



**19 June 2009**

**ASX Code : MCK**

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## **MacarthurCook Limited – Shareholder Correspondence**

Please find attached a letter sent to all shareholders concerning the Market Update announcement made by MacarthurCook on 17 June 2009.

**For further information, contact:**

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MacarthurCook Limited  
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### **About MacarthurCook:**

*MacarthurCook Limited (MCK) is an Australian Securities Exchange (ASX) listed company with offices in Australia and Singapore, specialising in the investment management of direct property, real estate securities and mortgage assets.*

*MacarthurCook manages approximately A\$1.3 billion on behalf of over 22,000 investors as at 31 December 2008. MacarthurCook is a quality endorsed company (ISO 9001:2008 international standard accreditation), and is the investment manager for MacarthurCook Industrial REIT, MacarthurCook Industrial Property Fund, MacarthurCook Office Property Trust, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, Advance Property Securities Fund and the RMR Asia Pacific Real Estate Fund.*

*The MacarthurCook Property Securities Fund is listed on the ASX and the Singapore Exchange. The MacarthurCook Industrial Property Fund is listed on the ASX. The MacarthurCook Industrial REIT is listed on the Singapore Exchange. The RMR Asia Pacific Real Estate Fund is listed on the American Stock Exchange.*

*In 2005, 2006, 2007 and 2008 BRW magazine named MacarthurCook as one of Australia's fastest-growing companies in its Fast 100 list.*



# MACARTHURCOOK

INTERNATIONAL REAL ESTATE INVESTMENT MANAGERS

MacarthurCook Limited

ABN 64 009 110 463

18 June 2009

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## Dear Shareholder

### MacarthurCook Limited

On 15 May 2009, AIMS Securities Holdings Pty Ltd (AIMS) announced its intention to make an offer to shareholders to acquire all of the ordinary shares in MacarthurCook Limited (MacarthurCook). You may have recently received a copy of AIMS' Bidder's Statement relating to the offer.

The Board is formulating its recommendation in relation to the offer, which will be sent out in a document referred to as the "Target's Statement". The Target Statement will be sent to all shareholders to assist in their decision making. **The Board recommends that shareholders make no decision in relation to their shareholding until they receive the Target's Statement.** The Target's Statement is expected to be dispatched to shareholders on 30 June 2009.

The Company lodged a market update with the ASX on 17 June 2009, the details of which follow for your information.

### Market Update

As disclosed in the half yearly accounts, the Board continues to explore various fund raising alternatives, in order to provide a stronger platform for the growth opportunities that are before the business and to maximise shareholder value.

The unsolicited takeover offer by AIMS at \$0.30 cents per share has delayed a number of these initiatives. The Board is formulating its recommendation in relation to the offer, which will be set out in the Target's Statement, to assist shareholders in their decision making. The Target's Statement is expected to be dispatched to shareholders on 30 June 2009. **The Board recommends that shareholders make no decision in relation to their shareholding until they receive the Target's Statement.**

Due to the conditional nature of the AIMS bid, and the need for the Company to carry on its business and progress its refinancing, the Board has continued to pursue a number of initiatives. An update, including with regard to financing, is set out below.

### Debt refinancing

In its Appendix 4C for the quarter ended 31 March 2009 the Company advised that it was in advanced discussions with its banker to extend banking arrangements beyond the current facility expiry date of 31 August 2009.

The Company is pleased to advise that it has refinanced its existing facilities for a further 2 year term to 31 July 2011.

- The facility includes a fully drawn cash advance facility of \$6.72 million plus an overdraft facility of \$0.5 million.
- It is a condition of the new facility that the Company's shareholders approve an equity or convertible note issue by 31 August 2009 and that subscriptions be received by 31 October 2009. Failure to do so would be an event of default.

The facility is to be reduced progressively to approximately \$4 million by the end of the term. In addition, a proportion of the proceeds of any equity or convertible note issue, up to a total of \$1.3 million, will be required to reduce the facility, the reduction varying according to the amount raised.

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MacarthurCook Limited ABN 64 009 110 463 Australian Stock Exchange Code: MCK  
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**Convertible note**

The Board has committed to undertake a fund raising to recapitalise the balance sheet and meet its obligations under the bank facility. The fund raising is intended to be in the form of a pro-rata rights issue of convertible notes to shareholders.

Richard Haddock, the Chairman, added "A convertible note issue provides MacarthurCook with the opportunity to strengthen its balance sheet after what has been an extremely difficult period in the property funds management industry. The Board believes that undertaking this fund raising and developing the opportunities before us will increase shareholder value".

Shareholders will be asked to approve the fund raising at an extraordinary general meeting proposed to be held in August 2009. If the issue is not approved, the bank is entitled to terminate the new finance facility.

The fund raising is intended to open after the current close of the AIMS offer and, as such, will only result in a breach of the offer condition if the AIMS offer is extended. Notwithstanding any potential breach, the Board is committed to proceeding with the fund raising on the basis that:

- In the absence of an alternative transaction, it is critical to the ongoing conduct of the business;
- Work on the convertible note proposal commenced well before the announcement of the bid;
- The prospect of a convertible note issue had been discussed with AIMS prior to them launching the bid; and
- The possibility of a capital raising has been previously announced to the market.

**Other opportunities**

As previously disclosed, the Board is constantly assessing opportunities to add value to shareholders.

Over the last number of months, including since the AIMS offer has been announced, the Board has been in discussions with a number of Australian and international parties regarding potential organic growth opportunities and other corporate transactions, including significant asset sales. Whilst no specific transaction or initiative is sufficiently concluded to announce to the market, the Board is progressing these discussions actively, and continues to assess strategic opportunities in line with its business strategy. Where appropriate, any such transaction would be submitted to shareholders for approval.

Craig Dunstan, the Managing Director, added "The Board is always prepared to consider any opportunity or offer put before it, and is committed to achieving the best possible result for shareholders."

The Company also continues to focus on reducing operating costs. In this regard, additional staff reductions have recently been made, and further savings on rent and other operating costs have been identified and are being implemented.

**The AIMS offer**

By now, shareholders will have received the replacement Bidder's Statement from AIMS, which was despatched on 15 June 2009.

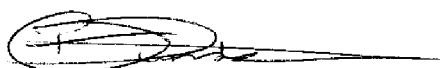
The AIMS offer is subject to many conditions. The Board is committed to operating the business in the ordinary course, recognising that some decisions may result in a breach of these conditions. The challenging financial environment facing both the industry and the Company create a commercial imperative for these decisions to be made in a timely manner, irrespective of any takeover offer. The Board intends to maintain an open dialogue with AIMS with respect to such decisions, and to keep shareholders informed.

The AIMS offer opened on 15 June and is scheduled to close on 17 July 2009. If shareholders accept the AIMS offer, they should note that:

- cash consideration will not be received until the offer becomes unconditional (the timing of which is not certain); and
- they will be unable to accept a better offer from another party should such an offer emerge unless in either case the AIMS offer is withdrawn or if offer conditions are not met or waived.

If you have any questions please feel free to contact MacarthurCook on (03) 9660 4555.

Yours sincerely



Craig Dunstan  
Managing Director  
MacarthurCook Limited