ALLCO REIT THIRD QUARTER 2006 RESULTS

THIRD QUARTER RESULTS EXCEED PROSPECTUS FORECAST BY 5.5%

Key Highlights for Third Quarter 2006

- Amount available for distribution for the period of 1.53 cents per unit, exceeding IPO prospectus forecast by 5.5%
- Year-to-date results 5.2% above IPO prospectus forecast¹
- Annualised cash distribution yield of 6.35% based on Allco REIT unit closing price of $0.955 as at 2 November 2006
- Unit price increase of 14.2% in third quarter 2006

Singapore, 3 November 2006 – Allco (Singapore) Limited (the "Manager" or "Allco Singapore"), the manager of Allco Commercial Real Estate Investment Trust ("Allco REIT") (SGX:ALLC) is pleased to announce it has exceeded the forecasts made in its prospectus dated 23 March 2006 ("IPO Prospectus") for the period 1 July 2006 to 30 September 2006 ("3Q 2006"), in respect of revenue and the amount available for distribution to unitholders.

For 3Q 2006, Allco REIT reported:

- revenue of S$11.350 million against a forecast of S$11.104 million (up 2.2%);
- net property income of S$9.312 million against a forecast of S$9.548 million (down 2.5% due to a timing mismatch between the average exchange rate for 3Q 2006 used for the quarterly results and the hedged Australian net property income at S$1.00:AU$0.81); and
- amount available for distribution to unitholders of S$7.565 million against a forecast of S$7.169 million (up 5.5%).

Nicholas McGrath, Executive Director of Allco Singapore said, "Following on from Allco REIT’s excellent maiden quarterly results, it gives me great pleasure to announce results for 3Q 2006 which again exceed our IPO Prospectus forecast."

Mr McGrath went on to say, "The ongoing strength of both the Singapore and Perth office property markets continues to support the strong fundamentals of Allco REIT." Mr McGrath commented further: "I am delighted that Allco REIT has seen an increase in its unit price of over 14% in the third quarter and has once again demonstrated financial performance beyond expectations."

¹ Refer to page 2 of the Allco REIT Financial Statements Announcement for 3Q 2006 for year-to-date figures.

In relation to the initial public offering of the Units of Allco REIT on 30 March 2006, the sole global coordinator and sole financial adviser was Credit Suisse (Singapore) Limited. The joint lead underwriters and bookrunners were Credit Suisse (Singapore) Limited and DBS Bank Ltd.
### Overview of Allco REIT's financial results for 3Q 2006

#### Summary of Consolidated Allco REIT Results (Actual Vs Forecast)

<table>
<thead>
<tr>
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<th>3Q 2006 Actual S$'000</th>
<th>1 July 2006 to 30 September 2006</th>
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<tbody>
<tr>
<td></td>
<td>Forecast S$'000^2</td>
<td>Increase/ (Decrease) S$'000 %</td>
</tr>
<tr>
<td>Gross revenue</td>
<td>11,350</td>
<td>11,104</td>
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<tr>
<td></td>
<td>246</td>
<td>2.2%</td>
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<tr>
<td>Net property income</td>
<td>9,312</td>
<td>9,548</td>
</tr>
<tr>
<td></td>
<td>(236)</td>
<td>(2.5)%</td>
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<tr>
<td>Amount available for distribution to unitholders</td>
<td>7,565</td>
<td>7,169</td>
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<tr>
<td></td>
<td>396</td>
<td>5.5%</td>
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#### Available for Distribution Per unit (cents)

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<tr>
<th></th>
<th>3Q 2006 Actual (cents)</th>
<th>1 July 2006 to 30 September 2006</th>
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<tr>
<td></td>
<td>Forecast (cents)^2</td>
<td>Increase (cents) %</td>
</tr>
<tr>
<td>For Period</td>
<td>1.53</td>
<td>1.45</td>
</tr>
<tr>
<td></td>
<td>0.08</td>
<td>5.5%</td>
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<tr>
<td>Annualised</td>
<td>6.06</td>
<td>5.75</td>
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<tr>
<td></td>
<td>0.31</td>
<td>5.4%</td>
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#### Annualised Distribution Yield

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<tr>
<th></th>
<th>Actual</th>
<th>Forecast</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Based on IPO Price (S$1.00 per unit)</td>
<td>6.06%</td>
<td>5.75%^3</td>
<td>5.4%</td>
</tr>
<tr>
<td>Based on Closing Price as at 2 November 2006 (S$0.955 per unit)</td>
<td>6.35%</td>
<td>6.02%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

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^2 Based on the forecast for the period 1 March 2006 to 31 December 2006 ("Forecast Period 2006") set out in the IPO Prospectus, pro-rated for the period 1 July 2006 to 30 September 2006.

^3 Annualised yield based on the Forecast Period 2006 as set out in the IPO Prospectus.
About Alco Commercial Real Estate Investment Trust

Alco REIT listed on the main board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 30 March 2006. Alco REIT’s initial portfolio spans high quality assets in Singapore and Australia, being a 100% interest in the China Square Central Property, a 50% interest in Central Park (Perth) and an investment of A$48.0 million (S$55.4 million) in the Alco Wholesale Property Fund (“AWPF”), which has a 50.0% interest in each of Ernst & Young Centre and World Square Retail Complex and Public Car Park in Sydney, a 100.0% interest in 222 Exhibition Street in Melbourne and a 100% interest in Neeta Shopping Centre in Sydney.

Managed by Alco Singapore, Alco REIT’s investment policy is to invest primarily in real estate and real estate related assets in the office and retail sectors in Singapore, other parts of Asia and Australia. The Manager’s key objectives are to deliver regular and stable distributions to unitholders, and to achieve long term growth in such distributions and the net asset value per unit.

About Alco (Singapore) Limited

Alco Singapore was incorporated in March 2005 and is the manager of Alco REIT. Alco Finance Group Limited is the ultimate holding company of Alco Singapore.

About Alco Finance Group Limited (“Alco”)

Commencing business in 1979, Alco is an Australian Stock Exchange listed financial services company with a market capitalisation of circa S$4 billion as at 2 November 2006. Alco was formed by the merger on 1 July 2006 of the privately-owned Alco Finance Group Limited (“AFGL”), Sponsor of Alco REIT, and Australian public listed company Record Investments Limited (a company established and managed by AFGL). Alco specialises in asset-based financing and funds management activities, principally in the aviation, property, rail, shipping and infrastructure sectors. Since its inception, Alco has built a reputation in innovative asset-based structured financing and has developed a range of specialist financing structures utilising both domestic and cross border benefits in a diverse range of jurisdictions. Its key focus areas are funds management, asset finance, principal investing and capital markets finance. As at 20 February 2006, Alco managed gross funds in excess of A$7.6 billion (S$9.4 billion).

Headquartered in Sydney, Alco has three Australian offices and global offices in the key financial centres of London, New York, Frankfurt, San Francisco, Singapore and Hong Kong.
IMPORTANT NOTICE

This announcement 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 costs), 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.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The value of Alco REIT units (“Units”) and the income derived from them, if any, may fall or 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 should note that they have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unit-holders 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.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Alco REIT is not necessarily indicative of the future performance of Alco REIT.