



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))

SGX Announcement

MacarthurCook Industrial REIT's FY2009¹ DPU increased 18.7% from previous year, exceeds IPO forecast by 17.6%²

Highlights

- Distributed 100% of taxable income available for distribution in FY2009
- Net property income for FY2009 increased 48.5% from FY2008
- Portfolio is 98.64% occupied
- Net asset value (NAV) per unit of S\$1.09
- Extension of Singapore debt facility to 31 December 2009

Summary of MI-REIT's FY2009 and 4Q 2009 results

	FY2009	FY2008	Var. (%)	Prospectus Forecast for FY2009	4Q2009 ³	4Q2008	Var (%)
Gross Revenue (S\$'000)	50,827	32,214	+57.8	35,373	13,065	10,852	+20.4
Net Property Income (S\$'000)	36,856	24,824	+48.5	25,079	9,272	8,017	+15.7
Distribution to Unitholders (S\$'000) ⁴	23,421	19,611	+19.4	19,804	4,995	5,801	(13.9)
Distribution per unit ("DPU")(Cents)	8.925	7.520	+18.7	7.59	1.875	2.220	(15.5)

Singapore, 22 May 2009 – MacarthurCook Investment Managers (Asia) Limited (the "Manager"), the Manager of MacarthurCook Industrial REIT ("MI-REIT"), is pleased to announce a distribution to Unitholders of S\$23.4 million for FY2009, which represents a S\$3.8 million (+19.4%) increase from FY2008. The full year DPU of 8.925 cents is 18.7% higher than the FY2008 DPU of 7.52 cents and 17.6% higher than the IPO forecast of 7.59 cents. The distribution to Unitholders for 4Q2009 of S\$5.0 million translates to a DPU of 1.875 cents for the quarter.

The books closure date to determine the entitlement to the 4Q2009 DPU of 1.875 cents is 3 June 2009 and the date payable is 29 June 2009.

¹ The financial year ended 31 March 2009 ("FY2009")

² Based on the forecast DPU of 7.59 cents for FY2009 in the IPO Prospectus, dated 12 April 2007.

³ The fourth quarter ended 31 March 2009

⁴ 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 100% of the taxable income available for distribution to the Unitholders. The distribution to Unitholders in 4Q2009 includes the release of S\$1.4 million retained in previous quarters in FY2009.

Mr Nick McGrath, Chief Executive Officer of the Manager said, "MI-REIT continues to provide Unitholders with a stable income distribution, despite challenging business conditions worldwide. The DPU of 8.925 cents for FY2009 is 18.7% higher than the 7.52 cents paid out last year. During the year, we sought to maintain MI-REIT's high occupancy (98.64% occupied) and tenant retention levels with active management of our properties. We endeavour to maintain close relationships with our tenants and we carefully monitor the demand for industrial space.

Given the global economic downturn however, we expect to face challenging times in the year ahead. In 2007, MI-REIT entered into an option agreement in 2007 to acquire a business park property at Plot 4A International Business Park ("Plot 4A") in a sale and leaseback arrangement for S\$91.0 million upon the completion of its construction, which is currently expected to be in the fourth quarter of 2009. Investment sentiments have since changed as a result of the global credit crunch and economic slowdown. Accordingly, we have made a provision of S\$20.0 million in respect of the obligation to purchase Plot 4A on the basis of the estimated market value of the asset at the time of completion. We continue to explore the most appropriate funding options for this property."

MI-REIT's Singapore located properties were revalued as at 31 March 2009⁵ resulting in a total portfolio value of S\$530.3 million and a NAV per unit of S\$1.09.

Proactive Asset Management and a Well-Diversified and Stable Portfolio

Mr McGrath said, "We are focused on actively managing MI-REIT's properties to maintain high occupancy levels and to maintain the stability of our rental income stream.

In addition, MI-REIT's portfolio is well-diversified across the main industrial subsectors, mitigating 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.

Organic growth from rental escalation clauses in nineteen of the properties' leases will also continue to contribute to the stability of MI-REIT's rental income stream. Rental escalations for ten of the properties are scheduled to take place in FY2010. Of these, seven properties will experience 5% rental increases and the remaining three will experience 3.25%, 3.0% and 1.5% rental increases respectively."

As at 31 March 2009, the security of MI-REIT's rental income stream was supported by the following factors:

- Portfolio is 98.64% occupied;
- Of MI-REIT's rental income, 65.0% is derived from companies that are publicly listed or are subsidiaries of publicly listed companies;

⁵ With the exception of Asahi Ohmiya warehouse in Japan, all of MI-REIT's properties were revalued by Colliers International on 31 March 2009. An internal valuation for Asahi Ohmiya warehouse was obtained as at 31 March 2009, following the last independent valuation by CB Richard Ellis on 12 November 2008.

- MI-REIT's tenant diversification has improved since listing, with no head tenant contributing more than 20.2% of rental income⁶, compared to 33.6% at the time of listing;
- MI-REIT's top ten tenants accounted for 67.3% 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 twenty two months rental, with an average of ten months rental per property for the portfolio. Seventeen of the properties have security deposits of six months rental or more;
- Built-in rental escalations staggered throughout the leases of nineteen of the properties support organic rental growth. 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. The following rental income escalations took place in FY2009:
 - 23 Changi South Avenue 2 – 2.5% rental increase (in 2nd Year)
 - 1 Bukit Batok Street 22 – 1.5% rental increase (annually)
- Strong lease expiry profile: As at 31 March 2009, MI-REIT had a weighted average lease term to expiry of 4.55 years. Only 0.3% of MI-REIT's rental income is subject to lease expiry in FY2010. The majority of MI-REIT's leases do not expire until FY2013 (44.7%), FY2015 (18.4%) and FY2017 and beyond (23.8%);
- 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. Throughout the year, active re-leasing activity to replace short-term occupancies at the multi-tenanted 15 Tai Seng Drive have been successful; and
- In terms of geographic diversification, Singapore accounted for 93.9% of the portfolio and Japan, 6.1%, by asset value.

The Manager did not announce any new acquisitions during FY2009.

Capital Management

The Manager has separately announced today that MI-REIT has achieved a 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. This extension of the Facility gives MI-REIT additional time to secure a longer term refinance of its debt, a process in which the Manager is actively engaged.

MI-REIT had an aggregate leverage of 41.2% as at 31 March 2009. The Manager will seek to progressively reduce MI-REIT's leverage ratio to 30-35% over time. To that end, the Manager, together with its adviser Standard Chartered Bank Limited, is considering several capital initiatives that will strengthen MI-REIT's financial profile and significantly enhance the Trust's attractiveness to both international and local investors.

The interest rate on S\$100 million of MI-REIT's Singapore denominated debt continues to be fixed 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 considering the hedging options in respect of this portion.

⁶ Based on rental income as at 31 March 2009. Rental Income is the contractual rent receivable under lease arrangement, with or to be entered into with the tenants (after rent rebates and provisions for rent-free periods). There are no rent rebates or rent-free periods.

The Manager has also commenced discussions with its Japanese lenders in relation to the refinancing of MI-REIT's debt facility of JPY 1.5 billion (SGD: 23.139 million), which expires on 18 December 2009.

Outlook

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 compared with the same period last year. The advance estimates also forecast a GDP contraction of 6.0% to 9.0% in 2009⁷. On 27 April 2009, the Japanese government revised its forecast for Japan's economy downwards by 3.3% in the year to next March, with sharply lowered forecasts for industrial output and exports.

Given that Singapore and Japan's predominantly export dependent economies are experiencing contraction as major trade partners in the developed countries are well into 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 intensifying its efforts to maintain its high tenant retention and occupancy levels.

With a higher cost of borrowing, the income available for distribution in the coming year is likely to be lower than in FY2009. 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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About MacarthurCook Industrial REIT

Managed by MacarthurCook Investment Managers (Asia) Limited, MacarthurCook Industrial 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 deliver secure, stable distributions to Unitholders, as well as 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.

⁷ "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.

About MacarthurCook

MacarthurCook Limited (MCK) is an Australian Securities Exchange (ASX) listed company with offices in Australia and Singapore, specialising in the investment management of direct property, real estate securities and mortgage assets.

MacarthurCook manages approximately A\$1.3 billion on behalf of over 22,000 investors. MacarthurCook is a quality endorsed company (ISO 9001:2000 international standard accreditation), and is the investment manager for MacarthurCook Industrial REIT, MacarthurCook Industrial Property Fund, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, Advance Property Securities Fund and RMR Asia Pacific Real Estate Fund.

The MacarthurCook Property Securities Fund is listed on the ASX and the Singapore Securities Exchange. The MacarthurCook Industrial Property Fund is listed on the ASX. The MacarthurCook Industrial REIT is listed on the Singapore Exchange. The RMR Asia Pacific Real Estate Fund is listed on the American Stock Exchange.

In 2005, 2006, 2007 and 2008 BRW magazine named MacarthurCook as one of Australia's fastest-growing companies in its Fast 100 list.

Important Notice

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in MI-REIT (the “**Units**”).

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.

This announcement is not an offer of securities for sale in the United States. The Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any applicable state securities laws, and may not be offered or sold within the United States in the absence of registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. Any public offering of the Units to be made in the United States, will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the issuer and its management, as well as financial statements. The issuer does not intend to conduct a public offering of securities in the United States.

This announcement shall not constitute an offer to sell or a solicitation of an offer to buy securities nor shall there be any sale of any securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.