

Media release by: Macquarie Pacific Star Prime REIT Management Limited (Macquarie Pacific Star)

Manager of: Macquarie MEAG Prime Real Estate Investment Trust (MMP REIT)

For immediate release

MMP REIT REPORTS DPU OF 1.68 CENTS FOR 4Q 2007; NAV RISES 27.8% ON HIGHER PROPERTY VALUATIONS

Acquisitions, tenancy remix and asset enhancement initiatives and strong office rental reversion drive continuous organic growth

HIGHLIGHTS

- 4Q 2007 DPU of 1.68 cents exceeds 4Q 2006 DPU of 1.47 cents by 14.3%
- Valuation of properties rises 18.1% to S\$2.2 billion; NAV per unit increases 27.8% to S\$1.61
- Ungearred portfolio IRR since IPO is approximately 47%
- Establishment of Unit Buy-back Scheme and S\$2 billion multicurrency MTN Programme aimed to boost NAV per unit and DPU
- Low gearing of 29.0% and average interest rate of 2.69% result of prudent capital management

SINGAPORE, 30 January 2008 – Macquarie Pacific Star, the Manager of MMP REIT - the S-Reit with the largest presence in Orchard Road – is pleased to announce that MMP REIT's fourth quarter (4Q 2007) distributable income was S\$16.2 million. Distribution Per Unit (DPU) for the period 1 October to 31 December 2007 is 1.68 cents, 14.3% higher compared to the 1.47 cents achieved for the previous corresponding period. Year-on-year, the actual DPU

increased by 6.9% from 5.79 cents for FY 2006 to 6.19 cents for FY 2007. On an annualised basis, the latest distribution represents a yield of 6.06%.¹ An increase in the valuations of MMP REIT's portfolio of 10 properties raised Net Asset Value (NAV) per unit to S\$1.61, an increase of 38.8% from NAV per unit of S\$1.16 as at 31 December 2006. Incorporating the new valuations as at 31 December 2007, the ungeared portfolio Internal Rate of Return (IRR) since MMP REIT's listing is about 47%.

Compared to 4Q 2006, gross revenue rose 32.1% to S\$29.8 million, due mainly to higher rental rates achieved for renewals, new committed leases and revenue from the new acquisitions. Net property income was higher at S\$22.2 million, despite higher year-on-year expenses mainly attributed to depreciation charges for the installation of the escalators at Wisma Atria.

Overview of MMP REIT's financial results

Statement of total return (4Q 2007)	4Q 2007	4Q 2006	% Change	FY 2007	FY 2006	% Change
Gross revenue (S\$ million)	29.8	22.6	32.1	103.0	89.9	14.6
Net property income (S\$ million)	22.2	17.2	29.1	76.8	69.3	10.9
Distributable income (S\$ million)	16.2	14.0	15.7	59.1	54.9	7.6
DPU (cents)	1.68	1.47	14.3	6.19	5.79	6.9
Annualised distribution yield	4Q 2007	4Q 2006	% Change	FY 2007	FY 2006	% Change
Annualised DPU (cents)	6.67 cents	5.83 cents	14.3	6.19	5.79	6.9

Mr Stephen Girdis, Chairman of Macquarie Pacific Star, said, "We are pleased that MMP REIT has turned in a strong set of results for FY 2007. MMP REIT has in the past year, laid the foundations for strong organic growth for the next couple of years, through its maiden acquisitions in Japan and China, and its tenancy remix and asset enhancement initiatives for MMP REIT's Singapore properties, Wisma Atria and Ngee Ann City. We intend to implement

¹ Based on last traded unit price of S\$1.10 on 31 December 2007

the unit buy-back scheme shortly, with a view to enhancing returns to our unitholders through the expected increase in NAV per Unit and DPU.”

Mr Franklin Heng, Chief Executive Officer of Macquarie Pacific Star, said, “Total distributions of 6.19 cents per unit for FY 2007, is 6.9% higher than the 5.79 cents paid in FY 2006. This is a result of our regional diversification strategy and focused asset management efforts. As at 31 December 2007, our Singapore properties enjoyed full occupancy for retail space and 99% occupancy for office space. The 79,100 square feet of office leases which expired in 2007 had average quarterly passing rents of S\$4.90 to S\$5.30 per square foot per month (psfpm) and these were renewed or contracted at average rents of S\$7.70 to S\$12.10 psfpm. On the retail front, asset enhancement and tenancy remix initiatives in Wisma Atria have led to better shopper traffic flow which translated into higher sales volume for our tenants. This year, a key asset management initiative will be the launch of about 17,000 sq ft of retail space in Ngee Ann City as a new beauty and wellness precinct. We will continue to work the assets harder through proactive and creative asset management and enhancements.

“Our 2007 performance was also boosted by stable income contributions from our newly acquired properties in Japan and high-growth organic income contributions from our Chengdu asset. Valuation of these overseas properties has also increased from S\$262.2 million to S\$276.2 million as at 31 December 2007. More importantly, we have developed strong relationships with our overseas partners, paving the way for a pipeline of assets for future acquisitions.”

Mr Heng added, “While sourcing for attractive acquisitions to diversify our asset base and earnings stream geographically, we continue to exercise prudent capital management by maintaining a low gearing and strong balance sheet. Our gearing of 29.0% is at a healthy level. To shield MMP REIT from interest rate volatility, 89% of our debt is fixed and the average interest rate is 2.69%. Interest cover is 4.4 times. The recent establishment of a S\$2 billion multicurrency Medium Term Note (MTN) Programme will provide additional sources of funding. All these initiatives demonstrate our commitment to deliver long-term stable distributions and sustainable total returns to our unitholders.”

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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.

In 2007, MMP REIT acquired seven properties located in the prime areas of Roppongi, Shibuya-ku, Minato-ku and Meguro-ku in Tokyo, and a premier retail property in Chengdu, China, growing its asset portfolio to S\$2.2 billion. With the acquisition in Chengdu, MMP REIT has also obtained first right of refusal to a pipeline of opportunities in China, in particular, to another two prime retail properties in Chengdu with combined GFA of more than 1 million square feet.

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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