



15 September 2009

ASX Code : MIF

## Exchange Announcement

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### **MacarthurCook Industrial Property Fund Reinstatement of distributions from the September 2009 quarter**

MacarthurCook Fund Management Limited, as the Responsible Entity of the MacarthurCook Industrial Property Fund (the **Fund**), announces the re-instatement of distributions for the Fund.

In December 2008, the Responsible Entity indicated that it was necessary to temporarily suspend distributions in order to fund pre-committed capital expenditure and to protect long term unitholder value. The Responsible Entity also indicated that it would seek to re-instate distributions from the September 2009 quarter, subject to market conditions.

The Responsible Entity is pleased to advise that following a number of successful strategies which have been executed since the global financial crisis, including selective asset sales, avoiding an expensive and unnecessary refinancing of the Fund's debt facility, and avoiding a potentially highly dilutionary capital raising, the Responsible Entity is now in a position to reinstate distributions. This, combined with a strengthened balance sheet, should place the Fund in a stronger position going forward.

Mr Russell Bullen, Head of Real Estate, said "We are targeting a distribution of 1.6 cents per unit for the 2010 financial year. While the distribution is lower than that paid prior to the global financial crisis, we are happy to be in a position to start paying distributions again, as we understand and appreciate how important this is for investors".

"It is our understanding that we are one of the few Australian Industrial REITs scheduled to pay a distribution in the next distribution period, which reflects well on a number of the initiatives put in place to prudently manage the Fund through the global financial crisis", he said.

Mr Bullen indicated the lower distribution reflected a number of new market dynamics and industry standards following the onset of the global financial crisis. He said the distributions were lower than previously paid due to a combination of factors, including a higher level of vacancies (15% as at 30 June 2009), reduced property income due to a

number of selective asset sales, and higher budgeted cost of debt. In addition, the Responsible Entity has determined it is prudent to only pay out the underlying earnings the Fund generates after making allowances for on-going capital expenditure requirements for the properties in the Fund. Such expenditure in the past would normally have been funded through higher borrowings or additional equity contributions.

“We are now in a position where we can continue to prudently manage the balance sheet to protect the underlying value for investors, while at the same time providing what we believe is a relatively sustainable income distribution that has the potential for further growth”, Mr Bullen said.

Mr Bullen indicated there were a number of ways in which the Responsible Entity was seeking to grow the income returns the Fund receives and correspondingly the distributions to investors. “We are seeking to lease our two vacant properties which represent around 15% of the portfolio and we have leases in place which provide for annual rental growth, with approximately two-thirds of the leases providing fixed rental increases of around 3.0% to 3.5% per annum and approximately one-third of the leases having rents that have inflation linked increases. This should further help to underpin a growth in earnings and distributions”, he said.

Details for the quarter ending 30 September 2009 distribution are as follows:

Ex-distribution Date	24 September 2009
Record Date	30 September 2009
Payment Date	22 October 2009

The distribution amount will be 0.4 cents per unit (cpu) for the quarter.

### **Distribution Reinvestment Plan**

Unitholders are advised that the Distribution Reinvestment Plan (**DRP**) is in operation for the distribution for the quarter ending 30 September 2009.

Units issued under the DRP will be issued at a 2.5% discount to the average of the volume weighted average market price of Units on the ASX for 10 business days following and inclusive of the Ex-distribution Date (24 September 2009), and will rank equally with existing Units on issue.

Notification of election to participate in the DRP must be lodged with Computershare Investor Services Pty Ltd by 5.00pm on **30 September 2009**.

### **For further information, contact:**

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**About MacarthurCook Industrial Property Fund:**

*The A\$137 million Fund owns 11 properties throughout Australia and also has an investment in industrial real estate in Singapore and Japan via an investment in the MacarthurCook Industrial REIT (MI-REIT).*

**About MacarthurCook:**

*MacarthurCook Limited has offices in Australia and Singapore and specialises in the investment management of direct property, real estate securities and mortgage assets.*

*MacarthurCook manages over A\$1.1 billion on behalf of over 21,000 investors as at 30 June 2009. MacarthurCook is a quality endorsed company (ISO 9001:2008 international standard accreditation), and is the investment manager for MacarthurCook Industrial REIT, MacarthurCook Industrial Property Fund, MacarthurCook Office Property Trust, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, Advance Property Securities Fund and the RMR Asia Pacific Real Estate Fund.*

*The MacarthurCook Property Securities Fund is listed on the ASX and the Singapore 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.*

**About AIMS Financial Group:**

*Established in 1991, AIMS Financial Group is an Australian company with a solid track record and enviable reputation in the mortgage and securitisation markets. It has expanded to become an international financial group focusing on funds management, real estate investment, securitisation and mortgage lending.*

*AIMS is a 100% Australian owned business that has operated in Australia for nearly 20 years. AIMS started in Australia with only two staff and today has in excess of 100 staff in Australia. AIMS has been very active in introducing international investors into the Australian real estate market. During this time AIMS has attracted over \$1 billion of investment from its international clients to invest in Australian direct property and believes there is a significant opportunity to promote the MacarthurCook Industrial Property Fund to its clients both in Australia and internationally. In the last 8 years to 2007, AIMS has raised directly and indirectly approximately A\$3 Billion in funds from the Australian capital markets, with most of the RMBS (Residential Mortgage Backed Securities) rated AAA by both Standard & Poors and Fitch Ratings.*

*With offices across Australia and China and highly qualified, professional and experienced cross-cultural teams, AIMS Financial Group bridges the gap between Australia and China in various markets, especially in real estate, resources, technology, infrastructure, banking and financial services.*