

Mariner American Property Income Trust Announces \$18.1m Profit

22 August 2007

- Net profit of A\$18.1 million, EPU of 12.22 cents, DPU of 9.32 cents
- Total assets up 31% to A\$426 (US\$304) million across 6 properties in 5 US states
- Total portfolio NLA up 41% to 119,968 sqm (1,291,328 sqf)
- Leasing activity - over 6,511 sqm (70,080 sqf) of portfolio space including an 11 year extension of major tenant Integrity Payment Systems at 1700 Higgins Centre, near Chicago, Illinois
- Portfolio occupancy now 99% with WALE of 8.6 years

The Mariner Securities Limited managed Mariner American Property Income Trust (ASX:MRA) announces a net profit of A\$18.1 million for its first full financial year. This represents EPU of 12.22 cents and a DPU of 9.32 cents, 100% tax deferred.

'We are pleased to report a solid profit result for the year following the addition of two new properties, and leasing activity during the year,' says John Foulsham, Executive Director of Mariner Property Partnerships. 'The fund provides stable and growing income from long-term leases with over 80% of rental receipts sourced from investment grade tenants.'

MRA's investment grade tenants include FedEx; Intel; EMC Corporation (parent of RSA Security); America Standard Companies; Great-West Life; and Johnson & Johnson.

Gross assets grew by 31% to A\$426 million, up from A\$326 million in 2006, invested across 6 properties in 5 US states. The property portfolio has WALE of 8.6 years. MRA is invested solely in quality US commercial, industrial/logistics and retail property assets. The Trust has no investments in financial instruments other than those associated with hedging the cashflows of the portfolio.

With adjustment for foreign currency movements NTA at 30 June 2007 was \$0.90 per unit. Based on 2007 DPU of 9.32 cents, yield on the NTA at 30 June was 10.4% pa. Net tangible asset backing per ordinary security was impacted during the year by the strengthening of the Australian dollar against the US dollar. This did not affect income as MRA fully hedges the income streams of the fund.

MRA's portfolio has total NLA of 119,968 sqm (1,291,328 sqf), an increase of 41% on the previous year following the acquisition of One Centennial Plaza in New Jersey and Higgins in Illinois. Post acquisition of these properties total gearing fell 24% to 40.9%.

'This year we completed a number of leasing deals including securing Integrity Payment Systems as an anchor tenant in 1700 Higgins Centre, Illinois for another 11 years,' says Foulsham. 'We have also been enhancing the portfolio through securing other new leases, and in the case of the FedEx terminal in New York State, extending the facility at the request of the tenant.'

Integrity Payment Systems occupy 1,119sqm at 1700 Higgins Centre where a new tenancy has also been signed over an additional 687sqm.

MRA's FedEx logistics terminal in Montgomery, New York State was expanded by 66% (4,195sqm) in October 2006 and is being extended with a further 370sqm of truck maintenance facilities that will enhance the rental yield generated by this asset.

'As part of our ongoing asset strategy we are actively seeking to add value through expansion and enhancement opportunities such as the extension of the FedEx terminal,' says Foulsham. 'Opportunities to respond to tenant requests and enhance buildings in terms of value and rentable area add upside to MRA's investment in these assets, and help secure tenants for the long term.'

The State of New Hampshire Liquor Commission has also signed a lease to place one of its State controlled liquor and wine outlets in MRA's Derry Meadows Shopping Centre in New Hampshire. The new liquor outlet brings the 17,373sqm centre to 97.8% occupancy and adds significant destination pull. The property includes an additional 28,328sqm of land zoned for further development.

'We continue to seek US property investment opportunities with solid long-term cash flow and strong tenants offering investment grade ratings and/or sector dominance,' says Foulsham.

To date MRA has acquired 6 buildings in diversified locations in the US that offer steady, tax-deferred income with long-term capital growth, including: One Centennial Plaza in Middlesex, New Jersey (22,014sqm office); 1700 Higgins Centre in Des Plaines, Illinois (12,674sqm office); Derry Meadows Shopping Centre in Derry, New Hampshire (17,376sqm retail); the Intel Campus, Parsippany, New Jersey (26,825sqm office); the EMC/RSA Security Campus, Bedford, Massachusetts (30,494sqm office); and the FedEx Freight Terminal, Montgomery, New York State (10,523sqm logistics).

The loans used to finance the purchase of the assets in the MRA portfolio have a minimum term of 2.5 years and a maximum term of 9.5 years. All interest rates for these loans are fixed on average for 4.5 years across the portfolio.

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Mariner Financial

Mariner Financial Limited (ASX: MFI) was founded in 2003 to pioneer new investment opportunities for the Australian market. Mariner now manages over \$1.2 billion in assets. Mariner provides unique investments for the new and evolving financial needs of Australians seeking to build and preserve their wealth.

Mariner American Income Property Trust

Established in 2005, Mariner American Income Property Trust (ASX:MRA) is an Australian-owned listed property trust. The Responsible Entity for the Trust is Mariner Securities Limited a fully owned subsidiary of Mariner Financial Limited.