



MACQUARIE MEAG PRIME REIT

Macquarie  Pacific Star

Financial Results For First Quarter 2006 (1Q 2006)

26 April 2006





This presentation has been prepared by Macquarie Pacific Star Prime REIT Management Limited as Manager of Macquarie MEAG Prime REIT (“MMP REIT”). This presentation is for the period from 1 January 2006 to 31 March 2006 (“1Q 2006”) and contains comparative information between actual results versus projections outlined in the MMP REIT IPO Prospectus dated 13 September 2005. This should be read in conjunction with MMP REIT’s 1Q 2006 financial results announced on SGXNET. Past performance is not an indication of future performance. This presentation does not contain investment advice nor is it an offer to invest in MMP REIT units.

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In relation to the initial public offering of MMP REIT units in September 2005, the joint financial advisors were DBS Bank Ltd (“DBS Bank”), J.P. Morgan (S.E.A.) Limited (“JP Morgan”) and Macquarie Securities (Asia) Pte Limited. The joint lead underwriters and bookrunners were DBS Bank, Deutsche Bank AG, Singapore Branch, JP Morgan and Macquarie Securities (Singapore) Pte. Limited.



DPU of 1.44 cents exceeds IPO Projection by 11.6%

Period: 1 Jan to 31 Mar 06	Actual	IPO Projection	% Change
Gross Revenue	\$22.5 mil	\$21.7 mil	↑ 3.7%
Net Property Income	\$17.3 mil	\$16.4 mil	↑ 5.7%
Distributable Income	\$13.6 mil	\$12.3 mil	↑ 11.1%
DPU	1.44 cents ⁽¹⁾	1.29 cents	↑ 11.6%

Note:

1. The computation of actual DPU is based on number of units entitled for distributions comprising: (a) number of units in issue as at 31 March 2006 of 944,197,624 units; and (b) units issuable to the Manager as partial satisfaction of management fee (base fee) incurred for 1Q 2006 of 1,050,044 units



	Actual	IPO Projection/ IPO Forecast	Variance	Outperformance
DPU				
▪ 1Q 2006	1.44 cents	1.29 cents	+ 0.15 cents	↑ 11.6%
▪ FY 2005	1.58 cents	1.41 cents	+ 0.17 cents	↑ 12.1%
Annualised Distribution Yield (Based on IPO price of \$0.98)				
▪ 1Q 2006	5.96%	5.34% ⁽²⁾		
▪ FY 2005	5.71%	5.10% ⁽²⁾		
Annualised Distribution Yield (Based on \$0.935 ⁽¹⁾)				
▪ 1Q 2006	6.25%	5.60%		

Notes:

1. Last traded price as at 25 April 2006
2. 1Q 2006 and FY 2005 yields are different from IPO Projection and IPO Forecast of 5.35% and 5.12% respectively due to mathematical rounding

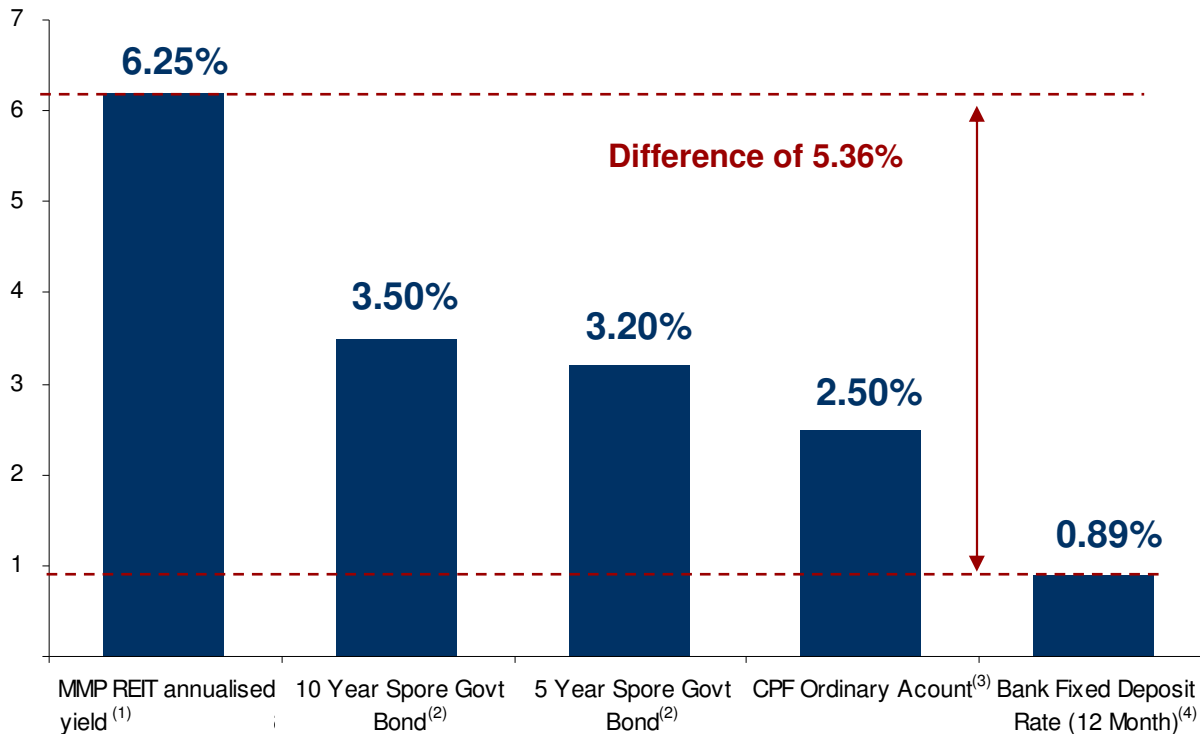


S\$'000	Actual	IPO Projection	% Change
Gross Revenue	22,464	21,657	3.7%
Less: Property Expenses	(5,148)	(5,278)	(2.5%)
Net Property Income	17,316	16,379	5.7%
Less: Fair Value Adjustment ⁽¹⁾	(273)	-	n.m.
Borrowing Costs	(3,352)	(3,523)	(4.9%)
Other Trust Expenses	(1,960)	(2,152)	(8.9%)
Net Income Before Tax	11,731	10,704	9.6%
Add: Non-Tax Deductibles	1,888	1,557	21.3%
Distributable Income	13,619	12,261	11.1%
DPU	1.44 cents	1.29 cents	11.6%

- **Higher gross revenue** was mainly due to the higher rental rates achieved for renewals and leases
- **Lower property expenses** were mainly due to lower leasing and property maintenance costs
- **Lower borrowing costs** from the locking in at an all-in CMBS interest cost of 3.26% vs 3.42% in the IPO Projection
- **Lower other trust expenses** due to lower professional fees incurred

Notes:

1. Being accretion of tenancy deposit and retention sum stated at amortised cost in accordance with Financial Reporting Standard 39. Such a financial adjustment has no impact on the DPU
2. n.m. - not meaningful



Liquidity statistics

Last 3 months average daily trading volume (units)	2.2 mil
Free float (as at 31 Mar 06)	65%
Market cap (25 Apr 06)	\$884 mil

Notes:

1. Based on MMP REIT's closing price of \$0.935 per unit as at 25 Apr 06 and distribution of 1.44 cents per unit for 1Q 2006
2. As at 25 Apr 06 (Source: Singapore Government Securities website)
3. Based on interest paid on Central Provident Fund (CPF) ordinary account from Apr to Jun 06 (Source: CPF website)
4. As at Mar 06 (Source: Monetary Authority of Singapore website)



Distribution Period

1 January to 31 March 2006

Distribution Amount

1.44 cents per unit

Distribution Timetable

Notice of Books Closure Date

26 April 2006

Last Day of Trading on “Cum” Basis

2 May 2006

Ex-Date

3 May 2006

Books Closure Date

5 May 2006

Distribution Payment Date

30 May 2006



Seeking corporate credit rating

As at 31 March 06	\$'000
CMBS	380,000
Revolving Credit Facilities	8,000
Total Debt	388,000
Gearing Ratio ⁽¹⁾	28.8%
Interest Cover	4.6 x
Weighted Average Interest Rate	3.2% p.a.
Debt Maturity - CMBS	Sept 2010

Note:

1. Based on deposited property

- CMBS is 100% hedged for both interest rate and FX for 5 years till September 2010
- 97.9% of total debt is fixed rate debt
- Optimal consolidated debt level at 50%
- Capacity for up to \$570 mil acquisitions without raising additional equity
- Currently seeking corporate credit rating to allow leverage of up to 60%
- Likely to raise cost effective new debt via issuance of further CMBS based on MMP REIT's existing portfolio



As at 31 Mar 06	\$'000
Non Current Assets	1,327,000
Current Assets	20,183
Total Assets	1,347,183
Current Liabilities	(33,330)
Non Current Liabilities	(384,550)
Total Liabilities	(417,880)
Net Assets	929,303
Units In Issue ('000)	944,198

	NAV statistics
NAV Per Unit (as at 31 Mar 06) ⁽¹⁾	\$0.98
Adjusted NAV Per Unit ⁽¹⁾ (excluding distributable income)	\$0.97
Last traded price as at 25 Apr 06	\$0.935
Unit Price Discount To:	
▪ NAV Per Unit	(4.6)%
▪ Adjusted NAV Per Unit	(3.6)%

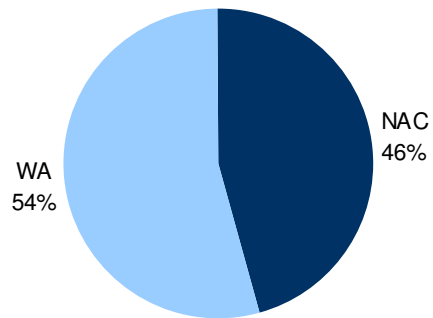
Note:

1. The number of units used for computation of actual NAV per unit is 945,662,116. This comprises: (a) number of units in issue as at 31 March 2006 of 944,197,624 units; (b) units issuable to the Manager as partial satisfaction of management fee (performance fee) for the period from 8 Aug to 31 Dec 2005 of 414,448 units; and (c) units issuable to the Manager as partial satisfaction of management fee (base fee) incurred for 1Q 2006 of 1,050,044 units

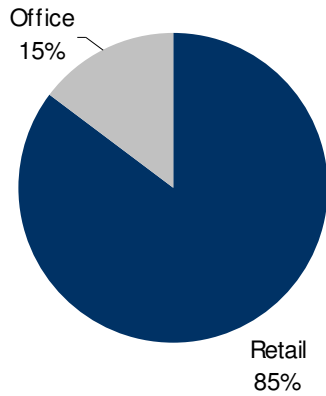


Portfolio

Gross Rent by Property (for the month of Mar 06)

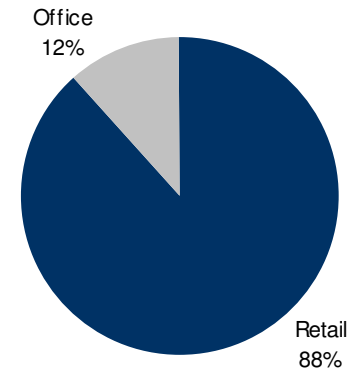


Gross Rent by Retail and Office (for month of Mar 06)

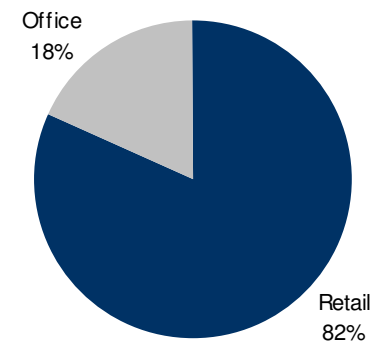


WA and NAC

WA Gross Rent by Retail and Office (for the month of Mar 06)



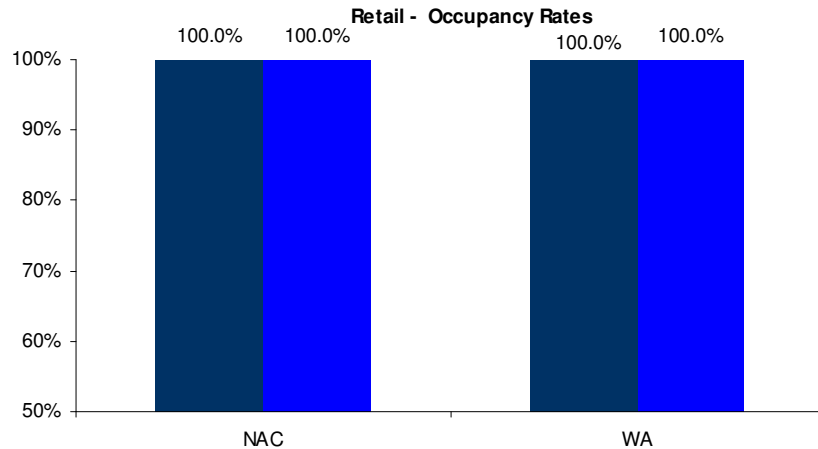
NAC Gross Rent by Retail and Office (for the month of Mar 06)





Retail Occupancy Remains Strong at 100%

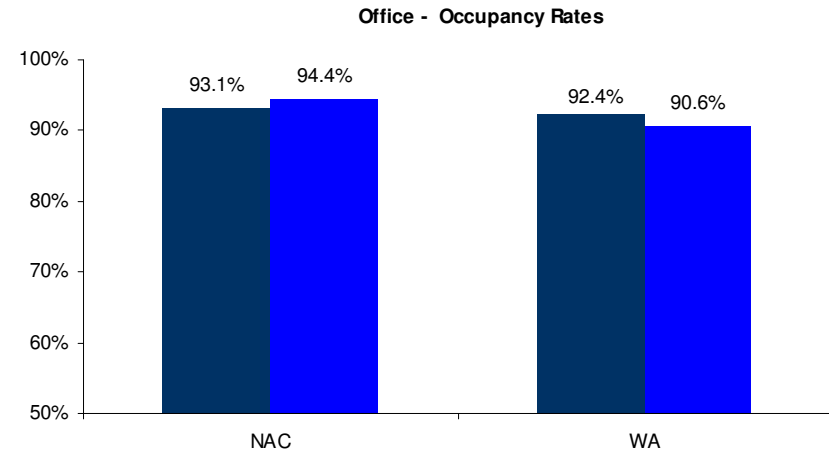
■ As at 31 Mar 06 ■ As at 31 Dec 05



- Strong retail leasing momentum and uptrend of prime rents continued in 1Q 2006, supported by positive economic sentiment and increase in tourist arrivals
- Supply of prime retail space continues to be tight in Orchard Road

WA Office Occupancy Improves by 2%

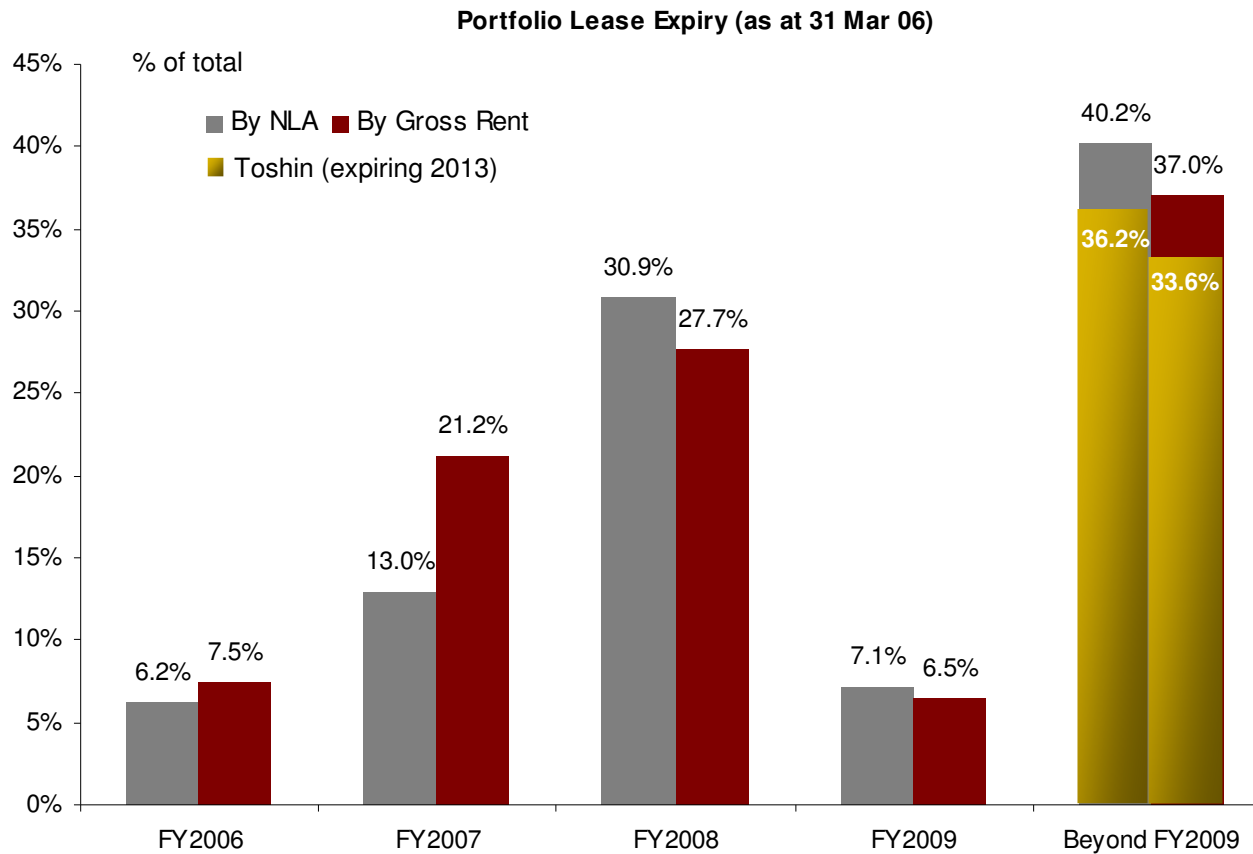
■ As at 31 Mar 06 ■ As at 31 Dec 05



- Current committed occupancy for NAC and WA office is around 95%

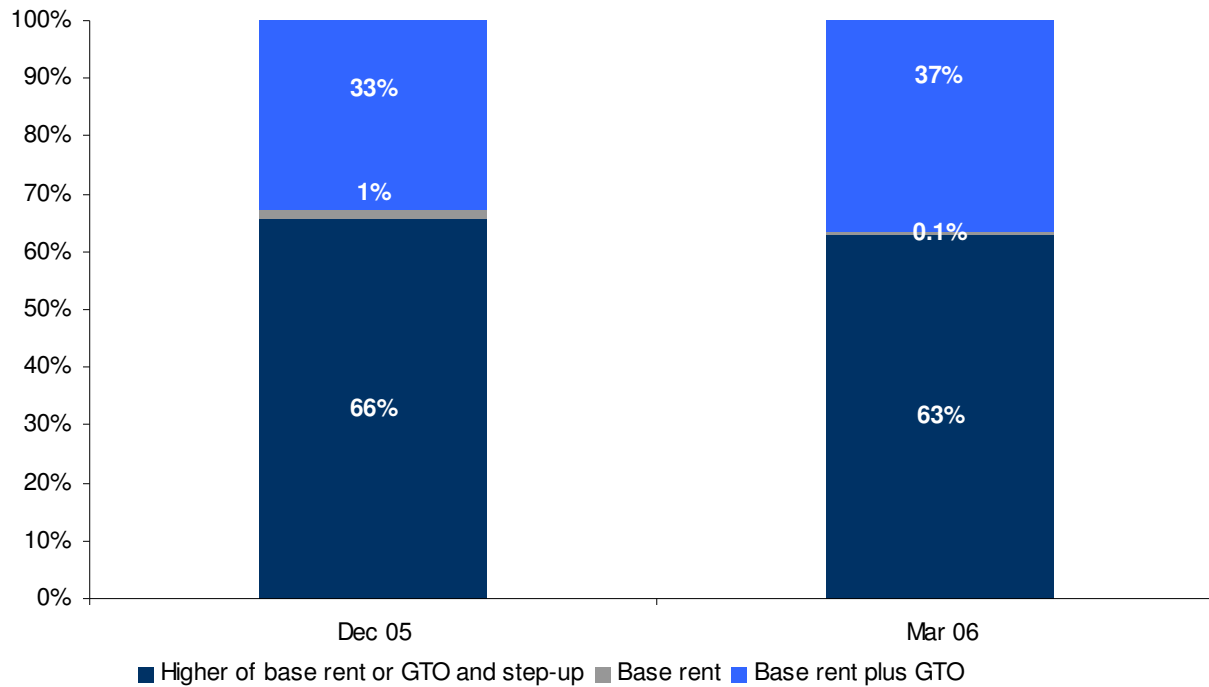


Weighted Average Lease Term of 3.9 and 3.8 Years (by NLA and Gross Rent respectively)

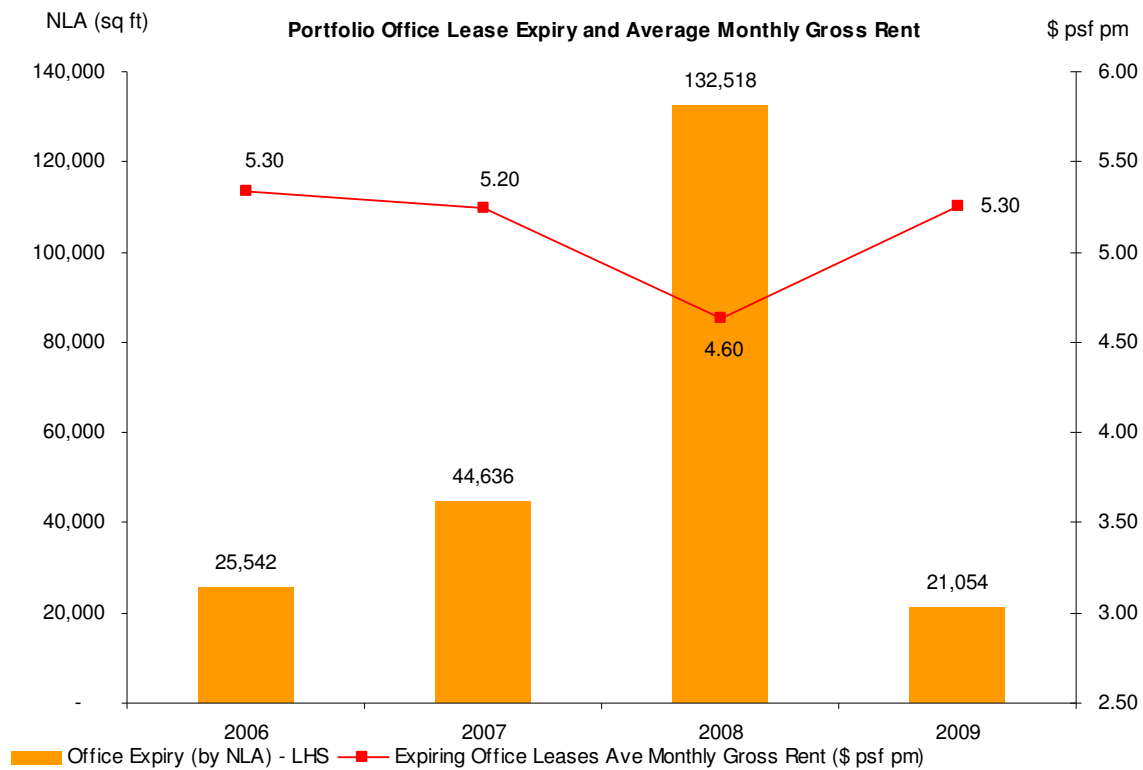




Lease Structure (by % of WA Retail NLA)



- Base rent structure has been reduced from 23% (Jan 05) to 1% (Dec 05) to almost negligible in Mar 06
- Proportion of retail leases (by NLA) featuring the base rent plus turnover rent structure continued to increase from 33% (Dec 05) to 37% (Mar 06)



Note:

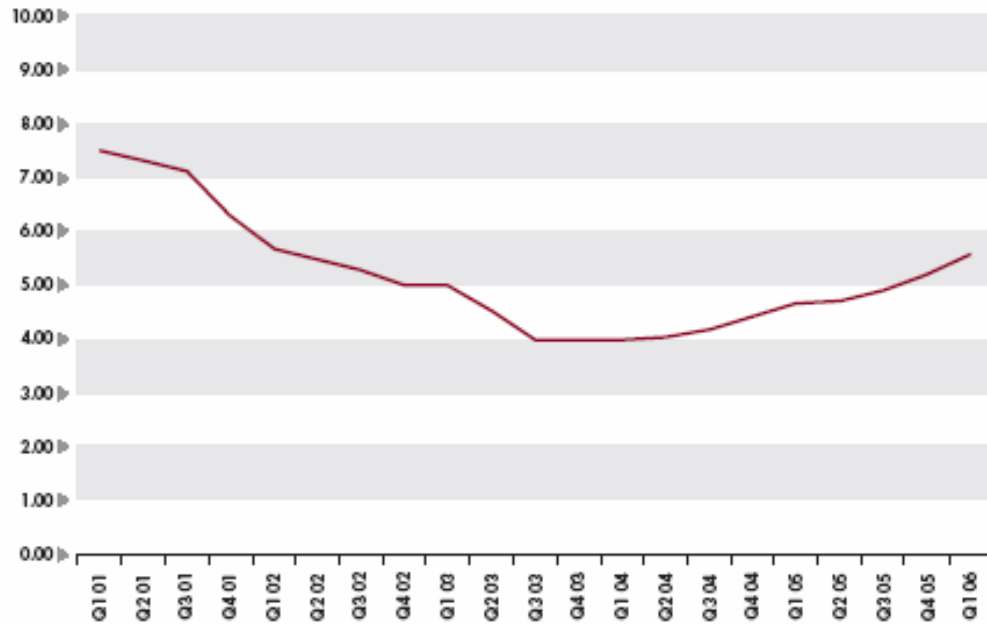
1. Average monthly gross rent rounded to nearest cent



Singapore

AVERAGE PRIME OFFICE RENTS

(2 per per month)



Prime Office ■ \$5.60 psf

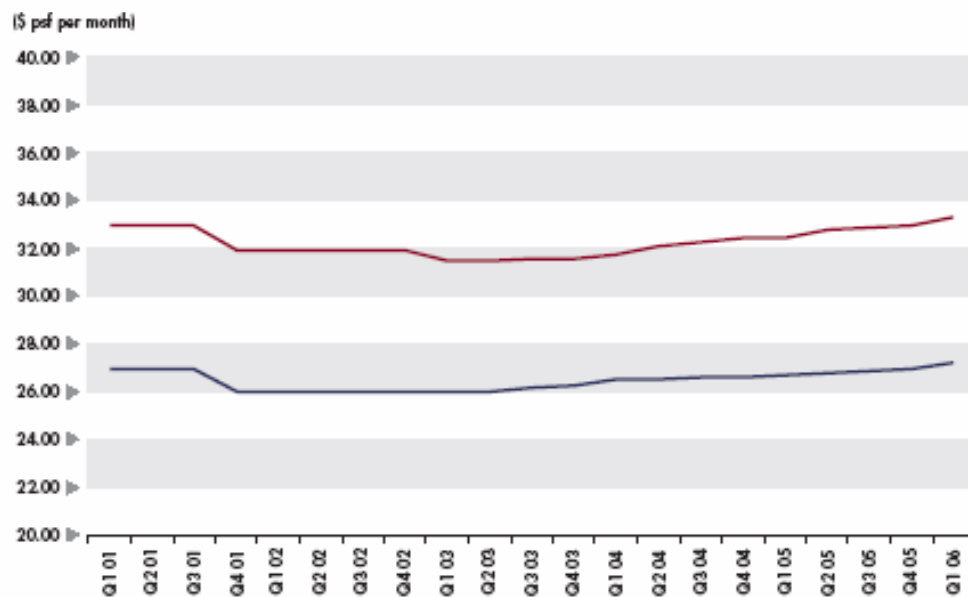
- Strong economic performance, increased business confidence and tenants' expansion plans resulted in higher rental rates
- Prime office rents rose from \$5.20 psf pm (end 05) to \$5.60 psf pm (end Mar 06)
- With limited quality office options and a steady GDP growth, prime office rent is projected to increase to \$6.50 psf pm by end 2006

Source: CBRE, Market View Singapore, 1Q06



Singapore

AVERAGE PRIME RETAILS RENTS



- Optimism in the Singapore retail sector continues with more retailers entering the market or expanding
- This is coupled with a projected healthy economic growth and expected increase in tourist arrivals
- Supply of prime retail space in 2006 remains tight in Orchard Road as new supply (mainly from Vivo City) falls outside the traditional prime shopping district
- CBRE remains positive about 2006 and expects prime rents to climb at a steady and moderate pace

Source: CBRE, Market View Singapore, 1Q06



Reviewing target markets regularly as market conditions change and opportunities arise



Note: not drawn to scale



China (from Tier 2 to Tier 1)

- One of the world's fastest growing major economies with a 10% GDP growth in 1Q 2006
- Strong consumer spending is expected to continue with the rapid rise of the Chinese middle class with rising disposable incomes and discretionary spending
- Retail sales have jumped nearly 50% in the last 4 years and foreign retailers are expanding not only in the key cities but also in the secondary cities. Prime retail rents in major cities are expected to increase in 2006 due to strong demand and limited new supply of prime retail space; Shanghai +10%, Beijing +7%
- Strong demand expected for office spaces as more foreign companies will flock to China with the country's pledges of market liberalisation at the World Trade Organisation

India (from Tier 3 to Tier 2)

- Although the quality of the buildings are in a less developed phase compared to China, India's economy is dynamic and robust with a growing spending power from its 260-300 mil strong middle class (roughly the same population as the US)
- India's annual per capita income climbed 62% during the 6 years ended 31 Mar 06. Its high economic growth has created booming demand for office space, residential premises and social infrastructure like shopping malls and multiplexes
- The middle class consumers are also becoming more aware of international brands and are willing to spend
- As a result, there will be greater interest from global retailers to invest in India

Source: Jones Lang LaSalle October 2005 and January 2006, EIU, various market reports



Australia (new opportunity in Tier 2)

- Stable and mature market with sound, economic fundamentals and good quality properties
- Job growth has been very strong (unemployment at a record 35-year low at around 5.1%), wage growth is picking up and consumer sentiments have rebounded
- The office market is anticipated to expand with prime space being the key beneficiary of increased leasing demand, particularly in the capital cities are which experience absorption levels at historical highs. Rental growth is expected to follow as vacancy levels reduce over the next 2 years

Vietnam (new opportunity in Tier 3)

- Fast growing emerging market with an estimated GDP growth of 7.6% in 2006. Hanoi City is looking at achieving an average GDP growth rate of 11-12% in the next 5 years while the Ho Chi Minh municipal government is looking at increasing its full year growth rate to 12.2%
- Vietnam's economy has flourished in recent years with sustained economic growth of more than 7% p.a. from 2002 to 2004, largely driven by Vietnam's inclusion in ASEAN and the economic reformatory policy of the government which facilitated large increases in foreign and local investments
- The country's impending preparation for ascension into the World Trade Organisation is expected to reduce trade barriers and introduce a range of legal and market reforms in the country that will encourage increased foreign investments

Source: Jones Lang LaSalle October 2005 and January 2006, EIU, various market reports



- 1Q 2006 results outperformed IPO Projection
- Improved performance across retail and office portfolio
- Positive retail and office sector outlook
- On-going asset enhancement and leasing initiatives for organic growth in retail portfolio
- Currently seeking corporate credit rating
- Regional acquisition plans in progress



1Q 2006 means the period from 1 January 2006 to 31 March 2006

Actual (*unless otherwise stated*) means the results for the period from 1 January 2006 to 31 March 2006. All references to actual NLA and financial results of WA includes the Affected Common Property

Affected Common Property means WA common property of approx. 709 sq m (7,634 sq ft)

CMBS means Commercial Mortgaged Backed Securities

DPU means distribution per unit

FY 2005 means the period from 20 September 2005 (MMP REIT's listing date) to 31 December 2005

GTO means gross turnover

IPO means initial public offering

IPO Forecast means figures derived from pro-rating the forecast for the 6 months ended 31 December 2005 disclosed in the IPO Prospectus for the period from 20 September 2005 to 31 December 2005

IPO Projection (*unless otherwise stated*) means figures derived by prorating the projection for the year ending 31 December 2006 disclosed in the IPO Prospectus for the period from 1 January 2006 to 31 March 2006

IPO Prospectus means MMP REIT IPO Prospectus dated 13 September 2005

NLA means net lettable area

psf pm means per square foot per month

WA and NAC mean respectively the Wisma Atria Property and the Ngee Ann City Property as defined in the IPO Prospectus (collectively, the "Portfolio")

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 building in Singapore, featuring a large sign with the Chinese characters "義安城" and "NGEE ANN CITY". The image is overlaid with a semi-transparent blue filter.

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