

**Macquarie MEAG Prime Real Estate Investment Trust  
Financial Statements Announcement  
For The Financial Year Ended 31 December 2006**

These financial statements for the quarter from 1 October 2006 to 31 December 2006 and full year from 1 January 2006 to 31 December 2006 have not been audited but have been reviewed by our auditors.

Macquarie MEAG Prime Real Estate Investment Trust ("MMP REIT") is a real estate investment trust constituted by the Trust Deed entered into on 8 August 2005 between Macquarie Pacific Star Prime REIT Management Limited as the Manager of MMP REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of MMP REIT. MMP REIT was listed on the mainboard of the Singapore Exchange Securities Trading Limited on 20 September 2005.

MMP REIT owns 331 strata lots representing 74.23% of the total share value of the strata lots in Wisma Atria and 4 strata lots representing 27.23% of the total share value of the strata lots in Ngee Ann City (the "Properties").

Where appropriate, comparisons are made against proforma figures or prorated projection figures for the financial year ended 31 December 2006 as disclosed in the prospectus for the initial public offering of MMP REIT units dated 13 September 2005 (the "Prospectus"). Proforma figures have been compiled based on the actual figures of MMP REIT for the period from 20 September 2005 to 31 December 2005 and the unaudited financial statements of Aspinden Holdings Limited and Orchard Square Properties Private Limited after making certain assumptions and adjustments for the period from 1 January 2005 to 19 September 2005 as appropriate.

Unless otherwise stated, all capitalised terms used in this announcement shall have the same meanings as in the Prospectus.

**Financial Statements Announcement  
For The Financial Year Ended 31 December 2006**

**1(a) Income statement together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of Total Return for the Quarter ended 31 December 2006 and full year ended 31 December 2006**

	Notes	Actual	Actual	Increase /	Actual	Proforma	Increase /
		01/10/06 to 31/12/06	01/10/05 to 31/12/05	(Decrease)	01/01/06 to 31/12/06	01/01/05 to 31/12/05 (Note a)	(Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Gross revenue</b>	(b)	<b>22,583</b>	<b>22,576</b>	<b>0%</b>	<b>89,876</b>	<b>86,267</b>	<b>4%</b>
Maintenance and sinking fund contributions		(1,337)	(1,337)	0%	(5,348)	(5,326)	0%
Property Manager's fee	(c)	(677)	(677)	0%	(2,696)	(2,587)	4%
Property tax		(2,155)	(2,148)	0%	(8,588)	(8,504)	1%
Other property expenses	(d)	(1,223)	(1,006)	22%	(3,992)	(4,795)	(17%)
<b>Property expenses</b>		<b>(5,392)</b>	<b>(5,168)</b>	<b>4%</b>	<b>(20,624)</b>	<b>(21,212)</b>	<b>(3%)</b>
<b>Net property income</b>		<b>17,191</b>	<b>17,408</b>	<b>(1%)</b>	<b>69,252</b>	<b>65,055</b>	<b>6%</b>
Interest income		87	68	28%	344	90	282%
Accretion of tenancy deposit and retention sum stated at amortised cost	(e)	(219)	2,712	NM	(648)	2,712	NM
Goodwill payments	(f)	(1,028)	-	NM	(1,028)	-	NM
Management fees	(g)	(1,502)	(2,084)	(28%)	(6,549)	(6,959)	(6%)
Trust expenses	(h)	(188)	(607)	(69%)	(1,476)	(2,169)	(32%)
Borrowing costs	(i)	(3,406)	(3,466)	(2%)	(13,483)	(14,091)	(4%)
<b>Non property expenses</b>		<b>(6,256)</b>	<b>(3,377)</b>	<b>85%</b>	<b>(22,840)</b>	<b>(20,417)</b>	<b>12%</b>
<b>Net income before tax</b>		<b>10,935</b>	<b>14,031</b>	<b>(22%)</b>	<b>46,412</b>	<b>44,638</b>	<b>4%</b>
<b>Income tax expense</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income after tax</b>		<b>10,935</b>	<b>14,031</b>	<b>(22%)</b>	<b>46,412</b>	<b>44,638</b>	<b>4%</b>
Net surplus on revaluation of investment properties	(j)	171,000	23,126	639%	171,000	23,126	639%
<b>Total return for the period</b>		<b>181,935</b>	<b>37,157</b>	<b>390%</b>	<b>217,412</b>	<b>67,764</b>	<b>221%</b>

**Footnotes:**

NM - Not meaningful

- (a) The proforma figures have been compiled based on the actual figures of MMP REIT for the period from 20 September 2005 to 31 December 2005 and the unaudited financial statements of Aspinden Holdings Limited and Orchard Square Properties Private Limited after making certain assumptions and adjustments for the period from 1 January 2005 to 19 September 2005 as appropriate.
- Although MMP REIT was constituted on 8 August 2005, the acquisition of the Properties was only completed on 20 September 2005 and it was officially listed on the mainboard of the Singapore Exchange Securities Trading Limited on 20 September 2005. Consequently, MMP REIT did not derive any income from the Properties for the period from 1 January 2005 to 19 September 2005.
- (b) Gross revenue comprises gross rent and other revenue earned from the Properties, including turnover rent. The gross revenue for the quarter remained steady inspite of the closure of the basement MRT Linkway and escalator installation works through aggressive marketing and promotional campaign. Overall the annual gross revenue increased resulting from higher rental rates achieved for renewals and new committed leases and improvement in occupancy rates.
- (c) The Property Manager's fee is equal to 3% per annum of the gross revenue and is in line with the higher gross revenue recorded.
- (d) The higher sum of other property expenses for the quarter is mainly due to tenancy costs and depreciation for the escalator installation linking the Wisma Atria basement level to Orchard Road level following the closure of the basement MRT Linkway on 30 September 2006.
- (e) Being accretion of tenancy deposit and retention sum stated at amortised cost in accordance with Financial Reporting Standard ("FRS") 39.
- (f) The goodwill payments were made to tenants for operating under the circumstances related to the closure of the Orchard MRT linkway to Wisma Atria on 30 September 2006.
- (g) The Manager is not entitled to performance fees for 2006 and this accounted for the decrease in management fees for the quarter.
- (h) The lower trust expenses are due to lower professional fees incurred.
- (i) Although the interest rate for the short term loan has increased, partial repayment of the short term loan contributed to the lower borrowing costs.
- (j) A valuation was carried out by Cushman & Wakefield (S) Pte Ltd ("CW") on 31 December 2006. The investment properties are valued by CW at S\$1,498 million and hence a revaluation surplus of S\$171 million arises.

**Financial Statements Announcement  
For The Financial Year Ended 31 December 2006**

**Distribution Statement**

Notes	Actual 01/10/06 to 31/12/06	Actual 01/10/05 to 31/12/05	Actual 01/01/06 to 31/12/06	Actual 08/08/05 to 31/12/05 Note (a)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Net income before tax</b>	<b>10,935</b>	<b>14,031</b>	<b>46,412</b>	<b>15,392</b>
Non-tax deductible / (chargeable) items:				
Amortisation of transaction costs	193	193	772	217
Management fees paid / payable in units	791	1,407	3,819	1,525
Non-tax deductible interest expense	51	66	248	67
Other adjustments (b)	1,785	372	2,995	422
Accretion of tenancy deposit and retention sum stated at amortised cost (c)	219	(2,712)	648	(2,712)
	<b>13,974</b>	<b>13,357</b>	<b>54,894</b>	<b>14,911</b>

**Footnotes:**

- (a) Although MMP REIT was constituted on 8 August 2005, the acquisition of the Properties was only completed on 20 September 2005 and it was officially listed on the mainboard of the Singapore Exchange Securities Trading Limited on 20 September 2005. Consequently, the actual income derived from the Properties for the current period was from 20 September 2005 to 31 December 2005. MMP REIT was dormant during its private trust period from 8 August 2005 to 19 September 2005.
- (b) Other adjustments include the Trustee's fee, sinking fund contributions and goodwill payments to tenants.
- (c) Being accretion of tenancy deposit and retention sum stated at amortised cost in accordance with FRS 39.

**1 (b)(i) Balance sheet, together with comparatives as at the end of the immediately preceding financial year**

	Notes	Actual 31/12/06 S\$'000	Actual 31/12/05 S\$'000
<b>Assets</b>			
Investment properties (a)		1,498,000	1,327,000
Plant & machinery and renovations (b)		3,431	-
Trade and other receivables (c)		4,201	1,052
Cash		20,122	25,479
<b>Total assets</b>		<b>1,525,754</b>	<b>1,353,531</b>
<b>Liabilities</b>			
Trade and other payables (d)		(39,093)	(32,684)
Borrowings (net of transaction costs)		(388,200)	(389,357)
<b>Total liabilities (excluding net assets attributable to Unitholders)</b>		<b>(427,293)</b>	<b>(422,041)</b>
<b>Net assets attributable to unitholders</b>		<b>1,098,461</b>	<b>931,490</b>

**Footnotes**

- (a) The investment properties were valued by CW at S\$1,498 million on 31 December 2006.
- (b) Costs incurred for tenancy renovation works and the installation of escalators at Level 1 of Wisma Atria to improve direct access to the Basement level.
- (c) The increase in other receivables is mainly due to the balance of the lease incentive payments, which are being amortised over the period of the lease.
- (d) The increase is mainly due to increase in security deposits, provision for property tax payable and balance payments for escalator installation and tenancy renovation works. The payables also include an amount of S\$13.7 million which forms part of the consideration for the investment properties retained under the sale & purchase agreement in respect of Wisma Atria.

**Financial Statements Announcement  
For The Financial Year Ended 31 December 2006**

**1 (b)(ii) Aggregate amount of borrowings**

	Notes	Actual 31/12/06 S\$'000	Actual 31/12/05 S\$'000
<b>Secured borrowings</b>	(a)		
Amount repayable within one year		11,000	13,000
Amount repayable after one year		380,000	380,000
		<b>391,000</b>	<b>393,000</b>

**Footnotes**

- (a) MMP REIT has in place secured facilities of S\$410 million comprising S\$380 million term loan facility for a tenor of 5 years and a revolving credit facility of S\$30 million ("RCF") for a tenor of one year (with an option to renew for a period of one year at the option of the lender and subject to payment of a renewal fee). The term loan is repayable after 5 years from 20 September 2005. Currently there is an amount of S\$11 million outstanding under the RCF.

The facilities are secured on the following:

- A first legal mortgage on the Properties;
- A first fixed charge over the rental collection, current and fixed deposit accounts;
- An assignment of MMP REIT's rights, title and interest in the property management agreement in relation to the Properties;
- An assignment of MMP REIT's rights, title and interest in the tenancy documents and proceeds in connection with the Properties;
- An assignment of MMP REIT's rights, title and interest in the insurance policies in relation to the Properties; and
- A fixed and floating charge over the assets of MMP REIT in relation to the Properties, agreements and collateral, as required by the financial institution granting the facilities.

**1 (c) Cash flow statement**

	Notes	Actual 01/10/06 to 31/12/06 S\$'000	Actual 01/10/05 to 31/12/05 S\$'000	Actual 01/01/06 to 31/12/06 S\$'000	Actual 08/08/05 to 31/12/05 Note (a) S\$'000
<b>Operating activities</b>					
Net income before tax		10,935	14,031	46,412	15,392
<b>Adjustments for</b>					
Interest income		(87)	(68)	(344)	(78)
Depreciation		125	-	125	-
Accretion of tenancy deposit and retention sum stated at amortised cost	(b)	219	(2,712)	648	(2,712)
Borrowing costs		3,406	3,466	13,483	3,893
Management fees paid / payable in units		791	1,407	3,819	1,525
Operating income before working capital changes		15,389	16,124	64,143	18,020
Changes in working capital					
Trade and other receivables		(3,202)	(751)	(3,109)	(1,021)
Trade and other payables		2,181	(1,248)	5,170	1,917
<b>Cash generated from operating activities</b>		<b>14,368</b>	<b>14,125</b>	<b>66,204</b>	<b>18,916</b>
<b>Investing activities</b>					
Purchase of investment properties (including investment cost)		-	(6)	-	(1,270,810)
Plant & machinery and renovations		(1,882)	-	(2,956)	-
Interest received		126	38	306	48
<b>Cash flows from investing activities</b>		<b>(1,756)</b>	<b>32</b>	<b>(2,650)</b>	<b>(1,270,762)</b>
<b>Financing activities</b>					
Unit issue costs		1,539	231	1,539	(32,693)
Proceeds from issue of units		-	-	-	924,140
Borrowing costs paid		(3,108)	(3,254)	(12,651)	(7,122)
Proceeds from borrowings		14,000	-	41,000	420,000
Repayment of borrowings		(12,000)	(27,000)	(43,000)	(27,000)
Distributions paid to unitholders		(13,642)	-	(55,799)	-
<b>Cash flows from financing activities</b>		<b>(13,211)</b>	<b>(30,023)</b>	<b>(68,911)</b>	<b>1,277,325</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(599)</b>	<b>(15,866)</b>	<b>(5,357)</b>	<b>25,479</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>20,721</b>	<b>41,345</b>	<b>25,479</b>	<b>-</b>
<b>Cash and cash equivalents at end of the period</b>		<b>20,122</b>	<b>25,479</b>	<b>20,122</b>	<b>25,479</b>

**Footnotes**

- (a) MMP REIT was formed on 8 August 2005 (date of constitution) and the comparative cash flow statement is available for the period from 8 August 2005 to 31 December 2005. The first financial period was from 8 August 2005 to 31 December 2005.
- (b) Being accretion of tenancy deposit and retention sum stated at amortised cost in accordance with FRS 39.

**Financial Statements Announcement  
For The Financial Year Ended 31 December 2006**

**1(d)(i) Statement of movements in net assets attributable to unitholders**

Notes	Actual	Actual	Actual	Actual
	01/10/06 to 31/12/06	01/10/05 to 31/12/05	01/01/06 to 31/12/06	08/08/05 to 31/12/05 Note (a) S\$'000
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at beginning of period</b>	927,838	892,695	931,490	-
<b>Operations</b>				
Net income after tax	10,935	14,031	46,412	15,392
Net surplus on revaluation of investment properties	171,000	23,126	171,000	23,126
<b>Net increase in net assets resulting from operations</b>	<b>181,935</b>	<b>37,157</b>	<b>217,412</b>	<b>38,518</b>
<b>Unitholders' transactions</b>				
Issue of new units:				
- initial public offering	-	-	-	56,840
- private placement	-	-	-	867,300
Management fee paid in units	-	-	3,028	-
Management fees payable in units to be issued	791	1,407	791	1,525
Issue expenses	1,539	231	1,539	(32,693)
Distribution to unitholders	(13,642)	-	(55,799)	-
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	<b>(11,312)</b>	<b>1,638</b>	<b>(50,441)</b>	<b>892,972</b>
<b>Balance as at end of period</b>	<b>1,098,461</b>	<b>931,490</b>	<b>1,098,461</b>	<b>931,490</b>

**Footnotes**

- (a) Prior period comparatives are only available for the period from 8 August 2005 to 31 December 2005. MMP REIT was constituted on 8 August 2005 (date of constitution) and was listed on the mainboard of the Singapore Exchange Securities Trading Limited on 20 September 2005. The first financial period was from 8 August 2005 to 31 December 2005.
- (b) The investment properties are valued by CW at S\$1,498 million and hence a revaluation surplus of S\$171 million arises.
- (c) These are the 1,075,167 units to be issued to the Manager by 31 January 2007 as partial satisfaction of the base fee element of the management fee incurred for the quarter ended 31 December 2006 and performance fees for the year ended 31 December 2005.

**1(d)(ii) Details of any changes in the units since the end of the previous period reported on**

Notes	Actual	Actual	Actual	Actual
	01/10/06 to 31/12/06 Units	01/10/05 to 31/12/05 Units	01/01/06 to 31/12/06 Units	08/08/05 to 31/12/05 Units
<b>Issued units at the beginning of the period</b>	946,330,261	943,000,000	943,000,000	-
Issue of new units				
- initial public offering	-	-	-	58,000,000
- private placement	-	-	-	885,000,000
Management fees issued in units	1,045,419	-	4,375,680	-
Issued units at the end of the period	947,375,680	943,000,000	947,375,680	943,000,000
Management fees payable in units to be issued	1,075,167	1,612,072	1,075,167	1,612,072
<b>Total issued and issuable units at the end of the period</b>	<b>948,450,847</b>	<b>944,612,072</b>	<b>948,450,847</b>	<b>944,612,072</b>

**Footnotes**

- (a) The management fees payable in units comprise 80,962 performance fee units which the Manager is entitled to and has elected to receive in units for the period ended 2005; and the 994,205 units to be issued to the Manager by 31 January 2007 as partial satisfaction of the base fee element of the management fee incurred for the quarter ended 31 December 2006. As the Trust return is now positive, the performance fee units are now issuable.

## Financial Statements Announcement For The Financial Year Ended 31 December 2006

- 2 **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**  
The figures have not been audited but have been reviewed by the auditors in accordance with the Singapore Statements of Auditing Practice 11 "Review of Interim Financial Information".
- 3 **Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**  
Please see the attached review report.
- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**  
Yes.
- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**  
Not applicable.
- 6 **Earnings per unit ('EPU') and distribution per unit ('DPU') for the financial period**

	Notes	Actual 01/10/06 to 31/12/2006	Projection 01/10/06 to 31/12/06 (Note c)	Actual 01/01/06 to 31/12/2006	Actual 08/08/05 to 31/12/2005
Weighted average number of units	(a)	947,467,449		945,971,731	665,278,165
Earnings per unit for the period based on the weighted average number of units in issue (cents)		1.15		4.91	2.31
Number of units issued and issuable at end of period excluding performance fee units		948,369,885		948,369,885	944,197,624
Distribution per unit for the period based on the total number of units entitled to distribution excluding performance fee units (cents)	(b)	1.47	1.32	5.79	1.58
Distribution per unit for the period based on the total number of units entitled to distribution including performance fee units (cents)		1.47	NA	5.79	1.58

### Footnotes

- (a) The actual weighted average number of units used for computation of EPU for the period from 1 October 2006 to 31 December 2006 is 947,467,449. This comprises:
- (i) Weighted average number of units in issue of 947,375,680; and
- (ii) Weighted average number of units issuable to the Manager of 91,769.
- (b) The computation of actual DPU is based on number of units entitled for distributions comprising:
- (i) The number of units in issue as at 31 December 2006 of 947,375,680;
- (ii) The units issuable to the Manager as partial satisfaction of management fee incurred for the period from 1 October 2006 to 31 December 2006 of 994,205; and
- (iii) The units issuable to the Manager as performance fee which the Manager is entitled and has elected to receive in units for the period from 8 August 2005 to 31 December 2005 of 80,962.
- (c) The figures shown are prorated from the Projection as disclosed in the Prospectus.

### 7 Net asset value per unit based on units issued at the end of the period

	Notes	Actual 31/12/06	Actual 31/12/05
Net asset value per unit (S\$)	(a)	1.16	0.99

### Footnotes

- (a) The number of units used for computation of actual NAV per unit is 948,450,847. This comprises:
- (i) The number of units in issue as at 31 December 2006 of 947,375,680;
- (ii) The units issuable to the Manager as partial satisfaction of management fee incurred (performance fee) for the period from 8 August 2005 to 31 December 2005 of 80,962; and
- (iii) The units issuable to the Manager as partial satisfaction of management fee (base fee) incurred for the quarter ended 31 December 2006 of 994,205.

## Financial Statements Announcement For The Financial Year Ended 31 December 2006

### 8 Review of the performance

Please refer to section 9 below on the review of actual performance against the prorated Projection stated in the Prospectus for the quarter ended 31 December 2006.

### 9 (a) Statement of Total Return and Distribution

#### Statement of Total Return for the Quarter ended 31 December 2006

	Notes	Actual	Projection	Increase /	Actual	Projection	Increase /
		01/10/06 to 31/12/06	01/10/06 to 31/12/06 (Note a)	(Decrease)	01/01/06 to 31/12/06	01/01/06 to 31/12/06	(Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Gross revenue</b>	(b)	<b>22,583</b>	<b>22,139</b>	<b>2%</b>	<b>89,876</b>	<b>87,833</b>	<b>2%</b>
Maintenance and sinking fund contributions		(1,337)	(1,355)	(1%)	(5,348)	(5,375)	(1%)
Property Manager's fee	(c)	(677)	(664)	2%	(2,696)	(2,634)	2%
Property tax		(2,155)	(2,177)	(1%)	(8,588)	(8,637)	(1%)
Other property expenses	(d)	(1,223)	(1,200)	2%	(3,992)	(4,761)	(16%)
<b>Property expenses</b>		<b>(5,392)</b>	<b>(5,396)</b>	<b>0%</b>	<b>(20,624)</b>	<b>(21,407)</b>	<b>(4%)</b>
<b>Net property income</b>		<b>17,191</b>	<b>16,743</b>	<b>3%</b>	<b>69,252</b>	<b>66,426</b>	<b>4%</b>
Interest income		87	4	NM	344	16	NM
Accretion of tenancy deposit and retention sum stated at amortised cost	(e)	(219)	-	NM	(648)	-	NM
Goodwill payments	(f)	(1,028)	-	NM	(1,028)	-	NM
Management fees	(g)	(1,502)	(1,656)	(9%)	(6,549)	(6,570)	0%
Trust expenses	(h)	(188)	(548)	(66%)	(1,476)	(2,174)	(32%)
Borrowing costs	(i)	(3,406)	(3,601)	(5%)	(13,483)	(14,287)	(6%)
<b>Non property expenses</b>		<b>(6,256)</b>	<b>(5,801)</b>	<b>8%</b>	<b>(22,840)</b>	<b>(23,015)</b>	<b>(1%)</b>
<b>Net income before tax</b>		<b>10,935</b>	<b>10,942</b>	<b>0%</b>	<b>46,412</b>	<b>43,411</b>	<b>7%</b>
Income tax expense		-	-	NM	-	-	NM
<b>Net income after tax</b>		<b>10,935</b>	<b>10,942</b>	<b>0%</b>	<b>46,412</b>	<b>43,411</b>	<b>7%</b>
Net surplus on revaluation of investment properties	(j)	171,000	-	NM	171,000	-	NM
<b>Total return for the period</b>		<b>181,935</b>	<b>10,942</b>		<b>217,412</b>	<b>43,411</b>	

#### Footnotes

NM-Not meaningful

- The Projection figures are derived by prorating the Projection for the year ended 31 December 2006 disclosed in the Prospectus for the period from 1 October 2006 to 31 December 2006.
- Gross revenue comprises gross rent and other revenue earned from the Properties, including turnover rent. The higher amount of gross revenue as compared to the Projection is mainly attributed to higher rental rates achieved for renewals and new committed leases.
- The Property Manager's fee is equal to 3% per annum of the gross revenue and is in line with the higher actual gross revenue recorded.
- The higher sum of other property expenses for the quarter is mainly due to tenancy costs and depreciation for the escalator installation linking the Wisma Atria basement level to Orchard Road level following the closure of the Orchard MRT linkway to Wisma Atria on 30 September 2006.
- Being accretion of tenancy deposit and retention sum stated at amortised cost in accordance with FRS 39.
- The goodwill payments were made to tenants for operating under the circumstances related to the closure of the Orchard MRT linkway to Wisma Atria on 30 September 2006.
- The Manager is not entitled to performance fees for 2006 and this accounted for the decrease in management fees for the quarter.
- The lower trust expenses are due to lower professional fees incurred.
- The lower borrowing costs incurred is due to lower actual interest rates and the partial repayment of the short term loan.
- The investment properties are valued by CW at S\$1,498 million and hence a revaluation surplus of S\$171 million arises.

**Financial Statements Announcement  
For The Financial Year Ended 31 December 2006**

**Distribution Statement for the quarter ended 31 December 2006**

Notes	Actual 01/10/06 to 31/12/06	Projection 01/10/06 to 31/12/06 (Note a)	Increase / (Decrease)	Actual 01/01/06 to 31/12/06	Projection 01/01/06 to 31/12/06	Increase / (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Net income before tax</b>	<b>10,935</b>	<b>10,942</b>	<b>0%</b>	<b>46,412</b>	<b>43,411</b>	<b>7%</b>
Non-tax deductible / (chargeable) items:						
Amortisation of transaction costs	193	174	11%	772	692	12%
Management fees paid / payable in units	791	994	(20%)	3,819	3,943	(3%)
Non-tax deductible interest expense	51	52	(2%)	248	206	20%
Other adjustments (b)	1,785	372	380%	2,995	1,475	103%
Accretion of tenancy deposit and retention sum stated at amortised cost (c)	219	-	NM	648	-	NM
<b>Income currently available for distribution (d)</b>	<b>13,974</b>	<b>12,534</b>	<b>11%</b>	<b>54,894</b>	<b>49,727</b>	<b>10%</b>

**Footnotes:**

- (a) The Projection figures are derived by prorating the Projection for the year ended 31 December 2006 disclosed in the Prospectus for the period from 1 October 2006 to 31 December 2006.
- (b) Other adjustments include the Trustee's fee, sinking fund contributions and goodwill payments to tenants.
- (c) Being accretion of tenancy deposit and retention sum stated at amortised cost in accordance with FRS 39.
- (d) As stated in the Prospectus, MMP REIT's distribution policy is to distribute 100% of its income available for distribution (after adjustments for non tax deductible expenses and non-chargeable items) for the period commencing from its listing date (20 September 2005) to 31 December 2006 and to distribute at least 90% of such income thereafter.

**9 (b) Review of Performance for the quarter ended 31 December 2006**

Gross revenue was higher than in the Projection due mainly to higher rental rates achieved for renewals and new committed leases. Property expenses were in line with the Projection. The goodwill payments accounted mainly for the increase in non property expenses.

As a result, net income before tax in the fourth quarter was S\$10.9 million in line with the Projection. After adjusting for the non-tax deductible/chargeable items, income available for distribution is S\$13.9 million, 11% higher than in the Projection. This works out to 1.47 cents per unit, 11% higher than the 1.32 cents in the Projection.

**10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Ministry of Trade and Industry reported that Singapore's economy grew by 5.9% in the fourth quarter (advance estimates based on actual October and November data) compared with the same period in 2005. For the whole of 2006, the Monetary Authority of Singapore estimated the GDP growth in 2006 to be 7.7% in real terms.

The Singapore Tourism Board is expecting tourist arrivals to hit 9.4 million in 2006, an increase of 5% over 8.9 million tourists in 2005. Over the next few years, attractions to fuel tourism growth include the integrated resorts, Marina Sands at Marina Bay and Resorts World at Sentosa, Singapore Flyer and the second Botanic Gardens at Marina Bay.

With the strong economic growth, occupancy rate in Orchard Road which averaged 96.7% in the 3rd quarter, is expected to trend higher. The average prime retail rent in Orchard Road rose 4.4% year on year to S\$35.50<sup>1</sup> psf per month.

Prime average office rent rose 50.2% year on year to S\$7.81<sup>1</sup> psf per month in Q4 2006. Vacancy rate in the fringe CBD area (which includes the Orchard Road area) fell from 7.7% in Q3 2006 to 6.9% in Q4 2006. Supply of prime office space is expected to be tight over the next three years.

1. CB Richard Ellis Fourth Quarter 2006 Singapore Market View

**Outlook for the financial year ending 31 December 2007**

The Manager expects MMP REIT to benefit from proactive strategies in the management of the assets and continuing economic growth in FY 2007.



**Financial Statements Announcement  
For The Financial Year Ended 31 December 2006**

---

**11 Distributions**

**(a) Current financial period**

Any distributions declared for the current financial period :	Yes
Name of distribution:	Fourth quarter distribution for the period from 1 October 2006 to 31 December 2006
Distribution type:	Taxable income
Distribution rate:	1.47 cents per unit
Par value of units:	NA
Tax rate:	These distributions are made out of MMP REIT's taxable income. Unitholders receiving such distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).

**(b) Corresponding period of the immediately preceding financial period**

Any distributions declared for the previous corresponding financial period :	NA
Name of distribution:	NA
Distribution type:	NA
Distribution rate:	NA
Par value of units:	NA
Tax rate:	NA

**Footnotes:**

*NA- Not applicable*

<b>(c) Date payable:</b>	28 February 2007
<b>(d) Books Closure Date:</b>	31 January 2007

<b>12 If no distribution has been declared/(recommended), a statement to that effect</b>	Not applicable
--	----------------

**Financial Statements Announcement  
For The Financial Year Ended 31 December 2006**

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**13 Segmented revenue and results for business or geographical segments (of the group)**

**Business segments**

	Wisma Atria Property	Ngee Ann City Property	Total
	Actual 2006 S\$'000	Actual 2006 S\$'000	Actual 2006 S\$'000
<b>Property income and expenses</b>			
Gross revenue	48,812	41,064	89,876
Property operating expenses	(12,182)	(8,442)	(20,624)
Segment net property income	36,630	32,622	69,252
Interest income			344
Fair value adjustment on security			(648)
Non-property expenses			(9,053)
Borrowing costs			(13,483)
Income tax expense			-
			46,412
Net appreciation on revaluation of investment properties			171,000
Total return for the period			217,412
<b>Assets and liabilities</b>			
Segment assets	757,348	748,062	1,505,410
Unallocated assets			20,344
Total assets			1,525,754
Segment liabilities	(29,105)	(4,914)	(34,019)
Unallocated liabilities			(393,274)
Total liabilities (excluding net assets attributable to unitholders)			(427,293)
<b>Other segmental information</b>			
Plant & machinery and			
-Capital expenditure	3,557		3,557
-Depreciation	125		125

**Financial Statements Announcement  
For The Financial Year Ended 31 December 2006**

	Wisma Atria Property Actual Period from 08/08/2005 to 31/12/2005 (Note a) S\$'000	Ngee Ann City Property Actual Period from 08/08/2005 to 31/12/2005 (Note a) S\$'000	Total Actual Period from 08/08/2005 to 31/12/2005 (Note a) S\$'000
<b>Property income and expenses</b>			
Gross revenue	13,703	11,506	25,209
Property operating expenses	(3,413)	(2,359)	(5,772)
Segment net property income	10,290	9,147	19,437
Interest income			78
Fair value adjustment on security deposits and retention sum			2,712
Non-property expenses			(2,942)
Borrowing costs			(3,893)
Income tax expense			-
			15,392
Net appreciation on revaluation of investment properties			23,126
Total return for the period			38,518
<b>Assets and liabilities</b>			
Segment assets	675,715	652,075	1,327,790
Unallocated assets			25,741
Total assets			1,353,531
Segment liabilities	(23,354)	(6,647)	(30,001)
Unallocated liabilities			(392,040)
Total liabilities (Excluding net assets attributable to unitholders)			(422,041)

(a) MMP REIT was constituted on 8 August 2005 (date of constitution) and was listed on the mainboard of the Singapore Exchange Securities Trading Limited on 20 September 2005. The first financial period was from 8 August 2005 to 31 December 2005.

**14 In the review of performance, the factors leading to any changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to Section 9 for the review of the actual performance.

**15 Breakdown of sales**

	Actual 01/01/06 to 31/12/06 S\$'000	Actual 08/08/05 to 31/12/05 (Note a) S\$'000	Increase / (Decrease) %
Gross revenue reported for first half year	44,868	-	NM
Net income after tax for the first half year	23,698	-	NM
Gross revenue reported for second half year	45,008	25,209	NM
Net income after tax for second half year	22,713	15,392	NM

(a) MMP REIT was constituted on 8 August 2005 (date of constitution) and was listed on the mainboard of the Singapore Exchange Securities Trading Limited on 20 September 2005. The first financial period was from 8 August 2005 to 31 December 2005.

**Financial Statements Announcement  
For The Financial Year Ended 31 December 2006**

**16 Breakdown of the total distribution for the financial year ended 31 December 2006**

Annual distribution to Unitholders

	Actual 01/01/06 to 31/12/06 S\$'000	Actual 08/08/05 to 31/12/05 (Note a) S\$'000
1 July 2006 to 30 September 2006	13,642	
1 April 2006 to 30 June 2006	13,627	
1 January 2006 to 31 March 2006	13,612	
20 September 2005 to 31 December 2005		14,918

- (a) MMP REIT was constituted on 8 August 2005 (date of constitution) and was listed on the mainboard of the Singapore Exchange Securities Trading Limited on 20 September 2005. The first financial period was from 8 August 2005 to 31 December 2005.

*This release 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, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.*

*Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.*

**By ORDER OF THE BOARD  
MACQUARIE PACIFIC STAR PRIME REIT MANAGEMENT LIMITED  
AS MANAGER OF MACQUARIE MEAG PRIME REAL ESTATE INVESTMENT TRUST**

**Rudi Chuan  
Company Secretary  
23 January 2007**