



Mariner America Property Income Trust Agrees To Buy A\$27.7M US Office Building

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- NLA of 11,238 sqm (120,963 sqf)
- 95% leased to quality, long term tenants
- Funds acquisition from a combination of bank debt and existing cash resources
- On completion, MRA portfolio will comprise 7 properties valued at over A\$389 million (US\$327) million in 5 US states with portfolio NLA of 131,143 sqm (1,411,613 sqf)
- Mariner Boston office - US staff of 5 property experts

Mariner Securities Limited announces that Mariner American Property Income Trust (ASX: MRA) has entered into a definitive agreement to acquire a A\$27.7million (US\$23.3 million) office property in Deerfield Illinois, in the greater Chicago region. The acquisition is being funded through senior bank debt (property LVR of 65%) and the current cash resources of the Trust.

'We are pleased to announce the acquisition of the Pfingsten office property,' says Bill Ireland, Executive Chairman of Mariner. '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 to further extend our presence in America.'

'We have seen increasing opportunities in the United States as a result of the recent market events,' adds Ireland.

The Pfingsten property is a Class-A multi-tenanted office building located at 111 South Pfingsten Road, Deerfield, Illinois. It was built in 1986 and has 4 levels with NLA of 11,238 sqm (120,963 sqf) over 6.16 acres of land with parking for 392 cars.

The property is 95% leased with a weighted average lease expiry of 7.5 years. Major tenants include: Citigroup Global Markets, Inc (to 2015); Frost, Rittenberg and Rothblatt (to 2017); and Comcast (to 2009).

'As part of our ongoing asset strategy we are actively seeking to add value through expansion and enhancement opportunities across the portfolio,' says Ireland. 'There is scope for value uplift through renegotiated leases that are coming up for renewal in a market that is showing strong rental growth.'

Solid demand in the Lake Cook Corridor where the property is located (a submarket of the greater Chicago region), barriers to new construction, and limited availability of office space are creating strong upward pressure in rental rates.

'We are able to source and manage US property investments because we have an experienced local team headquartered in Boston,' says Ireland. 'Investing in the US market is demanding but with a local staff we can carefully select assets and manage them closely to maximise returns for the fund.'

Mariner's US team comprises 5 staff managed by Jeff Miller and Jim Patterson, both Directors, with the support of Mark Luz (Senior Asset Manager), Scott Brusa (Senior Analyst), and Chris Hutchinson (Executive Assistant).

On completion of the acquisition of the Pfingsten property, MRA will have acquired 7 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); the FedEx Freight Terminal, Montgomery, New York State (10,523sqm logistics); and Pfingsten in Deerfield, Illinois (11,238sqm office).

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. 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's business model focuses on originating, structuring and distributing investment products in markets and sectors that demonstrate significant opportunity. To achieve this Mariner has developed: a global footprint through which it sources assets; a structuring division with funds management and investment banking expertise to add value to these assets and transform them into investment products for the local market; and a significant distribution reach through advisory intermediaries, and direct distribution. Mariner operates from offices throughout Australia, the United States and Europe with a joint venture in Asia. Mariner Financial is based in Sydney with international headquarters in London and Boston. www.marinerfunds.com.au

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.