

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

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

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MMP REIT REPORTS DPU OF 1.50 CENTS FOR 2Q 2007

HIGHLIGHTS

- 2Q 2007 DPU of 1.50 cents exceeds 2Q 2006 DPU of 1.44 cents by 4.2%
- Significant NAV uplift of 9.8% from revaluation of Singapore properties
- Affirmed Moody's corporate rating of Baa1 reflects high quality of assets and provides operational and acquisition funding flexibility

SINGAPORE, 26 July 2007 – Macquarie Pacific Star, the Manager of MMP REIT - the S-Reit with the biggest presence in Orchard Road - today announced MMP REIT's second quarter (2Q 2007) Distribution Per Unit (DPU) of 1.50 cents. Meanwhile, a revaluation of its prime Orchard Road properties raised Net Asset Value (NAV) by 9.8%.

The DPU of 1.50 cents for the period 1 April to 30 June 2007 is 4.2% higher compared to the 1.44 cents achieved for the previous corresponding period. It also beats MMP REIT's previous record of 1.47 cents achieved for the past two consecutive quarters of 4Q 2006 and 1Q 2007. On an annualised basis, the latest distribution represents a yield of 4.81%.¹

Compared to 2Q 2006, gross revenue rose 5.5% to S\$23.6 million, due mainly to higher-than-expected rents achieved for retail space in the basement of Wisma Atria, as well as for office space. Contributions from six newly acquired properties in Tokyo, Japan, were also booked for the first time. Net property income was higher at S\$17.9 million, despite

¹ Based on last traded unit price of S\$1.25 on 26 July 2007

higher year-on-year expenses mainly attributed to higher commission paid for new and renewal leases, increased tenancy costs arising from re-positioning of tenant mix, and continued depreciation charges on the escalators that were installed at Wisma Atria's basement in end 2006.

NAV per unit was S\$1.27 as at 30 June 2007, an increase of 9.5% from NAV per unit of S\$1.16 as at 31 March 2007. The valuation of MMP REIT's two prime Orchard Road properties increased by 7.3% from S\$1.498 billion in December 2006 to S\$1.608 billion as at 30 June 2007, resulting in a revaluation surplus of S\$110 million.

Overview of MMP REIT's financial results

Statement of total return (2Q 2007)	2Q 2007	2Q 2006	% Change
Gross revenue (S\$ million)	23.6	22.4	5.5%
Net property income (S\$ million)	17.9	17.3	3.5%
Distributable income (S\$ million)	14.3	13.6	4.7%
DPU (cents)	1.50	1.44	4.2%
Annualised distribution yield	2Q 2007	2Q 2006	% Change
Annualised DPU (cents)	6.02 cents	5.78 cents	4.2%

Mr Franklin Heng, Chief Executive Officer of Macquarie Pacific Star, said, "Since listing in September 2005, MMP REIT has consistently outperformed IPO projections. For each of the past two quarters, we have paid out record DPU of 1.47 cents. We are pleased to continue to deliver increased returns to unitholders in 2Q 2007 with the DPU of 1.50 cents, a 4.2% increase from DPU of 1.44 cents in 2Q 2006. Total returns for unitholders who have held MMP REIT units since its listing stand at 38.1%.

"In the second quarter of 2007 occupancy for both our retail and office portfolio in Singapore remained high with higher turnover rent contributions from retail tenants during the start of the Great Singapore Sale. In addition, 58,100 sq ft of office renewals and new leases, contracted at an average 60% increase over previous rents, came into effect during the first half of 2007. Asset enhancement at Level 2 in Wisma Atria is now complete, offering

shoppers better circulation and an enhanced shopping experience. On an annualised basis, we will achieve a 43% increase in gross revenue from the reconfigured space.”

Portfolio growth strategies

Commenting on organic growth prospects for MMP REIT’s Singapore portfolio, Mr Heng said, “We have started pre-marketing of some 16,781 sq ft of retail space at Level 5 of Ngee Ann City, which will be vacated by the National Library in end February 2008. The average monthly rent of this lease is below prevailing market rates. The space will be reconfigured with a compelling retail concept embracing fashion, beauty and wellness, complementing the existing offering at Ngee Ann City. We are very encouraged by the response from retailers thus far.

“Contributions from the six newly acquired properties in Tokyo commenced in the beginning of June. We expect to deliver greater value to unitholders when income from these properties is fully recognised in the subsequent months.

“Moody’s Investor Service’s affirmation of the Baa1 rating for MMP REIT in May 2007 reiterates the high quality of MMP REIT’s portfolio, which we are building up with acquisitions in the region. The positive rating endorses our proactive asset management and multi-pronged investment strategy.”

Mr Heng added, “Going forward, we will continue to actively source for more assets in our key target markets, with a view to further diversify MMP REIT’s asset base and earnings stream geographically.”

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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.

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). The acquisition of six of these properties was completed on 30 May 2007. The acquisition of the seventh property is expected to be completed by September 2007.

On 23 April 2007, MMP REIT entered into another conditional agreement to indirectly acquire a 50% interest in a prime retail property in Chengdu, China for RMB150 million (approximately S\$30 million), with 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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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.

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