MacarthurCook Investment Managers (Asia) Limited
(Company Registration No. 200615904N)

Manager of MacarthurCook Industrial REIT
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(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 5 December 2006 (as amended))

NEWS RELEASE

MacarthurCook Industrial REIT's first quarter 2010[1] distribution of S$4.0 million

- Net property income increased 3.2% year-on-year to S$9.3 million
- Distribution per unit ("DPU") for the quarter of 1.51 cents
- The portfolio's occupancy rate of 98.64% is above the market average[2]
- Net asset value per unit of S$1.07

Summary of MI-REIT's 1Q 2010 financial results

	1Q2010	1Q2009	Var (%)
Gross Revenue (S$'000)	10,964	12,424	(11.8)
Net Property Income (S$'000)	9,317	9,029	+3.2
Distribution to Unitholders (S$'000)[3]	4,022	6,138	(34.5)
Distribution per unit (Cents)	1.51	2.35	(35.7)

Singapore**, **7 August 2009 – MacarthurCook Investment Managers (Asia) Limited (the "Manager"), the Manager of MacarthurCook Industrial REIT ("MI-REIT"), announced today a distribution per unit of 1.51 cents for the first quarter ended 30 June 2009 ("1Q2010"). The 34.5% year-on-year decrease in amount available to the Unitholders to S$4.0 million in 1Q2010 was largely due to higher borrowing costs[4] and a reduction in taxable income resulting from a claim for industrial building allowance[5].

Net property income for 1Q2010 of S$9.3 million was 3.2% higher year-on-year, as the portfolio's high occupancy was maintained. Gross revenue of S$11.0 million for 1Q2010 was 11.8% lower than in 1Q2009, largely due to the refund of excess prior year service charges to MI-REIT's tenants and a lower recovery of property tax and land rent due to the rebates as announced in the 2009 Singapore budget[6].

The books closure date to determine the entitlement to the 1Q2010 DPU of 1.51 cents is 18 August 2009 and the date payable is 18 September 2009.

The net asset value per MI-REIT unit was S$1.07 as at 30 June 2009.

[1] The first quarter ended 30 June 2009 ("1Q2010")
[2] According to the URA, the vacancy rate for factory and warehouse space at the end of 2nd quarter 2009 was 7.8% and 9.0%.
[3] MI-REIT's distribution policy is to distribute at least 90% of its taxable income for the full financial year. For FY2009, the Manager has resolved to distribute 86.25% of the taxable income available for distribution in 1Q2010 to the Unitholders.
[4] Borrowing costs were higher in 1Q2010 mainly due to the increase in interest margins and facility fees when the repayment date of MI-REIT's Singapore term loan facility was extended to 31 December 2009 during the quarter.
[5] The industrial building allowance applies to qualifying Singapore based industrial buildings that are used for qualifying purposes.
[6] 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 Government had announced a 40% property tax rebate for industrial and commercial properties for 2009. JTC, HDB and SLA will provide a 15% rental rebate to their tenants and land lessees. The refund and property tax and land rent rebates correspondingly reduce property operating expenses.

Proactive Asset Management and a Well-Diversified and Stable Portfolio

Mr Nick McGrath, Chief Executive Officer of the Manager said, “We are pleased with MI-REIT’s results for the quarter. As a result of active management and emphasis on tenant retention, we have maintained MI-REIT’s high occupancy rate of 98.64% and the security of MI-REIT’s rental income stream.”

The following factors continued to support the resilience of MI-REIT’s portfolio as at 30 June 2009:

- 65.5% of rental income is derived from companies that are publicly listed or are subsidiaries of publicly listed companies.
- Improved tenant diversification since listing, with no head tenant contributing more than 20.3% of rental income[7], compared to 33.6% at the time of listing.
- MI-REIT’s top ten tenants accounted for 67.9% of the Trust’s rental income, an improvement compared to 94.2% at the time of listing.
- Nineteen properties are under head lease arrangements, while thirteen properties have subtenant agreements which provide an additional layer of income protection.
- All the properties are supported by security deposits, which ranged from three months rental to nineteen months rental, with an average of ten months rental per property for the portfolio.
- Organic rental growth is supported by built-in rental escalations staggered throughout the leases of nineteen of the properties. Seventeen of the properties have escalations that range from 2.5% to 8.0%, whilst one has annual escalation of 1.5% and another at Consumer Price Index. In FY2010, seven properties are scheduled to experience 5% rental increases and three properties, 3.25%, 3.0% and 1.5% rental increases respectively.
- Strong lease expiry profile: As at 30 June 2009, MI-REIT had a weighted average lease term to expiry of 4.37 years. There are no lease expiries in FY2010. The majority of MI-REIT’s leases do not expire until FY2013 (45.2%), FY2015 (18.6%) and FY2017 and beyond (23.9%).
- Diversification across the main industrial subsectors, mitigates the risk of being dependent on too few sectors or industries for rental income: of MI-REIT’s net lettable area, 58.2% is used for warehousing and logistics activities, 39.6% for manufacturing activities and 2.2% for research and technology. In addition, our tenants are currently engaged in a wide range of economic activity, including construction and engineering, food and beverage, consumer goods, pharmaceuticals, oil and gas, information technology and logistics.
- The majority of the properties have been built with flexible layouts and high building specifications that increase their attractiveness to a wider range of tenants.
- In terms of geographic diversification, Singapore accounted for 94.6% of the portfolio and Japan, 5.4%, by asset value.

Capital Management

As at 30 June 2009, MI-REIT had an aggregate leverage of 41.8%. In May 2009, the Manager secured credit approval for an extension of its existing drawn Singapore debt facility of S$202.3 million (the “Facility”) to 31 December 2009, with an all in interest margin of 5% per annum.

The extension of the Facility gives the Manager additional time to secure a longer term refinance of its

[7] Based on rental income as at 30 June 2009. Rental Income is the contractual rent receivable under lease arrangement, with the tenants (after rent rebates and provisions for rent-free periods).

debt, a process in which the Manager is actively engaged. In addition, the Manager has embarked on a series of capital management initiatives that seeks to progressively reduce MI-REIT's leverage ratio to 30-35% over time by obtaining the optimal combination of debt/equity. These capital management initiatives are intended to strengthen MI-REIT's financial profile and to give it financial flexibility, including provision of $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.

The interest rate on S$100 million of MI-REIT's Singapore debt is fixed at a rate of 1.905% per annum under an interest rate swap that was entered into in February 2008 for three years. The interest rate on the balance of MI-REIT's debt remains floating and management is evaluating hedging options in respect of this portion.

The Manager is also in discussions with its Japanese lenders in relation to the refinancing of MI-REIT's debt facility of JPY 1.5 billion (SGD: 22.7 million), which expires on 18 December 2009.

Outlook

The Ministry of Trade and Industry ("MTI") had announced in July that it expects the Singapore economy to contract by 4.0 to 6.0% in 2009, a revision from its earlier forecast of a contraction of between 6.0 to 9.0%.

Whilst the uncertainty felt in the global financial markets appears to have moderated, the Manager expects global economic conditions to remain subdued and susceptible to downside risks 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.

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

For further information, kindly contact:

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The value of the Units and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of MI-REIT is not necessarily indicative of the future performance of MI-REIT.

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