

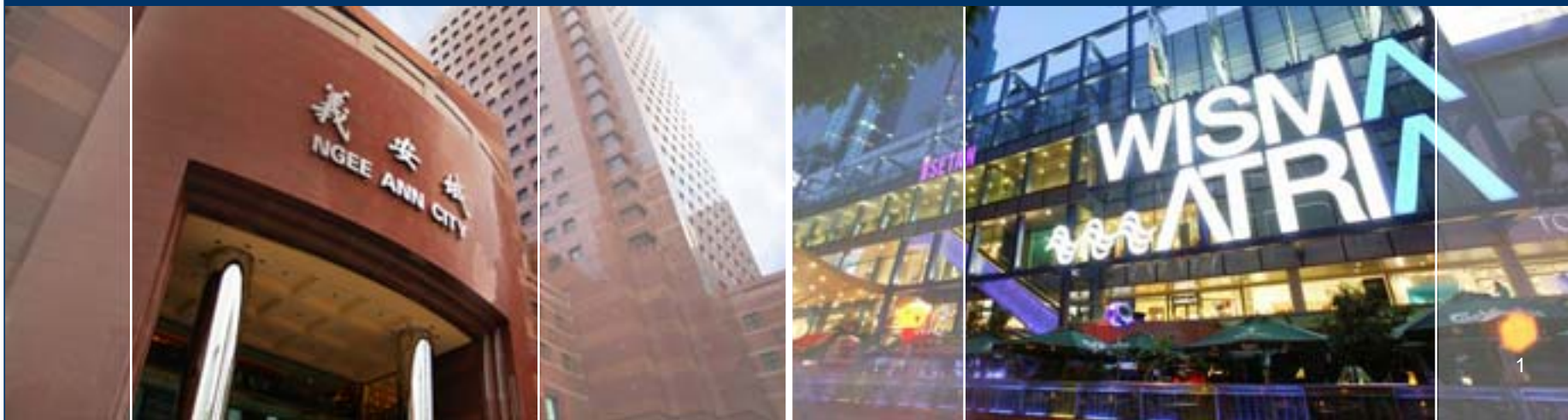


# MACQUARIE PRIME REIT

Macquarie  Pacific Star

## Third Quarter 2008 Financial Results

29 October 2008





## → Financial Highlights

### → Portfolio Performance Update

- Singapore
- Tokyo
- Chengdu

### → Growth Strategies

- Asset Enhancements



### 3Q 2008: Distributable income up 17.6%

- 3Q 2008 DPU of 1.78 cents
- Singapore properties continue to demonstrate strong performance
- S\$220 million of loans refinanced during the quarter at competitive rates
- Strategic review concluded; to assess and implement new strategic initiatives with new sponsor, YTL Corp



DPU of 1.78 cents exceeded 3Q 2007 by 15.6%

Period: 1 Jul – 30 Sep 2008	3Q 2008	3Q 2007	% Change
Gross Revenue	\$32.6 mil	\$26.1 mil	↑ 24.8%
Net Property Income	\$23.6 mil	\$19.4 mil	↑ 21.7%
Distributable Income	\$17.2 mil	\$14.6 mil	↑ 17.6%
DPU	1.78 cents <sup>(1)</sup>	1.54 cents	↑ 15.6%

**Note:**

1. The computation of DPU is based on number of units entitled to distributions comprising: (a) number of units in issue as at 30 Sep 2008 of 955,222,043 units and (b) units issuable to the Manager as partial satisfaction of management fee (base fee) earned for 3Q 2008 of 1,861,501 units.

### Consistent DPU growth

	Actual DPU	Increase % (Q-on-Q)
▪ <b>3Q 2008</b> (1 Jul – 30 Sep 2008)	<b>1.78 cents</b>	<b>0.0%</b>
▪ <b>2Q 2008</b> (1 Apr – 30 Jun 2008)	<b>1.78 cents</b>	<b>1.1%</b>
▪ <b>1Q 2008</b> (1 Jan – 31 Mar 2008)	<b>1.76 cents</b>	<b>4.8%</b>
▪ <b>FY2007</b> (1 Jan – 31 Dec 2007)	<b>6.19 cents</b>	
▪ <b>4Q 2007</b> (1 Oct – 31 Dec 2007)	<b>1.68 cents</b>	<b>9.1%</b>
▪ <b>3Q 2007</b> (1 Jul – 30 Sep 2007)	<b>1.54 cents</b>	<b>2.7%</b>
▪ <b>2Q 2007</b> (1 Apr – 30 Jun 2007)	<b>1.50 cents</b>	<b>2.0%</b>
▪ <b>1Q 2007</b> (1 Jan – 31 Mar 2007)	<b>1.47 cents</b>	<b>0.0%</b>
▪ <b>FY2006</b> (1 Jan – 31 Dec 2006)	<b>5.79 cents</b>	
▪ <b>4Q 2006</b> (1 Oct – 31 Dec 2006)	<b>1.47 cents</b>	<b>2.1%</b>
▪ <b>3Q 2006</b> (1 Jul – 30 Sep 2006)	<b>1.44 cents</b>	<b>0.0%</b>
▪ <b>2Q 2006</b> (1 Apr – 30 Jun 2006)	<b>1.44 cents</b>	<b>0.0%</b>
▪ <b>1Q 2006</b> (1 Jan – 31 Mar 2006)	<b>1.44 cents</b>	<b>n.m.</b>



\$'000	3Q 2008	3Q 2007	% Change
<b>Gross Revenue</b>	<b>32,589</b>	<b>26,119</b>	<b>24.8%</b>
Less: Property Expenses	(8,520)	(6,273)	35.8%
Depreciation	(421)	(412)	2.2%
<b>Net Property Income</b>	<b>23,648</b>	<b>19,434</b>	<b>21.7%</b>
Add: Fair Value Adjustment <sup>(1)</sup>	148	171	(13.5%)
Less: Borrowing Costs	(5,856)	(4,347)	34.7%
Management fees	(2,877)	(2,332)	23.4%
Other Trust Expenses	(670)	(419)	59.9%
<b>Net Income Before Tax</b>	<b>14,393</b>	<b>12,507</b>	<b>15.1%</b>
Add: Non-Tax Deductibles <sup>(2)</sup>	2,791	2,111	32.2%
<b>Distributable Income</b>	<b>17,184</b>	<b>14,618</b>	<b>17.6%</b>
<b>DPU</b>	<b>1.78 cents</b>	<b>1.54 cents</b>	<b>15.6%</b>

- 3Q 2008 gross revenue exceeded 3Q 2007 by 24.8% due to higher rental rates from renewals, new leases and contributions from the properties in Japan and China acquired in 2007

Notes:

- Being accretion of tenancy deposit and retention sum stated at amortised cost in accordance with Financial Reporting Standard 39. This financial adjustment has no impact on the DPU
- Includes management fees payable in units, finance costs, depreciation, sinking fund provisions and trustee fees.



## Revenue

\$'000	3Q 2008	3Q 2007	% Change
<b>Wisma Atria</b>			
Retail	10,977	10,947	0%
Office	2,370	1,879	26%
<b>Ngee Ann City</b>			
Retail	10,268	8,470	21%
Office	3,470	2,471	40%
<b>Japan portfolio</b>	2,178	1,351	61%
<b>Chengdu</b>	3,326	1,001	232%
<b>Total</b>	<b>32,589</b>	<b>26,119</b>	<b>25%</b>

## Net Property Income

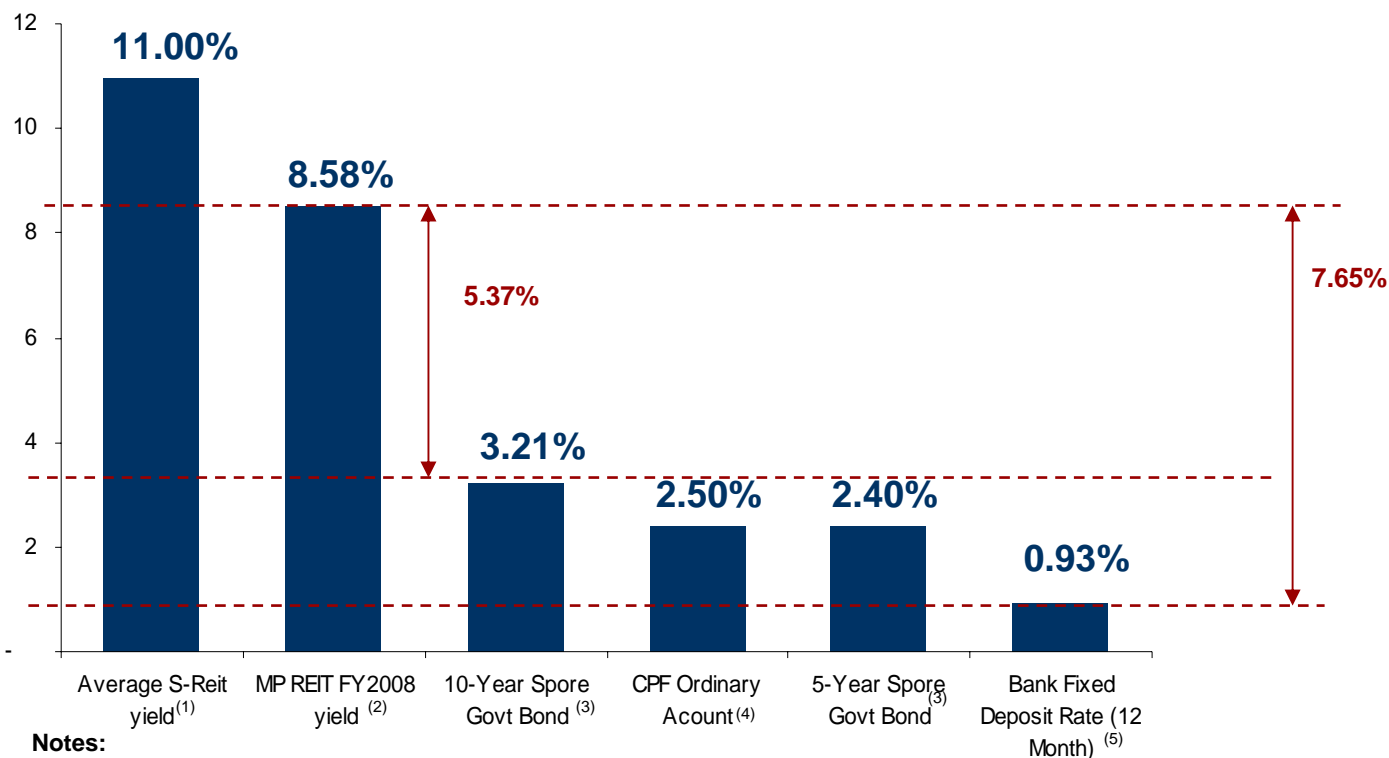
\$'000	3Q 2008	3Q 2007	% Change
<b>Wisma Atria</b>			
Retail <sup>(1)</sup>	7,126	7,547	(6%)
Office	1,743	1,381	26%
<b>Ngee Ann City</b>			
Retail	8,297	6,850	21%
Office <sup>(2)</sup>	2,798	1,869	50%
<b>Japan portfolio <sup>(3)</sup></b>	1,774	1,107	60%
<b>Chengdu <sup>(4)</sup></b>	1,910	680	181%
<b>Total</b>	<b>23,648</b>	<b>19,434</b>	<b>22%</b>

### Notes:

1. Additional expenditure on advertising & promotions
2. Renewal of leases at higher market rates
3. Japan property acquired in September 2007
4. Chengdu property acquired in August 2007



## Attractive trading yield compared to other investment instruments



### Notes:

1. As at 29 Sep 2008 (Source: Citi report based on Bloomberg)
2. Based on MP REIT's closing price of S\$0.825 per unit as at 30 Sep 2008 and actual annualised distribution for 3Q 2008
3. As at Sep 2008 (Source: Singapore Government Securities website)
4. Based on interest paid on Central Provident Fund (CPF) ordinary account in Sep 2008 (Source: CPF website)
5. As at 3 Oct 2008 (Source: DBS website)





Source: Bloomberg

## Liquidity statistics

Last 3 months average daily trading volume (units)	1.2 mil
Estimated free float	74.0%
Market cap (30 Sep 08) <sup>1</sup>	\$788 mil

### Note:

1. By reference to MP REIT's closing price of \$0.825 as at 30 Sep 2008



<b>Distribution Period</b>	<b>1 July to 30 September 2008</b>
<b>Distribution Amount</b>	<b>1.78 cents per unit</b>

### **Distribution Timetable**

<b>Notice of Books Closure Date</b>	29 October 2008
<b>Last Day of Trading on “Cum” Basis</b>	3 November 2008, 5.00 pm
<b>Ex-Date</b>	4 November 2008, 9.00 am
<b>Books Closure Date</b>	6 November 2008, 5.00 pm
<b>Distribution Payment Date</b>	28 November 2008

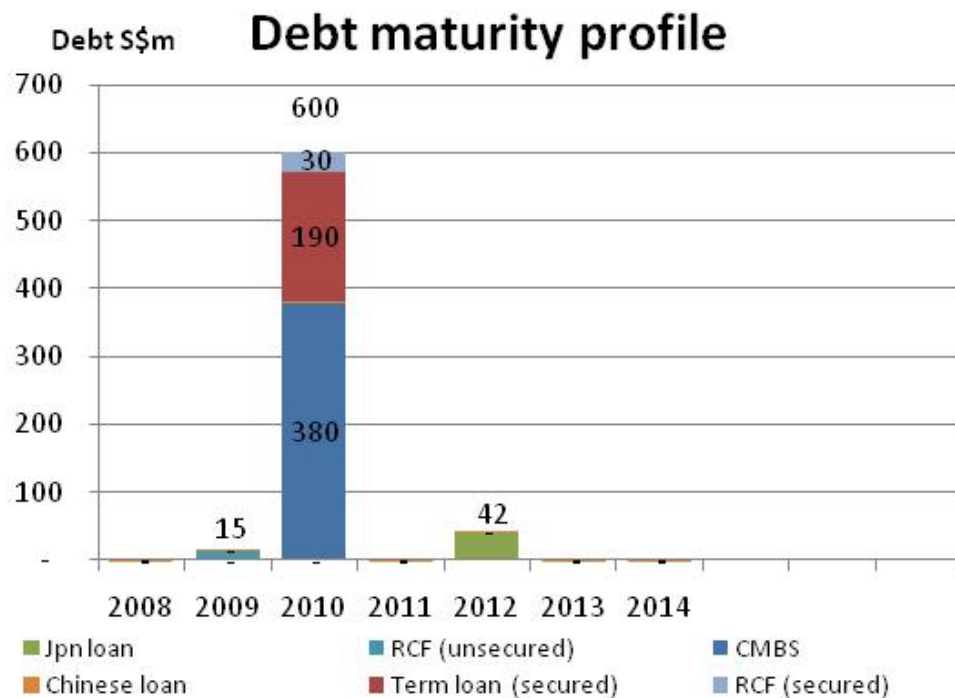


As at 30 Sep 2008	\$'000
Term loan (CMBS)	380,000
Term loan (Secured)	190,000
Revolving Credit Facilities	45,163
Japanese Loan	41,921
Deferred payment to Chinese vendor	5,643
Total Debt	662,727
Fixed Rate Debt (up to Sept 2010) <sup>1</sup>	89.4%
Gearing Ratio <sup>2</sup>	28.9%
Interest Cover	4.5 x
Weighted Average Effective Interest Rate <sup>1</sup>	3.05% p.a.
MP REIT corporate rating <sup>3</sup>	Baa2

**Notes:**

1. Includes interest rate derivatives and Japanese loan
2. Based on deposited property as defined in the Trust Deed
3. By Moody's Investors Service, Sep 2008

## No significant debt maturing until September 2010



- Weighted Average Effective Interest Rate is 3.05%
- 89.4% of borrowings is fixed (including derivatives)



As at 30 Sep 2008	\$'000
Non Current Assets	2,239,740
Current Assets	53,594
<b>Total Assets</b>	<b>2,293,334</b>
Current Liabilities	(93,534)
Non Current Liabilities	(658,829)
<b>Total Liabilities</b>	<b>(752,363)</b>
<b>Net Assets</b>	<b>1,540,971</b>
<b>Units In Issue ('000)</b>	<b>957,084</b>

	NAV statistics
<b>NAV Per Unit</b> (as at 30 Sep 2008) <sup>(1)</sup>	\$1.61
<b>Adjusted NAV Per Unit</b> <sup>(1)</sup> (excluding distribution)	\$1.59
Last traded price as at 30 Sep 08	\$0.825
<b>Unit Price Premium/(Discount) To:</b>	
▪ NAV Per Unit	(48.8%)
▪ Adjusted NAV Per Unit	(48.1%)

**Notes:**

1. The number of units used for computation of NAV per unit is 957,083,544. This comprises: (a) number of units in issue as at 30 Sep 2008 of 955,222,043 units; and (b) units to be issued to the Manager as partial satisfaction of management fee (base fee) earned for 3Q 2008 of 1,861,501 units.



## MP REIT is well positioned to ride challenging economic conditions

### → Premium assets / resilient leases

- 19.75% increase for master lease in Ngee Ann City (28.7% of retail NLA) does not allow downward revision; next rent review in 2011; lease expiry in 2013, with option to renew for a further 12 years
- Occupancy levels for office and retail space remain healthy
- Even distribution of lease expiry of Singapore portfolio mitigates any potential downward revision in rents:
  - Singapore office leases expiring in 2009 represent 29.5% of total office NLA (70,742 sq ft) and have an average passing rent of S\$7.60 psf vs average achieved rents of S\$12.80 for renewals in 3Q 2008
  - Singapore retail leases expiring in 2009 represent only 15.3% of total retail NLA (27,674 sq ft)
- Year-to-date sales at Wisma Atria holding steady compared to 2007 amidst current economic climate
- Seamless connectivity between Ngee Ann City, Wisma Atria, the upcoming neighbouring mall and Orchard MRT station will boost shopper traffic and form most compelling retail block on Orchard Road
- Robust sales performance from department store in Chengdu, China

### → Healthy debt profile

- Low gearing of 28.9%
- No significant financing due until September 2010
- Average weighted average interest rate of 3.05% p.a.
- 89.4% of borrowings fixed (including derivatives)



- **YTL Corporation announced on 28 October 2008 that it is acquiring Macquarie's 26% interest in MP REIT and 50% interest in the holding company of the REIT Manager**

### Strategic review terminated

- ➔ Due to the increasingly challenging market environment and execution risks encountered during the strategic review period, no firm offer to acquire 100% of MP REIT units or its investments was received
- ➔ In light of the above and the YTL Corp acquisition, the strategic review has been concluded
- ➔ Manager to work with new sponsor YTL Corp to assess and implement new strategic initiatives

### YTL Corp as sponsor offers synergies

- ➔ Extensive track record and expertise in developing and managing real estate in Asia across various classes
- ➔ Source of potential pipeline acquisition opportunities
- ➔ Potential synergy with Starhill REIT in Malaysia
- ➔ Established relationships with international luxury retail principals including the watch, fashion and jewellery industries





→ Financial Highlights

→ **Portfolio Performance Update**

- Singapore
- Tokyo
- Chengdu

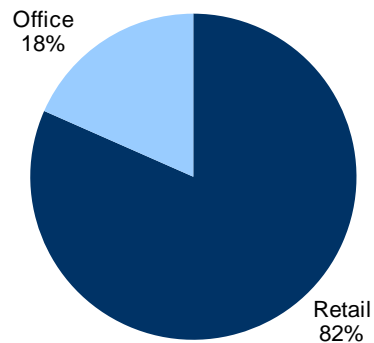
→ Growth Strategies

- Asset Enhancements

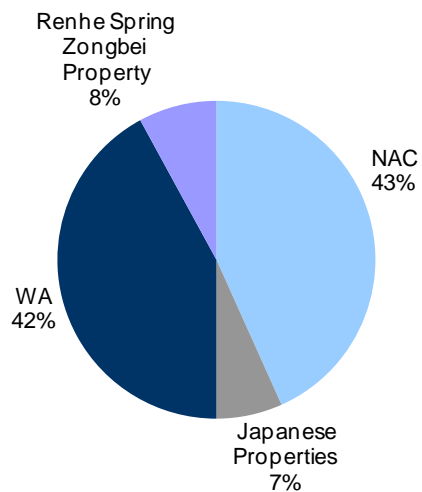


Diversified portfolio comprising Singapore, Japanese and Chinese assets

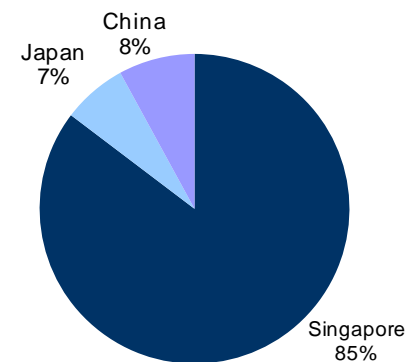
Gross Revenue by Retail and Office  
(3Q 08)



Gross Revenue by Property  
(3Q 08)



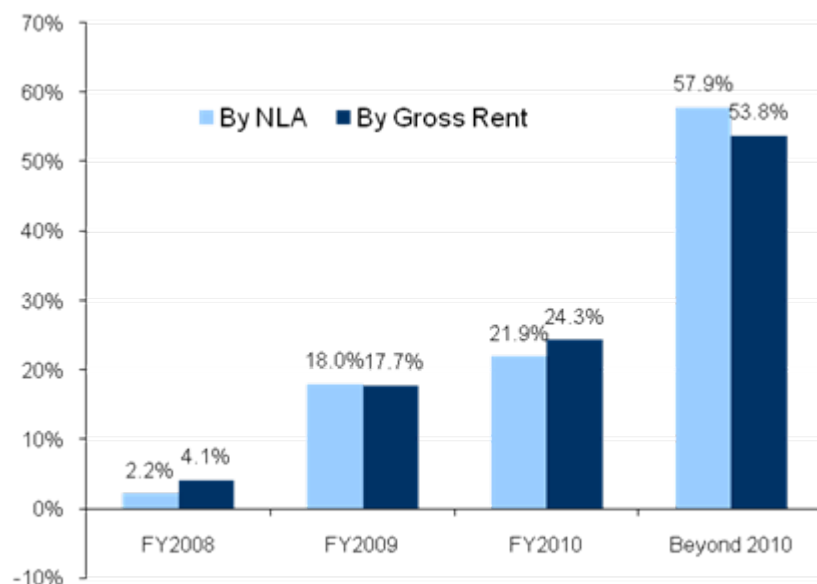
Gross Revenue by Country  
(3Q 08)





Weighted average lease term of 3.0 and 2.8 years (by NLA and gross rent respectively)\*

### Portfolio Lease Expiry as at 30 Sep 2008



(sq ft)	Office		Retail		Japan	Total
	WA	NAC	WA	NAC		
<b>FY2008 (remaining)</b>	7,427	0	10,377	1,604	0	19,407
<b>FY2009</b>	41,990	28,761	19,321	8,353	2,614	101,040
<b>FY2010</b>	18,127	61,107	38,080	2,379	6,825	126,517
<b>Beyond 2010</b>	16,254	48,576	53,402	241,566	55,502	415,300
<b>Total</b>	<b>83,798</b>	<b>138,445</b>	<b>121,179</b>	<b>253,901</b>	<b>64,941</b>	<b>662,265</b>

\* Portfolio lease expiry profile does not include Chengdu Property which operates as a department store with short-term concessionaire leases running 3-6 months



## Portfolio lease expiry profile by year

**140 leases out of 191 leases expire by 2010 accounting for 42.4% of Gross Rental Income**

Year	Number of Leases				Gross Rental Income per month <sup>1</sup>		
	Office	Weighted average rent psf	Retail	Weighted average rent psf	Office S\$'000	Retail S\$'000	Percentage of Total <sup>2</sup>
2008 (remaining)	3	6.70	13	31.65	50	379	4.41%
2009	25	7.65	28	28.22	541	855	14.37%
2010	22	9.32	49	32.88	739	1,555	23.60%
<b>Total</b>	<b>50</b>	<b>8.45</b>	<b>90</b>	<b>31.14</b>	<b>1,329</b>	<b>2,789</b>	<b>42.38%</b>

1. Excludes leases in Chengdu property as it operates as a department store comprising concessionaries with short leases
2. As a percentage of total gross rental income for the month of September 2008



## Portfolio top 10 tenants

### Top 10 tenants contributed 43.3% of the portfolio gross rent

Tenant Name	Property	Lease Expiry	Leased Area (sqft)	% of Portfolio Gross Rent	% of Portfolio NLA
Toshin Development Co Ltd	NAC	June 2013	225,969	28.2%	29.1%
F.L.E.G. International Co Ltd	Ebisu Fort Property Harajyuky Secondo Property Nakamegura Property Roppongi Terzo Property	September 2012, December 2015, December 2015, January 2016	39,511	4.5%	5.1%
MWA Pte Ltd	WA	September 2011	23,121	1.7%	3.0%
Wing Tai Retail Pte Ltd	WA	May 2010, June 2010, October 2010, November 2010	6,170	1.7%	0.8%
RSH (Singapore) Pte Ltd	WA	March 2010, June 2010, October 2010	4,062	1.4%	0.5%
FJ Benjamin Lifestyle Pte Ltd (Gap)	WA	November 2011	7,847	1.3%	1.0%
Aspial-Lee Hwa (S) Pte Ltd	WA	September 2011, October 2008, August 2010	3,315	1.2%	0.4%
Fashion Retail Pte Ltd (Forever 21)	WA	September 2009	3,832	1.1%	0.5%
G2000 Apparel (S) Pte Ltd	WA	May 2010, July 2010	2,799	1.1%	0.4%
Perfect Aim (S) P/L (Charles & Keith)	WA	Jul 2010	2,174	1.1%	0.3%

**Note:** For the month of Sep 08



## Singapore - Pro-active office leasing

**Office market remained firm in 3Q 2008 with average rental increase of 116% over preceding rents for renewals and new leases effected between 1Q - 3Q 2008**

Period	WA and NAC	Number	NLA		Avg. increase over preceding rents
			sq ft	% of office NLA	
2007	New Leases	22	62,873	26.2%	81%
	Renewals	17	38,987	16.3%	61%
	Total	39	101,860	42.5%	73%

1Q-3Q 2008	New Leases	8	20,624	8.6%	170%
	Renewals	18	53,538	22.3%	95%
	Total	26	74,162	30.9%	116%

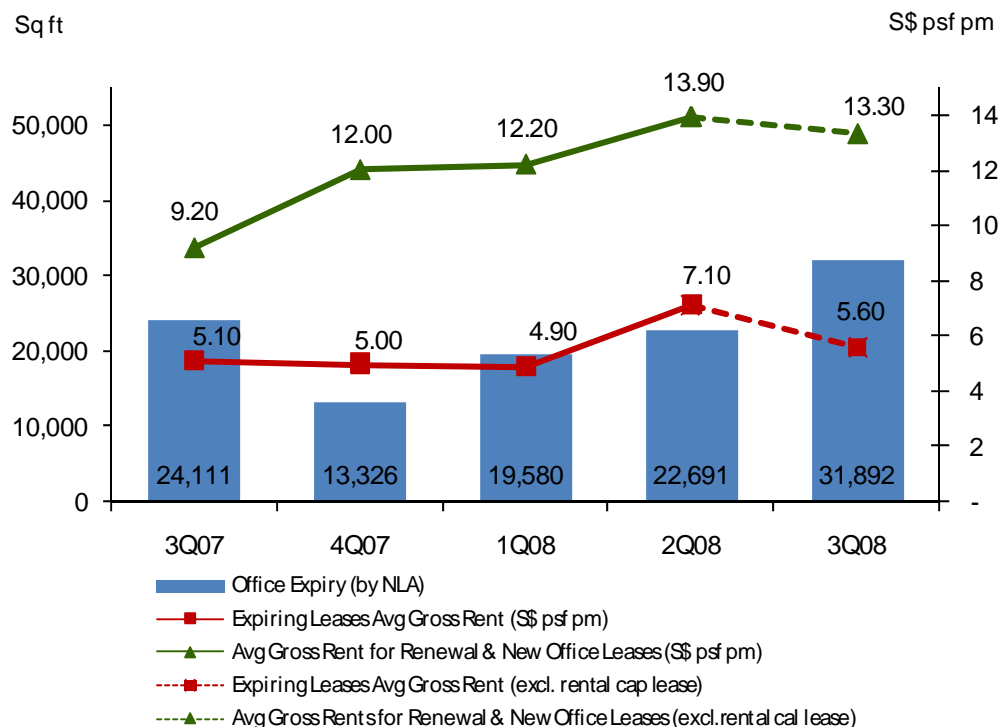
- Highest rent effected in 3Q 2008 was S\$14 psf pm
- 3Q2008 average renewal rate was lowered by the renewal of one office lease of 20,600 sq ft which had a rental cap. Excluding this, the average increase over preceding rents would have been 128%



## Singapore - Significant rent upside secured to date for office portfolio

### Enjoying the impact of rental reversions committed since 1Q 2008

Portfolio Office New/Renewal Leases and Average Monthly Gross Rent



- Continued uplift in new rents in 3Q 2008 albeit at a slower pace
- A lease for 20,600 sq ft was renewed at S\$4.80 psf pm. The lease which was signed in 2005 provided for a rental cap of 20% increase
- Excluding the abovementioned lease, 11,300 sq ft comprising renewals and new leases were contracted at an average of \$13.30 psf per month, approximately 138% higher than the expired rents

Note: Average monthly gross rent rounded to nearest ten cents

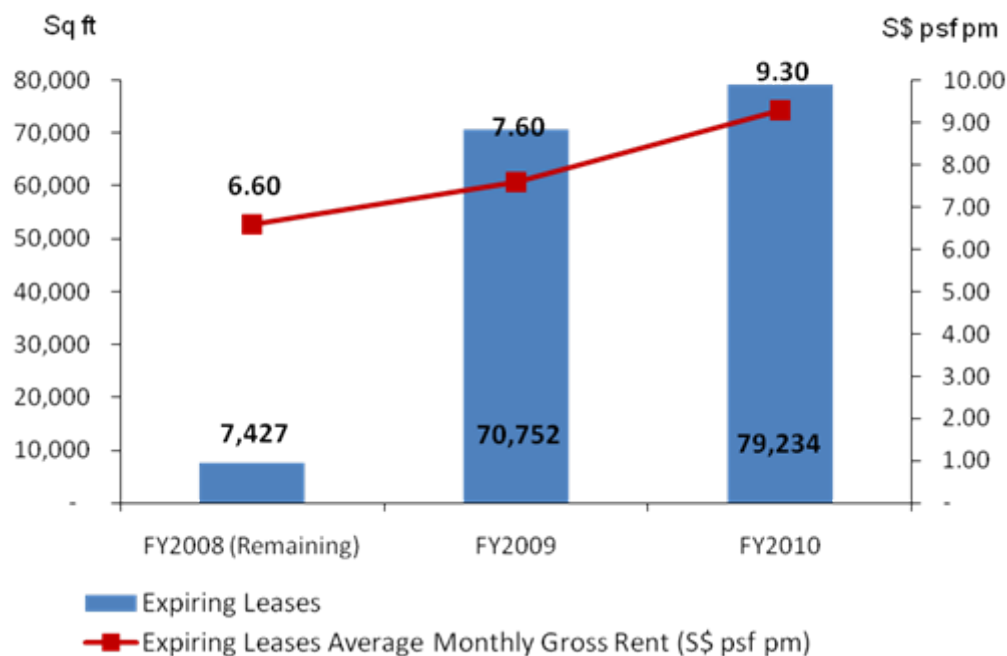




## Rental reversions: Robust office rent contribution expected

### Expect to continue to capitalise on under-rented office units in 2008 and 2009

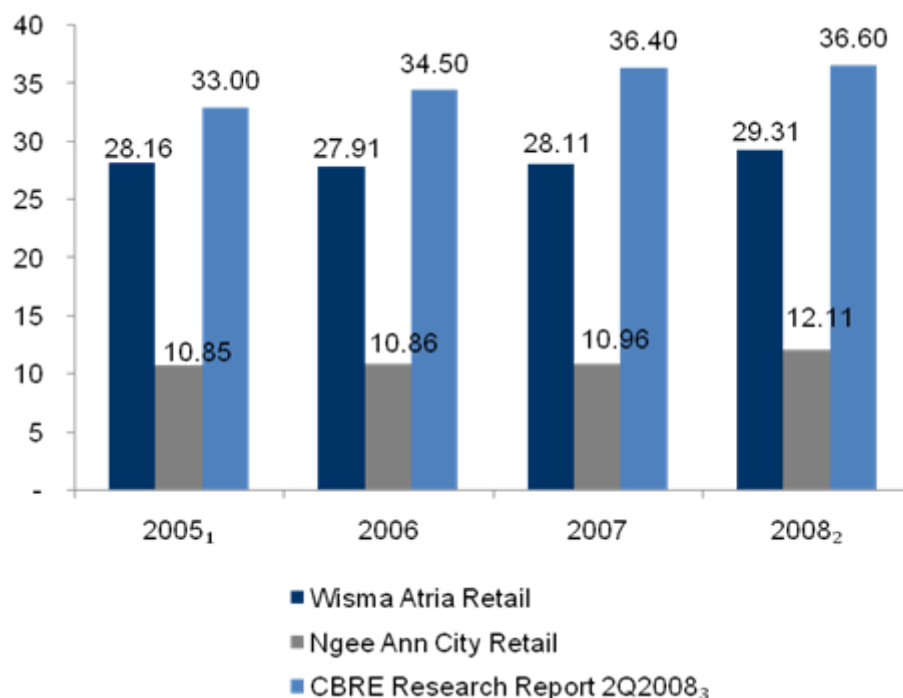
Portfolio Office Leases - Expiry Profile and Average Monthly Gross Rents



- Average passing rents for leases expiring in 2009 and 2010 are still below current market rents
- Highest rent committed in 3Q 2008 is \$14.00 psf pm

Note: Average monthly gross rent rounded to nearest ten cents

# Retail Passing Rents



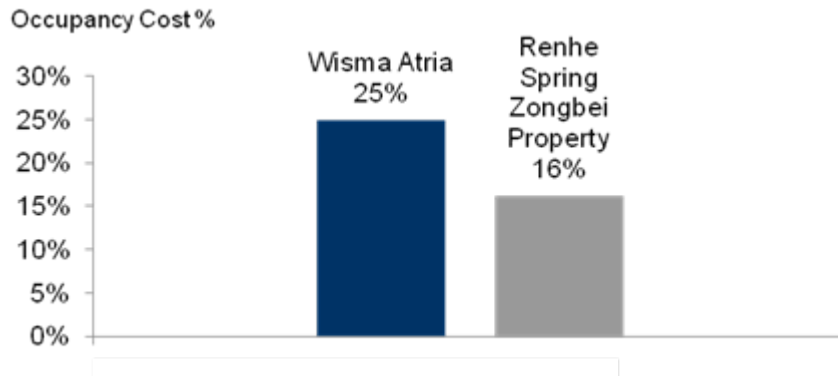
- Ngee Ann City's average retail rents are lower due to master lease under Toshin which occupies 89% of retail NLA at Ngee Ann City

**Footnotes:**

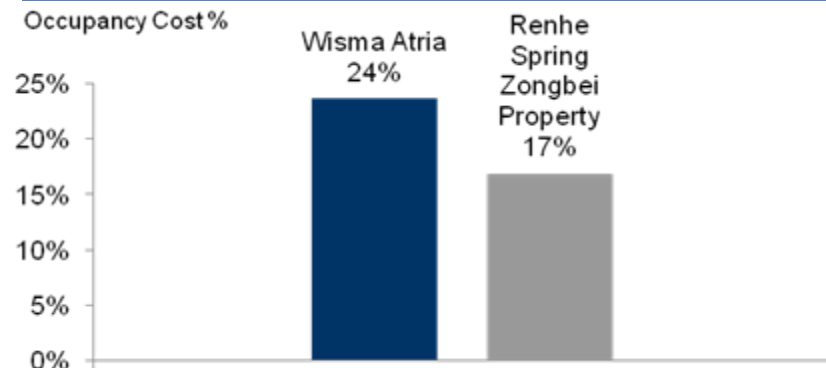
1. 2005 average rents computed from September - December 2005
2. 2008 average rents are year-to-date as at September 2008
3. Taken as the average of 1Q2008 and 2Q2008 Orchard Road prime retail rents as provided in CBRE Research Report 2nd Quarter 2008, where prime space is defined as "specialty shop units of 500-1,000sf on level with heaviest traffic"

## Average occupancy costs (year-to-date and 3Q2008)

### Occupancy costs (3Q2008)



### Occupancy costs (year-to-date)



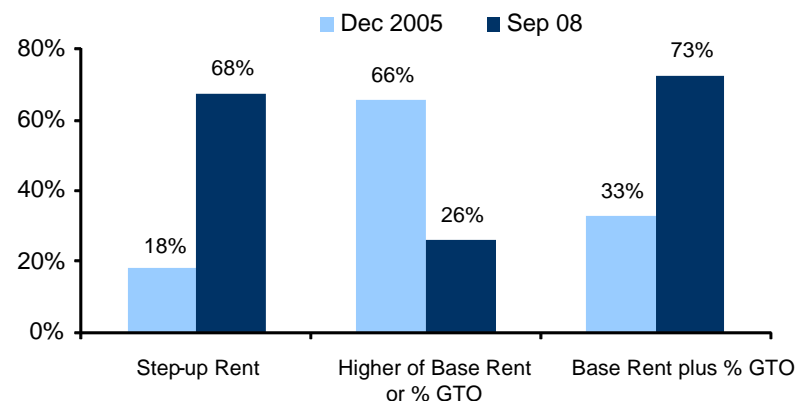
- The higher occupancy cost at Wisma Atria is attributed to the higher proportion of fashion tenants given the centre's positioning as a female-centric mall
- Renhe Spring Zong Bei Property operates as a high-end department store with international luxury labels such as Prada, Hugo Boss, Chopard, Montblanc and Vertu which typically enjoy lower occupancy costs

*Occupancy costs for Ngee Ann City and Japanese properties are not available due to master lessee arrangements*

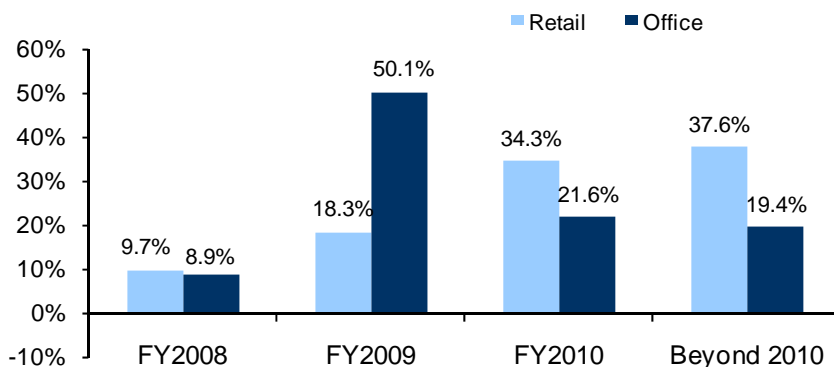
# Wisma Atria Property - Overview

- ➔ Weighted average lease term of 1.5 years (by NLA)
  - Retail: 1.93 years; Office: 1.02 years
- ➔ High committed occupancy (90.7% by NLA)
  - Retail: 95.3%; Office: 84.7% (includes 7,600 sq ft previously occupied by property manager at no rent)
- ➔ Increasing proportion of retail leases structured as base rent plus % GTO
  - Base rent plus % GTO from 33% (Dec 05) to 73% (Sep 08)
  - Higher of base rent or % GTO from 68% (Dec 05) to 26% (Sep 08)

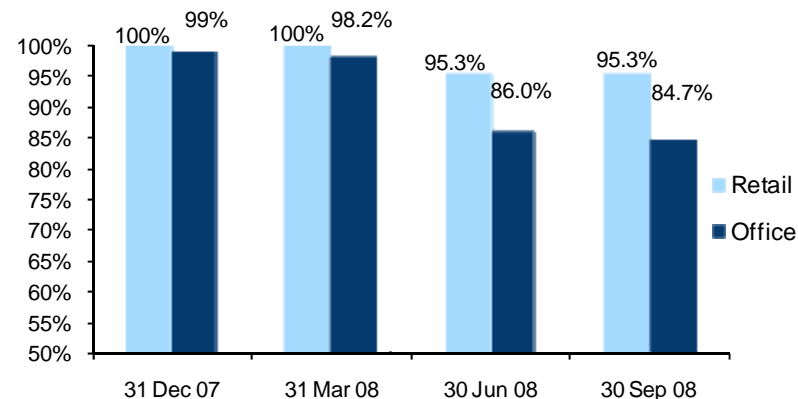
## Rent Structure of Retail Leases (by NLA)



## Lease Expiry Schedule (by NLA) as at 30 Sep 2008

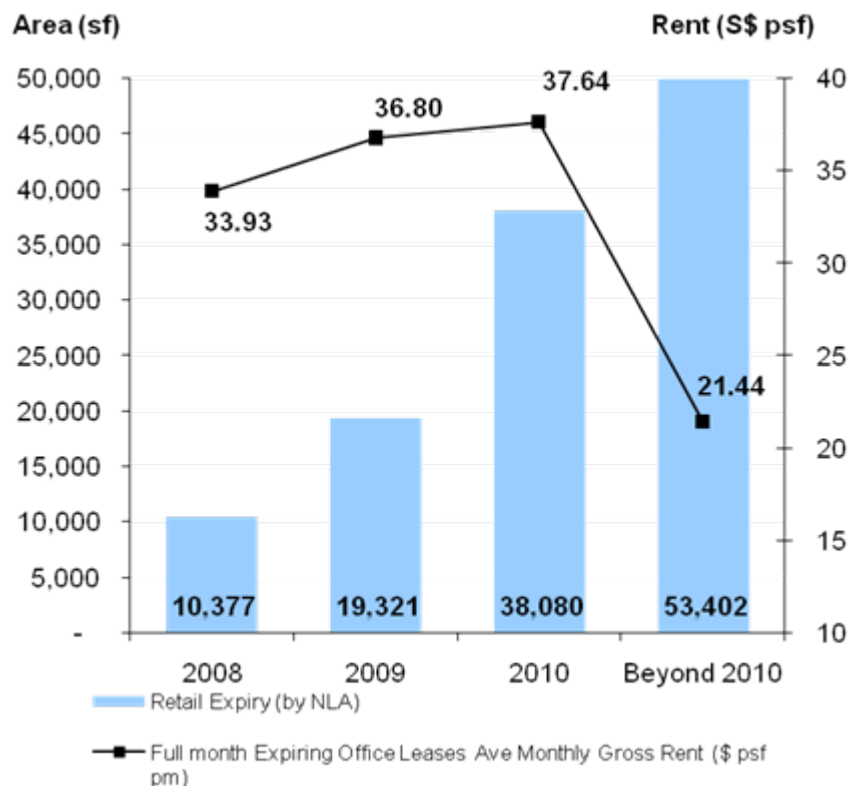


## Committed Occupancy Rates

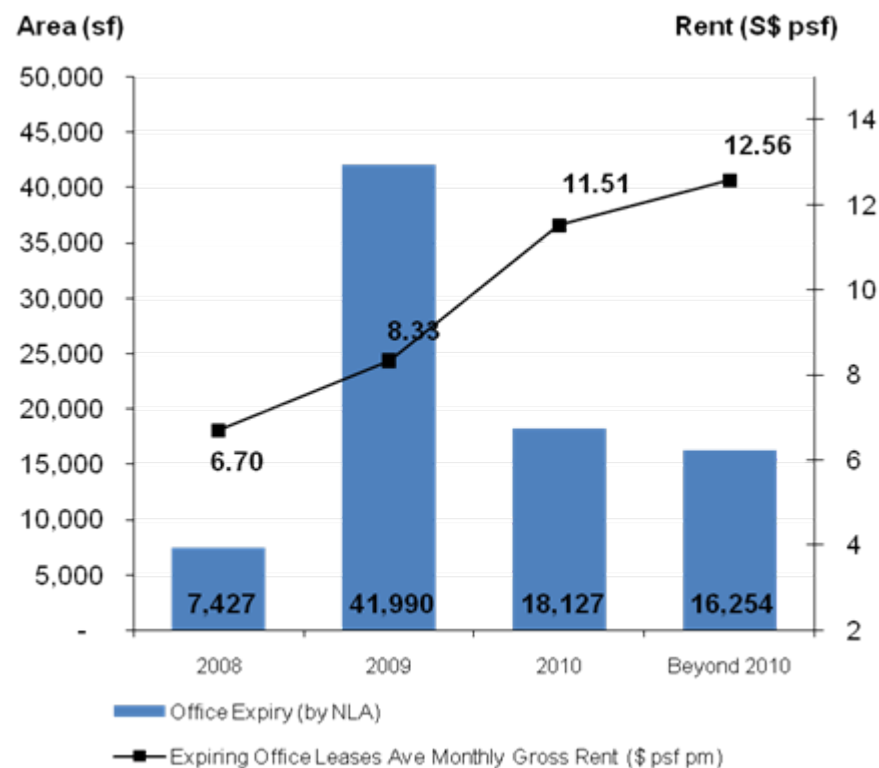


# Wisma Atria Property - Overview

## Wisma Atria Retail Expiring Leases and their Average Rents



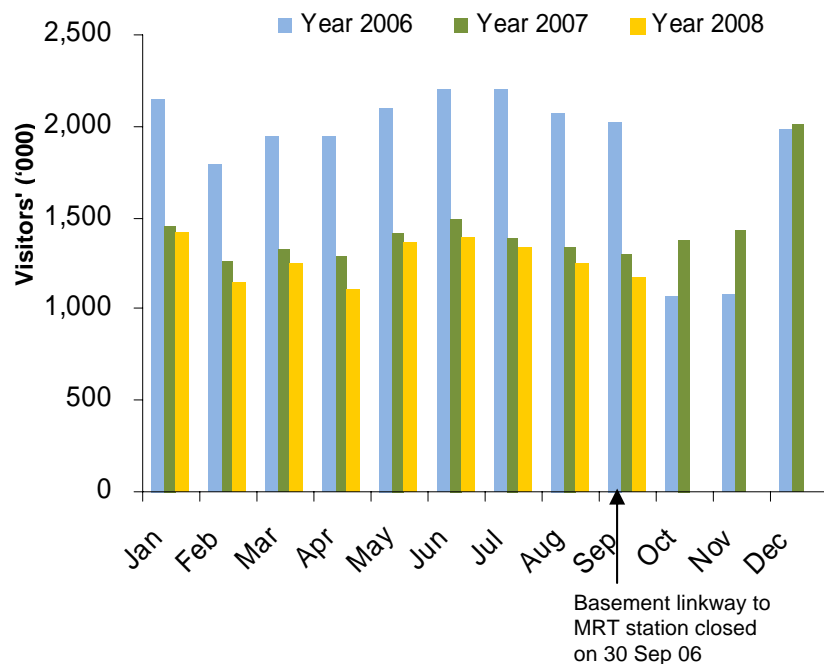
## Wisma Atria Office Expiring Leases and their Average Rents



# Wisma Atria Property – Traffic and centre sales

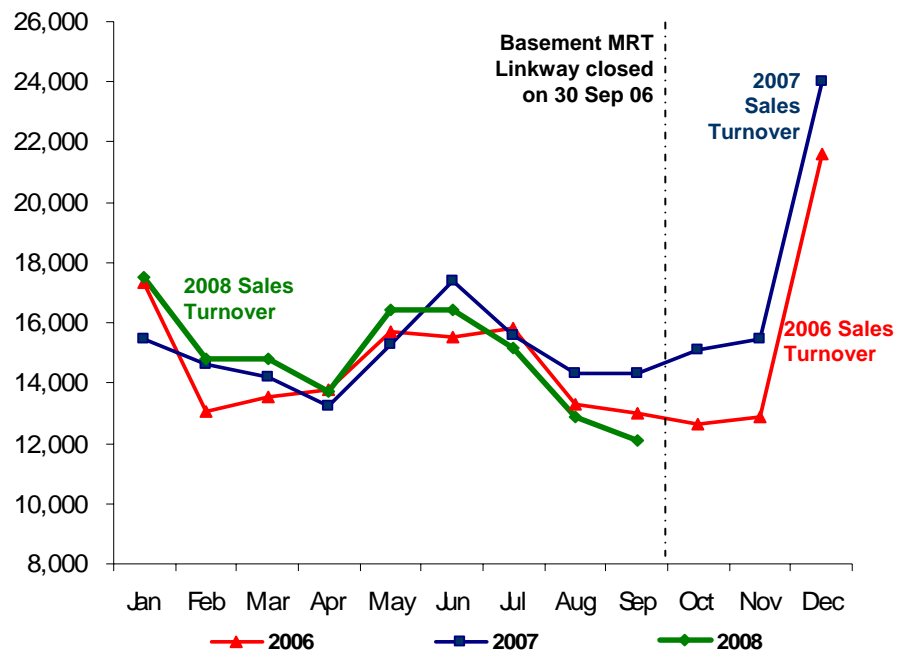
Quality of shopper traffic and sales to improve with reopening of basement MRT linkway expected in 2Q 2009

Wisma Atria Traffic Count at Primary Entrances



Monthly Sales (\$'000)

Wisma Atria Property Retail Sales Turnover

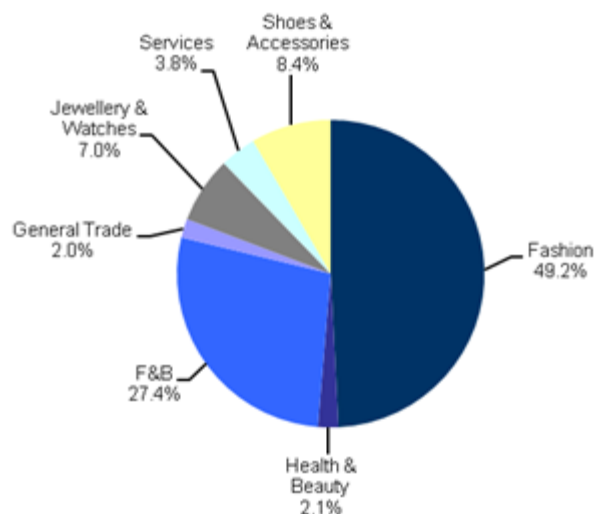


Note: Linkway to Orchard MRT station was closed from October 2006 and slated to be reopened mid-2009

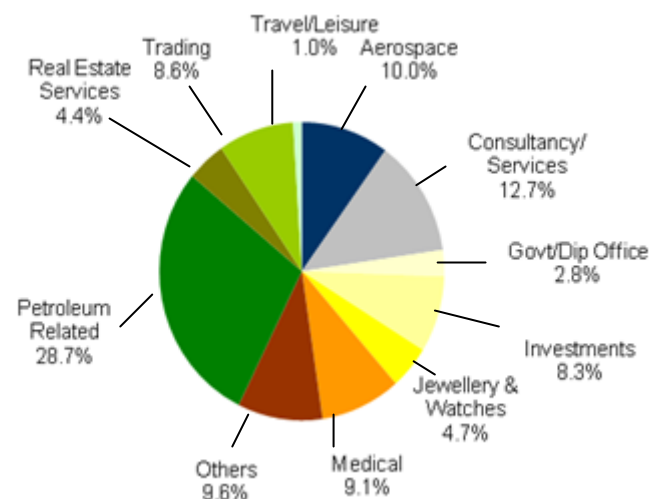


# Wisma Atria Property - Diversified tenant base

WA Retail Trade Mix – by % NLA  
(as at 30 Sep 2008)



WA Office Trade Mix – by % NLA  
(as at 30 Sep 2008)



WAREHOUSE

FRENCH CONNECTION

COTTON ON

bebe FOREVER21



29 October 2008



PETROBRAS



BAE SYSTEMS



Lane Crawford

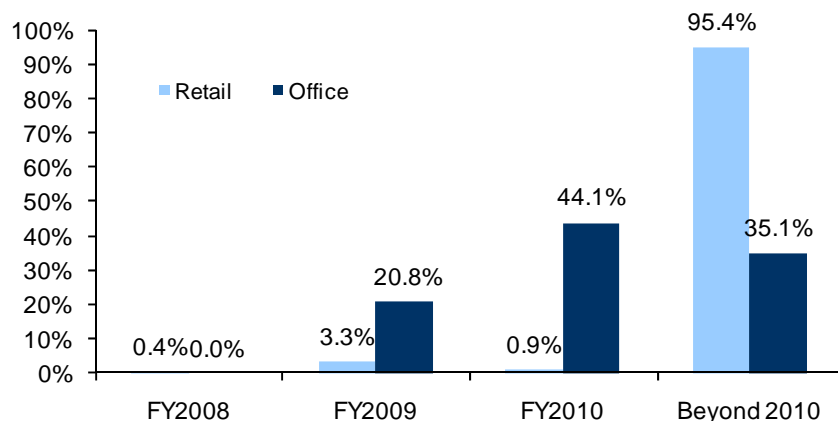




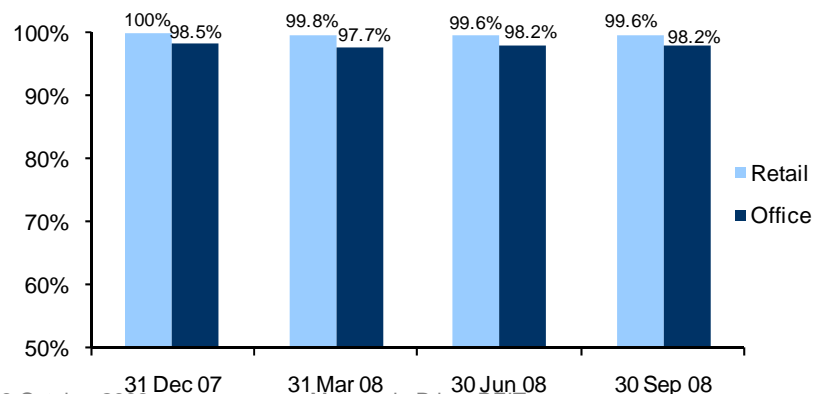


## Ngee Ann City Property - Overview

### Lease Expiry Schedule (by NLA) as at 30 Sep 2008



### Committed Occupancy Rates

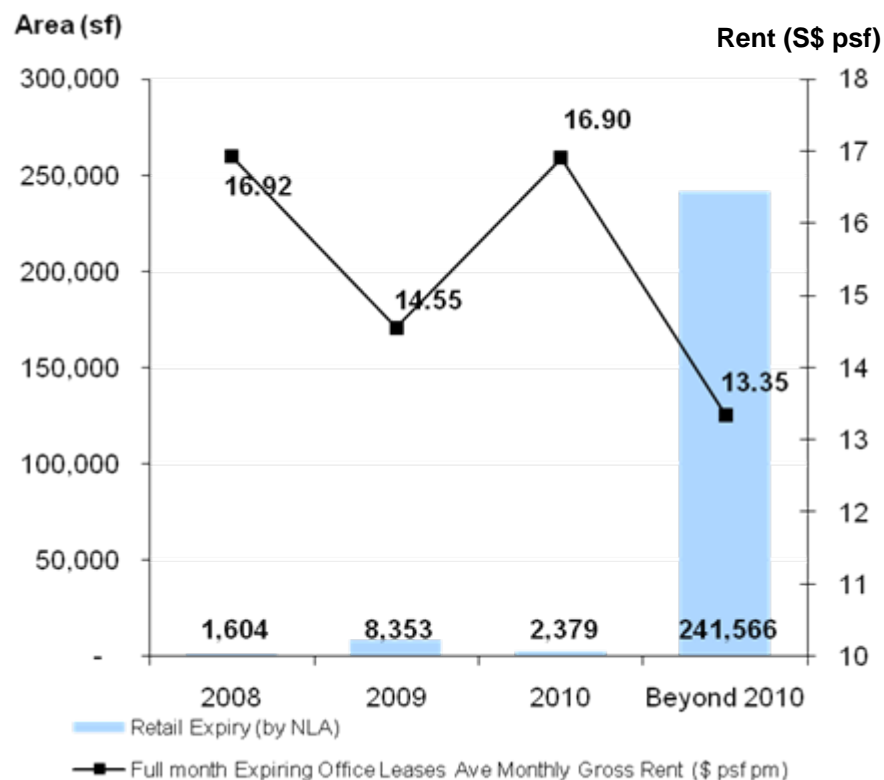


- ➔ Weighted average lease term of 3.4 years
  - Retail: 4.37 years; Office 1.75 years
- ➔ Close to full committed occupancy (99% by NLA)
  - Retail: 99.6%; Office 98.2%
- ➔ Increasing proportion of Level 5 retail leases structured as base rent plus % GTO
  - Base rent plus % GTO from 0% (Dec 05) to 76% (Sep 2008)
  - Higher of base rent or % GTO from 0% (Dec 2005) to 5% (Jun 2008)

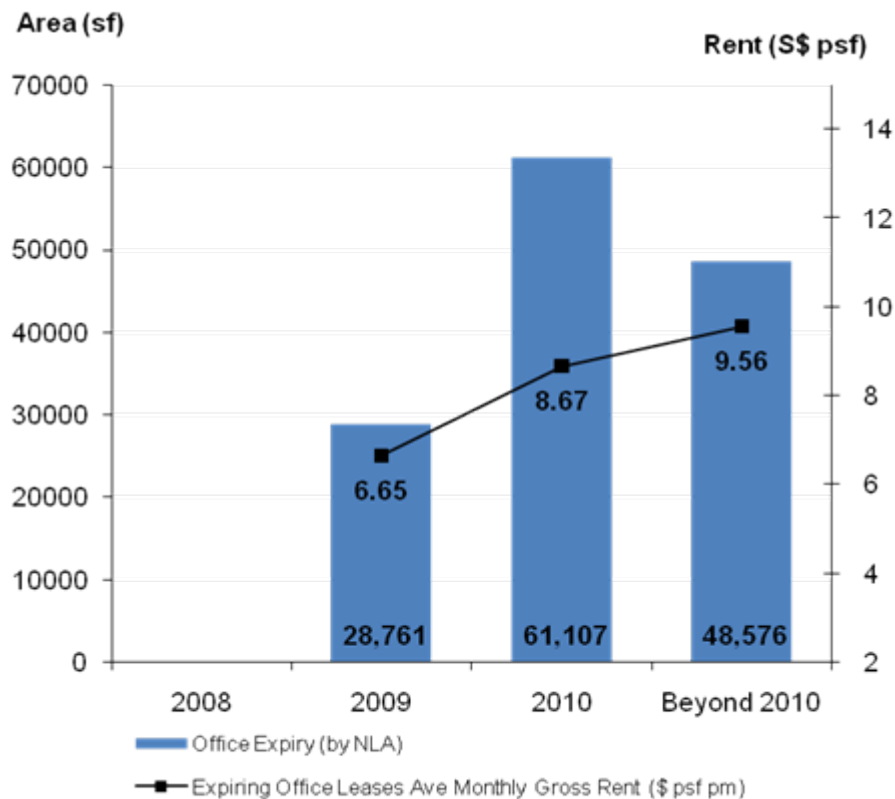


# Ngee Ann City Property - Overview

## Ngee Ann City Retail Expiring Leases and their Average Rents

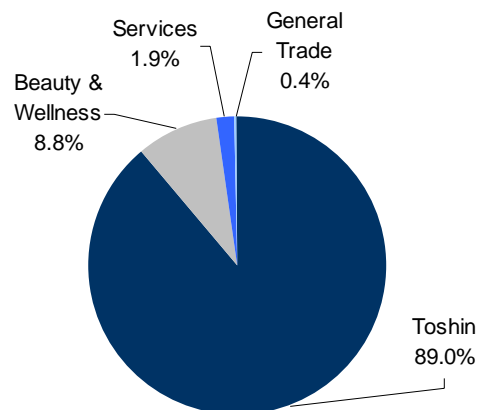


## Ngee Ann City Office Expiring Leases and their Average Rents

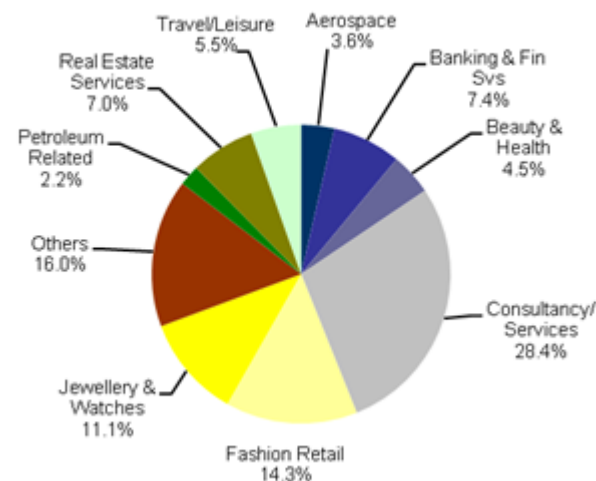


# Ngee Ann City - Diversified tenant base

**NAC Trade mix – by % NLA**  
(as at 30 Sep 2008)



**NAC Office Trade Mix – by % NLA**  
(as at 30 Sep 2008)



ABN-AMRO

TIFFANY & CO.



HERBALIFE.



VALIRAM GROUP  
ESTD. 1935



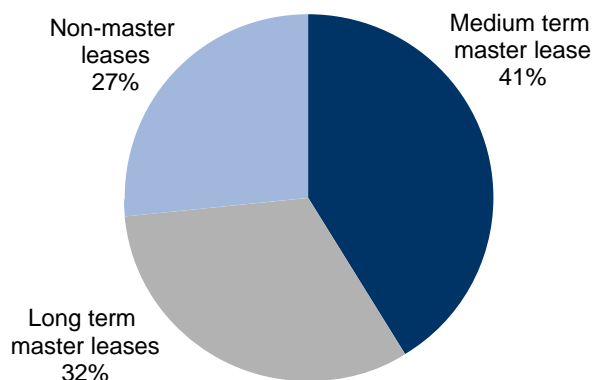
EMBRAER



## Japan Properties - Overview

- ➔ Weighted average lease term of 4.8 years
- ➔ Full occupancy except for two properties
- ➔ Four of the seven properties (73% by NLA) have long term master leases expiring between 2012 and 2015 – provides stability of cashflow over an extended period
- ➔ Closely monitoring performance of assets in light of the deteriorating economic conditions and challenging debt refinancing for real estate companies in Japan

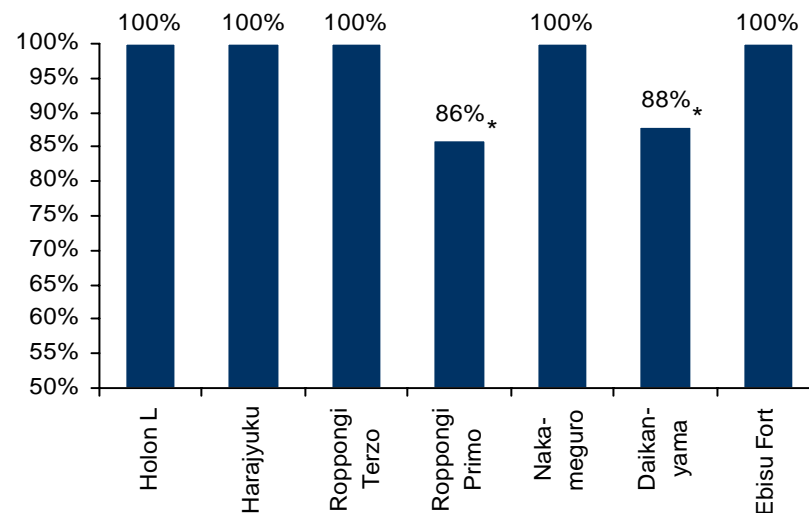
### Lease expiry schedule (by NLA)



- ➔ Long term master leases expire late 2016
- ➔ Medium term master lease expires in Sep 2012
- ➔ Non master leases typically have 3 year terms

### Occupancy rates

Committed occupancy rates as at 30 Sep 2008

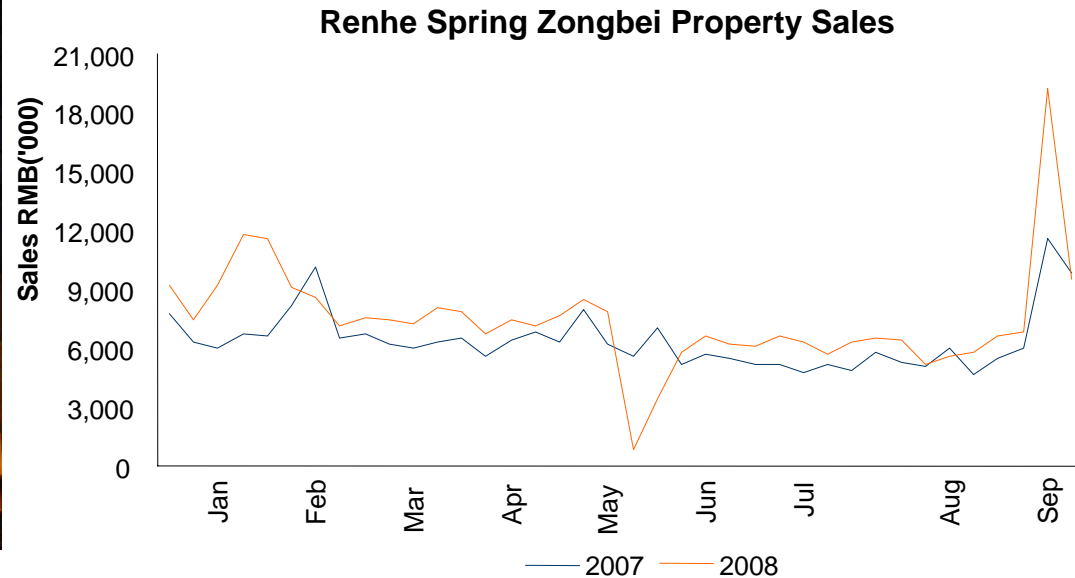


The rent for the vacant units in the Roppongi Primo and Daikanyama properties are guaranteed by Fund Creation and FLEG International respectively

## Renhe Spring Zongbei - Overview

### Quality high-growth asset in Chengdu, China

- Full occupancy as at end September 2008
- Year-to-date sales 16.6% higher than 2007
- Sales hit new high of RMB19 million in week of 8 September against last year's peak of RMB11 million, as the Renhe Spring group celebrated its 10<sup>th</sup> anniversary with attractive promotional activities





- ➔ Financial Highlights
- ➔ Portfolio Performance Update
  - Singapore
  - Tokyo
- ➔ Growth Strategies
  - **Asset Enhancements**



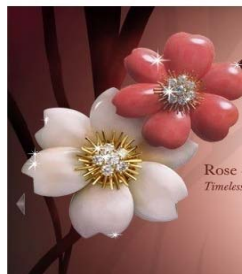


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## Positioning strengthened by new tenants and upgraded stores

### New concept stores introduced by Toshin

Van Cleef & Arpels



CLUB MONACO



LA PERLA



### Upgraded and upcoming stores by Toshin's sub-tenants

GUESS  
BY MARCIANO





## The Fifth - a level above shopping

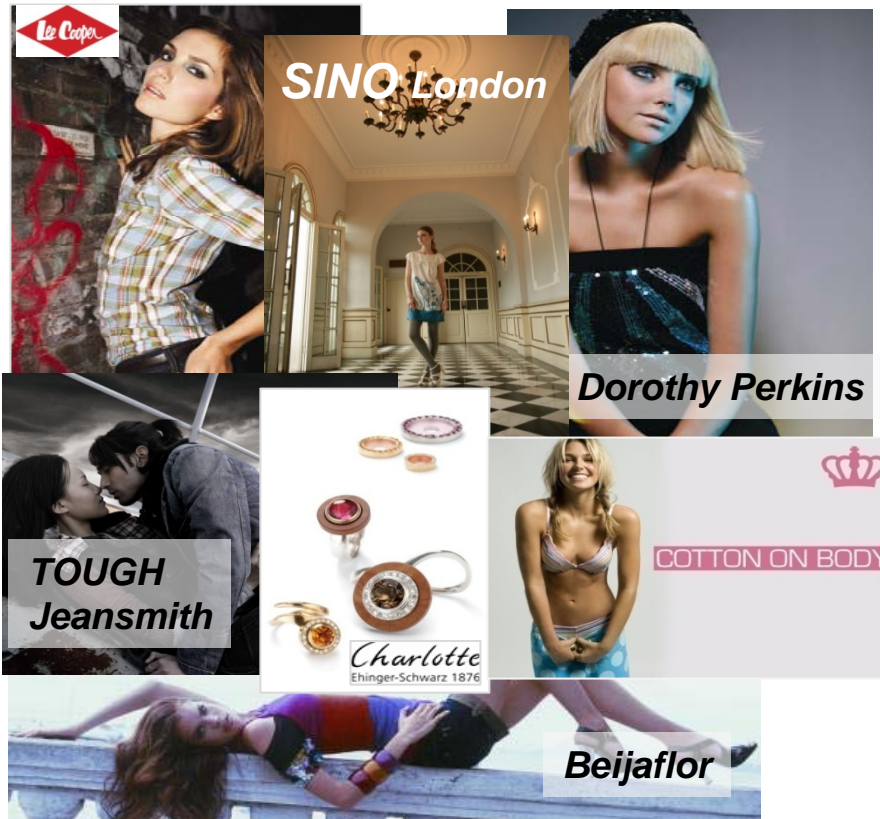


Post re-configuration of the National Library space on Level 5 has been branded to complement the Ngee Ann City shopping experience





### Select new concept stores in 2007



### New stores in 2008





## New NIKE concept store will enhance Wisma Atria's appeal and improve revenues



*Nike Hong Kong*



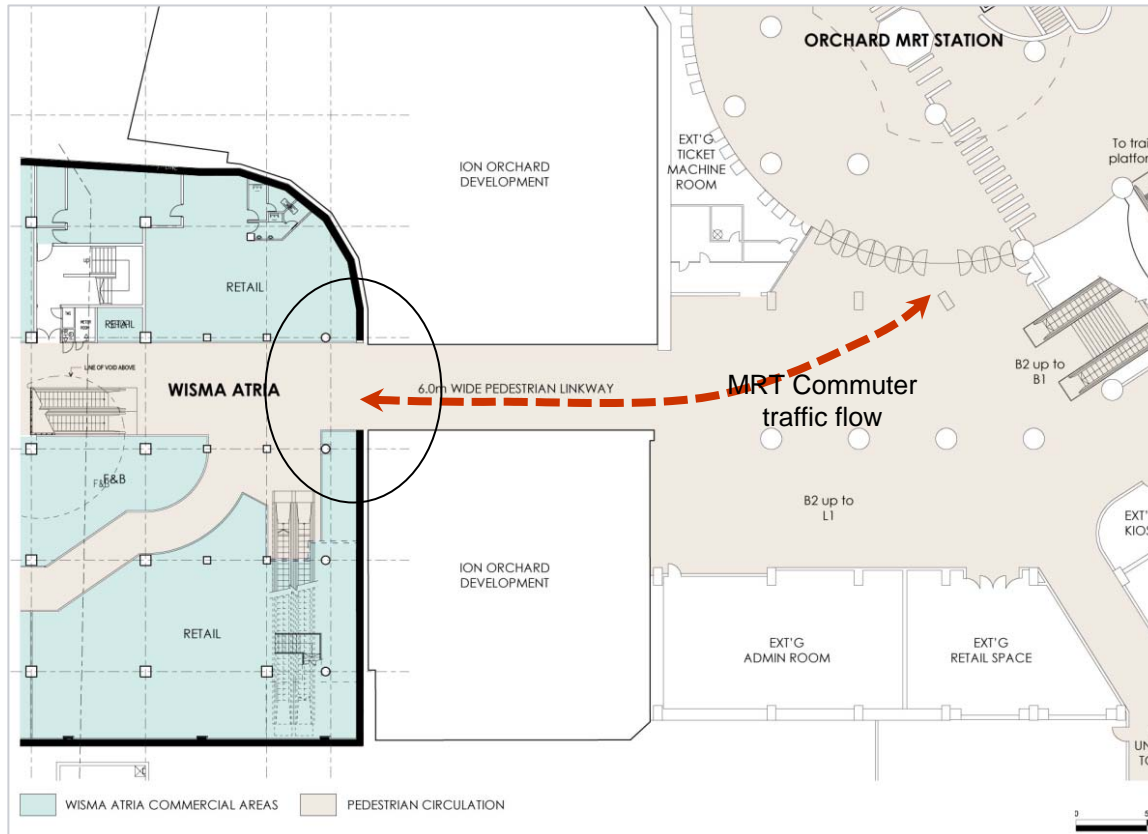
*Nike Osaka*

- ➔ As part of Wisma Atria's ongoing process of upgrading and rejuvenation, Nike will open its first and largest self-owned concept store in South East Asia in Wisma Atria, replacing Topshop as a mini-anchor.
- ➔ NIKE is committed to investing resources to ensure the continue success of the store including holding major events and bringing in international celebrities
- ➔ New rents are significantly higher
- ➔ Meanwhile, Topshop has reopened in Isetan Wisma Atria



Premises	Part L2 & L3
Floor Area	Approx. 8,000 sq ft
Gross Rent	Substantial increase from previous
Lease Term	3+3 years
Est. lease start	1 <sup>st</sup> week Dec 2008

# Wisma Atria: Planned widening of basement MRT linkway access



- ➔ Working with ION Orchard and related authorities to ensure seamless basement connectivity
- ➔ Configuration of Orchard MRT station will remain the same even after ION Orchard is completed
- ➔ When the MRT Linkway re-opens, the easy access to Wisma Atria and Ngee Ann City will resume
- ➔ In addition, the access will be widened from 4 to 6 metres to facilitate traffic flow
- ➔ Basement retailers will benefit from the anticipated high traffic flow
- ➔ **Target Completion – June 2009**



## Overview

- ➔ MRT linkway closed in Sep 2006; rentals in basement reflect reduced traffic during linkway closure
- ➔ Leases structured to include automatic rental step-ups from June 2009 when linkway expected to re-open; linkway will also be widened from 4m previously to 6m
- ➔ Ongoing coordination with government agencies and ION Orchard to ensure seamless integration between malls and to expedite MRT linkway re-opening

## Estimated impact

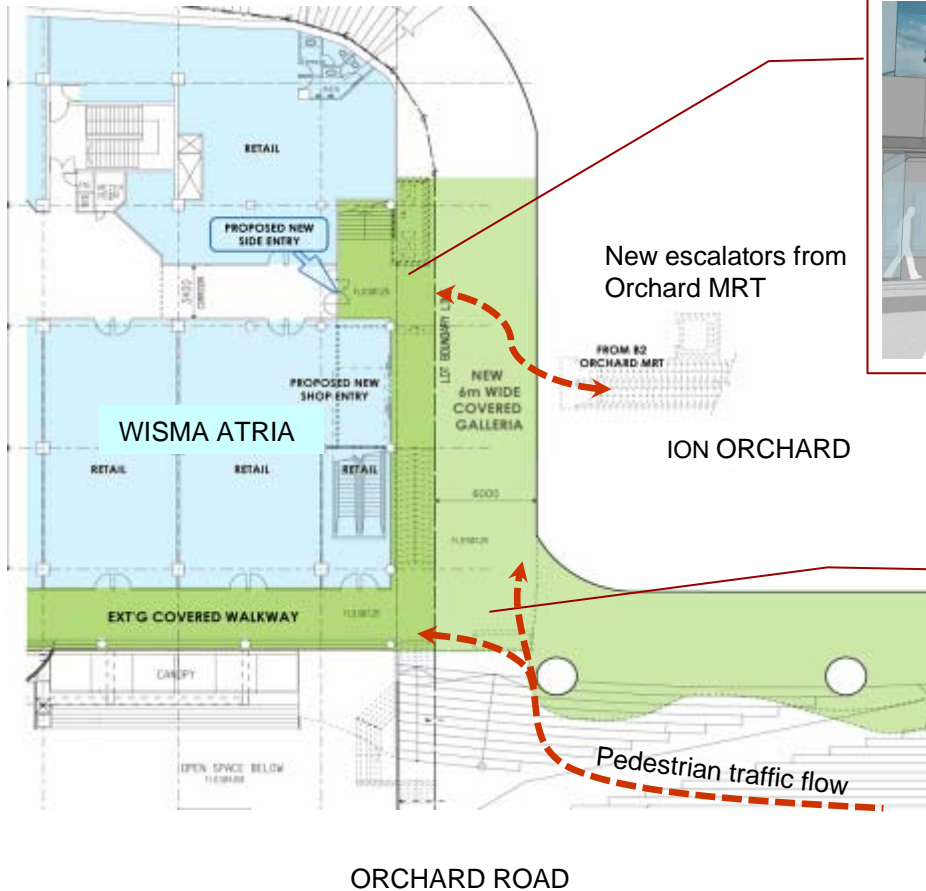
### Rent Escalations

- ➔ Higher committed rents due to higher traffic
- ➔ Step-up rents will be triggered by MRT linkway re-opening for some existing basement level tenants
- ➔ Additional S\$600,000 revenue p.a.

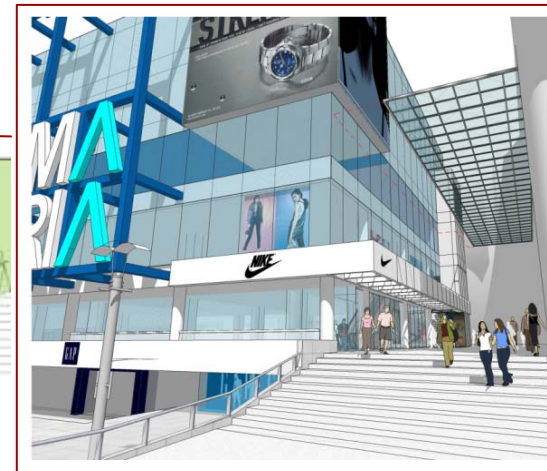
### Increased Sales Revenue and Traffic

- ➔ Increased Gross Turnover
- ➔ Traffic flow expected to revert from 17.1 million per annum (2007 full year traffic) to pre-linkway closure levels of 25.4 million (Oct 2005 to Sep 2006)





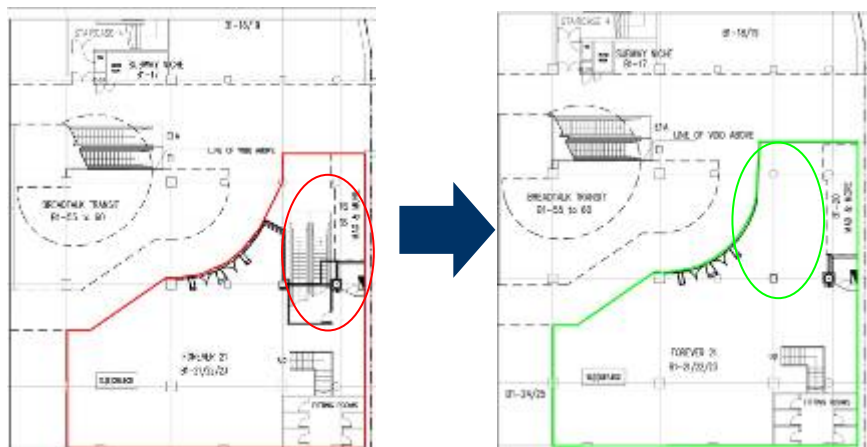
Proposed new entrance at West Elevation of Wisma Atria to facilitate access for shoppers emerging from anticipated new Orchard MRT entrance



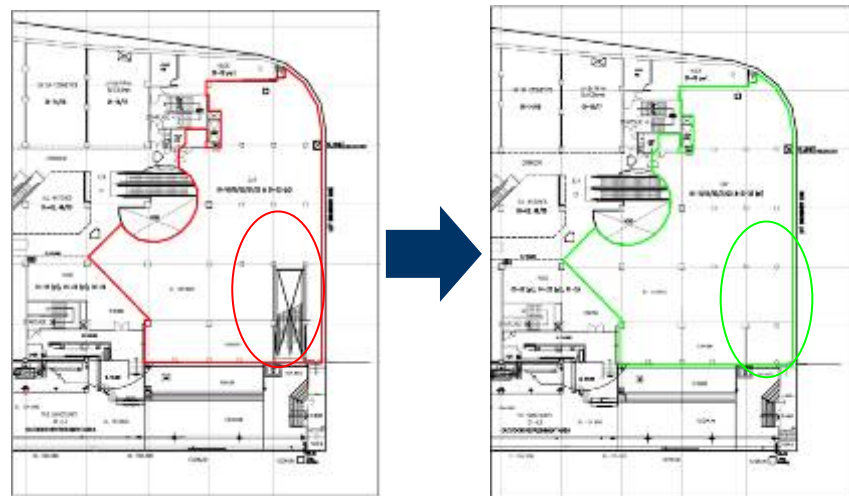
Seamless integration between ION Orchard and Wisma Atria to ensure ease of pedestrian flow

## Removal of New Escalators to unlock valuable lettable area when basement MRT linkway re-opens

### Basement Level



### First Floor







## Overview

- ➔ Removal of escalators between basement and Level 1 near GAP after re-opening of the MRT linkway
  - Escalators were installed in Dec 2006 to facilitate traffic flow to basement during MRT linkway closure (closed on 30 Sep 2006)
  - Quick recovery in traffic flow in Nov 2006 and particularly Dec 2006 due to the new escalators
  - Re-opening of MRT linkway will offset need for escalator and allow creation of additional lettable area
- ➔ Target completion in October 2009

## Rationale

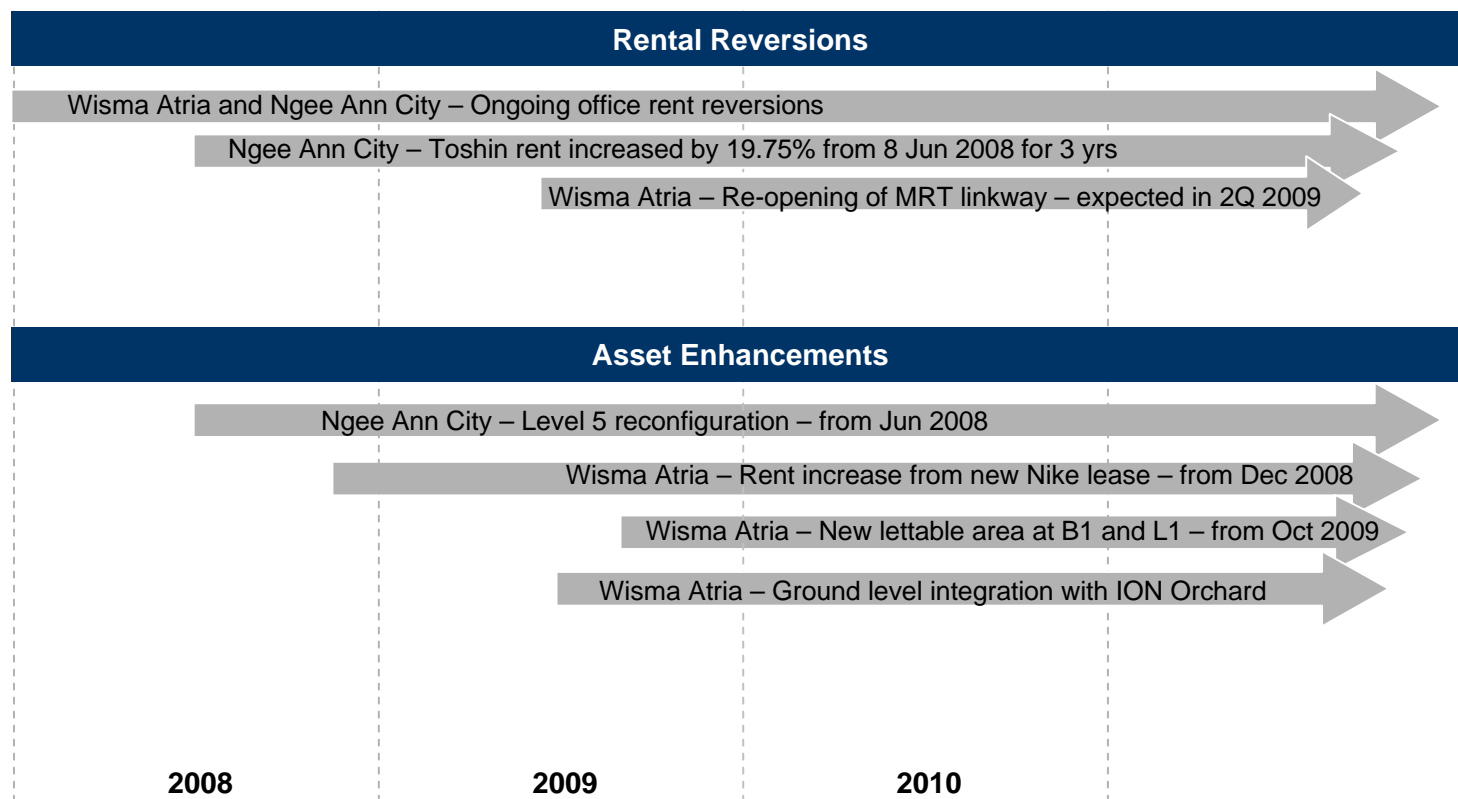
- ➔ Increase NPI by creating additional lettable area
- ➔ Reconfiguration to take 3 months with minimal disruption on existing tenants

## Estimated impact

Assumptions:	
<b>Basement</b>	
Potential GFA (sq ft)	764
Expected gross rent (S\$ psf pm)	50.00
<b>Level 1</b>	
Potential GFA (sq ft)	474
Expected gross rent (S\$ psf pm)	16.50
<b>Estimated Expense Margin</b>	20%
Impact (S\$'000 unless otherwise stated):	
Annual Rental Income	572
Annual Expenses (assume 20% expense margin)	115
<b>Incremental Annual NPI</b>	<b>457</b>
Capital value of initiative (assume 5.00% cap rate)	9,140
Less Capital Expenditure	(740)
Increase in capital value (net of investment cost)	8,400
<b>Return on investment pa (%)</b>	<b>62%</b>



## Continued growth expected over next few years





**1Q, 2Q, 3Q, 4Q** means the periods between 1 January to 31 March; 1 April to 30 June; 1 July to 30 September; and 1 October to 31 December respectively

**CMBS** means Commercial Mortgage Backed Securities

**DPU** means distribution per unit

**FY** means financial year for the period from 1 January to 31 December

**GTO** means gross turnover

**IPO** means initial public offering (MP REIT was listed on the SGX-ST on 20 September 2005)

**NLA** means net lettable area

**NPI** means net property income

**pm** means per month

**psf** means per square foot

**WA and NAC** mean the Wisma Atria Property (74.23% of the total share value of Wisma Atria) and the Ngee Ann City Property (27.23% of the total share value of Ngee Ann City respectively).

*All values are expressed in Singapore currency unless otherwise stated*



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End of Presentation

The background of the slide is a photograph of the Ngee Ann City Tower B, a tall, modern skyscraper with a grid-like facade of windows. The building is partially obscured by a dark blue overlay. In the foreground, the lower part of the building is visible, featuring large, illuminated Chinese characters and the text "NGEE ANN CITY".

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