



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 2Q 2009¹ distribution to unitholders is 26.6% higher, year-on-year

Highlights

- Portfolio achieves year-on-year net property income growth of 57.5%
- Distribution per unit ("DPU") of 2.35 cents for 2Q 2009 is 26.3% higher, year-on-year
- Firm asset values: 13 properties revalued since 1Q 2009, resulting in S\$1.5 million increase to portfolio value

Summary of MI-REIT's results for the 2nd quarter ended 30 September 2008

As at 30 September 2008	2Q 2009 (1/07/08 to 30/09/08)	2Q 2008 (1/07/07 to 30/09/07)	Variance %	1H 2009 (1/04/08 to 30/09/08)	1H 2008 (19/04/07 to 30/09/07)	Variance %
Gross Revenue (S\$'000)	12,390	7,342	+68.8	24,814	12,954	91.6
Net Property Income (S\$'000)	9,306	5,910	+57.5	18,427	10,614	73.6
Amount available for Distribution (S\$'000) ²	6,996	4,848	44.3	13,616	8,794	54.8
Distribution to Unitholders (S\$'000)	6,138	4,848	26.6	12,276	8,794	39.6
Distribution per Unit ("DPU") (Cents)	2.35	1.86	26.3	4.70	3.38	39.1

Singapore, 7 November 2008 – 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\$6.1 million for the second quarter ended 30 September 2008 ("2Q 2009"), which is S\$1.3 million higher (+26.6%) than the distribution for the same period last year. The distribution per unit ("DPU") of 2.35 cents for the quarter outperforms the 2Q 2008 DPU of 1.86 cents by 26.3%.

Mr Craig Dunstan, Chief Executive Officer and Executive Director of the Manager said, "We are pleased with this quarter's results. Net property income of S\$18.4 million for 1H2009 is S\$7.8 million (+73.6%)

¹ For the second quarter ended 30 September 2008.

² MI-REIT's distribution policy is to distribute at least 90% of its taxable income for the full financial year.

higher, year-on-year. This was largely driven by rental income from the nine additional properties acquired during the last financial year.

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 books closure date to determine the entitlement to the 2Q 2009 DPU of 2.35 cents is 17 November 2008 and the date payable is 19 December 2008.

The total carrying amount of MI-REIT's portfolio stands at S\$556.3 million, as at 30 September 2008. The net asset value ("NAV") of S\$1.30 per Unit exceeds the NAV at the initial public offer of S\$1.20 by 8.3%.

A Resilient and Well-Diversified Portfolio

Mr Dunstan said, "Given the rising worries over a global recession and fears in credit markets that have intensified, our immediate priority is to actively manage MI-REIT's assets to maintain our high tenant retention and occupancy levels to ensure a stable and uninterrupted income stream."

The security of MI-REIT's rental income is also supported by the following factors:

- All 21 properties owned by MI-REIT are fully leased, as at 30 September 2008;
- 18 of MI-REIT's 21 properties were acquired in sale and lease-back transactions, which allow a great degree of financial due diligence to be conducted on the tenants and their ability to meet the lease commitments. As a result, MI-REIT has a quality portfolio occupied by quality tenants, with 64.4% of MI-REIT's rental income derived from companies that are publicly listed or are subsidiaries of publicly listed companies;
- 19 of the properties are under locked-in head lease arrangements, while 12 properties have subtenant agreements which provide an additional layer of income protection;
- Security deposits on each of the properties ranging from three months rental to two years rental with the majority of the properties (17) with security deposits of 6 months rental or more;
- 19 of the properties have built-in rental escalations staggered throughout their leases to support organic rental growth. 17 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 at the start of FY2009:
 - 23 Changi South Avenue 2 – 2.5% rental increase (in 2nd Year)
 - 1 Bukit Batok Street 22 – 1.5% rental increase (annually)
- Relatively long lease expiry profile: As at 30 September 2008, only 2.7% of the rental income is subject to lease expiry in the 2009 and 2010 financial years. The major lease expiries of the MI-REIT portfolio do not occur until FY2013 (45.0%), FY2015 (18.7%) and FY2017 and beyond (24.2%); and
- Properties that have been built with flexible layouts and high building specifications that increase their attractiveness to a wider range of tenants. Over the last six months, re-leasing activity to replace short-term leases at the multi-tenanted 15 Tai Seng Drive have been successful, with double digit growth achieved in the rentals of new two to three year leases entered into.

Firm Asset Values

MI-REIT's property values have held up well in the current market. Since 1Q2009, 13 properties have been independently revalued resulting in a S\$1.5 million increase in portfolio value to S\$558.8 million as at 6 November 2008.

In September and October 2008, the revaluations of nine properties were announced. Details of the further four valuations by CB Richard Ellis are as follows:

The Properties	Valuation as at 6 November 2007 (S\$m)	Valuation as at 6 November 2008 (S\$m)	Accretion in Value
541 Yishun Industrial Park A	16.8	16.8	Nil
103 Defu Lane 10	14.5	14.5	Nil
61 Yishun Industrial Park A	24.6	24.6	Nil
1 Kallang Way 2A	14.0	14.0	Nil

The Manager believes the values are supported by MI-REIT's quality properties, tenants and leases with strong covenants.

All properties owned by MI-REIT are independently revalued annually on a rolling basis and pursuant to the Property Fund Guidelines.

Diversification benefits

Since listing, MI-REIT's tenant diversification has improved, with no single tenant contributing more than 20.3% of rental income³, as at 30 September 2008. This compares positively to 33.6% contribution from the largest tenant at the time of listing. MI-REIT's top ten tenants as at 30 September 2008 accounted for 66.6% of the MI-REIT's rental income, an improvement compared to 94.2% at the time of listing.

MI-REIT has a deliberate strategy of owning a portfolio of properties that are well-diversified by rental income across the main industrial sub-sectors; these are exposed to different segments of the economy and growth drivers: warehouse and logistics (54.6%), manufacturing (35.8%), and research and technology (9.6%). Geographically, Singapore accounted for 94.6% of the portfolio and Japan, 5.4%, by asset value.

The inclusion of the S\$91.0 million Plot 4A International Business Park into the portfolio will provide further diversification benefits. The acquisition is pending completion at the end of 2009. The Manager did not announce any new acquisitions during 2Q 2009.

Prudent Capital and Refinancing Management

The Manager remains committed to optimising MI-REIT's capital structure through prudent capital management. The Manager is currently advanced in negotiations in relation to a new facility that will refinance the existing facility of \$220.8 million due in April 2009 and also to provide funding for the settlement of Plot 4A, International Business Park in December 2009. It is the Manager's current

³ Based on rental income as at 30 September 2008. 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 and rent-free periods.

expectation that this matter will be finalised in January 2009, well ahead of the maturity of the existing facility.

In February 2008, the Manager had entered into an interest rate swap to fix the interest rate cost on S\$100 million of MI-REIT's debt for three years. This is in addition to the existing cap at 3.50% on S\$120.19 million of debt.

As at 30 September 2008, the Trust had an aggregate leverage ratio of 39.6%, which sits comfortably within the Manager's medium term target gearing of 40%-45%.

Outlook for FY2009

In October 2008, the Ministry of Trade and Industry revised its GDP estimates for 2008 down to about 3.0%.

Mr Dunstan said, "Economic conditions are expected to remain difficult into the 2009 financial year. However, the Asian region will continue to be among the fastest growing regions around the world. While upside potential for industrial rents and values in the region are expected to be limited or even soften in the near future, in the mid to long term, demand for industrial properties in Singapore and in the Asian region will be healthy. Values will be supported by the long term upward growth trend and growing wealth supporting economic fundamentals in Asia.

In the near term, organic growth in the portfolio will drive returns in the MI-REIT portfolio; however, we expect to resume our active acquisition growth strategy once capital market conditions improve."

Strengthened Foundation: Developments at the MacarthurCook Level

Over the last six months, MacarthurCook Limited ("MacarthurCook") which owns 92.5% of the Manager, has taken steps to strengthen its foundation as an international, specialist real estate funds manager. These steps include:

- Focusing in its core strategy and strengths of providing international investors with Asian real estate investment opportunities;
- Focus on reducing debt, controlling costs;
 - MacarthurCook's banking facilities have been restructured and extended to August 2009 providing more flexible facilities;
- Developing further recurring income streams and on realising economies of scale; and
- Seeking alliances with respected parties in complementary businesses, which build on the core strengths and focus of MacarthurCook. MacarthurCook recently announced a strategic alliance with IOOF Holdings Limited ("IOOF"), an Australian Stock Exchange listed financial services provider that manages and administers over A\$32.8 billion. Through the placement of shares to IOOF, they have become a major shareholder in MacarthurCook, owning approximately 13% of the shares on issue; MacarthurCook's debt to equity ratio has as a result, reduced to 29%.

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UBS AG, acting through its business group, UBS Investment Bank (“UBS”), was the Sole Financial Advisor and Global Coordinator for the initial public offering of MI-REIT. UBS and The Hongkong and Shanghai Banking Corporation Limited were the Joint Lead Underwriters and Bookrunners for the initial public offering of MI-REIT.

This announcement has been prepared and released by MacarthurCook Investment Managers (Asia) Limited, as manager of MacarthurCook Industrial REIT. UBS Investment Bank as Sole Financial Advisor and Global Coordinator of the IPO, is not required to release this announcement and has not verified the accuracy, completeness or adequacy of the information contained herein. UBS Investment Bank does not accept any responsibility for, and disclaims any liability with respect to, the accuracy, completeness or adequacy of the information contained in this announcement or incorporated by reference herein.

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.

About MacarthurCook Limited

MacarthurCook Limited (MCK) is an Australian Securities Exchange 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\$1.5 billion on behalf of over 25,000 investors. MacarthurCook is a quality endorsed company (ISO 9001:2000 international standard accreditation), and is the investment manager for the MacarthurCook Industrial REIT, MacarthurCook Industrial Property Fund, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, MacarthurCook Asian Real Estate Securities Fund, Advance Property Securities Fund, RMR Asia Pacific Real Estate Fund and RMR Asia Real Estate Fund.

The MacarthurCook Property Securities Fund is listed on the Australian Securities Exchange and the Singapore Securities Exchange. The MacarthurCook Industrial Property Fund is listed on the Australian Securities Exchange. The MacarthurCook Industrial REIT is listed on the Singapore Securities Exchange. The RMR Asia Pacific Real Estate Fund and RMR Asia Real Estate Fund are 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 New 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 New 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.