report were authorised for issue by the Directors on 16 February 2017. The Directors have the power to amend and reissue the financial statements.

This Interim Report does not include all the information and disclosures usually included in an annual financial report. Accordingly, this report should be read in conjunction with the Annual Report 2016 and any public announcements made by Mirvac during the interim reporting period.

Mircac's Interim Report can be viewed on, or downloaded from Mirvac's website, www.mircac.com.

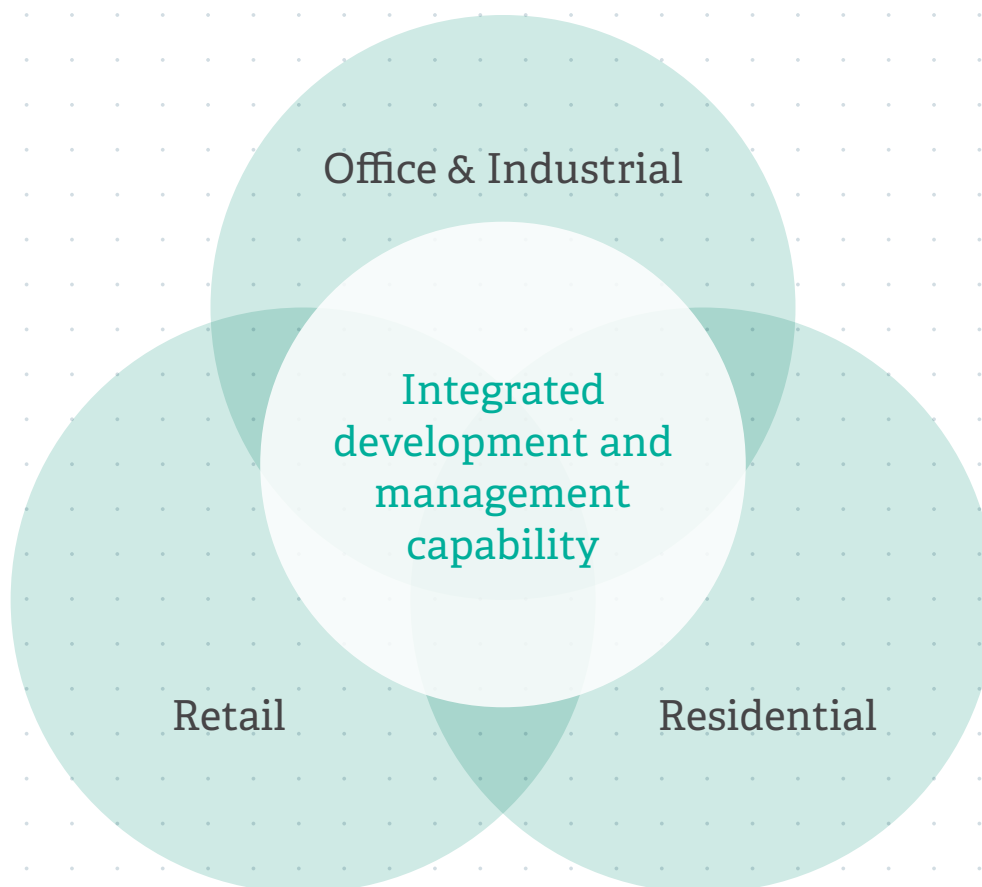
ABOUT US

Mircac is a leading, integrated urban property group, principally located in Australia's four key cities of Sydney, Melbourne, Brisbane and Perth.

We own and manage assets across the office, industrial and retail sectors, with approximately \$17bn of assets currently under management. Our development activities allow us to create and deliver innovative and high-quality commercial assets and residential projects for our customers, while driving long-term value for our securityholders.

Our integrated approach gives us a competitive advantage across the entire lifecycle of a project; from planning through to design, development and construction, leasing, property management and long-term ownership. Meanwhile, our purpose, Reimagine Urban Life, inspires us to think about how we can redefine the landscape and create more sustainable, connected and vibrant urban environments for our customers, leaving a lasting legacy for generations to come.

Established in 1972, Mirvac has more than 40 years of experience in the property industry and an unmatched reputation for delivering superior products and services across our businesses.



REVIEW OF OPERATIONS AND ACTIVITIES

FINANCIAL REVIEW

Mirvac's strong focus on capital management, supported by its urban strategy, has delivered positive results for the half year ended 31 December 2016, ensuring the Group is well positioned to deliver operating earnings growth of between 9 and 11 per cent in FY17. Mirvac also has the potential to deliver an average return on invested capital of 9 per cent or more over the next three years.

Key financial highlights for the half year ended 31 December 2016:

- profit attributable to stapled securityholders increased by 7 per cent to \$508m (December 2015: \$473m), driven by substantial revaluation gains in the investment portfolio;
- operating profit after tax increased 39 per cent to \$230m¹ (December 2015: \$165m), representing 6.2 cents per stapled security;
- operating cash outflow of \$91m, with a significant skew expected to the second half of the financial year due to the timing of residential lot settlements;
- gearing remained within the Group's target range of 20 to 30 per cent at 25.8 per cent²;
- half year distribution of \$182m, representing 4.9 cents per stapled security; and
- net tangible assets (NTA) per stapled security³ increased 5 per cent to \$2.01 (June 2016: \$1.92).

Key capital management highlights for the half year ended 31 December 2016:

- substantial available liquidity of \$594m in cash and committed undrawn bank facilities held, with \$200m of debt due for repayment in December 2017;
- weighted average debt maturity increased significantly from 4.0 years (June 2016) to 6.4 years, following over \$1bn of debt issuance over the past six months, including:
 - \$536m (US\$400m) of US Private Placement notes for terms of 11, 12 and 15 years;
 - \$200m of medium term notes (MTN) for a term of seven years under the Group's MTN program;
 - \$118m (JPY 10bn) of Euro medium term notes (EMTN) for a term of 15 years, the first issuance under the Group's EMTN program; and
 - \$200m of bank debt extended from 30 September 2017 to 30 September 2021; and
- average borrowing costs reduced to 4.7 per cent per annum as at 31 December 2016 (December 2015: 4.9 per cent), including margins and line fees, following the issuance of new debt and the repayment of maturing debt.

Outlook⁴

Mirvac's strong financial metrics in 1H17 means it is well placed for the year ahead. This is demonstrated by gearing remaining within the Group's target range, a diversified debt portfolio with a long weighted average debt maturity and \$200m of debt maturing over the next 12 months.

Mirvac remains focused on prudently managing its capital position by monitoring and accessing diversified sources of capital, including equity, domestic and international debt and wholesale capital. This focus will help to ensure the Group can continue to meet its strategic objectives without increasing its overall capital management risk profile.

Mirvac will continue to concentrate on delivering a secure income stream from its Investment portfolio, which underpins Group distributions, improving the return on invested capital achieved by its development activities, and positioning Mirvac for the future by investing in new projects, technology, innovation, sustainability and its people.

Risks

As a property group involved in real estate investment, residential and commercial development and investment management, Mirvac faces a number of risks throughout the business cycle that have the potential to affect the achievement of its targeted financial outcomes. These risks are typical for a property group. The Group's objective is to ensure those risks are identified and appropriate strategies are implemented to manage the impact of those risks. Mirvac's risk management framework is integrated with its day-to-day business processes and is supported by a dedicated Group Risk function. Further information on the Group's risk management framework is detailed in the Corporate Governance statement which is available on Mirvac's website: <http://www.mirvac.com/about/corporate-governance>.

For the half year ended 31 December 2016, the Group continued to review both internal and external risks which have the potential to affect its targeted financial outcomes and implement strategies to minimise their impact. This includes debt refinancing and compliance with debt covenants, compliance with health, safety and environment regulations as well as broader economic conditions.

1H17 OFFICE & INDUSTRIAL HIGHLIGHTS

Mirvac's Office & Industrial portfolio, which has an overweight position to Sydney and Melbourne CBDs, continues to provide secure, recurring income to the Group.

For the half year ended 31 December 2016, Mirvac's Office & Industrial division delivered operating earnings before interest and tax of \$166m.

1. Excludes specific non-cash items, significant items and related taxation.

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

3. NTA per stapled security, based on ordinary securities including Employee Incentive Scheme securities.

4. These future looking statements should be read in conjunction with future releases to the ASX.

REVIEW OF OPERATIONS AND ACTIVITIES

OFFICE

Mirvac has a clear focus in its office business to create, own and manage high-quality, strong performing office assets. Highlights across the office portfolio for the half year ended 31 December 2016 included:

- occupancy increased to 97.2 per cent¹, with a long WALE of 6.9 years²;
- achieved like-for-like net operating income growth of 2.5 per cent;
- total office property revaluations provided a net uplift of \$230m³ (or 5.1 per cent) over the previous book value for the six months to 31 December 2016. On a like-for-like basis (excluding investment properties under construction (IPUC), acquisitions and disposals), the net uplift was \$182m (or 4.8 per cent); and
- completed over 56,800 square metres⁴ of leasing activity across the office portfolio, with leasing spreads of 5 per cent and average incentives of 19 per cent. Highlights include:
 - **101 Miller Street, North Sydney NSW:** leased over 16,600 square metres of office space, including a lease renewal with the Commonwealth of Australia for approximately 10,270 square metres for a 10-year term;
 - **275 Kent Street, Sydney NSW:** signed an 18-month extension with Westpac over 15,700 square metres; and
 - **380 St Kilda Road, Melbourne VIC:** renewed WPP for a five-year term approximately 3,800 square metres on Levels 10 to 12.

In line with Mirvac's mandate to create world-class office assets that generate development returns, the Group progressed its \$2bn committed office development pipeline in 1H17, with highlights including:

- **2 Riverside Quay, Southbank VIC:** achieved practical completion of the office tower in December 2016, two months ahead of schedule. The 21,240 square metres of office space is 100 per cent leased to PwC and Fenders Katsalidis Architects. A 5 Star NABERS Energy rating and a 5 Star Green Star Office Design rating are being targeted;
- **664 Collins Street, Melbourne VIC:** construction tracking to program with practical completion targeted for FY18. Mirvac continues to work with Pitcher Partners, who have committed to leasing 33 per cent of office space, on an integrated fitout solution. In February 2017, Mirvac signed an additional 7,100 square metres of office space, bringing the total pre-commitment at 664 Collins Street to over 60 per cent. A 5 Star NABERS Energy rating and 5 Star Green Star Office Design rating are being targeted;
- **477 Collins Street, Melbourne VIC:** signed an agreement for lease in October 2016 with professional services firm, Deloitte, for 22,000 square metres of office space over a 12-year term commencing in FY20. Demolition works on the car park and the recently vacated building have commenced; and

- **Australian Technology Park, Sydney NSW:** received development approval in December 2016 allowing construction works to commence in January 2017. The project's major tenant, Commonwealth Bank, has committed to 100 per cent of office space for a 15-year lease term. The project remains on track for completion from FY20 onwards.

Outlook⁵

The service-orientated markets of Sydney and Melbourne remain buoyant, with both markets experiencing tightening vacancy rates and strong effective rental growth. Rents in Brisbane have shown signs of stabilising with preliminary indicators of a recovery. In Perth, further rental falls have been recorded, albeit at a more moderate rate, as the state works its way through the contraction in mining investment. Mirvac will continue to focus on the key urban markets of Sydney and Melbourne, as well as creating innovative, collaborative and flexible workplaces that generate value for the Group, while improving the quality of the portfolio.

Risks

While tenant demand for office space remains subdued in Brisbane and Perth, Mirvac's continued overweight position to Sydney and Melbourne means it is well-placed against this backdrop. The office portfolio metrics, comprising a long WALE and high occupancy, also demonstrate Mirvac's ability to maintain a strong and robust portfolio through the cycles of demand. In terms of its office developments, the Group seeks to manage uncertainty around tenant demand in a number of ways, such as substantially pre-letting development projects in advance of construction, while managing its capital commitments by partially selling down office developments to capital partners in advance of completion.

INDUSTRIAL

The Group's focus on creating and leasing quality assets within its industrial portfolio delivered strong metrics in 1H17.

Highlights across the industrial portfolio for the half year ended 31 December 2016 include:

- maintained high occupancy of 99.7 per cent⁶, with a long WALE of 7.7 years⁷;
- achieved over 19,500 square metres of leasing activity;
- completed the acquisition of an industrial site at 274 Victoria Road, Rydalmere in NSW for \$48m in July 2016. The 36,500 metre site lies three kilometres from Parramatta CBD and Westmead in Sydney;
- acquired 36 Gow Street, Padstow in NSW in January 2017 for \$30.2m, a high-quality facility located in close proximity to the M5 motorway; and
- **Calibre, Eastern Creek NSW:** achieved practical completion of Warehouse 1 in December 2016 and signed CEVA Logistics in January 2017 to occupy the 18,970 square metre facility, with the lease commencing in February 2017.

1. By area, including investments in joint ventures and excluding assets held for development.

2. By income, including investments in joint ventures and excluding assets held for development.

3. Includes investments in joint ventures.

4. Excludes leasing of assets under development.

5. These future looking statements should be read in conjunction with future releases to the ASX.

6. By area.

7. By income.

REVIEW OF OPERATIONS AND ACTIVITIES

Outlook¹

Leasing activity in the Sydney and Melbourne markets has been tracking at above average levels with take-up concentrated to new development stock. Both markets have benefited from healthy retail sales and elevated housing investment, while in Sydney, ongoing solid economic growth and a pickup in state funded infrastructure investment will be supportive of demand in 2017. Mirvac's strategic overweight to the strong performing Sydney market ensures that the industrial portfolio will continue to provide secure stable income to the Group.

Risks

Assets in industrial areas that face competition from the speculative and pre-lease options have experienced some rental pressure, particularly given the impact yield compression has had; however, industrial zones with diminishing land available have outperformed, particularly those in Sydney locations that have undergone extensive urban regeneration to residential and mixed-use. Mirvac continues to focus on retaining tenants within the portfolio to secure stable cash flow profiles.

1H17 RETAIL HIGHLIGHTS

The Group's Retail division continues to focus on densely populated urban catchment areas, with an overweight position to the strong performing Sydney market.

For the half year ended 31 December 2016, the Retail division delivered operating earnings before interest and tax of \$81m.

Retail's continued focus on urban areas and capturing organic growth across its portfolio ensured a solid performance in 1H17. Highlights across the retail portfolio for the half year ended 31 December 2016 included:

- maintained strong occupancy at 99.7 per cent², in line with Retail's target to achieve occupancy of greater than 99 per cent in FY17;
- achieved comparable moving annual turnover sales growth of 4.1 per cent and comparable specialty sales growth of 3.5 per cent;
- increased total sales productivity by 2.5 per cent from 30 June 2016 to \$9,897 per square metre and remain on track to achieve a sales productivity target of \$10,000 per square metre in FY17;
- specialty occupancy costs reduced to 14.6 per cent;
- executed 183 lease deals across approximately 19,200 square metres, with leasing spreads of 3.1 per cent;
- entered into an agreement with PAYCE Consolidated to acquire a 50 per cent interest in the proposed South Village Shopping Centre development in Kirrawee, NSW; and
- completed the acquisition of a 50 per cent interest in East Village, Zetland NSW in July 2016 for \$155m. The centre ranked number one in Australia for total sales productivity in the Shopping Centre News' 2016 Little Guns awards.

The Group continued to create value across its Retail portfolio with a development pipeline that increases the scale of the portfolio and captures attractive, organic growth. Mirvac completed over \$100m³ of retail development projects in the half year ended 31 December 2016, with highlights including:

- **Broadway Sydney, Glebe NSW:** completed the Level 2 development in August 2016, introducing an expanded fashion precinct anchored by Sephora and H&M, alongside a distinct urban dining lane;
- **Tramsheds, Harold Park, Sydney NSW:** completed Tramsheds, Harold Park in September 2016, offering Sydney's inner-west a new bespoke food, dining, services and community precinct; and
- **Greenwood Plaza, North Sydney NSW:** completed the food court redevelopment in July 2016.

All completed projects were 100 per cent leased prior to completion and are forecast to generate a blended project yield of approximately 7 per cent.

The Group continues to progress its future development pipeline having commenced construction on the \$19m premium apparel precinct at Birkenhead Point in Sydney, NSW as well as lodging a development application for Harbourside Shopping Centre, Sydney NSW. This will see the retail development pipeline grow to over \$1bn.

Outlook¹

The service-based economies of Sydney and south east Queensland, where 95 per cent of Mirvac's retail portfolio is based, are supported by stronger dwelling prices, more solid population gains and lower unemployment levels than in regional areas. Mirvac's focus on high-quality assets in urban catchments with strong fundamentals is expected to support a continued outperformance in the retail sector.

Risks

While retail sales have continued to grow overall, certain retailer and category performance has softened and leasing demand remains variable. To mitigate these risks, Mirvac is focused on continually refreshing its retail assets (via refurbishment, redevelopment or tenant remixing) to adapt to changing market dynamics. In addition to its focus on key urban and metropolitan markets, Mirvac continues to ensure it has a diversified tenancy mix, where no single specialty retailer contributes greater than 1.6 per cent of the total portfolio's gross rent.

1. These future looking statements should be read in conjunction with future releases to the ASX.

2. By area.

3. Based on 100 per cent ownership.

REVIEW OF OPERATIONS AND ACTIVITIES

1H17 RESIDENTIAL HIGHLIGHTS

Mirvac's Residential business is founded on a reputation for delivering pre-eminent residential product in Australia's key cities of Sydney, Melbourne, Brisbane and Perth.

For the half year ended 31 December 2016, the Residential division delivered operating earnings before interest and tax of \$69m. The Residential business is on track to deliver its target return on invested capital of more than 15 per cent in FY17.

Mirvac's focus on delivering high-quality, innovative masterplanned communities and apartments ensured a strong result in 1H17. Highlights across the residential business for the half year ended 31 December 2016 included:

- settled 977 residential lots, with the majority of settlements expected to fall in the second half of the financial year. The Group is targeting over 3,300 residential lot settlements in FY17;
- secured future income of \$3.1bn of residential pre-sales¹, with 93 per cent and 63 per cent of expected earnings before interest and tax secured for FY17 and FY18 respectively;
- secured 90 new residential lots at Mirvac's masterplanned community, Alex Avenue in Sydney;
- released 1,245 lots with 77 per cent of all released lots pre-sold. Successful launches included:
 - **Brighton Lakes NSW:** achieved strong sales with 79 per cent of released lots pre-sold;
 - **Gledswood Hills NSW:** achieved strong sales with 94 per cent of released lots pre-sold;
 - **Woodlea VIC:** achieved strong sales with 93 per cent of released lots pre-sold;
 - **Tullamore VIC:** achieved strong sales with 86 per cent of released lots pre-sold; and
 - **St Leonards Square, Tower 2, Sydney NSW:** achieved strong sales with 86 per cent of released lots pre-sold.

Mirvac expects to release approximately 1,900 lots in the second half of the financial year, supporting future sales momentum.

Outlook²

The outlook for capital city residential markets remains mixed, varying from state to state and at a sub-market level; however an ongoing low interest rate environment continues to provide support for residential activity, although more modest price gains are expected in Sydney and Melbourne. With construction starts of higher-rise dwellings now easing and population growth in Sydney and Melbourne above historic average levels, the broader view on these markets is positive. In Brisbane, employment levels are stronger than in regional locations, underpinning demand. In Perth, general drivers remain weak, however the Perth market is supported by a reducing supply outlook and good affordability. Increasing urbanisation and the desire for well-located urban dwellings are likely to remain sound over the long term.

Risks

Stricter lending criteria, both domestically and offshore, has sparked concern over the ability of purchasers to settle. To manage settlement risk, Mirvac has a range of strategies in place and proactively monitors its settlement risk profile. In addition to a requirement of a 10 per cent deposit from purchasers, Mirvac has a structured communication and engagement program with its customers and lenders, and undertakes a thorough risk assessment of its exposure to foreign investment.

1H17 SUSTAINABILITY HIGHLIGHTS

Mirvac continued to embed sustainability across all parts of the business in 1H17, with highlights including:

- achieved a 3 Star Green Star performance rating across the office portfolio, while maintaining a 5.1 Star NABERS average energy rating;
- Mirvac Energy and AGL collaborated to deliver 1.1 MW of solar energy at Orion Shopping Centre, Springfield QLD and One Darling Island, Sydney NSW;
- Osprey Waters in Mandurah, WA received the 2016 UDIA WA Environmental Award for Excellence, along with the Russell Perry award for Urban Development Excellence;
- launched Mirvac's first Biodiversity and Climate Change policies to meet future business climate change risks;
- held Mirvac's third annual National Community Day, with more than 800 employees participating across 43 activities;
- commenced Mirvac's first Indigenous internship program with Career Trackers, with three student placements; and
- piloted Mirvac's Sustainable Lifestyle Index (SLI) at Harold Park and Elizabeth Hills in Sydney, NSW. The SLI is a commitment made under Mirvac's sustainability strategy to shape the future of place, and measures sustainable lifestyles within Mirvac communities.

1. Adjusted for Mirvac's share of JV and Mirvac managed funds.

2. These future looking statements should be read in conjunction with future releases to the ASX.

DIRECTORS' REPORT

The Directors of Mirvac Limited present their report, together with the consolidated financial report of Mirvac Group (Mircac or Group) for the half year ended 31 December 2016. Mirvac comprises Mirvac Limited (parent entity) and its controlled entities, which include Mirvac Property Trust and its controlled entities.

PRINCIPAL ACTIVITIES

The principal continuing activities of Mirvac consist of real estate investment, development, third party capital management and property asset management. Mirvac performs these activities across three major segments: Office & Industrial, Retail and Residential.

DIRECTORS

The following persons were Directors of Mirvac Limited during the half year and at the date of this report, unless otherwise stated:

- John Mulcahy
- Susan Lloyd-Hurwitz
- Christine Bartlett
- Peter Hawkins
- James M. Millar AM
- Samantha Mostyn
- John Peters
- Elana Rubin.

REVIEW OF OPERATIONS

A review of the operations of the Group during the half year and the results of those operations are detailed in the operating and financial review on pages 02 to 05.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Details of the state of affairs of the Group are disclosed on pages 02 to 05. Other than those matters disclosed, there were no significant changes to the state of affairs during the half year.

MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR

No other events have occurred since the end of the half year which have significantly affected or may significantly affect Mirvac's operations, the results of those operations, or Mirvac's state of affairs in future years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 07 and forms part of the Directors' report.

ROUNDING OF AMOUNTS

The amounts in the consolidated financial statements have been rounded off to the nearest million (m) dollars in accordance with ASIC Corporations Instrument 2016/191.

This statement is made in accordance with a resolution of the Directors.



Susan Lloyd-Hurwitz

Director

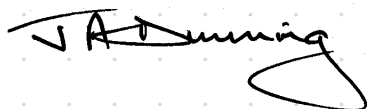
Sydney
16 February 2017

Auditor's Independence Declaration

As lead auditor for the review of Mirvac Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Mirvac Limited and the entities it controlled during the period.



J A Dunning
Partner
PricewaterhouseCoopers

Sydney
16 February 2017

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of comprehensive income	09
Consolidated statement of financial position	10
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A BASIS OF PREPARATION	13
B RESULTS FOR THE HALF YEAR	14
B1 Segment information	14
B2 Expenses	19
B3 Events occurring after the end of the half year	19
B4 Income tax	19
C PROPERTY AND DEVELOPMENT ASSETS	20
C1 Property portfolio	20
C2 Investment properties	21
C3 Investments in joint ventures	22
C4 Inventories	23
C5 Commitments	24
D CAPITAL STRUCTURE	25
D1 Borrowings and liquidity	25
D2 Fair value measurement of financial instruments	26
E EQUITY	27
E1 Distributions	27
E2 Contributed equity	27
F OTHER INFORMATION	28
F1 Contingent liabilities	28
F2 Earnings per stapled security	28
F3 Reconciliation of profit to operating cash flow	28

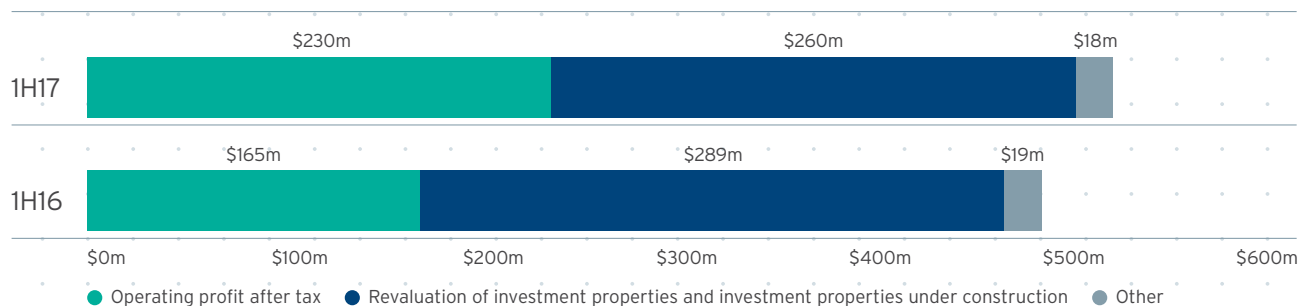
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2016

	Note	31 December 2016 \$m	31 December 2015 \$m
Revenue		967	745
Other income			
Revaluation of investment properties and investment properties under construction	C2	260	289
Share of net profit of joint ventures	C3	92	65
Net gain on sale of investment properties		–	1
Gain on financial instruments		45	68
Total revenue and other income		1,364	1,168
Development expenses		518	380
Investment properties expenses and outgoings		77	72
Employee benefits and other expenses	B2	83	82
Selling and marketing expenses		16	21
Depreciation and amortisation expenses		15	17
Finance costs	B2	63	51
Loss on foreign exchange and financial instruments		84	79
Profit before income tax		508	466
Income tax benefit	B4	–	7
Profit for the half year attributable to stapled securityholders		508	473
Other comprehensive income that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations, net of tax		2	3
Other comprehensive income that will not be reclassified to profit or loss			
Revaluation of owner-occupied properties		–	37
Deferred tax on security-based payments transactions		1	–
Other comprehensive income for the half year		3	40
Total comprehensive income for the half year attributable to stapled securityholders		511	513
Earnings per stapled security (EPS) attributable to stapled securityholders		Cents	Cents
Basic EPS	F2	13.7	12.8
Diluted EPS	F2	13.7	12.8

The above consolidated statement of comprehensive income (SoCI) should be read in conjunction with the accompanying notes.

PROFIT FOR THE HALF YEAR ATTRIBUTABLE TO STAPLED SECURITYHOLDERS



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	31 December 2016 \$m	30 June 2016 \$m
Current assets			
Cash and cash equivalents		59	354
Receivables		185	110
Inventories	C4	800	750
Derivative financial assets	D2	3	5
Other financial assets		–	2
Other assets		39	25
Total current assets		1,086	1,246
Non-current assets			
Receivables		72	56
Inventories	C4	1,048	848
Investment properties	C2	7,867	7,100
Investments in joint ventures	C3	1,060	824
Derivative financial assets	D2	202	228
Other financial assets	D2	155	152
Property, plant and equipment		29	311
Intangible assets		78	79
Deferred tax assets	B4	339	325
Total non-current assets		10,850	9,923
Total assets		11,936	11,169
Current liabilities			
Payables		497	425
Deferred revenue		75	106
Borrowings	D1	200	604
Derivative financial liabilities	D2	7	9
Provisions		198	209
Total current liabilities		977	1,353
Non-current liabilities			
Payables		79	82
Deferred revenue		41	60
Borrowings	D1	3,053	2,211
Derivative financial liabilities	D2	77	102
Deferred tax liabilities	B4	183	169
Provisions		10	12
Total non-current liabilities		3,443	2,636
Total liabilities		4,420	3,989
Net assets		7,516	7,180
Equity			
Contributed equity	E2	6,817	6,812
Reserves		34	138
Retained earnings		665	230
Total equity attributable to stapled securityholders		7,516	7,180

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2016

	Note	Attributable to stapled securityholders			
		Contributed equity \$m	Reserves \$m	Retained earnings \$m	Total equity \$m
Balance 1 July 2016		6,812	138	230	7,180
Profit for the half year		–	–	508	508
Other comprehensive income for the half year		–	3	–	3
Total comprehensive income for the half year		–	3	508	511
Transactions with owners of the Group					
Security-based payments					
Expense recognised – LTI and STI		–	9	–	9
LTI vested	E2	5	(5)	–	–
STI vested		–	(2)	–	(2)
Distributions	E1	–	–	(182)	(182)
Reclassification of owner-occupied properties		–	(109)	109	–
Total transactions with owners of the Group		5	(107)	(73)	(175)
Balance 31 December 2016		6,817	34	665	7,516
Balance 1 July 2015		6,804	95	(437)	6,462
Profit for the half year		–	–	473	473
Other comprehensive income for the half year		–	40	–	40
Total comprehensive income for the half year		–	40	473	513
Transactions with owners of the Group					
Security-based payments					
Expense recognised – LTI and STI		–	5	–	5
LTI vested	E2	4	(4)	–	–
STI vested		–	(1)	–	(1)
Legacy schemes vested		1	–	–	1
Distributions	E1	–	–	(174)	(174)
Total transactions with owners of the Group		5	–	(174)	(169)
Balance 31 December 2015		6,809	135	(138)	6,806

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2016

	Note	31 December 2016 \$m	31 December 2015 \$m
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		940	628
Payments to suppliers and employees (inclusive of GST)		(984)	(799)
		(44)	(171)
Interest received		7	7
Distributions received from joint ventures		22	13
Interest paid		(76)	(75)
Net cash outflows from operating activities	F3	(91)	(226)
Cash flows from investing activities			
Payments for investment properties		(235)	(160)
Payments for property, plant and equipment		(6)	(6)
Proceeds from sale of investment properties and assets held for sale		–	8
Repayments of loans from unrelated parties		–	1
Contributions to joint ventures		(180)	(1)
Proceeds from joint ventures		12	8
Net cash outflows from investing activities		(409)	(150)
Cash flows from financing activities			
Proceeds from borrowings		3,007	1,450
Repayments of borrowings		(2,610)	(911)
Distributions paid		(192)	(181)
Net cash inflows from financing activities		205	358
Net decrease in cash and cash equivalents		(295)	(18)
Cash and cash equivalents at the beginning of the half year		354	60
Cash and cash equivalents at the end of the half year		59	42

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

A BASIS OF PREPARATION

MIRVAC – STAPLED SECURITIES

A Mirvac stapled security comprises one Mirvac Limited share 'stapled' to one unit in Mirvac Property Trust (MPT) to create a single listed security traded on the ASX. The stapled securities cannot be traded or dealt with separately.

Mirvac Limited and MPT remain separate legal entities in accordance with the *Corporations Act 2001*. For accounting purposes, Mirvac Limited has been deemed the parent entity of MPT.

STATEMENT OF COMPLIANCE

This interim financial report for the six months ended 31 December 2016 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the information and disclosures normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Annual Report for the year ended 30 June 2016 and any public announcements made by Mirvac Group during the interim reporting period.

BASIS OF PREPARATION

These financial statements have been prepared on a going concern basis, using historical cost conventions except for investment properties, investment properties under construction, owner-occupied properties, derivative financial instruments and other financial assets and financial liabilities which have been measured at fair value.

All figures in the financial statements are presented in Australian dollars and have been rounded to the nearest million (m) dollars in accordance with ASIC Corporations Instrument 2016/191, unless otherwise indicated.

Where necessary, comparative information has been restated to conform to the current period's disclosures.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim financial statements requires estimation and judgement. The areas involving a higher degree of estimation or judgement were the same as those applied in the annual financial statements for the year ended 30 June 2016.

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The accounting policies adopted are consistent with those adopted in the financial statements for the year ended 30 June 2016.

There have been no new or revised accounting standards which are effective from the periods beginning on or after 1 July 2016 that impact the interim results. Refer to the 2016 Annual Report for details and the Group's assessment of new standards that have been published but are not yet mandatory.

B RESULTS FOR THE HALF YEAR

This section explains the results and performance of the Group, including segmental analysis and detailed breakdowns.

B1 SEGMENT INFORMATION

The Group identifies its operating segments based on the internal reporting provided to the Executive Leadership Team, who are the Group's chief operating decision makers. The segments are consistent with those in the Annual Report for the year ended 30 June 2016.

The Group's operating segments are as follows:



OFFICE & INDUSTRIAL

Manages the Office & Industrial property portfolio to produce rental income along with developing office and industrial projects.

This segment also manages joint ventures and properties for third party investors and owners.



RESIDENTIAL

Designs, develops, markets and sells residential properties to external customers including Masterplanned Communities and Apartments in core metropolitan markets in conjunction with strategic partners.



RETAIL

Manages the Retail property portfolio, including shopping centres, to produce rental income.

This segment also develops shopping centres and manages joint ventures and properties for third party investors and owners.



CORPORATE & OTHER

Covers Group-level functions including governance, finance, legal, risk management and corporate secretarial. This segment holds an investment in the Tucker Box Hotel Group joint venture (refer to note C3).

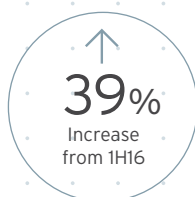
Geographically, the Group operates predominantly in Australia. No single customer in the current or prior period provided more than 10 per cent of the Group's revenue.

THREE HALF YEAR PERFORMANCE REVIEW

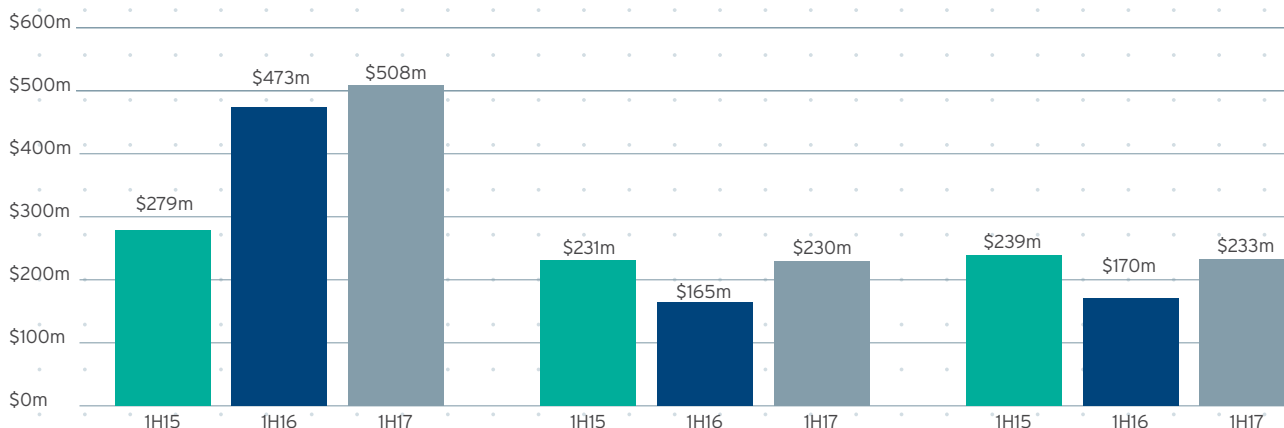
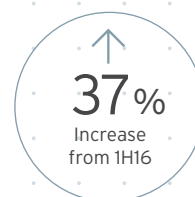
Statutory profit after tax



Operating profit after tax



Funds from operations



B RESULTS FOR THE HALF YEAR

B1 SEGMENT INFORMATION CONTINUED

Presented below are the key profit metrics, a breakdown of revenue by function and other required information for each segment:

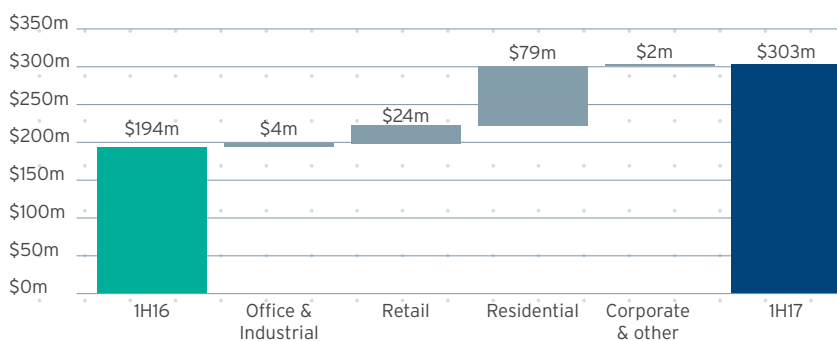
31 December 2016	Office & Industrial \$m	Retail \$m	Residential \$m	Corporate & other \$m	Total \$m
Key profit metrics					
Property net operating income	138	85	–	9	232
Development EBIT	31	–	78	–	109
Asset and funds management EBIT	5	2	–	–	7
Management and administration expenses	(8)	(6)	(9)	(22)	(45)
Earnings before interest and tax (EBIT)¹	166	81	69	(13)	303
Development interest costs ²	–	–	(26)	–	(26)
Other net interest costs ³	–	–	–	(31)	(31)
Income tax expense	–	–	–	(16)	(16)
Operating profit after tax	166	81	43	(60)	230
Include security-based payments expense	–	–	–	(9)	(9)
Exclude amortisation of incentives	9	3	–	–	12
Funds from operations	175	84	43	(69)	233

1. EBIT includes share of net profit of joint ventures.

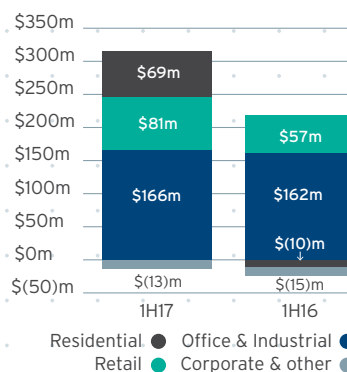
2. Includes cost of goods sold interest of \$16m in Residential.

3. Includes interest revenue of \$6m.

OPERATING EBIT: 1H16 TO 1H17



EBIT BY SEGMENT



31 December 2016	Office & Industrial \$m	Retail \$m	Residential \$m	Corporate & other \$m	Total \$m
Revenue by function					
Property rental revenue ¹	168	128	–	–	296
Development revenue ²	185	10	447	–	642
Asset and funds management revenue ³	5	6	–	1	12
Other revenue	1	1	5	7	14
Total operating revenue	359	145	452	8	964
Share of net profit of joint ventures	13	4	12	9	38
Other income	13	4	12	9	38
Total operating revenue and other income	372	149	464	17	1,002
Non-operating items ⁴	252	32	–	78	362
Total statutory revenue and other income	624	181	464	95	1,364

1. Excludes straight-lining of lease revenue of \$3m in Office & Industrial.

2. Includes management fees.

3. Property management revenue incurred on the Group's investment properties of \$3m in Office & Industrial and \$4m in Retail has been eliminated.

4. Relates mainly to fair value of investment properties and investment properties under construction.

B RESULTS FOR THE HALF YEAR

B1 SEGMENT INFORMATION CONTINUED

31 December 2016	Office & Industrial \$m	Retail \$m	Residential \$m	Corporate & other \$m	Total \$m
Other information					
Segment assets and liabilities					
Assets					
Investment properties ¹	5,095	2,772	–	–	7,867
Inventories	140	4	1,704	–	1,848
Indirect investments ²	589	158	323	207	1,277
Other assets	74	29	53	788	944
Total assets	5,898	2,963	2,080	995	11,936
Total liabilities	210	65	396	3,749	4,420
Net assets	5,688	2,898	1,684	(2,754)	7,516
Other segment information					
Share of net profit of joint ventures	33	3	12	44	92
Depreciation and amortisation expenses	7	5	–	3	15
Acquisitions of investments and PPE	204	236	25	6	471

1. Includes investment properties under construction.

2. Includes carrying value of investments in joint ventures and other indirect investments.

The comparative information has been restated to reflect to the new segment structure that was adopted in FY16 for consistency.

31 December 2015 (restated)	Office & Industrial \$m	Retail \$m	Residential \$m	Corporate & other \$m	Total \$m
Key profit metrics					
Property net operating income	167	62	–	8	237
Development EBIT	(1)	–	(4)	–	(5)
Asset and funds management EBIT	3	–	–	1	4
Management and administration expenses	(7)	(5)	(6)	(24)	(42)
Earnings before interest and tax¹	162	57	(10)	(15)	194
Development interest costs ²	(2)	–	(13)	–	(15)
Other net interest costs ³	–	–	–	(27)	(27)
Income tax benefit	–	–	–	13	13
Operating profit after tax	160	57	(23)	(29)	165
Include security-based payments expense	–	–	–	(5)	(5)
Exclude amortisation of incentives	7	3	–	–	10
Funds from operations	167	60	(23)	(34)	170

1. EBIT includes share of net profit of joint ventures.

2. Includes cost of goods sold interest of \$2m in Office & Industrial and \$4m in Residential.

3. Includes interest revenue of \$9m.

B RESULTS FOR THE HALF YEAR

B1 SEGMENT INFORMATION CONTINUED

31 December 2015 (restated)	Office & Industrial \$m	Retail \$m	Residential \$m	Corporate & other \$m	Total \$m
Revenue by function					
Property rental revenue ¹	197	104	–	–	301
Development revenue ²	285	4	125	–	414
Asset and funds management revenue ³	2	2	–	2	6
Other revenue	5	2	4	7	18
Total operating revenue	489	112	129	9	739
Share of net profit of joint ventures	9	–	4	8	21
Other income	9	–	4	8	21
Total operating revenue and other income	498	112	133	17	760
Non-operating items ⁴	255	83	–	70	408
Total statutory revenue and other income	753	195	133	87	1,168

1. Excludes straight-lining of lease revenue of \$5m in Office & Industrial.

2. Includes management fees.

3. Property management revenue incurred on the Group's investment properties of \$4m in Office & Industrial and \$3m in Retail has been eliminated.

4. Relates mainly to fair value of investment properties and investment properties under construction.

30 June 2016	Office & Industrial \$m	Retail \$m	Residential \$m	Corporate & other \$m	Total \$m
--------------	----------------------------	---------------	--------------------	--------------------------	--------------

Other information

Segment assets and liabilities

Assets

Investment properties ¹	4,721	2,663	–	–	7,384
Inventories	121	2	1,475	–	1,598
Indirect investments ²	564	6	280	177	1,027
Other assets	22	30	25	1,083	1,160
Total assets	5,428	2,701	1,780	1,260	11,169
Total liabilities	278	68	326	3,317	3,989
Net assets	5,150	2,633	1,454	(2,057)	7,180

1. Includes investment properties under construction and owner-occupied properties.

2. Includes carrying value of investments in joint ventures and other indirect investments.

31 December 2015 (restated)	Office & Industrial \$m	Retail \$m	Residential \$m	Corporate & other \$m	Total \$m
-----------------------------	----------------------------	---------------	--------------------	--------------------------	--------------

Other information

Other segment information

Share of net profit of joint ventures	52	–	4	9	65
Depreciation and amortisation expenses	7	4	1	5	17
Acquisitions of investments and PPE	202	67	1	5	275

B RESULTS FOR THE HALF YEAR

B1 SEGMENT INFORMATION CONTINUED

RECONCILIATION OF STATUTORY PROFIT TO OPERATING PROFIT AFTER TAX

The following table shows how profit for the half year attributable to stapled securityholders reconciles to operating profit after tax:

	31 December 2016				31 December 2015	
	Office & Industrial \$m	Retail \$m	Residential \$m	Corporate & other \$m	Total \$m	Total \$m
Profit for the half year attributable to stapled securityholders	414	111	43	(60)	508	473
Exclude specific non-cash items						
Revaluation of investment properties and investment properties under construction	(228)	(32)	–	–	(260)	(289)
Net loss on foreign exchange and financial instruments	(3)	–	–	43	40	10
Security-based payments expense ¹	–	–	–	9	9	5
Depreciation of owner-occupied properties ²	–	–	–	–	–	4
Straight-lining of lease revenue ³	(3)	–	–	–	(3)	(5)
Amortisation of fitout and development incentives ²	5	2	–	–	7	5
Share of net profit of joint ventures relating to movement of non-cash items ⁴	(19)	–	–	(36)	(55)	(45)
Exclude significant items						
Net gain on sale of non-aligned assets ⁵	–	–	–	–	–	(1)
Restructuring costs ¹	–	–	–	–	–	1
Tax effect						
Tax effect of non-cash and significant items ⁶	–	–	–	(16)	(16)	7
Operating profit after tax	166	81	43	(60)	230	165

1. Included within Management and administration expenses.

2. Included within Depreciation and amortisation expenses.

3. Included within Revenue.

4. Included within Share of net profit of joint ventures.

5. Included within Net gain on sale of assets.

6. Included within Income tax expense.

B RESULTS FOR THE HALF YEAR

B2 EXPENSES

	31 December 2016 \$m	31 December 2015 \$m
Profit before income tax includes the following specific expenses:		
Employee benefits expenses	46	53
Security-based payments expense	9	5
Other expenses ¹	28	24
Total employee benefits and other expenses	83	82
Finance costs		
Interest paid/payable (net of inventory provision release)	67	68
Interest capitalised ²	(21)	(24)
Interest previously capitalised and now expensed (net of inventory provision release) ³	16	6
Borrowing costs amortised	1	1
Total finance costs	63	51

1. December 2015 includes restructuring costs \$1m.

2. Relates to Residential \$17m (December 2015: \$19m) and commercial projects \$4m (December 2015: \$5m).

3. Relates to Residential \$16m (December 2015: \$4m) and commercial projects \$nil (December 2015: \$2m).

B3 EVENTS OCCURRING AFTER THE END OF THE HALF YEAR

No events have occurred since the end of the half year which have significantly affected or may significantly affect Mirvac's operations, the results of those operations, or Mirvac's state of affairs in future years.

B4 INCOME TAX

Most of the Group's profit is earned by trusts which are not subject to taxation. Income from the trusts is instead attributed to unitholders who pay income tax at their marginal tax rates.

RECOGNITION OF DEFERRED TAX ASSETS

Deferred tax assets, including those arising from tax losses, are only recognised to the extent it is probable that sufficient taxable profits will be available to utilise the losses in the foreseeable future. The net deferred tax asset and unrecognised tax losses are assessed for recoverability and recognition, respectively at each reporting period.

Mirvac estimates future taxable profits based on reviewed budgets and forecasts extending five years. Future taxable profits are influenced by a variety of general economic and business conditions, which are outside the control of Mirvac. A change in any of these assumptions could have an impact on the future profitability of the Group and may affect the recovery of deferred tax assets.

For the period ended 31 December 2016, Mirvac recognised a tax benefit of \$4m for tax losses that had not been recognised in prior periods. The current period's Australian tax expense was \$4m; therefore, Mirvac has \$nil tax expense for the period.

At 31 December 2016, the Group had \$612m (June 2016: \$625m) of unrecognised tax losses.

C PROPERTY AND DEVELOPMENT ASSETS

This section includes investment properties, investments in joint ventures and inventories. They represent the core assets of the business and drive the value of the Group.

C1 PROPERTY PORTFOLIO

Mirvac holds a property portfolio for long term rental yields. Depending on the specific arrangements for each property, they are classified as investment properties, owner-occupied properties or properties held through joint ventures.

A detailed listing of Mirvac's property portfolio assets can be located in the Property Compendium, which is available on Mirvac's website: http://groupir.mirvac.com/page/Property_Compendium/.



INVESTMENT PROPERTIES

Investment properties are properties owned by Mirvac and not occupied by the Group. Investment properties include investment properties under construction, which will become investment properties once construction is completed.

Mirvac accounts for its investment properties at fair value and revaluations are recognised as other income in the consolidated SoCI.



INVESTMENTS IN JOINT VENTURES (JV)

Mirvac enters into arrangements with third parties to jointly own investment properties.

If Mirvac has joint control over the activities and joint rights to the net assets of an arrangement, then it is classified as a JV.

The JV hold investment property at fair value and Mirvac recognises its share of the JV's profit or loss as other income. For further details on accounting for JV, refer to note C3.



JUDGEMENTS IN FAIR VALUE ESTIMATION

The judgements used to estimate the fair value of the Group's properties have not changed since 30 June 2016. Refer to the 2016 financial statements for further details of the judgements and inputs applied.

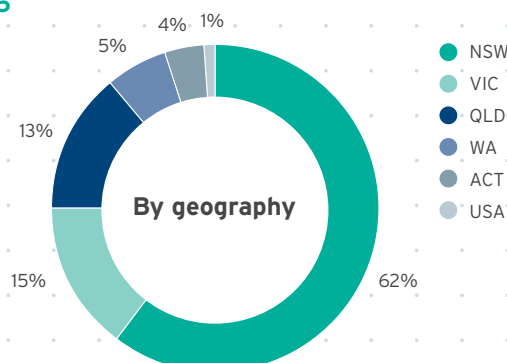
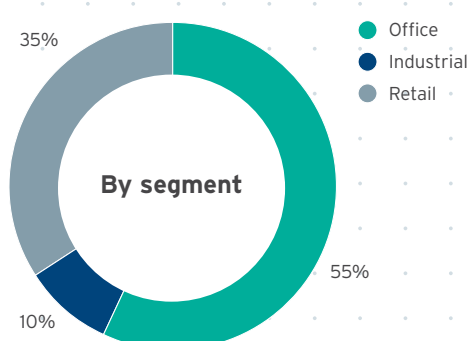
Breakdown of Mirvac's property portfolio by sector

	Note	31 December 2016			30 June 2016	
		Office \$m	Industrial \$m	Retail \$m	Total \$m	Total \$m
Investment properties		4,174	784	2,743	7,701	6,919
Investment properties under construction		106	31	29	166	181
Total investment properties	C2	4,280	815	2,772	7,867	7,100
Owner-occupied properties ¹		–	–	–	–	284
Investment in JV ²	C3	430	–	155	585	410
Total property portfolio		4,710	815	2,927	8,452	7,794

1. In July 2016, Mirvac ceased its use of part of 60 Margaret Street, Sydney NSW as a head office. The property was transferred from owner-occupied properties to investment properties during the six months ended 31 December 2016.

2. Represents Mirvac's share of the JV's investment properties which is included within the carrying value of investments in JV.

PROPERTY PORTFOLIO AS AT 31 DECEMBER 2016

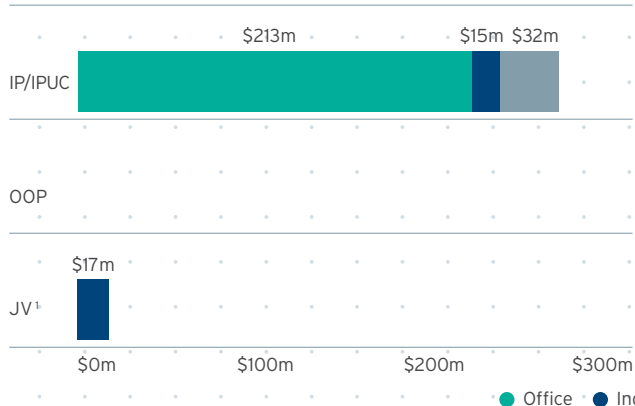


C PROPERTY AND DEVELOPMENT ASSETS

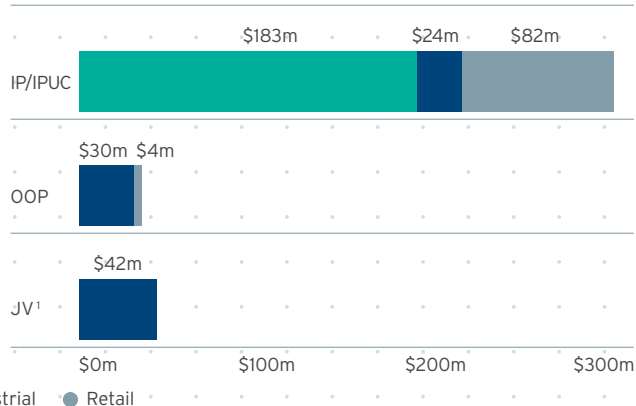
C1 PROPERTY PORTFOLIO CONTINUED

REVALUATION OF PROPERTY PORTFOLIO

1H17 Net revaluation gain (\$277m)



1H16 Net revaluation gain (\$365m)



1. Represents Mirvac's share of the JV's revaluation gain which is included within the share of net profit of JV

C2 INVESTMENT PROPERTIES

Investment properties, including investment properties under construction, are held at fair value and any gains or losses are recognised in revenue and other income. The fair value movements are non-cash and do not affect the Group's distributable income.

	31 December 2016				30 June 2016
	Office \$m	Industrial \$m	Retail \$m	Total \$m	Total \$m
Balance 1 July	3,780	729	2,591	7,100	6,751
Expenditure capitalised	133	25	55	213	378
Acquisitions	–	45	27	72	418
Disposals	–	–	–	–	(774)
Net revaluation gains from fair value adjustments	213	15	32	260	497
Exchange differences on translation of foreign operations	–	2	–	2	2
Transfer to inventories	(45)	–	–	(45)	(135)
Transfer from property, plant and equipment¹	212	–	72	284	–
Amortisation of lease fitout incentives, leasing costs and rent incentives	(13)	(1)	(5)	(19)	(37)
Balance	4,280	815	2,772	7,867	7,100

1. In July 2016, Mirvac ceased its use of part of 60 Margaret Street, Sydney NSW as a head office. The property was transferred from owner-occupied properties to investment properties during the six months ended 31 December 2016.

C PROPERTY AND DEVELOPMENT ASSETS

C2 INVESTMENT PROPERTIES CONTINUED

FAIR VALUE MEASUREMENT AND VALUATION BASIS

Investment properties are measured as Level 3 financial instruments. Refer to note D2 for explanation of the levels of fair value measurement.

The discounted cash flow, capitalisation rate and residual valuation methods all use unobservable inputs in determining fair value; ranges of the inputs are included below:

Segment	Level 3 fair value \$m	Inputs used to measure fair value				
		Net market income \$/sqm	10-year compound annual growth rate %	Capitalisation rate %	Terminal yield %	Discount rate %
31 December 2016						
Office	4,280	250 - 1,658	0.00 - 5.00	5.00 - 9.50	5.25 - 10.00	6.75 - 9.50
Industrial	815	65 - 438	0.00 - 5.00	5.25 - 7.75	5.75 - 8.00	7.25 - 8.25
Retail	2,772	224 - 1,309	2.60 - 4.20	5.50 - 8.00	5.50 - 8.00	7.75 - 9.50
30 June 2016						
Office ¹	3,780	325 - 1,590	0.00 - 3.75	5.38 - 9.50	5.75 - 10.00	7.13 - 9.50
Industrial	729	52 - 225	2.50 - 3.50	5.50 - 7.75	6.00 - 8.00	7.50 - 9.50
Retail ¹	2,591	225 - 1,524	3.00 - 4.40	5.25 - 8.00	5.50 - 8.00	7.75 - 9.50

1. Includes owner-occupied properties.

Movement in any of the unobservable inputs is likely to have an impact on the fair value of investment property. The higher the net market income or 10-year compound annual growth rate, the higher the fair value. The higher the capitalisation rate, terminal yield or discount rate, the lower the fair value.

C3 INVESTMENTS IN JOINT VENTURES

A joint venture (JV) is an arrangement where Mirvac has joint control over the activities and joint rights to the net assets. Mirvac initially records JV at the cost of the investment and subsequently accounts for them using the equity method.

All JV are established or incorporated in Australia. The table below provides summarised financial information for those JV that are significant to the Group. The Group does not have any associates.

Joint venture	Principal activities	31 December 2016		30 June 2016	
		Interest %	Carrying value \$m	Interest %	Carrying value \$m
Joynton North Property Trust ¹	Property investment	50	155	–	–
Mirvac 8 Chifley Trust	Property investment	50	206	50	189
Mirvac (Old Treasury) Trust	Property investment	50	201	50	198
Mirvac SLS Development Trust	Residential development	51	73	51	66
Tucker Box Hotel Group	Hotel investment	50	202	50	167
Other joint ventures	Various		223		204
Total			1,060		824

1. Mirvac acquired 50% of Joynton North Property Trust on 1 July 2016 as part of its acquisition of East Village Shopping Centre, Zetland NSW.

C PROPERTY AND DEVELOPMENT ASSETS

C4 INVENTORIES

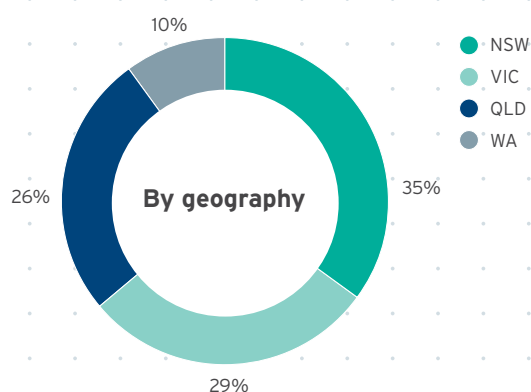
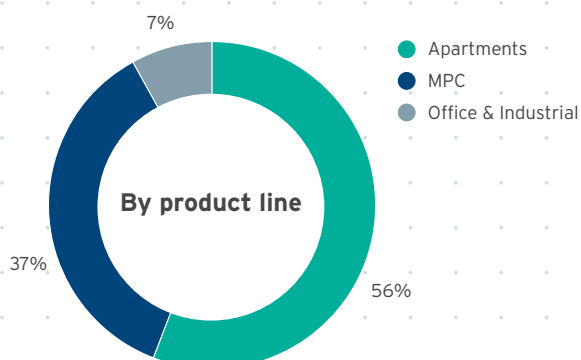
The Group develops some residential and commercial properties for sale, and not to hold as an investment property.

	31 December 2016		30 June 2016	
	Current \$m	Non-current \$m	Current \$m	Non-current \$m
Residential apartments				
Acquisition costs	97	172	113	153
Development costs	401	335	361	260
Interest capitalised during development	26	57	32	48
NRV write-downs provision	–	(60)	–	(64)
Total residential apartments	524	504	506	397
Residential masterplanned communities				
Acquisition costs	144	347	67	318
Development costs	99	67	115	74
Interest capitalised during development	20	34	23	42
NRV write-downs provision	(32)	(3)	(25)	(43)
Total residential masterplanned communities	231	445	180	391
Total Residential	755	949	686	788
Office & Industrial				
Acquisition costs	30	55	3	33
Development costs	15	38	60	26
Interest capitalised during development	1	3	1	1
NRV write-downs provision	(2)	–	(2)	–
Total Office & Industrial	44	96	62	60
Retail				
Acquisition costs	–	3	–	–
Development costs	1	–	–	–
Interest capitalised during development	–	–	2	–
Total Retail	1	3	2	–
Total inventories	800	1,048	750	848

JUDGEMENTS IN CALCULATING NRV OF INVENTORIES

NRV is the estimated selling price in the ordinary course of business less the estimated costs to complete and sell the development. NRV is estimated using the most reliable evidence available at the time including expected fluctuations in selling price and estimated costs to complete and sell.

INVENTORIES AS AT 31 DECEMBER 2016



C PROPERTY AND DEVELOPMENT ASSETS

C4 INVENTORIES CONTINUED

Inventory movement	31 December 2016 \$m	30 June 2016 \$m
Balance 1 July	1,598	1,713
Costs incurred	730	1,110
Settlements	(562)	(1,388)
Provision release	37	28
Transfer from investment properties	45	135
Balance	1,848	1,598

No inventories required write downs to NRV during the half year (December 2015: \$nil).

C5 COMMITMENTS

CAPITAL EXPENDITURE COMMITMENTS

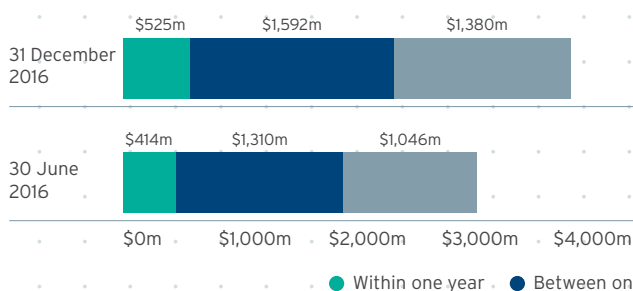
At 31 December 2016, capital commitments on Mirvac's existing property portfolio were \$146m (June 2016: \$225m). There are no properties pledged as security by the Group (June 2016: nil).

LEASE COMMITMENTS

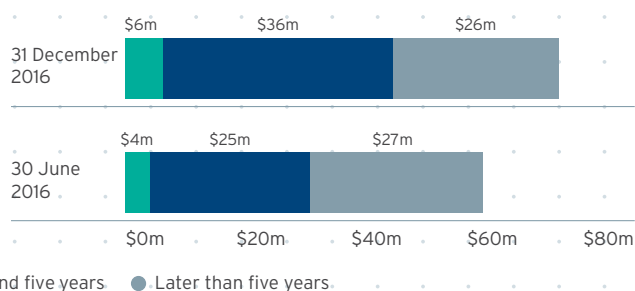
Property rental revenue is accounted for as operating leases. The revenue and expenses are recognised in the consolidated SoCI on a straight line basis over the lease term. Payments for operating leases are made net of any lease incentives.

The future receipts and payments are shown as undiscounted contractual cash flows.

FUTURE OPERATING LEASE RECEIPTS AS A LESSOR



FUTURE OPERATING LEASE PAYMENTS AS A LESSEE



D CAPITAL STRUCTURE

This section outlines how the Group manages its capital structure. Capital comprises stapled securityholders' equity and net debt (borrowings less cash).

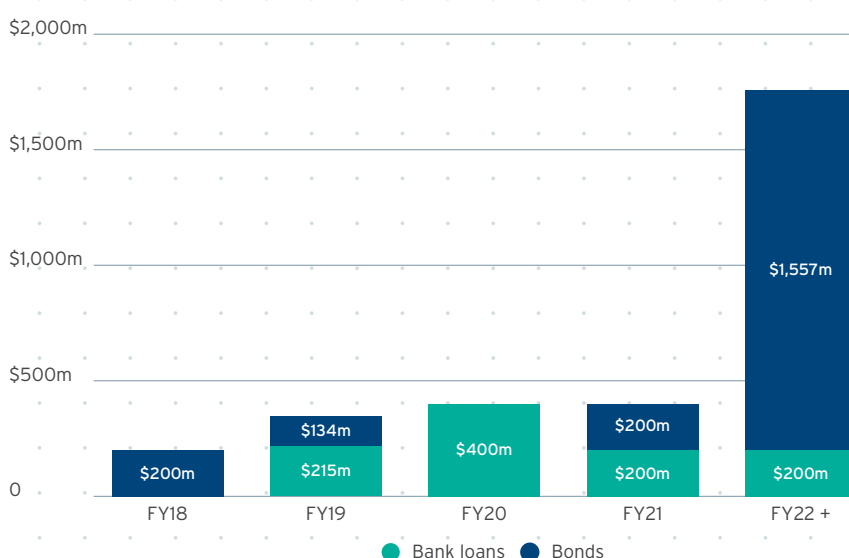
D1 BORROWINGS AND LIQUIDITY

The Group takes out borrowings at both fixed and floating interest rates and also uses interest rate swaps to reduce the interest rate risk.

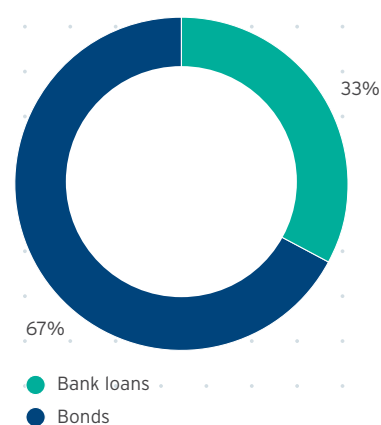
During the period, the Group completed over \$1bn of new financing and refinancing. The capital raised was predominantly applied towards repaying \$713m of bonds expiring during the half year and also allowed the Group to decrease its bank loan facility limits from \$1,700m to \$1,550m.

At 31 December 2016, the Group had \$535m of committed undrawn bank facilities available with no debt maturities until FY18.

DRAWN DEBT MATURITIES AS AT 31 DECEMBER 2016



DRAWN DEBT SOURCES AS AT 31 DECEMBER 2016



BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost using the effective interest rate method.

	31 December 2016				30 June 2016			
	Current \$m	Non-current \$m	Total carrying amount \$m	Total fair value \$m	Current \$m	Non-current \$m	Total carrying amount \$m	Total fair value \$m
Unsecured bank facilities								
Bank loans	–	1,015	1,015	1,015	–	867	867	867
Bonds	200	2,038	2,238	2,207	604	1,344	1,948	2,090
Total unsecured borrowings	200	3,053	3,253	3,222	604	2,211	2,815	2,957
Undrawn bank facilities			535				833	

The fair value of the bank loans is considered to approximate their carrying amount; although some loans have fixed interest rates, the impact is immaterial. The fair value of the bonds is calculated as the expected future cash flows discounted by the relevant current market rates.

D CAPITAL STRUCTURE

D2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Mirvac measures various financial assets and liabilities at fair value which, in some cases, may be subjective and depend on the inputs used in the calculations. The different levels of measurement are described below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: not traded in an active market but calculated with significant inputs coming from observable market data; and
- Level 3: significant inputs to the calculation that are not based on observable market data (unobservable inputs).

Mirvac holds no Level 1 financial instruments.

The methods and assumptions used to estimate the fair value of Mirvac's financial instruments are as follows:

DERIVATIVE FINANCIAL INSTRUMENTS

Mirvac's derivative financial instruments are classified as Level 2, as the fair values are calculated based on observable market interest rates and foreign exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows based on observable yield curves.

OTHER FINANCIAL ASSETS

Other financial assets include units in unlisted funds, convertible notes issued by related parties and loan notes issued by unrelated parties. The carrying value of other financial assets is equal to the fair value.

Units in unlisted funds are traded in inactive markets and the fair value is determined by the unit price as advised by the trustee of the fund, based on the value of the fund's underlying assets. The fund's assets are subject to regular external valuations. The valuation methods used by external valuers have not changed since 30 June 2016.

The fair value of convertible notes and loan notes is calculated based on the expected cash inflows. Expected cash inflows are determined based on the repayment terms, interest rates, agreed project costs and credit risk.

The following table summarises the financial instruments measured and recognised at fair value on a recurring basis:

	31 December 2016				30 June 2016			
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Financial assets carried at fair value								
Units in unlisted funds	–	–	24	24	–	–	23	23
Other financial assets	–	–	131	131	–	–	131	131
Derivative financial assets	–	205	–	205	–	233	–	233
		205	155	360	–	233	154	387
Financial liabilities carried at fair value								
Derivative financial liabilities	–	84	–	84	–	111	–	111
		84	–	84	–	111	–	111

There were no transfers between the fair value hierarchy levels in the six months to 31 December 2016. The following table presents a reconciliation of the carrying value of Level 3 instruments (excluding investment properties):

	Unlisted securities \$m	Other financial assets \$m	Total \$m
Balance 1 July 2016	23	131	154
Gains on financial instruments	2	–	2
Return of capital	(1)	–	(1)
Balance 31 December 2016	24	131	155

Refer to note C2 for a reconciliation of the carrying value of Level 3 investment properties.

E EQUITY

This section includes details of distributions, stapled securityholders' equity and reserves. It represents how the Group raised equity from its stapled securityholders (equity) in order to finance the Group's activities both now and in the future.

E1 DISTRIBUTIONS

Half yearly ordinary distribution	CPSS	Amount payable/paid \$m	Date payable/paid
31 December 2016	4.9	182	28 February 2017
31 December 2015	4.7	174	29 February 2016

All distributions in the current and prior periods were unfranked. Franking credits available for future years, based on a tax rate of 30 per cent, total \$22m (June 2016: \$22m).

E2 CONTRIBUTED EQUITY

Mirvac's contributed equity includes ordinary shares in Mirvac Limited and ordinary units in MPT which are stapled to create stapled securities.

Each ordinary security entitles the holder to receive distributions when declared, to one vote at securityholders' meetings and on polls and to a proportional share of proceeds on winding up of Mirvac.

When new securities or options are issued, the directly attributable incremental costs are deducted from equity, net of tax.

CONTRIBUTED EQUITY

	31 December 2016		30 June 2016	
	No. securities m	Securities \$m	No. securities m	Securities \$m
Mirvac Limited – ordinary shares issued	3,703	2,074	3,699	2,073
MPT – ordinary units issued	3,703	4,743	3,699	4,739
Total contributed equity		6,817		6,812

The total number of stapled securities issued as listed on the ASX at 31 December 2016 was 3,705m (June 2016: 3,702m) which included 2m of stapled securities issued under the LTI plan and EIS (June 2016: 3m). Securities issued to employees under the Mirvac employee LTI plan and EIS are accounted for as options and are recognised in the security-based payments reserve, not in contributed equity.

MOVEMENTS IN PAID UP EQUITY

	31 December 2016		30 June 2016	
	No. securities \$m	Securities \$m	No. securities m	Securities \$m
Balance 1 July	3,699	6,812	3,694	6,804
Securities issued under EEP	–	–	–	1
LTI vested	4	5	4	4
Legacy schemes vested	–	–	1	3
Balance	3,703	6,817	3,699	6,812

Mirvac issues securities to employees as security-based payments.

F OTHER INFORMATION

This section provides additional required disclosures that are not covered in the previous sections.

F1 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that may become payable depending on a future event or a present obligation that is not probable to require payment/cannot be reliably measured. A provision is not recognised for contingent liabilities.

	31 December 2016 \$m	30 June 2016 \$m
Bank guarantees and performance bonds granted in the normal course of business	175	197
Health and safety claims	1	1

As at 31 December 2016, the Group had no contingent liabilities relating to joint ventures (June 2016: \$nil).

F2 EARNINGS PER STAPLED SECURITY

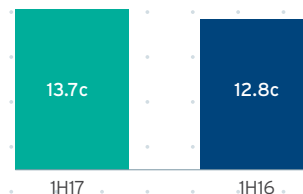
Basic earnings per stapled security (EPS) is calculated by dividing:

- the profit attributable to stapled securityholders; by
- the weighted average number of ordinary securities (WANOS) outstanding during the half year.

Diluted EPS adjusts the WANOS to take into account dilutive potential ordinary securities from security-based payments.

	31 December 2016	31 December 2015
Profit attributable to stapled securityholders (\$m) used to calculate basic and diluted EPS	508	473
WANOS used in calculating basic EPS (m)	3,702	3,696
WANOS used in calculating diluted EPS (m)	3,704	3,700

BASIC AND DILUTED EPS (cents)



F3 RECONCILIATION OF PROFIT TO OPERATING CASH FLOW

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash at bank and short term deposits at call.

	31 December 2016 \$m	31 December 2015 \$m
Profit for the half year attributable to stapled securityholders	508	473
Net gain on financial instruments	(1)	(59)
Net loss on foreign exchange	40	70
Net gain on sale of investment properties	–	(1)
Share of net profit of joint ventures	(92)	(65)
Joint venture distributions received	22	13
Revaluation of investment properties and investment properties under construction	(260)	(289)
Depreciation and amortisation expenses	15	17
Security-based payments expense	9	5
Change in operating assets and liabilities		
Increase in receivables	(92)	(33)
Increase in inventories	(237)	(389)
Increase in payables	6	63
Decrease in provisions for employee benefits	–	(4)
Decrease in tax effected balances	–	(7)
Increase in other assets/liabilities	(9)	(20)
Net cash outflows from operating activities	(91)	(226)

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) the financial statements and the notes set out on pages 08 to 28 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the consolidated entity's financial position at 31 December 2016 and of its performance for the financial half year ended on that date; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Susan Lloyd-Hurwitz
Director

Sydney
16 February 2017.



Independent auditor's review report to the members of Mirvac Limited

Report on the Financial Report

We have reviewed the accompanying half-year financial report of Mirvac Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Mirvac Group (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mirvac Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mirvac Limited and the entities it controlled is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

A handwritten signature in black ink that reads "J A Dunning".

J A Dunning
Partner

Sydney
16 February 2017

GLOSSARY

1H16	Half year ended 31 December 2015
1H17	Half year ended 31 December 2016
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
ARSN	Australian Registered Scheme Number
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
CEO	Chief Executive Officer
CEO/MD	Chief Executive Officer/Managing Director
CFO	Chief Financial Officer
CPSS	Cents per stapled security
EBIT	Earnings before interest and tax
EEP	Employee Exemption Plan
EIS	Employee Incentive Scheme
EMTN	Euro Medium Term Note
EPS	Earnings per stapled security
FY16	Year ended 30 June 2016
FY17	Year ending 30 June 2017
GST	Goods and services tax
IP	Investment properties
IPUC	Investment properties under construction
JPY	Japanese Yen
JV	Joint ventures
LTI	Long term incentives
MPT	Mirvac Property Trust
MTN	Medium term notes
NRV	Net realisable value
NTA	Net tangibles assets
PPE	Property, plant and equipment
OOP	Owner-occupied properties
PwC	PricewaterhouseCoopers
SoCI	Statement of comprehensive income
STI	Short term incentives
WALE	Weighted average lease expiry
WANOS	Weighted average number of ordinary securities



[MIRVAC.COM.AU](https://www.mirvac.com.au)