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MACQUARIE

ACQUISITIONS AND ORGANIC GROWTH BOOST DISTRIBUTIONS FOR MACQUARIE COUNTRYWIDE TRUST INVESTORS

Macquarie CountryWide Trust (MCW)

- *Exposure to key markets has driven strong performance across all portfolios*
- *First Washington portfolio has delivered ahead of expectations*
- *Foundations in place to explore new regions*

20 February 2006

Macquarie CountryWide Trust's (ASX:MCW) exposure to traditionally strong growth markets and hands on asset management has delivered healthy weighted comparable organic income growth of 4 per cent and higher distributions for the six months to 31 December 2005. The Trust's First Washington portfolio has supported the results with performance that exceeded expectations.

Highlights:

- Strong underlying comparable net operating income growth has been achieved across the portfolio

Country	Comparable net operating income growth	% of total assets
Australia	4.4%	23%
New Zealand	3.1%	4%
United States	3.9%	73%
Weighted avg. (by comparable income)	4.0%	100%

- First Washington portfolio comparable net operating income growth exceeded acquisition forecast, growing 4.2 per cent.
- Australian and New Zealand comparable net operating income growth at 4.4 per cent and 3.1 per cent respectively.
- Distributions for the half year will be 7.6 per cent higher at 7.60 cents per unit.
- NTA per unit climbed to $1.76, up 4.8 per cent on 30 June 2005.
- Successful completion of five redevelopment projects achieving a year one development yield of 11 per cent.
- Increased ownership of First Washington portfolio to 75 per cent (effective 1 January 2006).

Commenting on MCW's half year performance, chief executive officer, Kylie Rampa, said the strong results reflected the Trust's redevelopment activity, successful leasing activity and disposition program. The Trust is also in a favourable position to record slightly higher distributable earnings than cash distributions. "After achieving gains on asset sales and superior net operating income growth we have retained earnings, helping to secure future distributions."

Australian portfolio reports strong performance with healthy redevelopment pipeline

The quality of the Australian portfolio and strength of the retailers has delivered another period of steady anchor tenant sales growth for stores paying turnover rent. Annual sales grew 4.3 per cent with 74 per cent of anchor tenants paying turnover rent. Strong comparable net operating income growth of 4.4 per cent represented the ongoing benefit of the Trust's redevelopment activity, which is expected to deliver higher rentals over the long term.

The Trust's Australian redevelopment program has continued with five projects completed during the period at a total cost of $23 million. An 11 per cent year one development return was recorded. A further eight projects are underway and are costed at $79.2 million with a forecast year one development return of 8.6 per cent.

Steven Sewell, CountryWide's chief operating officer, said improving the quality of CountryWide's centres made them more attractive to retailers and shoppers, potentially delivering higher income and asset growth.

He added: "Despite a consistent roll out of high performing redevelopment projects, significant opportunities within the portfolio remain."

New Zealand portfolio benefits from improved covenant

CountryWide's New Zealand portfolio of 19 freestanding supermarkets has reported higher anchor sales growth of 3.6 per cent (anchors contributing to turnover rent), which helped to drive a 3.1 per cent increase in comparable net operating income. The portfolio was bolstered by Woolworths' acquisition of key grocer Progressive, which improved the lease covenant and security of income.

US portfolio exceeds expectations

Joint venture partner Regency Centers Corporation's (Regency) operational management capability was a key ingredient to success achieved in the US portfolio. Comparable income growth across the total US portfolio was 3.8 per cent over the period, a particularly pleasing result with approximately 75 per cent of the Trust's portfolio now consisting of US assets.

This performance was driven by the First Washington portfolio (acquired in June 2005), which surpassed acquisition forecasts to report a 4.2 per cent gain in same store net operating income for the year ended 31 December 2005. New leases negotiated in this portfolio also led to significant rental growth of 13 per cent for all tenants and 21 per cent for retailers that participate in Regency's Premier Customer Initiative program.

According to Ms Rampa, additional upside opportunities exist in the First Washington portfolio. "As new leases expire, Regency's tenant focus and asset management expertise will be applied to execute plans to renovate and re-merchandise properties. This activity ultimately delivers the opportunity for greater income growth," she said.

Acquisitions and disposals reweight the Trust to historically high performing markets

CountryWide purchased interests in two properties in the US for a total purchase price of $US16.4 million (MCW share). In addition, a development site was bought in Maylands, Western Australia for $4.0 million. The Trust's major acquisition post balance date saw it increase its exposure to the high performing First Washington portfolio from 65 per cent to 75 per cent. Ms Rampa said the Trust's disposal strategy is also well underway. "We've delivered on our commitment to sell non-core assets and book capital gains while increasing exposure to markets with attractive demographics and strong growth forecasts."

Two assets were sold during the period for $11.6 million (MCW share) and another one was sold post balance date, delivering a total gain of 9.7 per cent over book value.

Outlook

The Trust is on track to achieve forecasts noted in its Product Disclosure Statement, according to Ms Rampa. "Driving higher property income by effectively managing existing assets remains a top priority. The active redevelopment program is expected to enhance property returns."

As previously highlighted, opportunities in Europe are emerging as the Trust conducts an extensive review of European markets. Senior London based resources are being recruited and relocated to implement expansion strategies.

Ms Rampa is attracted to Europe's high level of corporate real estate ownership and comparable property fundamentals. "Europe's well established dominant supermarket chains and similar lease structures support a favourable investment case," she said.

MCW is listed on the Australian Stock Exchange with property assets of approximately $4.8 billion. More than $30 billion in assets are managed under the Macquarie brand, across a portfolio of listed and unlisted property trusts, unlisted development funds and property investment syndicates, globally.

Regency is a leading owner, manager and developer of US grocery anchored shopping centres with a $US4.0 billion national real estate portfolio (assets at cost before depreciation) of over 380 high quality properties. Visit www.regencycenters.com for more information.

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All quoted figures are compared to the same period last year and currencies denominated in Australian currency unless otherwise stated.

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Key CountryWide statistics

	6 months ended 31 Dec 2005	6 months ended 31 Dec 2004	% Change
Earnings per unit - adjusted for bonus issue *	7.75 cents	7.71 cents	0.5%
Cash distribution per unit – adjusted for bonus issue *	7.60 cents	7.06 cents	7.6%
Cash distribution per unit	7.60 cents	7.40 cents	2.7%
Operating income (including unrealised property valuation gains)	$196.7 m	$82.5 m	138.4%
Operating income (excluding unrealised property valuation gains)	$102.5 m	$64.3 m	59.5%
Distributable earnings	$91.9 m	$52.4 m	75.2%
Net profit - before property valuation gains, loss from derivatives, tax expense & finance costs attributable to unitholders	$82.7 m	$50.4 m	64.0%
Weighted average number of units on issue			
- by allotment date	1,185,873,141	680,110,161	74.4%
- by distribution entitlement	1,194,689,423	701,057,415	70.4%

	As at 31 Dec 2005	As at 30 Jun 2005	% Change
Total assets	$2,817.9 m	$2,558.2 m	10.1%
Total book value of properties (consolidated basis)	$4,622.4 m	$4,328.2 m	6.8%
Unitholders' equity	$2,197.9 m	$2,015.8 m	9.0%
Total borrowings - CountryWide	$470.7 m	$453.3 m	3.8%
- joint venture interest	$1,884.8 m	$1,818.4 m	3.7%
Gearing ratio - consolidated basis ***	48.9%	51.2%	
Number of units on issue	1,194,689,423	1,149,440,097	3.9%
Number of unitholders	14,185	13,970	1.5%
Net tangible assets per unit **	$1.76	$1.68	4.8%
Closing unit price	$1.98	$1.92	3.1%
Market capitalisation	$2,365.5 m	$2,201.2 m	7.5%
Number of properties	250	249	0.4%
Retained distributable earnings **	$2.4 m	$1.3 m	

* Adjusted for bonus element as required by Accounting Standard AASB 133.

** After payment of December half year distribution in February.

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

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