



ASX  
RELEASE

19 November 2014

**MIRVAC INDUSTRIAL TRUST ("MIX")  
UNITHOLDERS MEETING**

Please find attached the addresses and presentations to be made by the Chairman and the General Manager of MIX at the Unitholders Meeting (the "Meeting") being held today at Allens, Level 28, Deutsche Bank Place, Corner of Hunter and Phillip Streets, Sydney at 10.00am (Sydney Time).

A webcast of the Meeting can be viewed from the MIX's website at: [www.mirvac.com/mix](http://www.mirvac.com/mix).

For further information, please contact:

**MIX Unitholder Enquiries:**  
**MIX Information Line**  
+61 1300 363 917

Nicholas Blake  
General Manager, Mirvac Industrial Trust  
T: +61 2 9080 8000

Andrew Butler  
Group Executive, Office & Industrial  
T: +61 2 9080 8000

Level 26  
60 Margaret Street  
Sydney NSW 2000  
Australia

T +61 2 9080 8000  
[www.mirvac.com](http://www.mirvac.com)  
Mirvac Limited  
ABN 92 003 280 699

Mirvac Funds Limited  
ABN 70 002 561 640  
AFSL 233121  
Mirvac Wholesale Funds  
Management Limited  
ABN 36 076 204 727

Mirvac Funds  
Management Limited  
ABN 78 067 417 663  
AFSL 220718

Mirvac Real Estate Pty Ltd  
ABN 65 003 342 452  
Mirvac Capital  
Investments Pty Limited  
ABN 86 093 644 252

**Addresses of the**  
**Chairman, Mirvac Funds Management Limited**  
**and**  
**General Manager, Mirvac Industrial Trust**  
**to the**  
**MIX Unitholders Meeting**  
  
**Wednesday, 19 November 2014**  
  
**at**  
  
**Allens**  
  
**Deutsche Bank Place**  
  
**Corner of Hunter and Phillip Streets, Sydney**

## **ADDRESS BY PAUL BARKER, CHAIRMAN OF MFML**

Good morning ladies and gentlemen, welcome to the Meeting of Unitholders of the Mirvac Industrial Trust which I will refer to as the Trust throughout the meeting.

It is now after 10.00 am, the time appointed for the Meeting and as there is a quorum present, I will now bring this Meeting to order.

My name is Paul Barker. I am the Chairman of Mirvac Funds Management Limited which I will refer to MFML throughout the Meeting. MFML is the responsible entity for the Trust.

I have been appointed to Chair this Meeting and am tabling my appointment.

I would like to welcome all those here today and thank you for taking the time to attend. I would also like to welcome those watching proceedings via the webcast.

I would like to take this opportunity to introduce Robert Morrison and Elana Rubin, both Non-Executive Directors of MFML.

Also seated at the podium today are Andrew Butler, an Executive Director of MFML and Nicholas Blake the General Manager of the Trust.

Also present today is the Secretary for MFML, Varunika De Silva.

I would also like to welcome:

- > Stuart McCulloch from Allens, the Trust's legal advisers;
- > Tapan Parekh from Deloitte Corporate Finance, who prepared the Independent Expert's Report;
- > Mike Davidson from PricewaterhouseCoopers, who prepared the Taxation Report; and
- > Antony Green from Macquarie Capital Australia Limited who along with CBRE Group Inc., were the Trust's advisers.

Vicki Allen, a Non-Executive Director of MFML, has business commitments overseas and sends her apologies.

The agenda for today's Meeting is shown on the screen.

Shortly we will hear from Nicholas Blake, the General Manager for the Trust.

After opening the floor to questions, we will then vote on the two Resolutions that were set out in the Explanatory Memorandum and Notice of Meeting.

If there is any other business arising out of the Meeting, this will be addressed after the vote.

Before we commence the formal business to be conducted at today's Meeting, I would like to talk to you in general terms about the Proposal received from AustFunding Pty Limited, a subsidiary of Goldman Sachs Group, Inc., which was outlined in the Explanatory Memorandum dated 14 October 2014.

The Proposal between the Trust and AustFunding was announced on 19 September 2014. The Proposal was outlined in the Explanatory Memorandum, which was lodged with the Australian Securities and Investments Commission for review, and on 14 October 2014, the Supreme Court of New South Wales handed down Court Orders confirming that MFML was justified in dispatching the Explanatory Memorandum and convening this Meeting for Unitholders. Dispatch of the Explanatory Memorandum to Unitholders occurred on 24 October 2014.

Unitholders are being asked today to vote on Resolutions to approve the implementation of AustFunding's Proposal by way of a Trust Scheme of Arrangement.

The Explanatory Memorandum included a report from the Independent Expert who concluded that the Proposal is fair and reasonable, and is in the best interests of Unitholders, in the absence of a superior proposal.

In assessing the AustFunding Proposal, the Board considered various reports and advice during its evaluation process, which included a thorough assessment of a number of alternatives available to the Trust and the Unitholders.

Some of the material considered included the Independent Expert's Report; discussions and advice with our corporate advisers; legal, financial and taxation advice; and Management's recommendation.

The Directors took a number of considerations into account in assessing the Proposal outlined in the Explanatory Memorandum including:

- > That the proposal was derived from the Expressions of Interest campaign which the Directors believe comprehensively tested the market;
- > The premiums that the Scheme Consideration represented over the closing price and the one month and three month volume weighted average price as at 27 May 2014 and 18 September 2014, which was the day before we announced the Expressions of Interest campaign and the day prior to the signing of the Scheme Implementation Agreement; and
- > The premium that the Scheme Consideration represented over both the stated and pro forma 30 June 2014 NTA.
- > The conclusion by the Independent Expert that the Proposal is fair and reasonable and in the best interests of Unitholders;
- > The fact that no superior proposal has emerged; and
- > The Proposal provides Unitholders with an opportunity to receive immediate value in cash;
- > The refinancing of the ING facilities which mature on 1 March 2016; and
- > The ability to make future distributions payments taking into account the need to retain capital for the upcoming maturity of the ING facilities.

In light of the Proposal from AustFunding, a number of alternate strategies for the Trust were considered and assessed in terms of their likely ability to provide Unitholders with a superior outcome than that available under AustFunding's Proposal.

These included:

- > The Trust remaining as a standalone, ASX-listed entity;
- > Realising the Trust's portfolio via a sale or strategic transaction in the future;
- > Realising the Trust's portfolio via a sales and marketing campaign followed by a wind-up of the Trust;
- > Recapitalising the Trust through an equity raising and pursuing a growth strategy; and
- > Alternative options received during the Expressions of Interest campaign and the value that they may represent.

Nicholas Blake will address the alternate strategies considered in more detail shortly.

Reasons why you may decide to vote against the Proposal include, but are not limited to:

- > You may disagree with the recommendation of the Board and the Independent Expert's conclusion;
- > You will no longer have exposure to the Trust's portfolio of US industrial assets;
- > The tax consequence may not be optimal for your circumstances; or
- > You expect that a superior proposal may emerge.

The Directors, after careful consideration of:

- > The Estimated Scheme Consideration of 21.4 cents per Unit<sup>1</sup> being a premium to relevant trading prices and NTA;
- > The prospects for the Trust to continue as a standalone entity;
- > The alternate options available to the Trust;
- > The conclusions of the Independent Expert, and
- > The opportunity to receive immediate value in cash for Units;

The Directors believe the Proposal provides a superior outcome to Unitholders over the alternate options, and therefore conclude that the AustFunding Proposal is in the best interests of Unitholders and unanimously recommend that Unitholders vote in favour of the AustFunding Proposal.

If the Proposal is approved today, each Unit will be transferred to AustFunding on the Implementation Date which is currently set down for 3 December 2014.

Under the Proposal outlined in the Explanatory Memorandum, Unitholders will receive a payment estimated to be 21.4 cents per Unit based on an AUD/USD exchange rate of 89.73 as at 18 September 2014, adjusted for the assumed transaction costs that will be incurred.

The expected proceeds to be received will not be hedged which is consistent with the Trust's current policy of not hedging US dollar capital exposures.

If the Australian dollar is stronger at the time the Scheme Payment is converted then the Scheme Consideration will decrease.

Alternatively, if the Australian dollar is weaker at the time the Scheme Payment is converted then the Scheme Consideration will increase.

The table on screen shows the impact of movements in the AUD/USD exchange rate and estimated Transaction Costs of US\$3.9 million on the Scheme Consideration.

The AUD/USD exchange rate as at 4.00pm on 17 November 2014 of 87.88 and updated Transaction Costs of US\$3.9 million, equates to an estimated Scheme Consideration of 21.8 cents per Unit.

The amount ultimately received by Scheme Unitholders will depend in part on the AUD/USD exchange rate to be applied to the Scheme Payment and any Transaction Costs adjustment that may be required.

---

<sup>1</sup> Based on an AUD/USD exchange rate of 89.73 as at 18 September 2014.

AustFunding intends to fund the Scheme Payment with cash.

The Scheme is not conditional on AustFunding obtaining debt or equity funding.

Subject to the Scheme becoming effective on the Implementation Date, funding of the payment from AustFunding to Unitholders is expected to be processed in the following steps:

AustFunding must pay, or procure, the Scheme Payment in cleared funds denominated in US dollars to an account nominated by MFML.

The proceeds received in US dollars will then be converted to Australian dollars at the prevailing exchange rate on the Implementation Date which is expected to be 3 December 2014.

Each Scheme Unitholder will be paid the Scheme Consideration on or around 8 December 2014, pro-rata to the number of Units they hold on the Record Date, which is expected to be 28 November 2014.

I'd now like to hand over to Nicholas Blake, General Manager the Trust, to speak to you about the Trust, the options that were considered and the Proposal that is being put forward to you today.

There will be a time for you to ask questions in relation to both the Proposal and the Resolutions, so I would ask that you hold your questions until later.

I would like to invite Nicholas to the microphone.

#### **ADDRESS BY THE GENERAL MANAGER OF MIRVAC INDUSTRIAL TRUST, NICHOLAS BLAKE**

Thank you Paul, and thank you everyone for joining us here today.

I would like to take you through some background information about the Trust and the rationale behind the Management team's recommendation of AustFunding's Proposal to the MFML Board.

Firstly, I would like to start with some significant steps that have been made with respect to the Trust over the last few years.

Following the onset of the global financial crisis in late 2007, the Trust fell into a state of stress, with overall gearing peaking at 84.3 per cent and the Trust's Net Tangible Assets and unit price reaching their lowest points of 10 cents per unit and 1.6 cents per unit, respectively. This put pressure on the Trust's ability to comply with its loan facilities. MFML and the Management team executed a number of key capital enhancement initiatives to protect and recoup value for Unitholders. These included:

- > Completing the buyout in February 2009 of Centerpoint Properties, who were the Trust's 5 per cent joint venture partner and property manager at the time, at a cost of US\$13.6 million. This ensured MFML had strategic control of the Trust to execute on a number of capital stability initiatives, including the following:
  - o Completion of 19 sale transactions with a combined value of US\$157.0 million, with the proceeds being applied to repairing the Trust's balance sheet;
  - o Refinancing a total of US\$150.0 million of expiring debt facilities;
  - o Receiving US\$5.0 million in compensation from KTR, who was the CJF4 lender at the time, in return for a full release from the near 100.0 per cent levered CJF4 loan facility totalling US\$144.1 million; and
  - o Repaying a further amount of US\$17.8 million borrowed from Mirvac Group, as a bridging loan to assist with the joint venture buyout and recapitalisation initiatives that I have outlined.

All of this was achieved in conjunction with our day-to-day asset management responsibilities, with a significant number of lease transactions, including both new leases and renewals, being executed across the portfolio over this time period and in extremely challenging market conditions.

The culmination of these transactions was a stronger balance sheet secured by a stable portfolio, with the key outcome being a recoupment of value for Unitholders.

This is best exemplified by the substantially reduced gap between the Trust's Net Tangible Assets and unit price, from a gap of 53.5 cents per Unit in December 2008 to a premium of 1.5 cents per Unit based on the closing price of 21.5 cents per Unit on 17 November 2014.

On 14 February 2013, MFML announced that it had identified five non-core assets that it intended to divest. It was expected that a realigned portfolio would be more attractive to institutional owners of industrial assets and would facilitate a Portfolio sale, transferring the asset level debt to an acquirer and potentially avoiding the considerable debt prepayment penalties that would be incurred in a staged asset divestment wind-up scenario. The debt prepayment penalties were estimated to be approximately US\$6.7 million as at 30 June 2014.

MFML announced the settlement of the sale of 3145 Central Avenue, Waukegan, one of the identified non-core assets in late February 2013.

The unconditional sale of the remaining four non-core assets being 308 South Division Street, Harvard, 900 East 103rd Street, Chicago, 4527 and 4531 Columbia Avenue, Hammond were then announced on 28 May 2014.

The sale of the non-core assets delivered a portfolio of 24 B-grade, Chicago-centric, industrial assets with a book value of US\$164.0 million, an average building age of approximately 24 years, down from 42 years, and an average portfolio capitalisation rate of 8.06 per cent.

At the same time the sale of the four non-core assets was announced, MFML announced the commencement of a formal Expressions of Interest campaign to realise 100.0 per cent of the Trust's Units.

Macquarie Capital (Australia) Limited and Chicago property specialists, CBRE Group, Inc. were appointed advisers to assist with this process.

In addition to the five non-core assets being divested, the sale of 5990 West Touhy Avenue, Niles was also completed during the Expressions of Interest campaign leaving a portfolio of 23 assets. The pricing achieved on the sale of this asset was matched by AustFunding under the terms of their Proposal.

MFML, with the assistance of its advisers, comprehensively tested the market by canvassing in excess of 50 market participants to take part in the Expressions of Interest process, both in Australia and the United States. AustFunding's Proposal was derived from this campaign.

On 15 August 2014, MFML granted AustFunding exclusivity, providing them with a period of time to complete confirmatory due diligence on their indicative Proposal.

On 19 September 2014, MFML and AustFunding entered into the Scheme Implementation Agreement that forms the basis of the Proposal that you are voting on today.

The Proposal from AustFunding represents a portfolio valuation of US\$170.0 million, which is a premium of 3.7 per cent above the portfolio's 30 June 2014 book value of US\$164.0 million<sup>2</sup>, and implies a capitalisation rate of 7.7 per cent for the portfolio. Under the Proposal, AustFunding will also pay full consideration for the Trust's net other assets which totalled US\$6.7 million as at 18 September 2014.

---

<sup>2</sup> As at 30 June 2014, including the Touhy asset.

In the period up to the announcement of the Proposal, the Directors explored a range of alternatives to maximise value for Unitholders. I will outline these options.

### **Option 1, the Trust remaining as a standalone, ASX-listed entity with management continuing to manage the Portfolio and addressing upcoming debt maturities**

Management considered a status quo scenario where the Trust would remain listed on the ASX, and MFML would continue to manage the Portfolio to increase earnings over the medium term, and address the upcoming debt maturity for the ING Facilities on 1 March 2016.

Over recent years, whilst the Trust's capital structure has been stabilised via selected asset sales and debt refinancing, it has continued to trade at a discount to NTA. The factors that may have contributed to the Trust's discounted unit price compared to NTA include:

- > the fact that the Portfolio of US assets are owned by an externally managed, ASX-listed vehicle;
- > acknowledgement that most alternatives involving a return of capital to Unitholders would require costs to be incurred;
- > as at the date of the Explanatory Memorandum, distributions were not being paid;
- > The Trust lacks scale, liquidity and has a relatively small market capitalisation for an A-REIT; and
- > there is limited funding capacity to achieve growth.

As at 30 June 2014, the Trust had total outstanding debt of US\$104.3 million under the ING Facilities and gearing of 57.3 per cent. Key terms of the ING Facilities include amortisation payments, debt prepayment penalties and capital expenditure reserve obligations, and a maturity date of 1 March 2016.

Unitholders should be aware that, although it is expected that the Trust may be able to refinance the ING Facilities on generally similar terms, there can be no guarantee that this will happen.

MFML is currently not paying distributions in order to retain adequate funding for both the potential costs associated with the Expressions of Interest campaign and to continue to maintain the Portfolio during this period. It is anticipated that if the Proposal does not proceed this distribution policy will remain unchanged for the foreseeable future in order to retain capital for the upcoming maturity of the ING Facilities, and any potential debt prepayment penalties and capital reserve obligations.

Under a status quo scenario, it is unlikely that the trading price of Units will equal or exceed the estimated Scheme Consideration in the absence of a strategic transaction excluding the impact of AUD/USD exchange rate movements.

### **Option 2, the Trust realising the Portfolio via a sale or strategic transaction in the future**

Management and the Board also considered retaining ownership of the Portfolio for a period of time in order to execute a sale or strategic transaction in the future.

MFML believe now is an attractive time to crystallise value for the Portfolio with reference to the potential negative impacts from the upcoming ING Facilities maturity and uncertainty regarding the United States' interest rate outlook. The Proposal also results in Unitholders receiving immediate value in cash – any net proceeds to Unitholders from a future sale or strategic transaction would have to be discounted to a present value to compare the outcome on a like-for-like basis in today's dollars. There is no certainty that MFML would be able to attract an interested party in the future to successfully execute this strategy.



Given the risks I have just gone through, it is difficult to estimate with any certainty the quantum and timing of the net proceeds Unitholders would ultimately receive from this strategy.

### **Option 3, realising the Portfolio via asset sales followed by a wind-up of the Trust**

MFML considered disposing of the Trust's assets via a staged asset divestment, repaying liabilities, winding-up of the Trust and returning the net proceeds to Unitholders.

The orderly sale of assets may close the gap between the Trust's Unit price and NTA, however this strategy is accompanied by significant execution timing and valuation risks, including the potential crystallisation of debt prepayment penalties and partial repayment obligations associated with the existing asset-level debt.

A wind-up may also limit the number of prospective bidders to direct asset owners and encourage potential purchasers to individually select certain higher quality assets, leaving the Trust with a handful of lower quality assets that are more difficult to sell.

Given this, and the above risks, it is difficult to estimate with any certainty the quantum and timing of the net proceeds Unitholders would ultimately receive from this strategy.

### **Option 4, recapitalising the Trust through an equity raising and pursuing a growth strategy**

MFML considered a recapitalisation through an equity raising from existing and/or new investors to enable the Trust to repay debt and acquire assets to increase its scale and attractiveness to A-REIT investors.

An issue of new equity would likely need to be priced at a discount to the current trading price of Units, materially diluting NTA.

Even if the Trust was to undertake a dilutive equity raising, there is no certainty that the Trust would be able to acquire assets with its cost of capital relative to other acquirers or at attractive valuations to successfully execute this strategy. MFML have also considered a reduced appetite for A-REITs with pure exposure to international assets, investors can generally achieve this exposure directly in international markets with entities of greater scale and liquidity than the Trust.

### **Conclusion**

In conclusion, Management believe that AustFunding's Proposal provides a superior outcome for the Unitholders than each of the options I have just outlined.

AustFunding's Proposal, if approved at today's Meeting, offers Unitholders immediate liquidity at a cash consideration that is in excess of the Trust's Net Tangible Assets.

Based on the AUD/USD exchange rate of 89.73 as at 18 September 2014, and assumed transaction costs of US\$3.9 million, the Scheme consideration is estimated to be 21.4 cents per Unit.

The Estimated Scheme Consideration of 21.4 cents per Unit represents:

- > A premium of 32.3 per cent and 30.7 per cent to the one and three month VWAPs on 27 May 2014, the day before the Expressions of Interest Campaign was announced;
- > A premium of 22.8 per cent and 25.8 per cent to the one and three month VWAPs on 18 September 2014, the day before the Scheme Implementation Agreement was executed;
- > An 8.8 per cent premium above the Trust's stated NTA at 30 June 2014; and
- > A 3.2 per cent premium above the Trust's pro form 30 June 2014 NTA.

The Estimated Scheme Consideration of 21.4 cents per Unit is after payment of the estimated transaction costs of US\$3.9 million associated with implementing the Proposal. One key point I would like to make is that excluding these transaction costs implies a gross estimated Scheme Consideration of 22.5 cents per Unit, representing an 8.9 per cent premium to the pro forma 30 June 2014 NTA of 20.7 cents per unit.

If the Proposal is approved at today's Meeting, the implementation date for the Proposal is expected to be 3 December 2014.

Finally, as the General Manager of the Trust, the Management team and I were pleased to receive the AustFunding Proposal. It has been reviewed by an Independent Expert who has concluded that the Proposal is fair and reasonable and in the best interests of Unitholders, in the absence of a superior proposal. The MFML Board, has also reaffirmed their conclusion that the Proposal is in best interest of Unitholders, and I similarly endorse this Proposal to you.

Thank you.

MIRVAC INDUSTRIAL TRUST

---

# UNITHOLDERS MEETING

---

19 NOVEMBER 2014

---



---

# **PAUL BARKER**

## **CHAIRMAN, MIRVAC FUNDS MANAGEMENT LIMITED**

---

# OVERVIEW OF PROPOSAL

---

**19 SEPTEMBER 2014**

Mirvac Industrial Trust (“MIX”) entered into a Scheme Implementation Agreement with AustFunding Pty Limited (“AustFunding”), a subsidiary of Goldman Sachs Group, Inc.

---

**24 SEPTEMBER 2014**

Explanatory Memorandum lodged with ASIC

---

**14 OCTOBER 2014**

First Judicial hearing. The Court handed down orders which justified the Board in dispatching the Explanatory Memorandum and convening the Unitholders Meeting

---

**24 OCTOBER 2014**

Dispatch of the Explanatory Memorandum to Unitholders

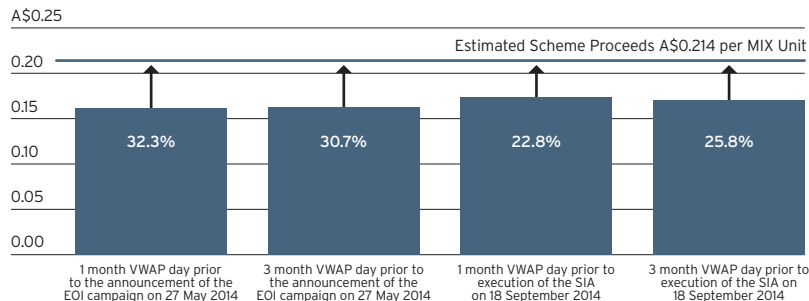
---

THE INDEPENDENT EXPERT’S OPINION IS THAT THE PROPOSAL IS  
**FAIR AND REASONABLE AND IN THE BEST INTERESTS** OF UNITHOLDERS,  
IN THE ABSENCE OF A SUPERIOR PROPOSAL.

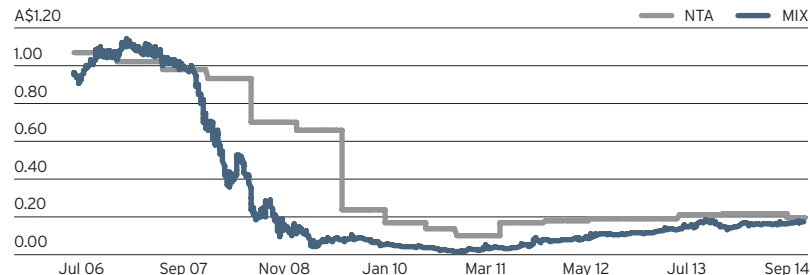
# DIRECTORS ASSESSMENT OF THE PROPOSAL

- › The Proposal was derived from the Expressions of Interest campaign between May 2014 and September 2014, which the Directors believe comprehensively tested the market
- › The estimated Scheme Consideration of A\$0.214 per Unit<sup>1</sup> represents a premium to:
  - The one and three month VWAP as at 27 May 2014 and 18 September 2014;
  - MIX's stated NTA at 30 June 2014<sup>2</sup> of 8.8% and 3.2% to the pro forma 30 June 2014 NTA<sup>3</sup>; and
  - MIX's recent trading prices

## PROPOSAL PREMIUMS



## MIX PRICE/NTA



<sup>1</sup> Based on the A\$/US\$ exchange rate of 0.8973 as at 18 September 2014 and assumed Transaction Costs amounts.

<sup>2</sup> The stated NTA as at 30 June 2014 is A\$0.196 per MIX Unit which was rounded to A\$0.20 per MIX Unit.

<sup>3</sup> Based on the NTA as at 30 June 2014 including the estimated impact of the sale of the Touhy asset, converted at an A\$/US\$ exchange rate of 0.8973 as at 18 September 2014.

# DIRECTORS ASSESSMENT OF THE PROPOSAL

---

- › The Independent Expert has concluded the Proposal is **FAIR** and **REASONABLE** and **in the BEST INTERESTS** of Unitholders, in the absence of a superior proposal
- › No superior proposal has been received
- › The Proposal provides Unitholders with an opportunity to receive immediate value in cash
- › The refinancing of ING facilities which mature on 1 March 2016; and
- › The ability for making future distribution payments taking into account the need to retain capital for the upcoming maturity of the ING facilities

# DIRECTORS ASSESSMENT OF THE PROPOSAL

---

- › Mirvac Funds Management Limited (“MFML”) Directors have considered alternate strategies including:
  - MIX remaining as a stand alone, ASX-listed entity
  - Realising MIX’s portfolio via a sale or strategic transaction in the future
  - Realising MIX’s portfolio via asset sales followed by wind-up of the Trust
  - Recapitalising MIX through an equity raising and pursuing a growth strategy; and
  - Alternative proposals received during the Expressions of Interest campaign and the value that they may represent



# POTENTIAL REASONS TO VOTE AGAINST THE PROPOSAL

---

- › Unitholders may disagree with the recommendation of the Board and the Independent Expert's conclusion
- › Unitholders will no longer have exposure to MIX's portfolio of US industrial assets
- › The tax consequences may not be optimal for Unitholders' circumstances
- › Unitholders expect a superior proposal may emerge

# DIRECTORS RECOMMENDATION

---

- › MFML Directors have made their recommendation after consideration of the:
  - Estimated Scheme Consideration of A\$0.214 per Unit being at a premium to recent trading prices and NTA;
  - Opportunity to receive immediate value in cash for Units;
  - Prospects for MIX as a standalone entity;
  - Other alternate options available to MIX; and
  - Opinion of the Independent Expert that the Proposal is **FAIR** and **REASONABLE** and **in the BEST INTERESTS** of Unitholders, in the absence of a Superior Proposal

**THE DIRECTORS *UNANIMOUSLY RECOMMEND THAT*  
*MIX UNITHOLDERS VOTE IN FAVOUR OF THE PROPOSAL,*  
IN THE ABSENCE OF A SUPERIOR PROPOSAL.**

# SCHEME PAYMENT

---

**3 DECEMBER 2014**

Implementation of the Scheme is expected to take place (if the Proposal is approved)

---

On or around

**8 DECEMBER 2014**

Dispatch of Scheme Consideration to Unitholders

- › Unitholders will receive an estimated payment of A\$0.214 per Unit based on:
  - An A\$/US\$ exchange rate of 0.8973 as at 18 September 2014; and
  - The assumed Transaction Costs amounts
- › If the A\$/US\$:
  - **STRENGTHENS** the estimated Scheme Consideration in A\$ decreases
  - **WEAKENS** the estimated Scheme Consideration in A\$ increases

# SCHEME PAYMENT

---

- › The table below shows the impact of movements in the A\$/US\$ exchange rate and the estimated Transaction Costs amount of US\$3.9 million on the Scheme Consideration:

A\$/US\$ exchange rate	0.84	0.86	0.88	0.8973	0.92	0.94
Scheme Consideration in A\$ cents per Scheme Unit	0.229	0.223	0.218	0.214	0.208	0.204

- › The Estimated Scheme Consideration based on the A\$/US\$ exchange rate as at 4.00pm on 17 November 2014 of 0.8788<sup>1</sup> and an updated Transaction Costs of US\$3.9 million would equate to \$0.218 per Unit
- › The actual Scheme Consideration to be received by Unitholders will depend on the prevailing exchange rate and actual Transaction Costs incurred

<sup>1</sup> Source: RBA.

# FUNDING ARRANGEMENTS

---

- › AustFunding intends to fund the Scheme Payment with cash
- › Funding of the payment from AustFunding is expected to be processed in the following steps:

Before 9.00am, <b>3 DECEMBER 2014</b>	AustFunding pays the Scheme Payment in US\$ to an account nominated by MFML
<b>3 DECEMBER 2014</b>	Scheme Payment converted into A\$ at the prevailing exchange rate quoted as soon as practicable after receipt of the Scheme Payment
On or around <b>8 DECEMBER 2014</b>	Each Scheme Unitholder paid the Scheme Consideration on or around 8 December 2014 pro-rata to the number of Units they hold on 28 November 2014, the Record Date

---

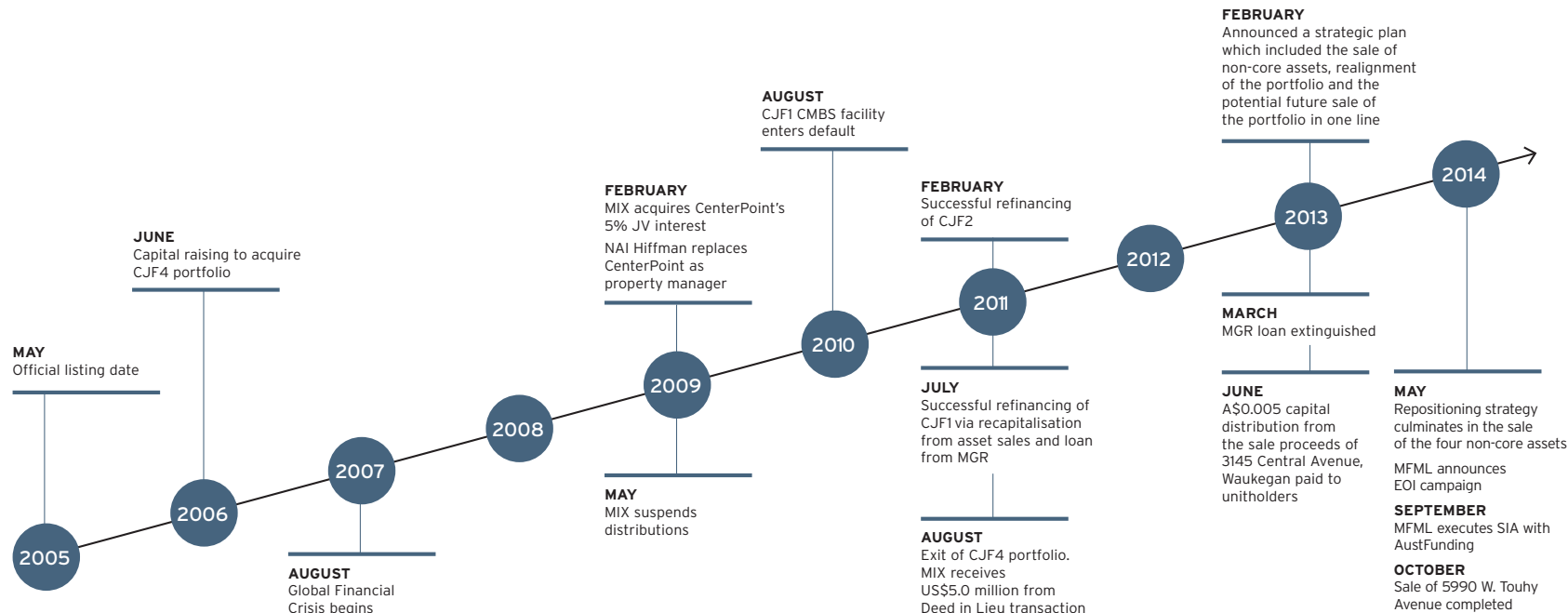
# NICHOLAS BLAKE

**GENERAL MANAGER, MIRVAC INDUSTRIAL TRUST**

---

# TIMELINE OF EVENTS

Over recent years, MFML has refinanced and repositioned the Trust's portfolio to preserve unitholder value.



# EXPRESSIONS OF INTEREST (“EOI”) CAMPAIGN

---

- › On 28 May 2014, MFML announced the commencement of an EOI campaign with Macquarie Capital (Australia) Limited and Chicago property specialists, CBRE Group, Inc. as its advisers
- › The EOI campaign comprehensively tested the market’s interest in MIX and its underlying real estate portfolio – over 50 market participants were approached to take part in the process
- › On 15 August 2014, MFML granted exclusivity to AustFunding
- › On 19 September 2014, MFML and AustFunding entered into the Scheme Implementation Agreement
- › The EOI campaign has created the opportunity to deliver value to unitholders



# ALTERNATIVES CONSIDERED

---

## **MIX REMAINING AS A STANDALONE, ASX-LISTED ENTITY**

- › US assets are owned by an externally managed, ASX-listed vehicle
- › MIX lacks scale, liquidity and has a relatively small market capitalisation for an A-REIT
- › Limited funding capacity to achieve growth
- › Need to address upcoming debt maturity for the ING Facilities on 1 March 2016
- › Distribution policy will remain unchanged for the foreseeable future with capital to be retained for the upcoming maturity of the ING Facilities
- › MIX trading price likely to remain below NTA

# ALTERNATIVES CONSIDERED

---

## **REALISING THE PORTFOLIO VIA A SALE OR STRATEGIC TRANSACTION IN THE FUTURE**

- › Potential negative impacts from upcoming debt refinancing and US interest rate outlook
- › Consideration of the time value of money for this type of alternative
- › No certainty that interest from alternate party will be received to successfully execute this strategy
- › Quantum of proceeds and timing of such a strategy uncertain

# ALTERNATIVES CONSIDERED

---

## **REALISING THE PORTFOLIO VIA ASSET SALES FOLLOWED BY A WIND-UP OF MIX**

- › Significant execution, time and valuation risk
- › Existing prepayment/yield maintenance costs if assets sold prior to debt maturity in March 2016
- › Consideration of the time value of money for this type of alternative
- › “Cherry Picking” of assets with MIX left with the lower quality assets which may be difficult to sell
- › Quantum of proceeds and timing of such a strategy uncertain

# ALTERNATIVES CONSIDERED

---

## **RECAPITALISING MIX THROUGH AN EQUITY RAISING AND PURSUING A GROWTH STRATEGY**

- › Increase scale of MIX and attractiveness to A-REIT investors via an equity raising to allow:
  - Repayment of debt; and
  - Acquisition of new assets
- › New equity raising likely to be priced at a discount to the current trading price of MIX Units materially diluting NTA
- › No certainty around execution of strategy, in particular, acquiring new assets:
  - Cost of capital
  - Competition from market participants
  - Ability to acquire assets at attractive valuations

# CONCLUSION

---

## AUSTFUNDING'S PROPOSAL

- › A superior outcome for Unitholders than alternative options considered
- › Unitholders to receive immediate liquidity in cash
- › Independent Expert has concluded the Proposal is Fair and Reasonable and in the Best Interests of Unitholders
- › Estimated Scheme Consideration of A\$0.214 represents a premium of:
  - **32.3%** and **30.7%** to the one and three month VWAPs on 27 May 2014<sup>1</sup>;
  - **22.8%** and **25.8%** to the one and three month VWAPs on 18 September 2014<sup>2</sup>;
  - **8.8%** above the Trust's stated NTA at 30 June 2014; and
  - **3.2%** above the Trust's pro forma 30 June 2014 NTA

<sup>1</sup> The day before the commencement of the Expressions of Interest campaign was announced.

<sup>2</sup> The day before the Scheme Implementation Agreement was executed.

# IMPORTANT INFORMATION

The information in this presentation ("Presentation") has been prepared by Mirvac Funds Management Limited (ABN 78 067 417 663, AFSL 220718) ("MFML") in its capacity as the responsible entity of Mirvac Industrial Trust (ARSN 113 489 624) ("MIX"). MFML is the issuer of MIX ordinary units.

The information contained in this Presentation is based on information provided in the Explanatory Memorandum issued by MFML in its capacity as the responsible entity of MIX, dated 14 October 2014, and otherwise from sources believed by MFML to be reliable. For full details of qualifications, assumptions, disclosure and information referenced in this presentation it is important that you refer to the Explanatory Memorandum dated 14 October 2014 released to the ASX on 14 October 2014 and announcements released to the ASX after that date. You should read the Explanatory Memorandum in its entirety before making a decision as to how to vote on the scheme resolutions to be considered at the scheme meeting. To the maximum extent permitted by law, MFML, its directors, affiliates, officers, employees, agents and advisers do not make any warranty, express or implied, as to the accuracy, reliability or completeness of the information in this Presentation or that the information is suitable for an individual's 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 MIX ordinary units, does not form any part of any contract for the acquisition of MIX ordinary units, and has been prepared without taking into account the objectives, financial situation or needs of individuals. Nor does it contain all the information necessary to fully evaluate any transaction or investment. An investment decision should be made based solely upon appropriate due diligence and, if applicable, upon receipt and careful review of the Explanatory Memorandum. Recipients of this Presentation should neither treat nor rely on its contents as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers.

Each individual should before acting on the information contained in this Presentation consider its appropriateness and MFML's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange regarding MIX, 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. MFML and its related bodies corporate, and their associates, do not receive any remuneration or benefits in respect of any general financial product advice that MFML provides in this Presentation. Directors and employees of entities within the Mirvac Group (comprising Mirvac Limited (ABN 92 003 280 699) and Mirvac Property Trust (ARSN 086 780 645)) do not receive specific payments or commissions for the authorised services provided under MFML's

Australian Financial Services Licence. They do receive salaries and may also be entitled to receive bonuses, depending on performance. MFML is a wholly owned subsidiary of Mirvac Limited.

An investment in MIX ordinary units is subject to investment and other known and unknown risks, some of which are beyond the control of MFML. MFML does not guarantee any particular rate of return or the performance of MIX nor does it guarantee the repayment of capital from MIX or any particular tax treatment.

This Presentation contains certain "forward looking" statements. The words "anticipated", "expected", "projections", "forecast", "estimates", "could", "may", "target", "consider" and "will" 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, MFML and its directors, officers, employees and 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.

Any information in relation to past performance in this Presentation is given for illustrative purposes only and should not be relied upon (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 may also include certain financial measures which are not prescribed by Australian Accounting Standards ("AAS") including operating profit and operating earnings. Operating profit is before specific non-cash items and significant items. Its calculation is consistent with MIX's product disclosure statements. The Directors of MFML consider operating profit to reflect core earnings of MIX and has not been subject to audit or review.

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

MIRVAC INDUSTRIAL TRUST

---

# UNITHOLDERS MEETING

---

19 NOVEMBER 2014

---

