



13th June 2008

Exchange Announcement

SGX code: MCK

MacarthurCook and IOOF form Strategic Investment Management and Distribution Alliance

IOOF becomes Substantial Shareholder

MacarthurCook Limited (**MacarthurCook**) is pleased to announce that following discussions over recent months it has formed a strategic investment management and distribution alliance with IOOF Holdings Limited (**IOOF**).

The alliance provides a range of benefits to both MacarthurCook and IOOF, including the following:

- MacarthurCook will become the preferred direct property and mortgage investment manager of the IOOF Group, and will assume responsibility for the management of IOOF's current direct property fund
- The \$200m MacarthurCook Mortgage Fund will be re-branded the IOOF MacarthurCook Mortgage Fund
- IOOF will assume responsibility for the marketing and distribution of the IOOF MacarthurCook Mortgage Fund to investment platforms and financial planners
- Perennial Investment Partners, part of the IOOF Group, will be appointed as investment manager of the fixed income component of the IOOF MacarthurCook Mortgage Fund
- MacarthurCook and IOOF will work together on the development of a range of new direct property based investment funds
- IOOF will become a substantial shareholder of MacarthurCook by subscribing for 3.45 million MacarthurCook shares under a private placement at a price of \$1.15 per share, which will result in IOOF holding approximately 13% of MacarthurCook shares after completion of the placement
- IOOF has undertaken to participate in the MacarthurCook Dividend Reinvestment Plan (**DRP**) in respect of all of the shares it subscribes for under the placement

(the **Placement Shares**) in relation to the final dividend for the year ended 30 June 2008

- IOOF has the option to fully or partially underwrite the DRP in respect of the years ended 30 June 2008 and 2009 and the interim dividends for the half-years ended 31 December 2008 and 2009
- An IOOF nominee acceptable to the Board of MacarthurCook will be appointed as a director of MacarthurCook

Mr. Craig Dunstan, Managing Director of MacarthurCook said "As highlighted in last year's Annual Report MacarthurCook has been looking for some time to secure a domestic partner to help us grow our funds under management in Australia. The Australian market for investment products is competitive and we are pleased to have secured a party of the size and credibility of IOOF to assist us in increasing our presence in the retail market".

"This strategic investment management and distribution alliance allows MacarthurCook to concentrate on investment management and the continuing growth of our business overseas, and provides an immediate increase in our funds under management and revenue".

"Over coming months we will review our product range and the market opportunities to ensure we are well positioned to continue our growth".

In addition, in support of the parties commitment to their strategic alliance, IOOF has agreed not to dispose of the Placement Shares for a period of 2 years (provided that this restriction falls away where a takeover offer or scheme of arrangement that is recommended by the MacarthurCook board is announced or where a third party acquires voting power in MacarthurCook of more than 50%).

For further information, contact:

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About MacarthurCook:

MacarthurCook Limited (MCK) is an Australian Securities Exchange 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 \$A1.5 billion on behalf of over 25,000 investors. MacarthurCook is a quality endorsed company (ISO 9001:2000 international standard accreditation), and is the investment manager of the MacarthurCook Industrial REIT, MacarthurCook Industrial Property Fund, MacarthurCook Office Property Trust, MacarthurCook Retail Property Trust, MacarthurCook Diversified Property Income Fund, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, MacarthurCook Asian Real Estate Securities Fund, Advance Property Securities Fund, RMR Asia Pacific Real Estate Fund and



RMR Asia Real Estate Fund.

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

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

About IOOF:

Since its demutualisation and listing on the ASX in 2003 IOOF has substantially enhanced and strengthened its presence in the Australian wealth management marketplace.

As at 31 March 2008, IOOF had \$30.7 billion in funds under management and administration.

IOOF provides high calibre investment funds administration solutions and asset management capabilities.

The IOOF Group's specialist businesses include Portfolio Solutions and Investor Solutions which offer a range of modern investment management and administration solutions for investors and advisers, as well as quality financial advice and technical and online services. Through Perennial Investment Partners it offers leading boutique asset management services. In Consultum Financial Advisers Pty Limited it has a growing financial advisory dealer group network.

These four key businesses operate in tandem to deliver on the IOOF Group's objective of creating and distributing leading, quality financial products and services to advisers and their clients.