

# Mirvac PFA Diversified Property Trust General Meeting - Trust Manager's Presentation



## A Difficult Market

- > Global financial crisis has impacted Australian property markets
- > Financial stress on tenants
- > Falling asset values
- > No market for property transactions
- > Freezing of debt and equity markets

## Recent Initiatives

- > Against that back-drop we have already instigated a number of important initiatives
- > Undertook a strategic review
- > Strengthened the balance sheet
  - Distributions not exceeding cash earnings
  - 33% reduction in management fees
  - Sale of non-core asset above book value
- > Robust and realistic approach to valuations
- > Refinanced 100% of the debt facility until November 2011
- > Increased distributions to 7.25cpu p.a. (or by 5%) from 1 April '09

**BUT THERE'S STILL MORE TO DO.....**

## Strategy – Key Elements

- > Delist
- > Redemption facility
- > Raise capital

## Strategy – Why Delist?

- > Extensive consultation process
- > Illiquid market (~2% of Trust units traded annually)
- > Price at which units trade not reflective of value (last trade \$0.52 = 54% of NTA)
- > Additional BSX regulatory and compliance costs

## Strategy – Redemption Facility

- > Redemption facility is required to provide Investors with liquidity after the Trust is delisted
- > Redemption facility set at 5% of NTA p.a. with participation on a pro-rata basis
  - may be enhanced by asset sale proceeds (after debt and working capital requirements) and unit transfers
- > Price based on NTA
  - for the first two years the lesser of \$0.80 and a 10 per cent discount to NTA; and
  - after the first two years a price based on NTA

# Strategy – Raising New Capital

- > New capital required to fund redemptions
- > Attracting new capital currently requires discounting
  - discounts will only apply when needed, are not fixed nor permanent, will be minimised when economic climate allows
- > New capital will be priced higher than redemptions, i.e. accretive to remaining Investors
- > New capital can also be used for:
  - reduction of debt / gearing
  - acquisitions – one of a very few in a “buyers market”

## In Summary

- > Challenging times
- > The markets will return
- > Position the Trust for the future



# Mirvac PFA Diversified Property Trust General Meeting - Business of the Meeting



## Resolution 1 – Delisting from BSX

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution of the Mirvac PFA Diversified Property Trust:

“That the Trust be delisted from the Bendigo Stock Exchange.”

# Resolution 1 – Delisting from BSX

(continued)

	Votes	%
Total number of valid proxy votes received:	149,472,253	
Votes in favour of the Resolution:	111,206,066	74.40
Votes against the Resolution:	26,861,434	17.97
Votes abstaining on the Resolution:	416,406	
Votes at the proxy's discretion:	11,404,753	
of which, were at Chairman's discretion:	10,620,323	7.11

The Chairman intends to vote any undirected proxies appointing the Chair as proxy in favour of the Resolution.

## Resolution 2 – Amendments to Constitution

To consider and, if thought fit, to pass the following Resolution as a Special Resolution of the Mirvac PFA Diversified Property Trust:

“That, in accordance with Section 601GC(1)(a) of the Corporations Act 2001 (Cth) the constitution of Mirvac PFA Diversified Property Trust (ARSN 097 860 690) be modified as set out in the instrument tabled at the meeting and substantially in the form explained in Section 3 of the Explanatory Memorandum accompanying this Notice of Meeting. ”

## Resolution 2 – Amendments to Constitution (continued)

	Votes	%
Total number of valid proxy votes received:	148,982,618	
Votes in favour of the Resolution:	104,806,741	70.35
Votes against the Resolution:	31,590,110	21.20
Votes abstaining on the Resolution:	906,041	
Votes at the proxy's discretion:	12,585,767	
of which, were at Chairman's discretion:	11,627,557	7.80

The Chairman intends to vote any undirected proxies appointing the Chair as proxy in favour of the Resolution.

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# Mirvac PFA Diversified Property Trust General Meeting – Close & Thank You

