MACARTHURCOOK INDUSTRIAL reit	**MACARTHURCOOK INDUSTRIAL REIT UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT` FIRST QUARTER ENDED 30 JUNE 2009 ("1Q 2010")**

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"). It has a portfolio of 20 properties in Singapore and 1 property in Japan, with total carrying value of S$526.4 million as at 30 June 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.

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

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

	Note	Group 1Q 2010 S$'000	Group 1Q 2009 S$'000	+/(-) %
Gross revenue	(a)	10,964	12,424	(11.8)
Property operating expenses		(1,647)	(3,395)	(51.5)
Net property income		9,317	9,029	3.2
Interest income		68	144	(52.8)
Net foreign exchange gain/(loss)		-	9	(100.0)
Manager's management fees	(b)	(678)	(712)	(4.8)
Borrowing costs		(2,978)	(1,612)	84.7
Amortisation of intangible asset		-	(150)	(100.0)
Other trust expenses		(303)	(395)	(23.3)
Non-property expenses		(3,959)	(2,869)	38.0
Net income		5,426	6,313	(14.1)
Net change in fair value of financial derivatives	(c)	(140)	3,198	>(100)
Net change in fair value of investment properties	(d)	(3,144)	(616)	>100
Total return before income tax		2,142	8,895	(75.9)
Income tax expense		-	-	-
Total return after income tax		2,142	8,895	(75.9)
Minority interest		39	(3)	>(100)
Total return after income tax and minority interest, before distribution		2,181	8,892	(75.5)

Notes:

(a) Underlying rental income for 1Q 2010 remained largely stable compared to 1Q 2009. The fall in gross revenue is largely attributable to a reduction in service charge revenue (which corresponds to a fall in property operating expenses for the quarter). Refer to item 8 on “Review of performance for 1Q 2010 vs. 1Q 2009” for more details.

(b) This relates to the base 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. In 1Q 2009, 70% of the Manager’s base fees was in cash and the balance in units.

(c) 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. In 1Q 2010, the loss on revaluation of the interest rate swap contract due to the softening in Singapore Dollar interest rates, was partially offset by gain on the revaluation of cross currency swap contracts due to the strengthening of Singapore Dollar against Japanese Yen, resulting in a net unfavourable change in fair value of financial derivatives.

(d) 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.

The investment properties in Singapore and in Japan were revalued by independent professional valuers on 31 March 2009 and 12 November 2008, respectively. On 30 June 2009, the fair values of all the properties were updated internally by the Manager with a 9.5% downward revision of the value of the property in Japan.

1(a)(ii) Distribution Statement

	Note	Group 1Q 2010 S$'000	Group 1Q 2009 S$'000	+/(-) %
Total return after income tax and minority interest		2,181	8,892	(75.5)
Net effect of tax adjustments	(a)	1,945	(2,079)	>(100)
Other adjustments	(b)	(104)	(193)	(46.1)
Amount available for distribution to the Unitholders		4,022	6,620	(39.2)
Distribution to Unitholders	(c)	4,022	6,138	(34.5)

Note:

(a) Net effect of tax adjustments

	Group 1Q 2010 S$'000	Group 1Q 2009 S$'000	+/(-) %
Amortisation of borrowing costs	384	287	33.8
Manager's management fees in units	-	214	>(100)
Net change in fair value of financial derivatives	140	(3,198)	>(100)
Straight-lining of rental income	(277)	(410)	(32.4)
Net change in fair value of investment properties	3,144	616	>100
Industrial building allowance	(1,641)	-	NM
Temporary differences and other tax adjustments	195	412	>(52.7)
Net effect of tax adjustments	1,945	(2,079)	>(100)

NM – not meaningful

(b) Other adjustments relate mainly to the undistributed returns 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 1Q 2010, the Manager has resolved to distribute 100% of the taxable income available for distribution to the Unitholders.

1(b)(i) Balance Sheets as at 30 June 2009 vs. 31 Mar 2009

	Note	Group 30 Jun 2009 S$'000	Group 31 Mar 2009 S$'000	+/(-) %	Trust 30 Jun 2009 S$'000	Trust 31 Mar 2009 S$'000	+/(-) %
Non-current assets							
Investment properties		526,382	530,341	(0.7)	497,722	497,947	(0.0)
Subsidiaries	(a)	-	-	-	7,507	10,657	(29.6)
		526,382	530,341	(0.7)	505,229	508,604	(0.7)
Current assets							
Trade and other receivables	(b)	4,121	3,653	12.8	4,113	3,640	13.0
Cash and cash equivalents	(c)	8,254	9,967	(17.2)	6,578	8,039	(18.2)
		12,375	13,620	(9.1)	10,691	11,679	(8.5)
Total assets		**538,757**	**543,961**	(1.0)	**515,920**	**520,283**	(0.8)
Current liabilities							
Interest-bearing borrowings	(d)	223,605	223,813	(0.1)	201,098	200,852	0.1
Derivative financial instruments	(e)	2,775	2,635	5.3	2,775	2,635	5.3
Provision	(f)	20,000	20,000	-	20,000	20,000	-
Trade and other payables	(g)	3,878	5,897	(34.2)	4,158	5,847	(28.9)
		250,258	252,345	(0.8)	228,031	229,334	(0.6)
Non-current liabilities							
Rental deposits		2,373	2,385	(0.5)	1,869	1,869	-
		2,373	2,385	(0.5)	1,869	1,869	-
Total liabilities		**252,631**	**254,730**	(0.8)	**229,900**	**231,203**	(0.6)
Net assets		**286,126**	**289,231**	(1.1)	**286,020**	**289,080**	(1.1)
Represented by:							
Unitholders' funds		286,016	289,074	(1.1)	286,020	289,080	(1.1)
Minority interest		110	157	(29.9)	-	-	-
		286,126	**289,231**	(1.1)	**286,020**	**289,080**	(1.1)

Notes:

(a) This relates to the investment in MI-REIT's wholly owned subsidiary, 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. The Trust recognised an impairment loss of S$2,873,000 on its loan to the subsidiary in 1Q 2010.

(b) The higher trade and other receivables was mainly due to higher straight-lining of rental income and late payment by certain tenants. No impairment allowance on receivables from tenants is necessary as they relate to tenants that have provided sufficient security deposits.

(c) Cash and cash equivalents were lower by S$1.7 million. This is mainly attributable to higher interest expense paid to the banks and a refund of prior year service charges to certain tenants, offset partially by a lower distribution paid to the Unitholders.

(d) Please refer to details in item 1(b)(ii).

(e) The derivative financial instruments as at 30 June 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.

(f) 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 completion of construction of the property and completion as defined under the Put and Call Agreement. The building is under construction as at 30 June 2009 and the vendor has indicated that the building is expected to be completed during 4th quarter of 2009. Change in market conditions have resulted in a reduction in the fair value of the property below the contracted amount. Consequently, a provision for onerous contract of S$20 million was recognised in 4Q 2009.

(g) Trade and other payables were lower largely due to the reversal of excess property operating expenses accrued previously, resulting from an annual reconciliation of actual service charges received from the tenants with the actual property operating expenses incurred, in accordance to terms of lease agreements with certain tenants. The corresponding excess was refunded to the tenants.

1(b)(ii) Aggregate amount of borrowings

	Group 30 Jun 2009 S$'000	Group 31 Mar 2009 S$'000	Trust 30 Jun 2009 S$'000	Trust 31 Mar 2009 S$'000
Amount repayable within one year	224,964	224,389	202,337	201,250
Less: Unamortised portion of transaction fees in relation to the secured borrowings	(1,359)	(576)	(1,239)	(398)
	223,605	223,813	201,098	200,852

During the quarter, the repayment date of the Trust's S$ term loan facility was extended from 17 April 2009 to 16 June 2009 and then further extended to 31 December 2009.

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.

1(c) Consolidated cash flow statement

	Group 1Q 2010 S$'000	Group 1Q 2009 S$'000
Operating activities		
Total return before income tax	2,142	8,895
Adjustments for:		
Net change in fair value of financial derivatives	140	(3,198)
Borrowing costs	2,978	1,612
Straight-lining of rental income	(277)	(410)
Amortisation of intangible asset	-	150
Manager's management fees in units	-	214
Net change in fair value of investment properties	3,144	616
Operating income before working capital changes	**8,127**	**7,879**
Changes in working capital		
Rental deposits	-	185
Trade and other receivables	(191)	11
Trade and other payables	(1,696)	(102)
Cash generated from operating activities	**6,240**	**7,973**
Investing activities		
Purchase of investment properties (including acquisition costs)	(4)	(479)
Capital expenditure on investment properties	(53)	(840)
Cash flows from investing activities	(57)	(1,319)
Financing activities		
Borrowing costs paid	(3,926)	(1,246)
Distributions to Unitholders	(4,995)	(5,789)
Proceeds from borrowings	1,087	-
Issue expenses paid	-	(14)
Minority interest	(3)	(3)
Cash flows from financing activities	**(7,837)**	**(7,052)**
Net decrease in cash and cash equivalents	**(1,654)**	**(398)**
Cash and cash equivalents at beginning of the period	**9,967**	**9,607**
Effect of exchange rate fluctuation	(59)	(171)
Cash and cash equivalents at end of the period	**8,254**	**9,038**

1(d)(i) Statement of movements in Unitholders' funds (1Q 2010 vs. 1Q 2009)

	Group 1Q 2010 S$'000	Group 1Q 2009 S$'000	Trust 1Q 2010 S$'000	Trust 1Q 2009 S$'000
Balance at beginning of the period	289,074	337,624	289,080	338,252
Operations				
Total return after income tax and minority interest	2,181	8,892	1,935	7,786
Distributions to Unitholders	(4,995)	(5,789)	(4,995)	(5,789)
	(2,814)	3,103	(3,060)	1,997
Unitholders' transactions				
Units issued and to be issued:				
- Manager's management fees in units	-	214	-	214
Increase in net assets resulting from Unitholders' transactions	-	214	-	214
Foreign currency translation reserve				
Translation differences relating to financial statements of a foreign subsidiary and net investment in foreign operation	(244)	(871)	-	-
Total (decrease)/increase in Unitholders' funds	(3,058)	2,446	(3,060)	2,211
Balance at end of the period	286,016	340,070	286,020	340,463

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

Units in issue and to be issued

	Trust 1Q 2010 Units	**Trust 1Q 2009 Units**
Units in issue at beginning of the period	261,715,845	260,753,751
Issue of new units:		
Units issued in payment of Manager's performance fees	4,669,249	-
Units in issue at end of the period	266,385,094	260,753,751
Units to be issued:		
Manager's management fees in units	-	435,531
Total Units in issue and to be issued at end of the period	266,385,094	261,189,282

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 year ended 31 March 2009, except for the adoption of new and revised Financial Reporting Standards (FRS) which become effective for financial year beginning on or after 1 January 2009.

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.

The Group has adopted the Amendments to FRS 32 and FRS 1 which has resulted in the net assets attributable to Unitholders of the Group (including the units in issue) being classified as equity instead of a financial liability. This change in accounting policy has been applied retrospectively in accordance with the provisions of the amendments and the comparatives have been restated. This change does not have any impact on the Group's statement of total return.

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

The EPU is computed using total return after income 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 as at the end of the period.

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

	Note	Group 1Q 2010	Group 1Q 2009
Weighted average number of units ('000)		263,563	260,759
Earnings per unit (cents) – basic and diluted	(a)	0.83	3.41
Number of units in issue at end of period ('000)		266,385	260,754
Number of units to be issued to the Manager before the Books closure date ('000)		-	435
Applicable number of units for calculation of DPU ('000)		266,385	261,189
Distribution to Unitholders (S$'000)		4,022	6,138
Distribution per unit (cents)		1.510	2.350

(a) EPU decreased to 0.83 cents due to a reduction in earnings by S$6.71 million, mainly due to an unfavourable net change in fair values of financial derivatives and investment properties and an increase in borrowing costs on the Trust's term loan facility. All-in interest margin increased to 5% after the extension of the term loan repayment date during the quarter.

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

	Group 30 Jun 2009 S$	Group 31 Mar 2009 S$	Trust 30 Jun 2009 S$	Trust 31 Mar 2009 S$
Net asset value per Unit	1.07	1.09	1.07	1.09

8 Review of the performance

	Group 1Q 2010 S$'000	Group 1Q 2009 S$'000	Group 4Q 2009 S$'000
Gross revenue	10,964	12,424	13,065
Property operating expenses	(1,647)	(3,395)	(3,793)
Net property income	9,317	9,029	9,272
Interest income	68	144	64
Other income	-	-	1
Net foreign exchange gain/(loss)	-	9	(1)
Manager's management fees	(678)	(712)	(1,775)
Borrowing costs	(2,978)	(1,612)	(1,392)
Write off/amortisation of intangible asset	-	(150)	(550)
Other trust expenses	(303)	(395)	(20,334)
Non-property expenses	(3,959)	(2,869)	(24,051)
Net Income	5,426	6,313	(14,715)
Amount available for distribution to the Unitholders	4,022	6,620	3,559
Distribution to Unitholders	4,022	6,138	4,995

<u>Review of performance for 1Q 2010 vs. 1Q 2009</u>

Gross revenue is lower in 1Q 2010 due mainly to a refund of prior year service charges to the tenants as referred to in note (g) of item 1(b)(i) and a lower recovery from the tenants on property tax and land rent. Property tax and land rent recovery from the tenants were lower in this quarter due to the rebates from the authorities as announced in the 2009 Singapore Budget. The refund and property tax and land rent rebates also correspondingly reduce property operating expenses.

Borrowing costs were higher in 1Q 2010 mainly due to the increase in interest margins and facility fees when the repayment date of the Trust's term loan facility was extended to 31 December 2009 during the quarter.

Other trust expenses were lower for 1Q 2010 due mainly to acquisition costs incurred in 1Q 2009 on abortive property acquisitions.

The lower amount available for distribution to the Unitholders was due to higher borrowing costs and a reduction in taxable income resulting from a claim for industrial building allowance in this quarter.

Review of performance for 1Q 2010 vs. 4Q 2009

The variances between 1Q 2010 and 4Q 2009 in gross revenue, property operating expenses and borrowing costs are due to the same reasons as explained under the section on "Review of performance for 1Q 2010 vs. 1Q 2009".

The Manager's management fees were lower in 1Q 2010 as those in 4Q 2009 included a performance fee of S$1.087 million.

Other trust expenses were lower in 1Q 2010 due mainly to a provision for onerous contract of S$20 million in 4Q 2009.

The amount available for distribution is higher in this quarter largely because of lower industrial building allowance claimed in this quarter, offset partially by higher borrowing costs. Distribution to Unitholders in 4Q 2009 included a release of S$1.436 million retained in previous quarters of FY 2009.

9 Variance between Forecast/Prospectus Statement and the actual results

MI-REIT has not disclosed any forecast in relation to the current financial period to the market.

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

On 14 July 2009, the Ministry of Trade and Industry ("MTI") announced that it expects the Singapore economy to contract by 4.0 to 6.0% in 2009, a revision from the contraction of 6.0 to 9.0% that it had forecast on 14 April 2009. On a seasonally-adjusted annualized basis, real GDP for the second quarter of 2009 increased by 20.4%, compared to the first quarter, during which a contraction of 12.7% had been experienced.

Three factors are reflected in the revised forecast:

a) A less severe contraction than expected in the first quarter 2009 results. Real GDP contracted by 12.7% on a seasonally-adjusted annualized basis, less than the contraction of 14.6% estimated for first quarter 2009 in May and 19.7% estimated in April.

b) An improved second quarter 2009 performance resulting mainly from a spike in output in the volatile biomedical manufacturing sector and inventory restocking in the electronics cluster. Other contributing factors include:
   - The construction sector continued to register growth at 18.3% in the second quarter.
   - The service sector remained weak however, contracting by 5.1% in the second quarter. The wholesale and retail trade sector continued to contract, albeit at a slower pace with smaller declines in non-oil domestic exports and non-oil re-exports. Financial services also saw a less severe contraction as general market sentiments improved.

c) Notwithstanding the improved performance in the second quarter, the outlook for the remainder of the calendar year remains subdued, with the expectations of a weak recovery susceptible to downside risks.

Outlook

The Manager expects global economic conditions to remain subdued over the balance of the year. Industrial tenants are not immune from the global downturn and MI-REIT's rental income may be affected if tenants' businesses are affected. The Manager remains committed to its efforts to maintain its high tenant retention and occupancy levels.

As at 30 June 2009, MI-REIT had an aggregate leverage of 41.8%. In addition to securing an extension of MI-REIT's existing Singapore debt facility to 31 December 2009, the Manager has embarked on a series of initiatives that seeks 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, including provision of S$91.0 million funding for the acquisition of Plot 4A, International Business Park upon completion of its construction, which is currently expected to occur in the fourth quarter of 2009.

With the higher cost of borrowing, the income available for distribution in FY2010 will be lower than in FY2009. However, barring any further unforeseen events, the Manager expects rental income to remain stable.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	First quarter 2010 distribution for the period from 1 April 2009 - 30 June 2009
Distribution Type:	Taxable income
Distribution Rate:	1.51 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:	First quarter 2009 distribution for the period from 1 April 2008 to 30 June 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.

(c) Books closure date: 18 August 2009

(d) Date payable: 18 September 2009

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)

Lim How Teck Director	Mendelowitz Lawrence Alan 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)

Nicholas McGrath
Chief Executive Officer - MacarthurCook Industrial REIT
7 August 2009