# MACQUARIE COUNTRYWIDE TRUST

ARSN 093 143 965

Report for the half year to 31 December 2002

countrywide

Macquarie CountryWide Management Limited ABN 46 069 709 468 is a wholly owned subsidiary of Macquarie Bank Limited ABN 46 008 583 542.

No member of the Macquarie Bank Group guarantees the capital value of the units or any particular rate of return.

This is not an offer or invitation for subscription or purchase of or a recommendation of securities.

Macquarie CountryWide Management Limited, as Manager of the Macquarie CountryWide Trust, is entitled to fees for so acting.

Macquarie Bank Limited and its related bodies corporate together with certain of its officers and directors hold units in the Macquarie CountryWide Trust from time to time.

# Contents

# Performance in Brief

| | 6 Months to Dec 2002 | 6 Months to Dec 2001 | % Change |
|---|---|---|---|
| Earnings per Unit | 6.87 cents | 6.31 cents | 8.9 |
| Income Distributed per Unit | 6.80 cents | 6.74 cents | 0.9 |
| Part Entitlement Units | 2.66 cents | – | |
| Cash Distribution per Unit (post tax) | 6.75 cents | 6.70 cents | 0.7 |
| Part Entitlement Units | 2.64 cents | – | |
| Operating Income | $41.0m | $31.9m | 28.5 |
| Net Income | $29.5m | $22.4m | 31.7 |
| Undistributed Income | $525,000 | $23,000 | |
| Tax Advantaged Component | 20.17% | 45.41% | |
| Total Assets | $956.2m | $739.1m | 29.4 |
| Unitholders' Equity | $642.3m | $487.0m | 31.9 |
| Total Borrowings | $281.2m | $219.2m | 28.3 |
| Gearing Ratio (net debt/total assets)* | 28.7% | 30.2% | (5.0) |
| Number of Units on Issue | 470,573,580 | 381,554,082 | 23.3 |
| Number of Unitholders | 10,270 | 9,052 | 13.9 |
| Net Tangible Assets per Unit ($) | $1.36 | $1.28 | 6.6 |
| Market Capitalisation | $771.7m | $599.0m | 28.8 |

* Gearing is calculated as total borrowings and deferred settlements, less cash over total assets.

Note: All amounts referred to are in Australian dollars unless otherwise stated.

# 2 Portfolio Summary

Macquarie CountryWide Trust (CountryWide) invests in supermarket and food-based convenience retail property focussing on non discretionary retail spending

**Properties are anchored by national grocery retailers**

→ Average property value is $9.3 million.

→ No property is valued at more than 4% of the total portfolio.

**109 Properties**

→ 77 in Australia.

→ 17 in New Zealand (including post balance date transaction).

→ 15 in the United States of America (including post balance date transaction).

**72% of Australia and New Zealand net rental income for the half year ended 31 December 2002 (Period) was derived from anchor tenants**

→ Coles and Woolworths in Australia; and

→ Progressive in New Zealand.

**71% of United States net rental income for the Period was derived from anchor tenants, credit rated national tenants and major national specialty tenants**

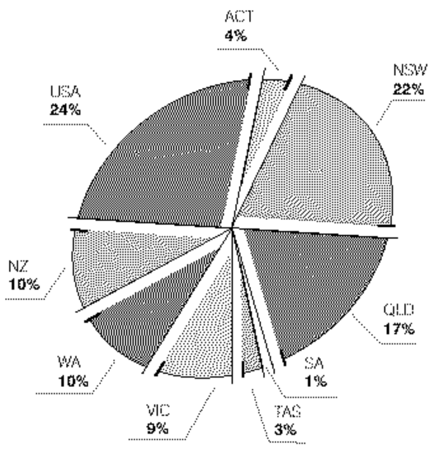
→ Properties are anchored by Kroger, Publix, Albertsons and Winn Dixie.

**Long term leases**

→ Average anchor tenant lease expiry across the portfolio is 11.9 years.

**Highly Diversified Portfolio**

GEOGRAPHIC DIVERSIFICATION BY PROPERTY VALUE



# Half Year Highlights

- Consistent strong performance – total return (both income and capital) to Unitholders for the year ended 31 December 2002 is 13.2% and 13.9% per annum for the five years ended 31 December 2002.
- Operating income for the Period was $41 million, an increase of 28.5% on the previous corresponding period.
- Net income from ordinary activities for the Period was $29.5 million, an increase of 31.7% on the previous corresponding period.
- Earnings per unit increased 8.9% to 6.87 cents per unit.
- Cash distribution per unit increased to 6.75 cents per unit (6.70 cents per unit, June 2002).
- Net tangible assets (NTA) increased by 5.9% to $1.36 per unit.
- Annual anchor tenant retail sales across the Australian and New Zealand assets totalled $2.3 billion for the 12 months ended 31 December 2002. This is an absolute increase of 6.6% on the previous corresponding period and an increase of 5.8% on a comparable basis.
- Successfully completed capital raisings totalling $113 million.
- Growth in market capitalisation to around $772 million.
- Value adding acquisitions continue – during the Period, 12 properties were acquired for A$195 million.
- Successful completion of redevelopments at Albany, Esperance and Kallangur.
- Redevelopments commenced at Coorparoo, Kalgoorlie, Nambour, Plympton, and Sandy Bay.
- Total assets as at 31 December 2002 were $956.2 million, an increase of 21.2% over the Period reflecting property acquisitions, value adding redevelopments and property revaluations made during the Period.

# 4 Manager's Report to Unitholders

The directors of Macquarie CountryWide Management Limited (Manager) are pleased to present their report for the Period.

## Results for the Half Year

### Unit Price Performance

CountryWide's unit price closed on 31 December 2002 at $1.64 per unit which, together with distributions, represents a total return to Unitholders of 13.2% for the year. CountryWide has consistently delivered strong returns to Unitholders as shown in the table below:

| Accumulated Total Return | 1 Year % pa | 5 Year % pa |
|---|---|---|
| Macquarie CountryWide Trust | 13.2 | 13.9 |
| UBSW Retail 200 Index | 13.8 | 12.8 |

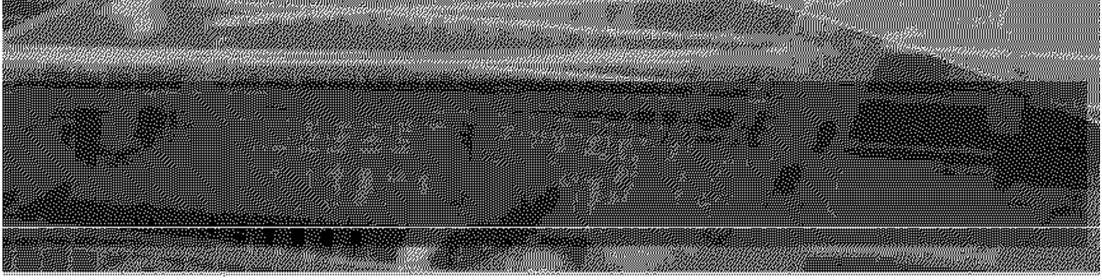
### Distribution and Net Income

CountryWide's net operating income was $29.5 million for the Period, allowing a distribution of 6.80 cents per unit. Net of withholding tax paid, the actual amount physically distributed was 6.75 cents per unit. The net operating income increased over the prior corresponding period by $7.1 million due to CountryWide's acquisitions of new properties, redevelopments and continued rental growth from existing properties.

December 2002 half year net distribution: 6.75 cents per unit

Date of payment: 13 February 2003

| December 2002 Half Year | % | Cents per Unit |
|---|---|---|
| Tax Advantaged Component | 20.17 | 1.36 |
| Taxable | | |
| – Australian Sourced Property Income | 73.57 | 4.97 |
| – Australian Sourced Interest Income | 1.02 | 0.07 |
| – Australian Sourced Capital Gains | 2.56 | 0.17 |
| – Foreign Sourced Income | 3.42 | 0.23 |
| **Income Distribution** | | **6.80** |
| **Foreign Tax Credit** | **(0.74)** | **(0.05)** |
| **Cash Distribution Paid** | **100.00** | **6.75** |

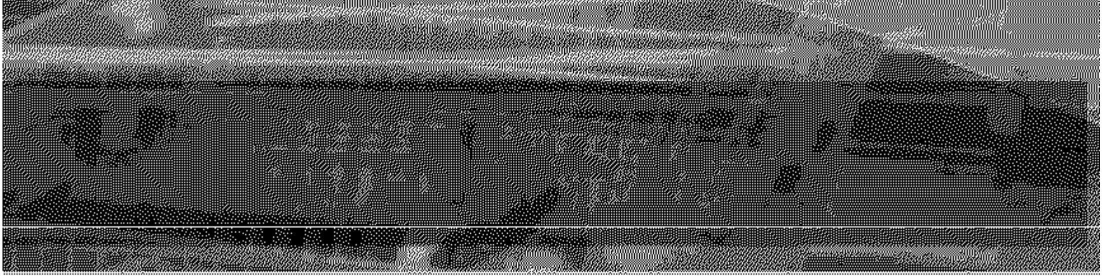


## Acquisitions

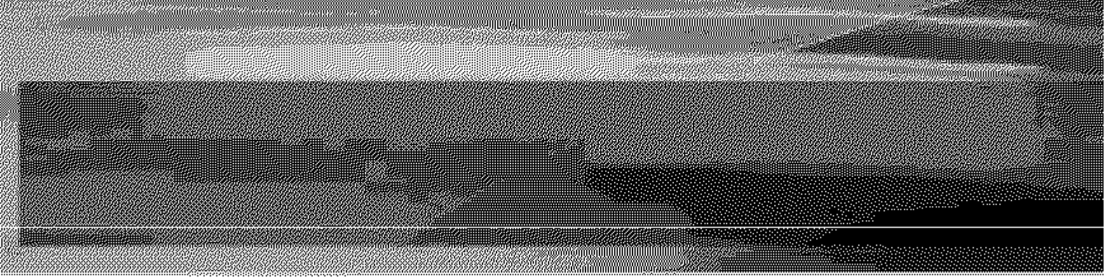
CountryWide continued to acquire value adding properties throughout the Period. Three properties were acquired in Australia for $24.7 million at a weighted average acquisition yield of 8.5% and a portfolio of nine shopping centres was acquired in the United States for US$95.6 million (excluding acquisition costs) at a weighted average acquisition yield of 9%. A detailed acquisition summary is shown in the following table.

## Post Balance Date Acquisitions

Contracts have been exchanged to acquire a new Foodtown supermarket situated at Takapuna in Auckland, New Zealand at an acquisition price of NZ$12.935 million (excluding acquisition costs) at an acquisition yield of 8.5%. Settlement is expected to occur in late February 2003.



| Acquisition Price* | Acquisition Yield* | Anchor Tenant | Anchor Tenant Lease Expiry | No. of Specialty Tenants |
|---|---|---|---|---|
| **A$'000** | | | | |
| 7,055 | 7.7 | Woolworths | Nov 2019 | – |
| 12,095 | 8.6 | Woolworths | Mar 2022 | 15 |
| 5,570 | 9.4 | Foodland Australia Limited | Jan 2007 | 7 |
| **A$24,720** | **8.5** | | | **22** |
| **NZ$'000** | | | | |
| 12,935 | 8.5 | Progressive | Jan 2018 | 3 |
| **NZ$12,935** | **8.5** | | | **3** |
| **US$'000** | | | | |
| 31,000 | 8.4 | Ralphs (Kroger) | Jan 2022 | 28 |
| 8,000 | 9.8 | Publix | Feb 2008 | 30 |
| 9,150 | 8.7 | Publix | Apr 2022 | 13 |
| 9,343 | 9.6 | Publix | Mar 2021 | 17 |
| 9,000 | 9.5 | King Supers (Kroger) | Jan 2018 | 9 |
| 20,000 | 9.5 | Fred Meyer (Kroger) | Feb 2015 | 23 |
| 17,750 | 8.0 | Albertsons | Jul 2032 | 17 |
| 10,200 | 8.7 | Publix | Dec 2021 | 11 |
| 13,000 | 9.8 | Winn Dixie | Jul 2010 | 29 |
| **US$127,443** | **9.0** | | | **177** |



## Disposals

### Devonport, TAS

This freestanding Coles Supermarket was sold for $1.62 million, against a book value of $1.27 million, reflecting a profit on sale of over 28%. The sale was settled on 8 October 2002.

### 142 Main Street, Lilydale, VIC

Premises adjacent to CountryWide's Lilydale Shopping Centre was sold for $775,000, against a book value of $628,000, reflecting a profit on sale of over 23%.

### Oakley, Asheville, North Carolina, US

The Oakley Plaza Shopping Center has been sold for US$9,400,000, post balance date, representing a yield of 9.62%. The property was acquired on 28 June 2001 for US$8,720,000 reflecting a yield of 10.18%. The property is anchored by Ahold (Bi-Lo) and Babies R US. The sale price is $496,000 or 5.6% above book value.

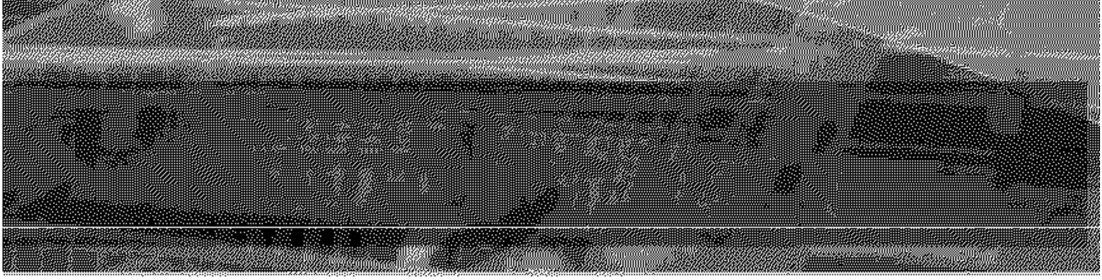
Negotiations are underway to reinvest the sale proceeds in the joint venture with Regency Centers, LP.

## New Leases

New anchor tenant leases were entered into and options exercised at the following properties:

| Property | Anchor Tenant | Lease Expiry | Remaining Options |
|---|---|---|---|
| Albany Plaza, WA | Coles | 9/2017 | 1 x 10, 1 x 5 |
| Albany Plaza, WA | Kmart | 9/2017 | 1 x 10 |
| Coorparoo, QLD | Coles | 12/2016 | 2 x 5 |
| Earlwood, NSW | Coles | 10/2007 | 1 x 5 |
| Jamison, ACT | Coles | 9/2007 | 1 x 5 |
| Nambour Plaza, QLD | Woolworths | 9/2007 | Nil* |
| Narrogin, WA | Coles | 7/2007 | 1 x 5 |

* New 20 year lease (3 x 5 year options) from completion of redevelopment agreed.



## Revaluations and Net Tangible Assets

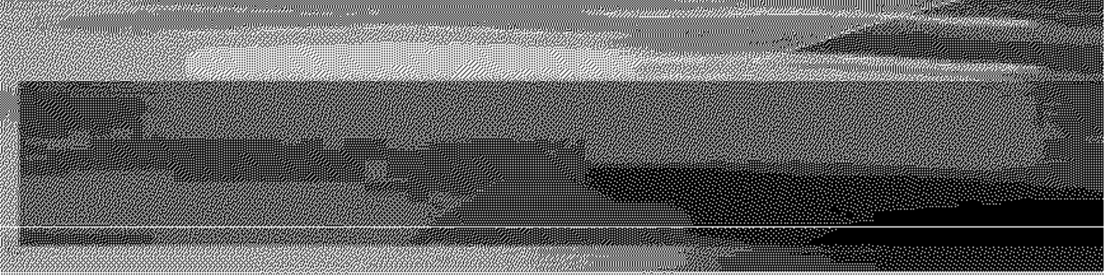
During the Period, CountryWide revalued 23 properties representing 25% of total assets. The revaluations resulted in a $17 million increase in book value.

There was a positive shift in the capitalisation rates since the last valuations of 0.48% across the Australian assets and 0.29% across the United States assets revalued. This shift, together with rental increases, led to the increase in overall value.

The NTA increased significantly over the Period by 5.9% to $1.36 per unit, largely as a result of the property revaluations and successful capital raisings in excess of NTA. NTA growth has averaged 5.5% per annum over the past five years.

The following property revaluations were conducted during the Period:

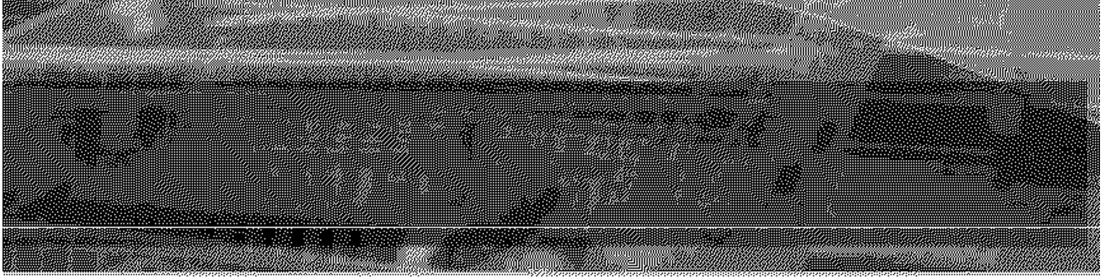
| Property | Previous Valuation Date | Previous Valuation Yield | Current Valuation and Book Value at 31 Dec 02 A$'000 | Current Valuation Yield | Incr/(Decr) over Book Value at Valuation Date A$'000 |
|---|---|---|---|---|---|
| **Australia** | | | | | |
| Wanniassa, ACT | Dec 01 | 9.00% | 19,500 | 9.00% | 981 |
| Bathurst, NSW | Jun 00 | 9.75% | 15,770 | 9.25% | −1,310 |
| Goonellabah, NSW | Dec 99 | 8.00% | 9,887 | 8.00% | −1,298 |
| Morisset, NSW | Jan 01 | 8.00% | 6,100 | 8.00% | 399 |
| Parkes, NSW | Jun 00 | 9.40% | 12,600 | 9.00% | 1,901 |
| Singleton, NSW | Jun 00 | 8.75% | 29,000 | 8.50% | 2,803 |
| Young, NSW | Jun 00 | 8.75% | 10,000 | 9.00% | 1,622 |
| Coorparoo, QLD | Nov 99 | 8.50% | 7,000 | 8.00% | 52 |
| Currimundi, QLD | Jun 00 | 8.50% | 17,500 | 8.50% | 1,792 |
| Gatton, QLD | Dec 01 | 10.50% | 10,700 | 9.00% | 1,915 |
| Hervey Bay, QLD | Dec 01 | 9.50% | 12,500 | 9.25% | 1,537 |
| Kallangur, QLD | Dec 01 | 10.25% | 8,800 | 9.00% | 1,482 |
| Townsville, QLD | Sep 00 | 10.00% | 5,500 | 10.50% | −665 |
| Plympton, SA | Nov 99 | 10.00% | 2,640 | 9.00% | 30 |
| Horsham, VIC | Jun 00 | 9.25% | 5,400 | 8.50% | 1,136 |



| Property | Previous Valuation Date | Previous Valuation Yield | Current Valuation and Book Value at 31 Dec 02 A$'000 | Current Valuation Yield | Incr/(Decr) over Book Value at Valuation Date A$'000 |
|---|---|---|---|---|---|
| Monbulk, VIC | Dec 01 | 10.25% | 6,000 | 8.25% | 500 |
| Wangaratta, VIC | Nov 99 | 10.50% | 2,600 | 11.00% | –1,115 |
| Albany, WA | Dec 01 | 10.00% | 31,000 | 8.50% | 1,447 |
| Kalgoorlie, WA | Nov 99 | 10.30% | 12,580 | 9.25% | 1,069 |
| **Sub Total** | | **9.28%** | **225,077** | **8.80%** | **14,278** |
| **United States 100%** | | | **US$'000** | | **US$'000** |
| Kings Crossing | Jun 01 | 9.00% | 8,300 | 8.75% | 200 |
| Brookville Plaza | Jun 01 | 9.75% | 5,700 | 9.25% | 600 |
| Merchants Village | Jun 01 | 9.75% | 8,450 | 9.25% | 700 |
| Hebron Parkway | Jun 01 | 9.25% | 8,250 | 9.25% | 525 |
| Sub Total US$ | | 9.40% | 30,700 | 9.11% | 2,025 |
| CountryWide 75% Share in US$ | | | 23,025 | | 1,519 |
| **Equivalent A$** | | | **41,088** | | **2,710** |
| **Total A$** | | | **266,165** | | **16,988** |

## Strong Sales Growth Continues

Strong sales growth continues, reflecting the high non-discretionary expenditure in supermarkets which is core to CountryWide's investment strategy.

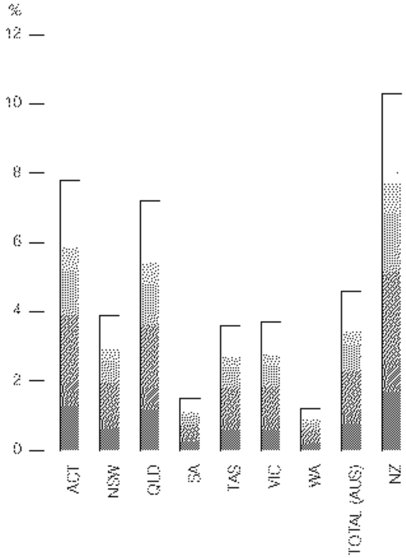


## Australia and New Zealand Portfolio

Anchor tenant sales growth is important to CountryWide as:

- in excess of 70% of CountryWide's income across its Australian and New Zealand investments is derived from anchor tenants such as Coles, Woolworths and Progressive;
- anchor tenant rental is typically structured with a base rent component plus a percentage of sales turnover once a certain gross sales amount is achieved; and
- 66% of anchor tenants are currently paying turnover rent.

COMPARABLE ANCHOR TENANT TURNOVER GROWTH
FOR THE YEAR ENDED 31 DECEMBER 2002



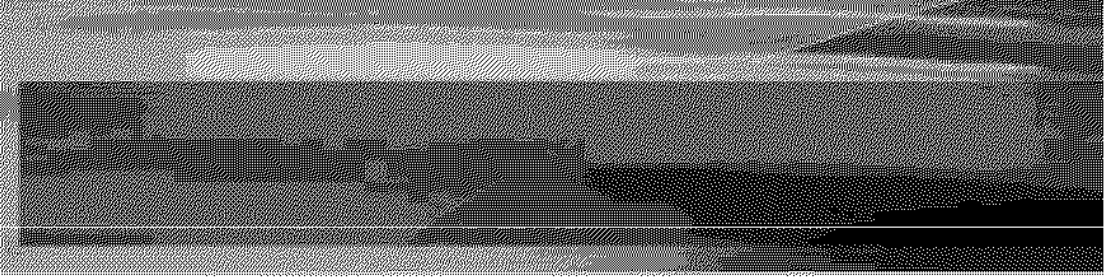

Strong sales turnover growth continues to be achieved across the portfolio with comparable anchor tenant turnover growth for the year ended 31 December 2002 up 5.8% across the portfolio with the ACT and NZ portfolios producing the strongest growth.

The WA portfolio has been impacted by the redevelopment of Albany and Esperance. Turnover growth is expected to increase now that the redevelopments are complete.

## USA Portfolio Review

CountryWide has a 75% interest in a joint venture with Regency Centers, LP, the leading owner, manager and developer of grocery-based neighbourhood centres in the United States. The joint venture owns 15 neighbourhood shopping centres in the United States, anchored by market leading national supermarket tenants.

Occupancy across the joint venture's assets remains high at 97.5%, demonstrating the strength of the neighbourhood retail sector in the US market.



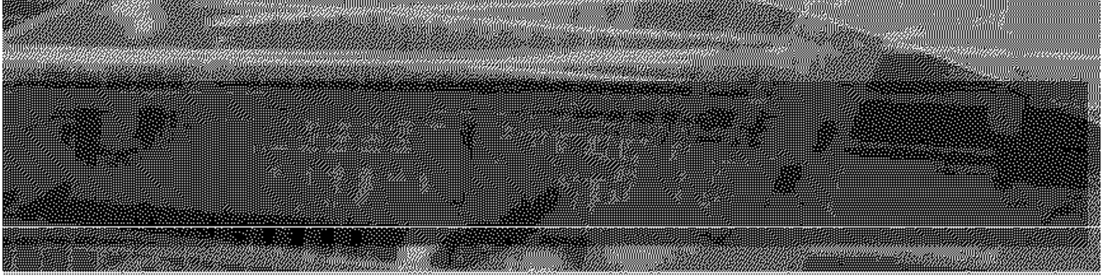
## Summary of Joint Venture Assets as at 31 December 2002

| Property | Acquisition Date | Gross Lettable Area m² | Anchor Tenant | Anchor Lease Expiry |
|---|---|---|---|---|
| Brookville Plaza | Jun 2001 | 5,966 | Kroger | Jun 2016 |
| Hebron Parkway ^ | Jun 2001 | 10,227 | Albertsons | Dec 2019 |
| Kings Crossing | Jun 2001 | 7,031 | Publix | Apr 2020 |
| Oakley Plaza# | Jun 2001 | 11,127 | Ahold (Bi-Lo) | Jun 2016 |
| Merchants Village | Jun 2001 | 7,472 | Publix | May 2018 |
| Lovejoy Station | Jan 2002 | 7,191 | Publix | Jan 2016 |
| Silverlake Shopping Center | Jan 2002 | 9,233 | Kroger | Jan 2014 |
| Campus Marketplace | Sep 2002 | 13,313 | Ralphs (Kroger) | Jan 2022 |
| Garden Village | Sep 2002 | 10,486 | Albertsons | Jul 2032 |
| Ocala Corners | Sep 2002 | 8,061 | Publix | Apr 2022 |
| Shoppes of Pebblebrooke | Sep 2002 | 7,132 | Publix | Dec 2021 |
| Anastasia Plaza | Nov 2002 | 9,508 | Publix | Feb 2008 |
| Cheyenne Meadows | Nov 2002 | 8,351 | King Soopers (Kroger) | Jan 2018 |
| James Center | Nov 2002 | 13,029 | Fred Meyer (Kroger) | Feb 2015 |
| Orchard Square | Nov 2002 | 8,660 | Publix | Mar 2021 |
| Shoppes at 104 | Nov 2002 | 10,051 | Winn Dixie | Jul 2010 |
| **Total** | | **146,838** | | |

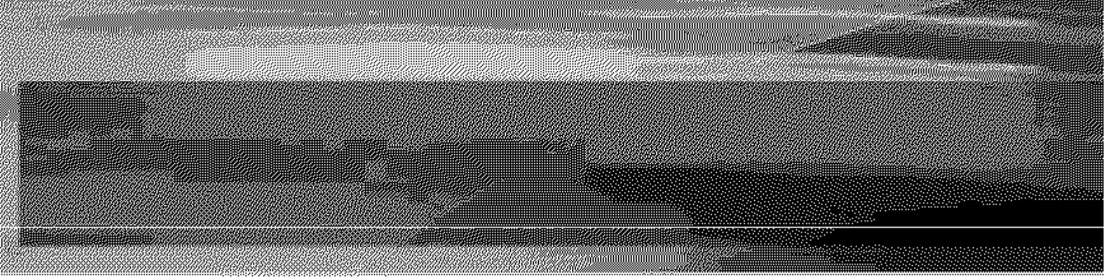
* 100% of joint venture interest.

^ The Albertsons tenancy is not owned by CountryWide.

# Property was sold 8 February 2003.



| Option Years | Anchor Tenant GLA m² | Number of Specialty Stores | Date of Latest Independent Valuation | Independent Valuation US$'000* | 31 December 2002 Book Value US$'000* |
|---|---|---|---|---|---|
| 6 x 5 | 4,954 | 9 | Dec 2002 | 5,700 | 5,700 |
| Nil | 5,841 | 24 | Dec 2002 | 8,250 | 8,250 |
| 3 x 5 | 4,819 | 15 | Dec 2002 | 8,300 | 8,300 |
| 4 x 5 | 3,966 | 12 | Apr 2001 | 8,700 | 8,700 |
| 4 x 5 | 3,551 | 18 | Dec 2002 | 8,450 | 8,450 |
| 3 x 5 | 5,707 | 18 | Jan 2002 | 8,490 | 8,490 |
| 5 x 5 | 7,481 | 15 | Jan 2002 | 9,300 | 9,300 |
| 5 x 5 | 5,346 | 28 | Aug 2002 | 31,000 | 31,000 |
| 8 x 5 | 5,300 | 17 | Aug 2002 | 17,750 | 17,750 |
| 6 x 5 | 5,683 | 13 | Aug 2002 | 9,150 | 9,150 |
| 6 x 5 | 5,683 | 11 | Aug 2002 | 10,200 | 10,200 |
| 4 x 5 | 4,511 | 30 | Aug 2002 | 8,800 | 8,800 |
| 7 x 5 | 6,495 | 9 | Aug 2002 | 9,500 | 9,500 |
| 8 x 5 | 6,343 | 23 | Aug 2002 | 21,400 | 21,400 |
| 6 x 5 | 4,113 | 17 | Aug 2002 | 10,500 | 10,500 |
| 5 x 5 | 4,308 | 29 | Aug 2002 | 13,950 | 13,950 |
| | **84,101** | **288** | | **189,440** | **189,440** |



## Redevelopments

### Completed Projects

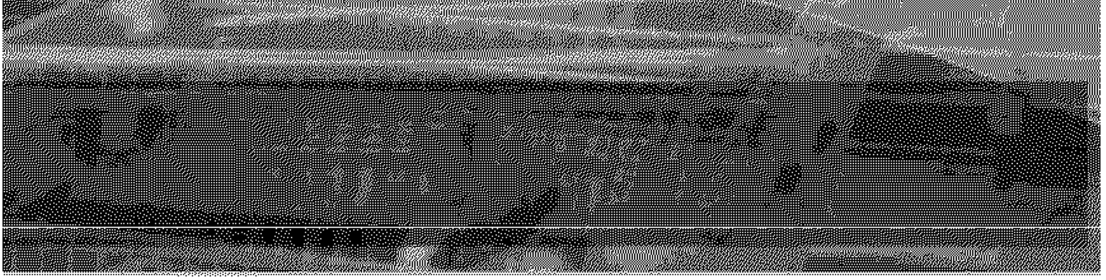
CountryWide has a strong track record in delivering results from redevelopments. Projects completed during the Period were:

| Property | Completed | Capex | Year 1 Yield | 10 Year IRR |
|---|---|---|---|---|
| Albany, WA | Sep 2002 | $18.8m | 11.61% | 14.54% |
| Esperance, WA | Dec 2002 | $4.2m | 10.01% | 16.31% |
| Kallangur, QLD | Dec 2002 | $0.9m | 10.15% | 20.56% |
| **Total** | | **$23.9m** | **11.27%** | **15.08%** |

### Current Projects

CountryWide continues to proactively undertake redevelopments that are profitable and low risk. Current projects underway are:

| Property | Project Status | Forecast Completion | Capex | Year 1 Yield | 10 Year IRR |
|---|---|---|---|---|---|
| Kalgoorlie | Woolworths Plus Petrol Station and Showroom | Jun 2003 | $2.6 m | 9.18% | 12.84% |
| Coorparoo | Extension of Coles Supermarket | Apr 2003 | $3.9 m | 11.63% | 20.30% |
| Nambour Plaza | DA Approved | Mar 2004 | $22.3 m | 9.70% (10.2% Y2) | 16.25% |
| Plympton | Expand Bi-Lo Supermarket | Aug 2003 | $1.3 m | 10.10% | 15.56% |
| Sandy Bay | Expand Coles Supermarket | Aug 2003 | $1.7 m | 11.32% | 18.27% |
| **Total** | | | **$31.8 m** | **10.00%** | **16.55%** |



## Capital Raisings

Successful capital raisings totalling $113 million were undertaken during the Period via a priority entitlement offer and the Distribution Reinvestment Plan (DRP).

CountryWide successfully completed a priority entitlement offer, during the Period, raising $101 million to assist in funding the acquisition of nine properties in the United States. The units were issued at $1.50 each. The units ranked for distribution from 21 October 2002.

The DRP for June 2002 and December 2002 were offered to Unitholders at a 2.5% discount to market value. The December 2002 DRP participation rate was 56% representing the issue of 10,043,305 units at $1.62 (post discount) each. The units will be allotted on 13 February 2003 and will rank for distribution from 1 January 2003.

## Financial Risk Management Policy

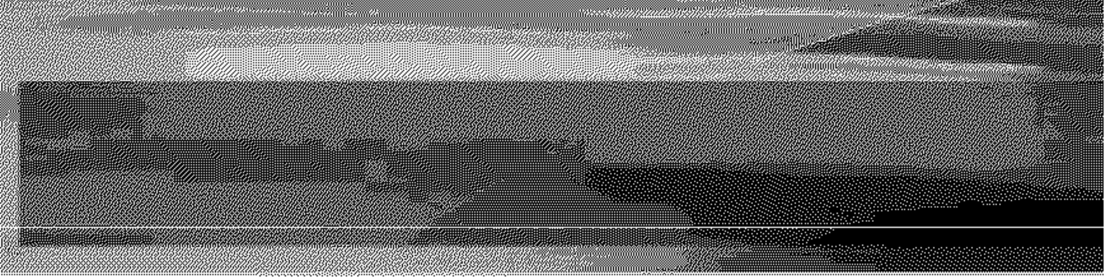
CountryWide continues to actively manage its finance facilities and interest rate exposures. At 31 December 2002, CountryWide's total drawn borrowings represent $281 million provided from term debt facilities with an undrawn facility limit of $39 million ensuring future funding alternatives for acquisitions and redevelopments. In addition, CountryWide's joint venture with Regency Centers, LP has drawn borrowings of US$85 million.

These borrowings represent a net gearing level of 36.9% of the gross assets of CountryWide. Borrowings increased during the Period to partially fund the acquisitions completed during the Period and to fund redevelopment projects.

Interest rate exposures are managed through the use of interest rate swap contracts. CountryWide has currently fixed the interest cost on 72% of borrowings at an average rate of 6.67% (including margin) per annum. The average rate includes Australian, New Zealand and United States interest rate contracts.

## Currency Hedging

It is CountryWide's policy to hedge the capital investment in offshore markets. In addition, the estimated net income from the New Zealand investments is fully hedged through to December 2007 at an average rate of NZ$/AU$ 1.255 and the estimated income from the United States investments is fully hedged through to January 2009 at a maximum average rate of US$/AU$ 0.5235.



## Manager's Performance Fee

The relative performance of CountryWide to the Index for the calculation period ended 31 December 2002 was:

| | December 2002 |
|---|---|
| Macquarie CountryWide Trust Performance | 7.4% |
| Retail Property Trust Accumulation Index Performance | 8.8% |
| Percentage Underperformance | –1.4% |

The starting balances for the calculation period ended 31 December 2002 have been reset to 1 July 2002. Accordingly, the relative performance noted above reflects performance over a six month period.

CountryWide underperformed the Index by 1.4%. This underperformance will be required to be earned back before any future performance fees can be earned by the Manager.

## Looking Ahead

The Manager believes the immediate future for the retail food sector, and therefore CountryWide looks robust.

Based on current indications, and especially since the recent Australian and US acquisitions, CountryWide has forecast distributions for the financial year ending 30 June 2003 to be at least 13.6 cents per unit.

The Manager will continue to actively pursue acquisition opportunities in all three of CountryWide's existing markets – Australia, New Zealand and the United States. The Manager will continue with their strategy of investing in grocery anchored properties with a focus on non-discretionary food-based spending. This will ensure CountryWide has limited exposure to volatile economic conditions.

The Manager remains confident that the niche retail strategy which has been pursued since CountryWide's inception will continue to deliver both income and capital growth for Unitholders.

# 5 Directors' Report to Unitholders

## Directors' Report to Unitholders

The directors of Macquarie CountryWide Management Limited (Manager), the responsible entity of Macquarie CountryWide Trust (Trust), present their report together with the consolidated financial report of the Trust for the half year ended 31 December 2002 (Period).

1. Directors

The following persons have held office as directors of Macquarie CountryWide Management Limited during the Period and up to the date of this report:

David S Clarke, AO
Trevor Gerber
Maurice J Koop (appointed 12 August 2002)
Neville R Head (resigned 12 August 2002)
Alan G Rattray-Wood
William J Moss
Mark W Baillie
Stephen M Girdis (alternate for David S Clarke, AO)
James T Hodgkinson (alternate for William J Moss).

2. Distributions

The distribution of income for the Period was 6.75 cents per unit.

3. Review of Operations

The performance of the Trust and its controlled entities, as represented by the results of their operations for the Period, was as follows:

| | Consolidated December 2002 $'000 | Consolidated December 2001 $'000 |
|---|---|---|
| Property Rental Income | 37,854 | 32,688 |
| Net Income from Property Investment in Joint Venture Entity | 5,110 | 1,701 |
| Net Profit | 29,533 | 22,366 |

## Directors' Report to Unitholders (cont.)

### 4. Value of Assets

| | Consolidated December 2002 $'000 | Consolidated June 2002 $'000 |
|---|---|---|
| Value of Trust Assets | 956,197 | 789,026 |

The value of the Trust's assets is derived using the basis set out in Note 1 to the financial statements.

### 5. Interests in the Trust

The movement in equity of the Trust during the Period is set out below:

| | Consolidated December 2002 | Consolidated June 2002 |
|---|---|---|
| Units Issued during the Period | 75,864,834 | 54,816,354 |
| Units on Issue | 470,573,580 | 394,708,746 |

### 6. Rounding of Amounts to the Nearest Thousand Dollars

The Trust is a registered scheme of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

This report is made in accordance with a resolution of the Board of Directors.

David Clarke

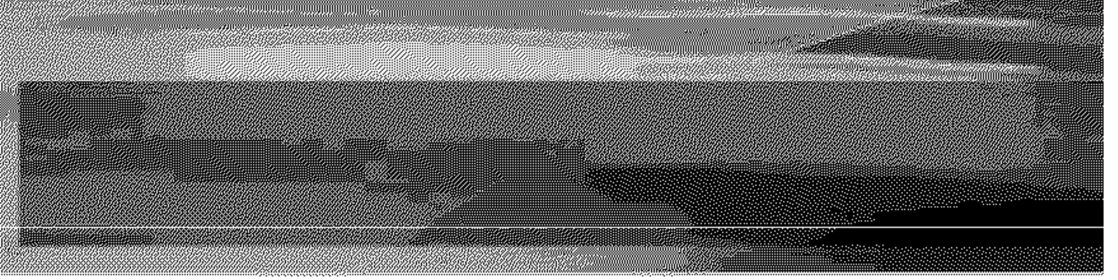
David S Clarke, AO
Chairman

Sydney
12 February 2003


## Statement of Financial Performance

For the half year ended 31 December 2002

| | Note | Consolidated December 2002 $'000 | Consolidated December 2001 $'000 |
|---|---|---|---|
| **Income** | | | |
| Property Income | | | |
| – Property Rental Income | | 37,854 | 32,688 |
| – Property Expenses | | (4,650) | (2,914) |
| Net Property Income | | 33,204 | 29,774 |
| Other Income | | | |
| – Net Income from Property Investments in Joint Venture Entity | | 5,110 | 1,701 |
| – Interest Income | | 114 | 277 |
| – Proceeds on Sale of Property Investments | | 2,390 | – |
| – Other Income | | 224 | 154 |
| Total Income | | 41,042 | 31,906 |
| **Expenditure** | | | |
| Manager's Base Fee | 3 | 1,928 | 1,550 |
| Borrowing Costs | | 6,632 | 7,287 |
| Carrying Value of Property Investments Sold | | 1,884 | – |
| Withholding Tax | | 220 | – |
| Other Expenses | | 845 | 703 |
| Total Expenditure | | 11,509 | 9,540 |
| Net Profit before Performance Fee | | 29,533 | 22,366 |
| Manager's Performance Fee | 3 | – | – |
| **Net Profit** | 4 | **29,533** | **22,366** |
| Investment Revaluations Credited Directly to Reserves | | 14,215 | 4,168 |
| Share of Increase in Joint Venture Entity's Reserves | | 6,855 | – |
| Foreign Exchange Differences on Translation | | 142 | – |
| **Total Valuation Adjustments Attributable to Unitholders Recognised Directly in Equity** | | **21,212** | **4,168** |
| **Increase in Equity (excluding Transactions with Unitholders)** | | **50,745** | **26,534** |
| **Distribution Paid and Payable** | 4, 5 | **29,008** | **23,763** |

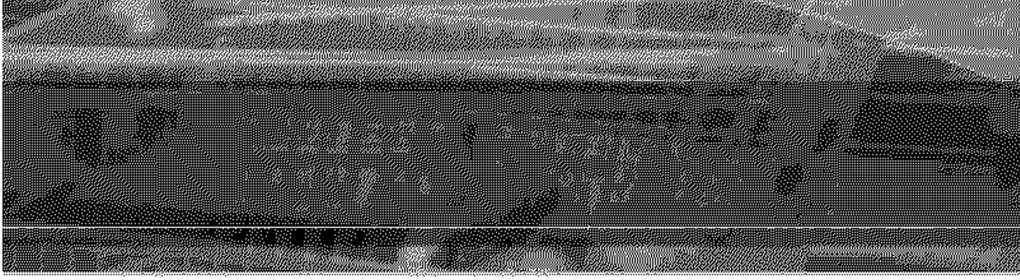


# Statement of Financial Performance (cont.)

For the half year ended 31 December 2002

| | Note | Consolidated December 2002 ¢ | Consolidated December 2001 ¢ |
|---|---|---|---|
| Distribution Paid and Payable per Unit | 5 | 6.75 | 6.70 |
| Basic Earnings per Unit | 10 | 6.87 | 6.31 |
| Diluted Earnings per Unit | 10 | 6.87 | 6.31 |
| Basic Earnings per Unit before Capital Gains | | 6.75 | 6.31 |

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

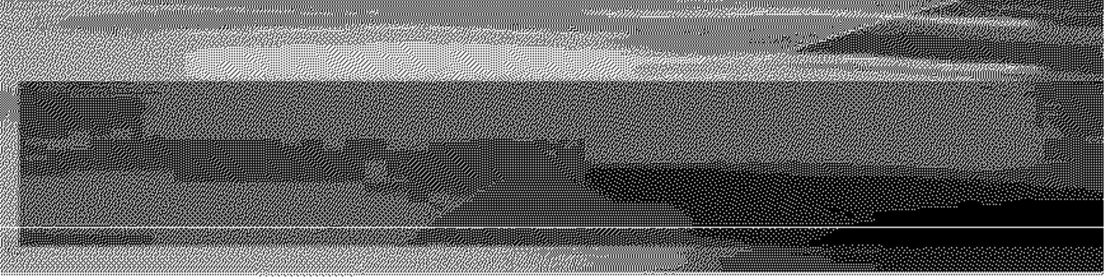


# Statement of Financial Position

As at 31 December 2002

| | Note | Consolidated December 2002 $'000 | Consolidated June 2002 $'000 |
|---|---|---|---|
| Current Assets | | | |
| Cash | | 6,763 | 6,725 |
| Receivables | | 21,374 | 21,096 |
| Other | | 4,872 | 2,835 |
| **Total Current Assets** | | **33,009** | **30,656** |
| Non-Current Assets | | | |
| Property Investments | 6 | 773,951 | 708,178 |
| Property Investment in Joint Venture Entity | | 149,237 | 50,192 |
| **Total Non-Current Assets** | | **923,188** | **758,370** |
| **Total Assets** | | **956,197** | **789,026** |
| Current Liabilities | | | |
| Payables | | 2,641 | 4,806 |
| Interest Bearing Liabilities | | 101,377 | 91,194 |
| Provisions | 5 | 29,008 | 26,354 |
| Other | | 989 | 220 |
| **Total Current Liabilities** | | **134,015** | **122,574** |
| Non-Current Liabilities | | | |
| Interest Bearing Liabilities | | 179,870 | 158,008 |
| **Total Non-Current Liabilities** | | **179,870** | **158,008** |
| **Total Liabilities** | | **313,885** | **280,582** |
| **Net Assets** | | **642,312** | **508,444** |
| Equity | | | |
| Contributed Equity | 7 | 590,140 | 478,009 |
| Reserves | 8 | 51,647 | 30,435 |
| Undistributed Income | 4 | 525 | – |
| **Total Equity** | | **642,312** | **508,444** |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



# Statement of Cash Flows

For the half year ended 31 December 2002

| | Consolidated December 2002 $'000 Inflows/ (Outflows) | Consolidated December 2001 $'000 Inflows/ (Outflows) |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Property Rental Income Received | 40,237 | 30,598 |
| Property Expenses Paid | (5,815) | (4,765) |
| Other Operating Expenses Paid | (2,909) | (4,215) |
| Interest and Other Income Received | 112 | 569 |
| Withholding Tax Paid | (220) | – |
| Net GST Received from/(paid to) ATO | (227) | 1,583 |
| **Net Cash Flows from Operating Activities** | **31,178** | **23,770** |
| **Cash Flows from Investing Activities** | | |
| Distributions Received from Investment in Joint Venture Entity | 3,833 | 1,395 |
| Proceeds from Sale of Property Investments | 2,390 | – |
| Payments for Property Investments | (144,443) | (61,642) |
| **Net Cash Flows from Investing Activities** | **(138,220)** | **(60,247)** |
| **Cash Flows from Financing Activities** | | |
| Proceeds from Borrowings | 147,182 | 30,333 |
| Repayment of Borrowings | (115,137) | (24,483) |
| Borrowing Costs Paid | (9,035) | (8,199) |
| Proceeds from Issue of Units | 100,620 | 54,755 |
| Issue Costs Paid | (2,419) | (1,064) |
| Distributions Paid to Unitholders | (14,131) | (13,909) |
| **Net Cash Flows from Financing Activities** | **107,080** | **37,433** |
| **Net Increase in Cash Held** | **38** | **956** |
| Cash at Beginning of the Period | 6,725 | 1,155 |
| **Cash at End of the Period** | **6,763** | **2,111** |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

For the half year ended 31 December 2002

## 1. Basis of Preparation – Half Year Financial Report

The significant policies which have been adopted in the preparation of these financial statements for the half year ended 31 December 2002 (Period) are stated to assist in a general understanding of this financial report.

### (a) Basis of Preparation

This financial report has been prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at fair value.

The Trust's financial report is a general purpose financial report and has been prepared in accordance with the requirements of the Trust Constitution (Constitution), and in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001. This financial report does not include all the notes of the type normally included in an annual financial report. It is recommended that this report should be read in conjunction with the Annual Report for the year ended 30 June 2002 and any public announcements made by the Trust during the Period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

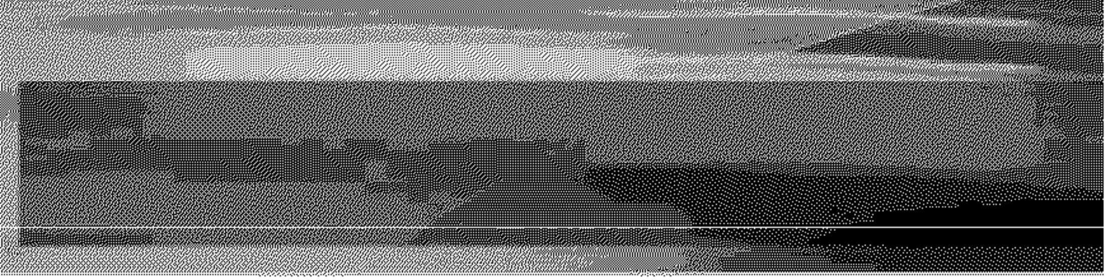
The accounting policies adopted in preparing the financial report have been consistently applied by the Trust except as otherwise indicated.

### (b) Principles of Consolidation

The consolidated financial statements of the Trust incorporate the assets and liabilities of the controlled entities as at 31 December 2002, and their results for the Period. The effects of all transactions between entities in the consolidated entity have been eliminated in full.

(i) Macquarie CountryWide (NZ) Trust

Macquarie CountryWide (NZ) Trust, a sub-trust of the Trust, was established on 13 September 2000, for the purpose of acquiring New Zealand-based properties.



# Notes to the Financial Statements (cont.)

For the half year ended 31 December 2002

## 1. Basis of Preparation – Half Year Financial Report (cont.)

### (b) Principles of Consolidation (cont.)

(ii) Macquarie CountryWide (US) Trust

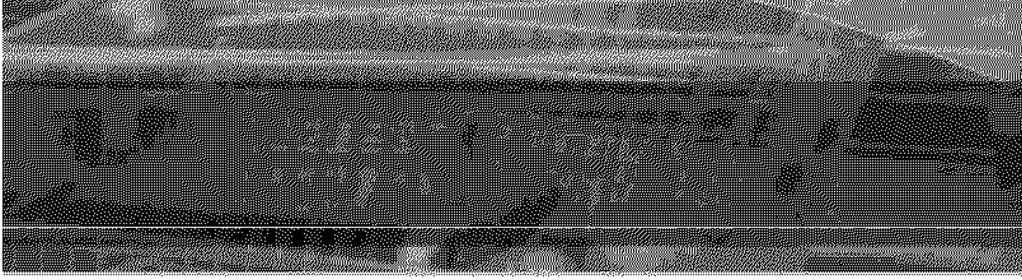
Macquarie CountryWide (US) Trust, a sub-trust of the Trust, was established on 18 June 2001. Macquarie CountryWide (US) Trust has acquired United States-based properties through a joint venture vehicle with Regency Centers, LP, a US-based Real Estate Investment Trust (REIT). The Trust exercises significant influence over the US-based properties, but neither the Trust nor its joint venture partner has control in its own right, irrespective of their ownership interest.

Accordingly, under Accounting Standard AASB 1006: Interests in Joint Ventures, the equity method of accounting has been adopted for the Trust's US-based property investments. Under this method, the consolidated entity's share of the profits or losses of the joint venture entity is recognised as income in the Consolidated Statement of Financial Performance, and its share of movements in reserves is recognised in the Consolidated Statement of Financial Position.

### (c) Valuation of investments

Property investments comprise investment interests in land and buildings (including integral plant and equipment) held for the purpose of letting to produce rental income.

The Corporations Act 2001 requires that investments are revalued at intervals appropriate to the nature of the property. Accordingly, the Trust's property investments are revalued to market value by an independent valuer on a progressive basis over a three year period. Approximately one third of the Trust's portfolio, by value, is revalued during each year of the three year period. These revaluations are based on market values which represent the price at which the property investments could be sold at the date of revaluation assuming reasonable exposure to the market and a reasonable settlement period, and have been prepared in accordance with the Corporations Act 2001.



# Notes to the Financial Statements (cont.)

For the half year ended 31 December 2002

## 1. Basis of Preparation – Half Year Financial Report (cont.)

### (c) Valuation of Investments (cont.)

The Trust's accounting policy is to carry investments at fair value. Directors' valuations of property investments are performed for each period or whenever the Manager believes there is a significant change in market value within the period, unless an independent valuation is obtained.

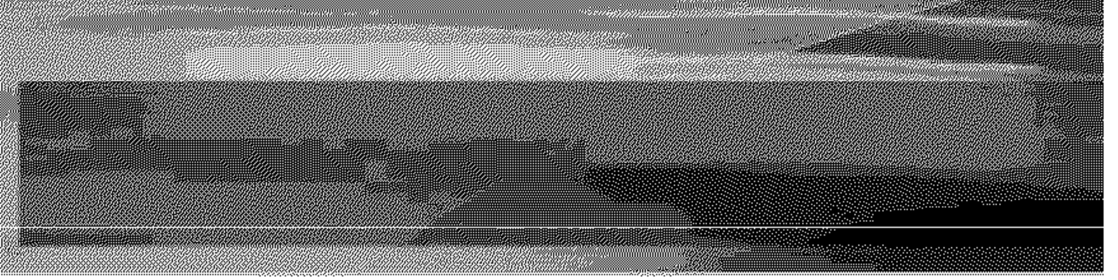
In accordance with Accounting Standard AASB 1041: Revaluation of Non-Current Assets, properties that have been independently valued in the past 12 months are carried at that valuation. Where properties have not been independently valued in the past 12 months, they are carried at directors' valuation. Unrealised gains arising on revaluation of property investments are accounted for by crediting the asset revaluation reserve. Unrealised losses arising on revaluation of property investments are charged to the asset revaluation reserve to the extent they reverse any previous revaluation increment and any residual is charged to the Statement of Financial Performance and transferred to the capital distribution reserve.

Property acquisition costs are capitalised into the value of the property investments at the time of purchase. Additions and other expenditure on property investments which are capital in nature are capitalised as incurred.

The liability for capital gains tax that may arise if the properties were sold is not accounted for in this financial report. The Trust is required to distribute as a minimum the taxable income of the Trust to Unitholders and this taxable income would include any taxable capital gains arising on the sale of property investments and therefore the Trust is not liable to pay capital gains tax.

### (d) Comparative Figures

Where necessary, comparative figures have been reclassified to achieve consistency in disclosure with the current period.



# Notes to the Financial Statements (cont.)

For the half year ended 31 December 2002

## 2. Trust Formation and Termination

The operations of the Trust commenced during November 1995 with the purchase of Trust properties. Subject to the specific provisions of the Constitution dated 21 July 1995, the Trust will continue in operation for 80 years from 21 July 1995.

## 3. Manager's Fee

The Manager of the Trust is Macquarie CountryWide Management Limited, a wholly owned subsidiary of Macquarie Bank Limited.

Under the terms of the Constitution, the Manager is entitled to receive the following remuneration from the Trust, comprising a Base Fee and a Performance Fee:

### (a) Base Fee

Australian and New Zealand Assets:

(i) 0.45% per annum of the value of the total assets of the Trust up to $700 million; plus

(ii) 0.40% per annum of the value of the total assets of the Trust over $700 million.

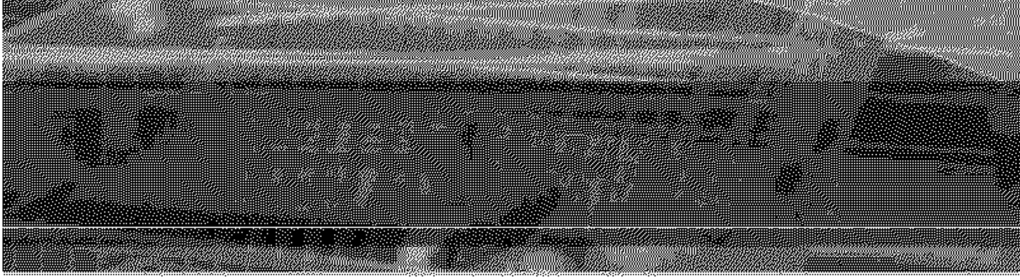
United States Assets:

0.20% per annum of the value of the total assets of Macquarie CountryWide-Regency LLC.

Fees are paid on a quarterly in arrears basis.

### (b) Performance Fee

In addition to the base fee, the Manager is entitled to a performance fee paid by the issue of units in the Trust to the Manager, dependent upon the relative performance of the Trust to the Retail Property Trust Accumulation Index (Index). This Index, calculated from a peer group of property securities that have a principal focus on the retail sector, measures the income and capital growth of the unit prices of the representative trusts.





3. Manager's Fee (cont.)

(b) Performance Fee (cont.)

If the Trust's performance during the six month period is higher than the percentage increase in the Index for the period, then the Manager is entitled to new units in the Trust with a total value equal to:

(i) 5% of the total Increased Unitholder Value from outperformance; plus

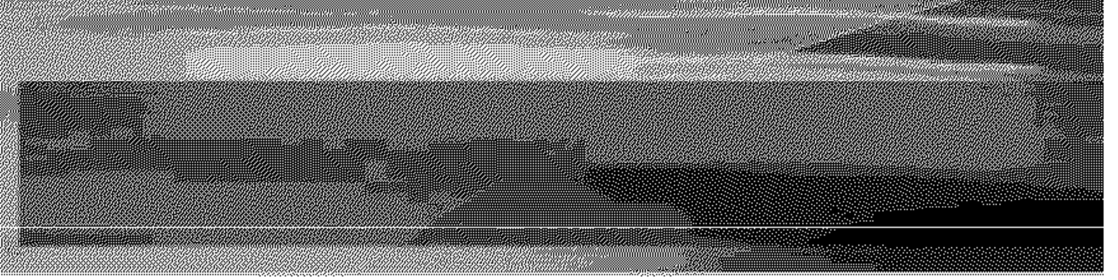
(ii) 15% of the Increased Unitholder Value above 2% nominal outperformance per annum (1% per half year).

The Increased Unitholder Value is measured as the market capitalisation of the Trust at the commencement of the relevant period, multiplied by the nominal percentage outperformance of the Trust relative to the Index for that period.

The performance fee is calculated at each half year at December and June. At the Annual Unitholder Meeting on 11 December 2002, a change to the payment structure for performance fees was approved. With effect from the calculation period to 30 June 2002, the performance fee is payable, if entitled, subject to an annual cap, whereby total management fees paid in any one year must not exceed 80 basis points of the value of the gross assets of the Trust (except where the Trust has outperformed its sector peers continuously over a three year period). Any unpaid fees will continue to be paid up to 80 basis points of the value of gross assets in any future period.

The relative performance of the Trust to the Index for the calculation period ended 31 December 2002 was:

| | December 2002 | December 2001 |
|---|---|---|
| Macquarie CountryWide Trust Performance | 7.42% | 23.34% |
| Retail Property Trust Accumulation Index Performance | 8.83% | 23.97% |
| **Percentage Outperformance** | – | – |





3. Manager's Fee (cont.)

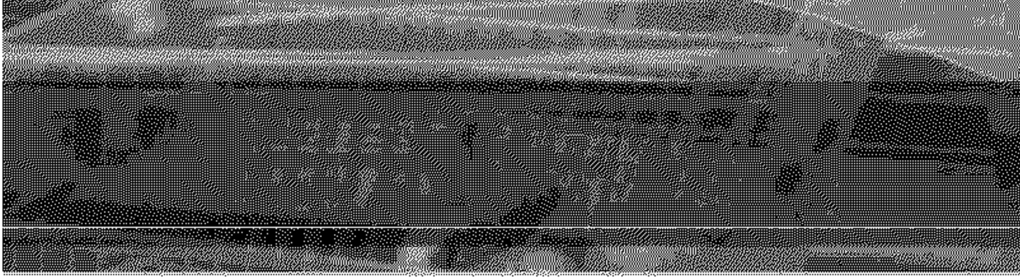
(b) Performance Fee (cont.)

The starting balances for the calculation period ended 31 December 2002 have been reset to 1 July 2002 as performance fees were earned for the period to 30 June 2002. Accordingly, the relative performance noted above reflects performance over a six month period.

For the calculation period ended 31 December 2002, the relative performance of the Trust was below that of the Index. Accordingly, no performance fee became payable as at 31 December 2002, and the calculation period for the next six monthly performance fee calculation as at 30 June 2003, will incorporate underperformance in prior periods, as noted above.

The total Manager's fee for the Period is detailed as follows:

| | December 2002 $'000 | December 2001 $'000 |
|---|---|---|
| Base Fee | 1,928 | 1,550 |
| Performance Fee | – | – |
| **Total Manager's Fee** | **1,928** | **1,550** |



# Notes to the Financial Statements (cont.)

For the half year ended 31 December 2002

## 4. Undistributed Income

| | Note | Consolidated December 2002 $'000 | Consolidated December 2001 $'000 |
|---|---|---|---|
| Undistributed Income at the Beginning of the Period | | – | 21 |
| Net Profit | | 29,533 | 22,366 |
| Transfer from Reserve* | | – | 1,399 |
| **Available for Distribution** | | **29,533** | **23,786** |
| Distributions Paid and Payable | 5 | (29,008) | (23,763) |
| **Undistributed Income at the End of the Period** | | **525** | **23** |

* Prior period amount is equal to payment for swap break costs and HIH insurance write-off.

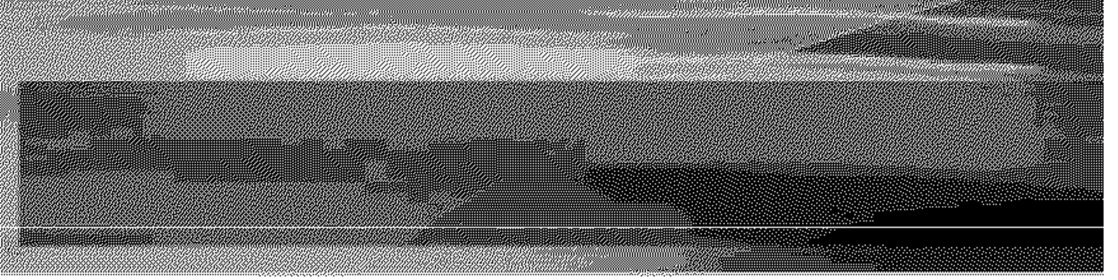
## 5. Distribution Payable

| | Distribution Cents per Unit | Total Amount $'000 | Tax Deferred % | CGT Concession Amount % | Taxable % |
|---|---|---|---|---|---|
| Distributions for the Six Months ended | | | | | |
| 31 December 2002 | 6.75 | 29,008 | 20.17 | 1.28 | 78.55 |
| 31 December 2001 | 6.70 | 23,763 | 45.41 | – | 54.59 |

6. Property Investments

| Properties | Acquisition Date | Acquisition Costs $'000 | Capital Expenditure since Acquisition $'000(a) |
|---|---|---|---|
| Woolworths Supermarket Dickson, ACT# | 29 Aug 97 | 10,986 | – |
| Coles Supermarket Jamison, ACT | 15 Nov 95 | 3,913 | 4 |
| Erindale Shopping Centre Wanniassa, ACT | 14 Dec 01 | 18,115 | 455 |
| Bathurst Central Bathurst, NSW | 10 Nov 95 | 16,437 | 3,513 |
| Bi-Lo Supermarket (Coles) Cardiff, NSW# | 9 Dec 96 | 2,463 | 22 |
| Coles Supermarket Caringbah, NSW# | 11 Jun 97 | 6,205 | 22 |
| Woolworths Supermarket Cooma, NSW# | 15 Nov 95 | 6,556 | 1 |
| Cowra Plaza Cowra, NSW | 16 Sept 99 | 2,618 | 5,240 |
| Coles Supermarket Earlwood, NSW# | 16 Sept 98 | 4,258 | – |
| MacKenzie Mall Glen Innes, NSW# | 4 May 01 | 3,486 | 7 |
| Goonellabah Village Goonellabah, NSW | 20 Apr 00 | 2,148 | 9,038 |
| Coles Supermarket Guildford, NSW# | 9 Dec 96 | 1,536 | 24 |
| **Page Sub Total** | | **78,721** | **18,326** |

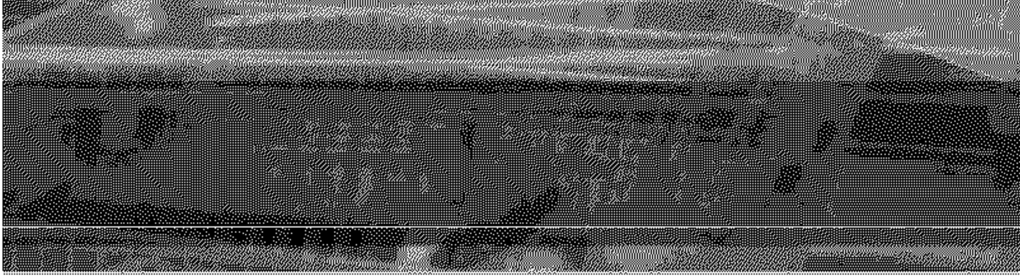
| Date of Latest Independent Valuation | Independent Valuation $'000 | | Capital Expenditure since Revaluation $'000[b] | December 2002 Book Value $'000 | June 2002 Book Value $'000 |
|---|---|---|---|---|---|
| 1 Jun 01 | 11,400 | (1) | 2 | 11,402 | 11,402 |
| 30 Jun 02 | 6,250 | (24) | 4 | 6,254 | 6,250 |
| 31 Dec 02 | 19,500 | (12) | – | 19,500 | 18,115 |
| 31 Dec 02 | 15,770 | (12) | – | 15,770 | 17,070 |
| 1 Jun 01 | 2,850 | (1) | 35 | 2,885 | 2,885 |
| 1 Jun 01 | 7,200 | (1) | – | 7,200 | 7,200 |
| 1 Dec 00 | 6,600 | (1) | 136 | 6,736 | 6,728 |
| 30 Jun 02 | 7,000 | (24) | 41 | 7,041 | 7,000 |
| 1 Jun 01 | 5,200 | (1) | – | 5,200 | 5,200 |
| 9 Apr 01 | 3,400 | (1) | – | 3,493 | 3,489 |
| 31 Dec 02 | 9,887 | (12) | – | 9,887 | 11,149 |
| 1 Dec 00 | 2,200 | (4) | 2 | 2,202 | 2,202 |
| | **97,257** | | **220** | **97,570** | **98,690** |



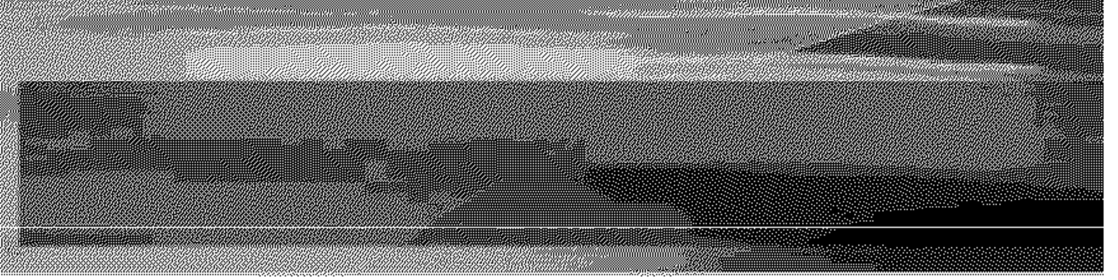


## 6. Property Investments (cont.)

| Properties | Acquisition Date | Acquisition Costs $'000 | Capital Expenditure since Acquisition $'000[a] |
|---|---|---|---|
| Jerrabomberra Village Shopping Centre, Jerrabomberra, NSW | 27 Sept 02 | 12,807 | – |
| Kings Langley Shopping Centre Kings Langley, NSW# | 15 Nov 95 | 11,236 | 582 |
| Balo Square Shopping Centre Moree, NSW# | 15 Nov 95 | 7,416 | 2,889 |
| Bi-Lo Supermarket (Coles) Morisset, NSW | 9 Feb 01 | 5,700 | 1 |
| Civic Shopping Centre Mudgee, NSW# | 15 Nov 95 | 7,889 | 2,118 |
| Sunnyside Shopping Centre Murwillumbah, NSW# | 17 Nov 97 | 14,707 | 1,668 |
| Bi-Lo Supermarket (Coles) Narrabri, NSW# | 3 Nov 00 | 2,831 | 57 |
| Orange MetroPlaza Orange, NSW# | 10 Nov 95 | 19,538 | 1,503 |
| Woolworths Supermarket Parkes, NSW | 15 Nov 95 | 6,705 | 995 |
| Woolworths Supermarket Rosehill, NSW | 27 Sept 02 | 7,470 | – |
| Gowrie Street Mall Singleton, NSW | 15 Nov 95 | 17,321 | 6,607 |
| Coles Supermarket Tumut, NSW# | 17 May 97 | 4,011 | 4 |
| **Page Sub Total** | | **117,631** | **16,424** |



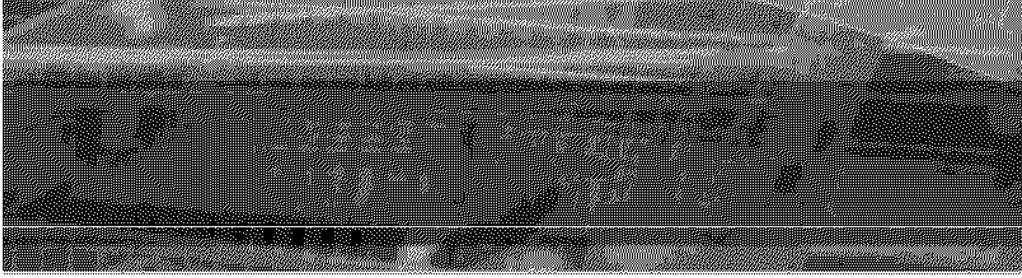
| Date of Latest Independent Valuation | Independent Valuation $'000 | | Capital Expenditure since Revaluation $'000[b] | December 2002 Book Value $'000 | June 2002 Book Value $'000 |
|---|---|---|---|---|---|
| 8 Aug 02 | 12,100 | (25) | – | 12,807 | – |
| 1 Jun 01 | 14,000 | (5) | 680 | 14,680 | 14,414 |
| 1 Dec 00 | 10,400 | (4) | 163 | 10,563 | 10,412 |
| 31 Dec 02 | 6,100 | (12) | – | 6,100 | 5,701 |
| 1 Jun 01 | 13,600 | (2) | 57 | 13,657 | 13,617 |
| 30 Jun 00 | 16,350 | (6) | 440 | 16,790 | 16,537 |
| 20 Sept 00 | 2,865 | (1) | – | 2,888 | 2,888 |
| 30 Jun 00 | 19,600 | (7) | 618 | 20,218 | 19,867 |
| 31 Dec 02 | 12,600 | (12) | – | 12,600 | 10,644 |
| 8 Aug 02 | 7,055 | (25) | – | 7,470 | – |
| 31 Dec 02 | 29,000 | (12) | – | 29,000 | 26,170 |
| 30 Jun 00 | 4,250 | (1) | 17 | 4,267 | 4,267 |
| | **147,920** | | **1,975** | **151,040** | **124,517** |



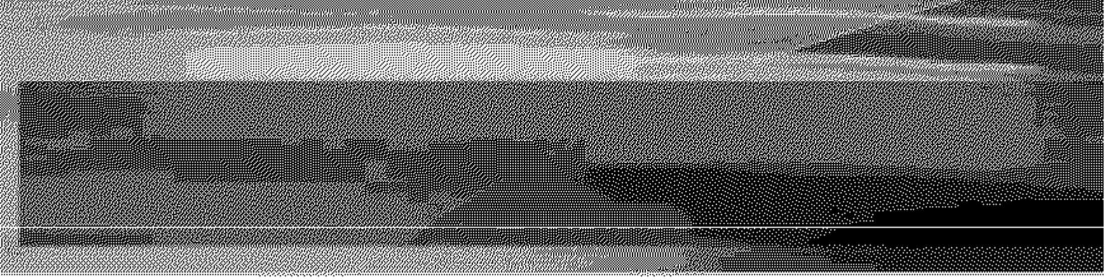


## 6. Property Investments (cont.)

| Properties | Acquisition Date | Acquisition Costs $'000 | Capital Expenditure since Acquisition $'000[(i)] |
|---|---|---|---|
| Bi-Lo Supermarket (Coles) Wellington, NSW# | 10 Nov 97 | 3,310 | – |
| Woolworths Supermarket Young, NSW | 15 Nov 95 | 6,354 | 717 |
| Ascot Plaza Ascot, QLD# | 21 Dec 01 | 10,760 | 12 |
| Tableland Village Shopping Centre, Atherton, QLD | 30 Jun 98 | 11,590 | 67 |
| Bribie Island Shopping Centre Bribie Island, QLD# | 16 Dec 00 | 15,803 | 2,469 |
| Westside Fair Bundaberg, QLD | 22 Dec 98 | 5,768 | 2,799 |
| Coles Supermarket Coorparoo, QLD | 9 Dec 96 | 5,197 | 397 |
| Currimundi Marketplace Currimundi, QLD | 23 Dec 00 | 15,259 | 450 |
| Gatton Plaza Shopping Centre Gatton, QLD | 29 Apr 99 | 7,825 | 111 |
| Hervey Bay Plaza Hervey Bay, QLD | 15 Nov 95 | 7,049 | 3,968 |
| Kallangur Fair Kallangur, QLD | 11 Nov 99 | 6,498 | 430 |
| Coles Supermarket Mackay, QLD# | 9 Dec 96 | 2,825 | 41 |
| **Page Sub Total** | | **98,238** | **11,461** |



| Date of Latest Independent Valuation | Independent Valuation $'000 | | Capital Expenditure since Revaluation $'000[a] | December 2002 Book Value $'000 | June 2002 Book Value $'000 |
|---|---|---|---|---|---|
| 30 Sept 00 | 3,425 | (1) | 5 | 3,430 | 3,430 |
| 31 Dec 02 | 10,000 | (12) | – | 10,000 | 8,378 |
| 1 Jun 01 | 10,400 | (9) | – | 10,772 | 10,760 |
| 30 Jun 02 | 14,400 | (19) | 20 | 14,420 | 14,400 |
| 16 Aug 00 | 16,900 | (10) | – | 18,272 | 17,320 |
| 31 Dec 01 | 6,000 | (11) | 139 | 6,139 | 6,024 |
| 31 Dec 02 | 7,000 | (19) | – | 7,000 | 6,799 |
| 31 Dec 02 | 17,500 | (19) | – | 17,500 | 15,616 |
| 31 Dec 02 | 10,700 | (19) | – | 10,700 | 8,724 |
| 31 Dec 02 | 12,500 | (19) | – | 12,500 | 10,865 |
| 31 Dec 02 | 8,800 | (19) | – | 8,800 | 6,914 |
| 1 Dec 00 | 3,850 | (6) | 22 | 3,872 | 3,870 |
| | **121,475** | | **186** | **123,405** | **113,100** |

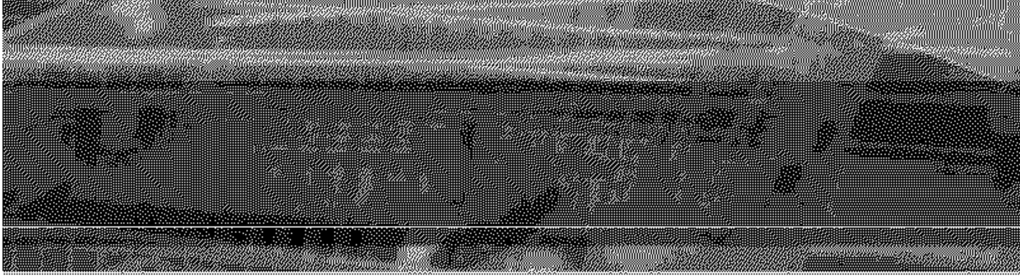


# Notes to the Financial Statements (cont.)

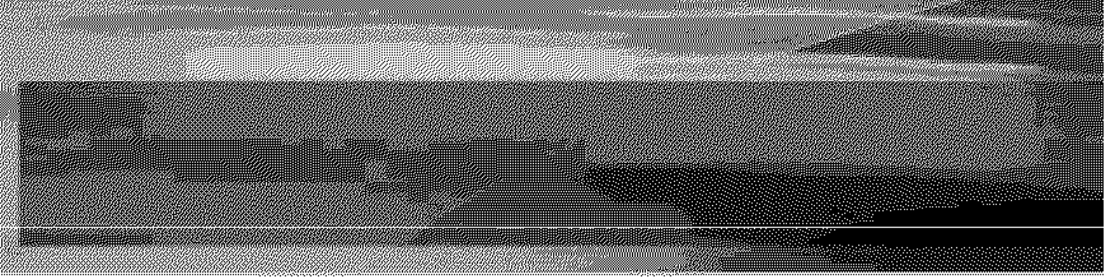
For the half year ended 31 December 2002

## 6. Property Investments (cont.)

| Properties | Acquisition Date | Acquisition Costs $'000 | Capital Expenditure since Acquisition $'000(a) |
|---|---|---|---|
| Mooloolaba Central Mooloolaba, QLD# | 1 Dec 99 | 9,270 | 155 |
| Moranbah Fair Moranbah, QLD | 2 Dec 96 | 8,850 | 537 |
| Nambour Central Mall Nambour, QLD# | 14 Apr 97 | 3,623 | 85 |
| Nambour Plaza Nambour, QLD | 31 Jul 96 | 12,223 | 2,769 |
| Coles Supermarket Redcliffe, QLD# | 9 Dec 96 | 1,549 | 52 |
| Allenstown Plaza Shopping Centre, Rockhampton, QLD# | 30 Jun 98 | 12,513 | 198 |
| Springfield Fair Springfield, QLD# | 22 Jun 01 | 6,698 | 68 |
| Rising Sun Shopping Centre Townsville, QLD | 31 Oct 97 | 7,898 | 171 |
| Bi-Lo Supermarket (Coles) Oaklands, SA# | 15 Nov 95 | 3,814 | 4 |
| Bi-Lo Supermarket (Coles) Plympton, SA | 9 Dec 96 | 2,367 | 393 |
| Gulf Arcade Port Augusta, SA | 17 Nov 97 | 7,805 | 1,025 |
| Coles Supermarket Devonport, TAS*** | 9 Dec 96 | – | – |
| **Page Sub Total** | | **76,610** | **5,457** |



| Date of Latest Independent Valuation | Independent Valuation $'000 | | Capital Expenditure since Revaluation $'000[b] | December 2002 Book Value $'000 | June 2002 Book Value $'000 |
|---|---|---|---|---|---|
| 1 Jun 01 | 9,400 | (6) | 34 | 9,434 | 9,432 |
| 31 Dec 01 | 9,000 | (11) | 31 | 9,031 | 9,015 |
| 30 Jun 00 | 3,800 | (13) | 244 | 4,044 | 4,043 |
| 31 Dec 01 | 14,715 | (10) | 2,272 | 16,987 | 16,168 |
| 1 Jun 01 | 2,000 | (10) | 47 | 2,047 | 2,047 |
| 1 Jun 01 | 14,600 | (6) | 854 | 15,454 | 15,099 |
| 1 Jun 01 | 6,400 | (14) | – | 6,766 | 6,701 |
| 31 Dec 02 | 5,500 | (10) | – | 5,500 | 6,158 |
| 1 Jun 01 | 3,800 | (15) | – | 3,800 | 3,800 |
| 31 Dec 02 | 2,640 | (15) | – | 2,640 | 2,250 |
| 31 Dec 01 | 8,500 | (15) | 45 | 8,545 | 8,500 |
| | – | | – | – | 1,223 |
| | **80,355** | | **3,527** | **84,248** | **84,436** |

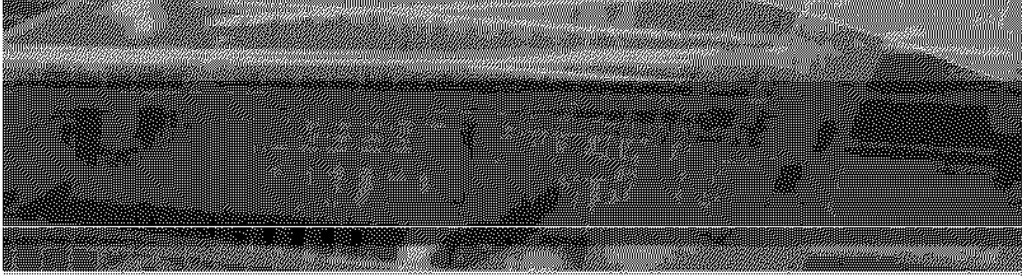


## Notes to the Financial Statements (cont.)

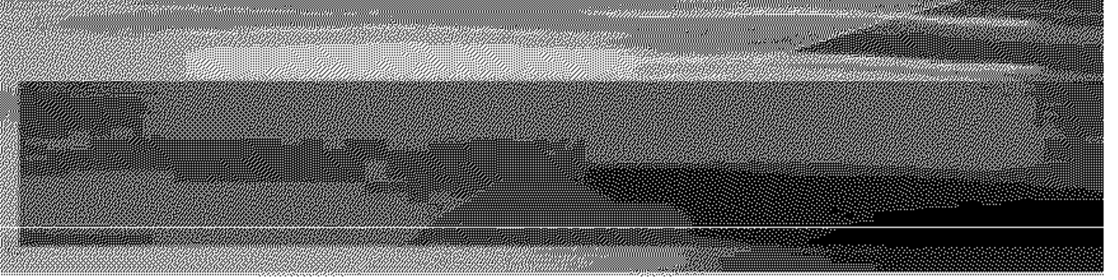
For the half year ended 31 December 2002

### 6. Property Investments (cont.)

| Properties | Acquisition Date | Acquisition Costs $'000 | Capital Expenditure since Acquisition $'000(a) |
|---|---|---|---|
| Roelf Vos Supermarket Georgetown, TAS# | 1 Feb 99 | 2,226 | 164 |
| Roelf Vos Supermarket Launceston, TAS | 1 Feb 99 | 2,513 | 42 |
| Roelf Vos Supermarket Newnham, TAS# | 1 Feb 99 | 1,772 | 4 |
| Roelf Vos Supermarket Newstead, TAS# | 1 Feb 99 | 2,752 | 6 |
| Riverside Shopping Centre Riverside, TAS# | 1 Feb 99 | 5,679 | 200 |
| Coles Supermarket Sandy Bay, TAS# | 9 Dec 96 | 2,158 | 21 |
| Woolworths Supermarket Smithton, TAS | 18 Dec 01 | 2,427 | 7 |
| Roelf Vos Supermarket Wynyard, TAS# | 1 Feb 99 | 3,602 | 2 |
| Coles Supermarket Bairnsdale, VIC | 15 Nov 95 | 4,199 | – |
| Coles Supermarket Benalla, VIC# | 15 Nov 95 | 3,111 | 29 |
| Safeway Supermarket (Woolworths), Horsham, VIC | 15 Nov 95 | 3,424 | 104 |
| Safeway Supermarket (Woolworths), Kerang, VIC | 15 Nov 95 | 6,742 | 7 |
| **Page Sub Total** | | **40,605** | **586** |



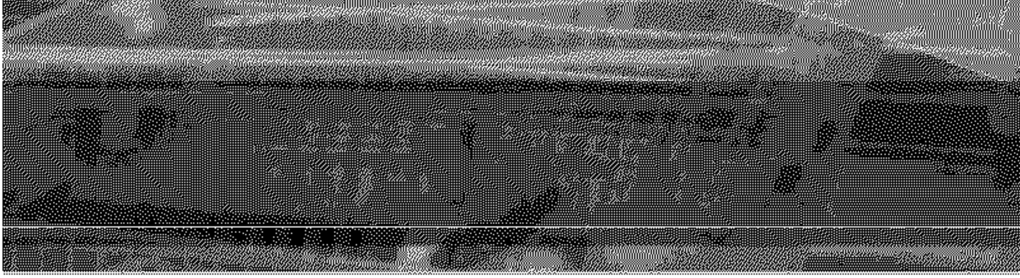
| Date of Latest Independent Valuation | Independent Valuation $'000 | | Capital Expenditure since Revaluation $'000[b] | December 2002 Book Value $'000 | June 2002 Book Value $'000 |
|---|---|---|---|---|---|
| 1 Dec 00 | 2,600 | (8) | 187 | 2,787 | 2,787 |
| 31 Dec 01 | 3,400 | (8) | 13 | 3,413 | 3,409 |
| 1 Dec 00 | 800 | (8) | 29 | 829 | 829 |
| 1 Dec 00 | 2,750 | (8) | 25 | 2,775 | 2,775 |
| 1 Dec 00 | 5,450 | (8) | 415 | 5,865 | 5,823 |
| 1 Dec 00 | 3,050 | (8) | 39 | 3,089 | 3,050 |
| 31 Dec 01 | 2,400 | (8) | – | 2,434 | 2,427 |
| 1 Dec 00 | 4,400 | (8) | 189 | 4,589 | 4,588 |
| 30 Jun 02 | 7,000 | (22) | – | 7,000 | 7,000 |
| 1 Dec 00 | 3,100 | (18) | 6 | 3,106 | 3,105 |
| 31 Dec 02 | 5,400 | (22) | – | 5,400 | 4,264 |
| 30 Jun 02 | 9,000 | (17) | – | 9,000 | 9,000 |
| | **49,350** | | **903** | **50,287** | **49,057** |



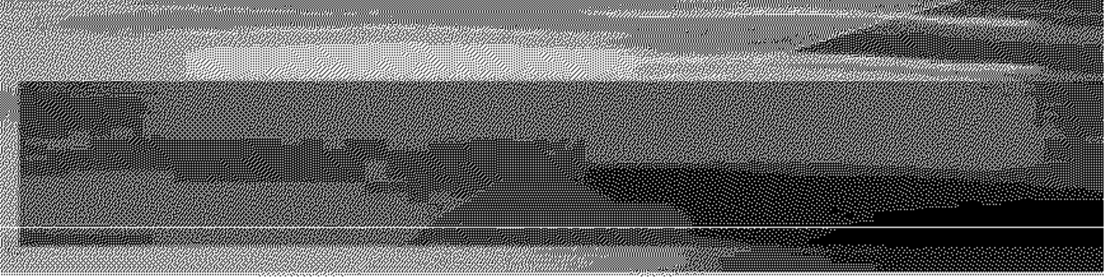


6. Property Investments (cont.)

| Properties | Acquisition Date | Acquisition Costs $'000 | Capital Expenditure since Acquisition $'000[a] |
|---|---|---|---|
| Safeway Supermarket (Woolworths), Kyneton, VIC*# | 17 Nov 97 | 4,379 | 1,038 |
| Olive Tree Shopping Centre Lilydale, VIC***# | 15 Nov 95 | 7,735 | 586 |
| Coles Supermarket Moe, VIC# | 15 Nov 95 | 1,858 | 15 |
| Kmart Moe, VIC# | 15 Nov 95 | 4,997 | – |
| Safeway Supermarket (Woolworths), Monbulk, VIC | 15 Nov 95 | 2,978 | 79 |
| Mornington Village Shopping Centre, Mornington, VIC# | 10 Nov 95 | 10,177 | 3,362 |
| Safeway Supermarket (Woolworths), South Preston, VIC | 15 Nov 95 | 6,210 | 1 |
| Wangaratta Shopping Plaza Wangaratta, VIC | 17 Nov 97 | 3,908 | 83 |
| Albany Plaza Shopping Centre Albany, WA | 29 Feb 00 | 11,137 | 18,416 |
| Albany Land Albany, WA | 17 Sep 02 | 3,673 | – |
| Carnarvon Boulevard Shopping Centre, Carnarvon, WA# | 11 May 99 | 8,697 | 68 |
| Collie Boulevard Shopping Centre, Collie, WA# | 14 Apr 98 | 4,683 | 18 |
| **Page Sub Total** | | **70,432** | **23,666** |



| Date of Latest Independent Valuation | Independent Valuation $'000 | | Capital Expenditure since Revaluation $'000[b] | December 2002 Book Value $'000 | June 2002 Book Value $'000 |
|---|---|---|---|---|---|
| 30 Sept 00 | 10,150 | (7) | 2,910 | 13,060 | 12,855 |
| 30 Jun 00 | 8,450 | (20) | 1,048 | 9,498 | 9,757 |
| 1 Jun 01 | 3,450 | (21) | 7 | 3,457 | 3,453 |
| 1 Dec 00 | 5,650 | (17) | – | 5,650 | 5,650 |
| 31 Dec 02 | 6,000 | (22) | – | 6,000 | 5,500 |
| 30 Jun 00 | 16,000 | (20) | 961 | 16,961 | 16,216 |
| 30 Jun 02 | 8,000 | (16) | – | 8,000 | 8,000 |
| 31 Dec 02 | 2,600 | (22) | – | 2,600 | 3,715 |
| 31 Dec 02 | 31,000 | (23) | – | 31,000 | 24,465 |
| 8 Jul 02 | 3,550 | (23) | – | 3,673 | – |
| 1 Jun 01 | 7,900 | (23) | 68 | 7,968 | 7,932 |
| 15 Dec 00 | 5,000 | (23) | 45 | 5,045 | 5,045 |
| | **107,750** | | **5,039** | **112,912** | **102,588** |





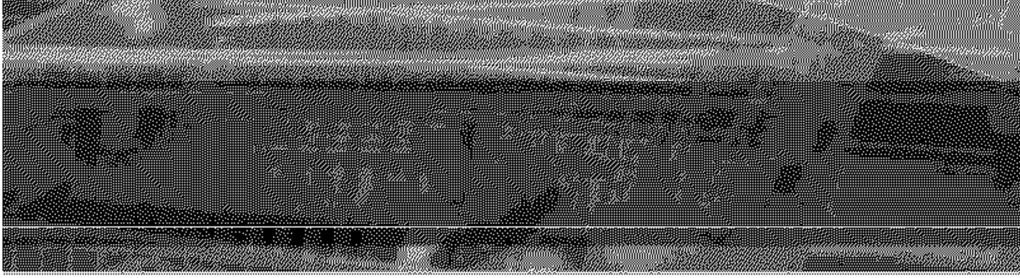
## 6. Property Investments (cont.)

| Properties | Acquisition Date | Acquisition Costs $'000 | Capital Expenditure since Acquisition $'000[a] |
|---|---|---|---|
| Esperance Boulevard Shopping Centre, Esperance, WA* | 11 May 99 | 10,924 | 24 |
| Kalgoorlie Plaza Kalgoorlie, WA | 25 Jul 97 | 9,629 | 1,194 |
| Coles Supermarket Margaret River, WA* | 17 Oct 01 | 6,397 | 24 |
| Coles Supermarket Maylands, WA* | 9 Dec 96 | 2,714 | 466 |
| Midland Central Shopping Centre, Midland, WA | 1 Oct 02 | 5,925 | – |
| Coles Supermarket Narrogin, WA | 15 Nov 95 | 2,923 | 6 |
| Swanview Shopping Centre Swanview, WA | 19 Dec 01 | 7,003 | 23 |
| **Page Sub Total** | | **45,515** | **1,737** |
| **Parent Entity Total** | | **527,752** | **77,657** |

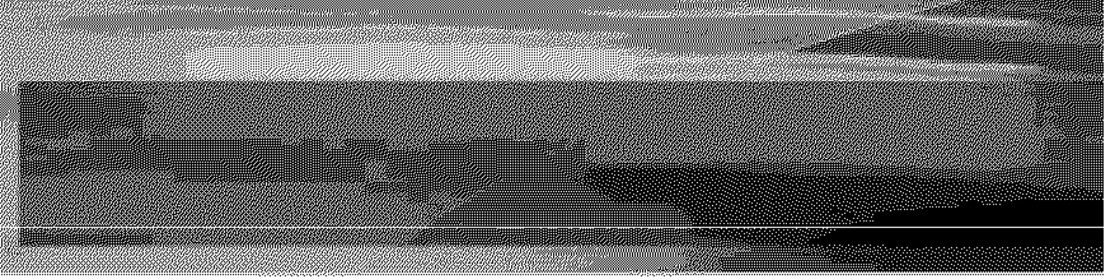
* This property is currently under development. The independent valuation is based on completion of this development. Capital expenditure includes amounts contracted for but not completed.

** Includes 142 Main Street which was disposed during the Period.

*** Property disposed during the Period.



| Date of Latest Independent Valuation | Independent Valuation $'000 | | Capital Expenditure since Revaluation $'000[b] | December 2002 Book Value $'000 | June 2002 Book Value $'000 |
|---|---|---|---|---|---|
| 1 Dec 00 | 11,800 | (23) | 3,882 | 15,682 | 12,548 |
| 31 Dec 02 | 12,580 | (3) | – | 12,580 | 10,521 |
| 1 Jul 01 | 6,000 | (23) | – | 6,421 | 6,400 |
| 1 Dec 00 | 5,800 | (23) | 25 | 5,825 | 5,824 |
| 31 Aug 02 | 5,575 | (23) | – | 5,925 | – |
| 30 Jun 02 | 4,200 | (23) | – | 4,200 | 4,200 |
| 7 Dec 01 | 6,650 | (23) | – | 7,026 | 7,003 |
| | **52,605** | | **3,907** | **57,659** | **46,496** |
| | **656,712** | | **15,757** | **677,121** | **618,884** |

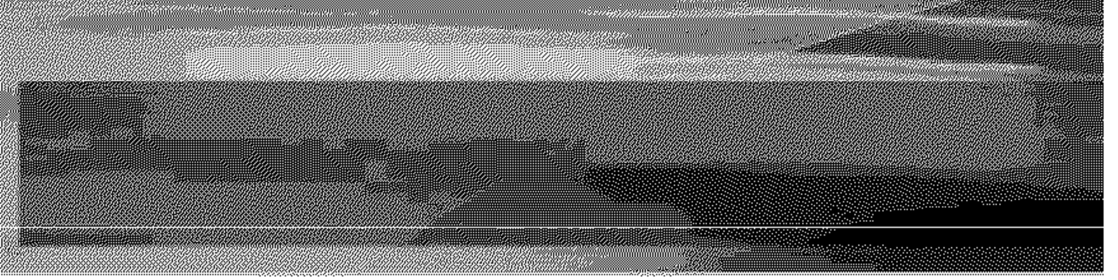




6. Property Investments (cont.)

| Properties | Acquisition Date | Acquisition Costs NZ$'000 | Capital Expenditure since Acquisition NZ$'000(a) |
|---|---|---|---|
| Countdown Blenheim, New Zealand | 18 Dec 01 | 4,734 | 11 |
| Foodtown Browns Bay, New Zealand | 29 Sep 00 | 8,794 | – |
| Countdown Dunedin, New Zealand | 29 Sep 00 | 6,881 | – |
| Foodtown Greenlane, New Zealand | 29 Sep 00 | 13,023 | – |
| Foodtown Grey Lynn, New Zealand | 29 Sep 00 | 6,684 | – |
| Countdown Highland Park, New Zealand | 29 Sep 00 | 7,741 | – |
| Countdown Invercargill, New Zealand | 29 Sep 00 | 7,107 | – |
| Countdown Kaiapoi, New Zealand | 18 Dec 01 | 4,533 | 11 |
| Countdown Lower Hutt, New Zealand | 29 Sep 00 | 8,216 | – |
| Foodtown Mangere, New Zealand | 29 Sep 00 | 3,033 | – |
| Countdown Morrinsville, New Zealand | 29 Sep 00 | 1,888 | – |
| Foodtown Palmerston North, New Zealand | 29 Sep 00 | 6,933 | – |
| **Page Sub Total (NZ$)** | | **79,567** | **22** |
| **Page Sub Total (A$)** | | **74,453** | **21** |

| Date of Latest Independent Valuation | Independent Valuation NZ$'000 | | Capital Expenditure since Revaluation NZ$'000[b] | December 2002 Book Value NZ$'000 | June 2002 Book Value NZ$'000 |
|---|---|---|---|---|---|
| 1 Dec 01 | 4,700 | (26) | – | 4,745 | 4,734 |
| 31 Dec 01 | 8,900 | (26) | – | 8,900 | 8,900 |
| 31 Dec 01 | 7,000 | (26) | – | 7,000 | 7,000 |
| 31 Dec 01 | 14,000 | (26) | – | 14,000 | 14,000 |
| 31 Dec 01 | 6,650 | (26) | – | 6,650 | 6,650 |
| 31 Dec 01 | 8,400 | (26) | – | 8,400 | 8,400 |
| 31 Dec 01 | 7,350 | (26) | – | 7,350 | 7,350 |
| 1 Dec 01 | 4,500 | (26) | – | 4,544 | 4,533 |
| 31 Dec 01 | 8,300 | (26) | – | 8,300 | 8,300 |
| 31 Dec 01 | 3,100 | (26) | – | 3,100 | 3,100 |
| 31 Dec 01 | 2,400 | (26) | – | 2,400 | 2,400 |
| 31 Dec 01 | 6,600 | (26) | – | 6,600 | 6,600 |
| | **81,900** | | – | **81,989** | **81,967** |
| | **76,636** | | – | **76,719** | **70,853** |



# Notes to the Financial Statements (cont.)

For the half year ended 31 December 2002

## 6. Property Investments (cont.)

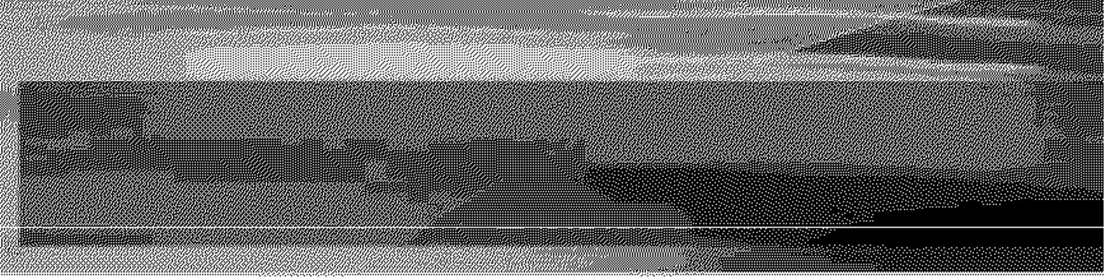
| Properties | Acquisition Date | Acquisition Costs NZ$'000 | Capital Expenditure since Acquisition NZ$'000[a] |
|---|---|---|---|
| Countdown Papakura, New Zealand | 29 Sep 00 | 7,321 | – |
| Fresh Choice Queenstown, New Zealand | 29 Sep 00 | 2,450 | – |
| Countdown Timaru, New Zealand | 29 Sep 00 | 4,051 | – |
| Countdown Upper Hutt, New Zealand | 18 Dec 01 | 5,333 | 11 |
| **Page Sub Total (NZ$)** | | **19,155** | **11** |
| **Page Sub Total (A$)** | | **17,924** | **10** |
| **Sub Total (NZ$)** | | **98,722** | **33** |
| **Sub Total (A$)** | | **92,377** | **31** |
| **Consolidated Entity Total (A$)** | | **620,129** | **77,688** |

(a) Represents capital expenditure between acquisition date and any subsequent revaluation of the property.

(b) Represents capital expenditure since revaluation of the property. Where no subsequent valuation of the property has occurred since initial valuation, capital expenditure relating to that property is included under "Capital Expenditure since Acquisition".

* The aggregate fair value of these properties is not materially different from the amount previously determined by independent valuers.

| Date of Latest Independent Valuation | Independent Valuation NZ$'000 | | Capital Expenditure since Revaluation NZ$'000(b) | December 2002 Book Value NZ$'000 | June 2002 Book Value NZ$'000 |
|---|---|---|---|---|---|
| 31 Dec 01 | 9,400 | (26) | 3 | 9,403 | 9,400 |
| 31 Dec 01 | 2,500 | (26) | 145 | 2,645 | 2,500 |
| 31 Dec 01 | 4,100 | (26) | – | 4,100 | 4,100 |
| 1 Dec 01 | 5,300 | (26) | – | 5,344 | 5,333 |
| | **21,300** | | **148** | **21,492** | **21,333** |
| | **19,931** | | **138** | **20,111** | **18,441** |
| | **103,200** | | **148** | **103,481** | **103,300** |
| | **96,567** | | **138** | **96,830** | **89,294** |
| | **753,279** | | **15,895** | **773,951** | **708,178** |





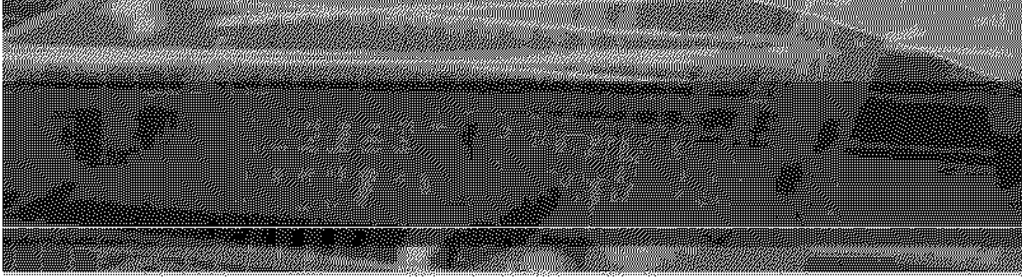
6. Property Investments (cont.)

As valued by

(1) C D Smith ASIA AAPI, LandMark White (NSW) Pty Ltd
(2) J Waugh AAPI, Colliers Jardine
(3) P Matthews AAPI, CB Richard Ellis (WA) Pty Ltd
(4) S Young BAppSc (Land Econ) ASIA AAPI, LandMark White (NSW) Pty Ltd
(5) P E Dales AAPI, CB Richard Ellis (NZ) Pty Ltd
(6) D Mohr AAPI, CB Richard Ellis Pty Ltd
(7) W Doherty AAPI, Colliers Jardine
(8) G R Longden AAPI, Jones Lang LaSalle Advisory Services Pty Ltd
(9) B Mulcahy BBus AAPI, Colliers Jardine
(10) J R Porter FAPI CPV, Colliers Jardine
(11) R Davis AAPI, Colliers Jardine
(12) C Allard FAPI, LandMark White (NSW) Pty Ltd
(13) F Bentley AAPI, LandMark White (QLD) Pty Ltd
(14) C J Chatswood AAPI, Jones Lang LaSalle
(15) G Rose BBusProp (Val) AAPI, Jones Lang LaSalle
(16) N Rich AAPI, Jones Lang LaSalle
(17) R Wallace AAPI, Jones Lang LaSalle Advisory
(18) B F Sweeney AAPI and K A Tease BBus (Prop) AAPI, Jones Lang LaSalle
(19) J Porter FAPI, CB Richard Ellis (QLD) Pty Ltd
(20) C Mason AAPI CPV, Colliers Jardine
(21) G Longden AAPI and A Purton AAPI, JLW Advisory
(22) A Purton AAPI, Jones Lang LaSalle
(23) S Nuttall AAPI ASIA, CB Richard Ellis Pty Ltd
(24) C Allard FAPI and Rex Stafford FAPI, LandMark White (NSW) Pty Ltd
(25) C Allard FAPI and D Castles AAPI, LandMark White (NSW) Pty Ltd
(26) L L Otten and A J Harris, Jones Lang LaSalle

The consolidated aggregate book value at 31 December 2002 of properties that are carried at cost of acquisition was $101,640,000 (30 June 2002: $144,654,000).

The consolidated aggregate book value at 31 December 2002 of properties that were revalued prior to the current progressive valuation period was $447,234,000 (30 June 2002: $355,881,000).





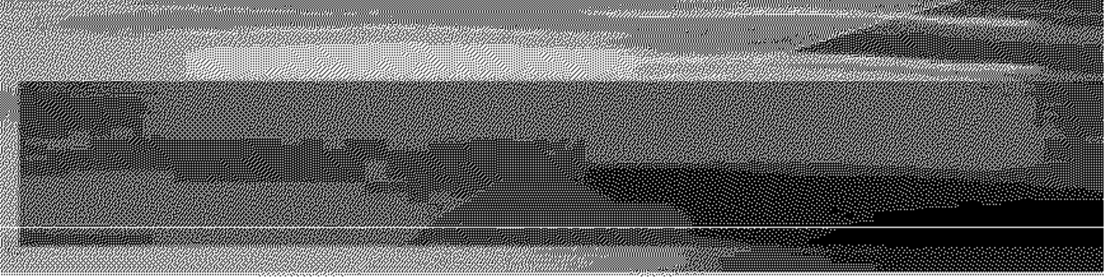
## 6. Property Investments (cont.)

The consolidated aggregate book value at 31 December 2002 of properties that were revalued in the current progressive valuation period was $225,077,000 (30 June 2002: $207,643,000).

| | Consolidated December 2002 $'000 | Consolidated June 2002 $'000 |
|---|---|---|
| Carrying Amount at Beginning of the Period | 708,178 | 615,452 |
| Additions | 53,442 | 85,492 |
| Disposals | (1,884) | (134) |
| Revaluation Increments | 14,215 | 7,368 |
| **Carrying Amount at End of the Period** | **773,951** | **708,178** |

## 7. Contributed Equity

| No. of Units | Details | Date | Consolidated December 2002 $'000 | Consolidated June 2002 $'000 |
|---|---|---|---|---|
| 339,892,392 | Units on Issue | 30 June 2001 | | 398,718 |
| 10,000,000 | Placement Issue | 3 July 2001[1] | | 13,685 |
| 4,782,495 | DRP Issue | 1 July 2001 | | 6,527 |
| 26,879,195 | Placement Issue | 10 Dec 2001[2] | | 38,983 |
| 7,667,102 | DRP Issue | 1 Jan 2002[3] | | 11,692 |
| 5,487,562 | Placement Issue | 14 Feb 2002[4] | | 8,404 |
| 394,708,746 | Units on Issue | 30 June 2002 | 478,009 | 478,009 |
| 7,733,443 | DRP Issue | 1 July 2002 | 12,223 | – |
| 40,734,769 | Placement Issue | 25 Sep 2002[5] | 61,102 | – |
| 26,342,615 | Placement Issue | 21 Oct 2002[5] | 37,097 | – |
| 1,054,007 | Performance Fee | 23 Dec 2002 | 1,709 | – |
| **470,573,580** | **Units on Issue** | **31 Dec 2002** | **590,140** | **478,009** |



# Notes to the Financial Statements (cont.)

For the half year ended 31 December 2002

7. Contributed Equity (cont.)

(1) Net of transaction costs of $15,000.

(2) Net of transaction costs of $1,067,000.

(3) Net of transaction costs of $8,000.

(4) Net of transaction costs of $47,000.

(5) Net of transaction costs of $2,421,000.

As stipulated in the Constitution, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the scheme. There are no separate classes of units and each unit has the same rights attaching to it as all other units in the Trust.

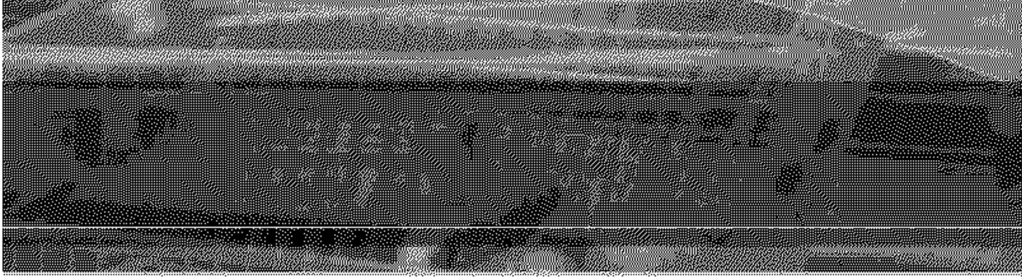
For the half year ended 31 December 2002, income entitlements for units issued during a distribution period were calculated on a pro rata basis from the date of allotment.

Distribution Reinvestment Plan

The Trust has established a Distribution Reinvestment Plan (DRP) under which Unitholders may elect to have all or part of their distribution entitlements satisfied by the issue of new units rather than being paid in cash. Currently, units are issued under the DRP at a 2.5% discount to the market price.

8. Reserves

| | Consolidated December 2002 $'000 | Consolidated June 2002 $'000 |
|---|---|---|
| (a) Asset Revaluation Reserve | | |
| Opening Balance | 35,735 | 29,907 |
| Revaluation Increment | 14,215 | 7,368 |
| Share of Joint Venture Entity's Movement in Reserves | 6,855 | 169 |
| Transfer to Distribution | – | (1,709) |
| Closing Balance | 56,805 | 35,735 |



# Notes to the Financial Statements (cont.)

For the half year ended 31 December 2002

## 8. Reserves (cont.)

| | Consolidated December 2002 $'000 | Consolidated June 2002 $'000 |
|---|---|---|
| **(b) Capital Distribution Reserve** | | |
| Opening Balance | (5,020) | (3,622) |
| Transfer to Distribution | – | (1,398) |
| Closing Balance | (5,020) | (5,020) |
| **(c) Foreign Currency Reserve** | | |
| Opening Balance | (280) | – |
| Movement in Foreign Currency | 142 | (280) |
| Closing Balance | (138) | (280) |
| **Total Reserves** | **51,647** | **30,435** |

## 9. Segment Information

### Business Segments

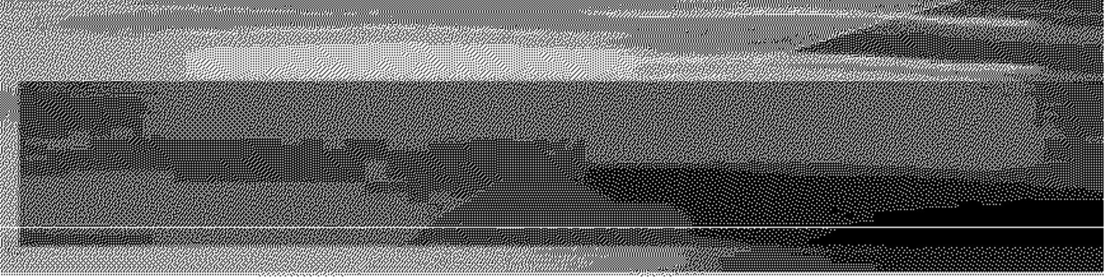
The Trust is a listed property trust which invests in the retail property market.

### Geographical Segments

The Trust has investments in retail properties located in Australia, New Zealand and the United States.

| | Income* | | Net Profit | | Total Assets | |
|---|---|---|---|---|---|---|
| | December 2002 $'000 | December 2001 $'000 | December 2002 $'000 | December 2001 $'000 | December 2002 $'000 | June 2002 $'000 |
| Australia | 33,376 | 28,868 | 24,708 | 19,202 | 703,875 | 645,235 |
| New Zealand | 4,478 | 3,820 | 1,322 | 1,787 | 99,468 | 90,655 |
| United States | 5,110 | 1,701 | 3,503 | 1,377 | 152,854 | 53,136 |
| **Total** | **42,964** | **34,389** | **29,533** | **22,366** | **956,197** | **789,026** |

* Comprised of property rental income and net income from property investments in joint venture entity.





9. Segment Information (cont.)

Segment income, expenditure, and assets are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of cash, receivables (net of any related provisions) and investments. Any assets used jointly by segments are allocated based on reasonable estimates of usage.

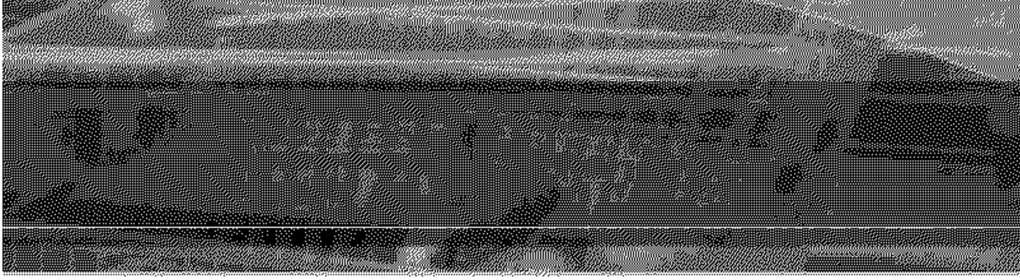
10. Earnings Per Unit

| | Consolidated December 2002 | Consolidated December 2001 |
|---|---|---|
| Basic Earnings per Unit (cents) | 6.87 | 6.31 |
| Diluted Earnings per Unit (cents) | 6.87 | 6.31 |
| Weighted Average Number of Ordinary Units on Issue Used in the Calculation of Earnings per Unit | 429,743,868 | 354,674,887 |

Net Profit of $29,533,000 (2001: $22,366,000) was used as earnings in calculating the basic and diluted earnings per unit.

11. Non-Cash Financing and Investing Activities

| | Consolidated December 2002 $'000 | Consolidated December 2001 $'000 |
|---|---|---|
| Distributions by the Trust satisfied during the Period by the issue of units under the Distribution Reinvestment Plan. These distributions are not reflected in the Statement of Cash Flows. | 12,223 | 6,528 |



# Directors' Declaration to Unitholders

The directors of Macquarie CountryWide Management Limited, the responsible entity, declare that the financial statements as set out on pages 19 to 52:

(a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional requirements; and

(b) give a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

David S Clarke, AO
Chairman

Sydney
12 February 2003

# Independent Review Report

## Independent Review Report to Unitholders

of Macquarie CountryWide Trust

### Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report, set out on pages 19 to 53 is not presented in accordance with:

- the Corporations Act 2001 in Australia, including giving a true and fair view of the financial position of the Macquarie CountryWide Trust Group (defined below) as at 31 December 2002 and of its performance for the half year ended on that date; and
- Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001.

This statement must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

### Scope and summary of our role

#### The financial report – responsibility and content

The preparation of the financial report for the half year ended 31 December 2002 is the responsibility of the directors of Macquarie CountryWide Management Limited (the Responsible Entity). It includes the financial statements of the Macquarie CountryWide Trust Group (the Group), which incorporates the Trust and the entities it controlled during the half year ended 31 December 2002.

#### The auditor's role and work

We conducted an independent review of the financial report in order for the Trust to lodge the financial report with the Australian Securities and Investments Commission. Our role was to conduct the review in accordance with Australian Auditing Standards applicable to review engagements. Our review did not involve an analysis of the prudence of business decisions made by the directors or management of the Responsible Entity.

This review was performed in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report does not present fairly a view in accordance with the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, and the Corporations Regulations



2001, which is consistent with our understanding of the Group's financial position, and its performance as represented by the results of its operations and its cash flows.

The review procedures performed were limited primarily to:

- inquiries of the Responsible Entity's personnel of certain internal controls, transactions and individual items; and
- analytical procedures applied to financial data.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

### Independence

As auditor, we are required to be independent of the Group and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

In addition to our statutory audit and review work, we were engaged to undertake other services for the Group. In our opinion, the provision of these services has not impaired our independence.

PricewaterhouseCoopers

PricewaterhouseCoopers

A. Loveridge

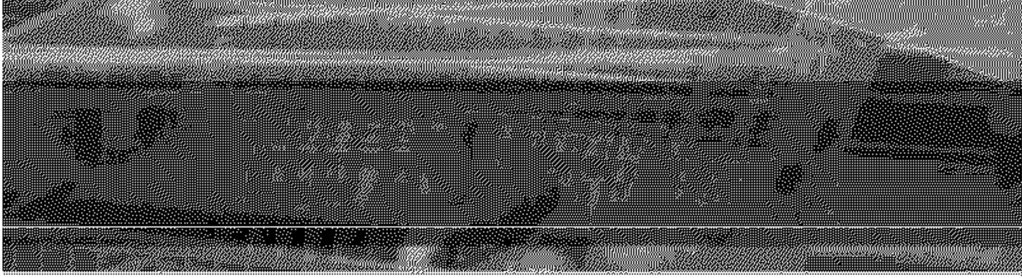
Anne Loveridge
Partner

Sydney
12 February 2003

# 8 Unitholder Analysis

## Top 20 Unitholders as at 31 January 2003

| | Unitholders | Units | % |
|---|---|---|---|
| 1. | J P Morgan Nominees Australia Limited | 70,586,266 | 15.00 |
| 2. | Westpac Custodian Nominees Limited | 40,257,884 | 8.56 |
| 3. | National Nominees Limited | 29,264,912 | 6.22 |
| 4. | MLC Limited | 12,388,822 | 2.63 |
| 5. | RBC Global Services Australia Nominees Pty Limited <Pipooled A/c> | 11,317,786 | 2.41 |
| 6. | Cogent Nominees Pty Limited | 11,031,829 | 2.35 |
| 7. | Bond Street Custodians Limited <Property Securities A/c> | 10,060,357 | 2.14 |
| 8. | Citicorp Nominees Pty Limited <CFS WSLE Property Secs A/c> | 9,408,586 | 2.00 |
| 9. | Commonwealth Custodial Services Limited | 9,129,790 | 1.94 |
| 10. | National Mutual Life Nominees Limited <W/S Aust Div Prop Sec A/c> | 9,098,433 | 1.93 |
| 11. | AMP Life Limited | 8,803,823 | 1.87 |
| 12. | ING Life Limited | 8,614,692 | 1.83 |
| 13. | Cogent Nominees Pty Limited <SMP Accounts> | 6,467,762 | 1.37 |
| 14. | Transport Accident Commission | 4,961,404 | 1.05 |
| 15. | Westpac Financial Services Limited | 4,769,176 | 1.01 |
| 16. | RBC Global Services Australia Nominees Pty Limited <BKCUST A/c> | 4,443,169 | 0.94 |
| 17. | Tower Trust Limited | 3,666,066 | 0.78 |
| 18. | Bond Street Custodians Limited <ENH Property Securities A/c> | 3,347,557 | 0.71 |
| 19. | Suncorp Custodian Services Pty Limited <PRT> | 2,864,533 | 0.61 |
| 20. | Government Superannuation Office <State Super Fund A/c> | 2,807,986 | 0.60 |
| | **Total Units Held by Top 20** | **263,290,833** | **55.95** |
| | **Total Units on Issue** | **470,573,580** | **100.00** |



### Range of Units Summary as at 31 January 2003

| Range | Holders | Units | % |
|---|---|---|---|
| 1 – 1,000 | 288 | 140,303 | 0.03 |
| 1,001 – 5,000 | 1,635 | 5,604,936 | 1.19 |
| 5,001 – 10,000 | 2,803 | 21,711,112 | 4.61 |
| 10,001 – 100,000 | 5,475 | 125,423,274 | 26.66 |
| 100,001 – and over | 163 | 317,693,955 | 67.51 |
| **Total** | **10,364** | **470,573,580** | **100.00** |

**Unitholders with less than the marketable parcel of 293 units** **102**

### Voting Rights

Each Unitholder has one vote for each dollar of the value of their total interest in the Trust.

### Substantial Unitholder Notices

| Company | Date | No. of Voting Units | % of Units on Issue |
|---|---|---|---|
| Macquarie Bank Limited | 8 Jan 2003 | 29,011,945 | 6.17 |
| National Australia Bank Limited | 27 Dec 2002 | 37,801,982 | 8.05 |
| Westpac Banking Corporation | 21 Nov 2002 | 30,508,095 | 6.69 |
| Lend Lease Corporation Limited | 22 May 2001 | 25,232,008 | 7.90 |

# 9 Distribution History

| Period Ended History | New Issue Price $ | Distribution Cents/Unit | Taxable Amount Cents/Unit | Taxable Amount % |
|---|---|---|---|---|
| 15 Nov 95 | 0.75[1] | – | – | – |
| 30 Jun 96 | | 5.6100 | 2.2726 | 40.51 |
| 2 Dec 96 | 0.25[2] | – | – | – |
| 31 Dec 96 | | 4.5500 | 1.95831 | 43.04 |
| 30 Jun 97 | | 5.7500 | 4.81734 | 83.78 |
| 14 Nov 97 | 0.80[3] | – | – | – |
| 31 Dec 97 | | 5.9960 | 4.38488 | 73.13 |
| 31 Dec 97 | Partly Paid | 0.9780 | 0.71521 | 73.13 |
| 30 Jun 98 | 0.40[4] | – | – | – |
| 30 Jun 98 | | 6.0100 | 4.47925 | 74.53 |
| 30 Jun 98 | Partly Paid | 4.0067 | 2.98619 | 74.53 |
| 31 Dec 98 | | 6.1550 | 4.58301 | 74.46 |
| 30 Jun 99 | | 6.5000 | 3.69005 | 56.77 |
| 30 Jun 99 | 1.54[5] | 3.2680 | 1.85524 | 56.77 |
| 30 Jun 99 | 1.54[8] | 3.2680 | 1.85524 | 56.77 |
| 31 Dec 99 | | 6.5000 | 4.93285 | 75.89 |
| 30 Jun 00 | | 6.5500 | 5.91988 | 90.38 |
| 26 Sep 00 | 0.90[8] | | | |
| 20 Oct 00 | 1.40[8] | | | |
| 31 Dec 00 | | 6.5500 | 4.64788 | 70.96 |
| 27 Jun 01 | 1.37[6] | | | |
| 30 Jun 01 | | 6.5500 | 5.03564 | 76.88 |
| 30 Jun 01 | Partly Paid | 5.3800 | 4.13614 | 76.88 |
| 4 Jul 01 | 1.40[8] | | | |
| 10 Dec 01 | 1.49[8] | | | |
| 31 Dec 01 | | 6.7000 | 3.6575 | 54.59 |
| 16 Jan 02 | 1.54[5] | 5.0713 | 3.9774[9] | 78.43 |
| 30 Jun 02 | | 6.7000 | 5.2548[8] | 78.43 |
| 21 Oct 02 | 1.50[10] | 2.6413 | 2.1085 | 79.83 |
| 31 Dec 02 | | 6.7500 | 5.3885 | 79.83 |

Note 1: Initial Public Offer of 123.4 million units at $1.00 partly paid to 75 cents.

Note 2: Second payment of $0.25 on initial partly paid units to pay up units to subscription price of $1.00.

Note 3: Rights Issue.

Note 4: Second payment due of $0.40 on partly paid rights issue units to pay up units to Rights Issue subscription price of $1.20.

Note 5: Unit Purchase Plan.

| Tax Deferred Amount[9] | | Tax Free Amount | | DRP | Period End |
|---|---|---|---|---|---|
| | | | | Issue Price | Unit Price |
| Cents/Unit | % | Cents/Unit | % | $ | $ |
| – | – | – | – | – | – |
| 3.16685 | 56.45 | 0.17054 | 3.04 | 0.7625 | 0.760 |
| – | – | – | – | – | – |
| 2.46201 | 54.11 | 0.12968 | 2.85 | 1.1115 | 1.140 |
| 0.77108 | 13.41 | 0.16158 | 2.81 | 1.2178 | 1.280 |
| – | – | – | – | – | – |
| 1.31312 | 21.90 | 0.29800 | 4.97 | 1.3026 | 1.320 |
| 0.21418 | 21.90 | 0.04861 | 4.97 | 1.3026 | 0.860 |
| – | – | – | – | – | – |
| 1.27893 | 21.28 | 0.25182 | 4.19 | 1.4196 | 1.410 |
| 0.85263 | 21.28 | 0.16788 | 4.19 | 1.4196 | 1.410 |
| 1.24762 | 20.27 | 0.32437 | 5.27 | 1.5405 | 1.500 |
| 2.48040 | 38.16 | 0.32955 | 5.07 | 1.4625 | 1.459 |
| 1.24707 | 38.16 | 0.16569 | 5.07 | 1.4625 | 1.459 |
| 1.24707 | 38.16 | 0.16569 | 5.07 | 1.4625 | 1.459 |
| 1.20380 | 18.52 | 0.36335 | 5.59 | 1.4489 | 1.550 |
| 0.25873 | 3.95 | 0.37139 | 5.67 | 1.4047 | 1.470 |
| 1.45803 | 22.26 | 0.44409 | 6.78 | 1.4251 | 1.460 |
| 1.51436 | 23.12 | –[7] | –[7] | 1.3649 | 1.380 |
| 1.24386 | 23.12 | –[7] | –[7] | 1.3649 | 1.380 |
| 3.0425 | 45.41 | –[7] | –[7] | 1.5259 | 1.570 |
| 1.0939 | 21.57 | –[7] | –[7] | 1.5805 | 1.610 |
| 1.4452 | 21.57 | –[7] | –[7] | 1.5805 | 1.610 |
| 0.5328 | 20.17 | –[7] | –[7] | 1.6200 | 1.640 |
| 1.3615 | 20.17 | –[7] | –[7] | 1.6200 | 1.640 |

Note 6: Placement.

Note 7: Tax free amounts are now treated as tax deferred.

Note 8: Taxable amounts includes Australian sourced income, foreign sourced income and assessable capital gains.

Note 9: Tax deferred amount includes tax deferred income and non-assessable capital

Note 10: Priority Entitlement Issue.

# 10 Investor Relations

## Trust Timetable

| | Period Ending 30 Jun 03 | Period Ending 31 Dec 03 |
|---|---|---|
| Ex-Distribution | 24 Jun 03 | 23 Dec 03 |
| Books Close | 30 Jun 03 | 31 Dec 03 |
| Distribution Payment Date | on or about 13 Aug 03 | on or about 10 Feb 04 |

## Do You Require a Copy of the Annual and Half Year Reports?

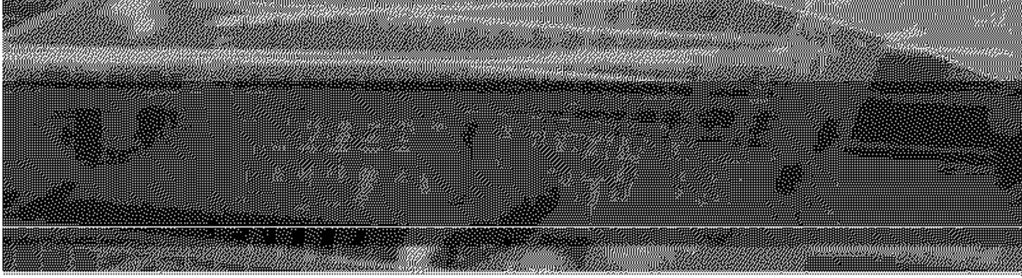
If you wish to no longer receive these reports, please advise the Unit Registry in writing.

The annual and half year reports will be placed on our internet site at the same time they are mailed to Unitholders – so if you have access to the internet, the reports will be available to you electronically.

## Visited Our Internet Site Lately?

You can access our internet site at **www.macquarie.com.au/countrywide**. Within the site, you will find such information as our annual and half year reports, Unitholder newsletters and property portfolio details. Our press releases are also placed on the site within a few hours of being released to the market.

You can also access details of your unitholding via our internet site. Proceed to the Investor Relations area and click on the left hand menu option for *Check your Unitholding*. At the bottom of this page is a coloured link for you to click on. This will take you into the ASX Perpetual Registrars' internet site. For security reasons, you will need your security reference number (insert the number only, excluding the S, I or D), full name of the holding and the postcode of the mailing address of the holding. Once these details are entered into the fields, the site will take you directly to your holding. From here, you will be able to see the total number of units you own, if you are in the Distribution Reinvestment Plan, whether your Tax File Number is quoted and numerous other items.



### Need to Contact Us?

You can email us at **propfunds@macquarie.com.au**, phone us on 1300 365 585 (local call cost) or fax us on (02) 8232 6510.

### Need to Contact the Unit Registry?

Have you changed your address lately and forgotten to notify the Unit Registry or would you like to participate in the Distribution Reinvestment Plan or have your distributions credited directly into your preferred bank account? Our Unit Registry, ASX Perpetual Registrars, is there to help you with those issues and any others you may have regarding your unitholding.


## Other Trusts Managed by Macquarie and its Associates

as at 31 December 2002

### Listed Property Trusts

#### Macquarie Goodman Industrial Trust

| | |
|---|---|
| ASX code: | MGI |
| Sector: | Industrial |
| No. of properties: | 66 |
| Total assets: | $2.1 billion |
| Unit price: | $1.46 |
| Distribution yield: | 8.3% |

Website: www.macquariegoodman.com.au

#### Macquarie Leisure Trust

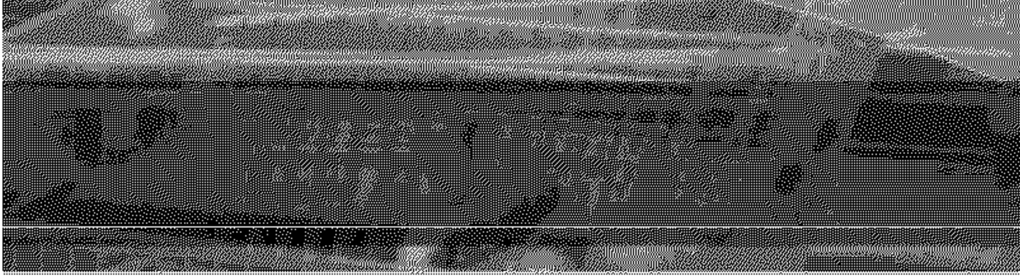
| | |
|---|---|
| ASX code: | MLE |
| Sector: | Leisure |
| No. of properties: | 5 |
| Total assets: | $157.0 million |
| Unit price: | $0.70 |
| Distribution yield: | 10.3% |

Website: www.macquarie.com.au/leisuretrust

#### Macquarie Office Trust

| | |
|---|---|
| ASX code: | MOF |
| Sector: | Office |
| No. of properties: | 22 |
| Total assets: | $1.6 billion |
| Unit price: | $1.22 |
| Distribution yield: | 9.0% |

Website: www.macquarie.com.au/officetrust



### Macquarie Park Street Trust

| | |
|---|---|
| ASX code: | MORPA |
| Sector: | Office |
| No. of properties: | 1 |
| Total assets: | $270.5 million |
| Unit price: | $105.80 |
| Distribution yield: | 6.9% |

Website: www.macquarie.com.au/parkstreet

### Macquarie ProLogis Trust

| | |
|---|---|
| ASX code: | MPRCA |
| Sector: | Industrial (North American) |
| No. of properties: | 54 |
| Share of total property assets: | $831.8 million |
| Unit price: | $0.86 |
| Distribution yield: | 8.7% |

Website: www.macquarie.com.au/macquarieprologis

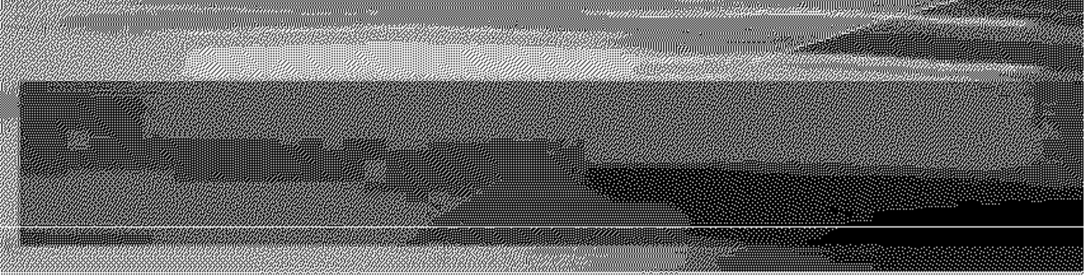
## Unlisted Property Trusts

### Macquarie Direct Property

| | |
|---|---|
| Sector: | Unlisted |
| No. of trusts: | 10 |
| No. of properties: | 13 |
| Total assets: | $538.0 million |

Website: www.macquarie.com.au/directproperty

For further information on any of these listed or unlisted property trusts, please contact your stockbroker or financial adviser, Ask Macquarie on 1300 365 585 (local call cost), visit our website www.macquarie.com.au/propertytrusts or email Macquarie at propfunds@macquarie.com.au. For further information on Macquarie Goodman Industrial Trust, please contact Macquarie Goodman Funds Management Limited on 1300 761 100.



# 12 Corporate Directory

Manager
Macquarie CountryWide Management Limited (ABN 46 069 709 468)

Registered Office
Level 15, No. 1 Martin Place
Sydney NSW 2000

Directors of the Manager
David Clarke (Chairman)
Trevor Gerber
Maurice Koop
Alan Rattray-Wood
Mark Baillie
William Moss
Stephen Girdis (Alternate)
James Hodgkinson (Alternate)

Chief Executive Officer
Kylie Rampa

Secretaries
Dennis Leong
John Wright

Manager's Office
Level 13, No. 1 Martin Place
Sydney NSW 2000

Telephone: 1300 365 585 (local call cost)
Facsimile: (02) 8232 6510
Email: propfunds@macquarie.com.au
Internet: www.macquarie.com.au/countrywide

Level 22, 101 Collins Street
Melbourne VIC 3000

Level 1, 300 Queen Street
Brisbane QLD 4000

ASX Code
MCW

Custodian
Perpetual Trustee Company Limited
1 Castlereagh Street
Sydney NSW 2000

Auditors of the Trust
PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 1171

Solicitors to the Manager
Clayton Utz
Levels 27–35
1 O'Connell Street
Sydney NSW 2000

Unit Registry
ASX Perpetual Registrars Limited
Level 8, 580 George Street
Sydney NSW 2000

Locked Bag A14
Sydney South NSW 1232

Telephone: 1300 303 063 (local call cost)
Email: registrars@asxperpetual.com.au

**To arrange changes of address, or changes in registration of units**, please contact the Unit Registry at the address or number listed above.

Call from anywhere in Australia for further information on 1300 365 585 (local call cost).

DESIGNED AND PRODUCED BY IMPRESS DESIGN