Macquarie Pacific Star

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Media release

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Macquarie MEAG Prime REIT

MMP REIT 1Q 2007 DPU EXCEEDS 1Q 2006 DPU BY 2.1%

ATTRACTIVE ACQUISITIONS IN THE PIPELINE

HIGHLIGHTS

- 1Q 2007 DPU of 1.47 cents exceeds 1Q 2006 DPU by 2.1%
- Singapore properties continue to enjoy strong occupancy rates
- MMP REIT to make attractive acquisitions in the near future following recent Japan deals

SINGAPORE, 23 April 2007 – Macquarie Pacific Star Prime REIT Management Limited (Macquarie Pacific Star), the Manager of Macquarie MEAG Prime Real Estate Investment Trust (MMP REIT), today announced MMP REIT's first quarter (1Q 2007) Distribution Per Unit (DPU) of 1.47 cents, which is 2.1% higher compared to the 1.44 cents achieved for the previous corresponding period (1Q 2006).

On an annualised basis, the latest distribution represents a yield of 4.89%.[1]

In the past five reporting quarters since MMP REIT's IPO in September 2005, it has consistently outperformed distributable income projections by an average of 11%. MMP REIT achieved a record DPU of 1.47 cents in 4Q 2006.

Compared to 1Q 2006, gross revenue rose 4.1% to S$23.4 million, due mainly to higher office occupancy rates and office rental rates achieved. Net property income remained stable at S$17.3 million, despite higher year-on-year expenses mainly attributed to

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[1] Based on last traded unit price of S$1.22 on 20 April 2007

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the depreciation charges on the escalators which were installed at Wisma Atria's basement in end 2006.

Overview of MMP REIT's financial results

Statement of total return (1Q 2007)	**1Q 2007**	**1Q 2006**	**% Change**
Gross revenue (S$ million)	23.4	22.5	4.1%
Net property income (S$ million)	17.3	17.3	-
Distributable income (S$ million)	14.0	13.6	2.7%
DPU (cents)	**1.47**	**1.44**	**2.1%**
Annualised distribution yield	**1Q 2007**	**1Q 2006**	**% Change**
Annualised DPU (cents)	5.96 cents	5.84 cents	2.1%
Annualised distribution yield (based on unit price of S$1.22 on 20 Apr 07)	4.89%	4.79%	

Mr Franklin Heng, Chief Executive Officer of Macquarie Pacific Star, said, "MMP REIT has consistently outperformed IPO projections to deliver increased returns to unitholders, and our 1Q 2007 performance is respectable.

"We continue to enjoy full occupancy for our retail portfolio at both our Ngee Ann City and Wisma Atria properties in Singapore, as retail fundamentals, particularly along Orchard Road, remain strong. Office occupancy remains very strong at close to 100%, against the backdrop of the tightening office supply.

"We will continue to improve returns through our three-pronged strategy of pro-active retail leasing to strengthen the retail mix and achieve a diversified tenant base; introduction of more step-rent structures and increasing the turnover rent contribution; and through asset enhancements to unlock rentable space, while bolstering the positioning of the malls."

For its office portfolio, MMP REIT achieved an average increase of 67% for contracted renewals and new leases over preceding rents for 23% of MMP REIT's total office space in 1Q 2007.

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Mr Heng added, "Our maiden acquisition of a portfolio of seven quality properties in downtown Tokyo announced earlier in April will allow MMP REIT the opportunity to enjoy stable, recurring income and diversify its asset base and earnings stream geographically. More importantly, MMP REIT will gain a foothold in Japan's recovering retail scene, and will benefit from the upside of this rising market.

"With the completion of the acquisition of the seven properties in Japan, our gearing is expected to increase from 25.5% at end March to 34.0%. Going forward, we will likely maximise our existing debt capacity to fund acquisitions as debt is still more cost-effective than equity. We intend to progress our regional strategy through more strategic acquisitions of retail and/or office assets principally in our key target markets of China, Japan, Malaysia and Singapore."

Assuming a consolidated gearing of 45%, MMP REIT could potentially fund up to S$340 million of acquisitions entirely with debt, without the need to raise fresh equity. Macquarie Pacific Star believes that an appropriate long-term sustainable gearing level for MMP REIT would be 40-45%.

- End -

About Macquarie MEAG Prime REIT

MMP REIT is the only Singapore real estate investment trust to own two landmark properties on Orchard Road, Singapore's premier shopping and tourist precinct. MMP REIT owns 74.23% strata title interest in Wisma Atria and 27.23% strata title interest in Ngee Ann City (together, the "Properties"). The Properties have been awarded Superbrand status for the Shopping Centre category in the Superbrands Singapore Awards 2004/2005. MMP REIT's principal investment strategy is to invest primarily in prime real estate used mainly for retail and/or office purposes, in Singapore and overseas. MMP REIT has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") since 20 September 2005.

On 10 April 2007, MMP REIT entered into conditional sale and purchase agreements to buy seven properties located in the prime areas of Roppongi, Shibuya-ku, Minato-ku and Meguro-ku in Tokyo for a total purchase price of approximately ¥14.4 billion (S$182.5 million).

MMP REIT is managed by an external manager, ***Macquarie Pacific Star Prime REIT Management Limited,*** *which is 50% indirectly owned by Macquarie Bank Limited of Australia, 25% indirectly owned by MEAG MUNICH ERGO AssetManagement GmbH of Germany and 25% indirectly owned by Investmore Enterprises Ltd.*

Visit MMP REIT's website at **www.mmpreit.com** for more details.

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This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of MMP REIT is not necessarily indicative of the future performance of MMP REIT.

This publication may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

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