



30 January 2009

ASX Code : MCK

MacarthurCook Limited

Appendix 4C and Significant Items in Half Yearly Results

Attached is the Appendix 4C report for MacarthurCook Limited for the quarter ended 31 December 2008.

The Appendix 4C report includes information concerning two significant non-cash items in the interim financial statements for the half-year ended 31 December 2008. These primarily relate to the impairment of investments in a range of MacarthurCook property funds due to the continuing decline of market valuations of properties and property securities and changes in the underlying drivers of the calculation of the fair value of financial liabilities such as the market valuation of the MacarthurCook Office Property Trust and the movement in the Singapore dollar / Australian dollar exchange rate.

The combined impact of these non-cash expenses is expected to be in the range of \$9.7 million to \$10.7 million and further details are provided in the Appendix 4C report. The detailed announcement of the MacarthurCook Limited results for the half-year ended 31 December 2008 (and lodgment of the Appendix 4D) is expected to be made on 24 February 2009.

MacarthurCook is currently investigating some acquisition opportunities that if finalised will lead to an increase in funds under management and management fee revenue. At this stage it is still uncertain as to whether these acquisitions will be finalised.

For further information, contact:

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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\$1.45 billion on behalf of over 23,000 investors as at June 2008. MacarthurCook is a quality endorsed company (ISO 9001:2000 international standard accreditation), and is the investment manager for a range of funds including: MacarthurCook Industrial REIT, MacarthurCook Industrial Property Fund, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, Advance Property Securities Fund, RMR Asia Pacific Real Estate Fund and the RMR Asia 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 and RMR Asia Real Estate Fund are 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.



Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

MACARTHURCOOK LIMITED

ABN

64 009 110 463

Quarter ended ("current quarter")

31 December 2008

Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from customers (see 1.26 below)	3,575	7,083
1.2 Payments for		
(a) staff costs	(1,954)	(3,832)
(b) advertising and marketing	(117)	(208)
(c) research and development	-	(2)
(d) leased assets	(8)	(16)
(e) other working capital (see 1.26 below)	(1,945)	(4,311)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	368	889
1.5 Interest and other costs of finance paid	(121)	(381)
1.6 Income taxes paid	(122)	(413)
1.7 Other (provide details if material)	-	-
Net operating cash flows	(324)	(1,191)

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	(324)	(1,191)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(37)	(40)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	(50)	(60)
1.12	Loans repaid by other entities	132	132
1.13	Other	-	-
	Net investing cash flows	45	32
1.14	Total operating and investing cash flows	(279)	(1,159)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	7,500
1.18	Repayment of borrowings	(400)	(6,670)
1.19	Dividends paid	-	(2)
1.20	Other (provide details if material)	-	-
	Net financing cash flows	(400)	828
	Net increase (decrease) in cash held	(679)	(331)
1.21	Cash at beginning of quarter/year to date	1,207	859
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	528	528

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	331
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	

Item 1.1 – cash revenues are represented by:

	Dec-08 quarter \$A'000	YTD \$A'000
Management fees	2,465	5,180
Transaction fees	512	512
Fund expense recovery	598	1,391
Total	3,575	7,083

Item 1.2 (e) – other working capital payments comprise the following:

	Dec-08 quarter \$A'000	YTD \$A'000
Fund expenses	466	1,040
Legal fees	-	396
Other professional fees	28	332
Occupancy	144	306
Commissions	580	648
GST payment	72	349
Other operating expenses	655	1,240
Total	1,945	4,311

Fund expenses are initially incurred on behalf of funds and are subsequently recovered from the relevant fund over the year. Timing of these flows does not necessarily match from quarter to quarter.

Commissions paid for the quarter are high due to timing issues (two quarters of expense paid in the December quarter).

The Company is currently investigating some acquisition opportunities that will if finalised lead to an increase in funds under management and management fee revenue. At this stage it is still uncertain as to whether these acquisitions will be finalised.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

MacarthurCook Limited is currently finalising the interim financial statements for the half-year ended 31 December 2008. It is expected that those results will include two significant non-cash items.

(i) Impairment expense

A further writedown is expected in the value of a number of the Company's investments in a range of MacarthurCook property funds due to the continuing decline of market valuations of properties and property securities. The writedown, termed an impairment expense, is expected to be in the range of \$7.5 million to \$8.5 million for the half-year ended 31 December 2008 compared to \$0.6 million for the half-year ended 31 December 2007 and \$10.3 million for the year ended 30 June 2008. The writedown is a non-cash expense.

(ii) Change in the fair value of financial liabilities

The Company has an exposure to two significant financial liabilities, being (i) a put option granted to a third party over its investment in the MacarthurCook Office Property Trust and (ii) an option granted to United Engineers Developments Pte Ltd ("UE") to sell its stake in the management company of MacarthurCook Industrial REIT. The value of these liabilities has increased, due to changes in the underlying drivers of the calculation such as the market valuation of the MacarthurCook Office Property Trust and the movement in the Singapore dollar / Australian dollar exchange rate. This has resulted in a non-cash expense of \$2.2 million for the half-year ended 31 December 2008 compared to \$0.4 million for the half-year ended 31 December 2007 and \$1.5m for the year ended 30 June 2008. The UE option is intrinsically linked to a management rights intangible asset. Accounting Standards do not allow the revaluation of this asset due to exchange rate fluctuations.

The detailed announcement of the MacarthurCook Limited results for the half-year ended 31 December 2008 (and lodgement of the Appendix 4D) is expected to be made on 24 February 2009.

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facility (cash advance)	7,100	7,100
3.2 Credit standby arrangements (overdraft)	500	188

3.1 The loan facility reduced by a payment of \$200,000 on 30 January 2009 and will reduce by a payment of \$600,000 on 30 April 2009. Thereafter, the loan facility amortises in quarterly instalments of \$400,000.

Reconciliation of cash

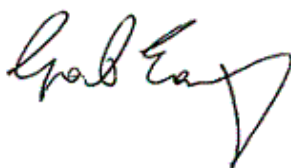
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	716	1,207
4.2 Deposits at call	-	-
4.3 Bank overdraft	(188)	-
4.4 Term Deposit	-	-
Total: cash at end of quarter (item 1.23)	528	1,207

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Kinloch Funds Management Limited	
5.2 Place of incorporation or registration	New Zealand	
5.3 Consideration for acquisition or disposal	NZ\$1.00	
5.4 Total net assets	NZ\$1.00	
5.5 Nature of business	Funds management	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 30 January 2009
Grant Earney
Chief Financial Officer