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ASX Release / Media Release

22 July 2008

FY08 / FY09 Earnings Guidance & Future Distribution Policy

Further to its announcement on 20 June 2008 Mirvac [ASX: MGR] announces details of:

- Operating earnings for FY08
- A change in distribution policy commencing FY09
- FY09 operating earnings guidance
- FY09 distribution guidance

As per the attached.

A market briefing by Greg Paramor will be presented today at 9.30am EST
Dial in details
Conference ID: 56273514
International dial in: +61 2 8524 6650
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Mirvac Group ASX Update, July 2008

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Mirvac announces

- Operating earnings for FY08 of 33.4 cents[1] per security which exceeds distribution of 32.9 cents per security
- Total asset impairment of approximately $400 million, as announced 20 June 2008
- NTA of $3.65[1] as at 30 June 08
- A change in distribution policy to reflect global peers
- FY09 operating earnings guidance of 23.0 – 25.0 cents per security
- FY09 distribution of 20.0 cents per security

1. Subject to finalisation of year-end audit and acceptance by Board.

FY08 Expected result

Mirvac FY08 earnings expected to be:

	NPAT[1]	Cents[1]
FY08 operating earnings	**$352m**	**33.4 cpss**

		Cents
FY08 distribution	**$349m**	**32.9 cpss**

1. Subject to finalisation of year-end audit and acceptance by Board.

Future distribution policy

Mirvac's Board and management have reviewed the distribution policy in light of the following:

> Current equity pricing that significantly undervalues real estate and associated businesses
> Availability and cost of debt
> Importance of maintaining a strong balance sheet in a cyclical development business
> Maintaining capacity to participate in future growth and acquisition opportunities
> Aligning with global peer group, which distribute less than 100 per cent of operating earnings

Future distribution policy	
Mirvac Property Trust	100 per cent
Corporate	Up to 80 per cent

Retained earnings will be utilised to:

> Maintain a strong balance sheet, via repayment of unhedged debt
> Fund quality residential and non-residential pipeline

Resulting in less dependence on external funding and potential for stronger earnings growth over time

Recognising Mirvac's development division's cyclical earnings profile[1] in this current environment, FY09's distribution will be based on Mirvac Property Trust's operating earnings

1. Profit can only be recognised on settlement of individual sales i.e. units and houses.

FY09 Guidance

	NPAT[1]	Cents[1]
High end – forecast FY09 operating earnings	**$292m**	**25 cpss**
Low end – forecast FY09 operating earnings	**$268m**	**23 cpss**

Forecast FY09 earnings does not assume profit on asset sales from Internal Funds Management (Mirvac Property Trust)

		Cents
Forecast FY09 distribution	**$235m**	**20 cpss**

Forecast FY09 maintenance capital expenditure[2]	**$30m**	

1. Subject to finalisation of year-end audit and acceptance by Board.
2. Forecast maintenance capital expenditure for Mirvac Property Trust including leasing incentives.

FY09 Guidance by division

Division	Key variables	PBT range $M
Internal Funds Management (Mirvac Property Trust)	No asset sales assumed Reduction of overhead cost Achieve rent review targets and let up assumptions Performance of co-investments	**235 - 240**
External Funds Management (Funds Management and Hotel Management)	Acquisition and advisory fees Reduction of overhead cost Establishment of wholesale funds (e.g. residential, hotel and industrial) Complete consolidation and exit non-core businesses and funds	**20 - 25**
Development	Project completion and settlement timing Reduction of overhead cost Achievement of forecast sales rates Recycle development assets into managed funds	**120 - 135**
Corporate overheads, tax and eliminations[1]		**(107) – (108)**

1.Variable attributable to increase in tax as a result of higher corporate earnings.

Maintaining a strong balance sheet

	JUN 08[1]
Total assets[2]	**$7,498m**
NTA[3]	**$3.65**
Gearing[4]	**33.1%**
Undrawn debt facility	**$1,147m**
% hedged	**79.5%**

Mirvac continues to comfortably comply with all debt covenants

Mirvac has no market capitalisation covenants

1. Subject to finalisation of year-end audit and acceptance by Board.
2. Total assets reflect value of announced impairment.
3. NTA based on issued securities including EIS securities.
4. Interest bearing liabilities (hedged foreign currency debt) less cash / total assets less cash.

Internal Funds Management valuations

>All properties have been valued in the 6 months to 30 June 2008[1]

>The portfolio capitalisation rate has expanded by 15 basis points

>Due to rental growth and other factors there has been no material change to the portfolio value

Weighted average capitalisation rate	31 DEC 07	30 JUN 08
Commercial	**6.37%**	**6.54%**
Retail	**6.29%**	**6.42%**
Industrial	**7.16%**	**7.38%**
Portfolio	**6.40%**	**6.55%**

1. In the 6 months to 30 June 08, internal valuations (Director valuations) were performed on 37 assets representing 65% of portfolio by number and 76% by book value. In the 6 months to 30 June 08, external valuations were performed on 20 assets representing 35% of portfolio by number and 24% by book value.

Mirvac looking forward

Group:

- > Distribution policy reflects new operating environment
- > Constant and ongoing assessment of asset carrying values
- > Realise operating cost efficiencies throughout the Group

Funds Management:

- > Continue to reposition MPT portfolio to provide stable and secure earnings
- > Grow wholesale investor partnerships
- > Maintain and grow retail platform
- > Continue to expand hotel management in existing markets and Middle East region

Development:

- > Premium brand and product continues to attract pre-sales in excess of $950 million[1] of exchanged contracts (settlement due FY09 to FY11)
- > Continue to recycle inventory via funds management platform
- > Establishing offices in UAE, in conjunction with strong local partners

1. Total exchanged value adjusted for Mirvac share of JV interest and Mirvac managed funds.

Mirvac has operated through many market cycles since 1972 and its continued success is attributable to its ability to adapt to changed market conditions.

Mirvac’s policy over the medium term is to secure the business to face the current market volatility and to emerge with a more focussed business model which will lead to greater earnings momentum.

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