

NZX Release – Macquarie Goodman Property Trust (“MGP”)

**MGP Reports Record Result & Commencement of New Office
Development**
Full year results to 31 March 2007

Date: 15 May 2007
Release: Immediate

Macquarie Goodman Property Trust (“MGP” or “Trust”) is pleased to announce a record financial result together with the commencement of a new office development in Greenlane.

The Trust recorded an after tax profit of \$51.8 million for the year ended 31 March 2007. The result represents a 47.7% increase on the previous year’s profit of \$35.1 million and is before revaluations which added a further \$65.9 million to the value of the portfolio, bringing total net profit after tax to \$117.8 million.

Weighted earnings before tax, on a normalised basis, are 10.22 cents per unit, up from 9.93 cents per unit the previous year.

Other highlights include:

- Strategic property acquisitions of \$190.0 million and disposals of \$82.0 million
- Increased development capability with development land now 7.6% of total assets
- Increase in total assets from \$927.4 million to \$1.2 billion
- Increase in NTA from \$1.13 to \$1.26 cents per unit
- 34.5% increase in unit price, from \$1.19 cents per unit to \$1.60 cents per unit
- Increase in market capitalisation from \$623.0 million to \$1.0 billion
- Recognition as one of New Zealand’s leading stocks with entry into the NZX15 Index

Jim McLay, Chairman of MGP's manager Macquarie Goodman (NZ) Limited (“MGNZ”) said, “Under the management of MGNZ, the last 12 months has seen the Trust grow its business and deliver an impressive operating performance, consistent with expectations. With a total return of 40.9% the Trust has delivered an outstanding investment performance.”

Unitholders will receive a fourth quarter distribution of 2.55 cents per unit, comprising 2.50 cents per unit in cash and 0.05 cents per unit in imputation credits. As a result of the transition into the PIE regime Unitholders will also receive a one off imputation credit of 0.70 cents per unit. This additional imputation credit increases the gross distribution for the quarter to 3.25 cents per unit and the annual gross distribution to 10.90 cents per unit.

On a normalised basis the annual gross distribution is 10.20 cents per unit.

The record date for the distribution is 1 June 2007 with payment to be made on 15 June 2007. The distribution reinvestment plan (“DRP”) continues to operate with a 2% discount with election into, or withdrawal from, the plan required by 5:00pm on the record date.

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Portfolio Overview

With 26 assets and over 768,100 sqm of net lettable area, MGP is the largest industrial and business space provider in New Zealand.

In the past financial year:

- over 125,600 sqm of rentable area with net rental income in excess of \$16.5 million per annum was leased or renewed;
- 82.6% of space leased was secured by new customers, including Pernod Ricard New Zealand at 4 Viaduct Harbour Avenue, Restaurant Brands at Central Park Corporate Centre and Supercheap Auto at Westney Industry Park;
- 21,185 sqm of development pre-commitments were secured at Savill Link and Westney Industry Park;
- Development completions totaled 83,638 sqm in new purpose-built office and industrial facilities;
- 85% of customers whose leases were expiring renewed their leases, including Simpl, Fonterra and NZL Transport; and
- 39 rent reviews totaling \$1.7 million, with a weighted average annual increase of 2.8%, were completed.

The portfolio now has 190 customers with a weighted average lease expiry of 5.7 years and an occupancy rate of 98%.

Subsequent leasing success at Millennium Centre Phase 2 has reduced the vacancy in this asset to minimal levels just 14 months after it was acquired on a partially leased basis with a two year vendor underwrite.

Acquisitions & Disposals

Strategic acquisitions totaling \$190.0 million have enhanced the portfolio increasing the asset and geographic diversity, improving the weighted average lease expiry profile and also extending the Trust's development capability.

Notable acquisitions included:

- Investment properties - The APN News and Media facility in Auckland, Gateside Industry Park in Penrose, 120 Pavilion Drive in Airport Oaks and Southpark Industrial Estate in Christchurch for a total \$74.5 million
- Development assets - 179 James Fletcher Drive in Otahuhu, part of M20 Business Park in Wiri and Glassworks Industry Park in Hornby, Christchurch for \$75.2 million
- MGQ's interest in certain commenced developments totalling \$36.1 million at Highbrook Business Park, Savill Link Industrial Estate and Westney Industry Park

Further refinements have been achieved with the disposal of less growth orientated assets including the IBM Centre, Auckland and HSBC Centre, Albany for a total of \$48.9 million. The partial sale and associated lease restructure of the Fletcher Head Office for \$28.8 million was perhaps the most notable of all the sales, significantly improving the weighted average lease expiry of the portfolio and mitigating the uncertainty around the lease expiry at this asset in 2009.

Developments

The Trust has continued to progress its development pipeline with additional commitments totaling 21,185 sqm secured at the Savill Link and Westney Industry Park industrial estates during the year. New facilities were contracted and delivered for Toll Logistics, Daniel Silva, Supply Chain Solutions and Apollo Motorhome Holidays, with new premises for Gluck IDS scheduled for completion in June 2007.

With a proven risk-managed approach to development these estates are now 40% and 46% committed respectively.

Building on this success, MGP is pleased to announce further progress in its development programme with the construction of an 8,700sqm office tower at Central Park Corporate Centre, Greenlane. The project, which is scheduled to complete in November 2008, has a total cost of \$31.6 million and is expected to provide an initial yield on cost in excess of 8% once fully leased. It is the first of two office towers that can be built under existing zoning regulations and will be undertaken on an uncommitted basis to meet current demand.

Property fundamentals in the Greenlane office precinct are particularly strong with a vacancy level of just 4.1%, continued occupier demand and limited new supply. MGP's existing office assets in this location have similar low vacancy levels and offer leasing evidence to support targeted rental rates of \$265 sqm. Interest has already been received from a number of parties including both new and existing customers.

MGNZ Chief Executive Officer, John Dakin said, "Success in our development programme has been an important contributor to the results of the Trust and today's announcement of a major office development is another step in the growth of the business."

The development land at Central Park is jointly owned by MGP and its co-ownership partner Macquarie Goodman Group. MGP will purchase this interest at the current market valuation and undertake the development on a sole ownership basis.

Performance Fee

With a performance based component to its fee structure, MGNZ's remuneration is closely aligned with Unitholder returns. Following the strong performance of the Trust over the last six months and resulting returns to Unitholders, MGNZ has been rewarded with the payment of a performance fee as part of its remuneration as Manager.

This level of out-performance against the specified benchmark means that MGNZ is entitled to a performance fee of \$1.88 million. The fee calculation has been verified by the Trust's auditors and the fee has been accounted for in MGP's results for the year to 31 March 2007. As the fee is used to subscribe for Units the fee has not been deducted in the calculation of the distribution.

Capital Management

To fund its acquisition and development programmes MGP has successfully raised \$114.7 million in new capital through an institutional placement in November and the operation of the distribution reinvestment plan over the year.

As an ongoing source of capital the DRP provides a timely and flexible source of acquisition and development funding. As part of its 2008 capital plan MGP intends to have the DRP, in respect of the March distribution (to be paid in June), underwritten.

Name Change

In August 2006, Macquarie Bank sold its stake in MGP's cornerstone investor and manager, the ASX listed Macquarie Goodman Group ("MGQ"). The change in security holding will result in a name change for both MGQ and MGP.

The new name and brand will be introduced to MGP Unitholders with the 2007 Annual Report, to be mailed on the 29 June 2007.

Future Outlook

A clear strategy and a proven business model have contributed to a strong portfolio performance and an impressive operating result in 2007. With an increased development capability this same strategy will ensure the Trust is well positioned to take advantage of a changing property and investment environment over the coming years.

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Attachments provided to NZX:

1. Appendix 7
2. Results Summary
3. Financial Results
4. Auditors Report