



**MACARTHURCOOK INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT
ANNOUNCEMENT
SECOND QUARTER ENDED 30 SEPTEMBER 2008**

About MacarthurCook Industrial REIT ("MI-REIT")

MI-REIT is a real estate investment trust originally constituted as a private trust on 5 December 2006 under the Trust Deed between MacarthurCook Investment Managers (Asia) Limited as the Manager of MI-REIT and MacarthurCook Property Investment Pte. Ltd., as trustee of the private trust. HSBC Institutional Trust Services (Singapore) Limited replaced MacarthurCook Property Investment Pte. Ltd. as trustee of MI-REIT on 8 March 2007, as amended by a Supplemental Deed of Appointment and Retirement of Trustee and an amending and restating deed (both dated 8 March 2007).

MI-REIT listed on the main board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 19 April 2007 (the "Listing Date"). Upon listing, MI-REIT's initial portfolio consisted of 12 industrial properties across Singapore with a total book value of S\$316.5 million. This had since grown to a portfolio of 20 properties in Singapore and one property in Japan, with total carrying amount of S\$556.3 million.

MI-REIT's investment policy is to invest primarily in industrial real estate assets in Singapore and across wider Asia, specifically in markets such as Japan, Hong Kong, Malaysia, Korea and China. The Manager's key objectives are to enhance and maximize Unitholders' return by active management and accretive acquisitions, as well as to provide long-term capital growth.

MacarthurCook Limited owns 92.5% of the Manager, with the remaining 7.5% owned by United Engineers Development Pte Ltd, a wholly owned subsidiary of United Engineers Limited.

About MacarthurCook Limited

MacarthurCook Limited ("MCK") is an Australian Securities Exchange listed specialist manager of direct property, real estate securities and mortgage assets. MCK currently manages approximately A\$1.5 billion in assets. MCK is a quality endorsed company having achieved accreditation to the ISO 9001:2000 international standard in the areas of Client Services, Mortgage Administration, Direct Property and Real Estate Securities.

Unless otherwise stated, all capitalized terms used in this announcement shall have the same meaning as in the Prospectus.

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1(a)(i) Consolidated Statements of Total Return

	Note	Group 2Q 2009 S\$'000	Group 2Q 2008 S\$'000	+/(-) %	Group 1H 2009 S\$'000	Group 1H 2008 S\$'000	+/(-) %
Gross revenue		12,390	7,342	68.8	24,814	12,954	91.6
Property operating expenses		(3,084)	(1,432)	>100	(6,387)	(2,340)	>100
Net property income		9,306	5,910	57.5	18,427	10,614	73.6
Interest income		72	-	NM	216	7	>100
Other income		63	-	NM	63	-	NM
Manager's management fees	(a)	(717)	(437)	64.1	(1,429)	(753)	89.8
Borrowing costs		(1,492)	(497)	>100	(3,104)	(859)	>100
Amortisation of intangible asset	(b)	(150)	-	NM	(300)	-	NM
Other trust expenses		(40)	(241)	(83.4)	(527)	(587)	(10.2)
Non-property expenses		(2,399)	(1,175)	>100	(5,360)	(2,199)	>100
Net Income		7,042	4,735	48.7	13,346	8,422	58.5
Net change in fair value of financial derivatives	(c)	(2,492)	(94)	>100	706	(570)	>(100)
Net foreign exchange gain/(loss)		(32)	-	NM	(23)	-	NM
Net change in fair value of investment properties	(d)	1,006	37,800	(97.3)	390	31,418	(98.8)
Total return before income tax		5,524	42,441	(87.0)	14,419	39,270	(63.3)
Income tax expense		-	-	-	-	-	-
Total return after income tax		5,524	42,441	(87.0)	14,419	39,270	(63.3)
Minority interest		(2)	-	NM	(5)	-	NM
Total return after income tax and minority interest, before distribution		5,522	42,441	(87.0)	14,414	39,270	(63.3)

NM – not meaningful

Notes:

- (a) The payment of the Manager's management fees is in the form of 85% cash and 15% units with effect from 1 July 2008. Prior to that, it was 70% in cash and 30% in units.
- (b) Please refer to note (b) of item 1 (b)(i) for details of the intangible asset. The Trust's accounting policy is to amortise the intangible asset on a straight-line basis over 2 years.
- (c) Net change in fair value of financial derivatives relates to net change on re-measurement of the financial derivative contracts referred to in note (c) of item 1 (b)(i).
- (d) Eleven of the properties were revalued by the external valuers and the remaining ten properties by the Directors of MacarthurCook Investment Managers (Asia) in 2Q 2009, giving rise to a total gain of S\$1.3 million. In 2Q 2008, six of the properties were revalued by external valuers and another six by the Directors of MacarthurCook Investment Managers (Asia) Limited, giving rise to a total gain of S\$37.8 million. The gain was partially offset by the write off of acquisition costs and the adjustment for the effect of straight-lining of rental income.

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1(a)(ii) Distribution Statements

		Group	Group	+ / (-)	Group	Group	+ / (-)
	Note	2Q 2009	2Q 2008	%	1H 2009	1H 2008	%
		S\$'000	S\$'000		S\$'000	S\$'000	
Total return after income tax and minority interest		5,522	42,441	(87.0)	14,414	39,270	(63.3)
Net effect of non-tax (chargeable)/deductible items	(a)	1,643	(37,593)	>(100)	(436)	(30,476)	(98.6)
Other adjustments	(b)	(169)	-	NM	(362)	-	NM
Amount available for distribution to the Unitholders		6,996	4,848	44.3	13,616	8,794	54.8
Distribution to Unitholders	(c)	6,138	4,848	26.6	12,276	8,794	39.6

NM – not meaningful

Notes:

(a) Net effect of non-tax (chargeable)/deductible items

		Group	Group	+ / (-)	Group	Group	+ / (-)
	Note	2Q 2009	2Q 2008	%	1H 2009	1H 2008	%
		S\$'000	S\$'000		S\$'000	S\$'000	
Amortisation of borrowing costs		288	185	55.7	575	331	73.7
Equity fund raising expenses		(262)	-	NM	(251)	-	NM
Manager's management fees (paid in units)		107	129	(17.1)	321	224	43.3
Net change in fair value of financial derivatives		2,492	94	>100	(706)	570	>(100)
Temporary differences and other tax adjustments	(d)	435	105	>100	836	368	>100
		3,060	513	>100	775	1,493	(48.1)
Straight-lining of rental income		(411)	(306)	34.3	(821)	(551)	49.0
Net change in fair value of investment properties		(1,006)	(37,800)	(97.3)	(390)	(31,418)	(98.8)
		(1,417)	(38,106)	(96.3)	(1,211)	(31,969)	(96.2)
Net effect of non-tax (chargeable)/deductible items		1,643	(37,593)	>(100)	(436)	(30,476)	(98.6)

NM – not meaningful

(b) Other adjustments for 2009 relate mainly to the undistributed profit of subsidiaries.

(c) MI-REIT's current distribution policy is to distribute at least 90% of the Trust's taxable income for the full financial year. For 2Q 2009, the Directors of the Manager have resolved to distribute S\$6.138 million or 87.74% (1H 2009: 90.16%) of the amount available for distribution to the Unitholders and retain S\$0.858 million (1H 2009: S\$1.34 million).

(d) MI-REIT is in the process of seeking clarification with the Inland Revenue Authority of Singapore ("IRAS") with regards to the deductibility of certain borrowing costs incurred for the year ended 31 March 2008. Subject to agreement with the IRAS, MI-REIT may be able to claim a tax deduction of approximately S\$623,000 in the financial year ending 31 March 2009, which will reduce taxable income by the corresponding amount.

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1(b)(i) Balance Sheets as at 30 Sept 2008 vs 31 Mar 2008

		Group	Group		Trust	Trust	
	Note	30 Sept 2008	31 Mar 2008	+/(-)	30 Sept 2008	31 Mar 2008	+/(-)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets							
Investment properties		556,342	555,411	0.2	526,176	524,622	0.3
Subsidiaries	(a)	-	-	-	11,510	11,748	(2.0)
Intangible asset	(b)	700	1,000	(30.0)	700	1,000	(30.0)
		<u>557,042</u>	<u>556,411</u>	<u>0.1</u>	<u>538,386</u>	<u>537,370</u>	<u>0.2</u>
Current assets							
Derivative financial instruments	(c)	577	174	>100	577	174	>100
Trade and other receivables		2,915	3,140	(7.2)	2,912	3,116	(6.5)
Cash and cash equivalents		7,744	9,607	(19.4)	6,101	7,760	(21.4)
		<u>11,236</u>	<u>12,921</u>	<u>(13.0)</u>	<u>9,590</u>	<u>11,050</u>	<u>(13.2)</u>
Total assets		<u>568,278</u>	<u>569,332</u>	<u>(0.2)</u>	<u>547,976</u>	<u>548,420</u>	<u>(0.1)</u>
Current liabilities							
Interest-bearing borrowings	(d)	200,649	-	NM	200,649	-	NM
Derivative financial instruments	(c)	166	350	(52.6)	166	350	(52.6)
Trade and other payables		4,430	8,313	(46.7)	4,542	7,769	(41.5)
		<u>205,245</u>	<u>8,663</u>	<u>>100</u>	<u>205,357</u>	<u>8,119</u>	<u>>100</u>
Non-current liabilities							
Rental deposits		2,556	2,366	8.0	2,103	1,904	10.5
Interest-bearing borrowings	(d)	20,040	220,499	(90.9)	-	200,145	(100.0)
Minority interest		160	180	(11.1)	-	-	-
		<u>22,756</u>	<u>223,045</u>	<u>(89.8)</u>	<u>2,103</u>	<u>202,049</u>	<u>(99.0)</u>
Total liabilities (excluding Net Assets Attributable to Unitholders)		<u>228,001</u>	<u>231,708</u>	<u>(1.6)</u>	<u>207,460</u>	<u>210,168</u>	<u>(1.3)</u>
Net Assets Attributable to Unitholders		<u>340,277</u>	<u>337,624</u>	<u>0.8</u>	<u>340,516</u>	<u>338,252</u>	<u>0.7</u>

NM – not meaningful

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Notes:

- (a) This relates to the investment in Japan Industrial Property Pte Ltd, a company incorporated in Singapore. The company in turn has a 98.7% interest in a property in Japan - Ohmiya Warehouse, through Goudou Kaisha Bayside, a company incorporated in Japan.
- (b) The intangible asset relates to rental support provided by the vendor of an investment property at 15 Tai Seng Drive. The amount is amortised on a straight-line basis over 2 years.
- (c) The derivative financial instruments relate mainly to the fair values of the following:
 - (i) An interest rate cap derivative on a notional amount of S\$120.2 million to cap the Singapore dollar swap offer rate to 3.5% per annum for the period from 7 May 2007 to 31 March 2009;
 - (ii) A 5-year cross currency swap of ¥730.0 million to manage the foreign currency risk of the Trust's investment in Japan;
 - (iii) A 5-year coupon-only cross currency swap to minimise the foreign exchange exposure of the forecast distributions from the Trust's investment in Japan;
 - (iv) A 3-year interest rate swap on a notional amount of S\$100 million where the Trust pays fixed interest rate of 1.905% per annum and receives floating interest rates; and
 - (v) A foreign exchange forward contract on the consumption tax receivable from the Trust's Investment in Japan. This contract matured on 30 September 2008 with the amount received by the Trust on the same date.
- (d) Please refer to details in item 1(b)(ii).

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1(b)(ii) Aggregate amount of borrowings

	Group 30 Sept 2008 S\$'000	Group 31 Mar 2008 S\$'000	Trust 30 Sept 2008 S\$'000	Trust 31 Mar 2008 S\$'000
Amount repayable within one year	201,250	-	201,250	-
Less: Unamortised portion of transaction fees in relation to the secured borrowings	(601)	-	(601)	-
	200,649	-	200,649	-
Amount repayable after one year	20,291	221,960	-	201,250
Less: Unamortised portion of transaction fees in relation to the secured borrowings	(251)	(1,461)	-	(1,105)
	20,040	220,499	-	200,145
	220,689	220,499	200,649	200,145

Details of collateral

- (a) As a security for a term loan facility of the Trust, the Trust has granted in favour of the lenders the following:
- Mortgage over the investment properties of the Trust in Singapore; and
 - Assignment of rights, title and interest in leases, insurances and rental proceeds of the related mortgaged investment properties.
- (b) The term loan facility of a subsidiary was secured by the following:
- Mortgage over the property in Japan; and
 - Assignment of rights and interest in the insurances of the related mortgaged investment property.

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1(c) Consolidated cash flow statement

	Group 2Q 2009 S\$'000	Group 2Q 2008 S\$'000	Group 1H 2009 S\$'000	Group 1H 2008 S\$'000
Operating activities				
Total return before income tax	5,524	42,441	14,419	39,270
Adjustments for:				
Interest income	(72)	-	(216)	(7)
Net change in fair value of financial derivatives	2,492	94	(706)	570
Borrowing costs	1,492	497	3,104	859
Straight lining of rental income	(411)	(306)	(821)	(551)
Amortisation of intangible asset	150	-	300	-
Manager's management fee paid/payable in units	107	129	321	224
Net change in fair value of investment properties	(1,006)	(37,800)	(390)	(31,418)
Operating income before working capital changes	8,276	5,055	16,011	8,947
Changes in working capital				
Rental deposits	29	-	214	-
Trade and other receivables	1,034	(299)	1,045	(423)
Trade and other payables	(2,710)	(115)	(2,812)	1,357
Cash generated from operating activities	6,629	4,641	14,458	9,881
Investing activities				
Purchase of investment properties (including acquisition costs)	(489)	(53)	(968)	(322,314)
Capital expenditure on investment properties	-	-	(840)	-
Interest received	72	7	216	7
Cash flows from investing activities	(417)	(46)	(1,592)	(322,307)
Financing activities				
Borrowing costs paid	(1,195)	(311)	(2,441)	(2,468)
Distribution to Unitholders	(6,138)	(3,958)	(11,927)	(3,958)
Proceeds from issue of new units	-	-	-	312,516
Proceeds from borrowings	-	-	-	27,500
Issue expenses paid	(278)	(463)	(292)	(14,365)
Minority interest	(16)	-	(19)	-
Cash flows from financing activities	(7,627)	(4,732)	(14,679)	319,225
Net (decrease)/ increase in cash and cash equivalents	(1,415)	(137)	(1,813)	6,799
Cash and cash equivalents at beginning of the period	9,038	6,936	9,607	-
Effect of exchange rate fluctuation	121	-	(50)	-
Cash and cash equivalents at end of the period	7,744	6,799	7,744	6,799

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1(d)(i) Net Assets Attributable to Unitholders (2Q 2009 vs 2Q 2008)

	Note	Group 2Q 2009 S\$'000	Group 2Q 2008 S\$'000	Trust 2Q 2009 S\$'000	Trust 2Q 2008 S\$'000
<u>Operations</u>					
Balance at beginning of the period		42,262	(3,171)	42,317	(3,171)
Total return after income tax and minority interest		5,522	42,441	5,988	42,441
Distribution to Unitholders		(6,138)	(3,958)	(6,138)	(3,958)
Balance at end of the period		41,646	35,312	42,167	35,312
<u>Unitholders' transactions</u>					
Balance at beginning of the period		298,146	297,766	298,146	297,766
Units issued and to be issued:					
- Management fees paid/payable in units (base fee)	(a)	107	129	107	129
Issue expenses		96	29	96	29
Increase in net assets resulting from Unitholders' transactions		203	158	203	158
Balance at end of the period		298,349	297,924	298,349	297,924
<u>Foreign currency translation reserve</u>					
Balance at the beginning of the period		(338)	-	-	-
Translation differences relating to financial statements of a foreign subsidiary and quasi-equity loan		620	-	-	-
Balance at end of the period		282	-	-	-
Net assets at end of the period		340,277	333,236	340,516	333,236

- (a) These are units issued and to be issued to the Manager as payment for 15% (2Q 2008: 30%) of the management fees.

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1(d)(i) Net Assets Attributable to Unitholders (1H 2009 vs 1H 2008)

	Note	Group 1H 2009 S\$'000	Group 1H 2008 S\$'000	Trust 1H 2009 S\$'000	Trust 1H 2008 S\$'000
<u>Operations</u>					
Balance at beginning of the period		39,159	-	40,320	-
Total return after income tax and minority interest		14,414	39,270	13,774	39,270
Distribution to Unitholders		(11,927)	(3,958)	(11,927)	(3,958)
Balance at end of the period		41,646	35,312	42,167	35,312
<u>Unitholders' transactions</u>					
Balance at beginning of the period		297,932	-	297,932	-
Units issued pursuant to initial public offering		-	312,516	-	312,516
Units issued and to be issued:					
- Management fees paid/payable in units (base fee)	(a)	321	224	321	224
Issue expenses	(b)	96	(14,816)	96	(14,816)
Increase in net assets resulting from Unitholders' transactions		417	297,924	417	297,924
Balance at end of the period		298,349	297,924	298,349	297,924
<u>Foreign currency translation reserve</u>					
Balance at the beginning of the period		533	-	-	-
Translation differences relating to financial statements of a foreign subsidiary and quasi-equity loan		(251)	-	-	-
Balance at end of the period		282	-	-	-
Net assets at end of the period		340,277	333,236	340,516	333,236

Note:

- (a) These are units issued and to be issued to the Manager as payment for 15% (1Q 2009 and 1H 2008: 30%) of the management fees.
- (b) Issue expenses comprise professional and other fees, underwriting and selling commissions and miscellaneous issue costs.

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1(d)(ii) Details of any change in the units

	Trust 2Q 2009 Units	Trust 2Q 2008 Units	Trust 1H 2009 Units	Trust 1H 2008 Units
Units in issue at beginning of the period	260,753,751	260,430,000	260,753,751	-
<u>Issue of new units:</u>				
Units issued pursuant to initial public offering	-	-	-	260,430,000
Units issued as payment of management fees	435,531	74,932	435,531	74,932
Units in issue at end of the period	261,189,282	260,504,932	261,189,282	260,504,932
<u>Units to be issued:</u>				
Management fees payable in units	150,552	105,578	150,552	105,578
Total Units in issue and to be issued at end of the period	261,339,834	260,610,510	261,339,834	260,610,510

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied in the financial statements for the current financial period are consistent with those described in the audited financial statements for the period ended 31 March 2008.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

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6 Earnings per unit (“EPU”) and distribution per unit (“DPU”) for the period

The EPU is computed using total return after tax and minority interest over the weighted average number of units for the period. The diluted EPU is the same as the basic EPU as there were no dilutive instruments in issue during the period.

In computing the DPU, the number of units entitled to the distribution is used.

	Group 2Q 2009	Group 2Q 2008	Group 1H 2009	Group 1H 2008
Weighted average number of units ('000)	261,049	260,506	260,902	260,462
Earnings per unit (cents) - basic and diluted	<u>2.12</u>	<u>16.29</u>	<u>5.52</u>	<u>15.08</u>
Applicable number of units for calculation of DPU ('000)	261,189	260,505	261,189	260,505
Distribution to Unitholders (S\$'000)	6,138	4,848	12,276	8,794
Distribution per unit (cents)	<u>2.35</u>	<u>1.86</u>	<u>4.70</u>	<u>3.38</u>

As stated in note (c) of item 1(a)(ii), DPU for 2Q 2009 is based on 87.74% of the amount available for distribution to the Unitholders.

7 Net asset value per unit based on issued and issuable units at the end of the period

	Group 30 Sept 2008 S\$	Group 31 Mar 2008 S\$	Trust 30 Sept 2008 S\$	Trust 31 Mar 2008 S\$
Net asset value per Unit	<u>1.30</u>	<u>1.29</u>	<u>1.30</u>	<u>1.30</u>

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8 Review of the performance

	Group 2Q 2009 S\$'000	Group 2Q 2008 S\$'000	Group 1Q 2009 S\$'000	Group 1H 2009 S\$'000	Group 1H 2008 S\$'000
Gross revenue	12,390	7,342	12,424	24,814	12,954
Property operating expenses	(3,084)	(1,432)	(3,303)	(6,387)	(2,340)
Net property income	9,306	5,910	9,121	18,427	10,614
Interest income	72	-	144	216	7
Other income	63	-	-	63	-
Manager's management fees	(717)	(437)	(712)	(1,429)	(753)
Borrowing costs	(1,492)	(497)	(1,612)	(3,104)	(859)
Amortisation of intangible asset	(150)	-	(150)	(300)	-
Other trust expenses	(40)	(241)	(487)	(527)	(587)
Non-property expenses	(2,399)	(1,175)	(2,961)	(5,360)	(2,199)
Net Income	7,042	4,735	6,304	13,346	8,422
Amount available for distribution to the Unitholders	6,996	4,848	6,620	13,616	8,794

Review of performance for 2Q 2009 vs 2Q 2008

Net property income increased by 57.5% to S\$9.3 million on a 68.8% higher gross revenue of S\$12.4 million. The improvement was mainly due to contributions from the nine properties acquired during the past year.

During the quarter, the Trust received interest income from deposits placed with financial institutions and from the ¥730.0 million cross currency swap in relation to the Trust's investment in Japan. Other income for the quarter comprised mainly gain on disposal of certain assets.

The increase in Manager's management fees is in line with the higher value of deposited properties, which have grown from S\$361.8 million as at 30 September 2007 to S\$568.2 million as at end of 2Q 2009.

Borrowing costs increased by S\$1.0 million due to the drawdown of additional bank borrowings to fund the acquisitions.

During the quarter, costs in relation to the equity fund raising were finalised and the savings of S\$262,000 were written back. This savings was partly offset by higher valuation fees in line with higher number of properties in the portfolio and acquisition costs incurred on property purchases that the Trust did not proceed with due to market conditions.

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Review of performance for 2Q 2009 vs 1Q 2009

Interest income for 2Q 2009 was lower than the previous quarter mainly due to lower interest income from the ¥730.0 million cross currency swap in relation to the Trust's investment in Japan. Other income for the quarter comprised mainly gain on disposal of certain assets.

Other trust expenses was lower this quarter mainly because of the savings on equity fund raising expenses as well as lower acquisition cost incurred on property purchases that the Trust did not proceed with due to market conditions.

There are no material changes in other items.

Review of performance for 1H 2009 vs 1H 2008

MI-REIT commenced activities upon its listing on 19 April 2007 and thus the number of operating days in 1H 2008 was 165 days, compared with 183 days in 1H 2009. Apart from more operating days in 1H 2009, the higher gross revenue and net property income was mainly due to contributions from the additional nine properties acquired during the past year.

Interest income for 1H 2009 is S\$209,000 higher than 1H 2008 mainly due to interest income from the ¥730.0 million cross currency swap in relation to the Trust's investment in Japan. No such interest income is received in 1H 2008.

Other income for 1H 2009 comprised mainly gain on disposal of certain assets, no such gain in 1H 2008.

The increase in Manager's management fees is in line with the higher value of deposited properties, which have grown from S\$361.8 million as at 30 September 2007 to S\$568.2 million as at 30 September 2008.

Borrowing costs increased by S\$2.2 million due to the drawdown of additional bank borrowings to fund the acquisitions.

Other trust expenses was S\$60,000 lower in 1H 2009 mainly due to lower legal fees and the savings in equity fund raising expenses. These were partly offset by acquisition costs incurred on property purchases that the Trust did not proceed with and higher valuation fees which is in line with higher number of properties in the portfolio.

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9 Variance between Forecast/Prospectus Statement and the actual results
Consolidated Statement of Total Return & Distribution Statement

	Actual 2Q 2009 S\$'000	Forecast¹ 2Q 2009 S\$'000	+ / (-) %	Actual 1H 2009 S\$'000	Forecast¹ 1H 2009 S\$'000	+ / (-) %
Gross revenue	12,390	8,840	40.2	24,814	17,675	40.4
Property operating expenses	(3,084)	(2,571)	20.0	(6,387)	(5,136)	24.4
Net property income	9,306	6,269	48.4	18,427	12,539	47.0
Interest income	72	19	>100	216	37	>100
Other income	63	-	NM	63	-	NM
Manager's management fees	(717)	(418)	71.5	(1,429)	(836)	70.9
Borrowing costs	(1,492)	(675)	>100	(3,104)	(1,350)	>100
Amortisation of intangible asset	(150)	-	NM	(300)	-	NM
Other trust expenses	(40)	(281)	(85.8)	(527)	(518)	1.7
Non-property expenses	(2,399)	(1,374)	74.6	(5,360)	(2,704)	98.2
Net Income	7,042	4,914	43.3	13,346	9,872	35.2
Net change in fair value of financial derivatives	(2,492)	-	NM	706	-	NM
Net foreign exchange gain/(loss)	(32)	-	NM	(23)	-	NM
Net change in fair value of investment properties	1,006	-	NM	390	17	>100
Total return before income tax	5,524	4,914	12.4	14,419	9,889	45.8
Income tax expense	-	-	-	-	-	-
Total return after income tax	5,524	4,914	12.4	14,419	9,889	45.8
Minority interest	(2)	-	NM	(5)	-	NM
Total return after income tax and minority interest, before distribution	5,522	4,914	12.4	14,414	9,889	45.8
Net effect of non-tax (chargeable)/deductible items	1,643	5	>100	(436)	(8)	>100
Other adjustments	(169)	-	NM	(362)	-	NM
Amount available for distribution to the Unitholders	6,996	4,919	42.2	13,616	9,881	37.8

NM – not meaningful

¹ The forecast is based on forecast shown in the Prospectus dated 12 April 2007.

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Review of performance for 2Q 2009 actual vs forecast

Gross revenue and net property income were 40.2% and 48.4% above forecast due to contributions from the additional 9 properties acquired. The forecast as shown in the Prospectus dated 12 April 2007 was based on contributions from the initial 12 properties.

Included in interest income for 2Q 2009 is an amount of S\$63,000 from the ¥730.0 million cross currency swap in relation to the Trust's investment in Japan. No such interest income is included in the forecast.

The increase in Manager's management fees is in line with higher value of deposited properties with the addition of new properties not included in the forecast. Borrowing costs was S\$0.8 million above forecast mainly due to drawdown of additional bank borrowings to fund the acquisition of the new properties.

Other trust expenses for 2Q 2009 was S\$40,000, lower than forecast by S\$241,000. This is mainly due to savings in equity fund raising expenses of S\$262,000 and partly offset by acquisition costs incurred on property purchases that the Trust did not proceed with due to market conditions.

Overall, amount available for distribution has improved to S\$7.0 million for the quarter ended 30 September 2008, which exceeded the forecast by 42.2%.

Review of performance for 1H 2009 actual vs forecast

Gross revenue and net property income were 40.4% and 47.0% above forecast due to contributions from the additional 9 properties acquired. The forecast as shown in the Prospectus dated 12 April 2007 was based on contributions from the initial 12 properties.

Included in interest income for 1H 2009 is an amount of S\$192,000 from the ¥730.0 million cross currency swap in relation to the Trust's investment in Japan. No such interest income is included in the forecast.

The increase in Manager's management fees is in line with higher value of deposited properties with the addition of new properties not included in the forecast.

Borrowing costs was S\$1.8 million above forecast mainly due to drawdown of additional bank borrowings to fund the acquisition of the new properties.

Other trust expenses is higher than forecast by S\$9,000. This is mainly due to acquisition costs incurred on property purchases that the Trust did not proceed with and higher valuation fees which was partly offset by the savings in equity fund raising expenses.

Overall, amount available for distribution has improved to S\$13.6 million for the half year ended 30 September 2008, which exceeded the forecast by 37.8%.

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10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Advance GDP estimates for the third quarter of 2008 ("3Q2008") released by the Ministry of Trade and Industry ("MTI") on 10 October 2008 showed that gross domestic product ("GDP") in the third quarter of 2008 declined by 0.5% in real terms over the same period last year. On a seasonally adjusted annualized quarter-on-quarter basis, real GDP declined by 6.3%, following a 5.7% decline in the previous quarter. The manufacturing sector is estimated to contract 11.5%, largely due to negative growth in the pharmaceutical sector. The slowdown in the precision engineering and chemical clusters have also contributed to the contraction. However, the construction sector and the service sector continued to grow at 7.8% and 6.1%, respectively.

In August 2008, MTI revised the 2008 GDP forecast to around 3.0% from 4.0-5.0%, due to the slowdown in the global economy and key domestic sectors.

According to 2nd quarter statistics released by the Urban Redevelopment Authority ("URA") on 25 July 2008, industrial property prices and rental rates continued to rise in 2Q2008, by 4.1% and 2.32%, respectively. The factory space vacancy rate declined by 0.7% to 6.9% as at the end of 2Q2008.

Outlook

The Manager expects that the outlook will, to a large extent, be determined by the impact of a global recession on the economies of Asia and Singapore. To date, the values of MI-REIT's properties have remained firm, following the independent revaluation of thirteen properties by external valuers, which resulted in an aggregate increase of S\$1.5 million. However, the Manager expects that a global recession may affect property values going forward.

Notwithstanding the slowdown in the global economy, barring any unforeseen events or significant deterioration in the external economic environment, the Manager expects to be able to deliver a return that is in line with its recent performance for the balance of the current financial year.

The Manager is currently in negotiations in relation to a new facility to refinance the existing S\$220.8 million facility maturing in April 2009 and to provide funding for the settlement of Plot 4A, International Business Park in December 2009.

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11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	Second quarter 2009 distribution for the period from 1 July 2008 to 30 September 2008
Distribution Type:	Taxable income
Distribution Rate:	2.35 cents per unit
Par value of units:	Not applicable
Tax Rate:	These distributions are made out of MI-REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through a partnership or as trading assets). Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

(b) Corresponding period of the immediately preceding period

Any distributions declared for the previous corresponding financial period:	Yes
Name of distribution:	Second quarter 2008 distribution for the period from 1 July 2007 to 30 September 2007
Distribution Type:	Taxable income
Distribution Rate:	1.86 cents per unit
Par value of units:	Not applicable
Tax Rate:	These distributions are made out of MI-REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through a partnership or as trading assets). Unitholders should consult their own tax advisers concerning the tax consequences of their particular situation with regard to the distribution.

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(c) **Books closure date:** 17 November 2008

(d) **Date payable:** 19 December 2008

12 If no distribution has been declared (recommended), a statement to that effect

Not applicable

13 Confirmation by the board pursuant to rule 705(4) of the listing manual

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of MacarthurCook Investment Managers (Asia) Limited (as Manager of MacarthurCook Industrial REIT) which may render these interim financial results to be false or misleading in any material respect.

On behalf of the Board of Directors of
MacarthurCook Investment Managers (Asia) Limited
(as Manager of MacarthurCook Industrial REIT)

Richard Haddock
Director

Craig Dunstan
Director

This release 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, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, 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. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

By Order of the Board
MacarthurCook Investment Managers (Asia) Limited
(Company Registration No. 200615904N)
(as Manager of MacarthurCook Industrial REIT)

Richard Haddock
Director
7 November 2008