



ASX Release / Media Release

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MARKET UPDATE

DEBT REFINANCING

Mirvac [ASX: MGR] is today pleased to announce it has reached agreement on a new unsecured debt facility of \$805 million. This facility will replace Mirvac's existing \$1.1 billion syndicated facility which was due to expire in June 2009 but undrawn at 31 December 2008.

Nine of the 13 banks in the previous syndicate participated in Mirvac's \$805 million unsecured debt facility, demonstrating the strong level of support that Mirvac has received from its banking partners.

Mirvac's Managing Director, Nick Collishaw said, "The time taken to finalise this new facility highlights the necessity for companies to engage early with their financial partners. What was previously a simple financing transaction, now needs multiple levels of approvals to meet all parties increased requirements. Mirvac's treasury team has been instrumental in understanding the many and varied needs of our financial partners and have steered the facility to its successful completion, four and a half months ahead of expiry."

Of the \$805 million facility, \$755 million was refinanced from the previous \$1.1 billion bank syndicate which was due to expire in June 2009, with \$50 million of utilised capacity from other facilities renegotiated as part of the new unsecured bank syndicate.

Key terms of \$805 million unsecured bank syndicate:

- > Term of three years expiring on 31 January 2012;
- > 275 basis points inclusive of line fees and margin; and
- > Interest cover ratio covenant of 2.25 and the total liabilities to total tangible assets covenant of 55 per cent remains unchanged.

MIRVAC PROPERTY TRUST REVALUATIONS¹

Valuations on all of Mirvac Property Trust's 58 assets were undertaken during the six months to 31 December 2008 resulting in a total revaluation decline of \$236.3 million², a decrease of 6.2 per cent.

Mirvac's total portfolio weighted average capitalisation rate has increased by 46 basis points to 7.01 per cent. 23 assets were valued externally, representing 54.4 per cent of the total portfolio, resulting in a weighted average capitalisation rate of 6.84 per cent, an increase of 65 basis points, with the remaining 35 assets internally valued resulting in a weighted average capitalisation rate of 7.23 per cent, an increase of 21 basis points.

INVESTMENTS IN JOINT VENTURES AND ASSOCIATES¹

The share of net losses from joint ventures and associates for the period was \$88.1 million, which included net losses from fair value of investment properties and derivatives of \$96.3 million.

The above included the following adjustments to the carrying value of co-investments in Mirvac's managed funds:

- > The carrying value of Mirvac Real Estate Investment Trust has declined from \$130.9 million to \$90.2 million, representing a book value of 65.2 cents per unit; and
- > The carrying value of Mirvac Industrial Trust has declined from \$21.6 million to \$5.4 million, representing a book value of 13.8 cents per unit.

MARK TO MARKET OF FINANCIAL INSTRUMENTS¹

As a result of the movement in interest rates and foreign exchange rates, Mirvac has recognised a net unfavourable movement in its derivatives and associated foreign exchange movements of \$154.0 million.

INTANGIBLE ASSETS

Mirvac is currently in the process of finalising its half year financial results. The carrying value of Mirvac's intangible assets is currently under review and will be announced to the market once those results are finalised, scheduled for 17 February 2009 (intangible assets do not form part of Mirvac's total liabilities to total tangible assets covenant).

Mr Collishaw added, "In these uncertain and volatile markets, the finalisation of our unsecured bank facility and the completion of the Group's \$500 million equity issuance ensures Mirvac enjoys significant head room and positions the Group to remain flexible in its response to changing market conditions.

"Given the adjustment of Mirvac Property Trust assets values, the carrying values of certain joint ventures and associates, and the impact of mark to market financial instruments, Mirvac's total liability to total tangible assets ratio is forecast to be approximately 41 per cent as at 31 December 2008.

"Mirvac has now delivered on a fundamental cornerstone of its stated strategy to ensure the Group has sufficient capital to fund its operations through FY10 and beyond.

"We remain committed to delivering on our strategy of being an Australian focused business, a business that concentrates on its core competencies of investing in Australian real estate that provides stable income streams, as well as delivering pre-eminent Australian residential developments."

1. These adjustments are subject to finalisation of Audit and Board approval.
2. Gross revaluations including assets classified as owner-occupied.

For more information:

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