APPENDIX 4D

Half Year Report
for the period ended 31 December 2006

Name of Entity: Macquarie CountryWide Trust

Results for announcement to the market

					A$'m
Revenues from ordinary activities	up	39.37%	to		274.0
Profit (loss) from ordinary activities after tax attributable to members	up	58.20%	to		214.2
Net profit (loss) for the period attributable to members	up	58.20%	to		214.2

Distributions	**Amount per unit**
Current Period: Interim distributions	7.80¢
Previous Corresponding Period: Interim distributions	7.60¢
Record date for determining entitlements to the distribution	29 December 2006

- Revenue from ordinary activities has increased by 39.37% primarily due to the following factors:

- Property valuation gains for Australian and NZ properties increased by 115%. This is due to favourable movements in underlying Australian and NZ property markets, coupled with FX conversion gains on NZ properties due to a weakening of the Australian dollar against the NZ dollar;

- The increase in gain from derivatives is primarily caused by increases in unrealised gains on US derivatives resulting from a strengthening of the Australian dollar against the US dollar and realised gains on settlement of derivative contracts;

- An increase in net rental income due to increased rents on Australian and NZ properties;

- Net income from JV investments decreased despite an increase in rents and the number of US properties owned in the period. This is due to a decrease in property revaluation gains combined with FX conversion losses caused by a strengthening of the Australian dollar against the US dollar.

- Profit for the period attributable to members increased by 58.20% primarily due to the revenue factors as described above which were offset by:

- An increase in finance costs due to an increase in average debt levels and average interest rates; and

- An increase in the US capital gains tax expense primarily due an increase in deferred tax liabilities caused by increases in US property book values and decreases in tax cost bases due to tax depreciation.

Refer to the attached Income Statement, Balance Sheet and Statement of Cash Flows for further detail.

Details of Distributions

Refer attached financial statements (Directors Report and Note 9: Distributions paid and payable).

Details of Distribution Reinvestment Plan

The distribution reinvestment plan (DRP) was in operation for the distributions during the period. Of the distributions paid during the period, $47.5 million was reinvested in the Trust.

The DRP price per unit included a discount of 2.0% to the volume weighted average market price of units traded on the ASX during the 10 business days from and including the ex-distribution date.

In accordance with the DRP rules, the directors have suspended the Trust's DRP until further notice. The DRP suspension commenced with the DRP for the half year ended 31 December 2006.

Net Tangible Assets

	Current period	Previous corresponding period
Net tangible asset backing per unit*	$1.92	$1.84
Adjusted net tangible asset backing per unit**	$1.84	$1.76
Net tangible asset backing per unit after distribution (excluding deferred taxes)	$1.97	$1.83

* Under the listing rules NTA Backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (ie, all liabilities, preference shares, outside equity interests etc).

** The net tangible asset backing per unit would have been $1.84 (2005: $1.76) for the consolidated entity if the distribution for the half year ended 31 December 2006 had been recognised in the financial statements.

Control Gained or Lost over Entities during the Period

N/A

Details of Associates and Joint Venture entities

Refer attached financial statements (Note 13: Investments in joint venture entities).

Accounting standards used by foreign entities

N/A

Qualification of audit/review

Not applicable as there is no audit dispute or qualification. Refer attached half year financial report for independent review report.

MACQUARIE COUNTRYWIDE TRUST
ARSN 093 143 965
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MACQUARIE COUNTRYWIDE TRUST
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 and its controlled entities for the half year ended 31 December 2006 (period).

1. Directors

The following persons have held office as directors of the Manager during the period and up to the date of this report:

David Clarke, AO
John Harkness
Maurice Koop
Alan Rattray-Wood
Kylie Rampa, appointed 1 September 2006
Mark Baillie, resigned 1 September 2006
Martin (Hap) Stein, Jr, resigned 21 February 2007
Mark Baillie (alternate for David Clarke), appointed 1 September 2006
Simon Jones (alternate for Kylie Rampa), appointed 1 September 2006
John Wright (alternate for David Clarke), resigned 1 September 2006
Mary Lou Fiala (alternate for Martin (Hap) Stein, Jr), resigned 21 February 2007.

2. Principal activities

The principal activity of the Trust during the period was property investment. There were no significant changes in the nature of the Trust's activities during the period.

3. Distributions

The distribution of income for the period was 7.80 cents per unit and will be paid on 22 February 2007. A provision has not been recognised in the financial statements at 31 December 2006 as the interim distribution had not been declared at the reporting date.

4. Review of operations and significant changes in the state of affairs

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 2006 \$'m	Consolidated December 2005 \$'m
Net income from investment in joint venture entities	93.1	114.6
Property rental income	60.5	58.9
Profit before finance costs attributable to unitholders	214.2	135.4

The Trust, through its joint venture relationship with Regency Centers Corporation (Regency), acquired an interest in five properties in the United States during the period. The total purchase price of these US properties was US\$93.6 million, of which the Trust's share is US\$70.2 million.

Four properties in the United States were sold during the period, realising a total gain on book values of \$3.2 million.

The Trust issued commercial mortgage backed securities (CMBS) totalling \$450.0 million on 7 December 2006. Funds from the issue were used to repay existing bank debt, reducing the Trust's margin to 23 basis points over the 90 day bank bill swap rate. The CMBS are secured over 52 Australian properties of the Trust.

On 27 October 2006, the Trust entered into a conditional sale contract to dispose of a 50% interest in 18 of the 19 properties (excluding Palmerston North) owned by the Trust in New Zealand. This sale contract remains conditional as the purchaser awaits approval from the New Zealand Government's Overseas Investment Office, with approval anticipated in March 2007. Once the application is approved, completion of the sale will occur approximately two weeks after approval.

5. Value of assets

	Consolidated December 2006 $'m	Consolidated June 2006 $'m
Value of Trust assets	3,197.9	3,062.9

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

6. Interests in the Trust

The movement in units of the Trust during the period is set out below:

	Consolidated December 2006	Consolidated June 2006
Units on issue at the beginning of the period	1,218,622,794	1,149,440,097
Units issued during the period	26,822,638	69,182,697
Units on issue at the end of the period	1,245,445,432	1,218,622,794

7. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

8. Events occurring after reporting date

Subsequent to the period end, a distribution of 7.80 cents per unit has been declared by the Board of Directors. The total distribution amount of $97.1 million will be paid on 22 February 2007 in respect of the half year ended 31 December 2006.

On 12 January 2007, the Trust, through its joint venture entities, acquired a 75% interest in a property in Las Vegas, Nevada, in the United States for US$17.3 million.

Since the end of the period, the directors of the Manager are not aware of any matter or circumstance not otherwise dealt with in this report or the financial report that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in the financial periods subsequent to the period ended 31 December 2006.

9. Rounding of amounts to the nearest hundred thousand dollars

The Trust is a registered scheme of a kind referred to in Class Order 98/0100 issued by the Australian Securities & 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 hundred 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 Clarke, AO
Chairman

Sydney
21 February 2007

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Auditor's Independence Declaration

As lead auditor for the review of Macquarie CountryWide Trust for the half year ended 31 December 2006, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Macquarie CountryWide Trust and the entities it controlled during the period.

V. Papageorgiou

Voula Papageorgiou
Partner
PricewaterhouseCoopers

Sydney
21 February 2007

MACQUARIE COUNTRYWIDE TRUST
INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Note	Consolidated December 2006 $'m	Consolidated December 2005 $'m
Income			
Property income			
Property rental income		60.5	58.9
Property expenses		(14.4)	(13.7)
Net property income		46.1	45.2
Net income from investment in joint venture entities	13(ii)	93.1	114.6
Property valuation gains - investment properties	3	75.4	35.2
Profit on sale of property investments		-	0.7
Net gain from derivative financial instruments	5	58.7	-
Other income		0.7	0.9
Total income net of property expenses		274.0	196.6
Expenses			
Management base fee	4	4.1	3.9
Management performance fee	4	-	-
Finance costs		16.1	11.5
Net loss from derivative financial instruments	5	-	14.1
Other expenses	6	1.7	2.0
Total expenses		21.9	31.5
Profit before tax expense and finance costs attributable to unitholders		**252.1**	**165.1**
US withholding tax expense		(1.1)	(2.3)
US capital gains tax expense		(36.8)	(27.4)
Profit before finance costs attributable to unitholders		**214.2**	**135.4**
Finance costs attributable to unitholders*		-	(72.1)
Profit		**214.2**	**63.3**
Basic earnings per unit (cents)	8	17.31	5.34
Diluted earnings per unit (cents)	8	17.31	5.34
Total distributions in respect of the half year ended 31 December	9	97.1	90.8
Distribution per unit in respect of the half year ended 31 December (cents)	9	7.80	7.60

* Due to the classification of the Trust's units on issue as financial liabilities for the period from 1 July 2005 to 7 October 2005, $72.1 million of the Trust's result (including unrealised valuation gains) for the half year ended 31 December 2005 has been disclosed as a finance cost in the Income Statement. Since 7 October 2005, the units on issue are classified as equity, therefore finance costs attributable to unitholders will not be recorded in future years. Refer also to Note 2.

The above Income Statement should be read in conjunction with the accompanying notes.

MACQUARIE COUNTRYWIDE TRUST
BALANCE SHEET
AS AT 31 DECEMBER 2006

	Note	Consolidated December 2006 $'m	Consolidated June 2006 $'m
Current assets			
Cash		15.5	20.8
Receivables		19.5	13.9
Derivative financial instruments	10	56.1	22.7
Other	11	5.5	2.8
Total current assets		**96.6**	**60.2**
Non-current assets			
Investment properties	12	1,450.1	1,315.0
Investment in joint venture entities	13	1,651.2	1,678.8
Derivative financial instruments	10	-	8.9
Total non-current assets		**3,101.3**	**3,002.7**
Total assets		**3,197.9**	**3,062.9**
Current liabilities			
Payables		13.4	12.8
Tax liabilities	16	0.4	-
Provisions	14	-	-
Derivative financial instruments	10	20.0	31.3
Other		0.1	0.1
Total current liabilities		**33.9**	**44.2**
Non-current liabilities			
Interest bearing liabilities	15	608.2	582.7
Tax liabilities	16	161.1	124.8
Derivative financial instruments	10	-	0.3
Total non-current liabilities		**769.3**	**707.8**
Total liabilities		**803.2**	**752.0**
Net assets		**2,394.7**	**2,310.9**
Equity			
Contributed equity	17	1,952.5	1,905.0
Reserves	18	(12.1)	2.3
Undistributed income	19	454.3	403.6
Total equity		**2,394.7**	**2,310.9**

The above Balance Sheet should be read in conjunction with the accompanying notes.

MACQUARIE COUNTRYWIDE TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Note	Consolidated December 2006 $'m	Consolidated December 2005 $'m
Total equity at the beginning of the period		**2,310.9**	**2,015.9**
Profit		214.2	63.3
Net income recognised directly in equity			
- Fair value of derivative financial instruments on adoption of AASB 132/139	18,19	-	(20.3)
- Movement in effective cash flow hedges		-	4.5
- Movement in cash flow hedges previously classified as effective	18	(8.7)	-
- Movement in foreign currency translation reserve	18	(74.1)	66.3
Total income for the period		**131.4**	**113.8**
Units on issue classified as liabilities for part of period			
- Classification of units on issue as liabilities on adoption of AASB 132/139		-	(2,015.8)
- Reclassification to equity on 7 October 2005		-	2,015.8
- Reclassification of finance costs attributable to unitholders		-	72.1
		-	**72.1**
Transactions with unitholders in their capacity as unitholders			
- Contributions of equity, net of issue costs	17	47.5	81.2
- Distributions paid and payable	9	(95.1)	(85.1)
		(47.6)	**(3.9)**
Total equity at the end of the period		**2,394.7**	**2,197.9**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

MACQUARIE COUNTRYWIDE TRUST
CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Consolidated December 2006 $'m Inflows/ (Outflows)	Consolidated December 2005 $'m Inflows/ (Outflows)
Cash flows from operating activities		
Property rental income received	61.9	67.8
Property expenses paid	(17.6)	(15.3)
Distributions received from investment in joint venture entities	43.2	58.2
Other operating expenses paid	(6.3)	(3.7)
Finance costs paid - bank loan	(16.8)	(12.9)
Interest and other income received	9.8	2.5
Withholding tax paid	(0.4)	-
Net GST paid	(0.5)	(0.8)
Net cash flows from operating activities	**73.3**	**95.8**
Cash flows from investing activities		
Proceeds from sale of investment properties	-	2.7
Payments for investment in joint venture entities	(20.9)	(15.1)
Payments for investment properties	(51.2)	(47.3)
Net cash flows from investing activities	**(72.1)**	**(59.7)**
Cash flows from financing activities		
Proceeds from borrowings	488.6	42.9
Repayment of borrowings	(447.4)	(37.9)
Proceeds from issue of units	0.4	38.6
Equity issue costs paid	-	(3.8)
Distributions paid to unitholders	(48.0)	(38.6)
Net cash flows from financing activities	**(6.4)**	**1.2**
Net (decrease)/increase in cash held	**(5.2)**	**37.3**
Cash at the beginning of the period	20.8	9.5
Effect of exchange rate changes on cash	(0.1)	-
Cash at the end of the period	**15.5**	**46.8**

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

1. Summary of significant accounting policies

The significant policies which have been adopted in the preparation of this financial report for the half year ended 31 December 2006 are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report for the interim half year reporting period ended 31 December 2006 has been prepared in accordance with the requirements of the Trust Constitution, Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by the Trust during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Compliance with International Financial Reporting Standards (IFRS)
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of the consolidated entity comply with IFRS.

Historical cost convention
The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and derivative financial instruments held at fair value.

Critical accounting estimates
The preparation of financial statements in conformity with Australian Accounting Standards may require the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Trust's accounting policies. Other than the estimation of fair values described in Note 1(c) and 1(i) and assumptions relating to deferred tax liabilities, no key assumptions concerning the future, or other estimation of uncertainty at the reporting date, have a significant risk of causing material adjustments to the financial statements in the next annual reporting period.

(b) Principles of consolidation

The consolidated financial statements of the Trust incorporate the assets and liabilities of the Trust's controlled entities as at 31 December 2006, and their results for the financial period then ended. The effects of all transactions between entities in the consolidated entity have been eliminated in full.

Where control of an entity is obtained during a financial period, its results are included in the Income Statement from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

1. Summary of significant accounting policies (continued)

(c) Investment properties

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

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the investment properties are then stated at fair value. Fair value is assessed as management's best estimate of the amount for which the investment properties would be sold unencumbered in an arms length transaction between willing and knowledgeable parties. Gains and losses arising from changes in the fair values of investment properties are included in the Income Statement in the period in which they arise.

At each reporting date, the fair values of the investment properties are assessed by the Manager by reference to independent valuation reports or through appropriate valuation techniques adopted by the Manager.

Where an independent valuation is not obtained, the Manager's assessment of fair value is determined by using appropriate valuation techniques including the capitalisation of net income, discounted cash flows and independent assessments of market conditions and property values.

The use of independent valuers is on a progressive basis over a three year period, or earlier, where the Manager believes there may be a material change in the carrying value of the property.

The carrying amount of investment properties recorded in the Balance Sheet includes components relating to lease incentives, leasing costs and assets relating to fixed increases in operating lease rentals in future periods.

As the fair value method has been adopted for investment properties, the buildings and any component thereof (including plant and equipment) are not depreciated. Taxation allowances for the depreciation of buildings and plant and equipment are claimed by the Trust and contribute to the tax deferred component of distributions.

(d) Investment in joint venture entities

The Trust exercises joint control over its joint venture entities, but neither the Trust nor its joint venture partner has control in their own right, irrespective of their ownership interest.

Accordingly, investment in joint venture entities are accounted for using the equity method. Under this method, the consolidated entity's share of the profits or losses of each joint venture entity is recognised as income in the Income Statement, and its share of movements in reserves is recognised in the Balance Sheet.

1. Summary of significant accounting policies (continued)

(e) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Trust designates certain derivatives as either hedges of net investments in foreign operations (net investment hedges) or hedges of exposures to variability in cash flows associated with future interest payments on variable rate debt (cash flow hedges).

(i) Derivatives that do not qualify for hedge accounting
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Income Statement.

(ii) Net investment hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as net investment hedges is recognised in the foreign currency translation reserve. This amount will be reclassified into the Income Statement on disposal of the foreign operations. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

(iii) Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

Amounts accumulated in equity are recycled in the Income Statement in the period when the hedged item impacts the Income Statement.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

Notwithstanding the accounting outcome, the Manager considers that these contracts are appropriate and effective in offsetting the economic foreign exchange and interest rate exposures of the Trust.

1. Summary of significant accounting policies (continued)

(f) Income tax

Under current Australian income tax legislation, the Trust is not liable to pay income tax provided its taxable income (including assessable realised capital gains) is fully distributed to unitholders, by way of cash or reinvestment. The liability for capital gains tax that may arise if the Australian properties were sold is not accounted for in this financial report.

Under current New Zealand income tax legislation, trusts are taxed as companies. However, as the Trust does not have taxable income in New Zealand, it is not liable for income tax.

Macquarie CountryWide (US) Corporation and Macquarie CountryWide (US) No. 2 Corporation (US REITs), controlled entities of the Trust, have both been elected to be taxed as Real Estate Investment Trusts (REITs) under US federal taxation law, and on this basis, will generally not be subject to US income taxes on that portion of the US REITs' taxable income or capital gains which are distributable to the US REITs' shareholders, provided that the US REITs comply with the requirements of the US Internal Revenue Code of 1986 and maintain their REIT status.

In respect of its US investments, the consolidated entity may ultimately realise a capital gain or loss on disposal which if not distributed, may attract a US income tax liability. If the gain is distributed, a US withholding tax liability may arise and may give rise to a foreign tax credit which would be available to unitholders. A current tax liability is recognised in the financial statements for realised gains on disposals of US investments, except where the proceeds of such disposals are reinvested in a qualifying asset. A deferred tax liability is recognised based on the temporary difference between the carrying amount of the US assets in the Balance Sheet and their associated tax cost bases.

(g) Property rental income

Property rental income represents income earned from the rental of Trust properties (inclusive of outgoings recovered from tenants) and is recognised on a straight line basis over the lease term. The portion of rental income relating to fixed increases in operating lease rentals in future periods is recognised as a component of investment properties. Turnover rent is recognised on an accruals basis until the actual amounts become payable by the respective tenants.

(h) Foreign currency translation

(i) Functional and presentation currencies
Items included in the financial statements of the Trust are measured using the Trust's functional currency, being Australian dollars. The presentation currency is also Australian dollars.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(iii) Foreign operations
Transactions of foreign controlled entities and equity accounted joint venture entities are measured using the currency of the primary economic environment in which those entities operate. Assets and liabilities of foreign controlled entities and equity accounted joint venture entities are translated at exchange rates ruling at balance date while income and expenses are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in foreign controlled entities and equity accounted joint venture entities are taken directly to the foreign currency translation reserve. On consolidation or by way of reserve transfer, exchange differences on loans and cross currency swaps denominated in foreign currencies, which hedge net investments in foreign operations are reflected in the foreign currency translation reserve. At 31 December 2006, the spot rates used were A$1.00 = US$0.7889 (30 June 2006: A$1.00 = US$0.7432) and A$1.00 = NZ$1.1207 (30 June 2006: A$1.00 = NZ$1.2196). The average spot rates during the half year ended 31 December 2006 were A$1.00 = US$0.7712 (30 June 2006: A$1.00 = US$0.7472) and A$1.00 = NZ$1.1621 (30 June 2006: A$1.00 = NZ$1.1230).

1. Summary of significant accounting policies (continued)

(i) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Trust is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps and cross currency swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Trust for similar financial instruments.

(j) New standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Trust for accounting periods beginning on or after 1 January 2007 or later periods but which the Trust has not yet adopted. These include:

(i) AASB 7 *Financial Instruments: Disclosures* and amendments made by AASB 2005-10. AASB 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit, liquidity and market risk, including sensitivity analysis to market risk. The impact on the financial statements will be limited to disclosures;

(ii) AASB 101 *Presentation of Financial Statements* (effective from 1 April 2007). The impacts of revised AASB 101 are to eliminate much of the Australian specific content, including the Australian illustrative formats of the Income Statement, Balance Sheet and Statement of Changes in Equity which entities were previously 'encouraged' to adopt in preparing their financial statements. In addition to this, the standard introduces disclosures about the level of an entity's capital and how it manages capital; and

(iii) AASB 8 *Operating Segments* (effective from 1 April 2007). This standard will require the entity to adopt the 'management approach' to disclosing information about its reportable segments. Generally, the financial information will be reported on the same basis as it is used internally by the chief decision maker for evaluating operating segment performance and deciding how to allocate resources to operating segments. Such information may be prepared using different measures to that used in preparing the income statement and balance sheet, in which case reconciliations of certain items will be required.

2. Trust formation

The Trust was established on 21 July 1995. The operations of the Trust commenced with the purchase of Trust properties during November 1995. On 7 October 2005, the Manager executed a supplemental deed poll to amend the Trust Constitution. The amendments removed the 80 year life of the Trust, to enable the units on issue to be classified as equity under Australian Accounting Standards.

3. Property valuation gains

	Consolidated December 2006 $'m	Consolidated December 2005 $'m
Australia and New Zealand		
Revaluation increment on investment properties	75.4	34.7
Revaluation increment - AIFRS adjustments*	-	0.5
	75.4	35.2
United States		
Revaluation increment on investment properties in joint venture entities	38.6	65.2
Revaluation decrement - AIFRS adjustments*	(4.5)	(6.3)
	34.1	58.9
	109.5	**94.1**

* Adjustments relating to straightlining of rental income, amortisation of lease incentives and capitalised leasing fees.

4. Management fee

The Manager of the Trust is Macquarie CountryWide Management Limited, a wholly owned subsidiary of Macquarie Bank Limited. The Manager's registered office and principal place of business is 1 Martin Place, Sydney NSW 2000.

Under the terms of the Trust Constitution, the Manager is entitled to receive the following remuneration from the Trust, comprising a base fee and a performance fee:

(a) Base fee

The base fee is calculated as:

(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.

The base fee is calculated six monthly and is paid quarterly in arrears with the first quarterly payment being a part payment on account for the six month period.

The base fee payable to the Manager is reduced to the extent that management fees are paid or payable to US service providers.

The Manager agreed to waive 0.25% of the 0.40% base fee for a period of 18 months in relation to the US properties acquired on 1 June 2005. This waiver has now expired and the Manager will charge the same fee as the remaining portfolio from 1 December 2006.

4. Management fee (continued)

(b) Performance fee

In addition to the base fee, the Manager is entitled to a performance fee satisfied 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.

If the Trust's performance during the six month period is higher than the percentage increase in the Index for the relevant 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 and payable, if entitled, each half year at December and June. 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 the assets in any future period.

(c) Management fee calculation

The total management fee for the period is detailed as follows:

	Consolidated December 2006 $'m	Consolidated December 2005 $'m
Base fee	4.1	3.9
Performance fee	-	-
	4.1	**3.9**

In addition to the fees in this table, a related party of the Manager has earned management fees of $2.6 million (30 June 2006: $3.9 million) relating to the US properties. These are included in Note 13(ii).

No performance fee was earned by the Manager during the period. In the calculation of the performance fee, outperformance will be assessed on a cumulative basis and accordingly, underperformance for the period from 1 January 2004 to 31 December 2006 will need to be recovered before the Manager is entitled to any future performance fees. For the period from 1 January 2004 to 31 December 2006, the Index increased in value by 97.47% compared to the Trust's cumulative performance which increased by 61.42% (difference of 36.05%).

5. Net gain/(loss) from derivative financial instruments

Gain on derivative financial instruments - realised	15.3	11.4
Gain on derivative financial instruments - unrealised	44.0	1.1
Loss on derivative financial instruments - unrealised	(0.6)	(26.6)
	58.7	**(14.1)**

6. Other expenses

	Consolidated December 2006 $'000	Consolidated December 2005 $'000
Accounting fees	186	106
Audit committee fees – independent directors	11	11
Audit fees	213	214
Bank fees	5	7
Compliance fees – independent directors	30	30
Custodian and trustee fees	91	87
Legal fees	140	89
Postage and printing costs	85	136
Registry fees	105	132
REIT setup cost amortisation	88	48
Stock exchange costs	71	117
Taxation fees	103	71
Travel expenses	85	6
Unitholder communications costs	68	79
US State taxes	187	19
Valuation fees	199	844
Other	65	32
	1,732	**2,028**

Other expenses have been paid in accordance with the Trust Constitution.

7. Remuneration of auditor

During the period, the auditor of the Trust, PricewaterhouseCoopers, earned the following remuneration:

Audit services - Australian firm	213	214
Taxation services - Australian firm	18	(13)
Taxation services - related practices	97	84
	328	**285**

Taxation services include taxation compliance fees relating to the Trust's New Zealand and US entities.

In addition to the above fees, PricewaterhouseCoopers earned US$50,366 (31 December 2005: US$87,129) in connection with the audit of the Trust's joint venture entities. This amount represents the Trust's share of the fees and is recorded within net income from investment in joint venture entities.

8. Earnings per unit

	Consolidated December 2006	Consolidated December 2005
Basic earnings per unit (cents)	17.31	5.34
Diluted earnings per unit (cents)	17.31	5.34
Distributable earnings per unit (cents)	7.70	7.75
Earnings used in the calculation of basic and diluted earnings per unit (millions)	$214.2	$63.3
Earnings used in the calculation of distributable earnings per unit (refer calculation in table below) (millions)	$95.3	$91.9
Weighted average number of units used in the calculation of basic, diluted and distributable earnings per unit (millions)	1,237.3	1,185.9

Calculation of distributable earnings

The Manager does not consider it appropriate to use profit under Australian Accounting Standards to determine distributions to unitholders. The table below outlines the Manager's adjustments to profit under Australian Accounting Standards to determine the amount the Manager believes should be available for distribution for the current period. The Manager uses this amount as guidance for distribution determination.

Distributable earnings is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards adjusted for certain unrealised and non-cash items and reserve transfers. Pursuant to the Trust Constitution, the amount distributed to unitholders is at the discretion of the Manager. The Manager will use the distributable earnings calculated as a guide to assessing an appropriate distribution to declare.

The adjustments between profit under Australian Accounting Standards and distributable earnings may change from time to time depending on changes to accounting standards and the Manager's assessment as to whether non-recurring or infrequent items (such as realised gains on the sale of properties) will be distributed to unitholders.

	Note	Consolidated December 2006 $'m	Consolidated December 2005 $'m
Profit per Income Statement		214.2	63.3
Unrealised items			
- Property valuation gains	3	(109.5)	(94.1)
- Gain on derivatives - unrealised	5	(44.0)	(1.1)
- Loss on derivatives - unrealised	5	0.6	26.6
- Finance costs attributable to unitholders		-	72.1
- US capital gains deferred tax expense		36.4	27.4
Non-cash items			
- Amortisation of lease incentives		0.3	0.7
- Straightlining of fixed rent increases		(2.9)	(3.8)
Reserve transfers			
- Valuation fees	6	0.2	0.8
Distributable earnings		**95.3**	**91.9**

9. Distributions paid and payable

	Distribution cents per unit	Total amount $'m
Distributions for the half year ended:		
31 December 2006*	7.80	97.1
30 June 2006	7.80	95.1
31 December 2005**	7.60	90.8
30 June 2005	7.40	85.1

* The distribution of 7.80 cents per unit for the half year ended 31 December 2006 was not declared prior to 31 December 2006. Refer Note 19.
** The distribution of 7.60 cents per unit for the half year ended 31 December 2005 was not declared prior to 31 December 2005.

10. Derivative financial instruments

	Consolidated December 2006 $'m	Consolidated June 2006 $'m
Assets		
Current		
Interest rate swaps	8.2	0.1
Cross currency swaps	36.4	14.7
Forward foreign exchange contracts	11.5	7.9
	56.1	**22.7**
Non-current		
Interest rate swaps	-	8.9
	-	**8.9**
Liabilities		
Current		
Interest rate swaps	3.2	7.6
Cross currency swaps	14.9	23.7
Forward foreign exchange contracts	1.9	-
	20.0	**31.3**
Non-current		
Interest rate swaps	-	0.3
	-	**0.3**

10. Derivative financial instruments (continued)

Forward foreign exchange contracts

The Trust has entered into forward foreign exchange contracts to sell New Zealand dollars and receive Australian dollars at an average exchange rate of A$1.00 = NZ$1.1650 (June 2006: A$1.00 = NZ$1.1624). The last of these forward contracts matures in June 2008.

The Trust has also entered into forward foreign exchange contracts to sell US dollars and receive Australian dollars at an average exchange rate of A$1.00 = US$0.7174 (June 2006: A$1.00 = US$0.7139). The last of these forward contracts matures in March 2012.

The US dollar forward contracts do not qualify for hedge accounting and accordingly, changes in the fair value of these contracts are recorded in the Income Statement. A portion of the New Zealand dollar forward contracts qualify as net investment hedges. Accordingly, $2.9 million (June 2006: $2.8 million) of the change in fair value is recorded in the foreign currency translation reserve. The balance is recognised in the Income Statement.

Cross currency swaps

The Trust has entered into A$/US$ cross currency swap agreements totalling A$1,906.1 million/US$1,492.4 million (June 2006: A$1,111.9 million/US$866.6 million) that entitle it to receive Australian dollar interest, at quarterly intervals, at a rate on a notional Australian dollar principal amount and oblige it to pay US dollar interest at a rate on the corresponding US dollar amount as per the swap contract. The swap agreements allow the Trust to raise long term borrowings at an Australian dollar rate and effectively swap them into a US dollar rate.

At 31 December 2006, the Australian dollar interest rate prevailing on the cross currency swaps varies from 5.48% to 6.43% per annum (June 2006: 5.48% to 6.00% per annum) and the US dollar interest rate prevailing on the cross currency swaps varies from 3.47% to 5.37% per annum (June 2006: 3.47% to 4.82% per annum).

The cross currency swap contracts do not qualify for hedge accounting and accordingly, changes in the fair value of these contracts are recorded in the Income Statement. A transfer is subsequently made to the foreign currency translation reserve for fair value movements caused by spot rate changes to offset movements in this reserve relating to the US investments of the Trust.

Interest rate swaps

The Trust has entered into interest rate swap agreements totalling $538.4 million (June 2006: $685.1 million) that entitle it to receive interest, at quarterly intervals, at a floating rate on a notional principal amount and oblige it to pay interest at a fixed rate on the same amount or, receive interest, at quarterly intervals, at a fixed rate on a notional principal amount and oblige it to pay interest at a floating rate on the same amount.

At 31 December 2006, the fixed rate varies from 2.78% to 7.60% per annum (June 2006: 2.78% to 7.60% per annum).

In prior periods, the interest rate swap contracts largely qualified as cash flow hedges. Accordingly, the change in fair value of these swaps (June 2006: $7.4 million) was recorded in the cash flow hedging reserve. The balance was recognised in the Income Statement. In the current period, following restructuring of debt by the Trust, these contracts no longer qualify as cash flow hedges and the reduction in fair value of these swaps of $0.6 million has been recognised in the Income Statement. In addition, $8.7 million of unrealised gains previously recognised in the cash flow hedging reserve has been transferred to the Income Statement.

Notwithstanding the accounting outcome, the Manager considers that these derivative contracts are appropriate and effective in offsetting the economic foreign exchange and interest rate exposures of the Trust.

11. Other assets

	Consolidated December 2006 $'m	Consolidated June 2006 $'m
Current		
Prepayments	3.1	0.3
Deposit and acquisition cost of new properties*	2.4	2.5
	5.5	**2.8**

* The current period amount represents the preliminary acquisition costs relating to property investments under consideration for acquisition at Morisset, Narrabri, Albany, Kalgoorlie and Waniassa.

12. Investment properties

Australian properties	1,255.0	1,163.2
New Zealand properties	195.1	151.8
	1,450.1	**1,315.0**

Investment properties include amortised lease incentives of $4.9 million (30 June 2006: $4.5 million) and a straightlining asset of $2.7 million (30 June 2006: $2.6 million).

Reconciliation of the carrying amount of property investments at the beginning and end of the current and previous periods is set out below:

Carrying amount at the beginning of the period	1,315.0	1,166.8
Additions	46.3	94.8
Disposals	-	(18.4)
Revaluation increment	75.4	89.4
Revaluation increment - AIFRS adjustments	-	1.1
Straightlining of rental income	0.1	-
Amortisation of lease incentives	(0.4)	(1.3)
Capitalised leasing fees	0.3	0.2
Exchange rate differences on translation*	13.4	(17.6)
Carrying amount at the end of the period	**1,450.1**	**1,315.0**

* The exchange rate differences arising on the translation of the Trust's New Zealand investments are offset by a corresponding increase in the Trust's New Zealand dollar denominated borrowings in the Balance Sheet. The net impact on these investments and borrowings is reflected in the foreign currency translation reserve. Refer to Note 18.

13. Investment in joint venture entities

The consolidated entity has an investment in four joint venture entities with Regency Centers Corporation (Regency). The consolidated entity exercises joint control over the joint venture entities, but neither the consolidated entity nor its joint venture partner has control in their own right, irrespective of their ownership interest. The investments are accounted for in the consolidated financial statements using the equity method of accounting (refer to Note 1(d)). Information relating to the joint venture entities is detailed below:

Joint venture entity	Country of incorporation	Principal activity	Ownership interest December 2006 %	Ownership interest June 2006 %
Macquarie CountryWide – Regency LLC	United States	Property investment	75.00	75.00
MCW/MDP – Regency LLC	United States	Property investment	75.00	75.00
Macquarie CountryWide – Regency II LLC	United States	Property investment	75.00	75.00
Macquarie CountryWide – Regency III LLC	United States	Property investment	75.00	75.00

(i) Carrying amount of investment in joint venture entities

	Note	Consolidated December 2006 $'m	Consolidated June 2006 $'m
Carrying amount at the beginning of the period		1,678.8	1,360.0
Additions during the period		20.9	170.3
Share of profit before property valuation gains	13(ii)	59.0	115.0
Share of property valuation gains	13(ii)	34.1	104.7
Distributions paid and payable for the period		(43.2)	(107.0)
Exchange rate differences on translation*		(98.4)	35.8
Carrying amount at the end of the period		**1,651.2**	**1,678.8**

* This represents the impact of foreign exchange rates on the carrying value of assets and is substantially offset by a corresponding movement in US dollar denominated borrowings and derivative financial instruments. Refer to Note 18.

13. Investment in joint venture entities (continued)

(ii) Results attributable to joint venture entities (Trust's share)

	Consolidated December 2006 $'m	Consolidated June 2006 $'m
Income		
Property income	156.4	302.7
Property expenses	(42.3)	(78.0)
Net property income	114.1	224.7
Profit on disposal of investment properties	3.2	6.3
Total income net of property expenses	117.3	231.0
Expenses		
Finance costs	52.9	100.0
Management fee	3.8	6.2
Other expenses	1.6	3.5
Total expenses	58.3	109.7
Profit before property valuation gains	**59.0**	**115.0**
Property valuation gains		
Revaluation of investment properties	38.6	131.2
Revaluation of investment properties - AIFRS adjustments*	(4.5)	(13.7)
Write off of portfolio acquisition costs	-	(19.1)
Total property valuation gains	**34.1**	**98.4**
Profit	**93.1**	**213.4**

* Adjustments relating to straightlining of rental income and amortisation of lease incentives.

(iii) Share of joint venture entities' assets and liabilities

	Consolidated December 2006 $'m	Consolidated June 2006 $'m
Investment properties - United States	3,551.9	3,719.4
Other	71.0	70.9
Total assets	3,622.9	3,790.3
Borrowings	1,916.7	2,051.6
Other	55.0	59.9
Total liabilities	1,971.7	2,111.5
Net assets	**1,651.2**	**1,678.8**

The joint venture entities have committed to development activities within the next 12 months. The Trust's share of the committed expenditure is US$20.4 million (30 June 2006: US$4.5 million). These commitments have not been reflected in the financial statements of the Trust.

14. Provisions

	Consolidated December 2006 $'m	Consolidated June 2006 $'m
Distribution		
Opening balance	-	-
Distribution declared	95.1	175.9
Paid during the period	(48.0)	(82.8)
Distributions reinvested	(47.1)	(93.1)
Closing balance	-	-

The distribution of 7.80 cents per unit for the half year ended 31 December 2006, totalling $97.1 million, was not declared prior to 31 December 2006. Refer to Note 19.

15. Interest bearing liabilities

Non-current		
Bank loan - term debt	159.5	584.5
Commercial mortgage backed securities	450.0	-
Less: Unamortised borrowing costs	(1.3)	(1.8)
	608.2	**582.7**

The Trust's borrowings are carried at amounts that approximate their fair value.

The Trust issued commercial mortgage backed securities (CMBS) totalling $450.0 million on 7 December 2006. The CMBS are secured over 52 Australian properties of the Trust and will mature in December 2009.

16. Tax liabilities

Current		
US capital gains tax liability	0.4	-
	0.4	**-**
Non-current		
US capital gains deferred tax liability	161.1	124.8
	161.1	**124.8**

Capital gains on the sale of the Trust's US investments are subject to US withholding tax pursuant to the Foreign Investment in Real Property Tax Act, at a withholding tax rate of 35% if the capital gain is distributed. If the capital gain is not distributed, but the proceeds from the disposal are reinvested in a qualifying asset, the tax payable can be deferred and 'rolled over' into the tax cost base of the qualifying asset. Refer to Note 1(f). All deferred tax movements are recorded through the Income Statement.

17. Contributed equity

No. of units	*Details*	*Date of income entitlement*	**Consolidated December 2006 $'m**	**Consolidated June 2006 $'m**
1,149,440,097	Units on issue	30 Jun 2005		1,776.4
20,421,536	Underwritten DRP issue	1 Jul 2005		38.6
24,827,790	DRP issue	1 Jul 2005		46.5
23,933,371	DRP issue	1 Jan 2006		46.6
	Equity issue costs			(3.1)
1,218,622,794	Units on issue	30 Jun 2006	1,905.0	1,905.0
215,212	Underwritten DRP issue	1 Jul 2006	0.4	
26,607,426	DRP issue	1 Jul 2006	47.1	
1,245,445,432	**Units on issue**	**31 Dec 2006**	**1,952.5**	**1,905.0**

As stipulated in the Trust 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 Trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units in the Trust.

Distribution reinvestment plan

The Trust has established a dividend 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. In accordance with the DRP Rules, the directors have suspended the DRP until further notice. The DRP suspension commenced with the DRP for the half year ended 31 December 2006.

As detailed in the footnote to the Income Statement and Note 2, the units on issue were classified as financial liabilities from 1 July 2005 to 7 October 2005. This note is presented as if the units had been classified as equity for the full year.

18. Reserves

	Note	Consolidated December 2006 $'000	Consolidated June 2006 $'000
Foreign currency translation reserve			
Opening balance		(6.4)	(5.8)
Translation of foreign operations and foreign denominated borrowings		(71.2)	17.2
Movement in effective net investment hedges		(2.9)	2.8
Translation of cross currency swaps*		-	26.7
Transfer from undistributed income**	19	68.4	(47.3)
Closing balance		(12.1)	(6.4)
Cash flow hedging reserve			
Opening balance		8.7	-
Fair value of derivative financial instruments on adoption of AASB 132/139		-	1.3
Movement in effective cash flow hedges		-	7.4
Movement in cash flow hedges previously classified as effective		(8.7)	-
Closing balance		-	8.7
Total reserves		**(12.1)**	**2.3**

* Under previous Australian Generally Accepted Accounting Principles (AGAAP), all movements between the cross currency swap Australian dollar contract amount and the Australian dollar equivalent of the US dollar amount (converted at spot rate) were recorded in the foreign currency translation reserve. These were reversed at the beginning of the prior period.

** This transfer represents the Australian dollar equivalent of the spot rate movement in the US dollar notional amounts of the cross currency swaps held by the Trust. The foreign exchange movement in the cross currency swaps largely offsets the exchange rate movements in the Trust's US dollar investments and US dollar borrowings.

19. Undistributed income

	Note	Consolidated December 2006 $'m	Consolidated December 2005 $'m
Undistributed income - distributable earnings	19(a)	110.8	93.2
Undistributed income - investment property revaluations	19(b)	500.0	307.1
Undistributed income - unrealised derivative revaluations	19(c)	(4.6)	14.0
Undistributed income - other unrealised items	19(d)	(151.9)	(79.2)
		454.3	**335.1**

(a) Undistributed income - distributable earnings

	Note	Consolidated December 2006 $'m	Consolidated December 2005 $'m
Opening balance		105.5	86.4
Distributable earnings	8	95.3	91.9
Realised gain on disposal of investment properties		5.1	-
Available for distribution		205.9	178.3
Distributions paid and payable		(95.1)	(85.1)
Closing balance		110.8	93.2

The distribution of 7.80 cents per unit for the half year ended 31 December 2006, totalling $97.1 million, was not declared prior to 31 December 2006. This amount will be paid on 22 February 2007.

	Note	Consolidated December 2006 $'m	Consolidated December 2005 $'m
(b) Undistributed income - investment property revaluations			
Opening balance		395.8	213.8
Revaluation increment on investment properties		75.4	35.2
Revaluation increment on investment properties in joint venture entities		34.1	58.9
Realised gain on disposal of investment properties		(5.1)	-
Valuation fees		(0.2)	(0.8)
Closing balance		500.0	307.1
(c) Undistributed income - unrealised derivative revaluations			
Opening balance		20.4	-
Fair value of derivative financial instruments on adoption of AASB 132/139		-	(21.6)
Gain on derivative financial instruments - unrealised		44.0	1.1
Loss on derivative financial instruments - unrealised		(0.6)	(26.6)
Transfer to foreign currency translation reserve	18	(68.4)	61.1
Closing balance		(4.6)	14.0
(d) Undistributed income - other unrealised items			
Opening balance		(118.1)	(54.9)
Movement in deferred tax liability		(36.4)	(27.4)
Amortisation of lease incentives		(0.3)	(0.7)
Straightlining of fixed rent increases		2.9	3.8
Closing balance		(151.9)	(79.2)
Total undistributed income		**454.3**	**335.1**

20. Net tangible assets

	Consolidated December 2006 $'m	Consolidated June 2006 $'m
Total assets	3,197.9	3,062.9
Less: Total liabilities	(803.2)	(752.0)
Net tangible assets	**2,394.7**	**2,310.9**

Total number of units on issue	1,245,445,432	1,218,622,794
Net tangible asset backing per unit	$1.92	$1.90
Net tangible asset backing per unit after distribution	$1.84	$1.82
Net tangible asset backing per unit after distribution, excluding US capital gains deferred tax liability	$1.97	$1.92

21. 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.

	Australia December 2006 $'m	New Zealand December 2006 $'m	United States December 2006 $'m	Unallocated finance costs December 2006 $'m	Consolidated Total December 2006 $'m	Australia December 2005 $'m	New Zealand December 2005 $'m	United States December 2005 $'m	Unallocated finance costs December 2005 $'m	Consolidated Total December 2005 $'m
Net income from investment in joint venture entities	-	-	93.1	-	**93.1**	-	-	114.6	-	**114.6**
Total income net of property expenses	144.5	36.4	93.1	-	**274.0**	68.8	13.2	114.6	-	**196.6**
US capital gains tax expense	-	-	(36.8)	-	**(36.8)**	-	-	(27.4)	-	**(27.4)**
Profit	133.7	31.2	49.3	-	**214.2**	116.0	1.3	18.1	(72.1)	**63.3**

	Australia December 2006 $'m	New Zealand December 2006 $'m	United States December 2006 $'m	Consolidated Total December 2006 $'m	Australia June 2006 $'m	New Zealand June 2006 $'m	United States June 2006 $'m	Consolidated Total June 2006 $'m
Total assets	1,335.1	199.7	1,663.1	**3,197.9**	1,225.2	153.7	1,684.0	**3,062.9**
Total liabilities	635.6	1.1	166.5	**803.2**	623.7	0.5	127.8	**752.0**
Asset acquisitions	46.2	0.1	20.9	**67.2**	94.6	0.2	170.3	**265.1**

22. Commitments and contingent liabilities

Unless otherwise disclosed in the financial statements, there have been no material changes to the Trust's commitments or contingent liabilities since the last financial report.

23. Events occurring after reporting date

Subsequent to the period end, a distribution of 7.80 cents per unit has been declared by the Board of Directors. The total distribution amount of $97.1 million will be paid on 22 February 2007 in respect of the half year ended 31 December 2006.

On 12 January 2007, the Trust, through its joint venture entities, acquired a 75% interest in a property in Las Vegas, Nevada, in the United States for US$17.3 million.

MACQUARIE COUNTRYWIDE TRUST
DIRECTORS' DECLARATION TO UNITHOLDERS

In the directors' opinion:

(a) the financial statements and notes set out on pages 4 to 28 are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of it's performance, as represented by the results of it's operations, changes in equity and it's cash flows, for the period ended on that date; 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 Board of Directors.

David Clarke, AO
Chairman

Sydney
21 February 2007

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INDEPENDENT AUDITOR'S REVIEW REPORT

to the unitholders of Macquarie CountryWide Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Macquarie CountryWide Trust, which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Macquarie CountryWide Trust Group (the consolidated entity). The consolidated entity comprises both Macquarie CountryWide Trust (the trust) and the entities it controlled during that half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Macquarie CountryWide Management Limited (the responsible entity) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Macquarie CountryWide Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PRICEWATERHOUSECOOPERS

For further explanation of a review, visit our website http:/www.pwc.com/au/financialstatementaudit.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Macquarie CountryWide Trust is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

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V. Papageorgiou

Voula Papageorgiou
Partner

Sydney
21 February 2007