



ASX Release / Media Release

26 March 2009

In accordance with Listing Rule 3.17 attached is a letter which has today been dispatched to all Mirvac securityholders.

Yours faithfully

A handwritten signature in black ink, appearing to read "M Smith".

Michael Smith
Group Company Secretary

Mirvac is a leading integrated real estate group, listed on the Australian Securities Exchange (ASX) with activities across the real estate spectrum. Established in 1972, Mirvac has more than 37 years of experience in the real estate industry and has an unmatched reputation for delivering quality products across all of its businesses



25 March 2009

MIRVAC LIMITED
ABN 92 003 280 699

MIRVAC FUNDS LIMITED
ABN 70 002 561 640
AFSL 233121 as responsible entity of the
Mirvac Property Trust ARSN 086 780 645

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Dear Securityholder

Mirvac has seen a number of different market cycles since its inception in 1972 and has continued to evolve and respond to changing market conditions. On Friday, 20 March 2009, your Board announced a decision that further demonstrates we are taking the required steps to ensure the best long-term interests for the Group and for you, our securityholders.

This decision seeks to further strengthen our financial position by amending our distribution policy. The revised policy is for the Group to distribute to investors taxable earnings. With immediate effect, the Group will reduce its distribution from 13.4 cents to between 8 and 9 cents per stapled security for the FY09 year. Accordingly, no distribution will be paid in the March quarter with the balance to be paid for the June 2009 quarter.

For the year to date, 7.8 cents per stapled security has been paid to securityholders.

The new distribution policy is expected to change Mirvac's net cash flow from a forecast negative \$110 million to a positive position for the remainder of FY09 and FY10.

This change to our distribution policy is a continuation of our revised Group strategy, announced in August last year that was put in place to better face these adverse economic conditions. Our strategy involves simplifying operational activities, cutting operational costs and strengthening our balance sheet.

We are well advanced on delivering all of these actions as evidenced by:

- > successful rationalisation of non-core funds;
- > successful \$500 million capital raising in November 2008;
- > recent renewal and extension of our debt facilities (\$805 million for three years); and
- > adjustment to business processes which has significantly reduced operating costs.

All of these actions are focused on driving better performance from our two core areas of operation - Australian development and investment.

While this decision was not taken lightly, it was considered in the long-term interest of securityholders, to further preserve capital and increase the strength of the Group's balance sheet and cash flow position in these challenging times.

Residential Sales

On a more positive note, since the beginning of this year, the residential division has experienced strong sales settling 90 lots in January and 171 lots in February, representing approximately \$140 million. The division has also attracted 191 exchanges worth more than \$94 million, since January.

These results have been achieved due to our flexible delivery model which allows us to focus on, and respond to, the strongest market segments at any point in time. This is evidenced by the Group having product available for the first home buyer market as well as the Group's iconic apartment projects, such as The Royal at Newcastle Beach, which has received 64 exchanges, representing approximately \$60 million over the past five months.

We are committed to enhancing Mirvac's position as a leading Australian residential developer and recognised investment manager. We will continue to make decisions to position Mirvac to take advantage of active residential market segments, align our funds to our core business strengths, and continue to manage the Group's capital position in order to remain flexible in current market conditions.

If you have any enquires, or would like further clarification, please contact us at enquiries@mirvac.com

I thank you for your continued support.

Yours faithfully,



Nick Collishaw
Managing Director