

**Macquarie CountryWide Management Limited**

ABN 46 069 709 468

A Member of the Macquarie Bank Group

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**ASX/Media release**

**MACQUARIE COUNTRYWIDE CONTINUES MOMENTUM TO  
REALISE ASSET VALUE AND STRATEGICALLY REINVEST  
CAPITAL**

**9 July 2007**

Macquarie CountryWide Trust (ASX:MCW) is acquiring an interest in a portfolio of 33 grocery anchored shopping centres in the United States for approximately US\$260 million. The Trust has also embarked on an asset sale program of between US\$150 million and US\$300 million which will partly fund the acquisition. The vendor of the properties is the Schnuck family – owner operators of Schnucks Markets, Inc. – a market dominant grocery business of more than 100 stores across United States' mid-west and one of the largest US family-owned and operated retail chains.

The acquisition is being made in conjunction with the Trust's joint venture partner Regency Centers Corporation (Regency). The Schnuck family will retain a 20 per cent stake in the portfolio, with Macquarie CountryWide owning 65 per cent and Regency owning the remaining 15 per cent. The portfolio is expected to generate an initial average yield of 6.5 per cent, reflecting the high quality of the assets.

Steven Sewell, Chief Executive Officer of Macquarie CountryWide said, "The acquisition delivers on the Trust's strategy of redeploying capital into high quality opportunities, acquiring grocery anchored retail assets tenanted by market dominant retailers. We're excited about being able to realise gains for investors and effectively reinvest in quality assets such as the Schnucks portfolio. A higher than average proportion of base rent within the portfolio is secured by leases to the Schnucks grocery business, providing strong projected cash flows to the Trust."



Macquarie CountryWide Trust (MCW)

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The 33 properties acquired have been progressively developed over the last 20 years by the Schnuck family. Design, construction and property management have historically been undertaken by the DESCO Group, a St Louis based real estate company established by the family, who also represented the Schnuck family in this transaction. As part of this acquisition, the Macquarie CountryWide-Regency joint venture will form a new partnership with the Schnuck family. This partnership will contract DESCO to provide property management services to the assets in tandem with Regency. All three parties will together continue to seek various redevelopment opportunities across the portfolio.

A key feature of the deal is the acquisition of high quality real estate assets directly from the retailer. More than 60 per cent of base income from these properties is secured by Schnucks, with long term leases averaging 14 years across the portfolio. The deal has particular significance given that Schnucks holds a market dominant position exceeding 32 per cent within the metropolitan St Louis area.

A significant number of these properties are located in St Louis, Missouri, with the acquisition being Macquarie CountryWide's first entry into the St Louis area. St Louis is a major city situated in the geographic centre of the United States. It is home to over 2.7 million people with a strong record of economic stability and population growth. Many major US corporations are headquartered locally including Anheuser Busch, Emerson, Monsanto, Enterprise Rent a Car, BJC Healthcare, Boeing and Energizer. Some properties are located in Illinois, Indiana and Tennessee providing opportunities for geographic diversification within the portfolio.

The transaction, expected to settle in early August 2007, is expected to be funded through a combination of Trust borrowings and proceeds from the disposal of 18 non-core assets currently underway. The resulting gearing level is expected to be approximately 51 per cent – well within the Trust's mandated gearing range of 45 to 55 per cent.

Pending the success of the US asset disposal program, proceeds will be used to repay the short term debt on the Schnucks acquisition, reducing the Trust's overall gearing level.

Mr Sewell said, "The Schnucks acquisition is a positive on many fronts for the Trust's US portfolio enhancing geographic and tenant diversification, boosting the average unexpired anchor tenant lease term, and increasing the proportion of income secured by anchor tenants. It also demonstrates our ongoing commitment to growth in the US market and the strength of our joint venture relationship with Regency. These factors have enabled us to opportunistically source potential value adding assets for the portfolio while at the same time forging a new, strategic relationship with a top quality US grocery retailer."

An acquisition summary and map follow.

*Macquarie CountryWide Trust is a fully integrated listed property trust investing in retail properties with assets valued over A\$5 billion. More than A\$23 billion of real estate assets are managed by Macquarie Real Estate and its associates, across a portfolio of listed and unlisted property trusts, unlisted development funds and property investment syndicates, globally.*

*Regency is a leading national owner, operator, and developer focused on grocery-anchored and community retail centres. As at 31 March 2007, the company owned 409 retail properties, including those held in joint ventures, totalling 54 million square feet located in high growth markets throughout the US. Operating as a fully integrated real estate company, Regency is a qualified real estate investment trust.*

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Past performance is not a reliable indicator of future performance.

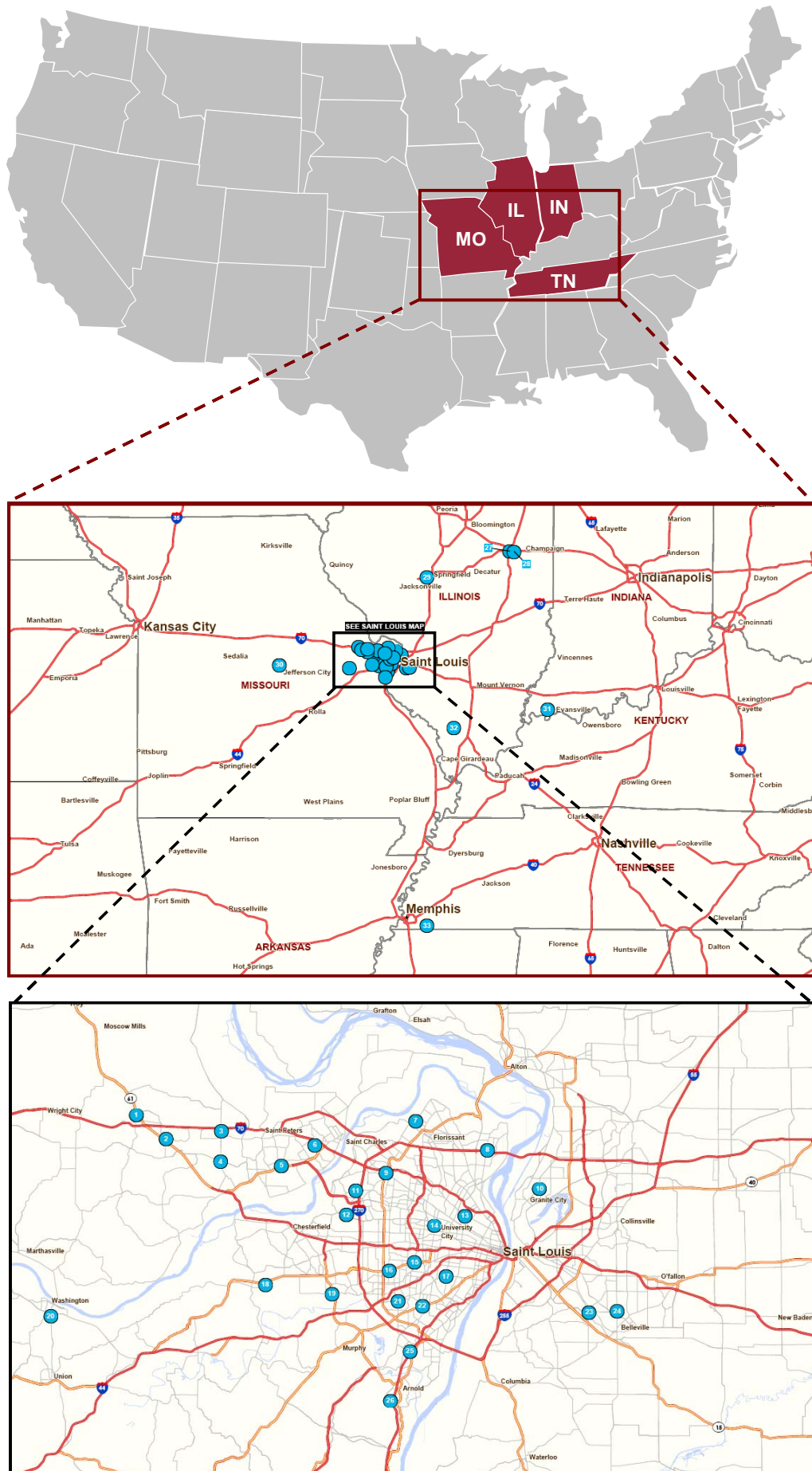
Due care and attention has been exercised in the preparation of forecast information, however, forecasts, by their very nature, are subject to uncertainty and contingencies, many of which are outside the control of MCML. Actual results may vary from any forecasts and any variation may be materially positive or negative. All quoted figures are compared to the same period last year and currencies denominated in Australian currency unless otherwise stated.

**Acquisition summary**

<u>Map number</u>	<u>Property</u>	<u>City, State</u>	<u>Year Built/ Refurbished</u>	<u>GLA (SF)</u>	<u>Main anchor</u>	<u>Main anchor % of GLA</u>	<u>Specialty % of GLA</u>	<u>Other tenants</u>	<u>Main anchor lease expiry</u>
1	Plaza 94	St Peters, MO	1983/2005	66,555	Schnucks	74%	27%	Enterprise Rent-a-Car, Edward Jones, GNC, Custom Cuts	Sept - 2030
2	Crestwood Commons	Crestwood, MO	1994	67,285	Schnucks	100%	0%	N/A, Best Buy (NAP), Gordon's (NAP)	Mar - 2022
3	Evansville West Center	Evansville, IN	1989	79,885	Schnucks	78%	22%	H&R Block, Cingular Wireless, Edward Jones, Hallmark	Dec - 2049
4	City Plaza	St Louis, MO	1998	80,149	Schnucks	78%	22%	Foot Locker, Ashley Stewart, Simply Fashions Store	Dec - 2015
5	Sierra Vista Plaza	St Louis, MO	1974/1993	74,710	Schnucks	75%	25%	Nu Fashion Beauty, K.T. Sports Bar, Jackson Hewitt	Feb - 2022
6	Washington Crossing	Washington, MO	1999	117,591	Schnucks	48%	52%	Michaels, Altmueller Jewelry, Fashion Bug, Dollar Tree	Apr - 2019
7	Wildwood Crossing	Wildwood, MO	1997	108,200	Schnucks	57%	43%	St. Louis Bread Co., Hallmark Store, Custom Cuts	Aug - 2017
8	Twin Oaks	Twin Oaks, MO	2007	81,600	Schnucks	77%	23%	N/A (currently in lease-up)	Feb - 2027
9	Dardenne Crossing	O Fallon, MO	1996	67,430	Schnucks	94%	6%	Mail Depot, Great Clips, Papa Murphy's Pizza	Dec - 2022
1	Zumbahl Commons	St Charles, MO	1990	116,692	Schnucks	64%	36%	Wells Fargo Financial, Radio Shack, Edward Jones	Dec -2020
1	Richardson Crossing	Arnold, MO	2000	82,994	Schnucks	74%	26%	GNC, Radio Shack, Custom Cuts, Cato Fashions	Jul - 2020
1	O'Fallon Centre	O Fallon, MO	1984	71,300	Schnucks	77%	23%	H&R Block, State Farm Insurance, GNC, Great Clips	Sept - 2030
1	Bridgeton	Bridgeton, MO	2005	70,762	Schnucks	90%	10%	Home Depot (NAP), Great Clips, China House	Dec - 2022
1	Country Club Plaza	Belleville, IL	1976/2001	86,866	Schnucks	63%	37%	The Dress Barn, Radio Shack, Edward Jones, Custom Cuts	Dec - 2010
1	Wentzville Commons	Wentzville, MO	2000	74,205	Schnucks	83%	17%	Home Depot (NAP) H&R Block, Quiznos, Radio Shack	Oct - 2025
1	Collierville Crossing	Collierville, TN	2004	86,130	Schnucks	73%	27%	Weight Watchers, Quiznos, Cato Fashions, Sports Clips	Jun - 2011
1	Hampton Village	St Louis, MO	1993/2002	64,561	Schnucks	100%	0%	N/A	Aug - 2023
1	Granite City	Granite City, IL	1985/2004	46,237	Schnucks	100%	0%	N/A	Feb - 2022
1	Bellerive Plaza	Creve Couer, MO	1976/2000	115,208	Schnucks	59%	41%	Radio Shack, Firestone Tire, H&R Block	Dec - 2010
2	Urbana Crossing	Urbana, IL	1997	83,272	Schnucks	75%	25%	H&R Block, Quiznos, Radio Shack, Starbucks	Aug - 2017
2	Brentwood Plaza	Brentwood, MO	1987/2002	60,452	Schnucks	86%	14%	Edward Jones, Custom Cuts, Mr. Goodcents	Dec - 2007
2	Butler Hill Centre	St Louis, MO	1987	90,889	Schnucks	70%	30%	Edward Jones, American General Finance, Frailey's Pub	Apr - 2012
2	Swansea Plaza	Belleville, IL	1988	118,892	Schnucks	59%	41%	GNC, Subway, Edward Jones, Cingular Wireless	Aug - 2017
2	Carbondale Center	Carbondale, IL	1997	59,726	Schnucks	95%	5%	Check Into Cash, Great Clips	Dec- 2020
2	Champaign Commons	Champaign, IL	1990	88,104	Schnucks	82%	18%	H&R Block, Four Seasons Restaurant, Custom Cuts	Dec - 2034
2	Shackelford Center	Florissant, MO	1981/2006	49,635	Schnucks	93%	7%	Edward Jones, Subway	Feb - 2022
2	Lake St. Louis	Lake St Louis, MO	2004	75,643	Schnucks	84%	17%	UPS Store, Custom Cuts, H&R Block, Paesano Pizza	Jun - 2021
2	Dorsett Village	Maryland Heights, MO	1976/1998	101,080	Schnucks	59%	41%	Walgreens, Quiznos, Kumon USA, Steak n Shake	Dec - 2010
2	University City Square	University City, MO	1997	79,280	Schnucks	78%	22%	H&R Block, Edward Jones, Dollar Tree, Ashley Stewart	Sept - 2030
3	Montvale Commons	Springfield, IL	1996	73,937	Schnucks	85%	16%	Custom Cuts, Monical's Pizza, Heartland Dental	Feb - 2022
3	Affton Plaza	Affton, MO	1981/2000	67,760	Schnucks	90%	10%	Edward Jones, Shelter Mutual Insurance Company	Aug - 2017
3	Kirkwood Commons	Kirkwood, MO	2000	209,703	Wal-Mart	65%	35%	Lowe's (NAP), Target (NAP), Wal-Mart, TJ Maxx	May - 2020
3	Capital Crossing	Jefferson City, MO	2002	85,149	Schnucks	74%	26%	Radio Shack, Quiznos Subs, Movie Gallery, H&R Block	Jul - 2035
	<b>TOTALS</b>			2,801,882		<b>74%</b>	<b>26%</b>		

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### Map of acquired properties



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