MACARTHURCOOK INDUSTRIAL reit

1QFY2009 Financial Results Presentation

12 August 2008

Disclaimer

This Presentation is focused on comparing actual results for the financial period from 1 April 2008 to 30 June 2008 ("1Q 2009") versus actual results year-on-year ("y-o-y") and quarter-on-quarter ("q-o-q"). This shall be read in conjunction with MI-REIT's Results for the first quarter from 1 April 2008 to 30 June 2008 in the SGXNet Announcement.

The presentation 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, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), 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. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

Agenda

1. Key Highlights
2. Financial Performance
3. Capital Management
4. Portfolio Update
5. Outlook
6. Looking Ahead

Key Highlights

- **Distributions:**
  - **1Q 2009** distributable income of S$6.6 million, up 67.8% y-o-y from 1Q 2008[1], 14.1% q-o-q
  - **1Q 2009** DPU of 2.35 cents, up 54.6% y-o-y; 5.9% q-o-q
- **Net asset value** as at 30 June 2008: S$1.30 per unit
- **Property portfolio**: 21 properties valued at S$553.6 million
- **Portfolio is 100% leased** as at 30 June 2008
- **Gearing**: 39.6% as at 30 June 2008

Footnotes:
(1) 1Q 2008 was for the 73 days from MI-REIT's listing date of 19 April 2007 to 30 June 2007.

Distribution Details

Stock Counter	Distribution Period	Distribution per unit (Cents)
MacCookIReit	1 April 2008 to 30 June 2008	2.35

Distribution Timetable

Ex-Date: **18 August 2008, 9.00am**
(Units will be traded ex-distribution)

Books Closure Date: **20 August 2008, 5.00pm**

Distribution Payment Date: **22 September 2008**

Financial Performance

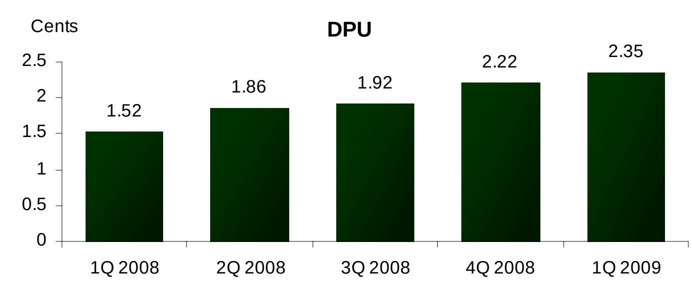
DPU – 1Q 2009 is 54.6% higher than 1Q 2008

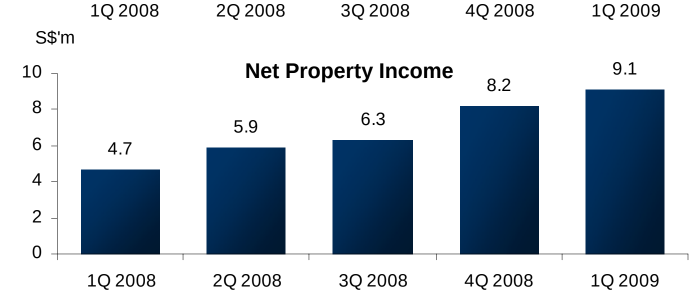
(S$'000)	1Q 2009 Actual 1/04/08 to 30/06/08	1Q 2008 Actual 19/04/07 to 30/06/07	Variance %	4Q 2008 Actual 1/1/08 to 31/3/08	Variance %
Gross Rental Revenue	12,424	5,612	>100.0	10,852	+14.5
Less: Property Expenses	(3,303)	(908)	>100.0	(2,643)	+25.0
Net Property Income	**9,121**	**4,704**	**+93.9**	**8,209**	**+11.1**
Interest Income	144	7	>100.0	21	>100.0
Non-Property Expenses	246	(1,500)	NM	(4,435)	>100.0
Net Income	**9,511**	**3,211**	**>100.0**	**3,795**	**>100.0**
Net change in fair value of investment properties[1]	(616)	(6,382)	NM	(1,634)	NM
Total Return / (loss) before income tax	**8,895**	**(3,171)**	**>100.0**	**2,161**	**>100.0**
Income tax expense	-	-	-	-	-
Income Available for Distribution[2]	**6,620**	**3,946**	**+67.8**	**5,801**	**+14.1**
Available DPU (Cents)[3]	2.35	1.52	+54.6	2.22	+5.9

Footnotes:
1. During the period, the net change in fair value of investment properties resulted from the difference between the total acquisition cost and the valuations of the properties.
2. After excluding the change in fair value of investment properties and other non-tax chargeable/deductible items.
3. The actual of DPU of 2.35 cents is calculated based on 261,189,182 units.

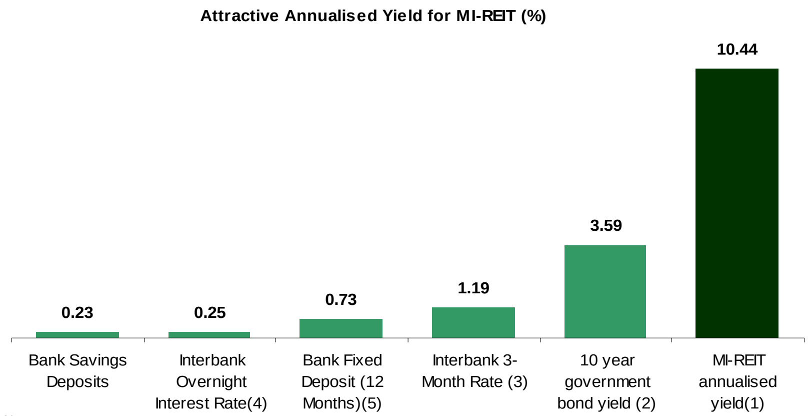
Steady Quarter to Quarter Growth since IPO

- Growth was largely due to contributions from properties acquired during the last two quarters





High Yield



Notes:

1) The yield is based on MI-REIT's closing price of S$0.90 on 30 June 2008 and the assumption that the Manager will maintain the 1Q 2009 DPU of 2.35 cents per quarter for all four quarters of FY2009. The actual distribution for FY2009 may vary from the assumption.
2) 10 Year government bond yield as at June 2008. Source: MAS Website
3) Interbank 3 month rate as at June 2008. Source: MAS Website
4) Interbank overnight interest rate as at June 2008. Source: MAS website
5) Bank fixed deposit rate (12 months) as at June 2008. Source: MAS website

Capital Management

Balance Sheet and NAV

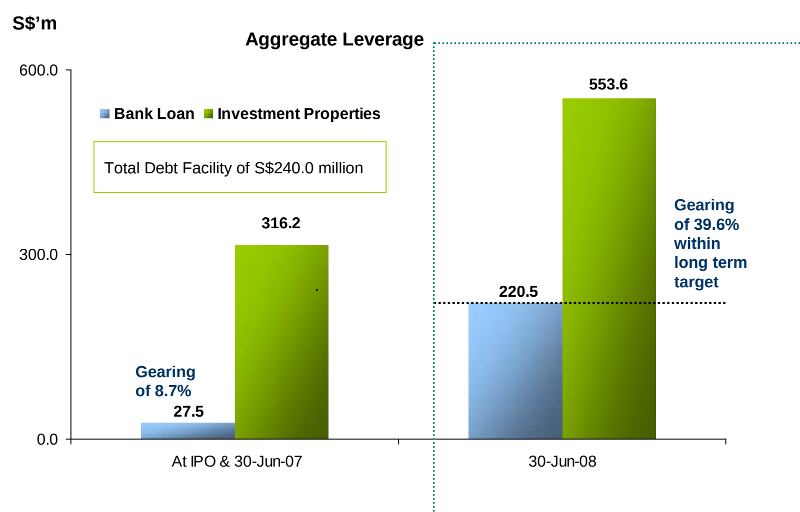
Balance Sheet	As at 30 Jun '08	As at 31 March '08
Total Assets (S$'M)	570.0	569.3
Largely Comprising (S$'M):		
- Investment Properties	553.6	555.4
- Cash and Cash Equivalents	9.0	9.6
- Trade and other receivables	3.5	3.1
Total Liabilities (S$'M)	230.0	231.7
Net Assets attributable to Unitholders (S$'M)	340.1	337.6
NAV per unit	**S$1.30**	**S$1.29**
Gearing	39.6%	40.0%
Total Debt[1] (S$'M)	219.6	222.0

Interest	1Q 2009 (1/4/08 – 30/6/08)	4Q 2008 (19/4/07 – 30/6/07)
Interest Expense (S$'000)	1,142	1,381
Interest Coverage Ratio[3]	6.66 times	

Footnotes:
1. Interest-bearing borrowings before adjustment for unamortized borrowing costs.
2. Interest expense is computed net of interest income/expenses received/paid from derivative financial instruments.
3. Ratio of EBITDA over interest expense for period up to balance sheet date.

Debt and Gearing Profile

Gearing of 39.6% as at 30 June 2008
Comfortable with 40-45% leverage in the long run



Capital Management

- **Singapore debt facility of S$220.8m**
  - Tenor: To 18 April 2009 (In discussion over re-financing options)
  - Drawdown of $201.3 million as at 31 March 2008
  - Entered into 3 year interest rate swap on S$100m
    - Fixed interest rate at 2.455% (inclusive of bank's margin)
    - Tenor: From 11 Feb 2008 – 10 Feb 2011
  - Interest rate cap on S$120.2 million
    - Capped at 4.05% (inclusive of bank's margin)
    - Tenor: 7 May 2007 – 31 March 2009

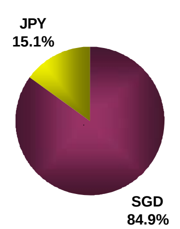
- **Japan debt facility of JPY1.5 billion (SGD: 19.2 million)**
  - Tenor: From 20 December 2007 – 18 December 2009
  - Drawdown of JPY 1.5 billion as at 31 March 2008
  - Fixed interest rate at 1.97% (inclusive of bank's margin)

Minimizing Foreign Exchange Risk

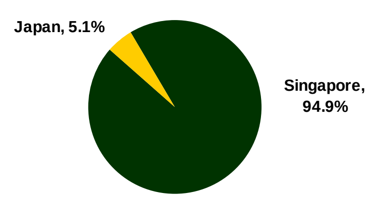
- In December 2007, MI-REIT acquired the Asahi Ohmiya warehouse in Saitama, Greater Tokyo, partially (67%) through borrowings in Japanese Yen, achieving a natural foreign exchange hedge;
- Entered into a cross currency swap for JPY730m for 5 years at a contracted exchange rate of JPY74.97 to minimize the foreign exchange risk of 100% of the ungeared component of the Japan property investment; and
- Entered into a coupon only cross currency swap to minimise the foreign exchange risk on 94% of forecast distributions from the Japan property.

As at 30 June 2008

Borrowings by Currency
(Total Borrowings: S$220.5 million)



Japan Property as % of total portfolio
(Total portfolio size[1]: S$553.6 million)



Note: Total portfolio size before adjustments for effects of straight-lining and rental support.

PORTFOLIO UPDATE

MI-REIT's portfolio as at 30 June 2008

Property / Address	Appraised Value (S$'m)
8 & 10 Pandan Crescent	137.9
31 Admiralty Road	14.8
10 Changi South Lane	35.4
23 Changi South Avenue 2	23.6
103 Defu Lane 10	14.5
61 Yishun Industrial Park A	24.6
11 Changi South Street 3	20.8
7 Clementi Loop	18.3
Asahi Ohmiya Warehouse	28.6
1 Bukit Batok Street 22	23.0
20 Gul Way	46.0
3 Tuas Avenue 2	23.0
8 & 10 Tuas Avenue 20	13.0
8 Senoko South Road	12.7
10 Soon Lee Road	9.8
1 Kallang Way	14.0
135 Joo Seng Road	25.4
26 Tuas Avenue 7	9.9
541 Yishun Industrial Park A	16.8
2 Ang Mo Kio Street 65	15.5
15 Tai Seng Drive	28.9
Subtotal	**556.5**
Adjustment for the effect of straight-lining of rental income	**(1.7)**
Adjustment for the effect of rental support of S$1.2 m	**(1.2)**
Total	**553.6**

Subsector: Warehouse and Logistics
Total: S$318.5 m
Percentage: 57.2%

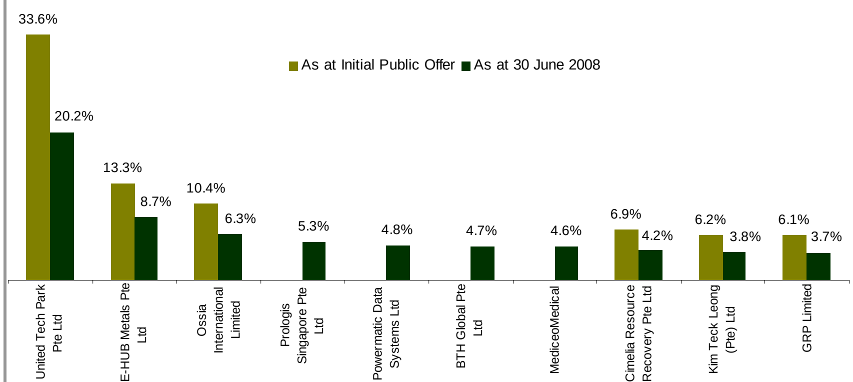
Subsector: Manufacturing
Total: S$193.6 m
Percentage: 34.8%

Subsector: Research and Technology
Total: S$44.4 m
Percentage: 8.0%

Greater diversification by rental income[1]

- MI-REIT's tenant diversification has improved, with no single tenant contributing more than 20.2% of rental income as at 30 June 2008. This compares to 33.6% at listing.
- Top 10 tenants accounted for 66.3% of the total portfolio income as at 30 June 2008, compared to 94.2% as at the initial public offer.

Top 10 Tenants by Rental Income

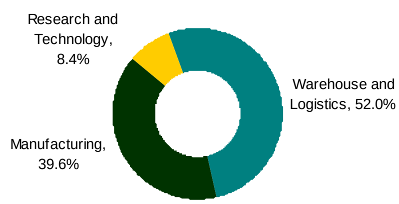


1) Rental income is the contractual rent receivable under the lease arrangement, with or to be entered into, with the tenants (after rent rebates and provisions for rent-free periods). There are no rent rebates and rent-free periods.

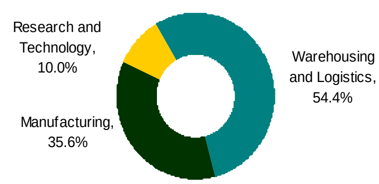
Portfolio Diversity and Strength

Diversification by Property Usage
100% Leased as at 30 June 2008

Property Usage by Net Lettable Area
(As at 31 March 2008)

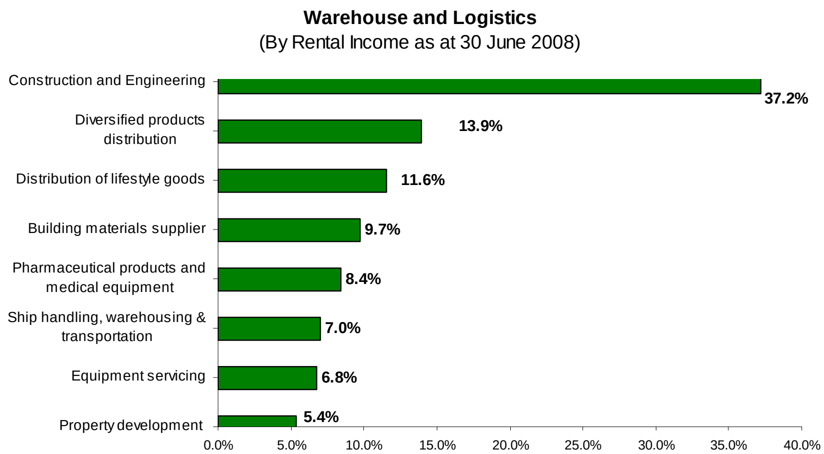


Property Usage by Rental Income
(As at 30 June 2008)



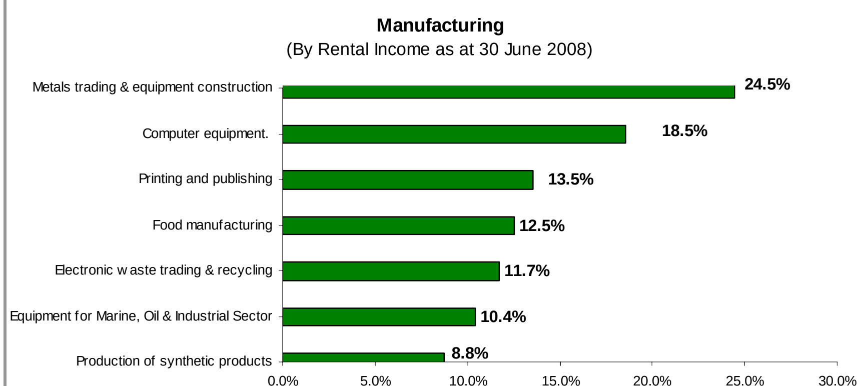
Portfolio Diversity and Strength

Diverse Tenant Industry Mix: Warehouse and Logistics
By Rental Income as at 30 June 2008



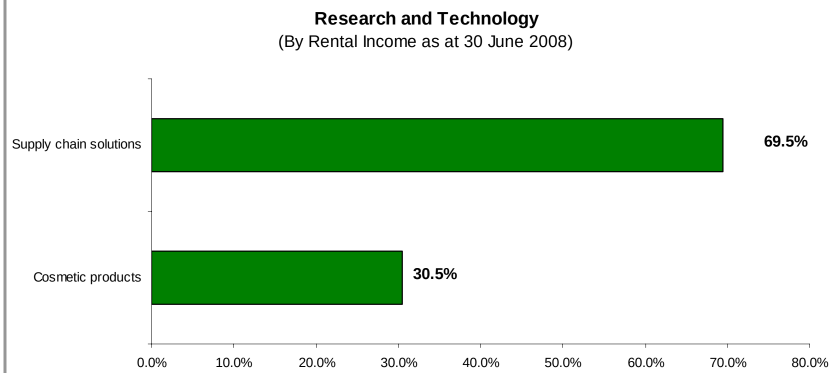
Portfolio Diversity and Strength

Diverse Tenant Industry Mix: Manufacturing
By Rental Income as at 30 June 2008



Portfolio Diversity and Strength

Diverse Tenant Industry Mix
By Rental Income as at 30 June 2008



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Presence in Singapore

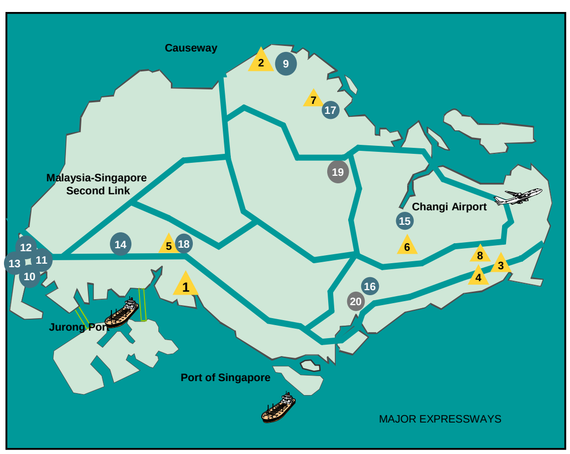
Logistics and Warehousing
1. 8 & 10 Pandan Crescent
2. 31 Admiralty Road
3. 23 Changi South Avenue 2
4. 10 Changi South Lane
5. 7 Clementi Loop
6. 103 Defu Lane 10
7. 61 Yishun Industrial Park A
8. 11 Changi South Street 3

Manufacturing

9. 8 Senoko South Road
10. 20 Gul Way
11. 3 Tuas Avenue 2
12. 26 Tuas Avenue 7
13. 8 & 10 Tuas Avenue 20
14. 10 Soon Lee Road
15. 135 Joo Seng Road
16. 1 Kallang Way 2A
17. 541 Yishun Industrial Park A
18. 1 Bukit Batok Street 22

Research and Technology

19. 2 Ang Mo Kio Street 65
20. 15 Tai Seng Drive



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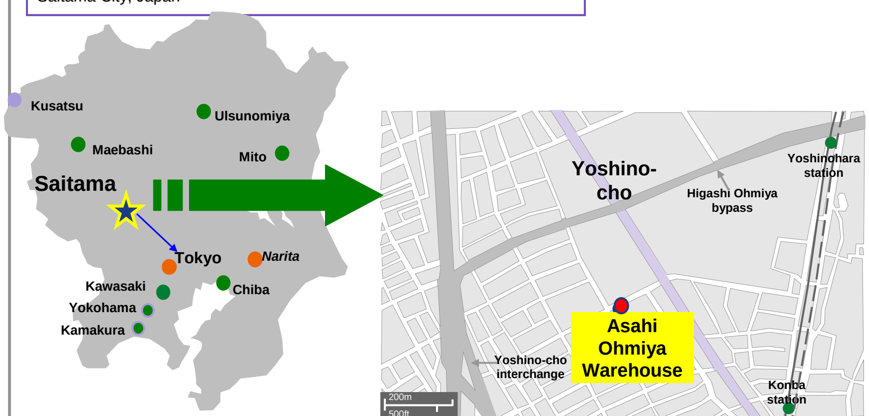
And in Japan

Asahi Ohmiya Warehouse
Address: 1-398-3, 11, 13 Yoshinocho, Kita-Ku,
Saitama City, Japan



750 m away to Konba Station of Saitama Shintoshikoutuu New Shuttle Line

Approximately 35 km northwest of central Tokyo

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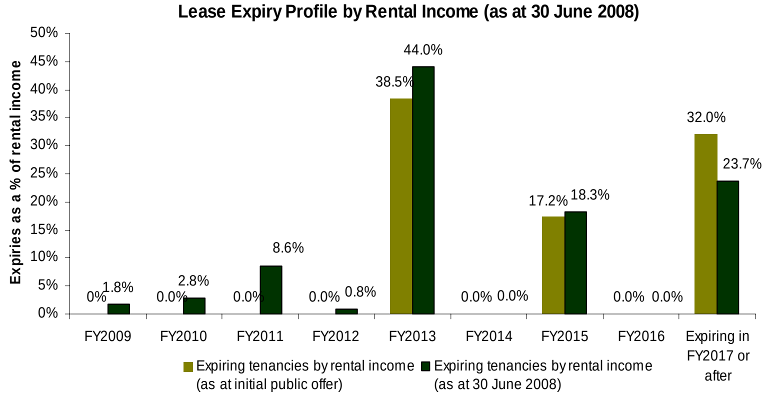
Balanced lease expiry profile

- Income Stability from Long Average Lease Duration
  - 86.0% of the tenancies expire after 4 years

Lease Expiry Profile by Rental Income (as at 30 June 2008)



	Initial Portfolio of 12 Properties (As at IPO)	Portfolio of 21 Properties (As at 30 June 2008)
Weighted average lease term to expiry	6.7 years	6.0 years

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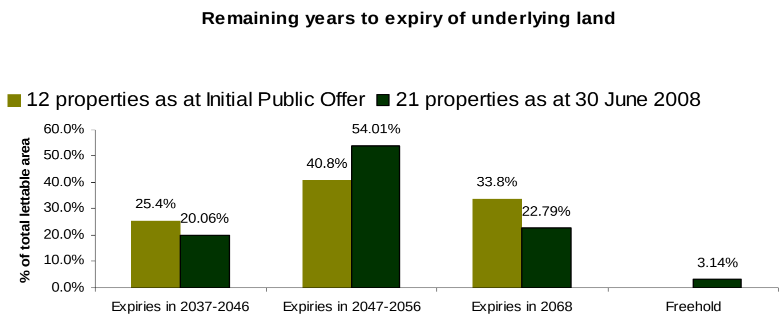
Long leasehold for underlying land



	Initial Portfolio of 12 Properties (As at IPO)	Portfolio of 21 Properties (As at 30 June 2008)
Weighted average of unexpired lease term of underlying land	47.8 years	43.1 years

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High Yield and Stable distributions to unitholders

High yield	▪ Yield of 10.44% based on MI-REIT's closing price of S$0.90 per unit on 30 June 2008 and the assumption that the Manager will maintain the1Q 2009 DPU of 2.35 cents per quarter for all four quarters of FY2009. The actual distribution for FY2009 may vary from this assumption.
Secure and growing income stream	▪ Secure income stream from strong and diversified tenant profile – 64.1% of portfolio rental income from publicly listed tenants (or subsidiaries of publicly listed companies)[1] for the month ended 30 June 2008.
Long average lease duration	▪ Long average lease duration of 6.0 years as at 30 June 2008.
Limited interest rate risk	▪ Appropriate hedging policy to minimise interest rate exposure through an interest rate cap and other hedging instruments.
Distribution policy	▪ Distribution policy is to distribute at least 90% of taxable income.

[1] United Tech Park Pte Ltd, Ossia International Ltd, GRP Limited, E-HUB Metals Pte Ltd, Cimelia Resource Recovery Pte Ltd, KTL Global Limited, Builders Shop Pte Ltd, Xpress Print (Pte)Ltd, Powermatic Data Systems Limited, Mediceo Medical

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Organic Growth – Positive Rental Reversion

Built-in Rental Growth

- 85.76% of the portfolio (represented by 18 properties) by property value are under sale and leaseback arrangements, providing a stable and growing income stream by staggered, built-in rental escalations.

- 17 of these properties have contracted rental escalations that range between 2.5% to 8.0% staggered throughout the lease, whilst one has an escalation of 1.5% per annum. The following pre-determined rental income escalations for FY2009 took place (commenced 1 April 2008):
  - ✓ 23 Changi South Avenue 2 – 2.5% rental increase; and
  - ✓ 1 Bukit Batok Street 22 - 1.5% rental increase.

- The weighted average rental escalation of the tenancies for the four years from 30 June 2008 is 3.4% per annum.

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Active Asset Management

- We are confident of securing strong rental reversions from our short term tenancies at 15 Tai Seng Drive.
- Maintain maximum committed occupancy for our portfolio (currently fully leased);
- Optimizing yield by extracting greater value from the existing portfolio:
  - Identified properties that have potential for value enhancement; and
  - Identified properties that have built-up plot ratios which are lower than the maximum allowable plot ratio of up to 2.5% under Singapore's Urban Redevelopment Authority's Master Plan.

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Our Investment Approach

Our three pronged investment strategy is aimed at achieving our investment objectives:

Strategy	Investment Objectives
Prudent capital and risk management strategy	▪ Maintain a strong balance sheet and a sustainable long term gearing level ▪ Minimise the cost of debt financing ▪ Manage exposure to interest rate and foreign exchange risk
Active asset management strategy	▪ To increase the competitive positioning of the Trust's assets to improve returns
Acquisition growth strategy	▪ Seek the acquisition of strategic yield accretive assets that enhance the Trust's earnings and profile

Outlook

Outlook for Industrial Property Market in Singapore

- General outlook is cautious whilst the global credit crisis continues to unfold.
- GDP growth of 4.0-5.0%[1] is expected for Singapore in 2008.
- 2nd quarter GDP growth eased to 2.1% y-o-y[1]:
  - The manufacturing sector contracted by 5.2% in the 2nd quarter of 2008, largely attributed to a slowdown of output from the biomedical manufacturing sector.
  - However, the construction and financial services industries grew by 17.4% and 10.2%, respectively.
- According to the URA, the rates of increase in prices for all properties and in rentals for industrial properties have moderated in the 1st quarter 2008, compared to 4th quarter 2007:
- The demand for industrial space in 2008 is expected to sustain despite current global uncertainties[2]:
  - Rents of conventional factories and warehouse space potentially seeing a further increase of up to 10%;
  - The hi-specs industrial segment is expected to benefit from an increasing number of industrialists moving up the value chain to include R&D activities in addition to their additional manufacturing operations;
  - Continued positive demand by office users relocating to more affordable industrial premises.

Notes:
1) Ministry of Trade and Industry, Singapore, "MTI Expects 2008 Growth to be 4.0 – 5.0%", 11 August 2008
2) Colliers International, "The Knowledge Report - Singapore", July 2008

Outlook

- Amount available for distribution for 1Q 2009 of S$6.6 million is 33.4% higher than forecast.
- Limited acquisition opportunities until markets normalise.
- Continue to focus on pro-active asset management approach.
- Look to put in place extension of debt to maximise term of low margin financing whilst minimising refinancing risk.
- Barring any unforeseen events, we expect to be able to deliver for the coming year a DPU that is in line with MI-REIT's recent performance.

Thank You

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