



**MACARTHURCOOK INDUSTRIAL REIT
UNAUDITED FINANCIAL STATEMENT
ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009**

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 has since grown to a portfolio of 20 properties in Singapore and 1 property in Japan, with total carrying value of S\$530.3 million as at 31 March 2009.

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 asset 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\$1.30 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

		Group 4Q 2009 S\$'000	Group 4Q 2008 S\$'000	+/(-) %	Group FY 2009 S\$'000	Group FY 2008 S\$'000	+/(-) %
Note							
Gross revenue		13,065	10,852	20.4	50,827	32,214	57.8
Property operating expenses		(3,793)	(2,835)	33.8	(13,971)	(7,390)	89.1
Net property income		9,272	8,017	15.7	36,856	24,824	48.5
Interest income		64	21	>100	350	31	>100
Other income		1	-	NM	64	-	NM
Manager's management fees	(a)	(1,775)	(671)	>100	(3,921)	(1,950)	>100
Borrowing costs		(1,392)	(1,381)	0.8	(6,020)	(2,952)	>100
Write off / amortisation of intangible asset	(b)	(550)	(150)	>100	(1,000)	(200)	>100
Other trust expenses	(c)	(20,334)	(1,886)	>100	(20,860)	(2,991)	>100
Non-property expenses		(24,051)	(4,088)	>100	(31,801)	(8,093)	>100
Net foreign exchange (loss) / gain		(1)	403	>(100)	(24)	(5)	>100
Net income		(14,715)	4,353	>(100)	5,445	16,757	(67.5)
Net change in fair value of financial derivatives	(d)	624	(558)	>(100)	(2,459)	(799)	>100
Net change in fair value of investment properties	(e)	(22,667)	(1,634)	>100	(29,988)	37,010	>(100)
Total return before income tax		(36,758)	2,161	>(100)	(27,002)	52,968	>(100)
Income tax expense		-	-	-	-	-	-
Total return after income tax		(36,758)	2,161	>(100)	(27,002)	52,968	>(100)
Minority interest		(2)	(5)	(60.0)	14	1	>100
Total return after income tax and minority interest, before distribution		(36,760)	2,156	>(100)	(26,988)	52,969	>(100)

NM – not meaningful

Notes:

- (a) This relates to the base and performance fees paid/payable to the Manager. With effect from 1 January 2009, the Manager has elected to receive 100% of the base fees in cash. Prior to that, it was between 70% - 85% in cash and the balance in units. 100% of the performance fees for financial year 2009 will be paid to the Manager in units.
- (b) Please refer to note (b) of item 1 (b)(i) for details of the intangible asset.
- (c) Included in Other trust expenses in 4Q 2009 is a S\$20 million provision for onerous contract. Please refer to note (e) of item 1(b)(i) for details.
- (d) Net change in fair value of financial derivatives is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders. Given the recent increase in Singapore Dollar interest rates and the strengthening of Singapore Dollar against Japanese Yen, there was a favourable change in fair value of financial derivatives in 4Q 2009.

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- (e) The net change in fair value of investment properties is a non-tax chargeable/deductible item and has no impact on the taxable income and distributable income to the Unitholders.

All the properties, with the exception of Ohmiya Warehouse, were revalued by Colliers International Consultancy & Valuation (S) Pte Ltd on 31 March 2009. For Ohmiya Warehouse, the fair value was updated internally by the Manager, after consideration of the independent valuation on 12 November 2008 and the prevailing market conditions.

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1(a)(ii) Distribution Statements

Distribution Statement

	Note	Group 4Q 2009 S\$'000	Group 4Q 2008 S\$'000	+ / (-) %	Group FY 2009 S\$'000	Group FY 2008 S\$'000	+ / (-) %
Total return after income tax and minority interest		(36,760)	2,156	>(100)	(26,988)	52,969	>(100)
Net effect of non-tax deductible / (chargeable) items	(a)	40,511	4,223	>100	51,204	(33,682)	>(100)
Other adjustments	(b)	(192)	(578)	(66.8)	(795)	324	>(100)
Amount available for distribution to the Unitholders		3,559	5,801	(38.6)	23,421	19,611	19.4
Release of distribution retained in 1Q – 3Q 2009		1,436	-	NM	-	-	-
Distribution to Unitholders	(c)	4,995	5,801	(13.9)	23,421	19,611	19.4

NM – not meaningful

Notes:

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

		Group 4Q 2009 S\$'000	Group 4Q 2008 S\$'000	+ / (-) %	Group FY 2009 \$'000	Group FY 2008 \$'000	+ / (-) %
Amortisation of borrowing costs		220	273	(19.4)	1,078	789	36.6
Equity fund raising expenses		-	1,631	>(100)	(251)	1,631	>(100)
Manager's management fees in units		1,087	201	>100	1,516	585	>100
Net change in fair value of financial derivatives		(624)	558	>(100)	2,459	799	>100
Provision for onerous contract	(d)	20,000	-	NM	20,000	-	NM
Straight-lining of rental income		(392)	(386)	1.6	(1,623)	(1,278)	27.0
Net change in fair value of investment properties		22,667	1,634	>100	29,988	(37,010)	>(100)
Industrial building allowance		(3,311)	-	NM	(3,311)	-	NM
Temporary differences and other tax adjustments		864	312	>100	1,348	802	>100
Net effect of non-tax deductible / (chargeable) items		40,511	4,223	>100	51,204	(33,682)	>(100)

NM – not meaningful

(b) Other adjustments relate mainly to the undistributed results of its subsidiaries.

(c) MI-REIT's distribution policy is to distribute at least 90% of the Trust's taxable income for the full financial year. For FY 2009, the Manager has resolved to distribute 100% of the taxable income available for distribution to the Unitholders. Distribution to Unitholders in 4Q 2009 include a release of S\$1.4 million retained in previous quarters of FY 2009.

(d) Please refer to note (e) of item 1(b)(i) for details.

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1(b)(i) Balance Sheets as at 31 Mar 2009 vs. 31 Mar 2008

		Group	Group		Trust	Trust	
	Note	31 Mar 2009	31 Mar 2008	+ / (-)	31 Mar 2009	31 Mar 2008	+ / (-)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-current assets							
Investment properties		530,341	555,411	(4.5)	497,947	524,622	(5.1)
Subsidiaries	(a)	-	-	-	10,657	11,748	(9.3)
Intangible asset	(b)	-	1,000	>(100)	-	1,000	>(100)
		<u>530,341</u>	<u>556,411</u>	<u>(4.7)</u>	<u>508,604</u>	<u>537,370</u>	<u>(5.4)</u>
Current assets							
Derivative financial instruments	(c)	-	174	>(100)	-	174	>(100)
Trade and other receivables		3,653	3,140	16.3	3,640	3,116	16.8
Cash and cash equivalents		9,967	9,607	3.7	8,039	7,760	3.6
		<u>13,620</u>	<u>12,921</u>	<u>5.4</u>	<u>11,679</u>	<u>11,050</u>	<u>5.7</u>
Total assets		<u>543,961</u>	<u>569,332</u>	(4.5)	<u>520,283</u>	<u>548,420</u>	(5.1)
Current liabilities							
Interest-bearing borrowings	(d)	223,813	-	NM	200,852	-	NM
Derivative financial instruments	(c)	2,635	350	>100	2,635	350	>100
Provision	(e)	20,000	-	NM	20,000	-	NM
Trade and other payables		5,897	8,313	(29.1)	5,847	7,769	(24.7)
		<u>252,345</u>	<u>8,663</u>	<u>>100</u>	<u>229,334</u>	<u>8,119</u>	<u>>100</u>
Non-current liabilities							
Rental deposits		2,385	2,366	0.8	1,869	1,904	(1.8)
Interest-bearing borrowings	(d)	-	220,499	>(100)	-	200,145	>(100)
Minority interest		157	180	(12.8)	-	-	-
		<u>2,542</u>	<u>223,045</u>	<u>(98.9)</u>	<u>1,869</u>	<u>202,049</u>	<u>(99.1)</u>
Total liabilities (excluding Net Assets Attributable to Unitholders)		<u>254,887</u>	<u>231,708</u>	10.0	<u>231,203</u>	<u>210,168</u>	10.0
Net Assets Attributable to Unitholders		<u>289,074</u>	<u>337,624</u>	(14.4)	<u>289,080</u>	<u>338,252</u>	(14.5)

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 subsidiary 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 as at 31 March 2009 relate to the fair values of the following contracts:
 - (i) A 5-year cross currency swap of ¥730.0 million to manage the foreign currency risk of the Trust's investment in Japan;
 - (ii) 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; and
 - (iii) 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.
- (d) Please refer to details in item 1(b)(ii).
- (e) The Trust entered into a Put and Call Agreement in August 2007 to acquire a property at Plot 4A International Business Park for \$91,000,000, upon the issuance of its temporary occupation permit. The building is under construction as at 31 March 2009 and the vendor has indicated that the building is expected to be completed around 4th quarter of 2009. Investment sentiments have since changed as a result of the global credit crunch and economic slowdown. Change in market conditions has meant that the fair value of the property is lower than the contracted amount. Consequently, a provision for onerous contract of S\$20 million has been recognised in the Statements of Total Return.

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1(b)(ii) Aggregate amount of borrowings

	Group 31 Mar 2009 S\$'000	Group 31 Mar 2008 S\$'000	Trust 31 Mar 2009 S\$'000	Trust 31 Mar 2008 S\$'000
Amount repayable within one year	224,389	-	201,250	-
Less: Unamortised portion of transaction fees in relation to the secured borrowings	(576)	-	(398)	-
	<u>223,813</u>	<u>-</u>	<u>200,852</u>	<u>-</u>
Amount repayable after one year	-	221,960	-	201,250
Less: Unamortised portion of transaction fees in relation to the secured borrowings	-	(1,461)	-	(1,105)
	<u>-</u>	<u>220,499</u>	<u>-</u>	<u>200,145</u>

Details of collateral

- (a) As security for the 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 4Q 2009 S\$'000	Group 4Q 2008 S\$'000	Group FY 2009 S\$'000	Group FY 2008 S\$'000
Operating activities				
Total return before income tax	(36,758)	2,161	(27,002)	52,968
Adjustments for:				
Interest income	(64)	-	(350)	-
Net change in fair value of financial derivatives	(624)	558	2,459	799
Borrowing costs	1,392	1,381	6,020	2,952
Straight lining of rental income	(392)	(386)	(1,623)	(1,278)
Amortisation of intangible asset	550	150	1,000	200
Manager's management fees in units	1,087	201	1,516	585
Provision for onerous contract	20,000	-	20,000	-
Net change in fair value of investment properties	22,667	1,634	29,988	(37,010)
Operating income before working capital changes	7,858	5,699	32,008	19,216
Changes in working capital				
Rental deposits	(34)	(126)	179	2,452
Trade and other receivables	74	580	1,110	(1,861)
Trade and other payables	1,101	3,311	(1,735)	6,221
Cash generated from operating activities	8,999	9,464	31,562	26,028
Investing activities				
Purchase of investment properties (including acquisition costs)	(10)	(98,045)	(1,001)	(516,491)
Capital expenditure on investment properties	(105)	-	(945)	-
Interest received	64	-	350	-
Cash flows from investing activities	(51)	(98,045)	(1,596)	(516,491)
Financing activities				
Borrowing costs paid	(1,524)	(1,428)	(5,128)	(4,418)
Distributions to Unitholders	(6,150)	(5,006)	(24,215)	(13,810)
Proceeds from issue of new units	-	-	-	312,516
Proceeds from borrowings	-	94,677	-	221,960
Issue expenses paid	-	(187)	(292)	(14,781)
Minority interest	(4)	13	(29)	180
Cash flows (used in) / from financing activities	(7,678)	88,069	(29,664)	501,647
Net increase/(decrease) in cash and cash equivalents	1,270	(512)	302	11,184
Cash and cash equivalents at beginning of the period	8,781	11,696	9,607	-
Effect of exchange rate fluctuation	(84)	(1,577)	58	(1,577)
Cash and cash equivalents at end of the period	9,967	9,607	9,967	9,607

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1(d)(i) Net Assets Attributable to Unitholders (4Q 2009 vs. 4Q 2008)

	Note	Group 4Q 2009 S\$'000	Group 4Q 2008 S\$'000	Trust 4Q 2009 S\$'000	Trust 4Q 2008 S\$'000
Balance at beginning of the period		331,142	340,138	333,230	341,509
<u>Operations</u>					
Total return after income tax and minority interest		(36,760)	2,156	(39,087)	1,949
Distributions to Unitholders		(6,150)	(5,006)	(6,150)	(5,006)
		(42,910)	(2,850)	(45,237)	(3,057)
<u>Unitholders' transactions</u>					
Units issued pursuant to initial public offering		-	-	-	-
Units issued and to be issued:					
- Manager's management fees in units	(a)	1,087	201	1,087	201
Issue expenses		-	(401)	-	(401)
Increase in net assets resulting from Unitholders' transactions		1,087	(200)	1,087	(200)
<u>Foreign currency translation reserve</u>					
Translation differences relating to financial statements of a foreign subsidiary and quasi-equity loan		(245)	536	-	-
Total (decrease) / increase in net assets attributable to Unitholders		(42,068)	(2,514)	(44,150)	(3,257)
Net assets at end of the period		289,074	337,624	289,080	338,252

Note:

- (a) These are units issued and to be issued to the Manager for payment of the base and performance fees. With effect from 1 January 2009, the Manager has elected to receive 100% of the base fees in cash. Prior to that, it was between 70% - 85% in cash and the balance in units. 100% of the performance fees for financial year 2009 will be paid to the Manager in units.

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

	Note	Group FY 2009 S\$'000	Group FY 2008 S\$'000	Trust FY 2009 S\$'000	Trust FY 2008 S\$'000
Balance at beginning of the period		337,624	-	338,252	-
<u>Operations</u>					
Total return after income tax and minority interest		(26,988)	52,969	(26,569)	54,130
Distributions to Unitholders		(24,215)	(13,810)	(24,215)	(13,810)
		(51,203)	39,159	(50,784)	40,320
<u>Unitholders' transactions</u>					
Units issued pursuant to initial public offering		-	312,516	-	312,516
Units issued and to be issued:					
- Manager's management fees in units	(a)	1,516	585	1,516	585
Issue expenses	(b)	96	(15,169)	96	(15,169)
Increase in net assets resulting from Unitholders' transactions		1,612	297,932	1,612	297,932
<u>Foreign currency translation reserve</u>					
Translation differences relating to financial statements of a foreign subsidiary and quasi-equity loan		1,041	533	-	-
Total (decrease)/increase in net assets attributable to Unitholders		(48,550)	337,624	(49,172)	338,252
Net assets at end of the period		289,074	337,624	289,080	338,252

Note:

- (a) These are units issued and to be issued to the Manager for payment of the base and performance fees. With effect from 1 January 2009, the Manager has elected to receive 100% of the base fees in cash. Prior to that, it was between 70% - 85% in cash and the balance in units. 100% of the performance fees for financial year 2009 will be payable to the Manager in units.
- (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 4Q 2009 Units	Trust 4Q 2008 Units	Trust FY 2009 Units	Trust FY 2008 Units
Units in issue at beginning of the period	261,189,282	260,504,932	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	526,563	248,819	962,094	323,751
Units in issue at end of the period	261,715,845	260,753,751	261,715,845	260,753,751
<u>Units to be issued</u>				
Manager's management fees	4,669,249	208,979	4,669,249	208,979
Total Units in issue and to be issued at end of the period	266,385,094	260,962,730	266,385,094	260,962,730

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 4Q 2009	Group 4Q 2008	Group FY 2009	Group FY 2008
Weighted average number of units ('000)	261,598	260,674	261,146	187,710
Earnings per unit (cents) - basic and diluted	<u>(14.05)</u>	<u>0.83</u>	<u>(10.33)</u>	<u>28.22</u>
Number of units in issue at end of period ('000)	261,716	260,754	261,716	260,754
Number of units to be issued to the Manager before the Books closure date ('000)	4,669	-	4,669	-
Applicable number of units for calculation of DPU ('000)	<u>266,385</u>	<u>260,754</u>	<u>266,385</u>	<u>260,754</u>
Distribution to Unitholders (S\$'000)	4,995	5,801	23,421	19,611
Distribution per unit (cents)	<u>1.875</u>	<u>2.220</u>	<u>8.925</u>	<u>7.520</u>

As stated in note (c) of item 1(a)(ii), the Manager has resolved to distribute 100% of the taxable income available for distribution for FY 2009 to the Unitholders.

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

	Group 31 Mar 2009 S\$	Group 31 Mar 2008 S\$	Trust 31 Mar 2009 S\$	Trust 31 Mar 2008 S\$
Net asset value per Unit	<u>1.09</u>	<u>1.29</u>	<u>1.09</u>	<u>1.30</u>

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8 Review of the performance

	Group 4Q 2009 S\$'000	Group 4Q 2008 S\$'000	Group 3Q 2009 S\$'000	Group FY 2009 S\$'000	Group FY 2008 S\$'000
Gross revenue	13,065	10,852	12,948	50,827	32,214
Property operating expenses	(3,793)	(2,835)	(3,637)	(13,971)	(7,390)
Net property income	9,272	8,017	9,311	36,856	24,824
Interest income	64	21	70	350	31
Other income	1	-	-	64	-
Manager's management fees	(1,775)	(671)	(717)	(3,921)	(1,950)
Borrowing costs	(1,392)	(1,381)	(1,524)	(6,020)	(2,952)
Write off / amortisation of intangible asset	(550)	(150)	(150)	(1,000)	(200)
Other trust expenses	(20,334)	(1,886)	(153)	(20,860)	(2,991)
Non-property expenses	(24,051)	(4,088)	(2,544)	(31,801)	(8,093)
Net foreign exchange (loss) / gain	(1)	403	-	(24)	(5)
Net Income	(14,715)	4,353	6,837	5,445	16,757
Amount available for distribution to the Unitholders	3,559	5,801	6,246	23,421	19,611

Review of performance for 4Q 2009 vs. 4Q 2008

Net property income increased by 15.7% to S\$9.3 million on a 20.4% higher gross revenue of S\$13.1 million. The improvement was mainly due to contributions from the nine properties acquired during the past year.

The increase in Manager's management fees is mainly due to a performance fee of S\$1.087 million payable to the Manager.

The amortization of intangible assets is higher in this quarter because the Trust accelerated the amortisation to fully write off the intangible asset in this financial year.

Other trust expenses are higher in 4Q 2009 mainly because of the provision for onerous contract, the details of which are disclosed in note (e) of item 1(b)(i). These were partly offset by equity fund raising expenses incurred in 4Q 2008.

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Review of performance for 4Q 2009 vs. 3Q 2009

The variances between 4Q 2009 and 3Q 2009 in Manager's management fees, amortization of intangible assets and other trust expenses are for the same reasons as explained under the section "Review of performance for 4Q 2009 vs. 4Q 2008".

The amount available for distribution is lower in this quarter largely because of a tax adjustment to claim for industrial building allowance.

There are no material changes in other items.

Review of performance for FY 2009 vs. FY 2008

MI-REIT commenced activities upon its listing on 19 April 2007 and thus there were more operating days in FY 2009. Apart from that, the higher gross revenue and net property income was mainly due to contributions from the nine new properties acquired during the past year.

Interest income for FY 2009 is S\$319,000 higher than FY 2008 mainly due to interest income from the ¥730 million cross currency swap in relation to the Trust's investment in Japan. No such interest income was received in FY 2008.

Other income for FY 2009 comprised mainly the gain on disposal of certain assets. There was no such gain in FY 2008.

The increase in Manager's management fees is due to higher value of deposited properties as well as the performance fee of S\$1.087 million payable to the Manager.

Borrowing costs increased by S\$3.1 million due to the drawdown of additional bank borrowings to fund the acquisitions of the new properties.

Other trust expenses are higher in FY 2009 mainly because of the provision for onerous contract, the details of which are disclosed in note (e) of item 1(b)(i). These were partly offset by higher legal fees and equity raising expenses incurred in FY 2008.

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

	Actual	Forecast¹		Actual	Forecast¹	
	4Q 2009	4Q 2009	+ / (-)	FY 2009	FY 2009	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	13,065	8,852	47.6	50,827	35,373	43.7
Property operating expenses	(3,793)	(2,582)	46.9	(13,971)	(10,294)	35.7
Net property income	9,272	6,270	47.9	36,856	25,079	47.0
Interest income	64	20	>100	350	76	>100
Other income	1	-	NM	64	-	NM
Manager's management fees	(1,775)	(418)	>100	(3,921)	(1,672)	>100
Borrowing costs	(1,392)	(675)	>100	(6,020)	(2,700)	>100
Write off / amortisation of intangible asset	(550)	-	NM	(1,000)	-	NM
Other trust expenses	(20,334)	(240)	>100	(20,860)	(997)	>100
Non-property expenses	(24,051)	(1,333)	>100	(31,801)	(5,369)	>100
Net foreign exchange loss	(1)	-	NM	(24)	-	NM
Net Income	(14,715)	4,957	>(100)	5,445	19,786	(72.5)
Net change in fair value of financial derivatives	624	-	NM	(2,459)	-	NM
Net change in fair value of investment properties	(22,667)	-	NM	(29,988)	17	>(100)
Total return before income tax	(36,758)	4,957	>(100)	(27,002)	19,803	>(100)
Income tax expense	-	-	-	-	-	-
Total return after income tax	(36,758)	4,957	>(100)	(27,002)	19,803	>(100)
Minority interest	(2)	-	NM	14	-	NM
Total return after income tax and minority interest, before distribution	(36,760)	4,957	>(100)	(26,988)	19,803	>(100)
Net effect of non-tax deductible (chargeable) items	40,511	4	>100	51,204	1	>100
Other adjustments	(192)	-	NM	(795)	-	NM
Amount available for distribution to the Unitholders	3,559	4,961	(28.3)	23,421	19,804	18.3

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 4Q 2009 actual vs. forecast

Gross revenue and net property income were 47.6% and 47.9% above forecast due to contributions from the 9 new properties acquired. The forecast as shown in the Prospectus dated 12 April 2007 was based on contributions from the initial 12 properties.

The increase in Manager's management fees is due to higher value of deposited properties as well as the performance fee of S\$1.087 million payable to the Manager.

Borrowing costs is S\$0.7 million above forecast mainly due to drawdown of additional bank borrowings to fund the acquisition of the new properties, offset by savings due to lower interest rates.

Other trust expenses are higher in 4Q 2009 mainly because of the provision for onerous contract, the details of which are disclosed in note (e) of item 1(b)(i).

The amount available for distribution is lower than forecast largely because of a tax adjustment to claim for industrial building allowance.

Review of performance for FY 2009 actual vs. forecast

Gross revenue and net property income were 43.7% and 47.0% above forecast due to contributions from the 9 new properties acquired. The forecast as shown in the Prospectus dated 12 April 2007 was based on contributions from the initial 12 properties.

Interest income for FY 2009 is higher mainly due to interest income from the ¥730 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 due to higher value of deposited properties as well as the performance fee of S\$1.087 million payable to the Manager.

Borrowing costs is S\$3.3 million above forecast mainly due to drawdown of additional bank borrowings to fund the acquisition of the new properties, offset by savings due to lower interest rates.

Other trust expenses are higher in FY 2009 mainly because of the provision for onerous contract, the details of which are disclosed in note (e) of item 1(b)(i).

Overall, the amount available for distribution has increased to S\$23.4 million for FY 2009, which exceeded the forecast by 18.3%.

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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

The Singapore Economy: The Year in Review¹

The Singapore economy grew by 1.1% for the year 2008 versus a 7.7% growth in 2007. However, in April 2009, advance estimates by Singapore's Ministry of Trade and Industry ("MTI") indicated that Singapore's gross domestic product ("GDP") in the first quarter of 2009 slowed by 11.5% in real terms since the same period last year. The advance estimates also forecast a GDP contraction of 6.0% to 9.0% in 2009².

With the exception of the construction sector which was estimated to have grown by 25.6% in the first quarter of 2009, all the other sectors were adversely affected. The manufacturing sector is estimated to have contracted by 29.0% in the first quarter of 2009 compared with a contraction of 10.7% in the last quarter of 2008. The service sector contracted by 5.9% in 1Q09 compared to a contraction of 1.3% in the previous quarter.

To alleviate the impact of the global recession, the Singapore Government unveiled an expansionary Budget in January 2009, which sought to address unemployment, assist businesses and enhance national competitiveness. The Government revealed its commitment to enhance business cashflow and competitiveness through several initiatives, which include a 40% property tax rebate for industrial and commercial properties and a 15% rental rebate for Jurong Town Corporation (JTC), Housing Development Board (HDB) and Singapore Land Authority (SLA) managed properties. These cost-saving initiatives are expected to provide immediate relief to the small and medium-enterprises (SMEs) who are tenants in these real estate facilities.

In addition, in January 2009, JTC announced a 15% rental rebate for its 7,700 tenants. Other positive measures include the lifting of the 50% cap on sub-letting JTC properties until 31 December 2011³.

Singapore Industrial Market: Review and Outlook

Industrial capital values and rents have experienced downward pressure. In the first quarter of 2009, prices and rentals of multiple-user factory space contracted by 9.9% and 6.1%, while that of multiple-user warehouse space fell by 12.0% and 3.6% respectively⁴. Average monthly rentals across all industrial subcategories continued to fall in the first quarter of 2009⁵:

- Average ground and upper floor factory monthly rents dropped to fourth quarter 2007 levels, falling by S\$0.10 psf q-o-q to S\$1.45 psf and S\$1.20 psf respectively.
- Average monthly rent for warehouse space decreased by S\$0.10 psf q-o-q to S\$1.40 psf for ground floor units and S\$1.10 psf for upper floor units.

¹ Ministry of Trade and Industry, DTZ Debenham Tie Leung (SEA) Pte Ltd

² "MTI Revises Forecasts for 2009 GDP Growth to -9.0 to -6.0%", 14 April 2009. The advance GDP estimates for first quarter 2009 are computed largely from the first two months of the quarter (i.e. January and February 2009). They are intended as an early indication of the GDP growth in the quarter, and are subject to revision when more comprehensive data becomes available.

³ CB Richard Ellis, MarketView Singapore, 1st quarter 2009

⁴ Urban Redevelopment Authority, Singapore – 1st quarter 2009 and 4th quarter 2008 real estate statistics

⁵ CB Richard Ellis, MarketView, Singapore 1st quarter 2009

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- Monthly rent for hi-tech space fell by 3.3% q-o-q to S\$2.90 psf during the first quarter. The decline in hi-tech space and business park space rentals can be attributed to the reduced demand as space alternatives to potential office space tenants who are now seeking to benefit from the sharp drop in Singapore's office space rents. The take-up of office space in Singapore had fallen nearly 323,000 sq ft in the fourth quarter of 2009 after falling 366,000 sq ft in the fourth quarter of 2008. Average gross monthly rentals of Grade A space in the central business district, which are already 22% lower than at the end of last year, are expected to continue to ease by up to 30% over the next three quarters of 2009. The weak demand in the office sector affected the business park sector, which saw vacancy rates increase from 6.2 per cent in Q4 2008 to 9.7 per cent in Q1 2009¹.

Factory vacancies increased to 7.0% in the first quarter of 2009, compared with 6.6% in the fourth quarter of 2008, while warehouse vacancies fell to 7.0% in the first quarter of 2009 from 7.2% in the fourth quarter of 2008.

With the continuation of the global economic recession, industrial capital values and rentals are expected to trend downward for the rest of 2009.

The Japanese Economy in Review

On 27 April 2009, the Japanese government revised its forecast for Japan's economy downwards by 3.3% in the year to next March. Forecasts for industrial output and exports were also sharply lowered, with industrial production estimated to fall 23.4% in the current fiscal year against a previous forecast of a 4.8% drop, and exports falling 27.6% compared with a 3.2% fall expected earlier. The overall consumer price index is expected to fall 1.3% in fiscal 2009².

The Japanese government unveiled its JPY15.4 trillion (US\$158.5 billion) stimulus package with the aim of raising economic activity by 1.9 percentage points³. A survey conducted by Japan's Mainichi newspaper showed that approximately 70 per cent of leading Japanese corporations expect economic recovery to take hold in the second half of the next financial year starting in April 2010⁴.

Japan Industrial Market: Review and Outlook⁵

Investment activity in the Japanese industrial sector had been affected significantly in 2008, due to the financial crisis and the expectation that capital values would fall further. Officially announced land prices in January 2009 showed declines across the board of 3.0% on a nationwide basis and 2.7% for Greater Tokyo. Land and capital values are forecast to ease by 3% to 5% and rents by 6% to 8% over the next twelve months.

Outlook

The global economy is expected to remain weak in the coming quarters. While there are tentative signs of some stabilisation in the housing, financial and manufacturing sectors in the United States, they do not yet point to a clear turnaround in economic activities.

¹ Business Times article, "Watch this vacant space", 25 April 2009.

² Reuters news agency: "Japan revises growth forecasts sharply lower", 27 April 2009

³ Reuters, "Japan revises growth forecasts sharply lower", 27 April 2009.

⁴ The Business Times, "Japan firms expect recovery by end 2010", 6 May 2009

⁵ Colliers International, Asia Pacific Industrial Market – Bi-annual Overview – May 2009

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Given that Singapore and Japan's predominantly export dependent economies are experiencing contraction as major trade partners in the developed countries are in recession, the Manager expects that the next twelve months will be challenging. Industrial tenants are not immune from the global downturn and MI-REIT's rental income may be affected if tenants' businesses are affected. However, the Manager is committed to its intense efforts to maintain its high tenant retention and occupancy levels.

As at 31 March 2009, MI-REIT had an aggregate leverage of 41.2%. The Manager has embarked on a rigorous examination of the optimal capital structure for MI-REIT. In addition to securing an extension of the Trust's existing debt facility to 31 December 2009, the Manager has embarked on a series of initiatives that seek to progressively reduce MI-REIT's leverage ratio to 30-35% over time by obtaining the optimal combination of debt and equity. These capital management initiatives are intended to strengthen MI-REIT's financial profile and to give it financial flexibility.

With a higher cost of borrowing, the income available for distribution in the coming year is likely to be lower. However, barring any further unforeseen events or continued and significant deterioration in the external economic environment, the Manager expects rental income to remain stable and consistent.

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11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	Fourth quarter 2009 distribution for the period from 1 January 2009 - 31 March 2009
Distribution Type:	Taxable income
Distribution Rate:	1.875 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:	Fourth quarter distribution for the period from 1 January 2008 to 31 March 2008
Distribution Type:	Taxable income
Distribution Rate:	2.22 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:** 3 June 2009

(d) **Date payable:** 29 June 2009

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

Not applicable

13 Segment revenue and results

No business segment information has been prepared as all its investment properties are used mainly for industrial (including warehousing) purposes.

No geographical segment information has been prepared as all the investment properties of the Group (except for the property in Japan) are located in Singapore and the contribution from the property in Japan to the Group's results and net assets is insignificant.

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 8 for review of actual performance.

15 Breakdown of sales as follows:-

	Note	Group FY 2009 S\$'000	Group FY 2008 S\$'000	+ / (-) %
<u>First half of year</u>				
Gross revenue	(a)	24,814	12,954	91.6
Total return after income tax	(b)	14,419	39,270	(63.3)
<u>Second half of year</u>				
Gross revenue	(a)	26,013	19,260	35.1
Total return after income tax	(c)	(41,421)	13,698	>(100)

(a) Gross revenue for FY 2009 is higher than FY 2008 due to contributions from the nine properties acquired during the past year.

(b) Total return after income tax for first half year FY 2009 and FY 2008 included revaluation gain in fair value of investment properties of S\$390,000 and S\$31,417,000 respectively.

(c) Total return after income tax for second half-year FY 2009 and FY 2008 included revaluation (loss)/gain in fair value of investment properties of (S\$30,378,000) and S\$5,593,000 respectively. In addition, total return after income tax for second half year FY 2009 was after a provision for onerous contract, the details of which are disclosed in note (e) of item 1(b)(i).

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16 Breakdown of the total annual distributions

	Group FY 2009 S\$'000	Group FY 2008 S\$'000
<u>Payable</u>		
For the period from:		
1 January 2009 - 31 March 2009	4,995	-
<u>Paid</u>		
For the period from:		
1 October 2008 - 31 December 2008	6,150	-
1 July 2008 - 30 September 2008	6,138	-
1 April 2008 - 30 June 2008	6,138	-
1 January 2008 - 31 March 2008	-	5,801
1 October 2007 - 31 December 2007	-	5,006
1 July 2007 - 30 September 2007	-	4,845
19 April 2007 - 30 June 2007	-	3,959
	<u>23,421</u>	<u>19,611</u>

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)

Nicholas McGrath
Chief Executive Officer - MacarthurCook Industrial REIT
22 May 2009