

SGX-ST Announcement**YTL CORPORATION TO ACQUIRE MACQUARIE'S
26% INTEREST IN MP REIT AND 50% INTEREST IN
PRIME REIT MANAGEMENT HOLDINGS**

Macquarie Pacific Star Prime REIT Management Limited ("**Manager**"), the manager of Macquarie Prime Real Estate Investment Trust ("**MP REIT**") wishes to announce that it has been informed today by Macquarie Real Estate Singapore Pte Limited that Macquarie Group has entered into a Sale and Purchase Agreement ("**Agreement**") dated 28 October 2008 with YTL Corporation Berhad ("**YTL Corp**") which, upon completion, will result in a change in the sponsorship of MP REIT and shareholder of Prime REIT Management Holdings Pte Ltd ("**PRMH**"). PRMH owns 100% interest in the Manager and Macquarie Pacific Star Property Management Pte. Ltd, the property manager of MP REIT's Singapore properties ("**Property Manager**").

As announced by YTL Corp, pursuant to the terms of the Agreement, YTL Corp has agreed to acquire Macquarie Group's entire interest in 247,101,000 units representing approximately 26% of the total issued units in MP REIT at S\$0.82 per unit and its 50% interest in the shares of PRMH for an aggregate upfront consideration of S\$285 million (the "**Transaction**").

The announcement and press release by YTL Corp issued today are attached for reference.

On completion of the Transaction, YTL Corp will hold a 50% effective interest in the Manager and the Property Manager. It will also become the largest unitholder in MP REIT with approximately 26% holding.

New Sponsor

YTL Corp is one of the largest companies listed on Bursa Malaysia Securities Berhad, and together with its five listed vehicles (together “**YTL Group**”) has a combined market capitalisation of about RM22 billion (US\$6 billion). Please refer to the attached YTL Corp press release for further information on the YTL Group.

Strategic Review

In mid February 2008, the Board of Directors of the Manager embarked on a process of reviewing strategic options for MP REIT aimed at unlocking potential value for MP REIT unitholders (“**Unitholders**”). A number of indicative proposals were received, including corporate and asset level proposals.

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 this and the announcement made today by the new sponsor, the Manager believes that it is appropriate to conclude the strategic review and looks forward to working together with the new sponsor YTL Corp, in the interests of Unitholders, in assessing and implementing the new strategic initiatives available to MP REIT.

No Business Disruption

The Transaction is conditional upon the following approvals (if required):-

- (a) the shareholders of YTL;
- (b) Bank Negara Malaysia;
- (c) SGX-ST and MAS; and
- (d) any other relevant authorities and/or persons.

The completion of the proposed acquisition of Macquarie Group’s interest in MP REIT and in the shares of PRMH are inter-conditional.

There will be no disruption to the business or operations of MP REIT, the Manager or the Property Manager due to the change in sponsorship of MP REIT.

On completion of the Transaction, MP REIT will no longer be required to pay a one-off licence fee to Macquarie Group in relation to the Proprietary Information Licensing Agreement as detailed in MP REIT's IPO Prospectus.

Further announcements will be made at the appropriate time.

By Order of the Board

Macquarie Pacific Star Prime REIT Management Limited

(Company Registration No. 200502123C)

as Manager of Macquarie Prime Real Estate Investment Trust

Patricia Ong

Joint Company Secretary

28 October 2008

About Macquarie Prime REIT

Macquarie Prime REIT ("MP REIT") is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") since 20 September 2005, MP REIT owns two landmark properties on Orchard Road, Singapore's premier shopping and tourist precinct. Its initial portfolio included a 74.23% strata title interest in Wisma Atria and a 27.23% strata title interest in Ngee Ann City.

In 2007, MP REIT enlarged its asset base and geographical footprint with the acquisition of seven properties in the prime areas of Roppongi, Shibuya-ku, Minato-ku and Meguro-ku in Tokyo, Japan and a premier retail property in Chengdu, China. MP REIT's portfolio now comprises 10 properties in the three countries, valued at about S\$2.2 billion. MP REIT remains focused on sourcing property assets in Asia, while driving organic growth from its existing portfolio, through proactive leasing efforts and creative asset enhancements.

Visit MP REIT's website at www.mpreit.com.sg for more details.

About Macquarie Pacific Star Prime REIT Management Limited

Macquarie Pacific Star Prime REIT Management Limited (the "Manager") is the manager of MP REIT, responsible for the management, administration and implementation of the investment strategy of MP REIT.

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Important Notice

The value of MP REIT units ("Units") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of MP REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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

This document 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

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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.

Macquarie Bank Limited ABN 46 008 583 542 ("MBL") holds a 50% indirect interest in the Manager. MBL is authorised by The Australian Prudential Regulation Authority in the Commonwealth of Australia and The Financial Services Authority in the United Kingdom, to carry out banking business or to accept deposits in those respective jurisdictions. Members of the Macquarie Bank Group are not otherwise currently authorised to carry out banking business or to accept deposits in any other country. **Other than Macquarie Bank Limited ABN 46 008 583 542 (MBL), any Macquarie Group Limited entity or REIT noted on this page is not an authorised deposit taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and that entity's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). Neither MBL nor any other Macquarie Group entity guarantees or provides assurance in respect of the obligations of any of these entities, unless noted otherwise.** MBL does not carry on banking business in Singapore. MBL does not hold a license under the Banking Act (Cap. 19) of Singapore and is therefore not subject to the supervision of the Monetary Authority of Singapore.